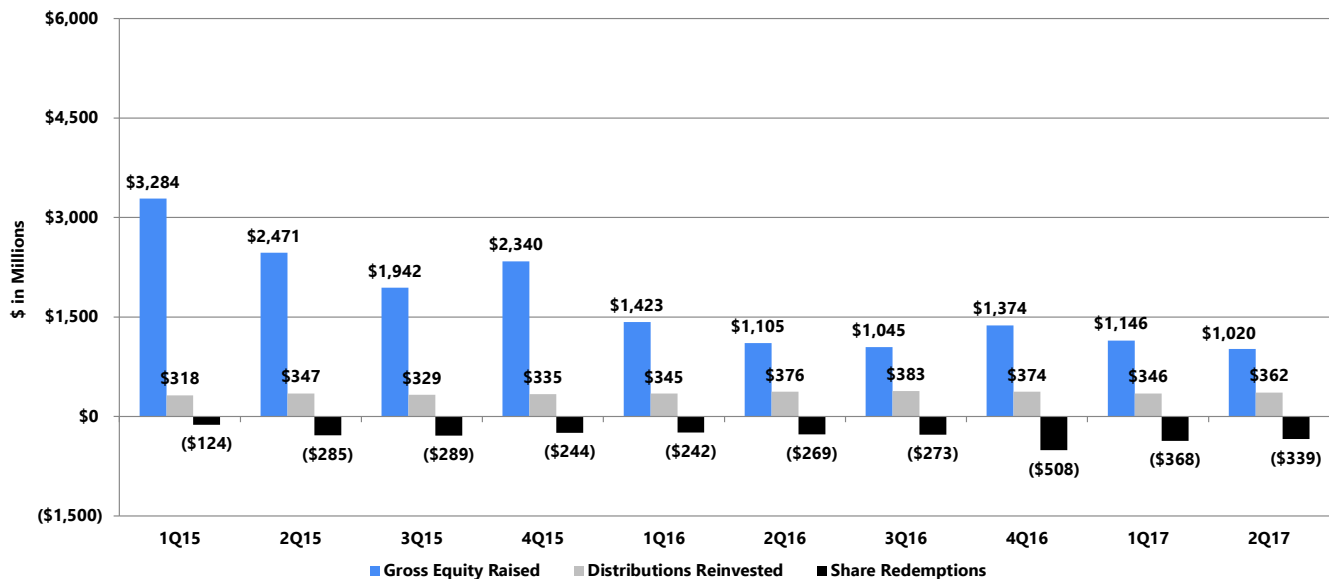


Non-Listed REIT Equity Capital Raise 2nd Quarter 2017

Historical Summary - All Non-Listed REITs



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 2Q17, non-listed REIT gross equity fundraising decreased to \$1.0 billion equity capital raised. Without Blackstone, non-listed REITs raised only \$600 million in 2Q17. In 2015, non-listed REIT fundraising averaged \$2.5 billion equity 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 REITs in the second half of 2017. The decline in non-listed REIT fundraising may not have hit bottom yet. **Reinvested Distributions:** Reinvested distributions represent a significant source of equity capital for non-listed REITs. In 2Q17, non-listed REITs raised \$362 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 eight quarters and were a high \$339 million in 2Q17. Non-listed REITs have redeemed a record \$1.4 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 fundraising will continue to drive higher share redemptions in 2017 for closed non-listed REITs with open share redemption programs.