

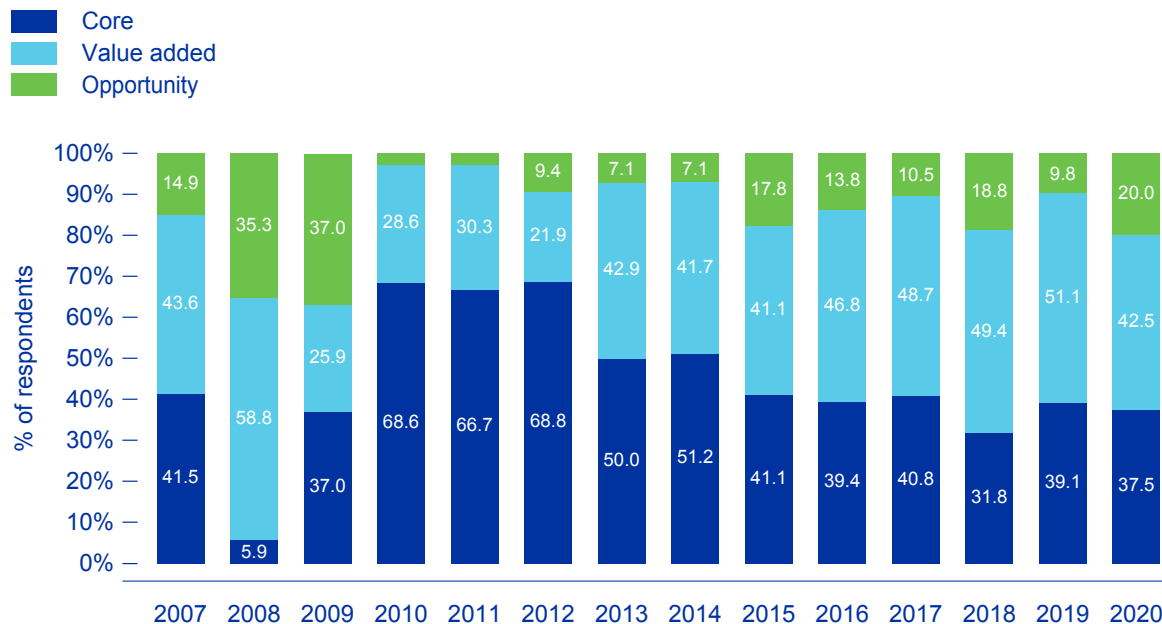
## Investors move up the risk curve

- > Opportunity investment style gains interest, although value added still in favour
- > Investors plan to invest over €98 billion of new capital in real estate globally in 2020
- > Retail continues to lose appeal and falls out of top 3 preferred sectors

Institutional investors are increasing their preference for riskier strategies in Europe. Around 20% of all institutional investors selected opportunity as their preferred strategy for 2020. This represents a substantial increase compared with the number recorded last year (9.8%).

Value added remains the favoured investment style, although it has decreased from 51.1% to 42.5% compared with the previous year. The number of investors selecting core as their preferred style dropped from 39.1% to 37.5% although it remains the second preferred style.

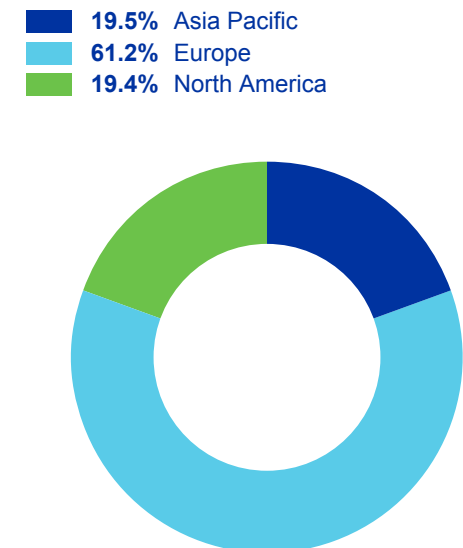
**Figure 1: Investment style preferences 2007 to 2020**



In 2020 a minimum of €98.1 billion of new capital is expected to be invested into real estate, €88.5 billion from investors and €9.6 billion from funds of funds. This represents an increase of more than €20 billion compared with the figures recorded in 2019.

More than 60% of this capital will come from European institutional investors, while the rest is split almost equally among APAC and North American institutional investors.

**Figure 2: Capital expected to be invested into real estate in 2020 by investor domicile (€ 88.5 billion)**



When asked about preferred sectors, investor and funds of funds selected office, residential and industrial logistics, while retail was selected only by 43.1% of investors and 10.0% of funds of funds as their preferred sector.

Development increased in popularity among institutional investors compared with previous years reports. Student accommodation and healthcare decreased for investors but increased for funds of funds sectors compared with the report of 2019.

Germany, UK and France remain the top 3 preferred European destinations for investors. Funds of funds placed Germany, France and The Netherlands in top position, followed by the UK in second and Portugal and Sweden in third place.

France office remains the preferred country/sector combination for the third year running.

Access to expert management keeps its position as the number one reason to invest

in non-listed real estate funds for investors and funds of funds while the most challenging obstacle for both groups is still the availability of suitable products.

For further details contact [research@inrev.org](mailto:research@inrev.org).

The full report is available to members at [inrev.org/research](https://inrev.org/research).

**Figure 3: Most preferred sectors for 2020 by respondent type**

