

DG FISMA  
Submitted electronically

Brussels, 10 February 2026

**SUBJECT:**

**Review of the Regulation on a pan-European personal pension product**

Dear Sir/Madam,

The European Real Estate Association (EPRA) is the voice of Europe's listed real estate companies, their investors, and suppliers. With more than 290 members covering the entire spectrum of the listed real estate industry, EPRA represents over EUR 940 billion in real estate assets and 95% of the market capitalisation of the FTSE EPRA Nareit Europe Index. EPRA's mission is to promote, develop, and represent the European publicly listed real estate sector. We achieve this by providing better information to investors and stakeholders, actively engaging in public and political debates, promoting best practices, and fostering cohesion and strength within the industry.

The European Commission's November 2025 proposal to amend the PEPP Regulation (EU 2019/1238) marks a crucial step in revitalising the Pan-European Personal Pension Product framework. The new proposed framework "PEPP 2.0" addresses obstacles that hampered the original PEPP uptake. EPRA supports these reforms, as they are designed to make personal pensions more attractive, accessible and cost-effective for EU citizens, while ultimately mobilising additional long-term capital towards European capital markets.

**IMPLICATIONS OF KEY REFORMS IN PEPP 2.0**

**1. Removal of the 1% Fee Cap – Impact on cost and asset allocation:** EPRA concurs with stakeholders that the 1% cap, while well-intentioned, was too restrictive in practice, especially given initial fixed costs and differing VAT treatments that made the cap uneven across providers. Removing it should encourage more providers (including asset managers and fintechs) to enter the PEPP market, as they can recoup costs over time and potentially offer more diverse asset exposures. The new *value-for-money (VfM)* framework must, however, fill the consumer protection gap: EPRA stresses the importance of clear criteria for value (net return, risk-adjusted performance relative to peers, etc.) and vigorous supervision to prevent any exploitation of savers in the absence of a hard cap. Notably, the VfM approach can be compatible with including listed real estate, as they typically have low ongoing costs and a history of solid performance, which should demonstrate strong value under VfM scrutiny. PEPP providers can rely on a comprehensive ETF infrastructure that tracks listed real estate indices, providing direct exposure to a diversified portfolio of listed property companies while further reducing entry barriers and administrative complexity. We recommend that cost disclosures in PEPP be granular enough to demonstrate the cost efficiency of exchange-traded assets (such as listed equities) versus other investments, thereby reinforcing the case for their inclusion.

**2. Basic PEPP lifecycle default – No guarantees but robust risk mitigation:** The shift to a life-cycle investment strategy for the Basic PEPP, instead of mandatory capital guarantees, is a positive development for long-term returns. Evidence from pension design shows that life-cycle (age-based)

funds can protect savers near retirement from volatility while allowing higher growth in earlier years. Removing the guarantee requirement frees providers from costly solvency capital charges and allows full investment in return-seeking assets. For savers, this means a likely higher final pension pot: it balances risk and return over time while improving retirement outcomes, compared to zero-risk guarantees that often lock in low returns. EPRA supports life-cycle defaults and highlights that such strategies naturally accommodate assets like listed real estate. Early in the savings phase, a life-cycle PEPP can hold a meaningful allocation to listed real estate equities, capturing their higher yield and growth (see the figures below on yields). Over time, as the saver ages, the PEPP can rebalance to safer assets (bonds, cash) to manage sequencing risk. Because listed real estate behaves partly like equities (growth-oriented) but also provides bond-like income, it is actually an ideal component in a life-cycle glidepath, helping savers accumulate more in mid-period and still earn income in late stages.

**3. Auto-enrolment & employer contributions – A new growth engine:** Perhaps the most promising aspect of PEPP 2.0 is integrating it with workplace pensions. Auto-enrolment schemes in countries like the UK or Sweden have demonstrated how they can dramatically increase pension coverage among employees. Extending this concept to PEPP means that even in Member States that lack a national auto-enrolment, employers could choose a PEPP as the default option for employees. The Basic PEPP could serve as a “plug-and-play” pension plan. We do note that success here will depend on Member State support: We encourage national governments to consider adopting the Commission’s recommendations on auto-enrolment and to include PEPP as a qualified scheme for any auto-enrolment programs. From a listed real estate perspective, the influx of contributions via workplace PEPPs would enlarge the pool of capital potentially invested in real assets, thereby reinforcing the link between retirement savings and Europe’s real economy (e.g. new flows into listed property companies funding development of housing, data centres, logistics hubs, offices, healthcare facilities, etc.). This virtuous cycle is at the heart of the Savings and Investments Union: mobilising long-term savings into productive investment.

