



INREV Vehicles Universe

Q4 2018



Market Information

INREV is the European Association for Investors in Non- Listed Real Estate Vehicles. Our aim is to improve the accessibility of non- listed real estate vehicles for institutional investors by promoting greater transparency, accessibility, professionalism and standards of best practice.

As a pan European body, INREV represents an excellent platform for the sharing and dissemination of knowledge on the non- listed real estate industry.

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Contents

Executive summary 4

Sections

1	Introduction	5
2	Key figures	7
3	Style and structure	10
4	Country and sector strategies	14
5	Domicile and targets	21

Appendices

1	Universe specification	24
2	Developments	26

Executive summary

- > The Universe contains 447 vehicles: 439 funds, 7 separate accounts and 1 club deal
- > Non-core vehicles comprise 35.5% of the number of vehicles on the Universe, while core make up the majority with 64.5%
- > Average NAV of all vehicles stands at €552.3 million, an increase of 2.7% on previous quarter

Funds still dominate

The Q4 2018 update of the INREV Vehicles Universe includes 447 vehicles comprised of 439 funds, 7 separate accounts and 1 club deal as of end of February 2019. Collectively they represent total net asset value (NAV) of €246.9 billion and gross asset value (GAV) of €315.4 billion. Over the quarter 10 new vehicles were added to the Universe and 11 liquidated vehicles were removed.

One in three are non-core style

Of the 447 vehicles in the Universe, 158 or 35.5% are non-core vehicles of which 108 are value added and 50 opportunity. The remaining 289 are vehicles with a core strategy.

Vehicles continue to grow in size

The average size of a vehicle, measured by the total NAV divided by the number of vehicles, stands at €552.3 million, which is a 2.7% increase on the €534.7 million previously. Average vehicle size measured by GAV reached €705.5 million, indicating moderate average gearing.

Core much larger than non-core

Size wise, core vehicles are much larger than their non-core peers. The average NAV of core vehicles is €757.8 million, almost four times greater than non-core vehicles.

Non-core vehicles recorded an average NAV of €176.4 million. Value added vehicles were larger with an average NAV of €196.3 million, while opportunity vehicles posted an average NAV of €133.3 million.

Open end vehicles dominate by size

Closed end vehicles represent over half, 54.1%, of the vehicles in the universe by number. However, by size open end vehicles dominate and comprise 80.4% of total NAV, indicating that open end vehicles are much larger than closed end vehicles on average. Open end vehicles tend to be core in strategy (193 of the 205 open end vehicles) while closed end vehicles are a mix of strategies (96 core, 96 value added and 50 opportunity).

Global vehicles twice the size

Of the 447 vehicles in the Universe, 429 have a European strategy and 13 vehicles have a global strategy. These 13 vehicles represent total NAV of €12.9 billion and GAV of €15.9 billion, which indicates that global vehicles are much larger on average, and are close to twice the size of their European peers.

All Europe and UK lead

The Universe is almost evenly split between multi country (222) and single country (225) strategies. Of the multi country vehicles, all Europe is the most popular strategy. These 141 vehicles represent NAV of €92.0 billion and comprise 76.6% of the total NAV of all multi country vehicles.

Among the single country vehicles, the UK leads. There are 71 funds that target the UK totalling to €60.1 billion in NAV or 47.5% of the total NAV of all single country vehicles.

A trio takes the lead in domiciles

A trio of Germany (110), Luxembourg (91) and the UK (74) lead in the domiciles of vehicles. As a group these vehicles account for 61.5% of the universe. Vehicles domiciled in the Netherlands (33), Jersey (25) and Italy (24), France (17) and Portugal (15) follow next.

Section 1

Introduction

Introduction

The INREV Vehicles Universe captures live vehicles for the non-listed real estate industry.

The Universe was launched in 2004 to capture vehicles in the European non-listed real estate market.

The Universe update is published 10 weeks after quarter end, following publication of the [INREV Quarterly Index](#) and the [German Vehicles Quarterly Index](#).

This quarter's Universe release includes 447 vehicles (439 funds, 7 separate accounts and 1 club deal) and represents total net asset value (NAV) of €246.9 billion and gross asset value (GAV) of €315.4 billion as at end February 2019.

The INREV Vehicles Universe is a live database which means that it is constantly updated and that liquidated vehicles are removed from the Universe.

The Universe results are based on vehicle level data that is provided to INREV directly from managers. Data submission is permitted all year round. INREV encourages managers to submit data via the [Data Input Tool](#).

INREV does not use publicly available information, and both members and non-members of INREV can provide data for the Universe.

INREV would like to thank all participants for contributing to the INREV Vehicles Universe and the [Performance Measurement Committee](#) for their guidance and governance of the Universe.

For detailed analysis of the INREV Vehicles Universe visit the [INREV Vehicles Universe Analysis Tool](#).

Use

The results of the Vehicles Universe may be used for research and information purposes only.

They may not be used for the following:

