

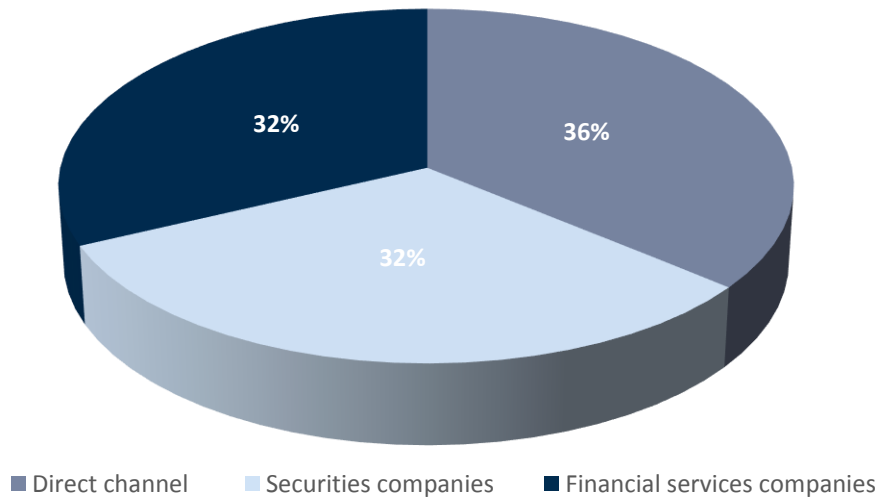
TME Trend Study REIM 2014 - EXCERPT

Arising requirements for
investment managers

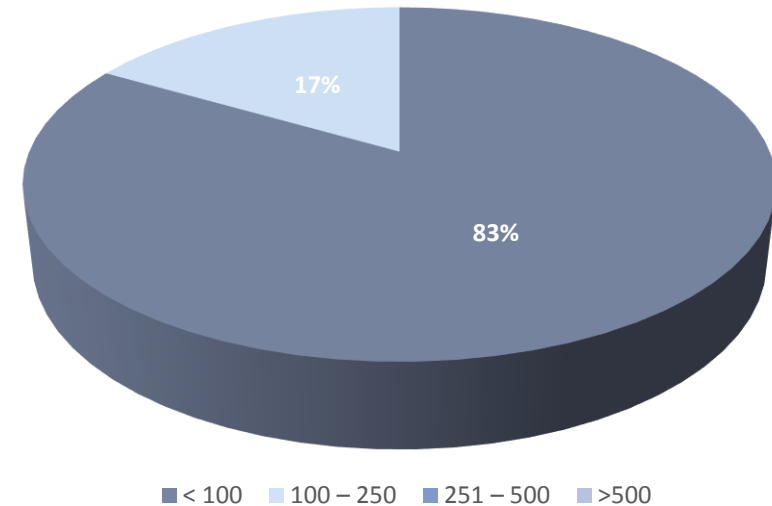


Distribution channels used and number of employees working in real estate segments of participating companies

Distribution channels



of employees (in the real estate segment)



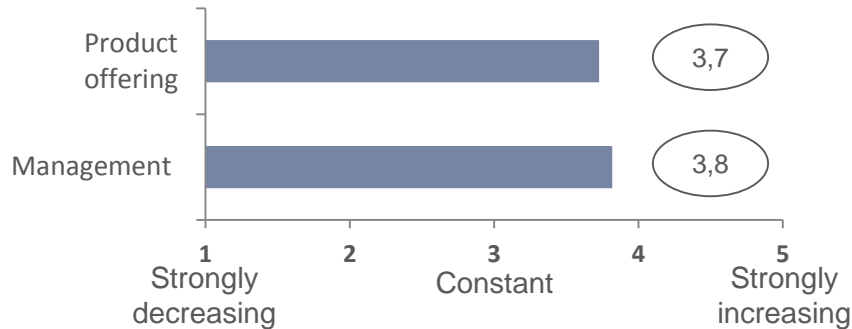
- No distribution channel is preferred - companies use the direct channel, security companies and financial services companies (e.g. banks) with equal shares of approx. $\frac{1}{3}$
- Most of the firms investing in real estate vehicles employ less than 100 people in the respective segment (83%). Nearly 20% have between 100 and 250 employees focusing on real estates as assets

