

KEY HIGHLIGHTS

Investment Intentions Survey 2017



Helsinki Roadshow
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184 fund managers



119 investors



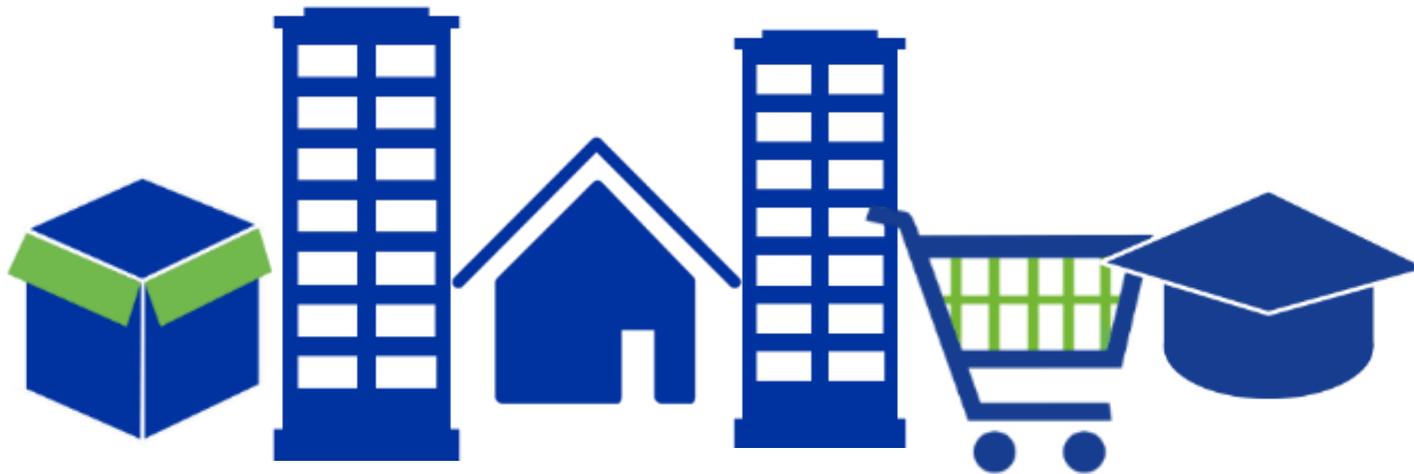
11 fund of funds managers



314 Respondents

Assets under management

€ 2,100,000,000,000



Enthusiasm for real estate investment remains undimmed



Diversification benefits continue to attract



Real estate continues to draw in capital



Real estate allocations have been increasing

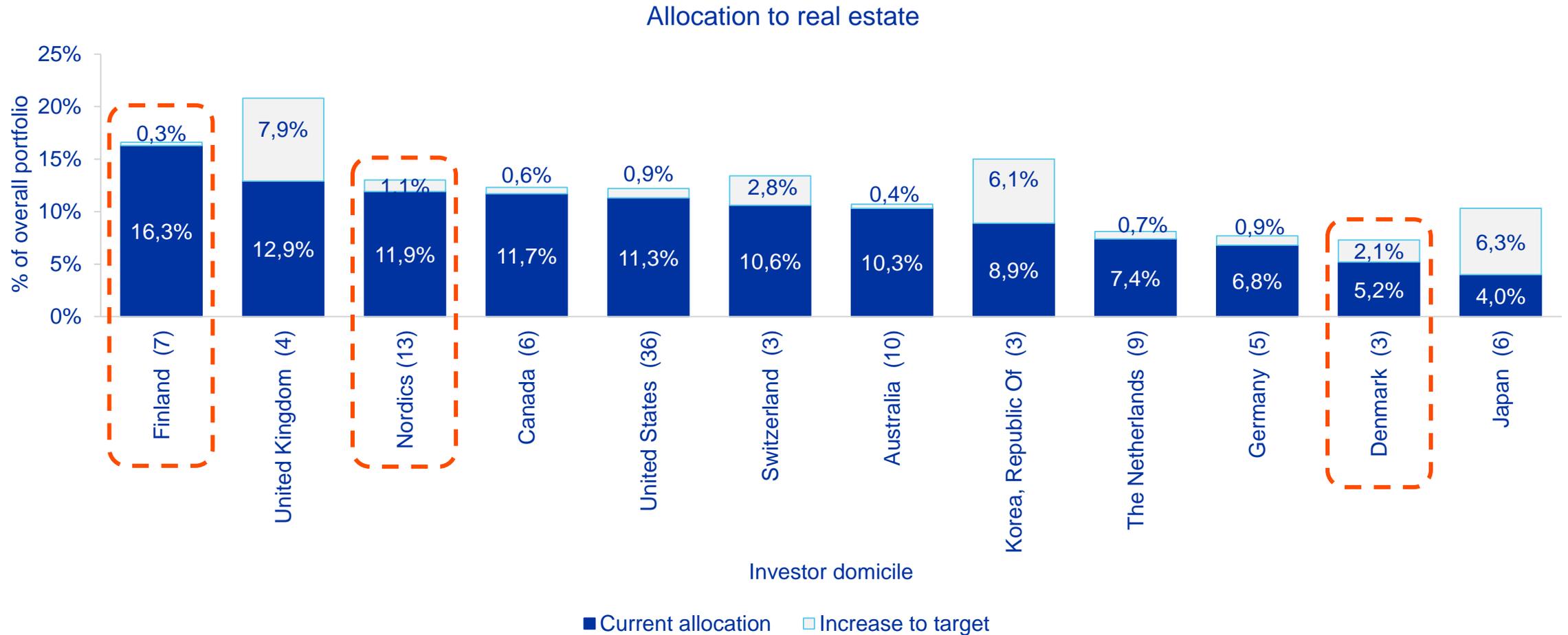
HAVE WE HEARD THIS ALL BEFORE?



