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From Funds to Platforms: The Shift to Enterprise Value in Real Estate Investing

Over the past 35 years, institutional real estate investing has evolved from a relatively simple, intermediated investment model into a complex, multidimensional ecosystem. The central driver of that evolution has been the flow of capital: how it is raised, how it is deployed, and who controls the platforms through which it moves.

Today, capital is flowing through a new channel; not only into assets themselves, but to the businesses that source, manage, and scale them. Institutional investors are increasingly seeking exposure beyond traditional fund structures, looking to participate in the economics, governance, and growth of the operating platforms through which they have invested for decades.

The emergence of Platform Investing reflects this shift. More than simply a new investment structure, it represents a broader evolution in how capital engages with the asset class, with implications for investors, managers, and operators across the market.

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The Conditions That Built the Modern Market

In the early 1990s, institutional participation in real estate was limited in both scale and sophistication: just 34 firms operated in the space. What followed was an acceleration driven by a confluence of structural and macroeconomic forces: a multi-decade expansion of pension capital, a prolonged declining-rate environment that reduced the relative appeal of traditional fixed income, and the dislocation initially created by the savings and loan crisis and then followed by subsequent financial dislocations and resultant price revaluations.

The result was the rapid institutionalization of real estate private equity, a market that has grown to more than 1,400 firms today.¹

THE GROWTH IN REAL ESTATE INVESTMENT MANAGEMENT

A perfect storm of capital flows and macro conditions led to a tremendous growth in real estate private equity over the past 35 years.

1. CAPITAL:

\$27 trillion of pension contributions

2. INFLATION:

40 years of stable, low inflation environment

3. INTEREST RATES:

~40-year decline from 1981–2022

4. ALLOCATIONS:

7x increase to Alts



Growth in Real Estate Investment Management — from 34 firms (1992) to 1,400+ today, alongside macro drivers

SOURCE: Preqin (February 2026, number of firms represents cumulative count from 1992).

The Fund Model and Its Evolution

The fund structure that emerged to channel this capital was borrowed from private equity: LPs provided capital, GPs allocated it, and operating partners executed at the asset level. For institutions entering a new asset class, the model offered access, diversification, and professional management within a familiar governance framework.

As institutional capital scaled into the asset class, the fund model provided an efficient mechanism for deployment. Over time, however, the very success of this model began to reshape the roles within it.

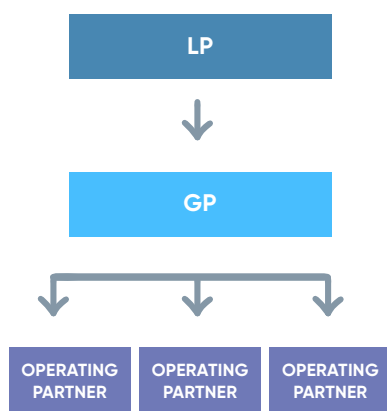
Institutional investors built internal teams capable of engaging operating partners directly. Fund managers pursued vertical integration to control more of the value chain. Operating partners, having established their track records, began cultivating direct LP relationships and evolving into investment managers.

In place of a clearly defined hierarchy, a more interconnected system has emerged, one in which capital, operating expertise, and investment strategy increasingly reside within integrated platforms.

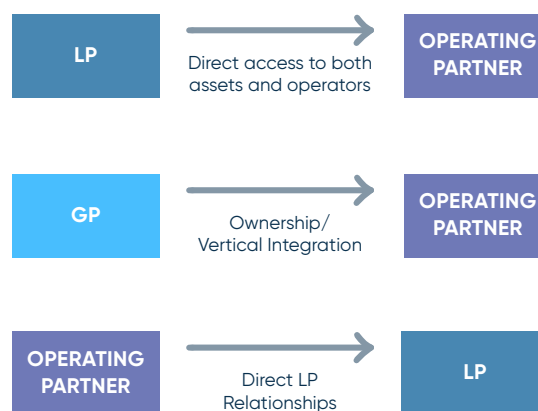
AN EVOLVING BUSINESS MODEL

Once-distinct roles have evolved into more integrated investment platforms.

THE TRADITIONAL INVESTMENT MANAGEMENT MODEL



MULTIPLE INVESTING MODELS IN A MATURING INDUSTRY



Evolution of the Business Model—from the linear LP–GP–Operator structure to integrated models with direct access and vertical integration

Capital Concentration and a Changing Market Structure

As these roles evolved and the market matured, capital began to concentrate among a smaller group of scaled managers. This shift reflects not only performance dispersion, but also a preference among LPs for established platforms capable of deploying capital across strategies and cycles.

