

Snapshot Industry Data

INREV launches three new indices for German real estate vehicles which measures performance of Spezialfonds, Publikumsfonds and other German vehicle types

- > The first release of the All German Vehicles Annual Index includes coverage of 177 vehicles representing aggregate NAV of almost €100 billion
- > The All German Vehicles indices, annual and quarterly, can be broken down into Spezialfonds and Publikumsfonds sub-indices
- > An accompanying German Vehicles Analysis tool allows INREV members to create customised indices for the German real estate vehicles market

The project is a direct response to industry requests for a set of indices that allows for performance comparisons in the German non-listed real estate vehicles market.

INREV has developed the new indices working in close cooperation with the BVI, the German Investment Funds Association. The German Vehicles Index has one specific criteria - the vehicles must be domiciled in Germany. The Index includes vehicles that can invest anywhere in the world, not only Germany. Unlike the INREV Index where the criteria for inclusion is: vehicles with three or more investors, target share of institutional investors being more than 50% and with more than 90% of assets in Europe, the German Vehicles Index can include structures such as separate accounts, JVs and club deals and vehicles that invest outside of Europe.

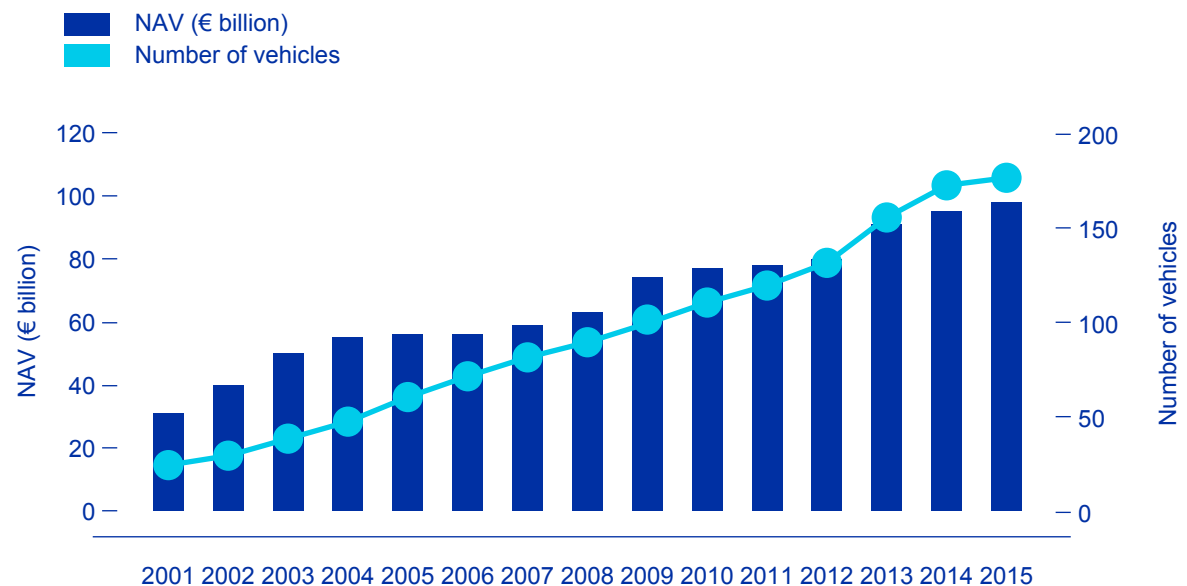
The project was initiated in June 2015 and the first release of the annual index includes performance figures from 2001 to 2015. The sample coverage rises from 25 vehicles in 2001 to 177 in 2015, representing NAV of €30.9 billion and €97.8 billion in 2015,

respectively. Seventeen fund managers contributed data to the index.

The coverage of the quarterly index follows a similar trajectory to that of the annual index.

The composition of the quarterly index includes 20 vehicles at Q2 2000 increasing to 175 vehicles at Q1 2016, representing NAV of €25.4 billion and €99.4 billion respectively.

Figure 1: INREV All German Vehicles Annual Index Coverage



Both the annual and quarterly publications include performance figures split by legal structure (Spezialfonds, Publikumsfonds and other), style, structure, regions, countries and sectors.

As at the end of 2015 the All German Vehicles Annual Index comprised 22 Publikumsfonds representing 66.9% of NAV, 144 Spezialfonds making up 31.4% of NAV and 11 other vehicles making up just 1.7% of NAV.

In the period 2001 to 2015 the All German Vehicles Annual Index delivered positive total

returns in all but one year. Performance fell from a peak of 5.9% in 2001 to a trough of -0.3% in 2010 before recovering again to 2.7% by end 2015. The negative performance in 2010 is largely attributed to poor returns driven by the liquidation of some Publikumsfonds.

In this period the income component delivered a steady return between 3% – 4%, while capital growth delivered on average 0.8% over the 15 year period, with the highest growth of 1.7% seen in 2001, and the lowest in 2012 of -3.4%.

Spezialfonds delivered higher returns than Publikumsfonds, with an average performance of 3.8% per annum compared with 2.1% for Publikumsfonds.

