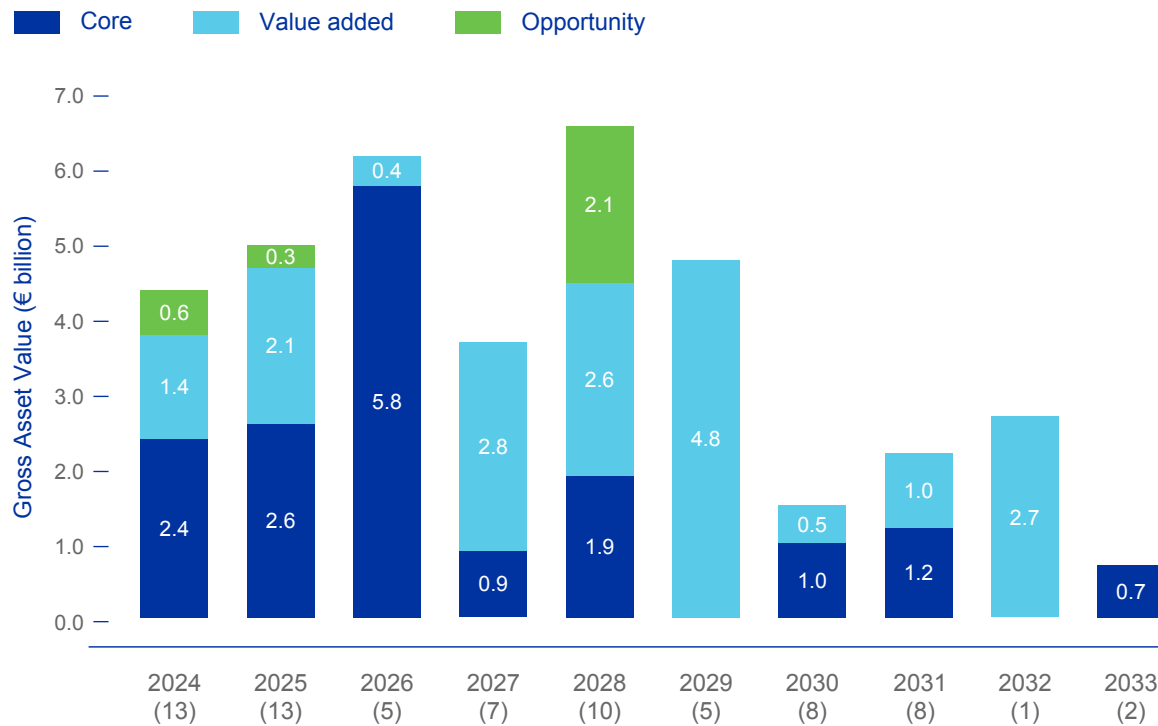


Market to Gain €16 Billion in Assets as 31 Funds Terminate by 2026

- > Between 2024 and 2026, 31 funds, with a total GAV of €15.6 billion are due to terminate
- > French and UK focused funds dominate the sample of single country fund's terminations
- > Funds terminating in 2024 exhibit the highest average IRR at 5.1% for funds between 2024 and 2026

In the next ten years 72 European non-listed closed end real estate funds are due to terminate. Collectively, they represent €37.9 billion of GAV worth of assets that could potentially come to the market according to the [INREV Funds Termination Study 2024](#).

Figure 1: Investment style of funds terminating between 2024 and 2033 by GAV



*Number in brackets shows sample size by number of funds for the corresponding year
 Source: INREV Vehicle Universe, 2024

Between 2024 and 2026 31 funds are due to terminate, accounting for a total GAV of €15.6. Collectively, funds with a core or value added investment style represent the majority with 90% of the total number and 94% of the total GAV. In line with this style composition, the average target gearing levels for funds terminating between 2024-2026 stands below 38%.