Over €52.6 billion heading into global real estate in 2017

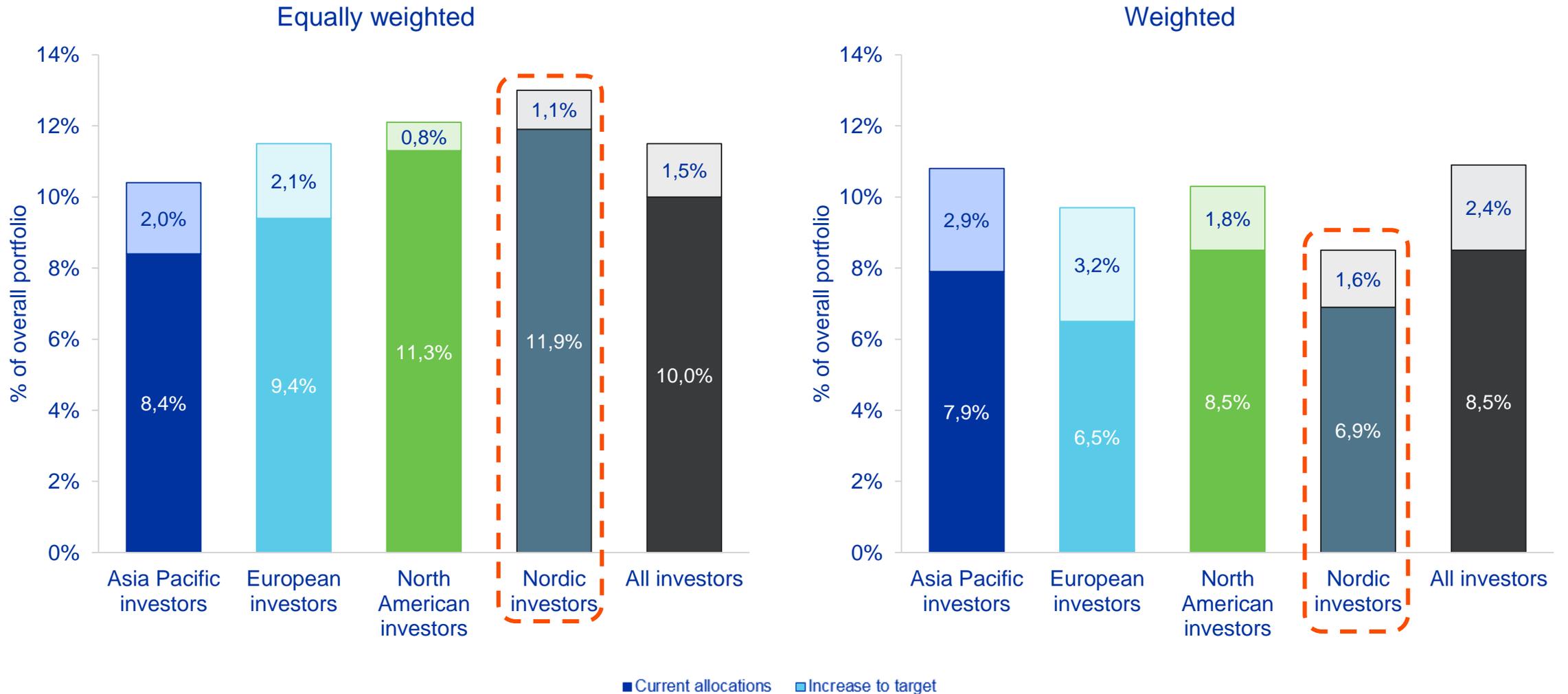


Allocations to real estate set to rise across the board



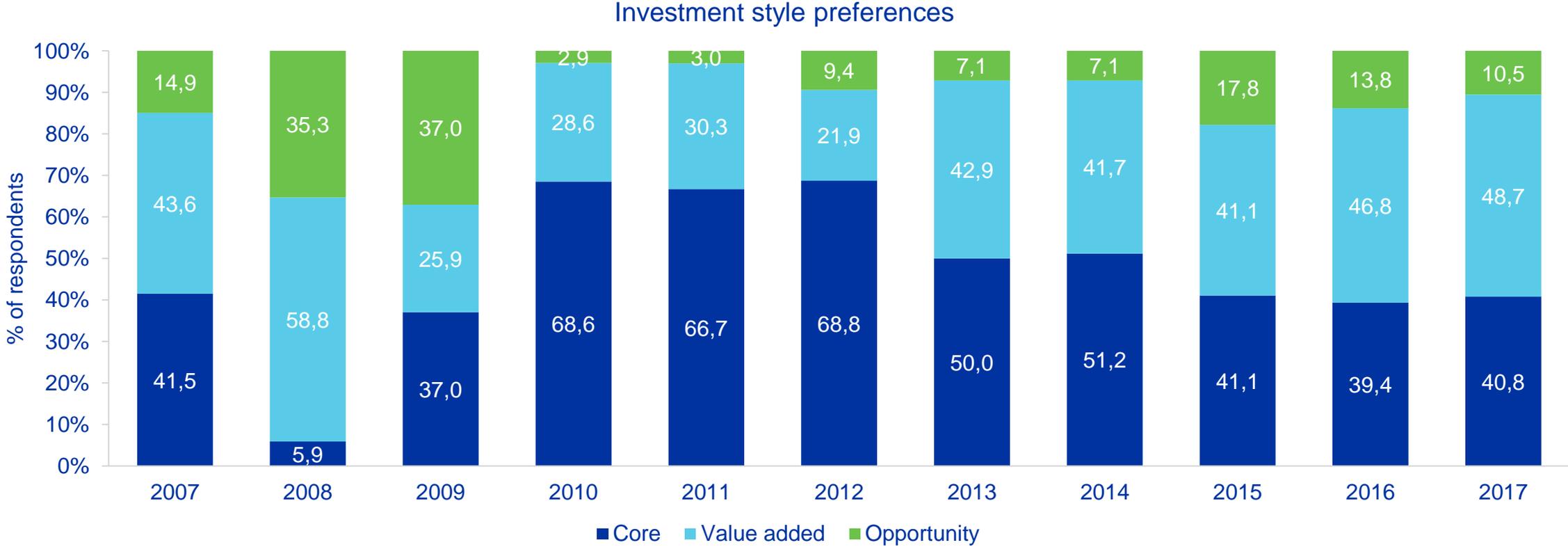
Note: Equally weighted allocations; excludes investors with 100% real estate allocations

