



Real estate portfolio construction

Pathway markers for an international journey

In the Era of Alternative Data

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Structure

Introduction: Asset Management and alternative data

1. Wicked Problems and real estate investment
2. Data for real estate market and fund selection
3. Asset selection and disintermediation
4. Accelerated Due Diligence
5. What about our intuition?
6. And now what??

Introduction

Asset Management

Concentration / Legislation / ESG / Fee Pressure / Increasing Transparency / Tech & Data & AI / Globalisation / RE ETFs?

Alternative data

All relevant data excl. Market data, Internal Data and Macro-Economic Data

Demographics, Market Dynamics, Amenities, Payment data, Traffic Data, Construction Data, Labour market data etc.

This is a new and difficult topic with several routes, so we need Pathway Markers.

Can data answer all our questions?

Why not?

The Era of Alternative Data

1. Wicked Problems

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Definition: What is a Wicked Problem?

A **wicked problem** is a complex, multifaceted issue that is difficult or impossible to solve definitively because:

- It has **no clear definition** or stopping point
- It involves **multiple stakeholders** with conflicting interests
- Every solution leads to **new or unforeseen consequences**
- It is **unique**—there is no precedent or clear solution path
- The solution is often **subjective** and context-dependent

*Coined by **Rittel and Webber (1973)** in the context of social policy planning, wicked problems contrast with “tame” problems, which have clearly defined parameters and solutions.*

Wicked Problems in Real Estate Investment Management

Real estate investment deals with allocating capital while balancing returns, risks, and constraints.

This process is rife with wicked problems because:

- Urban Dynamics and Planning
- Sustainability vs. Profitability
- Housing Affordability and Policy
- Incomplete and Asymmetric Data
- Global Economic Uncertainty

Possible Solutions to Wicked Problems in Real Estate

1. More and Better Data

Data & AI can improve prediction models using:

- Satellite imagery
- Real-time market activity
- IoT data (smart buildings)
- Demographic and mobility trends

However, more data doesn't *so/ve* the wickedness—it clarifies patterns and reduces uncertainty, but it doesn't remove competing stakeholder interests or values.

2. Scenario Planning & Digital Twins

3. Stakeholder Collaboration e.g. PPP's

4. Adaptive Governance and Regulation

5. ESG Integration

2. Data and AI for Fund and Market Selection

Data and AI for Fund and Market Selection

Investors need data about user markets and investor markets: rents and yield

Rental growth is dependent on a large number of drivers

For a range of geo-granularities from country to postal code

The relations are different for every sector

And they are not stationary

Yield compression is dependent on the risk free rate and risk perceptions

Of assets, locations, portfolios

And management, including gearing, disclosure and perception of alignment

These elements change over time as well

For faster visual interpretation Data need to be available in *normalised format* as well

Aggregated Fund Scores, based on every asset in the portfolio

Fast intuitive analyses of overview scores of all funds in a universe

Home / Portfolios & REITs

REITs, Property Companies & Private Funds

Show only Private Funds Show only selected Companies In-depth comparison

	Property company	Country of Listing	Sector	Assets	Total Regional Score	YTD	-1M	ΔFY2 024	Climate Risk Exposure	Climate Risk Hazard	Climate Risk Vulnerability - Adaptive Capacity	Climate Risk Vulnerability - Sensitivity	Perc. coastal region exposure	High flood risk (#)	Medium flood risk (#)	Low flood risk (#)	Total flood risk (#)	No flood risk (#)
<input type="checkbox"/>	Aachener Grund Nr.1	Private	Retail	86	4.1			0.0	5.4	4.3	3.4	2.5	4	0	0	0	0	86
<input type="checkbox"/>	Aachener S&S Fonds	Private	Retail	17	3.9			0.0	4.7	4.3	3.5	2.5	38	0	0	0	0	17
<input type="checkbox"/>	AllSafe	Private	Other	42										3	0	1	4	36
<input type="checkbox"/>	Amvest	Private	Residential	241	4.7			0.0	3.6	4.2	3.2	3.6	64	30	0	40	70	146
<input type="checkbox"/>	Amvest DEV	Private	Residential	17	4.9			0.0	3.4	4.2	3.1	3.4	88	2	0	1	3	13
<input type="checkbox"/>	Amvest LCF	Private	Healthcare	78	4.2			0.0	4.2	4.3	3.3	4.2	33	7	0	5	12	61
<input type="checkbox"/>	Bouwinvest	Private	Residential	300	4.9			0.1	3.7	4.3	3.3	3.7	75	26	0	20	46	239
<input type="checkbox"/>	Catella Bavaria	Private	Diversified	4	3.6			0.0	5.1	4.0	3.5	2.7	0	0	0	0	0	4
<input type="checkbox"/>	Catella European Resi	Private	Residential	75	4.3			0.0	4.7	4.1	3.4	3.1	33	6	0	1	7	66
<input type="checkbox"/>	Catella MAX	Private	Diversified	14	4.6			0.1	5.3	3.7	3.2	2.5	0	0	0	0	0	14
<input type="checkbox"/>	Catella Modernes Wohnen	Private	Residential	7	4.3			0.0	4.6	4.3	3.5	2.7	36	0	0	0	0	7
<input type="checkbox"/>	Catella Wohnen Europa	Private	Residential	46	4.1			0.0	4.9	4.1	3.4	3.5	35	2	0	0	2	43
<input type="checkbox"/>	Commerz Hausinvest EU	Private	Diversified	141	4.7			0.1	5.0	4.0	3.4	2.9	28	17	0	3	20	116
<input type="checkbox"/>	Deka-Immobilien Europa	Private	Diversified	133	4.5			0.1	4.9	4.0	3.4	2.8	20	14	0	4	18	115
<input type="checkbox"/>	Deka-Immobilien Global	Private	Diversified	18	4.9			0.0	5.0	4.3	3.5	2.6	47	3	0	0	3	14
<input type="checkbox"/>	DWS Grundbesitz Deu.	Private	Diversified	34	4.2			0.1	5.0	4.2	3.5	2.7	40	3	0	1	4	29

