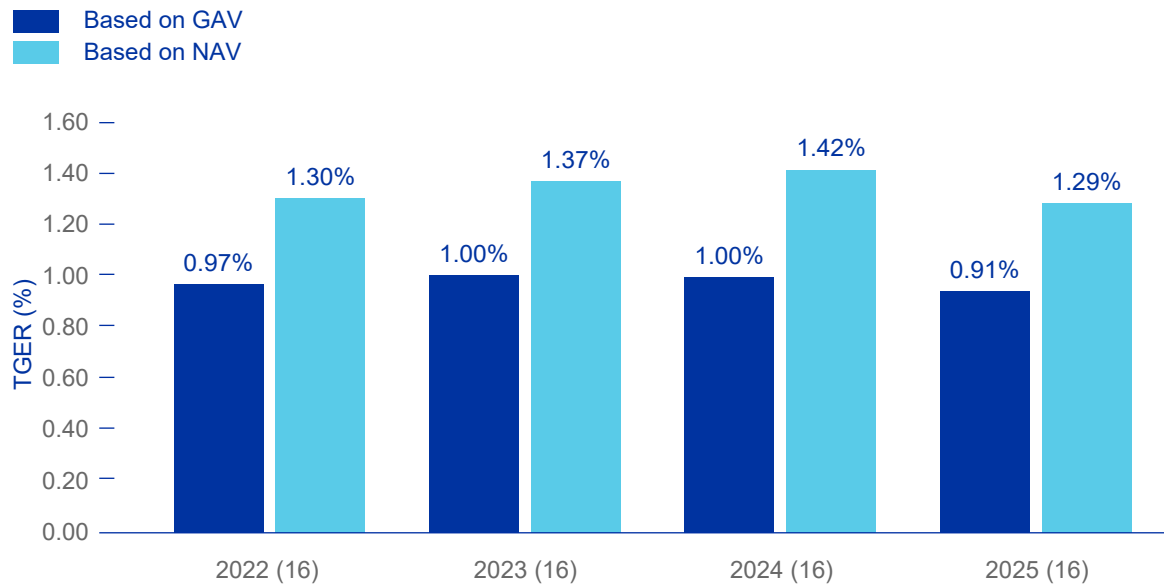


ODCE funds reported lower fees and vehicle costs in 2025

- > The average reported Total Global Expense Ratio (TGER) for ODCE funds in 2025 declined by 9 bps year-on-year to 0.91% based on GAV
- > Funds with GAV above €2 billion report lower vehicle costs, indicating economies of scale
- > The average 2025 management fees decreased by 4 bps, while vehicle costs decreased by 5 bps year-on-year
- > The TGER based on NAV decreased by 13 bps to 1.29%, which can be partly explained by a slight decrease in gearing (% of GAV)

Figure 1: Average TGER¹



INREV is pleased that for the fourth consecutive year all 16 ODCE funds have participated in the ODCE Management Fees and Terms publication. This year's equally-weighted TGER based on GAV moved for the first time in two years, decreasing by 9 bps to 0.91%. The TGER based on NAV declined as well from the 2024 highs of 1.42% to 1.29%, the lowest since the series began in 2022. Gearing levels showed a modest decrease in the 2025 period relative to 2024, supporting the more pronounced decrease in TGER based on NAV than based on GAV.

Offering country and sector diversification, core open-end diversified equity funds - the European ODCE funds, present a unique, accessible offering to smaller and medium sized investors.

The drivers of the lower TGER in 2025 are: an actual decline of both the fees and vehicle costs, a slight fund level capital growth (0.65%) and a total net inflow of capital of €820 million in 2025.

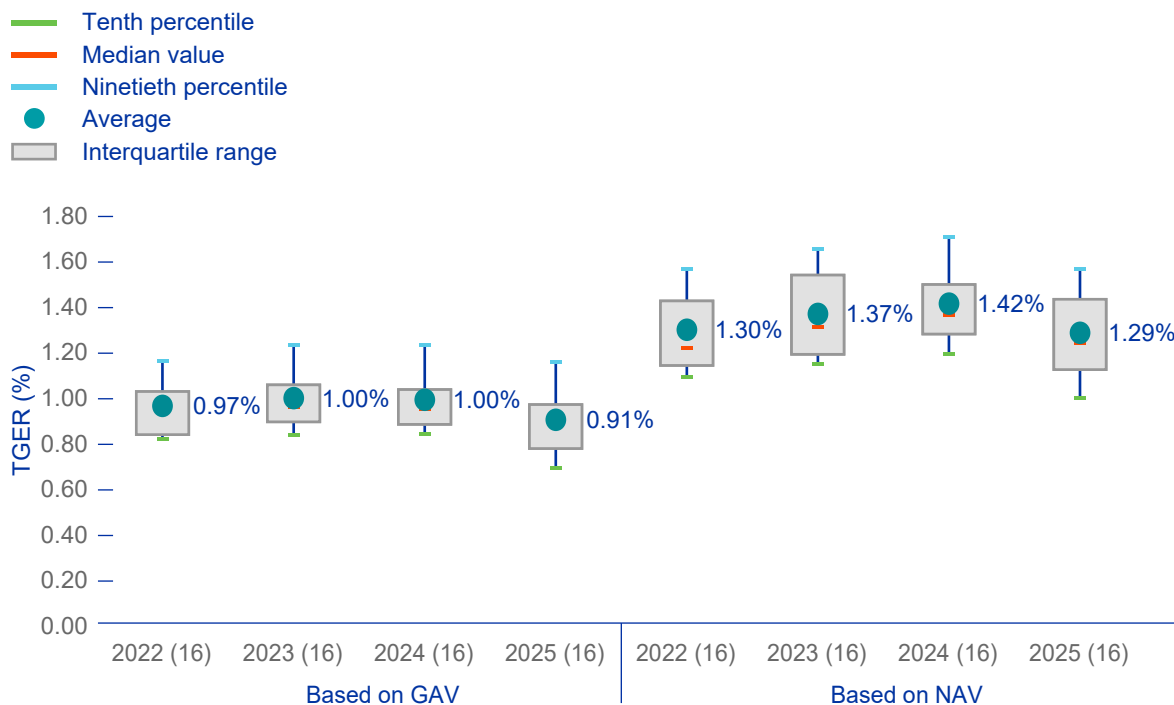
¹ In this report, the average corresponds to an equally weighted average, unless stated otherwise.