Investors everywhere are looking to build up their RE portfolios



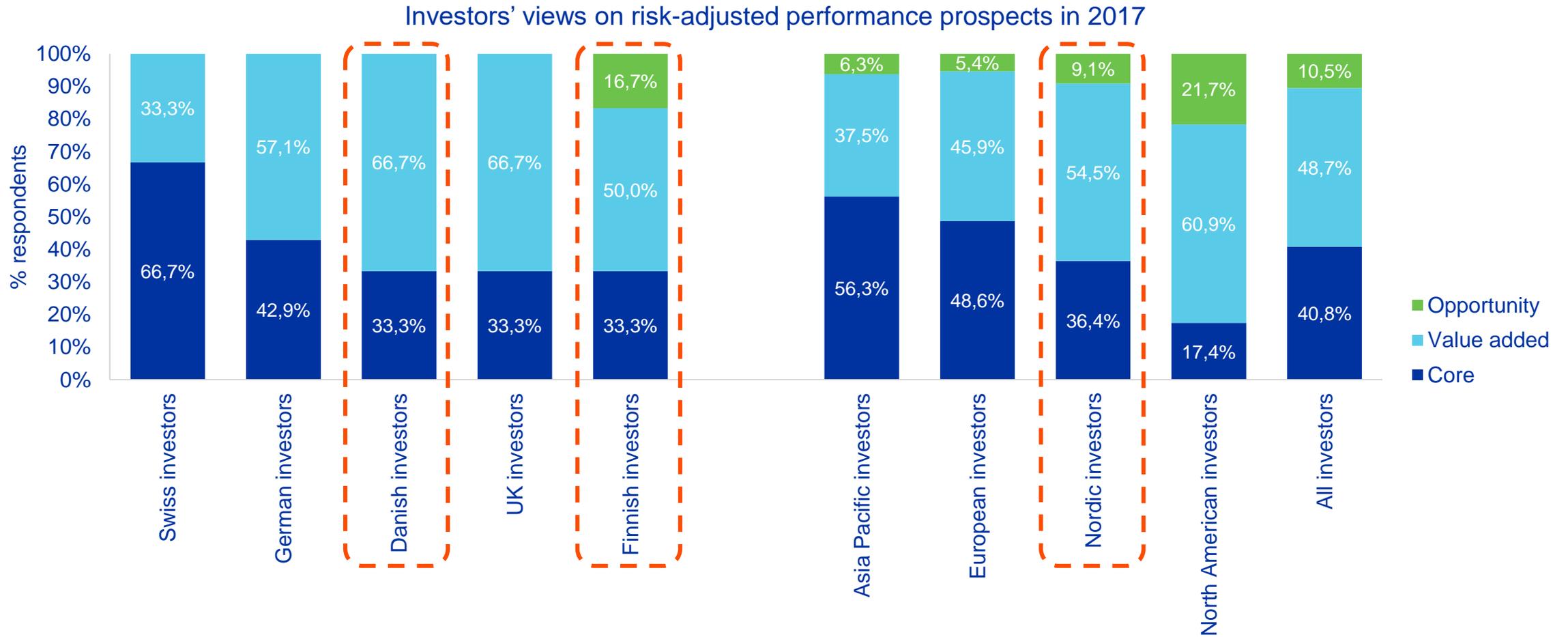
Note: excludes investors with 100% real estate allocations

