



# EPRA

EUROPEAN PUBLIC  
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

## Monthly Market Review and Developers' Research Benchmark

January  
2022

## Overview

The FTSE EPRA Nareit (FEN) Global Developed Real Estate Index lost 4.4% in January, with annual returns standing at 31.0%. Global equities and bonds also slipped 3.0% and 6 bps, respectively.

In terms of regional performance, all regions lost momentum and posted negative returns: North America (-5.4%), Developed Europe (-2.8%) and Developed Asia (-2.3%). Meanwhile, emerging markets gained 6.0% for the month.

Focusing on sector performance, except healthcare (1.1%), all sectors posted negative returns, with data centres (-12.3%), industrial/office (-8.6%) and industrial (-7.8%) bottom performers.

At the end of January, the **FEN Developed Index** totalled **379** constituents, representing a free float market capitalisation of around **EUR 1.7 trillion** and the **FEN Emerging Index** totalled **145** constituents, representing a free float market capitalisation of around **EUR 143 billion**.

## EPRA Developers Research Benchmark

The **EPRA Developers Research Benchmark**, a non-commercial benchmark designed to allow its constituents to assess themselves against each other. A high-level computation can be found in the 'EPRA Developers Research Benchmark' section (page 4). Further information regarding the launch of the Benchmark can be accessed [here](#).

## Highlights of the Month

The negative sentiment around the Omicron variant continued to put pressure on the markets. After seeing a stronger performance in 2021, the FEN Developed Europe index started 2022 with a relatively weak performance (-2.8%) during January, which brought the annual return to 18.2%.

Except for retail (8.7%), all sectors posted negative monthly returns. Self-storage (-10.9%), lodging/resorts (-9.4%) and industrial (-8.0%) were bottom performers, while residential (-27 bps) posted a negative but relatively limited monthly return (Table 1).

Now, all sectors posted positive annual returns. The office and retail sectors continued to recover providing 12.4% and 12.5% annual returns, respectively. Meanwhile, lodging/resorts is still underperforming, although the annual return was positive yet limited to 3.1%. Healthcare exhibited a weak performance linked to the investigation of one of the largest operators in Europe, but it provided a 7.7% annual return.

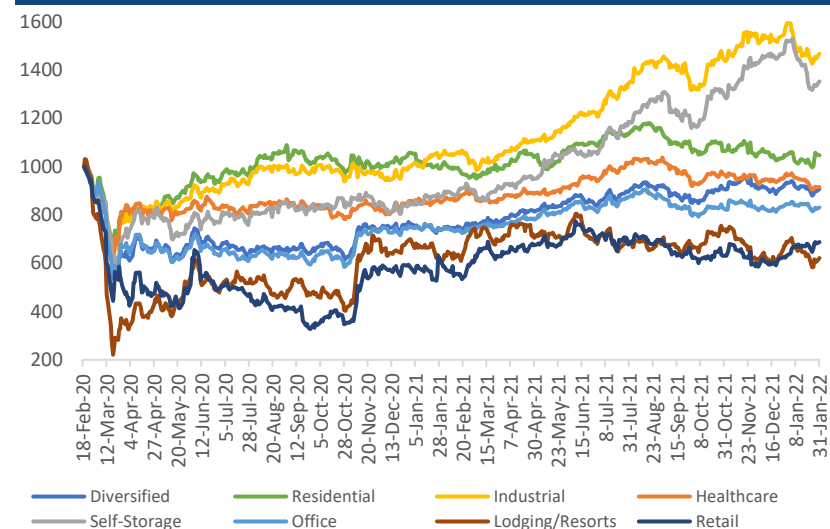
Although the best performers of the last year lost momentum at the beginning of this year, industrial (46.7%) and self-storage (35.3%) continue being traded above their pre-pandemic levels (based on the cumulative returns since 19/02/2020). Except for residential (4.7%), the rest of the sectors are trading below their pre-pandemic levels.

