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INTREAL CONCLUDES 2021 FINANCIAL YEAR WITH SEVERAL GROWTH RECORDS

- ◆ AuA exceeds 51.2 billion euros (+4.6 billion euros in Q4 / +12.7 billion for the year as a whole)
- ◆ 272 administrated funds (+15 in Q4) with a combined total of 2,087 properties under administration (+157 in Q4)
- ◆ Five new funds partners acquired (+20 during the year as a whole)
- ◆ Hiring during Q4 added 18 new employees to the payroll, bringing total up to 401
- ◆ Bright outlook for 2022 – further growth expected

IntReal International Real Estate Kapitalverwaltungsgesellschaft mbH (“INTREAL”), Germany’s leading third-party AIFM in the real estate sector, saw its growth gain further momentum during the closing quarter of 2021, and significantly so. By the end of the financial year on 31 December 2021, its assets under administration (AuA) achieved a record level of well over 51.2 billion euros. This implies a quarter-over-quarter increase by 4.6 billion euros; compared to the year-end total of fiscal 2020, the growth amounted to c. 12.7 billion euros (AuA by 31 December 2020: 38.5 billion euros).

The company also launched 15 new funds, bringing the total up to 77 for the year as a whole. Moreover, another 157 properties were acquired between the start of October and the end of December 2021. By the end of the financial year, the third-party AIFM thus had a total of 272 investments funds and 2,087 properties under administration. At the same time, INTREAL hired 18 new employees, raising the number of staff working for INTREAL in its branch offices in Hamburg, Frankfurt and Luxembourg to a new total of 401.

High Growth Momentum despite COVID-19 Pandemic – Bright Outlook for 2022

Michael Schneider, Managing Director at INTREAL, commented: “Any way you look at it, 2021 was a very successful financial year for us and our fund partners. Our assets under administration, which had crossed the mark of 40 billion euros during the opening quarter for the first time, already topped 51 billion euros by the end of the year. This implies an increase by c. 12.7 billion euros or close to 33 percent within a single year. Never before did we experience such a brisk growth in the course of just one year, although INTREAL had grown dynamically in the preceding years, too. So, the year-end rally that had begun to seem increasingly likely as early as the third quarter did transpire as expected. Another key contribution to the success of the 2021 financial year was the expansion of our business activities in Luxembourg. It is not least with this in mind that we foresee a very positive overall development in 2022, too, because it will be the first full year in which we can offer all Luxembourg investment solutions of relevance for real estate as an in-house service to our fund partners across the board. At the same time, the latest macroeconomic trends make it reasonable to expect indirect real estate investments to keep playing a major role both for institutional and for private investors. We don’t expect lending rates to be tightened, except perhaps on a moderate scale, whereas the inflation rate has clearly accelerated lately. In short, the parameters continue to speak strongly in favour of real estate as an asset class.”

Both Business Divisions Growing Quickly – while AIFM Services Gain in Significance

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. Both business divisions continued to grow in the course of the 2021 financial year, although the growth in the AIFM services unit proceeded at a visibly faster pace. Compared to prior years, the unit thereby expanded its share in the total AuA. While the partner funds division accounted for around 54 percent of the AuA (down from around 60 percent as of 31 December 2020), the AIFM Services division managed around 46 percent of the administrated assets by the end of 2021 (up from around 40 percent as of 31 December 2020). “Both established and new AIFM companies entrust their complex administrative chores increasingly to the efficient division of labour that has become routine among our partnering funds, and outsource this task to us,” confirmed Malte Priester, who is in charge of the business unit and the first point of contact for client leads.

The AuA in the Partner Funds segment increased by c. 1.6 billion euros to 27.4 billion euros during the fourth quarter of 2021. The increase for 2021 as a whole added up to c. 4.6 billion euros. Between October and December 2021, another nine new funds were added to the number of vehicles managed in this line of business, resulting in a current total of 145 funds. In a parallel development, the company acquired five new fund partners, and now boasts 53 such partners. In the KVG Services business unit, the AuA grew by c. 3.1 billion euros during the fourth quarter of 2021, pushing the sum total up to c. 23.8 billion euros by the end of the year and the growth for the year as a whole up to c. 8.1 billion euros. The number of funds for which INTREAL provides services rose by six, and equalled 127 funds as at 31 December 2021, while the number of its fund partners remained unchanged at 13.

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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 every service an AIF management company (KVG) provides without having to form one of their own. Options include the launching of open-ended and closed-end property funds or the outsourcing of AIFM back offices to INTREAL. Employing 401 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 272 investment funds with a combined investment volume of c. 51.2 billion euros (all figures as of quarter-end Q4 2021).