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Download



Data and AI for Fund and Market Selection

3. Deal sourcing and disintermediation

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Deal sourcing and disintermediation

Digitalisation, alternative data and artificial intelligence offer new deal-sourcing opportunities

This has advantages for discretion, discipline, conflicts of interest, and transactional bias

In-house deal sourcing does not broadcast your intentions, offers a window in time to take a substantial position

Disintermediation offers jumping the queue, lower cost, more flexibility, speedier execution, off-market access

You want to create a full list of *all* properties and you filter out the ones you like

You do not wait your turn or bid up a price

You then quickly check the attributes of the asset and its location and urban planning against your wishlist

You ask the owner if she is interested to sell to you

It could look something like this:

Dutch Search Engine: All Dutch Sites for development

- The Dutch Search Engine for developers is a custom-made application for filtering all land plots in the Netherlands.

The Dutch Search Engine for developers is a custom-made application for filtering all land plots in the Netherlands.

Immediate full access to all urban planning and automated links to Kadaster, to approach owner.

Jump the queue
Lower cost
Stay below Radar
Go off-market
Remove transaction bias
Do not bid-up
Don't educate an agent

The screenshot displays the 'Search NL' web application. The top navigation bar includes a search bar, a 'Search' button, and a 'Collections' button. Below the navigation bar, there's a sidebar on the left with filter options and a main map area on the right. The sidebar contains a 'Filters' section with 'Quick Filters' and a 'Longlist selectiecriteria' section. The map area shows a map of the Netherlands with red dots indicating land plots. The right sidebar shows 'Locatie details' for 'Amersfoortseweg 24' and '3951LB te Maarn'. It includes a Google Street View image and a table of details.

Bestaande bebouwing	
Bebouwd percentage	38%
Vloeroppervlak industrie	321 m ²
Vloeroppervlak kantoor	1.842 m ²
Hoofdgebouw BAG id	158110000028755
Totaal voertuigen in zicht	1.107
Hoofdgebouw footprint	1.107 m ²
Hoofdgebouw hoogte	18 m
Hoofdgebouw bouwjaar	1990

Ontwikkelpotentie	
Max bouwvolume	26.100 m ³
Max volume methode	Geen regel
beland: Bebouwingspercentage gesampled op omgeving, geen max bouwhoogte	146,162
beland: sample van omgeving	317 m
Max footprint	1.450 m ²
Max footprint methode	Geen

Verkeer & Zichtbaarheid	
Zichtbaarheid score	80%
Totaal voertuigen in zicht	-
beland: sample van omgeving	146,162
Snelweg afstand	317 m
Snelweg voertuigen	85.800
N-weg afstand	94 m



Deal sourcing and disintermediation

4. Accelerating Due Diligence

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Accelerating Due Diligence

Next way to create outperformance is to accelerate understanding a location

Ideally you type in any address and its use (care, office, resi, high street retail)

Get the relevant hyperlocal, municipality, LUA, regional and national Data

Add your (intuitive or tested) weights to these data scores for the asset under review

Compare the outcome with your minimal requirements, another asset, your portfolio or your investable universe

Compare the scores with the relevant sub portfolio

And only after a satisfactory outcome - you call in that expensive cavalry and start spending serious time

