



EPRA

EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

Monthly Market Review

November 2021

December
2021

Overview

The FTSE EPRA Nareit (FEN) Global Developed Real Estate Index gained 57 bps bringing the YTD return to 29.9%, at the end of November. Global equities and bonds also gained 23 bps and 2.9%, respectively.

In terms of regional performance, North America (1.8%) kept its momentum and Developed Europe (32 bps) also returned a positive rate, but relatively lower, compared to a loss of Developed Asia (-2.8%). Meanwhile, emerging markets gained 34 bps for the month.

Focusing on sector performance, industrial (5.1%) and data centres (5.0%) were outperformers, followed by self-storage (2.5%) and industrial/office (1.7%), while lodging/resorts (-6.9%) and specialty (-4.5%) were bottom performers.

Highlights of the Month

New variant concerns, inflation and 2022 expectations

As the year-end is approaching, the debate on rising inflation has accelerated with the Eurozone inflation peaking at 4.1% in October 2021, and it is expected to reach 4.9% in November 2021, as estimated by the Eurostat. The ECB believes that it would be 'too premature' to raise interest rates, as it expects inflation to fall next year towards its target of 2%. Supply chain bottlenecks and higher energy costs are considered as major price-driving factors and a gradual decline is expected next year.

The new *Covid-19 Omicron* variant raised concerns and some countries re-introduced lockdowns and/or restrictions such as mandatory WFH, early closure of restaurants, limitation of indoor activities etc., to reduce the pressure on healthcare systems. The negative sentiments have been observed in the equity markets, and European equities slipped 2.5% for the month. There are more concerns as to the economic impact of the new variant, than to the variant itself. A slowdown in certain economic activities is expected, for example for office and retail, but especially in the tourism and travel sector, in particular if travel restrictions would be tightened around Christmas holidays. The debates are focusing on if more/tighter restrictions may allow structural changes in those sectors with wider adoption of online retail and WFH.

Developed Europe sector performance

The FEN Developed Europe index displayed a slight improvement with 32 bps monthly return in November, which brought the YTD return to 16.2% (Table 1). Industrial (6.0%) and self-storage (8.5%) kept their strong momentum posting higher monthly returns. Besides, both sectors have continued to outperform during 2021 and are traded above pre-pandemic levels (based on the cumulative returns since 19/02/2020). On the other hand, residential continued to lose momentum and slipped 2.2% in November. Although it is still traded 4.1% above pre-pandemic level - thanks to its outperformance during the last year, it is one of the bottom performers due to its weaker performance throughout 2021, apart from lodging/resorts based on YTD returns. Lodging/resorts (-16.3%) and retail (-7.0%) exhibited weak performance during November and remained below pre-pandemic levels. Actually, the retail sector gained some ground during 2021 benefitting from the re-opening of the economy and provided 69 bps YTD. Similarly, the office sector which was directly impacted by the WFH policy, has recovered providing 10.4% YTD.

FTSE EPRA Nareit Global Index Total Return

		Nov-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
% Total Returns (EUR)							
Global Real Estate	▲	0.6	29.9	31.6	8.7	6.8	11.0
Global Equities (FTSE)	▲	0.2	26.4	28.3	11.7	11.4	11.8
Global Bonds (JP Morgan)	▲	2.9	2.3	1.2	7.8	4.8	4.2
Europe Real Estate	▲	0.3	16.2	20.6	8.8	8.3	11.1
Europe Equities (FTSE)	▼	-2.5	17.3	20.4	11.2	9.5	9.7
Europe Bonds (JP Morgan)	▲	4.1	5.8	4.0	3.9	1.2	6.3
Asia Real Estate	▼	-2.8	10.6	11.1	2.8	3.0	8.1
Asia Equities (FTSE)	▼	-1.1	11.4	13.9	10.3	8.2	12.4
Asia Bonds (JP Morgan)	▲	2.7	7.4	5.0	1.0	-0.6	3.7
North America Real Estate	▲	1.8	42.7	43.9	10.9	7.9	12.1
NA Equities (FTSE)	▲	0.8	31.9	34.0	20.6	16.3	17.8
NA Bonds (JP Morgan)	▲	2.8	5.8	3.2	5.1	1.9	4.2
Emerging Real Estate	▲	0.3	-6.7	-9.2	-3.0	2.8	5.9
Emerging Equities (FTSE)	▼	-1.8	6.4	10.4	10.1	8.3	7.5
Emerging Bonds (JP Morgan)	▲	0.5	5.1	4.5	6.1	3.1	6.8

