



Australian real asset funds

Fund management market research,
interviews and insights



May 2026

Executive summary

Since our previous research paper in June 2024, the market has remained competitive and fund management fee levels have remained tight. This report provides our updated analysis of the market as at March 2026.

Designing the right fee structure is a crucial balance between attracting investors and making the right returns for the manager.

The Australian funds management industry generated approximately \$11.6bn in revenue across FY25, with industry revenue forecast to grow at around 3.3% per annum between 2025 and 2030 (IBIS World, July 2025).

Based on this outlook, revenue is projected to increase to approximately \$13.6–\$14bn by 2030 (IBIS World, July 2025), reflecting steady expansion driven by rising demand for ESG investment strategies, greater participation from institutional and wholesale investors, and continued innovation in investment products and technologies.

Despite this growth, management fees remain low due to competition and investor scrutiny. However, many managers have sustained profitability by introducing tiered fee structures, with additional fees applied at lower levels of the fund. Additionally, the adoption of AI has become crucial for managers to enhance efficiency and streamline operations as competition persists across the sector. Continued investment and development of data analytic tools and AI agents will be critical for managers seeking to maintain profitability whilst operating within tighter fee structures (IBIS World, July 2025).

To better understand these dynamics, PwC has developed a database of Australian funds, capturing insights on fee structures and pricing levels across the sector. The database includes 17 new funds added since June 2024, and our findings are set out in this report.

Through interviews with industry experts, we clarified the scope included within each fee type at a granular level. Our interviews broadly supported the findings from our desktop research.

A summary of typical fund management fees based on our research is below:

Fee type	Indicative fee range based on research ¹	Trend since June 2024
IMA²/Base fund management fee	0.3% – 0.8% of GAV ³	→
Property Management fee	2.0% - 4.0% of gross property income	→
Costs and expenses	0.1% - 0.4% of GAV ³	↑
Acquisition and disposal fees	1.0% - 2.0% of transaction value	→
Performance fee	20% - 30% on total returns above IRR of 10 - 15%	↑
Financing fee	0.2% – 0.4% of total debt drawn	→
Leasing fee	10% - 15% of first years income	→
Project/ Development Management fee	3% – 5% of total development costs	→

¹ Indicative fees represent the typical fees charged and excludes outliers/anomalies. Note that fund type, investments, strategy, investor demand, and other specifics need to be considered

² Investment Management Agreement (IMA)

³ Gross Asset Value (GAV)

Our research in numbers

PwC has developed a dataset of real asset fund metrics for funds originated since 1994 to date. The database reflects our analysis on 229 funds sourced from investment memorandums, PDS's and other data sources, across a wide variety of investment strategies. This fund information has been supplemented with 15 interviews with investors and fund managers. A summary of the data we have obtained is reflected throughout this report.



229

Funds

86

Fund managers

7

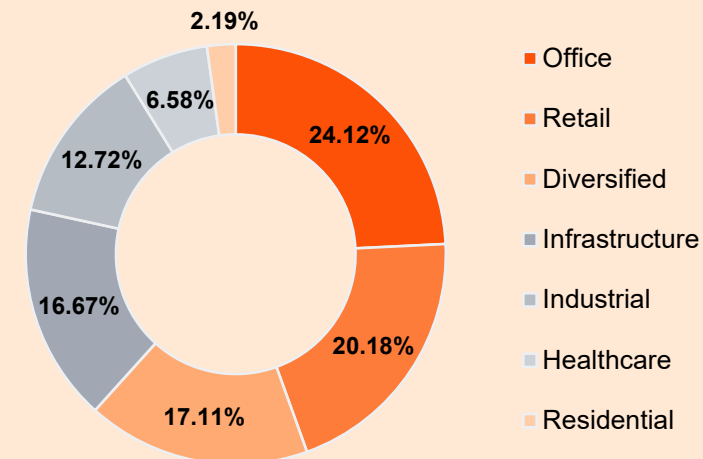
Sectors

Limitations of our Analysis

- We note that the analysis is qualitative and subjective in nature, and therefore we recommend that this report is used as a reference data point rather than a definitive pricing decision driver.
- The information, statements, statistics and commentary (together the "Information") contained in this report have been prepared by PwC from material obtained from public sources and interviews made with market participants.
- We also note that some information utilised in our research is imperfect, inconsistent or incomplete across funds.

