



**EPRA**  
EUROPEAN PUBLIC  
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

# Monthly Market Review and Developers' Research Benchmark

February  
2024

## Overview

The FTSE EPRA Nareit (FEN) Global Developed Real Estate Index lost 17 bps during February and now YTD return stands at -2.5%. Global equities (5.1%) gained compared to a loss from bonds (-1.1%) for the month. In terms of regional performance, Europe (-7.7%), Asia and (-2.0%) returned negative while North America gained a slight momentum (1.9%). Emerging markets (2.4%) also posted positive monthly return.

Focusing on sector performance, data centres (6.8%), lodging/resorts (5.6%) and healthcare (1.2%) were top performers, while the remaining sectors returned negative that industrial/office (-5.7%) and office (-2.8%) were bottom performers in February.

*At the end of February, the FEN Developed Index totalled 368 constituents, representing a free float market capitalisation of around EUR 1.4 trillion and the FEN Emerging Index totalled 126 constituents, representing a free float market capitalisation of around EUR 119 billion.*

## EPRA Developers Research Benchmark

The EPRA Developers Research Benchmark is a non-commercial benchmark designed to allow its constituents to assess themselves against each other. The *Developed Europe benchmark* lost 5.0% (m-o-m) bought YTD return at -2.0% in February. The benchmark now has 29 constituents from 12 different countries in Developed Europe (18 out of the UK) representing an aggregated full market cap of EUR 45,151 million (29/02/2024) – *Details on page 5.*

## Highlights of the Month

The latest inflation figures confirmed that the disinflation process in the eurozone continues this year. According to Eurostat, the eurozone inflation is expected to down 2.6% in February (from 2.8% in January). The ECB (4.25%) and the BoE (5.25%) kept policy rates unchanged at the last meetings. There is a consensus on a first rate cut in April, but it could possibly be delayed to June instead. The central banks remained cautious, therefore they may keep interest rates high for some time.

The continued economic uncertainty and elevated geopolitical risks are also putting additional pressures. It might be crucial for companies to prepare for a range of economic and geopolitical scenarios. In fact, earnings season continued, and companies look like keeping ‘wait and see’ approach in new investments while operating fundamentals are resilient.

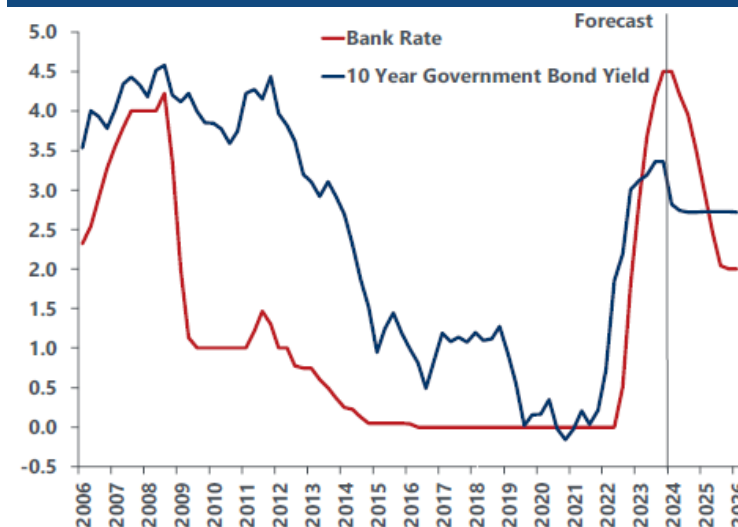
The FEN Developed Europe Index lost ground and returned negative (-7.7%) in February, bringing YTD to -10.4%. The average P/D to NAV in Europe stood at -35.1%, the lowest for industrial/office (-6.0%) and the highest for specialty (-50.7%). The European average LTV fell slightly from 38.9% to 38.8% in February. The FEN Developed Europe constituents raised EUR 3.1 billion capital including eight green bonds amounting around EUR 1 billion (more info on [EPRA Monthly LTV Monitor](#)).