## FTSE EPRA Nareit Global Index Total Return

% Total Returns (EUR)	Jan-22	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
<b>Global Real Estate</b>	▼ -4.4	-4.4	31.0	7.7	6.6	9.8
Global Equities (FTSE)	▼ -3.0	-3.0	25.6	17.1	10.5	11.2
Global Bonds (JP Morgan)	▼ -0.6	-0.6	0.6	2.5	4.4	3.7
<b>Europe Real Estate</b>	▼ -2.8	-2.8	18.2	6.7	7.7	10.6
Europe Equities (FTSE)	▼ -3.3	-3.3	20.2	11.6	8.6	9.4
Europe Bonds (JP Morgan)	▼ -0.2	-0.2	3.1	2.6	1.3	5.3
<b>Asia Real Estate</b>	▼ -2.3	-2.3	8.7	0.0	2.6	6.8
Asia Equities (FTSE)	▼ -2.2	-2.2	7.0	10.4	7.6	11.3
Asia Bonds (JP Morgan)	▲ 0.5	0.5	6.6	0.8	-0.1	3.3
<b>North America Real Estate</b>	▼ -5.4	-5.4	44.6	11.1	7.8	10.8
NA Equities (FTSE)	▼ -3.9	-3.9	31.1	21.4	15.6	16.8
NA Bonds (JP Morgan)	▼ -0.2	-0.2	4.7	4.1	1.9	3.6
<b>Emerging Real Estate</b>	▲ 6.0	6.0	1.7	-3.8	3.3	5.1
Emerging Equities (FTSE)	▲ 1.1	1.1	4.4	9.4	8.0	6.4
Emerging Bonds (JP Morgan)	▼ -1.4	-1.4	4.7	4.2	2.7	6.1

(\*) 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 31 January 2022).

Fig. 2. Global Weights (EUR)\*

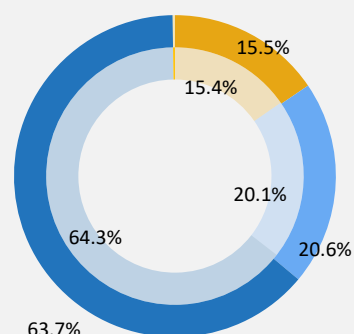


Fig. 3. REIT / Non-REITs

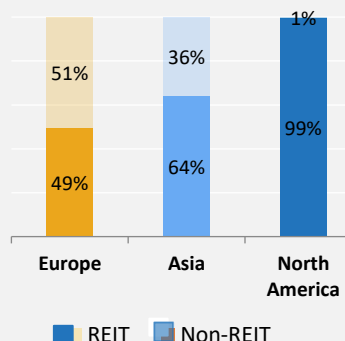


Fig. 4. Focus Split

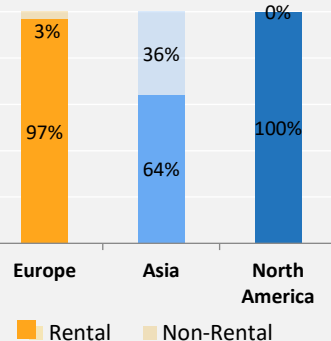


Fig. 5. Dividend Yields\*

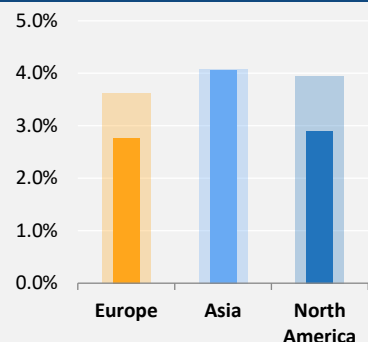


Fig. 6. Volatility (10 yr. & 3 yr.)\*\*

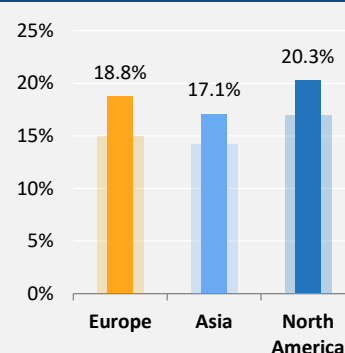
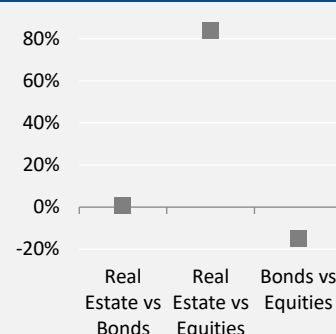