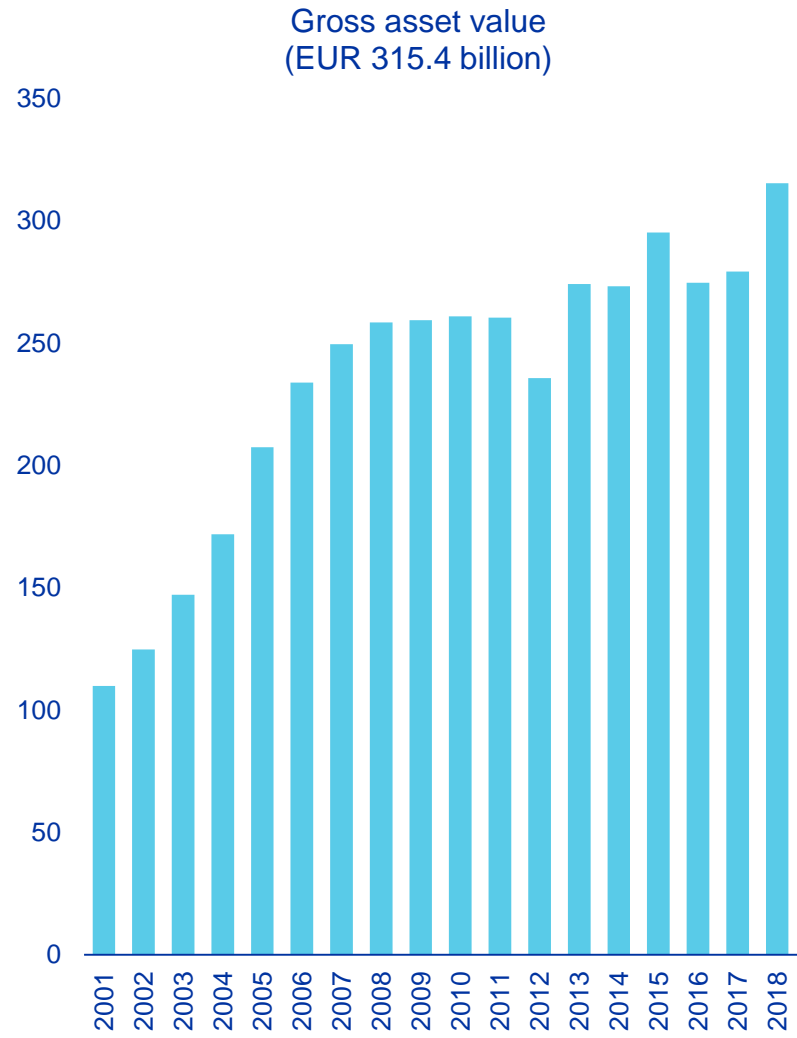
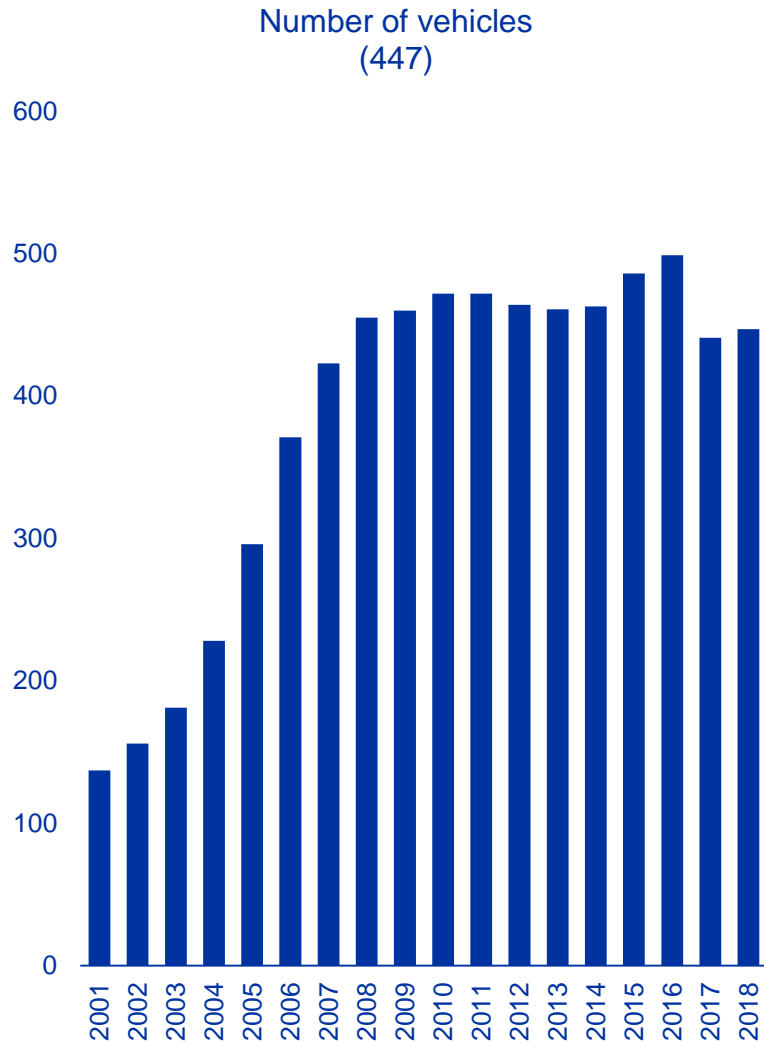
1. To determine the value of a fund
2. To determine the value of a financial instrument
3. To determine the amount payable under a financial instrument
4. To determine the amount payable under a financial contract
5. To calculate performance fees
6. To define the allocation of a portfolio

It is important to note that the sample size and its composition varies year by year. As such, historical comparison should be treated with caution.

Section 2

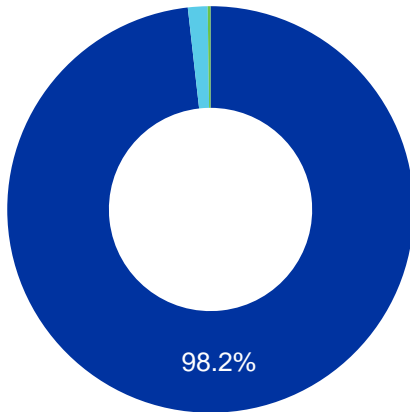
Key figures

Universe evolution



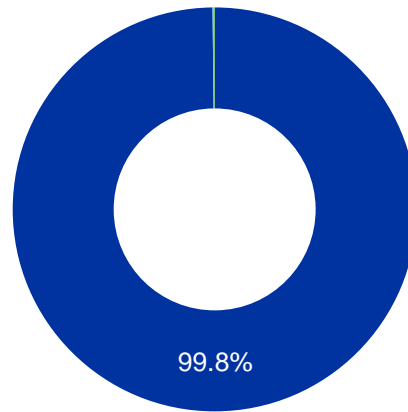
Vehicle type

Number of vehicles
(447)



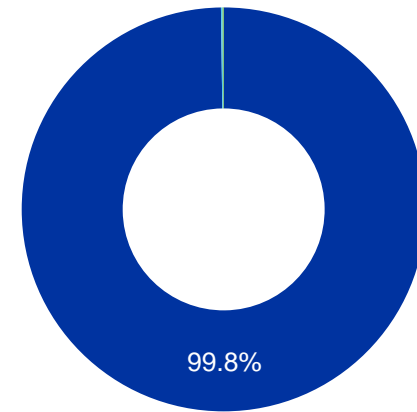
- Non-Listed Fund
- Separate Account (0.1%)
- Club deal (0.1%)

Net asset value
(€246.9 billion)



- Non-Listed Fund
- Separate Account (0.1%)
- Club deal (0.1%)

Gross asset value
(€315.4 billion)



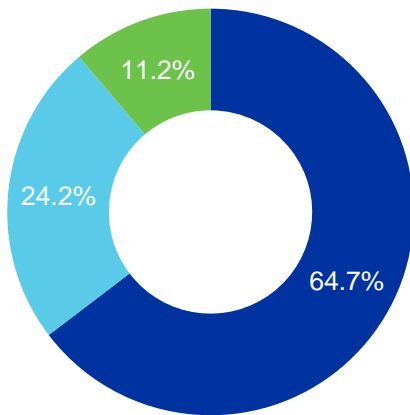
- Non-Listed Fund
- Separate Account (0.1%)
- Club deal (0.1%)