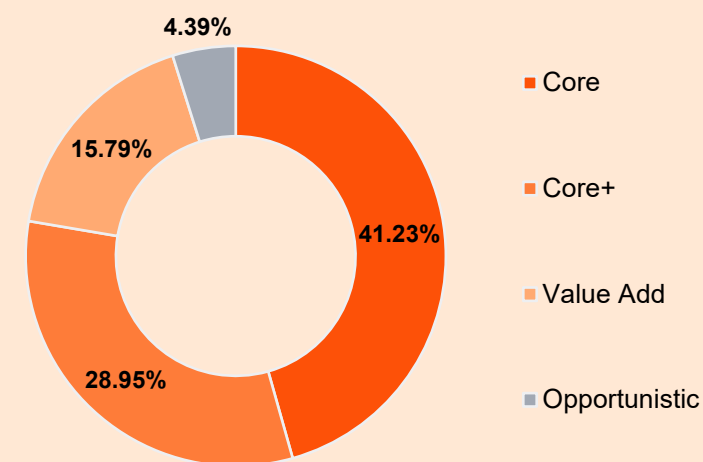
Fund distribution by sector

- Real asset funds can be categorised by the sector they invest in. Our dataset identified the most common investment class (by number of funds) is Office (24.12%), followed by Retail (20.18%) and Diversified (17.11%) funds.
- There is no uniform correlation between fund strategy and the sectors that funds deploy capital into. However, we do note that in our dataset, a higher portion of Opportunistic and Value Add funds invest in Retail and Diversified assets.



Fund distribution by strategy

- Real asset funds can also be categorised by strategy; with the four key strategies being **Core**, **Core Plus**, **Opportunistic** and **Value Add**. Core is associated with the lowest risk and Value Add is associated with the highest risk requiring a greater level of capital deployment.
- In our dataset, the most prevalent fund strategy type is Core funds, accounting for (41.23%) of the total, followed by Core Plus (28.95%). Only 20.18% of funds are classified as Opportunistic or Value Add.



Key takeaways



The fund management landscape is becoming increasingly more competitive. While some interviewees consider that fees are at the bottom of the cycle, this is still a key differentiator between real asset mandates. Investment management agreements used to be a set and forget; however, **we are now seeing managers of long-standing mandates re-benchmark their fees** against the market. **Fee benchmarking is increasingly being provided in data rooms for investors to consider as part of diligence.**

01

Competition among managers is high, investors are searching for a point of difference

High competition for capital has put downward pressure on fees. There is a growing consensus that large managers are increasingly similar to one another and therefore presenting a point of difference is crucial to attract capital, fees are a lever that can directly affect investor returns.



02

Growth in alternative allocation

Greater allocation to specialised alternative assets (e.g. data centres, battery storage, offshore wind farms) may support higher average fee levels over the medium term, reflecting the increased complexity and active management requirements of these assets.



03

GAV vs NAV fee structures

Funds reporting fees on a GAV basis are increasingly also disclosing a NAV-equivalent view, particularly where leverage materially affects fee comparability. GAV basis is typically the key method of comparison within fee benchmarking.



04

Large investors are searching for direct asset exposure and low fees

Real asset investment managers are competing to attract the wave of inbound institutional capital. A key point of focus for capital, particularly Japanese, is having direct asset exposure through joint ventures and single mandates. These investors expect lower fees.



05

Fund management fees should not be the key metric

The historical performance of the fund manager and underlying assets/investment strategies is often a more critical aspect considered by investors than the fees charged.



06

Retail vs Institutional fee divergence

Retail funds continue to carry more complex, multi-layered fee stacks, while institutional investors are moving toward simpler, lower-cost structure. This is because large institutional investors can demand lower simpler fee stacks.



Base fund management fees

Lower base management fees don't necessarily mean a fund manager is less profitable, as funds generate income through various fee structures. Based on our interviews, investors take a holistic view, considering the full fee stack along with factors such as historical performance, fund strategy, track record and balance sheet of the manager, size, asset sector, and whether the fund is listed when making decisions.

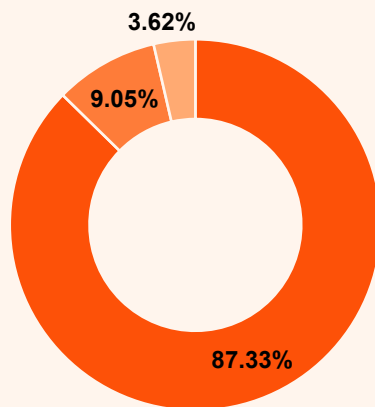


Fee calculation: GAV vs NAV

Out of the 229 reported funds in our database, only 27 calculate base management fees as a percentage of NAV (Net Asset Value). Of the 17 new funds reported since June 2024, only one fund disclosed a management fee based on NAV.

