



ANREV / INREV / NCREIF Fund Manager Survey **2020**

Research

INREV is the European Association for Investors in Non-Listed Real Estate Vehicles. Our aim is to improve the accessibility of non-listed real estate vehicles for institutional investors by promoting greater transparency, accessibility, professionalism and standards of best practice.

As a pan European body, INREV represents an excellent platform for the sharing and dissemination of knowledge on the non-listed real estate industry.

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Executive summary

- > Total real estate AUM grew by 15.7%, from €2.8 trillion in 2018 to €3.2 trillion in 2019
- > The three biggest managers reported real estate AUM above €150 billion
- > The top ten managers represent around 40% of the total AUM around the world

Real estate AUM broke the €3 trillion barrier

After six consecutive years of steady growth, total real estate assets under management (AUM) increased by 15.7% from €2.8 trillion at the end of 2018 to €3.2 trillion at the end of 2019.

The average AUM across all managers was €23.1 billion for 2019, above the previous year's average of €16.1 billion.

Total AUM of top three exceeds €150 billion

The top five managers have their head office in North America. From that top five the three largest managers, Blackstone, Brookfield and PGIM reported real estate AUMs in excess of €150 billion each.

Nuveen, Hines and Prologis, ranked in fourth, fifth and sixth position, were a little behind with each posting a healthy AUM in excess of €100 billion.

The next group of managers with real estate AUM of between €95 to €85 billion are AXA, CBRE Global Investors, Swiss Life and UBS who complete the list of top ten managers with AUM of around €85 billion each.

These ten managers represents around 40% of all capital allocated to real estate.

Clear differences between regional strategies

The two largest managers in Asia Pacific, CapitalLand and ARA Asset Management, are way ahead of the rest both with total real estate AUM above €50 billion. Only the top four in this region has an AUM of more than €25 billion each.

The situation in Europe is similar. There is some distance between the top two managers, Swiss Life and AXA, both with AUM in excess of €70 billion. The rest of the managers included in the top ten posted AUM above €30 billion.

The AUM posted by managers with North American strategies are the biggest around the world. PGIM and Brookfield posted an AUM well above €100 billion.

Among global strategies, Blackstone that reported more than € 100 billion, is substantially bigger than the rest of the top ten managers.

Pension funds main source of capital

Pension funds remain the main capital provider for all the regions. The second most important source of capital varies across different regions.

Sovereign wealth funds come in second place for Asian Pacific strategies, while in Europe insurance companies remain as the second most important source of capital. In North America, these two sources are almost equally important although sovereign wealth funds are slightly more important.

Consolidation continues

Around 20% of the respondents indicated that they were involved in merger and acquisition (M&A) activities over the last 10 years. Geographical expansion and scale are the main motivations to participate in M&A activities.

Introduction

The ANREV / INREV / NCREIF Fund Manager Survey explores real estate assets under management, providing insights into regional compositions and vehicle types.

The survey was launched in 2011 and since 2015 was expanded to include global coverage. It is now published at the end of May - early June, each year

This year's survey includes 140 managers compared to 173 last year. This is, to a large extent, attributable to the global outbreak of COVID-19 during the data collection period. Consequently many fund managers' offices were closed, with employees working from home and a reshuffle of priorities.

Nonetheless, this year's sample covers a higher total of real estate assets under management of €3.2 trillion as at end 2019 compared to €2.8 trillion as at end 2018.

When figures were left unspecified aggregates include the not reported figures allowing for the sample to remain constant throughout the report. However, historical comparisons should be treated with caution.

All figures in the report are quoted as at 31 December 2019 unless stated otherwise.

The survey results are based on data provided directly to ANREV, INREV and NCREIF by managers. ANREV, INREV and NCREIF do not use publicly available information, and both members and non-members can provide data for the survey.

ANREV, INREV and NCREIF would like to thank all participants for contributing to the Fund Manager Survey, especially given the difficult circumstances related to COVID-19.

For a time series of the Fund Manager Survey rankings download the supplementary Excel workbook.

Use

The results of the Fund Manager Survey may be used for research and information purposes only.

They may not be used for the following:

- To determine the value of a fund
- To determine the value of a financial instrument
- To determine the amount payable under a financial instrument
- To determine the amount payable under a financial contract
- To calculate performance fees
- To define the allocation of a portfolio

It is important to note that the sample size and composition of the survey varies by year. Therefore, historical comparisons should be treated with caution.

Total real estate assets under management

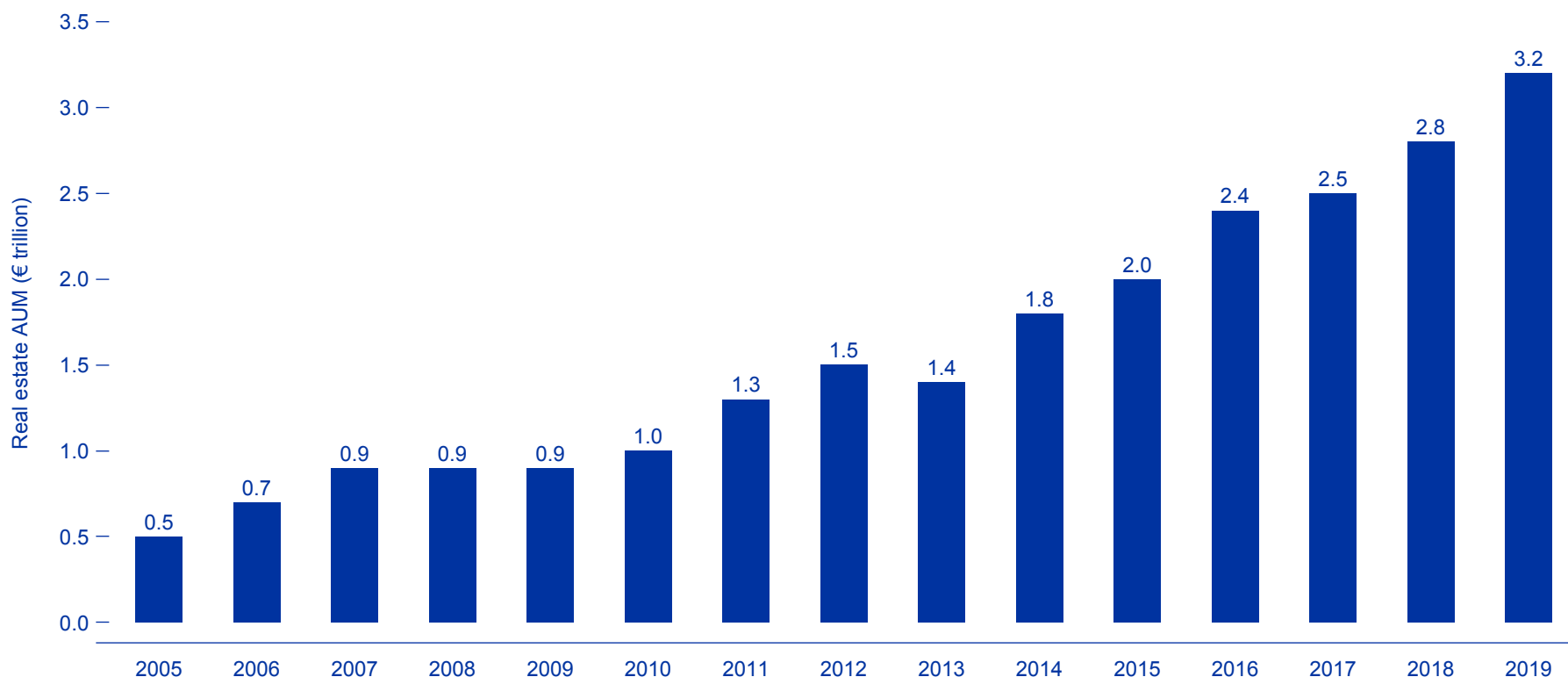
Total real estate assets under management (AUM) reached €3.2 trillion in 2019, representing an increase of 15.7% compared to 2018, following the upward trend initiated in 2014. This increase was supported by growth in AUM of all managers, although the top ten managers representing almost 40% of total real estate AUM. More or less the same percentage as last year's report.

The average total real estate AUM across managers stands at €23.1 billion for 2019, above than the previous year's average of €16.1 billion.

For the first time in the survey's history the ten largest managers reported total allocations to real estate above €85 billion.

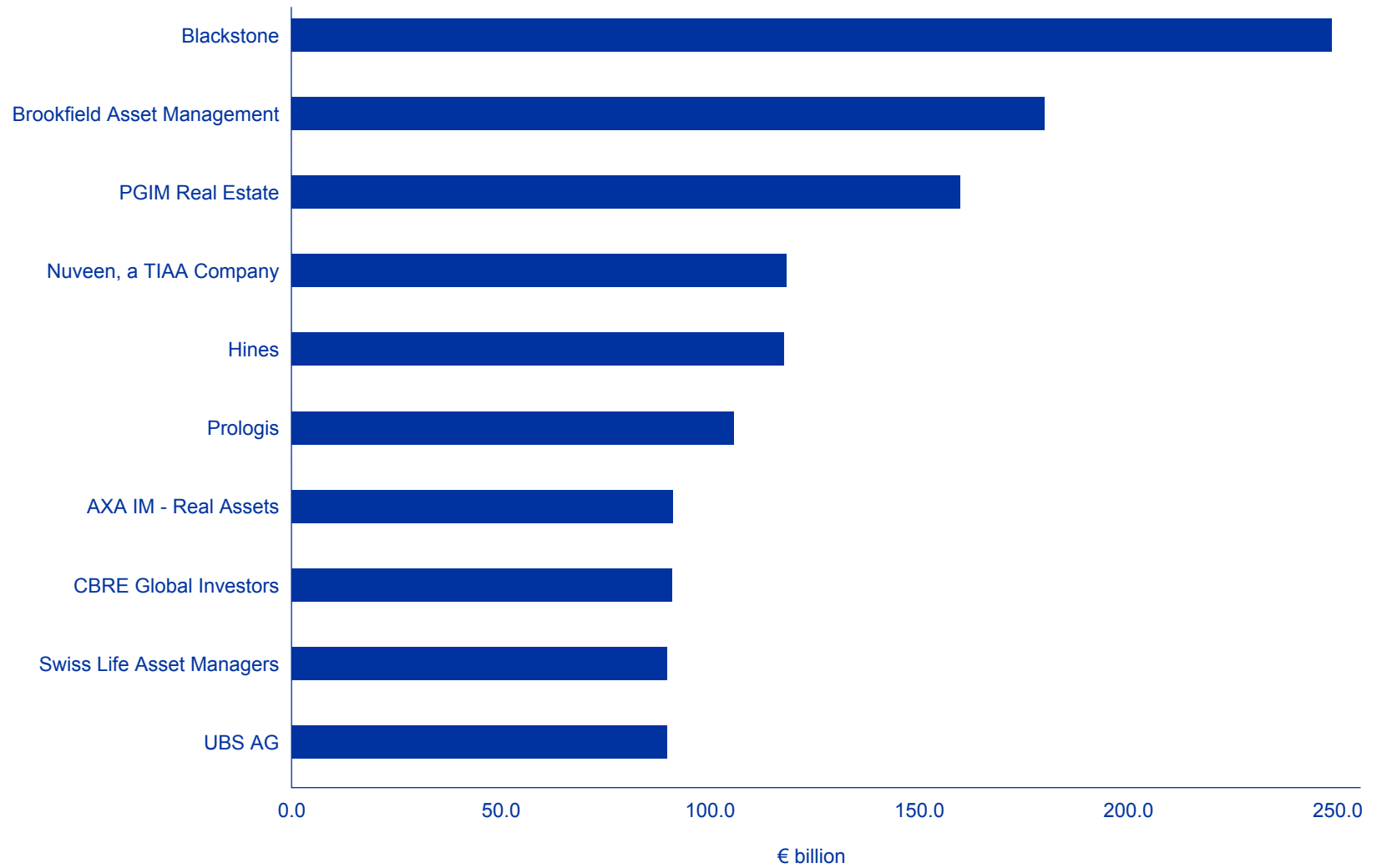
The six largest managers, Blackstone, Brookfield PGIM, Nuveen, Hines and Prologis provided allocations above €100 billion and increased their lead ahead of other managers.

Figure 1: Total real estate assets under management



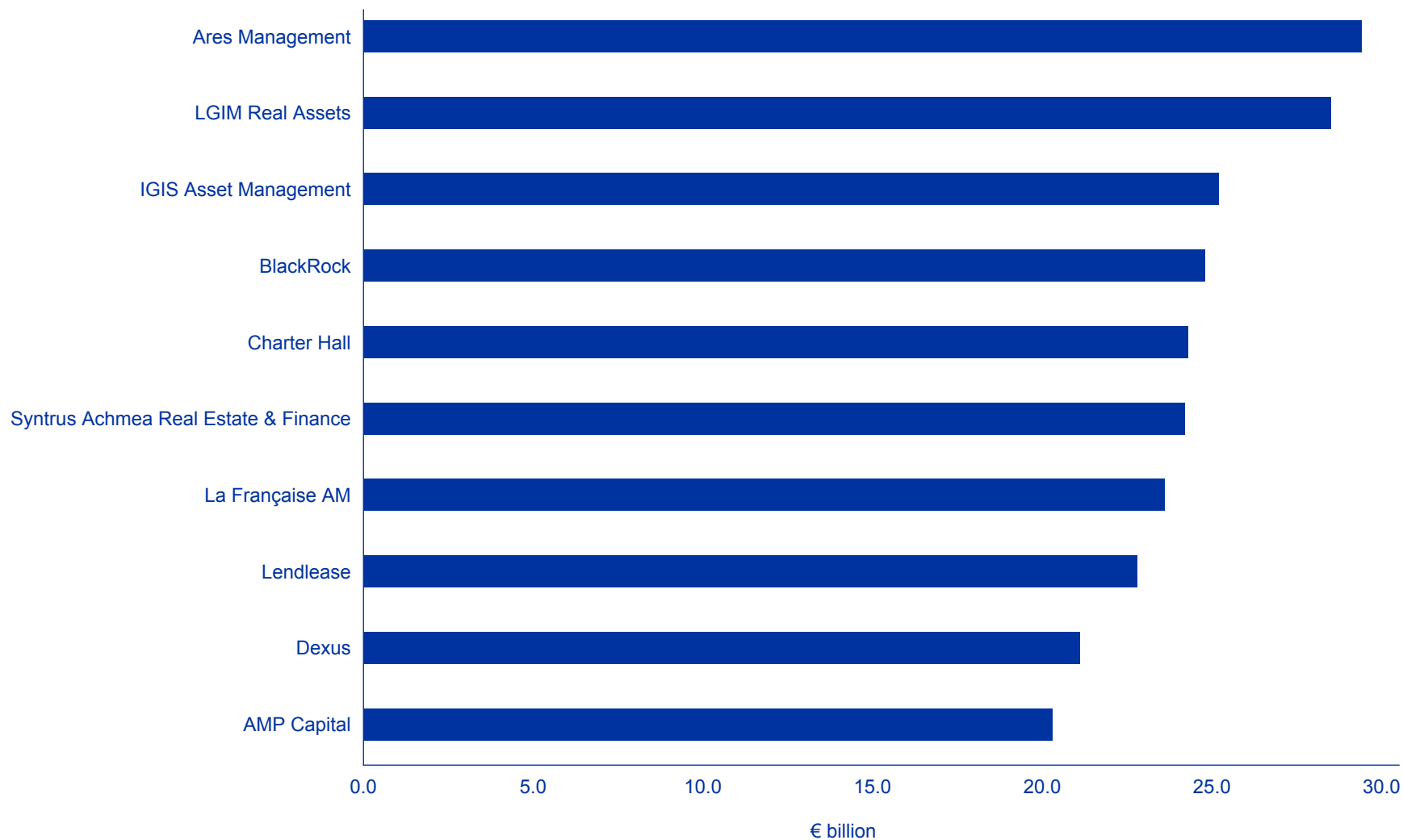
Top 10 managers by total real estate AUM