Section 3

Style and structure

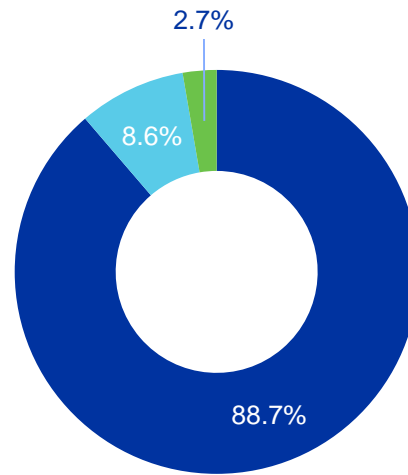
Vehicle style

Number of vehicles
(447)



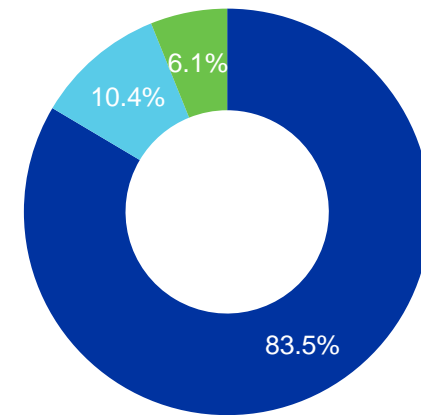
- Core
- Value-added
- Opportunity

Net asset value
(€246.9 billion)



- Core
- Value-added
- Opportunity

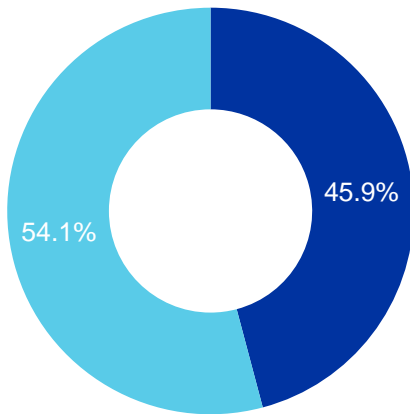
Gross asset value
(€315.4 billion)



- Core
- Value-added
- Opportunity

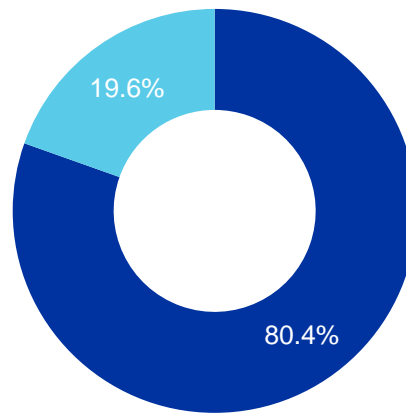
Vehicle structure

Number of vehicles
(447)



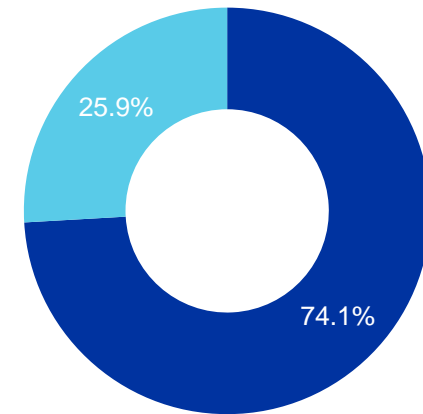
■ Open end ■ Closed end

Net asset value
(€246.9 billion)



