



**Business Plan  
2020 - 2022**

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# Introduction

**The annual Business Plan is an important source of guidance for INREV's activities through the year, both within our office and in INREV's committees and focus groups.**

Member input and awareness of market trends are integral to the Business Plan, as both influence INREV's focus and strategy.

The plan captures input from members through the annual Member Survey, and from key contributors including the INREV Management Board, Committees, Investor Advisory Council and Fund Manager Advisory Council.

The Business Plan begins with an analysis of market trends which we consider to have a significant impact to non-listed real estate, its players and as such to INREV.

The next chapter follows with key outcomes of the annual member survey, which provide important input for the Plan.

Then we look at INREV's strategic goals and deliverables, which have been designed to create significant value for our members as well as the wider non-listed industry and that support our overall Mission and Vision. Finally, we break these down into practical priorities, under INREV's service areas.

The work involved in carrying out these key priorities would not be possible without the expertise, dedication and commitment of our members, who provide the driving force behind our success.

To ensure we have a future proof organisation, there will be a strong focus on creating an online community as an additional way for our members to interact with INREV and the community. We will continue to build and strengthen our IT infrastructure and explore new ways to meet our increasingly global member base. It is important for INREV to continue to deliver

member services at a high level, and to do this we will pay attention to attracting and retaining a highly professional, dedicated and diverse INREV team.



# Market trends

**The non-listed real estate industry continues to evolve, it is a global playing field with new players and products. To stay ahead of the curve and keep pace with the increasingly sophisticated and responsible approach to real estate investment decision making, investors need to stay abreast of new technologies to better understand data and improve efficiencies. It is also increasingly important to understand how they can seek socially positive outcomes from their investments.**

## Technology

The broader real estate investor community is well underway with a digital transformation and is exploring the wide range of available tools, metrics and information sources. Today's technological tools allow finance and investment functions to perform existing tasks in a more resource and time efficient way than before.

These new technology tools offer great potential for data analytics to support real estate investors and managers to make more informed decisions and the increased availability of data reduces a lot of the risks that assets and organisations face. Standardisation of data is essential for the exchange of data between different sources, real estate and non-real estate or non-financial sources.

Resilience – of buildings and portfolio's – is becoming more important and the increased availability of sustainable asset data, possibly due to today's technology, is more often included in investment underwriting.

However, with the increased availability of data, whether it be from the use of buildings to investment data, governance and data security is of great significance for the industry.

## Beyond sustainability

In the last decade, ESG metrics have become a standard part of strategic decision making and not just the sustainability aspect. More recently, we see impact investing rising to the forefront. Impact investing, touches every element of ESG, including multiple social and environmental goals dedicated to make a positive contribution to society alongside financial goals.

Impact investment is not new for many asset classes, the real estate industry is following fast and is increasingly paying attention to it. While many institutional investors require more than financial returns only, there are still some challenges that limit its full potential.

Real estate by default has a major impact on the environment and society but there is a clear need for greater understanding on how ESG in its widest interpretation can be applied and measured to achieve goals, often linked to the 17 Sustainable Development Goals of the United Nations.

## Globalisation

Despite uncertainty of the geopolitical situation globally, low rates and low yields continue to facilitate global capital flows towards the global real estate markets. Capital raising for the real estate industry globally reached €161.7 billion in 2018. The majority of this, €154.8 billion, is destined for investment into the non-listed real estate industry worldwide.

Investors tend to invest directly in their domestic markets, where their knowledge is strongest, but also indirectly cross-borders, in order to access management expertise and local market awareness.

Digital globalisation, eg cross-border information flows drive the growth of global investments, making it even more important to have robust data and performance indices, alongside global standards and definitions, so that investors receive information which is transparent, comparable and consistent, thereby facilitating their investment decision-making.

**Real estate investment decision making is increasingly sophisticated and responsible**



# Member survey

INREV canvassed the views of its membership in September 2019, through the annual Member Survey. The survey seeks members' views on the success and relevance of INREV's activities and helps us to understand their needs and identify gaps in our current offering. The results of the survey are key in formulating the Business Plan.

The survey covers both the general level of satisfaction with INREV's activities and satisfaction in specific areas.