## FTSE EPRA Nareit Global Index Total Return

	Feb-24	YTD	1 yr	3 yrs*	5 yrs*
% Total Returns (EUR)					
Global Real Estate ▼	-0.2	-2.5	-0.5	3.5	1.8
Global Equities (FTSE) ▲	5.1	8.6	21.6	13.3	13.0
Global Bonds (JP Morgan) ▼	-1.1	-1.1	-0.8	-3.1	-1.0
Europe Real Estate ▼	-7.7	-10.4	-2.3	-6.3	-3.3
Europe Equities (FTSE) ▲	2.4	3.7	10.5	9.4	8.4
Europe Bonds (JP Morgan) ▼	-0.7	0.4	2.5	-2.1	-0.8
Asia Real Estate ▼	-2.0	-3.9	-8.0	-2.4	-2.2
Asia Equities (FTSE) ▲	5.4	8.2	15.7	7.4	9.1
Asia Bonds (JP Morgan) ▲	0.6	1.8	-1.6	2.2	0.1
North America Real Estate ▲	1.9	-0.5	2.3	8.1	4.4
North America Equities (FTSE) ▲	5.7	9.5	27.6	15.3	15.7
North America Bonds (JP Morgan) ▼	-0.8	0.9	0.6	0.6	1.4
Emerging Real Estate ▲	2.4	-2.2	-6.5	-8.3	-5.9
Emerging Equities (FTSE) ▲	4.7	3.0	7.2	-0.8	4.2
Emerging Bonds (JP Morgan) ▲	1.2	1.9	7.0	1.7	1.9

(\* Annualised.)

## Fig. 1. Eurozone interest rate forecast



Source: Oxford Economics/Haver Analytics.

Fig. 2. Global Weights (EUR)\*

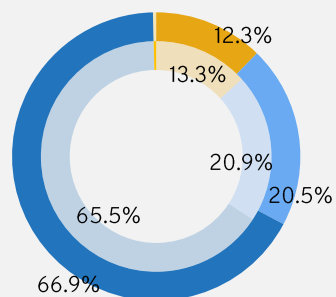


Fig. 3. REIT / Non-REITs

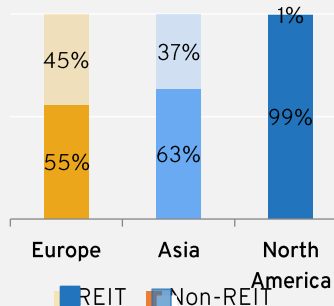


Fig. 4. Focus Split

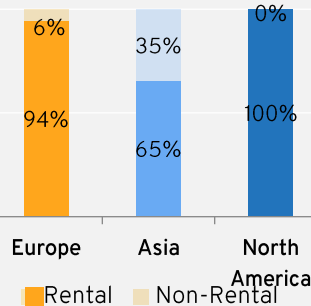


Fig. 5. Dividend Yields\*

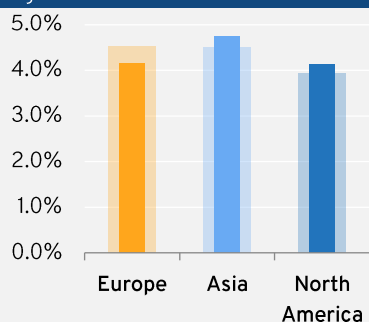


Fig. 6. Volatility (10 yr. & 3 yr.)\*\*

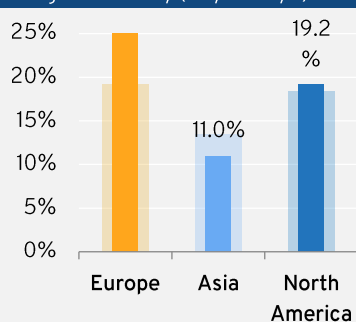
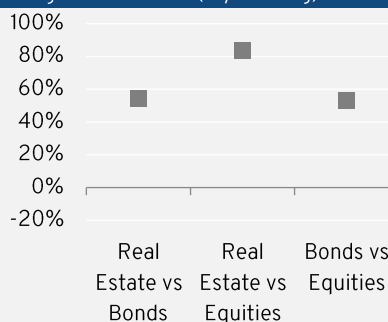


Fig. 7. Correlation (3 yr. rolling)



(\* Shaded bars are last month's (\*\* Shaded bars are 10 yr.

