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INTREAL Exceeds 65bn Euros Worth of Assets and 300 Funds under Administration for First Time in Q3 2023

- ◆ Assets under administration grew by c. 522 million euros to 65.3 billion euros
- ◆ Number of real assets under management increased to 2,618 by 30 September 2023 (48 added in Q3)
- ◆ INTREAL administrates total of 302 funds (4 added in Q3)
- ◆ Outlook remains cautiously optimistic

IntReal International Real Estate Kapitalverwaltungsgesellschaft mbH (“INTREAL”), Germany’s leading third-party AIFM in the real estate sector, continued to show steady growth during the third quarter of 2023. Over the summer months from July through the end of September, assets under administration (AuA) increased by c. 522 million euros to 65.3 billion euros as of 30 September 2023. It was the first time that the sum total crossed the mark of 65 billion euros. Compared to the figure at year-end 2022, this implies an increase by well over 3.2 billion euros or approximately 5.2 percent.

At the same time, the number of investment funds managed by the Hamburg-based administration specialist set a new record with a new total of 302 after a net increase of four funds as of 30 September 2023. The number of real assets under administration—representing the balance of acquisitions and disposals completed by INTREAL fund partners—increased by a net total of 48 assets during the quarter under review. This brings the number of real assets administrated by INTREAL up to a new total of 2,618 as of the reporting date of 30 September 2023.

Parallel to the growth of assets and properties under the administration of INTREAL, the company successfully recruited twelve professionals and executives with various remits, so that the number of employees working at the company’s three branches in Hamburg, Frankfurt and Luxembourg increased to a new total of 526.

Stability in a Persistently Challenging Market Environment

Michael Schneider, Managing Director at INTREAL, commented on the performance: “As expected, we experienced a slower growth dynamic over the summer months when compared to the preceding quarters. Nevertheless, INTREAL continued its stable development and managed to grow in a market environment that remains very challenging. With the growth of our AuA to more than 65 billion euros and with over 300 funds under administration now, we passed another two milestones that are of key significance for the company’s track record. The achievement reflects the role that high-quality and well-managed real estate investment funds have in the portfolios of institutional investors, for whom they have long become an established component that is appreciated for its specific characteristics. Owing to their large holdings of exactly the kind of energy-efficient high-end real estate that is particularly in demand both on the tenant- and on the investor side, we are generally seeing the INTREAL partner funds unit deliver a remarkably stable average performance. The need for—sometimes hefty—markdowns that the market environment after the interest rate reversal created for certain properties did not affect our overall portfolio except on a negligible

scale. For the absolute AuM values, the often index-driven surge in rent rates acts as a major stabiliser, which in many cases has kept fair market values stable despite the recalibrated property yield rates. In the time since the interest rate reversal in July 2022, a large number of properties have already been reappraised twice. The fact that sales have lately been transacted on the basis of the latest fair value measurements suggests that the new price levels thereby identified are acceptable both for buyers and for sellers, at least in certain asset classes.”

Partner Funds Remain the Largest Business Unit while AIFM Services Keep Gaining in Significance

During the third quarter of 2023, the number of investment funds administrated by the partner funds unit remained stable with a total of 155, meaning that it is still the largest business unit of INTREAL. The assets under administration (AuA) in this unit added up to c. 35.3 billion euros as of 30 September 2023, and thus accounted for almost 54 percent of the total AuA of c. 65.3 billion euros. Compared to the situation by the end of the past financial year, AuA in the Partner Funds unit increased by c. 1.6 billion euros, with 0.2 billion euros out of this sum added during the third quarter. In its partner funds division, the third-party AIFM offers every kind of service relating to the launching and administrating of alternative investment funds (AIF) to asset managers and property developers who have no AIFM licenses of their own, among other clients.

The number of investment funds that INTREAL cares for in this second major business unit, AIFM services, increased by four to a total of 147 funds during the third quarter of 2023; in addition, INTREAL gained one new fund partner for this business unit. The AuA volume of the AIFM services units approximated 30.1 billion euros by the reporting date, which is the equivalent of over 46 percent of the total AuA volume of INTREAL. AuA in this unit grew by c. 0.3 billion euros during the third quarter of 2023 and by over 1.6 billion euros since the end of the 2022 financial year. The AIFM services unit of INTREAL provides deliverables to other licensed AIF management companies, such as fulfilling complex administrative tasks like reporting, controlling (management accounting), fund accounting or equity investment management and risk management.

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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 real estate funds or the outsourcing of AIFM back offices to INTREAL. Employing 526 staff, the INTREAL Group offers long-term real estate know-how along with detailed and highly professional fund management expertise.

In Luxembourg, the largest investment fund centre in Europe, INTREAL is represented by its subsidiary, INTREAL Luxembourg. INTREAL Luxembourg is an independent AIFM and central administrator for Luxembourg-domiciled real estate funds and real-estate-related asset classes for German and international clients.

Press Release

INTREAL

Through another subsidiary, INTREAL Solutions, the company makes its comprehensive real estate fund experience available to other market players within the scope of best-practice consultancy. These advisory services combine the IT subject with other specialist areas like ESG, risk management and process consulting.

INTREAL collaborates with a large number of third-party fund partners to administrate 302 investment funds with a combined investment volume of c. 65.3 billion euros (all figures as of end of Q3 2023).