



EPRA

EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

Monthly Market Review

November 2020

December
2020

Overview

The FTSE EPRA Nareit (FEN) Global Developed Real Estate Index saw the best month of the year, and gained 10.3% this month, which brought YTD to -16.9% at the end of November. Global bonds lost 1.3% compared to a gain of 8.6% from global equities.

In terms of regional performance, all regions posted positive returns with the contribution of double-digit returns by most of the countries. Developed Europe outperformed with 12.8%, Asia and North America also returned 9.8% and 9.6%, respectively. Besides, Emerging markets posted a return of 7.9% for the month.

Focusing on sector performances, lodging/resorts (36.5%), retail (22.2%) and office (16.9%) outperformed, while data centres (-7.8%), self-storage (-4.4%) and industrial (-55 bps) were under performers in developed markets.

Highlights of the Month

According to the latest Eurostat data, the EU GDP increased by 11.6% (q-o-q) in Q3-2020. It is by far the sharpest increase since the time series started in 1995, and also a rebound compared with Q2-2020, when GDP decreased by 11.4% in the EU. Compared with the same quarter of the previous year, GDP decreased by 4.3% (y-o-y) in Q3-2020, but it represents a partial recovery after a 13.9% decrease in Q2-2020. It should be noted that third quarter covers the lifting of lockdown measures and the reopening of economies, therefore the positive impact can be reflected in GDP figures (Fig.1)

This rebound was largely mechanical and might be very short-lived due to the reintroduction of lockdown measures and social restrictions in many European countries at the end of October to contain a second wave of the Covid-19 pandemic. As seen in Fig.1, work and retail related mobility were adversely impacted by restrictions during the first wave, and an improvement has been observed with deconfinement policies. The impact of this lockdown on certain sectors, and on the wider economy will be observed in the forthcoming period. However, it should be highlighted that progress in a vaccine rollout might reduce the negative impact. Indeed, promising news about coronavirus vaccines (successful trials, implementation programmes), have already created optimism in the markets and some sectors might benefit from vaccine developments, such as transportation and logistics. Considering the transportation, storage and distribution requirements the of vaccines globally, this might lead to a boost in demand in particular cold storage facilities.

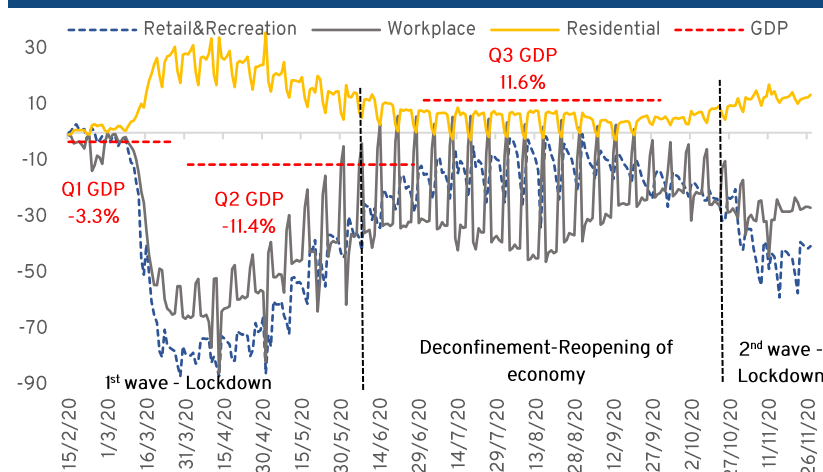
The hopes for a vaccine for Covid-19 has already lifted share prices for some large owners of hotels, office and retail properties - the most hit sectors during the crisis. In terms of the FEN Developed Europe's sector indices, lodging/resorts (68.4%), retail (56.5%), and office (22.2%) outperformed in November posting the highest returns seen in this year. Residential and industrial are still the only sectors to stay at pre-crisis levels posting 11.8% and 5.4% YTD returns (Table 1).

