



intertrust  
GROUP

# *FastTrack*

to global real  
estate structures





# FastTrack

## to global real estate structures

The global pandemic took its toll on the global real estate market throughout 2020. Direct commercial real estate investment dropped significantly and markets that depend on foreign capital felt the pressure.

While real estate investors consider<sup>1</sup> the pandemic a black swan event, it didn't give rise to any new trends, as such; rather, it amplified and accelerated trends that were already present. In fact, investors' focus on logistics, residential, healthcare and life science investments has further increased while investments in retail, office and industrial assets have become even more challenging.

But while uncertainty remains in some parts of the world, investor sentiment is beginning to shift. When confidence is fully restored, investors must be poised to take advantage of pent up global demand – strategically, and at pace.

Intertrust Group's global presence and diverse services make us the perfect transformational partner to boost your cross-border real estate activity.

Read on to learn how we can accelerate the possible, helping you to enter new markets, raise new funds, and seize opportunities for growth.

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Cross-border real estate has always been complex. Investors must master foreign tax laws, regulation, language, and even cultural cues in order to secure an effective deal. The Covid-19 pandemic has added an additional layer of complexity – slowing real estate activity across the board and restricting foreign travel.

The real estate market was at a total standstill for the first half of 2020, with business opportunities shrinking and deals put on hold. Many were relieved to see investor sentiment rebounding in the final quarter, despite ongoing uncertainty.

However, as confidence returns, experts predict that investors will be keen to put record dry powder to use and take advantage of the new opportunities on offer in the reshaped global economy. Deals around the world that have been put on hold will finally come to fruition – and when that time comes, trusted global connections will be key to speedy, effective deal-making.

## How we can help you

Wherever and whenever investors spring back into action, we're there to provide a full range of real estate services with genuine asset class knowledge. As real estate deals ramp up, we can instantly help you to establish and manage any structure that meets your needs. We have the local knowledge to reduce risks and help you to succeed faster.

### Vertical integration

We can assist you by establishing and administering real estate structures for all types of institutional investors.

### Technical expertise

We can support you with technical and practical expertise of real estate financing and acquisition structures.

### Global presence

We can take care of your cross-jurisdictional needs.



## Vertical integration

- We provide end-to-end real estate solutions with the ability to set up and manage entities at the global SPV level, through to full fund administration and investor services, such as onboarding and KYC/AML.
- We deliver a comprehensive range of corporate client services for real estate transactions and administrative services such as domiciliation, directorship, corporate governance, and payroll services.
- We have specialised accounting expertise across all real estate asset classes to recognised international standards, such as GAAP and IFRS.
- We're a licensed fund administrator for funds domiciled in any of the key hubs

## Technical expertise

- Our real estate professionals are highly experienced in regards to financing and acquisition structures in all key jurisdictions.
- We provide a debt advisory service to real estate funds seeking to put in place fund finance facilities, advising across the full range of products, including traditional subscription line and capital call facilities, asset recourse, fund or entity financings, and manager liquidity lines.
- Our best-in-class technology solutions for integrated property management unlock time and cost efficiencies, helping you to accelerate the possible.