Variation in TGERs among European ODCE funds remained small, despite increase

The TGER range for ODCE funds² has widened in 2025, with respective interquartile and interpercentile ranges based on GAV now at 19 bps and 47 bps, respectively (15 bps and 39 bps in 2024). This suggests an increased range of TGERs across the ODCE funds.

Based on the latest available comparison with 2024 data³, ODCE funds showed narrower ranges compared to a wider sample of European funds, indicating uniformity in fees and vehicle costs for ODCE funds. Based on a comparison with a wider sample of funds in 2024, ODCE vehicles reported lower TGERs than the other Multi country – Multi sector funds, where the average TGER was 1.38% on GAV and 3.14% on NAV. This category comprised a mixture of closed end and open end funds that were generally smaller in size than their ODCE peers. The ODCE funds averaged €2.6 billion GAV, while the average GAV for other Multi country – Multi sector funds was only €1.0 billion.

Figure 2: TGER by Year (dispersion)



² More information about the criteria for ODCE Index inclusion and the latest performance is available on <https://www.inrev.org/market-information/indices/odce-index>

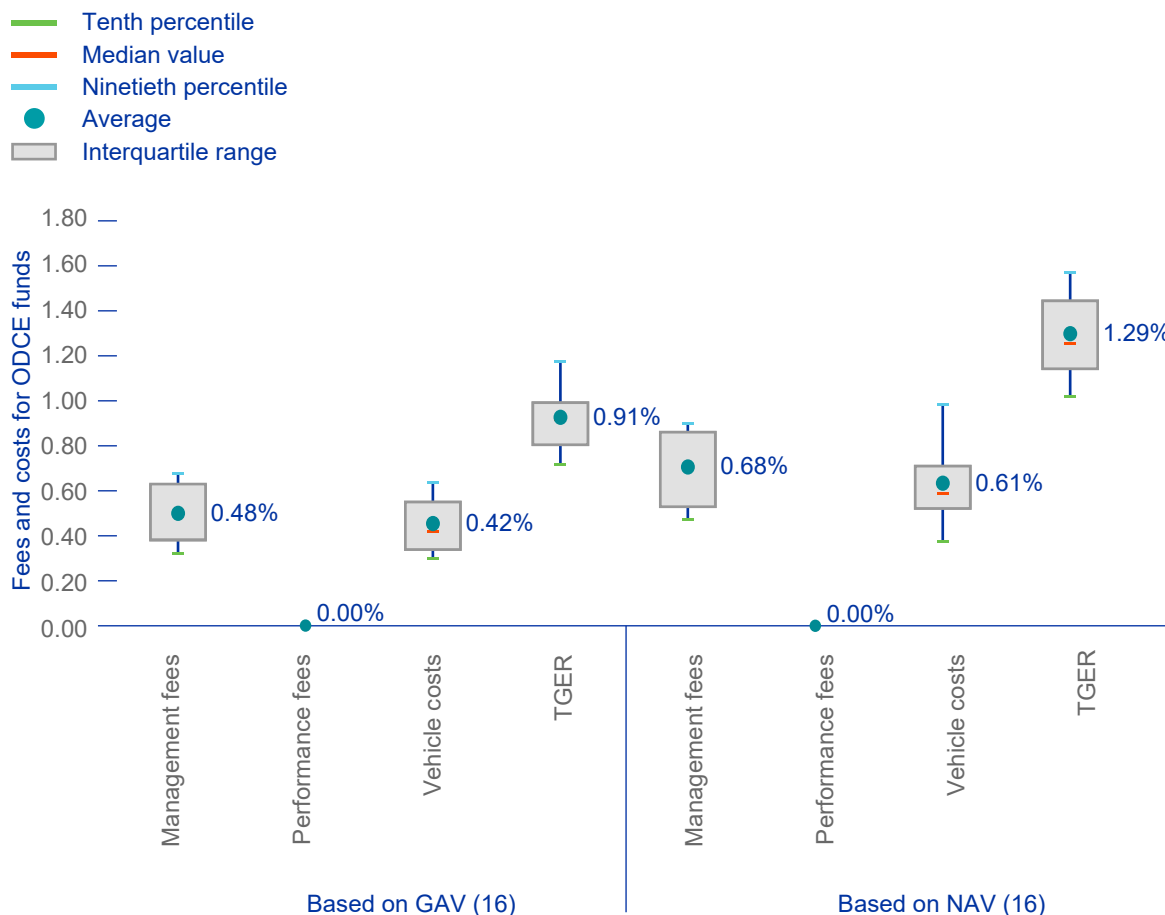
³ The wider INREV Management Fees and Terms Study with 2024 results will be published in the Autumn of 2025

Management fees and vehicle costs show similar ranges

The average ODCE funds' management fees based on GAV decreased for the third consecutive year. Management fees by GAV decreased by 4 bps from 0.52% in 2024 to 0.48% in 2025. Measured by NAV, management fees have fallen to 0.68%, down 6 bps from last year. Of the 16 ODCE funds, three indicated that a performance fee is applicable, although no actual performance fees were reported in 2025. The vehicle costs based on GAV decreased by 5 bps from 0.47% in 2024 to 0.42% in 2025 and by 5 bps to 0.61%, based on NAV.

The interquartile and interpercentile ranges for the management fees, 25 bps and 37 bps based on GAV, respectively, were slightly narrower compared to the respective ranges for the vehicle costs (22 bps and 35 bps). The interpercentile range based on NAV is wider for vehicle costs compared to management fees. However, the interquartile range was narrower.