**4. Strengthening consumer confidence and transparency:** Beyond those changes, PEPP 2.0 also contains numerous improvements in transparency and supervision: enhanced pension tracking, better benefit statements, a central PEPP register, and stronger supervisory powers for consistent failure of products. These measures, though technical, will help build trust in PEPP over time. For instance, integrating PEPP data into national pension tracking systems (and eventually a European pension dashboard) means individuals can see their PEPP alongside state and occupational pensions. This holistic view may encourage more saving (once people realise their likely retirement income shortfall). It also underscores that PEPP is becoming part of the mainstream pension landscape. EPRA welcomes the focus on transparency and comparability, particularly the idea of a central public register of PEPP products maintained by EIOPA. Over time, such a register could even include performance and cost comparisons, shining a light on which providers deliver the best value (further reinforcing the VfM mechanism via market discipline). For listed real estate, transparency is a core feature: publicly listed property companies publish extensive disclosures and are subject to market scrutiny. If PEPP providers include listed real estate in their portfolios, the valuation and performance of those assets are readily observable (daily market prices), which can feed into clear and up-to-date reporting to savers. Thus, encouraging non-complex, publicly-traded assets in PEPPs aligns with the transparency goals of the regulation.

## THE ROLE OF LISTED REAL ESTATE IN PEPP 2.0

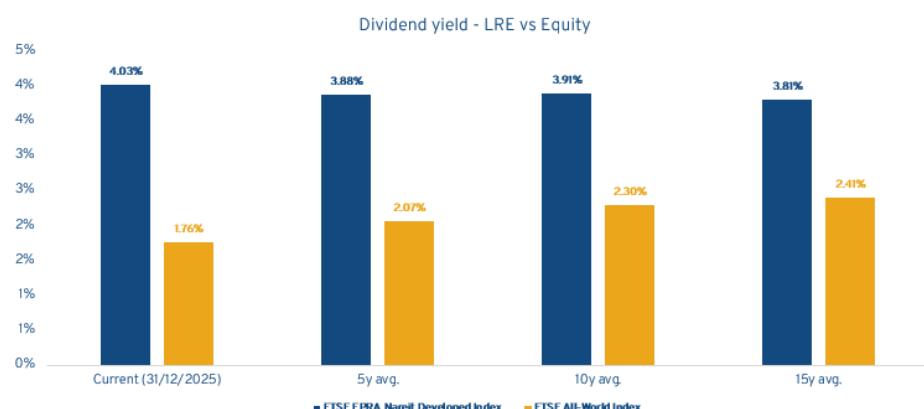
A core message of this paper is that listed real estate investments (i.e. shares of publicly listed property companies, including Real Estate Investment Trusts (REITs), admitted to trading on regulated markets and the main European stock exchanges) should play a significant role in the PEPP 2.0 ecosystem. Below, we detail why listed real estate is uniquely well-suited for personal pension products and how its inclusion benefits all stakeholders: savers (through better outcomes), providers (through portfolio diversification and returns), and society at large (through economic growth and stable real estate markets).

**1. Long-term performance and retirement income:** Listed real estate has a proven track record of delivering strong long-term returns, driven by both capital appreciation of real assets and recurring rental income. Notably, listed real estate returns have broadly kept pace with or exceeded inflation and have delivered competitive long-term total returns, thereby helping to preserve purchasing power, a critical objective for pension savings. Equally important is the income component: listed property companies typically distribute a large share of their earnings as dividends, resulting in attractive yields for investors. As of end-2025, European listed real estate has continued to deliver dividend yields averaging around 4-5% over the medium term, remaining significantly higher than yields on European sovereign bonds and above the average dividend yield of broad equity markets. This means a PEPP portfolio including listed real estate could deliver a steady income stream, which, in decumulation, can support payouts to retirees. In essence, listed real estate allows pension savers to “own a slice” of income-producing real assets (office buildings, apartments, warehouses, data centres, healthcare facilities, etc.) through liquid securities, thereby enjoying income akin to direct property ownership without sacrificing liquidity.