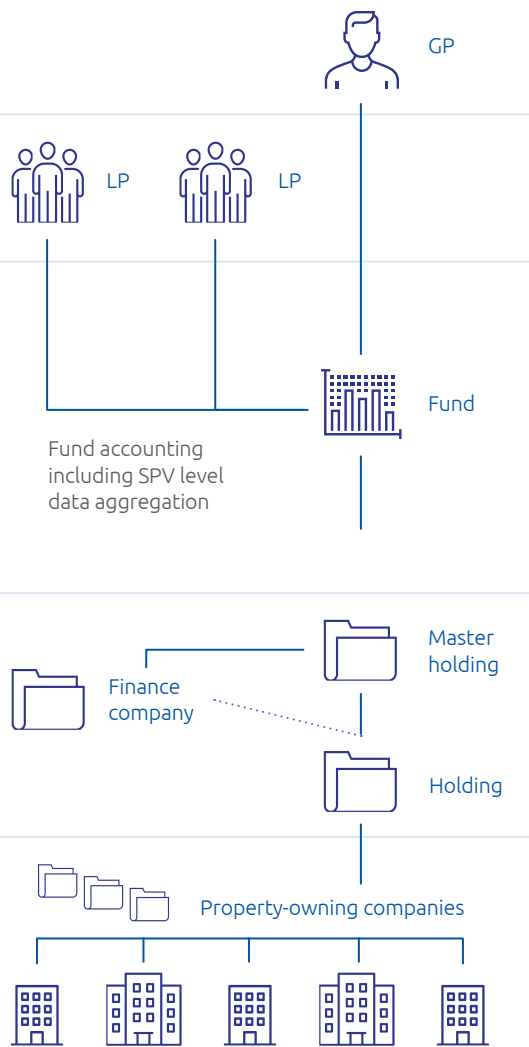
## Global presence

- Our deep knowledge of the local regulatory environment helps clients to reduce risk of non-compliance and keep in good legal standing, and abreast of any new regulatory developments.
- We have an extensive global reach into practically all target jurisdictions, either through our own presence or through a network of trusted business partners.
- We're very well connected with all major property managers in every jurisdiction that our clients operate in.

### Service offering

- AIFM, management company accounting
- Corporate services
- Investor onboarding - KYC/AML
- Capital activity, waterfalls, statements
- Asset class specific specialized services
- Credit facility operations
- Regulatory reporting
- Fund financing solutions
- Loan administration including Facility agent and cash Management
- Corporate and regulatory services including establishing SPV's, providing domiciliation, directorships, corporate governance and property accounts integration

### Sample structure



### Reach

- GP administration and corporate services**
- Fund administration and operations**
  - Intertrust Group provides a full suite of fund administration services and operations support in all major fund hubs globally
- Fund financing advisory service**
  - Debt advisory service providing advice and assistance to funds seeking to establish fund finance facilities
- Corporate trust services**
  - Intertrust Group has a global reach into practically all target jurisdictions, either through an own presence or through a network of preferred business partners

### Fund finance advisory service

We provide a debt advisory service to real estate funds seeking to put in place fund finance facilities; and advise across the full range of products, including traditional subscription line and capital call facilities, asset recourse, fund or entity financings and manager liquidity lines.

Subscription lines facilities are a useful working capital tool for real estate funds, bridging capital calls from investors, which can be used when building a portfolio that can later be refinanced out with structural leverage. They can be used to provide letters of credit, enable same day funding and there is also the secondary benefit of internal rate of return (IRR) enhancement.

**Essentially, we help the fund raise the optimal fund finance deal from the large number of lenders now present in the market – tailoring a solution to meet the client's needs:**

- providing an overview of the full lender market from banks to institutional lenders, both for subscription line and asset recourse facilities.
- running a competitive process with an appropriate number of fund finance providers to secure the most competitive commercial terms, pricing as well as assisting and consulting from the execution phase to closing.
- taking the workload off the asset advisor, so they can focus on other priorities.

We provide an independent view which is becoming more important for investors and managers wishing to test the market and run a competitive process. Our experts have unparalleled experience drawn from top tier Structured Finance, Leveraged Finance and Fund Finance institutions.

Specialised accounting expertise across all real estate asset classes to recognised international standards



## What activity are we seeing?

According to CBRE's Global MarketFlash<sup>2</sup>, global real estate volume for the full year 2020 was down by 26% compared to the previous year. However, Q4 of 2020 did see a strong recovery in investor sentiment with global commercial real estate investments surging by 84%.

In fact, it seems the global pandemic has boosted investors appetite for real estate, revealed the INREV, ANREV and PREA Investment intentions survey 2021<sup>3</sup>, as they look for opportunities amongst the uncertainty. The most important factor attracting institutional investors is still the ability to diversify their overall, multi-asset class portfolio. The survey further emphasised that investors' current real estate allocations fall short of their target allocations, so the broad majority expect to invest further into real estate products as the year progresses.

However, as liquidity remains available – with ongoing conservative financing and investors holding on to dry powder – many experts anticipate that property values will depreciate, which could be followed by a moderate yield expansion.

CBRE predicts an optimistic outlook for 2021 as Q4 2020 rebound was significant in all three global regions (See table<sup>2</sup>). Investor sentiment will continue to improve with the promise of vaccine deployment and continued economic recovery. The dry powder is waiting to be released, once the risk is mitigated sufficiently.

Throughout the pandemic, whilst observing a slowdown in the real estate market, we've been a reliable partner to our clients who were active at buying, selling, letting, re-gearing leases with tenants, and refinancing in all types of asset structures.

### Americas

The region's investment volume is leading the global rebound.

