



# EPRA

EUROPEAN PUBLIC  
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

# Monthly Market Review

July 2019

August  
2019

## Overview

During July 2019, the FTSE EPRA Nareit (FEN) Global Developed Real Estate Index increased by 2.7%, resulting in an 18.6% year-to-date (YTD) return. Global equities and global bonds returned 1.0% and 0.7% for the month, respectively.

Focusing on regional performances, real estate markets in Europe, North America and Asia posted positive returns of 0.7%, 3.9%, and 1.4%, respectively. Meanwhile Emerging markets increased by 0.3% for the month. In terms of sector performance, the FEN Global Developed Self Storage Index recorded the highest return with 4.9%, followed by residential and office indexes with a return of 4.6% and 4.4%, respectively. Focusing on YTD performances, unsurprisingly industrial with a return of 36.0%, then industrial/office on 26.0% and self-storage at 24.5% were the best performers.

## Highlights of the Month

### Sector Focus : Best performers in Europe

The emergent sectors i.e. self-storage, healthcare and logistics as a sub-sector of industrial have continued to attract investors. Indeed, the total size of the 'emergent' sectors in the FEN Developed Europe Index increased from EUR 2.6 billion to over EUR 11.4 billion, an almost four-fold increase over the past five years.

During July, European industrial/office sector posted the highest return of 6.1%, followed by residential sector with a return of 3.6%, which contrasted with a fall in the previous month of -11.1%. The good performance of healthcare has been continued with a monthly return of 3.5%.

Focusing on the YTD performances, industrial (28.7%), industrial/office (27.6%), healthcare (25.1%) and self-storage (20.8%) were the best performers in Europe (Fig. 9), where the Developed Europe index increased 10.1% during the same period.

Based on YTD returns, the best performers of each mentioned sectors are displayed in Fig.1. Unsurprisingly industrial constituents provided the highest return during the first seven months. Similarly, Swedish industrial/office mixed constituents performed very well. As emergent sectors, healthcare and self-storage, were also outperformers since the beginning of the year.

It is obvious that the growing e-commerce has a positive impact on industrial and self-storage sectors, and supports their good performances. Healthcare, on the other hand, is linked to demographic trends, like ageing population and also increasing need for such facilities.

For further information on emergent sectors and healthcare, you can read our report : [Monthly Market Report May 2019](#)

## FTSE EPRA Nareit Global Index Total Return

% Total Returns (EUR)	Jul-19	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Global Real Estate	▲ 2.7	18.6	13.6	4.0	9.8	13.1
Global Equities (FTSE)	▲ 1.0	17.2	4.4	11.2	8.5	10.7
Global Bonds (JP Morgan)	▲ 0.7	5.8	7.3	1.4	3.2	3.6
Europe Real Estate	▲ 0.7	10.1	-1.9	3.0	7.3	11.7
Europe Equities (FTSE)	▼ -1.3	14.5	-2.5	9.0	3.1	6.0
Europe Bonds (JP Morgan)	▲ 1.8	7.8	8.6	2.0	4.2	4.7
Asia Real Estate	▲ 1.4	17.4	17.0	6.5	7.8	9.5
Asia Equities (FTSE)	▼ -0.1	9.5	-3.0	9.0	5.8	7.3
Asia Bonds (JP Morgan)	▲ 0.4	3.8	5.1	1.0	2.9	2.8
North America Real Estate	▲ 3.9	21.8	17.1	3.1	11.6	16.8
NA Equities (FTSE)	▲ 1.5	20.3	7.8	13.2	10.8	13.5
NA Bonds (JP Morgan)	▼ -0.1	5.3	7.8	1.2	2.7	3.1
Emerging Real Estate	▲ 0.3	18.9	15.0	13.4	10.9	
Emerging Equities (FTSE)	▼ -0.5	11.4	0.5	8.7	2.7	
Emerging Bonds (JP Morgan)	▲ 1.2	11.9	10.3	4.5	4.7	

(\*) Annualised.

