

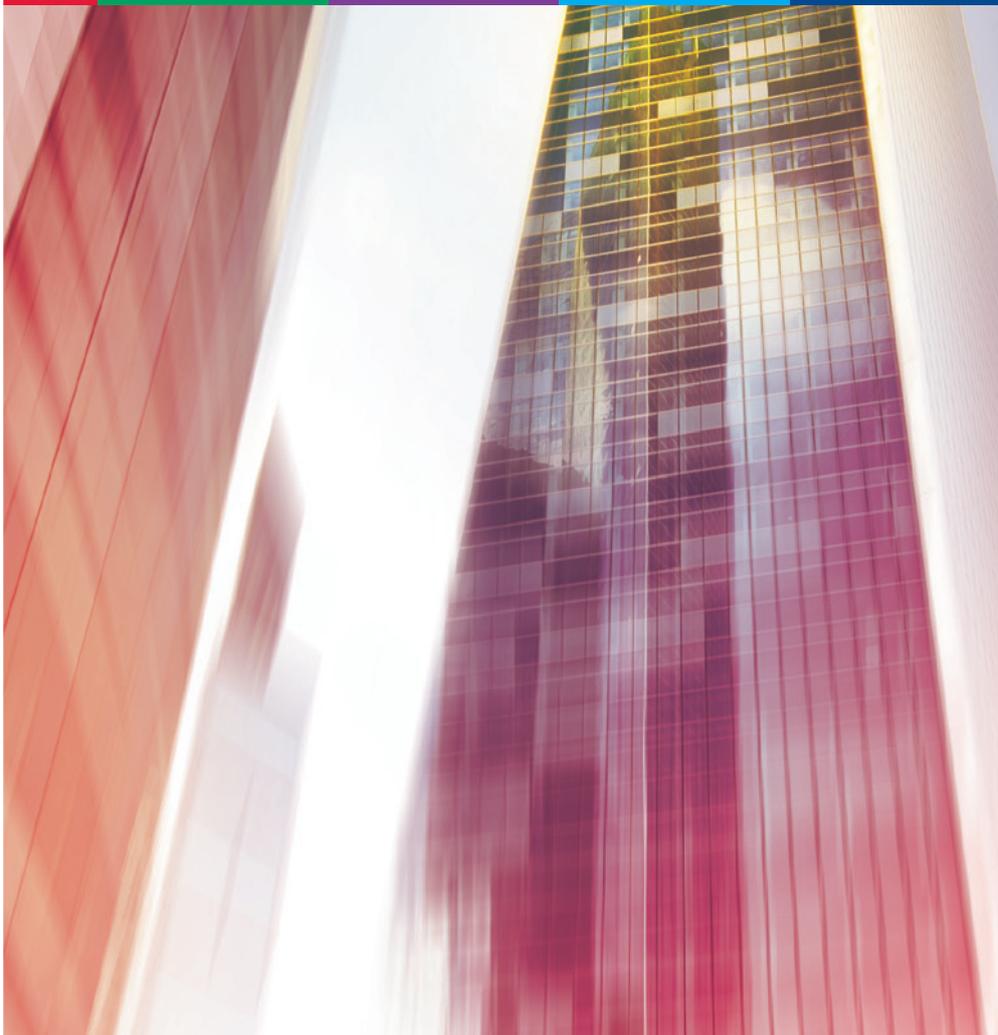


Research



Research Newsletter

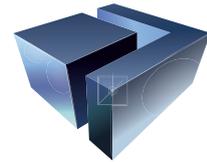
SUMMER 2016



A summary of research commissioned by the IPF and other property industry bodies

The IPF Research Programme supports the IPF's wider goals of enhancing the understanding and efficiency of property as an investment. The initiative provides the UK property investment market with the ability to deliver substantial, objective and high-quality analysis on a structured basis. It encourages the whole industry to engage with other financial markets, the wider business community and government on a range of complementary issues.

The 2015-2018 Programme is funded by a cross-section of businesses, representing key market participants. The IPF gratefully acknowledges the support of these contributing organisations:



CORNERSTONE



The IPF Research Programme is the largest property investment-focused research programme in the UK. The Programme is fundamental to the pursuit of the IPF objectives of improving the efficiency of the property investment markets and raising awareness and understanding of property as an asset class. It is one of the most important IPF activities, along with the education and CPD programmes. As one of the benefits of membership, IPF members can download the full findings of all IPF-funded research free of charge from the IPF website. Non-members can download summary reports and short papers free of charge.

This newsletter provides an up-date of the outputs of the IPF Research Programme since publication of the previous bulletin, together with advance notification of new projects in the pipeline.