### Europe

Increased volume in the final quarter of 2020 is mostly attributed to Germany, UK and the Netherlands.

### Asia Pacific

Japan, China and Australia led the Q4 recovery as investors returned to gateway office markets.

We're very well connected with all major property managers in every jurisdiction that our clients operate in

<sup>2</sup>CBRE Global MarketFlash, February 2021

<sup>3</sup>Inrev, Anrev and PREA, Investment intentions survey 2021



# Case study

Despite this challenging environment, as confidence is restored investors and asset managers are looking for service providers who will enable them to access markets across multiple locations.

The following case study provides an example of how we support clients across the globe, while delivering high-standard services wherever the assets are held. Wherever a client needs to be, we're already there. Whatever a client needs to achieve, the chances are that we've done it and we can help them to succeed faster.

Proven track record  
in real estate with  
strong expertise



## Round Hill Capital

When innovative technology is coupled with an extensive global footprint



**Their HQ** UK



**Asset class** Real estate



**Strategies** Off-market and nimble investment model based on macro driven investment strategies and local knowledge; enter frontier markets to exploit first move advantages



**Sectors** Real estate



**Serviced from** Luxembourg & several Europe-wide jurisdictions



**Services supplied** M&A initially, now legal, corporate and accounting services to real estate development

Founded in 2002, Round Hill Capital's a vertically integrated investment manager, operating across Europe and the US, focused on the real estate accomodation sector.

### Their challenge

To support its growth and entry into new markets, Round Hill Capital was looking to partner with a firm that had a scalable platform. There was a need for specialised systems, and a desire for excellent service continuity for both Round Hill Capital's clients and their investors.

Round Hill Capital needed to have a proven track record in real estate with a strong team of people in place. In essence, they were looking for a strategic partner to fuel forward momentum for the firm.

### The solution

- Integration of the legal, corporate, and accounting services team of the client subsidiary in Luxembourg.
- Assisted Round Hill Capital in multiple jurisdictions, including the Cayman Islands, Luxembourg, the Netherlands, Germany, Ireland, Spain, Finland, Denmark, and Sweden.
- Leveraged specialised systems to deliver excellent service continuity for both Round Hill Capital's clients and their investors.
- 30 of Round Hill Capital employees joined Intertrust Group and helped transfer existing contractual arrangements, benefitting from immediate cost savings.

- More than 25 investment/JV structures taken from Round Hill Capital.
- Together, Intertrust Group and Round Hill Capital continue on our strategic paths of growth, with eyes firmly focused on new markets for real estate investments.

### Our advantages

- Proven track record in real estate with strong expertise.
- Technology-driven approach.
- Local knowledge to reduce the risks of non-compliance.
- Global footprint.



## What makes us different?

We provide end-to-end private capital fund services with the ability to set up and manage entities at the global SPV level, through to administration and investor services at the fund level.