Dev. Europe: Total Return	Weekly Total Return by Sector					YTD	Ukraine war	Covid-19
	Feb-24	2-Feb	9-Feb	16-Feb	23-Feb			
						Dec-23	23-Feb-22	19-Feb-20
Developed Europe	-7.7%	-3.0%	-0.5%	-0.5%	-1.9%	-10.4%	-27.5%	-33.5%
Industrial	-6.5%	-2.6%	-1.6%	1.6%	-1.2%	-7.7%	-30.5%	-4.0%
Self-Storage	-10.1%	-4.1%	1.8%	-1.7%	-5.6%	-13.5%	-27.2%	-6.5%
Lodging/Resorts	9.1%	-4.0%	10.9%	2.5%	0.1%	3.1%	7.1%	-31.3%
Retail	-2.9%	-2.1%	3.4%	-1.0%	-1.5%	-4.2%	-5.1%	-33.2%
Diversified	-7.6%	-2.5%	-1.0%	-0.6%	-2.1%	-11.0%	-23.7%	-34.2%
Residential	-10.2%	-2.5%	-2.2%	-0.5%	-2.1%	-10.7%	-38.7%	-39.7%
Healthcare	-9.6%	-4.4%	-0.4%	-2.2%	-1.1%	-13.5%	-30.8%	-41.4%
Office	-11.1%	-4.9%	-1.7%	-2.0%	-2.4%	-17.5%	-25.2%	-42.0%

Source: EPRA Research. Data is compiled from the FEN Index series (as of February 29, 2024)

FTSE EPRA Nareit Developed Index – Top 10 Constituents

Company	Sector	Country	Total Return
ProLogis USA	Industrial	USA	▲ 5.2%
Equinix Inc	Data Centers	USA	▲ 7.6%
Welltower	Healthcare	USA	▲ 7.2%
Simon Property Group, Inc.	Retail	USA	▲ 6.9%
Public Storage, Inc.	Self-Storage	USA	▲ 0.2%
Digital Realty Trust	Data Centers	USA	▲ 4.5%
Realty Income Corp.	Retail	USA	▼ -3.7%
Vici Properties Inc	Specialty	USA	▼ -0.6%
Extra Space Storage	Self-Storage	USA	▼ -2.4%
AvalonBay Communities, Inc.	Residential	USA	▼ -1.1%

FTSE EPRA Nareit Developed Index – Top 10 Performers

Company	Sector	Country	Total Return
Medical Properties Trust	Healthcare	USA	▲ 35.8%
Xenia Hotels & Resorts Inc.	Lod/Resorts	US	▲ 15.1%
Wharf Real Estate Investment	Diversified	HK	▲ 14.2%
Mitsubishi Estate Company, Limited	Diversified	JA	▲ 11.5%
Swire Properties	Diversified	HK	▲ 10.8%
Park Hotels & Resorts	Lod/Resorts	USA	▲ 10.1%
Abacus Storage King	Self-Storage	AU	▲ 9.7%
Omega Healthcare Investors, Inc.	Healthcare	USA	▲ 9.6%
abrdn European Logistics Income plc	Industrial	UK	▲ 9.4%
Ingenia Communities Group	Diversified	AU	▲ 9.2%

FTSE EPRA Nareit Emerging Index – Top 10 Constituents

Company	Sector	Country	Total Return
China Resources Land Ltd	Diversified	CHN	▲ 2.1%
DLF	Diversified	IDA	▲ 12.3%
SM Prime Holdings	Diversified	PHIL	▼ -7.7%
China Overseas Land & Inv. Ltd.	Diversified	CHN	▼ -1.0%
Central Pattana Public Co. Ltd.	Diversified	THAI	▶ 0.0%
ALDAR PROPERTIES PJSC	Diversified	UAE	▲ 8.4%
Fibra Uno Administracion S.A. de C.V.	Diversified	MEX	▲ 7.4%
Ayala Land	Diversified	PHIL	▲ 2.6%
Embassy Office Parks REIT	Office	IDA	▲ 5.6%
Macrotech Developers	Diversified	IDA	▲ 8.9%

**FTSE EPRA Nareit Developed Europe Index**

The FEN Developed Europe Index lost 7.7% in February. European equities (2.4%) gained compared to a loss from bonds (-69 bps). Germany (-11.9%), Netherlands (-3.6%), the UK (-6.9%), France (-5.5%) and Sweden (-7.7%) indexes returned negative.

