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Newsletter

March



The Association of Real Estate Funds (AREF) is the body that represents the interests of its member funds, those firms that advise and support them and the end investors. For further information, please visit our [website](#).

2019



The Wellness Trend? - Topical event from AREF

AREF's Education and Training Committee in collaboration with AREF FutureGen invite you to a panel discussion on how the Wellness trend is influencing the real estate strategies of occupiers and landlords alike.

We will discuss lessons and corporate motivations for their new HQ building, hear about Landid's conviction to deliver the first Landlord 'WELL Certified' building in the UK (The Porter Building in Slough) as well understand how valuers and the investors market are adapting to the trend of Wellness.

[Click here](#) for more information & to register a place at this event. If you are interested in sponsoring this event please go to the AREF sponsorship page by [clicking here](#).

PFV & late index submissions

One of the roles of the Research & Information Committee is to monitor the timeliness of submissions from member funds to the MSCI/AREF Quarterly Property Fund index.

Of late it has become increasingly noticeable how many funds provide information after the due date, sometimes very close to the date of release. This has a knock on effect to the publication of the index and also creates a greater potential for errors to occur.

We ask therefore that Fund Managers review their submission process and reaffirm their commitment to provide the data in a timely and accurate fashion. This is critical in protecting the integrity of the index. The same rigour should also apply to the submission to the Property Fund Vision document.

Events

1 May 2019

'The Wellness trend' - topical event
 Kindly hosted by Schroders

11 June 2019

AREF Summer Drinks Reception
 Venue: The Listing

26 June 2019

FutureGen Network
 Fund Life Cycle Series - Fund Structures and Tax
 Proudly sponsored by Carey Olsen

Date TBC

AREF F-O-R-T Series: Operations
 'Proptech'

Kindly hosted by M&G
 More information announced soon

21 August 2019

FutureGen Network
 Fund Life Cycle Series - Launching & Deployment
 of a fund
 Proudly sponsored by Carey Olsen

18 September 2019

AREF Annual Dinner & Awards
 The Dorchester Hotel, Park Lane

All our events are open to our Full, Affiliate and Associate members, as well as Professional Investors and Fund Non-Executives

Email us at: info@aref.org.uk to book.

[For more info on our events click here](#)

Sponsorship Opportunities

Are you interested in sponsoring an AREF event? We have a number of opportunities open at the moment.

[Click here](#) for more details.

Aztec Financial Services sponsor AREF Annual Dinner & Awards 2019/2020



We are delighted to announce that Aztec Financial Services are the confirmed sponsor for the AREF Annual Dinner & Awards for both 2019 and 2020.

The dinner will be held on Wednesday 18th September 2019 at The Dorchester Hotel, Park Lane. Booking details can be [viewed here](#).

Book your table now to avoid disappointment.



A position paper from AREF

[Click here](#) to view a position paper from AREF on open-ended real estate funds for the retail market.

AREF Summer Drinks Reception 2019

We are delighted to announce that the AREF Summer Drinks Reception 2019 will be taking place on Tuesday 11th June from 6pm - 9pm at The Listing, just off Cannon Street.

AREF have exclusive use of this light and airy modern venue which will include a champagne reception, a cocktail mixologist and canapes/bowl food.

The event is by invitation only to all AREF members - look out for the invite which will be sent out soon.



Investor complaint resolved

The Board recently signed off the satisfactory resolution of a complaint regarding minimum compliance with section 1.3 of the Code of Practice (Fund Oversight) relating to the representation of smaller investors. Meetings were held with both the Manager and the Investors on the advisory committee, the outcome of which was a change to the committee structure to achieve compliance.

DWP Consultation

As part of the Government's wider work on patient capital, the Department for Work and Pensions issued a consultation on how to facilitate investment by Defined Contribution pension schemes in less liquid assets. Included in this consultation was an additional method of assessment for compliance with the DC automatic enrolment charge cap to make it easier for pension schemes to invest in funds with performance fees. AREF's Public Affairs Committee have led on AREF's response to this consultation which will be submitted today. This will be available to view on AREF's website shortly.

AREF in the News - The Patient Capital Initiative

An article in Investment Week quotes John Cartwright, AREF Chief executive, calling on pension platforms to adapt systems to accommodate the Patient Capital policy shift. [Click here](#) to view the full article.

The Public Affairs Committee will be carrying this project forward - [Click here](#) to view the Committee page.



Non-Resident Capital Gains Tax Training - 26 March

We had a full house for this training event for non-resident capital gains tax on 26 March, kindly hosted by CMS UK.

Following on from the successful AREF event last year, Wayne Strangwood, HMRC Policy & Technical Lead at HMRC joined members of the AREF Tax Committee Leonie Webster, Partner at Deloitte, Nick Burt, Tax Partner at CMS UK and John Powlton, Head of Real Estate Tax at M&G for a discussion on the practical elements of the NRCGT regime.

During this event our speakers discussed the basics of the Non-Resident Capital Gains Tax rules, the specifics for funds and what fund managers should be doing now.

[Click here](#) to view our CGT page and view slides and the summary of this event.