TME Trend Study REIM 2014

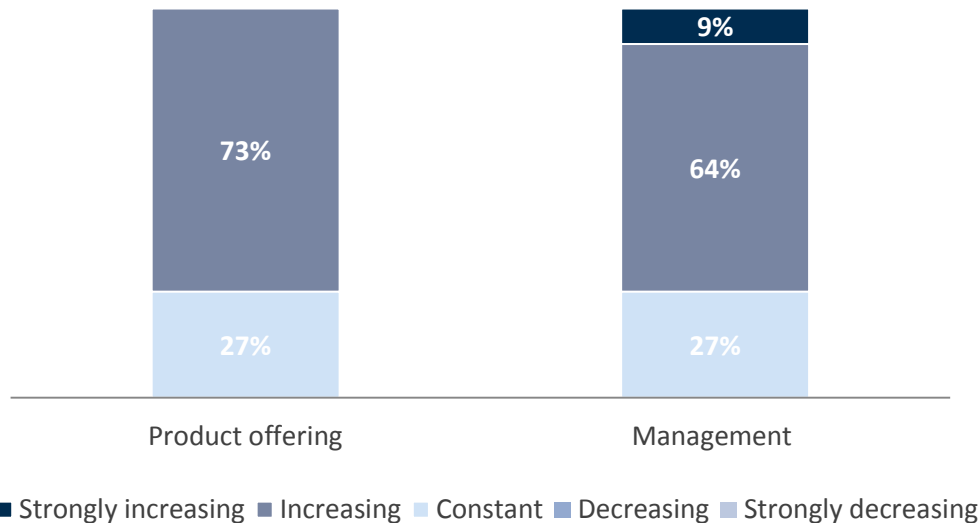
Significance for product offerings (Green-Building-Funds) and the entire management of companies is crucial for future success

Evaluation of participants

Overall evaluation



Thorough evaluation



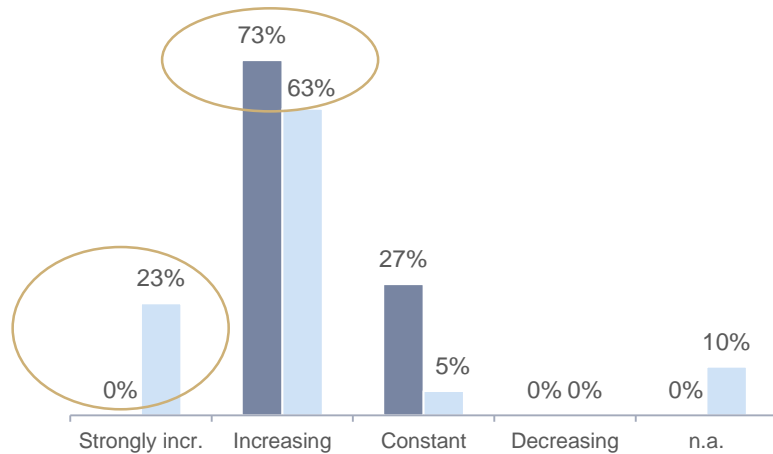
Explanation

- While ¼ of all participants think the role of sustainability will remain constant, no one expects a decreasing impact. In fact ¾ expect at least an increasing importance of sustainability
- The evaluation of overall opinion shows that the impact of sustainability is equally important for product offerings and for managing companies
 - Regarding the product offering 73% of all participants expect an increasing importance
 - 73% expect sustainability to be of increasing | strictly increasing importance for the overall management
- ▶ A significant raise of sustainable products is expected
- ▶ This product development is accompanied by a transformation of the whole company including the management according to CSR standards

