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**INTREAL-SURVEY:  
DIGITAL ACCESS TO INVESTMENTS AND DATA IS OF KEY IMPORTANCE TO CLIENTS OF A THIRD-PARTY AIFM**

- INTREAL and IREBS poll asset managers on their expectations in an optimal service spectrum of a third-party AIFM
- Digital access and functioning workflows are clients' key requirements for a third-party AIFM
- Asset managers expect third-party AIFMs to support them in their fundraising efforts and to help them avoid conflicts of interest
- Asset managers also prefer service packages and flat rate total remunerations

The most important deliverable of a third-party AIFM is to provide easy online access in a manner tailored to the needs of a given client who may use it to monitor and manage their investments and to grant authorisations, as well as a functional workflow between the AIFM company and the client (IT access and workflow).

The second-most important aspect for respondents are all the deliverables that an AIFM offers in the areas of fundraising and the resolution of potential conflicts with investors. Michael Schneider, Managing Director at INTREAL, commented: "Clients emphasise in this context that the third-party AIFM should not handle these tasks in its own right. Nonetheless, it is important to respondents that they get support from the AIFM in these aspects. It is precisely what INTREAL has been offering for a considerable period of time."

These are the main findings of a survey that INTREAL, Germany's leading third-party AIFM for real estate, conducted in collaboration with Maximilian Kretzschmar, graduate of a master's degree program in real estate economy at the International Real Estate Business School (IREBS), on the subject of what services and product characteristics are offered by third-party AIFMs that exceed the statutory parameters. Respondents were asked to answer primarily two questions: How should a third-party AIFM position itself, and which product characteristics play a particularly important role when selecting a third-party AIFM?

Prof. Dr. Wolfgang Schäfers, who mentored the master's thesis, elaborated: "The thesis by Maximilian Kretzschmar illustrates how important it is to base a scientific study on empirical evidence and practice in the field if you wish to make relevant recommendations to real estate practitioners."

Michael Schneider, Managing Director of INTREAL, added: "The thesis by Maximilian Kretzschmar profiles optimisation approaches for third-party AIFM that are quite interesting, objectively speaking. I should like to thank the author for his dedication and his structured presentation of the findings. The latter show that what matters to our clients is not just that we meet all the regulatory requirements. It is moreover of the essence to our clients that we deliver our services digitally to them and support them end to end."

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The third-most important aspect for the respondents is the way services and their remuneration are structured. In this context, clients prefer all-in service packages that are sold for flat-rate remunerations. Less well liked here are modular service packages or granular service modules priced individually.

Ranking fourth are the competencies and the specialist know-how of third-party AIFMs. In this regard, the respondents put a premium on being directly in touch with the specialists at their AIFM. Their wish-list also includes training classes as well as working material and information documents. Schneider commented: "In this area, we strive to accommodate our clients as much as possible. We set up expert clusters in-house for each specialist field, for example in the subject areas of taxes, regulations and IT."

The subject of customer care came in fifth. Here, the respondents have a clear preference. They want a key account manager. And they wish to be able to contact him or her whenever the need arises. Less appreciated is an arrangement with several contact persons on the AIFM side. Neither do clients welcome the idea of being actively contacted by the third-party AIFM. Schneider commented: "The principle of the key account manager who serves as first contact of a given client has been implemented by us since the formation of INTREAL, and is appreciated by our fund partners and clients."

For the sake of the master's thesis project, a total of 118 asset managers were contacted between the end of July and mid-August 2018. Out of a total return of 51 questionnaires, 25 were complete and thus included in the evaluation. The evaluation took the form of an Adaptive Choice Based Conjoint analysis (ACBC analysis). This analytic method, using tools made available by Sawtooth Software, makes it possible to study various characteristics of a given product—in this case the product "third-party AIFM"—that enter into a fictional purchase decision, and to derive conclusions regarding the optimal design for that product.

Maximilian Kretzschmar graduated with a Master of Science in Real Estate from the IREBS International Real Estate Business School at the University of Regensburg in October 2018.

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### **About INTREAL**

As a third-party AIFM, INTREAL concentrates exclusively on the business of launching and managing regulated real estate funds on behalf of third parties under the German Capital Investment Act (KAGB). The platform lets clients take advantage of all the options of a real estate AIFM without having to set up one in their own right. Options include the launching of property funds or the outsourcing of AIFM back offices. Employing 235 staff, the INTREAL Group offers long-term real estate know-how along with detailed and highly professional fund management expertise.

INTREAL collaborates with a number of third-party fund partners to administrate 125 investment funds with a combined investment volume of c. EUR 22.4 billion (all figures as of 30/09/2018, not including the business mandates of INTREAL Solutions).

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