



# EPRA

EUROPEAN PUBLIC  
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

# Monthly Market Review

June 2021

July  
2021

## Overview

The FTSE EPRA Nareit (FEN) Global Developed Real Estate Index gained 4.0%, bringing the YTD return to 19.8%, at the end of June. Global equities and bonds returned at 5.4% and 2.3, respectively.

In terms of regional performance, North America and Developed Asia outperformed with a return of 5.2% and 4.0%, compared to 52 bps from Developed Europe. Meanwhile, emerging markets slipped by 74 bps for the month.

Focusing on sectors performance, all sectors posted positive returns for the month and provided higher YTD returns for the first half of the year. During June, self-storage (10.2%) was the top performer, followed by healthcare (6.0%), specialty (5.3%) and industrial (5.3%), while diversified (2.2%) was the bottom performer with a relatively lower pace.

## Highlights of the Month

### *The index performance in the first six quarters compared to the GFC*

The performance of the FEN Developed Europe Index allows us to analyse the recovery from the Covid-19 crisis and to compare it to the GFC (Fig.1). The index saw an immediate direct impact from Covid-19, with a fall at an early stage – but with a lower magnitude than with the GFC (-41.7% vs -56.2%). In line with the re-opening of the economies and the easing of the measures, slight improvement started to be observed during the 2020 summer period, further supported by governments' stimulus packages. Later, a second wave and the appearance of new variants put pressure on the markets and the index lost some momentum.

During the first half of 2021, the index performed better and provided 9.6% YTD. Vaccine rollouts in particular had a positive impact on the markets, and provided optimism, together with the gradual lifting of lockdown measures. Indeed, the FEN Developed Europe index gained some ground in 2021-Q2 (Fig.2).

According to Oxford Economics' paper published in May 2020, towards the beginning of the crisis (further reading at [The impact of the Covid-19 crisis on European Listed Real Estate](#)), the index is expected to return to pre-crisis level in late 2021/early 2022, which is a shorter timespan than for the GFC. Indeed, the index displayed a quicker improvement and performed relatively better compared to the GFC, based on the cumulative returns at the end of the six quarters (-7.8% vs -16.4%).

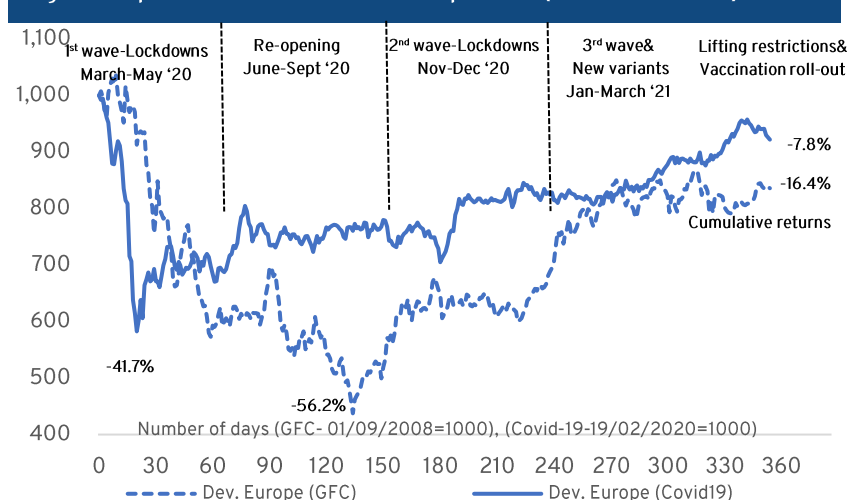
This would be consistent with the current recovery pattern. Although the index is still underperforming (-7.8% cumulative return since 19/02/2020), the economic recovery supported by health-related improvements, especially the progress in vaccine rollout, has had a positive impact on market recovery. It will be crucial to maintain this momentum to return to the pre-crisis level in the forthcoming period.