**Figure: Dividend yields across public market asset classes (Europe)**

*European listed real estate has consistently delivered higher dividend yields than broad equity markets, providing a stable and reliable source of income for long-term investors. As of end-2025, dividend yields for European listed real estate stood at around 4.0%, compared with approximately 1.8% for global equities. This yield premium has been persistent over time, with European listed real estate averaging around 3.8-3.9% over 5-, 10- and 15-year periods, versus 2.0-2.4% for broad equity markets. This sustained income profile reinforces the role of listed real estate in long-term savings and pension products, particularly in supporting income generation.*

## Higher dividend yields than equities



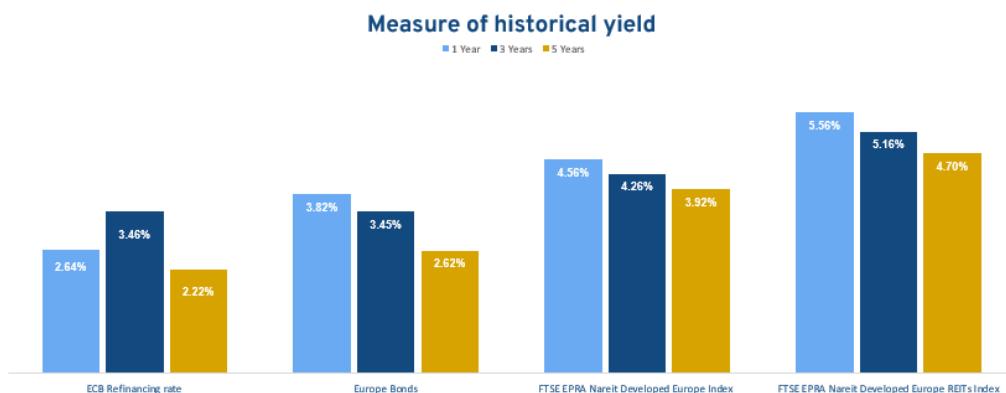
Sources: EPRA, Bloomberg  
Data as of: Dec 31, 2025

EPRA

EPRA

## Dividend Yields consistently higher than other public markets

Providing valuable support to the immediate current income crisis needs



Sources: ECB, FTSE, EPRA, Nareit, JP Morgan  
Data as of: Dec 31, 2025

E P R A

E 31

**2. Diversification benefits:** Adding listed real estate to a portfolio provides powerful diversification due to its moderate correlation with other asset classes. Listed real estate equities are influenced by property market fundamentals (rents, occupancy, real estate valuations) that do not move in lockstep with broader equity markets or fixed-income. Studies have shown that listed real estate often has a low or moderate correlation to general stock indices over the long term.<sup>1</sup> This means that an equity-heavy pension portfolio can achieve a better risk/return balance by allocating a portion to listed property companies. For PEPP providers designing default life-cycle strategies, it means they can improve outcomes for savers without breaching risk limits. Particularly in the growth phase of a life-cycle PEPP, listed real estate offers exposure to real asset growth that complements corporate equities; and in the consolidation phase, the relatively high dividends and more defensive nature of some property sectors (e.g. residential or healthcare listed property companies) can provide stability.

**3. Liquidity and accessibility:** Unlike direct property or many private infrastructure investments, listed real estate stocks are highly liquid and trade daily on regulated exchanges. Being able to buy or sell real estate exposure quickly via listed company shares is a huge advantage over illiquid physical properties or non-listed funds that might have lock-up periods. Liquidity also helps in life-cycle rebalancing. As a saver nears retirement, a PEPP provider can gradually reduce equity exposure including listed property companies with ease, something not possible if the assets were buildings that take months to sell. Furthermore, listed real estate is accessible to all investor types: institutional and retail investors. EPRA highlights that, of all commercial property held as an investment in Europe (whether via listed companies, private funds, etc.), only listed property companies are readily accessible to the broad public. In other words, listed real estate “democratises” access to the real estate asset class. You don’t need millions to buy a building; a small monthly PEPP contribution can be partly invested in a listed property company that owns hundreds of buildings. This fits perfectly with PEPP’s inclusive, pan-European spirit. Even a young saver starting a PEPP with €50/month can effectively invest in prime real estate locations via the listed market. In terms of non-complexity, shares of listed real estate companies are plain equity instruments. Thus, they qualify as non-complex instruments suitable for Basic PEPP portfolios. A saver can understand that their pension money is,

<sup>1</sup> See Oxford economics paper “unlocking diversification: the strategic role of real estate in multi-asset portfolios”, [https://prodapp.epra.com/media/Oxford\\_Economics\\_EPRA\\_portfolio\\_optimisation\\_report\\_2024\\_1727092189655.pdf](https://prodapp.epra.com/media/Oxford_Economics_EPRA_portfolio_optimisation_report_2024_1727092189655.pdf)

for example, partly invested in companies that own shopping centres or logistic parks: a tangible, real-economy link which can actually increase engagement and understanding of one's pension. This contrasts with some financial-engineered products that are harder to grasp.

