

INREV INVESTMENT INTENTIONS SEMINAR

Key Results



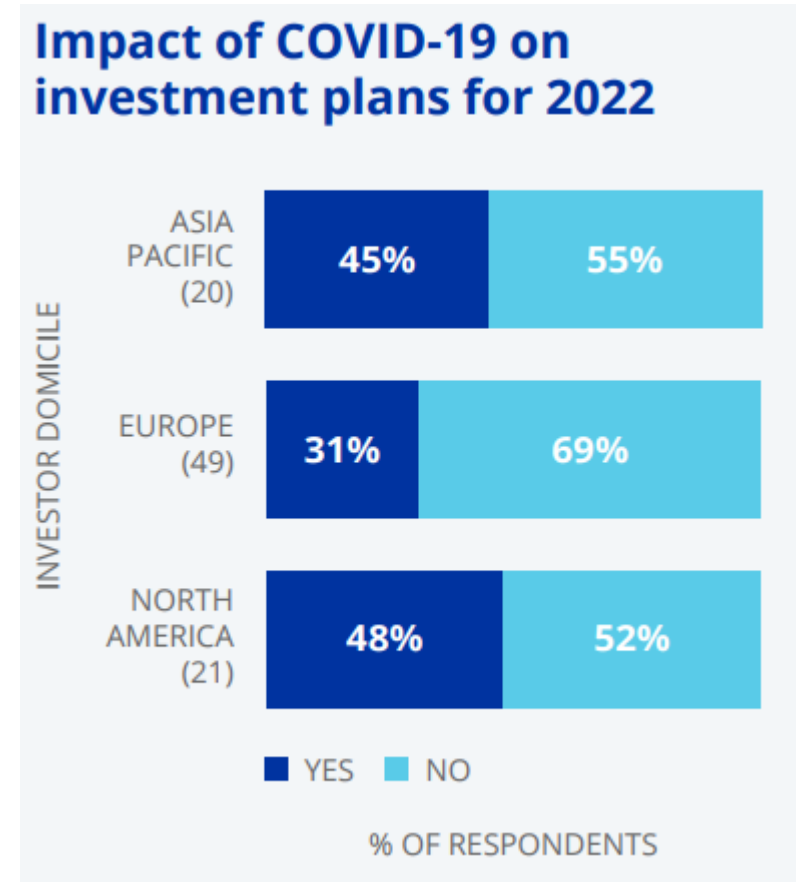
Investment Intentions Survey 2022 Results
18 January 2022

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INREV

INREV

Investment Intentions Survey 2022

Strong appetite for real estate despite COVID-19 pandemic

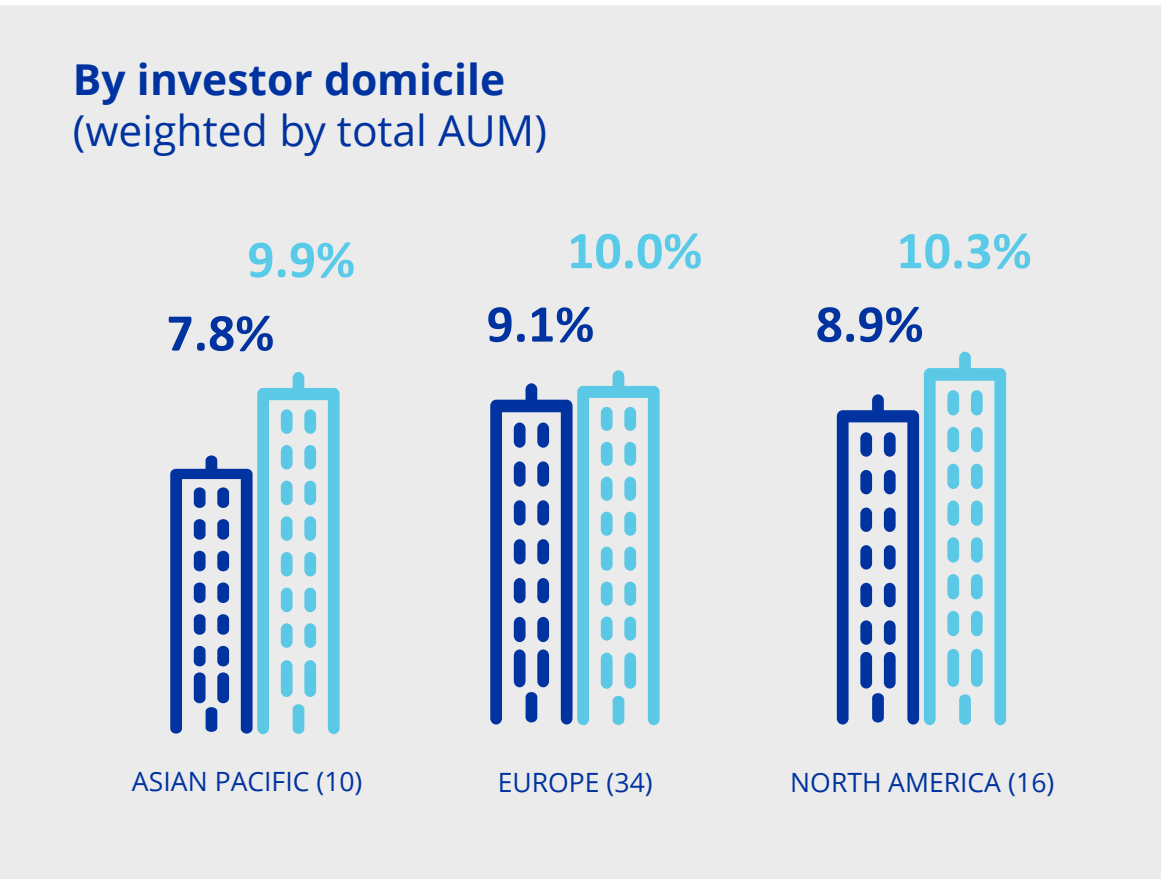
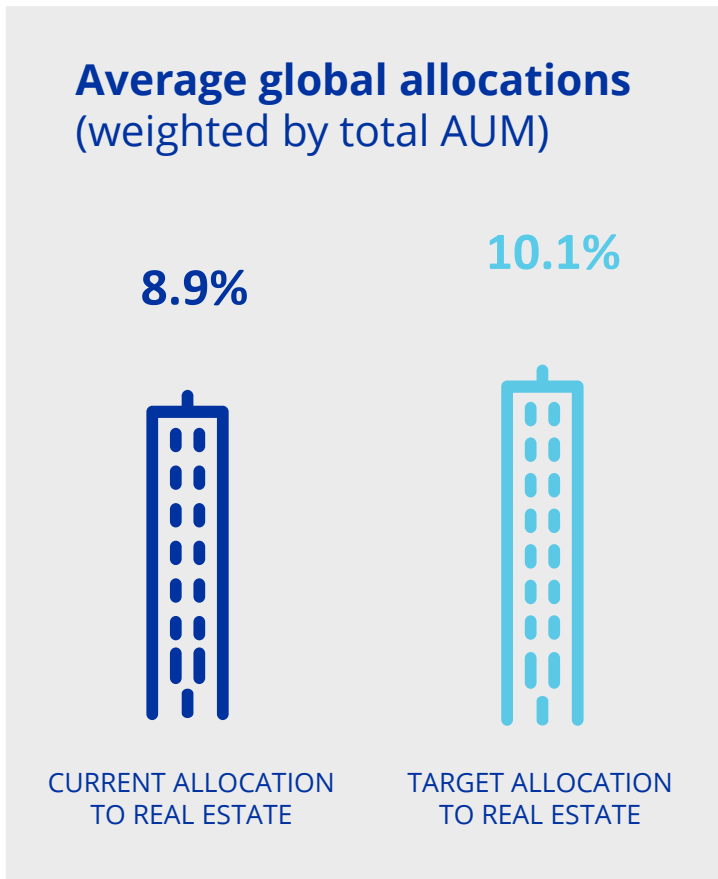


Source: Investment Intentions Survey 2022

* Correction notice 25 Jan : Since publication, this number has been changed

Circa 120 basis points allocation gap

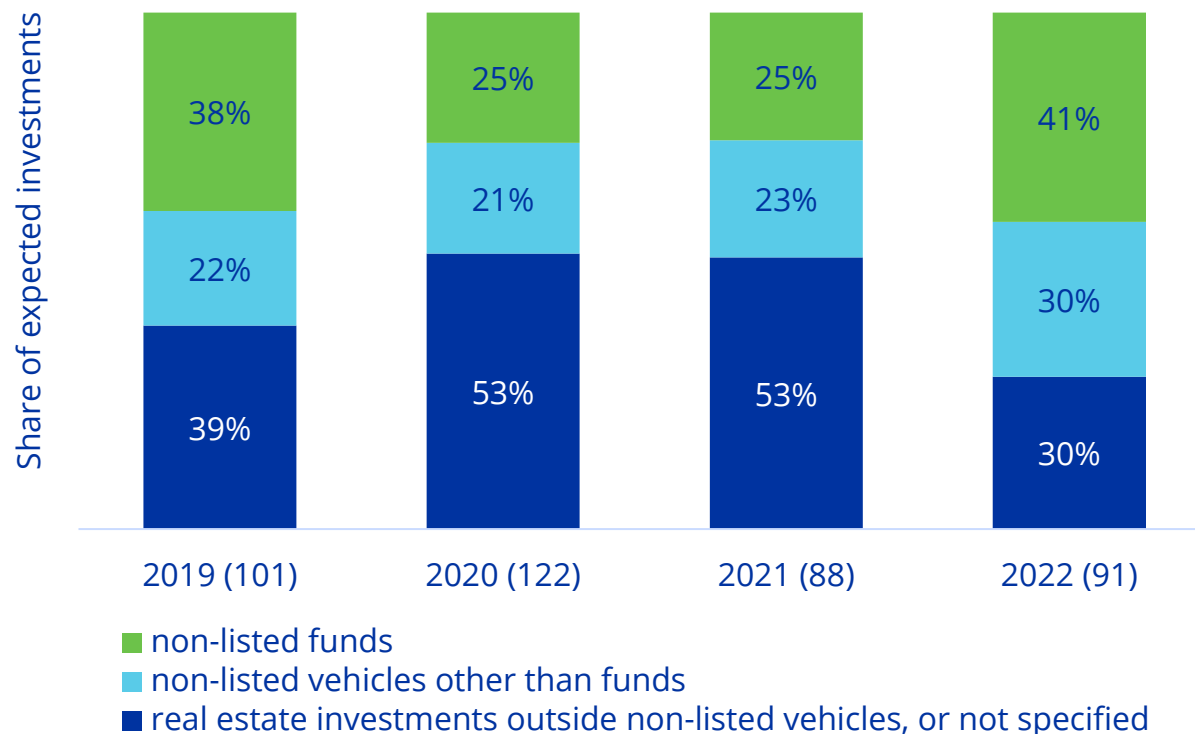
Institutional capital looks set to continue to flow into the asset class