FTSE EPRA Nareit Global Index Total Return

	Nov-20	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
% Total Returns (EUR)						
Global Real Estate	▲ 10.3	-16.9	-17.8	1.6	1.6	7.5
Global Equities (FTSE)	▲ 8.6	3.5	-5.3	3.2	6.9	8.8
Global Bonds (JP Morgan)	▼ -1.3	1.7	14.0	7.1	5.1	4.5
Europe Real Estate	▲ 12.8	-13.3	-10.6	2.6	1.7	8.9
Europe Equities (FTSE)	▲ 14.1	-3.8	-2.0	3.1	5.3	7.2
Europe Bonds (JP Morgan)	▼ -2.6	-1.1	-4.0	4.0	0.9	5.6
Asia Real Estate	▲ 9.8	-16.9	-17.3	1.1	2.3	5.1
Asia Equities (FTSE)	▲ 6.6	4.0	5.1	5.3	5.7	9.2
Asia Bonds (JP Morgan)	▼ -2.6	-6.3	-8.5	1.3	-0.7	3.2
North America Real Estate	▲ 9.6	-17.9	-20.1	1.5	1.2	8.6
NA Equities (FTSE)	▲ 8.7	8.6	9.5	13.3	11.3	14.8
NA Bonds (JP Morgan)	▼ -2.2	2.1	-0.5	5.4	1.4	4.2
Emerging Real Estate	▲ 7.9	-21.6	-14.8	-0.4	5.6	
Emerging Equities (FTSE)	▲ 5.4	2.2	7.3	5.7	8.2	
Emerging Bonds (JP Morgan)	▲ 1.1	-2.3	-2.3	4.4	3.5	

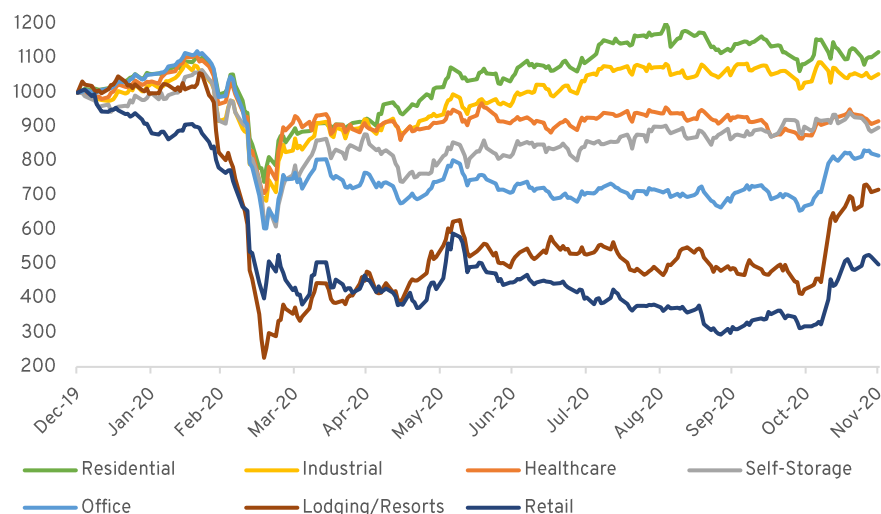
(* Annualised).

Fig 1. Europe : Average Mobility Scores for Retail, Workplace, Residential



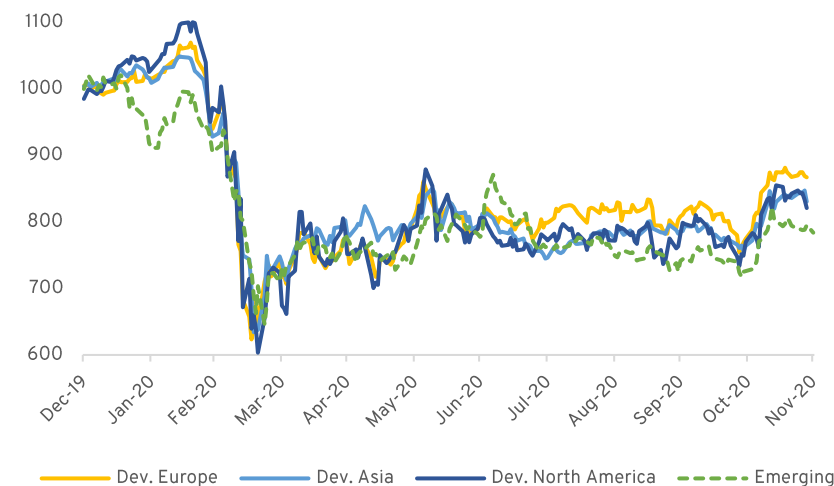
Source: EPRA. Data is compiled from Google Mobility Analytics (as of 27 November 2020) with an average of the countries with higher Covid-19 cases (Belgium, Germany, France, Italy and Spain).