**4. Contribution to the real economy:** A critical policy goal of PEPP (and the Savings and Investments Union) is to channel more retirement savings into long-term investments in the real economy to finance growth, infrastructure, and the green transition. Listed real estate companies are inherently real-economy players: the capital invested in a listed property company is used to acquire, develop, and manage physical buildings that house businesses and residents. EPRA's research emphasises that investing in listed real estate helps create efficient and balanced property markets, mitigating risks of property bubbles by increasing transparency and liquidity.<sup>2</sup> Moreover, the listed sector has been a driving force in developing new segments like affordable housing, logistics hubs, data centres, self-storage, and healthcare facilities. By explicitly including listed real estate in PEPP portfolios, the EU would help to direct more capital to such productive uses. Savers get exposure to economically useful assets, and the economy gets a boost via funding from long-term pension capital. We note that the PEPP Regulation's own recitals recognised this, stating that "*Personal pensions are a key link between long-term savers and long-term investment opportunities, helping to deepen capital markets and expand the supply of stable funding for the real economy.*" EPRA asserts that listed real estate is precisely such an investment and therefore, it should be named and encouraged as such, alongside other long-term assets like infrastructure.

**5. Alignment with non-complex, "Environmental, Social, Governance (ESG)" goals:** Finally, it's worth noting that many listed real estate companies are at the forefront of implementing ESG and sustainability in the built environment. As the Commission pushes for more sustainable finance, including in pensions, listed property companies offer a channel to invest in, e.g. energy-efficient buildings, urban regeneration, and climate-resilient buildings. The prudent person principle in PEPP 2.0 explicitly requires considering ESG risks and long-term impacts. Real estate is a sector with material ESG impacts. A diversified listed real estate allocation can help a PEPP meet the sustainability preferences of savers (for instance, many listed property companies now issue green bonds, pursue carbon-neutral certifications, etc.). In addition, from an EU taxonomy perspective, investments in buildings that meet nearly zero-energy standards or other criteria can be counted as sustainable, and many listed property companies already report substantial alignment with the EU Taxonomy for environmentally sustainable activities. Thus, the inclusion of listed real estate not only doesn't compromise on complexity or prudence, it actively contributes to the EU's sustainability and long-termism agenda.

## POLICY RECOMMENDATIONS

In light of these points, EPRA strongly believes that **listed real estate should be explicitly integrated** into the PEPP 2.0 framework. Concretely, this means:

- (a) ensuring that the legislative text or accompanying recitals explicitly recognise **long-term investments in real economy assets, including buildings and infrastructure, which generate stable and recurrent income**, as suitable assets for PEPP portfolios; and
- (b) EIOPA, in its guidance or implementing measures, treats listed real estate as a standard asset class for diversified portfolios (potentially even reflected in quantitative examples or best practices).

<sup>2</sup> [https://www.epra.com/download\\_file/2505/187](https://www.epra.com/download_file/2505/187)