The survey seeks members' views on the success of INREV's activities, and helps us to understand their needs

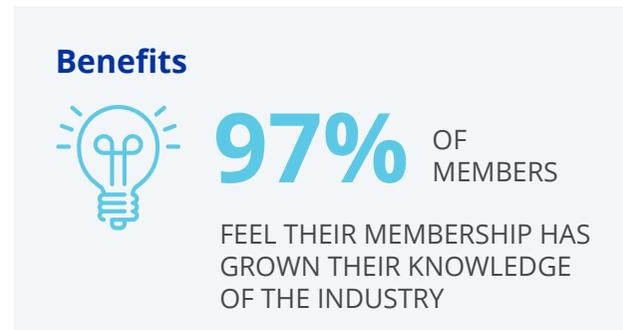
## Respondents

In 2019, we had a record response with 396 individuals completing the survey, 12% more than 2018. The sample includes the views of more than a third of our corporate members and is representative of the composition of the overall membership.



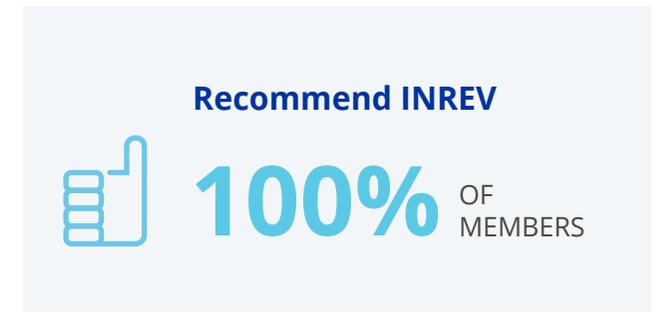
## Benefits

When we asked if they felt that their membership of INREV has grown their knowledge of the industry, 97% of respondents agreed.



## Overall satisfaction

All members would recommend INREV to others and satisfaction levels remain very high with 81% of our members rating INREV services as excellent or very good.



## Professional Standards

Almost all members, 95%, use the INREV Guidelines and the clear majority (92%) believe we do not need any additional industry guidelines.

Usage of all eight of the guideline's modules increased across the board. Reporting and INREV NAV remain the most widely adopted, followed closely by fee and expense metrics and performance measurement.

The Due Diligence Questionnaire (DDQ) remains the most widely used standard with 62% of members using it. Only a third of the respondents are using the Global Definitions Database and the Standard Data Delivery Sheet (SDDS) highlighting a need for further promotion to increase adoption and awareness.

### Use INREV Guidelines



**95%**

OF MEMBERS  
CONTINUE  
TO USE

## Research

Research is considered one of the most relevant INREV services

Investment Intentions still remains the top-rated report followed by Capital Raising and the Fund Manager Survey. The Investor Universe series of reports were well appreciated, ranking in fourth position.

Suggested research topics for 2020 include impact investing, fees and terms, real estate debt and alternative segments.



### Investor Universe Studies

**No 4**

TOP RATED REPORT

## Market Information

The main reason why members use the INREV indices is for market and peer-to-peer comparison. Over half (54%) members are considering joining or contributing to the Asset Level Index.

In 2019 we launched two new consultation indices, the European ODCE Index and the Asset Level Index, awareness of both was very high, with 83% of members being in the know.

In 2019 we promoted the robustness and quality of the INREV suite of indices with historical data now going back to 2000, members found that the quality of all indices had improved, specifically the Global Investor Index.



### Market Information

**99%**

RATE AS GOOD  
OR BETTER

↑ UP FROM 98% IN 2018

### Global Investor Index

**71%**

RATE AS GOOD  
OR BETTER

↑ UP FROM 58% IN 2018

## Public Affairs

Of those members that find public affairs information relevant to their role, 87% are satisfied with the information they receive and feel well informed.

All members (100%) found INREV's engagement on AIFMD important, followed by Solvency II and MIFID. In 2019 we offered several round-table events, which were highly appreciated by members. INREV News and the monthly tax and regulatory briefings remain a useful way for members to keep informed.