(* Annualised.

Table 1. Developed Europe : Total return by sector

Dev. Europe	Weekly Total Return by Sector				MTD	YTD	Since
	5-Nov-21	12-Nov-21	19-Nov-21	26-Nov-21			
Dev. Europe	2.5%	-0.2%	2.2%	-3.2%	0.3%	16.2%	-2.3%
Industrial	1.3%	2.0%	3.6%	-0.9%	6.0%	53.8%	53.8%
Self-Storage	1.5%	0.8%	5.6%	-0.1%	8.5%	67.9%	42.0%
Residential	0.4%	0.9%	2.6%	-4.3%	-2.2%	-1.6%	4.1%
Healthcare	-0.2%	-2.5%	2.3%	-0.4%	-1.8%	11.1%	-4.6%
Diversified	3.0%	-0.5%	2.6%	-3.4%	0.4%	19.5%	-8.7%
Office	3.8%	-1.3%	0.1%	-1.9%	-0.1%	10.4%	-17.2%
Lodging/Resorts	1.9%	-6.6%	-2.9%	-9.7%	-16.3%	-11.7%	-38.3%
Retail	7.9%	-3.7%	-4.7%	-4.9%	-7.0%	0.7%	-41.4%

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

Fig. 1. Global Weights (EUR)*

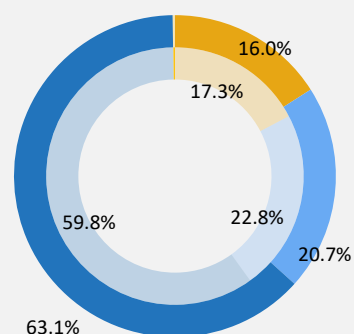


Fig. 2. REIT / Non-REITs

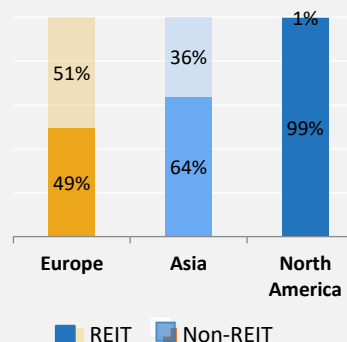


Fig. 3. Focus Split

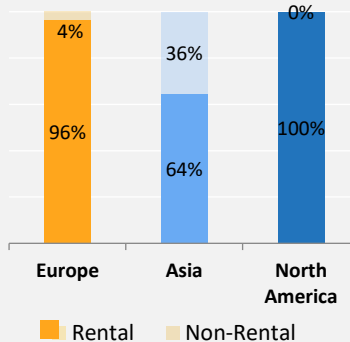


Fig. 4. Index Turnover (EUR, billion)*

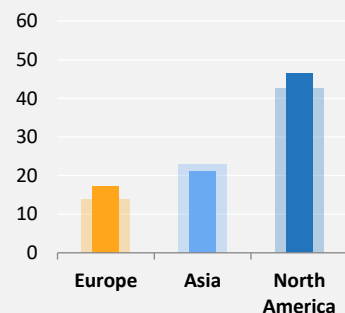


Fig. 5. Dividend Yields*

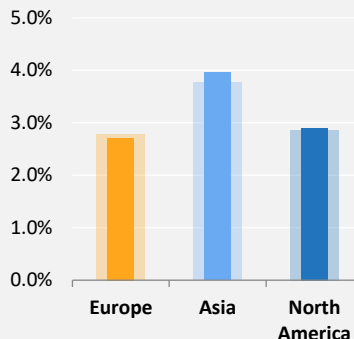


Fig. 6. Volatility (10 yr. & 3 yr.)**

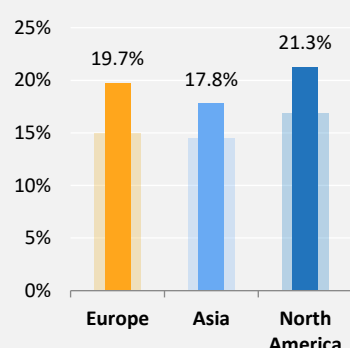


Fig. 7. Correlation (3 yr. rolling)

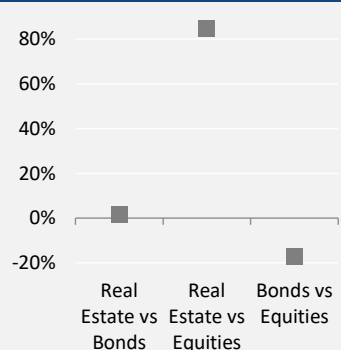
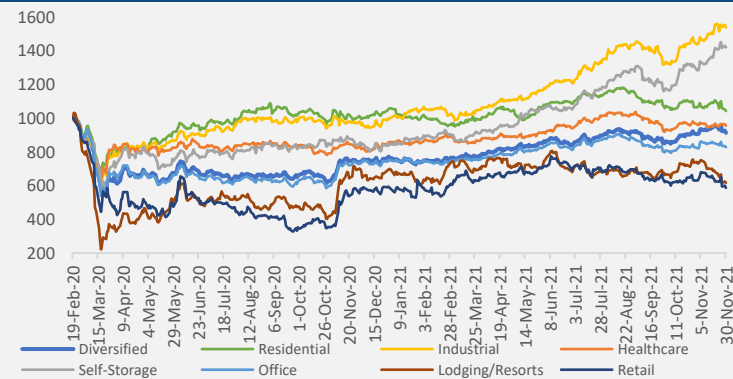


Fig. 8. Developed Europe : Total return by sector (19/02/2020=1000)



FTSE EPRA Nareit Developed Europe - Country Indices