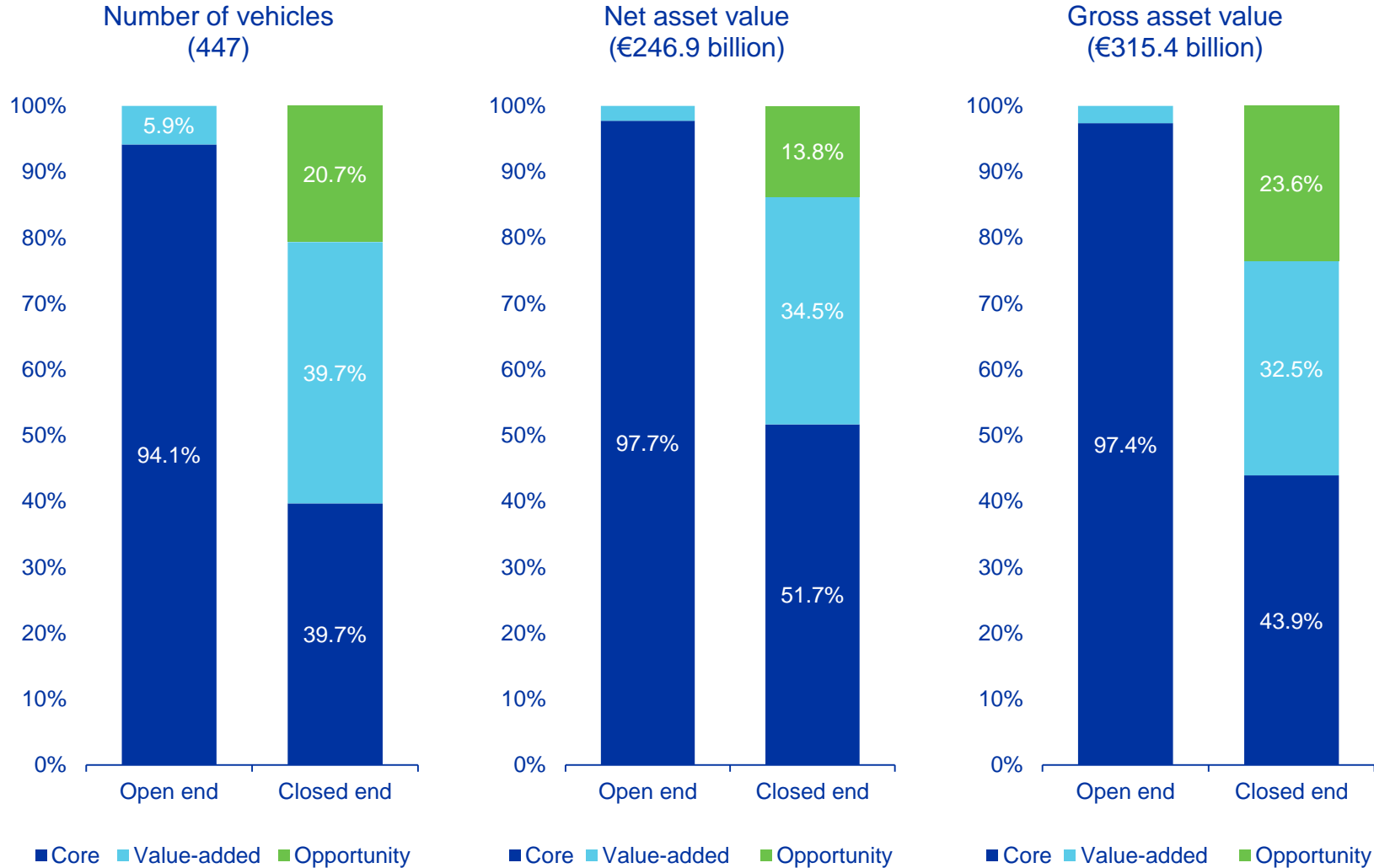
■ Open end ■ Closed end

Gross asset value
(€315.4 billion)



■ Open end ■ Closed end

Vehicle style and structure

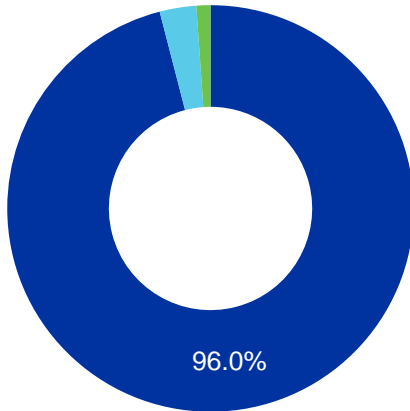


Section 4

Country and sector strategies

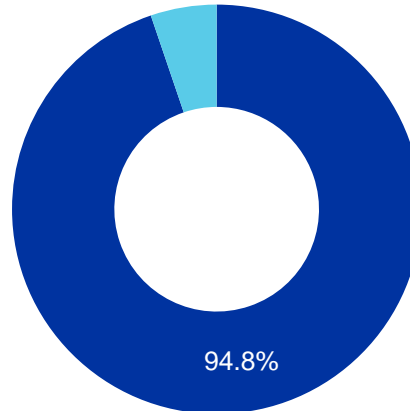
Target regional strategy

Number of vehicles
(447)



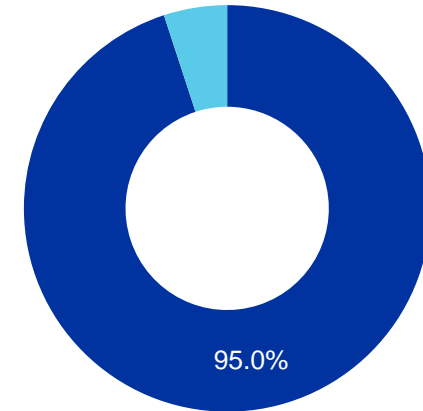
- Europe
- Global (2.9%)
- North America (1.1%)

Net asset value
(€246.9 billion)



- Europe
- Global (5.6%)
- North America (0%)

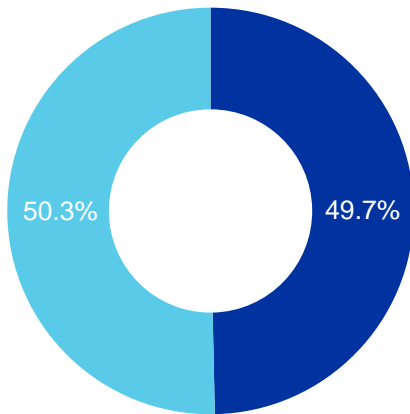
Gross asset value
(€315.4 billion)



- Europe
- Global (5.4%)
- North America (0%)

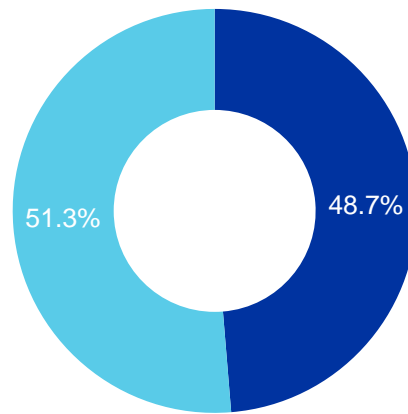
Multi country versus single country

Number of vehicles
(448)



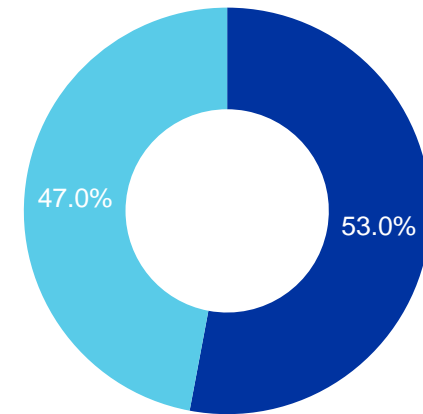
■ Multi country ■ Single country

Net asset value
(€246.9 billion)



■ Multi country ■ Single country

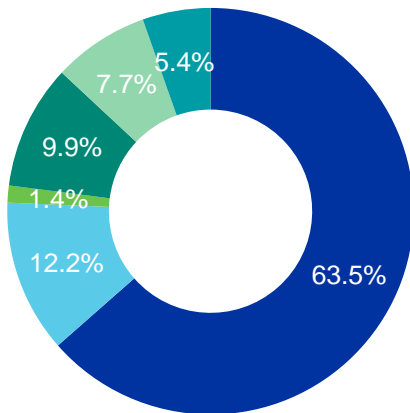
Gross asset value
(€315.4 billion)



■ Multi country ■ Single country

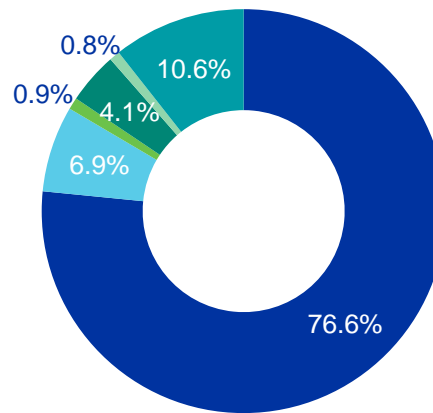
European multi country vehicles target region

Number of vehicles
(222)