Figure 2: Top 10 fund managers by total real estate AUM - Upper quartile



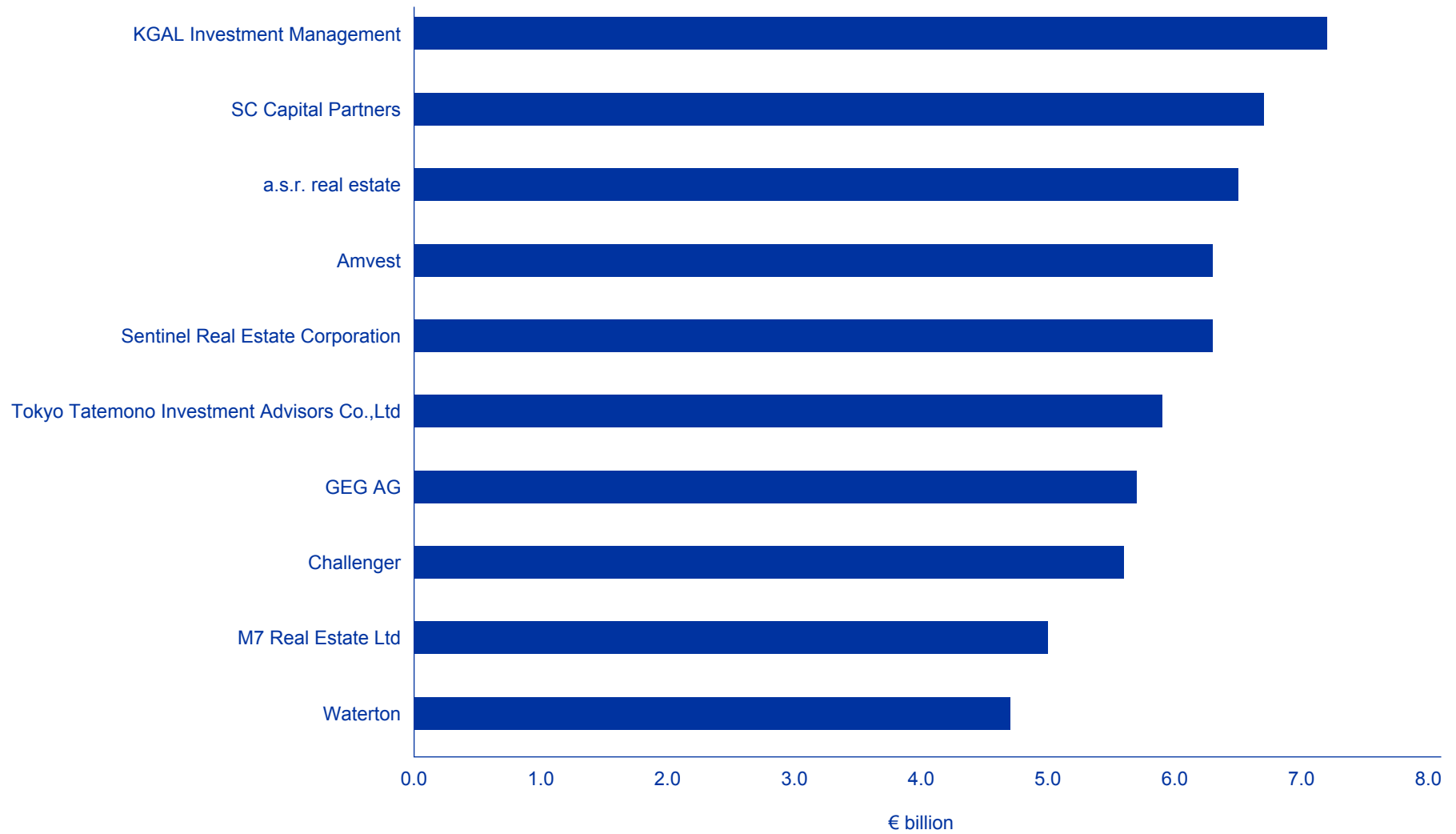
Top 10 managers by total real estate AUM

Figure 3: Top 10 fund managers by total real estate AUM - Third quartile



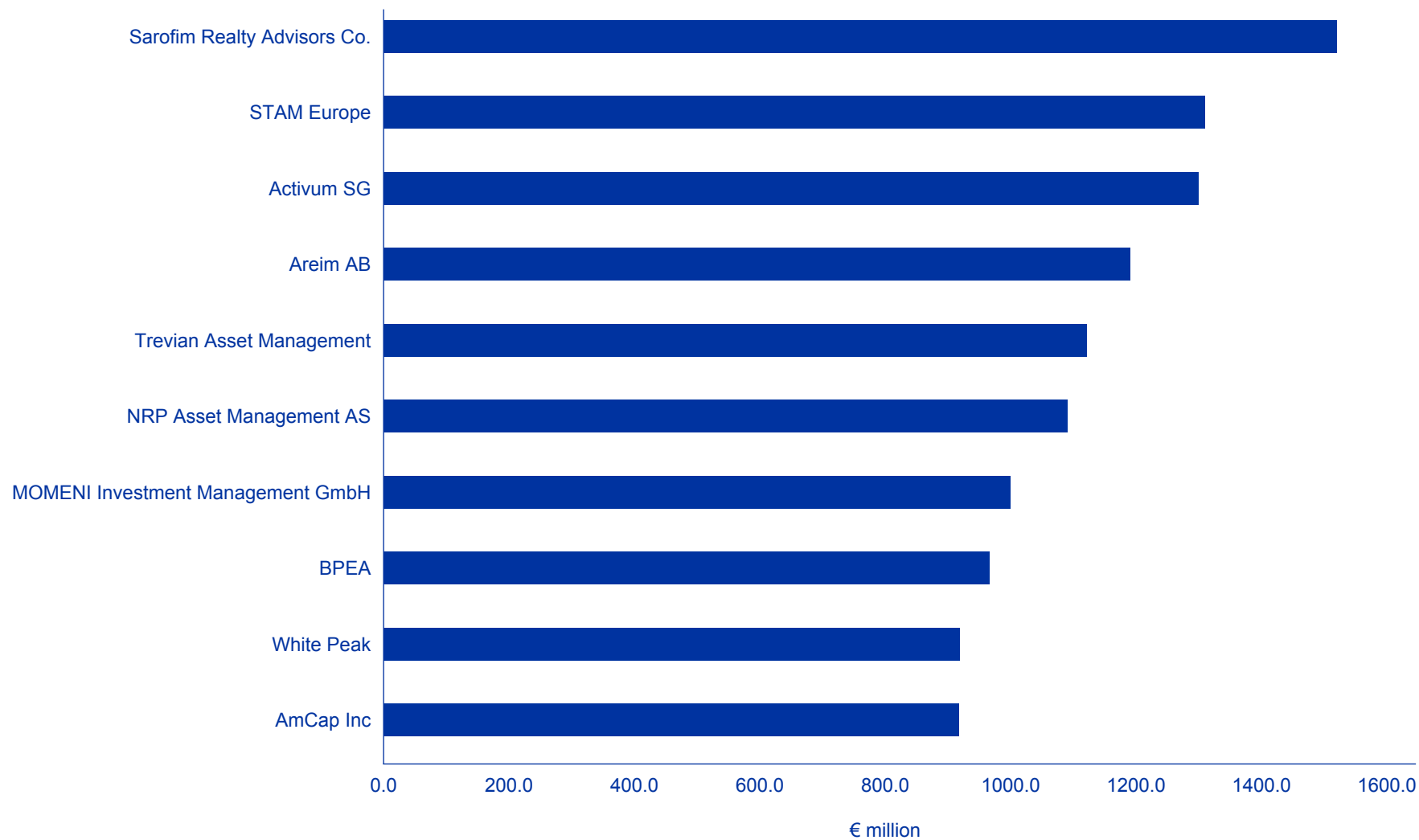
Top 10 managers by total real estate AUM

Figure 4: Top 10 fund managers by total real estate AUM - Second quartile



Top 10 managers by total real estate AUM

Figure 5: Top 10 fund managers by total real estate AUM - Lower quartile



Total real estate AUM by regional strategy

The capital allocated to real estate varies among regions.

Those strategies focusing on European and North American represents more than two thirds of the capital allocated to real estate, 33.8% and 36.6% respectively. While Asian Pacific strategies represent a smaller portion at 16.7%. Global strategies account for 12.3% and South American strategies just 0.6% of the total real estate AUM.

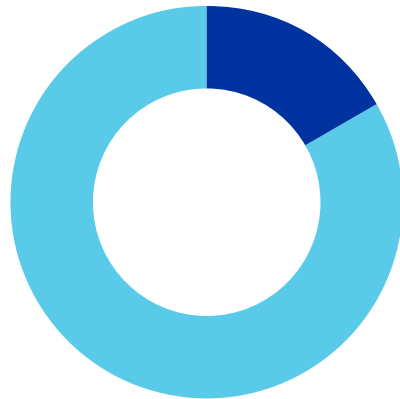
The two largest among all managers with Asian Pacific strategies reported €55.7 and €53.5 billion of real estate each, while the third managed €34.2 billion.

The top four managers in Europe each recorded real estate AUM in excess of €50 billion. The largest European manager reported and AUM of €89.8 billion.

Managers with North American strategies are, on average, the biggest all around the world. The largest manager in this region managed a real estate portfolio of more than €137 billion. While the real estate AUMs of the top two managers exceed that of the largest manager in Europe.

Figure 6: Total real estate assets under management by regional strategy

16.7% Asia Pacific
83.3% Rest of regions



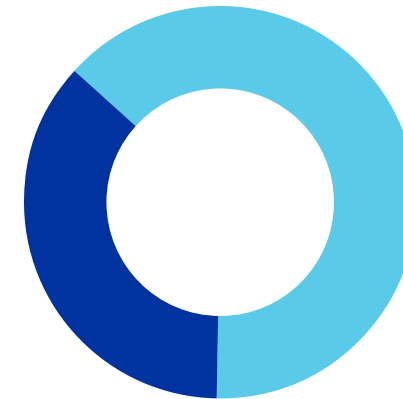
Asia Pacific

33.8% Europe
66.2% Rest of regions



Europe

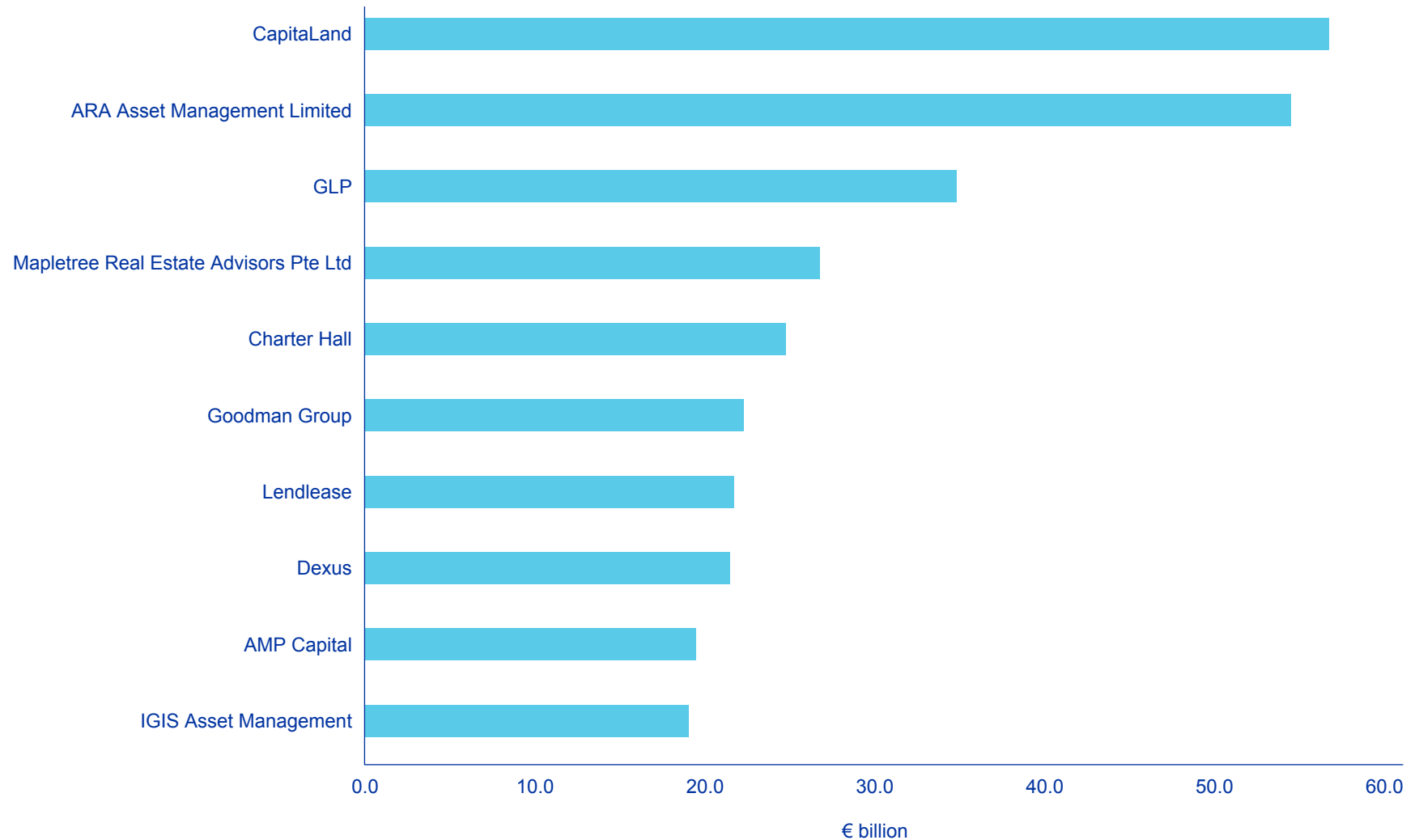
36.6% North America
63.4% Rest of regions



North America

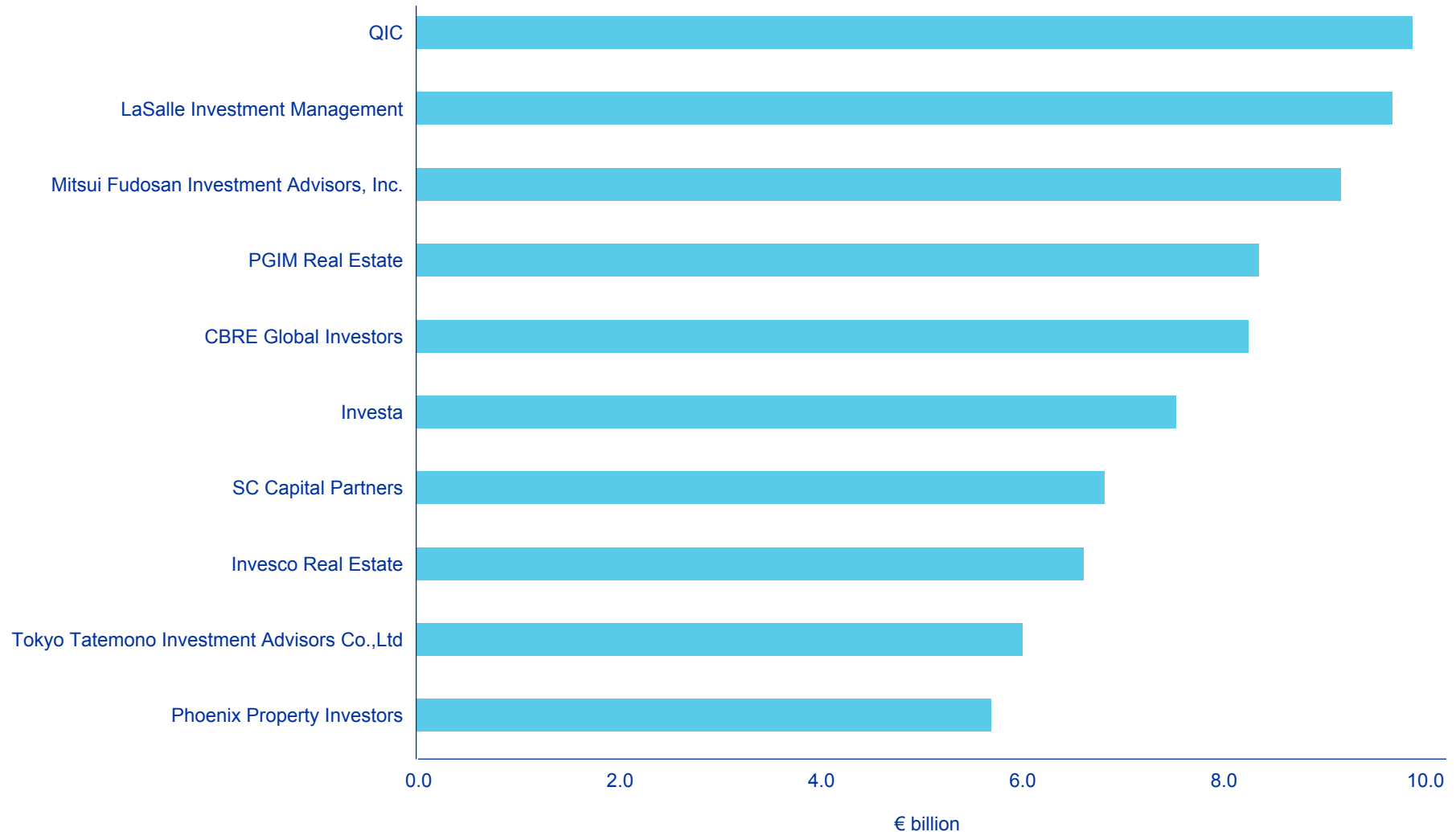
Top 10 managers by total AUM - Asian Pacific strategies