% Total Returns	Nov-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Europe (EUR)	0.3	16.2	20.6	8.8	8.3	11.1
Europe ex UK (EUR)	-0.6	11.1	15.3	7.9	8.8	11.5
UK (GBP)	3.2	24.2	28.9	9.6	7.3	9.8
France (EUR)	-4.6	2.8	4.9	-1.0	0.4	6.6
Netherlands (EUR)	-6.6	-5.0	1.6	-20.7	-16.0	-4.8
Germany (EUR)	-2.8	-4.1	0.9	5.5	11.7	15.4

FTSE EPRA Nareit Asia - Country Indices

% Total Returns	Nov-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Asia (EUR)	-2.8	10.6	11.1	2.8	3.0	8.1
Hong Kong (HKD)	-5.2	1.5	0.7	-2.4	2.6	5.4
Japan (JPY)	-6.1	11.8	14.8	3.6	3.2	10.4
Australia (AUD)	0.1	14.3	13.1	4.9	6.0	11.0
Singapore (SGD)	-2.9	4.6	8.0	8.9	8.9	8.6

FTSE EPRA Nareit Developed North America - Country Indices

% Total Returns	Nov-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
North America (USD)	-1.0	31.2	35.4	10.7	9.2	10.1
United States (USD)	-0.7	31.5	36.0	10.7	9.1	10.4
Canada (CAD)	-4.0	27.2	23.6	8.3	9.4	8.3

FTSE EPRA Nareit Emerging - Country Indices

% Total Returns	Nov-21	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Emerging (EUR)	0.3	-6.7	-9.2	-3.0	2.8	5.9
Emerging EMEA (EUR)	2.3	28.6	38.6	-8.0	-6.4	3.0
Emerging Europe (EUR)	-0.2	22.4	25.2	28.1	2.1	2.3
Emerging MEA (EUR)	2.8	30.1	41.3	-11.2	-7.4	3.7
Emerging APAC (EUR)	-0.2	-9.9	-14.2	-2.8	4.9	10.5
Emerging Americas (EUR)	1.3	-19.6	-14.5	-6.1	-4.4	-9.4

(* Annualised.)

