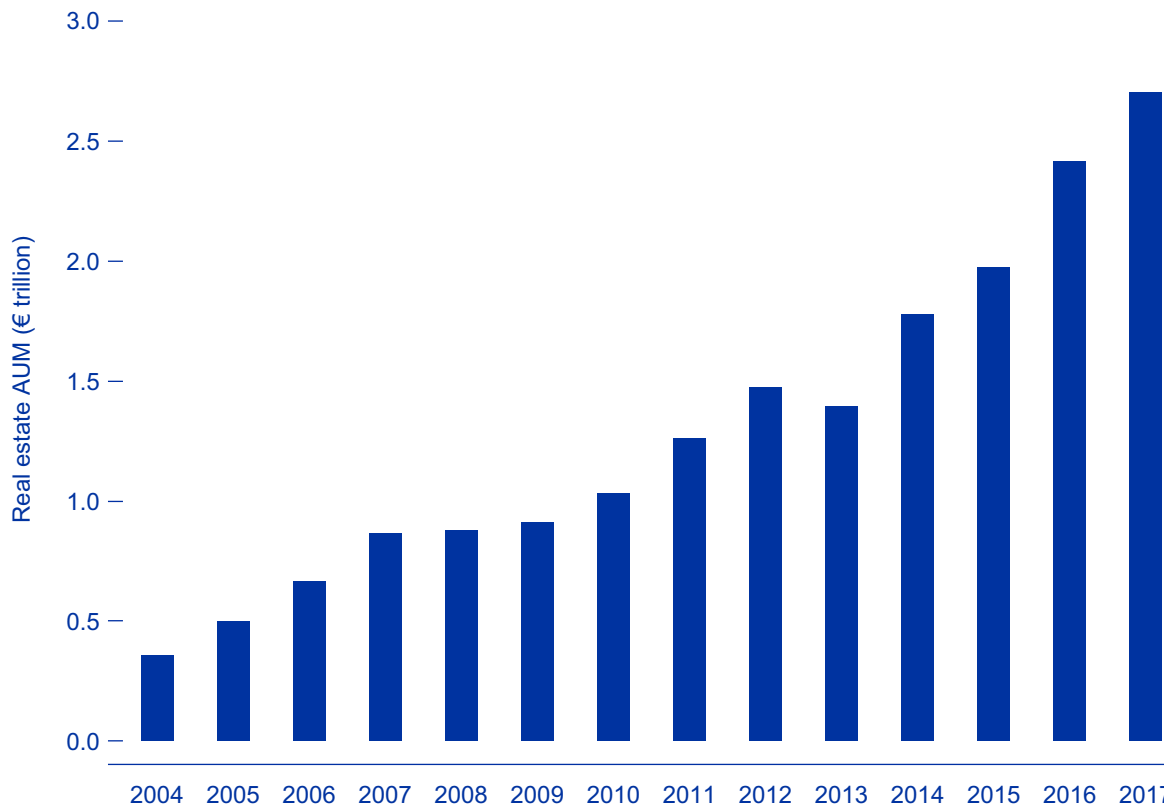


Managers need at least €100 billion to make it into the top 5

- > Total real estate AUM increased by 11.6%, from €2.4 trillion to €2.7 trillion
- > Five managers posted real estate assets under management of more than €100 billion each
- > Average AUM increased by 22.8%, from €13.6 billion to €16.7 billion

Total real estate assets under management (AUM) reached €2.7 trillion at the end of 2017, representing an increase of 11.6% from the €2.4 trillion recorded in 2016. The average AUM across all managers was €16.7 billion, up by 22.8% from the €13.6 billion average AUM recorded previously.

Figure 1: Total real estate assets under management



For the first time a quintet of managers posted real estate AUM of more than €100 billion each. Previously only three managers recorded an AUM in excess of €100 billion.

The 10 largest managers represent 38.7% of the overall AUM which is on par to levels observed in previous years. The degree of concentration among managers varies across the investment strategies. For global investment strategies, the top three largest players are much larger in terms of total AUM than the fourth-ranked player. This is not the case for all regional strategies. For Asia Pacific strategies the largest manager is much larger than the rest, while for European and North American strategies the leading players are bunched much more closely together.

The trend towards consolidation has led to an increase in mergers and acquisitions (M&A). Almost one in four managers have been involved in M&A activities in the last ten years, a slight increase on the previous year when this figure was just one in five.

With €184.3 billion of real estate AUM, The Blackstone Group tops the overall list. Their total real estate AUM increased by 28.7% from €143.2 billion previously. Brookfield Asset Management posted total real estate AUM of €147.9 billion, a modest 5.3% increase from the previous year bringing them to second place. In third position was PGIM with €121.6 billion of real estate AUM. Hines and TH Real Estate conclude the quintet of managers with AUM in excess of €100 billion, with €104.7 billion and €103.8 billion respectively.

PGIM topped the list for North American strategies with AUM of €95.3 billion, which is much larger than the €63 billion recorded by AXA Investment Managers – Real Assets who earned first place among managers operating European strategies. For both these strategies at least €30 billion is needed to make it to the top 10. In Asia Pacific CapitalLand Limited ranked first with €45.9 billion while The Blackstone Group earned its top place among global strategy managers with €93.5 billion, far ahead Prologis with €71.2 billion.

Non-listed real estate represents a significant portion of total real estate assets under management. Of the €2.7 trillion total AUM, non-listed accounts for 83.3% or €2.3 trillion with funds comprising almost half, 45.4% of the non-listed AUM. Meanwhile listed and other real estate represent 10.3% and 6.4% respectively.

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Figure 2: Top 10 fund managers by total real estate AUM

