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INTREAL GROWS BY OVER FOUR BILLION EUROS DURING FIRST HALF-YEAR OF 2021

- ◆ AuA rise to 42.7 billion euros (+2.1 billion euros in Q2)
- ◆ 237 administrated funds (+23 in Q2) with a combined total of 1,749 properties under administration (+76 in Q2)
- ◆ Another six fund partners gained
- ◆ Human resources expanded by 13 new recruitments during Q2 to new total of 373
- ◆ Additional growth impulse through Luxembourg business expected in second half-year

IntReal International Real Estate Kapitalverwaltungsgesellschaft mbH (“INTREAL”), Germany’s leading third-party AIFM in the real estate sector, continued the dynamic growth seen during the opening quarter at the same pace in Q2. Having crossed the mark of 40 billion euros in assets under administration (AuA) by the end of the first quarter, the company raised the total volume up to c. 42.7 billion euros by mid-year. This equals a growth by c. 2.1 billion euros since the end of the first quarter or by c. 4.2 billion euros since the end of the 2020 financial year (31 December 2020: 38.5 billion euros).

During the months of April, May and June 2021, a total of 23 new investment funds were set up, which is four funds more than were launched during Q1. The number of assets administrated by INTREAL increased by 66 over the same period of time. By 30 June 2021, the third-party AIFM thus had a total of 237 funds and 1,749 properties under administration. In a parallel development, the total number of staff working for INTREAL in its branch offices in Hamburg, Frankfurt and Luxembourg grew to a total of 373 after 13 new employees were hired.

Additional Growth Impulse through Luxembourg Business Expected in Second Half-Year

Michael Schneider, Managing Director at INTREAL, commented: “If the performance we have seen so far continues, there is every chance that 2021 will become a bumper year for INTREAL, with substantial gains over 2020. In addition to the dynamic business development inside Germany, we anticipate additional growth impulses from our activities in Luxembourg, since we obtained our license as AIFM and central administrator there in April. In this division, we will move ahead with three new investment funds involving new fund partners as early as the second half-year. Despite the optimism, though, we should generally not lose sight of potentially ominous developments on the market, such as bottlenecks and price hikes for building materials, delayed completions, and the persistently strong demand for real estate investments which, of course, could cause the supply in available investment-grade properties to dry up. In addition, the ESG subject currently plays a big role for us and for our fund partners, too. It is planned to step up our efforts to integrate sustainability aspects in the investment strategies of virtually all new funds in future. Considering that the regulatory requirements are also beginning to be fleshed out, we hope that supervisory authorities will be quick to settle into the corresponding administrative practice. The latter aspect is important for setting up real estate funds whose sustainability effort goes beyond mere marketing angles.”

Numerous New Funds and Fund Partners in Either Business Division

The business of INTREAL essentially divides into two major business lines, these being partner funds, on the one hand, and AIFM services, on the other hand. In its partner funds business line, the third-party AIFM offers asset managers and property developers without AIFM license any service relating to the launching and administrating of alternative investment funds (AIF). In its AIFM services business line, INTREAL acts as the service arm of other licensed AIF management companies, taking care of complex administrative tasks like reporting, controlling (management accounting), fund accounting or equity investment management and risk management. While the partner funds division accounts for around 60 percent of the AuA, the AIFM Services division manages around 40 percent of the administrated assets.

Both business divisions experienced dynamic growth during the second quarter. The AuA in the Partner Funds segment increased by c. 1.1 billion euros to 24.7 billion euros between April and June 2021. The number of funds managed in this line of business increased by 13, bringing the total up to 133 funds. Moreover, the company gained another four new fund partners during the period under review. The growth in AuA for the KVG Services business unit amounted to c. 1.0 billion euros during Q2 2021, bringing the total up to c. 18 billion euros by quarter-end. The number of funds for which services are being provided rose by ten, up to a present total of 104 funds as at 30 June 2021.

New fund partners gained or previously integrated fund partners who launched new funds during the second quarter include Kingstone Investment Management GmbH, Belgreen Capital GmbH, d.i.i. Deutsche Invest Immobilien, the Fundamenta Group Deutschland, the GEG German Estate Group GmbH, HanseMerkur Grundvermögen AG and Palmira Capital Partners GmbH.

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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 open-ended and closed-end property funds or the outsourcing of AIFM back offices to INTREAL. Employing 373 staff, the INTREAL Group offers long-term real estate know-how along with detailed and highly professional fund management expertise.

INTREAL collaborates with a large number of third-party fund partners to administrate 237 investment funds with a combined investment volume of c. 42.7 billion euros (all figures as of quarter-end Q2 2021).