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## **Market Commentary by INTREAL Luxembourg: European Real Estate AIF Continued to Grow in Number and Net Fund Assets during 2024 despite Cash Outflow**

- ◆ In Q4, net fund assets increased by 8.9 billion euros to 1,034.9 billion EUR
- ◆ Net funds outflow over the year 2024 as a whole amounted to 4.7 billion EUR
- ◆ Outflows in the Netherlands, the UK, Austria, Germany and Finland matched by inflows in Ireland, Switzerland, Türkiye and Luxembourg
- ◆ INTREAL Luxembourg anticipating further net cash inflows in 2025

The net fund assets of all regulated European real estate funds (AIF) increased by c. 8.9 billion EUR during the fourth quarter 2024, bringing the total up to 1,034.9 billion EUR by the end of the year. This is proven by the latest figures that the European Fund and Asset Management Association (EFAMA) released. Compared to the 2023 year-end total of 999.4 billion EUR, the total net fund assets grew by c. 35.5 billion EUR or about 3.6 percent over the course of 2024. In a parallel development, the number of European real estate AIF increased as well. Up from 3,949 funds registered by the end of 2023, the EFAMA statistics quote a new total of 4,032 real estate AIF by the end of 2024.

“As far as the fourth quarter of 2024 goes, the developments of the previous quarters continued along the same lines. Both the total number of funds and the total net fund assets increased. This reflects, on the one hand, a further stabilisation of the price levels on European real estate markets, which had a positive impact on the property performance and which evidently overcompensated for the net funds outflow. On the other hand, it demonstrates that investors continue to be interested in launching new real estate AIF,” said Rudolf Kömen, Conducting Officer of INTREAL Luxembourg.

A closer look at the cash inflows and outflows reveals, once again, a heterogeneous picture. By far the largest cash outflows, adding up to nearly 4.5 billion EUR, were reported for Dutch real estate AIF. Other countries with a negative balance were the United Kingdom (-1.7 billion EUR) and Austria (-1.6 billion EUR), trailed at some distance by Germany (-616 million EUR) and Finland (-411 million EUR). The highest net cash inflows over the course of 2025, by contrast, were registered in Ireland (+1.2 billion EUR), Switzerland (+949 million EUR), Türkiye (+883 million EUR) and Luxembourg (+623 million EUR).

Rudolf Kömen commented: “Having seen few launches of new investment funds last year overall, we expect the situation to improve slightly if noticeably in 2025. Especially institutional investors are likely to resume investing higher amounts in real estate AIF this year. That is suggested by the talks we are engaged in at this time, and we are confident that they will cause additional new funds to be launched in the coming months.”

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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 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 real-estate-related 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).