Figure 7: Top 10 fund managers by Asian Pacific real estate AUM - Upper quartile



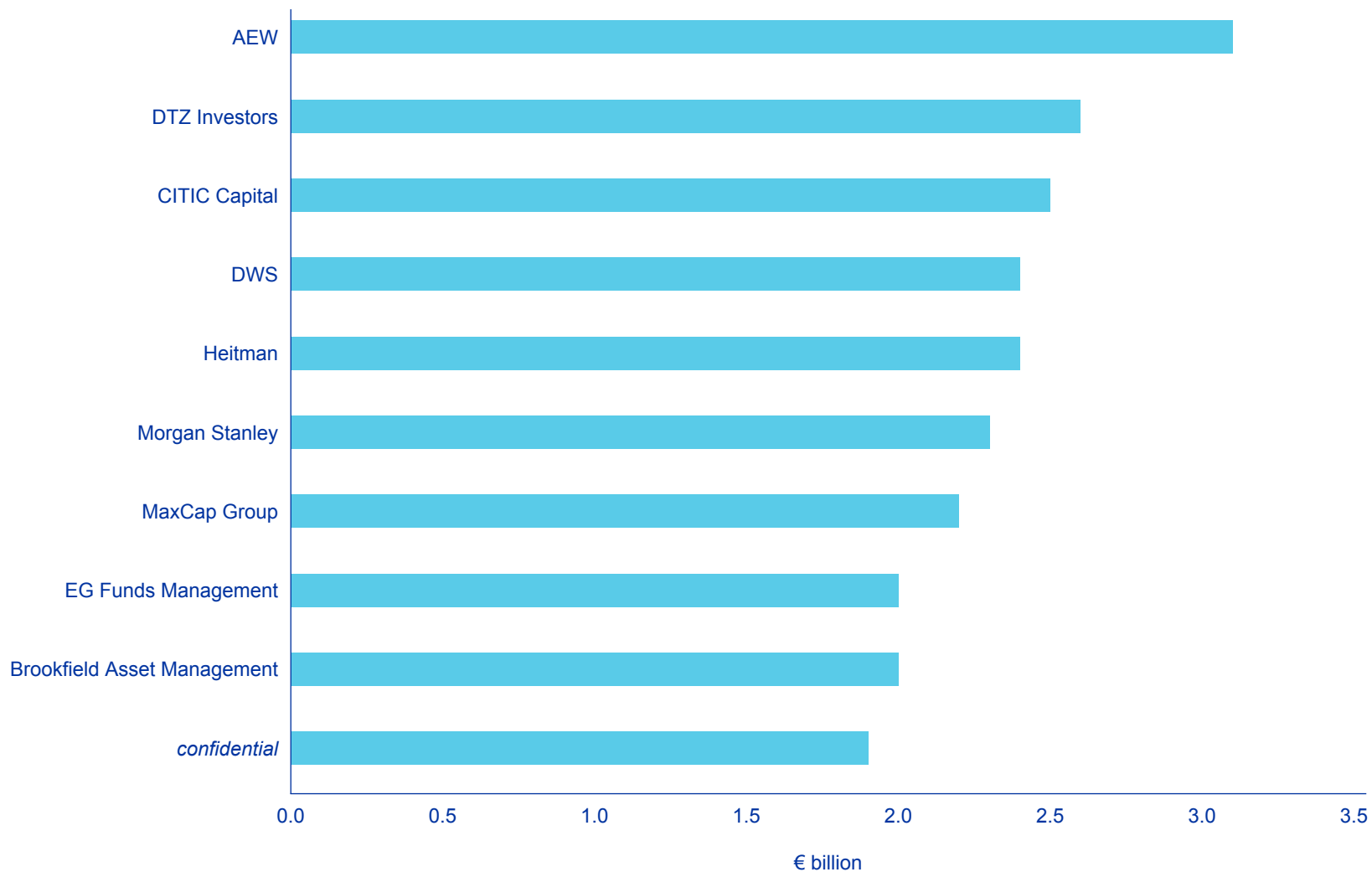
Top 10 managers by total AUM - Asian Pacific strategies

Figure 8: Top 10 fund managers by Asian Pacific real estate AUM - Third quartile



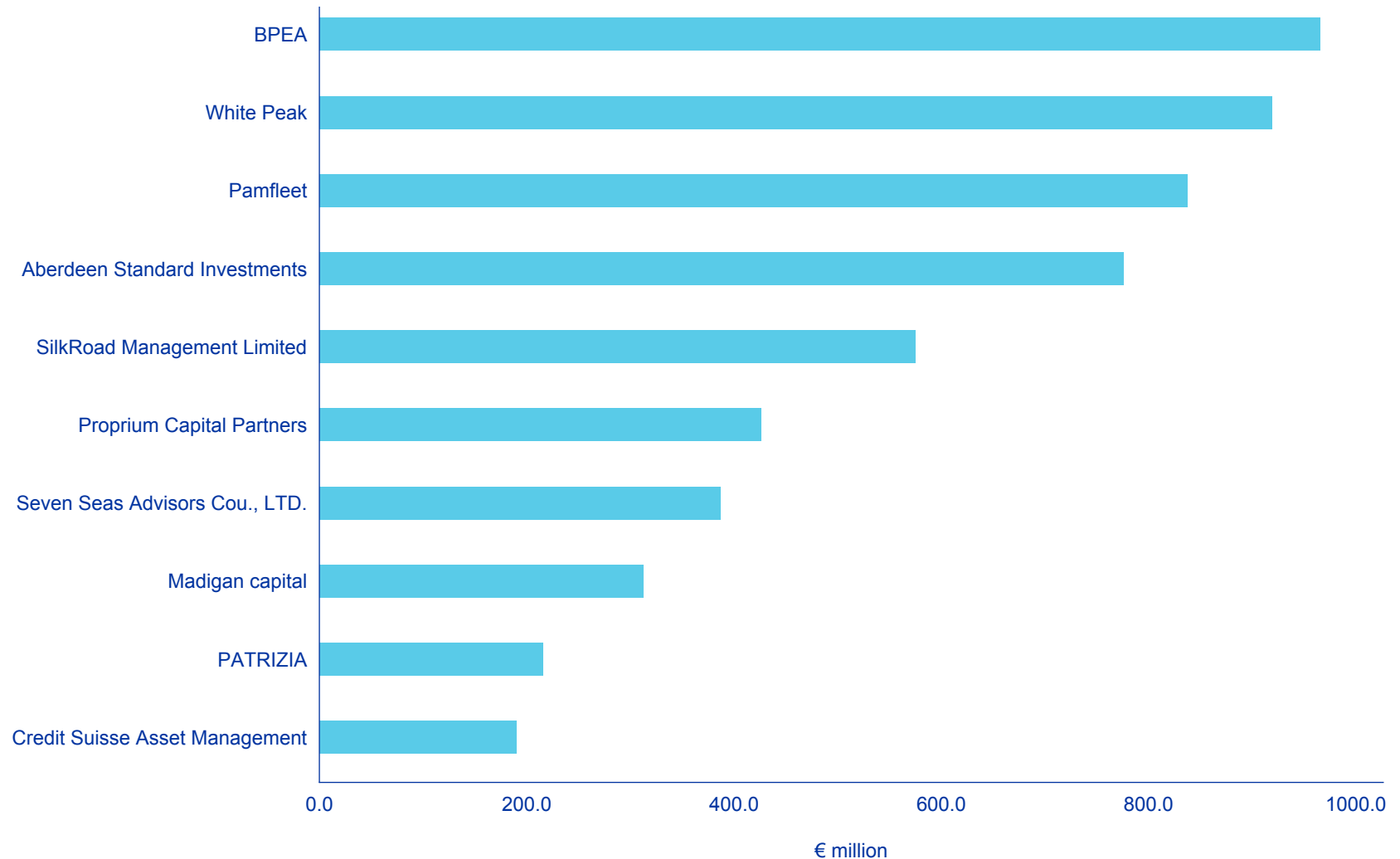
Top 10 managers by total AUM - Asian Pacific strategies

Figure 9: Top 10 fund managers by Asian Pacific real estate AUM - Second quartile



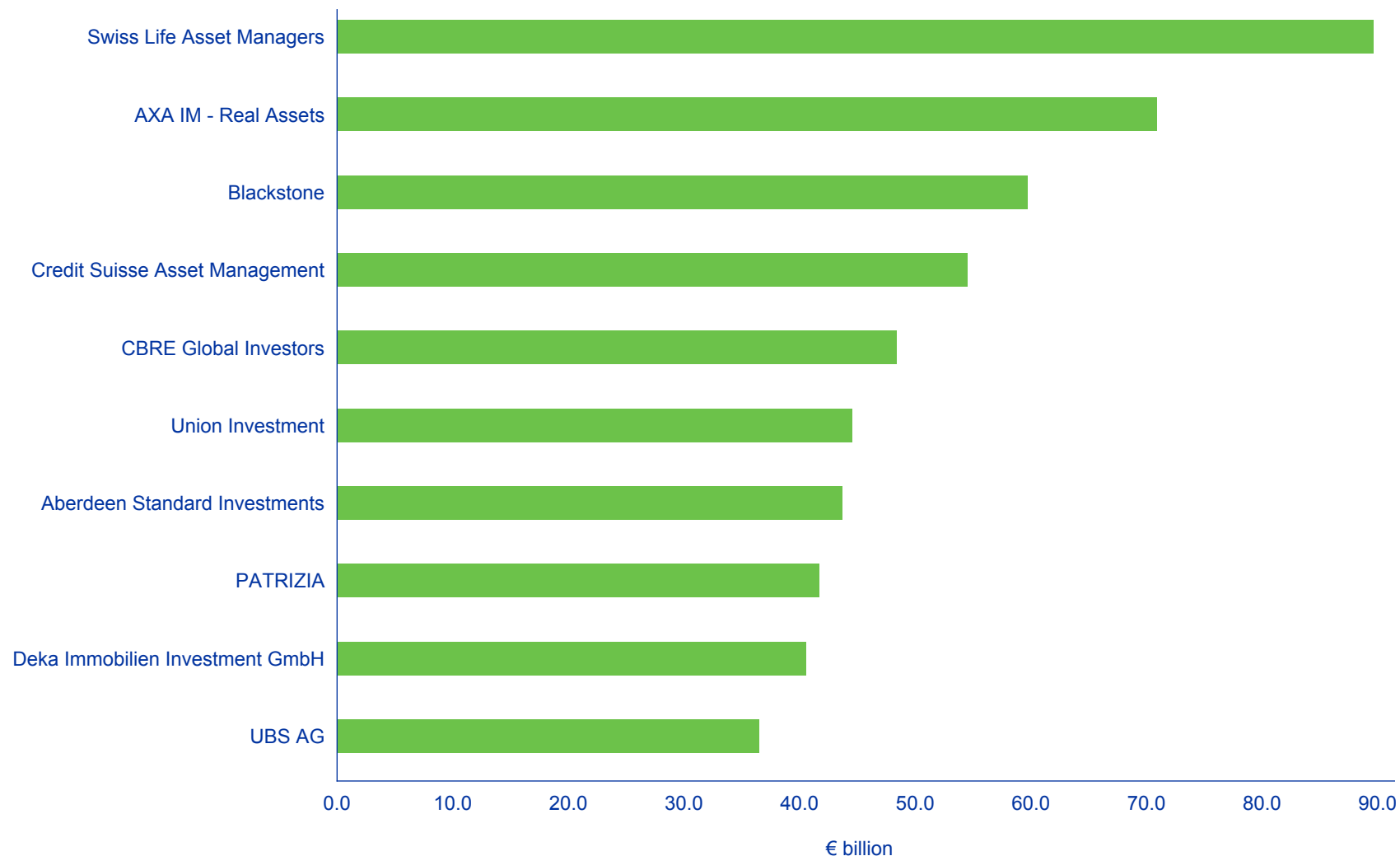
Top 10 managers by total AUM - Asian Pacific strategies

Figure 10: Top 10 fund managers by Asian Pacific real estate AUM - Lower quartile



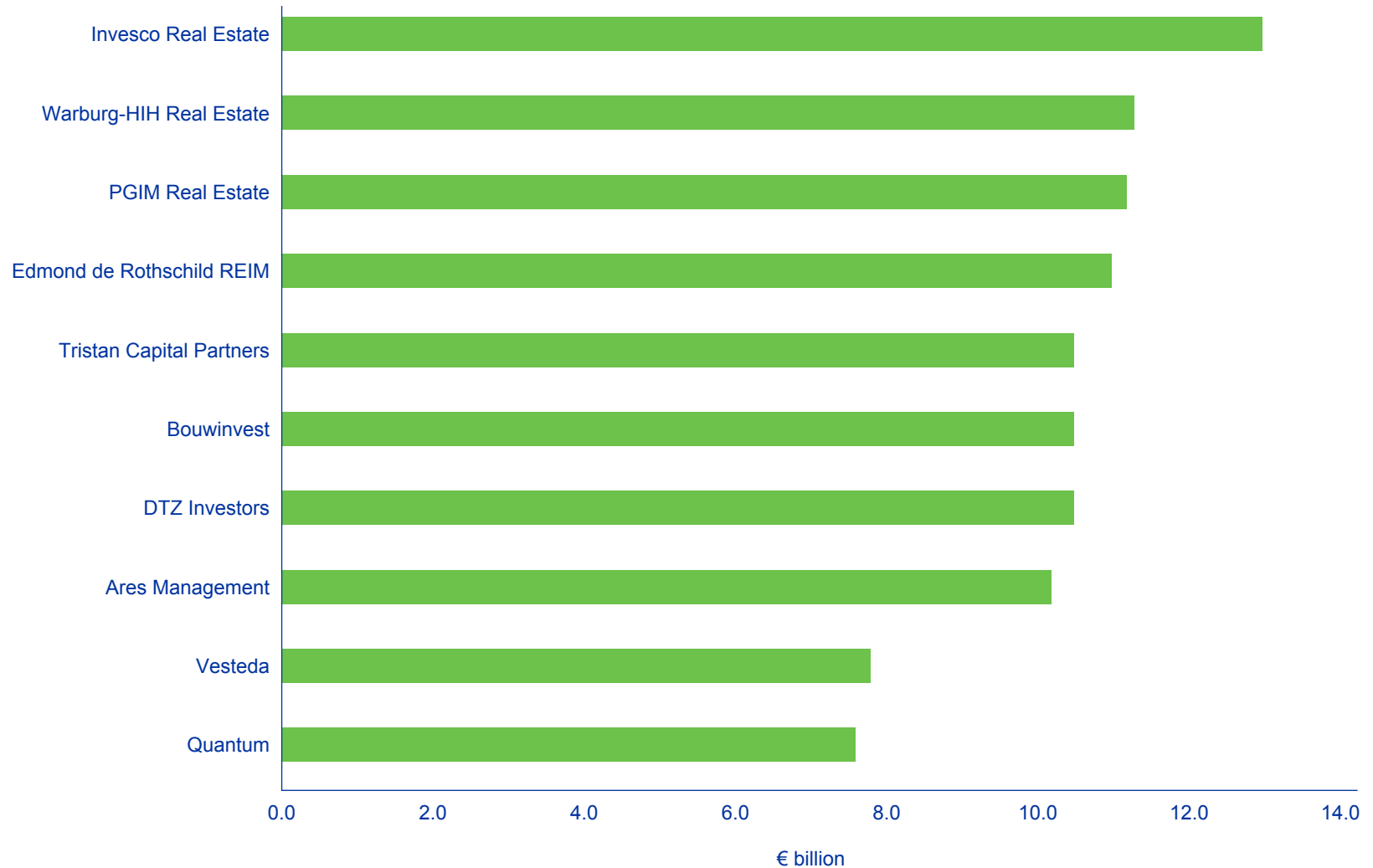
Top 10 managers by total AUM – European strategies

Figure 11: Top 10 fund managers by European real estate AUM - Upper quartile



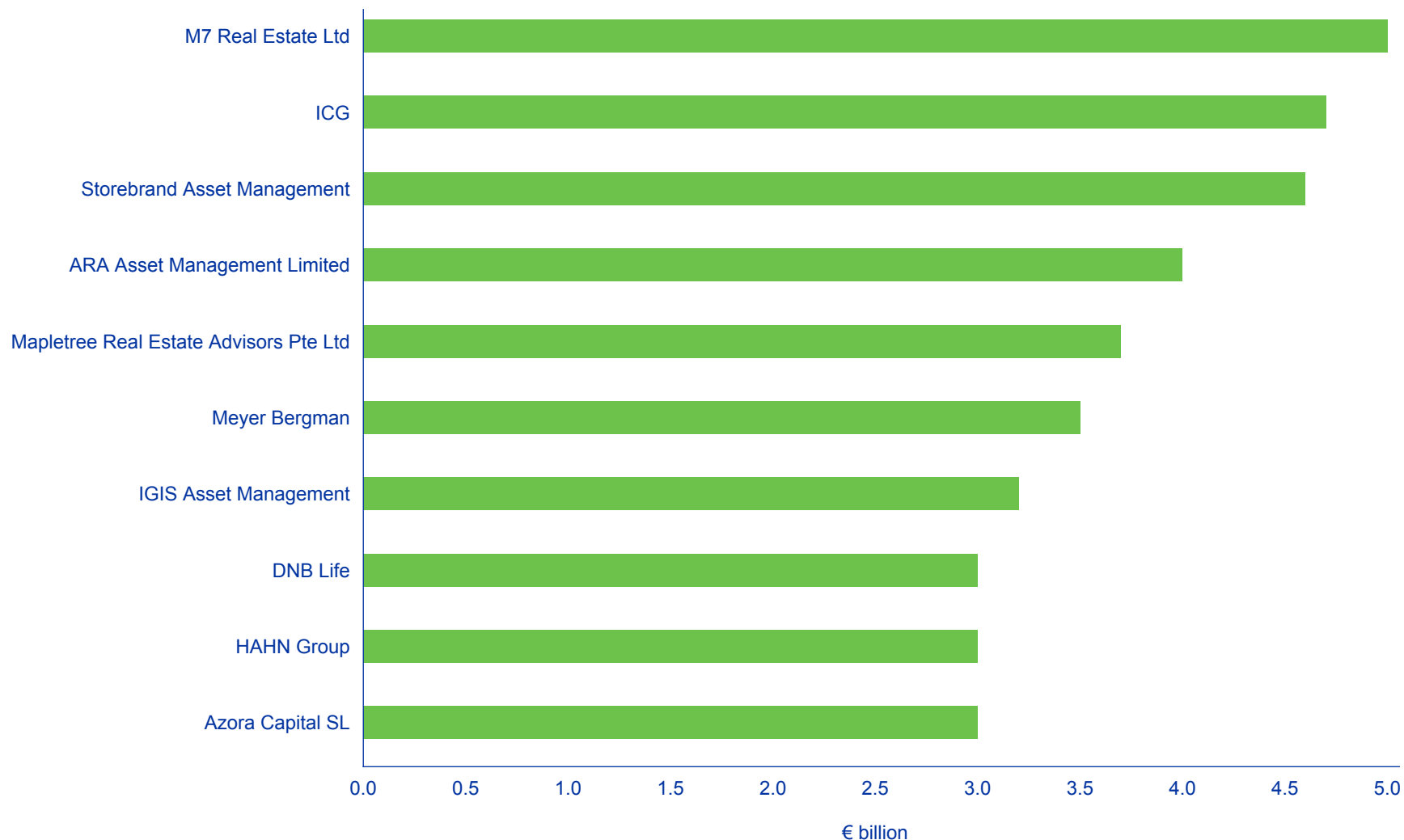
Top 10 managers by total AUM – European strategies