## FTSE EPRA Nareit Global Index Total Return

	Jun-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
<b>% Total Returns (EUR)</b>						
Global Real Estate	▲ 4.0	19.8	27.7	6.8	4.6	9.5
Global Equities (FTSE)	▲ 5.4	17.3	30.3	8.5	11.3	10.0
Global Bonds (JP Morgan)	▲ 2.3	-1.6	-5.3	6.2	3.2	4.1
<b>Europe Real Estate</b>	▲ 0.5	9.6	25.0	4.9	6.1	8.6
Europe Equities (FTSE)	▲ 1.6	14.9	27.9	8.5	10.2	8.0
Europe Bonds (JP Morgan)	▲ 3.7	-0.6	-6.5	2.5	0.3	6.6
<b>Asia Real Estate</b>	▲ 4.0	13.6	19.3	4.3	4.0	7.4
Asia Equities (FTSE)	▲ 4.2	12.5	27.1	9.9	11.7	11.7
Asia Bonds (JP Morgan)	▲ 3.4	2.5	-5.7	0.5	-1.3	4.1
<b>North America Real Estate</b>	▲ 5.2	26.0	32.1	8.5	4.3	10.8
NA Equities (FTSE)	▲ 6.0	18.7	34.5	18.3	16.2	17.0
NA Bonds (JP Morgan)	▲ 4.0	0.3	-8.5	4.2	0.8	5.1
<b>Emerging Real Estate</b>	▼ -0.7	2.5	0.5	-0.4	5.4	5.4
Emerging Equities (FTSE)	▲ 3.2	11.7	32.2	11.5	11.3	6.8
Emerging Bonds (JP Morgan)	▲ 3.9	2.3	1.4	6.0	3.0	7.5

(\*) Annualised.

Fig. 1. The performance in the first six quarters (GFC vs Covid-19)



Source : EPRA. Data is compiled from the FEN Index series (as of 30 June 2021).

## Developed Europe index performance by sector

As one of the most resilient sectors during the pandemic, industrial (3.9%) continued to outperform and was the top performer in June, followed by healthcare (2.8%) and residential (2.2%). Focusing on YTD returns, except lodging/resort (-2.8%), all sectors posted positive returns (Table 2).

Based on the cumulative returns since 19/02/2020, industrial (20.7%), residential (8.6%), and self-storage (5.2%) are the only sectors traded above pre-pandemic levels. Especially self-storage outperformed during 2021-H1 and provided the highest YTD return of 24.5%.

Although retail gained momentum in the first half of the year providing 19.0% YTD, it remains the bottom performer below pre-pandemic levels (-32.1% cumulative return since 19/02/2020). Similarly, lodging/resorts is another underperformer (-30.7%).

## 2021-Q2 Index Review

During the 2021-Q2 index review, eleven companies were added in the Developed index, while five companies were added in, and two companies were deleted from the Emerging index. Besides, four companies in Developed index and one company in Emerging index were reclassified. The details are given in the related sections. The net added valued to the global index was almost EUR 99.89 million in free float market cap.

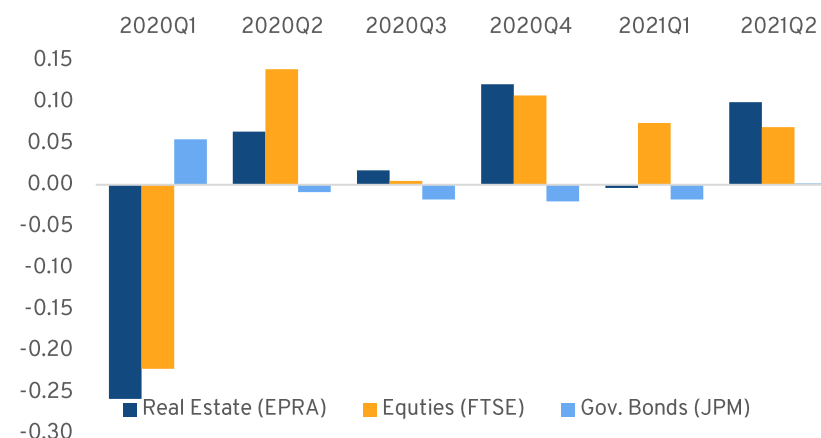
All changes have become effective as of Monday, 21 June 2021. The next index review will take place at the end of August, and the results will be locked-up on 1 September 2021.

