

IPERE



Institutional insights

How investors are responding to
today's top trends in real estate



Contents

Click a tab to read more



The net-zero challenge



Dislocation in the market



A politically divided Europe



Real estate's new definition



The rise of debt funds



Offices' uncertain future



The Global Investor 100



The net-zero challenge

As institutional real estate investors get to grips with net zero, they are making more demands of their partners and operators



Talking to peers, it is clear that institutional investors are setting the baseline and looking at their portfolios to understand their carbon intensity and working on their own roadmap

Rainer Komenda
BVK



We think there's a lot of opportunity in that space, as asset owners undertake this process of discovery about what is needed in their portfolios. There will be portfolios with problems, of course, but we see smart investors saying 'there is an opportunity for us to lead' and turning capital towards that

Dana Gibson
Macquarie Asset Management

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for more on the
net-zero challenge



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Dislocation in the market

Macroeconomic uncertainty may have put institutional real estate investors on hold, but many are poised to exploit market dislocation

EMEA real estate transaction volumes declined by **26%** in Q2 2022, according to MSCI Real Assets



Everyone now is in price discovery mode; it is very hard to know what is under- or over-priced

Carole Guérin
PSP Investments

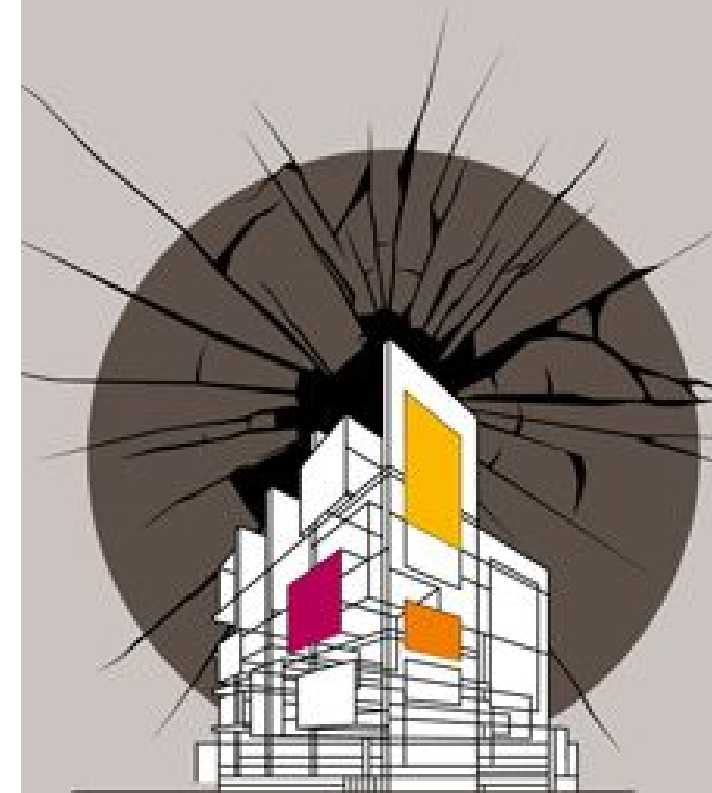


You need to be nimble to take these opportunities when they arise and that means being prepared. We're in a position where we can wait for the right opportunity, so we're being cautious at the moment given the current market volatility

Doug Cain
Future Fund

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for more on how investor are preparing for market dislocation



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A politically divided Europe

Investors are in a 'wait-and-see' period, but political division and war in Ukraine are set to drive capital westwards

Real estate transaction volumes fell **56%** in Germany in Q2 2022, according to MSCI Real Assets



Many investors are... on hold, delaying investment decisions until greater confidence returns. Investors are trying to work out what this combination of political and economic uncertainty could mean for their target allocations, including real estate