### Top regulations

1. AIFMD
2. Solvency II
3. MIFID

## Training

Those who have attended a training are extremely satisfied, with 99% saying they would recommend it to a colleague.

Content remains the top factor in deciding whether to attend an INREV course for the fourth-year running, followed by city and speakers.

In 2017, we launched the INREV/Henley Certificate. We placed extra attention this year in promoting the Certificate which resulted in 10% more members being aware of this initiative than in 2018 and 52% are interested in participating in the future. In 2019 we also extended the training offering by launching an eLearning programme next to the traditional classroom course. Enthusiasm is high with 61% of members interested in participating.



### Training

99%

WOULD RECOMMEND AN INREV TRAINING COURSE

## Events

Events continue to be an important service with 98% of members finding the service relevant. The majority (86%) feel that the programme offers an event tailored to their specific needs. They would like to see the topics of ESG, tax, legal counsel and debt funds in future programmes.

Members are satisfied with the frequency of events offered, 39% say the schedule is sufficient and 49% feel it's just right.



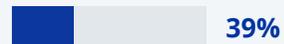
### Events

86%

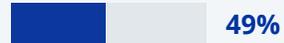
OF MEMBERS FEEL THERE IS AN EVENT TAILORED TO THEIR NEEDS



### Frequency



Just right



Sufficient

## Communication

### Number one way to receive information



INREV NEWS

### Community platform in demand



BUILD AN INTERACTIVE ONLINE COMMUNITY

## Communication

INREV News, the weekly newsletter, is still the most popular way for members to receive information, we will continue to improve the service.

The IQ Magazine is predominantly read online and 50% of our members are interested in using blogs and discussion forums. We will substantially decrease the number of printed copies and find ways to make the online IQ more interactive.

In total 66% of members, 14% more than last year, are aware that there is no limit to the number of representatives that can use the membership.

Usage of the Member Directory has increased, with 35% of members using it versus 18% in 2017, we will continue to promote this and look for other ways for the community to interact online.

# Vision and Mission

## Vision

To champion the European non-listed real estate industry globally and build it as a competitive and sustainable asset class for institutional investors.

## Mission Statement

INREV works to further transparency and accessibility, promote professionalism and best practice, be the voice of the industry and spread knowledge.



