# THE FAMILY OFFICE SHIFT

Where EMEA's private capital is moving in 2026 - the shift from funds to direct ownership, who the new family buyers actually are, what they are buying and on what terms, and what it demands of companies raising between €2 million and €25 million.

PRIVEA PARTNERS RESEARCH · AUGUST 2026 · 8 PAGES

## ABOUT THIS PAPER

This paper is written for founders, owners and boards raising growth capital in EMEA, and for the advisers who serve them. It draws on Privea Partners' own vantage point: more than 140 single and multi family office relationships across 26 markets, a working focus on cheques of €2 million to €25 million, and a senior team whose combined transaction track record exceeds US$13 billion. What follows is practitioner observation rather than market statistics - the pattern as we see it from inside the flow. It is one of five papers in our August 2026 research series on capital raising in EMEA; the companions - on Gulf capital, the mid-market equity gap, private debt and raise-readiness - are available at priveapartners.com/insights.

How to read it: section 01 establishes the shift and section 02 the forces underneath it; section 03 sets out the five buyer archetypes; section 04 follows the capital by structure, sector and geography; sections 05 and 06 close with the founders' playbook and the firm's own view. Readers short of time should take the executive summary overleaf and the typology in section 03 - the rest of the paper is the evidence for them.

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# EXECUTIVE SUMMARY

The most important change in EMEA private capital this decade has not been announced anywhere. Family offices have moved from allocating to other people's funds to owning private companies directly - and the deepest pool of capital in the €2 million to €25 million band no longer advertises, no longer runs auctions, and no longer behaves like the investors most processes were designed to approach.

This paper sets out the shift as we see it from inside our own network: what is driving it and why it will not reverse, who the new family buyers actually are - we distinguish five archetypes, each of which buys differently - what they are buying by structure, sector and geography, and how a prepared company converts the shift into a completed raise. The thesis is simple. In this band, family capital is no longer the alternative route. It is becoming the market, and the companies that learn its rules first will raise faster, more quietly and on better terms than the ones that keep optimising for a buyer that has left the room. The paper closes with the practical playbook - six consequences for founders - and our own unhedged view of where the shift goes next. Everything in it is drawn from live mandate flow rather than desk research; where we generalise beyond our own network, we say so.

#### FINDINGS IN BRIEF

- Direct ownership has displaced the fund commitment as the organising principle of family allocation. In our network, the families that added private company exposure did so overwhelmingly through directs and clubs.
- The forces underneath - control, cost and the generational handover - are structural. None of them reverse with the cycle.
- The buyers are not one type. Five distinct family archetypes now operate in the band, and matching the raise to the archetype is half the work of a family process.
- Cash generation has replaced growth-at-any-price as the screen; structure is taking share from plain equity; clubs are formalising into standing, decisive counterparties.
- The Gulf-to-Europe corridor is the single most underexploited channel in the band. The constraint is access and preparation on the company side, not appetite.

| 140+ | 26 | €2M-€25M | US$13BN+ |
| --- | --- | --- | --- |
| FAMILY OFFICE RELATIONSHIPS | MARKETS COVERED | CHEQUE BAND | SENIOR-TEAM TRANSACTIONS |

SECTION 01

# FROM ALLOCATOR TO OWNER

The defining move in EMEA private capital this decade has happened almost silently. Family offices have stopped behaving like allocators to other people's funds and started behaving like owners of private companies - and most of the market has not caught up with what that means.

A decade ago the standard family office model was delegation: commit to managers, diversify across vintages, review quarterly. Today, across the single and multi family offices we work with, the centre of gravity has moved decisively towards direct ownership - minority equity in operating businesses, structured instruments negotiated principal to principal, and credit written from the family balance sheet. The fund commitment has not disappeared, but it no longer defines the strategy. It has become one tool among several, used where a manager offers genuine access the family cannot replicate, and set aside where it merely offers distance.

What makes the shift easy to miss is that nobody involved has any reason to advertise it. A single-family office deploying €20 million a year into direct positions issues no press release, publishes no returns and raises no fund. There is no league table of family directs, no data vendor tallying their dry powder, no conference at which the most active buyers appear. The capital is real, active and patient - and almost entirely invisible to the companies that need it most.

The professionalisation of the shift is as important as its scale. The families moving to directs are not improvising: they have hired chief investment officers, built small deal teams and adopted institutional diligence standards. What they have not adopted is the institutional calendar. The result is a counterparty that reads a data room like a fund and decides like an owner - precisely the combination that suits a company raising quietly.

The infrastructure of the market has not caught up either. League tables do not count family directs; placement agents are compensated to run the auctions this buyer conspicuously avoids; and most corporate finance advice still assumes an investor who needs a committee memo. A company entering the band with that toolkit is navigating with the wrong map - and the families on the other side can tell within a meeting.