Value added - most attractive risk-adjusted return prospects

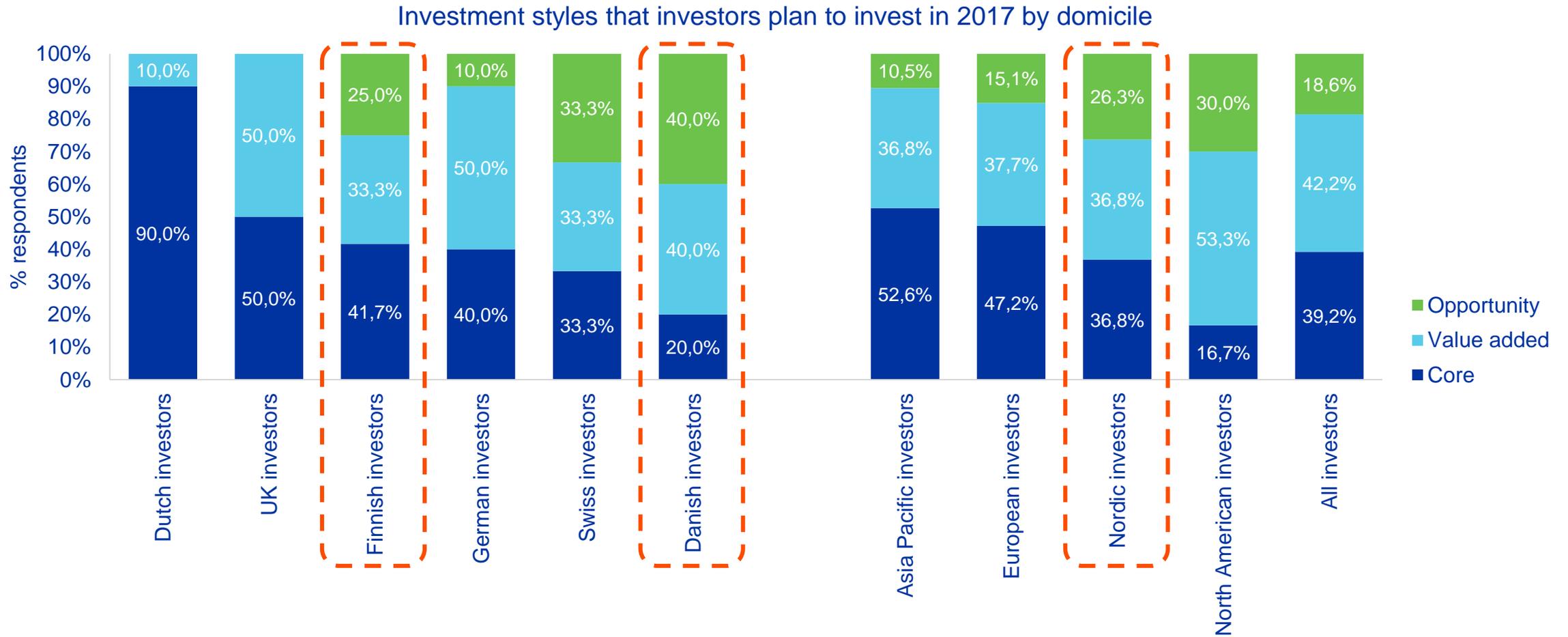


This shift comes at the expense of opportunity, not core

Diverse range of risk-adjusted return preferences



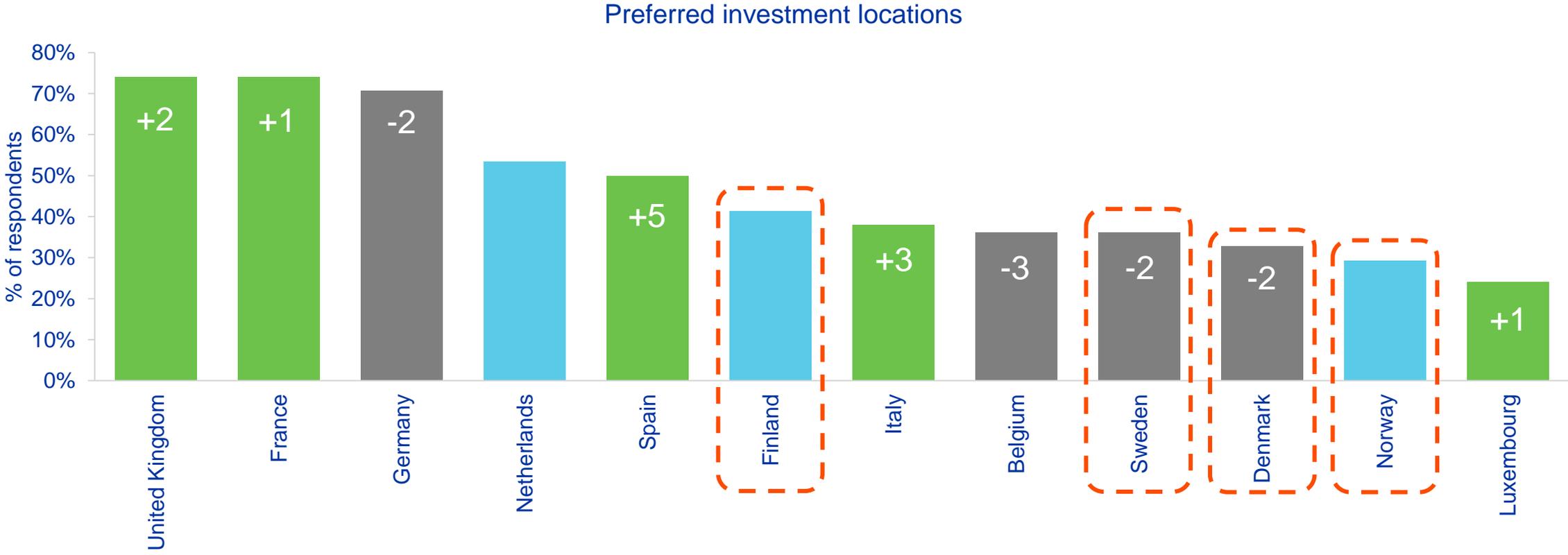
Actual planned investment highlights a higher risk tolerance



WHAT HAS HAPPENED IN EUROPE?



