



EPRA

EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

Monthly Market Review

October 2021

November
2021

Overview

The FTSE EPRA Nareit (FEN) Global Developed Real Estate Index gained 6.2%, bringing the YTD return to 29.2%, at the end of October. Global equities gained 4.0% compared to a limited loss of 1 bps from bonds.

In terms of regional performance, Developed Europe and North America exhibited strong performances by posting monthly returns of 5.5% and 8.0%, respectively. Developed Asia posted a relatively lower monthly return of 1.6%. Meanwhile, emerging markets lost 3.1% for the month.

Based on the cumulative returns (since 19/02/2020), Developed North America (6.9%) is traded above pre-pandemic level while Developed Europe (-2.6%) slightly lagged although gained momentum in October, and Developed Asia is still traded below pre-pandemic level (-9.2%). At the same time, emerging markets have been displaying volatility and remained an underperformer (-28.4%). Besides, recent developments in China added to the concern, especially in the Asian markets (read more in our recent publication: [Emerging Markets Reports – Special Edition](#)).

Focusing on sector performance, all sectors posted positive returns for the month. Self-storage (14.1%) and industrial (11.9%) were outperformers, followed by industrial/office (9.0%), retail (7.0%) and data centres (6.8%), while lodging/resorts (1.5) and healthcare (2.2%) were bottom performers with positive but relatively lower returns.

Highlights of the Month

Return to the office

Major European cities are witnessing positive signs of return to the office. Based on Google mobility analytics data, workplace-related mobility has been increasing and stabilising in the last a few months (Fig. 1). Mainland Europe's workplace occupancy in October 2021 is on average 4% below pre-pandemic levels, but the European office markets have continued to show a recovery in leasing activity - up 15% (y-o-y) as at the end of Q3 2021, although still down 17% on the five-year average (Savills).

Similarly, the FEN Developed Europe office sector index showed improvement, posting a monthly return of 4.1% in October, which brought the YTD return to 10.5% (Table 1).

Currently, the mainstream approach across Europe is to go to the office a few days per week - with some exceptions like Sweden. Considering that through much of 2020 working from home was mandatory in many capitals and major cities, workplace-related mobility was low; the number of people spending time in the office increased in line with the relaxation of rules in Europe.

Although there are still concerns regarding potential spikes in number of cases due to the Delta variant, hospitalisation ratio has decreased as vaccination rates have increased.

It is forecasted that the move back to in-office working will continue through the end of the year, with January 2022 set as target by some companies, varying by industry (finance, banking, law sectors as early returners) and by country, based on growth in vaccination levels (Cushman&Wakefield). The preliminary data indicates that rising mobility might support recovery in office demand and the return to offices is also expected to boost activities in European office markets.

FTSE EPRA Nareit Global Index Total Return

% Total Returns (EUR)	Oct-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Global Real Estate	▲ 6.2	29.2	44.3	9.9	6.8	10.7
Global Equities (FTSE)	▲ 4.0	26.1	39.1	12.1	11.9	11.6
Global Bonds (JP Morgan)	▼ 0.0	-0.6	-2.9	7.0	3.8	3.9
Europe Real Estate	▲ 5.5	15.8	35.5	8.4	8.1	10.6
Europe Equities (FTSE)	▲ 2.3	20.3	41.0	11.7	10.0	9.9
Europe Bonds (JP Morgan)	▲ 0.9	1.7	-2.7	2.6	0.8	6.1
Asia Real Estate	▲ 1.6	13.8	25.6	5.6	3.5	7.9
Asia Equities (FTSE)	▲ 0.4	12.7	22.8	11.4	9.6	12.3
Asia Bonds (JP Morgan)	▲ 0.6	4.6	-0.4	0.2	-0.6	3.8
North America Real Estate	▲ 8.0	40.2	55.0	11.9	7.8	11.9
NA Equities (FTSE)	▲ 5.2	30.7	44.4	21.0	17.7	18.1
NA Bonds (JP Morgan)	▲ 1.0	2.9	-1.8	4.5	1.4	4.4
Emerging Real Estate	▼ -3.1	-7.0	-2.3	-0.3	2.1	5.3
Emerging Equities (FTSE)	▲ 1.9	8.3	18.5	12.3	8.4	7.4
Emerging Bonds (JP Morgan)	▲ 1.0	4.5	5.0	5.7	2.8	7.0

(* Annualised).