Of all 31 funds due to terminate between 2024 and 2026, 19 follow a multi country strategy, this constitutes 61% by number and 81% (€ 12.6 billion) of the total GAV. Of the twelve terminating funds with a single country strategy, those targeting France and the UK account for 33% and 25% of the sample by number and 43% and 37% by GAV, respectively.

By sector strategy, 12 funds due to terminate between 2024 and 2026, follow a multi sector strategy, this constitutes 39% by number and 19% (€ 2.94 billion) of the total GAV. Of the 19 single sector strategy funds, retail funds account for 53% (10 funds) of the sample by

number and 44% by GAV representing €3.62 billion of assets that potentially could come to the market.

Looking at the performance of funds terminating between 2024 and 2026, the average return in 2021 bounced back to positive territory (10.8%) following a negative return in 2020 (-0.9%). However, remains in the negative as of 2023 at -4.5%

Despite the negative performance in 2020, the average total returns of funds terminating between 2024 and 2026 are 6.1% on a 14-year basis and 1.8% over the last five years.

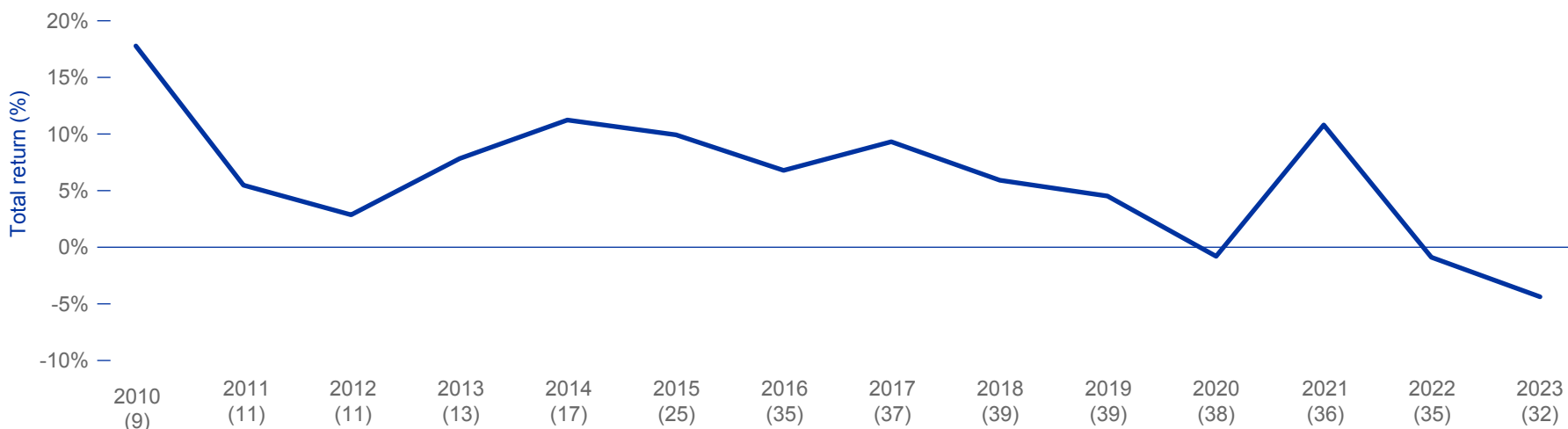
Taking into account the duration of terminating funds and timing of cashflows, average IRRs for funds terminating in 2024 have an average IRR of 5.1%, while funds terminating in 2025 & 2026 have an average IRR of 4.2%.

The decline in performance can be explained by the weaker underlying market conditions reflecting an overall uncertainty towards European non-listed real estate in 2023.

Conversely, the total returns for terminating funds may be adversely impacted by the prevailing market conditions affecting unsold assets.

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

Figure 2: Weighted average performance by funds terminating between 2024 and 2026*



*Number in brackets shows sample size by number of funds for the corresponding year
Source: INREV Funds Termination Survey and INREV Data platform, 2024