



EPRA

EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

Monthly Market Review

July 2021

August
2021

Overview

The FTSE EPRA Nareit (FEN) Global Developed Real Estate Index returned 3.9%, bringing the YTD return to 24.4%, at the end of July. Global equities and bonds posted a return of 59 bps and 1.6%, respectively.

In terms of regional performance, Developed Europe and North America outperformed with a return of 6.6% and 4.9%, compared to a loss of 92 bps from Developed Asia. Meanwhile, emerging markets lost 10.4% for the month.

Focusing on sector performance, all sectors posted positive returns for the month, except for lodging/resorts with -4.9% monthly return. Industrial/office (9.4%) and residential (8.5%) were the top performers, followed by industrial (7.1%), self-storage (6.1%) and healthcare (5.2%).

Highlights of the Month

Developed Europe continued to gain momentum

The FEN Developed Europe index is slightly underperforming against its pre-Covid19 level (-1.7% cumulative return since 19/02/2020). As of the end of July, the index kept its momentum, gaining 6.6% monthly return and posting 16.8% YTD return. The progress in the vaccine rollout has helped maintaining the momentum of the return to the pre-crisis level.

In terms of sector performance, self-storage continued to outperform and provided the highest monthly return of 12.8%. Industrial (11.4%), healthcare (7.9%) and office (7.8%) were also among the top performers in July. The remaining sectors also posted positive returns, except for retail, which as the bottom performer lost 2.3% (Table 1).

Focusing on YTD returns, self-storage (40.3%) and industrial (34.6%) provided the highest YTD returns. Except for lodging/resort (-2.3%), all sectors posted positive YTD returns.

Based on the cumulative returns since 19/02/2020, industrial (34.6%), self-storage (18.6%) and residential (13.4%) remained resilient and are traded above pre-pandemic levels. Healthcare is another sector which returned to its pre-pandemic level (1.3%) by gaining some ground since the beginning of the year.

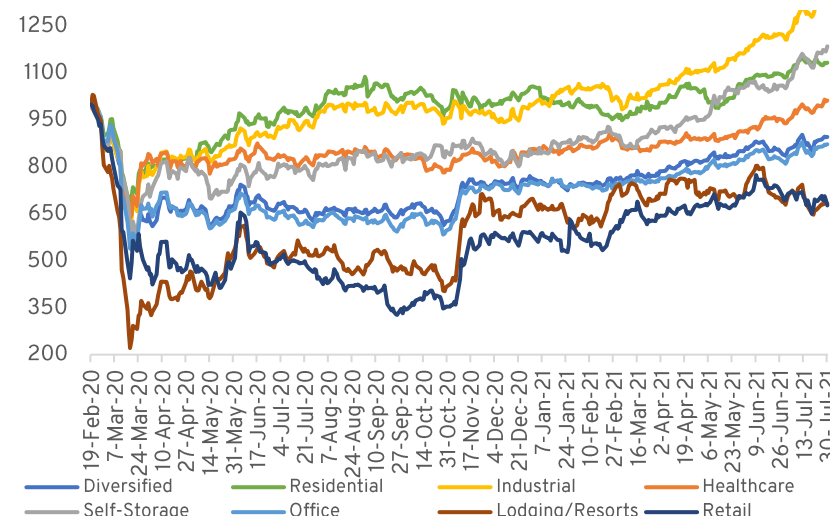
Although retail performed relatively better this year, providing 16.3% YTD, it remains the bottom performer (-32.3% cumulative return since 19/02/2020), together with lodging/resorts (-31.7%), both trading below their pre-pandemic levels.

