

26 August 2015

RESEARCH ON EUROPEAN NON-LISTED REAL ESTATE VEHICLES

1. INREV BACKGROUND

INREV is the European Association for Investors in Non-Listed Real Estate Vehicles with a membership of over 350 across Europe, Asia Pacific and North America. INREV's goal is to improve transparency, professionalism and best practice across the sector, making the asset class more accessible and attractive to investors. For more information about INREV please visit www.inrev.org.

2. BACKGROUND TO THE NON-LISTED REAL ESTATE INDUSTRY

The non-listed real estate industry has grown tremendously over the past twenty years, offering an investment approach that has made indirect real estate investment more accessible for investors. Historically, it has been difficult for small and medium-sized investors to access real estate directly as this typically requires both critical mass and access to sector expertise. Today, with a growing menu of non-listed real estate vehicles, investors can now consider options such as joint ventures, club deals and funds of funds to access real estate in addition to the traditional non-listed real estate funds. The breadth of products begins to signal a maturing industry which can offer investors a diversity of approaches to suit their requirements whether that be by size, risk and / or return profile.

3. RESEARCH FOCUS

INREV is inviting academics to submit a research proposal focusing on one of the following areas:

- a. **New vehicle structures**, to include:
 - o Advantages and disadvantages
 - o Vehicle characteristics
- b. **Cash flow analysis of non-listed real estate vehicles**, to include:
 - o The impact of cash flows (capital calls, redemptions, distributions) on performance
- c. **Investors' approaches to real estate investments**, to include:
 - o Investors' approaches to real estate underwriting and investment decision making
 - o Structural changes and challenges impacting real estate investing for investors
 - Impact of regulation on investors' real estate investing
- d. **Life cycle of European non-listed real estate funds**, to include:
 - o A closer look at the J-curve effect and the end of life of a fund
- e. **Open research topic**
Academics are invited to propose their own suggestions for a research topic focusing on the European non-listed real estate industry.

4. DATA

INREV will provide data and assistance throughout the duration of the research project, as deemed necessary. The INREV vehicles database comprises of annual data since 2001 and quarterly data since Q1 2010. INREV data can be used in conjunction with other data as required (e.g. ANREV, NCREIF, EPRA, MSCI).

Table 1 Data availability

Annual index		Quarterly index		Fund characteristics
Year	No. of funds	Quarter	No. of funds	
2001	29	Q1 2010	237	Capital flows (capital calls, redemptions, distributions)
2002	45	Q2 2010	238	Capital growth
2003	56	Q3 2010	239	Country allocation
2004	74	Q4 2010	242	Gearing level (target, actual, maximum)
2005	102	Q1 2011	271	Gross asset value (GAV)
2006	137	Q2 2011	273	Income return
2007	187	Q3 2011	271	Investment style (core, value added, opportunity)
2008	239	Q4 2011	270	Legal vehicle structure
2009	269	Q1 2012	289	Liquidation year (planned, extension)
2010	269	Q2 2012	290	Net asset value (NAV)
2011	285	Q3 2012	289	Sector allocation
2012	294	Q4 2012	286	Target country (multi-country, single country)
2013	315	Q1 2013	304	Target IRR (to, from)
2014	303	Q2 2013	305	Target sector (multi-sector, single sector)
		Q3 2013	303	Total equity committed
		Q4 2013	302	Total equity invested
		Q1 2014	283	Total return
		Q2 2014	301	Valuation approach
		Q3 2014	296	Vehicle domicile
		Q4 2014	292	Vehicle structure (open end, closed end)
		Q1 2015	252	Vintage year

5. REQUIREMENTS FOR RESEARCH PROPOSAL

For a proposal to be considered, the following information needs to be submitted for consideration:

- 1) Concise research proposal of no more than four pages that includes:
 - Research objective(s) / hypothesis;
 - Outline of methodology and approach;
 - Research timetable;
 - Brief description of principal data sets required, including a plan for obtaining third party data (INREV data will be provided at no cost);
 - Estimated budget showing the total cost of the project detailing specific costs including data (INREV will not pay for university overhead or equipment costs).

2) Brief CV(s) of researcher(s), including a summary of qualifications that demonstrate experience and understanding of the research topic as evidenced by previous work experience, presentations and/or publications. Full contact details including email address and contact numbers.

Please note:

- Single author and joint author submission are permitted.
- Only one submission per researcher(s) may be submitted.
- Only emailed submissions will be accepted.
- Preference will be given to proposals that include the use of INREV data.

6. REVIEW PROCEDURES AND DEADLINES

The deadline for research proposals is **17.00 CET on Wednesday, 7 October 2015**. Research proposals will be reviewed by the INREV Research Committee who will shortlist the proposals. Successful researcher(s) will be asked to submit a more detailed proposal and to address further queries from the INREV Research Committee before the final selection is made.

Papers should represent, in the opinion of the INREV Research Committee, high-quality research of academic rigor and practical relevance, that addresses the research questions. Researcher(s) are expected to work closely with INREV and its Research Committee.

The project should start immediately upon signing of contract. The findings of the study should be written up in a final report and snapshot. Presentation of the results at the ERES 2016 in Regensburg is scheduled for 9 to 11 June 2016, and publication of the final report can be as early as April 2016.

7. INREV ACADEMIC RESEARCH GRANT

The INREV Academic Research Grant is €10,000 inclusive of all expenses and costs of the Researcher(s) required to conduct the research project and presentation at the ERES Conference 2016. The grant will be paid upon completion of the research to the satisfaction of the INREV Research Committee as set out in the memorandum of understanding between the Researcher and INREV.

8. CONTACT DETAILS

Proposals should be submitted in writing to annisa.prima@inrev.org

INREV standard Terms and Conditions apply to the project.