The German investor universe is dominated by insurance companies. The rest of the institutional capital is split between pension funds and other types of investors, such as family offices and funds of funds.

German investors that responded to this study have an estimated allocation to real estate of around 14%, higher than the share that European investors have (roughly 11.2%). German investors have increased their allocation to real estate during the last ten years and plan to expand it even further.

The three most important reasons for German investors allocating to real estate are enhancing returns, achieving stable income returns and diversification within the multi-asset portfolio. Even though real estate is considered to be a better inflation hedge than other assets, this is not one of the main reasons for investing in it.

The most popular type of real estate investments, both domestic and nondomestic, is non-listed, attracting over 90% of German investors.

While the investment horizon of German investors is at least five years, strategies are reconsidered at least every three years and tactical investment issues are decided on an annual basis.

Corporate social responsibility has become increasingly important for real estate professionals. This is not limited to sustainability but also includes other CSR topics such as diversity.

For further details contact research@inrev.org. The full report is available to members at inrev.org/research.