Fig. 1. Best Performers in Europe (YTD return, %)

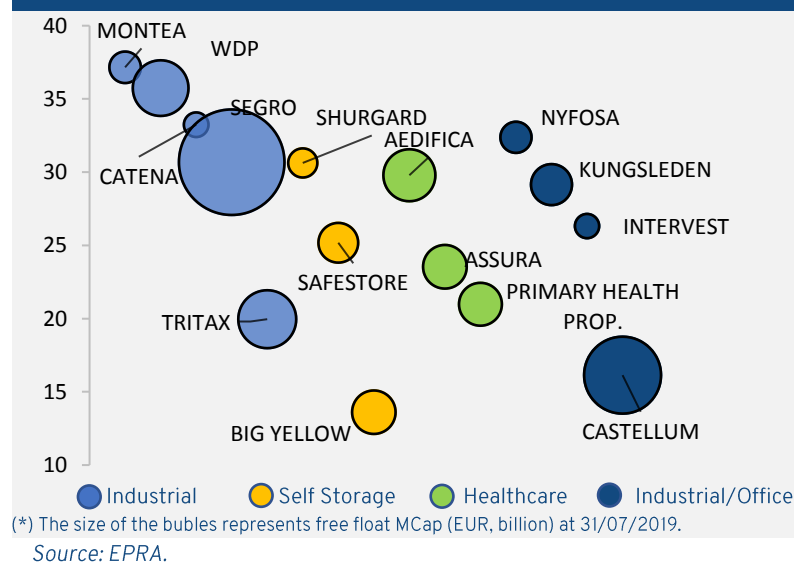


Fig. 2. Global Weights (EUR)\*

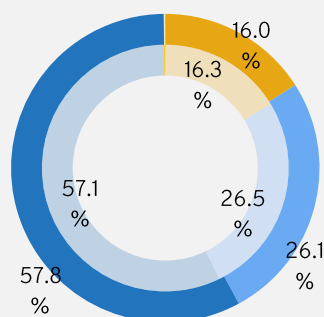


Fig. 3. REIT / Non-REITs

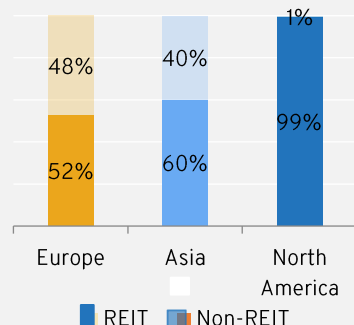


Fig. 4. Focus Split

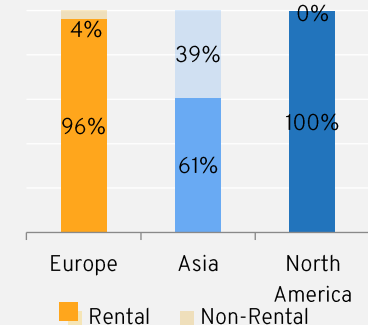


Fig. 5. Index Turnover (EUR, billion)\*

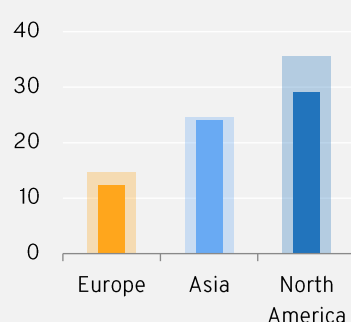


Fig. 6. Dividend Yields\*

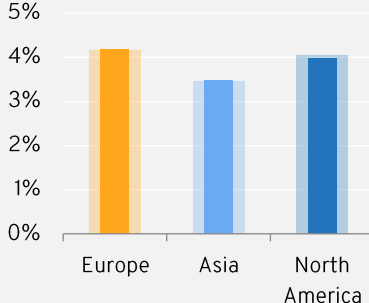


Fig. 7. Volatility (10 yr. & 3 yr.)\*\*

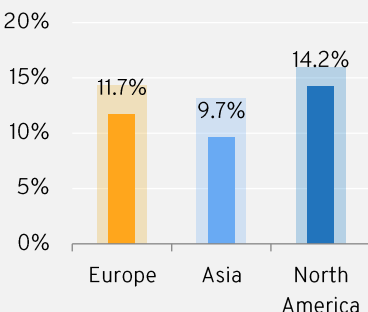


Fig. 8. Correlation (3 yr. rolling)

