



Blackstone has \$29bn in dry powder

The New York-based investment manager has \$12.4bn of capital to deploy to real estate and \$14bn for private equity. Announcing its second quarter results, Blackstone wrote down its real estate portfolio by 19 percent.

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The Blackstone Group has \$29 billion in available dry powder to invest through its real estate, private equity and hedge funds.

Blackstone president Tony James said the firm had \$12.4 billion of uninvested capital from its real estate vehicles, and \$14 billion through its private equity platform.

Over the past year, the New York-based investment firm has deployed only small amounts of LP capital from its real estate funds, including \$252.7 million in the second quarter of this year, compared to \$215.1 million in the first three months of 2009 and \$209.8 in the last quarter of 2008.

However, announcing the firm's second quarter earnings today, James said in a media conference call that Blackstone had written down its real estate portfolio by 19 percent – taking the same hit as it did in the first quarter.

During the call, James also hit out at plans by the US Securities and Exchange Commission that could see private equity firms banned from hiring placement agents to raise money from public pensions.

James said the proposals were a “misguided overreaction” that could deny capital to smaller private equity firms, particularly minority and women-run platforms.

Blackstone reported its first quarterly profit in a year, with real estate revenues of negative \$18.9 million during the second quarter of 2009, compared to negative \$212.6 million in the first three months of this year and negative \$13.5 million during the same period in 2008.

In June, the firm closed its latest real estate vehicle, Blackstone Real Estate Partners Europe III, on €3.1 billion against an initial target of €2.5 billion.

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