Committee Day 2019

The AREF Committee Day was held at the beginning of March. This was to give AREF committee members the opportunity to come together to share ideas, committee activity and discuss the strategy for AREF for 2019 and beyond.

Feedback from the day has been collated and shared with the Board, this information will help inform the Boards priorities for 2019/ 2020. We have also shared some of the more operational feedback shared by members with the Management Committee. Members will receive updates of changes and implementations as a result of feedback from the committee day, throughout the year.

Thanks to Charles Russell Speechlys for hosting.

Committee Vacancies

We are looking for candidates for open positions on:

- [Research and Information Committee](#) - Looking for a member with a background in research
- [Corporate Governance Committee](#) - Looking for an investor
- [Tax Committee](#) - looking for a member from a fund administrator firm

If you are interested please contact info@aref.org.uk

Urban Land Institute Event 'Capital Markets Forum: The Rise of ESG Part II'

Dan Grandage from AREF's ESG & Social Impact Investing Committee and Head of ESG, Real Estate at Aberdeen Standard Investments is speaking at this event on Tuesday 2nd April.

For more information and to book your place please [click here](#).

Committee Corner

A high level summary of what's being discussed in each Committee:

CORPORATE GOVERNANCE (next meeting 1st May 2019):

- Deborah and John joined our meeting to share their thoughts on establishing a set of AREF principles to be incorporated within the code. Initial details will be communicated at the forthcoming Committee day
- Discussed how we ensure members are consulted on the proposed AREF principles and eventual timetable for implementation
- Lessons learnt from AREF self-certification process. Reviewing how the submission can be made more streamlined and straightforward for member funds to complete
- Governance award - agreed AREF marketing team (namely Ed) should take the lead

EDUCATION AND TRAINING (next meeting 3rd Apr 2019):

- The Committee is organising a joint event, with FutureGen, on the subject of Wellness in the work environment, is being planned for 1st May 2019.

FUTUREGEN (next meeting 3rd Apr 2019):

- Also working towards the joint event with E&T on Wellness in May. Committee members are also working on the new training series called the 'Fund Life Cycle', the second event is on Fund Structures and Tax.

INVESTOR (next meeting 30th Apr 2019):

- The Committee is currently reviewing topics such as: fire safety; GRESB results; revisions to the AREF Questionnaire and secondary market trading.

PUBLIC AFFAIRS (next meeting 7th May 2019):

- The Committee has been leading on AREF's response to FCA CP18/40 regarding proposed amendments to permitted links rules and DP18/10 on Patient capital and authorised funds. In relation to the FCA's CP18/27 on illiquid assets and open-ended funds, the Committee continues to engage with the regulator and the Bank of England on behalf of AREF members.

ESG & IMPACT INVESTING (next meeting 17th May 2019):

- A subset of Committee members met to formulate AREF's response to The IA's Consultation on Sustainability and Responsible Investment which was submitted in February. For more information please follow the [link](#).
- A joint event with the IPF, on the subject of Social Impact Investing in the UK Property Sector, is being planned for September 2019.
- The Committee is in the process of setting up a working group to create an AREF member survey to better understand the needs of the AREF membership.

- On the evening of April 2nd, the SPR and ULI are holding a joint seminar on - Green Buildings: are there financial benefits? There is some availability, please follow the [link](#) for more information.

RESEARCH & INFORMATION (next meeting 15th May 2019):

- The first meeting of the Research Working Group whose aim it is to bringing forward proposals for projects that use the data available in the quarterly index to enhance the reputation and transparency of the industry
- The Committee discussed nominations for a working group combining AREF and MSCI representatives looking at rules that govern admittance to the index and, where appropriate, recommend changes or modernisation
- The Committee discussed reminding member funds of their obligations to provide data in a timely fashion for admittance to the index, allowing MSCI to release the information on the stated timescale

RETAIL FUNDS COMMITTEE (next meeting 7th Jun 2019)

- Continued dialogue with the FCA regarding consultation paper CP18/27 on illiquid assets and open-ended funds.
- The impact of ongoing Brexit negotiations on daily traded PAIFs as per discussions held before and after the referendum.
- Consideration of a NAV index for the retail funds.
- Engagement with the platforms to ensure that all investors are able to benefit from the correct tax treatment of PAIF distributions.
- Enhancing industry engagement with wealth managers and advisors.
- Improving consumer education.

TAX (next meeting 25th Apr 2019):

- The Committee has been discussing the draft guidance issued by HMRC on taxing gains made by non-residents on UK immovable property, particularly the guidance for collective investment schemes and continue discussions with HMRC to obtain further clarity.
- VAT registered businesses with a taxable turnover above the VAT threshold are required to use the Making Tax Digital service to keep records digitally and use software to submit their VAT returns from 1 April 2019. This date has been pushed back to 1 October 2019 for specified businesses with "more complex requirements" as specified by HMRC.
- The Finance Bill 2019 contains provisions to reduce the SDLT filing and payment window from 30 days to 14 days for land transactions with an effective date on or after 1 March 2019.

If members would like further information on any of the committees and the work they are engaged with, please contact info@aref.org.uk.