

Sept. 1, 2020

CONTACT

Alex Ruiz

(925) 949-4300

alex.ruiz@novoco.com

Novogradac Opportunity Fund List Shows Nearly \$2 Billion in Additional Investment

Equity Surpasses \$12 Billion; Incentive Could Be Vital Tool for Economic Recovery

SAN FRANCISCO – Equity raised by qualified opportunity funds (QOFs) listed on the [Novogradac Opportunity Funds List](#) surpassed \$12 billion, data that comes on the heels of an estimate made last week by the White House Council of Economic Advisers (CEA) that \$75 billion was invested in QOFs by the end of 2019.

The number of QOFs on Novogradac’s list that have raised equity has grown to 580, reporting \$12.05 billion in equity—an increase of 174 QOFs (42.9 percent) and \$1.96 billion (19.4 percent) from the list’s total in April.

Novogradac data from earlier this year was used by CEA as one of two key factors for its [\\$75 billion estimate](#). The Novogradac data is based on information voluntarily provided by QOFs and from other public sources, such as Securities and Exchange Commission (SEC) filings and press releases. Novogradac’s list includes single- and multi-asset funds, but doesn’t include proprietary or private funds owned and managed by their principal investors. The CEA estimate is an extrapolation, using Novogradac data and information collected from the Department of Treasury and SEC.

“In less than three years, the opportunity zones incentive has helped raise a tremendous amount of equity for investment in neighborhoods that need it the most,” said Michael J. Novogradac, CPA, managing partner of national accounting and consulting firm Novogradac. “The CEA report echoes what our data has shown over the months: Investment continues to grow at a rapid pace.”

Mr. Novogradac also published [a blog post](#) on the latest Novogradac data.

MORE

office 1160 Battery Street, East Building, 4th Floor, San Francisco, California 94111

mail PO Box 7833, San Francisco, California 94120-7833

www.novoco.com | 415.356.8000



The CEA report and the latest Novogradac data will be discussed at the [Novogradac 2020 Opportunity Zones Virtual Conference](#), Oct. 22-23.

Novogradac's latest figures show an average of \$20.8 million raised by QOFs. Twenty-eight QOFs on Novogradac's list report having raised \$100 million or more.

QOFs with a focus on residential and commercial development continue to raise the most funds, with QOFs with at least a partial focus on residential development raising \$9.09 billion and those with at least a partial focus on commercial development raising \$6.98 billion. (Due to the number QOFs with areas of multiple areas of focus, the totals surpass \$12.05 billion.)

Among equity-raising QOFs on the Novogradac list, those with a single- or multiple-city focus have raised \$5.95 billion, nearly half the total. Novogradac also tracks in what states investments are made. California, New York and Ohio top the list of states for QOF investment.

As the nation continues to emerge from the COVID-19 pandemic, proponents of the Opportunity Zones (OZ) incentive point to the growing equity investment as evidence that the incentive can help fuel the economic recovery. OZs are low-income communities and the incentive provides the ability to encourage investment in areas that most need it.

"It's encouraging that we see continuing investment in QOFs, even during the pandemic," said John Sciarretti, a Novogradac partner and leader of the Opportunity Zones Working Group. "We expect that OZ is well suited to assist in the post-pandemic recovery as we emerge from this unprecedented time in American history."

Novogradac will host the [Novogradac 2020 Opportunity Zones Fall Virtual Conference](#), Oct. 22-23, where QOF activity will be among the many topics discussed. Novogradac also publishes the [2019 Opportunity Zones Handbook](#), the [Introduction to Opportunity Zones booklet](#), the monthly [Novogradac Journal of Tax Credits](#) and the weekly [Tax Credit Tuesday](#) podcast. Novogradac leads the [Opportunity Zones Working Group](#), which regularly submits comments on the OZ incentive to the Treasury Department.

About Novogradac

Novogradac began operations in 1989 and has grown to more than 600 employees and partners with offices in more than 25 cities. Tax, audit and consulting specialty practice areas for Novogradac include affordable housing, opportunity zones, community development, historic rehabilitation and renewable energy.

office 1160 Battery Street, East Building, 4th Floor, San Francisco, California 94111

mail PO Box 7833, San Francisco, California 94120-7833

www.novoco.com | 415.356.8000