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**FOR IMMEDIATE RELEASE**

**Record Year for Investment Pushes QOF Equity Tracked By Novogradac Past \$34 Billion**

**Nearly \$10 Billion in Equity Raised in 2022, Although Fourth Quarter Saw a Slowdown**

SAN FRANCISCO—Overall investment in qualified opportunity funds (QOF) tracked by national accounting and consulting firm Novogradac reached \$34.09 billion at the end of 2022—with a single-year record \$9.68 billion of that being reported in the preceding 12 months.

That total comes from 1,661 QOFs tracked by Novogradac, 1,274 of them reporting a specific amount of equity raised. The equity amount raised in 2022 comes on the heels of a reported \$9.24 billion raised in 2021 and \$9.23 billion raised in 2020. While 2022 saw a record amount of reported investment, the final three months saw a decline.

“It’s not surprising that investment cooled off in the final quarter of 2022,” said Michael J. Novogradac, CPA, managing partner of Novogradac, who authored [a blog post](#) on the data. “Most investment through the opportunity zones [OZ] incentive comes from capital gains, and we saw a decline in the stock market and the housing market in the second half of 2022. Since those are two of the main creators of capital gains, the drop in QOF investment makes sense.”

[A second blog post](#) looks at specific types of investment, such as residential, commercial and hospitality. Future blog posts will address the leading cities and states for planned investment and trends in the sizes the QOFs and how much equity is overseen by QOF managers.

**MORE**

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QOFs tracked by Novogradac at the end of 2022 had an average equity-raised amount of \$26.7 million, but that is disproportionately affected by the number of high-dollar QOFs (there are eight QOFs tracked by Novogradac that have raised \$500 million or more). The median amount raised by QOFs tracked by Novogradac that report a specific amount—the number at which there are an equal number of QOFs that have raised more and less—is \$4.6 million.

“The median figure highlights the number of QOFs that are focused on one area and often on a single project,” said John Sciarretti, CPA, a Novogradac partner who heads up the company’s [Opportunity Zones Working Group](#) and who authored the blog post about investment types. “As the incentive matures, we continue to see that a few large QOFs—we call them Super QOFs—raise hundreds of millions of dollars for investment, but most funds are focused on smaller amounts. For instance, if we remove the Super QOFs from our calculation, the average amount per QOF drops from \$26.7 million to \$20.9 million.”

Sciarretti’s blog post highlights that residential and commercial development continue to be the focus of most QOF investment and that while more than 75% of QOFs for which Novogradac knows the geographical target are focused on a single city for investment, a great majority of the equity is raised by the Super QOFs, which generally have a broader investment target.

Information on QOFs comes from a rolling collection of information by Novogradac. Some information is voluntarily submitted by QOFs and other comes from public sources, including press releases and Security and Exchange Commission filings. While the Novogradac data isn’t exhaustive—the number of QOFs is undoubtedly higher and the total investment is a multiple of the Novogradac total—the Novogradac data provides indications of investment trends.

Novogradac maintains the [Opportunity Funds List](#) and publishes the [Introduction to Opportunity Zones](#) booklet, the monthly [Novogradac Journal of Tax Credits](#) and the weekly [Tax Credit Tuesday](#) podcast, where the QOF investment update will be discussed on the Feb. 14 episode.

### **About Novogradac**

Novogradac, which has been in business for more than 30 years, has grown to more than 720 employees and partners with offices in more than 25 cities. Tax, audit and consulting specialty practice areas for Novogradac include affordable housing, community development, historic rehabilitation and renewable energy. For additional information on Novogradac’s personnel and areas of expertise, visit [www.novoco.com](http://www.novoco.com) or call 415-356-8000.

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