Subject to merger, *LondonMetric Property* (UK, constituent) will remain in the index, while *LXI REIT* (UK, constituent) will be deleted from the index. As a result of a tender offer by European Real Estate Holdings NV (non-constituent), *Intervest Offices & Warehouses* (Belgium, constituent) will remain in the index.

**Sector Performance:** All sectors returned negative except lodging/resorts (9.1%) as top performer, while office (-11.1%), residential (-10.2%) and self-storage (-10.1%) were bottom performers.

**Top 3 constituents:** *abrdn European Logistics Income pie* (9.4%, UK, Industrial), *Pandox AB* (8.9%, Sweden, Lod./Resorts), *Tritax Eurobox pie* (6.3%, UK, Industrial).

[Developed Europe](#) representing a free float MCap of around **EUR 178 billion** with 107 constituents

**FTSE EPRA Nareit Developed Asia Index**

The FEN Developed Asia Index slipped 2.0% for a month compared to gains from both Asian equities (5.4%) and bonds (65 bps) for the month.

The Hong Kong (4.9%) and South Korea (3.9%) indexes returned positive while Australia (-2.6%), Japan (-3.4%), Singapore (-3.9%) and New Zealand (-4.0%) indexes returned negative in Asia: and- *in Euros*.

No major corporate actions in Developed Asia region.

**Sector Performance:** All sectors returned negative which was limited for diversified (-68 bps) as top performer, while lodging/resort (-9.1%), industrial (-5.3%) and office (-5.0%) were bottom performers.

**Top 3 constituents:** *Wharf Real Estate Investment* (14.2%, Hong Kong, Diversified), *Mitsubishi Estate co Ltd.* (11.5%, Japan, Diversified), *Swire Properties* (10.8%, Hong Kong, Diversified).

[Developed Asia](#) representing a free float MCap of around **EUR 296 billion** with 135 constituents

**FTSE EPRA Nareit North America Index**

The FEN North America Index returned 1.9% for the month. North American equities gained (5.7%) compared to a loss from bonds (-78 bps).

The US index (2.1%) while the Canada index (-2.5%) returned negative for the month - *in Euros*.

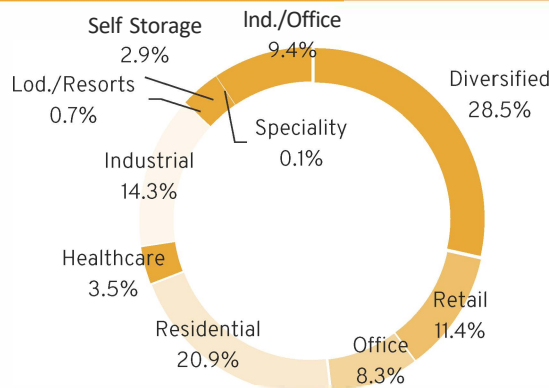
Subject to the completion of the merger, *Healthpeak Properties Inc* (USA, constituent) will remain in the index while *Physicians Realty Trust* (USA, constituent) will be deleted from the index.

**Sector Performance:** Lodging/resorts (7.0%) and data centres (6.9%) outperformed, followed by industrial (3.5%) and residential (1.1%). Meanwhile industrial/office (-14.3%) and diversified (-8.2%) were bottom performers.