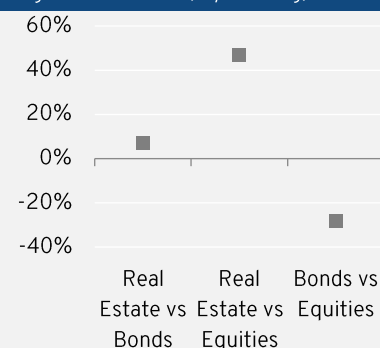
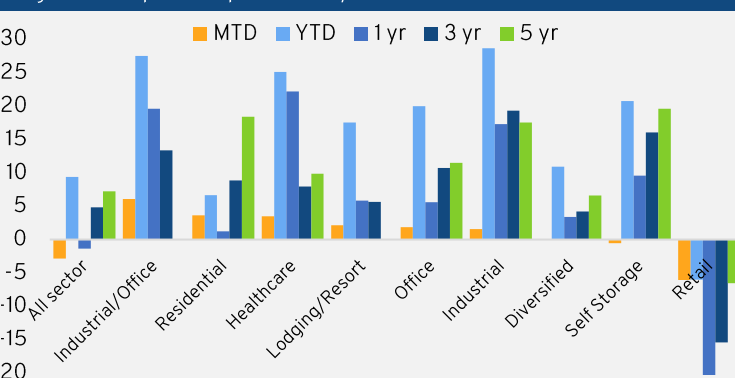


Fig. 9. Developed Europe Return by Sector



FTSE EPRA Nareit Developed Europe - Selected Country Indices

% Total Returns	Jul-19	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Europe (EUR)	0.7	10.1	-1.9	3.0	7.3	11.7
Europe ex UK (EUR)	2.5	12.1	1.1	4.6	10.4	12.7
UK (GBP)	-2.7	6.2	-8.0	1.4	3.3	9.5
France (EUR)	1.5	17.9	-3.2	0.4	4.7	10.7
Netherlands (EUR)	-4.4	-4.7	-30.1	-14.9	-4.9	0.9
Germany (EUR)	3.9	6.0	1.4	7.8	17.7	16.6

FTSE EPRA Nareit Developed Asia - Selected Country Indices

% Total Returns	Jul-19	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Asia (EUR)	1.4	17.4	17.0	6.5	7.8	9.5
Hong Kong (HKD)	-5.1	10.2	3.9	9.9	5.9	5.2
Japan (JPY)	2.4	12.1	9.9	6.1	2.1	7.8
Australia (AUD)	2.4	22.8	24.9	8.1	13.7	14.1
Singapore (SGD)	-0.3	20.9	16.6	12.0	7.4	7.4

FTSE EPRA Nareit North America - Country Indices

% Total Returns	Jul-19	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
North America (USD)	1.5	18.6	11.4	3.0	7.5	14.0
United States (USD)	1.6	18.5	11.4	2.7	7.7	14.3
Canada (CAD)	1.4	15.6	13.3	7.9	8.7	13.3

FTSE EPRA Nareit Emerging - Country Indices

% Total Returns	Jul-19	YTD	1 yr	3 yrs*	5 yrs*
Emerging EMEA (EUR)	2.4	6.6	-7.8	-4.1	1.2
Emerging Europe (EUR)	11.4	22.7	7.8	-16.2	-11.5
Emerging MEA (EUR)	2.2	6.3	-8.2	-2.8	3.0
Emerging Asia Pacific (EUR)	-0.9	18.7	15.8	18.3	15.4
Emerging Americas (EUR)	6.6	32.6	32.8	4.9	-2.0

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

### FTSE EPRA Nareit Developed Index

During July 2019, the FEN Developed Index increased by 2.7%, compared to a gain of 1.0% and 0.7%, from global equities and global bonds market, respectively. In terms of regional performances, all real estate markets posted positive monthly returns; North America, Asia and Europe increased by 3.9%, 1.4% and 0.7%, respectively.