Christian Goebel
Macquarie Asset Management

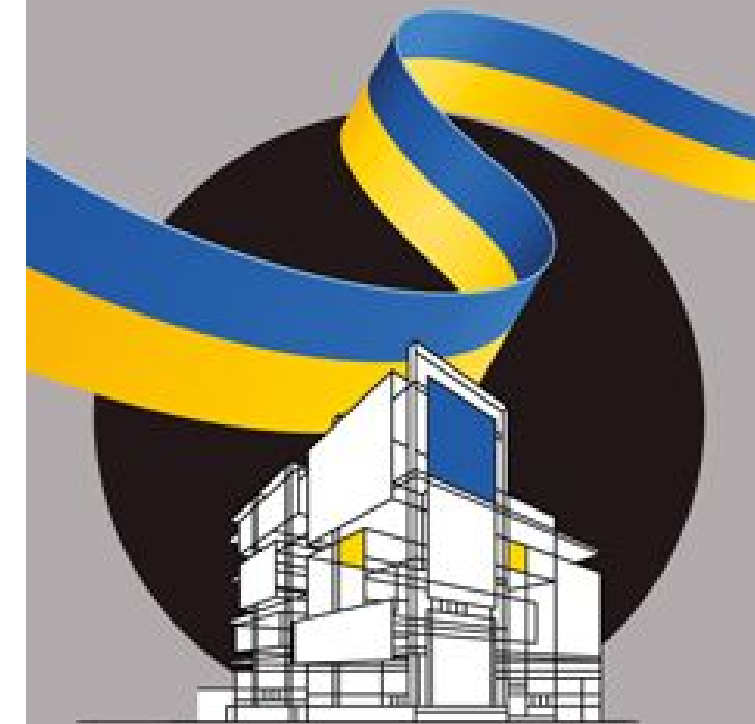


Despite this considerable uncertainty, we are not seeing investors running for the exit or selling down assets en masse

Florian Winkle
Macquarie Asset Management

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for more on how investors are steering through an uncertain Europe



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Real estate's new definition

Niche asset types have proliferated from under the real estate umbrella, which has changed how investors view the sector

BlueWeave Consulting & Research predicts the global data center market will grow by **more than 10%** each year until 2028



We have invested in a number of niche or alternative real estate sectors, such as life sciences and content production studios, where there are strong drivers, such as the growth of streaming services

Carole Guérin
PSP Investments



Some niche sectors have a considerable non-real-estate operating element, but if an investment is sound with an appropriate risk-adjusted return, institutions will find somewhere for it to sit

Doug Cain
Future Fund

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for more on the
changing
definition of
real estate



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The rise of debt funds

The range of real estate debt products available to institutional investors is broader than ever before, with the strategy playing a key role in troubled times

Real estate debt funds closed so far this year have raised
\$26.2bn



Real estate debt is a very versatile investment instrument, offering **diversity in products, sponsors and geographical markets. The opportunities can be both passive and active, short and long term, allowing for portfolio construction and optimization. Returns in this space can also be as attractive as equity, with the under-lying hard assets offering good downside protection**

Geoff Souter
CPP Investments

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for more on how
debt options are
diversifying



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Offices' uncertain future

Institutional real estate investors are still focused on prime locations, but the office might look different going forward



At asset level, clearly location is still key. After that, the focus has to be on delivering the best experience for users in a sustainable way. This means creating workspaces that attract and retain talent, and which are conducive to high productivity and collaboration. This means flexible spaces, a mix of working areas and user services and amenities

Annette Kröger
Allianz Real Estate



Futureproofing an office portfolio comes with a substantial commitment to ESG. At APG we use GRESB, BREEAM and more recently the CRREM pathways in this matter to help us futureproof our portfolio

Robert-Jan Foortse
APG

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for more on how
investors are
working out the
future of offices



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Discover PERE's Global Investor 100 ranking for 2022

Highlights include:



The GI 100 has a new name at the top for the second year running



Total capital allocated to real estate by the GI 100 stands at \$1.69 trillion, up by \$200 billion since last year



The median allocation to real estate of the GI 100 has grown by half a percentage point vs last year



Europe was the only region to record a decline in combined allocations from GI 100 institutions



Asia-Pacific-based institutions have claimed another name in the top 30

Plus much more...

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CLICK HERE

**to find out how institutional
investors stack up in the
Global Investor 100 report**

PERE



This special report, produced in partnership with Macquarie Asset Management, contains PERE's annual GI 100 ranking of the largest investors in the asset class, and outlines the institutional response to the core themes affecting private real estate today.

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