

# MarketView

## German Open-Ended Funds

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December 2009

### December 2009 Net Inflow

Compared to:

November 09



December 08



At €631 million, December net inflows into the German Open-ended Funds were strong, bringing the year's total to €3.21 billion. Whilst the year-end results were encouraging, their release coincided with some negative developments in the market.

DEGI Global Business, which closed to redemptions in November 2009, announced a 21% mark down in the valuation of its property portfolio. The downgrade was mainly due to the revaluation of four properties, with the two most significant being in the fringe CEE – the PGV tower in Bucharest and shopping centre in Zagreb.

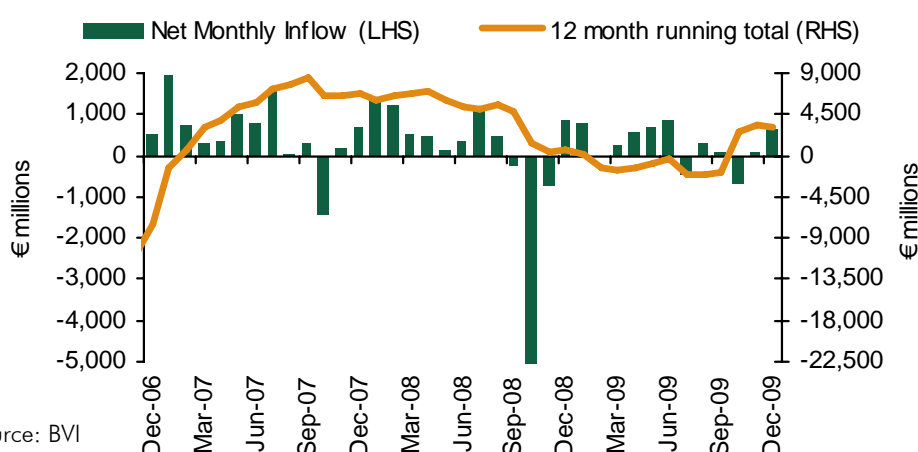
As was the case in the summer 2009 when Morgan Stanley announced a 15% devaluation of its portfolio, this news brought yet another wave of withdrawals.

TMW Immobilien Weltfonds was the first fund to feel this negative impact – closing to redemptions for the second time. Following a steady improvement in liquidity levels it only re-opened in December 2009. Another recent announcement by Aberdeen was that DEGI INTERNATIONAL fund,

which closed for the second time in November 2009, will remain closed for the next nine months. These developments are likely to have only a muted impact on the more successful funds. Commerz Real, Deka and Union Investment managed funds have been extremely successful in attracting new investment since the credit crunch began. Their size and highly developed distribution networks should see them through the year relatively unscathed.

Undoubtedly, however, the changing fortunes of some funds will result in more sales. Aberdeen Immobilien (formerly DEGI) has already put quite a few properties on the market – including at least three office buildings in London. TMW Immobilien Weltfonds too have sold a couple of buildings, with the latest disposal a €42 million office near Zurich.

In contrast, fund managers, such as Deka, Union investment and RREEF, have made very ambitious announcements towards the late 2009 and are expected to continue strong acquisition programmes in 2010 in Europe in general and in some of the major global market.



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Top 5 Funds Inflow	€ 000s	Bottom 5 Funds Inflow	€ 000s
HAUS-INVEST europa	147,326	TMW Immobilien Weltfonds	-175,050
Unilmmo: Europa	139,763	Unilmmo: Deutschland	-20,231
WestInvest InterSelect	92,516	EURO ImmoProfil	-18,730
CS EUROREAL A EUR	90,671	AXA Immosolutions	-13,033
1 Immobilienfonds (Union Investment)	58,837	KanAm grundinvest Fonds	-11,597

\*Closed to redemptions as of February 2010

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