FTSE EPRA Nareit Global Index Total Return

		Jul-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
% Total Returns (EUR)							
Global Real Estate	▲	3.9	24.4	35.8	8.0	4.5	9.7
Global Equities (FTSE)	▲	0.6	18.0	32.4	7.7	10.4	10.3
Global Bonds (JP Morgan)	▲	1.6	-0.1	-2.0	6.9	3.5	4.2
Europe Real Estate	▲	6.6	16.8	31.6	6.7	6.2	9.5
Europe Equities (FTSE)	▲	1.5	16.7	31.5	7.9	9.7	8.6
Europe Bonds (JP Morgan)	▲	1.9	1.3	-1.0	3.4	0.6	6.6
Asia Real Estate	▼	-0.9	12.5	26.0	3.7	2.9	7.1
Asia Equities (FTSE)	▼	-4.5	7.4	23.6	7.8	9.7	11.2
Asia Bonds (JP Morgan)	▲	0.8	3.3	-0.9	0.9	-0.9	4.1
North America Real Estate	▲	4.9	32.2	41.1	10.1	4.6	11.1
NA Equities (FTSE)	▲	2.1	21.2	36.2	17.9	16.0	17.3
NA Bonds (JP Morgan)	▲	1.2	1.4	-4.1	5.1	1.1	4.9
Emerging Real Estate	▼	-10.4	-8.2	-8.2	-4.1	2.3	4.0
Emerging Equities (FTSE)	▼	-6.6	4.2	18.6	7.8	8.8	6.0
Emerging Bonds (JP Morgan)	▲	0.5	2.7	3.0	5.5	3.0	7.2

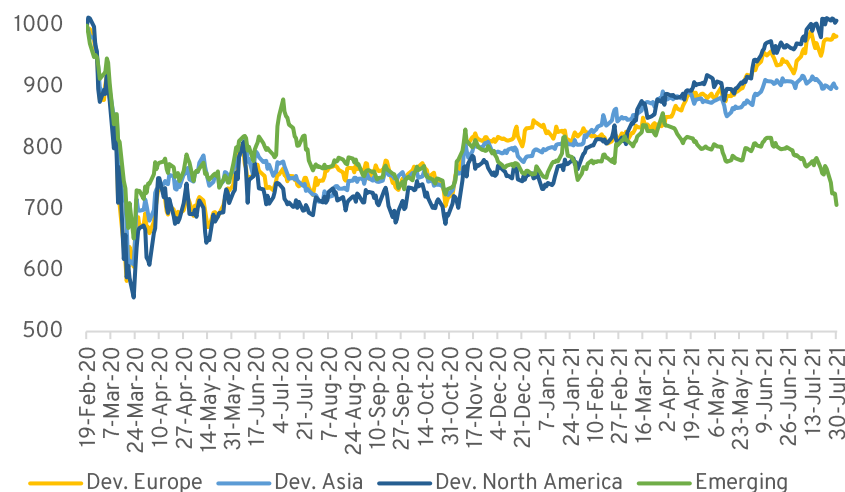
(*) Annualised.

Fig. 1. Developed Europe: Total return by sector (19/02/2020=1000)



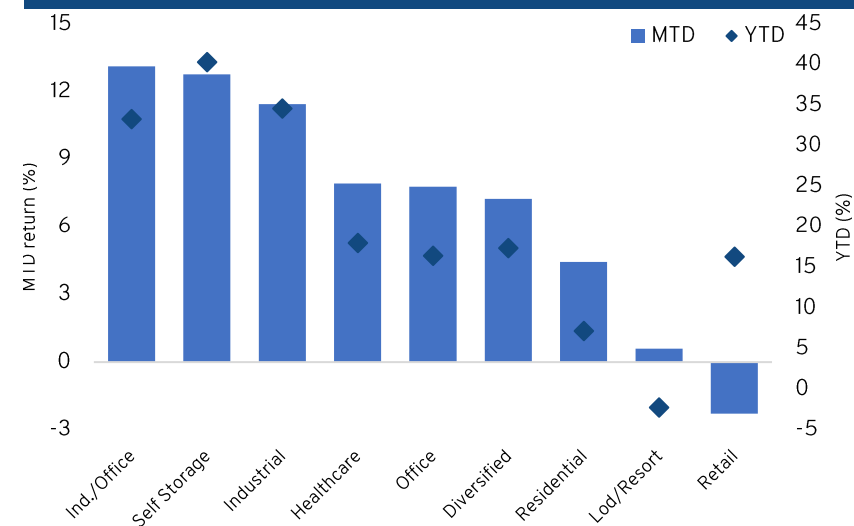
Source: EPRA. Data is compiled from the FEN Index series (as of 30 July 2021).