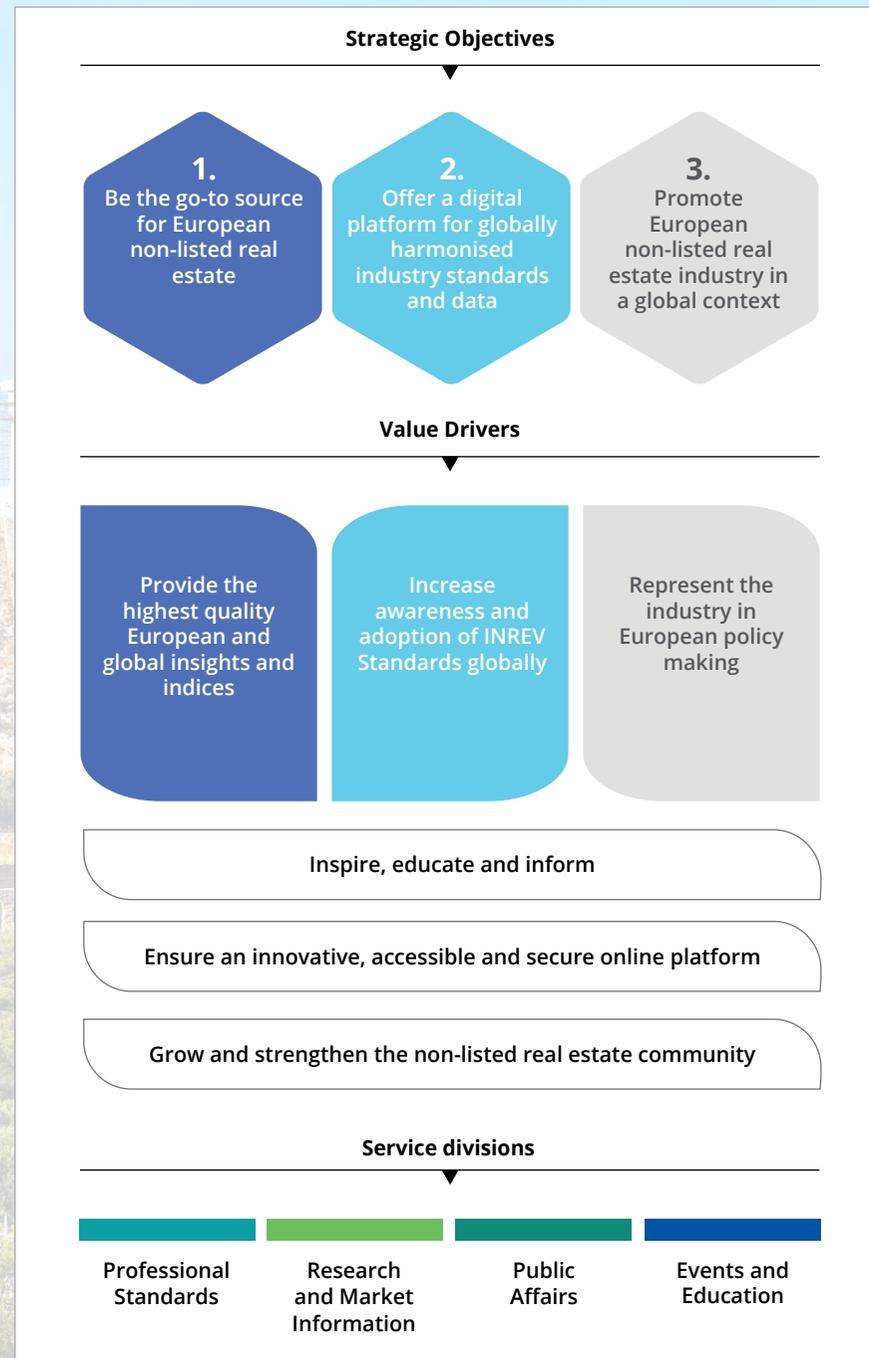
## Value drivers supporting strategy

We aim to achieve our strategic objectives in 2020 by focusing on key value drivers, a number of carefully chosen steps designed to create significant value to our members and the industry.

INREV members benefit from our unique combination of services which exist to increase transparency, professionalism and best practice.

Together, these services provide leadership in professional standards, research, market information, public affairs, training and events for the entire spectrum of the non-listed real estate industry.

### Strategy Map



# 1. Goals and objectives

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Service divisions

# Professional Standards

INREV professional standards enables consistency and increases transparency and professionalism of the non-listed real estate investment industry.

Investors and managers adopt our Guidelines to excel in their performance and risk management, benefiting from detailed guidance and practical examples.

We improve understanding and drive strong adoption of the INREV Guidelines and tools across the globe and promote industry standards and best practices to new market entrants.

What we will continue to do:

- Expand online tools and digital services to support implementation of the guidelines, increase accessibility and enable comparison against market peers
- Ensure standards are more globally relevant by working with our strategic global partners to drive convergence where practical and expand reach
- Enhance best practice guidance on ESG issues, including Impact Investing, climate risk and inclusion and diversity

Investors and managers adopt our Guidelines to excel in their performance and risk management



- ✚ Expand existing guidance to evolving structures in non-listed real estate to include:
  - characteristics and due diligence of debt funds
  - pricing, governance and liquidity mechanisms for open end funds
- ✚ Increase knowledge and adoption of the standards by enhancing practical examples of the Guidelines at relevant stages of the real estate investment journey
- ✚ Encourage global use of INREV Standards – Due Diligence Questionnaire (DDQ) and Standard Data Delivery Sheet (SDDS)
- ✚ Continue to drive the global agenda by expanding the Global Definitions Database (GDD), including Asset Level definitions
- ✚ Gather insights and increase regional alignment with the Total Global Expense Ratio (TGER) and NAV calculation practices
- ✚ Start the development of Global Asset Level performance measurement



# Research

INREV research is the go-to platform for global insights on the non-listed real estate industry, with a research programme that builds on INREV's extensive proprietary data and covers a range of topics that anticipates the direction of the non-listed real estate industry globally.

