



## Landmark Partners, an Ares company, Provides Update on Real Estate Secondary Market Transaction Volume

*Record Real Estate Transaction Volume Surged to \$10.6 Billion in 2021*

*Volumes Driven by Continued Strong Growth of GP-led Recapitalization Transactions*

**NEW YORK – January 25, 2022** – Landmark Partners, an Ares company, announced today that it has compiled market data and tallied 153 real estate secondary transactions, representing approximately \$10.6 billion of net asset value (“NAV”), that closed or were placed under contract in 2021. Landmark Partners is a longstanding investor in the real estate secondary market and has tallied NAV traded and other market statistics since 1996. The Firm compiles data on transactions that are closed or under-contract from a wide universe of sources, including its own transaction experience and ongoing dialogue with other key market participants.

The continued strong growth of fund and property portfolio recapitalization transactions, coupled with a rebound of LP interest transactions, propelled the full year 2021 volume to \$10.6 billion, a 24% increase over the previous record of \$8.5 billion recorded in 2020. The total number of transactions also reached an all-time high of 153, up significantly from 114 in 2020 and surpassing the previous record high of 127 in 2019.

GP-Led transactions involving the recapitalization of funds and property portfolios reached \$7.0 billion in 2021, or 66% of the total volume, representing a 25% increase from the \$5.6 billion achieved in 2020. Over the last five years, recapitalization transactions have grown at an annualized rate of 38% as the number of fund sponsors each year looking to proactively manage the liquidity of their funds and partnerships continues to grow. In 2021, transactions with underlying exposures to in-favor sectors such as rental housing, logistics and data centers accounted for \$5.2 billion, or 74% of the total recapitalization volume. While transactions with underlying exposures to in-favor sectors dominated the recapitalization transaction volumes over the last two years, we expect increasing volume from older funds reaching their maturity and funds more negatively impacted by the pandemic. This is consistent with managers looking to the secondary market to provide liquidity solutions to LPs while providing for additional time to finish business plans and monetize investments.

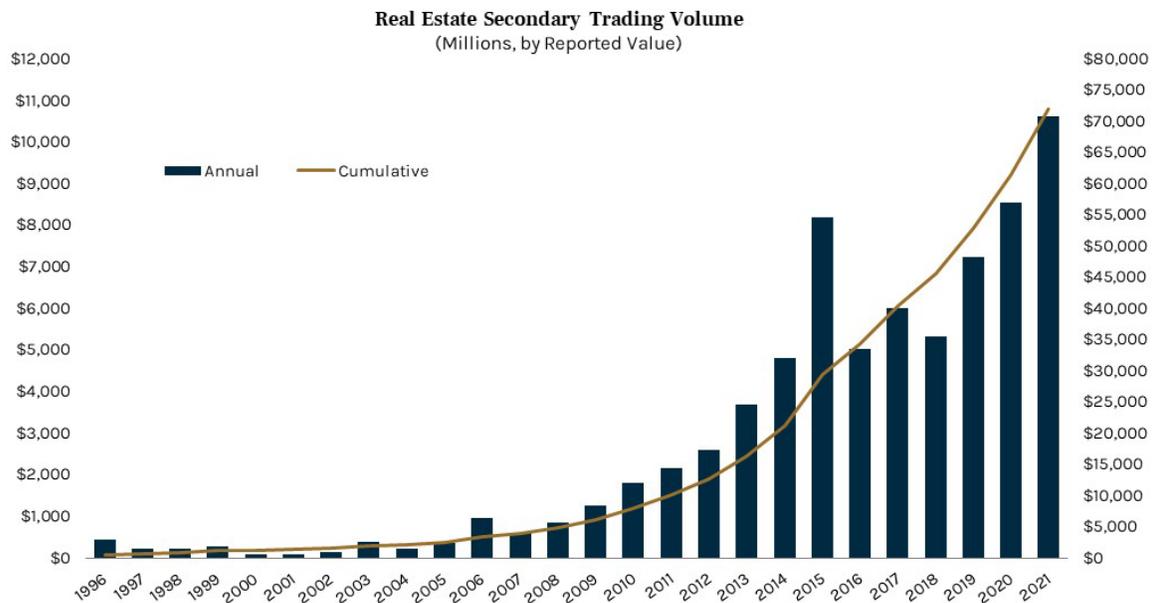
Transaction of LP interests in value-added and opportunistic funds rebounded in 2021, reaching \$1.9 billion, nearly doubling the low of \$1 billion recorded in 2020. This volume was driven by a number of small to mid-sized LP portfolio sales as well as large interests in a logistics fund. 2021 LP interest volume surpassed the \$1.8 billion of pre-COVID volume in 2019 and is slightly below the \$2.2 billion transacted in 2018. As investors gained better visibility of the pandemic’s uneven impact on property fundamentals and valuation, a number of LPs returned to the secondary market to address their pent-up portfolio management and liquidity needs. In the months ahead, we anticipate an increasing number of LPs will look to transact across their fund portfolios.

