

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **U.S. Pension Funds Turn to Riskier Real-Estate Bets.**

### **Large public retirement systems hope to close funding gaps by embracing so-called opportunistic investments**

U.S. public pension funds are taking on more real estate, and at times some of the riskiest types of property investments, as they try to close their funding gaps.

American public plans with more than 20,000 members had an average 7% of their assets in real-estate investments at the end of 2017, according to a Wall Street Journal analysis of Boston College's Public Plans Data, which contains the most recent numbers available. That is up from 4% in 2006, representing more than \$120 billion in additional pension money flowing into real estate.

Some of this increase is due to the construction of new properties designed to be sold later for a profit. These so-called opportunistic investments by pensions grew nearly sixfold between 2006 and 2016 even as allocations to "core" existing properties remained flat, according to an analysis by CEM Benchmarking.

[Continue reading.](#)

### **The Wall Street Journal**

By Heather Gillers

Nov. 26, 2018 7:00 a.m. ET