Fig 2. Developed Europe : Total Return by Sector (31/12/2019=1000)



Source: EPRA. Data is compiled from the FEN Index series (as of 30 November 2020).

Fig 3. Total Return by Regions (31/12/2019=1000)



Source: EPRA. Data is compiled from the FEN Index series (as of 30 November 2020).

Table 1 : Developed Europe: Weekly and Monthly Total Return by sector

Developed Europe: Monthly Total Return by Sector												Weekly Total Return by Sector				YTD, as of
	31-Jan	28-Feb	31-Mar	30-Apr	29-May	30-Jun	31-Jul	31-Aug	30-Sep	30-Oct	30-Nov	06-Nov	13-Nov	20-Nov	27-Nov	30-Nov
Developed Europe	1.7%	-7.5%	-21.2%	3.7%	1.6%	1.0%	1.2%	2.2%	-1.6%	-4.2%	12.8%	5.7%	6.1%	1.0%	-0.3%	-13.3%
Residential	5.4%	-5.7%	-9.8%	3.1%	9.8%	3.2%	4.2%	7.4%	-3.6%	-4.1%	3.3%	6.6%	-2.4%	0.0%	-2.2%	11.8%
Industrial	2.7%	-10.7%	-5.6%	6.2%	1.1%	4.5%	8.0%	2.3%	-1.1%	-3.2%	2.4%	5.7%	-2.4%	-0.5%	-1.3%	5.4%
Healthcare	3.3%	-6.5%	-3.6%	-3.3%	1.2%	0.6%	1.1%	1.3%	-1.2%	-5.5%	4.6%	3.4%	2.5%	0.8%	-3.0%	-8.3%
Self-Storage	-0.2%	-7.9%	-14.3%	11.4%	-10.3%	4.3%	4.6%	4.8%	-3.5%	3.8%	-0.3%	1.8%	-0.8%	2.0%	-4.5%	-10.2%
Office	5.3%	-6.4%	-22.3%	-0.1%	-3.5%	-3.9%	-0.4%	0.5%	-1.5%	-4.6%	22.2%	6.3%	12.9%	0.7%	2.0%	-18.4%
Lodging/Resorts	-0.2%	-17.1%	-54.8%	27.9%	9.0%	-2.2%	3.5%	-10.2%	3.2%	-12.8%	68.4%	5.0%	43.1%	2.9%	7.8%	-28.3%
Retail	-11.9%	-11.3%	-44.8%	5.1%	-6.0%	4.5%	-9.7%	-7.2%	-15.2%	0.6%	56.5%	1.7%	40.5%	6.1%	8.0%	-50.2%

Source : EPRA. Data is compiled from the FEN Index series (as of 30 November 2020).

