

Agenda

Market Overview

Trends

Luxembourg positioning and challenges

Real Estate tomorrow

Market Overview

- Appetite for core and core + assets
- UK (London), France (Paris), Germany (Frankfurt, Munich, Berlin, Hamburg) are the usual suspects investment location in Europe
- Scarcity of this type of assets
- → Diversification to more opportunistic projects for example in Southern Europe
- → Increasing appetite for investments in Spain





Trends

- Less "traditional" fund set up, but...
- More Joint Venture, Club Deals, segregated accounts
- Sovereign Wealth Funds, Pension Funds and Insurance companies increase the size of their investment portfolio in real estate. Look for core assets
- Diversification of investments from pure real estate assets to debt products (distressed debt, Mezzanine debt)
- Intensification of the use of Real Estate Investment Trusts (REIT)



Luxembourg position and challenges

- Flexible regulatory environment
- Broad range of investment platform formats addressing the needs and constraints of investors and investment managers
- Degree of regulation can be fine tuned to the needs of the project
- Luxembourg eager to address remarks of OECD/G20 and the BEPS debate in a constructive way while promoting an efficient tax environment



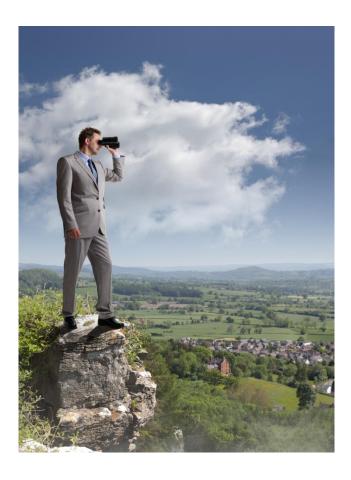
Luxembourg position and challenges

- Key word is Substance
- Different model can be envisaged
- 1) Onshoring and enhancement of middle office functions in Luxembourg
- 2) Outsourcing model with senior management having an oversight role from Luxembourg on the conduct of the business



Real Estate tomorrow

- More Joint Venture More Club deals More REIT
- Scarcity of core assets will drive the market to more value added and opportunistic projects
- Plan to launch a Luxembourg REIT vehicle



Thank you

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