The FTSE EPRA Nareit Global Real Estate Index Series Ground Rules (Version 10.4) are updated and the changes are effective immediately.

Table 2. Developed Europe: Total return by sector												
Dev. Europe: Monthly Total Return							Weekly Total Return by Sector				YTD	Since
	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	04-Jun	11-Jun	18-Jun	25-Jun	Dec-20	19-Feb-20
Developed Europe	-2.7%	-1.2%	3.6%	5.1%	4.1%	0.5%	1.6%	1.8%	-1.7%	0.7%	9.6%	-7.8%
Industrial	4.2%	-2.9%	3.7%	5.3%	5.1%	3.9%	1.7%	1.9%	0.4%	1.1%	20.7%	20.7%
Residential	-6.4%	-3.9%	4.0%	4.9%	2.3%	2.2%	1.4%	1.0%	-0.3%	0.9%	2.6%	8.6%
Self-Storage	3.2%	3.7%	0.9%	3.9%	10.8%	-0.1%	1.6%	-2.0%	-1.0%	1.9%	24.4%	5.2%
Healthcare	-1.0%	4.1%	-1.8%	2.0%	3.0%	2.8%	0.7%	0.4%	3.4%	-0.1%	9.4%	-6.1%
Diversified	-3.5%	1.7%	3.3%	5.1%	4.5%	-1.6%	1.4%	1.6%	-2.9%	0.6%	9.4%	-16.4%
Office	-1.5%	-0.9%	3.1%	3.4%	5.3%	-1.4%	1.9%	1.1%	-2.9%	0.5%	8.0%	-19.0%
Lodging/Resorts	-13.7%	18.0%	-1.8%	0.8%	0.5%	-4.0%	9.2%	3.7%	-9.3%	0.2%	-2.8%	-30.7%
Retail	5.0%	-3.6%	8.2%	5.7%	4.1%	-1.3%	0.7%	6.6%	-3.7%	-2.3%	19.0%	-32.1%

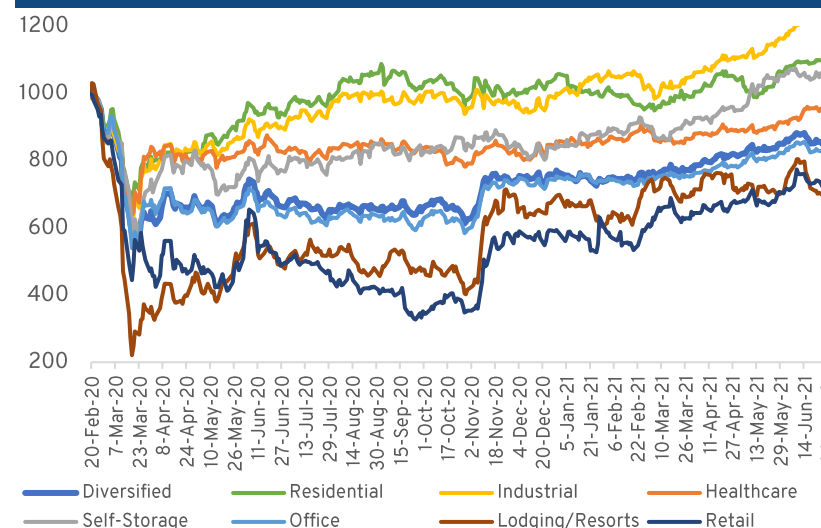
Source: EPRA. Data is compiled from the FEN Index series (as of 30 June 2021)

Fig. 2. Developed Europe: Quarterly returns



Source: EPRA. Data is compiled from the FEN Index series (as of 30 June 2021)

Fig. 3. Developed Europe: Total return by sector (19/02/2020=1000)



Source: EPRA. Data is compiled from the FEN Index series (as of 30 June 2021)