In order to provide readers with as wide a view of relevant research activity within the industry, the newsletter also summarises recently completed and current projects being undertaken by other members of the Property Industry Alliance (PIA), which comprises: Association of Real Estate Funds (AREF), British Council for Offices (BCO), British Council of Shopping Centres (BCSC), British Property Federation (BPF), Commercial Real Estate Finance Council Europe (CREFCE), Royal Institution of Chartered Surveyors (RICS) and Urban Land Institute (ULI). Details of research undertaken by INREV, the European Association for Investors in Non-Listed Real Estate Vehicles, are also included in this newsletter.

The next update will be published in approximately six months' time.

Dissemination

The IPF is very keen that the outputs of the Research Programme are disseminated to as wide an audience as possible. Research is disseminated as:

- Summary reports, annual surveys, short papers and At a Glance outlines, available to download from the IPF website free of charge to members and non-members alike.
- Full research reports, available to download from the IPF website by Research Programme Sponsors and members only for the first 12 months following publication.

Full research findings are made available to university libraries in pdf format. Non-members seeking access to these reports should contact Pam Craddock, IPF Research Director, at pcraddock@ipf.org.uk in the first instance.

The IPF Research Programme has developed as an important provider of high quality independent research, focused specifically on property investment. It can only continue to fulfil this role due to the support of our sponsoring organisations. The IPF is very grateful to this group for their support of the Programme.

Recently Published IPF Research

Major Research Projects

Unravelling Liquidity in International Commercial Real Estate Markets (March 2016)

Liquidity is a key factor in private commercial real estate investment, affecting pricing and investment strategies, varying over time and between individual assets in the private real estate market. It also varies between different cities and countries, but, to date, research into such differences and the extent to which they are priced has been lacking. Through parallel qualitative and quantitative studies, this research has investigated brokerage models, sales methods, average times to transact, transaction volumes and yields and turnover rates across 26 countries and 36 city office markets to illustrate the diversity of indicators that relate to market liquidity.

Full, Summary and At a Glance reports are available to download from the IPF website.
<http://www.ipf.org.uk/resourceLibrary.html>

Short Papers

Defining Investment Quality (January 2016)

A definition of quality in a property investment context is increasingly sought after by the investment management and advisory communities. This research seeks to establish an accepted industry-wide definition of quality and develops a framework to identify the influence of quality on performance generation.

The Short Paper and At a Glance summary are available to download from the IPF website.
<http://www.ipf.org.uk/resourceLibrary.html>

Annual Reports

The Size & Structure of the UK Property Investment Market: End 2015 Update

This research records the total value of invested and owner-occupied commercial property in the UK at the end of 2015. In addition to the published update, an excel file of tables and charts provides summary data in a readily accessible format.

This report and At a Glance summary are available to download from the Resource Library of the IPF website.
<http://www.ipf.org.uk/resourceLibrary.html>

IPF Work in Progress

Major Reports

Changing Sources of Debt Capital Flows

This research will investigate how the sources of debt for real estate have changed since the onset of the global financial crisis of the mid-2000s and what the implications of this shift might be. The research will address a number of issues, including: the emergence of new lenders, what the market implications may be of changes in the sources of debt, and, particularly, whether these will inject more or less risk into the system. How regulation is affecting the ability and appetite of different market participants will also feature, as well as the impact of an abundant supply of equity on bank lending.

Scheduled for publication Q4 2016.

An Investigation of Hurdle Rates in the Real Estate Investment Process

Hurdle rates have traditionally been a key part of the investment decision process, but little is known of how specifically they are calculated and used in practice. This study will identify whether investors still use hurdle rates when making investment decisions and, if so, how they determine these when selecting and/or retaining real estate investments. Aspects that the research will cover include the extent to which formal hurdle rates are used in investment decision-making across a range of investor types and the methodologies used, as well as whether different rates apply to different assets, defined by geography or other characteristics, and if there is a pattern to approaches adopted by different types of investor with differing mandates.

Scheduled for publication end 2016.

Short Papers Series

Crowdfunding – Gimmick or Game-Changer?

For publication under the Short Papers Series, this research will review the characteristics of crowdfunding at a high level and investigate its potential as a new source of both equity and debt funding for commercial real estate investment and development.

Scheduled for publication Q4 2016.

UK Residential Property: Institutional Attitudes and Investment Survey 2016

This annual survey monitors the level of investment and interest in UK residential property by over 40 institutional investors.

Scheduled for publication September 2016.

To view 2015 survey report please visit: <http://www.ipf.org.uk/resourceLibrary/uk-residential-property--institutional-attitudes-and-investment-survey--august-2015-.html>

Research Proposals

We are pleased to consider research proposals from academics and practitioners alike and, in terms of themes, specific areas of interest for the 2015-2018 Programme comprise:

- asset allocation;
- portfolio selection; and
- asset management.

