

Non-Traded REITs Post Record Fundraising in January

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Sales of non-traded real estate investment trusts topped \$2.4 billion in January 2020, surpassing the previous highwater mark of nearly \$2.2 billion in August 2013, according to investment bank Robert A. Stanger & Company.

Blackstone Group's Blackstone Real Estate Income Trust raised nearly \$1.9 billion for the month, which was the highest monthly fundraising by a single REIT and the highest monthly fundraising by a sponsor, leading to the highest monthly fundraising by the industry.

Stanger said that Blackstone REIT beat the previous highwater mark by a program by nearly \$800 million and the highwater mark by a sponsor by \$378 million, both set in March 2013.

While Blackstone led January fundraising, Black Creek Group raised \$218 million during the month (\$205 million in lifecycle and \$13 million in NAV REIT sales), aided by the recycling of distributions from its liquidation of Industrial



Property Trust.

Starwood Capital Group raised \$145 million, followed by LaSalle Investment Management with \$60 million, and FS Investments with \$42 million.

“Earlier this year Stanger projected that non-traded REITs will raise more than \$15 billion in 2020, but based upon January fundraising alone, Stanger has already upped its estimate for 2020 to \$20 billion,” said Kevin Gannon, chairman and CEO. “These January records are just the start to what we predict will be a great year, as institutional quality entrants continue to ramp up sales and investors seek alternatives to stock and bond market investments.”

Stanger’s survey of top sponsors of alternative investments reported nearly \$3.7 billion in funds were raised in January via the retail pipeline. Alternative investments included in the survey are publicly registered non-traded REITs, non-traded business development companies, interval funds, non-traded preferred stock of traded REITs, as well as Delaware statutory trusts, opportunity zone and other private placement offerings.

The top alternative investment sponsors identified by Stanger are: Blackstone Group (nearly \$1.9 billion), Black Creek Group (\$228 million), Griffin Capital (\$178 million), Starwood Capital (\$145 million), Owl Rock Capital (\$144 million), Bluerock Capital (\$116 million), Inland Real Estate (\$85 million), LaSalle Investment Management (\$60 million), Variant Investments (\$55 million), and CION Investment (\$54 million).

“The diversity of products offered by these top fundraising sponsors is healthy for the industry,” said Trisha Miller, executive managing director of Stanger. “Product offerings by these firms run the gamut from non-listed REITs to BDCs to interval funds and DSTs. This speaks to the wide choice investors have today to access alternative investment strategies in a way that may meet their portfolio needs best.”

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