Fig. 1. Workplace-related mobility in Europe



Source: EPRA. Data is compiled from Google Mobility Analytics (between 17/02/2020-31/10/2021, only working days) with an average of the countries with higher number of COVID-19 cases and implemented strict lockdown rules (Belgium, Germany, France, Italy, Netherlands, Spain and the UK).

Developed Europe Sector Performance

Focusing on sector performance in Europe, all sectors posted positive returns for the month and, as a result, now all sectors are providing positive YTD returns. Especially industrial (10.1%) and self-storage (12.1%) continued to outperform and provided the highest monthly returns for the month.

Based on the cumulative returns (since 19/02/2020) still industrial (45.1%), self-storage (31.0%) and residential (6.4%) are the only sectors traded above pre-pandemic levels. It should be noted that residential lost some momentum and returned with relatively lower 57 bps as the bottom performer in October.

Although lodging/resorts provided a higher monthly return of 11.3%, it remains one of the bottom performers together with the retail sector, with below pre-pandemic levels (-26.3% and -37.0%, respectively - cumulative return since 19/02/2020).

Table 1. Developed Europe: Total return by sector											
Dev. Europe: Monthly Total Return					Weekly Total Return by Sector					YTD	Since
	Mar-21	Jun-21	Sep-21	Oct-21	1-Oct-21	8-Oct-21	15-Oct-21	22-Oct-21	29-Oct-21	Dec-20	19-Feb-20
Developed Europe	3.6%	0.5%	-8.5%	5.5%	-2.2%	-0.8%	4.7%	1.2%	-0.9%	15.8%	-2.6%
Industrial	3.7%	3.9%	-8.5%	10.1%	-4.0%	-0.1%	6.8%	1.3%	0.6%	45.1%	45.1%
Self-Storage	0.9%	-0.1%	-8.4%	12.1%	-3.0%	1.2%	8.4%	2.5%	-1.0%	54.8%	31.0%
Residential	4.0%	2.2%	-8.0%	0.6%	-2.1%	-1.9%	3.6%	1.5%	-3.7%	0.6%	6.4%
Healthcare	-1.8%	2.8%	-10.8%	5.7%	-3.4%	-0.1%	3.9%	-0.1%	0.3%	13.1%	-2.9%
Diversified	3.3%	-1.6%	-7.4%	7.1%	-1.1%	-0.5%	4.6%	0.8%	0.5%	19.1%	-9.1%
Office	3.1%	-1.4%	-8.8%	4.1%	-2.3%	-0.4%	4.0%	-0.6%	-0.3%	10.5%	-17.1%
Lodging/Resorts	-1.8%	-1.3%	-2.3%	11.3%	-1.4%	1.2%	8.3%	-1.2%	1.9%	5.4%	-26.3%
Retail	8.2%	-4.0%	-10.4%	1.5%	-2.0%	-1.2%	1.9%	2.8%	-2.6%	8.2%	-37.0%

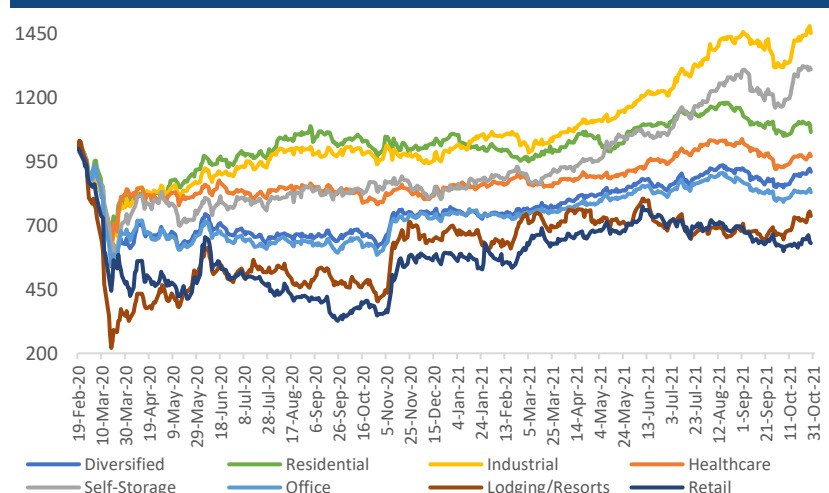
Source: EPRA. Data is compiled from the FEN Index series (as of 29 October 2021)

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



Source: EPRA. Data is compiled from the FEN Index series (as of 29 October 2021).

