

The German Private Real Estate Fund Market

Key Stats:



Aggregate capital targeted by Germany-focused funds in market, the highest since 2010.



Aggregate assets under management of Germany-based institutional investors on **Real Estate Online**.



Number of private real estate funds focusing on German investments profiled on **Real Estate Online**.



Number of Germany-based institutional investors profiled on **Real Estate Online**.

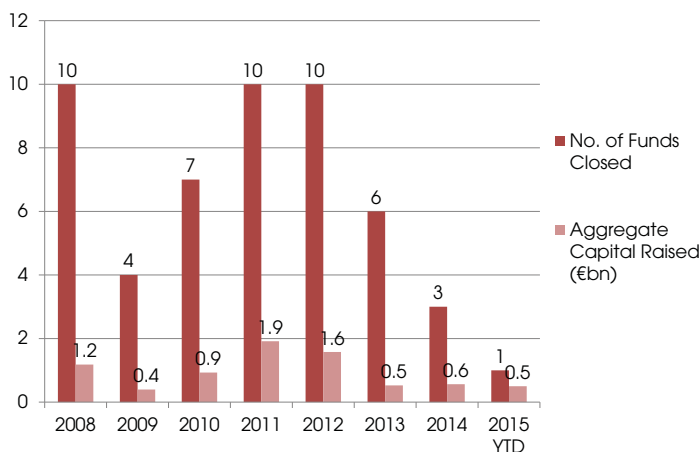
Preqin's **Real Estate Online** service contains detailed information on over 4,400 private real estate funds, including 111 which focus on investments in Germany. Extensive profiles feature detailed information on fundraising and closes held, known investors, performance data and direct contact information for key decision makers. As shown in Fig. 1, fundraising for Germany-focused private real estate funds has remained at relatively low levels, declining since the peak of €1.9bn raised by 10 funds reaching a final close in 2011 to just three funds closing on an aggregate €0.6bn in 2014. Interestingly however, 2015 so far has already seen one Germany-focused fund reach a final close, German Senior Debt Fund, which raised €500mn, making it the largest private real estate fund focusing on the country to close since 2012.

In terms of strategy, funds focusing on core investments have accounted for the largest number of Germany-focused funds

closed from 2012 to 2014, with nine such funds raising a total of €1bn, as shown in Fig. 2. Six opportunistic funds closed in this time period, although they raised a total of just €500mn, with two value added funds raising €700mn. In terms of property focus, although funds making diversified property investments account for the largest proportion of funds closed from 2012 to 2014 (40%), funds investing in residential property account for a relatively significant 26%, with retail investments representing a further 14% of funds closed (Fig. 3).

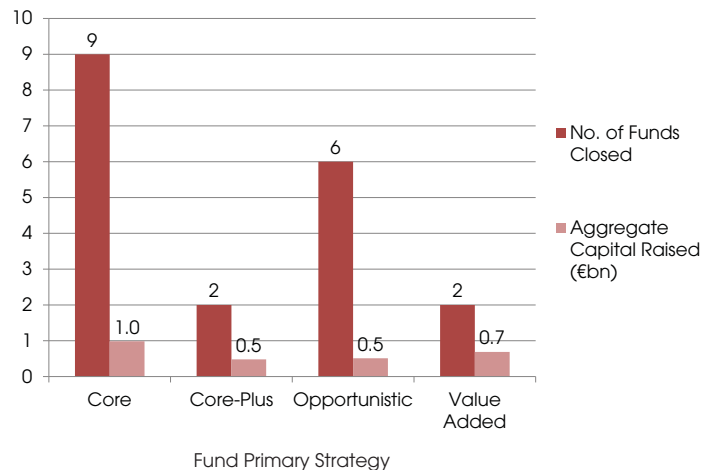
Despite the number of Germany-focused funds closed declining for the last few years, the fundraising market is increasingly competitive, with the number of funds in market focusing on investments in the country increasing from seven in January 2010 to 12 in January 2015, with the aggregate target capital increasing from €1.3bn to €2.9bn over this time period (Fig. 4).

Fig. 1: Annual Closed-End Germany-Focused Private Real Estate Fundraising, 2008 - 2015 YTD



Source: Preqin Real Estate Online

Fig. 2: Closed-End Germany-Focused Private Real Estate Fundraising by Primary Strategy, Funds Closed in 2012 - 2014



Source: Preqin Real Estate Online

Preqin's **Real Estate Online** also contains detailed profiles for over 4,700 institutional real estate investors, including 124 based in Germany. Profiles include information on allocations, investment plans for the year ahead, funds previously invested in, contact information for key decision makers and much more. As shown in Fig. 6, insurance companies and private sector pension funds account for half of investors based in Germany, at 26% and 24% respectively. Family offices and asset managers also make up a sizeable proportion of the investor universe, at 13% and 11% respectively.