Source: Investment Intentions Survey 2022
Numbers in brackets show sample size by number of respondents

Planned capital deployments by vehicle type

Shift in preference towards non-listed real estate structures



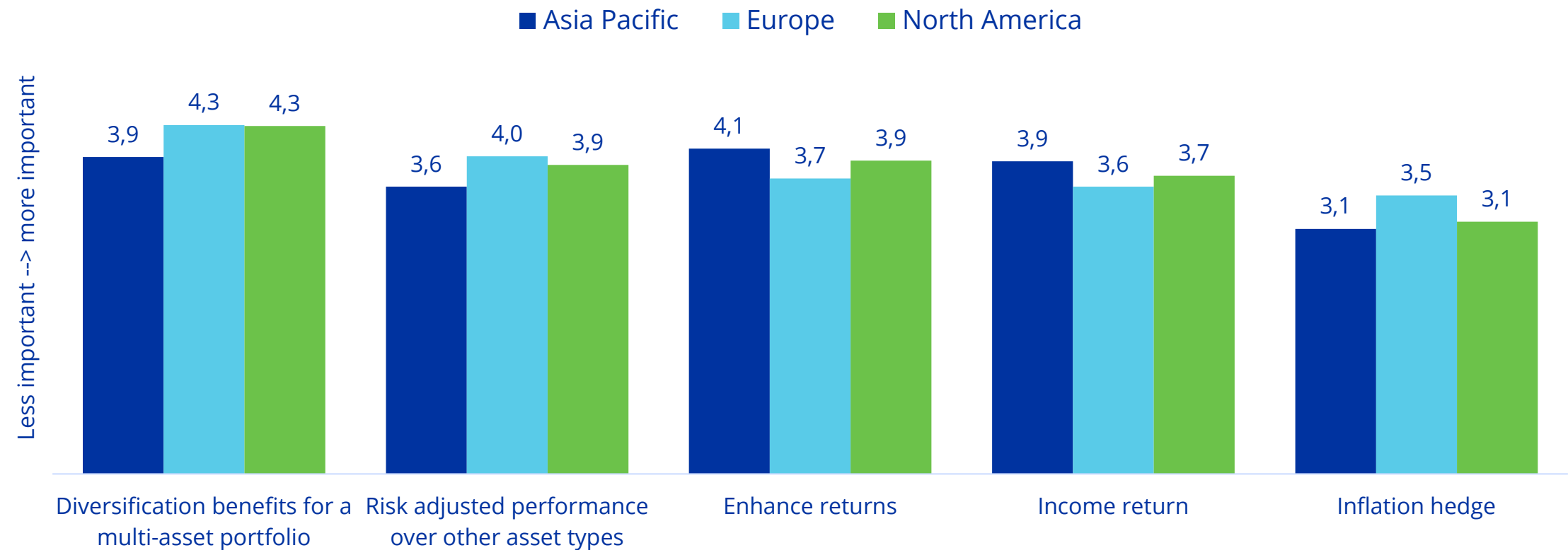
- **61%** of institutional investors globally expect their allocation to real estate **to increase over the next two years**
- Of the total expected volume of institutional investments this year, **41% is earmarked for non-listed real estate funds** and further 30% is planned for other non-listed real estate vehicles.

Vehicles other than funds include non-listed structures such as separate accounts, club deals, JVs, etc.
Investments outside non-listed vehicles includes direct investments as well as listed securities such as REITs.

Source: Investment Intentions Survey 2022
Numbers in brackets show sample size by number of respondents

Reasons to invest in real estate by investor domicile

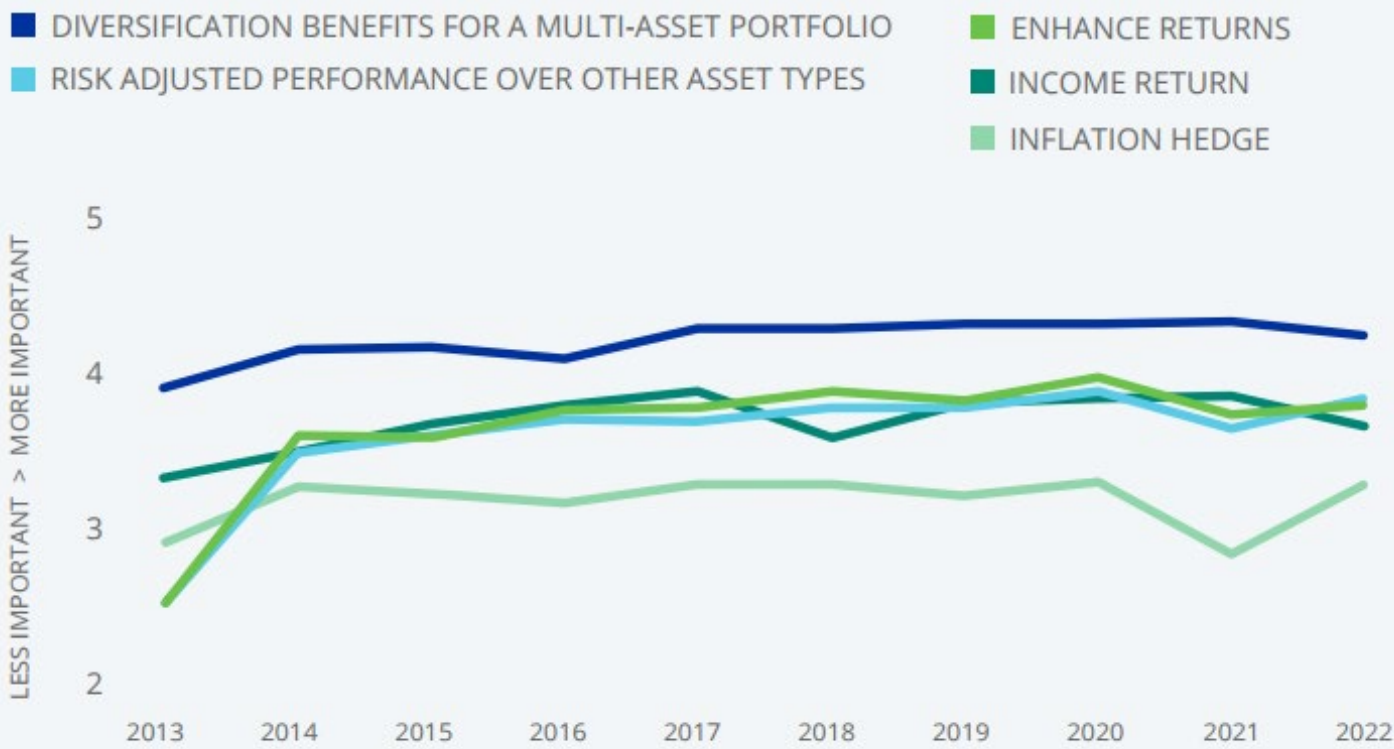
Diversification benefits in a multi asset portfolio plays an important role