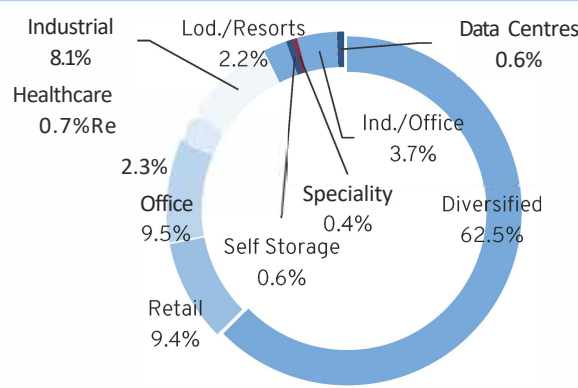
**Top 3 constituents:** *Medcal Properties Trust* (35.6%, USA, Healthcare), *Xenia Hotels & Resorts Inc.* (15.1%, USA, Lodging/Resorts), *Park Hotels & Resorts* (10.1%, USA, Lodging/Resorts).

[Developed North America](#) representing a free float MCap of around **EUR 966 billion** with 123 constituents

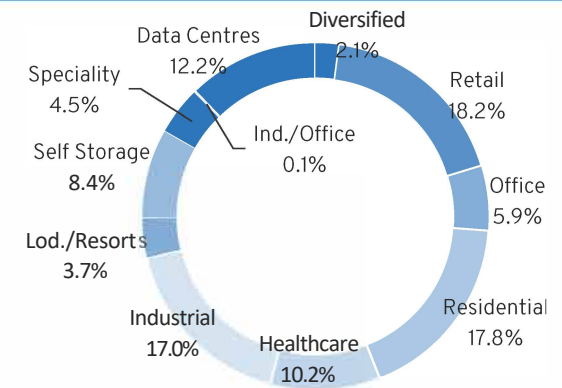
**Developed Europe Sector Split**



**Developed Asia Sector Split**

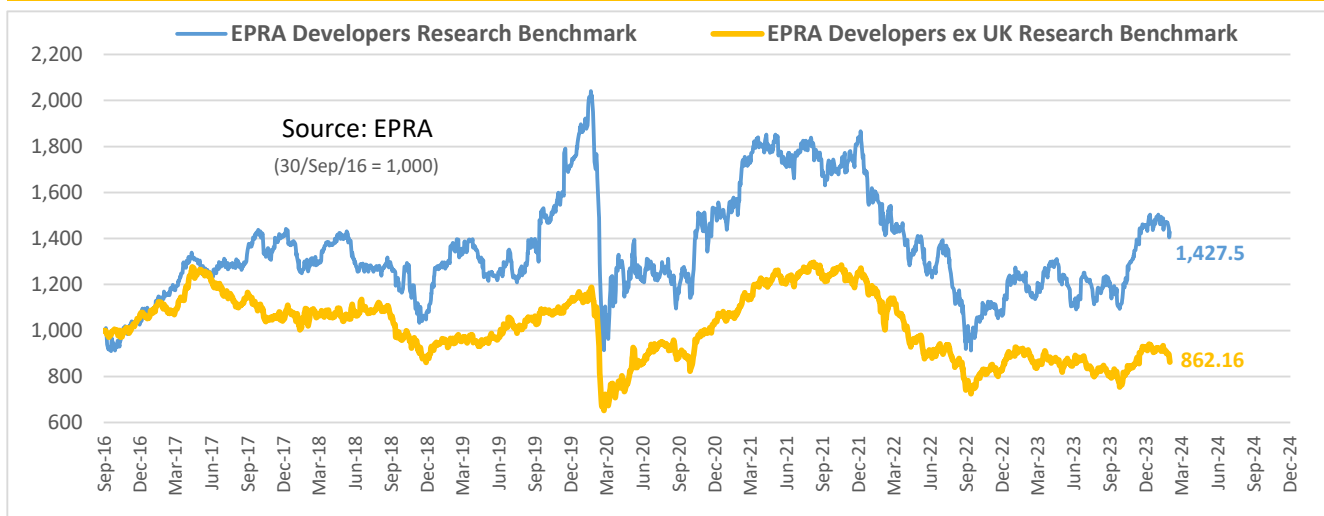


**North America Sector Split**



## EPRA Developers Research Benchmark

Thursday, 29 February 2024



EPRA DEVELOPERS RESEARCH BENCHMARK	Developed Europe			Developed Europe ex UK		
	1M	YTD	1 Year	1M	YTD	1 Year
Total Return	-5.0%	-2.0%	14.0%	-6.8%	-7.1%	-4.7%
Return	YTD	6M	5 Years	YTD	6M	5 Years
Total Return	-2.0%	20.3%	3.1%	-7.1%	3.1%	-10.2%
Maximum Return	2.8%	4.9%	11.6%	2.0%	5.6%	5.6%
Minimum Return	-3.4%	-3.7%	-13.2%	-2.5%	-3.4%	-12.5%
Mean Return (Annualized)	-12.6%	82.6%	8.1%	-44.9%	17.1%	0.1%
Maximum Drawdown	-6.6%	-11.5%	-55.3%	-8.4%	-11.2%	-45.1%
Maximum Drawdown Length	35	25	690	38	29	22
Risk	YTD	6 Months	5 Years	YTD	6 Months	5 Years
Standard Deviation (Annualized)	21.8%	23.5%	31.5%	14.6%	19.0%	20.8%
Downside Risk (Annualized)	16.4%	16.4%	22.1%	10.9%	12.5%	15.8%
Kurtosis	-0.24	0.66	6.49	0.01	0.04	0.13
Skewness	-0.34	0.14	0.12	0.00	0.01	-0.01
Semivariance (Annualized)	26.1%	23.2%	31.0%	15.2%	17.2%	22.8%
VaR (ex-post)	-2.35	-2.26	-3.01	-1.74	-1.73	-1.95
Risk-Adjusted Performance	YTD	6 Months	5 Years	YTD	6 Months	5 Years
Sharpe Ratio	-0.60	2.13	0.16	-2.64	0.43	-0.02

The **EPRA Developers Research Benchmark** is an equity index aiming to represent the aggregated performance of the most significant and liquid real estate developers in Europe, including both residential and commercial developers.

This is a benchmark developed for **research purposes only**, using free float market cap as the main input for computing index weights. The final list of constituents has been filtered applying a comprehensive methodology that combines both market and real estate criteria to determine the best companies to represent the sector. **Two sub-indexes are also computed:** 1) Liquid Developers (FFMC > EUR 500M) and 2) Residential Developers

