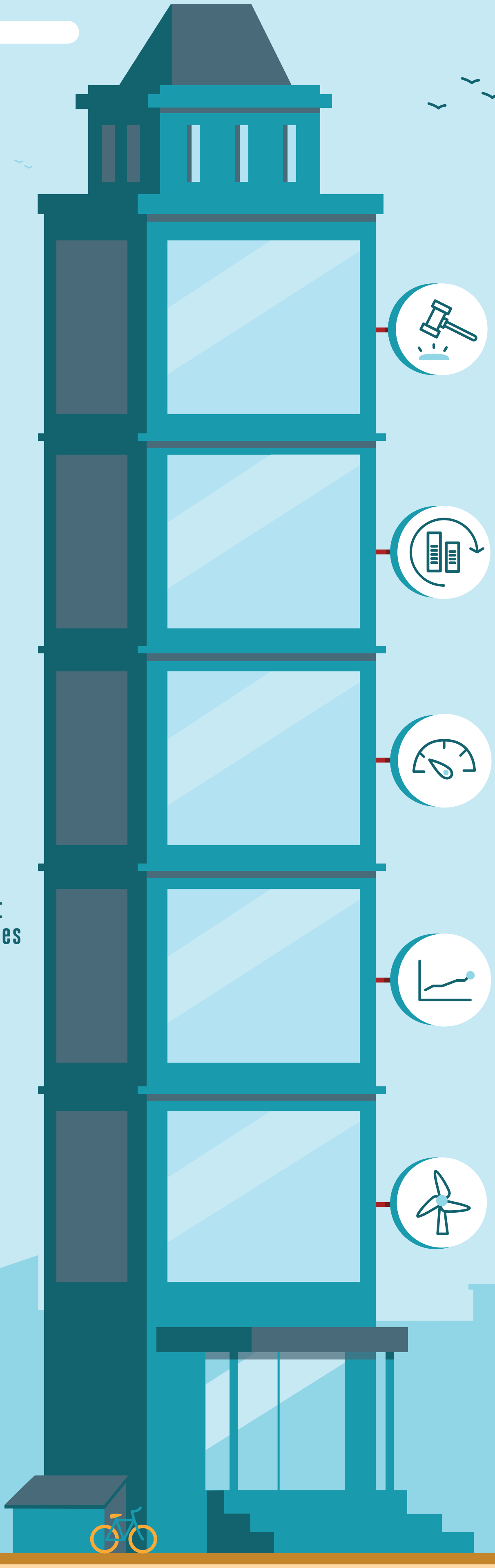
– 5 REAL ESTATE MYTHS AND FACTS –

REAL ESTATE INVESTMENT BY INSTITUTIONAL INVESTORS...



MYTHS

1. Is not regulated

2. Focuses on constructing new buildings

3. Is risky

4. Feeds bubbles that lead to financial crises

5. Does not further sustainability and energy goals

FACTS

1. Is regulated under UCITS and AIFMD

Investment vehicles for retail investors are regulated under UCITS. Since July 2013 AIFMD has subjected almost all non-listed real estate funds for institutional investors to European regulation and government oversight.

2. Focuses on existing buildings

The vast majority of institutional investment is for the acquisition of existing buildings. Maintaining and improving value and keeping buildings fit for purpose require a significant level of investment in refurbishment and renovation. This investment supports the economic revitalisation of Europe’s urban areas.

3. Historically lower levels of volatility and risk

Institutional investors achieve attractive returns through real estate with lower levels of volatility and risk. Real estate’s low correlation with equities and bonds offers portfolio diversification while the geographic and sector diversification of real estate investment portfolios spreads risk.

4. Institutional investors are in it for the long-term, not bubbles

Real estate bubbles are driven by short-term investors exploiting overheated markets. Not long-term institutional investors, such as pensions funds and insurance companies, who are primarily focused on stable income and long-term value to match future liabilities with secured income flows.

5. Long-term investment aligns with sustainability and energy efficiency

Long-term investment and sustainability go hand in hand. Long-term investment horizons enable investors to anticipate, innovate and capitalise on the impact of long-term structural trends, and benefits from increased sustainability sources, reduced emissions and increased energy and water efficiency.