A MATURING INSTITUTIONAL ALLOCATION MODEL

More and more capital has concentrated around fewer managers, while more operators and small managers are working directly with LPs

CAPITAL RAISED BY VINTAGE YEAR



Capital Raised by Vintage Year — share captured by top 50 funds vs. bottom 3,000+.²

SOURCE: Preqin (Feb. 2026). \$ in billions.

This concentration has also pushed differentiation to the edges of the market. Outside the top tier, managers and operators have increasingly pursued specialization, direct capital relationships, and new investment structures, contributing to a meaningful shift in how institutional capital accesses the asset class.

The allocator fund model, which represented approximately 63% of fundraising share in the 2000–2015 period, fell to 38% by 2016–2024. Operator-led strategies and large-scale multi-strategy platforms have grown in their place.³

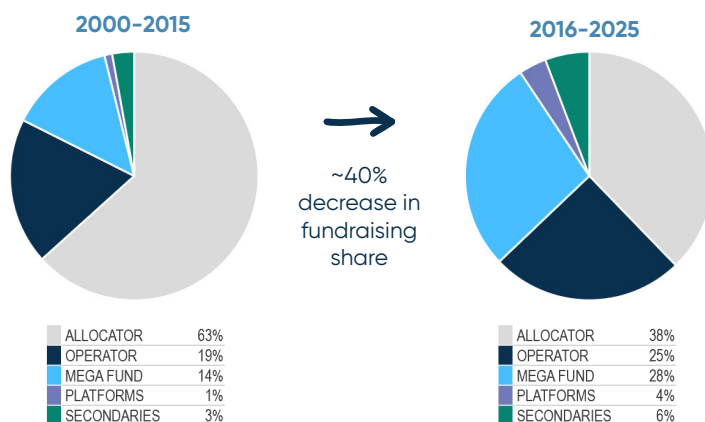
Taken together, these dynamics — the blurring of traditional roles, the scaling of leading managers, and the concentration of capital — have shifted where value is created within the ecosystem. Increasingly, differentiation is driven not only at the asset level, but at the platform level. It is within this context that Platform Investing has emerged.

Platform Investing: Capturing Business Value

In real estate investment management, the business itself carries value distinct from the assets it manages. A scaled investment platform – with diversified strategies, embedded operating capabilities, and durable institutional relationships – can generate meaningful enterprise value alongside investment returns. Historically, that value has accrued primarily to the GP. Platform Investing represents a structural shift in which institutional capital seeks to participate directly in the enterprise value created by the platforms through which it invests.

FUNDRAISING SHARE BY MODEL & VINTAGE

There has been a clear shift in capital flows from the traditional allocator model into “mega funds” and operator-led strategies

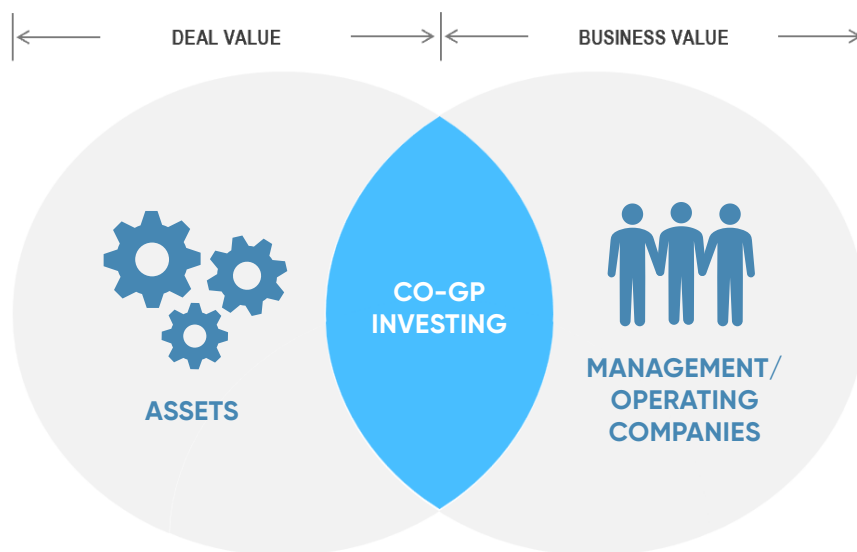


Fundraising Share by Model & Vintage — full spectrum of fund model categories (2000–2015 vs. 2016–2025)

SOURCE: Preqin (Feb. 2026).

CAPTURING PLATFORM VALUE

LPs are the engine behind the growth of investment management businesses and are increasingly seeking to participate in the enterprise value they help create.