## EPRA'S SUGGESTION FOR AMENDMENT

| Article    | Proposal for a PEPP Regulation, amending Regulation (EU) 2019/1238  | EPRA's suggestion for amendment  |
|------------|---|--|
| Recital 4  | Personal pensions are a key link between long-term savers and long-term investment opportunities, helping to deepen capital markets and expand the supply of stable funding for the real economy. Pensions funds are an important category of institutional investors that can help financing productive investments, supporting growth, innovation and the green and digital transitions, which will create better job opportunities and higher productivity.  | Personal pensions are a key link between long-term savers and long-term investment opportunities, helping to deepen capital markets and expand the supply of stable funding for the real economy. Pensions funds are an important category of institutional investors that can help financing productive investments, supporting growth, innovation and the green and digital transitions, <b>including investments that support the modernisation and expansion of buildings and infrastructure</b> , which will create better job opportunities and higher productivity.   |
| Recital 21 | Article 41(1) of Regulation (EU) 2019/1238 currently refers to the prudent person rule, which has traditionally been associated with a prescriptive approach, specifying in detail the types of assets in which investments may be made. To promote flexibility, innovation and efficient portfolio management while maintaining a high standard of protection for savers, that rule should be replaced with the prudent person principle, which reflects a principle-based approach focused on the proper identification, measurement, monitoring and management of risks. Under that principle, all types of assets can be considered for investment, provided that the PEPP provider applies appropriate risk management practices and ensures that the overall portfolio remains aligned with the objectives, risk profile and best interests of the PEPP savers. | Article 41(1) of Regulation (EU) 2019/1238 currently refers to the prudent person rule, which has traditionally been associated with a prescriptive approach, specifying in detail the types of assets in which investments may be made. To promote flexibility, innovation and efficient portfolio management while maintaining a high standard of protection for savers, that rule should be replaced with the prudent person principle, which reflects a principle-based approach focused on the proper identification, measurement, monitoring and management of risks. Under that principle, all types of assets can be considered for investment, <b>including listed equity exposures supporting long-term investment in the real economy, such as buildings and infrastructure</b> , provided that the PEPP provider applies appropriate risk management practices and ensures that the overall portfolio remains aligned with the objectives, risk profile and best interests of the PEPP savers. |
| Article 46 | 2a. The PEPP provider shall design the life-cycle investment strategy referred to in paragraph 2, point (a), in such a way as to ensure that the PEPP savers furthest away from the expected end of the accumulation phase invest, to a contractually specified extent, in long-term investments which benefit from higher investment returns due to their specific higher risks and rewards characteristics, including illiquid or equity type characteristics. For the PEPP savers closest to the expected end of the accumulation phase, the PEPP provider shall ensure that the investments are predominantly liquid, of high quality and exhibiting fixed investment returns.  | 2a. The PEPP provider shall design the life-cycle investment strategy referred to in paragraph 2, point (a), in such a way as to ensure that the PEPP savers furthest away from the expected end of the accumulation phase invest, to a contractually specified extent, in long-term investments which benefit from higher investment returns due to their specific higher risks and rewards characteristics, including illiquid or equity type characteristics. For the PEPP savers closest to the expected end of the accumulation phase, the PEPP provider shall ensure that the investments are predominantly liquid, of high quality and exhibiting fixed investment returns, <b>such as income-generating listed assets combining equity-type exposure with recurrent cash flows</b> .   |

We are confident that this step could deliver substantial benefits to the real economy and wealth accumulation for EU savers. In the meantime, EPRA is readily available to provide any additional information you may need. You can reach us directly at [publicaffairs@epra.com](mailto:publicaffairs@epra.com).

#### About EPRA

For 25 years, the European Public Real Estate Association (EPRA) has been the voice of Europe's listed real estate companies, investors, and their suppliers. EPRA achieves this through providing better information to investors and stakeholders, active involvement in the public and political debate, promotion of best practices, and the cohesion and strengthening of the industry. With more than 290 members (companies, investors, and their suppliers), EPRA represents over 940 billion EUR of real estate assets (European companies only) and 95% of the market capitalisation of the FTSE EPRA Nareit Europe Index. Find out more about our activities on [www.epra.com](http://www.epra.com).

EU Transparency Register no. 09307393718-06

## Annex I – Market practice and investor case studies

## Case study 1 – Norges Bank Investment Management (NBIM)

### Investor profile

Norges Bank Investment Management (NBIM) manages the Norwegian Government Pension Fund Global, the world's largest sovereign wealth fund, with total assets exceeding **€1.5 trillion**, invested on a long-term basis on behalf of future generations.