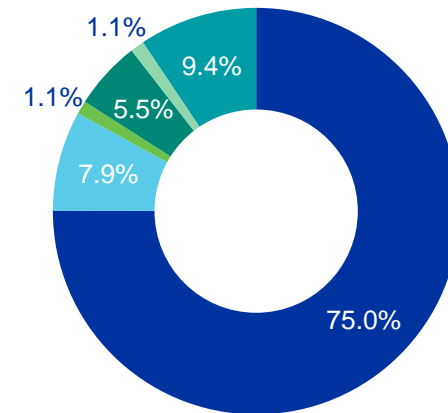
- Europe
- Western Europe
- Southern Europe
- Nordic
- Central and Eastern Europe(CEE)
- Not reported

Net asset value
(€114.4 billion)



- Europe
- Western Europe
- Southern Europe
- Nordic
- Central and Eastern Europe(CEE)
- Not reported

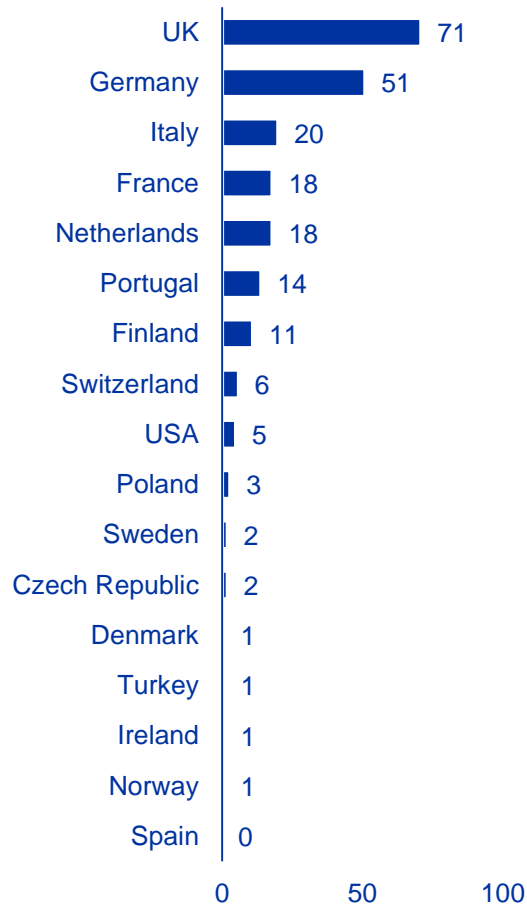
Gross asset value
(€159.2 billion)



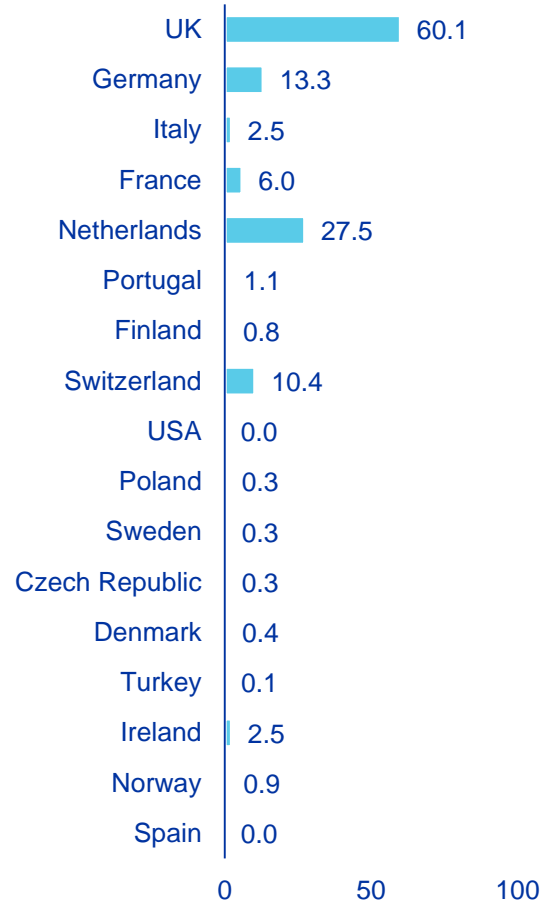
- Europe
- Western Europe
- Southern Europe
- Nordic
- Central and Eastern Europe(CEE)
- Not reported

European single country vehicles target country

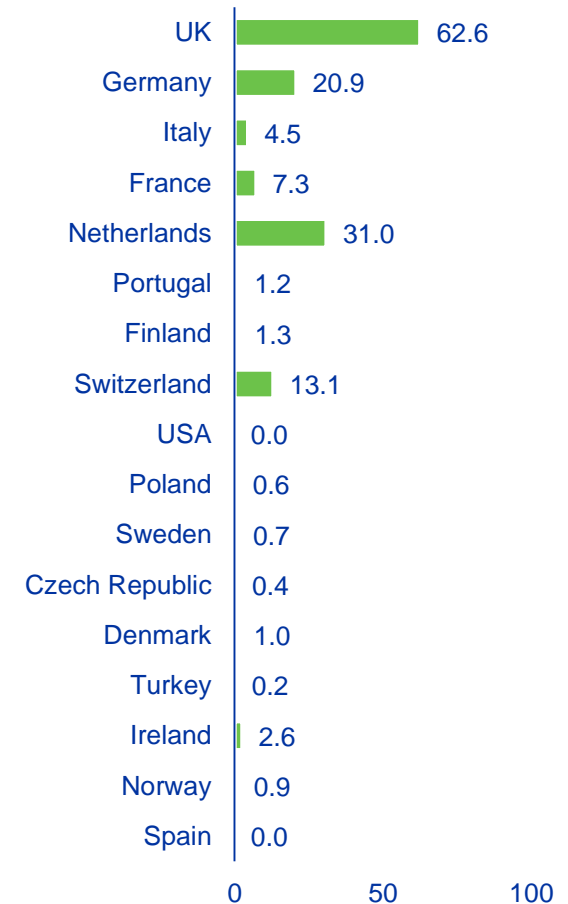
Number of vehicles
(225)



Net asset value
(€126.7 billion)

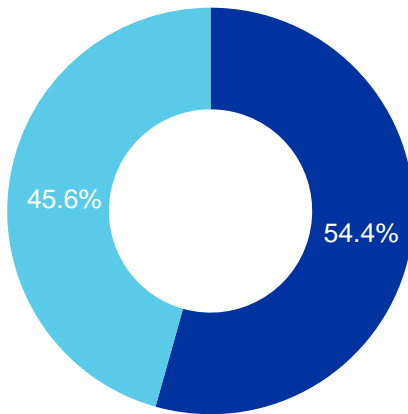


Gross asset value
(€148.4 billion)