Figure 12: Top 10 fund managers by European real estate AUM - Third quartile



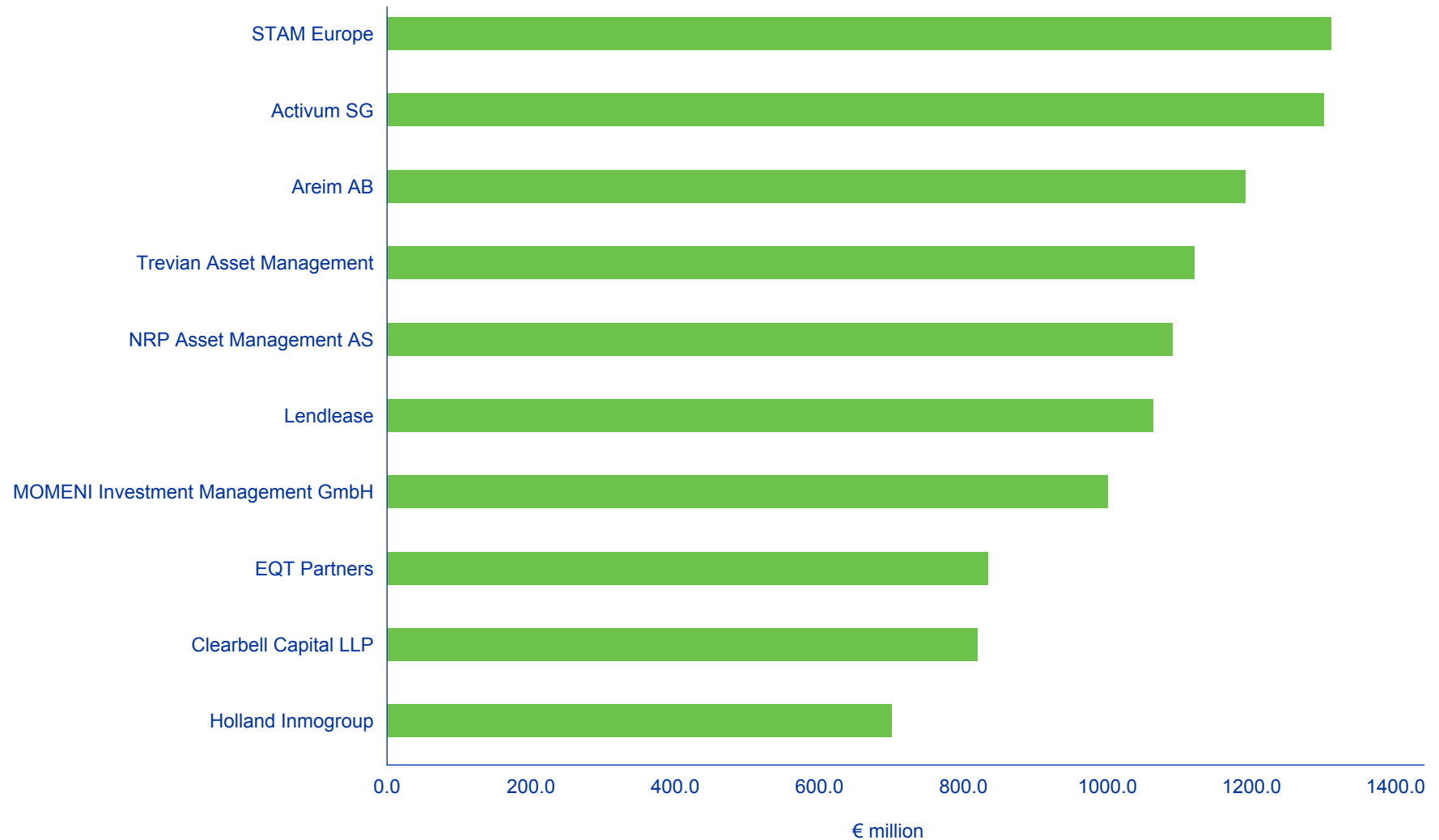
Top 10 managers by total AUM – European strategies

Figure 13: Top 10 fund managers by European real estate AUM - Second quartile



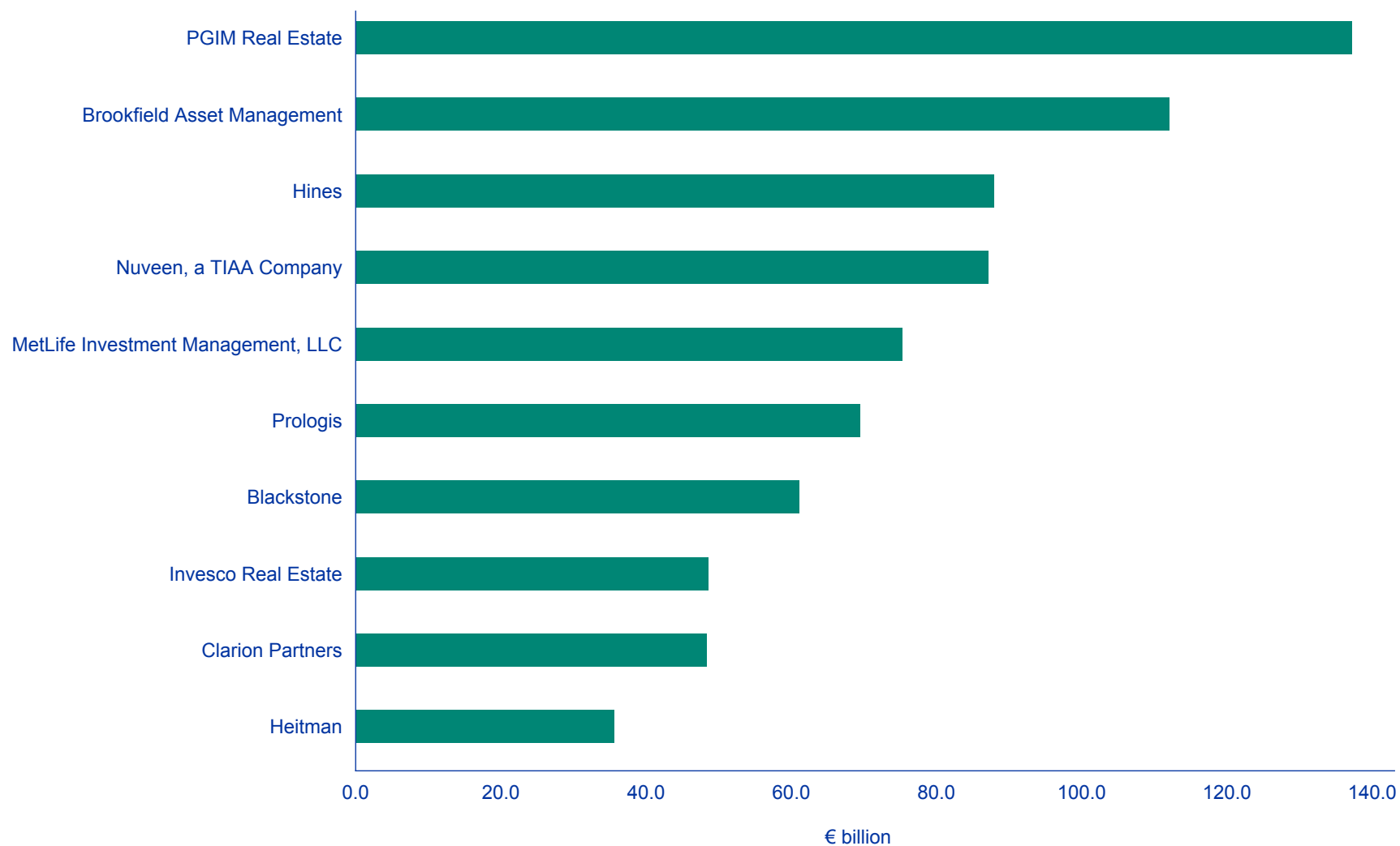
Top 10 managers by total AUM – European strategies

Figure 14: Top 10 fund managers by European real estate AUM - Lower quartile



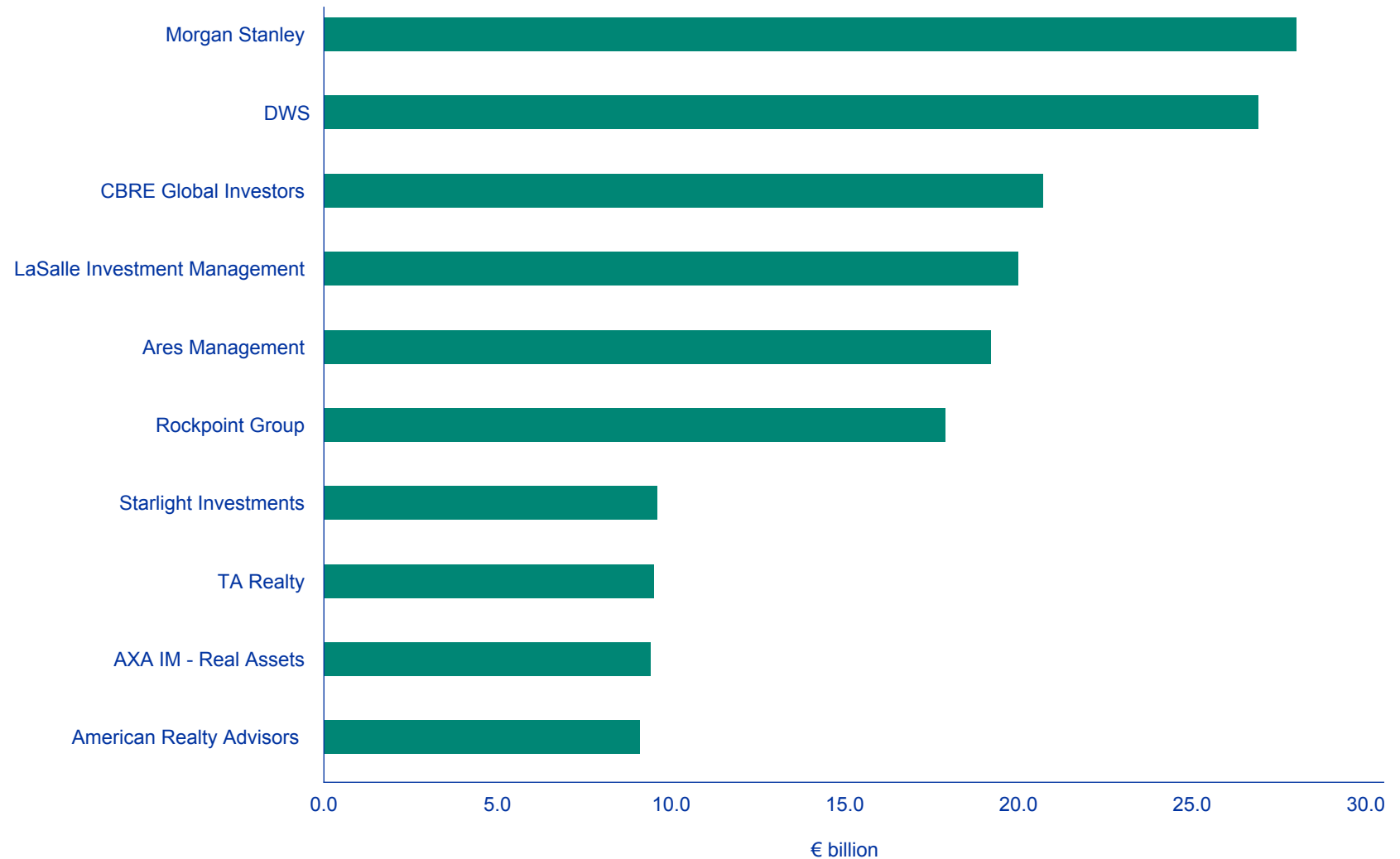
Top 10 managers by total AUM – North American strategies

Figure 15: Top 10 fund managers by North American real estate AUM - Upper quartile



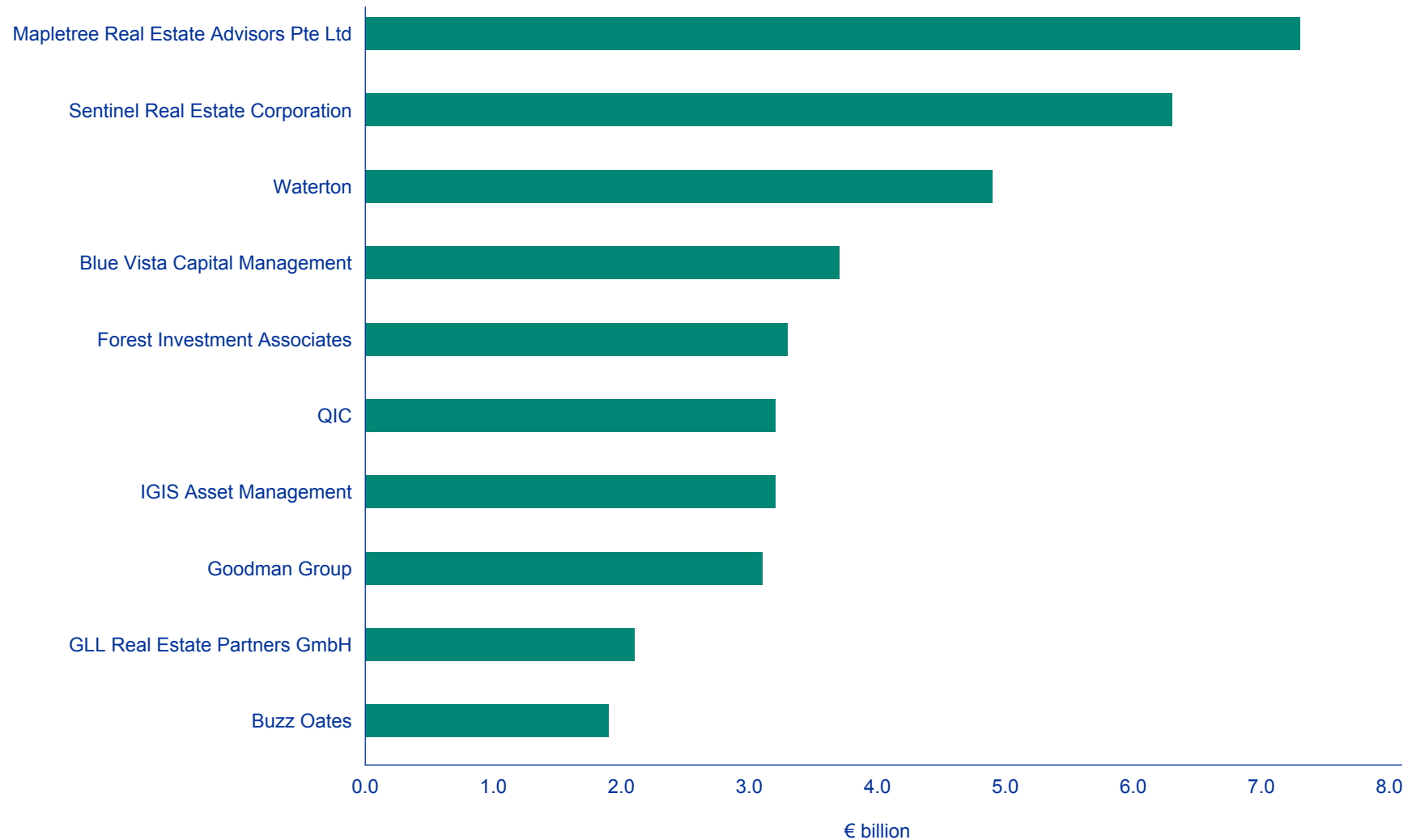
Top 10 managers by total AUM – North American strategies

Figure 16: Top 10 fund managers by North American real estate AUM - Third quartile