Consistency of rankings over time

Inflation hedging is ranked as least important

Reasons to invest in real estate over time



ESG considerations when investing into non-listed funds



68% NET ZERO CARBON COMMITMENT



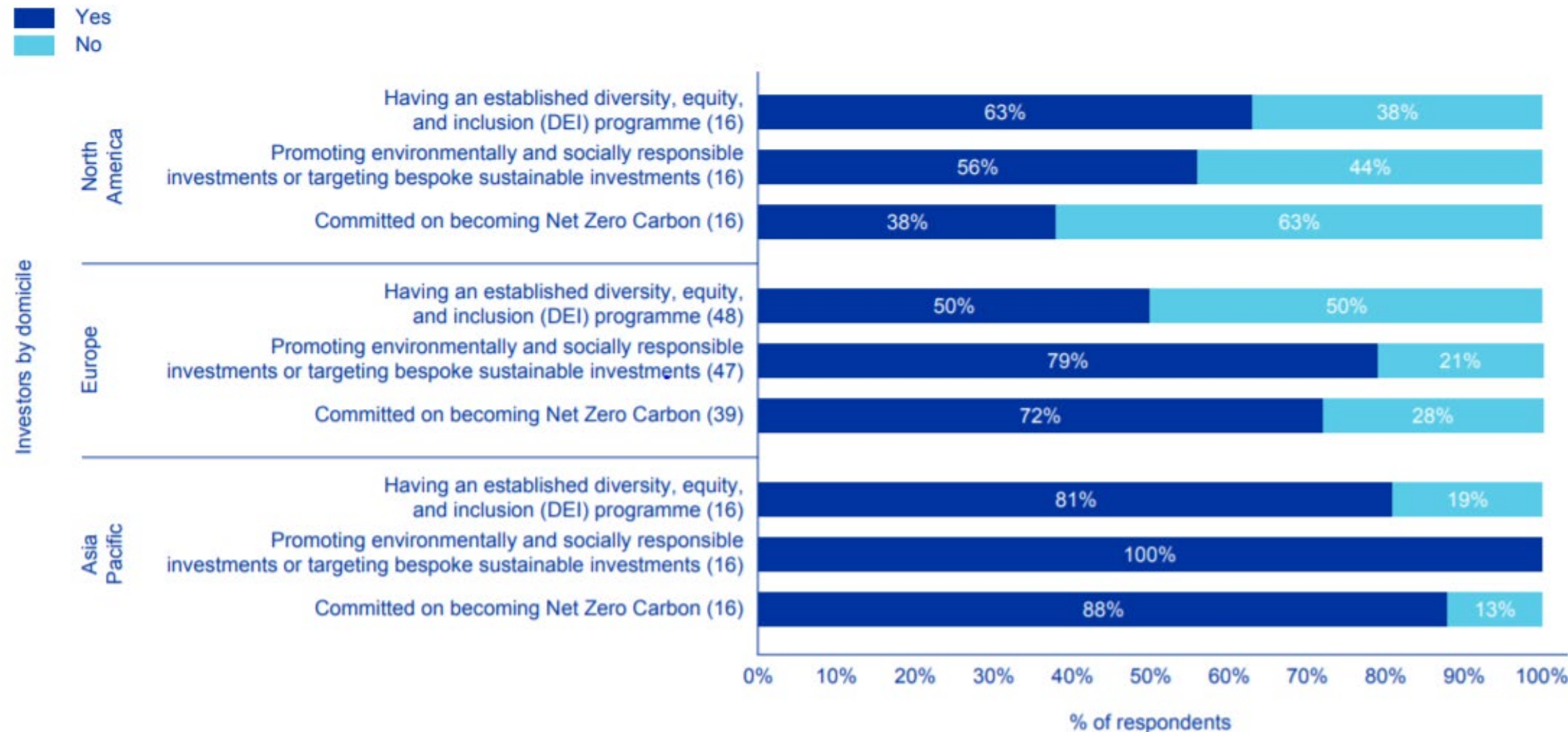
87% ENVIRONMENTALLY/
SOCIALY RESPONSIBLE INVESTMENTS



66% DIVERSITY, EQUITY AND INCLUSION PROGRAMME

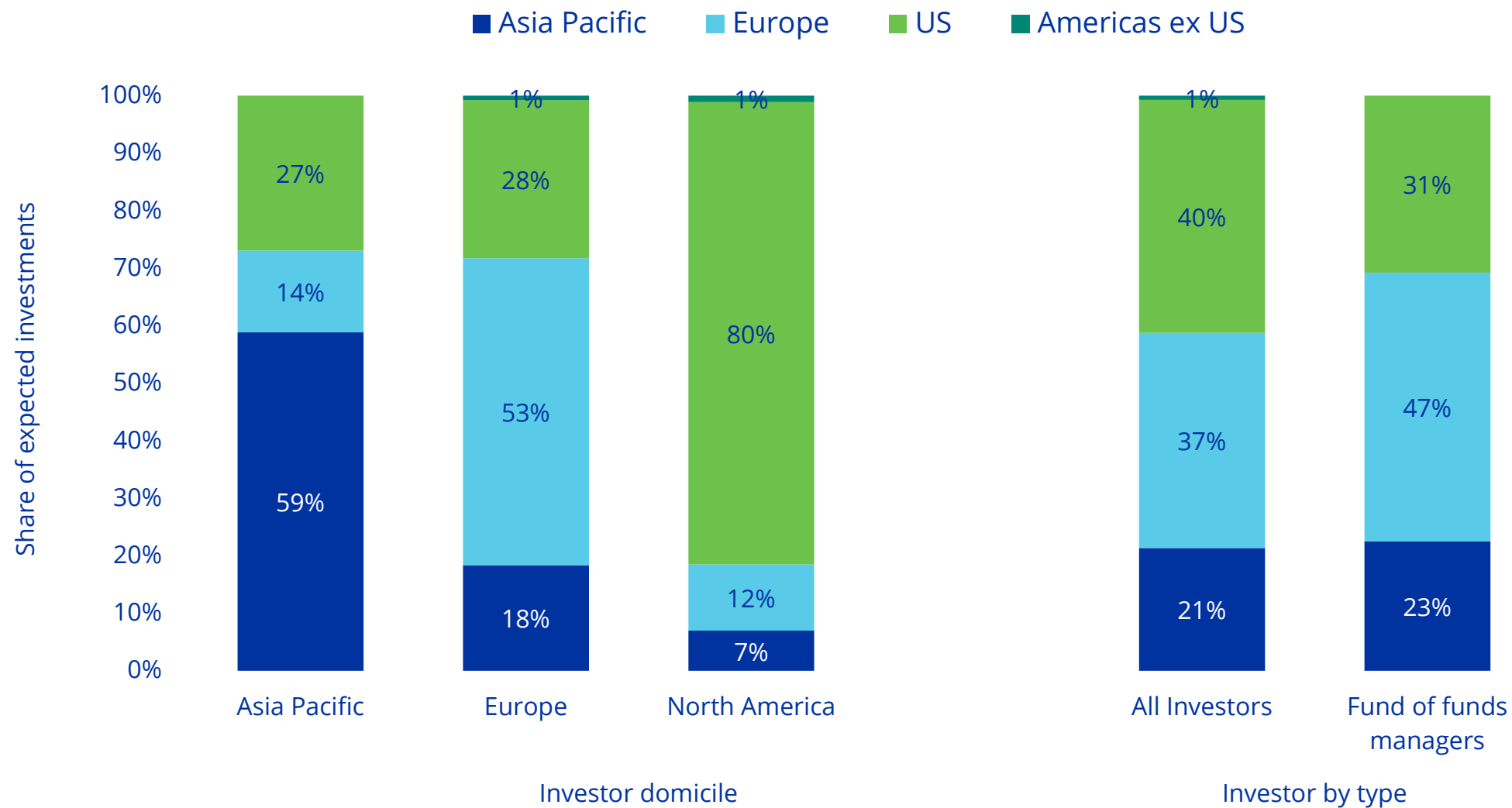
% OF RESPONDENTS THAT CONSIDER THESE CHARACTERISTICS BEFORE INVESTING

ESG considerations reveal some differences by investor domicile



Source: Investment Intentions Survey 2022
Numbers in brackets show sample size by number of respondents