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

FTSE EPRA Nareit Developed Index

At the end of November, the FEN Developed Index posted 57 bps return, compared to a gain of 23 bps from global equities and 2.9% from global bonds. Over a one-year period, global real estate investments returned 31.6%, compared to a gain of 28.3% from global equities and 1.2% from global bonds. Annualised ten-year rolling returns for real estate investments stand at 11.0%, while general equities and bonds gained 11.8% and 4.2%, respectively. In terms of country performance, Sweden (5.4%) in Developed Europe and the US (2.1%) in North America were top performers. Meanwhile, all countries posted negative returns, which was relatively limited for Singapore (-1.9%) in Developed Asia.

Focusing on sector performance, industrial (5.1%) and data centres (5.0%) were outperformers, followed by self-storage (2.5%) and industrial/office (1.7%), while lodging/resorts (-6.9%) and specialty (-4.5%) were bottom performers. Residential (62 bps) and retail (47 bps) returned positive but lower rates, the remaining sectors posted negative returns for the month.

At the end of November 2021, **the FEN Developed Index** totalled **374** constituents, representing a free float market capitalisation of around **EUR 1.7 trillion**.

FTSE EPRA Nareit Emerging Index

During November, the FEN Emerging Index gained 34 bps – limited but positive return after losing momentum since August, bringing the annual return to -9.2%. Meanwhile, emerging bonds gained 54 bps compared to a loss of 1.8% from emerging equities. As a result, annual returns stand at 10.4% for equities and 4.5% for bonds. Annualised ten-year rolling returns for real estate investments stand at 5.9%, while general equities and bonds stand at 7.5% and 6.8% respectively.

Focusing on country performance, UAE (9.9%) was an outperformer followed by Philippines (8.8%), Brazil (6.7%), Taiwan (5.7%) and Chile (5.5%). Meanwhile, Turkey (-15.7%), Thailand (-8.2%) and Saudi Arabia (-6.8%) were bottom performers in emerging markets.

In terms of sector performance, healthcare (13.5%) was the top performer for the second consecutive month providing 56.4% YTD, followed by office (6.1%) and residential (1.4%). The remaining sectors posted negative returns, with retail (-1.1%) being the bottom performer.

Emaar Malls Group (UAE, constituent) has been deleted from the index after merging with Emaar Properties (non-constituents). *Iguaremi Empresa Sho* (Brazil, constituent) has been deleted from the index after the merger with Jereissati Participacoes S/A Ord (Brazil, non-constituent), *Sinic Holdings (Group) (P Chip)* (China, non-REIT) has been deleted index due to 20 business days suspensions in accordance with the Suspension of Dealing rule.

At the end of November 2021, **the FEN Emerging Index** totalled **149** constituents, representing a free float market capitalisation of around **EUR 134 billion**.

FTSE EPRA Nareit Developed Index – Top 10 Constituents

Company	Sector	Country		Total Return
ProLogis USA	Industrial	USA	▲	4.0%
Equinix	Data Centers	USA	▼	-2.6%
Simon Property Group, Inc.	Retail	USA	▲	4.3%
Public Storage, Inc.	Self-Storage	USA	▼	-1.4%
Digital Realty Trust	Data Centers	USA	▲	6.3%
Vonovia SE	Residential	GER	▼	-0.4%
Realty Income Corp.	Retail	USA	▼	-1.1%
Welltower Inc.	Healthcare	USA	▼	-0.2%
AvalonBay Communities, Inc.	Residential	USA	▲	0.9%
Equity Residential Properties Trust	Residential	USA	▼	-1.3%