Finland and Norway hold steady



While Sweden and Denmark have lost some of its shine

Office and retail stand ahead of the crowd

1. Office (82.8%)



2. Retail (75.9%)



3. Ind. / Logistics (60.3%)



4. Residential (58.6%)



5. Student acc. (34.5%)



6. Development (25.9%)

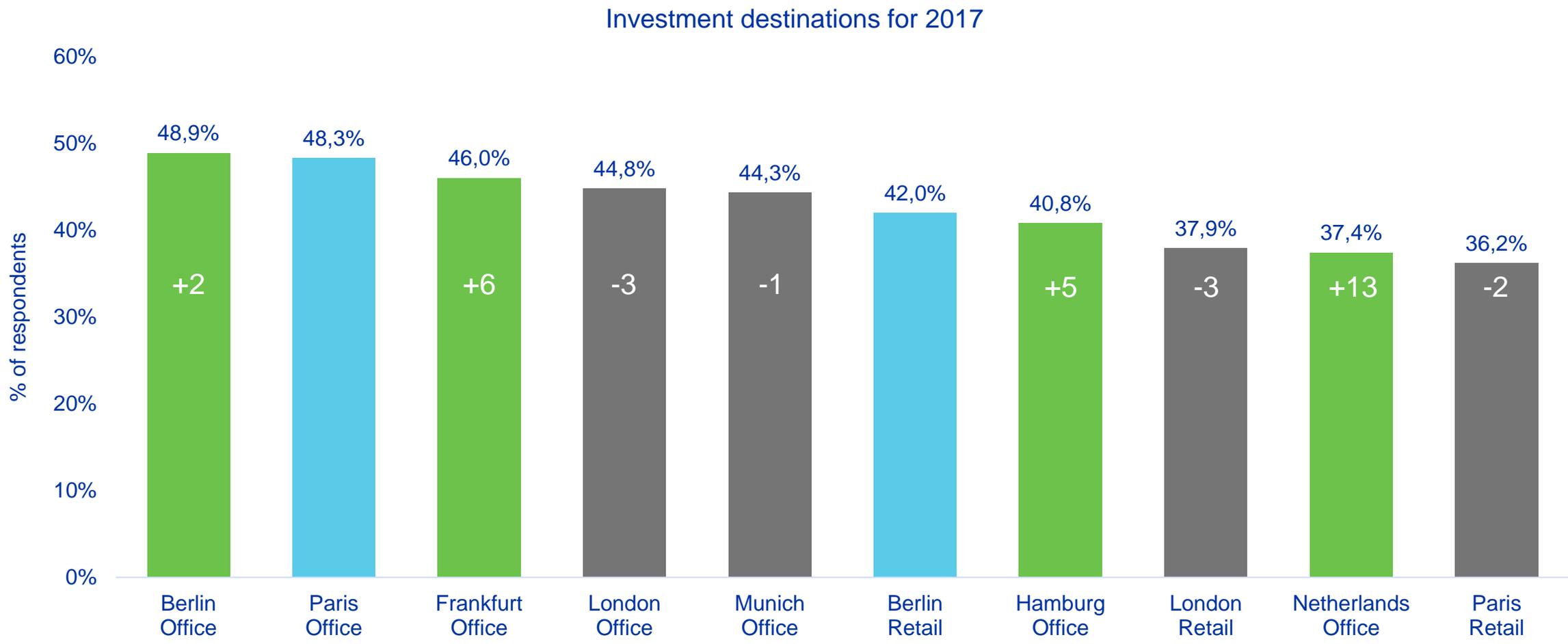


7. Healthcare (24.1%)



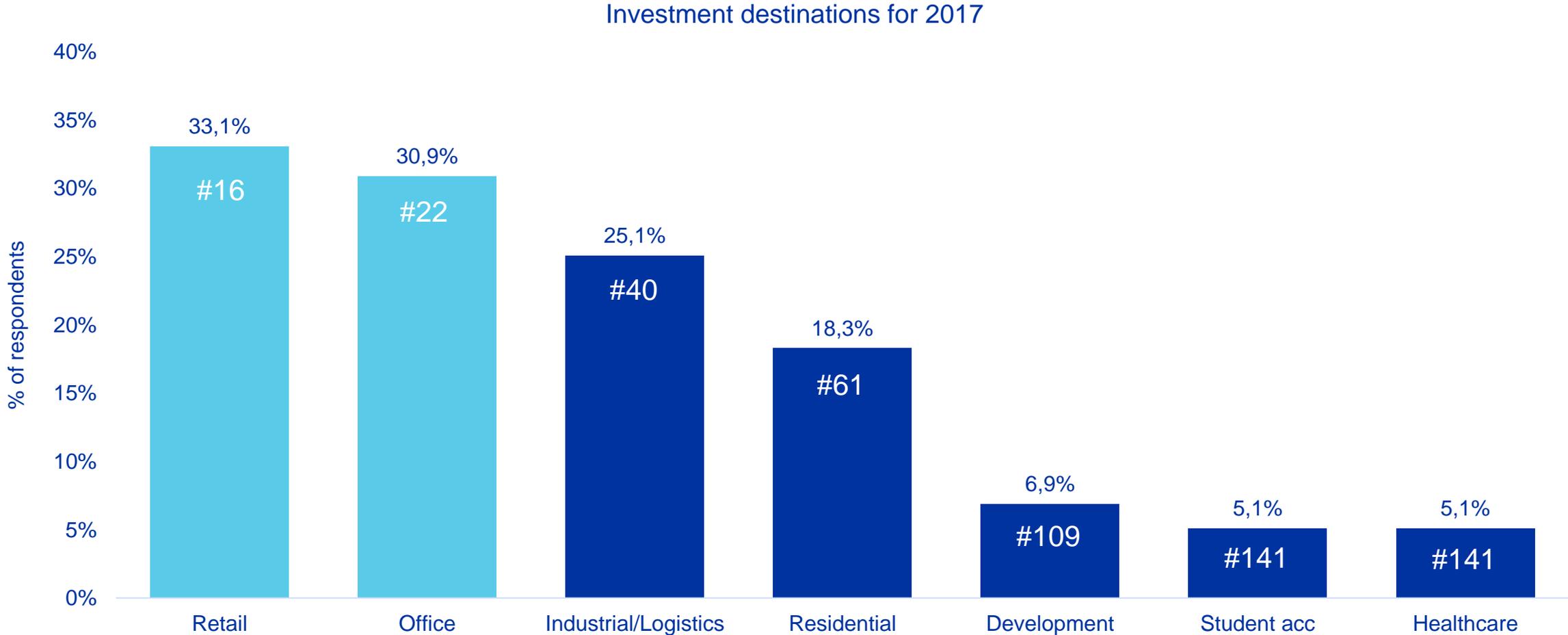
There is growing interest in the other sectors

London office loses some of its mojo in the wake of Brexit



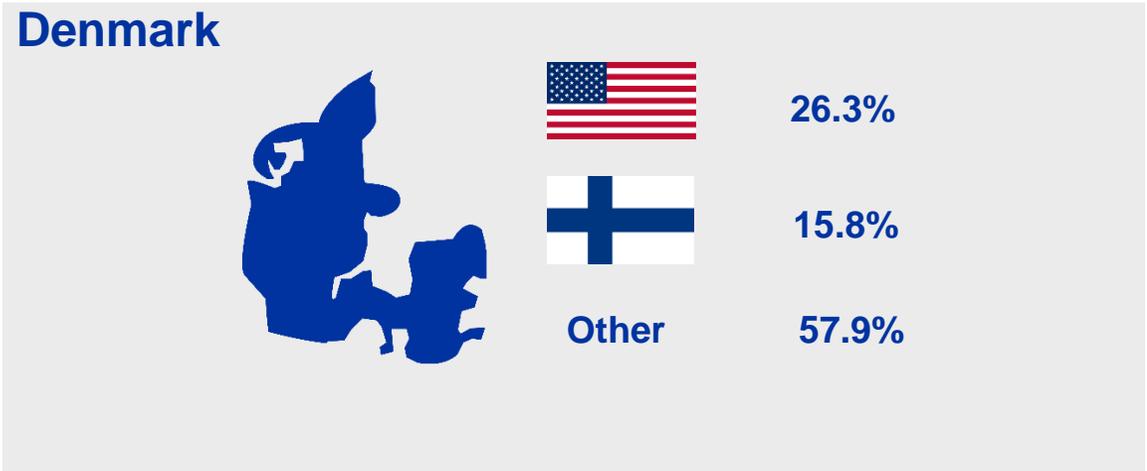
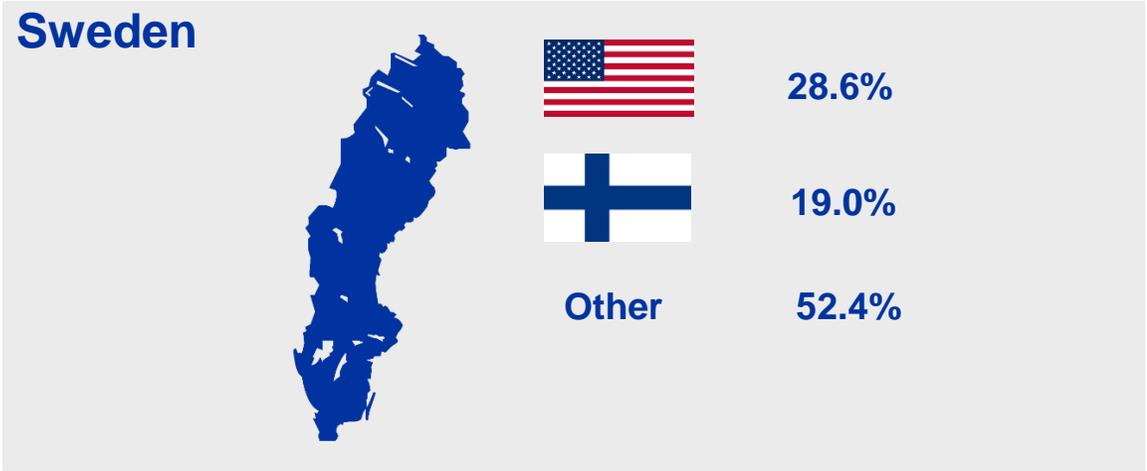
Note: all respondents