Regional destination of planned capital deployments*

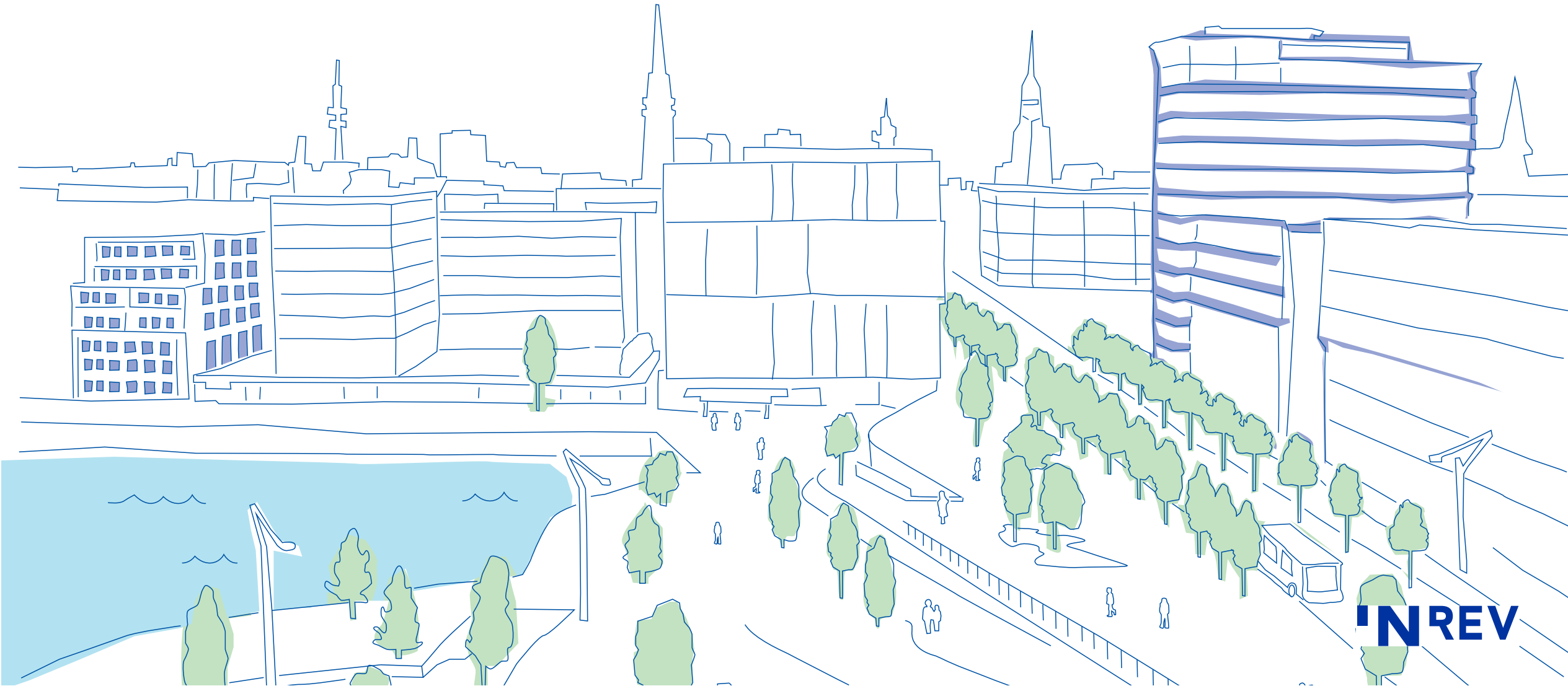


Source: Investment Intentions Survey 2022

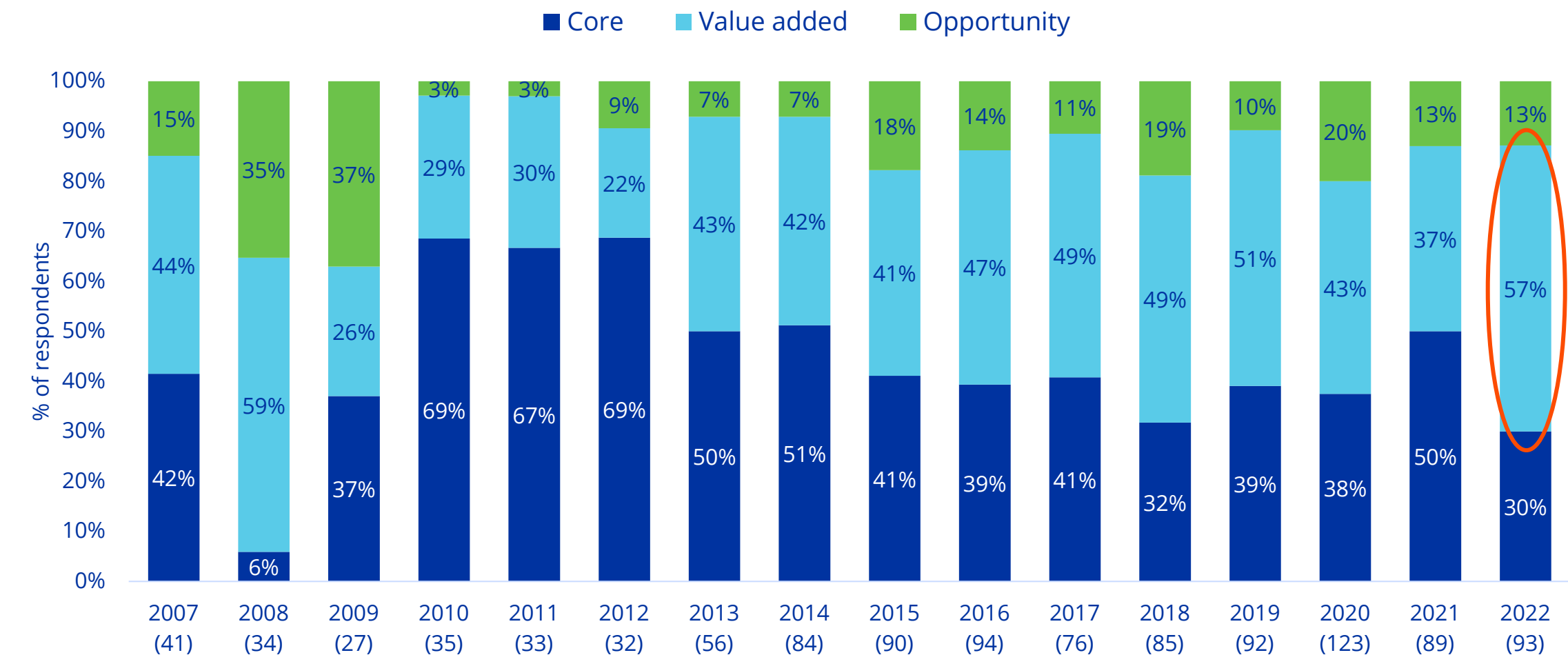
* Correction notice 25 Jan : Since publication, these numbers have been changed 8

PREFERENCES FOR INVESTING IN EUROPE

Investment intentions 2022



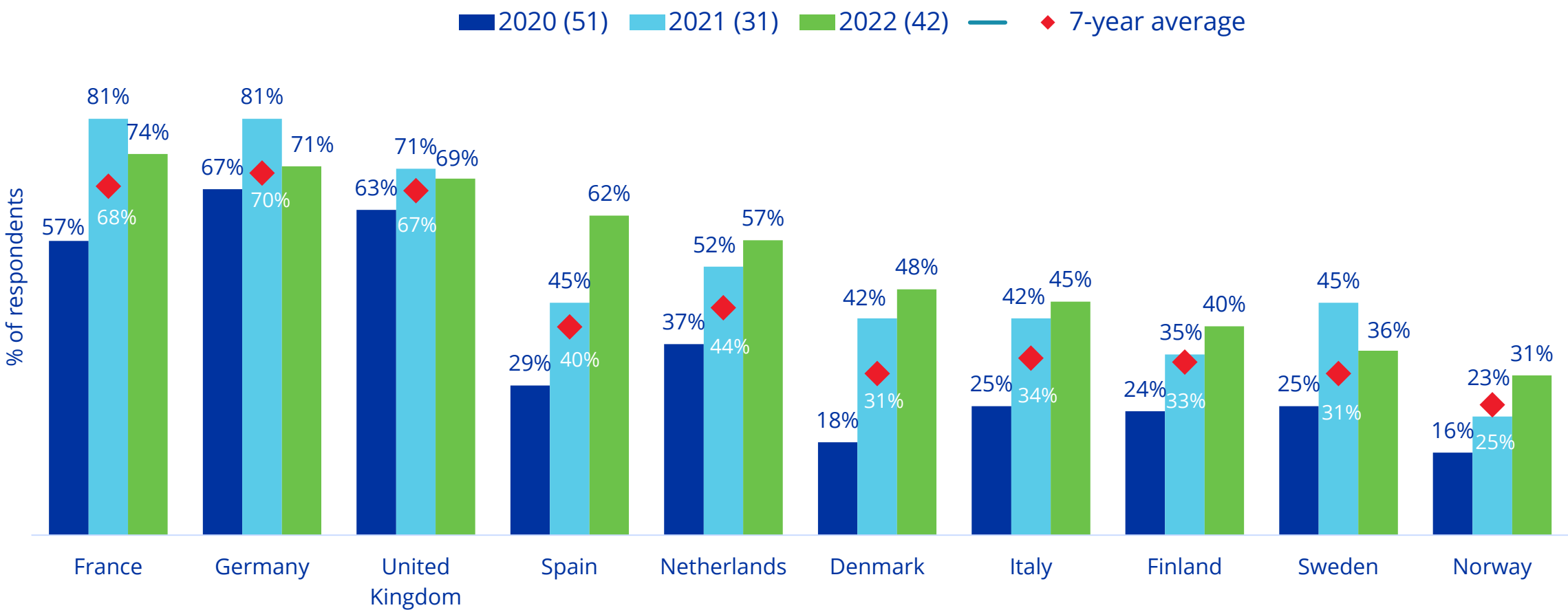
Investment style preferences in Europe: shift up the risk curve



Source: Investment Intentions Survey 2022
Numbers in brackets show sample size by number of respondents

Most liquid markets in top 3, but shift towards second-tier markets

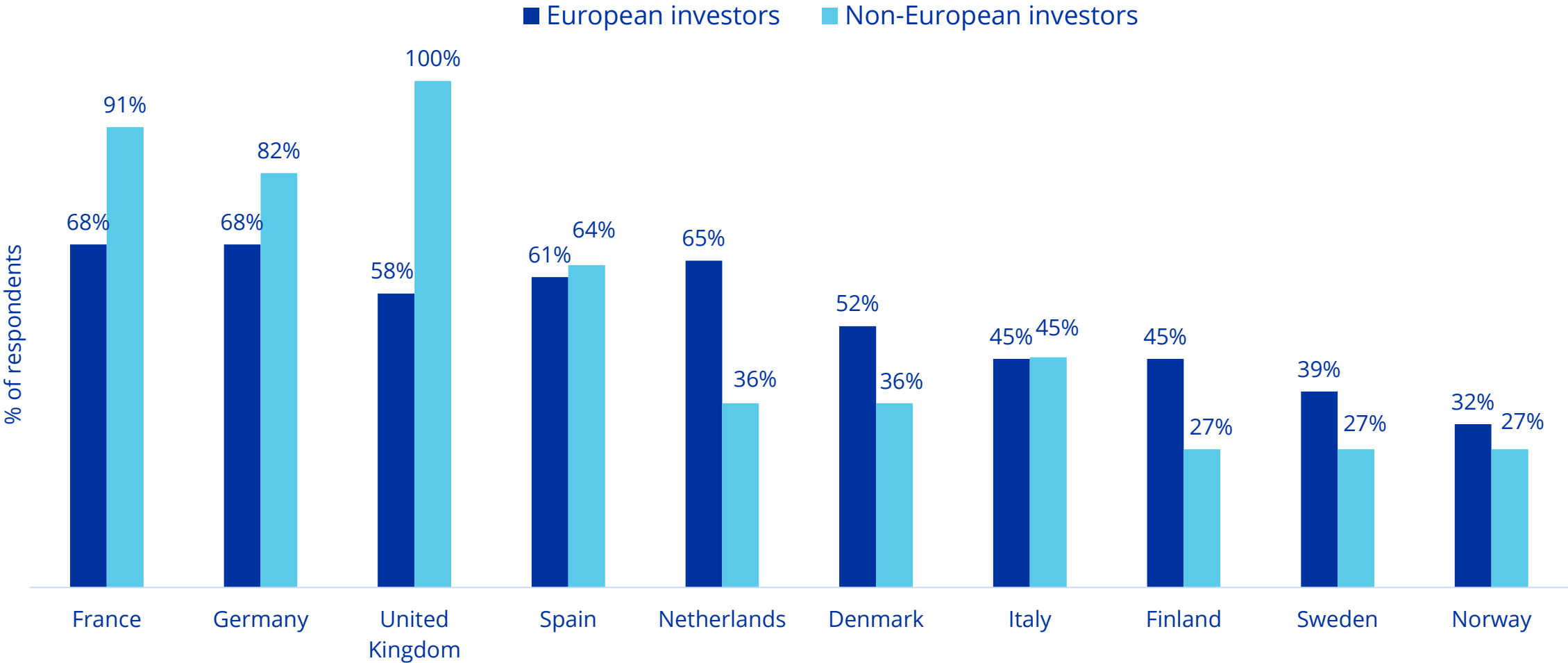
Top 10 most preferred European locations over time