### Market practice

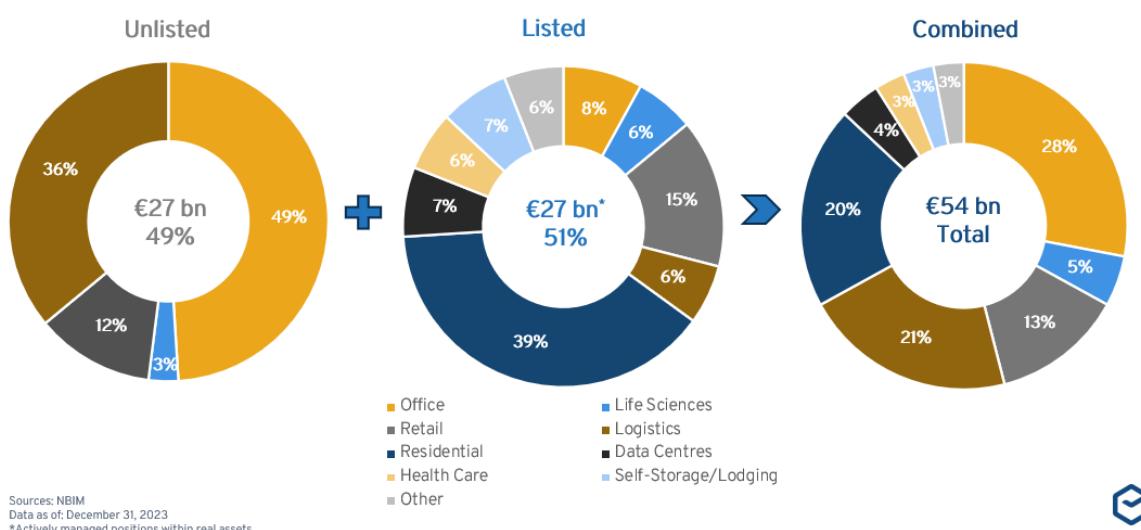
As of 31 December 2023, within its real assets allocation, NBIM combines unlisted and listed real estate. Listed real estate represents a substantial and strategic component, accounting for approximately **€27 billion**. This approach allows NBIM to achieve diversified exposure to buildings and property sectors across geographies in a liquid, transparent and scalable manner.

### Relevance for PEPP 2.0

NBIM's use of listed real estate illustrates how long-term investors gain real-economy exposure at scale while preserving liquidity and flexibility. This mirrors the objectives of PEPP 2.0 lifecycle strategies and supports Value-for-Money considerations through efficient market access.

## Investment Testimonial: Norges Bank Investment Management (NBIM)

Listed real estate enables efficient sector diversification at pace



## Case study 2 – Bouwinvest Real Estate Investors

### Investor profile

Bouwinvest Real Estate Investors is a European real estate investment manager owned by Dutch pension funds (bpfBOUW), managing real estate assets of approximately **€15 billion** on behalf of long-term institutional investors.

### Market practice

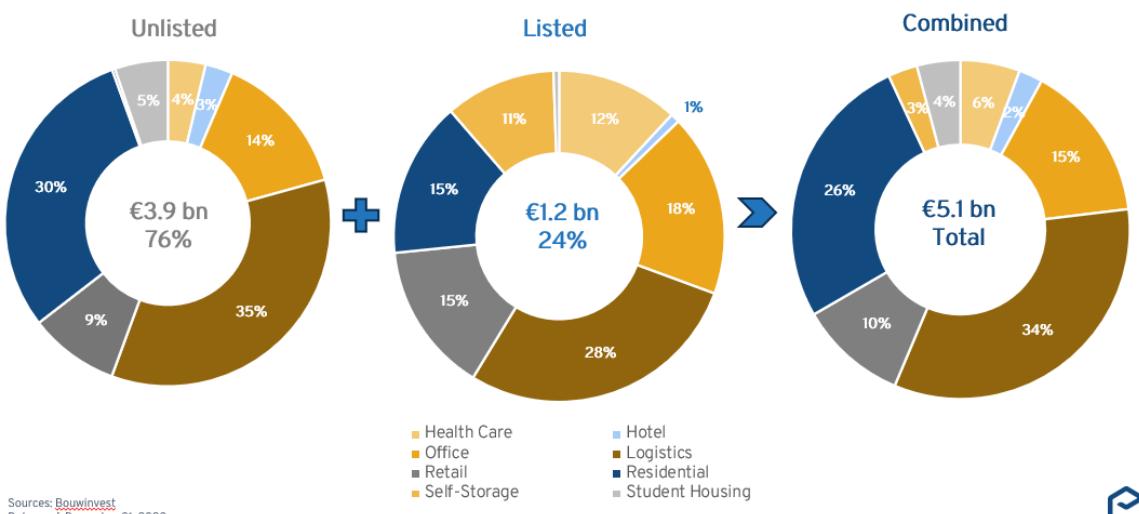
As of 31 December 2023, Bouwinvest applies a combined real estate portfolio approach, integrating listed and unlisted real estate over the long term. In the illustrated portfolio, approximately **€1.2 billion** is allocated to listed real estate.