Over a one-year period, global real estate investments posted a 13.6% return compared to a gain of 4.4% and 7.3% from global equities and global bonds, respectively. Annualised ten-year rolling returns for real estate investments stand at 13.1%, compared to general equities and bonds returning 10.7% and 3.6% respectively.

The top performing countries in Developed markets were Sweden (5.7%), Switzerland (4.2%) and Japan (4.0%), and by sector were self-storage (4.9%), residential (4.6%) and office (4.4%).

At the end of July 2019, the FEN Developed Index counted a total of 334 constituents, representing a free float market capitalisation of around EUR 1,417 billion.

### FTSE EPRA Nareit Emerging Index

During July 2019, the FEN Emerging Index posted a 0.3% return, while emerging equities lost 0.5% and bond markets gained 1.2%.

Over a one-year period, emerging real estate investments posted a 15.0% return, while emerging equities posted a 0.5% return compared to a gain of 10.3% from emerging bonds.

The top performing countries in Emerging markets were UAE (13.7%), Brazil (12.6%) and Turkey (11.4%).

The top performing sectors in Emerging markets were healthcare (9.0%), office (4.5%) and retail (3.8%).

At the end of July 2019, the FEN Emerging Index counted a total of 142 constituents, representing a free float market capitalisation of over EUR 169 billion.

For further information, you can read our latest report : [Emerging Markets H1-2019](#).

### FTSE EPRA Nareit Developed Index – Top 10 Constituents

Company	Sector	Country	Total Return
ProLogis USA	Industrial	USA	▲ 0.6%
Simon Property Group, Inc.	Retail	USA	▲ 1.5%
Public Storage, Inc.	Self Storage	USA	▲ 1.9%
Welltower Inc.	Healthcare	USA	▲ 2.0%
AvalonBay Communities, Inc.	Residential	USA	▲ 2.8%
Equity Residential Properties Trust	Residential	USA	▲ 3.9%
Vonovia SE	Residential	GER	▲ 5.4%
Link REIT	Retail	HK	▼ -4.8%
Ventas, Inc.	Healthcare	USA	▼ -0.4%
Digital Realty Trust	Diversified	USA	▼ -2.9%

### FTSE EPRA Nareit Emerging Index – Top 10 Constituents

Company	Sector	Country	Total Return
China Overseas Land & Investment Ltd.	Residential	CHN	▼ -6.6%
China Resources Land Ltd	Residential	CHN	▼ -1.9%
Sunac China Holdings (P Chip)	Diversified	CHN	▼ -6.8%
Country Garden Holdings	Residential	CHN	▼ -10.1%
Ayala Land	Diversified	PHIL	▼ -2.0%
SM Prime Holdings	Diversified	PHIL	▼ -1.6%
Longfor Properties Co. Ltd.	Diversified	CHN	▼ -0.9%
China Vanke Co., Ltd (H)	Residential	CHN	▲ 5.3%
Central Pattana Public Company Ltd	Retail	THAI	▼ -2.3%
Evergrande Real Estate Group	Diversified	CHN	▼ -4.6%