Capturing Platform Value — the spectrum from asset-level deal value to business-level enterprise value, with co-GP investing at the intersection

The Rise of Platform Investors

The evolution described above has given rise to a distinct class of dedicated platform investors (ranging from traditional LPs to managers who aggregate institutional capital), whose explicit mandate is to invest in real estate platforms and participate in the associated enterprise value, cash flows, and GP economics. These investors operate across a range of structures, each representing a different expression of the same underlying thesis:

- Minority staking and scaling investments, where a partial, often passive position is taken to accelerate platform growth.
- Co-GP arrangements, where the investor provides GP capital in exchange for a share of promote.
- Majority or control ownership, where the investor builds or acquires a business outright.
- Seeding strategies, where capital is provided to launch a new platform from the ground up.

These are not separate categories so much as tools, deployed based on the opportunity and the platform's stage of development.

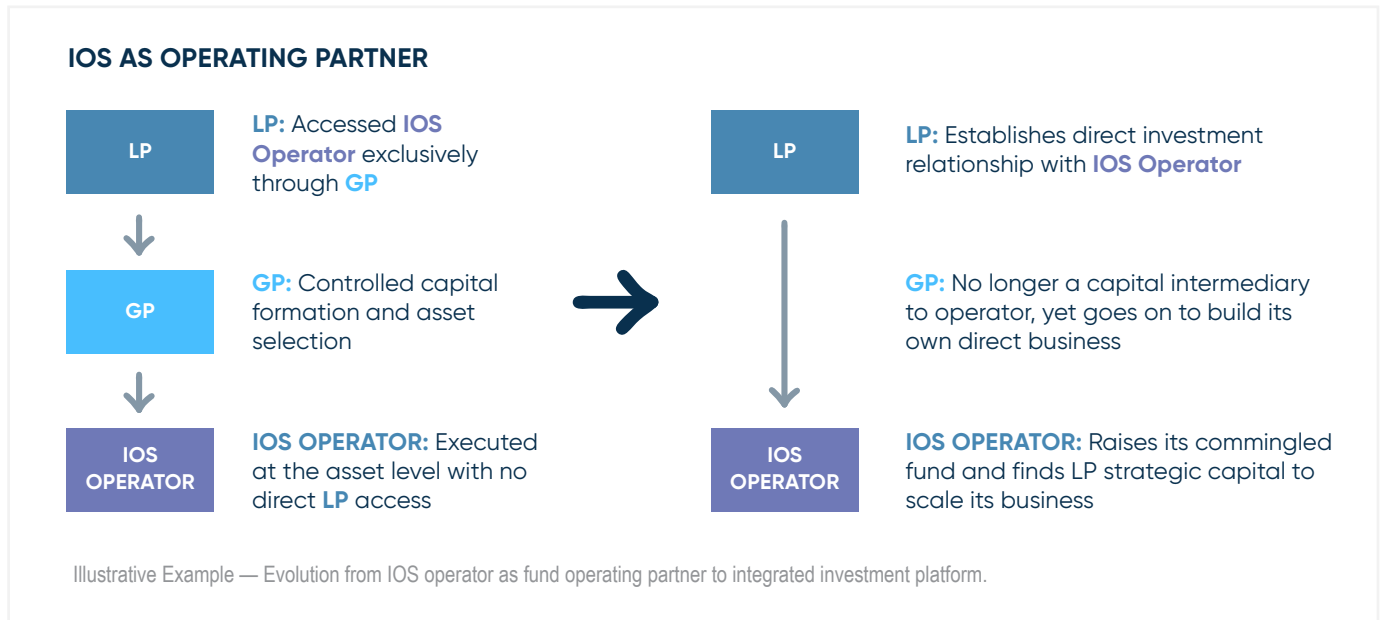
Consolidation is one important backdrop to this. As leading managers have scaled across asset classes, geographies, and distribution channels, they have built businesses with the infrastructure, brand, and LP relationships to support institutional ownership at the platform level. This has contributed to a wave of M&A activity and made platform-level transactions increasingly common.⁴ But consolidation is context, not definition. The deeper point is that a dedicated class of investors has emerged with the explicit mandate, the specialized capabilities, and the structural toolkit to invest in platforms across their full lifecycle, not just in moments of consolidation.