Source: Investment Intentions Survey 2022
Numbers in brackets show sample size by number of respondents

European investors consider a wider selection of markets

Top 10 most preferred European locations by investor domicile

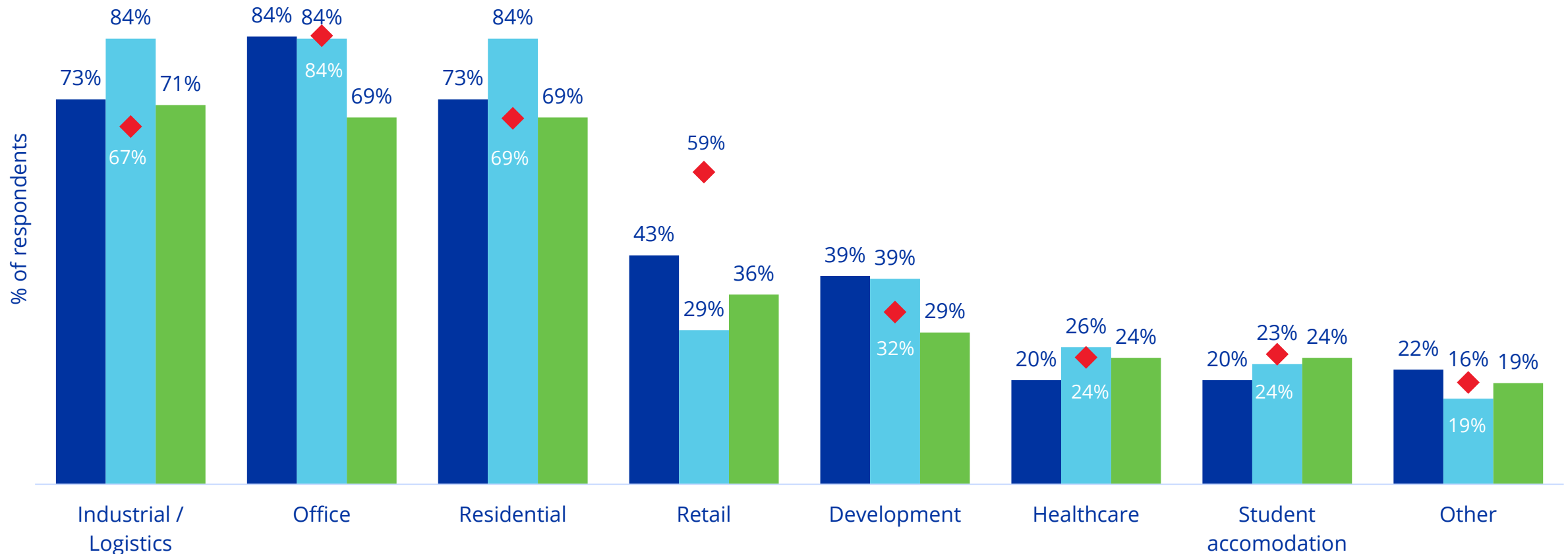


Source: Investment Intentions Survey 2022

Industrial/logistics - the first time as a single top sector choice

Most preferred sectors in Europe over time

■ 2020 (51) ■ 2021 (31) ■ 2022 (42) — ◆ 7-year average

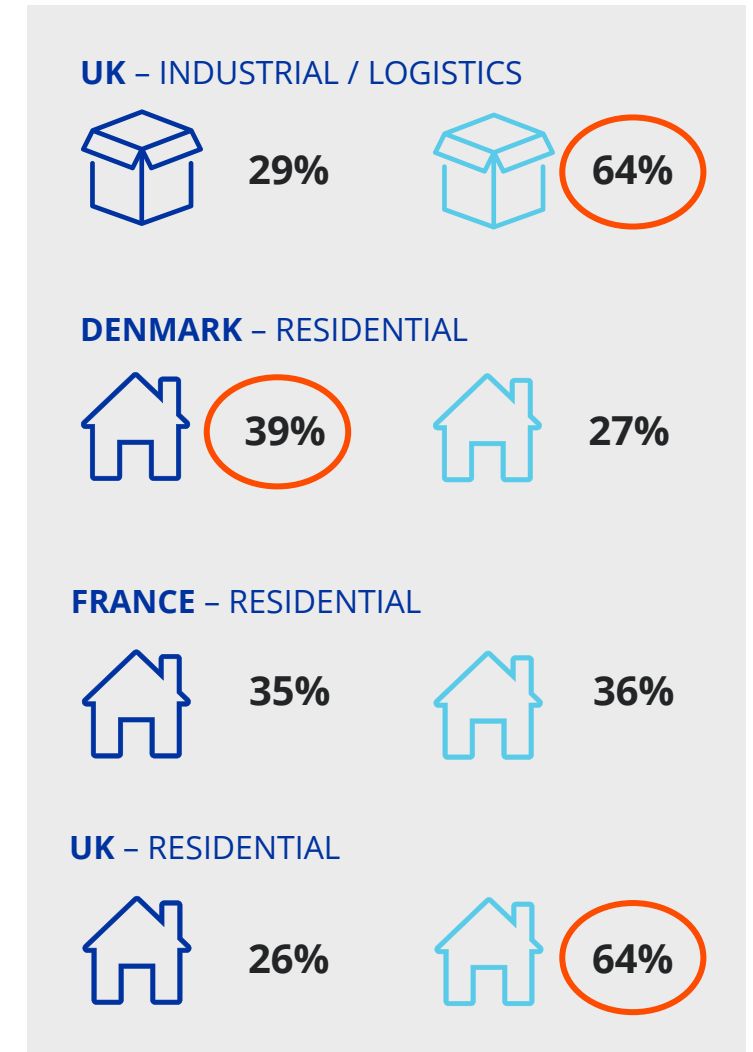
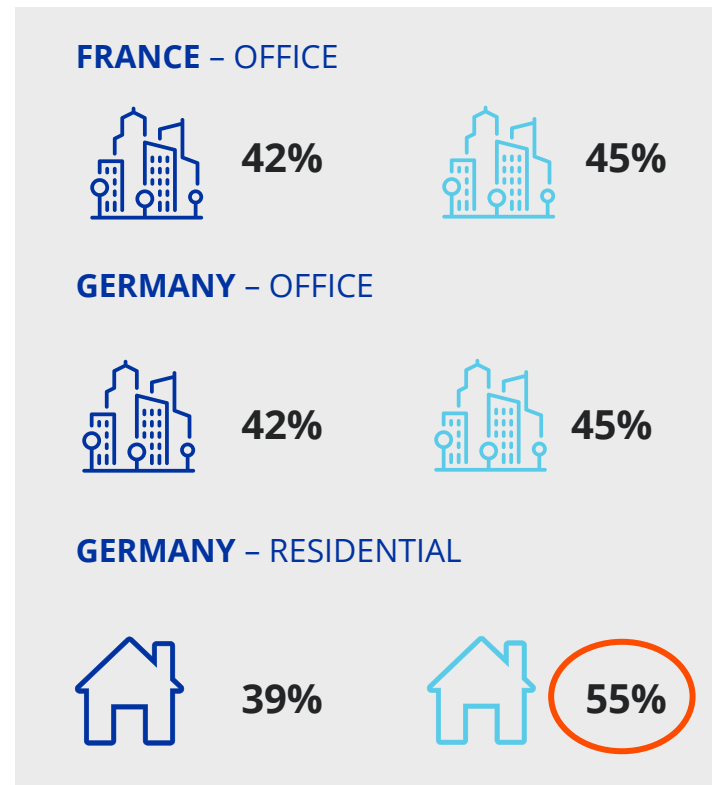
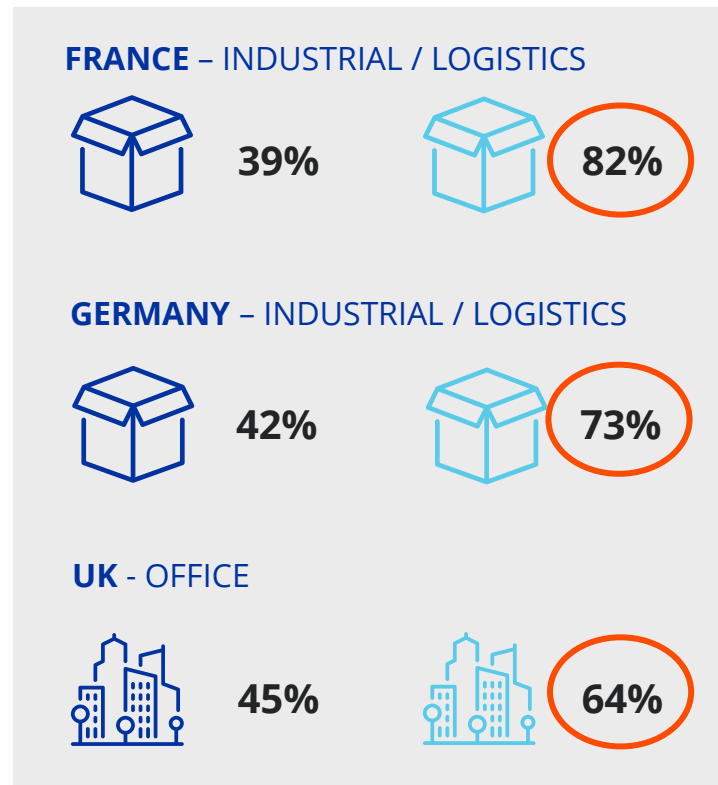


Source: Investment Intentions Survey 2022
Numbers in brackets show sample size by number of respondents

