

Average fund manager size increases to €38.8 billion

- > Total global real estate assets under management (AUM) fell to €3.7 trillion¹ by the end of 2023
- > The 24 fund managers in the upper quartile account for 79% of the total global real estate AUM
- > Total AUM for the top 10 fund managers globally increased to €1.9 trillion at the end of 2023

Total global real estate assets under management (AUM) fell to €3.7 trillion in 2023¹, a 3.8% decline from the €3.9 trillion reported at the end of 2022.

This marks a second consecutive year of contraction for the global non-listed real estate industry, reflective of falling values and historically low capital raising activity across many markets globally.

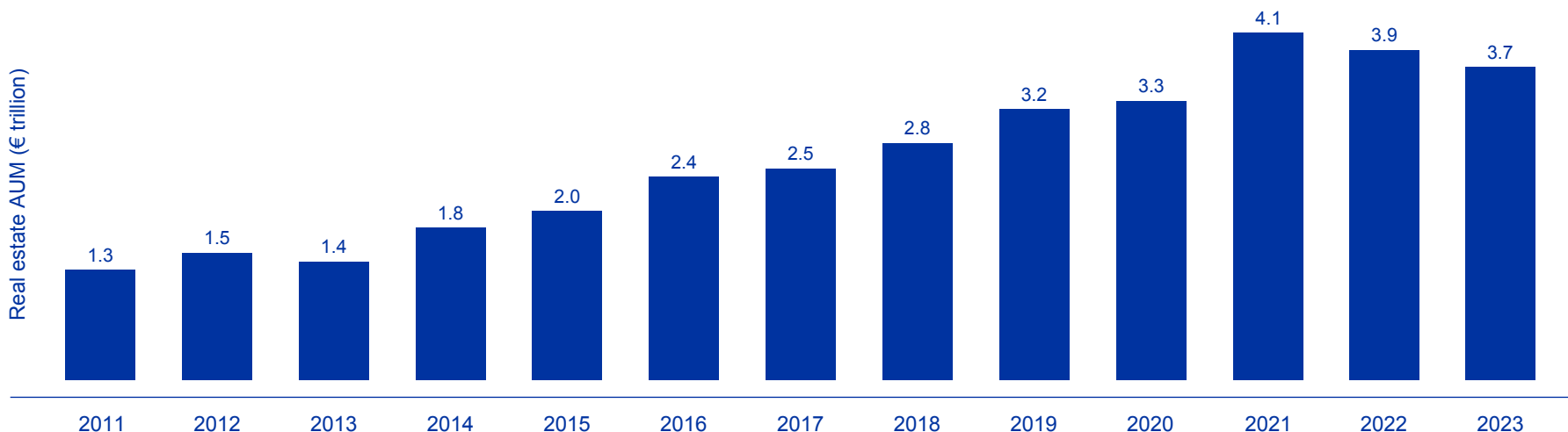
The average AUM across all 96 of this year's respondents stood at €38.8 billion – up by 14.2% on the €34.0 billion average reported in 2022.

This confirms an ongoing concentration of capital amongst the larger fund managers globally.

Fund managers situated in the upper quartile jointly represent slightly more than 79% or €2.9 trillion of the global real estate AUM at the end of 2023.

At least in part, this is down to a significant amount of consolidation, with high levels of merger and acquisition activity in recent years. Looking ahead, European fund managers is the only group that anticipates corporate merger and acquisition activity in 2024, in both cases, at around 10% by number of funds.

Figure 1: Total global real estate assets under management



¹The number is deemed to be representative of the global non-listed real estate fund manager universe despite some variation in the number of respondents to the survey from one year to another.

Top 10 reshuffle

The total AUM of the top 10 managers globally reached €1.9 trillion in 2023. The average top 10 fund managers' AUM increased to €189.6 billion, up from €182.5 billion in 2022.

There was a reshuffle of the top 10 fund managers globally, most notably among the largest five managers. Blackstone, Brookfield Asset Management, and Prologis retained the first second and third positions in the rankings, respectively. They were followed by Metlife Investment Management and UBS Asset Management in fourth and fifth place, respectively.

Blackstone has remained the only fund manager to feature in the top 10 rankings in all three main regions, as well as for global strategies.

As far as European AUM top 10 rankings, two of the top three fund managers remain the same apart from AXA, which is now in fourth position. Largely due to the acquisition of Credit Suisse, UBS has taken the top spot in 2023

The €275.1 billion combined AUM of Europe's three largest fund managers is almost on par with the collective AUM of the remaining seven managers in the top 10 (€306.7 billion).

Dry powder stood at €223 billion – 8.0% of total global fund manager AUM, just below the €213 billion (7.8%) reported at the end of 2022. It is highly concentrated in the upper quartile of fund managers by the global real estate AUM, with €178 billion (8.1% of the upper quartile AUM) of the €223 billion, an increase from €163 billion equivalent (7.2%) in 2022.

For further details, contact research@inrev.org. The full report is available to members at inrev.org/research.

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