### FTSE EPRA Nareit Developed Index – Top 10 Performer

Company	Sector	Country	Total Return
Dios Fastigheter AB	Diversified	SWED	▲ 20.8%
Aedifica	Healthcare	BELG	▲ 13.1%
Colony Capital	Diversified	USA	▲ 13.0%
Invincible Investment Corporation	Lodging/Resorts	JA	▲ 12.0%
Castellum AB	Industrial/Office	SWED	▲ 10.7%
Franklin Street Properties	Office	USA	▲ 10.4%
Kungsleden AB	Industrial/Office	SWED	▲ 10.0%
Highwoods Properties, Inc.	Office	USA	▲ 9.8%
Stockland Trust Group	Diversified	AU	▲ 9.6%
HIAG Immobilien Holding AG	Diversified	SWIT	▲ 9.4%

### FTSE EPRA Nareit Developed Europe Index

During July 2019, the FEN Developed Europe Index gained 0.7%, while Europe equities lost 1.3% and bonds gained 1.8%.

The Germany Index and the France Index gained 3.9% and 1.5%, respectively; compared to a loss in the Netherlands Index of 4.4%. Meanwhile the UK Index slipped by 2.7%.

**Performance of Top 3 sectors:** industrial/office (6.1%), residential (3.6%), lodging/resort (2.2%).

**Performance of Top 3 constituents:** Dios Fastigheter AB (20.8%, Sweden), Aedifica (13.1%, Belgium), Castellum AB (10.7%, Sweden).

### FTSE EPRA Nareit Developed Asia Index

The FEN Developed Asia Index increased by 1.4% during July 2019. Asia equities lost 0.1% and bonds gained 0.4%.

The Japan and the Australia Index gained both 2.4%. The Hong Kong Index and the Singapore Index lost 5.1% and 0.3%, respectively.

**Performance of Top 3 sectors:** lodging/resort (8.1%), residential (8.0%), office (3.2%).

**Performance of Top 3 constituents:** Invincible Investment Corporation (12.0%, Japan), Stockland Trust Group (9.6%, Australia), Japan Rental Housing Investment (9.1%, Japan).

### FTSE EPRA Nareit North America Index

The FEN North America Index gained 1.5%, compared to a gain of 1.5% from equities and a loss of 0.1% from bonds. The U.S. Index and the Canada Index posted positive return of 1.6% and 1.4%, respectively.

**Performance of Top 3 sectors:** office (5.9%), industrial (5.4%), self-storage (5.3%),

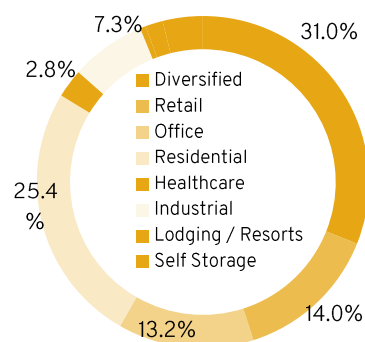
**Performance of Top 3 constituents:** Colony Capital (13.0%, USA), Franklin Street Properties (10.4%, USA), Highwoods Properties (9.8%, USA).

Developed Europe representing a free float MCap of over **EUR 226 billion** with **106 constituents**

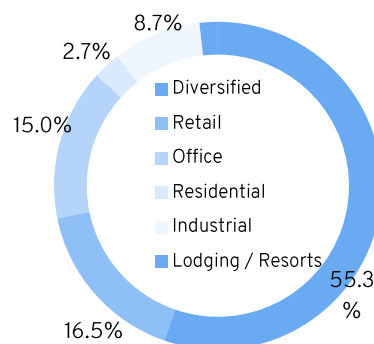
Developed Asia representing a free float MCap of over **EUR 370 billion** with **81 constituents**

Developed North America representing a free float MCap of over **EUR 818 billion** with **146 constituents**

