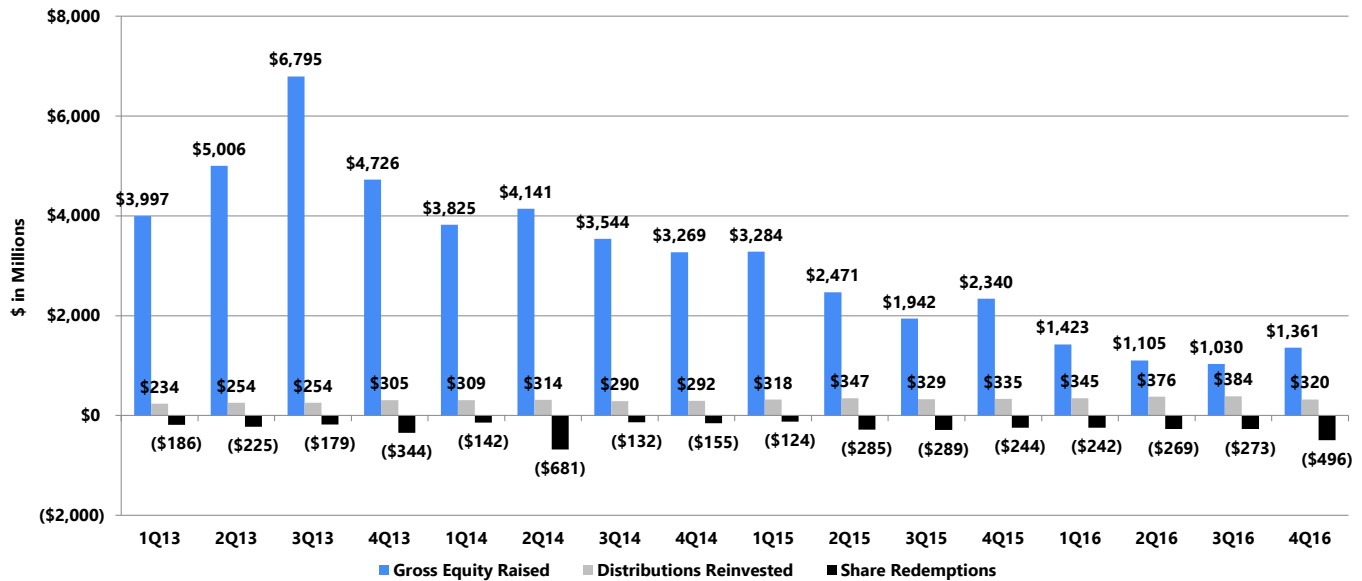


Non-Listed REIT Equity Capital Raise Historical Summary

Non-Listed REIT Equity Capital Raise - Historical Summary



Note: Historical capital raise includes all effective non-listed REITs and closed non-listed REITs that have distribution reinvestment and share redemptions.

Gross Equity Capital: In 4Q16, non-listed REIT gross equity fundraising increased to \$1.3 billion equity capital raised, primarily due to \$279 million raised by Blackstone Real Estate Income Trust in its new offering. Without Blackstone, non-listed REITs raised only \$1 billion in 4Q16. In 2015, non-listed REIT fundraising averaged \$2.5 billion per quarter, before dropping by 50% to an average \$1.25 billion per quarter in 2016. Regulatory changes, fraud charges related to certain sponsors, and high market prices have been factors for the fundraising declines and will continue to present significant headwinds for non-listed REIT fundraising in 2017. **Reinvested Distributions:** Reinvested distributions represent a significant source of equity capital for non-listed REITs. In 4Q16, non-listed REITs raised \$320 million through their distribution reinvestment programs. With only a few large closed non-listed REITs liquidating assets, reinvested distributions will continue to provide significant capital for redemptions and new investments by non-listed REITs. **Share Redemptions:** Share redemptions have remained high in the last seven quarters and increased to a record \$496 million in 4Q16. Non-listed REITs have redeemed \$1.3 billion in equity over the trailing four quarters. Most non-listed REITs cap annual share redemptions at 5% of outstanding shares, and certain closed non-listed REITs have closed their share redemption programs or are hitting their quarterly share redemption limits. The same factors that will create headwinds for non-listed REIT equity fundraising, in addition to limited liquidations, will continue to drive higher share redemptions in 2017 for closed non-listed REITs with open share redemption programs.