Non-European investors have stronger preference for the Big 3

Most preferred country/sector combination by investor domicile

■ EUROPEAN INVESTORS ■ NON-EUROPEAN INVESTORS



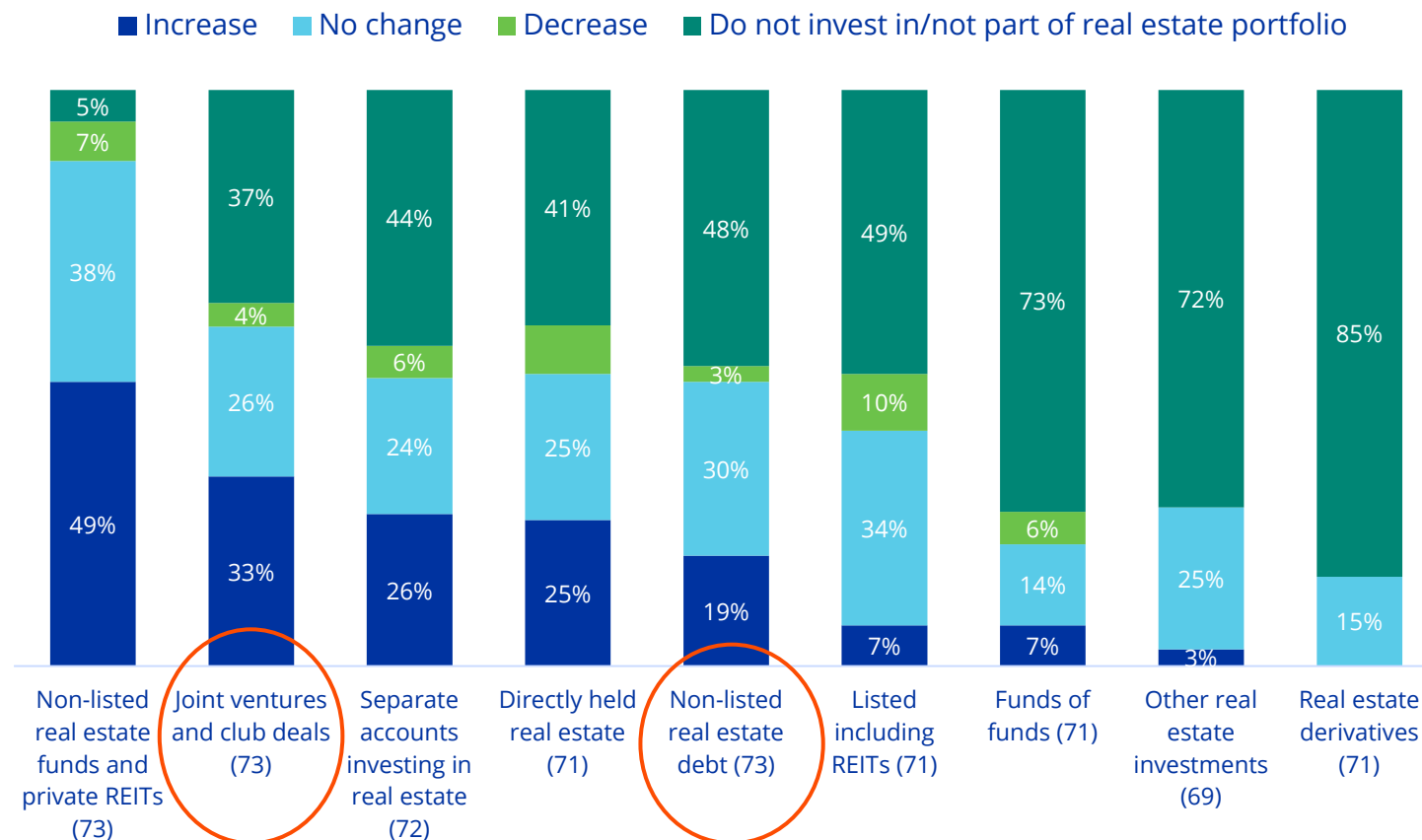
ACCESSING REAL ESTATE

Investment intentions 2022



Routes to real estate investment in Europe

Expected changes to real estate allocations in Europe In the next 2 years (equally weighted)



TOP 3 REASONS TO INVEST in non-listed real estate funds and private REITs



1. ACCESS TO EXPERT
MANAGEMENT



2. ACCESS TO SPECIFIC
SECTORS



3. INTERNATIONAL
DIVERSIFICATION

Source: Investment Intentions Survey 2022
Numbers in brackets show sample size by number of respondents

Different challenges when investing in European funds

ASIA PACIFIC INVESTORS



Associated costs



Resources to acquire necessary knowledge & execute strategy



Liquidity

EUROPEAN INVESTORS



Availability of suitable product



Associated costs



Alignment of interest with fund manager

NORTH AMERICAN INVESTORS



Currency risk exposure



Current market conditions



Associated costs

Concluding remarks

Demand for real estate continues unabated

- At least €67.5 billion* of new capital is planned for deployment in global real estate in 2022, of which €25.9 billion* to target Europe
- Circa 120 basis points allocation gap, with 61% of institutional investors expecting their two year real estate allocations to increase
- Most investors consider non-listed funds' ESG characteristics before investing

Investment style, country and sector preferences shifted towards riskier strategies when investing in Europe

- Recovery in appetite for value added investments as risk-off strategies that dominated in 2021 fell to only 30% in 2022
- European investors consider a wider selection of markets, while non-European investors have stronger preference for the Big 3 and Spain
- Industrial/logistics makes the top sector choice in 2022, offices and residential are tied in second place. Development slid to 5th place

Accessing Real Estate

- Non-listed real estate funds remain the preferred route globally and in Europe (on equally weighted basis)
- Growing interest in joint ventures and club deals, but also in non-listed real estate debt and separate accounts, especially by larger investors
- Access to specific sectors makes into top reasons to invest into funds, while associated costs rise as a main challenge