Figure 3: Fees and costs for ODCE funds

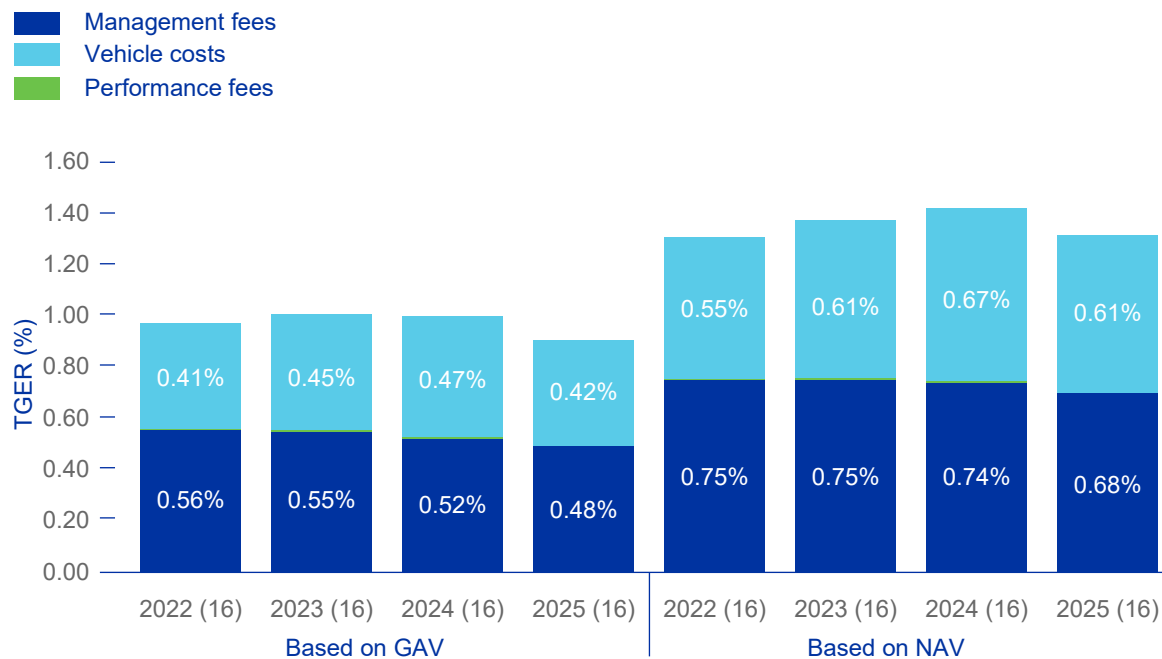


Both management fees and vehicle costs decreased in 2025

Management fees have continued a downward trend, decreasing continuously from 0.56% in 2022 to 0.48% in 2025 based on GAV. Based on NAV, the reduction is slightly smaller, from 0.75% in 2022 and 2023 to 0.68% in 2025. Since most management fees are tied to NAV and/or committed equity, they remain largely unaffected by market fluctuations, resulting in small year-on-year change for individual funds. However, the decline indicates that management fees fell even more than the negative capital value growth over the same period, and a change in the ODCE Index constituents also had a small impact

In 2025, ODCE funds reported their lowest TGERs based GAV and NAV since 2022 levels, and a first downward move since the series began in 2022. Unlike the management fees, the vehicle costs are still above their 2022-levels despite the 2025 declines of 5 bps to 0.42% and 6 bps to 0.61% based on GAV and NAV, respectively.

Figure 4: TGER for ODCE funds, split by fees and vehicle costs



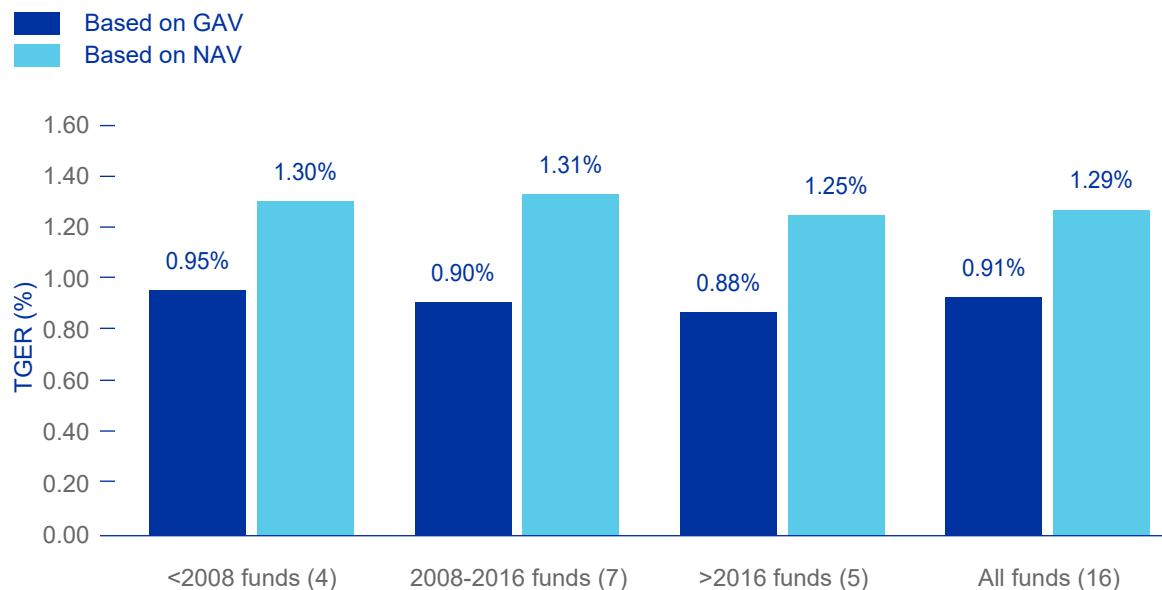
Higher TGERs for funds launched before 2017

TGERs display a high level of consistency across the funds regardless of vintage, varying only by 7 bps based on GAV and by 6 bps based on NAV.

In 2025, the European ODCE funds that had their first closing after 2016 showed the lowest average TGER of 0.88% based on GAV and 1.25% based on NAV. This indicated that younger funds operate at slightly lower costs. The 2025 results show a reversal from the trend seen in the last year's publication when the most recently launched funds recorded the highest TGER.

The highest average TGERs this year were for funds that closed before 2008, at 0.95% based on GAV and 1.30% based on NAV. The average GAV for funds launched before 2008 is €3.2 billion compared to the average GAV of €1.1 billion for funds closed after 2016. The TGER for funds launched during the period 2008 to 2016 is reported to be close to the average for all funds.