Additionally, we seek to support a number of key industry issues identified by the IPF membership. Research proposals will be welcomed that seek to enhance the understanding of:

- how property is financed and funded;
- the impact of legislation and regulation;
- sustainability;
- internationalisation of real estate; and
- alternative property investment.

Proposals that clearly specify how the findings of such research are to be disseminated and, where applicable, how researchers will engage with industry practitioners to encourage the adoption of new approaches may be given greater consideration than those that do not include such information.

Guidance notes and an application form may be downloaded from the IPF website. If you would like to discuss a potential research proposal prior to submission, please contact Pam Craddock, IPF Research Director.

If you are in a position to provide data, contacts or any other type of support for new research projects, please contact Pam Craddock, IPF Research Director, at pcraddock@ipf.org.uk.

Regular Publications

Regular Reports & Surveys are also available to download from the IPF website.

UK Consensus Forecast

Published on a quarterly basis, the IPF UK Consensus Forecast provides a consensus view of the likely performance of the UK commercial property markets annually over the next five years. Contributors to the consensus are drawn from the fund management, agency, research and equity broker communities. The latest version is posted on the IPF website with a summary report available for non-members. Full historic reports (published more than 12 months ago) and summaries are available free of charge to both members and non-members. The most recent survey results were published in May 2016.

<http://www.ipf.org.uk/resourceLibrary/investment-property-forum-uk-consensus-forecasts-summary-report-may-2016.html>

European Consensus Forecast of Prime Office Rents

Published on a six-monthly basis, the European Consensus forecast gathers views from 15 property advisors and fund managers of prime office rents in 28 European cities for each of the next five years. The results of this survey are published in May and November of each year.

<http://www.ipf.org.uk/resourceLibrary/ipf-european-consensus-forecasts-report--may-2015-.html>

IPF Back Catalogue

The following projects have been funded and published through the IPF Research Programme 2011-2015. Full reports are available for download from the Resource Library of the IPF website for IPF members only in the first 12 months following publication.

- Unravelling Liquidity in International Commercial Real Estate Markets (March 2016)
- Individual Property Risk (July 2015)
- Liquidity Pricing of Illiquid Assets (February 2015)
- Estimating Liquidity in Real Estate Markets - Literature Review (February 2015)
- Prospects for Institutional Investment in Social Housing (February 2015)
- Time to Transact: Measurement and Drivers (September 2014)
- The Size and Structure of the UK Property Market 2013: A Decade of Change (March 2014)
- Returning to the Core: Rediscovering a Role for Real Estate in Defined Contribution Pension Schemes (October 2013)*
- Modelling Causes of Rental Depreciation for UK Office and Industrial Properties (June 2013)
- The Role of Commercial Property in the UK Economy (March 2013)
- The Future of Property Forecasting (November 2012)
- Reassessing the Accuracy of UK Commercial Property Forecasts (November 2012)
- Costing Energy Efficiency Improvements in Existing Commercial Buildings (October 2012)

Projects funded and published through the IPF Research Programme 2006-2009:

- Real Estate's Role in the Mixed Asset Portfolio: A Re-examination:
 - Real Estate Returns and Financial Assets in Extreme Markets (May 2012)
 - Time Varying Influences on Real Estate Returns (April 2012)
 - Private Commercial Real Estate Returns and the Valuation Process (April 2012)
 - Real Estate Returns and Other Asset Classes: A Review of Literature (April 2012)
 - A Re-examination Summary Report (March 2012)
- Depreciation of Commercial Investment Property in the UK (November 2011)
- Property and Inflation (April 2011)
- Risk Web 2.0 An Investigation into the Causes of Portfolio Risk (March 2011)
- UK Institutional Investors: Property Allocations, Influences and Strategies (July 2010)
- Depreciation of Office Investment Property in Europe (March 2010)
- ISPI (UK): Creating a Sustainable Property Investment Index (October 2009)
- The Treatment of Covenant Strength by the UK Property Industry (August 2009)
- Urban Regeneration: Opportunities for Property Investment (August 2009)
- Greening Leases – The Landlord and Tenant Relationship as a Driver for Sustainability (August 2009)
- Demand for Sustainable Office Buildings in the UK (May 2009)

* Funded jointly with AREF, EPRA and the IFoA and available to download via all organisations' websites.

