

The Allure of Real Estate Investing for Family Offices

The real estate market is a favorable territory for family offices, individual investors, and institutional investors around the world. Utilizing our leading family office data and research tool, FINTRX continues to highlight family offices making direct investments in real estate ventures. This unceasing expansion is likely driven by the many benefits the property ownership has to offer - favorable, steady returns and tax benefits - to name a few.

According to the *2019 UBS Global Family Office Report*, **73%** of family offices invest in real estate, both residential and commercial. While this increase extends across all continents, those domiciled in Europe showed a larger tendency to allocate to the space - as they generally show a higher inclination to real estate investments internationally.

Why are real estate investments advantageous compared to other asset classes?

Real estate investments provide the unique opportunity to maximize investment returns with financing - while stocks, bonds, and other investments do not allow for the same financing opportunities.

Additional Benefits Include:

Cash Flow - Investing in real estate is a great way to accumulate wealth over time. Its long term, steady nature provides comfort to investors knowing they have a reliable source of passive income. Many family offices will leverage real estate investments for the transfer of assets across generations. Real estate presents a unique opportunity to continuously generate stable cash flow.

Appreciation - A major benefit of investing in real estate is its appreciation predictability. Unlike most other asset classes, family offices view real estate as a safe haven for capital. With less downside potential than most other forms of investment, real estate provides family offices with a sense of stability, tangibility and comfort.

Control - Family offices and individual investors share a common desire for hands-on control of their capital assets. Having the freedom and flexibility to make independent investment decisions based on personal wants and needs makes real estate all the more attractive.

Tax Efficiency - When executed properly, real estate investments typically allow for several tax-deferring benefits, making the industry an even more attractive one for family offices and individual investors.

Portfolio Diversification - Due to its limited correlation with equity markets, real estate is often seen as a valuable diversifier for investors. Adding real estate to a portfolio of diversified assets can lower portfolio volatility - ultimately providing higher returns with reduced risk.

Benefits our Communities - Family office investors are forward thinkers - continuously reevaluating traditional approaches to investing as a means to grow wealth. Real estate provides a unique ability to increase value and benefit the community. This phenomenon is ever-present with the recent advent of opportunity zone investing.

Interested in a newfound approach to targeting the family office sector?

5 Effective Ways to Tackle the Family Office Market

Uncover specific to-dos and effective action items to increase investor engagement for every pitch.



DOWNLOAD GUIDE

How are family offices exposed to real estate?

According to *UBS and Camden Research*, allocations to real estate among family office investment portfolios increased by 17% over the last year - a 2.1% increase from 2018 - and we expect this trend to continue. Undoubtedly driven by the continuously favorable real estate returns, family offices use their breadth of knowledge and experience to generate such results.

Why is real estate investing specifically advantageous to those in the family office space?

Family offices regularly allocate to local real estate investments. This is likely due to the physical nature of these investments and the families' comfortability within the local market. Not only does real estate offer tangible investments and tremendous returns, but it also provides an avenue to invest responsibly and an increased opportunity to work alongside other families to maximize returns.

ABOUT FINTRX

FINTRX is the leader in providing comprehensive family office intelligence - engineered to help you **identify, access & raise** family office capital.

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