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



Source: EPRA. Data is compiled from the FEN Index series (as of 29 October 2021).

Fig. 4. Global Weights (EUR)*

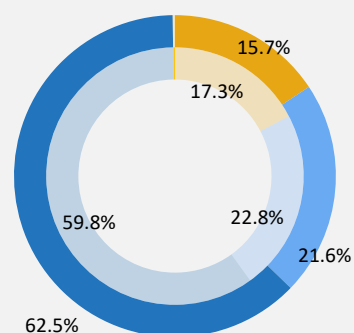


Fig. 5. REIT / Non-REITs

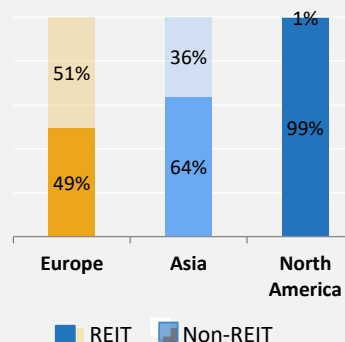


Fig. 6. Focus Split

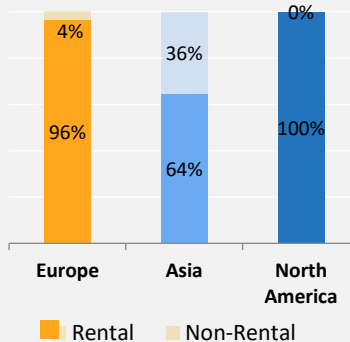


Fig. 7. Index Turnover (EUR, billion)*

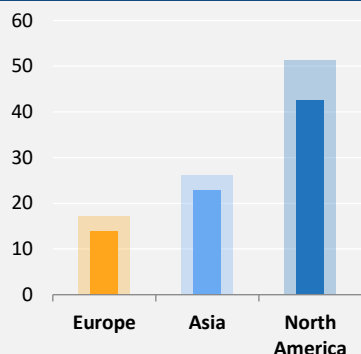


Fig. 8. Dividend Yields*

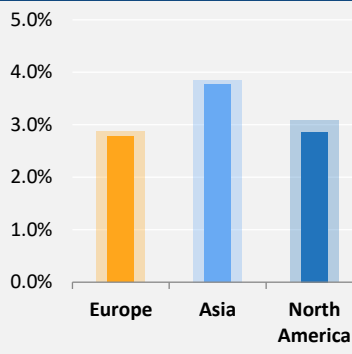


Fig. 9. Volatility (10 yr. & 3 yr.)**

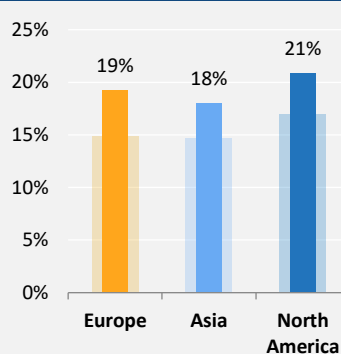
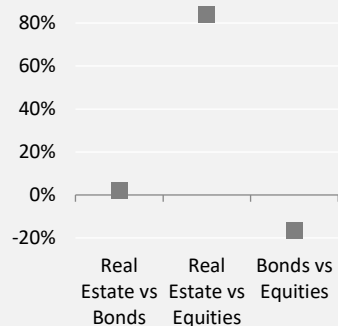


Fig. 10. Correlation (3 yr. rolling)



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

FTSE EPRA Nareit Developed Europe - Country Indices

% Total Returns	Oct-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Europe (EUR)	5.5	15.8	35.5	8.4	8.1	10.7
Europe ex UK (EUR)	5.5	11.7	31.4	8.3	8.1	10.9
UK (GBP)	3.6	20.3	38.1	6.8	6.5	9.5
France (EUR)	3.3	7.7	49.4	-0.9	0.2	6.8
Netherlands (EUR)	-0.3	1.7	73.8	-20.3	-15.6	-4.7
Germany (EUR)	-0.3	-1.3	10.4	7.9	11.3	16.1