Fig. 4. Global Weights (EUR)*

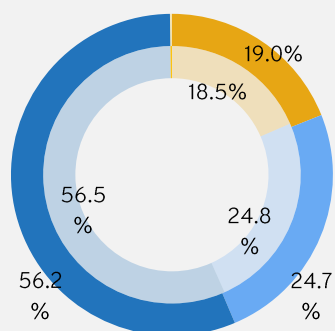


Fig. 5. REIT / Non-REITs

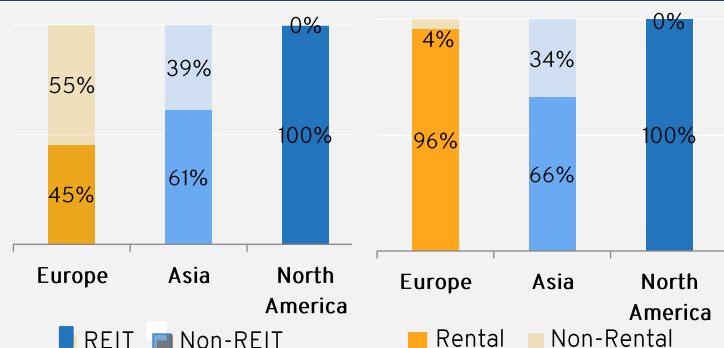


Fig. 6. Focus Split

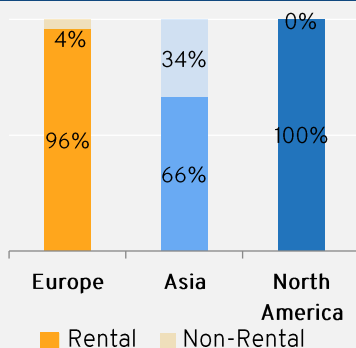


Fig. 7. Index Turnover (EUR, billion)*

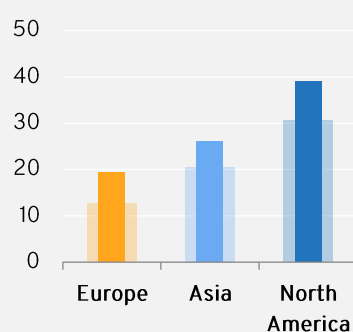


Fig. 8. Dividend Yields*

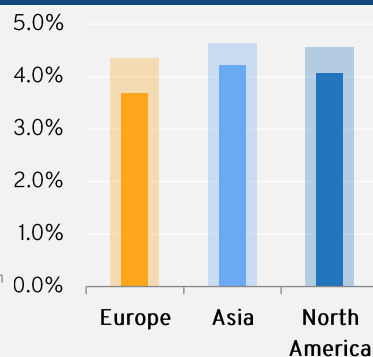


Fig. 9. Volatility (10 yr. & 3 yr.)**

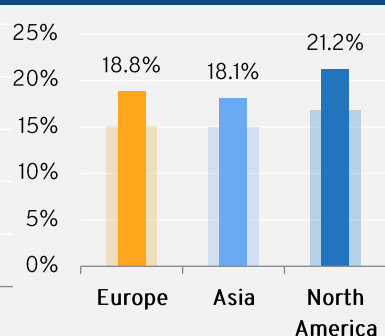


Fig. 10. Correlation (3 yr. rolling)

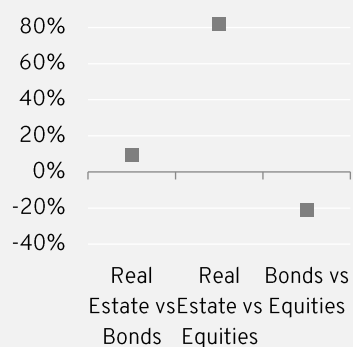
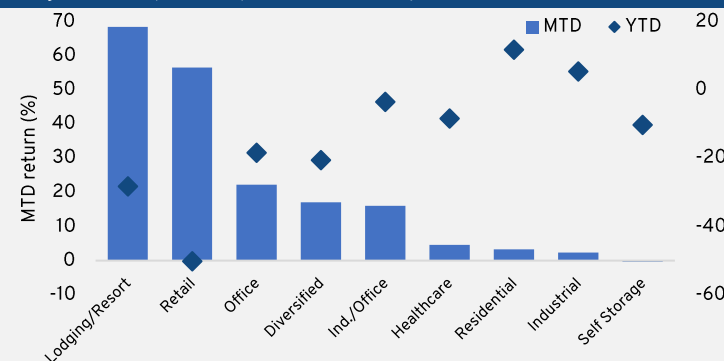