FTSE EPRA Nareit Developed Index – Top 10 Performers

Company	Sector	Country		Total Return
alstria office REIT AG	Office	GER	▲	20.7%
Coresite Realty Corp.	Data Centers	USA	▲	20.1%
DigitalBridge Group Inc	Diversified	USA	▲	18.8%
Tanger Factory Outlet Centers, Inc.	Retail	USA	▲	17.9%
Dios Fastigheter AB	Diversified	SWED	▲	16.7%
Corem Property Group (B)	Ind./Office	SWED	▲	16.7%
Nyfos AB	Ind./Office	SWED	▲	14.7%
SBB Norden	Diversified	SWED	▲	14.3%
K-Fast Holding	Residential	SWED	▲	12.3%
Castellum AB	Ind./Office	SWED	▲	11.5%

FTSE EPRA Nareit Emerging Index – Top 10 Constituents

Company	Sector	Country		Total Return
China Resources Land Ltd	Diversified	CHN	▲	7.1%
China Overseas Land & Inv. Ltd.	Residential	CHN	▲	4.7%
Longfor Group Holdings (P Chip)	Diversified	CHN	▼	-2.1%
Country Garden Holdings	Residential	CHN	▼	-5.9%
SM Prime Holdings	Diversified	PHIL	▲	13.0%
Ayala Land	Diversified	PHIL	▼	-1.7%
Sunac China Holdings (P Chip)	Diversified	CHN	▼	-16.2%
China Vanke Co., Ltd (H)	Residential	CHN	▼	-3.1%
Central Pattana Public Company Ltd.	Retail	THAI	▼	-12.2%
Aldar Properties PJSC	Diversified	UAE	▼	-0.5%

Note: Total returns are based on local currencies.

FTSE EPRA Nareit Developed Europe Index

The FEN Developed Europe Index returned 32 bps compared to a gain of 4.1% from European bonds and a loss of 2.5% from equities.

The UK (3.2%) index posted a positive return, while Germany (-2.8%), France (-4.6%) and the Netherlands (-6.6%) indexes posted negative returns in Developed Europe for the month.

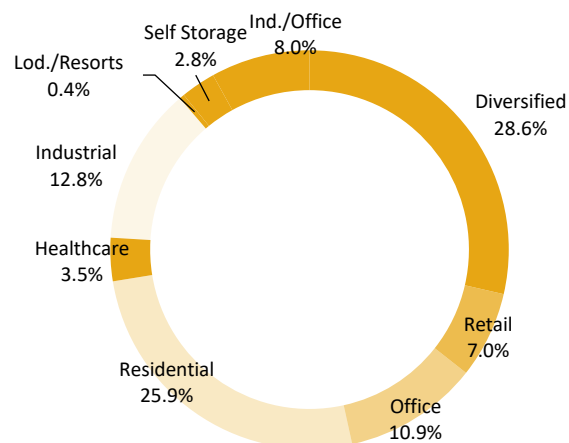
TLG Immobilien GmbH (Germany, constituent) has been deleted from the index after being acquired by *Aroundtown* (Germany, constituent). *Kungsleden AB* (Sweden, constituent) has been deleted from the index after being acquired by *Castellum AB* (Sweden, constituent), which remained in the index with an increased total number of shares in issue from 272,074,911 to 352,103,390 and an increased investability weighting from 75.82% to 78.20%.

Performance of Top 3 sectors: Self-Storage (8.5%), Industrial/Office (6.1%), Industrial (6.0%).

Performance of Top 3 constituents: alstria office REIT AG (20.7%, Germany, Office), Dios Fastigheter AB (16.7%, Sweden, Diversified), Corem Property Group (B) (16.7%, Sweden, Industrial/Office).