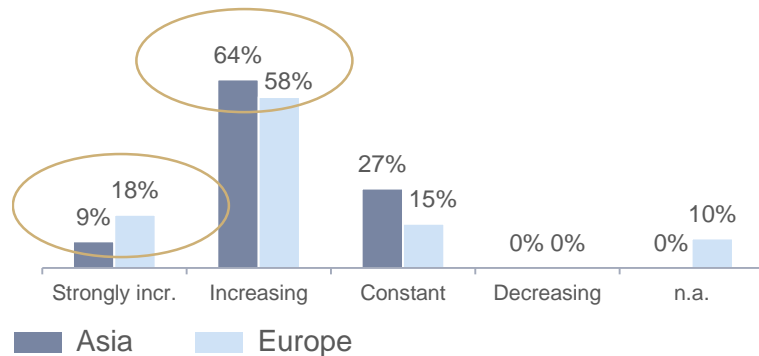
Comparison between Europe and Asia

Comparison

Product offering



Thorough evaluation



* Scale for average estimation: Strongly decr. =1, Decr. =2, Const. =3, Incr. =4, Strongly incr. =5

Evaluation

- Sustainability is seen as crucial for products and the overall management in Asia and in Europe
- On average however, the evaluation* shows that this issue is more sensitive for European companies :

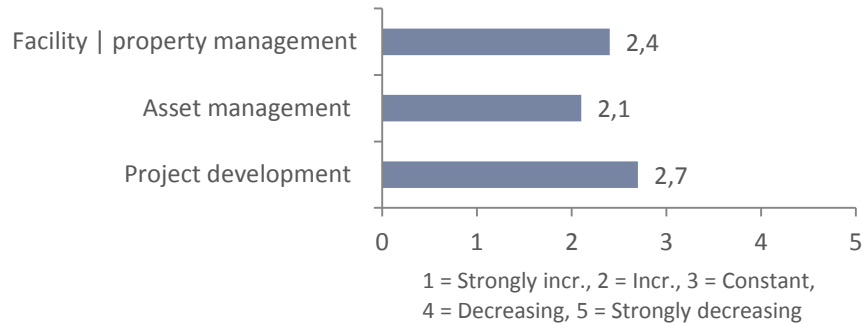
	Asia		Europe
Product offering	3,7	<	4,2
Management	3,8	<	4,0

- Concerning the offered products:
 - For European companies developing sustainable products is very important (86%, thereof 23% strongly increasing)
 - Sustainability is also important for Asian companies but the effect is less pronounced (73%, thereof 0% strongly increasing)
- ▶ The comparison between Asia and Europe highlights the development of perception of sustainability in Asia. While the standards in Europe have been on a high level for several years, Asia is catching up very fast

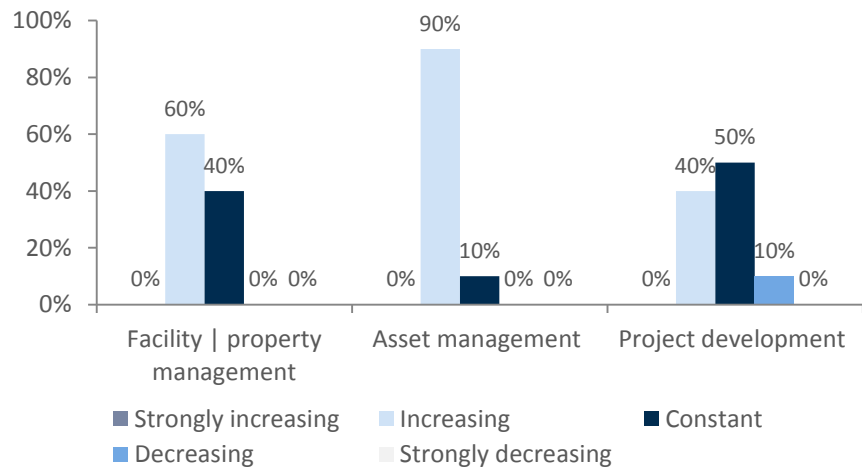
The development of outsourcing activities further continues within the next two years