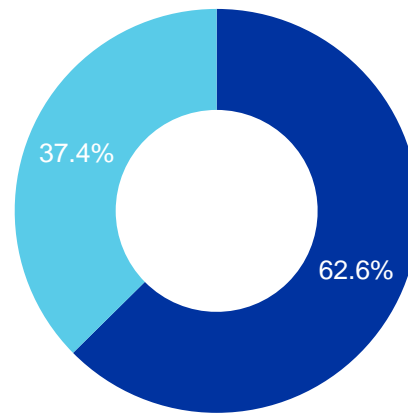
Multi sector versus single sector

Number of vehicles
(447)



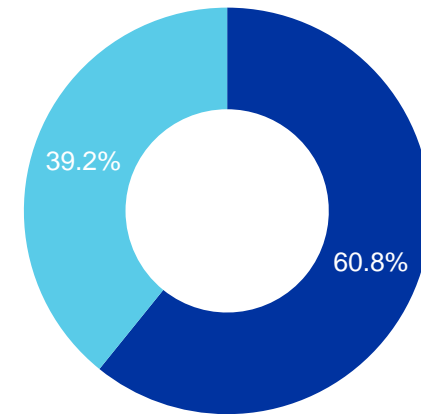
■ Multi sector ■ Single sector

Net asset value
(€246.9 billion)



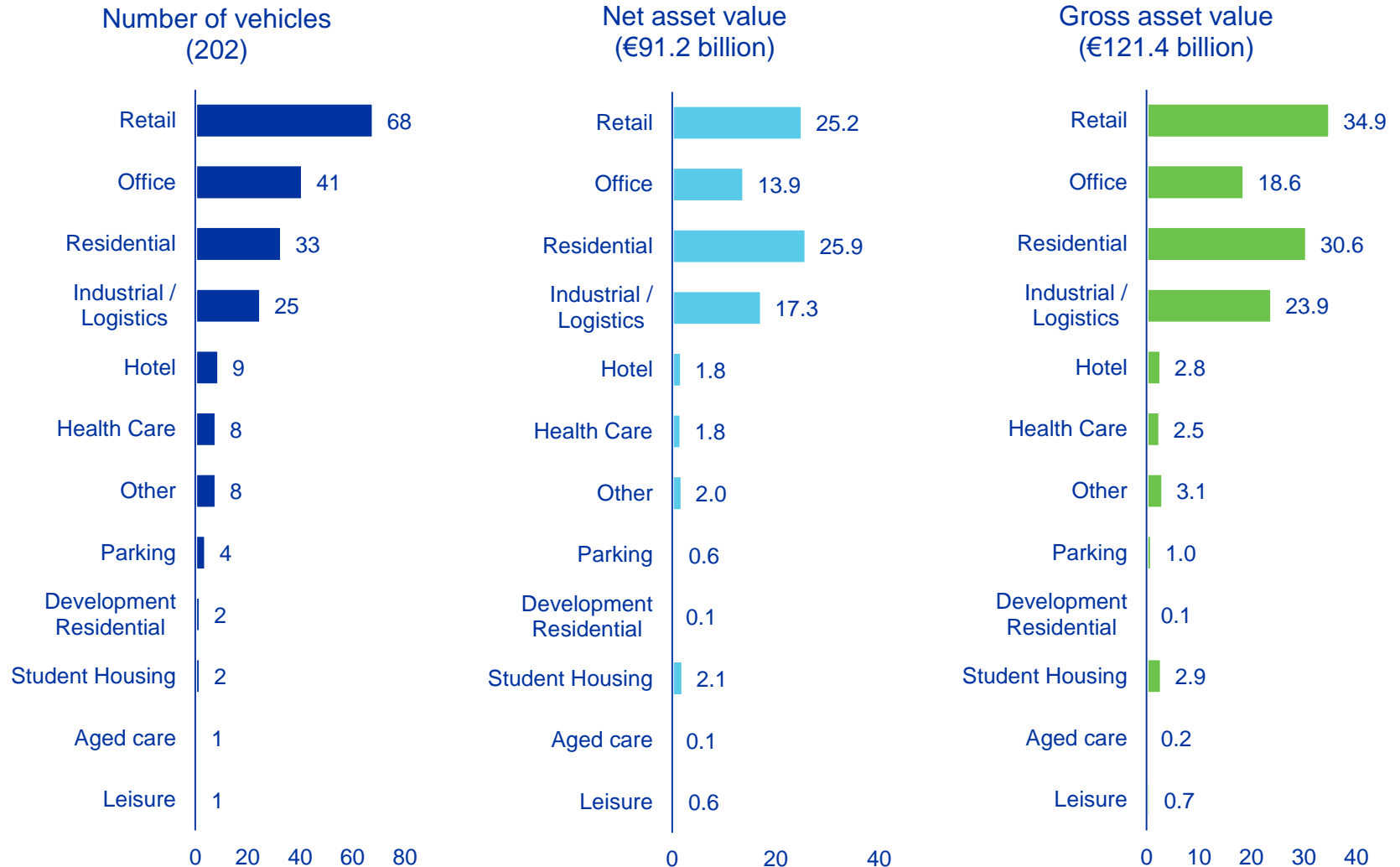
■ Multi sector ■ Single sector

Gross asset value
(€315.4 billion)



