

INREV launches investor real estate performance index

20 April 2016, Vienna – INREV has today unveiled its Global Investor Real Estate Performance Index – a new index that tracks investor performance for the first time. Initial findings reveal an average real estate performance of 8.75% per annum between 2005 and 2014, which compares with 4.9% for investment grade bonds¹ and 6.2% for global equities².

The index enables investors across the world to track and benchmark their performance against their peers providing a 360° perspective. It takes account of all four main routes to real estate investment – listed, non-listed, direct and commercial real estate debt. The index covers activity in all major real estate sectors, including retail, office, industrial and residential. It also spans all key geographic regions, including Europe, Asia Pacific, North America, South America and Africa.

Working in close collaboration with investor members, INREV undertook a thorough due diligence and proof of concept process lasting more than two years. This first release of the index includes unique data from 19 investors across eight countries with a combined total of €107.7 billion real estate AUM at the end of 2014. However, the index will continue to evolve with the number of investors contributing data expected to increase significantly over time.

“This is a very exciting addition to the constantly expanding range of performance measurement tools we provide for the industry. The index will be of particular benefit in helping to inform global investors’ capital allocation decisions – both across multi-asset and real estate-specific investment strategies,” said Henri Vuong, INREV’s Director of Research and Market Information.

Asset-level measurement

In a separate initiative, INREV has begun to test the concept and viability of developing an asset-level performance index, which would be the natural extension of INREV’s suite of indices which include the INREV Annual Index, the INREV Quarterly Index and the Global Real Estate Funds Index (GREFI).

This project responds to direct requests from, and a need within, the European real estate industry for additional analysis tools that help to explain the drivers of fund performance.

¹ Source: Barclays

² Source: Irish Life Investment Managers



Working in conjunction with a focus group of around 25 INREV members, the Performance Measurement and Benchmarking Committee has already completed 10 months of preliminary due diligence, and the INREV Management Board has now ratified the next phase evaluating the feasibility of the project. This process will evaluate key items such as data calculation and methodology and the analysis and use of data. It follows a similar procedure used for the development of all INREV's existing indices. The feasibility and due diligence process is expected to be completed in 2017.

“There is a clear message from the industry that an asset-level database of this type would be very useful. It is a natural step for INREV and would be a valuable addition to INREV's existing suite of performance measurement tools – including the new Global Real Estate Investor Performance Index – that help improve industry-wide best practice, transparency and peer-to-peer comparison,” added Henri Vuong.

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Notes to editors:

About INREV

INREV, the European Association for Investors in Non-listed Real Estate Vehicles, was launched in May 2003 to act for investors and other participants in the growing non-listed real estate investment industry.

As a forum for the sector, INREV increases the transparency and accessibility of non-listed vehicles, promotes professionalism, clarifies best practice, and shares and spreads knowledge.

INREV currently has 383 members drawn from leading institutional investors, fund managers, banks and advisors across Europe and elsewhere. In 2015, 40 new members joined INREV.

The non-profit association is based in Amsterdam, the Netherlands.

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