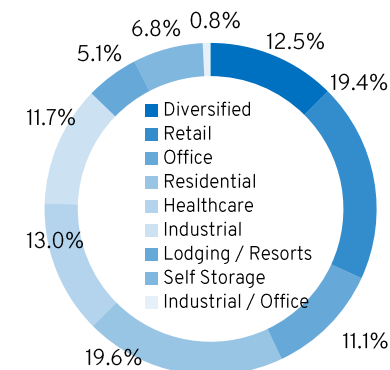
### Developed Europe Sector Split



### Developed Asia Sector Split

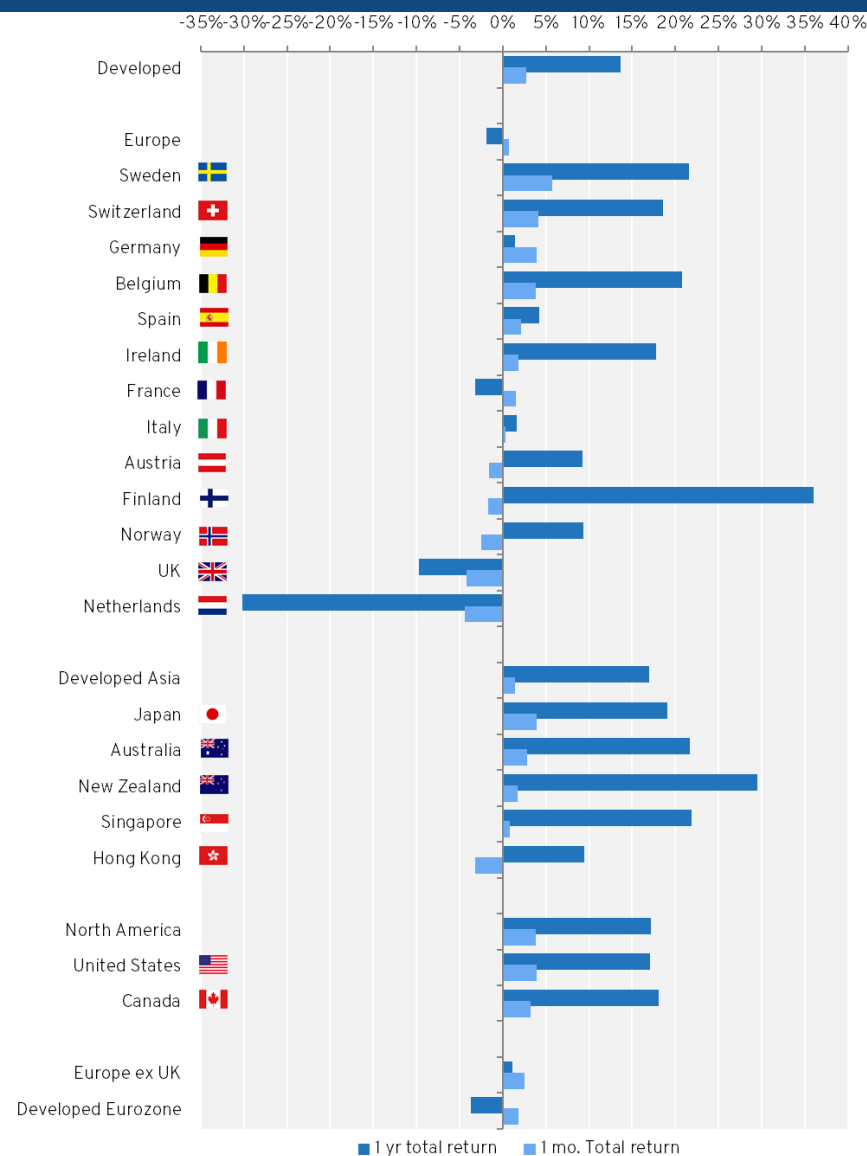


### North America Sector Split





## FTSE EPRA Nareit Monthly Index Performances (EUR)



Source: FTSE EPRA Nareit as of July 31, 2019

## Link to Reports & Contacts

Monthly Statistical Bulletin

Monthly Published NAV Bulletin

Monthly LTV Report

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Index Ground Rules [Version 9.1](#)

Emerging Markets (semi-annual)

Total Markets Table (quarterly)



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