

Investment plans largely unaffected by COVID-19 pandemic

- > The impact of the COVID-19 pandemic on global real estate investment plans is negligible
- > A minimum of €64.6 billion is expected to be invested in real estate in 2021
- > Retail slides further, no longer being among the top 4 sectors considered

This year's edition of the ANREV/INREV/PREA Investment Intentions survey asked respondents about their changes in investment plans as a result of the COVID-19 pandemic. The vast majority indicated that

the outbreak did not change their investment plans for the coming year.

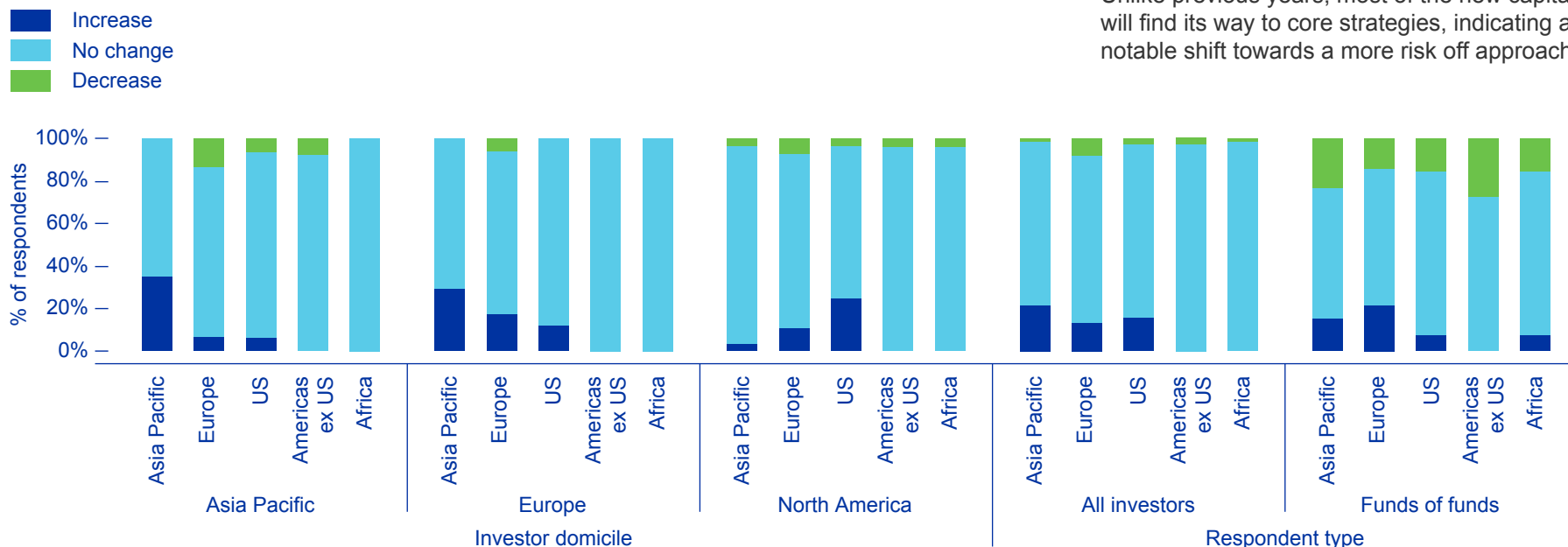
Only a few respondents indicated it led to an increase or decrease in investment plans.

Investor domicile or regional strategy did not have any significant impact on the results.

A minimum of €64.6 billion is expected to hit the market in 2021, of which €55.4 billion is coming from institutional investors and a further €9.2 billion from funds of funds. Most of this capital is coming from European investors (72%), while their counterparts from North America and Asia Pacific account for 20% and 8%, respectively. Funds of funds expect to invest around €9.2 billion into real estate in the coming year.

Unlike previous years, most of the new capital will find its way to core strategies, indicating a notable shift towards a more risk off approach.

Figure 1: Changes in 2021 investment plans due to COVID-19, by region and investor domicile



Turning to preferred sectors for investors as well as funds of funds, office, industrial/logistics and residential are by far considered most attractive.

The retail sector slides further and is now no longer featuring in the top 4, as was traditionally the case in previous years. Investors indicate they prefer developments

over retail, while funds of funds show a stronger interest in alternative sectors, such as healthcare.

Germany, France and the UK are still the preferred investment destinations in Europe. However, France overtook the UK and is now tied in first place with Germany. Funds of funds also show strong interest in

Germany, France and the UK, but indicate the Netherlands as their most preferred destination.

The UK is no longer in the top 10 country/sector combinations. The industrial/logistics sector, on the other hand, has become even more popular, claiming 5 of the top 10 spots.

Access to expert management keeps its position as the main reason to invest in non-listed real estate funds for investors, as well as funds of funds, while current market conditions and availability of suitable product are cited as the most challenging obstacles.

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

Figure 2: Most preferred sectors for 2021 by respondent type