### Key Features

**Benchmark Type:** Equity Index

**Industry:** Real Estate Developers

**Launch Date:** 31/Dec/2021

**Geography:** Developed Europe

**Weights Input:** FF Market cap

**Base Currency:** EUR

**Base Date:** 30/Sep/2016

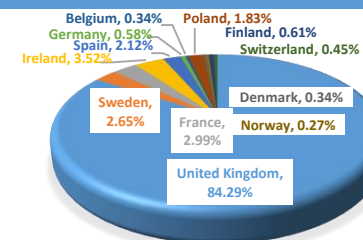
**Base Value:** 1,000

**Review Dates:** April, October

## EPRA Developers Research Benchmark

Thursday, 29 February 2024

Constituent	Classification	Weight	Country	TR 1M	TR 1Y	Std.Dev
TAYLOR WIMPEY PL	Residential	13.97%	UK	-7.3%	24.3%	25.9%
BERKELEY GROUP	Residential	13.95%	UK	-3.6%	16.9%	21.3%
BARRATT DEV	Residential	13.27%	UK	-13.9%	9.7%	26.7%
PERSIMMON	Residential	12.62%	UK	-7.1%	2.7%	36.8%
VISTRY GROUP PLC	Residential	11.38%	UK	4.3%	36.7%	36.8%
BELLWAY PLC	Residential	10.01%	UK	-2.5%	32.2%	27.6%
REDROW PLC	Residential	5.79%	UK	6.8%	34.8%	32.8%
CREST NICHOLS	Residential	1.58%	UK	0.9%	-3.5%	40.1%
HARWORTH GROUP P	Diversified	0.72%	UK	-4.0%	9.1%	37.8%
MJ GLEESON PLC	Residential	0.71%	UK	12.2%	18.9%	31.9%
WATKIN JONES PLC	Residential	0.30%	UK	-5.7%	-50.5%	66.4%
NEXITY	Residential	1.10%	France	-31.5%	-52.9%	44.4%
KAUFMAN & BROAD	Residential	1.04%	France	0.9%	4.0%	29.4%
ALTAREA	Residential	0.84%	France	-16.7%	-42.0%	31.6%
METROVACESA SA	Residential	0.79%	Spain	-6.3%	15.0%	19.5%
NEINOR HOMES SA	Residential	0.85%	Spain	3.1%	22.8%	26.6%