The INREV research programme includes 8 evergreens as well as topical research:

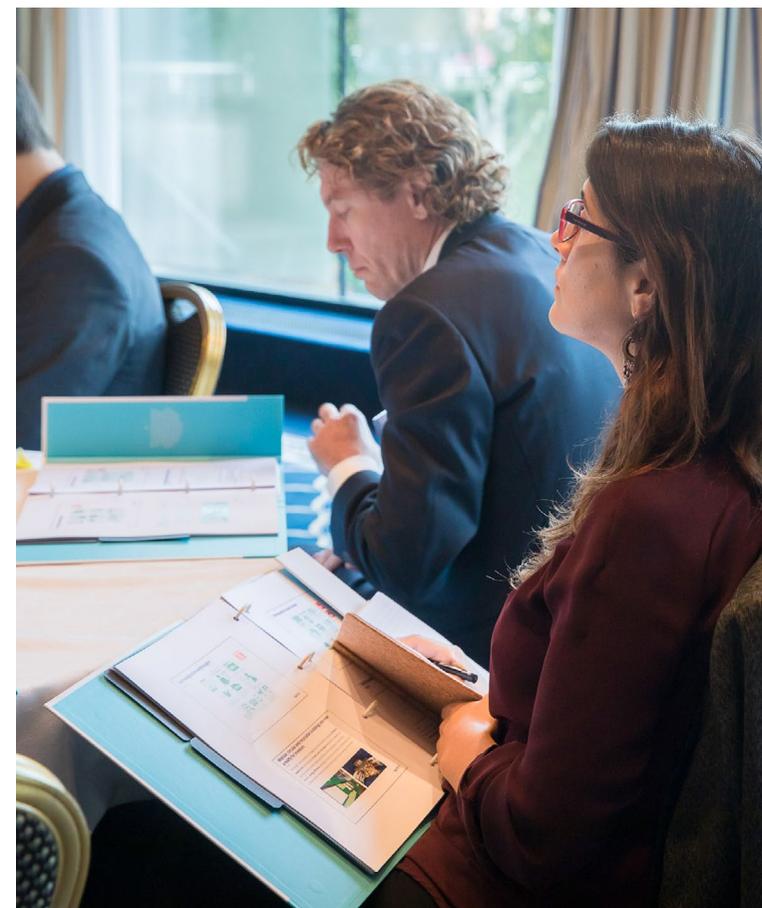
- Investment Intentions Survey
- Capital Raising Survey
- Fund Manager Survey
- Funds of Funds Study
- Funds Termination Study
- Management Fees and Terms Study (biennial)

What we will continue to do:

- Build on existing global surveys, expanding coverage, applicability and usage.
- Improve the understanding of European non-listed real estate within a global context
- Develop and improve research online analytical tools to allow deeper analysis of INREV survey data which is an integrated part of the overall IT developments

## Key priorities

- 🚩 Implement updates to the INREV Fee and Expense metrics guidelines module into the Management Fees and Terms Study
- 🚩 Develop research online analytics tools to allow deeper analysis of and across INREV survey data
- 🚩 Carry out study dedicated to the specifics of investments through non-listed real estate vehicles versus other routes to real estate investments
- 🚩 Carry out study into the characteristics of operational real estate and the impact it has on the sector including required future skills of managers and investors



# Market Information

INREV market information is an independent source of comprehensive data on the non-listed real estate industry that supports all aspects of the real estate investment process, from asset allocation to performance measurement, and peer-to-peer and market comparisons.