Figure 5: TGER by year of first closing

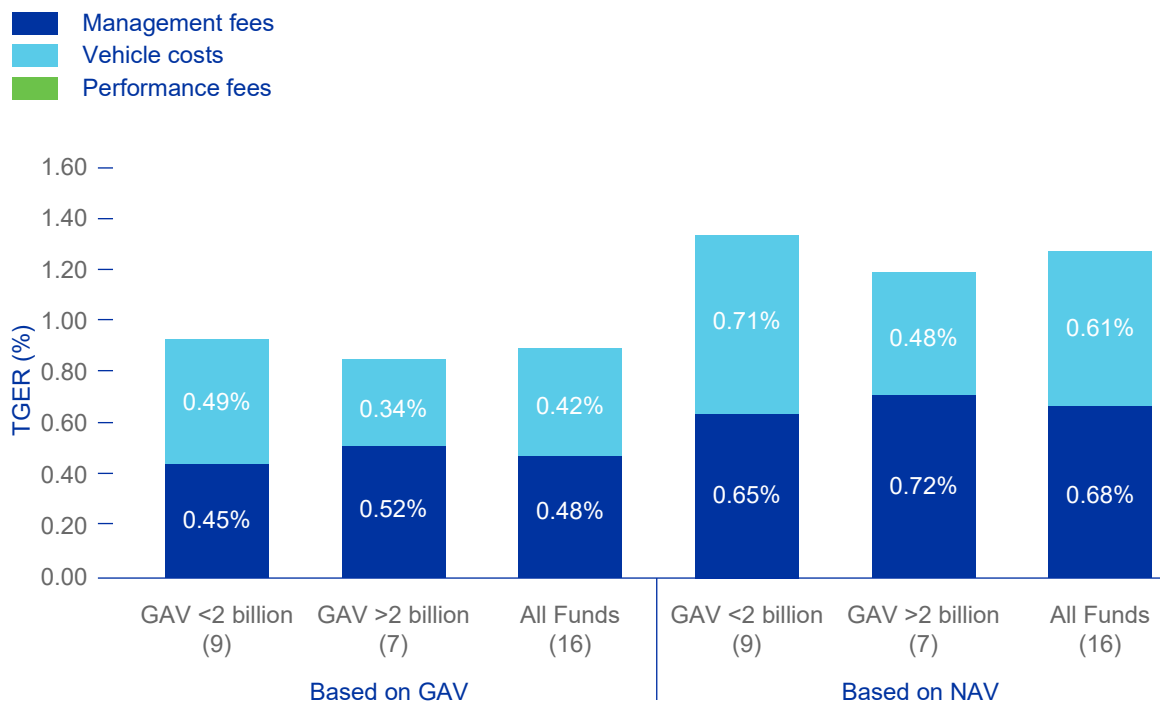


Funds with GAV above €2 billion report lower vehicle costs

TGERs for smaller funds (€2 billion in GAV or less) are higher compared to their larger peers (more than €2 billion), indicating economies of scale. In 2025, they stood at 0.94% and 0.86%, respectively.

Smaller funds recorded 7 bps lower fees compared to their larger peers. The lower management fees of funds with sizes below €2 billion were more than offset by the higher vehicle costs. For funds larger than €2 billion in GAV, the vehicle costs are much lower, standing at 0.34% relative to 0.49% for smaller funds. This suggests that while there is an operational cost benefit from economies of scale, hence the lower vehicle costs, management fee structures and related asset and fund management activities are not sensitive to fund size.

Figure 6: TGER by fund size (GAV), split by fees and vehicle costs



Professional service costs decreased, while most other costs remained unchanged

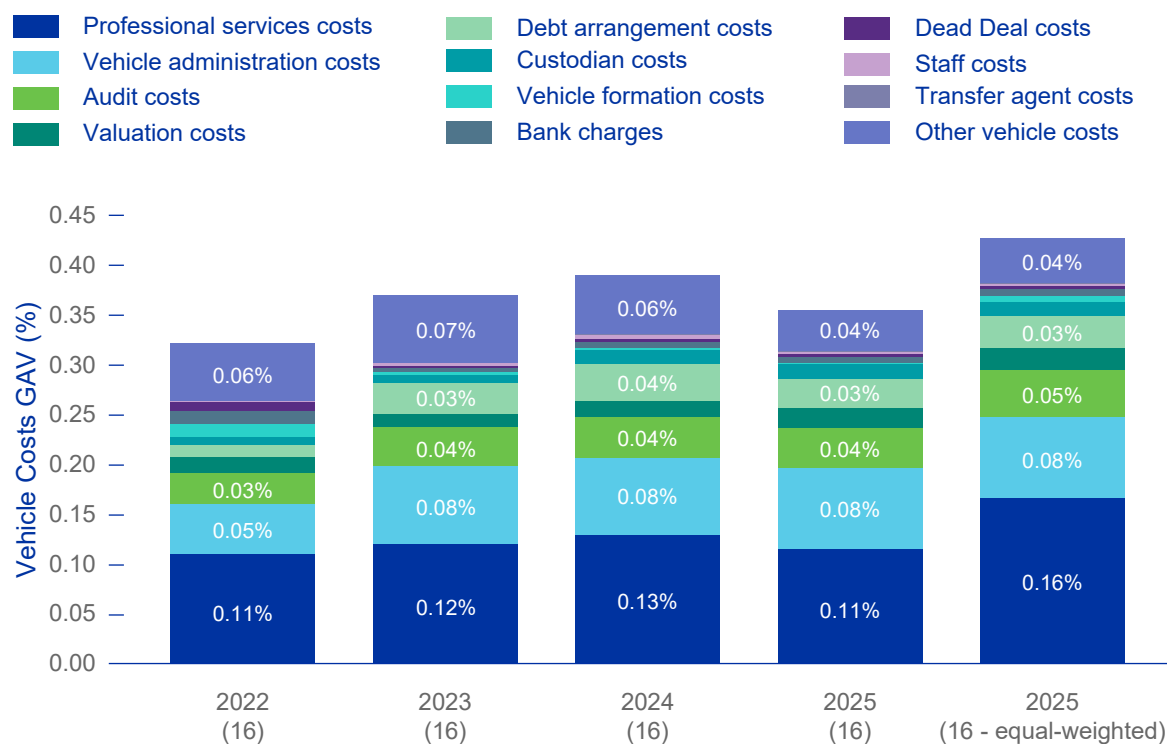
On a value-weighted basis, professional service costs decreased in 2025 but are still the largest cost component for ODCE funds. These costs encompass expenses for professional advice and may include costs for sustainability-related services. A potential reason for the decline could be that in prior years funds were at the earlier stages of setting up reporting and implementation of new sustainability regulations and disclosure requirements. High professional service costs are typically associated with funds pursuing multi country strategies, as these tend to involve greater regulatory complexity and operational oversight.

