

Top 20 managers by value of their indirect vehicles

There are now 368 vehicles worth a total of £76bn

Rank		Manager	Vehicles	GAV (£m)	GAV (£m)
06	05			2006	2005
1	1	Morley Fund Management	24	12,434	8,625
2	2	Standard Life Investments	10	11,046	7,526
3	3	Schroders**	12	6,537	5,700
4	4	Henderson Global Investors	10	4,334	3,191
5	6	Legal & General Property	9	3,402	2,386
6	12	ING Real Estate Investment Man (UK)	7	2,514	1,600
7	9	UBS Global Asset Management (UK)	2	2,317	1,722
8	18	PRUPIM	6	2,244	1,066
9	11	Arlington	6	2,020	1,722
10	14	Grosvenor Fund Management	5	1,858	1,310
11		Threadneedle Property Investments	5	1,759	-
12		Highcross Strategic Advisors	2	1,500	-
13	5*	Invista Real Estate Inv Man	14	1,258	-
14	17	Rockspring Property Investment Managers	4	1,205	1,148
15	9	Scottish Widows Investment Partnership	6	1,103	1,862
16	20	Lend Lease Real Estate Investments	2	1,012	900
17		Cardale/Tilney Asset Management	3	1,000	-
18	19	Close Investments	19	950	1,000
19		CB Richard Ellis Investors	4	816	-
20		Warner Estate Holdings	3	753	-

Source: Property Funds Research

Top 20 managers by value of discretionary mandates

Morley has knocked PRUPIM off the top spot for the first time

Rank	Manager name	Total capital	Vehicles	Total capital	Vehicles	
06	05	(£m) 06	06	(£m) 05	05	
1	2	Morley Fund Management	14,993	30	8,012	26
2	1	PRUPIM	14,825	10	13,672	11
3	4	Legal & General Property	7,788	5	5,976	4
4	10	Invista Real Estate Inv Man	6,609	n/a	3,900	5
5	9	Threadneedle Property Inv	6,565*	9	4,400	9
6	6	LaSalle Investment Management	6,155	18	5,107	15
7	8	Arlington	5,800	20	4,450	21
8	5	F&C Asset Management	4,818	13	5,200	17
9	11	CB Richard Ellis Investors	4,527	26	3,843	29
10	14	ING Real Estate Inv Management UK	2,945	26	2,400	24
11		Resolution Asset Management	2,700	8		
12		AXA REIM UK	2,277	1		
13		Teesland iOG	1,350	7		
14		BAA Lynton	1,200	2		
15	20	Schroders**	1,156	15	688	12
16	12	Scottish Widows Inv Partnership	1,123	2	3,586	6
17	7	Standard Life Investments	909	3	5,005	5
18	13	Henderson Global Investors	856	19	2,512	17
19		Cordea Savills LLP	807	3		
20		Liverpool Victoria Asset Management	800	4	750	4
Bubbling under						
21		Protego Real Estate Investors	465	2		
22		Colliers Capital UK Limited	450	3		
23		Knight Frank Investment Man LLP	450	4		
24		Cushman & Wakefield Investors	433	4		
25		OLIM	400	7		
26		Wilky Fund Management	315	2		
27		Harbert Management Corp (Europe) LLC	175	2		
28		Rowan Asset Management	170	4		
29		UBS Global Asset Management (UK)	144	5		
30		JPMorgan Asset Management	120	3		
* figure includes CASH Invista was formerly Insight						
** includes crossholdings in Schroder funds and Schroder Indirect RE Fund						

Source: Property Funds Research

For the third year running, Morley is the fund manager sitting at the top of the pile, with £12.4bn of indirect funds under management and three launches since our last survey – the Arena Trust, Quantum Fund and Tesco/Morley Property Fund. Ian Womack's team now manages 24 indirect vehicles, covering almost every type of asset and catering for most types of investor. In the last two years, Morley has also launched six European funds, which are not included in this UK survey.

New vehicles are not solely responsible for the indirect market's growth in value – existing funds have increased in value as the whole property market has moved up, while open-ended funds have continued to attract new money. Morley's Norwich Property Trust has doubled in value to £3.3bn as cash continues to rush in at the rate of more than £100m a month.

Life funds sell out of direct property

And the property owned by indirect vehicles is not all new to the fund managers running the funds, especially in the biggest houses. Plenty of it was moved out of single client in-house funds, particularly life funds, and into collective vehicles, with the life funds typically keeping a reduced exposure to the property sold. IPD puts the total amount of direct property sold by the life funds in 2005 at £9bn.

However, the overall pool of UK property managed by the fund managers who contributed to the survey is also substantially bigger, and the growth of the indirect market is not based solely on moving existing assets around and the life funds divesting.

Fund managers and their advisers have been successful buyers this year and last, despite intense competition for stock. They have been prepared to accept lower yields and have benefited as debt-driven buyers

“Consultants advising investors on their asset class splits are keen on property. There has been an absolute increase in demand”

James Darkins, Henderson