Fig. 4. Global Weights (EUR)\*

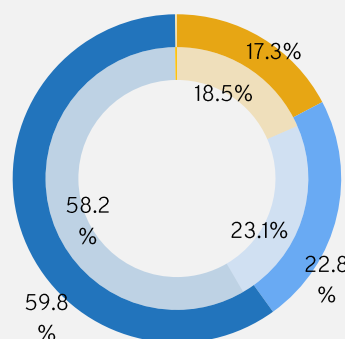


Fig. 5. REIT / Non-REITs

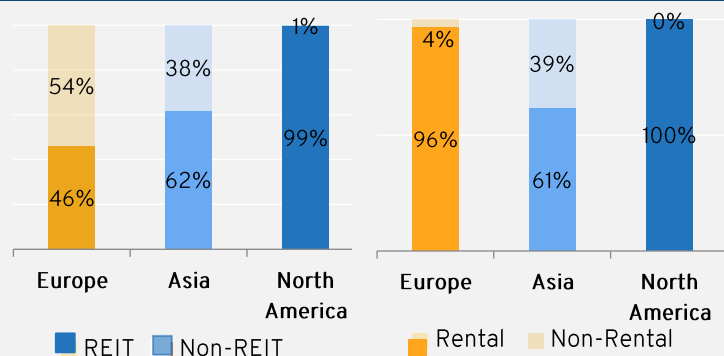


Fig. 6. Focus Split

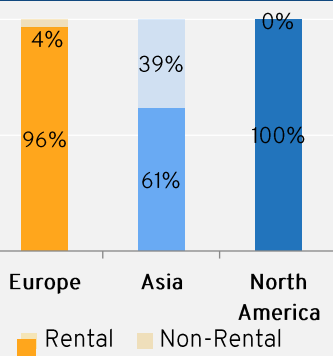


Fig. 7. Index Turnover (EUR, billion)\*

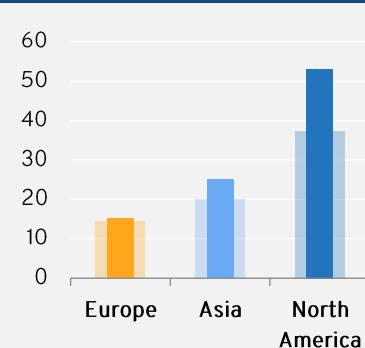


Fig. 8. Dividend Yields\*

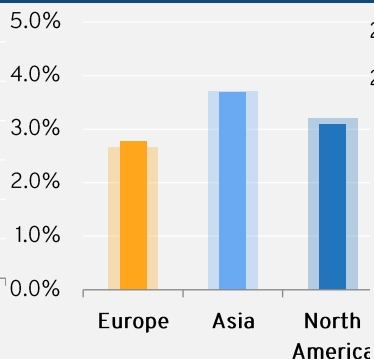


Fig. 9. Volatility (10 yr. & 3 yr.)\*\*

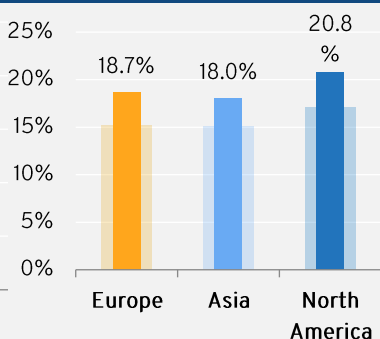
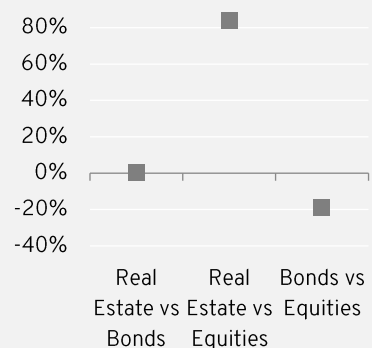


Fig. 10. Correlation (3 yr. rolling)



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

FTSE EPRA Nareit Developed Europe - Country Indices

% Total Returns	Jun-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Europe (EUR)	0.5	9.6	25.0	4.9	6.1	8.6
Europe ex UK (EUR)	0.9	7.5	23.2	5.7	7.0	9.0
UK (GBP)	-0.62	10.7	22.7	1.6	4.7	6.6
France (EUR)	-3.2	11.0	25.3	-2.4	0.8	5.1
Netherlands (EUR)	1.0	15.8	46.7	-20.8	-14.1	-5.9
Germany (EUR)	2.3	2.4	17.0	9.2	11.4	14.2