Fig. 2. Total return by region (19/02/2020=1000)



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

Fig. 3. Developed Europe: Total return by sector (MTD vs YTD)



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

Table 1. 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	Jul-21	02-Jul	09-Jul	16-Jul	23-Jul	30-Jul	Dec-20	19-Feb-20
Developed Europe	-2.7%	-1.2%	3.6%	5.1%	4.1%	0.5%	6.6%	0.1%	3.4%	-0.2%	0.6%	0.5%	16.8%	-1.7%
Industrial	4.2%	-2.9%	3.7%	5.3%	5.1%	3.9%	11.4%	0.0%	4.7%	0.9%	2.7%	1.2%	34.6%	34.6%
Self-Storage	3.2%	3.7%	0.9%	3.9%	10.8%	-0.1%	12.8%	1.3%	6.0%	0.2%	2.2%	1.7%	40.3%	18.6%
Residential	-6.4%	-3.9%	4.0%	4.9%	2.3%	2.2%	4.4%	0.4%	3.0%	0.8%	-0.6%	-0.3%	7.2%	13.4%
Healthcare	-1.0%	4.1%	-1.8%	2.0%	3.0%	2.8%	7.9%	-0.6%	3.5%	0.6%	0.9%	1.6%	18.0%	1.3%
Diversified	-3.5%	1.7%	3.3%	5.1%	4.5%	-1.6%	7.2%	0.1%	3.3%	-0.9%	0.9%	1.3%	17.4%	-10.4%
Office	-1.5%	-0.9%	3.1%	3.4%	5.3%	-1.4%	7.8%	0.4%	3.4%	-1.0%	1.2%	1.1%	16.4%	-12.7%
Lodging/Resorts	-13.7%	18.0%	-1.8%	0.8%	0.5%	-1.3%	0.6%	0.9%	3.2%	-7.8%	-1.1%	2.4%	-2.3%	-31.7%
Retail	5.0%	-3.6%	8.2%	5.7%	4.1%	-4.0%	-2.3%	-2.3%	0.1%	-3.2%	-0.2%	-2.1%	16.3%	-32.3%