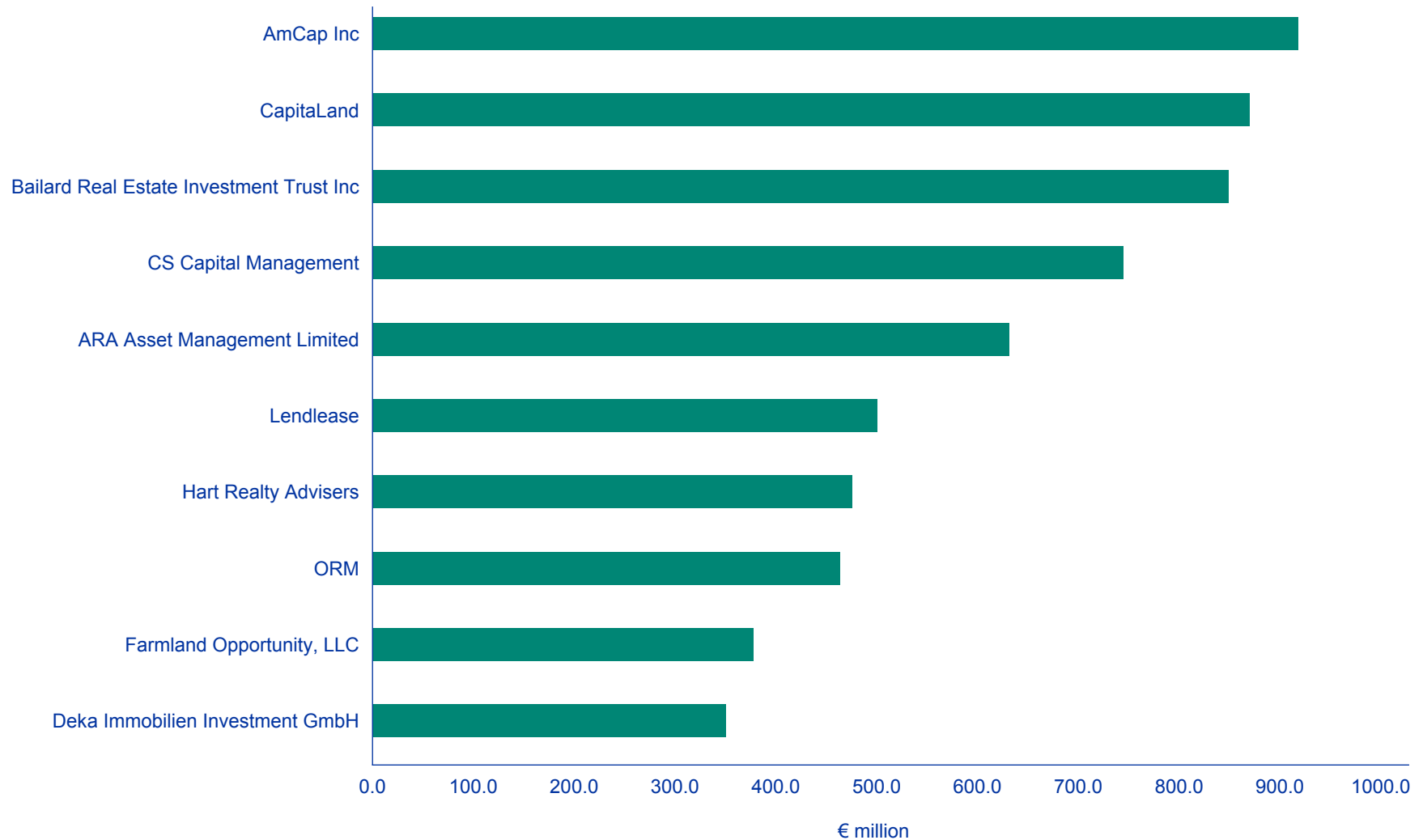
Top 10 managers by total AUM – North American strategies

Figure 17: Top 10 fund managers by North American real estate AUM - Second quartile



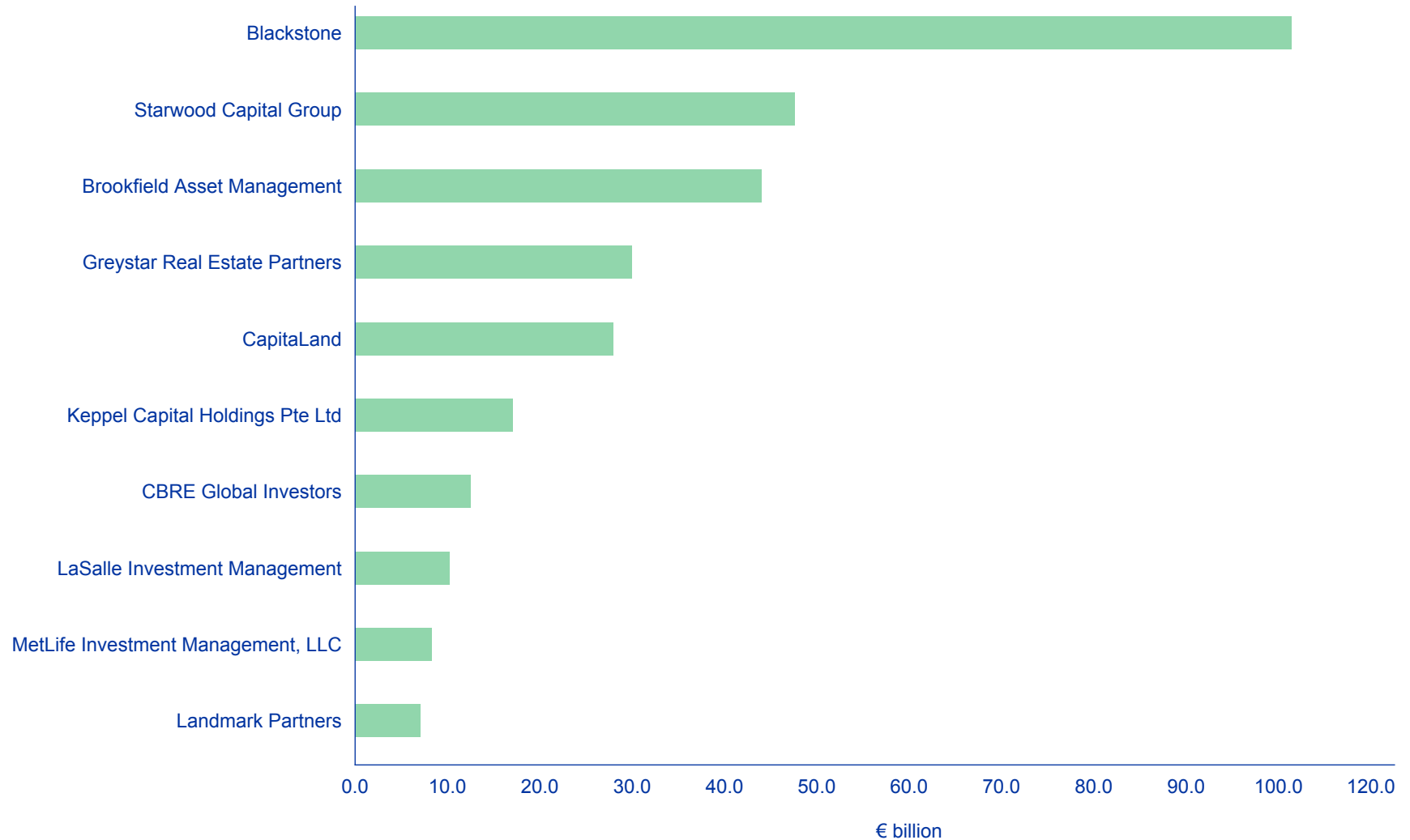
Top 10 managers by total AUM – North American strategies

Figure 18: Top 10 fund managers by North American real estate AUM - Lower quartile



Top 10 managers by total AUM - Global strategies

Figure 19: Top 10 fund managers by real estate AUM of global strategies

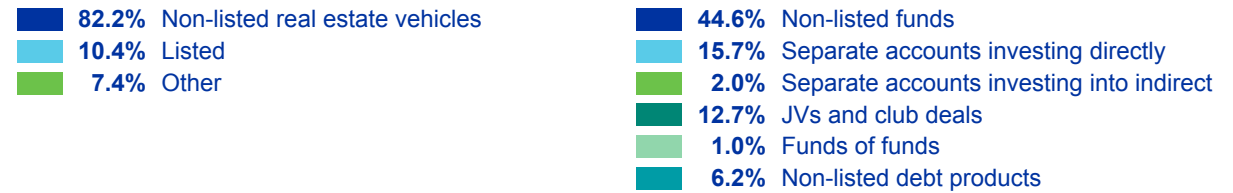


Non-listed real estate vehicles

Non-listed real estate vehicles, which include funds, separate accounts, joint ventures (JVs), club deals, funds of funds and debt products, comprise the largest portion, 82.2% (€2.6 trillion) of the €3.2 trillion capital allocated to real estate globally. The remaining categories, listed and other types of real estate, together account for the remaining 17.8%, with listed real estate representing 10.4%.

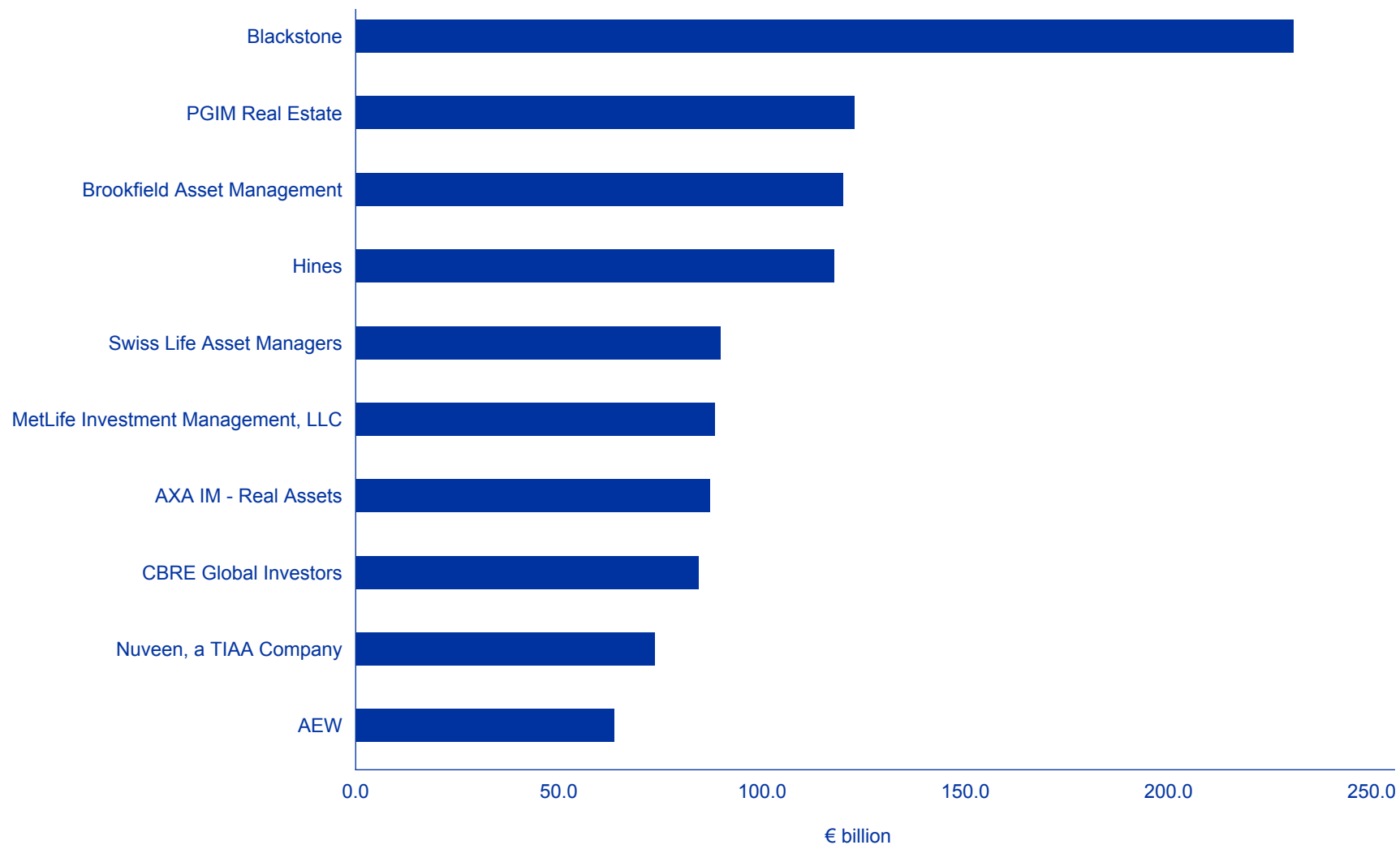
Funds remain the most popular vehicle, representing more than 40% of the AUM for non-listed real estate vehicles. Next are separate accounts investing directly, followed by JVs and clubs. Derivatives represent the smallest proportions of real estate AUM for the non-listed vehicles industry.

Figure 20: Total real estate AUM by vehicle type



Top 10 managers by non-listed real estate AUM

Figure 21: Top 10 fund managers by non-listed real estate AUM - all strategies



Non-listed real estate vehicles by regional strategy

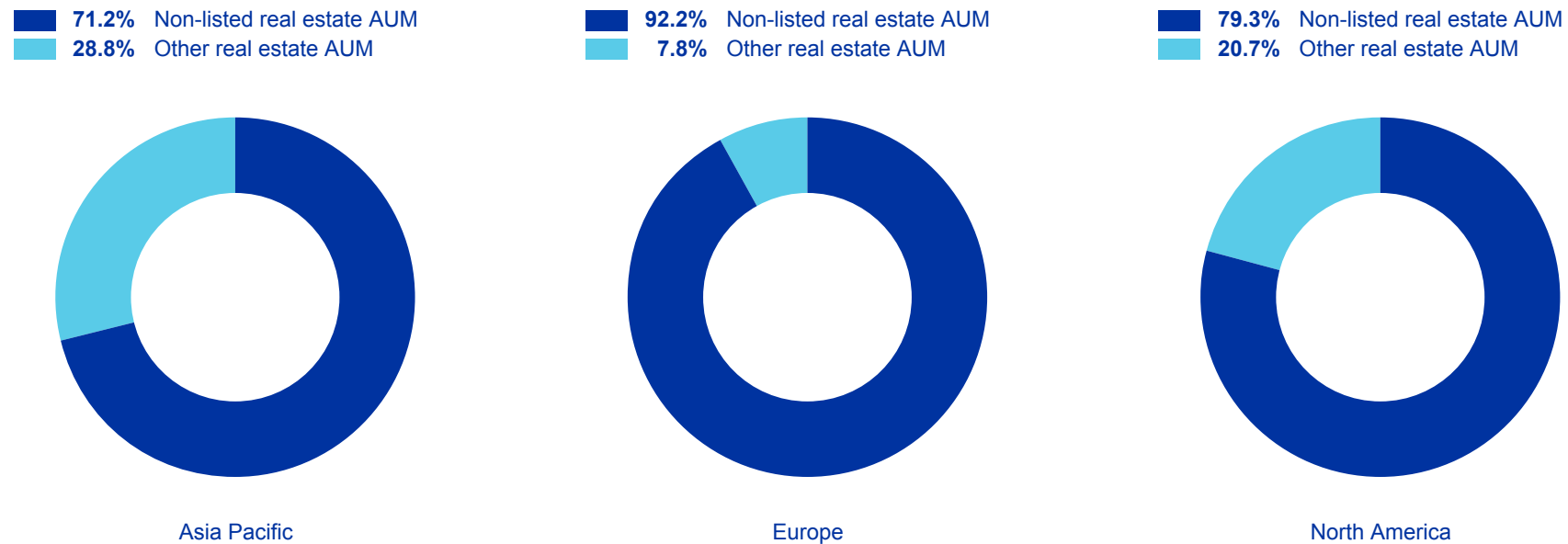
The majority of real estate assets under management is allocated to the non-listed segment across all regions

This preference is clearer among European strategies where non-listed real estate vehicles account for more than 90% of total real estate AUM.

This is similar, though to a lesser extent, for North American strategies, where non-listed real estate vehicles accounts for 79.3% of the total AUM.

The proportion for Asian Pacific strategies drops below three quarters, 71.2%, although it remains the major share in the total real estate AUM.

Figure 22: Non-listed real estate vehicles by regional strategy



Non-listed real estate vehicles by vehicle type

Funds represent the majority of non-listed real estate AUM regardless of the region.

Non-listed funds represents 56.4% of the capital allocated to European strategies, 52.7% for Asian Pacific and 48.6% for North American strategies.

Beyond funds there are some variations worth noting.

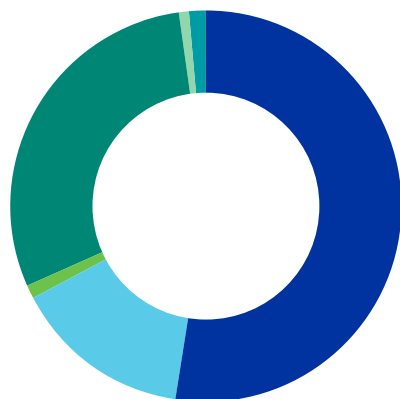
Separate accounts investing directly feature next for European strategies while for Asian Pacific and North American strategies the second position goes to JVs and club deals. The share of JVs and club deals is smaller for European strategies.

Non-listed debt products are more important among North American strategies than for European or Asian Pacific strategies.

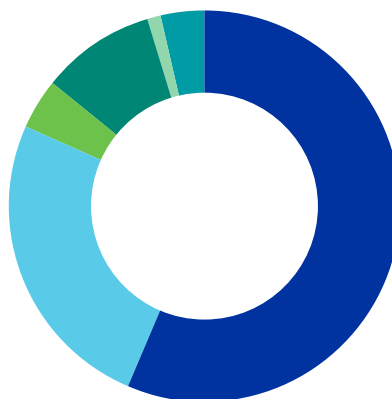
Separate accounts investing into indirect real estate are only relevant among European strategies while this product is substantially less relevant for Asian Pacific or North American strategies.