FTSE EPRA Nareit Asia - Country Indices

% Total Returns	Oct-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Asia (EUR)	1.6	13.8	25.6	5.6	3.5	7.9
Hong Kong (HKD)	6.1	7.0	20.9	2.1	2.7	4.6
Japan (JPY)	-0.3	19.1	32.9	7.2	5.6	10.3
Australia (AUD)	0.5	14.2	35.2	4.9	6.1	11.3
Singapore (SGD)	2.9	7.8	22.9	10.9	9.2	8.2

FTSE EPRA Nareit Developed North America - Country Indices

% Total Returns	Oct-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
North America (USD)	7.8	32.6	54.0	12.7	9.0	9.8
United States (USD)	7.8	32.4	53.5	12.7	8.8	10.1
Canada (CAD)	5.9	32.6	52.2	10.6	10.1	8.9

FTSE EPRA Nareit Emerging - Country Indices

% Total Returns	Oct-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Emerging (EUR)	-3.1	-7.0	-2.3	-0.3	2.1	5.3
Emerging EMEA (EUR)	-0.3	25.7	47.1	-6.7	-7.8	2.6
Emerging Europe (EUR)	4.6	22.7	39.9	32.7	-0.4	1.1
Emerging MEA (EUR)	-1.2	26.5	48.4	-10.2	-8.7	3.4
Emerging APAC (EUR)	-2.9	-9.8	-8.3	0.7	4.9	9.8
Emerging Americas (EUR)	-9.3	-20.7	0.4	-7.1	-7.4	-10.1

(*) Annualised.

FTSE EPRA Nareit Developed Index

At the end of October, the FEN Developed Index posted a positive monthly return of 6.2%, compared to a gain of 4.0% from global equities and a loss of 1 bps from global bonds. Over a one-year period, global real estate investments returned 44.3%, compared to a gain of 39.1% from global equities and a loss of 2.9% from global bonds. Annualised ten-year rolling returns for real estate investments stand at 10.7%, while general equities and bonds gained 11.6% and 3.9%, respectively.

In terms of country performance, all regions returned positive in Developed Europe and Developed North America posted negative returns for the month. Norway (17.8%) and Sweden (16.4%) in Developed Europe, Hong Kong (6.4%) in Developed Asia and Canada (8.4%) in North America were top performers.

Focusing on sector performance, all sectors posted positive returns for the month, with outperformance of self-storage (14.1%) and industrial (11.9%). Industrial/office (9.0%), retail (7.0%), data centres (6.8%) and residential (5.8%) also performed well, while lodging/resorts (1.45) and healthcare (2.2%) were bottom performers posting relatively lower rates.

At the end of October 2021, **the FEN Developed Index** totalled **376** constituents, representing a free float market capitalisation of around **EUR 1.7 trillion**.

FTSE EPRA Nareit Emerging Index

During October, the FEN Emerging Index slipped 3.1%, bringing the annual return to -2.3%. On the other hand, emerging equities and bonds gained 1.9% and 97 bps, respectively. As a result, annual returns stand at 18.5% for equities and 5.0% for bonds. Annualised ten-year rolling returns for real estate investments stand at 5.3%, while general equities and bonds stand at 7.4% and 7.0% respectively.

Emerging markets are still fragile since the beginning of the pandemic, with financing conditions, inflation and volatility in exchange rates putting additional pressure. Moreover, recent property market developments in China and the Evergrande case created some concerns (read more in our recent publication: [Emerging Markets Reports – Special Edition](#)).

Focusing on country performance, Thailand (12.1%) was an outperformer followed by Indonesia (8.2%), Malaysia (6.7%), Czechia (6.3%) and Philippines (5.1%). Meanwhile, Brazil (-15.2%), China (-6.3%) and Chili (-5.9%) were bottom performers.

In terms of sector performance, healthcare (4.8%) was the top performer followed by industrial (2.6%), office (1.1%) and retail (94 bps). Residential (-7.6%) and diversified (-2.8%) were bottom performers posting negative returns.

Siam Future Development PCL (Thailand, constituent) was deleted from the index after being acquired by Central World Company Limited (unlisted).

At the end of October 2021, **the FEN Emerging Index** totalled **152** constituents, representing a free float market capitalisation of around **EUR 135 billion**.