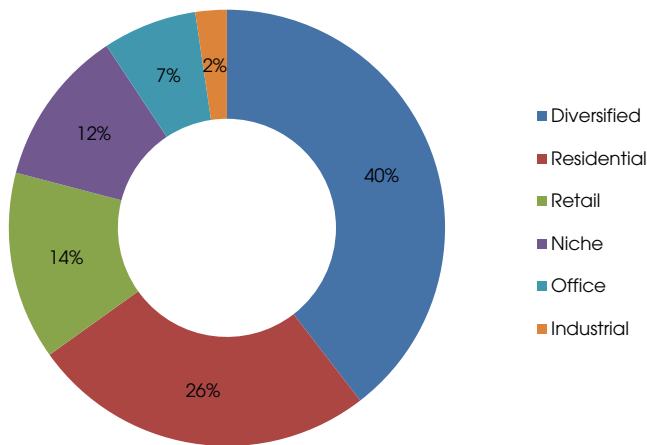
In terms of assets under management (AUM), the majority (52%) of Germany-based real estate investors possess less than €10bn, as shown in Fig. 7. Thirty-five percent of institutions possess between €10bn and €49.9bn in AUM, and just 9% have €100bn or more. When looking at investors in terms of their allocations to real estate (as a proportion of their AUM), Fig.

8 shows that the largest proportion of investors (33%) allocate between 5% and 9.9% to real estate.

Core strategies are by far the most sought-after by Germany-based real estate investors, with 80% targeting the strategy, significantly more than the second most sought-after strategy, value added funds, with 53% of institutions seeking funds following this strategy.

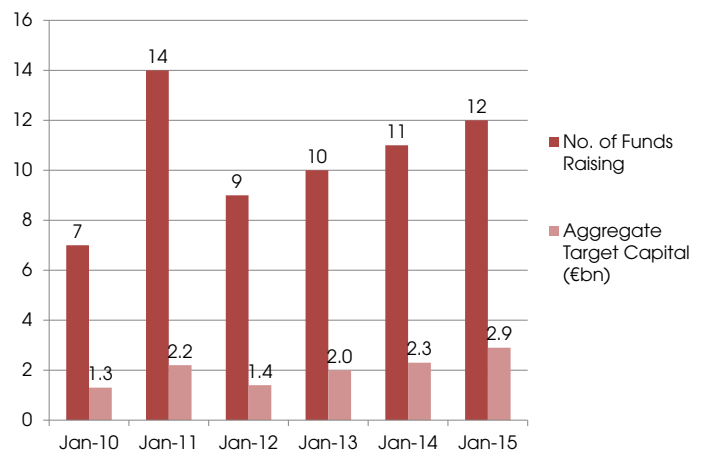
Preqin's **Real Estate Online** contains details of 283 investors seeking to make new infrastructure investments in the next 12 months via the **Fund Searches and Mandates** tool. One such Germany-based institution is asset manager Feri Trust, which is looking to invest €100mn across two private real estate funds in the next 12 months. The investor will seek additional exposure to non-core US real estate through these commitments.

Fig. 3: Breakdown of Closed-End Germany-Focused Private Real Estate Funds by Property Focus, Funds Closed in 2012 - 2014



Source: Preqin Real Estate Online

Fig. 4: Closed-End Germany-Focused Private Real Estate Funds in Market over Time, January 2010 - January 2015



Source: Preqin Real Estate Online

Fig. 5: Five Largest Closed-End Germany-Focused Private Real Estate Funds Closed in 2013 - 2014

Fund	Firm	Final Size (mn)	Final Close Date	Strategies
Activum Fund III	Activum SG Capital Management	380 EUR	Apr-14	Debt, Distressed, Opportunistic and Value Added
Henderson German Logistics Fund	TIAA Henderson Real Estate	230 EUR	Sep-13	Core-Plus
Warburg - Henderson Deutschland TOP 5 Fonds	Warburg - Henderson	208 EUR	Sep-13	Core and Core-Plus
Corpus Sireo HEALTH CARE FONDS II	CORPUS SIREO	150 EUR	Feb-14	Core and Core-Plus
publity Performance Fonds Nr. 4	publity	34 EUR	Feb-13	Distressed and Opportunistic

Source: Preqin Real Estate Online

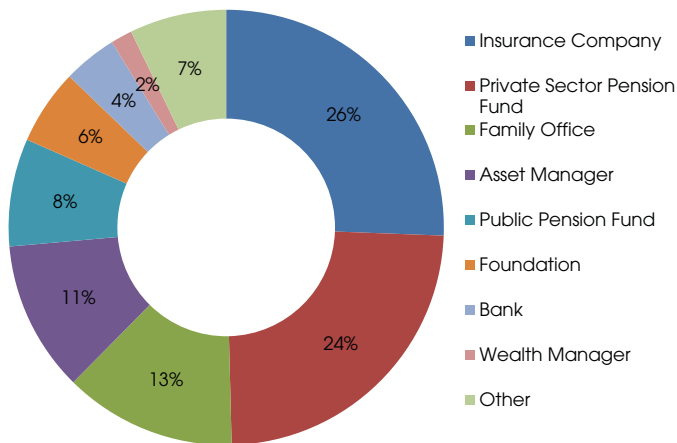
Looking for more information on the private real estate fund market in Germany?