IPF Back Catalogue

- Real Estate Investment Trusts: The US Experience and Lessons for the UK (May 2009)
- Costing Energy Efficiency Improvements in Existing Commercial Buildings (January 2009)
- Implication for the Strategic Development of UK REITs from the Experience of LPTs in Australia (April 2008)
- Retail Investor Attitudes to Commercial Property Investment (May 2008)
- Alpha and Persistence in UK Property Fund Management (April 2008)
- Risk Management in UK Property Portfolios: A Survey of Current Practice (December 2007)
- Large-scale Investor Opportunities in Residential Property: An Overview (November 2007)
- The Energy Performance of Buildings Directive and Commercial Property Investment: A Situation Review (September 2007)
- The Use of Periodic Valuations in Indirect Property Investment (June 2007)

Short Paper Series – all reports are available to download free of charge from the IPF website:

- Defining Investment Quality (January 2016)
- Emerging International Real Estate Markets (December 2015)
- UK Development Finance Review 2015 (September 2015)
- Pricing Retail Space (June 2015)
- Implications of a UK Withdrawal from the EU: A Discussion Paper (April 2015)
- What is Fair Value? (April 2015)
- What Constitutes Property for Investment Purposes? A Review of Alternative Assets (February 2015)
- A Review of Interest Rate Hedging Strategies (January 2015)
- Residential Investment in International Markets (November 2014)
- Zombies and Beyond: A Further Update on UK Real Estate Debt (September 2014)
- Implications for Property Yields of Rising Bond Yields (June 2014)
- Constructing an Effective Rental Value Index (January 2013)
- A Decade of Fund Returns (July 2012)
- Implications of the Eurozone Crisis for the UK Real Estate Market and UK Investors (June 2012)
- Institutional Attitudes to Investment in UK Residential Property (June 2012)
- Property Banking Forum: Outlook for Development Finance (November 2011)
- The Outlook for UK CMBS (November 2011)
- Property Banking Forum: Lending Intentions Survey 2011 (March 2011)
- A Review of the Current State of the UK CMBS Market (February 2011)
- Prepack Administrations and Company Voluntary Arrangements (February 2011)
- Rent Reviews – Revolution or Evolution? (November 2010)
- Break Clauses – Who Holds the Risk in your Rental Income? (November 2010)

IPF Back Catalogue

- Real Estate Debt - an update (January 2010)
- The Evolution of the Market for Indirect Investments in Commercial Property (Feb. 2010)
- The Robustness of Property Income (November 2009)
- Repricing Property Risk (November 2009)
- Issues in Property Investment Valuation (October 2009)
- The IPF UK Consensus Forecast and the Returns Implied by Property Derivative Pricing: Evolution, Record & Influence (August 2009)
- UK Real Estate Debt: Problem for the Borrowers and the Banks (July 2009)

In addition to the projects listed, the following research projects were funded through the IPF and IPF Educational Trust Joint Research Programme, some with additional partnership funding:

- Planning Policy and Retail Property Market Performance in English Towns and Cities (October 2008)
- Asset Allocation in the Modern World (July 2007)
- Index Smoothing and the Volatility of UK Commercial Property (March 2007)
- Risk Reduction and Diversification in Property Portfolios (February 2007)
- Property Stock Selection: Organisation, Incentives and Information (November 2006)
- The Sustainable Property Appraisal Project† (November 2006)
- Pricing Property Derivatives: An Initial Review (September 2006)
- The Investment Performance of Listed Office Buildings† (May 2006)
- Institutional Investment in Regeneration: Necessary Conditions for Effective Funding (May 2006)**
- Disagreement and Uncertainty in UK Property Market Forecasts (January 2006)
- Depreciation in Commercial Property Markets (July 2005)
- Investment Performance and Lease Structure Change in the UK (July 2005)
- The Size and Structure of the UK Property Market (July 2005)
- Opening the Door to Property: Assessing the Needs of Small Investors in Property (September 2004)
- Liquidity in Commercial Property Markets (April 2004)

PDF copies of all these reports are available to download free of charge from the IPF website: <http://www.ipf.org.uk/resourcelibrary.html>

If you have any questions about the IPF Research Programme or about any of the reports listed above, please contact Pam Craddock (pcraddock@ipf.org.uk).

Recent BCO Research

Ventilation in Offices (January 2016)

A review of the main types of ventilation currently in use in offices.

