

# The Association of Real Estate Funds

## Half-year Chairman's Overview

July 2018



Deborah Lloyd, AREF Chairman

Deborah Lloyd gives an overview of 2018 so far

“

*The Quality Mark helps investors distinguish funds meeting the highest standards of governance*

”

### AREF launches the AREF Quality Mark



AREF promotes high standards of transparency and corporate governance by launching the AREF Quality Mark, real estate's equivalent to the world renowned Stewardship Code.

A fund will be entitled to carry the AREF Quality Mark if it reaches the high standard of transparency and governance set out in the AREF Code of Practice.

AREF is unique among industry associations as we police the Quality Mark. Every year a number of funds are selected for an audit to check they are complying with the Code of Practice and are entitled to carry the Quality Mark.

I hope investors will take confidence in funds carrying the Quality Mark and be reassured that the fund has demonstrated the level of governance they are looking for. To read more about this, [click here](#).

### Great Brexpectations

With Brexit just months away, we still have no certainty on what this may mean for the investment fund industry.

The AREF Public Affairs Committee held an excellent event on 3<sup>rd</sup> May, titled 'Brexit- are you prepared?' focusing on the current and potential future effects of Brexit on the real estate fund industry.



Our Public Affairs Committee are lobbying hard to ensure our sector is not overlooked in the financial services debate and are currently setting up a Brexit Working Group.

AREF has launched a paper called 'Great Brexpectations?' We asked a select group of highly experienced individuals, both within real estate and the wider financial services industry, each with a different perspective and all grappling with various Brexit issues, for their views on the implications, opportunities and threats. The responses we received were fascinating, as organisations hope for a soft Brexit and plan for a hard Brexit. A copy of the Great Brexpectations? paper can be downloaded by [clicking here](#). The paper was very well received, gaining a great deal of interest through our social media feeds and some press interest too.

### Capital Gains Tax



Last year's Budget brought changes to the taxation of capital gains on real estate disposals by non residents of the UK.

The AREF Tax Committee has been very active on this subject this year. Two discussion forums were held for members, also attended by HMRC, to collate valuable feedback that would help inform our response to HM Treasury's Consultation Paper. The committee also communicated closely with other industry associations working on the consultation and our full reply can be found [here](#).

On Friday 6<sup>th</sup> July the draft legislation was published ([link](#)). AREF are pleased with the acknowledgement of the importance of avoiding tax for exempt investors and reducing the risk of multiple tax charges within fund structures. These are key points that AREF has previously raised with HMRC and HM Treasury. AREF intend to continue to engage with HMRC and HM Treasury to ensure that we can reach appropriate solutions that work for the Industry whilst also meeting the government's aims.

Read more about the Capital Gains changes [here](#).

## AREF in the Press:



In line with our heightened focus on investors, as discussed in my last Overview, here are two recent examples of successfully placed articles, specifically targeted at investors.

- For Institutional: Tax: UK Pension Funds Digest Implications of Proposed Tax Change ([link](#))
- For Retail Investors: Retail Property: Time to Check Out? ([link](#))

## Introducing the new 'AREF F-O-R-T Training Series'

The AREF Education and Training Committee will soon be launching a new series of training events with each event around one of the following topics:

**F: Fund Structures**  
**O: Operations**  
**R: Regulation**  
**T: Tax**



Each event will likely have a 'Whats Hot and What's Not?' focus and will be CPD accredited.

We are organising the first event for November this year on Capital Gains Tax changes.

In February 2019 there will be one on Fund Structures and issues that are or may in future affect these.

Look out for further details which will be released soon.

Check out our other events, [here](#).

## AREF's new FutureGen Network *Calling the future generation of real estate staff in your firm!*

AREF is not solely for senior staff of our member firms - we are committed to investing in our future! If you work for an AREF member firm, you are entitled to all the AREF's member benefits. Plus, as a future generation member of the real estate industry, you can join our new AREF FutureGen Network. [Click here to join the Network now](#) to receive free invites to events and industry news and remember to follow our private FutureGen Network LinkedIn [page here](#).

Following the highly oversubscribed inaugural summer drinks on 11th July, the AREF FutureGen Committee are currently organising a seminar in October entitled 'Retail - Dead or Alive?' They are also looking into organising a training series for next year on the Fund Life Cycle. More information on these events will be announced soon.

A vacancy has become available on the FutureGen Committee. If you are interested then let us know by [emailing us](#). You can read more about our FutureGen Committee [here](#).



## Benefits for Investors

*Did you know that Investors are entitled to receive the same range of benefits as our members??*

If you are a professional investor, a consultant/adviser or a non-executive/independent director on fund boards/supervisory committees, then you too can receive these benefits.

Email us today to register your details on our Investor Database at [info@aref.org.uk](mailto:info@aref.org.uk). You will then receive up-to-date information and free invites to our events.