AEDAS HOMES SA	Residential	0.48%	Spain	7.1%	50.0%	27.7%
IMMOBEL	Diversified	0.26%	Belgium	-15.1%	-52.6%	38.0%
ATENOR	Diversified	0.08%	Belgium	-6.7%	-76.8%	78.8%
CAIRN HOMES	Residential	1.90%	Ireland	1.0%	61.9%	24.3%
GLENVEAGH PROPER	Residential	1.63%	Ireland	-7.5%	14.0%	24.2%
DEVELIA SA	Diversified	1.13%	Poland	-3.0%	96.8%	35.4%
DOMDEV	Residential	0.70%	Poland	-2.8%	72.4%	29.8%
ATENOR	Residential	0.08%	Denmark	-6.7%	-76.8%	78.8%
YIT OYJ	Diversified	0.61%	Finland	-18.7%	-35.4%	33.9%
INSTONE REAL EST	Residential	0.58%	Germany	-2.4%	-6.2%	39.2%
SELVAAG BOLIG AS	Residential	0.27%	Norway	3.6%	-0.4%	36.6%
JM AB	Residential	2.65%	Sweden	-5.3%	-21.1%	47.5%
CHAM GROUP AG	Diversified	0.45%	Switzerland	-2.2%	2.2%	23.8%



### Eligibility Criteria

**EBITDA:** ≥ 50% from Property Development

**EBITDA:** ≥ 75% from Real Estate Activities

**Size:** > 0.30% of the Benchmark size and  
Minimum of EUR 150 Million in FFM

**Liquidity:** ≥ 0.05% of their (FF) shares in  
issue based on their median daily trading  
volume per month

**Reporting:** public AR in English (Full set of  
audited FS, notes and Mgt Report)

**Geography:** ≥ 75% EBITDA from Developed  
countries

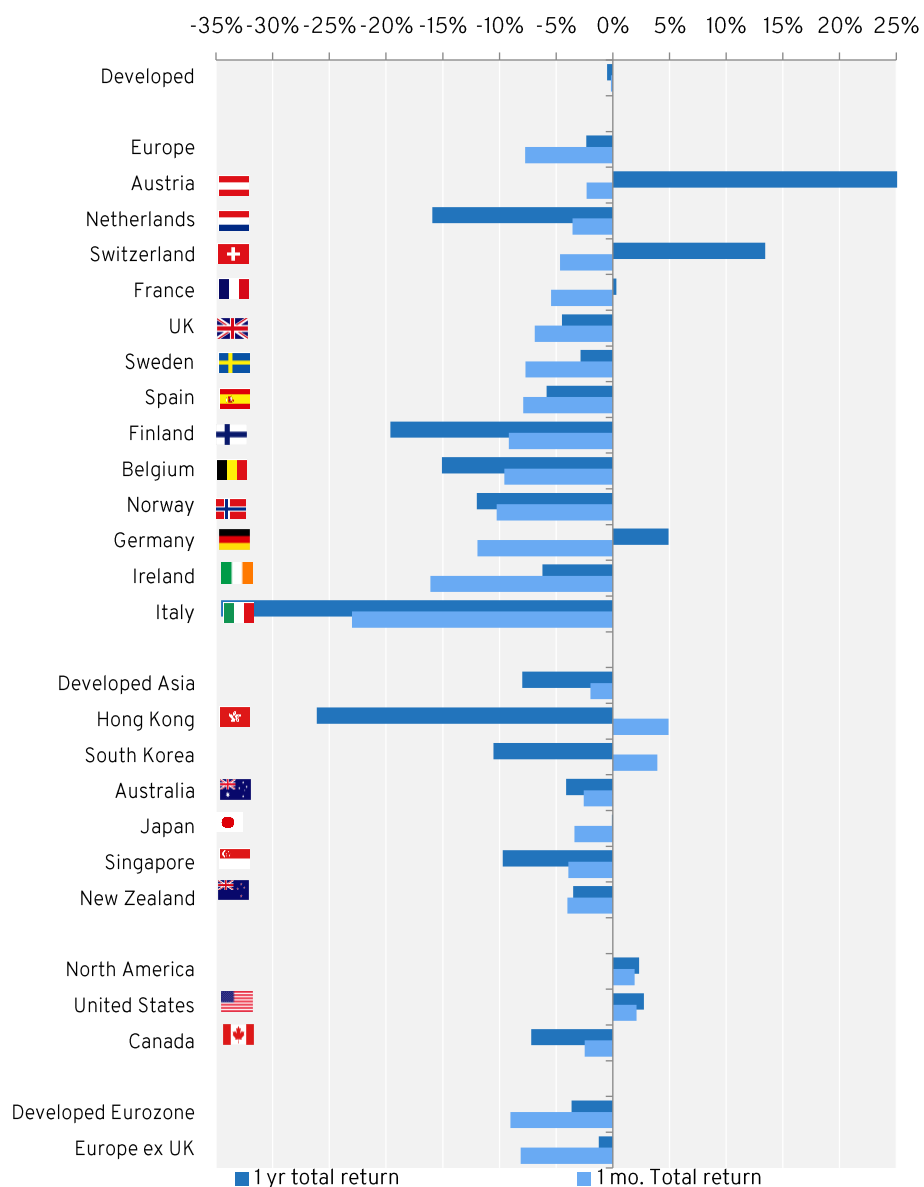
**Assets:** ≥ 50% of Total Tangible Assets  
invested in RE. No Holding structures.