FTSE EPRA Nareit Asia - Country Indices

% Total Returns	Jun-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Asia (EUR)	4.0	13.6	19.3	4.3	4.0	7.4
Hong Kong (HKD)	0.1	15.8	21.4	0.7	7.2	3.9
Japan (JPY)	3.5	20.5	32.4	7.0	6.1	9.7
Australia (AUD)	3.5	8.3	27.4	3.1	3.0	10.2
Singapore (SGD)	0.8	2.6	10.7	7.8	8.6	7.0

FTSE EPRA Nareit Developed North America - Country Indices

% Total Returns	Jun-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
North America (USD)	2.0	22.2	39.5	9.1	5.7	8.6
United States (USD)	2.1	22.0	39.1	9.0	5.6	8.9
Canada (CAD)	3.5	22.0	35.2	7.8	7.0	7.8

FTSE EPRA Nareit Emerging - Country Indices

% Total Returns	Jun-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Emerging (EUR)	-0.7	2.5	0.5	-0.4	5.4	5.4
Emerging EMEA (EUR)	3.7	19.6	26.9	-11.9	-7.4	0.9
Emerging Europe (EUR)	5.2	6.8	10.1	14.5	-2.1	-3.0
Emerging MEA (EUR)	3.2	22.7	30.6	-14.3	-7.9	2.3
Emerging APAC (EUR)	-1.6	0.4	-4.0	0.2	8.4	10.9
Emerging Americas (EUR)	0.6	1.4	14.2	2.4	-1.8	-9.3

(\*) Annualised.



## FTSE EPRA Nareit Developed Index

At the end of June, the FEN Developed Index returned 4.0%, compared to gains of 5.4% and 2.3% from global equities and global bonds, respectively. Over a one-year period, global real estate investments returned 27.7%, compared to a gain of 30.3% from global equities and a loss of 5.3% from global bonds. Annualised ten-year rolling returns for real estate investments stand at 9.5%, while general equities and bonds gained 10.0% and 4.1%, respectively.

In terms of country performances, Finland (2.4%) and Germany (2.3%) in Europe, the US (5.2%) in North America and Japan (5.1%) in Asia were top performers. Focusing on sectors performance, self-storage (10.2%) was the top performer, followed by healthcare (6.0%), specialty (5.3%) and industrial (5.3). The remaining sectors also posted positive returns, with the bottom performer being diversified (2.2%).

Klovern (B) (Sweden) was deleted from the index due to a take-over by *Corem Property Group B* (Sweden) which remained in the index with an increased shares in issue, total of 1,003,584,133, and an increased investability weighting of 67.55%.

*At the end of June 2021, the FEN Developed Index totalled 353 constituents, representing a free float market capitalisation of around EUR 1.6 trillion.*

## FTSE EPRA Nareit Emerging Index

During June, the FEN Emerging Index lost 74 bps bringing the annual return to 52 bps. Meanwhile, emerging equities and bonds gained 3.2% and 3.9%, respectively. As a result, annual returns stand at 32.2% for equities and 1.4% for bonds. Annualised ten-year rolling returns for real estate investments stand at 5.4%, while general equities and bonds stand at 6.8% and 7.5%, respectively.

In terms of sector performance, office (5.9%), healthcare (5.3%) and industrial (5.0%) were top performers, while the bottom performers were residential (-2.1%) and diversified (-1.5%). The remaining sectors posted positive returns at lower pace for the month. Focusing on country performance, the UAE (8.9%) and Czechia (8.7%) were top performers, while Indonesia (-8.2%) and Turkey (-5.1%) were bottom performers in emerging markets.

During the quarterly review, two Saudi Arabian companies (AlJazira REIT Units and Taleem REIT units), two Chinese companies (Radiance Holdings Group (P Chip) and Shinsun Holdings (Group) (P Chip)) and one UAE (Aldar Properties) were added in, while one Chinese and one Malaysian company were deleted from the Emerging index. *Poly Property Group* (Red Chip) was reclassified from Diversified to Residential.