### Relevance for PEPP 2.0

This allocation demonstrates how listed real estate enhances diversification, enables efficient portfolio rebalancing, and supports income stability while maintaining exposure to income-producing buildings.

## Investment Testimonial: Bouwinvest Real Estate Investors

Over ten years of strategic advantage through their combined real estate portfolio



## Case study 3 – A.S.R.

### Investor profile

A.S.R. is a Dutch insurance group and asset manager managing over **€80 billion** in assets, with a strong focus on pensions and long-duration liabilities.

### Market practice

As part of its real assets strategy, A.S.R. has increased its allocation to European listed real estate. As of 31 December 2024, the ASR Property Fund shows a clear shift towards listed real estate within its overall property allocation, reflecting a strategic move to enhance liquidity, transparency and income generation.

### Relevance for PEPP 2.0

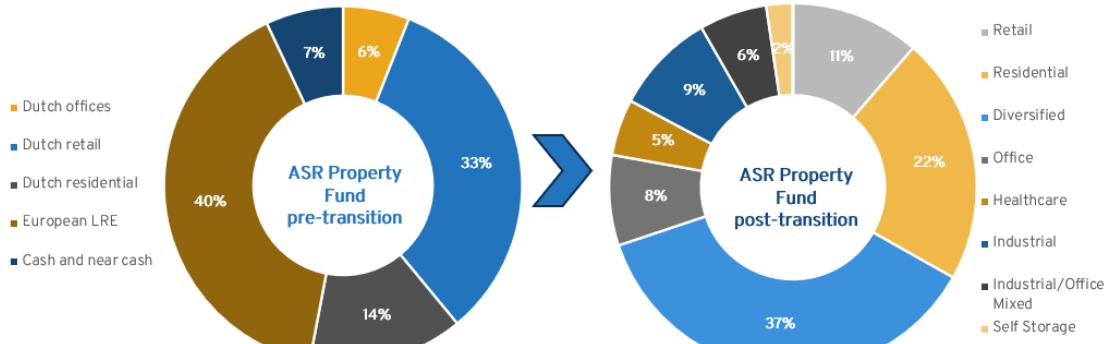
Listed real estate's stable and recurrent dividend income, typically averaging around **4–5%**, makes it particularly relevant for lifecycle strategies and for savers approaching retirement, where predictable income and liquidity become increasingly important.

## Investment Testimonial: a.s.r. real assets investment partners

**a.s.r.**

Strategic shift to European listed real estate

- In 2018, a.s.r. moved from a blended listed and unlisted strategy to a full European listed real estate strategy that facilitates income return reinvestment, and enhances both diversification and liquidity
- a.s.r. manages approximately €600 million AUM in European listed real estate through investment mandates for its institutional clients. Of this, the allocations below represent the transfers part of a >€2 billion unit-linked scheme



## Case study 4 – Listed real estate as mainstream practice among long-term investors

### Investor profile

Europe's largest pension funds and sovereign wealth funds manage retirement and intergenerational savings over multi-decade horizons and set benchmarks for institutional investment practice.

### Market practice

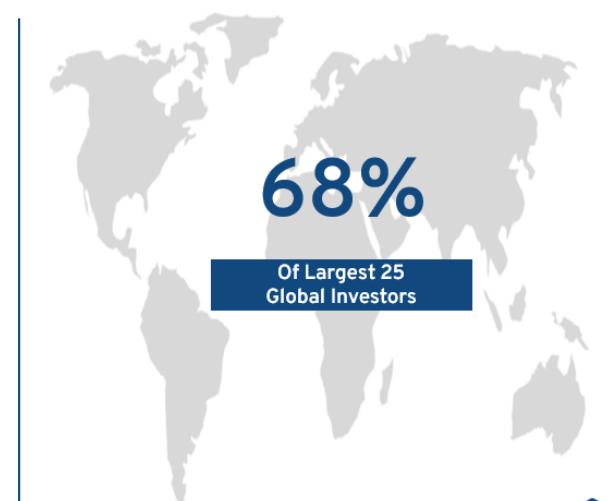
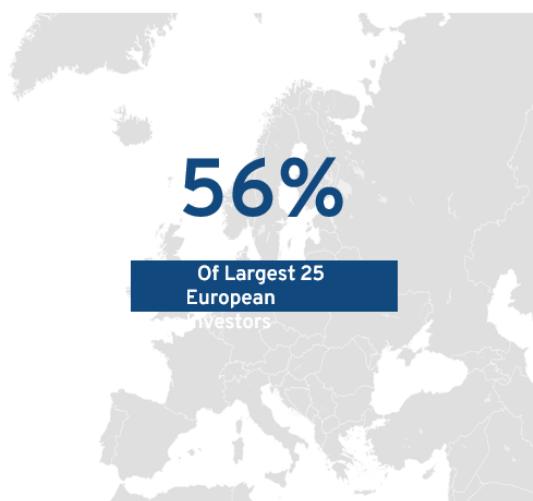
Market data show that listed real estate is widely used alongside private real estate. Approximately **56% of the 25 largest European institutional investors** and **68% of the 25 largest global investors** invest in listed real estate.