INREV All German Vehicles Annual Index 2015 update

German non-listed real estate vehicles showed strong performance in 2015, with an increase in total return from 1.7% in 2014 to 2.8%. Performance is mainly driven by

Figure 2: All German Vehicles Annual Index composition by 2015 NAV

- 31.4% Spezialfonds (144)
- 66.9% Publikumsfonds (22)
- 1.7% Other legal structures (11)

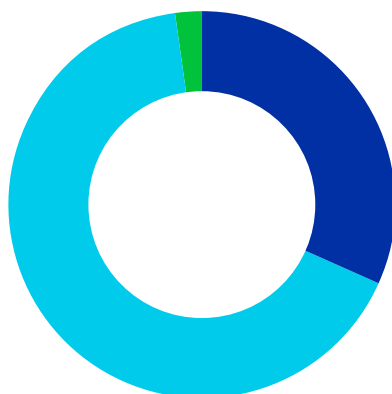
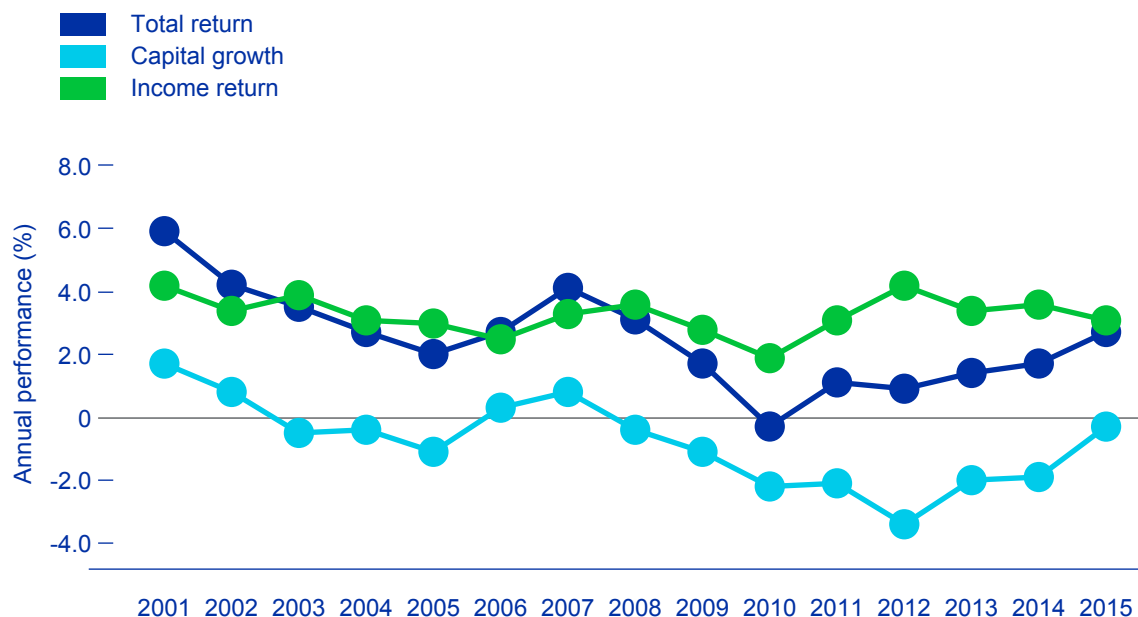


Figure 3: All German Vehicles Annual Index performance



income return (3.1%), while capital growth was still in negative territory (-0.3%).

Performance of Spezialfonds was 5.1% in 2015 and 2.0% for Publikumsfonds. The improvement in performance gained momentum for Spezialfonds in 2015.

With total performance of 5.7% in 2015 vehicles that invest only in Germany outperformed vehicles that have either an European (1.7%) or Global strategy (4.9%).

The industrial / logistics and residential sectors showed the strongest performance in 2015. Total return for these sectors was 4.5% and 4.6% respectively. Multi-sector vehicles, which account for 82.1% of the sample, by NAV, achieved a total return of 2.7% in 2015 compared to 2.1% in 2014.

INREV All German Vehicles Quarterly Index Q1 2016 update

The All German Vehicles Index delivered a quarterly total return of 0.9% in Q1 2016 compared with 0.8% in Q4 2015.

Publikumsfonds saw performance improve from 0.4% in Q4 2015 to 0.8% Q1 2016. Spezialfonds saw a drop in performance, 1.7% in Q4 2015 compared with 1.2% in Q1 2016.

Vehicles that invest only in Germany demonstrated solid performance of 1.4% over the quarter, a slight decrease from 1.6% in Q4 2015. Vehicles that have European – ex-Germany or Global strategy achieved quarterly total returns of 0.7% and 1.8% respectively.

By sector, the industrial / logistics and residential sectors showed the best performance. Quarterly returns for these sectors were 2.2% and 1.8% in Q1 2016

respectively. Multi-sector vehicles, which account for 82.5% of the sample by NAV, achieved total performance of 0.9% in Q1 2016 compared to 0.6% in Q4 2015. With performance of 0.2% vehicles that invest only in offices showed the lowest performance in this quarter.

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The full report is available to members at inrev.org/library/publications

Figure 4: Annual performance of Spezialfonds and Publikumsfonds