Nordic retail and office make it to the top 25



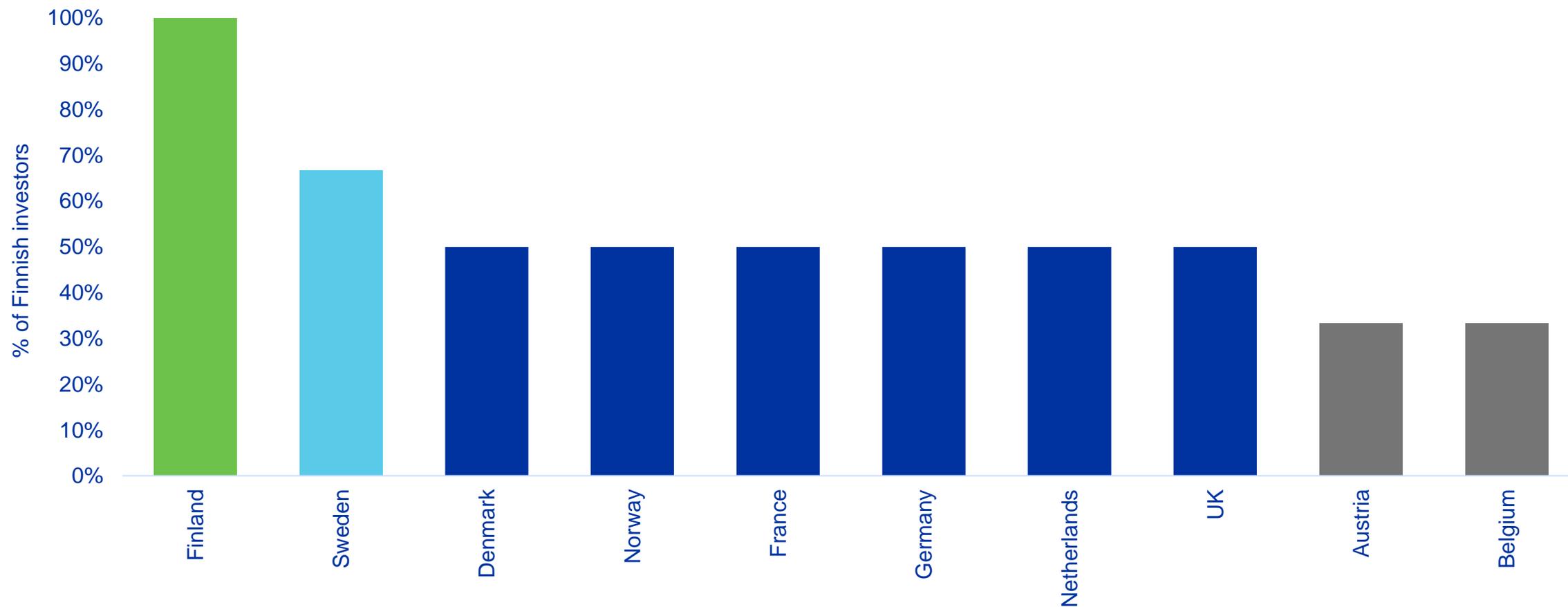
Note: all respondents

US and Dutch investors have their eye on Finland



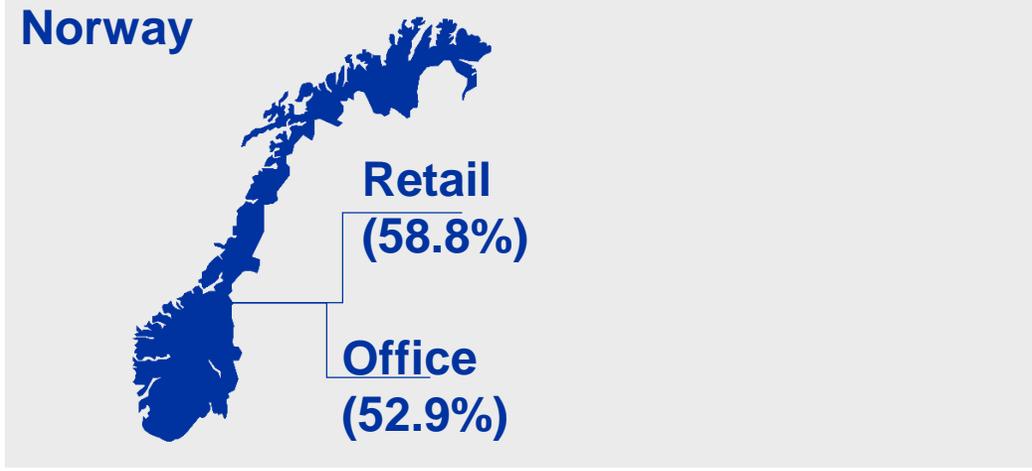
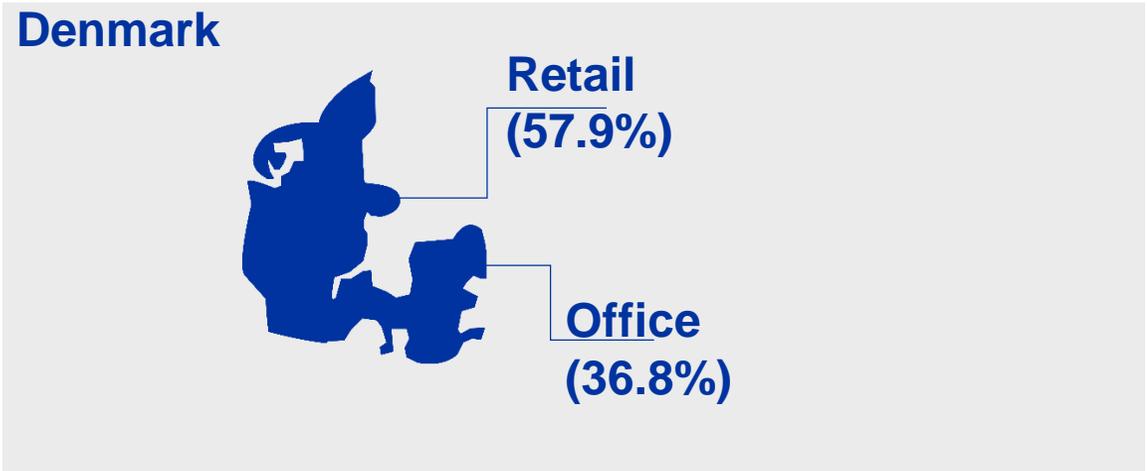
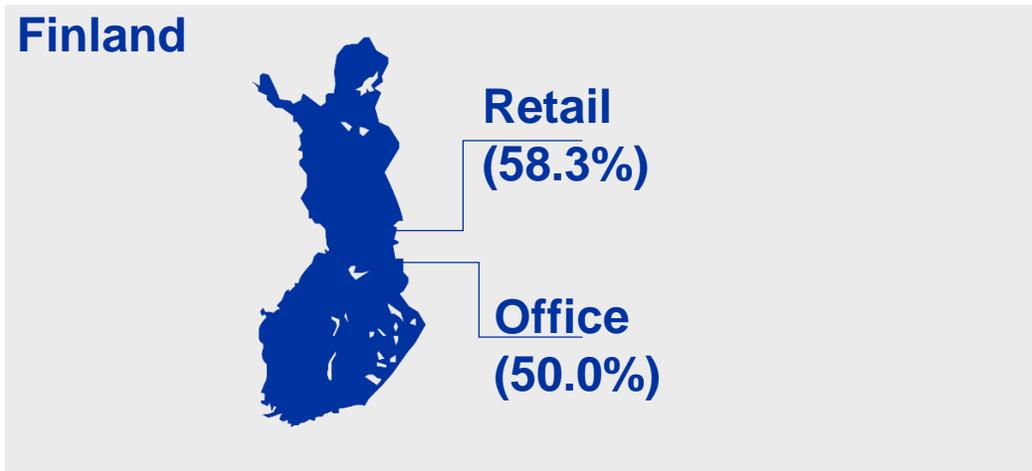
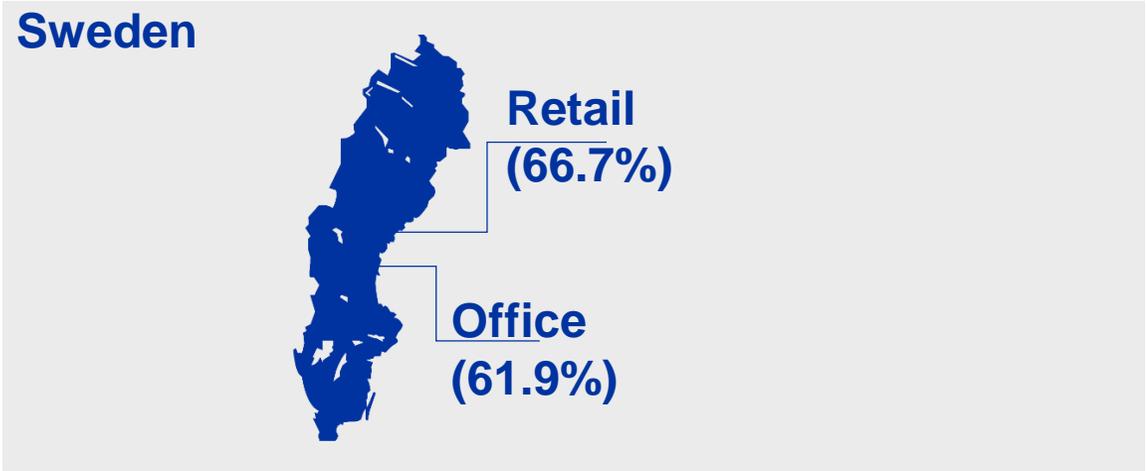
There is no better place than home for the Finnish