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

Fig. 4. Global Weights (EUR)*

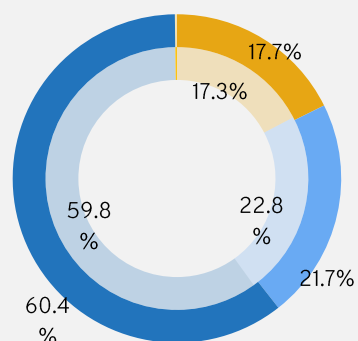


Fig. 5. REIT / Non-REITs

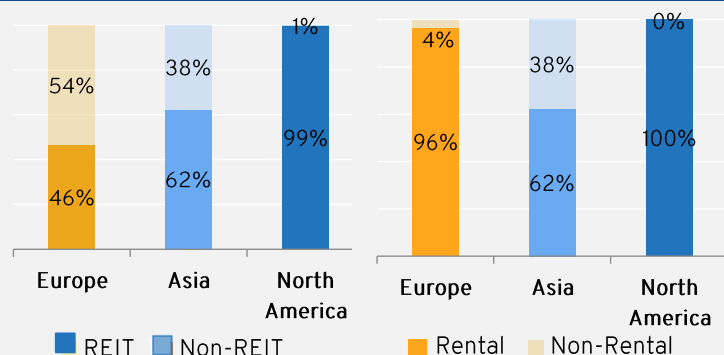


Fig. 6. Focus Split

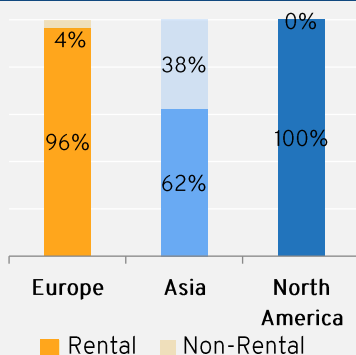


Fig. 7. Index Turnover (EUR, billion)*

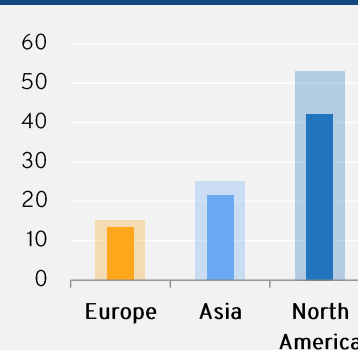


Fig. 8. Dividend Yields*

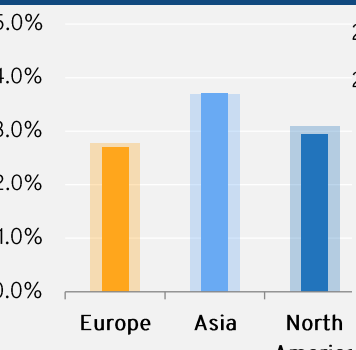


Fig. 9. Volatility (10 yr. & 3 yr.)**

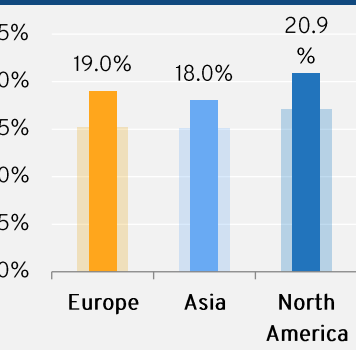
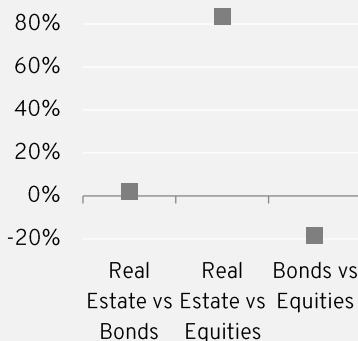


Fig. 10. Correlation (3 yr. rolling)



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

FTSE EPRA Nareit Developed Europe - Country Indices

% Total Returns	Jul-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Europe (EUR)	6.6	16.8	31.6	6.7	6.2	9.5
Europe ex UK (EUR)	5.9	13.9	29.8	7.0	6.7	9.9
UK (GBP)	7.8	19.3	29.4	4.3	5.2	7.7
France (EUR)	3.7	15.1	36.5	-1.5	0.0	5.9
Netherlands (EUR)	-2.6	12.8	58.9	-21.5	-15.7	-5.5
Germany (EUR)	3.8	6.3	17.7	10.1	10.5	15.1

FTSE EPRA Nareit Asia - Country Indices

% Total Returns	Jul-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Asia (EUR)	-0.9	12.5	26.0	3.7	2.9	7.1
Hong Kong (HKD)	-2.6	12.7	26.2	-1.1	4.3	3.5
Japan (JPY)	-0.9	19.4	34.9	6.6	5.7	9.4
Australia (AUD)	-2.9	5.2	30.1	1.8	1.3	10.6
Singapore (SGD)	3.4	6.1	10.1	8.2	8.8	7.2

FTSE EPRA Nareit Developed North America - Country Indices

% Total Returns	Jul-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
North America (USD)	4.9	28.1	41.5	10.6	5.8	9.0
United States (USD)	5.0	28.0	41.1	10.6	5.6	9.2
Canada (CAD)	4.4	27.4	39.5	9.1	7.5	8.3