In 2025, professional services and vehicle administration costs accounted for approximately 58% of the total vehicle costs pre-tax. Audit costs, valuation costs, and custodian costs remained flat year-on-year. The Debt arrangement costs decreased by 1 bp. Other vehicle costs are 4 bps of the GAV and comprise those costs that could not be included in any other cost categories or, in some instances, simply could not be reported on a more granular basis.

All the data in the study, including the TGER, is reported on a before tax basis. However, taxes, such as corporate income tax and deferred tax, can also be considered part of vehicle level costs, particularly for

multinational vehicles such as ODCE funds. ODCE funds incur stable corporate income tax expenses, amounting to 8 bps on the GAV, while the deferred taxes show more volatility, recording 16 bps of GAV in 2025.

Figure 7: Vehicle costs by detailed costs type (value-weighted)*



*The detailed vehicle cost data in the chart can be found in the supporting [Excel supplement](#).

Funds with GAV below €2 billion report higher professional service costs

Vehicle costs are higher for funds with GAV below €2 billion than for funds above that threshold. The main driver of higher vehicle costs is professional services, with smaller funds reporting 13 bps higher levels. Excluding costs related to taxes, cost differences across other types are minimal, with differences within 3 bps. However, for certain vehicle costs like the audit, the economies of scale seem to be present with slightly lower costs for larger funds.

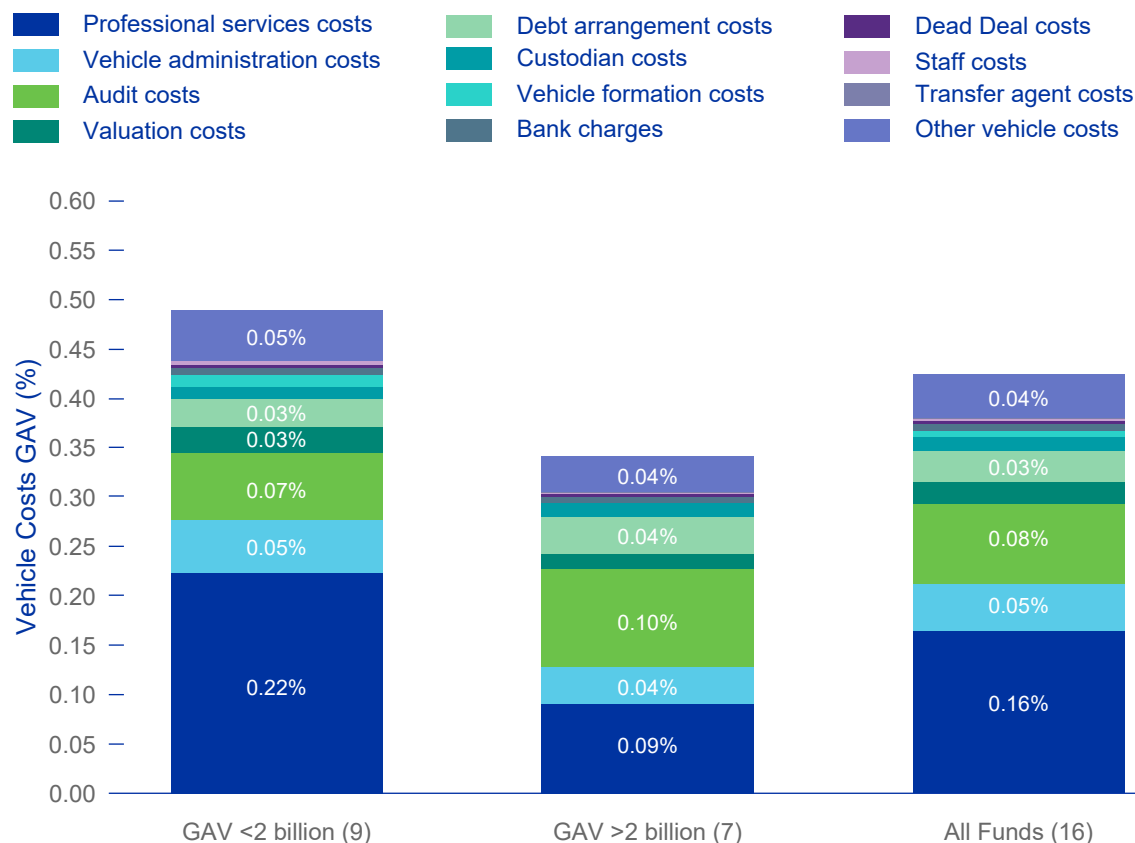
Another difference is that smaller funds record vehicle formation costs of 1 bps, while those didn't occur for larger funds in 2025. This is because the vehicle formation costs should be capitalised and amortised over the first five years after the inception of the vehicle⁴. All larger funds had an inception date before 2020, while three out of nine smaller funds have been incepted in 2020 or later.

Taxes present the largest cost differences between smaller and larger funds in 2025. The share of deferred taxes is almost five times the amount for larger funds than for

their smaller peers, at ~ 28.8% and ~6.1% of the total vehicle costs after tax, respectively. This suggests considerable variation in geographical allocations, the amount of

unrealised gains, and other differences like accounting standard and domicile of the fund.

Figure 8: Detailed vehicle costs by fund size (GAV)*



*The detailed vehicle cost data in the chart can be found in the supporting [Excel supplement](#).

⁴ Based on the INREV Guidelines for [Fee and Expense Metrics](#), vehicle set-up costs should be capitalised and amortised over the first five years of the term of the vehicle.

