

Savings bank clients continue to invest in Deka real estate funds

- **Net cash inflows for 2023 of EUR 1.2 billion in open-ended real estate funds for private investors/inflows continuing in January 2024**
- **Asset management volume increases to EUR 55.5 billion by end of 2023**
- **Transaction volume of EUR 1.3 billion for 2023**

Frankfurt, 8 February 2024

Deka Immobilien has continued its growth trajectory in a difficult market environment. The asset management volume increased by EUR 1.8 billion to EUR 55.5 billion by the end of 2023, due in part to net cash inflows of EUR 1.2 billion into Deka's open-ended real estate funds for retail investors. The trend has continued into this year. In the first four weeks of 2024, Deka's open-ended real estate funds for retail investors generated net cash inflows of EUR 390 million, EUR 360 million of which can be attributed to the reinvestment of distributions. This means that the year has started at roughly the same level as the previous year, when net cash inflows totalled EUR 403 million, EUR 311 million of which was due to the reinvestment of distributions. 2023 saw returns on retail funds in the 2–3% range, positioning them significantly above the industry average.

"We pursue a conservative and forward-looking fundstrategy and continued to do so in recent years despite the real estate boom. Our funds are benefitting from this approach in the current phase of the market, and investors are rewarding that — because they know that open-ended real estate funds have a place in any balanced portfolio", says Dr Matthias Danne, Deka Board of Management member with responsibility for asset management.

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Net cash inflows well above industry average

Deka's retail funds recorded net cash inflows totalling EUR 1.2 billion in 2023. According to the BVI's investment statistics, the open-ended real estate funds sector as a whole received net cash inflows of around EUR 700 million in the period from January to the end of November 2023. In institutional business, Deka Immobilien's net cash inflows amounted to minus EUR 100 million. At the end of 2023, real estate assets remained unchanged at EUR 50 billion. Deka Immobilien expects returns on its large, established open-ended real estate funds for private investors to be around 2–3% in 2024.

Using the market situation for purchasing

"The phase the market is currently in offers opportunities for anti-cyclical investments. Our funds have liquidity and we aim to use 2024 to purchase attractive real estate at lower prices", adds Danne.

Since uncertainty among market players with regard to pricing continued to be high in the wake of interest rate rises in 2023, Deka acted more cautiously when it came to purchases. In 2023, the purchase and sale volume amounted to EUR 1.3 billion, of which EUR 560 billion was for purchases and EUR 750 million was for sales. The only purchase was a 50% stake in a logistics portfolio for EUR 560 million. The portfolio comprises fully let properties built in or after 2021 at five locations in Germany.

Occupancy rate of 94.6%

Leasing performance remained at a high level in 2023 due to the conclusion of lease agreements with a net annual rental volume of EUR 409 million. The occupancy rate in the overall portfolio was 94.6% at the end of 2023, which helped the real estate funds deliver a stable performance.

About Deka:

DekaBank is the securities services provider of the German Savings Banks Finance Group (Sparkassen-Finanzgruppe). Together with its subsidiaries it forms Deka Group. With total customer assets of more than EUR 370 billion (as at 30/09/2023) and more than 5.5 million securities accounts, DekaBank is one of the largest securities services providers and real estate asset managers in Germany. DekaBank is a wholly owned subsidiary of the German Sparkasse savings banks and forms an integral part of the Sparkassen-Finanzgruppe.

The Deka Group's global real estate expertise is pooled in its **Real Estate Division**. The management companies, Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH provide management and support for around EUR 50 billion (as at 31/12/2023) in real estate assets.