This study of office ventilation systems gauges the current level of satisfaction with ventilation systems from the perspective of the user. A survey questionnaire was distributed to BCO members for their views. Whilst natural ventilation was best in terms of sustainability, it did not result in higher satisfaction levels amongst office occupiers. The application of hybrid systems which combine natural and mechanical ventilation with the benefits of energy savings and greater control was seen as the way forward.

http://www.bco.org.uk/Research/Publications/Ventilation_in_offices.aspx

Business Rates: Who Pays and Why it Matters (February 2016)

A focus on the impact of business rates on the office sector

This report is a summary of the earlier report Business Rates: Who pays and why it matters, published in December 2015. However it differs in that it focuses on the office sector alone. The earlier report covered the impact of business rates on all sectors: retail; industrial and offices. This exploration reveals that the relationship between business rates and rents in regional office markets is stronger than in London. The changes experienced in rates paid appear to be reflected most strongly in the adjustment of rental values in retail markets but also in the office market.

http://www.bco.org.uk/Research/Publications/Business_Rate_Who_Pays_And_Why_It_Matters_Summary.aspx

Underlying Business Costs (February 2016)

An examination of the widely accepted, informal 80:10:10 (salaries: property: other costs) 'rule of thumb' that has featured in the property industry for many years.

This research used Annual Business Survey data from the Office for National Statistics to review the rule of thumb. The data represented around six million jobs annually or 20% of all jobs and around £429 billion in combined total business costs from the four key sectors representing 'the office economy'. There was a significant amount of variation across the four key sectors in terms of purchase costs and employment costs, however, property costs were fairly consistent. The full analysis is available in the report.

What Workers Want 2016 (June 2016)

The BCO and Savills commissioned this survey to look at what workers want from their offices. It was an update of the earlier report published in April 2013. The purpose of the survey was to identify staff preferences and to provide insight into what individual workers really wanted from their office space.

There was a total of 1132 responses to the online survey, conducted by YouGov. It looked at the most important office issues and how satisfied workers were with their offices and found that the key issues for workers were comfort, temperature and lighting. Other important factors were the length of the commute to work and the cleanliness of the office. Openreach (a BT group business) shared its experience of providing office space for its workers in the case study.

http://www.bco.org.uk/Research/Publications/What_Workers_Want_2016.aspx

Recent BCO Research

25 Years of the BCO (June 2016)

In 1990/91 the British Council for Offices was established, in 1992 the BCO Awards were created and in 1994 the first BCO Guide was published. This report reviews how the office has changed over the last 25 years.

The BCO commissioned Savills and Arcadis to consider the role the BCO has played in driving, facilitating or supporting changes in the office sector.

The full report is clustered around five broad themes:

- design, fit-out, technology and the worker
- performance and sustainability
- specification and construction
- planning, design and place
- the office as an asset.

Over the past 25 years, the focus of the office has shifted to how it works best for people and organisations. Offices have contributed to the sustainability agenda, placemaking and the BCO Guide to Specification has become the document that sets the standards for office development across the UK.

http://www.bco.org.uk/Research/Publications/25_Years_Of_The_BCO.aspx

All research can be downloaded via the BCO website.

Recent BCSC Research

Outlook for Retail 2016

In partnership with Retail Economics, BCSC is pleased to publish its latest report Outlook for Retail 2016 as part of its analytics research programme.

The last 12 months has seen the UK retail landscape in continuous flux with digital and online technologies forging an inevitable shift in retail business models. Underlying these sectoral challenges lie a complex macroeconomic environment which underpins consumer sentiment and spending power.

This report provides the context behind this change, with key insights into the following:

- Consumer backdrop in 2016
 - inflation, labour market, credit and household borrowing, interest rates, consumer confidence and more
- Retailer backdrop in 2016
 - cost pressures, business rates, Sunday trading, digital – breaking down barriers, UK referendum – to stay or not to stay?
- Retail sector dashboard
 - Key stats on food and grocery, clothing, consumer electricals, and product categories

This is a one-stop shop to understanding how these issues are challenging the industry and the impact they are having on retail performance.

To access the report: www.bcsc.org.uk

Health, Wellbeing & Productivity in Retail: The Impact of Green Buildings on People and Profit.

BCSC in partnership with the UK Green Building Council and a consortium of leading industry players, have published this cutting-edge report on Health, Wellbeing & Productivity in Retail: The Impact of Green Buildings on People and Profit.

The report empowers retailers and the wider industry to look within their own properties, to understand and monetise how better more sustainable physical environments can drive profit.

At the heart of the report is the Retail Metrics Framework which attempts to make the health, wellbeing and productivity aspects of sustainable buildings accessible, personal and actionable for the industry. Some of the key areas which the framework:

- indoor air quality
- thermal comfort
- lighting
- interior layout
- active and inclusive design and more

To access the report: www.bcsc.org.uk

Recent BCSC Research

Guidance notes

A suite of guidance notes are being prepared by the Technical Affairs and Security and Safer Shopping Committees, in the areas of:

- Archaeology and The Historic Environment
- Over Tiling Retail Floors
- ID Verification
- Energy Centres

To access guidance notes: www.bcsc.org.uk

Industry performance monitors

BCSC published the following industry performance monitors:

- BCSC Footfall Monitor – in partnership with FootFall
- BCSC Vacancy Monitor – in partnership with the Local Data Company (LDC)

To access industry monitors: www.bcsc.org.uk

Upcoming research

Barriers international retailers face when seeking opportunities in the UK

This project will explore the barriers to entry for international retailers, including F&B and leisure operators, investing in the UK. BCSC would like to understand the nature and breadth of these barriers – whether financial, regulatory, landlord related or other – to form a credible evidence base in understanding what is deterring international retailers from investing in the UK. We will then use the evidence to encourage industry and / or government to address these issues to secure more inward investment.