The market information programme includes 10 indices: Annual and quarterly:

- INREV Index
- INREV European ODCE Index
- German Vehicles Index
- IRR Index

Global:

- GREFI – global real estate fund index
- Global Investor Index
- + Asset Level Index

3 databases:

- INREV Vehicles Universe
- Debt Funds Universe
- Funds of Funds Universe

3 online analytical tools:

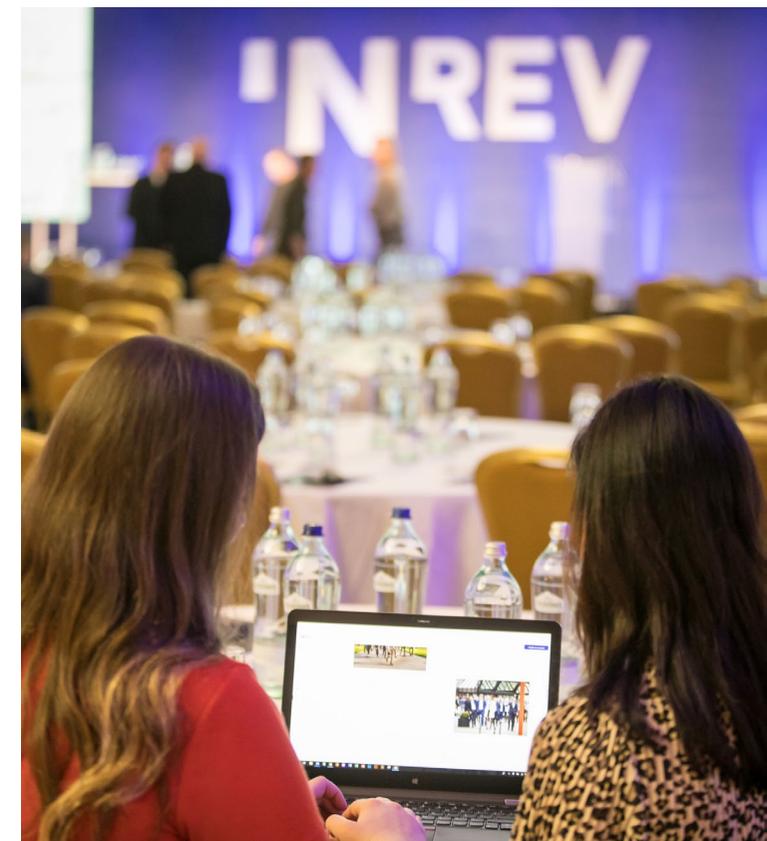
- Index Analysis Tool
- German Vehicles Index Analysis Tool
- Investor Vehicles Analysis Tool

## Key priorities

- 🚩 Expand coverage and representation of the Asset Level Index and work towards official launch of the index
- 🚩 Finalise the details for the official launch of the European ODCE and extend transparency with asset to fund level attribution and reconciliation analysis
- 🚩 Explore the potential to link financial performance and ESG performance data
- 🚩 Explore the potential for a global Open End Diversified Core Equity Fund Index (GODCE) following similar principals to GREFI

What we will continue to do:

- Increase quality, accuracy and completeness of INREV's suite of market information
- Provide insights into the performance of the European non-listed vehicles space
- Develop market information analytical tools to allow members to effectively analyse the non-listed real estate industry as an integrated part of the overall IT developments.



# Public Affairs

INREV represents members' interests by increasing policymakers' awareness and understanding of the role and importance of real estate investment.

We develop aligned industry responses to proposed regulatory and policy initiatives while taking a leading role on issues affecting our industry among international and national associations.

Leveraging on our presence in Brussels, we provide members with first-hand insights into the development and implementation of regulatory and policy initiatives.

What we will continue to do:

- Keep members informed regarding the practical business impact of regulatory and policy initiatives through briefing calls, events, invitation-only roundtables focused on specific topics, training courses and publications

**We represent members' interests by increasing policy makers' awareness**



## Key priorities

- 🚩 Ensure that key new policy makers are aware of the role and importance of non-listed real estate to European economy and society following 2019 EU elections
- 🚩 Provide input on multiple aspects of Brexit to policy makers on both sides of the Brexit divide and to keep members informed of potential impacts on our industry in both the UK and the EU
- 🚩 Develop aligned real estate industry responses to regulatory and policy initiatives including the review of AIFMD and Solvency II, proposed ESA regulation, Sustainable Finance and tax-related rule changes
- 🚩 Help members understand and implement new regulatory requirements related to MiFID II, Sustainable Finance, ATAD, revised AIFMD, Solvency II and national tax law changes



# Events

INREV offers members high quality conferences, seminars and round-table discussions, tailored to meet their specific needs. Through our leading position in the non-listed real estate industry, we provide a content driven programme delivered by industry leaders.

