Press release

INTREAL

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Market commentary: European real estate AIFs continue to grow in 2025 despite significant outflows

- The net asset value of regulated European property funds increased by 1.4 per cent to €1,048.9 billion in 2025 – despite outflows totalling €11.17 billion
- The number of funds increased to 4,258

The net assets of regulated European real estate alternative investment funds (AIFs) totalled €1,048.9 billion at the end of 2025 – an increase of 1.4 per cent, or €14 billion, compared with the previous year. This is according to the latest figures from the European Fund and Asset Management Association (EFAMA). Growth in the number of funds also continued last year. The number of European real estate AIFs increased by 226 funds, from 4,032 at the end of 2024 to 4,258 at the end of 2025.

"European property funds continued to record modest growth last year, albeit at a significantly more subdued pace than in previous years. The latest figures are an initial sign that the market is bottoming out and gradually stabilising," says Ilva Diaco, Conducting Officer for Portfolio Management, Marketing & Distribution at INTREAL Luxembourg. "We are currently seeing a selective recovery – but there is still no sign of a broad-based easing. The first quarter of 2026 was also marked by growing nervousness, particularly due to geopolitical tensions, economic uncertainties and persistent inflation concerns. Against this backdrop, the quality of assets and financing security are becoming an even greater focus for investors."

A closer look at capital flows highlights the continuing challenging operating environment. Overall, European real estate AIFs recorded net outflows of around €11.17 billion last year. This corresponds to an outflow rate of around 1.08 per cent of the previous year's assets.

Luxembourg recorded above-average outflows, with an outflow rate of 6.8 per cent (–€9.26 billion), whilst Germany, at 1.13 per cent (–€3.24 billion), was roughly in line with the European average. In contrast, there were positive capital flows in individual markets: for instance, property funds in Greece achieved net inflows amounting to 7.3 per cent of the previous year's assets (+€535 million) and in Switzerland of 4.5 per cent (+€2.37 billion).

"Capital flows paint a mixed picture across Europe. Whilst some markets continue to be characterised by outflows, investor interest is picking up again in other regions. Overall, the environment remains challenging," adds Ilva Diaco.

"Despite the challenging market environment, INTREAL Luxembourg recorded significant growth and a substantial expansion of its client base last year. This growth is driven by increasingly discerning investors who expect bespoke solutions and close support – which is precisely what we offer through our local boutique approach, combined with the strength of our platform in Hamburg," explains Ilva Diaco.

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About INTREAL

INTREAL is an independent platform partner for real-asset services. As a service provider for investment companies and AIFMs, the company handles the launch and administration of real-asset funds in Germany and Luxembourg. In addition, INTREAL enables existing investment companies and AIFMs to efficiently outsource back-office services.

INTREAL also offers integrated software solutions as well as accounting and reporting services in the real asset market. The service portfolio is complemented by expert consultancy and IT services.

Through its presence in Luxembourg, the group is also represented in Europe’s largest fund centre. With 562 employees, the INTREAL Group administers 395 funds across 19 countries, with a total investment volume of around €90.1 billion (as at the end of Q4 2025).