Preqin's **Real Estate Online** contains extensive information on all funds closed historically, fund managers, investors seeking to make new commitments, service providers and contact information for key decision makers.

For more information, or to register for a demonstration, please visit:

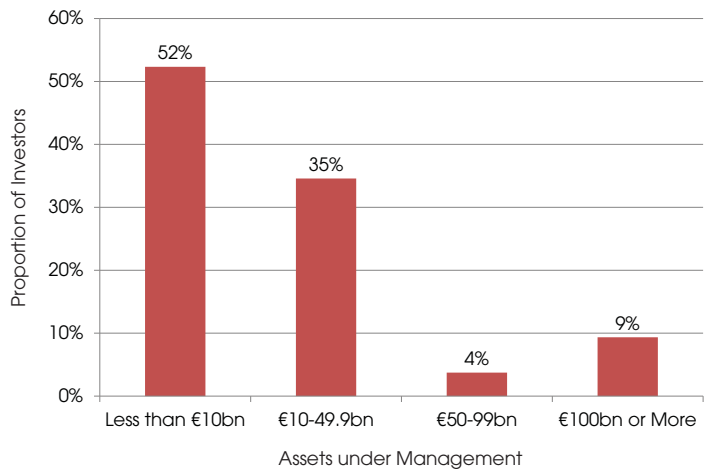
www.preqin.com/reo

Fig. 6: Breakdown of Germany-Based Real Estate Investors by Type



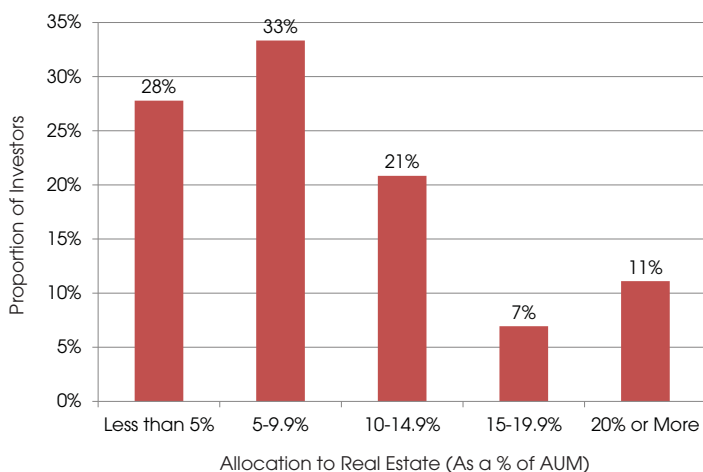
Source: Preqin Real Estate Online

Fig. 7: Breakdown of Germany-Based Real Estate Investors by Assets under Management



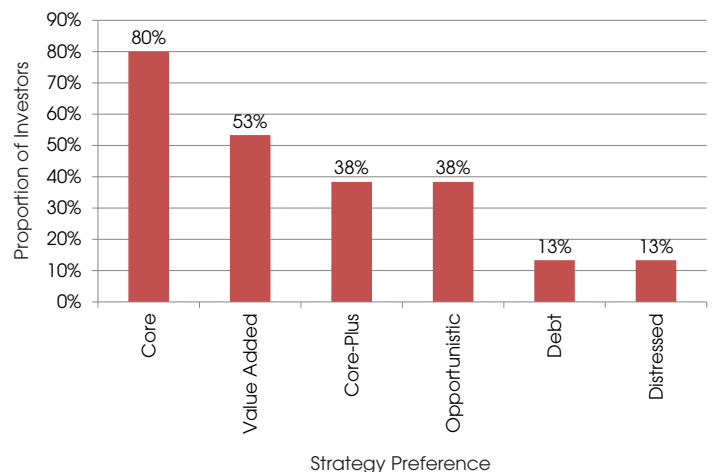
Source: Preqin Real Estate Online

Fig. 8: Breakdown of Germany-Based Real Estate Investors by Allocation to Real Estate



Source: Preqin Real Estate Online

Fig. 9: Breakdown of Germany-Based Real Estate Investors by Strategy Preference



Source: Preqin Real Estate Online

Fig. 10: Sample of Germany-Based Investors Targeting Private Real Estate Investments in the Next 12 Months

Firm	Type	Investment Plans for the Next 12 Months
Feri Trust	Asset Manager	Feri Trust is looking to invest €100mn across two private real estate funds in the next 12 months. The asset manager will seek additional exposure to non-core US real estate through these commitments.
Deutsche Finance Group	Real Assets Fund of Funds Manager	Deutsche Finance Group is planning to commit approximately €100-150mn across 15 private real estate funds in the next 12 months. The fund of funds manager will target opportunistic vehicles focusing on opportunities in Asia, Europe, Latin America and North America.
Gothaer Insurance Company	Insurance Company	Gothaer Insurance Company will commit approximately €350mn across five private real estate funds in the next 12 months. The insurance company will commit to funds following core, core-plus and debt strategies targeting Europe, Asia and the US.

Source: Preqin Real Estate Online