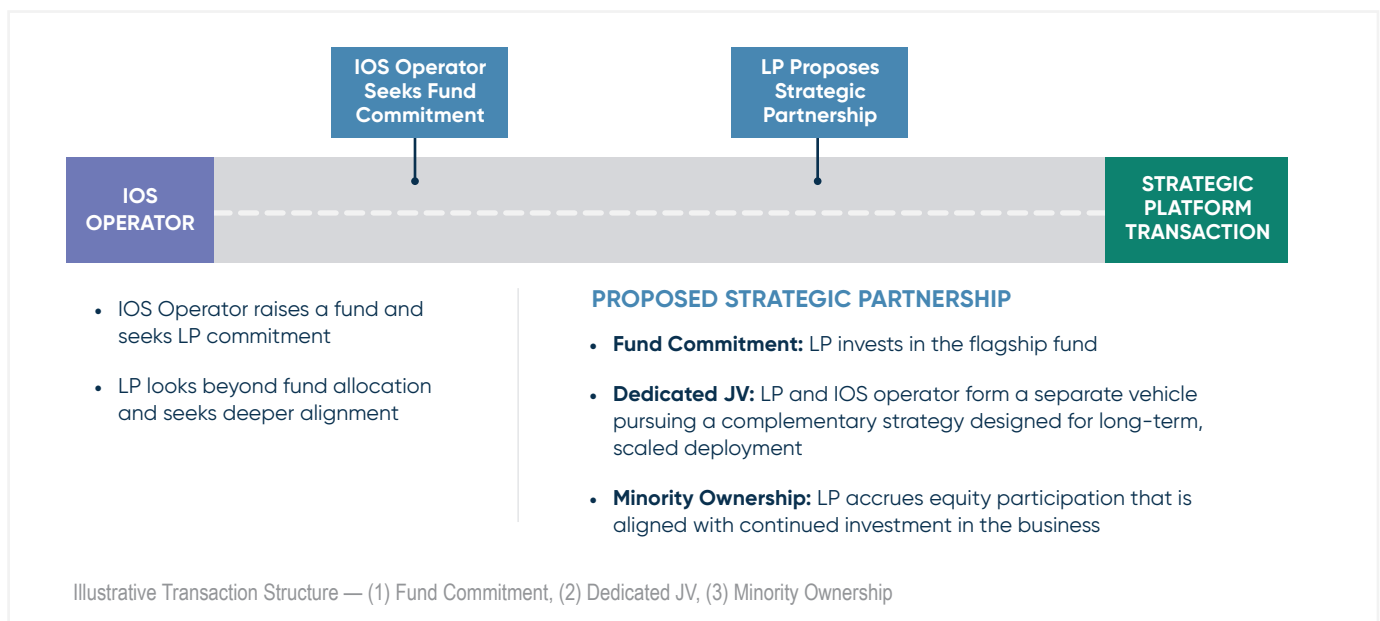
Illustrative Example: An IOS Platform Evolution

The following hypothetical example illustrates how an operator, in this case, an industrial outdoor storage (IOS) platform, can evolve its relationship with an institutional investor from a conventional fund structure into a multi-layered strategic partnership.

In the initial model, the LP accesses the IOS operator exclusively through a GP intermediary. The GP controls capital formation and deployment; the operator executes at the asset level with no direct LP access.



As the relationship develops, the LP proposes a broader engagement. Rather than limiting its involvement to a fund commitment, the LP structures a multi-part partnership: a fund commitment, a dedicated joint venture targeting a complementary strategy, and a minority ownership stake in the operating business itself.





The structure is designed to benefit both parties. The operator gains a stable capital base and a strategic partner to support platform growth. The LP gains deeper access to the strategy, stronger alignment of interests, and participation in enterprise value as the business scales.

This evolution highlights several broader shifts underway in the market: the movement from indirect to direct relationships between capital and operators, the integration of investment and operating capabilities within platforms, and the growing importance of enterprise value alongside asset-level returns. What was once a linear investment chain run through GP allocators is increasingly becoming a set of direct, long-term strategic partnerships between LPs and operators.

Conclusion

If the first phase of institutional real estate investing was about accessing assets, and the second was about optimizing structures, the current phase is defined by a deeper integration of capital and capability.

For LPs, this means evaluating not only investment strategies, but the platforms through which those strategies are executed. For GPs and operators, it means competing not just on deal performance, but on the scalability, resilience, and strategic value of their businesses.

Platform Investing is a continuation of the industry's underlying logic, but also a meaningful shift in where control, alignment, and value reside. As capital becomes more concentrated and more selective, the ability to engage at the platform level may increasingly define which participants shape the next phase of the market's evolution.

Data Sources

1. Preqin (February 2026): Number of real estate investment management firms represents cumulative count from 1992.
2. Preqin (Feb. 2026): Capital raised by vintage year (\$ in billions). Top 50 funds captured 72% of total capital raised 2013–2025; 80% of total capital raised 2024–2025.
3. Preqin (Feb. 2026): Fundraising share by model and vintage. Allocator: 63% (2000–2015) → 38% (2016–2024). Operator: 19% → 25%. Mega Fund: 14% → 28%. Platforms: 1% → 4%. Secondaries: 3% → 6%.
4. Preqin, CapIQ: Consolidation activity data.

About GCM Grosvenor

GCM Grosvenor (Nasdaq: GCMG) is a global alternative asset management solutions provider with approximately \$97 billion in assets under management across private equity, infrastructure, real estate, credit, and absolute return investment strategies. The firm has specialized in alternatives for more than 50 years and is dedicated to delivering value for clients by leveraging its cross-asset class and flexible investment platform.

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