*At the end of June 2021, the FEN Emerging Index totalled 152 constituents, representing a free float market capitalisation of around EUR 154 billion.*

## FTSE EPRA Nareit Developed Index – Top 10 Constituents

Company	Sector	Country	Total Return
ProLogis USA	Industrial	USA	▲ 2.0%
Public Storage, Inc.	Self-Storage	USA	▲ 7.2%
Simon Property Group, Inc.	Retail	USA	▲ 1.6%
Digital Realty Trust	Data Centers	USA	▲ 0.0%
Vonovia SE	Residential	GER	▲ 6.6%
Equinix	Data Centers	USA	▲ 0.0%
Welltower Inc.	Healthcare	USA	▲ 11.1%
AvalonBay Communities, Inc.	Residential	USA	▲ 1.6%
Equity Residential Properties Trust	Residential	USA	▲ 0.2%
Alexandria Real Estate Equities, Inc.	Office	USA	▲ 2.7%

## FTSE EPRA Nareit Developed Index – Top 10 Performers

Company	Sector	Country	Total Return
QTS Realty Trust	Data Centers	USA	▲ 22.8%
Diversified Healthcare Trust	Healthcare	USA	▲ 15.2%
Digital Bridge Group Inc	Diversified	USA	▲ 15.0%
Macerich Company	Retail	USA	▲ 14.7%
Safehold Inc.	Specialty	USA	▲ 12.2%
Centerspace	Residential	USA	▲ 11.8%
Welltower Inc.	Healthcare	USA	▲ 11.1%
Summit Industrial Income REIT	Industrial	CAN	▲ 10.9%
Dream Industrial REIT	Industrial	CAN	▲ 10.9%
National Storage Affiliates Trust	Self-Storage	USA	▲ 10.5%

## FTSE EPRA Nareit Emerging Index – Top 10 Constituents

Company	Sector	Country	Total Return
China Resources Land Ltd	Diversified	CHN	▼ -9.9%
Longfor Group Holdings (P Chip)	Diversified	CHN	▼ -1.9%
China Overseas Land & Invest. Ltd.	Residential	CHN	▼ -1.1%
Sunac China Holdings (P Chip)	Diversified	CHN	▼ -7.0%
Country Garden Holdings	Residential	CHN	▼ -9.0%
SM Prime Holdings	Diversified	PHIL	▲ 1.4%
China Vanke Co., Ltd (H)	Residential	CHN	▼ -9.5%
Ayala Land	Diversified	PHIL	▲ 4.8%
Central Pattana Public Company Ltd	Retail	THAI	▲ 3.5%
Aldar Properties Ord Shs	Diversified	UAE	▲ 0.0%

### FTSE EPRA Nareit Developed Europe Index

The FEN Developed Europe Index posted a return of 52 bps, while European equities gained 1.6% compared to 3.7% from European bonds. The Indexes from Germany (2.3%) and the Netherlands (1.0%) posted positive returns while the Indexes from France (-3.2%) and the UK (-62 bps) were underperformers in developed Europe for the month.

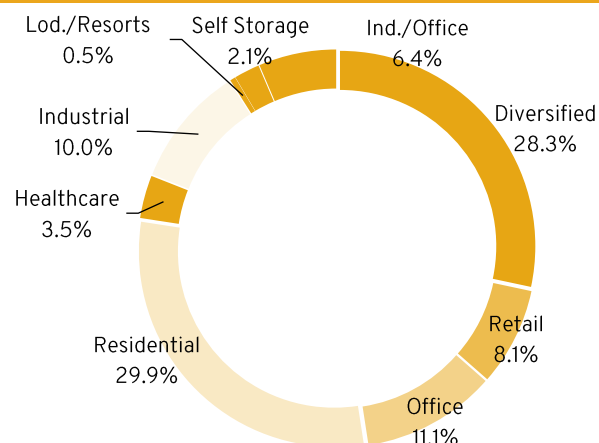
*K-Fast Holding* (Sweden, Non-REIT, Residential), *Platzer Fastigheter Holding* (Sweden, Non-REIT, Industrial/Office) and *PRS REIT* (UK, REIT, Residential) have been added to the Developed Europe index, during the quarterly review.