FTSE EPRA Nareit Developed Index – Top 10 Constituents

Company	Sector	Country	Total Return
ProLogis USA	Industrial	USA	▲ 15.6%
Equinix	Data Centers	USA	▲ 5.9%
Public Storage, Inc.	Self-Storage	USA	▲ 11.8%
Simon Property Group, Inc.	Retail	USA	▲ 12.8%
Digital Realty Trust	Data Centers	USA	▲ 9.3%
Vonovia SE	Residential	GER	▲ 1.1%
Welltower Inc.	Healthcare	USA	▼ -2.4%
AvalonBay Communities, Inc.	Residential	USA	▲ 7.5%
Equity Residential Properties Trust	Residential	USA	▲ 6.8%
Alexandria Real Estate Equities, Inc.	Office	USA	▲ 7.4%

FTSE EPRA Nareit Developed Index – Top 10 Performers

Company	Sector	Country	Total Return
Corem Property Group (B)	Ind./Office	SWED	▲ 22.8%
Sagax Ord Shs Class B	Ind./Office	SWED	▲ 22.7%
TLG Immobilien AG	Diversified	GER	▲ 20.3%
Samhällsbyggnadsbolaget i Norden AB	Diversified	SWED	▲ 19.3%
EastGroup Properties	Industrial	USA	▲ 19.2%
Dios Fastigheter AB	Diversified	SWED	▲ 19.0%
Rexford Industrial Realty	Industrial	USA	▲ 18.8%
National Storage Affiliates Trust	Self-Storage	USA	▲ 18.3%
Fastighets AB Balder	Diversified	SWED	▲ 17.9%
BMO Real Estate Investments Limited	Diversified	UK	▲ 17.7%

FTSE EPRA Nareit Emerging Index – Top 10 Constituents

Company	Sector	Country	Total Return
China Resources Land Ltd	Diversified	CHN	▼ -7.8%
Longfor Group Holdings (P Chip)	Diversified	CHN	▲ 5.3%
China Overseas Land & Investment Ltd.	Residential	CHN	▼ -3.3%
Country Garden Holdings	Residential	CHN	▼ -9.2%
SM Prime Holdings	Diversified	PHIL	▲ 1.1%
Ayala Land	Diversified	PHIL	▲ 5.2%
Sunac China Holdings (P Chip)	Diversified	CHN	▲ 1.0%
Central Pattana Public Company Ltd.	Retail	THAI	▲ 11.8%
China Vanke Co., Ltd (H)	Residential	CHN	▼ -14.5%
Aldar Properties PJSC	Diversified	UAE	▼ -1.0%

FTSE EPRA Nareit Developed Europe Index

The FEN Developed Europe Index gained momentum posting a return of 5.5% for the month. Meanwhile, European equities and bonds also gained 2.3% and 91 bps, respectively.

The UK (3.6%) and France (3.3%) indexes posted positive return, while Germany (-33 bps) and The Netherlands (-31 bps) indexes slipped in Developed Europe for the month- although at a lower rate.

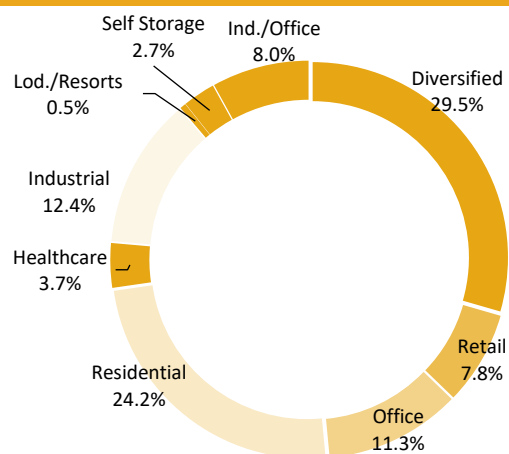
There was no major corporate action in the European region.

Performance of Top 3 sectors: All sectors posted positive returns – Industrial/Office (14.2%), Self-Storage (12.1%), Lodging/Resorts (11.3%).

Performance of Top 3 constituents: Corem Property Group (B) (22.8%, Sweden, Industrial/Office), Sagax Ordinary Shares Class B (22.7%, Sweden, Industrial/Office), TLG Immobilien AG (20.3%, Germany, Diversified).

Developed Europe representing a free float MCap of around **EUR 269 billion** with **108 constituents**

Developed Europe Sector Split



FTSE EPRA Nareit Developed Asia Index

The FEN Developed Asia Index posted a return of 1.65% compared to gains of 40 bps from Asian equities and 63 bps from Asian bonds.