Our events are designed to further knowledge, provide opportunities for sharing experience and enhance networking with industry peers across the spectrum of responsibility levels and focus areas.

What we will continue to do:

- Organise high quality events with an emphasis on strong content and delivering INREV output
- Deliver a varied and high quality events programme
- Ensure a high degree of quantitative and qualitative event participation, especially by investors
- Maintain and increase accessibility by continuing to offer events in a wide range of locations near to our members
- Ensure gender diversity of speakers in the events programme
- Offer a structured events sponsorship programme for members

## Key priorities

- ✚ Offer targeted events for specific groups of members, clearly communicate how they are differentiated and who should attend. Specifically for:
  - INREV's three flagship events (Annual, Autumn and Young Professionals Conferences)
  - Young professionals events, with the support of the new Young Professionals Committee.
  - Small investors – develop a round table
- ✚ Remain on top of emerging industry trends by including topics such as technology, impact investing and climate change in the events programme
- ✚ Reflect our global efforts in the programmes of our European events, continuing to offer the North America Conference and explore ways to expand our offering to members in Asia and Canada



**Our wide-range of events**  
*further knowledge, provide opportunities to share and network*

# Education

The INREV education programme increases knowledge and meets the development needs of players in the non-listed real estate investment industry, specifically on INREV output.

We deliver best-in-class content, classroom courses and eLearning focused on a wide range of topical and innovative subjects that support the exchange of professional best practice and deepen the knowledge of market participants at all levels.

Built on the success of our training courses we also offer the INREV/ Henley Certificate in partnership with Henley Business School, an education programme that combines practical application with academic rigour.

What we will continue to do:

- Further improve the suite of our training offerings to reflect INREV best market practices across the industry
- Ensure successful delivery of around 15 courses across the major European hub cities
- Offer a wide range of webinars to meet members educational needs and increase their knowledge of INREV output
- Further strengthen the university outreach programme to increase the knowledge and understanding of the non-listed real estate industry by engaging with students at an early stage of their career
- Further improve awareness and adaptation of the INREV/Henley Certificate to increase acceptance and achieve industry recognition

## Key priorities

- 🚩 Further define and roll out eLearning strategy to support INREV global outreach, to reflect new learning trends and to scale up the training programme, including:
  - Due Diligence module
  - Foundation course modules
  - Professional standards, research and market information tools
- 🚩 Include topics related to INREV main focus areas such as technology, climate change and impact investing into the course programmes
- 🚩 Develop an online platform to accommodate and improve communication between course participants and Henley Certificate students
- 🚩 Digitilise the course content to reduce printed training folders



**Topical and highly relevant content**  
*advance the skills and knowledge of participants*

## 2. Internal priorities

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# Marketing and Communications

INREV delivers insightful and relevant information about non-listed real estate investment through best in class communication to the financial community.

We provide timely, reliable and easily accessible information for our members via a multi-channel approach.

What we will continue to do:

- Promote awareness and usage of all INREV services and output
- Further increase industry awareness of headline results through engaging and interactive visuals that allow users to digest information quickly and efficiently
- Broaden reach and penetration of key messages with financial and business media to promote non-listed real estate as an alternative asset class

We provide  
*timely, reliable and easily  
accessible information for  
our members*



## Key priorities

- 🚩 Implement effective marketing campaigns to ensure existing and prospective members receive timely, relevant information on topics that directly impact them
- 🚩 Improve online experience by offering a tailored user journey that increases awareness and usage of services
- 🚩 Develop an online community platform to facilitate member discussion, engagement and knowledge exchange
- 🚩 Promote and increase visibility of INREV in and outside of Europe as the go-to source for everything you need to know about non-listed investment in Europe



# Member Relationship

At INREV we pride ourselves as being the non-listed real estate community and the member relationship programme helps foster this community ensuring that it remains active and connected.

We link members with each of INREV's service areas while maintaining a close rapport with our members.

We support members to make optimum use of their membership by increasing their team's knowledge and usage of the tools and services available to them.