Professional services and vehicle administration costs are most dispersed

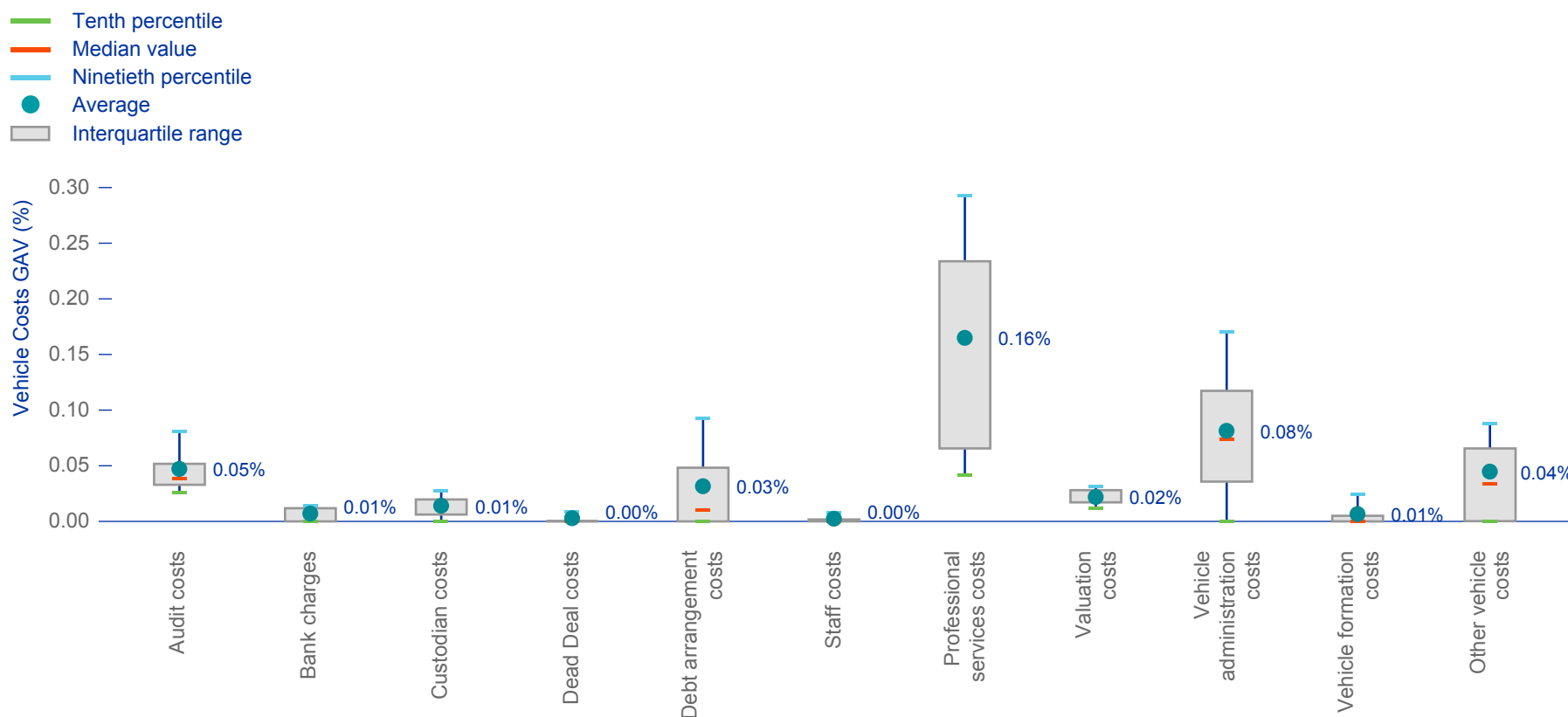
In 2025, professional services continue to show the highest vehicle cost, as well as having the largest range across all cost types. The interquartile and interpercentile ranges for professional services are more than double relative to 2024 and are at 17 bps and 25 bps,

respectively, while also showing a much higher variation. Vehicle administration costs remain the next highest category on average and the second most dispersed across the funds.

Audit costs and debt arrangement costs were still the next highest average cost bracket, with 0.05% and 0.03%, respectively. The valuation costs were unchanged in 2025 compared to the previous year and continued to report small

dispersion in interquartile and interpercentile ranges. A reversal from 2024, audit costs overtook debt arrangement costs in 2025. Bank charges, vehicle formation costs, and custodian costs averaged around 0.01% on GAV.

Figure 9: Detailed vehicle costs (dispersion)



Unchanged REERs for ODCE funds in 2025 with increased consistency

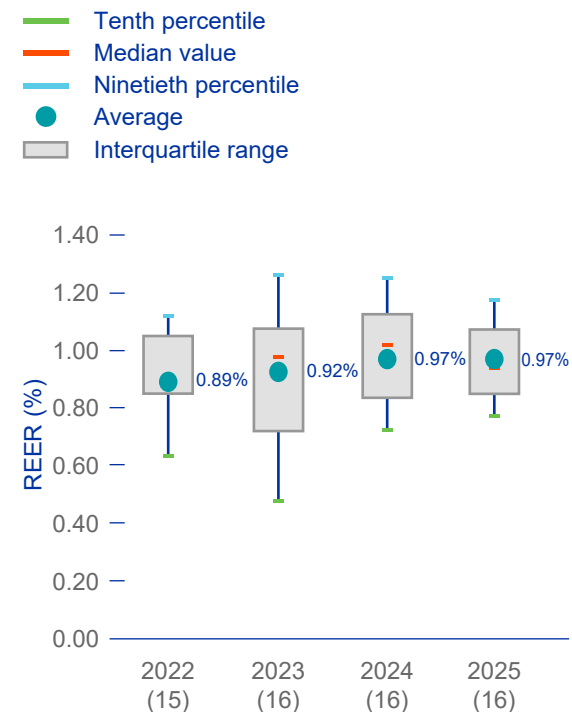
This section of the report focuses on the Real Estate Expense Ratio (REER). The full sample of 16 ODCE funds provided data on their real estate expenses for the third consecutive year.

The REER is based on incurred property specific costs, including external leasing commissions, property acquisitions, insurance, property management, repairs and maintenance, utility costs, as well as taxes on property related activities and other miscellaneous sundry property costs. Property level costs are presented as a percentage of GAV.

