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INTREAL Increases Assets under Management by Nearly 12 Percent to 57.2bn Euros

- ◆ Growth in Q2 (+2.5bn euros) slightly slower than in Q1 (+3.5bn euros)
- ◆ Number of administrated properties climbs to 2,273 (+186) by mid-year
- ◆ Total of 283 funds under administration (+11 during first half-year)
- ◆ INTREAL recruited 51 new employees during first six months

IntReal International Real Estate Kapitalverwaltungsgesellschaft mbH (“INTREAL”), Germany’s leading third-party AIFM in the real estate sector, looks back on a successful first half-year of 2022. Notwithstanding inflation, interest rate moves, the war in Ukraine and the energy crisis, the Hamburg-based administration specialist managed to increase its assets under administration (AuA) by c. 6.0 billion euros or 11.7 percent during said period. Its AuA rose from 51.2 billion euros as of 31/12/2021 to 54.7 billion euros by 31/03/2022 before reaching 57.2 billion euros by 30/06/2022. Out of the total increase of c. 6 billion euros during the first half-year, the first quarter accounts for 3.5 billion euros and the second quarter for 2.5 billion euros. To the number of administrated investment funds, another eleven were added during the first half-year, bringing the total up to 283 vehicles. The increase by 186 properties also implies a significantly higher number of assets under administration, which totalled 2,273 at mid-year.

But INTREAL also continued to expand its human resources. It hired 51 new employees during the first six months. Overall, the administration specialist now has 452 staff in its payroll, working out of the company’s offices in Hamburg, Frankfurt and Luxembourg.

Senior Management of INTREAL cautiously optimistic despite crisis

Michael Schneider, Managing Director at INTREAL, commented: “During the first half-year 2022, the degree of uncertainty jumped up in all economic sectors. Even the real estate segment was unable to steer clear of the situation. Unusually high inflation rates, significant interest rate hikes, and exploding construction and energy costs have impacted the sentiment in the industry. With this in mind, I find the growth by c. 6.0 billion euros all the more reassuring. It is explained by a large number of investment funds and transactions that we initiated together with our fund partners back in 2021. So, we are still riding on the tailwind of last year to some extent. We expect the growth to slow down during the second half of the year. The adverse effects will begin to be felt by then. For instance, we have noted a decline in the number of transactions. Moreover, the new business volumes in all of our divisions experienced a slower growth during the second quarter than the pace still seen during the first quarter. Nevertheless, I remain cautiously optimistic about the longer-term future. The industry will get used to the new normal. It knows how to handle a level of interest rates permanently higher than it used to be.”

The advantages of real estate investments become particularly easy to see in times of crisis. Schneider commented: “The inflation protection and wealth preservation aspects of real estate were sort of relegated to the background in recent years. With the changed situation now, however, especially commercial properties with their indexed leases are a reminder that real estate can, to a certain degree, protect you against inflation, and that it offers stable asset value in volatile times while generating continuous cashflows on top of it. And active management is a key prerequisite for making a success of it.”

Partner Funds is INTREAL’s Largest Business Unit

Out of the total assets worth 57.2 billion euros, the Partner Funds division accounts for 31.1 billion euros. In this business line, the third-party AIFM offers asset managers and property developers without AIFM license any kind of service relating to the launching and administrating of alternative investment funds (AIF). Overall, the AuA in this business unit increased by 3.7 billion euros during the first half-year of 2022, with the second quarter accounting for 1.5 billion euros thereof.

The second major business unit of INTREAL with AuA in the amount of 26.1 billion euros (as of 30 June 2022) is AIFM Services. In the context of this 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. The AIFM Services division grew by 2.3 billion euros during the first six months of 2022, specifically by c. 1.4 billion euros during the first and by c. 940 million euros during the second quarter.

Strong Demand for the Services of INTREAL Luxembourg

The latest financials also cover the Luxembourg vehicles administrated by INTREAL Luxembourg, either as alternative investment fund manager or central administrator. At the moment, the company’s subsidiary in the Grand Duchy accounts for real estate assets in a volume of 2.4 billion euros. The sum covers all administrated funds and entities. Rudolf Kömen, Managing Director of INTREAL Luxembourg, commented: “Despite the difficult market situation, we look back on a prosperous first half-year of 2022. Fuelled by strong demand for property fund and INTREAL-specific services, we intend to increase the volume of assets under our administration in Luxembourg to more than 3.0 billion euros by the end of this year. To make the mark, we will reinforce our human resources in Luxembourg significantly. We are planning to have around 30 fund specialists on the ground in the medium term.”

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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 452 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 283 investment funds with a combined investment volume of c. 57.2 billion euros (all figures as of quarter-end Q2 2022).