The Hong Kong (6.1%), Singapore (2.9%), Australia (53 bps) indexes posted positive returns, while the Japan index (-28 bps) was the bottom performer in Asia (in local currencies).

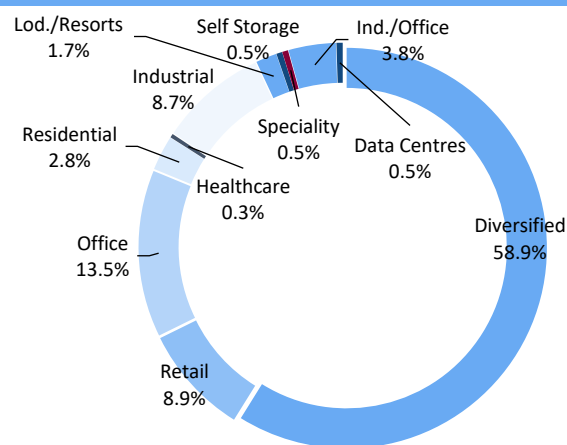
In Developed Asia region, three companies were renamed as *Dexus Industria REIT* (old name APN Industria REIT), *NTT UD REIT Investment* (old name Premier Investment Co) and *Charter Hall Social Infrastructure REIT* (old name Charter Hall Education Trust).

Performance of Top 3 sectors: Retail (4.8%), Industrial/Office (2.7%), Office (2.1%).

Performance of Top 3 constituents: CDL Hospitality Trusts (15.4%, Singapore, Lodging/Resorts), Hongkong Land Holdings (14.8%, Hong Kong, Office), Ascott Residence Trust (11.4%, Singapore, Diversified).

Developed Asia representing a free float MCap of around **EUR 371 billion** with **126 constituents**

Developed Asia Sector Split



FTSE EPRA Nareit North America Index

The FEN North America Index returned 8.0%, while North America equities and bonds gained 5.2% and 1.0%, respectively. The U.S. and Canada indexes gained 7.8% and 5.9%, respectively (in local currencies).

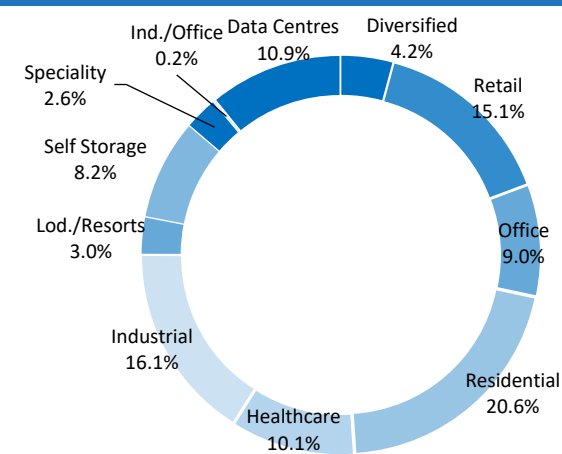
WPT Industrial Real Estate Investment Trust (Canada) has been deleted from the index after being acquired by Blackstone Real Estate Investment Trust. *Retail Properties of America* (USA, constituent) has been deleted from the index after a merge with *Kite Realty Group Trust* (USA, constituent) which remained in the index with an increased total number of shares in issue from 84,485,480 to 218,263,864 and an increased investability weighting from 97.84% to 98.55%.

Performance of Top 3 sectors: Industrial (14.7%), Self-storage (14.4%), Retail (8.2%).

