



**For Immediate Release**

Contact: Mike MacMillan  
MacMillan Communications  
908.868.8063  
[mike@macmillancom.com](mailto:mike@macmillancom.com)

## **\$79.4 BILLION IN DEFINED CONTRIBUTION CAPITAL NOW INVESTED IN PRIVATE REAL ESTATE**

*Number of investment options available to plan participants continues to grow;  
Asset class outperformed during pandemic-driven market turbulence*

NEW YORK, (Sept. 28, 2022) – The amount of capital invested in private real estate through Defined Contribution (DC) plans has continued to grow, reaching \$79.4 billion in 2021, according to a survey of asset managers conducted by the [Defined Contribution Real Estate Council](#) (DCREC), NAREIM, and Ferguson Partners.

The number of investment options available to plan participants continued to grow as well. Of the 32 real estate asset managers surveyed, three-quarters reported they either had a product or were actively developing or considering a product for the DC market.

“The steady movement of defined contribution capital into existing products and the volume of firms actively working on, or considering, new product offerings in the DC space is impossible to ignore,” said Justin Pellino, Vice President of Ferguson Partners. “Tracking the evolution of this investor class is important for our industry, and we are grateful for the continued privilege of partnering with both DCREC and NAREIM on this important endeavor.”

The report noted that for those real estate managers with a track record of five years or longer assets under management (AUM) grew by 44% from 2017-2021 in spite of pandemic-driven turbulence.

“Awareness of the value of private real estate as an asset class within DC portfolios has been growing among investors, and in 2021 hit levels not seen for five years,” said Zoe Hughes, chief executive at NAREIM. “That increased participation translates directly into the diversity of product, strategies and structures available to DC plans. That, in turn, benefits everyone.”

“Diminishing opportunities for diversification and alpha in today’s public markets – coupled with a low growth, high inflationary environment – is making the inclusion of core private real estate essential, not optional, in retirement portfolios,” said Jani Venter, Co-President at DCREC. “The asset class benefits are supporting the renewed momentum and growth of DC capital invested in private real estate.”

### **Improving the probability of achieving desired outcomes**

Earlier research by DCREC has established the potential benefits of adding direct real estate to a DC plan portfolio with as little as a 10% allocation to the asset class enhancing the risk-return profile and improving the probability of successfully achieving the desired retirement outcomes.

“The industry has continued to evolve and to establish ‘best practices’ to address issues like liquidity and daily valuation, identified as concerns by survey participants,” said Venter. “We expect to see further growth in both assets under management and available products going forward.”

### **A note about the survey:**

*First created in 2015 by the Defined Contribution Real Estate Council (DCREC) as part of its annual survey of real estate investment managers, the Defined Contribution Survey has become an integral tool for understanding strategies real estate investment managers are using to target the DC market.*

*In 2022, DCREC partnered with NAREIM and Ferguson Partners for the second consecutive year to expand on the metrics being tracked and to provide a benchmark of DC capital raising and structuring considerations. The Survey also again studied the organization and staffing best practices among real estate investment managers in their efforts to capture DC assets.*

*For a full copy of the report, go to [DCREC.org](http://DCREC.org).*

### **About the Defined Contribution Real Estate Council (DCREC)**

The Defined Contribution Real Estate Council was formed in 2012 to promote the inclusion of investments in direct commercial real estate and real estate securities, including REITs, within defined contribution plans. Its goal is to improve participant outcomes by furthering education about, advocacy for, and best practices of such investments.

Members include many of the leading providers of real estate investment products to the defined contribution marketplace.

Contact: Mary Adams, [info@dcrec.org](mailto:info@dcrec.org)

### **About NAREIM**

**NAREIM** is the industry association dedicated to the business and organizational strategy of real estate investment management. Founded in 1990, NAREIM today represents real estate investment management firms with combined assets under management of \$2.6 trillion.

For 30 years, NAREIM has been the home of real estate investment management benchmarking and best practice education, where investment managers candidly share intelligence and learn — through peer-to-peer workshops — how to drive process and strategy, and how others in the industry are innovating their businesses, their departments, and individual roles and strategies.

NAREIM's benchmarking research comprises enterprise-wide organizational metrics (the Global Management Survey), real estate investment management's only industry-specific Compensation Survey, the first corporate DEI Survey and now, organizational metrics focused on Defined Contribution capital raising, structuring and best practice education.

Contact: Zoe Hughes, [zhughes@nareim.org](mailto:zhughes@nareim.org)

### **About Ferguson Partners**

**Ferguson Partners** is a global talent management boutique serving all industries and with a strong concentration of real estate, real assets, healthcare, hospitality and private equity clients. In our practice, Ferguson Partners orchestrates the essential disciplines impacting strategy and human capital. These include executive and board

recruitment, compensation consulting, diversity, equity & inclusion, leadership consulting, and management consulting. We deliver trustworthy solutions that help clients capitalize on the advantages of great leadership. Our boutique firm has 11 offices worldwide, each of which is dedicated to understanding our clients' unique needs and advancing their success.

Contact: Justin Pellino, [jpellino@fergusonpartners.com](mailto:jpellino@fergusonpartners.com)

###