Whilst some of our early interviews with fund managers revealed growing pressure to report fees based on NAV, we have not yet observed this trend among new market entrants.

Although GAV remains the most widely reported fee metric across funds, NAV is often viewed by limited partners (LPs) and internal stakeholders as a more comparable economic benchmark, being the representation of fees charged by a fund relative to asset value.

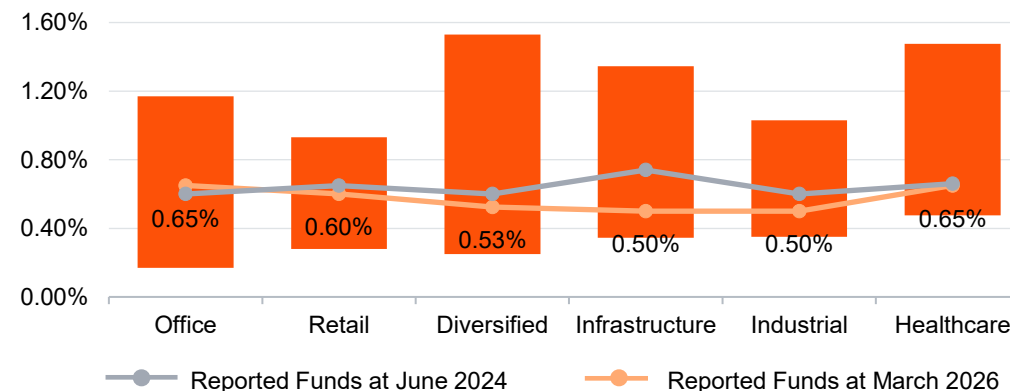


- % of funds with fees based on GAV
- % of funds with fees based on NAV
- % of funds with fees based on both GAV and NAV

Fee breakdown by sector

Management fees across Australian real estate funds typically cluster between 0.50% and 0.65% of GAV, reflecting strong competition among institutional managers and increasing standardisation of fee structures. Variation across sectors is primarily driven by differences in operational complexity and asset management intensity. Sectors such as Office, Retail and Healthcare reflect higher fees, which typically involve more active leasing, tenant management and operational complexity.

Base management based on GAV fees by asset sector



Despite some variation, fee structures remain broadly consistent across sectors, supporting the downward pressure on fees in the market overall. In response, funds are adopting performance linked fee structures and other incentive based mechanisms to extract value to compensate for lower headline fees, which remains under greater scrutiny from investors.

Performance fees



Benchmarking across funds

Performance fees are charged as a percentage of excess returns above a hurdle rate over a given period. In our dataset, the average performance fee charged is **25% with an average hurdle rate of return of 11.79%**.

Return periods depend on the fund type, with close ended funds often using the life of the fund and open-ended funds typically using a pre-determined period that rolls over.

New funds dynamics

Performance fees are trending upward among newly launched funds. Of the funds added to our database since June 2024, 14 charge performance fees of 20% or 30%, compared with only 1 fund that reported a 15% fee. Recent data indicates that **IRRs have converged across funds applying 15% and 20% performance fees**, suggesting that higher fees are not necessarily associated with stronger performance.

In addition, funds are increasingly adopting **tiered performance fee structures**, replacing single hurdle rates with multiple IRR thresholds tied to higher fee levels. Specifically:



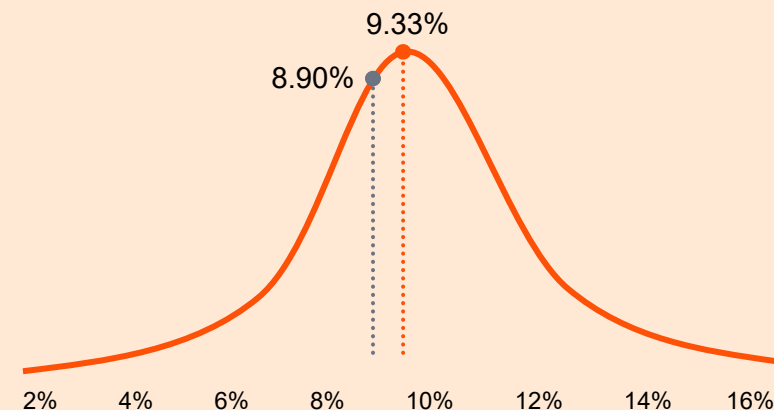
A **20% performance fee** is typically applied for IRRs between 10% and 15%.



A **25% performance fee** typically applies to funds with IRR hurdle rates exceeding 15%.

