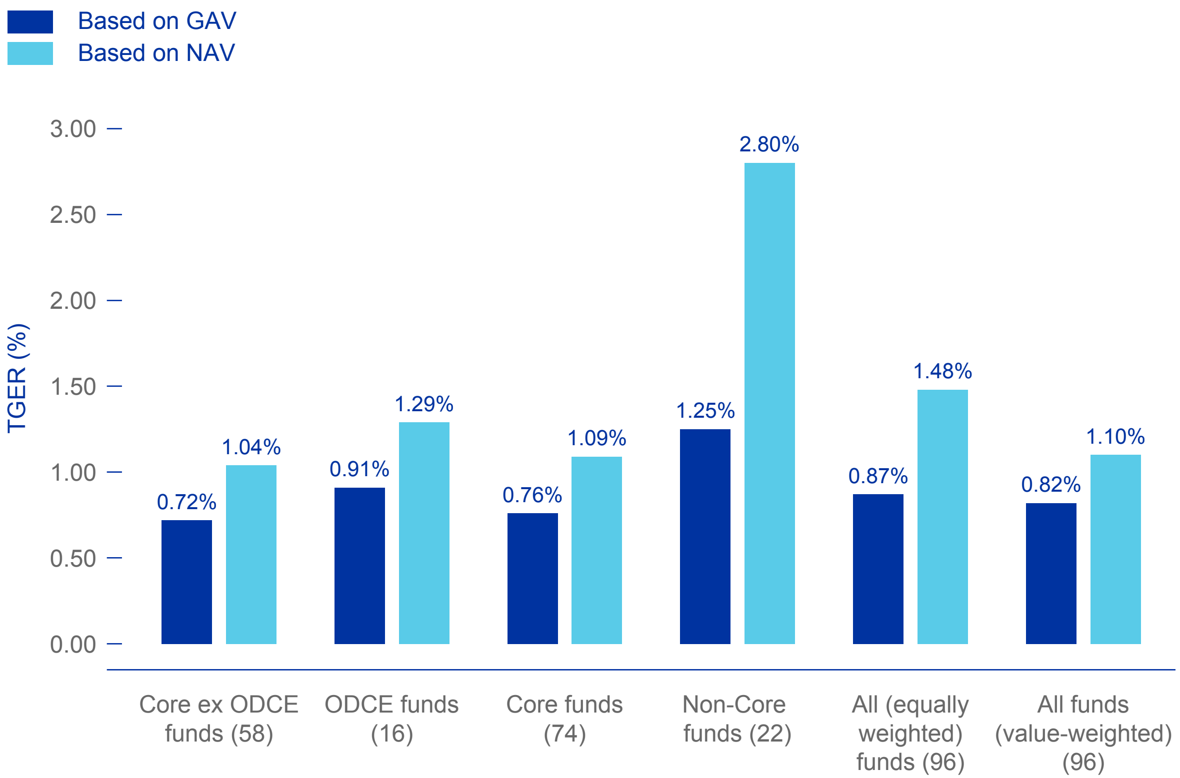
Large, core and funds with single country and single sector strategies report lower TGERs

- The Total Global Expense Ratio (TGER) for 2025 averaged at 0.87% based on GAV and 1.48% based on NAV
- Non-Core funds, younger funds, small Core funds, and those with multi country and multi sector strategies report higher TGERs
- Consistent management fees for Core funds, but large dispersion in vehicle costs
- Non-Core funds and Nordic funds reported higher Real Estate Expense Ratios (REERs), while UK focused funds recorded the lowest REERs

Figure 1: Average TGER by Style



In 2025, the average TGER stood at 0.87% based on gross asset value (GAV) and 1.48% on net asset value (NAV) for the reporting year 2025. Core funds reported lower TGERs compared to Non-Core funds, 0.76% vs. 1.25% on GAV and 1.09% vs. 2.80% on NAV. This highlights the structural efficiency of Core vehicles. On the other hand, Non-Core, smaller funds, and particularly those with Multi country and Multi sector strategies, exhibit higher expenses.

Overall, TGERs declined in 2025 compared to the previous year. For all funds, TGER declined by 4 bps on GAV and 6 bps[1] on NAV. Core funds saw a marginal decline of 2 bps, while Non-Core funds experienced a more noticeable decrease of 15 bps on GAV and 64 bps on NAV. This suggests a broader cost compression, though differences between fund types remain quite significant. Fund strategy also plays a role in cost efficiency.

1 It is important to note that the sample size and its composition vary year by year. As such, a historical comparison should be treated with caution.