Figure 23: Non-listed real estate by vehicles by regional strategy

■ 52.7% Non-listed funds	■ 56.4% Non-listed funds	■ 48.6% Non-listed funds
■ 14.7% Separate accounts investing directly	■ 25.4% Separate accounts investing directly	■ 18.0% Separate accounts investing directly
■ 0.9% Separate accounts investing into indirect	■ 4.0% Separate accounts investing into indirect	■ 0.2% Separate accounts investing into indirect
■ 29.5% JVs and club deals	■ 9.5% JVs and club deals	■ 18.5% JVs and club deals
■ 0.8% Funds of funds	■ 1.0% Funds of funds	■ 0.5% Funds of funds
■ 1.3% Non-listed debt products	■ 3.6% Non-listed debt products	■ 14.3% Non-listed debt products



Asia Pacific



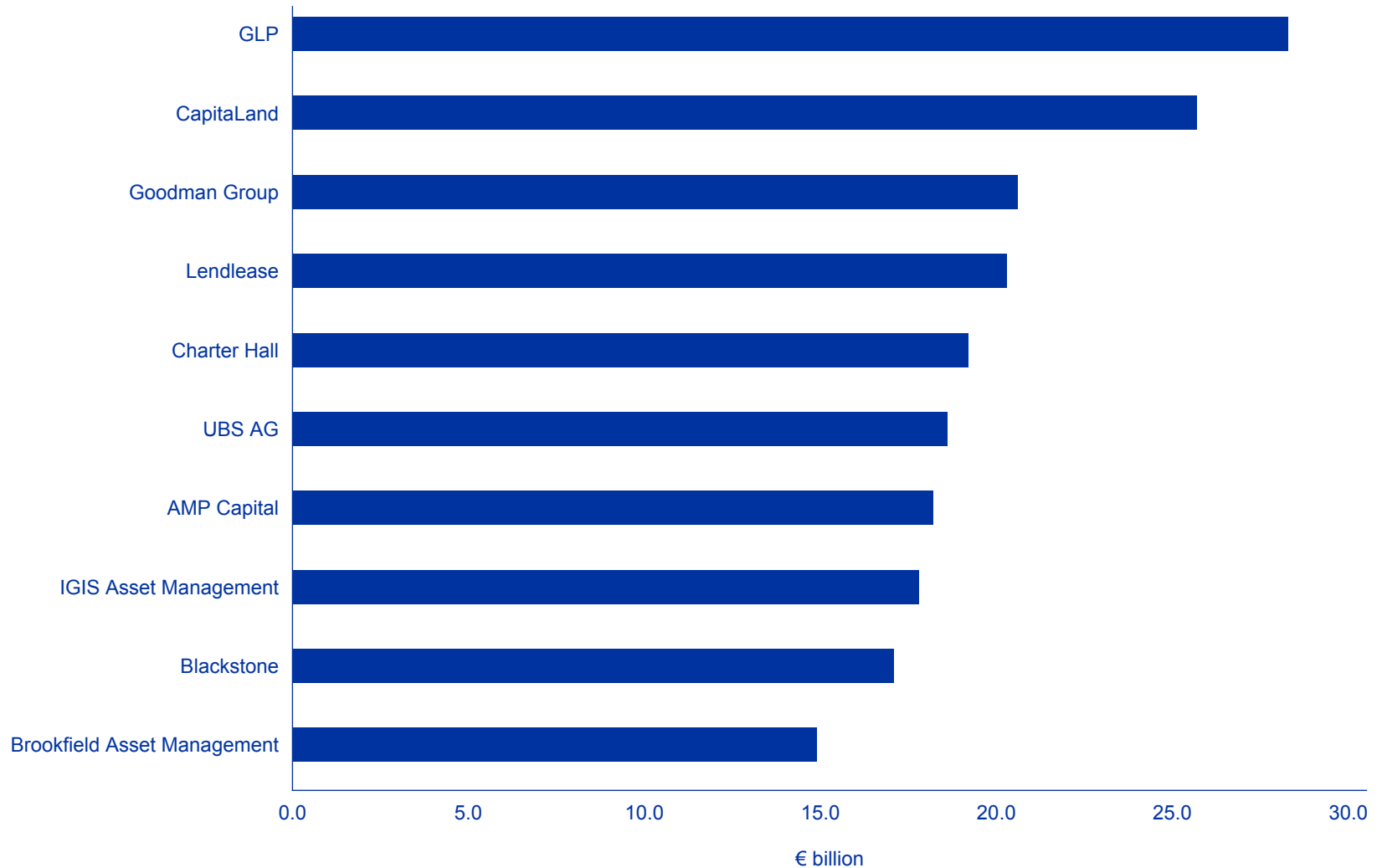
Europe



North America

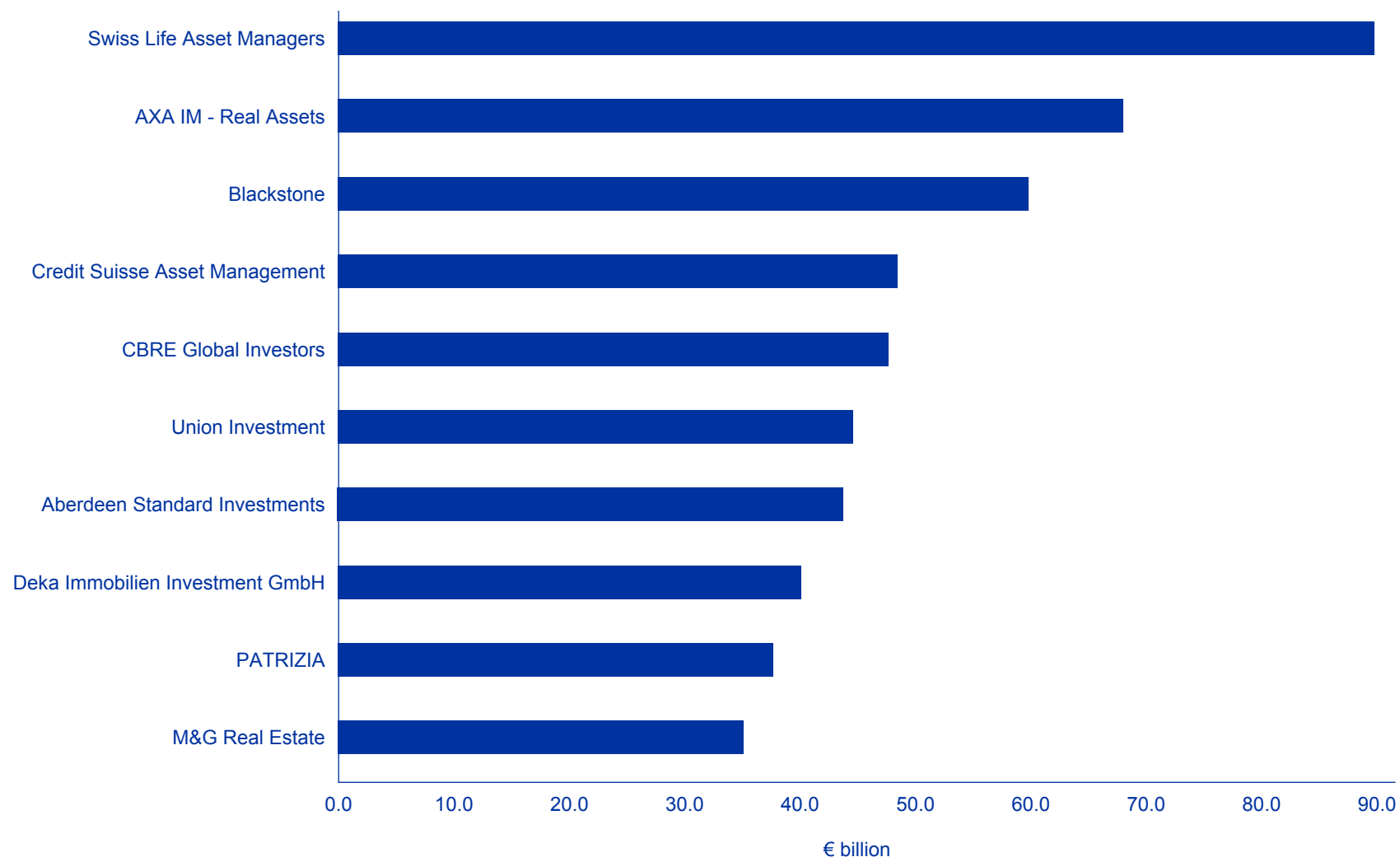
Top 10 managers by non-listed real estate AUM

Figure 24: Top 10 managers by non-listed real estate AUM - Asian Pacific strategy



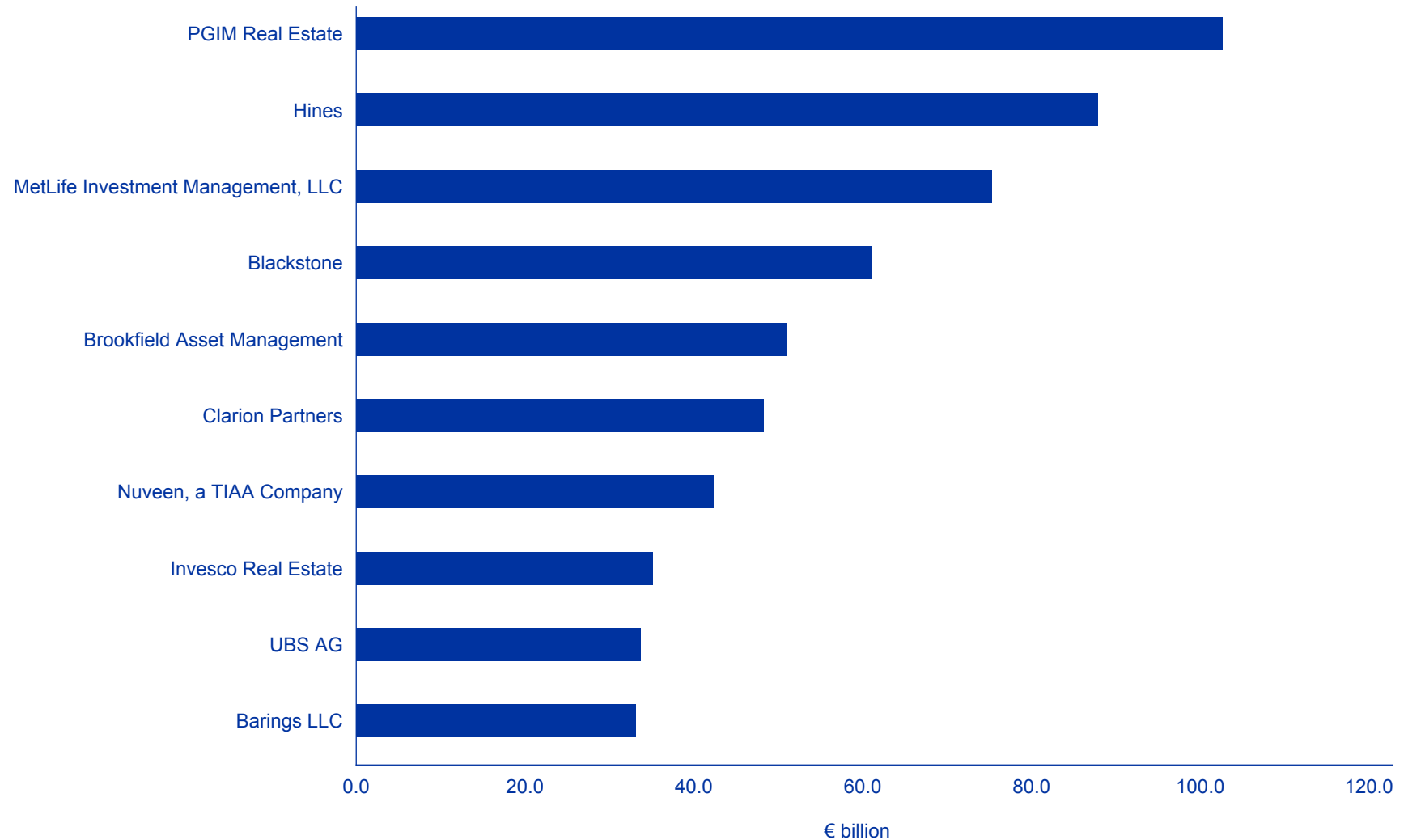
Top 10 managers by non-listed real estate AUM

Figure 25: Top 10 managers by non-listed real estate AUM - European strategy



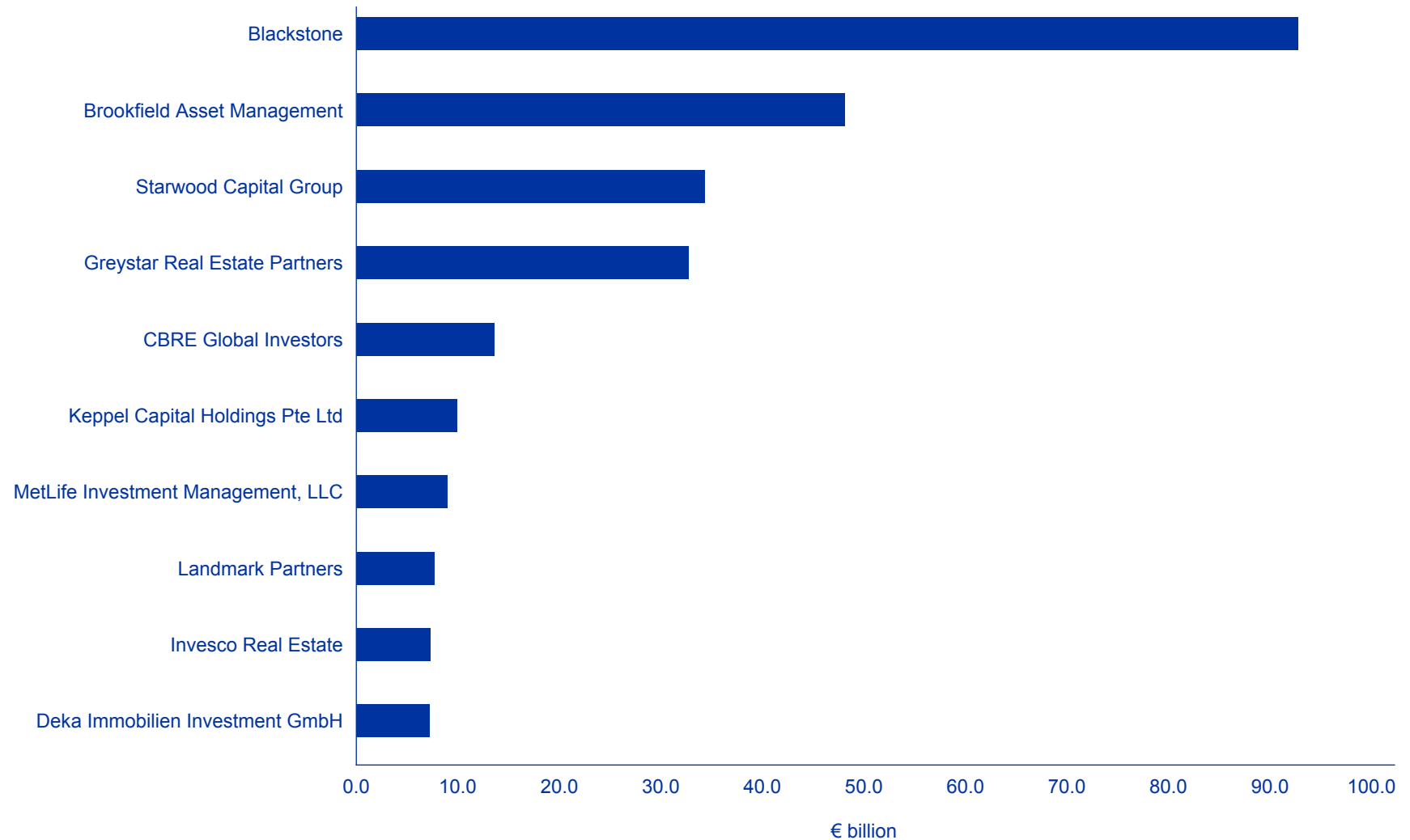
Top 10 managers by non-listed real estate AUM

Figure 26: Top 10 managers by non-listed real estate AUM - North American strategy



Top 10 managers by non-listed real estate AUM

Figure 27: Top 10 managers by non-listed real estate AUM - Global strategy



Non-listed real estate funds by regional strategy

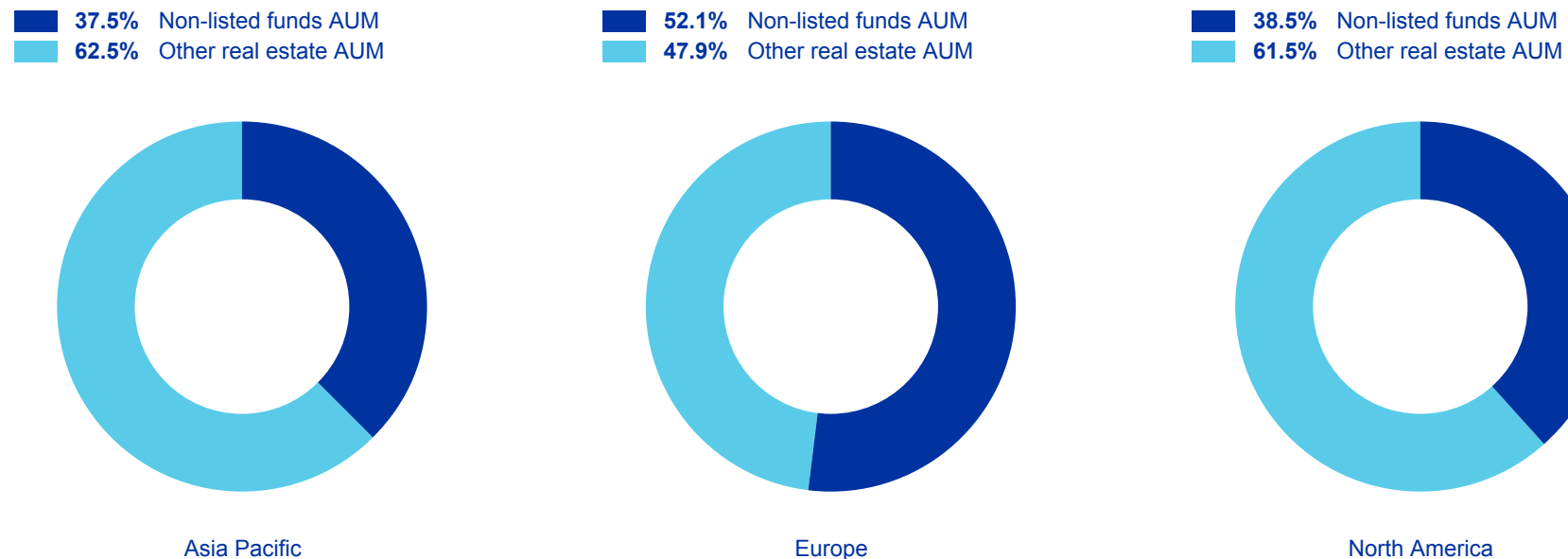
As part of the total real estate allocation for European strategies, non-listed funds represent the major share of the total AUM, while for Asian Pacific and North American strategies non-listed funds account for a minority share.

