



Blackstone to close European property fund in spring

The New York-based private equity real estate firm has raised €3.1bn to date for its third European vehicle, according to regulatory filings.

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The Blackstone Group has raised €3.1 billion for its third European property fund, according to regulatory filings.

The New York-based firm said it had raised €3.094 billion in commitments from 69 investors to date. Sources told *PERE* the firm was expecting to hold a final close for the vehicle, Blackstone Real Estate Partners Europe III, in the spring. Blackstone declined to comment.

During an earnings call last August, Blackstone president and chief operating officer, Tony James, said the firm had already raised €3 billion for the fund, which is the firm's 10th real estate fund overall and follows on the back of Blackstone Real Estate Partners VI, which closed last April on \$10.9 billion – the largest amount ever raised for a dedicated real estate vehicle.

At the time, James said Blackstone was focusing on distressed real estate assets and distressed sellers of real estate.

According to Pennsylvania Public School Employees' Retirement System, BREP Europe III has a hard cap of €3.5 billion and will make typical investments of between \$15 million and \$150 million in UK and Continental Europe properties. The Pennsylvania document added that previous Blackstone funds are on target to deliver 2x equity investment to investors.

BREP Europe III's predecessor fund closed on €1.55 billion in 2005 focusing on France, the UK and Germany. It made a big bet on the hospitality sector, with some 60 percent of the capital going into hotel investments. Just four percent went into debt.