Single country funds consistently reported lower TGERs, benefitting from operating within one jurisdiction. Single country – Single sector resulted in the lowest TGERs overall. Netherlands focused funds, all single sector, stood out by having the lowest average TGERs at 0.50%, and were least dispersed, benefitting from the high degree of uniformity in investment strategies.

Within Core funds, ODCE vehicles reported higher TGERs at 0.91% on GAV and 1.29% on NAV, compared to 0.72% and 1.04% for Core excluding ODCE funds, respectively. The difference is reflective of the larger share of single country and single sector strategies in non-ODCE Core funds. Interestingly, ODCE funds, despite recording higher costs than other Core peers, showed lower TGERs than the set of other Multi country – Multi sector funds, which averaged 1.11% on GAV and 2.31% on NAV. The difference could also partly be explained by fund size, as ODCE funds averaged €2.6 billion GAV vs. €1.2 billion for peers.

Lastly, the Real Estate Expense Ratios (REERs) based on a sample of 91 funds, the average equally weighted REER increased by 13 bps to 1.17% based on GAV. The primary driver appears to be the higher expense levels among Closed end funds both Core and Non-Core, while the Core – Open end funds increased marginally by 2 bps to 0.94%. The higher REER reported for Non-Core funds, could be partly explained by their strong exposure to Nordic markets, where operating costs tend to be higher.

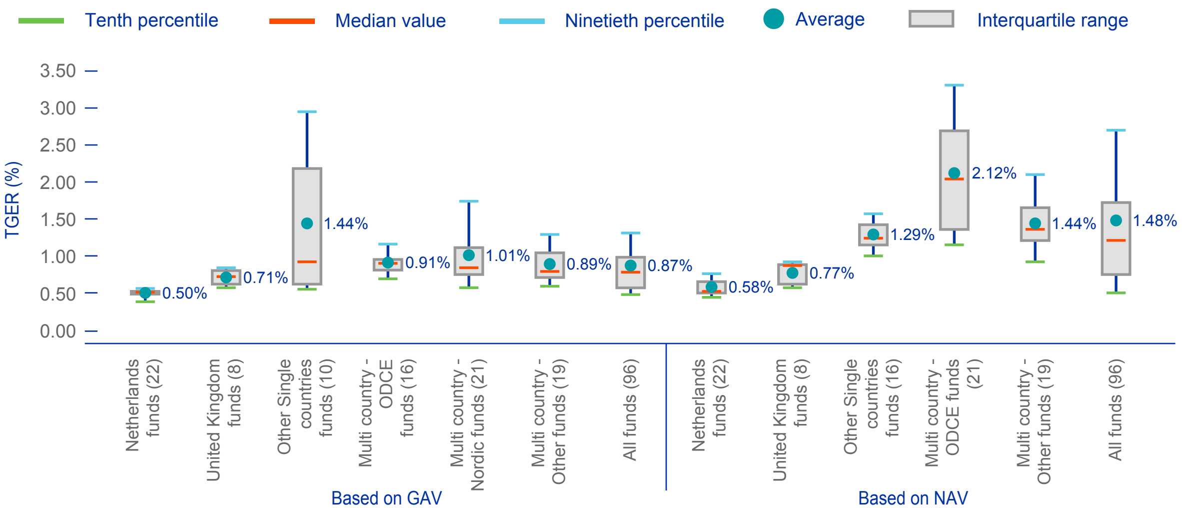
Background

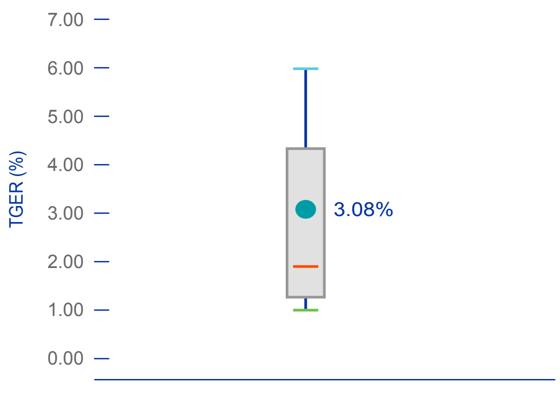
Launched in 2007 and now published every year, the INREV Management Fees and Terms Study explores the fee and cost structures of European non-listed real estate funds, with a focus on Total Global Expense Ratios (TGERs) and Real Estate Expense Ratios (REERs).

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

This year's sample includes 96 vehicles that provided information on their general fees and terms of the 375 vehicles that reported performance for 2025 in the INREV Data Platform. The 96 participating vehicles are managed by 42 managers and collectively represent a total reported GAV of €179.7 billion.

Figure 2: TGER by country strategy





***Other Single countries funds (10) - Based on NAV are shown separately for better visualisation purposes.*