FTSE EPRA Nareit Emerging - Country Indices

% Total Returns	Jul-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Emerging (EUR)	-10.4	-8.2	-8.2	-4.1	2.3	4.0
Emerging EMEA (EUR)	0.0	19.6	32.8	-12.6	-8.6	1.0
Emerging Europe (EUR)	3.5	10.6	11.6	21.4	-0.5	-1.7
Emerging MEA (EUR)	-0.7	21.8	37.7	-15.5	-9.6	2.1
Emerging APAC (EUR)	-13.2	-12.9	-14.8	-4.2	4.7	8.3
Emerging Americas (EUR)	-3.8	-2.5	6.4	-0.8	-3.2	-9.3

(*) Annualised.

FTSE EPRA Nareit Developed Index

At the end of July, the FEN Developed Index returned 3.9%, compared to gains of 59 bps and 1.6% from global equities and global bonds, respectively. Over a one-year period, global real estate investments returned 35.8%, compared to a gain of 32.4% from global equities and a loss of 2.0% from global bonds. Annualised ten-year rolling returns for real estate investments stand at 9.7%, while general equities and bonds gained 10.3% and 4.2%, respectively.

In terms of country performance, Sweden (11.6%) and Belgium (9.2%) in Europe, the US (5.0%) in North America and Singapore (2.7%) in Asia were top performers.

Focusing on sector performance, industrial/office (9.4%) and residential (8.5%) outperformed, followed by industrial (7.1%), self-storage (6.1%) and healthcare (5.2%). The remaining sectors also posted positive returns, except for lodging/resorts as the bottom performer with a loss of 4.9% on a monthly basis.

At the end of July 2021, the FEN Developed Index totalled 351 constituents, representing a free float market capitalisation of around EUR 1.6 trillion.

FTSE EPRA Nareit Emerging Index

During July, the FEN Emerging Index lost 10.4%, bringing the annual return to -8.2%. Meanwhile, emerging equities gained 6.6% compared to a loss of 46 bps from emerging bonds. As a result, annual returns stand at 18.6% for equities and 3.0% for bonds. Annualised ten-year rolling returns for real estate investments stand at 4.0%, while general equities and bonds stand at 6.0% and 7.2%, respectively.

In terms of sector performance, office (1.9%) and industrial (53 bps) were top performers. The remaining sectors posted negative returns, with diversified (-12.5%), residential (-11.0%) and retail (-5.2%) being bottom performers.

Focusing on country performance, Greece (12.1%), Taiwan (12.0%) and India (10.6%) were top performers, while China (-16.2%) and Philippines (-13.5%) were bottom performers in emerging markets.

At the end of July 2021, the FEN Emerging Index totalled 152 constituents, representing a free float market capitalisation of around EUR 137 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 6.6%, while European equities and bonds gained 1.5% and 1.9%, respectively.

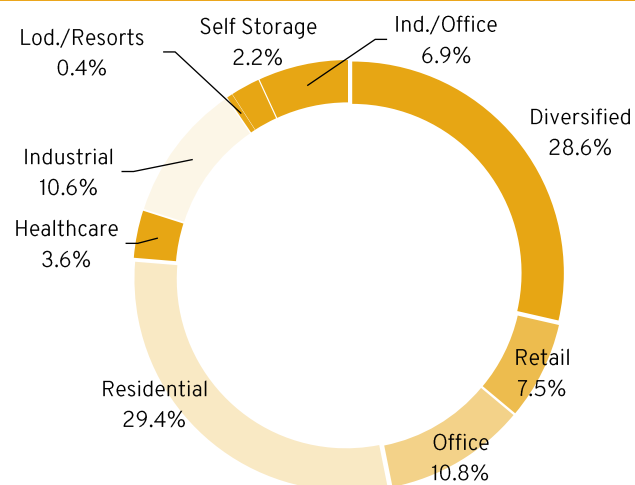
The UK (7.8%), Germany (3.8%) and France (3.7%) indexes posted positive returns. Meanwhile the Netherlands index (-2.6%) was an underperformer in developed Europe for the month.

