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3) Secondary markets' day is coming



Investment funds are just realizing they've got to go to **secondary markets** to get returns, Atalanta Advisors' **Annu Chopra** tells us, but there's a **time gap** between that revelation and closing deals. Now that investors are taking those meetings, deals will start finalizing in secondary markets in **Q2**. She equates this part of the **cycle** to Q3 '11, when investors started paying attention to **development opps**; deals, though, didn't close until Q2 and Q3 2012.

4) Investors want to write bigger checks



Annu and **Rachel Gilbert Solomon** (above) say **discretionary funds** are racing to **deploy** existing capital so they can take advantage of the slowly improving climate for raising fresh capital. Those that were investing in \$10M chunks want \$15M or \$20M deals (at typical LTVs, that's a \$70M deal), and \$15M investors want \$30M opportunities. That means it's harder to find private equity partners for **smaller deals**, but for those willing to buy in on the low side, there's **less competition**.