■ Multi sector ■ Single sector

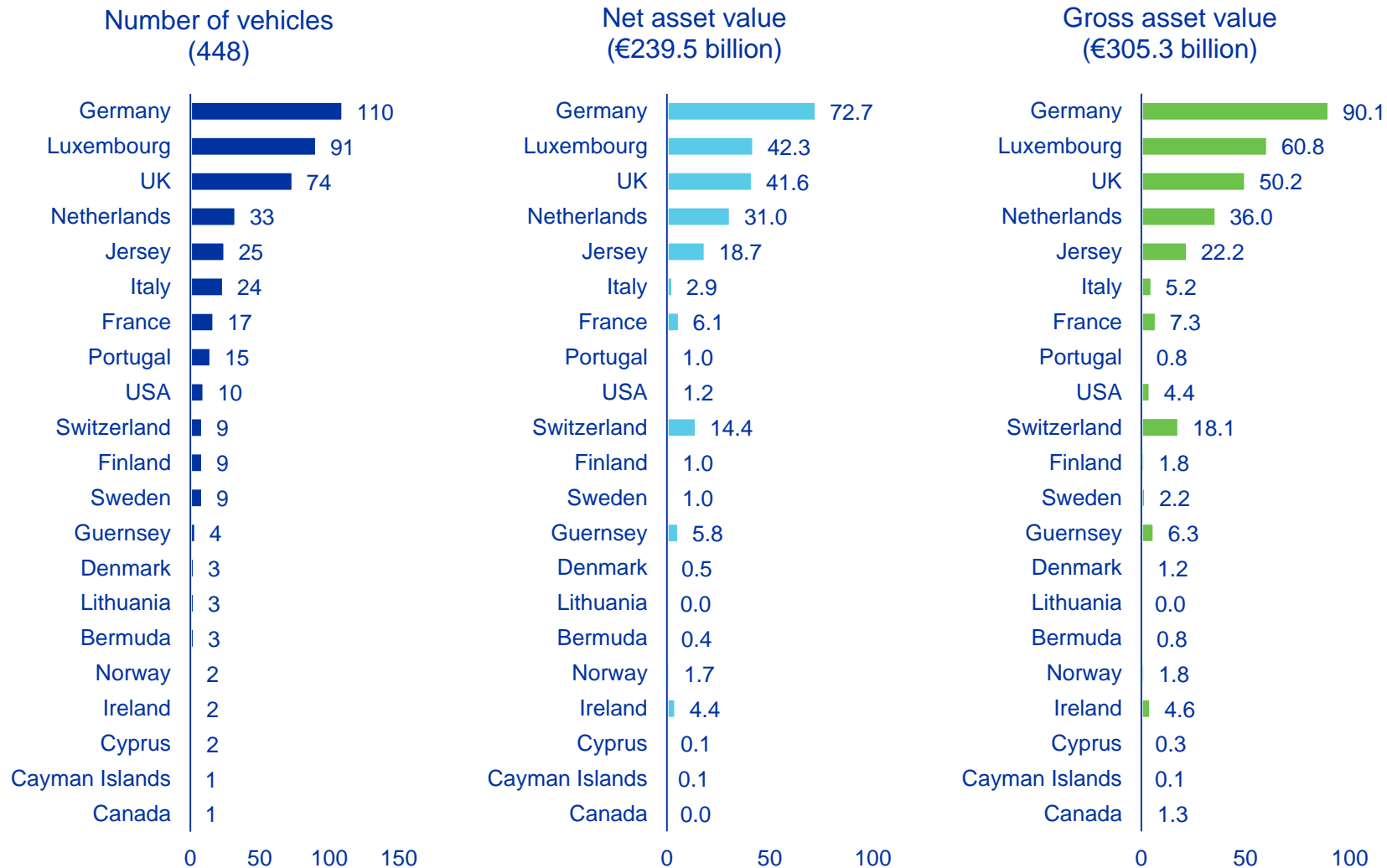
Single sector vehicles target sector



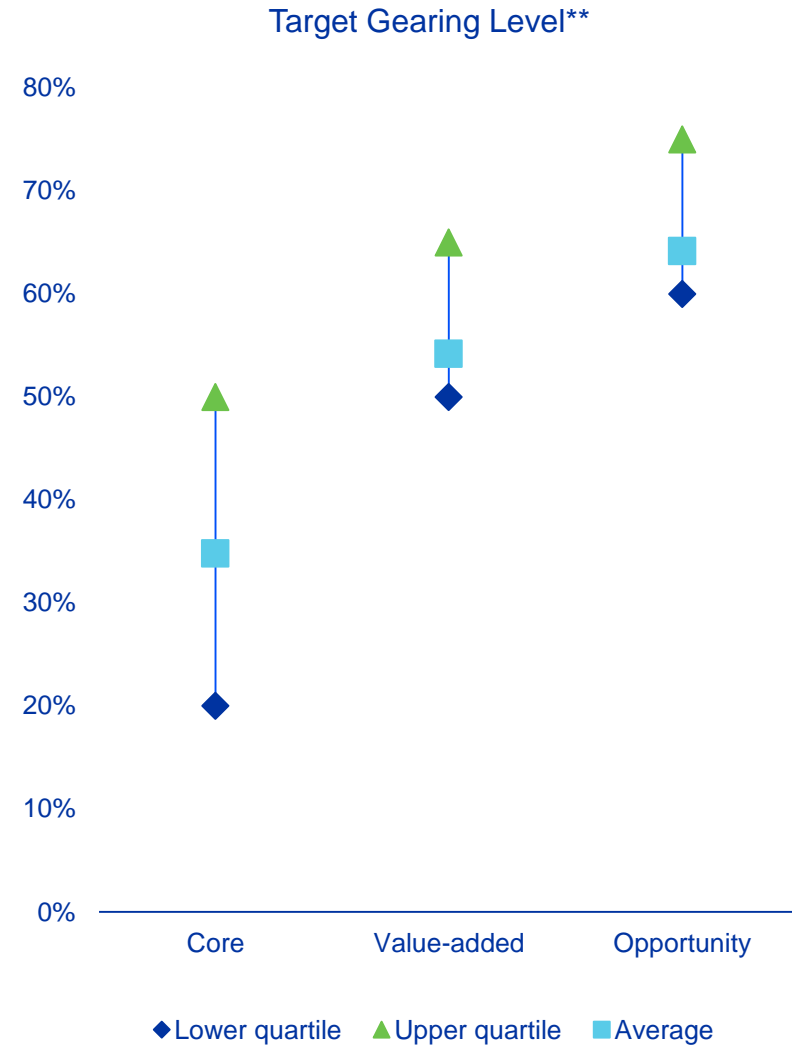
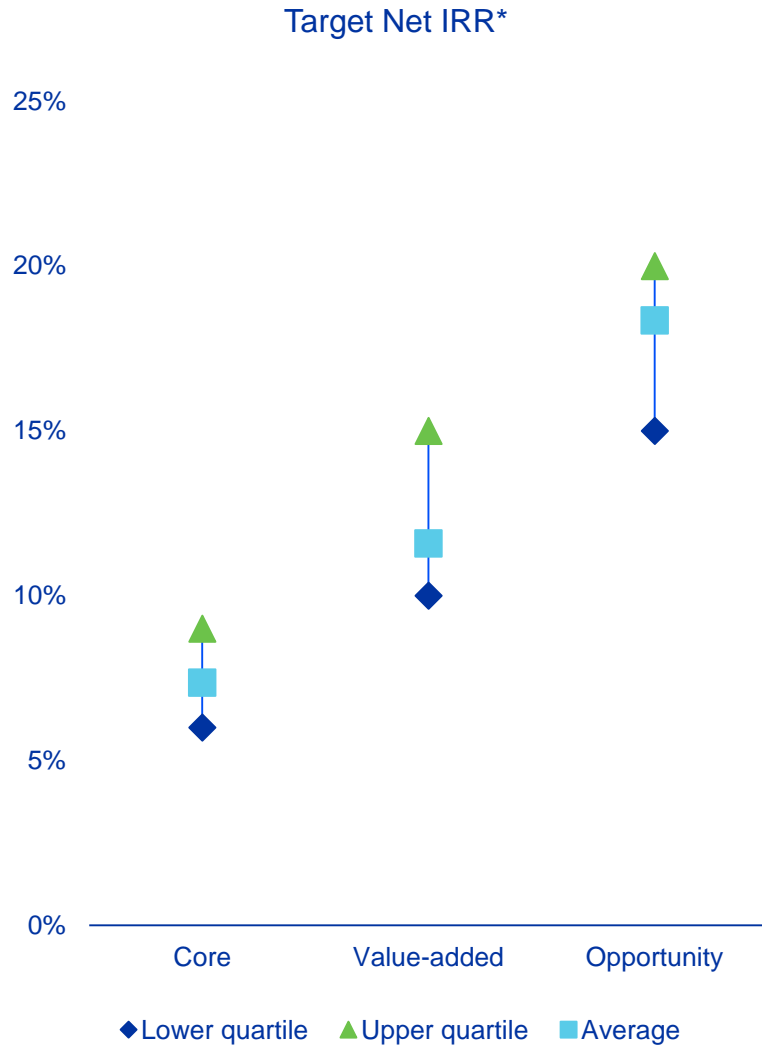
Section 5