**Performance of Top 3 sectors:** Industrial (3.9%), Industrial/Office (2.8%), Healthcare (2.8%).

**Performance of Top 3 constituents:** Phoenix Spree Deutschland Limited (9.3%, UK, Residential), Sirius Real Estate Limited (9.3%, UK, Diversified), Standard Life Investments Trust (9.0%, UK, Industrial/Office).

Developed Europe representing a free float MCap of around EUR 271 billion with 107 constituents

### Developed Europe Sector Split



### FTSE EPRA Nareit Developed Asia Index

The FEN Developed Asia Index gained 4.0%. Asian equities and bonds also gained 4.2% and 3.4%, respectively. The Japan (3.5%) and the Australia (3.5%) indexes outperformed while the Singapore (83 bps) and the Hong Kong (9 bps) indexes posted positive but lower returns.

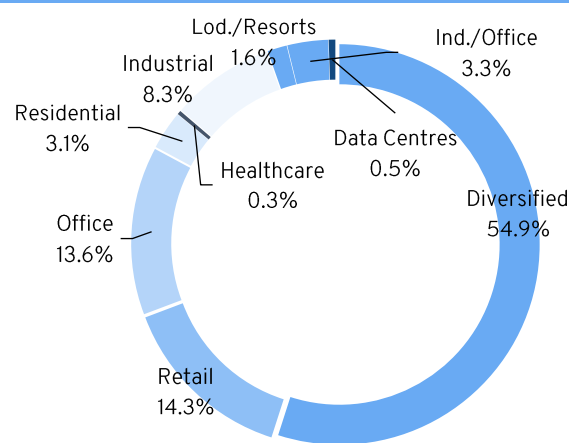
*Henderson Land Development* (Hong Kong, Non-REIT, Diversified), *Heiwa Real Estate REIT* (Japan, REIT, Diversified), *Ingenia Communities Group* (Australia, Non-REIT, Diversified), and *Centuria REIT* (Australia, REIT, Industrial) have been added to the Developed Asia index.

**Performance of Top 3 sectors:** Residential (6.3%), Industrial (6.1%), Retail (4.7%).

**Performance of Top 3 constituents:** Sumitomo Realty & Development Co Ltd (9.1%, Japan, Diversified), Japan Metropolitan Fund Investment (8.7%, Japan, Retail), Industrial & Infrastructure Fund (8.1%, Japan, Industrial).

Developed Asia representing a free float MCap of around EUR 357 billion with 97 constituents

### Developed Asia Sector Split



### FTSE EPRA Nareit North America Index

The FEN North America Index gained 5.2% for the month. Also, North America equities and bonds gained 6.0% and 4.0%, respectively (in euros). The U.S. and the Canada Indexes returned 2.1% and 3.5%, respectively (in local currencies).

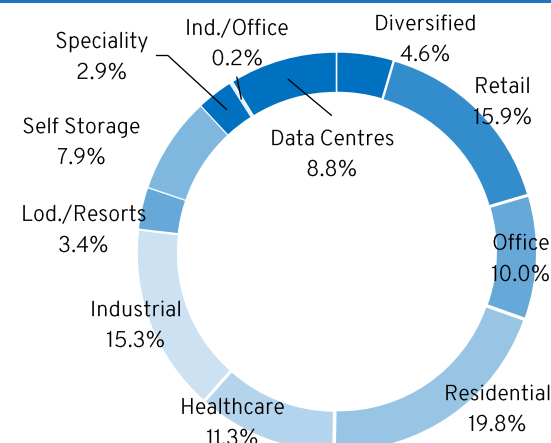
*Coresite Realty Corp.* (USA, REIT, Data Centres), *Equinix Inc.* (USA, REIT, Data Centres), *Broadstone Net Lease Inc.* (USA, REIT, Diversified), and *Tricon Residential Inc.* (USA, Non-REIT, Residential) have been added to the Developed North America index, during the quarterly review.