**Eligible Markets:** Premium and main trading  
segments of official stock exchanges.

**Data Availability:** Monthly computations.  
Performance figures available on this report.  
Raw data accessible on demand at  
[research@epra.com](mailto:research@epra.com)

Developers Sub-Indexes: Risk and Return	YTD	6 Months	5 Years	Sharpe	5Y Max. Drawdown
<b>Liquid Developers:</b> Total Return	-1.9%	22.4%	1.9%	0.16	-56.1% 690 Days
Standard Deviation (Annualized)	23.4%	25.1%	32.6%		
<b>Residential Developers:</b> Total Return	-2.0%	21.3%	2.0%	0.16	-55.6% 690 Days
Standard Deviation (Annualized)	22.4%	24.1%	32.0%		

### FTSE EPRA Nareit Monthly Index Performances (EUR)



Source: FTSE EPRA Nareit (as of February 29, 2024)

### Link to Reports & Contacts

Monthly Statistical Bulletin  
 Monthly Published NAV Bulletin  
 Monthly LTV Report  
 Visit our website to read our reports:  
[Monthly Reports](#)  
 To read articles on the: [Blog](#)  
[Index Ground Rules Version 11.8](#)  
[Property Portfolio Analysis \(end of 2022\)](#)  
[Emerging Markets 2023](#)  
[Sector Analysis: Office \(Aug-21\)](#)  
[Total Markets Table 2023-Q4](#)  
 (quarterly)



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### EPRA Education Programmes

For more information, contact: [education@epra.com](mailto:education@epra.com) and follow updates on the [website](#).  
[EPRA INSEAD Executive Education Programme](#)  
 Held in partnership with INSEAD, the Executive Programme is a unique, intensive course that covers the latest trends shaping the listed real estate sector, such as e-commerce and logistics, digitalisation and data analytics. The fourth edition will be **June 18-20, 2024** at INSEAD Fontainebleau campus. **The registration is OPEN NOW!**  
[EPRA Bayes Business School Online Programme, Understanding the REIT price](#)

An online programme dedicated to understanding the listed real estate market, the fourth edition will start in Autumn 2024.

### EPRA Research Webinar Series

We are pleased to host three webinars dedicated to research papers under EPRA Academic Research Programme 2023. The key findings will be presented by the authors and the implications for LRE will be discussed. You can follow on the [website](#).



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