

Creating Competitive Deal Processes in Real Estate

HOW LEADING FIRMS WIN DEALS BEFORE
THEY EVEN BEGIN



In the world of institutional real estate, deals are won long before the term sheet is signed. As markets grow more competitive, capital more mobile, and seller expectations higher, the firms that succeed are those that know how to manufacture competitive tension—not just react to it.

From Blackstone's off-market acquisitions to Starwood's operational speed, the most successful real estate firms have redefined what a "competitive process" means. It's not about simply showing up with capital—it's about showing up with leverage, insight, and urgency.

Why Competition Has Changed

Institutional real estate has seen massive inflows of capital in recent years. According to Preqin, dry powder across global real estate funds surpassed \$400 billion in 2024. With more buyers at the table, asset prices remain elevated and traditional sourcing channels are saturated.

In this environment, the firms that win are those who can spot deals early (often before they hit the market), create real or perceived competition among counterparties, accelerate decision-making without sacrificing diligence, and demonstrate execution certainty and post-close value creation.

The Blackstone Playbook: Scale + Speed = Advantage

Blackstone is often first in line for major assets not because it offers the highest price—but because it can close with unmatched speed and certainty. The firm's reputation allows it to short-circuit traditional bidding processes. A 2023 case in point: Blackstone's acquisition of data center platform QTS Realty Trust. With pre-negotiated diligence pathways, a dedicated deal team, and aligned capital partners, Blackstone moved from offer to close in record time, leaving competitors behind.

"Our competitive edge is readiness. When others are evaluating, we're executing."

— Jon Gray, President & COO, Blackstone (Earnings Call, Q3 2023)

Starwood Capital: Crafting the Illusion of Scarcity

Starwood has mastered the art of managing both sides of the table—using scarcity and story to control deal dynamics. When bidding on a marquee hotel portfolio in 2022, Starwood proactively pre-identified JV partners, off-market debt, and exit scenarios, demonstrating not only purchase intent but long-term alignment.

This gave sellers confidence in execution and strategy, turning a multi-party process into what one insider described as a "closed-loop deal" within two weeks.

Competitive dealmaking is about controlling the timeline, not just offering terms."

— Barry Sternlicht, CEO, Starwood Capital Group

Ares Management: Data-Driven Speed

Ares leverages its integrated investment platform—spanning credit, equity, and real assets—to price risk with precision. This allows Ares to offer aggressive but rational bids, particularly in transitional assets.

In 2023, the firm used proprietary property-level analytics (traffic, demographics, NOI modeling) to preempt a multi-family bid in the Southeast U.S., securing exclusivity before competitors fully engaged.

"Information asymmetry is a weapon. Our data tells us what others don't see." — David Roth, Partner & Head of Real Estate, Ares Management (REITWeek 2023)

The Silent Edge: Relationship Intelligence

Finally, in real estate, *who you know still beats what you bid*. Access to brokers, LPs, local partners, and tenant ecosystems can surface deals before they're marketed. Top firms now employ relationship intelligence tools to map influence networks across counterparties—adding an analytical layer to what was once gut instinct.

Winning in today's real estate market is about more than capital and conviction. It's about designing a deal process that exerts psychological and strategic pressure—on sellers, partners, and even competitors.

The most successful firms don't just compete; they *shape the competition*. In doing so, they make it nearly impossible to say no.