Upcoming guidance notes

The following guidance notes have / will be published in the coming months:

- Planning to Manage a Major Incident
- Design Guidance for Markets in Retail Schemes
- Managing Security in Shopping Centre Car Parks
- Considerations for Designing Good Public Realm

Recent BPF Research

Delivering The Goods: The Economic Impact of the UK Logistics Sector (1 December 2015)

This report sets out the full economic value of the logistics sector, and makes recommendations on how its contribution to the economy can be supported.

<http://www.bpf.org.uk/sites/default/files/resources/BPF-Delivering-the-Goods-Dec-15-web.pdf>

Business Rates: Who Pays and Why it Matters (10 December 2015)

We commissioned this report by Regeneris alongside BCSC and BCO, showing the effect of business rates on landlords as well as occupiers, and demonstrating that increases in business rates cause a fall in rental values, harming investment in real estate.

<http://www.bpf.org.uk/sites/default/files/resources/Who%20pays%20business%20rates%20research%20%28BPF-BCO-BCSC%29%20Final.pdf>

Town Centre Investment Zones - Report of the Fragmented Ownership Group (18 January 2016)

This report, put together by a group of property industry experts including ourselves, has proposed a radical new model to get investment back into Britain's high streets, and to tackle the problem of 'fragmented ownership'.

<http://www.bpf.org.uk/sites/default/files/resources/TCIM-summary-paper.pdf>

Britain's Property CREdentials (20 January 2016)

This report, commissioned from Toscafund, reveals true extent and value of the commercial property industry in the UK. It highlights how real estate is intrinsic to the fabric of our lives and businesses, from transport and infrastructure, to universities and private rented housing, to sustainable communities and every type of business activity.

<http://www.bpf.org.uk/sites/default/files/resources/Britains-Property-CREdentials-Report-Jan-2016.pdf>

BPF-Grosvenor Property Leader Sentiment Survey 2016 (4 March 2016)

This joint survey with Grosvenor identified the views of property owners, investors and advisors on prospects for the UK's real estate sector in the year ahead and beyond.

<http://www.bpf.org.uk/sites/default/files/resources/BPF-Grosvenor-Property-Leader-Survey-2016.pdf>

Recent INREV Research

Investment Intentions Survey (January 2016)

The Investment Intentions survey explores global real estate allocations, providing insight into investment trends across Europe, Asia Pacific and North America. Since 2012 the survey has had a global outreach as a joint research project between INREV, ANREV and PREA.

<https://www.inrev.org/research/investment-intentions>

INREV Quarterly Index – Q4 2015 (February 2016)

The INREV Quarterly Index measures net asset value (NAV) based quarterly performance for non-listed real estate funds investing 90% or more in Europe.

<https://www.inrev.org/industry-data/overview>

Capital Raising Survey (March 2016)

Since 2015, the survey has been conducted in conjunction with ANREV and NCREIF and examines the total equity raised for the non-listed real estate industry across Asia Pacific, Europe and North America, looking at different strategies for raising capital and fund managers' expectations of how capital raising activities will develop over the next few years.

<https://www.inrev.org/research/capital-raising>

Global Real Estate Fund Index (GREFI) – Q4 2015 (March 2016)

The Global Real Estate Fund Index (GREFI) is jointly produced by INREV, ANREV and NCREIF and measures the performance of non-listed real estate vehicles on a global scale.

<https://www.inrev.org/industry-data/grefi>

INREV Annual Index – 2016 (April 2016)

The INREV Annual Index is a performance index for the European non-listed real estate funds investing 90% of GAV or more in Europe.

<https://www.inrev.org/library/publications/193-inrev-annual-index>

INREV Quarterly Index – Q1 2016 (May 2016)

The INREV Quarterly Index measures net asset value (NAV) based quarterly performance for non-listed real estate funds investing 90% or more in Europe.

<https://www.inrev.org/industry-data/overview>

Fund Manager Survey (May 2016)

The Fund Manager Survey looks at total real estate assets under management (AUM) of fund managers active in the non-listed real estate fund industry globally. Since 2015 the survey has been conducted in conjunction with ANREV and NCREIF.

