

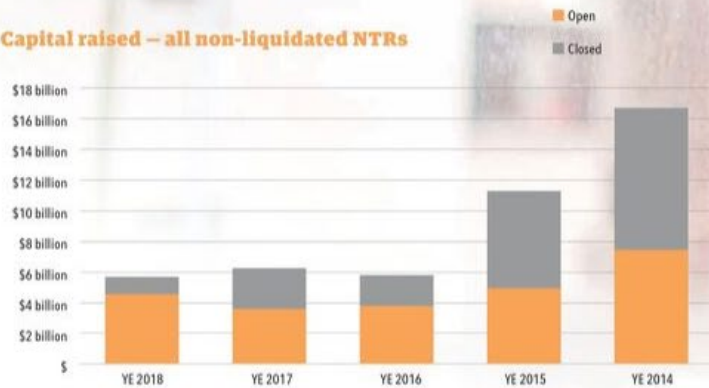
By Laura Sexton

# 2018

## by the numbers

A performance review of nontraded REITs during the year past

Capital raised – all non-liquidated NTRs



As of year-end 2018, there were 26 active nontraded REITs offered by 21 sponsors. Seven funds closed during the year with only four new funds opening. Liquidity events included five mergers, three completed asset sales, and only one listing on a public exchange.

American Finance Trust, formerly American Realty Capital Trust V, listed on July 19, 2018, with shares listed at \$15 per share. The stock declined 8.62 percent after its listing in 2018, roughly in-line with its diversified category peers. As of March 31, 2019, AFIN has declined 17.03 percent compared with a positive 13.76 percent for its peer group average.

NAREIT reported there were only five IPOs in the traded REIT market in 2018, one of the lowest numbers over the past decade, and roughly one-quarter of the 19 IPOs in 2013. Continued discounts to private market prices for public REITs could lead to further M&As in lieu of IPOs.

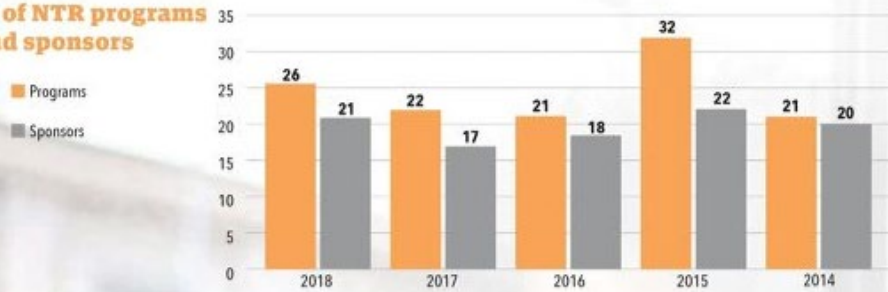
Active programs raised \$4.6 billion in 2018, the highest amount since 2015. Closed funds raised \$1.1 billion through distribution reinvestment programs. Total AUM for the nontraded REIT market increased modestly in 2018 to \$86.0 billion, still a fraction of the \$1.1 trillion traded REIT market. Open programs represent \$23.2 billion or 37 percent of this total, a larger percentage than prior years as capital raise has increased again for active nontraded REITs and older generation NTRs have liquidated assets.

Blackstone increased its leadership position to 63 percent of capital raised by active sponsors in 2018, up from 47 percent in 2017. Perpetual life NTRs represented 82 percent of the capital raised through Dec. 31, 2018 (which includes Blackstone), and the industry remains focused on core real estate strategies at nearly 90 percent of capital raised.

The following pages provide a snapshot of the industry as of Dec. 31, 2018.

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### Number of NTR programs and sponsors



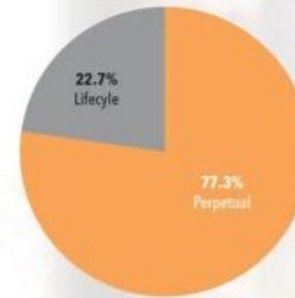
### Average interest rate on debt



### Average annualized distribution rates (open and closed NTRs)



### AUM by structure – all NTRs



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### AUM by strategy – all NTRs