Fig. 7. Correlation (3 yr. rolling)



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

Dev. Europe:Total Return	Weekly Total Return by Sector					Annual	Since
	Jan-22	7-Jan-22	14-Jan-22	21-Jan-22	28-Jan-22	Jan-21	19-Feb-20
Developed Europe	-2.8%	-1.8%	-0.8%	-1.3%	0.4%	18.2%	-3.24%
Industrial	-8.0%	-5.1%	-3.7%	-0.2%	-0.5%	40.7%	46.7%
Self-Storage	-10.9%	-2.5%	-4.2%	-6.6%	0.7%	55.0%	35.3%
Residential	-0.3%	-2.6%	0.6%	-1.5%	3.6%	5.7%	4.7%
Healthcare	-5.0%	-0.9%	-0.9%	-2.2%	-1.0%	7.7%	-8.4%
Diversified	-2.5%	-1.3%	-0.1%	-1.3%	-1.0%	23.2%	-9.2%
Office	-1.7%	-0.4%	0.4%	-1.2%	-1.1%	12.4%	-17.0%
Retail	8.7%	5.2%	1.1%	-0.5%	1.8%	12.5%	-31.2%
Lodging/Resorts	-9.4%	-1.7%	-4.1%	-3.5%	-3.1%	3.1%	-37.8%

Source: EPRA. Data is compiled from the FEN Index series (as of 31 January 2022).

### FTSE EPRA Nareit Developed Index – Top 10 Constituents

Company	Sector	Country	Total Return
ProLogis USA	Industrial	USA	▼ -6.9%
Equinix	Data Centers	USA	▼ -14.3%
Public Storage, Inc.	Self-Storage	USA	▼ -4.3%
Simon Property Group	Retail	USA	▼ -7.9%
Vonovia SE	Residential	GER	▲ 3.9%
Digital Realty Trust	Data Centers	USA	▼ -15.6%
Realty Income Corp.	Retail	USA	▼ -2.7%
Welltower Inc.	Healthcare	USA	▲ 1.0%
AvalonBay Comm., Inc.	Residential	USA	▼ -3.3%
Equity Residential Properties Trust	Residential	USA	▼ -1.3%

### FTSE EPRA Nareit Developed Index – Top 10 Performers

Company	Sector	Country	Total Return
Hammerson Plc	Retail	UK	▲ 18.2%
Mercialys	Retail	FRA	▲ 14.4%
Deutsche EuroShop AG	Retail	GER	▲ 14.0%
Klepierre SA	Retail	FRA	▲ 12.5%
Eurocommercial Properties NV	Retail	NETH	▲ 12.4%
BMO Commercial Property Trust Limited	Diversified	UK	▲ 9.5%
UK Commercial Property REIT	Diversified	UK	▲ 9.4%
Unibail-Management	Retail	NETH	▲ 9.2%
Mitsui Fudosan Co., Ltd.	Diversified	JA	▲ 7.5%
BMO Real Estate Investments Limited	Ind/Office	UK	▲ 6.8%

### FTSE EPRA Nareit Developed Europe - Country Indices

% Total Returns	Jan-22	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
UK (GBP)	-3.6	-3.6	26.2	7.8	6.9	9.8
France (EUR)	3.3	3.3	14.9	0.2	1.9	6.7
Netherlands (EUR)	8.8	8.8	2.2	-17.7	-14.0	-4.0
Germany (EUR)	1.6	1.6	4.1	4.9	11.5	15.9