Fig. 11. Developed Europe: Total return by sector (MTD vs YTD)



FTSE EPRA Nareit Developed Europe - Country Indices

% Total Returns	Nov-20	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Europe (EUR)	12.8	-13.3	-10.6	2.6	1.7	8.9
Europe ex UK (EUR)	13.3	-9.3	-7.3	3.9	5.5	9.6
UK (GBP)	10.55	-19.0	-15.3	-0.1	-1.6	7.5
France (EUR)	35.9	-28.5	-26.3	-5.4	-1.5	5.9
Netherlands (EUR)	59.8	-50.5	-51.0	-27.8	-18.3	-6.9
Germany (EUR)	6.4	9.4	11.2	10.1	12.6	14.6

FTSE EPRA Nareit Asia - Country Indices

% Total Returns	Nov-20	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Asia (EUR)	9.8	-16.9	-17.3	1.1	2.3	5.1
Hong Kong (HKD)	13.9	-11.9	-7.7	-4.0	4.6	2.2
Japan (JPY)	8.7	-16.5	-17.8	1.6	-0.2	7.2
Australia (AUD)	19.7	-16.2	-19.5	1.9	5.5	9.9
Singapore (SGD)	10.5	-5.5	-4.2	3.9	9.1	5.3

FTSE EPRA Nareit Developed North America - Country Indices

% Total Returns	Nov-20	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
North America (USD)	12.5	-12.5	-13.3	1.6	3.7	7.7
United States (USD)	12.1	-12.6	-13.4	1.5	3.5	7.9
Canada (CAD)	18.2	-11.8	-13.8	4.1	6.7	7.4

FTSE EPRA Nareit Emerging - Country Indices

% Total Returns	Nov-20	YTD	1 yr	3 yrs*	5 yrs*
Emerging (EUR)	7.9	-21.6	-14.8	-0.4	5.6
Emerging EMEA (EUR)	8.5	-41.5	-41.6	-18.5	-11.9
Emerging Europe (EUR)	11.5	25.0	24.3	4.8	-5.0
Emerging MEA (EUR)	8.0	-47.6	-47.7	-21.0	-12.8
Emerging APAC (EUR)	6.7	-17.1	-9.4	2.2	9.2
Emerging Americas (EUR)	19.0	-38.3	-31.4	-4.8	-1.1

(*) Annualised.

(*) Shaded bars are last month's (**) Shaded bars are 10 yr. Source : EPRA. Data is compiled from the FEN Index series (as of 30 November 2020)

FTSE EPRA Nareit Developed Index

The FEN Developed Index outperformed with a monthly return of 10.3% compared to a gain of 8.6% from global equities and a loss of 1.3% from global bonds, at the end of November. Over a one-year period, global real estate investments lost 17.8%, compared to a gain of 14.0% from global bonds and a loss of 5.3% from global equities. Annualised ten-year rolling returns for real estate investments stand at 7.5%, while general equities and bonds are 8.8% and 4.5%, respectively.

In terms of country performances, all developed countries posted positive returns, especially most of the countries in Europe outperformed with double-digit returns in November. The Netherlands (59.8%) in Europe, Australia (22.3%) in Asia and Canada (18.4%) in North America were top performers.

Focusing on sector performances, lodging/resorts (36.5%), retail (22.2%) and office (16.9%) outperformed with the highest returns, while data centres (-7.8%), self-storage (-4.4%) and industrial (-55 bps) were bottom performers in developed markets.

At the end of November 2020, the FEN Developed Index totalled 341 constituents, representing a free float market capitalisation of around EUR 1.2 trillion.

FTSE EPRA Nareit Emerging Index

During November, the FEN Emerging Index gained 7.9% bringing the annual return to -14.8%. Meanwhile, emerging equities and bonds gained 5.4% and 1.1%, respectively. As a result, annual returns stands at -2.4% for bonds and 7.3% for equities.

In terms of sector performance, retail was the top performer with a return of 20.2%, followed by healthcare (7.9%), industrial (7.5%) and residential (7.4%). The remaining sectors also posted positive returns in November.