Based on GAV, the REER remained unchanged at 0.97% in 2025, this is despite lower acquisition costs (see page 11). In the past three years, falling property values (based on the INREV Asset-Level performance of the ODCE funds) contributed to the rise in the REER. In 2025, the asset level capital growth turned positive at 1.60%. This could have resulted in a lower REER, combined with the lower acquisition costs. However, the increase in other costs means that the REER remained unchanged. The continued increase in REER may be linked to sustained real estate expenses, which could be due to elevated costs due to inflation. Although inflation slowed in 2025, it was still above the capital growth of the ODCE Index.

In 2025, ODCE funds showed a smaller range of REERs compared to 2024, with the interquartile and interpercentile ranges of 22 bps and 29 bps on GAV, respectively.

Figure 10: REER for ODCE funds

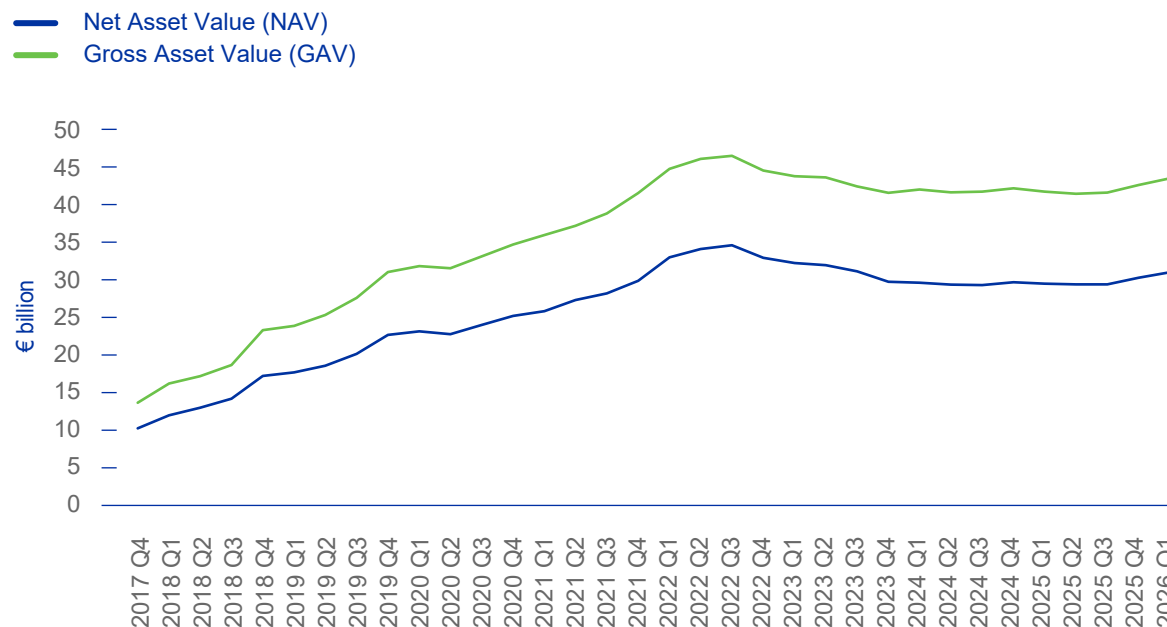


Property acquisition costs account for one-fourth of REER

The largest real estate expense for the ODCE funds is the property acquisition cost, which fell by 4 bps from 0.28% of the GAV in 2024 to 0.24% in 2025 and still accounts for one-fourth of the total REER of 0.97%. It is worth highlighting that the ODCE funds reported a total €820 million net inflow of capital in 2025 at the index level. After particular challenging market conditions in 2024, this was significantly higher than the 2024 net inflow of €264 million but was another year of levels below the long-term annual average of €1.9 billion.

From Q4 2017 to Q3 2022, ODCE funds have witnessed a remarkable expansion alongside the addition of funds, with their GAV surging from €14.4 billion to €46.6 billion. This rapid expansion of the ODCE funds is reflected in the high acquisition costs in the most recent years. However, since 2022 the growth of the index has slowed, so has the number of new acquisitions, resulting in lower property acquisition costs. However, it is important to highlight that property acquisition costs do not decrease rapidly due to the amortised nature of how they are calculated⁵.

Figure 11: Evolution of ODCE funds



Source: INREV ODCE Index

⁵ Based on the INREV Guidelines for [Fee and Expense Metrics](#), property acquisition expenses should be capitalised and amortised over the first five years after the acquisition of the property

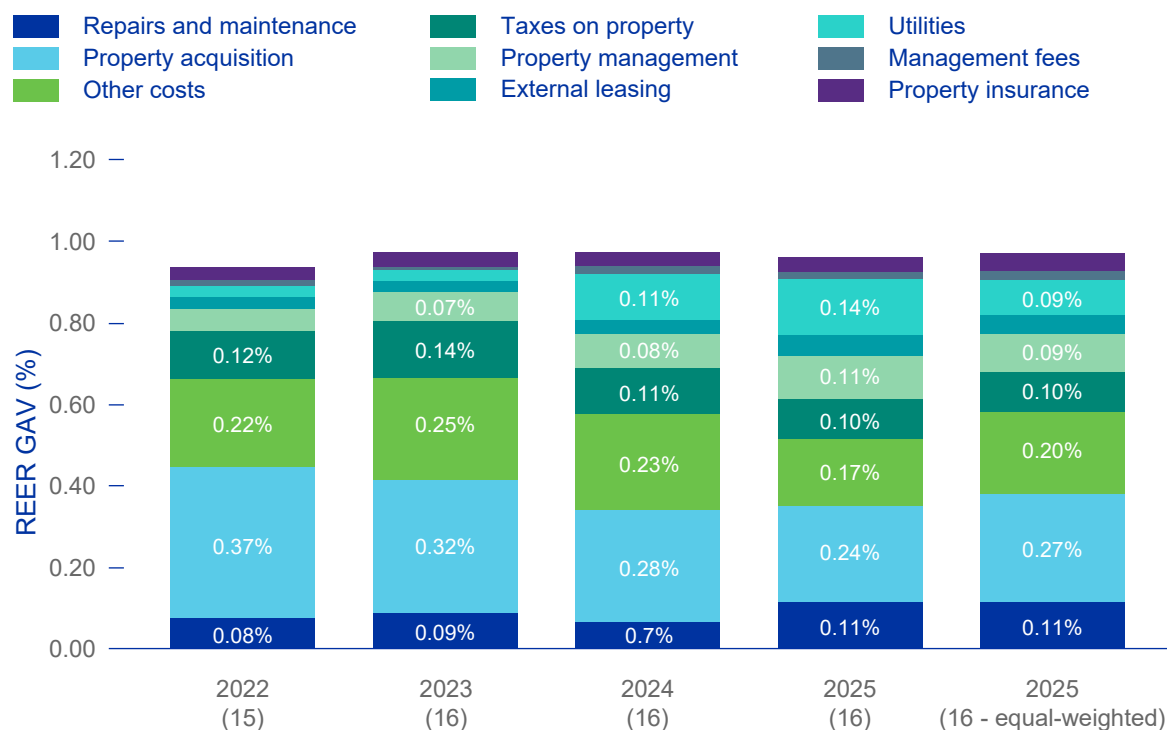
Repair and maintenance and utilities costs increased in 2025, while property acquisition costs decreased