Our vantage point is our own network: more than 140 single and multi family office relationships across 26 markets, from the UK and continental Europe to the Gulf. In our experience, the families that added private company exposure over the past year did so overwhelmingly through directs and club deals rather than new fund commitments. For companies raising between €2 million and €25 million, the conclusion is blunt: family capital is no longer the alternative route. In this band, it is becoming the market.

02

SECTION 02

# THE FORCES UNDERNEATH

Three forces drive the shift, and none of them are cyclical. They matter to issuers because they predict how the counterparty behaves - and why the shift will not reverse when rates or sentiment turn.

**The first is control.** A family that spent thirty years building an operating business does not naturally hand capital to a blind pool. Direct ownership restores the decisions the fund model removes: entry price, governance, holding period, exit timing. The alignment problem in fund investing is structural - a manager's fee clock and a family's compounding horizon point in different directions - and families have concluded, reasonably, that for assets they understand they would rather hold the position themselves. Control is not a preference at the margin; it is the reason the wealth exists.

**The second is cost, though it is really a value judgement.** Two-and-twenty on committed capital is difficult to defend to a principal who is comfortable underwriting an operating business directly. What the fee bought was origination, diligence and governance; as offices hired their own former bankers and operators, each of those became replicable in-house for the deal sizes that matter in this band. The calculation changes above €50 million cheques and in genuinely specialist strategies - which is precisely why the retreat from funds is concentrated in the mid-market.

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> *Families did not leave funds because performance collapsed. They left because the fee stack bought them distance from assets they understood better than the manager did.*

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**The third is generational, and it is the accelerant.** Allocation authority across our network is passing to family members who grew up around direct deals, diligence through their own networks, expect to meet the founder, and regard the quarterly letter as a symptom of distance. The handover also works on the supply side: founder-generation owners reaching succession without internal answers are the natural sellers to families who faced the same question themselves a generation earlier. Both sides of the same demographic push capital towards direct, patient positions.

What would reverse the shift? Not rates - the move accelerated through both cheap and expensive money. Not returns - concentrated positions in known sectors have, in our observation, rewarded the families that made them. The honest answer is nothing visible: the fund model's difficulty in this band is cost-structural, and the generational force only strengthens from here. We expect the direct share of family allocation to keep rising through 2027, and everything around it - clubs, standing co-investment relationships, family-to-family syndication - to keep formalising.

SECTION 03

# A TYPOLOGY OF FAMILY BUYERS

The market talks about family offices as if they were one buyer. They are at least five, and they buy differently. Matching the raise to the archetype is half the work of a family process.

The typology below is drawn from our own relationships rather than any formal taxonomy. Most offices blend two of these profiles; the dominant one predicts how the process will run, who will sit across the table, and what will actually win the cheque.

| ARCHETYPE | HOW THEY BUY | WHAT WINS THEM |
|---|---|---|
| **The operator family** | First-generation wealth still close to the operating business. Buys sectors it knows, diligences with an operator's eye, decides principal to principal. | Sector fluency, candour about weaknesses, and a founder they would have hired. |
| **The professionalised office** | CIO-led, documented mandates, institutional process at principal speed. The fastest-growing archetype in our network. | A finished data room, a named valuation range and clean governance. |
| **The next-generation book** | Second or third generation with delegated authority for directs. Networks aggressively, moves fast, brings the family along afterwards. | A warm route through their own network and a story they can retell internally. |
| **The club anchor** | Leads and syndicates to two or three repeat partners; sets terms for the group and carries the diligence. | Anchor economics, a structure the club has used before, and a lead-worthy company. |
| **The quiet allocator** | Discreet and adviser-fronted; rarely meets issuers early. Screens hard on provenance and discretion before anything else. | Exclusivity that is real, and an introducer whose judgement they already trust. |

The practical use of the typology is negative as much as positive. A venture narrative pitched at an operator family, or a half-built data room in front of a professionalised office, fails not because the company is weak but because the match is wrong - and the failure spends credibility that a later, better-matched approach then has to buy back. In our experience the fastest processes are the ones in which the archetype was identified before the first approach was made. That identification is, bluntly, an access question: it requires knowing the families, not merely listing them.

One caution: archetypes describe processes, not appetites. Any of the five may back or decline the same company; the typology predicts how the decision will be made, not what it will be. Its value is preparation - knowing who will be in the room, what they will ask first, and which version of readiness they will test. Companies briefed this way walk into first meetings that feel, on both sides, like second ones.

SECTION 04

# WHERE THE CAPITAL IS MOVING

Follow the cheques rather than the headlines and the picture is consistent: fewer and more concentrated positions, a hard screen on cash generation, structures that bridge valuation gaps, and a widening corridor of Gulf capital moving into European assets.

Within the cheque, behaviour has changed. Families are writing fewer, larger positions and holding them with more conviction. Co-investment behind a lead the family already trusts remains the preferred entry, but a growing minority are prepared to anchor a round themselves where the sector conviction is strong and the introduction is right.