### Relevance for PEPP 2.0

This widespread adoption confirms that listed real estate is a mainstream and institutionally accepted investment tool, meeting requirements for liquidity, diversification and long-term income generation.

### Institutional Investors Listed Real Estate Usage

Large, sophisticated institutional investors use LRE alongside private real estate



Data as of 31/01/25  
Source: Preqin and Annual Reports.  
Note: Figures represent pension schemes and sovereign wealth funds



## Annex II – Infographic on REITs and the Savings and Investments Union

# Listed property companies

make essential buildings available for Europe's economic growth and its citizens' wellbeing.

## REAL ESTATE INVESTMENT TRUSTS

Within the listed property companies landscape, Real Estate Investment Trusts (REITs) are companies that own, operate, develop, and manage real estate assets to obtain returns from rental income and capital appreciation, with a **mandatory high dividend payout**.

### RESIDENTIAL

Including social and student housing to tackle housing shortages

### OFFICES

Including flexible office spaces to serve **business needs**

### RETAIL

To boost the liveliness of urban areas and sustain retail expansion

In addition to **residential, office, and retail spaces** essential for EU citizens and businesses, REITs play a crucial role in providing the necessary assets to **address emerging challenges and support EU economy**.

### HEALTHCARE AND SENIOR HOUSING FACILITIES

To meet the needs of a growing aging population

### DATA CENTRES

To meet our European needs in trustworthy data centres facilities

### LOGISTICS

To ensure the continuity of the supply chain

REITs offer low-cost, effective, and liquid means to invest in a diversified real estate portfolio that would otherwise be inaccessible to investors. With more than **240 REITs listed across Europe**, investors not only gain exposure to high-quality assets in multiple EU Member States but also contribute to enhancing the flow of capital within the Single Market and into the EU real economy.

### LIFE SCIENCE FACILITIES

To foster innovation and the development of assets for human health purposes

# Capital Markets Union and listed property companies at work for the EU real economy and its citizens

In addition to bringing **long-term investments, growth, and jobs** to the European economy, REITs also provide a predictable income stream through regular and mandatory dividends as well as capital appreciation.

## HOW?

By acquiring ownership in European REITs

to obtain regular dividend distribution

and ensure an additional income stream

**institutional investors** alongside **retail investors**, in Europe and beyond, can seamlessly buy shares in REITs, in the same way they would purchase stocks in companies such as Apple, Tesla, or Amazon.

owing to their legal obligation to distribute on average **90% of their rental income** to shareholders, REITs provide reliable and recurrent dividend payments over the long term.

REITs can significantly contribute to the **financial security of millions of European citizens**, especially as they retire, while supplying the private capital essential for the European real economy.

## To help reduce Europe's pension gaps

### DID YOU KNOW?



In the United States, REITs form a crucial part of investment portfolios, including retirement savings, for around **170 million Americans**, boosting income returns and reducing risks for retirement savers.



In the EU, incorporating REITs into a pan-European pension or savings product would offer a **stable and secure path for citizens to build their retirement savings**, in line with the goals of the Savings and Investments Union.

## Listed real estate

enables investment in the real economy and serves society



EPRA, the European Public Real Estate Association, is the voice of the publicly traded European real estate sector. Founded in 1999, EPRA is a not-for-profit association registered in Belgium. With more than 290 members, covering the whole spectrum of the listed real estate industry (companies, investors and their stakeholders), EPRA represents over EUR 880 billion of real estate assets and 95% of the market capitalisation of the FTSE EPRA Nareit Europe Index.

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