Focusing on country performances, Thailand (24.4%), Turkey (23.4%) and Brazil (21.6%) outperformed, also the remaining countries posted positive returns - except Kuwait (-6.1%), Qatar (-3.6%) and Saudi Arabia (-49 bps) as bottom performers in emerging markets.

At the end of November 2020, the FEN Emerging Index totalled 145 constituents, representing a free float market capitalisation of around EUR 149 billion.

The semi-annual report is available, for further reading at : [Emerging Markets H1 2020](#).

FTSE EPRA Nareit Developed Index – Top 10 Constituents

Company	Sector	Country	Total Return
ProLogis USA	Industrial	USA	▲ 0.9%
Vonovia SE	Residential	GER	▲ 4.9%
Digital Realty Trust	Data Centers	USA	▼ -6.6%
Public Storage, Inc.	Self-Storage	USA	▼ -2.0%
Simon Property Group, Inc.	Retail	USA	▲ 31.5%
Welltower Inc.	Healthcare	USA	▲ 18.3%
AvalonBay Communities, Inc.	Residential	USA	▲ 19.7%
Equity Residential Properties Trust	Residential	USA	▲ 23.3%
Realty Income Corp.	Retail	USA	▲ 4.1%
Alexandria Real Estate Equities, Inc.	Office	USA	▲ 8.1%

FTSE EPRA Nareit Developed Index – Top 10 Performers

Company	Sector	Country	Total Return
Carmila S.A.	Retail	FRA	▲ 78.3%
Xenia Hotels & Resorts Inc.	Lod./Resorts	US	▲ 71.0%
WFD Unibail-Rodamco	Retail	NETH	▲ 70.5%
Klepierre SA	Retail	FRA	▲ 70.1%
Empire State Realty Trust	Office	USA	▲ 68.2%
Pandox AB	Lod./Resorts	SWED	▲ 66.1%
Lar Espana	Retail	SP	▲ 65.0%
Summit Hotel Properties	Lod./Resorts	USA	▲ 64.6%
Service Properties Trust	Diversified	USA	▲ 64.5%
Park Hotels & Resorts	Lod./Resorts	USA	▲ 64.4%

FTSE EPRA Nareit Emerging Index– Top 10 Constituents

Company	Sector	Country	Total Return
China Resources Land Ltd	Diversified	CHN	▲ 6.5%
Longfor Group Holdings (P Chip)	Diversified	CHN	▲ 20.0%
Country Garden Holdings	Residential	CHN	▲ 7.3%
Sunac China Holdings (P Chip)	Diversified	CHN	▲ 0.7%
China Overseas Land & Invest. Ltd.	Residential	CHN	▼ -2.8%
China Vanke Co., Ltd (H)	Residential	CHN	▲ 22.7%
SM Prime Holdings	Diversified	PHIL	▲ 6.8%
Ayala Land	Diversified	PHIL	▲ 15.2%
Shimao Property Holdings	Diversified	CHN	▲ 5.7%
China Evergrande Group (P Chip)	Diversified	CHN	▲ 6.1%

FTSE EPRA Nareit Developed Europe Index

The FEN Developed Europe Index saw the best month of the year posting a return of 12.8%. Meanwhile European equities gained 14.1% compared to loss of 1.3% from European bonds.

The Netherlands Index and the France Index outperformed, especially positive contribution of retail constituents, with a return of 59.8% and 35.9%, respectively. The Germany index (6.4%) and the UK Index (10.6) also posted positive returns for the month.

Performance of Top 3 sectors: Lodging/resorts (68.4%), retail (56.5%), office (22.2%).

Performance of Top 3 constituents: Carmilla S.A. (78.3%, France, Retail), WFD Unibail-Rodamco (70.5%, Netherlands, Retail), Klepierre S.A. (70.1%, France, Retail).

FTSE EPRA Nareit Developed Asia Index

During November, the FEN Developed Asia Index posted a return of 9.8%, compared to a gain of 6.6% from Asian equities and a loss of 2.6% from Asian bonds.