Performance of Top 3 sectors: Industrial/Office (13.1%), Self-storage (12.8%), Industrial (11.4%),

Performance of Top 3 constituents: GCP Student Living plc (31.4%, UK, Residential), K-Fast Holding (29.6%, Sweden, Residential), Platzer Fastigheter Holding AB (24.0%, Sweden, Industrial/Office).

Developed Europe representing a free float MCap of around EUR 287 billion with 107 constituents

Developed Europe Sector Split



FTSE EPRA Nareit Developed Asia Index

The FEN Developed Asia Index lost 92 bps. Asian equities lost 4.5% compared to a gain of 76 bps from Asian bonds.

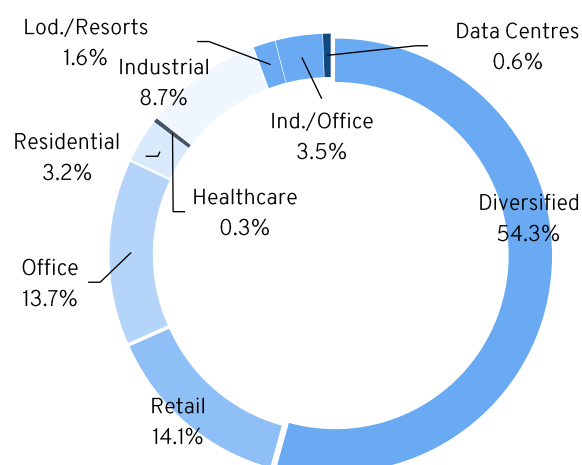
The Singapore index outperformed with a 3.4% monthly return, while the Australia (-2.9%), Hong Kong (-2.6%) and Japan (-93 bps) indexes were underperformers in Asia during July.

Performance of Top 3 sectors: Industrial/Office (5.0%), Industrial (4.2%), Residential (3.2%).

Performance of Top 3 constituents: Capitaland Ltd. (8.6%, Singapore, Diversified), National Storage REIT (7.6%, Australia, Self-Storage), LaSalle Logiport REIT (7.1%, Japan, Industrial).

Developed Asia representing a free float MCap of around EUR 353 billion with 97 constituents

Developed Asia Sector Split



FTSE EPRA Nareit North America Index

The FEN North America Index gained 4.9%. North America equities and bonds returned 2.1% and 1.2%, respectively (in euros). The U.S. and Canada indexes gained 5.0% and 4.4%, respectively (in local currencies).

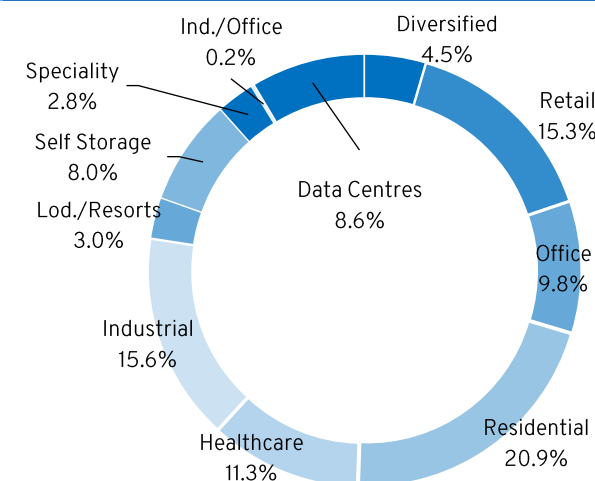
After an acquisition by Brookfield Asset Management, Brookfield Property (USA, constituent) was deleted from the index.

Performance of Top 3 sectors: Residential (10.6%), Industrial (6.9%), Self-storage (5.6%).