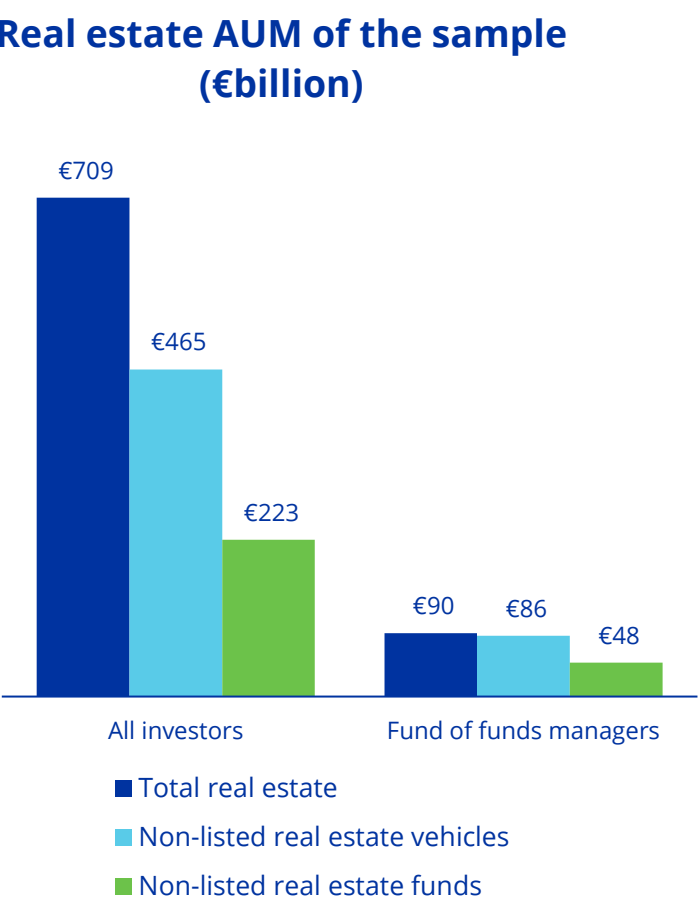
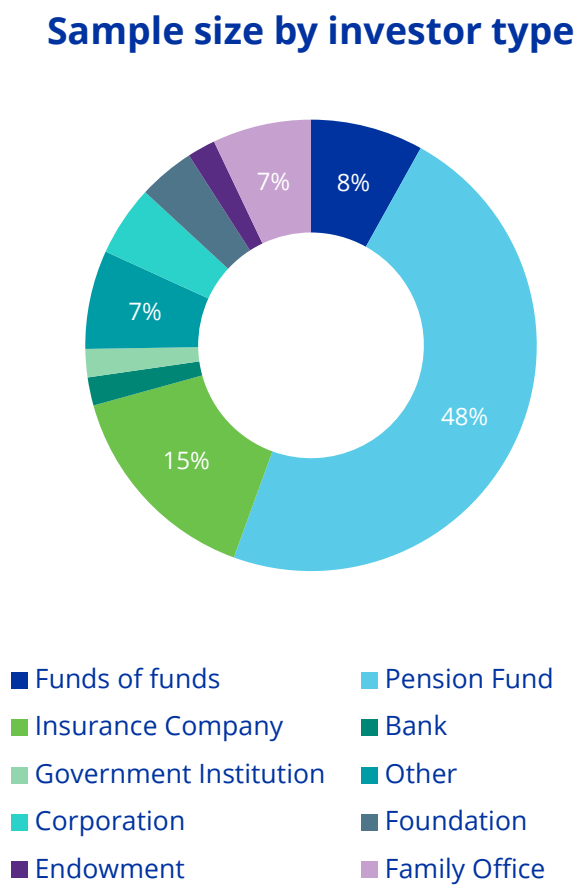
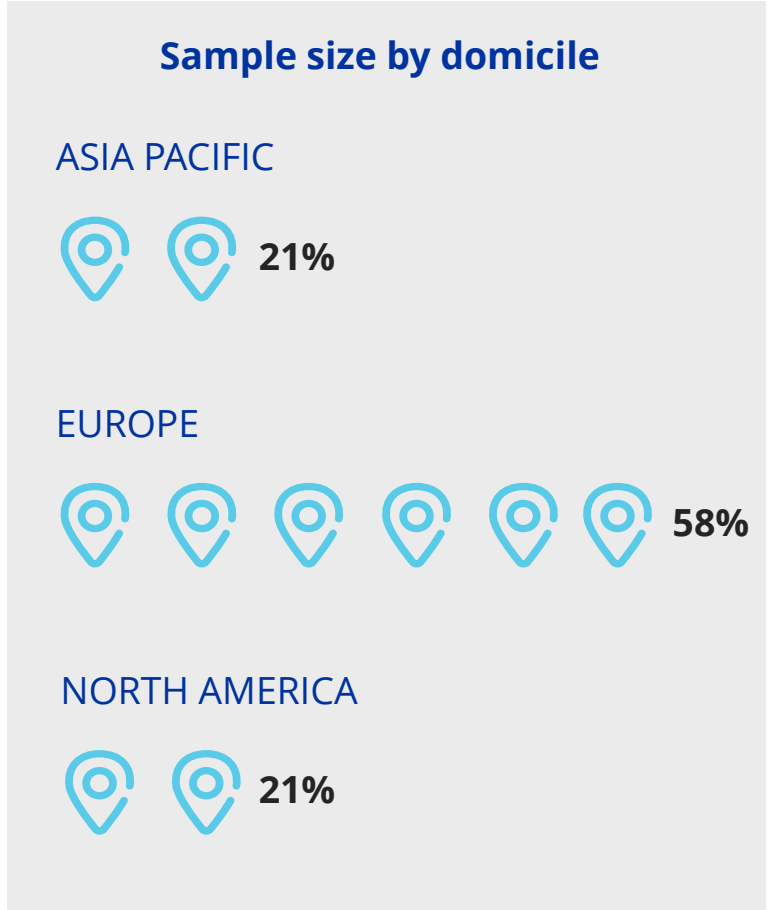
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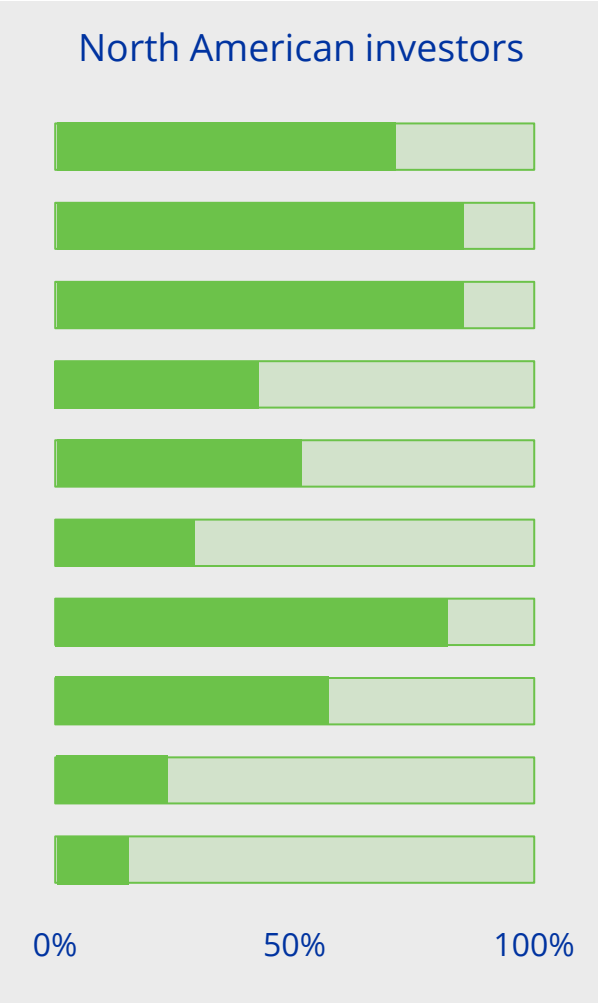
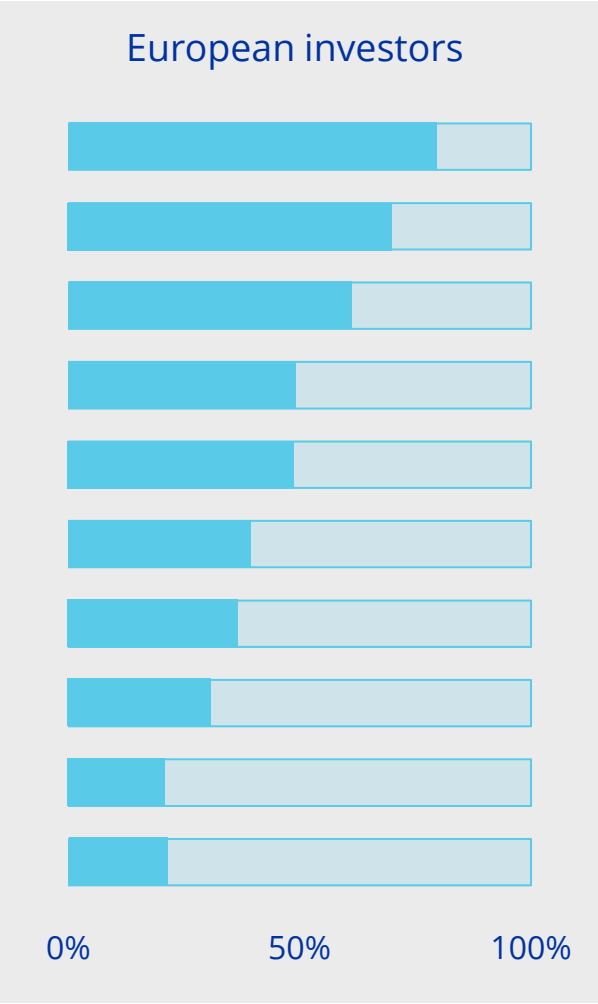
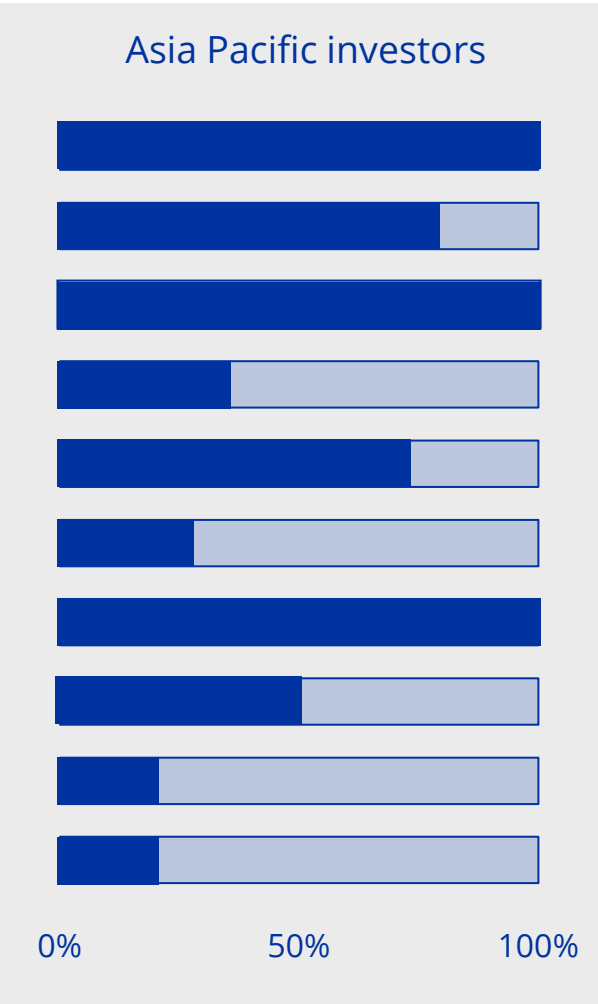
I'NREV