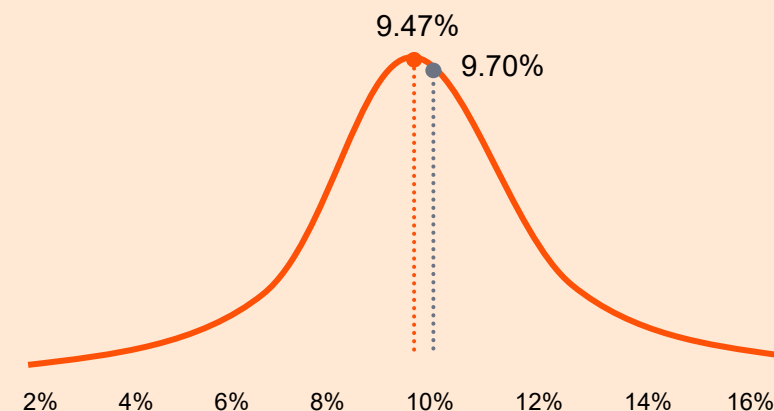
10% of funds charge a 15% performance fee, with an average hurdle rate of 9.33%. In June 2024, our database showed that funds charging a 15% performance fee had average hurdle rates of 8.90%, approximately 80 basis points lower than those charging a 20% performance fee. As of March 2026, this gap has narrowed significantly to 14 basis points, indicating minimal differentiation in IRR thresholds between funds adopting 15% and 20% performance fee structures.

15% performance fee hurdle rate



Further, as of March 2026, 50% of funds charge a 20% performance fee, with an average hurdle rate of 9.47% representing a 22 basis point reduction to the hurdle recorded in June 2024. This suggests that while 20% performance fees remain widely adopted, the hurdle rates required to trigger them have declined, allowing higher fees to be earned at lower return thresholds.

20% performance fee hurdle rate



Fee stack commentary by mandate and pooled funds

Fee type	Fee ranges	Comments
Base management fee (GAV)		Base management fees have remained broadly stable, although we continue to observe a slight widening of the fee range. Most managers are still charging between 0.3% and 0.8% of GAV , with a small proportion of mandates priced at the lower end. Outliers at or above 1.0% tend to be associated with specialised or higher-touch strategies. Overall, market pricing remains competitive, with a mild downward pressure from institutional investors seeking incremental efficiency.
Acquisition and disposal fees		Acquisition fees in the current market remain consistent between 1.0% to 2.0% for most institutional mandates. Fees can range higher around 4.0% to 5.0%, depending on mandate structure and level of transactional activity required, however overall, our data indicates most funds continue to anchor around 1.0% to 2.0% .
Performance Fee²		Performance fees are trending higher among newly launched funds, with the majority now applying a 20% carry above 10% hurdle rates . Additionally, a growing number of funds are adopting tiered performance structures , linking higher achieved IRR to higher fees of between 25% and 35% .
Leasing (new leases)		Leasing fees are not uniformly reported in the current data set, with most managers providing descriptive rather than numeric disclosures. Our analysis indicates that leasing fees are typically between 10% and 15% of the first year's gross rent. These fees are usually charged when properties are internally managed by the fund manager; otherwise, costs are passed through the fund from external leasing agents.
Development management		Development management fees have remained consistent, generally falling within the 3% to 5% range , with more complex projects reaching 6% to 8%. These fees continue to reflect the increased labour and build cost environment, as well as the elevated governance and reporting expectations from institutional investors. Overall, pricing remains aligned with prior-year market observations.
Property/asset management		Property management fees continue to sit within a relatively stable market band, most commonly between 2.0% and 4.0% of passing rent . Higher fee levels (up to 4% and 6%) appear in retail or actively managed assets where operational intensity is greater. For mandates and pooled funds with strong in house capabilities, fees are often absorbed or integrated within broader management cost structures.

Key: 2024 Fee Range (light orange), 2025 Fee Range (dark orange), Fee (orange), Hurdle (grey)

¹ Market fees represent the typical fees charged, excluding outliers and anomalies to allow for a more meaningful comparison. '2024' includes data from 2023 and 2024, and '2025' includes data in 2025 only.

Let's talk



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Contact our real asset fund management specialists...



Rachel Smith

Partner

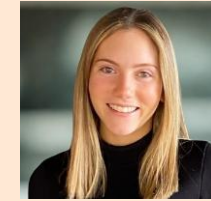
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How can we help

Our team is equipped to help you with your fund and investment management needs, with deep experience in the sector, we have helped our clients in:

Fund management
fees benchmarking



Market research
and competitor
analysis



Identifying, targeting
and evaluating
opportunities



Asset due
diligence



Financial
modelling



Valuations



Property
portfolio
reviews



Thank you

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