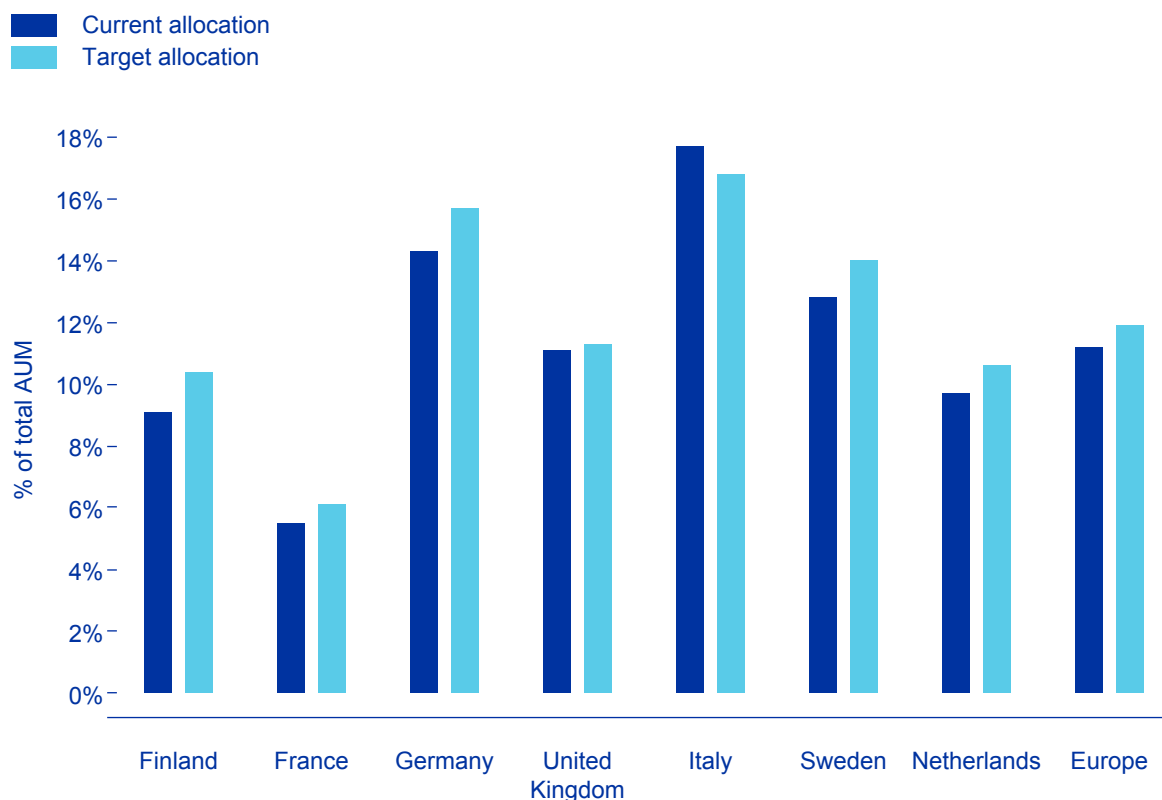


## Insurers and pension funds dominate real estate investment universe

- > Average allocation to real estate increased from 8.1% in 2012 to 11.2% in 2019
- > Diversification is still the main reason to invest in real estate
- > European investors prefer core strategies, allocating 84.9% of their real estate AUM

**Figure 1: Current and target allocation to Real Estate**



The Investor Universe Comparison Study compares the results of the seven country specific studies published by INREV in 2019.

The study is based on data collected via an online survey throughout the last quarter of 2018 and interviews that took place over the first half of 2019. The survey sample includes 103 respondents (94 investors and 9 funds of funds).

The European institutional real estate investment industry is dominated by pension funds and insurance companies that account for almost 80% (36.5% and 42.9% respectively) of the real estate investment market.

The current allocation to real estate stands at 11.2% on average, a significant increase on the allocation of 8.1% in the 2012 study.

The target allocation of investors is 11.9%, suggesting that this allocation to real estate could increase in the coming years.

The single most important reason for the investors choosing to hold real estate is for its diversification benefits followed by risk adjusted returns.

In terms of style investors prefer core strategies, with 84.9% of real estate AUM in such assets across Europe.