### FTSE EPRA Nareit Asia - Country Indices

% Total Returns	Jan-22	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Hong Kong (HKD)	-2.3	-2.3	8.7	0.0	2.6	6.8
Japan (JPY)	0.7	0.7	3.1	-5.7	2.9	4.1
Australia (AUD)	-2.43	-2.4	9.0	3.0	3.1	10.4
Singapore (SGD)	-7.51	-7.5	13.0	0.7	4.8	10.2

### FTSE EPRA Nareit Developed North America - Country Indices

% Total Returns	Jan-22	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
United States (USD)	-6.7	-6.7	33.4	10.2	8.6	9.1
Canada (CAD)	-6.84	-6.8	33.5	10.2	8.5	9.4

### FTSE EPRA Nareit Developed Europe Index

The FEN Developed Europe Index slipped 2.8% compared to a loss of 3.3% from European equities and 22 bps from bonds.

The Netherlands (8.8%), France (3.3%) and Germany (1.6%) indexes posted a positive return, while the UK (-3.6%) index posted negative return in Developed Europe for the month.

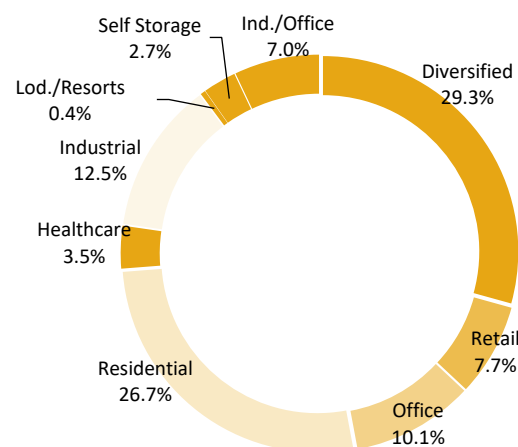
*Alstria Office* (Germany, REIT, Rental constituent) remained in the index with unchanged shares in issue total of 177,792,747 and a decreased investability weighting from 100% to 28.41%, after a tender offer by Alexandrite Lake Lux Holdings (non-constituent).

**Performance of sectors:** Retail (8.7%), while the remaining sectors posted negative returns with a relatively limited loss for Residential (-27 bps) and Office (-1.7%).

**Performance of Top 3 constituents:** Hammerson (18.2%, UK, Retail), Mercialis (14.4%, France, Retail), Deutsche Euroshop AG (14.0%, Germany, Retail).

Developed Europe representing a free float MCap of around **EUR 270 billion** with **106 constituents**

### Developed Europe Sector Split



### FTSE EPRA Nareit Developed Asia Index

The FEN Developed Asia Index lost 2.3%, compared to a gain of 55 bps from Asian bonds and a loss of 2.2% from Asian equities.

The Hong Kong index posted a limited but positive return of 67 bps, while Australia (-7.5%), Singapore (-4.9%), and Japan (-2.4%) indexes were underperformers in Asia (in local currencies).

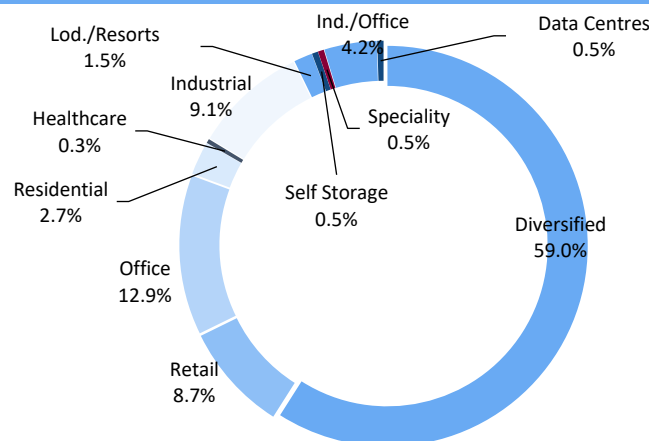
No major corporate action in the Asian region.