The Australia index was top performer with a return of 19.7% in Asia, followed by the Hong Kong Index (13.9%) and the Singapore Index (10.5%). The Japan index also posted a return of 8.7% during November. (in local currencies).

Performance of Top sectors: Retail (16.8%), diversified (12.7%), office (7.6%).

Performance of Top 3 constituents: Vicinity Group (36.4%, Australia, Retail), Scentre Group (33.3%, Australia, Retail), CDL Hospitality Trusts (27.3%, Singapore, Lodging/Resorts).

FTSE EPRA Nareit North America Index

The FEN North America Index 9.6%, compared to a gain of 8.7% from equities and loss of 2.2% from equities (in euros).

Both the U.S. index and the Canada Index gained 12.1% and 18.2%(in local currencies).

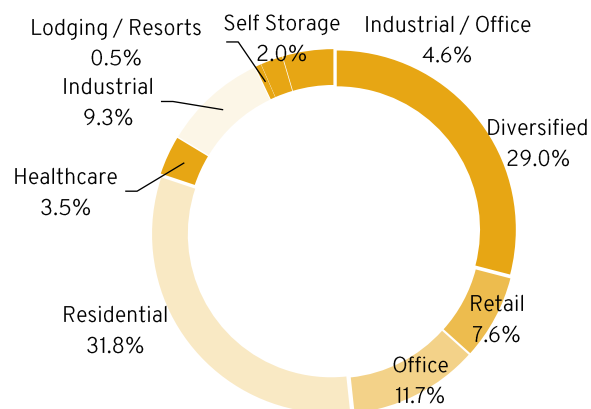
After having been acquired by Starlight Group Property Holdings, *Northview Apartment REIT* (Canada, constituent) was deleted from the index.

Performance of Top sectors: Lodging/resorts (42.7%), office (20.9%), retail (20.4%).

Performance of Top 3 constituents: Xenia Hotels & Resorts Inc. (71.0%, USA, Lodging/Resorts), Empire State Realty Trust (68.2%, USA, Lodging/Resorts), Summit Hotel Properties (64.6%, USA, Lodging/Resorts).

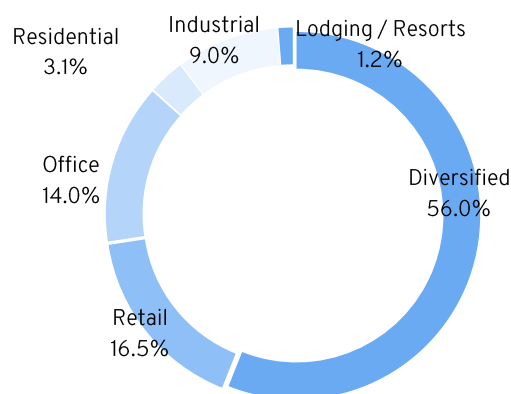
Developed Europe representing a free float MCap of around EUR 237 billion with 104 constituents

Developed Europe Sector Split



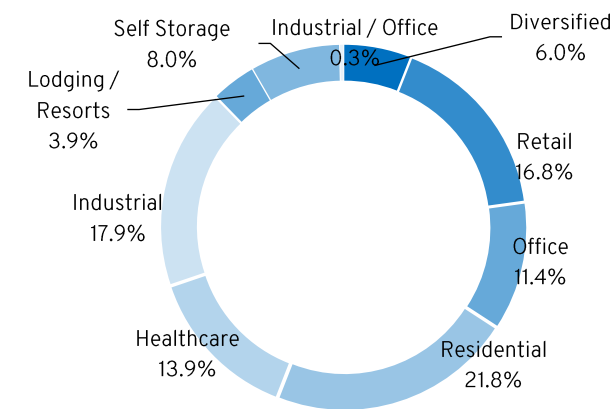
Developed Asia representing a free float MCap of around EUR 308 billion with 92 constituents