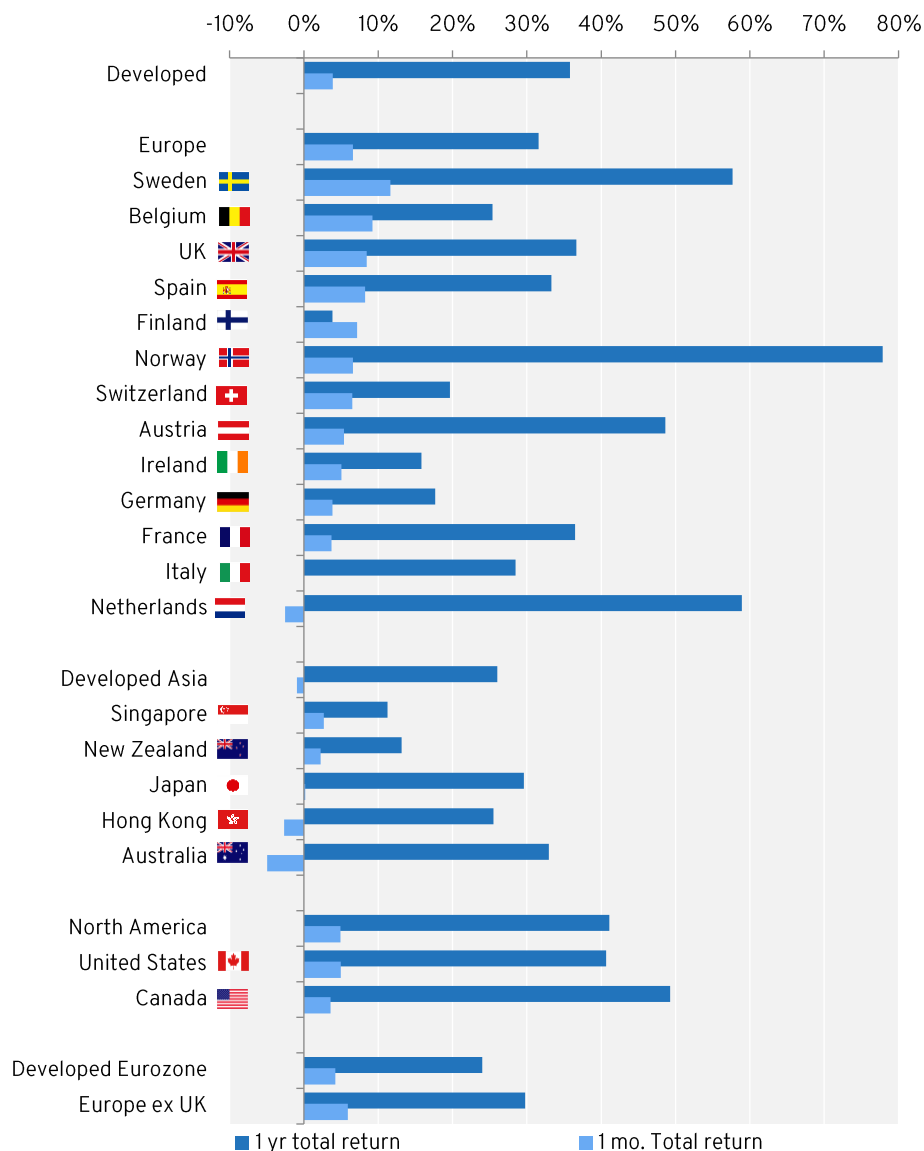
Performance of Top 3 constituents: Mid-America Apartment Communities Inc. (15.3%, USA, Residential), Safehold Inc. (15.1%, USA, Specialty), Sun Communities Inc. (14.4%, USA, Residential).

Developed North America representing a free float MCap of around EUR 982 billion with 145 constituents

North America Sector Split



FTSE EPRA Nareit Monthly Index Performances (EUR)



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

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(quarterly)



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