

AT A GLANCE

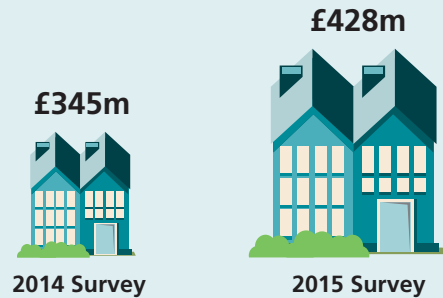
Current Investment

UK Total Private Rented Sector vs. Institutional Investment in PRS

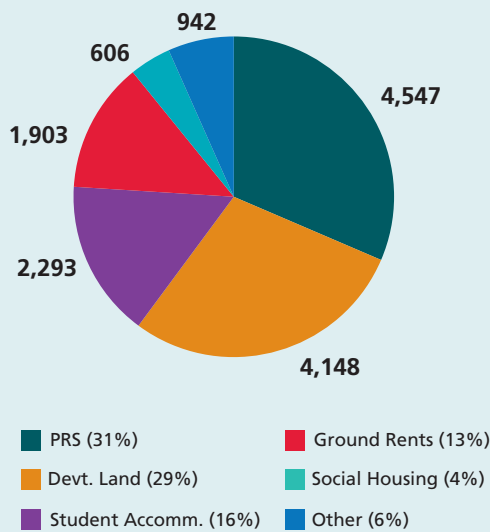


Source: The Size and Structure of the UK Property Market: End-2014 Update, IPF, July 2015

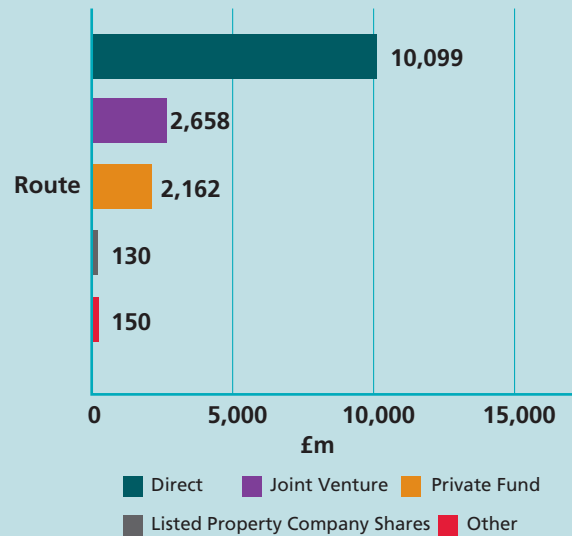
Average Holding per Investor



Investment by Asset Type (£m)



Investment Route (£m)

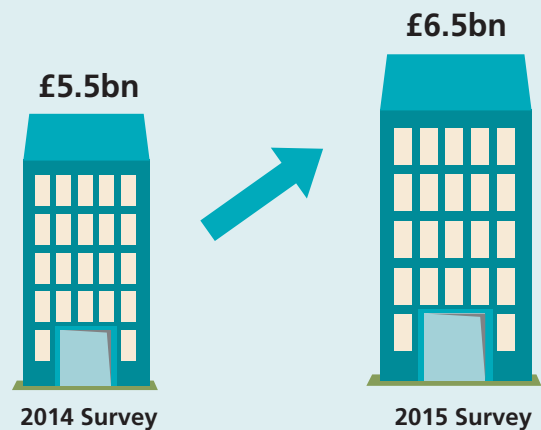


Future Intentions

Investor Intentions (Proportion of Respondents)

12 months		3 years
32%	=	21%
58%	↑	66%
8%	↓	11%

Investment Intentions next 12 Months



KEY POINTS

- 2015 survey participants held in excess of £3 trillion of assets under management - real estate comprised approximately £220 billion or c.7.3% of these holdings.
- The cumulative value of the UK residential holdings of the 36 respondents providing such data was £15.4 billion (c.7.5% of all UK real estate assets). Average holdings per investor were just under £428 million.
- Direct ownership was the preferred method of holding for the majority of respondents, representing c.66% by value of all residential assets disclosed.
- Just under half of respondents invested through joint ventures and a third used private funds. Four investors gained exposure via listed property company shares; 1% of total residential investment.
- Investment in the private rented sector (PRS) was marginally the most popular type of investment (31% of all assets); development attracted just under one-third (29%) of the total, followed by student accommodation (16%).
- 18 contributors provided data on their development activities. The gross development value of these projects totalled £10.7 billion. 60% of the pipeline was earmarked for disposal; eight contributors intended to sell on completion and five were building exclusively to rent.
- The principal rationale for investing in residential was its returns profile, followed by development potential. Stability of income was also a major attraction.
- Nine of the participants did not invest in residential; low income yield was cited by all as an important issue. Two respondents had no intention of investing in the future and only one quantified their investment intentions for the next three years, stating a preference for investment in PRS and student accommodation.
- More than half of existing investors planned to increase investment over the next 12 months, with three expecting to reduce their exposure. The scale of potential new investment was approaching £6.5 billion. PRS remained the most favoured sector with £2.89 billion (or 45%) earmarked for this segment, followed by development (£1.52 billion or 24%).

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