Development of outsourcing activities

Overall evaluation



Thorough evaluation



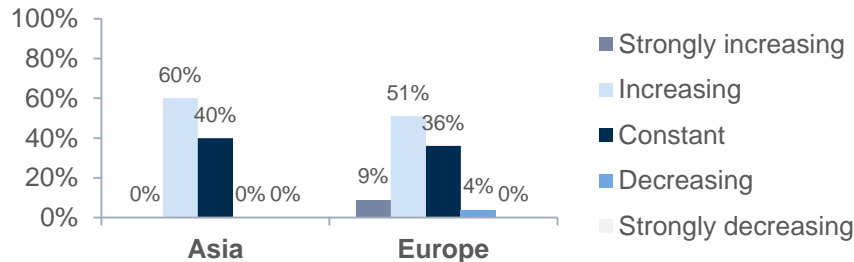
Explanation

- Almost 2/3 estimate the outsourcing activities of facility and property management to be increasing
 - 90% of all investment managers evaluate outsourcing activities within the asset management as growing
 - Mixed assessment of the outsourcing activities within project development: half of the participants think outsourcing activities will stay stable, 10% think they will decrease and 40% they will grow
- ▶ Outsourcing trend in facility-, property- and asset management continues unbroken
 - ▶ Outsourcing activities of project developments are less

