

24 March 2022

Long-term investment funds – review of EU rules

INREV is the European Association for Investors in Non-Listed Real Estate Vehicles. We provide guidance, research and information related to the development and harmonisation of professional standards, reporting guidelines and corporate governance within the non-listed property funds industry across Europe.

INREV currently has approximately 480 members. Our member base includes institutional investors from around the globe including pension funds, insurance companies and sovereign wealth funds, as well as investment banks, fund managers, fund of funds managers and advisors representing all facets of investing into non-listed real estate vehicles in the UK and the rest of Europe. Our fund manager members manage more than 500 non-listed real estate investment funds, as well as joint ventures, club deals and separate accounts for institutional investors.

Statement of principles

INREV welcomes the opportunity to provide feedback on the European Commission's (Commission) Proposal for a Regulation amending Regulation (EU) 2015/760 as regards the scope of eligible assets and investments, the portfolio composition and diversification requirements, the borrowing of cash and other fund rules and as regards requirements pertaining to the authorisation, investment policies and operating conditions of European long-term investment funds.

INREV supports the Commission's targeted approach in reviewing the existing ELTIF framework. We believe that the current rules should be neither diluted nor unnecessarily augmented without careful consideration of the potential impact on managing non-listed real estate funds.

We appreciate the Commission's proposal to adopt specific rules to make the ELTIF more attractive to institutional investors. Non-listed real estate is a long-term investment and institutional investors are able to invest via tailored made AIFs. Nevertheless, the proposed rules tailored to institutional investors may provide some additional benefits that will attract capital in these structures and INREV therefore supports the Commission's proposal.