Domicile and targets

Vehicle domicile



Target IRR and target gearing



*Target Net IRR from
 **Target Gearing Level as a % of GAV

Appendix 1

Universe specification

Universe specification

Inclusion criteria

- Live vehicles only, liquidated vehicles are excluded
- Includes funds, separate accounts, joint ventures and club deals
- Includes core, value-added and opportunity
- Includes vehicles with a European or global strategy
- Excludes debt funds and funds of funds

Classification

Styles are self-defined by the manager.

European strategy vehicles are those targeting at least 90% of GAV towards European markets.

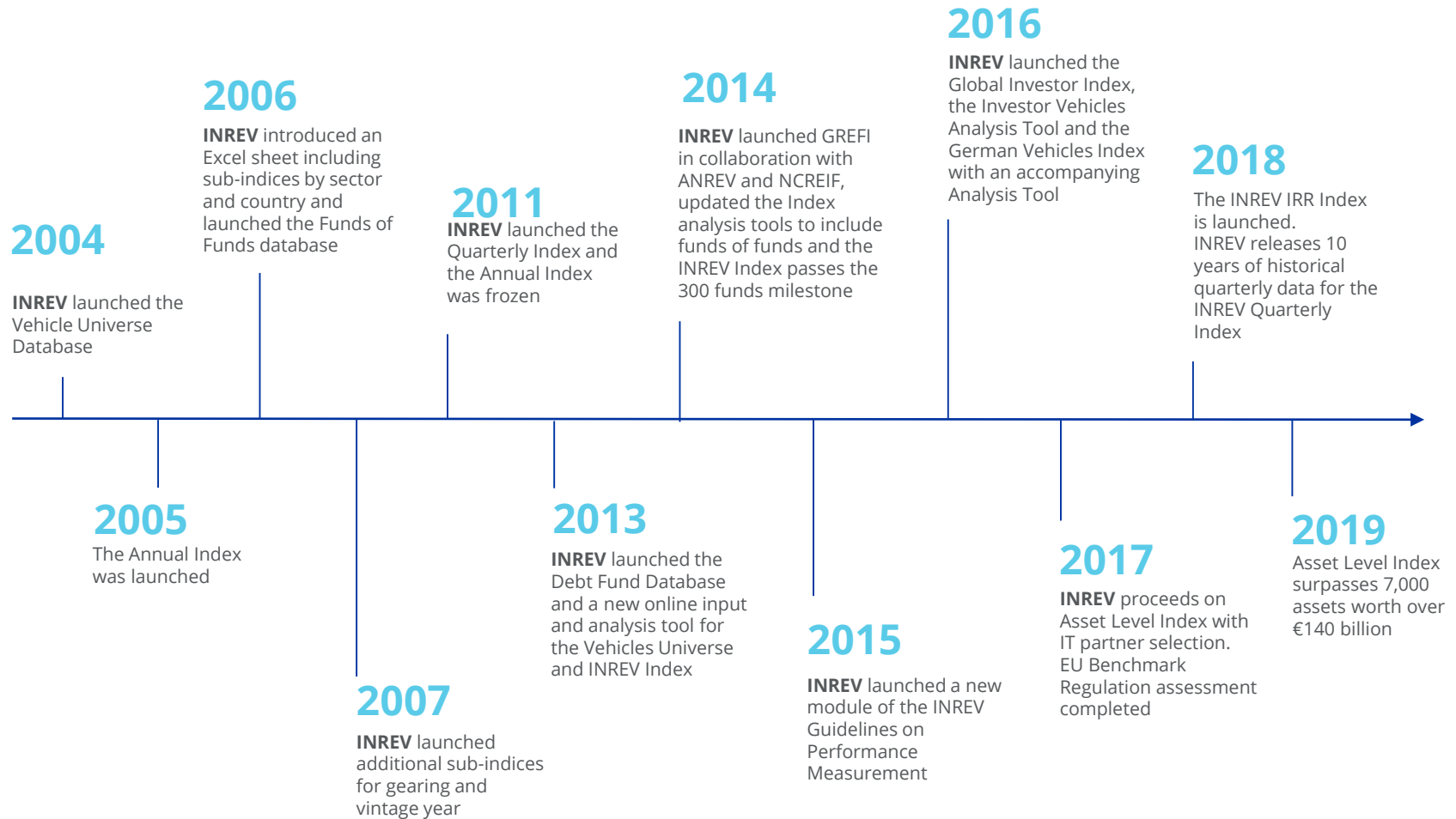
Global strategy vehicles are those targeting less than 90% of GAV towards any single region.

The Multi-country and Multi-sector indices include vehicles that have a strategy to invest in more than one country and more than sector respectively.

Appendix 2

Developments

Developments





CORPORATE



RESEARCH



MARKET
INFORMATION



PUBLIC
AFFAIRS



PROFESSIONAL
STANDARDS