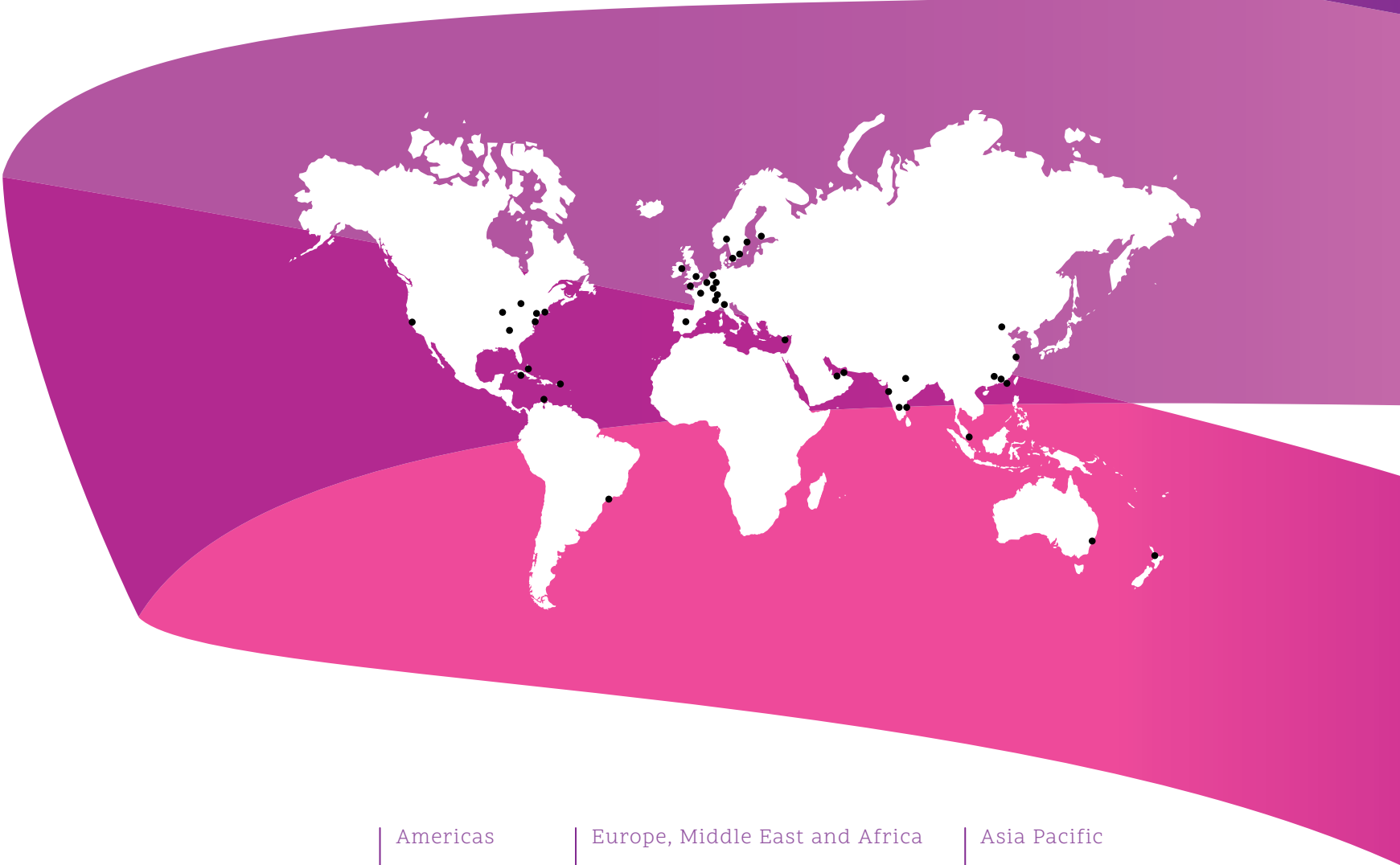
We give fund managers a unique opportunity to view and manage their portfolio from top to bottom. Our solutions can be customised and designed to meet your specific needs across all private capital asset classes, including real estate.

With real estate opportunities now increasing again, funds need capable administrators to help them to access the market in real-time and support their cross-border property investments. We're perfectly positioned to help you accelerate the possible.

- Established in 1952, giving us over 65 years' experience in expert administrative services.
- 4,000 employees dedicated to providing world-leading, specialised administration services to clients in over 30 jurisdictions. Amplified by the support we offer across our approved partner network which covers a further 100+ jurisdictions.
- We're in 13 global fund services hubs and all major fund domiciliation centres.
- Number one independent security trustee in the European ABS market.
- We use best-in-class technology solutions for integrated property management, enabling a high degree of control and visibility 24/7.
- Deep asset class knowledge across all commercial real estate sectors.
- Quantified chartered accountant professionals and members of RICS, as well as real estate associations.
- We hold an ISAE 3000 Type II report, and also an ISAE 3402 certification for specific scopes depending on the jurisdiction and services provided.
- At the end of 2019, we were the top cross-border administrator of FVCs in the Eurozone, with an 11.2% market share.

Deep asset class knowledge across all commercial real estate sectors

## We service clients from 30+ jurisdictions



Americas	Europe, Middle East and Africa		Asia Pacific
Bahamas	Belgium	Jersey	Australia
Brazil	Cyprus	Luxembourg	China
BVI	Denmark	Norway	Hong Kong
Canada	Finland	Spain	India
Cayman Islands	France	Sweden	Japan
Curacao	Germany	Switzerland	New Zealand
USA	Guernsey	The Netherlands	Singapore
	Ireland	UAE	
	Italy	UK	



To find out more about how Intertrust Group  
can help fast track your cross-border and local  
real estate structures, visit our website.

[INTERTRUSTGROUP.COM/FASTTRACK](https://intertrustgroup.com/fasttrack)

Regulatory information is detailed on [intertrustgroup.com/legalnotice](https://intertrustgroup.com/legalnotice)