Just over \$1.6 billion in open-end core funds traded in the secondary market globally in 2021, down slightly from the \$1.8 billion recorded in 2020. While many stronger performing funds have seen their redemption queue diminished or even entirely eliminated, investors

continue to utilize the secondary market as they rebalance their core real estate portfolio toward optimal sector exposure against a backdrop of unprecedented divergence in performance between resilient in-favor sectors and sectors facing headwinds.

During 2021, U.S.-weighted partnerships accounted for 53% of volume, European-weighted and Asia-weighted partnerships accounted for 20% each, and global partnerships accounted for the remaining 7%. The significant increase of Asia-weighted partnerships from an average of 7% in the prior five-year period is driven by several large transactions with underlying exposures in logistics, data center and R&D parks, demonstrating investors’ keen interest in these emerging sectors in the fast-growing Asia region.

Outside of fund and portfolio recapitalization transactions, insurance companies and non-U.S. pension funds were the most active sellers in 2021, each accounting for 7% of volume. U.S.-based sellers continue to be the most active, generating 55% of total volume, followed by Europe at 24% and Asia at 20%. The significant increase of share of Asia based sellers is tied to the several large Asia transactions referenced above.



Source: Landmark Partners

The Landmark Partners dataset does not include the entire volume of “LP-to-LP” trades and, as a result, could understate the aggregate volume of activity. Such trades are naturally discrete and typically not publicly disseminated. Transaction volume reflects an estimate of manager Reported Value at the time of sale; excludes trades of less than \$10 million in U.K. and European unlisted funds.

**Past performance is not indicative of future results. There can be no assurance that historical trends will continue.**

### **About Landmark Partners, an Ares company**

Landmark Partners, an Ares company is one of the largest and most experienced investors in acquiring secondary private fund ownership stakes in the alternative asset management industry. We provide bespoke and customized liquidity solutions across the private equity and credit, real estate and infrastructure asset classes. With over 30 years of experience in the market, Landmark focuses on generating attractive risk adjusted returns through its leading industry analytics and research, robust deal origination, underwriting and portfolio management activities. As of September 30, 2021, Landmark Partners' platform had \$20.7 billion in assets under management with dedicated investment and quantitative research teams located in six offices across the United States, Europe and Asia. Landmark Partners operates in the Secondary Solutions Group of Ares Management Corporation (NYSE: ARES), a leading global alternative investment manager.

[www.aresmgmt.com/our-business/secondary-solutions](http://www.aresmgmt.com/our-business/secondary-solutions)

### **About Ares Management Corporation**

Ares Management Corporation (NYSE: ARES) is a leading global alternative investment manager offering clients complementary primary and secondary investment solutions across the credit, private equity, real estate and infrastructure asset classes. We seek to provide flexible capital to support businesses and create value for our stakeholders and within our communities. By collaborating across our investment groups, we aim to generate consistent and attractive investment returns throughout market cycles. As of September 30, 2021, Ares Management Corporation's global platform had approximately \$282 billion of assets under management, with approximately 2,000 employees operating across North America, Europe, Asia Pacific and the Middle East. For more information, please visit [www.aresmgmt.com](http://www.aresmgmt.com). Follow Ares on Twitter @Ares\_Management.

### **Contacts**

#### **Landmark Partners**

Laura Radmore  
+1 860-408-3502  
[laura.radmore@landmarkpartners.com](mailto:laura.radmore@landmarkpartners.com)

#### **Ares Management**

Jacob Silber  
+1 212-301-0376  
[media@aresmgmt.com](mailto:media@aresmgmt.com)