**Performance of sectors:** All sectors posted negative returns except for Diversified (14 bps) and for Lodging/Resorts (-13 bps), where the loss was limited.

**Performance of Top 3 constituents:** Mitsui Fudosan Co. Ltd. (7.5%, Japan, Diversified), Irongate Group (6.7%, Australia, Industrial/Office), Swire Properties (5.9%, Hong Kong, Diversified).

Developed Asia representing a free float MCap of around **EUR 358 billion** with **131 constituents**

### Developed Asia Sector Split



### FTSE EPRA Nareit North America Index

The FEN North America Index returned a negative 5.4%. North America equities and bonds also lost 3.9% and 25 bps, respectively. The U.S. and Canada indexes lost 6.8% and 3.8%, respectively (in local currencies).

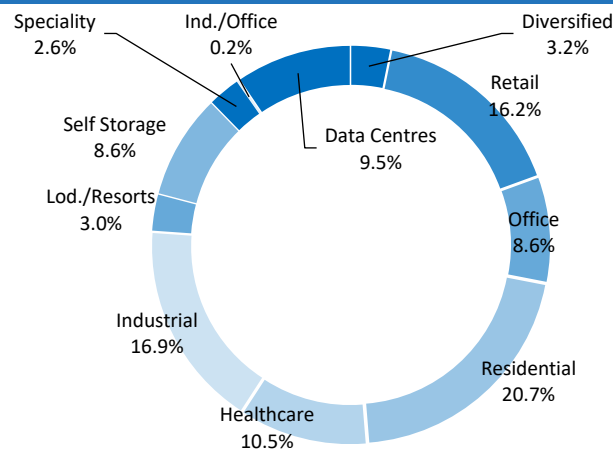
Following the demerger, *Primaris REIT* (Canada) has been added to the index with shares in issue total of 71,715,770 and an investability weighting of 98.0%, and *H & R REIT* (Canada) remained in the index with unchanged shares in issue total of 286,863,083 and an unchanged investability weighting of 98.0%.

**Performance of sectors:** Healthcare (1.7%), while the remaining sectors posted negative returns with a relatively limited loss for Industrial/Office (-50 bps), Lodging/Resorts (-60 bps)

**Performance of Top 3 constituents:** Omega Healthcare Investors Inc. (6.4%, USA, Healthcare), LTC Properties Inc. (6.2%, USA, Healthcare), Chartwell Retirement Residences. (5.6%, Canada, Healthcare).

Developed North America representing a free float MCap of around **EUR 1,108 billion** with **140 constituents**