Structure is taking share from plain equity. Where valuation views differ - and in 2026 they usually do - families are bridging with preferred instruments, convertibles and equity-plus-credit combinations written from the same balance sheet, rather than repricing whole cap tables. It is a quiet advantage of principal capital: one counterparty can hold the whole structure.

Club deals are formalising alongside. The informal call-two-families-we-know syndicate is maturing into standing clubs with agreed leads, documented processes and repeat participants. For issuers this matters: a club that has closed together before behaves like a single decisive counterparty rather than a committee, and can quietly assemble €10 million to €25 million without a single institutional logo on the register.

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> *The screen that matters in 2026 is not growth at any price. It is cash generation, candour, and the quality of the people on the other side of the table.*

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Sector rotation is real but unhurried. The buying we see clusters in three places: cash-generative consumer businesses with proven unit economics; industrials with an energy-transition angle, led by German-speaking Europe; and healthcare services underwritten by demographics. Conspicuously absent is pre-revenue technology of any description - where families want technology exposure, they buy it through profitable software and tech-enabled services.

Pricing discipline completes the picture. Families are neither systematically cheaper nor more expensive than institutional capital; they pay fairly for cash flow they believe in and decline politely what they do not. The bid-ask spread of this cycle is being bridged with structure rather than price - which is why the instruments above have taken share.

Geographically, the United Kingdom remains the deepest single market for family direct investing; DACH is being reshaped by succession supply meeting family demand; and the structural story of the decade runs from the Gulf into continental Europe. GCC family capital is buying European operating businesses deliberately and at scale, and a significant share of the new capital we introduce now originates there. The constraint in that corridor is not appetite - it is access and preparation on the company side, and both sit within the company's control.

05

SECTION 05

# WHAT THIS MEANS FOR FOUNDERS

The shift rewrites the playbook for raising in the band. Six practical consequences follow - each one testable against your current process.

1. **Map the archetypes before the outreach.** Know which of the five buyer types fits your sector, size and structure, and build the shortlist accordingly. A dozen matched names outperform two hundred cold ones, because in this market the quality of the match is underwritten before the quality of the company.
2. **Buy access; do not manufacture it.** The introduction is part of the diligence. Route every approach through a party the family already trusts - an adviser with standing, another family, an operator they have backed. Cold outreach does not merely underperform; it marks the paper.
3. **Finish the data room before the first meeting.** Three years of accounts, current management information, cap table, customer concentration. The professionalised office will ask on day one; the operator family will ask by day three. Assembling it under diligence pressure converts momentum into drift.
4. **Name your range early.** Vagueness on price reads as inexperience or a stretched expectation, and both cost momentum. Serious principals negotiate; they do not archaeologise. A defensible range, anchored to cash flows and current comparables, turns valuation from a landmine into an agenda item.
5. **Put the founder in the room.** Families buy the operator as much as the asset, and every archetype reads delegation the same way. Founder time is part of the readiness budget - plan for it before the process starts, not during it.
6. **Design for the hold, not the exit.** Evergreen balance sheets change the question from the path to exit to what the business looks like in year eight. Companies that answer well - dividend capacity, follow-on headroom, governance that scales - are treated differently on price and on terms.

None of this is exotic, and that is the point. The shift does not demand new sophistication from issuers; it demands old-fashioned preparation, applied to a counterparty most processes were never designed for. The six points also compound: matched archetypes make warm access easier to win, warm access raises the value of preparation, and preparation makes every later introduction cheaper. Run the playbook once and the habits - and the network - persist.

06

SECTION 06

# THE PRIVEA VIEW

We are not neutral observers of this shift. We built the firm on it, and our view is unhedged.

Family capital is the market in this band, not the alternative to it. On current trajectory we expect the majority of completed €2 million to €25 million growth raises across our markets to involve family money on the register - visibly or otherwise - within two years. Companies still designing processes around institutional growth equity are optimising for a buyer that has left the room.

The premium on discretion keeps widening. As capital concentrates in fewer, more deliberate hands, the shopped process is punished harder each cycle and the quiet, prepared one prioritised faster. The best raises of 2027 will be the ones the market never hears about - and we say that as a firm whose completed mandates are mostly invisible by design.

And access will not democratise. The families in our network add relationships slowly and drop them rarely; no platform, database or volume process substitutes for a warm route built over years. That is uncomfortable for issuers in a hurry, and it is the entire reason relationship-led advisers exist. Relationships first, rigour second - both, always.

### START THE CONVERSATION

If your company is raising between €2 million and €25 million in equity or debt, we will tell you candidly whether family capital is the right route - and which families in our network would genuinely fit. Book a conversation at **priveapartners.com/call**.

## ABOUT PRIVEA PARTNERS

Privea Partners raises equity and debt for companies from single and multi family offices across EMEA and the Gulf. The firm works exclusively in the €2 million to €25 million band, across more than 140 family office relationships in 26 markets, with a senior team whose combined transaction track record exceeds US$13 billion.