Non-listed funds account for 52.1% of total real estate AUM in Europe while the remaining 47.9% is held in other non-listed real estate vehicles, direct real estate and listed real estate.

For real estate strategies focusing on North America, non-listed funds represent 38.5% of the total allocation, while the remaining 61.5% is allocated to the rest of the real estate spectrum.

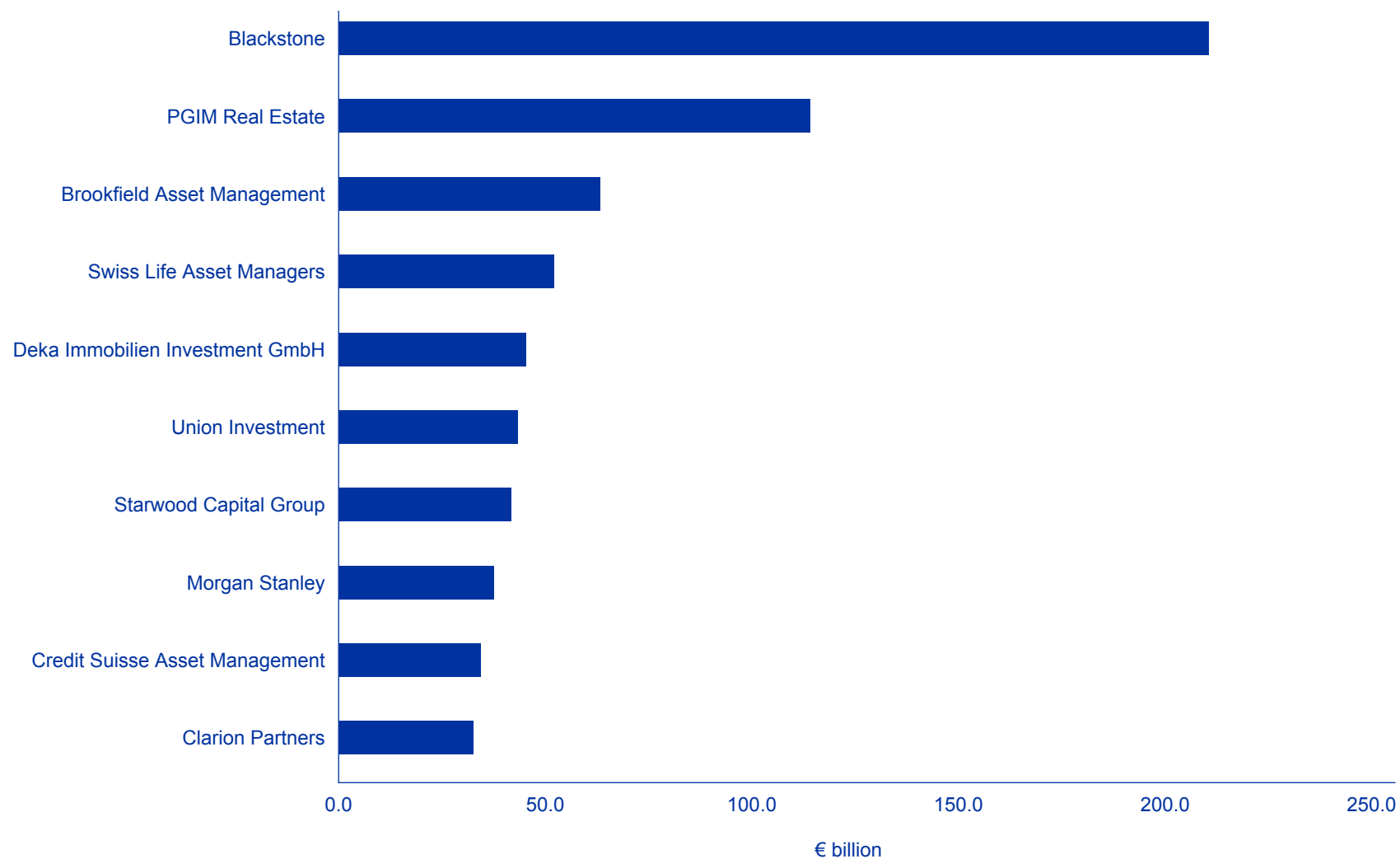
For Asian Pacific strategies non-listed funds represent 37.5% of the total real estate allocation while other types of real estate investments account for 62.5%.

Figure 28: Non-listed real estate vehicles by regional strategy



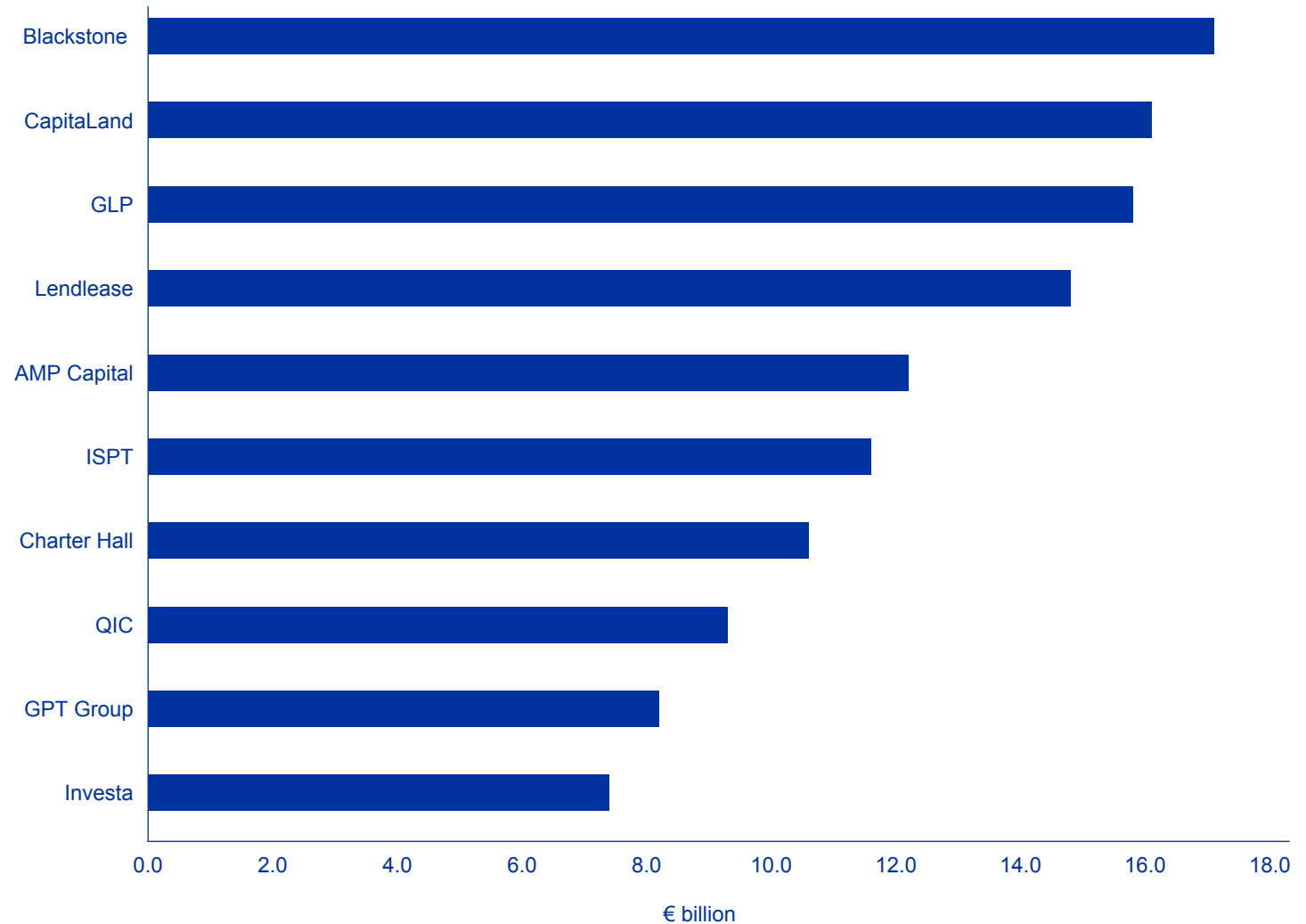
Top 10 managers by non-listed real estate funds AUM

Figure 29: Top 10 managers by non-listed real estate funds AUM - all strategies



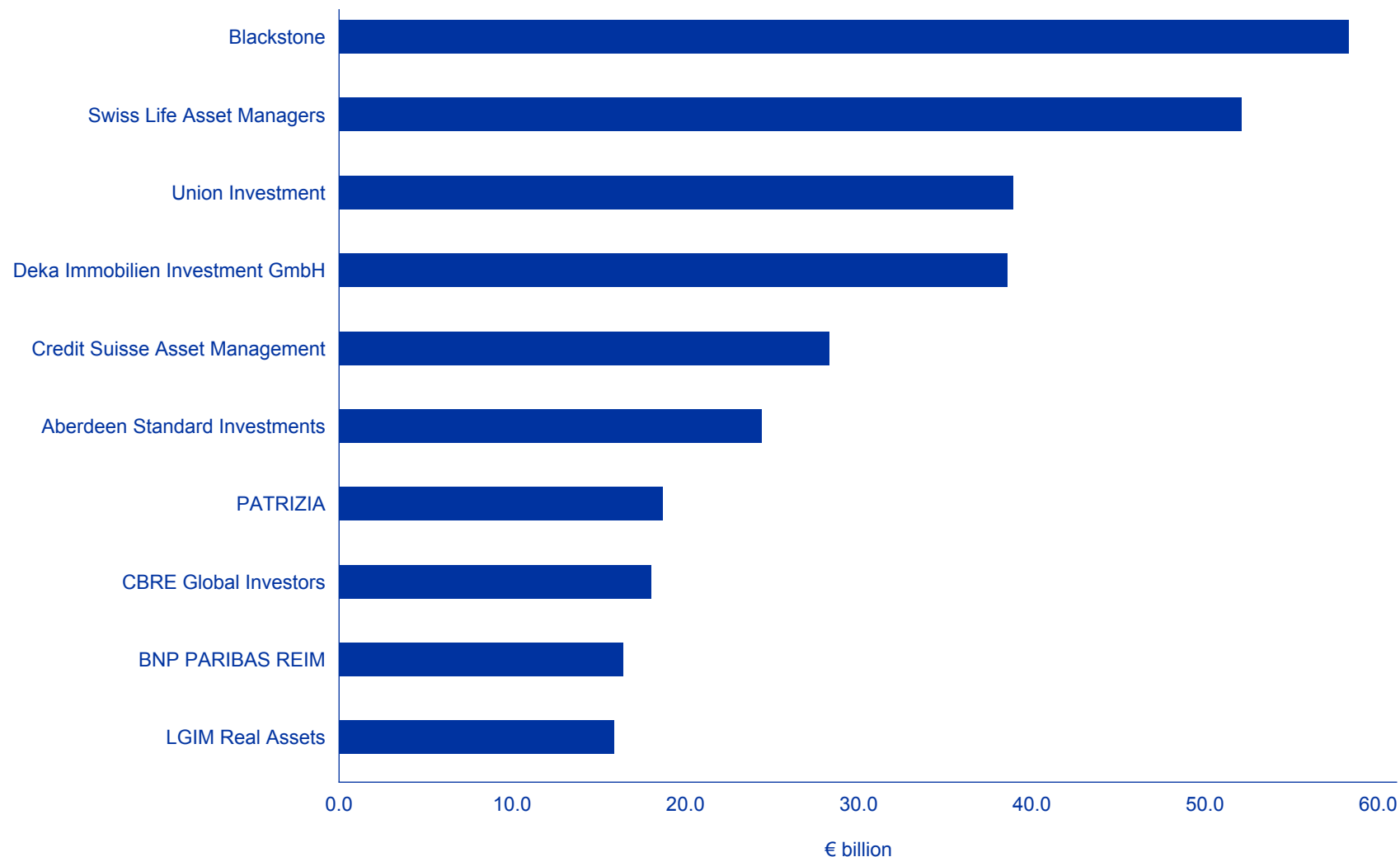
Top 10 managers by non-listed real estate funds AUM

Figure 30: Top 10 managers by non-listed real estate funds AUM - Asian Pacific strategy



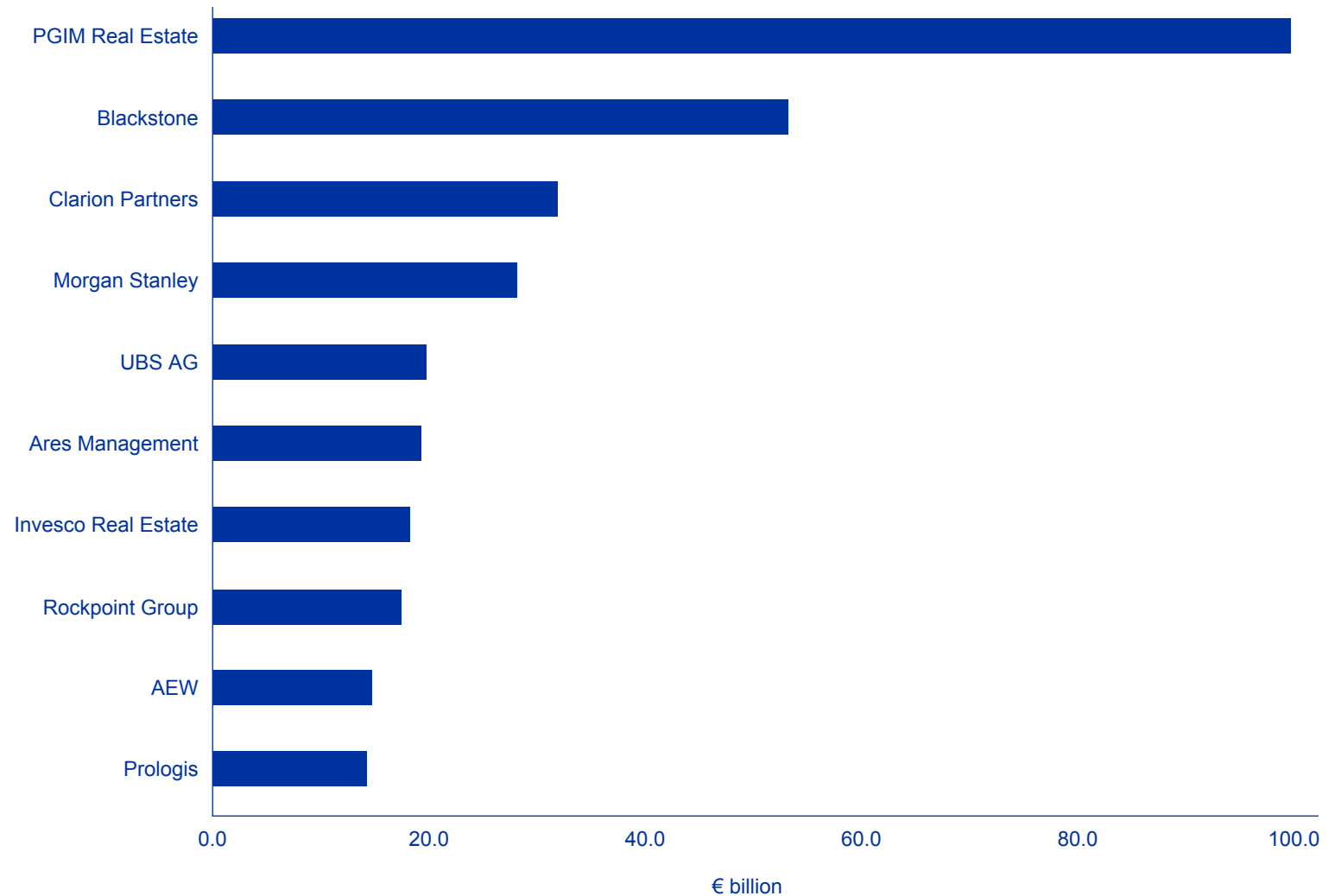
Top 10 managers by non-listed real estate funds AUM