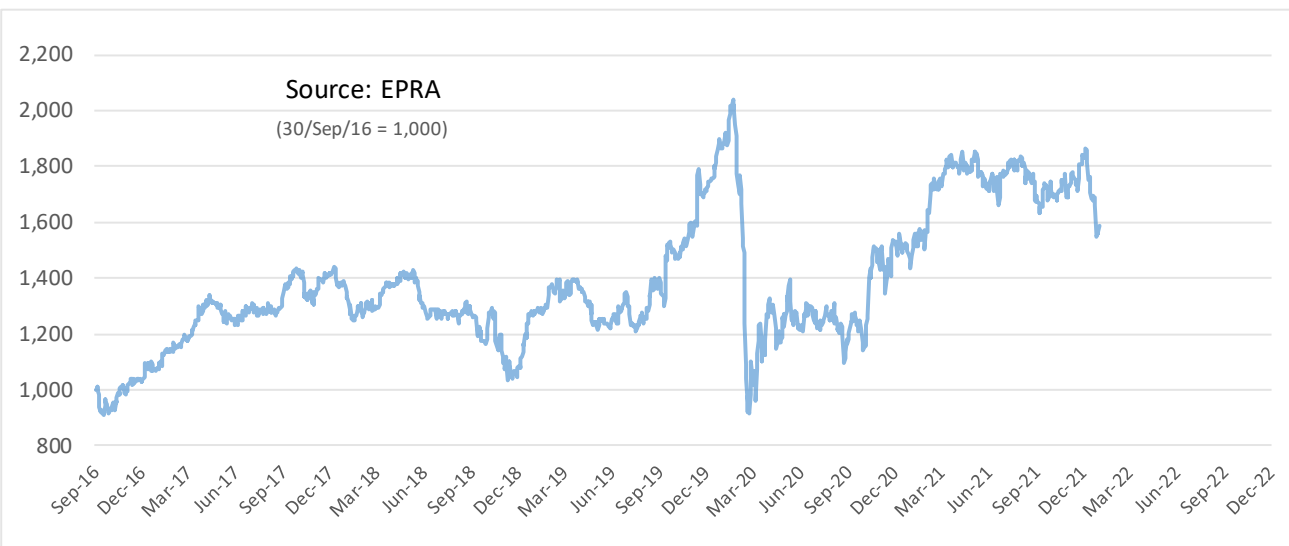
### North America Sector Split





## EPRA Developers Research Benchmark

31 January 2022



Historical Performance	Last Month	1 Year	3 Years	5 Years
Total Return	-13.3%	10.4%	23.1%	45.9%
Total Return (Annualized)		10.4%	7.7%	9.2%

Return	3 Months	6 Months	Year to Date	5 Years
Total Return	-7.9%	-10.3%	-13.3%	45.9%
Maximum Return	2.7%	3.1%	1.8%	11.6%
Minimum Return	-6.1%	-6.1%	-6.1%	-13.2%
Mean Return (Annualized)	-33.9%	-23.4%	-91.1%	18.0%
Maximum Drawdown	-17.1%	-17.1%	-17.1%	-55.2%
Maximum Drawdown Length	15	15	15	23

Risk	3 Months	6 Months	Year to Date	5 Years
Standard Deviation (Annualized)	24.4%	22.2%	29.4%	29.2%
Downside Risk (Annualized)	19.7%	17.3%	24.1%	20.6%
Kurtosis	3.60	3.14	1.60	9.21
Skewness	-1.36	-1.03	-1.24	0.07
Semivariance (Annualized)	31.2%	25.9%	38.1%	29.3%
VaR (ex-post)	-2.35	-2.18	-3.57	-2.58

Risk-Adjusted Performance	3 Months	6 Months	Year to Date	5 Years
Sharpe Ratio	-1.02	-0.76	-2.78	0.44

The **EPRA Developers Research Benchmark** is an equity index aiming to represent the aggregated performance of the most significant and liquid real estate developers in Europe, including both residential and commercial developers.

**This is a benchmark developed for research purposes only**, using free float market cap as the main input for computing index weights. The final list of constituents has been filtered applying a comprehensive methodology that combines both market and real estate criteria to determine the best companies to represent the sector. **Two sub-indexes are also computed:** 1) Liquid Developers (FFMC > EUR 500M) and 2) Residential Developers