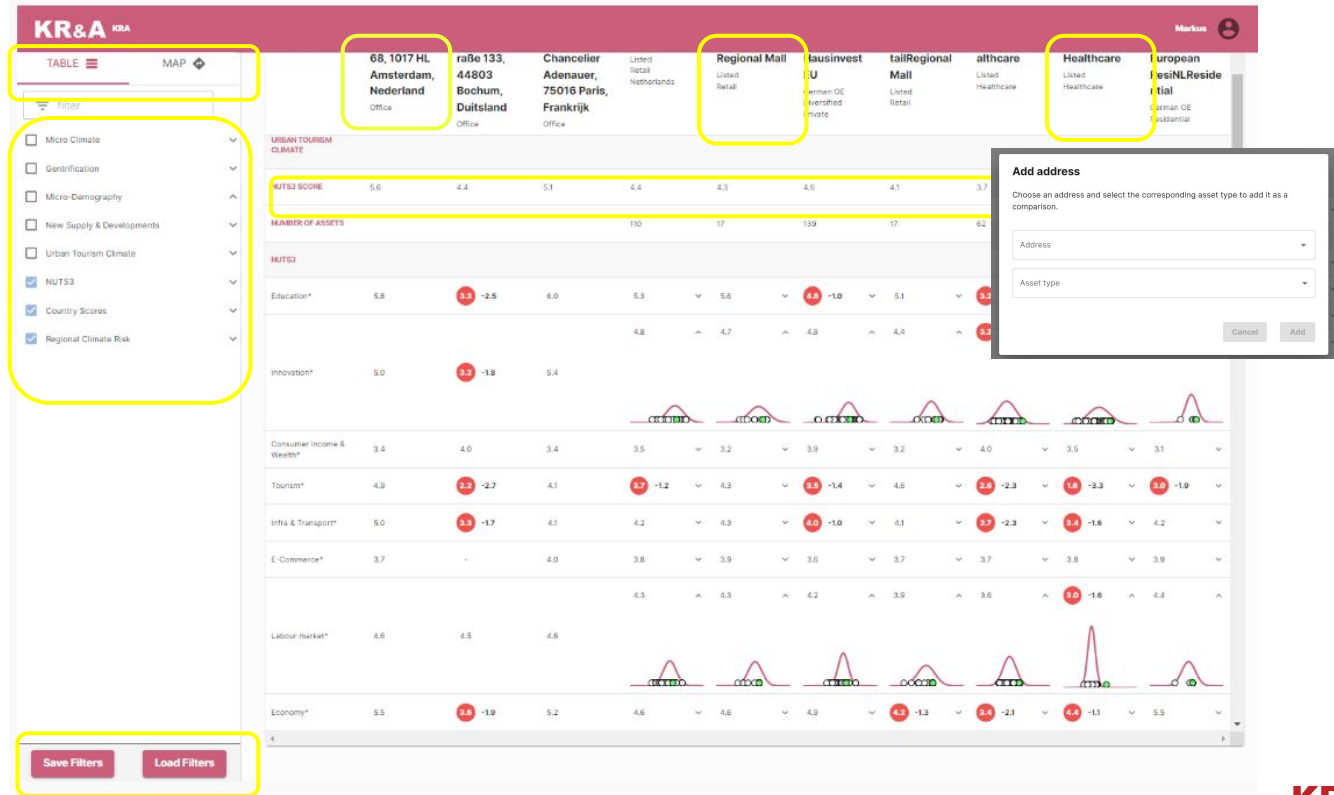
So you stop using intel of a transactional agent until you actually need it

It could look something like this:

Flash Due Diligence - start hyperlocal

Objective, Disciplined and Unbiased Selection

- Instant due diligence and risk metrics for any address in Europe
- Regional, National, Climate Risk and Micro-data
- Comparison of an address with other addresses of portfolios and even sub-portfolios of public companies and funds



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Accelerating Due Diligence

5. What about intuition?

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Introducing intuition

This is not a perfect world - Managing limitations to Data, Skills, Time, and Budget

Optimising the Balance Between Data & Analytical Skills vs. Experience & Intuition

Marginal cost of perfect data is often **prohibitive** as *marginal* signal is often unclear

Value of intuition for real estate investment differs, strongly:

- Per Micro-location, Region and Country
- Per Sector and subsector
- Per Culture
- Per Investment Team

Read: “[Intuition in Investment Decision-Making Across Cultures](#)” by [Haili Wu, PhD, CFA](#)

According to the Oxford English Dictionary, intuition is:

- a. The immediate apprehension of an object by the mind without the intervention of any reasoning process; a particular act of such apprehension.
- b. Immediate apprehension by the intellect alone; a particular act of such apprehension.
- c. Immediate apprehension by sense; a particular act of such apprehension.

6. And now what?

Objective, Disciplined and Unbiased Selection

Do not allow your HI team to get hijacked by Gen AI - there is so much more - in particular *predictive*

Most statistical Relations in real estate investment are local and non-stationary

Prepare for transition from Pyramid to Block- enterprise

Start collecting proprietary data - history is not always reproducible

Use interfaces to drill down faster and understand quicker

Start experimenting with AI AGENTS today

Move away from the beaten Track of data sources

Now what?

Thank You

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How To Find Us

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