**Performance of Top 3 sectors:** Self-Storage (11.3%), Healthcare (6.4%), Residential (5.9%).

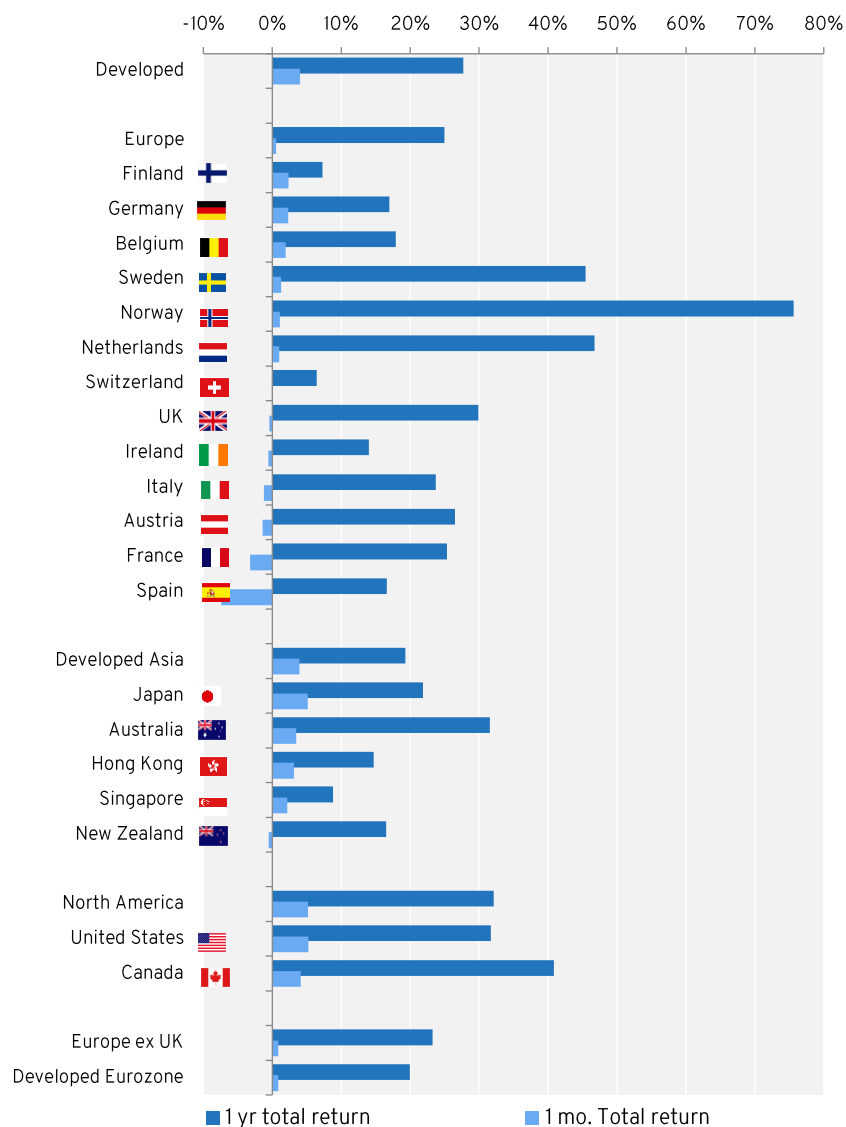
**Performance of Top 3 constituents:** QTS Realty Trust (22.8%, USA, Data Centres), Diversified Healthcare Trust (15.2%, USA, Healthcare), Digital Bridge Group Inc (15.0%, USA, Diversified),

Developed North America representing a free float MCap of around EUR 937 billion with 146 constituents

### North America Sector Split



## FTSE EPRA Nareit Monthly Index Performances (EUR)



Source : FTSE EPRA Nareit as of June 30, 2021.

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[Sector Analysis: Residential](#)

[Total Markets Table 2020-Q4](#) (quarterly)



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**EPRA - INSEAD Executive Programme**  
Strategy for Listed Real Estate. What Good Looks Like  
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