### Key Features

**Benchmark Type:** Equity Index

**Industry:** Real Estate Developers

**Launch Date:** 31/Dec/2021

**Geography:** Developed Europe

**Weights Input:** FF Market cap

**Base Currency:** EUR

**Base Date:** 30/Sep/2016

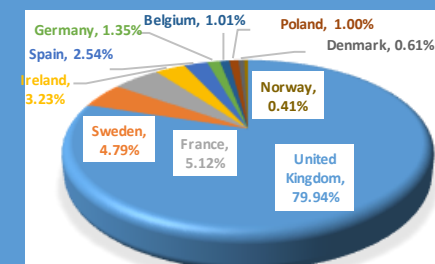
**Base Value:** 1,000

**Review Dates:** April, October

## EPRA Developers Research Benchmark

31 January 2022

Constituent	ISIN	Weight	Country	Currency
PERSIMMON	GB0006825383	17.2%	UK	GBp
BARRATT DEV	GB0000811801	14.1%	UK	GBp
TAYLOR WIMPEY PL	GB0008782301	12.5%	UK	GBp
BERKELEY GROUP	GB00BLJNXL82	10.2%	UK	GBp
BELLWAY PLC	GB0000904986	8.1%	UK	GBp
VISTRY GROUP PLC	GB0001859296	5.1%	UK	GBp
REDROW PLC	GB00BG11K365	4.8%	UK	GBp
COUNTRYSIDE PART	GB00BYPHNG03	3.4%	UK	GBp
CREST NICHOLS	GB00B8VZXT93	1.8%	UK	GBp
WATKIN JONES PLC	GB00BD6RF223	1.1%	UK	GBp
MJ GLEESON PLC	GB00BRKD9Z53	0.8%	UK	GBp
HARWORTH GROUP P	GB00BYZJ7G42	0.8%	UK	GBp
JM AB	SE0000806994	4.4%	Sweden	SEK
BONAVA AB	SE0008091573	0.4%	Sweden	SEK
NEXITY	FR0010112524	3.0%	France	EUR
KAUFMAN & BROAD	FR0004007813	1.1%	France	EUR
ALTAREA	FR0000033219	1.1%	France	EUR
GLENVEAGH PROPER	IE00BD6JX574	1.8%	Ireland	EUR
CAIRN HOMES	IE00BWY4ZF18	1.5%	Ireland	GBp
NEINOR HOMES SA	ES0105251005	1.2%	Spain	EUR
METROVACESA SA	ES0105122024	0.9%	Spain	EUR
AEDAS HOMES SA	ES0105287009	0.5%	Spain	EUR
INSTONE REAL EST	DE000A2NBX80	1.4%	Germany	EUR
IMMOBEL	BE0003599108	0.6%	Belgium	EUR
ATENOR	BE0003837540	0.4%	Belgium	EUR
DEVELIA SA	PLLCCRP00017	0.6%	Poland	PLN
DOM DEVELOPMENT	PLDMDVL00012	0.4%	Poland	PLN
HUSCIET A/S	DK0061412855	0.6%	Denmark	DKK
SELVAAG BOLIG AS	NO0010612450	0.4%	Norway	NOK