Preferred investment locations for 2017



Note: Finnish investors country preferences

Retail is the preferred sector in Finland



It's mostly mainstream attraction in Finland

United States Investors



Dutch Investors



All investors



Fund managers



Funds of Funds managers



The Finnish themselves have an affinity to towers

1. Office (100%)



2. Retail (83.3%)



3. Ind. / Logistics (83.3%)



4. Residential (33.3%)



5. Student acc. (33.3%)



6. Development (33.3%)



7. Healthcare (16.7%)

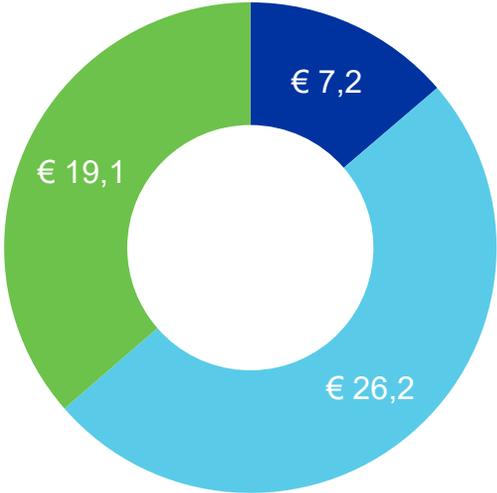


IS ANYONE SAILING THE GREAT SEAS?



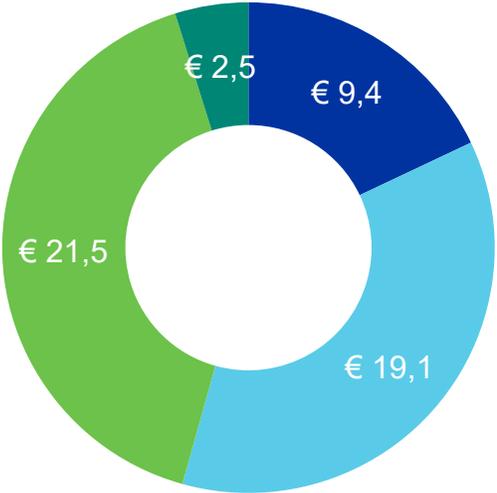
US expected to attract the greatest share of capital

Amount expected to be invested in real estate in 2017



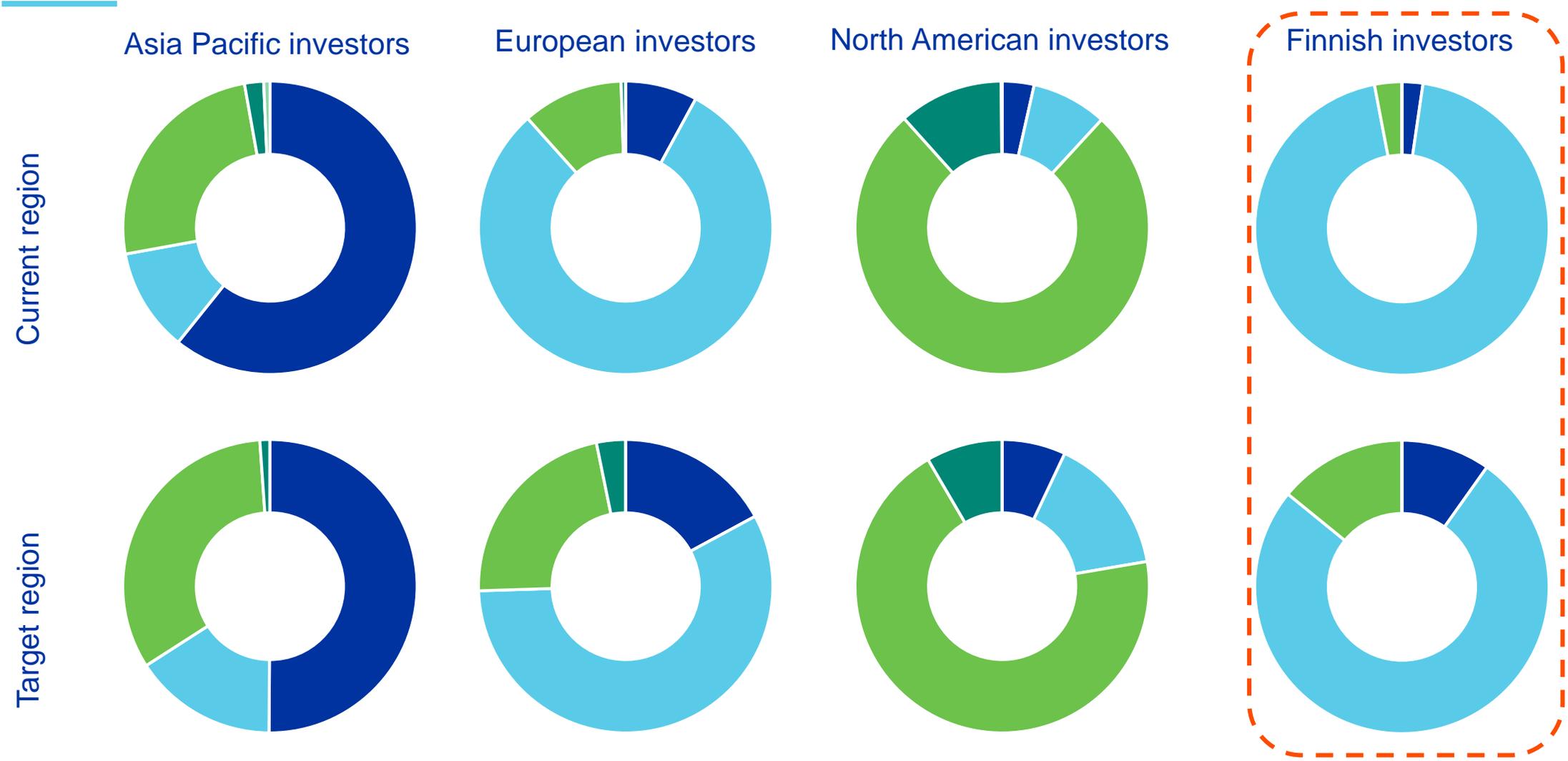
■ Asia Pacific investors ■ European investors ■ North American investors