Developed Asia Sector Split

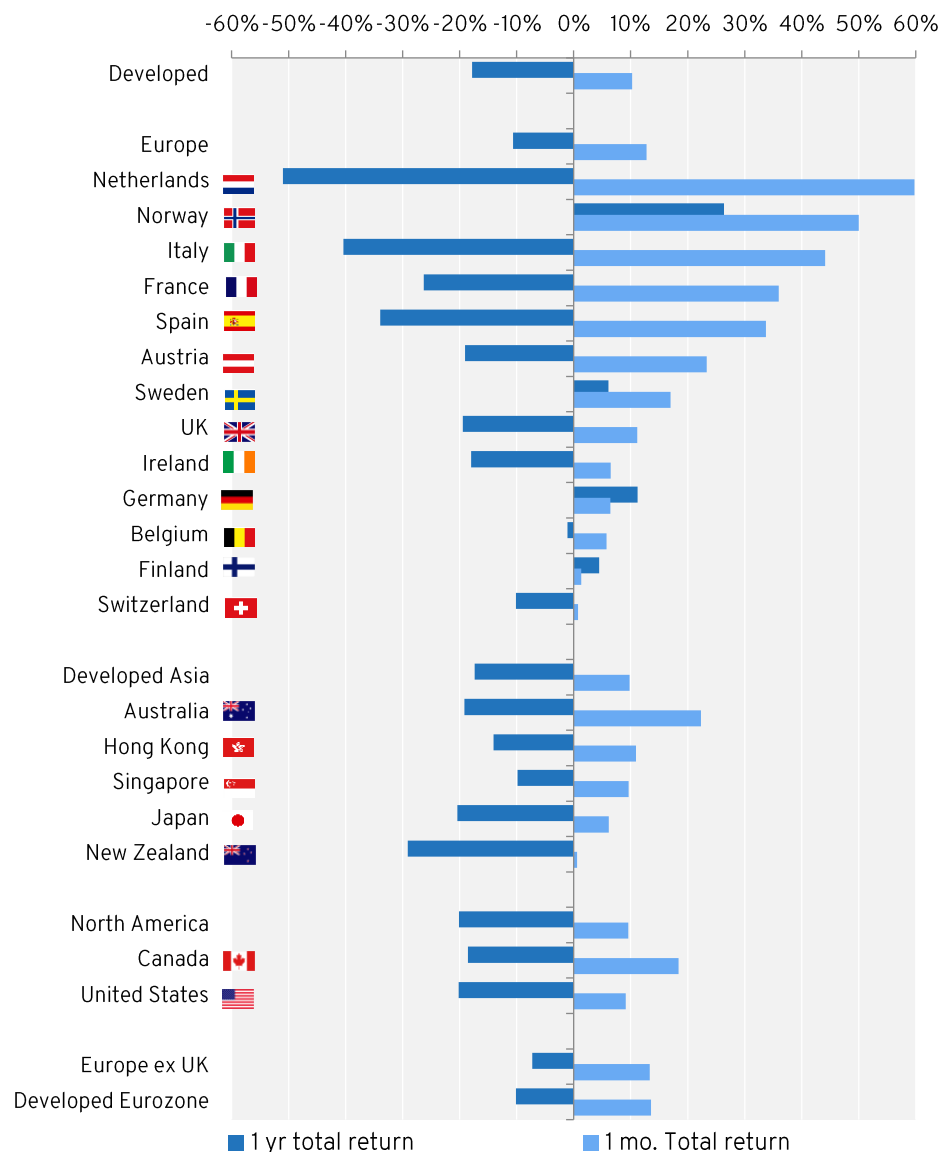


Developed North America representing a free float MCap of around EUR 702 billion with 143 constituents

North America Sector Split



FTSE EPRA Nareit Monthly Index Performances (EUR)



Source : FTSE EPRA Nareit as of November 30, 2020

Link to Reports & Contacts

Monthly Statistical Bulletin

Monthly Published NAV Bulletin

Monthly LTV Report

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[Emerging Markets H1 2020](#) (semi-annual)

[Sector Analysis: Residential](#)

[Total Markets Table 2020-Q3](#)

(quarterly)



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