We have a page on the AREF website dedicated to keeping Investors updated on topical issues. [Click here](#) to visit the new AREF Investors page

## Events for Investors

The Investor Committee are planning events aimed at Investors only, to be informative, educational and to act as a forum for discussion of investors' issues specifically relating to real estate investing - further details will be announced soon.

Read more about our Investor Committee [here](#). If you are interested in joining any of our Committees, please contact us at [info@aref.org.uk](mailto:info@aref.org.uk).

## Acting as the Collective Voice of Real Estate Funds

*Further to the ongoing interaction with HMT and HMRC regarding the CGT changes already mentioned, our committees have also been working on:*

**Open End Fund Pricing** - In January 2018 AREF partnered with INREV to initiate a focus group of real estate investment managers and their advisors to fully discuss and analyse the issues involved around the best method for pricing open-ended real estate funds.

The Study was offered as a consultation paper and both AREF and INREV held roundtable discussions with members to gather feedback. You can read more about the [Project here](#). The Phase 1 results were released 18 July 2018. Click to view the [Snapshot](#) or [Full Report](#).

**MSCI Consultation** - In May 2018 MSCI released a consultation on EU benchmark regulation in relation to the MSCI Asset-based and Fund-based Real Estate Indexes ([link](#)). AREF's Research & Information Committee convened a roundtable event for members and professional investors in real estate to gather feedback for the Consultation. Read more about the consultation and the event, [here](#).

**AIFMD Survey** - KPMG produced an online survey to gauge the views of all stakeholders affected by AIFMD. AREF held a roundtable event to hear our members' thoughts on the Directive and with the help of our Public Affairs Committee we formulated a draft response on the areas of AIFMD which are of concern to members. To view further information, including the AREF response to this survey please [click here](#).

## Events Calendar

It is our objective to increase our number of events per year for our members. Here's some up and coming events in the pipeline:

- Sep 2018 - AREF Annual Dinner & Awards Ceremony
- Oct 2018 - FutureGen Event: Retail - Dead or Alive?
- Oct 2018 - Pensions and Life Time Savings Conference
- Nov 2018 - FORT Training Series: Event 1 - CGT
- Nov 2018 - Investor event
- Feb 2019 - FORT Training Series: Event 2 - Fund Structures

For further details or to register for any of our events, [view our website by clicking here.](#)

## Sponsorship

Are you interested in sponsoring one of our events or hosting an event for us? If so, contact Clare at: [cwhyte@aref.org.uk](mailto:cwhyte@aref.org.uk).

Read more about our sponsorship opportunities this year - [by clicking here.](#)

## Past Events



- Capital Gains Tax - Roundtable Discussion ([event summary](#))
- KPMG Survey on AIFMD
- Disruptors in the Industry - shown live in London/Edinburgh/Jersey ([view event video](#))
- AREF Committee Day and AGM
- Brexit - are you prepared? ([event summary](#))
- MSCI Roundtable on EU Benchmark Regulation ([event summary](#))
- LGPS Pooling Event (ran jointly with IPF) ([event summary](#))
- AREF CEO Lunch with Non-Executive Directors in Jersey
- AREF Summer Drinks event
- FutureGen Summer Drinks and BBQ

## AREF Committees

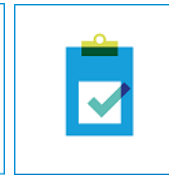
All of our members have the opportunity to influence the development of the industry by participating in the valuable work of one of our Committees or Working Groups. We need more diversity on our committees!!

We will soon be rotating committee places so if you are interested in getting involved please do contact us to register your interest by emailing: [info@aref.org.uk](mailto:info@aref.org.uk).

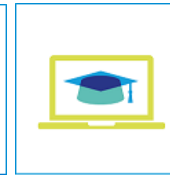
Click the icons below to view more information on each of the AREF Committees ([or click here](#)).



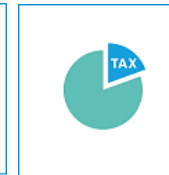
Public Affairs  
Committee



Corporate  
Governance  
Committee



Education and Training  
Committee



Tax  
Committee



Investor  
Committee



Research &  
Information  
Committee

## Connect with AREF on Social Media!



[Follow us on Twitter](#)

[Join our Members & Investors only secure page](#)



[Join our Members only FutureGen Network secure page](#)

[Non-members LinkedIn public page](#)

## New Website, Events & CRM system for AREF

AREF HQ are currently working on a brand new website which we are hoping to launch at the beginning of 2019. The new website will incorporate a much better user interface for our members and will include:

- A catalogued library where users can search for various topics;
- A new online system for the Code of Practice, including a pre-filled online form and template;
- More online information on each fund with an export facility for members and investors to use;
- A new section for our Committees - enabling them to better communicate with each other and our members and investors;
- A new online events booking system;
- A new CRM system enabling AREF to send better targeted information to our members.



If you have 5 minutes then we'd be grateful to hear any ideas for our new website. [Click here](#) to complete the online survey.

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