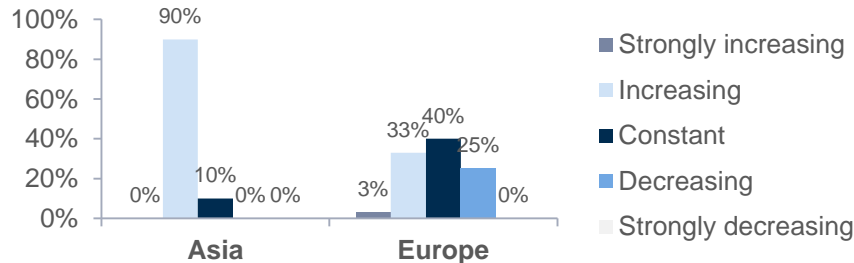
Comparison between Asia and Europe

Comparison of outsourcing activities

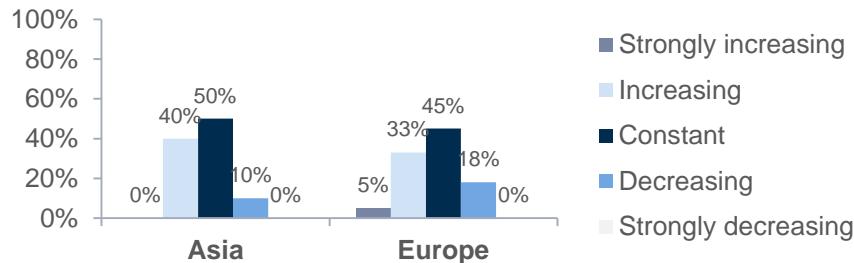
Facility | Property Management



Asset Management



Project Development

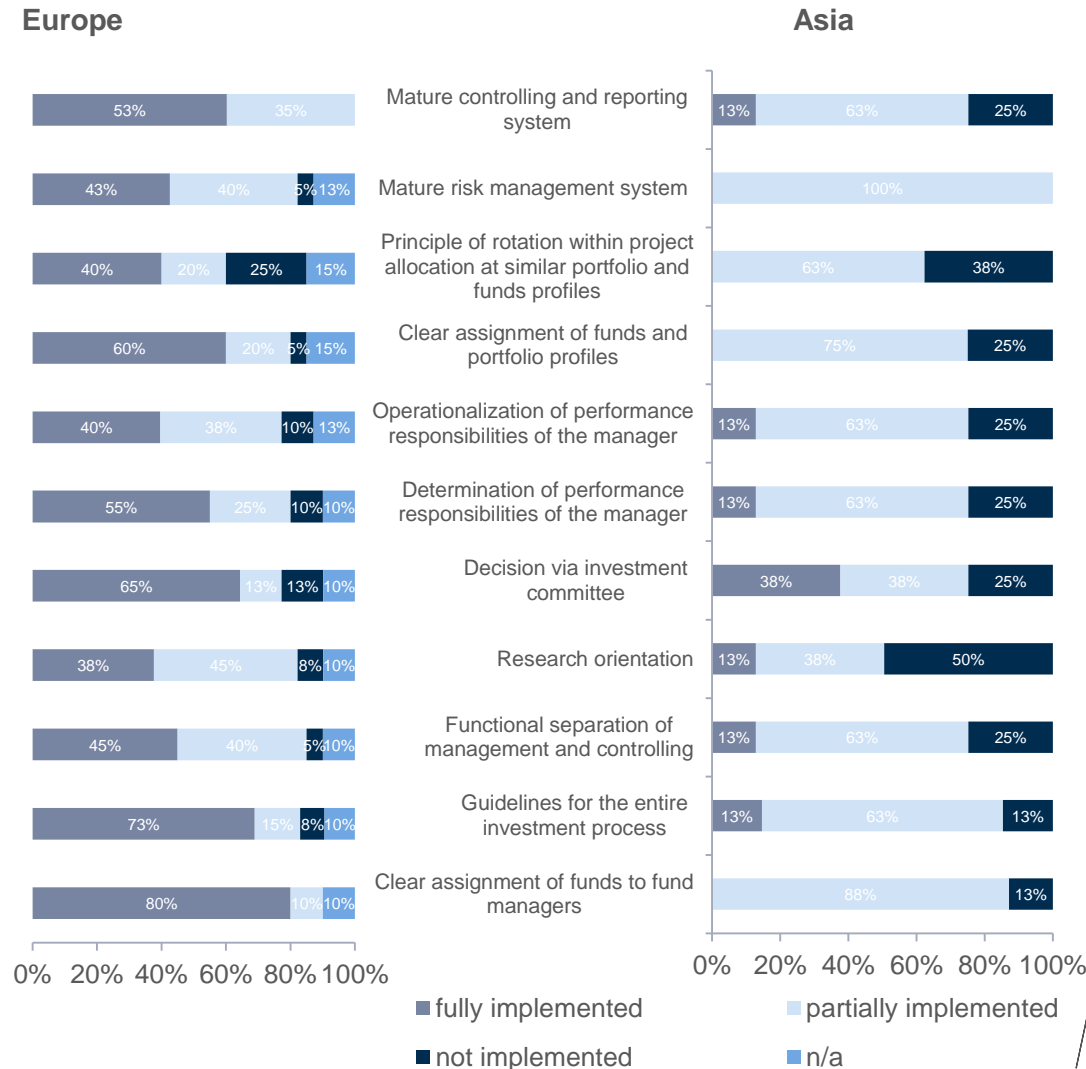


Evaluation

- Similar outsourcing development of facility and property management in Asia and Europe: about 2/3 in both regions think outsourcing activities will grow
 - Different developments of outsourcing activities in Asia and Europe within asset management. While 90% of investment managers in Asia think outsourcing activities will grow, asset management in Europe is seen as a core business function and therefore usually is not outsourced
 - Also differing observations regarding project development. In Europe investment managers assume increasing outsourcing activities, in Asia the evaluation is mixed: 10% assume decreasing outsourcing development, 50% a stable and 40% an increasing development
- Outsourcing trend in facility management is similar across countries and continues, therefore organizational structures must be established

Comparison between Asia and Europe

Implemented success factors



Explanation

- Different main success factors for professional portfolio and funds management in Asia and Europe: while in Asia “decision via investment committee” is important and mostly implemented, in Europe this are “clear assignment of funds to fund managers” and “guidelines for the entire investment process”
 - Another major difference between Asia and Europe is, that success factors are generally implemented to a lesser degree in Asia
 - In both regions the implementation of a “mature risk management system” need to be further promoted
- Despite a differing focus, both regions require similar need for improvement regarding implementation of success factors

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