Developed Europe representing a free float MCap of around **EUR 276 billion** with **106 constituents**

Developed Europe Sector Split



FTSE EPRA Nareit Developed Asia Index

The FEN Developed Asia Index lost 2.8%, compared to a gain of 2.7% from Asian bonds and a loss of 1.1% from Asian equities.

The Australia (13 bps) index posted a limited but positive return, while Singapore (-2.9%), Hong Kong (-5.2%), and Japan (-6.1%) indexes were underperformers in Asia (in local currencies).

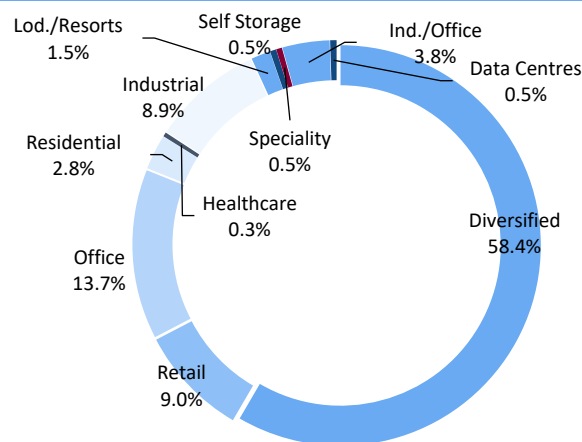
In Developed Asia region, *Invesco Office J-Reit* (Japan, constituents) has been deleted from the index after being acquired by IRE IOJ GK (unlisted) and MAR IOJ GK (unlisted) collectively.

Performance of sectors: All sectors posted negative returns with relatively limited loss for Industrial (-71 bps) and Office (-78 bps).

Performance of Top 3 constituents: Parkway Life REIT (6.6%, Singapore, Healthcare), Cromwell Property Group (6.2%, Australia, Diversified), National Storage REIT (5.9%, Australia, Self-Storage).

Developed Asia representing a free float MCap of around **EUR 358 billion** with **126 constituents**

Developed Asia Sector Split



FTSE EPRA Nareit North America Index

The FEN North America Index returned 1.8%, North America equities and bonds also gained 85 bps and 2.8%, respectively. The U.S. and Canada indexes lost 69 bps and 4.0%, respectively (in local currencies).

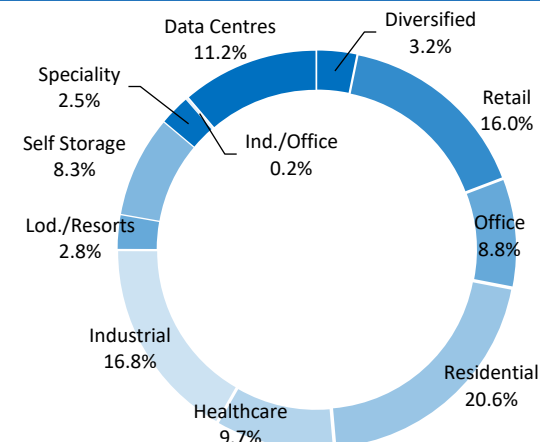
VEREIT (USA, constituent) has been deleted from the index after a merger with *Realty Income* (USA, constituent) which remained in the index with an increased total number of shares in issue from 389,368,592 to 550,905,210 and a decreased investability weighting from 99.84% to 99.78%. *Orion Office REIT Inc* (USA, non-constituent) has been added to the index with shares in issue total of 55,090,521 and an investability weighting of 99.78%, after demerging from *Realty Income* (USA, constituent) which remained in the index unchanged.

Performance of Top 3 sectors: Industrial (6.0%), Data Centres (5.1%), Self-storage (2.0%).