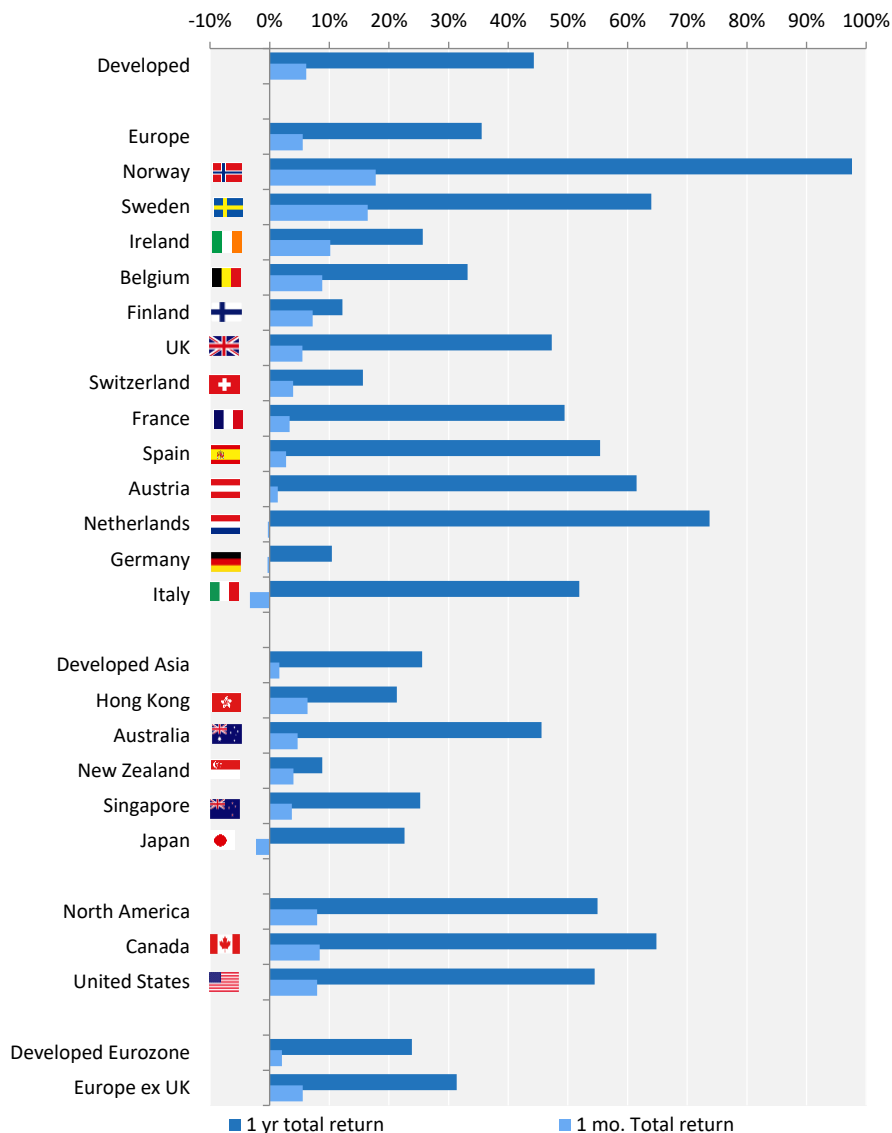
Performance of Top 3 constituents: EastGroup Properties (19.2%, USA, Industrial), Rexford Industrial Realty (18.8%, USA, Industrial), National Storage Affiliates Trust (18.3%, USA, Self-Storage).

Developed North America representing a free float MCap of around **EUR 1,074 billion** with **140 constituents**

North America Sector Split



FTSE EPRA Nareit Monthly Index Performances (EUR)



Source: FTSE EPRA Nareit as of October 29, 2021

Link to Reports & Contacts

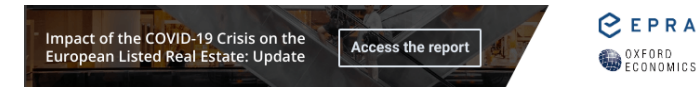
- Monthly Statistical Bulletin
- Monthly Published NAV Bulletin
- Monthly LTV Report
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- [Index Ground Rules Version 10.5](#)
- [Emerging Markets 2021](#) (special edition)
- [Sector Analysis: Residential](#)
- [Sector Analysis: Office \(Aug-21\)](#)
- [Total Markets Table 2021-Q3](#) (quarterly)



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Download the latest report by Oxford Economics [Impact of the Covid-19 Crisis on the European Listed Real Estate : Update](#) examining recent trends in European listed real estate and implications of the economic and sectoral outlook for future performance.



Download the first edition of the ['Green Bonds Monitor, H1-2021'](#) which analyses key trends and figures related to green bonds of the listed European real estate sector, with a particular focus on EPRA member property companies. Discover also the [infographic](#).



EPRA Research Webinar Series V, November 24, 17:00-17:30 (CET)

We are preparing a series of research webinars for you to catch up on recent developments in listed real estate, in a 30-minute snapshot. You can watch the recorded past webinars here and more information on the upcoming research events will be available under this [link](#).



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