Surge in capital heading for real estate in 2016

There is a continued appetite for real estate as global institutional investors intend to commit a minimum of Euro 48 billion in 2016.

The global Investment Intentions Survey provides insights into the expected trends in the non-listed real estate investment industry in 2016.

Investment intentions is a joint project between INREV, ANREV and PREA.

345
INVESTORS, FUND OF FUNDS MANAGERS, FUND MANAGERS RESPONDED FROM

31
COUNTRIES ACROSS EUROPE, NORTH AMERICA AND ASIA PACIFIC

Investment preferences

NON-LISTED REAL ESTATE FUNDS

Sovereign Wealth Funds demonstrate the strongest preference for partnership structures, while insurance companies prefer debt products

SEPARATE ACCOUNTS

JOINT VENTURES / CLUB DEALS

FUNDS OF FUNDS

NON-LISTED DEBT PRODUCTS

SOVEREIGN WEALTH FUNDS

INSURANCE COMPANIES

HIGH NET WORTH INDIVIDUALS

GOVERNMENT INSTITUTIONS
Most effective capital raising strategies

THROUGH EXISTING DIRECT RELATIONSHIPS WITH INVESTORS

1. 85.8%
2. 8.9%
3. 5.3%

Respondents are optimistic and expect the level of capital raising activities to further increase in the next two years. The full results are available to members at inrev.org/research/capital-raising

88.6% EXPECT CAPITAL RAISING ACTIVITIES TO INCREASE OVER THE NEXT TWO YEARS

LARGER VOLUMES OF CAPITAL +
FURTHER PRESSURE ON PRICING

OF BEST QUALITY STOCK
INCREASING LIQUIDITY

### Non-Listed Real Estate Funds
- Separate Accounts
- Joint Ventures / Club Deals
- Funds of Funds
- Non-Listed Debt Products

### Country & Sector
- Multi-Country 46.9%
- Single-Country 53.1%
- Germany 32.7%
- Netherlands 11.4%
- France 5.4%
- UK 1.8%
- Other 1.8%
- Multi-Sector 57.7%
- Single-Sector 42.3%
- Office 13.2%
- Industrial / Logistics 12.5%
- Retail 7.8%
- Residential 4.3%
- Hotel 2.0%
- Student Housing 1.8%
- Healthcare 0.6%

### Investment Preferences
- Non-Listed Real Estate Funds
- Separate Accounts
- Joint Ventures / Club Deals
- Funds of Funds
- Non-Listed Debt Products
- Insurance Companies
- Pension Funds
- Sovereign Wealth Funds
- Charities, Foundations, Non-Profit
- High Net Worth Individuals
- Government Institutions

### Top three routes to market
1. JVS and Club Deals
2. Non-Listed Funds
3. Direct Investment

A look at Europe

The lion share of this, 41.9%, will be invested in Europe. Germany, France and the UK consistently rank as the preferred locations for investment into Europe.

For the first time we looked at the relative attractiveness of capital cities versus regional cities in the three leading countries - Germany, France and the UK.

The results highlight a shift in style preference with value added now ahead of core and opportunity.

Other highlights in the full report include most preferred sectors and strategies.

The full results are available to members at inrev.org/research/investment-intentions

GERMANY IS THE PREFERRED INVESTMENT DESTINATION FOR 73.5% OF ALL RESPONDENTS

Main reasons to invest

1. Expert Management
2. International Diversification
3. Diversification Benefits

Main obstacles to invest

1. Alignment of Interest
2. Availability of Suitable Products
3. Associated Cost