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## PRESS RELEASE

### European quoted property sector welcomes German regulator's position on REITs under AIFMD – EPRA

**Brussels, June 20** – The European Public Real Estate Association (EPRA) has welcomed the position adopted by Germany's BaFin financial regulator to determine whether real estate companies are to be treated as 'funds' under the AIFM Directive when applied under German law.

Earlier this year, BaFin received over 300 submissions from EPRA and the German property association ZIA, as well as major listed real estate investors, expressing concern with its original position that German REITs automatically fell within the scope of the EU's Alternative Investment Fund Managers Directive (AIFMD).

BaFin's revised position reflects the recent guidance provided by the European Securities and Markets Authority (ESMA) and supports EPRA's view that G-REITs should be assessed against the criteria for identifying funds in the same way as any other real estate company. The special taxation status of G-REITs is not a decisive factor in this analysis.

**Philip Charls, EPRA's Chief Executive**, said: "It is a credit to the consultation process that BaFin's approach has evolved. The position that it has adopted on REITs reflects the updated ESMA guidance and aligns Germany closely with France and the UK by adopting a 'case-by-case' approach on whether REITs or property companies fall under AIFMD. Other EU countries will take note as they examine their own implementation of the directive."

However, EPRA remains concerned with BaFin's view that developing property for sale is an 'operational' business (outside the scope of the AIFMD), whereas the business of managing property for long-term leasing activity is not.

**Olivier Elamine, CEO Alstria Office and EPRA Board member**: "Putting aside the huge contribution that listed property companies make to the real economy through their development and refurbishment programmes, the business of managing and leasing property for the long-term is an intensive operational business. The ongoing management of increasingly shorter and more flexible leases and active engagement with occupiers to reduce the operational energy use of buildings during the property lifecycle are just two examples of the important role that property companies perform in servicing the accommodation needs of Europe's business and citizens. We struggle to understand why this business would not be recognised as an 'operational' business."

**ENDS**

**Note to editors:****About EPRA**

The European Public Real Estate Association – is the voice of the publicly traded European real estate sector. With more than 200 active members, EPRA represents over EUR 250 billion of real estate assets and 90% of the market capitalisation of the FTSE EPRA/NAREIT Europe Index. Through the provision of better information to investors, improvement of the general operating environment, encouragement of best practices and the cohesion and strengthening of the industry, EPRA works to encourage greater investment in listed real estate companies in Europe.

**For more information please contact:**

Gareth Lewis, Finance Director, EPRA: +32 (0)2 739 1010.

Email: [gareth.lewis@epra.com](mailto:gareth.lewis@epra.com)

Steve Hays, Bellier Financial: +31 (0)20 419 0901

Email: [steve.hays@bellierfinancial.com](mailto:steve.hays@bellierfinancial.com)