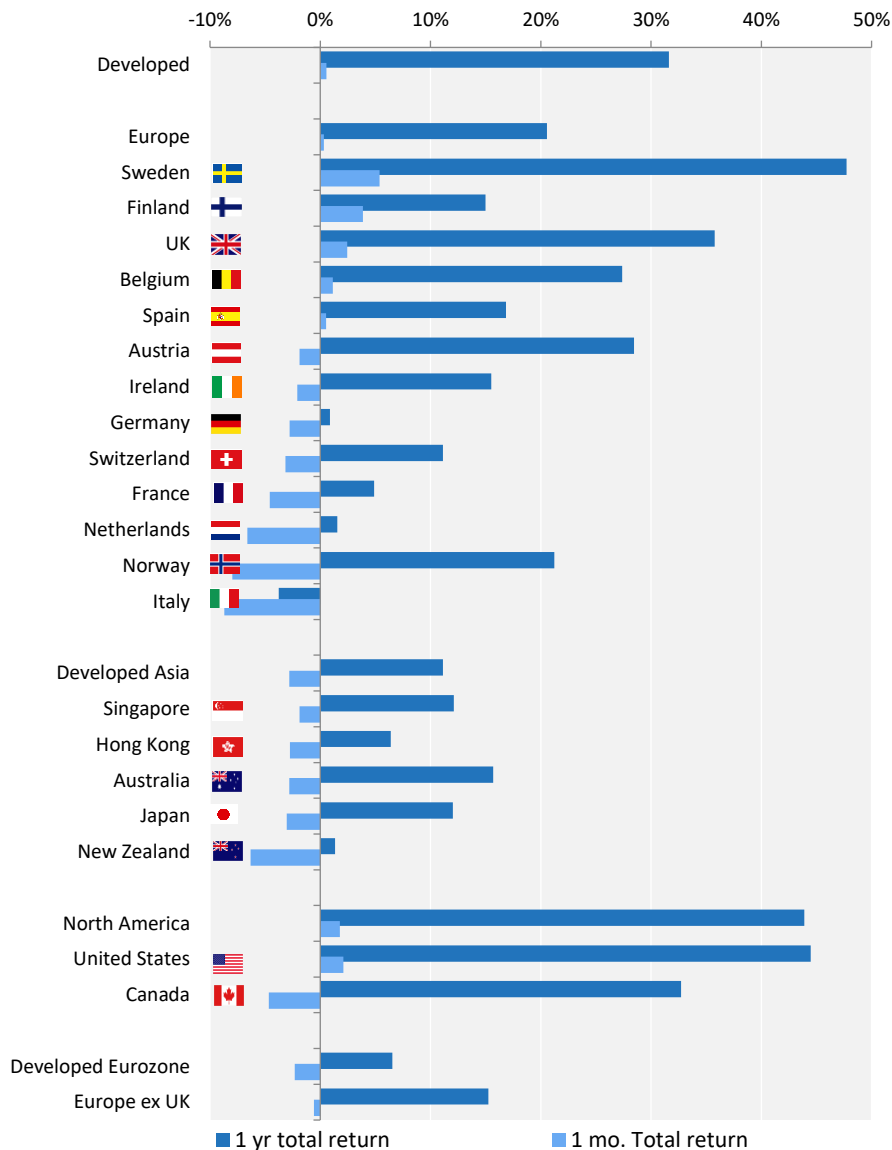
Performance of Top 3 constituents: Coresite Realty Corp. (20.1%, USA, Data Centres), DigitalBridge Group Inc. (18.8%, USA, Data Centres), Tanger Factory Outlet Centers Inc. (17.9%, USA, Retail).

Developed North America representing a free float MCap of around **EUR 1,092 billion** with **140 constituents**

North America Sector Split



FTSE EPRA Nareit Monthly Index Performances (EUR)



Source: FTSE EPRA Nareit as of November 30, 2021

Link to Reports & Contacts

- Monthly Statistical Bulletin
- Monthly Published NAV Bulletin
- Monthly LTV Report
- Visit our website to read our reports: [Monthly Reports](#)
- [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 Green Bond Webinar, December 9, 15:00 (CET)

As a follow-on to the EPRA Green Bonds Study published in September this year, we are planning to host a Green Bonds webinar, for registration: [link](#).

FTSE EPRA Oxford Economics Research Webinar, December 15, 15:00-15:45 (CET)



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