<https://www.inrev.org/industry-data/fund-manager-survey>

Recent INREV Research

Real Estate to the Real Economy (June 2016)

An updated (2016) report commissioned by INREV and EPRA that explores real estate's role in the European economy.

<https://www.inrev.org/library/publications/742-real-estate-in-the-real-economy>

Commercial Real Estate Debt in the European Economy (June 2016)

This paper sets out the contribution of Commercial Real Estate (CRE) debt in Europe to the real economy. It considers the changing structure of the market, the characteristics. This paper was produced by APL, CREFC Europe, INREV and ZIA.

<https://www.inrev.org/library/publications/4290-commercial-real-estate-debt-in-the-european-economy>

Global Investor Index - 2016 (June 2016)

INREV launches a new Global Investor Real Estate Performance Index that allows investors across the world to track and benchmark their performance with their peers. The index covers activity in all major real estate sectors, regions and four main routes to real estate investment – listed, non-listed, direct and commercial real estate debt.

<https://www.inrev.org/library/publications/4247-global-investor-real-estate-performance-index>

German Vehicles Index - 2016 (June 2016)

INREV launches a new German Vehicles Index covering the performance of non-listed German real estate vehicles. This is the first time that INREV has produced an Index that is based on a single criteria – the vehicles must be domiciled in Germany.

<https://www.inrev.org/library/publications/4252-german-vehicles-annual-index>

Forthcoming INREV Research Publications 2016

Funds of Funds Study (July 2016)

The study provides an overview of the fund of funds industry globally, including insights by target region, by style and structure as well as other characteristics of funds of funds. The study also provides a detailed analysis into the performance of funds of funds.

<https://www.inrev.org/research/fund-of-funds>

Management Fees & Terms (July 2016)

The Management Fees and Terms study includes an overview of the fee structures and fee levels of non-listed real estate funds.

<https://www.inrev.org/industry-data/management-fees-and-terms>

The Impact of Currency Risk on European Non-Listed Real Estate Funds (July 2016)

The research explores currency risk and whether it has a significant impact on non-listed European real estate fund performance with a particular focus on closed end funds.

Fund Termination Study (September 2016)

The INREV Fund Termination Study examines the options fund managers consider as the termination date of their funds approach, looking at trends in continuation and strategies on how current market conditions impact on the decision making process.

<https://www.inrev.org/research/fund-termination>

Recent RICS Research

The Hub and Place

The research is an international study of the processes and stimulants of large infrastructure transport hubs and the effects on urban development in the UK, China and India, using Kings Cross St Pancras, Guangzhou Railway Station and Delhi Metro respectively. Lessons are learnt from interaction between multiple actors, interconnectedness of governance, favourable economic context and availability of finance and opportunities for overseas investors.

<http://www.rics.org/uk/knowledge/research/research-reports/the-hub-and-the-place/>

REITs in China: Opportunities and Challenges

The research aims to compare the REITs in HK, China and Singapore in terms of regulation, taxation, costs and returns. As an important tool for facilitating real estate liquidity, the opportunity for the development of Real Estate Investment Trusts (REITs) in China has arrived. The survey results indicate that although the prospects of REITs in China are bright, there are limitations. Currently in the Chinese real estate market, there are few properties that are suitable for development of REITs.

<http://www.rics.org/uk/knowledge/research/research-reports/reits-in-china-opportunities-and-challenges/>

Construction Cost and Commercial Management Services in the UK and China

Report aims to provide huge benefits for all stakeholders through better understanding of differences between UK Quantity Surveying Systems and China Engineering Cost Systems and its qualifications (RICS & CECA). As well as improving professional mobility and collaboration between UK and China construction companies. The research also helps UK and China to increase their global competitiveness and business proves. It will be a catalyst for sustainable development and effective cost management innovation in both UK and China construction industries.

<http://www.rics.org/uk/knowledge/research/research-reports/construction-cost-and-commercial-management-services-in-the-uk-and-china/>

Office Environments and Productivity in the Middle East

500 office workers explored productivity in office environments and challenge preconceptions and understanding of why "one size does not fit all". The Middle East has seen a significant influx of multi-national companies over recent years which, when coupled with the requirements of local companies, has created a wide variety of occupation styles across commercial office space in the region. An online survey of office workers in the region was carried out to understand their working habits, motivations, likes, dislikes, access to light, working environment etc. This led to statistical data analysis and conclusions as to how the physical design of a commercial office responds to these needs and create a more productive workspace.