Investors' expected destination for real estate investments in 2017



■ Asia Pacific ■ Europe ■ United States ■ Americas ex US

The Finnish are moving away from home



The bulk of new capital is targeting non-listed real estate



Funds are back on top, though a desire for control prevails

Equally weighted

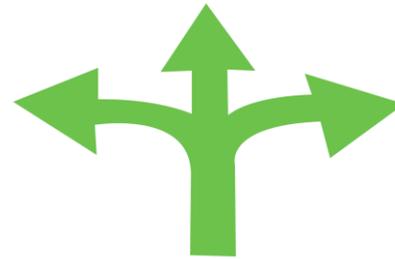
1. Non-listed funds
2. JVs and club deals
3. Separate accounts

Finnish investors

1. Non-listed funds
2. RE mortgage / debt
3. JVs and club deals

Weighted by total AUM

1. JVs and club deals
2. Separate accounts
3. Non-listed funds



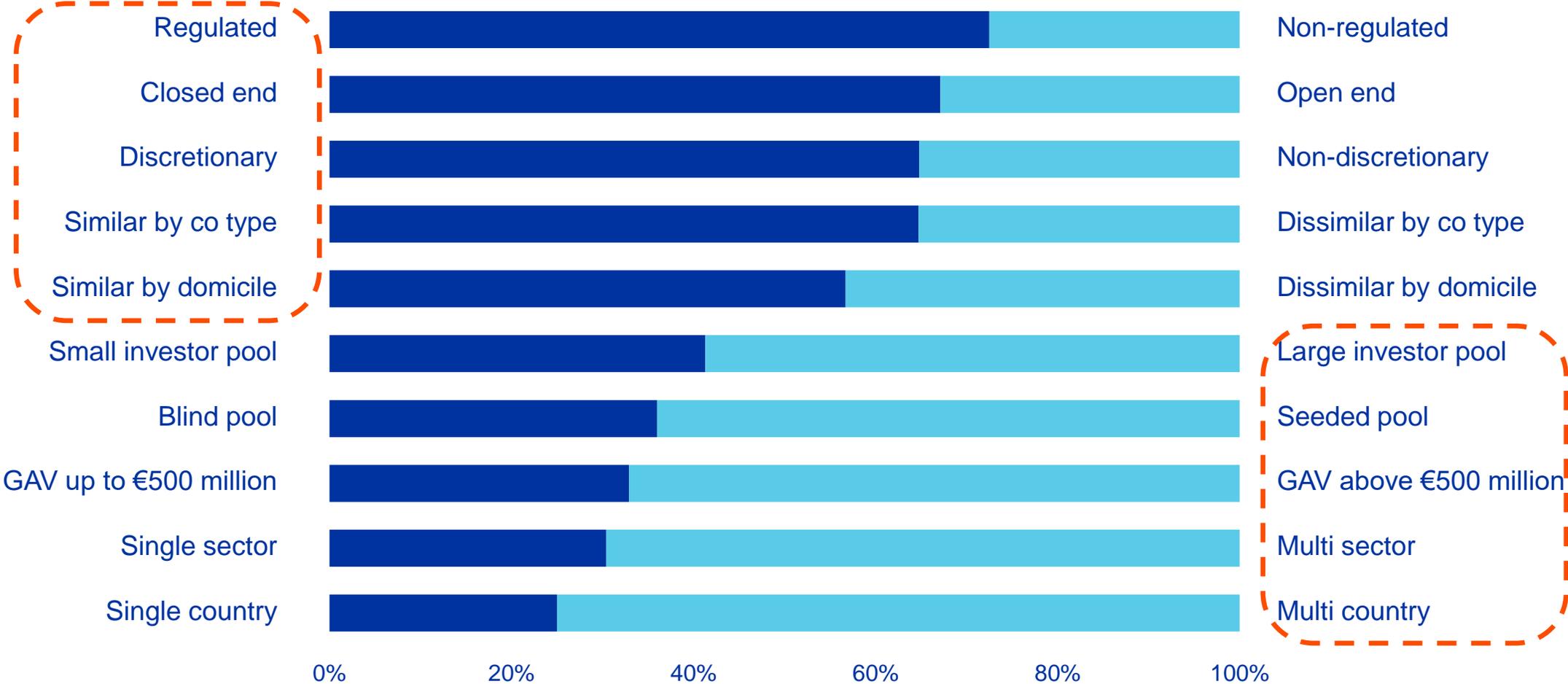
Larger investors have a strong desire for control over their assets and investment strategies

Diversification and expertise drives investment into funds

Main reasons to invest

1.  INTERNATIONAL DIVERSIFICATION
2.  EXPERT MANAGEMENT
3.  DIVERSIFICATION BENEFITS

There are clear preferences for certain fund types



There are challenges on the road ahead

Top 3 Most challenging obstacles viewed by investors

1.  AVAILABILITY OF SUITABLE PRODUCTS
2.  CURRENT MARKET CONDITIONS
3.  ASSOCIATED COST

Top 3 Challenges for fund managers

1.  ABILITY TO ACHIEVE TARGET RETURNS
2.  AVAILABILITY OF SUITABLE PRODUCTS
3.  INVEST CAPITAL AT PLANNED RATE

Conclusions

- More than €50 billion targeting real estate in 2017
- Allocation to real estate set to rise from 10.0% to 11.5%
- US and Dutch investors have their eye on Finland
- Value added has the most attractive risk-adjusted performance prospects
- Funds back on top, though desire for control remains strong



How long is the cycle?