99 respondents with €799 bn AUM, up on €755 billion in 2021

Sample differences, with a larger share of European investors



Regulated, discretionary, large funds favoured



Non-regulated

Non-discretionary

Dissimilar type

Multi sector

Open end

Multi country

Dissimilar domicile

Large pool

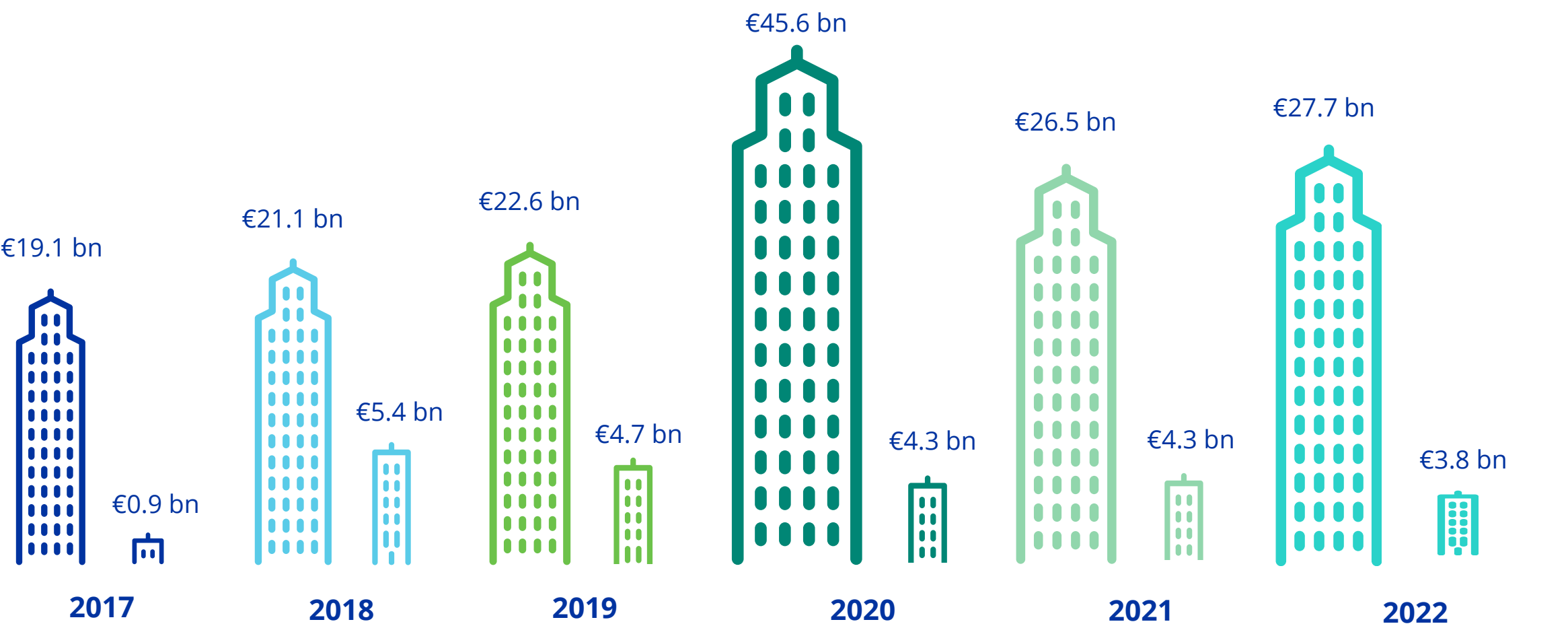
GAV > €500 mn

Seeded pool

Source: Investment Intentions Survey 2022

Significant amount of new capital targeting Europe

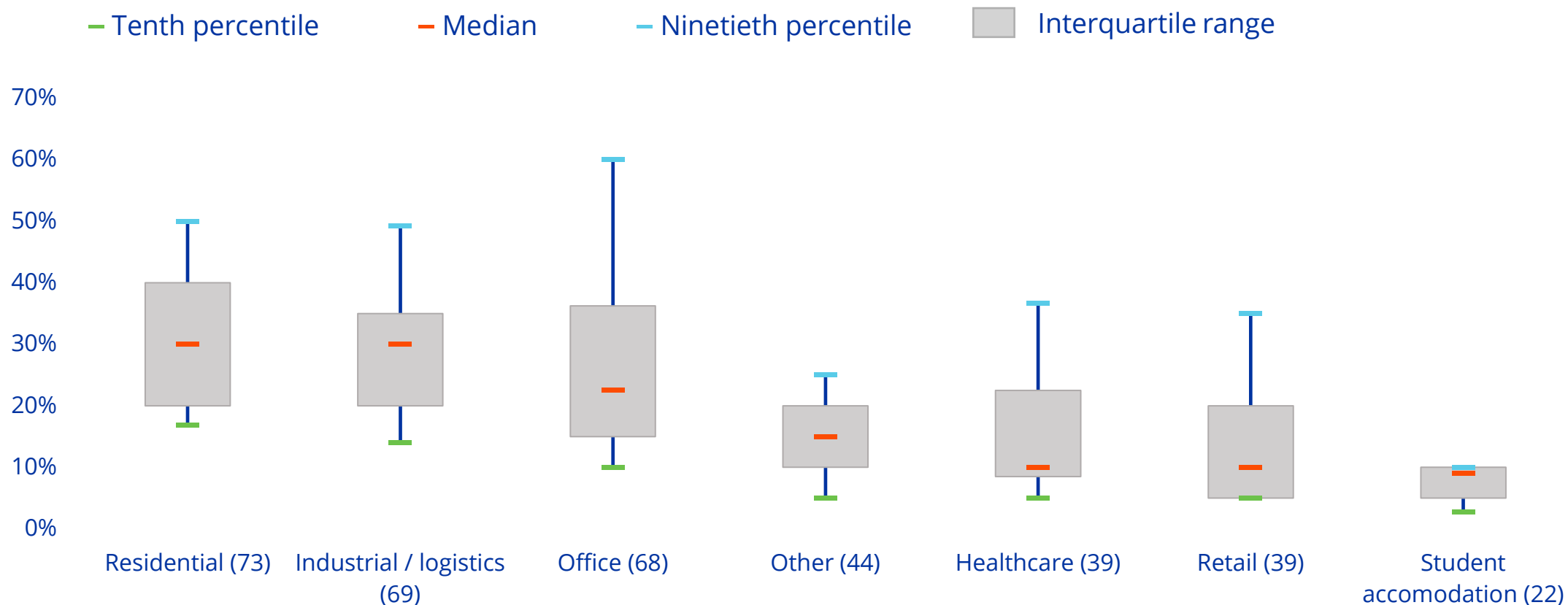
€31.5 billion of new capital expected to be invested in Europe in 2022



Source: Investment Intentions Survey 2022

Distribution of expected sector allocations for investment in 2022

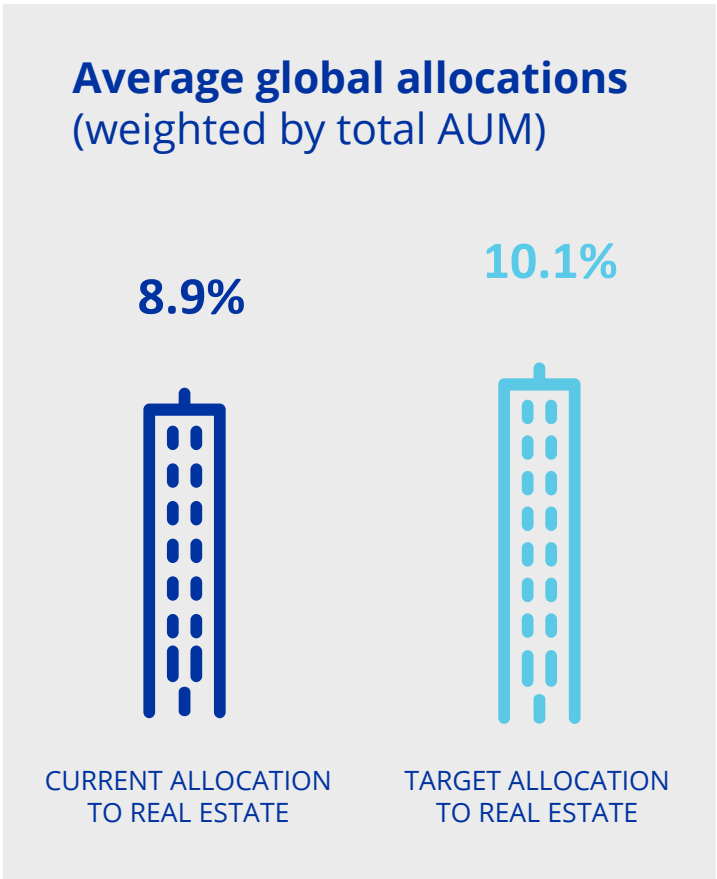
Significant differences, especially in office allocations



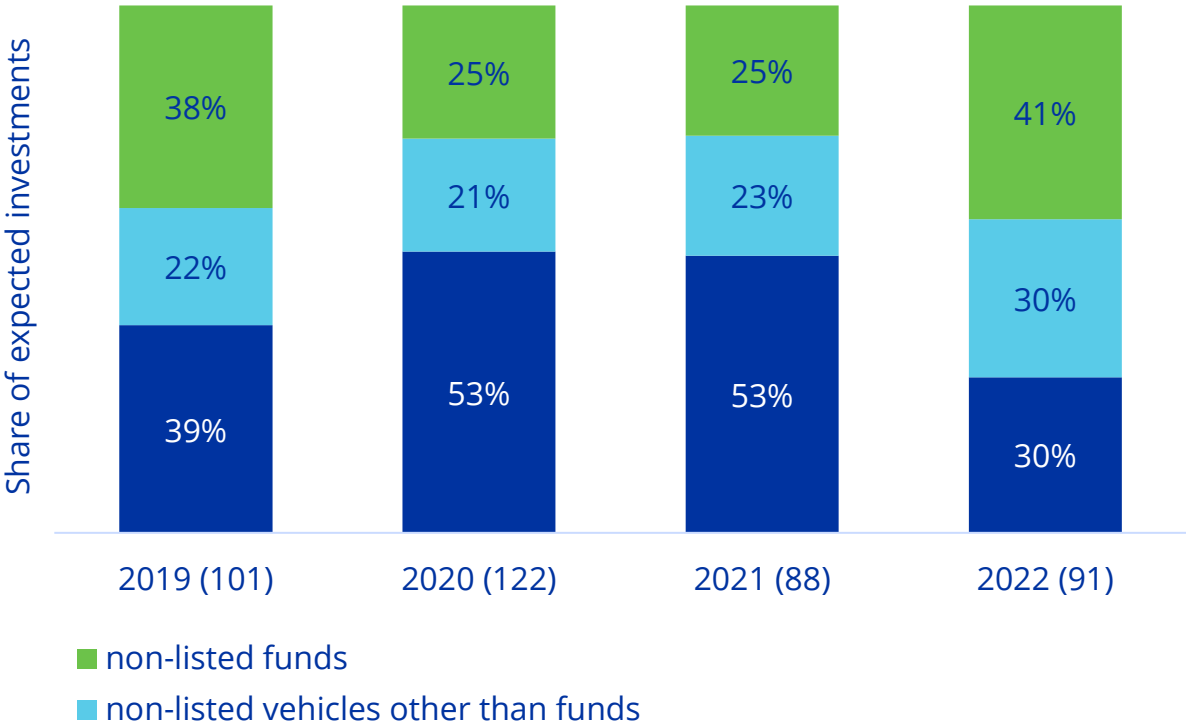
Source: Investment Intentions Survey 022
Numbers in brackets show sample size by number of respondents

Circa 120 basis points allocation gap

Institutional capital looks set to continue to flow into the asset



Planned capital deployments by vehicle type



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