What we will continue to do:

- Further improve the communication channels among members and the INREV team, while providing information and support resulting from our products and tools
- Connect with investor members annually in 4 to 5 locations, through Invitation Only Get-Togethers
- Connect with global members to entice them to join INREV activities as well as use our tools and services

## Key priorities

- 🚩 Increase participation of all members and their teams to support and promote INREV's efforts
- 🚩 Support the brand establishment of INREV globally, through global events
- 🚩 Establish national Investor representatives in each of the countries where INREV is present, to involve them and to encourage their support in our various efforts

**A growing community**  
*with a close, connected rapport*



# Information Technology

INREV's member services have increasingly turned digital and data based. Today, INREV delivers its member services through a wide set of data collection and analysis tools.

Through the continuation of the IT roadmap programme, INREV is consolidating its data reporting mechanisms and data storage into a single system. Members will benefit through a significantly reduced reporting burden as well as better data access.

Ensure that the INREV data collection process adheres to the highest standards in data collection, governance and complies with new regulations.

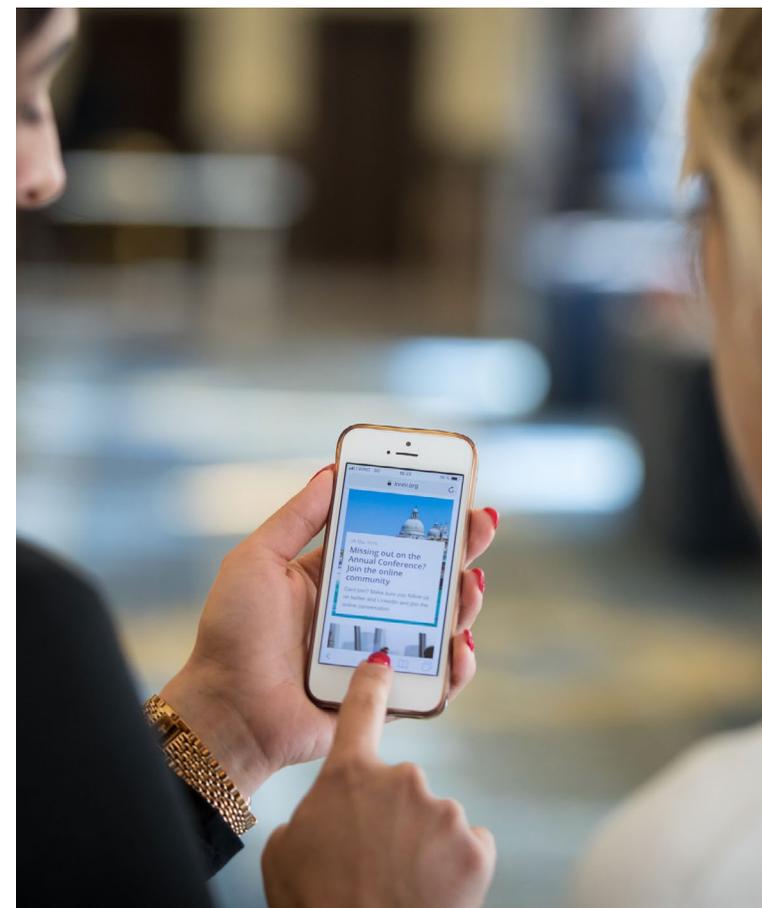
Data quality stands at the core of this strategy and INREV's members will automatically benefit from all developments.

**INREV is committed to the highest standards in data reporting, governance and security.**



## Key priorities

- Technology focused around increased efficiency:
  - Reduce reporting burden for members by redesigning data reporting tools and work towards removing manual interactions in the data reporting process
  - Consolidate data access through a centralised system to manage all relationships between funds and investors
  - Increase accessibility through a data warehouse containing all historically collected information
- Further integrate Customer Relationship Management (CRM) into all digital services
- Facilitate the industry through research, on-line discussion platforms and events/round-tables around digital transformation and to be kept updated on the latest developments on PropTech





CORPORATE



RESEARCH



INDUSTRY  
DATA



PUBLIC  
AFFAIRS



PROFESSIONAL  
STANDARDS