Utilities is the second largest costs for the ODCE funds after the acquisition costs. Making up 14 bps of the GAV in 2025, these show a further increase compared to 2024. The repairs and maintenance costs and the property management costs now both stand at 11 bps of the GAV, increasing by 4 bps and 3 bps year-on-year, respectively, both overtook the taxes on properties, which decreased by 1bps to 10 bps.

The other remaining real estate expenses account for 0.17% of the GAV. These are the costs that could not be included in any of the specific cost categories or simply could not be provided on a more granular basis. The remaining categories, namely management fees, external leasing costs and property insurance, are all individually less than 5 bps based on GAV for the ODCE vehicles.

Unlike the case for the vehicle costs, the total value-weighted and equal-weighted REER results are very similar and are not showing a pronounced effect of the economies of scale. However, differences in the breakdown indicate that certain costs might be impacted by the size of funds.

Figure 12: REER by detailed cost type (value-weighted)*



*The detailed data on the REER in the chart can be found in the supporting [Excel supplement](#).

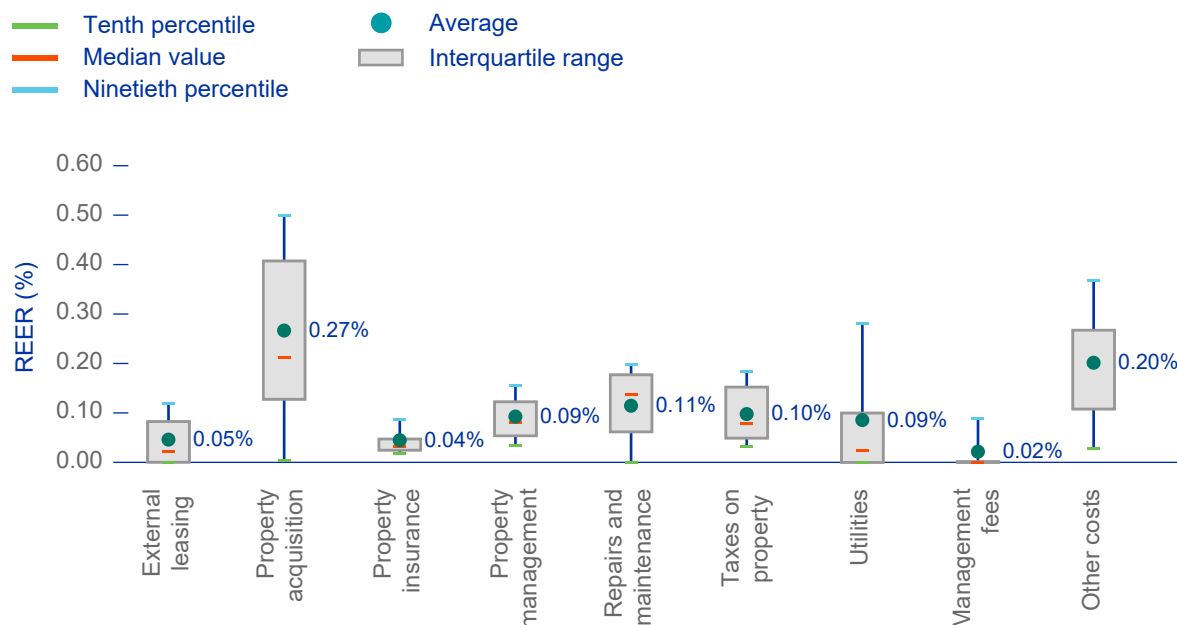
Stark differences in property acquisition costs

On an equally-weighted basis, the average REER for property acquisition and other costs remain the highest across all real estate expense types. The average property acquisition costs are 0.27% of GAV, falling from 0.33% in 2024. This cost type continues to show the largest dispersion based on interquartile and interpercentile ranges, at 28 bps and 50 bps, respectively.

At 0.11% of GAV, repairs and maintenance costs showed the largest increase year-on-year, followed by property management and utilities. Average property insurance costs were stable, showing one of the lowest levels of dispersion in the interquartile and interpercentile ranges. The small ranges for the insurance costs on a property level are related to their fixed cost nature.

Management fees, external leasing, and property management costs remained largely at their 2024 levels at 0.02%, 0.05%, and 0.09%, respectively.

Figure 13: Detailed real estate expenses (dispersion)



Background

Launched in 2007, the [INREV Management Fees and Terms Study](#) explores the fee and cost structures of European non-listed real estate funds, with a focus on Total Global Expense Ratios (TGERs) and Real Estate Expense Ratios (REERs). This is the fourth annual ODCE edition of the INREV Management Fees and Terms Study.

In 2024, the first [Global ODCE Management Fees Publication](#) was launched. It was the first global comparison of the Total Global Expense Ratio (TGER) produced by the Global Alliance – a joint initiative established by ANREV, INREV and NCREIF to promote transparency and standardisation within the real estate market as it continues to evolve as a global industry in terms of capital movement and strategies.

The TGER and the REER form part of the standard measures included in the regular reporting of overall performance to investors in a vehicle.