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## **INTREAL Fund Commentary: Net Fund Assets of Institutional Open-Ended Real Estate Funds Decrease by c. 3.9 Billion Euros in 2024**

- ◆ By the end of 2024, net fund assets stood at 178.3 billion euros (2023: 182.2 billion euros)
- ◆ Net cash inflow of 7.4 billion euros over the course of the year
- ◆ Number of funds increases by 13 to new total of 684 vehicles

The net fund assets of all institutional real estate funds decreased in 2024, according to figures released by Deutsche Bundesbank. Compared to 182.2 billion euros by year-end 2023, the total recorded on 31 December 2024 was down to 178.3 billion euros. This implies a decline by 2.1 percent or 3.9 billion euros.

Camille Dufieux, Managing Director of INTREAL, commented: "This is a new trend, because the total net fund assets across all funds kept seeing substantial growth over the past years, including in 2023. For the sake of comparison: Fund asset growth in 2023 amounted to around 5.0 percent year on year, while in 2022, it was actually at about 12.5 percent still. The drop in 2024 is attributable primarily to asset value markdowns.

Meanwhile, the net cash inflow followed a converse trend compared to the net fund assets. In sum, the institutional real estate funds registered a net cash inflow of c. 7.4 billion euros in 2024. Analogously, the number of funds continued to increase. To be exact, the statistics showed a total of 684 funds by the end of 2024, meaning 13 vehicles more than the previous year-end total (31 December 2023: 671 funds).

Dufieux commented the situation: "The picture is therefore ambivalent. On the one hand, there are an extra 13 funds, on balance, and a clearly positive cash inflow. On the other hand, funds suffered markdowns for the first time in years. What we are seeing here is that the performance of real estate values in these funds trails the development in the real estate market at a certain temporal delay. The positive trend in cash inflows and in the number of funds matches our own observations. Taking a cautiously optimistic view of 2025, we expect INTREAL and its fund partners to launch between three and five new institutional open-ended real estate funds over the course of the year."

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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 both open-ended and closed-end real estate funds or real asset funds or the outsourcing of AIFM back offices to INTREAL. Employing 528 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 other real asset classes such as infrastructure or private debt for German and international clients.

Through its subsidiaries, INTREAL Solutions and REAX Advisory, the company makes its comprehensive fund experience in the real asset sector available to other market players within the scope of best-practice consultancy. INTREAL Solutions provides consulting services in the IT sector, whereas REAX Advisory acts as management consulting firm, helping to organise processes and structures more efficiently, to cut costs, to manage risks or to develop and implement ESG strategies.

INTREAL collaborates with a large number of third-party fund partners to administrate 321 funds with a combined investment volume of c. 66.6 billion euros (all figures as of the end of Q4 2024).