<http://www.rics.org/uk/knowledge/research/insights/office-environments-and-productivity-in-the-middle-east/>

Recent RICS Research

Housing Associations and Market Renting in the North of England

Research looked at the nature of Housing Associations' current engagement with market renting, their plans for the future, and examine opportunities for, and barriers to, extending activity. The research explores the regional responses to a changing context in housing associations and market renting in the North East and North West of England.

<http://www.rics.org/uk/knowledge/research/research-reports/housing-associations-and-market-renting-in-the-north-of-england/>

Public Sector Asset Management (PSAM): Roundtable Report

The major research effort started with a series of roundtables around the globe to collect PSAM best practice and other data and come up with recommendations. Now more than ever, public sector asset management (PSAM) professionals are in a position to influence public policy as governments seek ways to manage their assets more responsibly. In light of the immense backlog of deferred maintenance that governments have accumulated among their portfolios, leaders recognise that the old way of managing assets is unsustainable.

<http://www.rics.org/uk/knowledge/research/research-reports/psam-roundtable-report/>

The Practice of Stakeholder Engagement in Infrastructure Projects

This trans-disciplinary scoping study seeks to explore the practice of stakeholders' engagement in infrastructure projects. This project has a global application drawing from the Cross-rail (UK) and East-West link (Australia) infrastructure projects. Using East West Link in Melbourne and Crossrail in London as case studies, this research analyses stakeholder engagement in the planning and development phase of public infrastructure projects.

<http://www.rics.org/uk/knowledge/research/research-reports/the-practice-of-stakeholder-engagement-in-infrastructure-projects/>

Property Valuation in Ghana

The research evaluates property valuation practices in Sub-Saharan Africa (SSA) using Ghana as a case-study. Professional and ethical property valuation services are vital to the sustenance of the current real estate business and investment activities. However, there are serious concerns over the standard of property valuations produced in the region. These concerns relate to valuation errors, in particular, wide variation in valuations. Using empirical evidence from Accra, Ghana, as a case study, the aim of the research was to evaluate property valuation practice in SSA.

<http://www.rics.org/uk/knowledge/research/research-reports/property-valuation-in-ghana/>

Recent RICS Research

Future of policy and standards for low and zero carbon homes

This research evaluates policy and standards for promoting the delivery of low and zero carbon (LZC) new homes in England, in the context of the 2012 Housing Standards Review and the recently withdrawn 2016 zero carbon target. The numerous policies and standards for housing developed and adopted in the private market and by local authorities were widely viewed as over-complicated and not always steering towards the most cost effective and sustainable building solutions.

<http://www.rics.org/uk/knowledge/research/research-reports/future-of-policy-and-standards-for-low-and-zero-carbon-homes/>

New Business Practices: Estate Agency Interactions in England and New Zealand Housing Markets

Research aims to understand the contemporary role of agents and other information sources in shaping owner occupiers' search and bidding behaviour in the UK and New Zealand. Estate agents have been witnesses and participants to significant changes in technology and communication within the residential transaction process since the 1990s. The aim of the interviews were to explore, the pressures and opportunities emerging from technological innovation, changes in home buyers' and vendors' behaviour. Lastly, it looks at the responses of the estate agency profession to changes in technology and buyer and vendor behaviour.

<http://www.rics.org/uk/knowledge/research/research-reports/new-business-practices-estate-agency-interactions-in-england-and-new-zealand-housing-markets/>

Natural Capital Planning Tool

This research developed a Natural Capital Planning Tool (NCPT) allowing planners and developers to assess the impact of proposed developments and plans on the provision of ecosystem services. The purpose was to devise a reliable, and industry acceptable, assessment methodology based on ecosystem services. The aim was to develop a fit-for-purpose tool which allows the indicative, but systematic assessment, of ecosystem services in a planning context.

<http://www.rics.org/uk/knowledge/research/research-reports/natural-capital-tool-planning-/>

Recent Jointly Funded Research

Commissioned by Association of Property Lenders, CREFC Europe, INREV & ZIA

Commercial Real Estate Debt in the European Economy (2016)

Debt plays a complex role in the commercial real estate (CRE) economy. As the Global Financial Crisis showed, excessive leverage can increase the amplitude of the CRE cycle, creating dangerous feedback loops for lenders. The industry report *A Vision for Real Estate Finance* explored that issue in depth and made a number of recommendations for addressing it. Less attention has been given to the essential – and positive – role that debt plays. This report, based on interviews with industry participants and secondary research, seeks to articulate how debt enables CRE investment, thereby also supporting the real economy that uses CRE. It also explores the emergence of CRE debt as an investable asset class in its own right, outlining the different ways in which non-banks can participate in the market, and the influence of (often piecemeal) regulation in shaping the market.

<https://www.inrev.org/cre-debt>



NOTES



Research

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