Figure 31: Top 10 managers by non-listed real estate funds AUM - European strategy



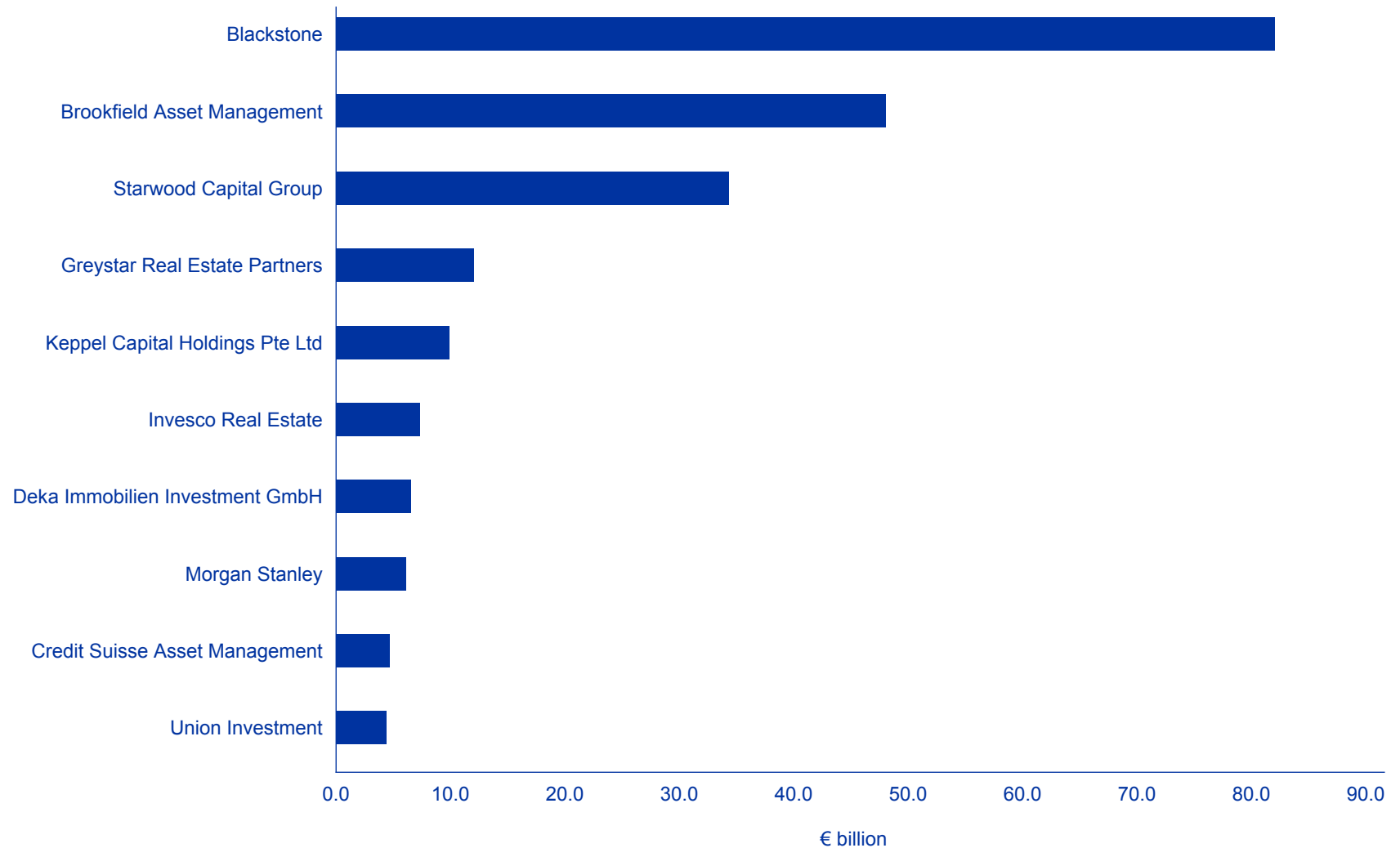
Top 10 managers by non-listed real estate funds AUM

Figure 32: Top 10 managers by non-listed real estate funds AUM - North American strategy



Top 10 managers by non-listed real estate funds AUM

Figure 33: Top 10 managers by non-listed real estate funds AUM - Global strategy



Non-listed direct real estate AUM by investor type

Pension funds remain the biggest source of capital for non-listed direct real estate regardless of regional strategy.

Pension funds represent over half, 55.0%, of non-listed direct real estate AUM in Asia Pacific. While for European and North

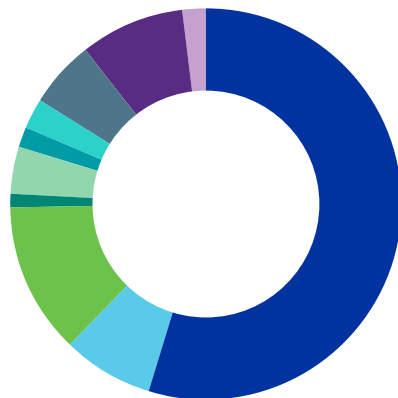
American strategies, this is less than half, 42.9% and 41.7% respectively.

For Asian Pacific strategies, sovereign wealth funds and insurance companies, are the second and third most important sources of capital.

Insurance companies are the second most important source of capital in Europe, representing 24.5% of the capital allocated for non-listed direct real estate.

Insurance companies, sovereign wealth funds and other types of unspecified investors are the most important sources of capital for North American strategies after pension funds, their share is smaller than in the other two regions.

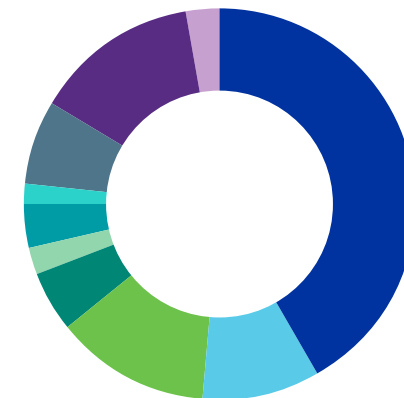
Figure 34: Non-listed direct real estate AUM by institutional investor type



Asia Pacific



Europe



North America

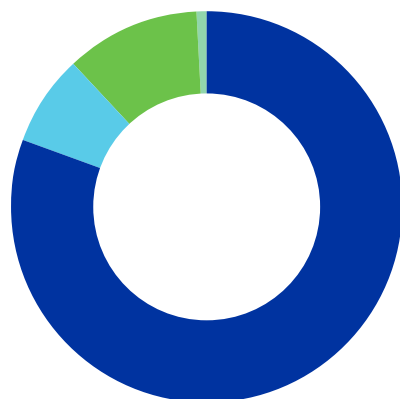
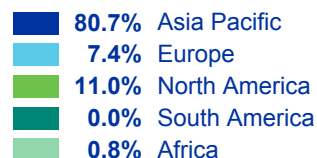
Non-listed direct real estate AUM by investor domicile

The main source of capital for all regional strategies is domestic. For European strategies 82.0% of the AUM for non-listed direct real estate comes from European investors, showing the strongest preference for their home market, compared with their peers. The remaining 18.0% comes from North America (11.7%), Asia Pacific (5.8%) and South America (0.4%).

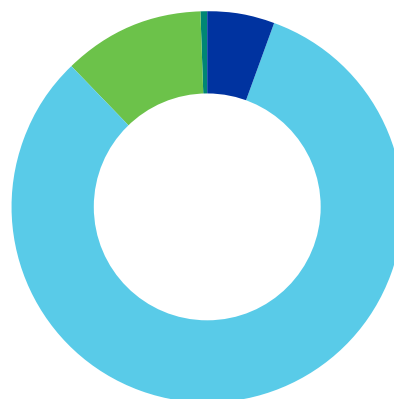
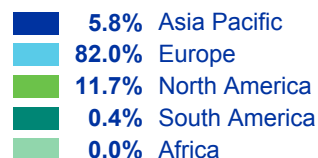
The investors base for Asian Pacific strategies is more diverse, with 80.7% of the non-listed direct real estate AUM raised from investors domiciled in the region. The remaining 25.2% is split between capital from Europe (7.4%), North America (11.0%) and Africa (0.8%).

Around two thirds, 64.3%, of non-listed direct real estate AUM for North American strategies, is obtained from local investors. Over one third of the remaining capital (35.7%) comes from other regions, with a higher participation of European investors (20.1%) than Asia Pacific (14.5%), Africa (0.8%) and South America (0.4%).

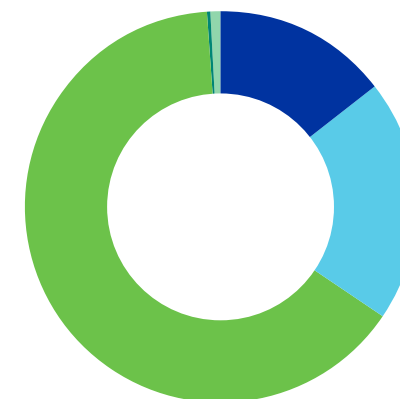
Figure 35: Non-listed direct real estate AUM by institutional investor domicile



Asia Pacific



Europe



North America

Mergers and acquisitions

More than 20% of respondents were involved in merger or acquisition (M&A) activities over the past 10 years.

The consolidation trend that started five years ago continues in the real estate industry.

Regarding motivations behind the M&A activity, a large variety of unprompted responses (free text box) were provided. These responses were grouped under headings such as scale, enhanced

product offering, expanding geographic footprint, diversification, better returns, and opportunism. In some cases, more than one motivation was mentioned which was grouped into 'multi-rationale'.

The main motivation for M&A activity was expanding geographic reach of the fund managers, which was mentioned by 33.3% of respondents. Next was a multitude of reasons (26.7%) followed by scale (23.3%).

Figure 36: Merger activities in the past 10 years

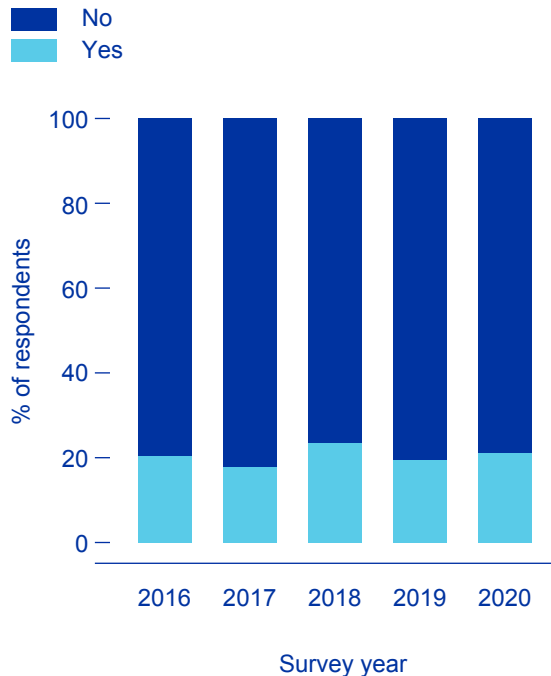


Figure 37: Acquisition activities in the past 10 years

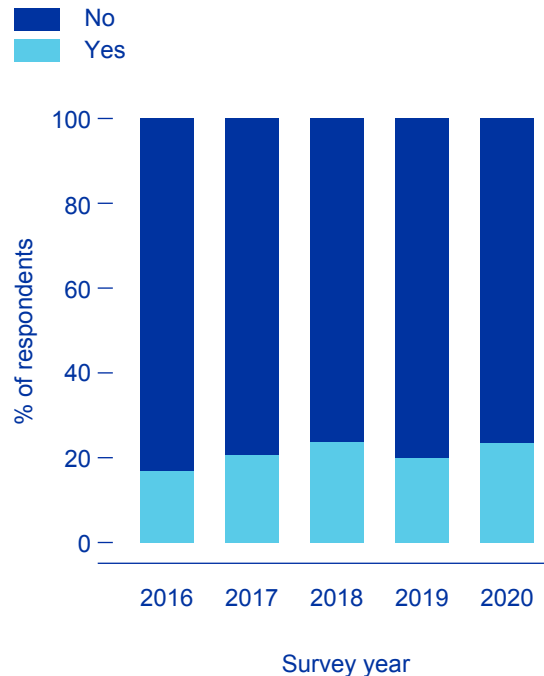
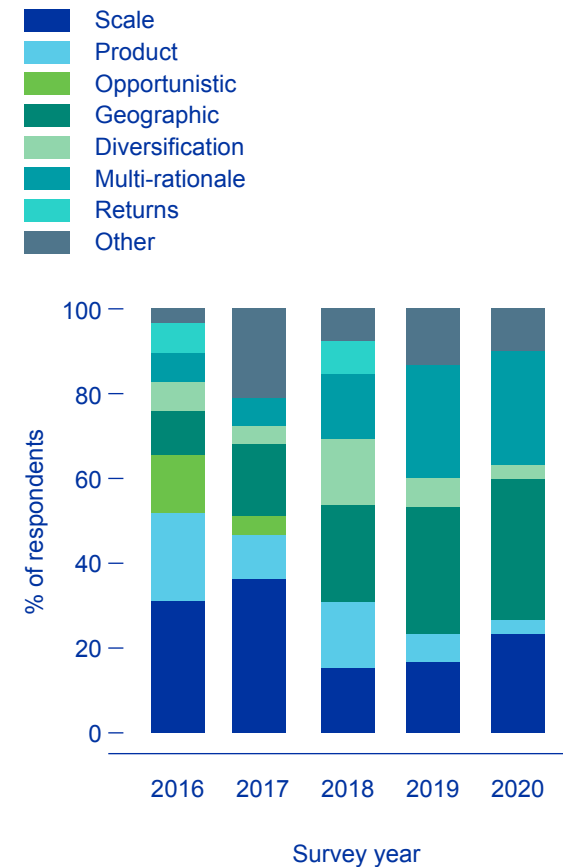


Figure 38: Motivations for merger and acquisition activity



Participants

ANREV, INREV and NCREIF would like to thank the following list of managers for their contribution to the Fund Manager Survey 2020, and gave permission for their company names to be published:

a.s.r. real estate
 Aberdeen Standard Investments
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 Azora Capital SL
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 Barings LLC
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 BlackRock
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 Blue Vista Capital Management
 BNP PARIBAS REIM
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 GPT Group
 Greystar Real Estate Partners
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Invesco Real Estate
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 NRP Asset Management AS
 Nuveen, a TIAA Company
 Odyssey Capital Group
 ORM
 Pamfleet
 PATRIZIA
 PGIM Real Estate
 Phoenix Property Investors
 Pradera
 Prologis
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Redevco
Rockpoint Group
Sarofim Realty Advisors Co.
SC Capital Partners
Sentinel Real Estate Corporation
Seven Seas Advisors Cou., LTD.
SilkRoad Management Limited
Sirius Capital Partners
Sona Sierra
STAM Europe
Starlight Investments
Starwood Capital Group
Storebrand Asset Management
Swiss Life Asset Managers
Syntrus Achmea Real Estate & Finance
TA Realty
Threestones Capital
Tishman Speyer
Tokio Marine Asset Management
Tokyo Tatemono Investment Advisors Co.,Ltd
Trevian Asset Management
Tristan Capital Partners
UBS AG
Union Investment
VEMC GP
Vesteda
Vicinity Centres
Warburg-HIH Real Estate
Waterton
White Peak

Glossary

Total real estate asset under management (AUM)

Refers to market value of real estate-related assets with respect to which your company provides, on a global basis, oversight, investment management services and other advice (for third party capital and internal client capital), and which generally consist of real estate funds and real estate-related loans; securities portfolios; and investments in operating companies, joint ventures, separate accounts and funds of funds

Non-listed real estate vehicle

Refers to a structure where investors' capital is pooled together and managed as a single entity with a common investment aim.

Non-listed direct real estate vehicle

Refers to a vehicle investing directly into real estate.

Non-listed real estate fund/commingled fund/private REIT

A structure where capital of at least three investors is pooled to undertake a pre-defined strategy of investing into real estate assets.

Separate account investing directly into real estate

A vehicle with capital commitments from one investor allocated directly into assets rather than funds.

Separate account investing into indirect vehicles

A vehicle with capital commitments from one investor allocated to a series of property funds within a defined strategy.

Joint venture and club deal

Vehicles with capital commitments from two or a small number of investors (including co-investment) allocated to a redefined direct real estate strategy.

Funds of funds

A real estate fund of funds is a collective investment vehicle that uses a strategy of holding a portfolio of investments in other real estate funds rather than investing directly into real estate.

Listed real estate fund

A fund investing directly into real estate.

Real estate securities fund

A fund investing into listed securities.

Non-listed debt products

1) Mezzanine debt fund: fund which is supplying real estate borrowers with the layer of financing that sits between the senior debt and the equity in the capital structure.

2) Senior debt fund: fund which provides the borrowers with loans, which have first priority within the capital structure.

European vehicle

A vehicle investing $\geq 90\%$ in Europe (including UK). This includes single country and pan-European funds.

Asia Pacific vehicle

A vehicle investing $\geq 90\%$ in Asia Pacific (including Australia). This includes single country and pan-Asia Pacific funds.

North American vehicle

A vehicle investing $\geq 90\%$ in North America.

South American vehicle

A vehicle investing $\geq 90\%$ in South America.

African vehicle

A vehicle investing $\geq 90\%$ in Africa.

Global vehicle

A vehicle invested in more than one continent and not more than 90% allocated to one continent.

Manager co-investment

Own company investments and own fund management team investments.

For more definitions visit the [Global Definitions Database](#).