### Eligibility Criteria

**EBITDA:** ≥ 50% from Property Development  
**EBITDA:** ≥ 75% from Real Estate Activities

**Size:** > 0.30% of the Benchmark size and  
 Minimum of EUR 150 Million in FFM

**Liquidity:** ≥ 0.05% of their (FF) shares in  
 issue based on their median daily trading  
 volume per month

**Reporting:** public AR in English (Full set of  
 audited FS, notes and Mgt Report)

**Geography:** ≥ 75% EBITDA from Developed  
 countries

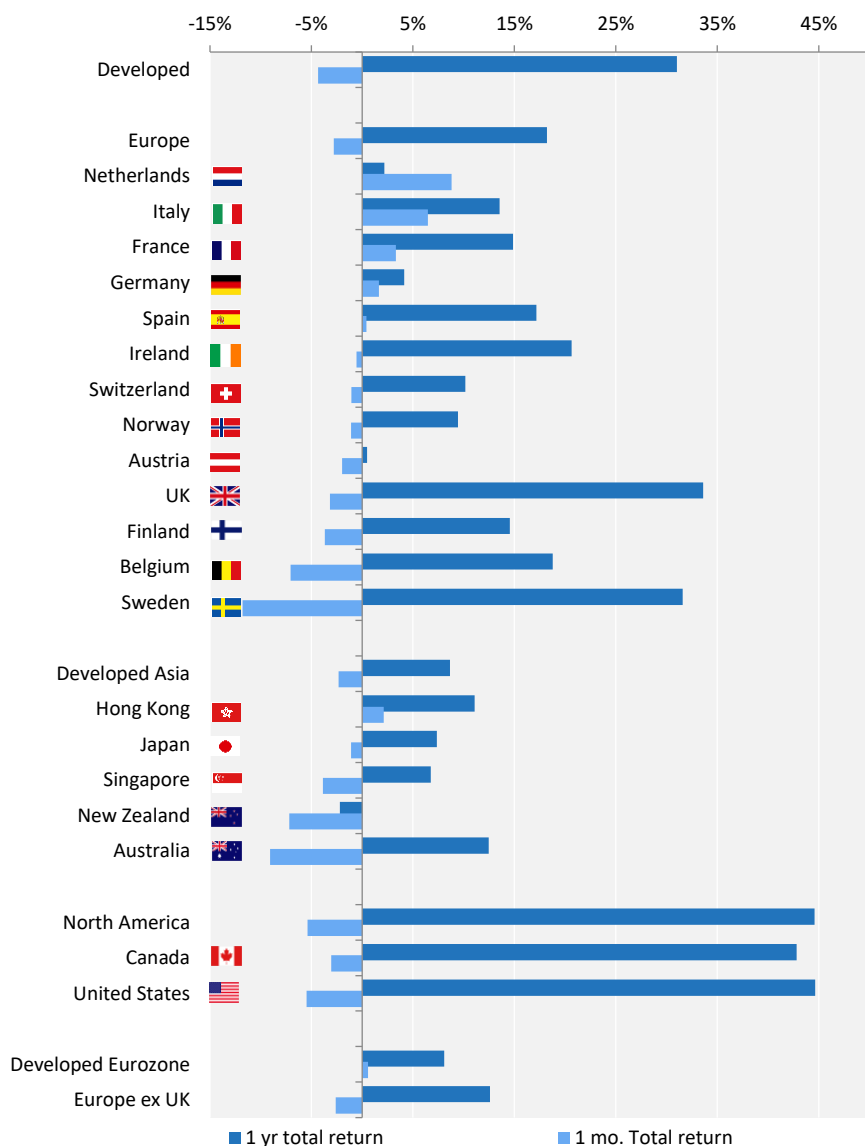
**Assets:** ≥ 50% of Total Tangible Assets  
 invested in RE. No Holding structures.

**Eligible Markets:** Premium and main trading  
 segments of official stock exchanges.

**Data Availability:** Monthly computations.  
 Performance figures available on this report.  
 Raw data accessible on demand at  
[research@epra.com](mailto:research@epra.com)

Developers Sub-Indexes: Risk and Return	3 Months	6 Months	Year to Date	5 Years
Residential Developers: Total Return	-8.41%	-11.04%	-14.23%	44.59%
Residential Developers: Standard Deviation (Annualized)	25.39%	23.14%	30.52%	30.06%
Liquid Developers: Total Return	-8.08%	-10.66%	-13.78%	48.59%
Liquid Developers: Standard Deviation (Annualized)	25.03%	22.80%	30.08%	29.71%

## FTSE EPRA Nareit Monthly Index Performances (EUR)



Source: FTSE EPRA Nareit as of January 31, 2022

## Link to Reports & Contacts

Monthly Statistical Bulletin

Monthly Published NAV Bulletin

Monthly LTV Report

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[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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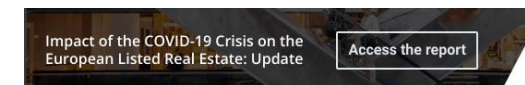
## EPRA Academic Programme 2021

EPRA commissioned two research papers under its 2021 Academic Programme. You can find all the academic reports [here](#), and click below to access the latest reports:

[Real estate in a mix-asset portfolio: The impact of market uncertainty and uncertainty aversion \(University of Cambridge\)](#)

[The effect of working from home on real estate companies \(UCL\)](#)

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.



## EPRA Research Webinar Series

We are preparing a series of research webinars for you to catch up recent developments in real estate in a 30-minute snapshot. More information will be available soon, follow our updates under this [link](#).



## Disclaimer

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