



**EPRA**

EUROPEAN PUBLIC  
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

# Monthly Market Review and Developers' Research Benchmark

February  
2022

## Overview

The FTSE EPRA Nareit (FEN) Global Developed Real Estate Index lost 2.6% in February and now YTD stands at -6.9%. Global equities and bonds also slipped -2.5% and -1.1%, respectively.

In terms of regional performance, all regions continued to lost momentum and posted negative returns: higher in North America (-3.3%) and Europe (-3.1%) and relatively limited in Asia (-8 bps). Meanwhile, emerging markets lost -2.6% for the month.

Focusing on sector performance, lodging/resorts (3.5%), office (1.5%) and specialty (32 bps) were top performers, the remaining sectors posted negative returns: healthcare (-6.0%), industrial (-5.5%) and data centres (-4.6%) were the bottom performers.

At the end of February, **the FEN Developed Index totalled 376 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 139 billion.**

## EPRA Developers Research Benchmark

The **EPRA Developers Research Benchmark** is 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 6). Further information regarding the launch of the Benchmark can be accessed [here](#).

## Highlights of the Month

The Ukraine-Russia war heightened geopolitical risks and will continue having implications such as higher commodity prices, inflation and interest rates over the medium term. The main economic threat is higher energy prices, since Russia supplies around 30% of Europe's gas and oil. In response to the crisis, Europe and the U.S. imposed heavy sanctions on Russia and its economy and are looking for alternative energy sources to reduce its dependency. The crisis will put additional pressure on inflation and result in possible central bank rate hikes.

At the beginning of February, the Bank of England raised its interest rate by 25bp, opening the debate on a potential move by the ECB. There is however still no signal of an increase in the first half of the year, with growing likelihood for Q4. This is also linked to inflation, estimated at 5.8% in February in the euro area, up from 5.1% in January, with energy prices already at its highest prior to the additional pressure of the war (read EPRA's special report on [Inflation and short-term impact on listed property companies](#)).

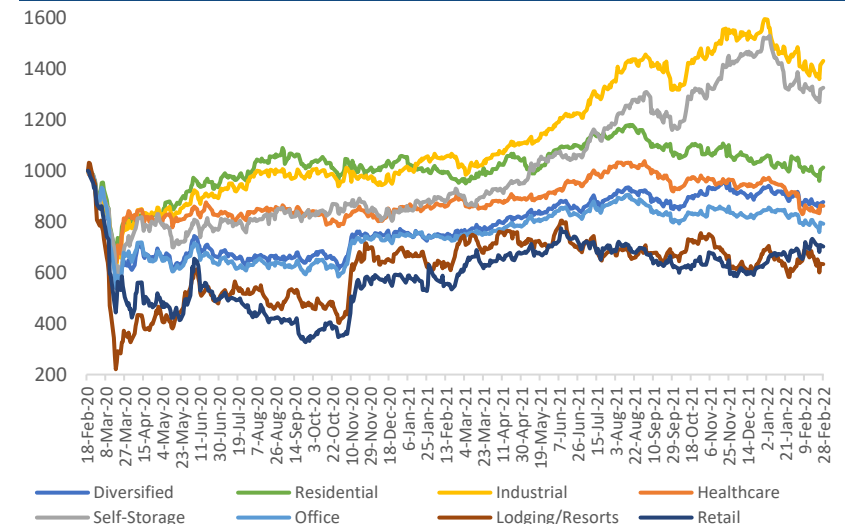
In Europe, the equity market performed weak with a loss of -4.1% and the FEN Developed Europe index slipped -3.1%. In terms of sector performances, retail (2.2%) and lodging/resorts (1.9%) were the top performers, the remaining sectors posted negative returns, with healthcare (-5.8%) and office (-4.7%) bottom performers. Focusing on the performance in the first two months, retail is the only sector providing a positive YTD return (11.1%). Indeed, retail picked up, with increasing footfall and consumption, as well as improving rental collections and occupancy levels. Annual reports of the companies are indicating a recovery, although still below pre-pandemic levels. Although industrial (-10.3) and self-storage (-12.8%) did not have a good start to 2021 having the lowest YTD returns, they are traded above pre-pandemic levels (based on the cumulative returns since 19/02/2020). Except residential (1.2%), the rest of the sectors are still trading below their pre-pandemic levels.

## FTSE EPRA Nareit Global Index Total Return

% Total Returns (EUR)	Feb-22	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Global Real Estate	▼ -2.6	-6.9	22.7	6.6	5.1	9.4
Global Equities (FTSE)	▼ -2.5	-5.5	19.0	14.7	9.3	10.4
Global Bonds (JP Morgan)	▼ -1.1	-1.7	1.9	2.2	4.0	3.6
Europe Real Estate	▼ -3.1	-5.9	15.8	6.0	6.1	10.2
Europe Equities (FTSE)	▼ -4.1	-7.2	12.6	8.8	7.2	8.5
Europe Bonds (JP Morgan)	▼ -1.6	-1.9	3.8	2.0	0.3	5.2
Asia Real Estate	▼ -0.1	-2.4	3.7	-0.1	1.7	6.0
Asia Equities (FTSE)	▼ -1.0	-3.2	3.3	8.8	6.6	10.7
Asia Bonds (JP Morgan)	▼ -0.5	0.0	7.1	0.3	-0.6	3.5
North America Real Estate	▼ -3.3	-8.5	32.7	9.3	6.0	10.7
NA Equities (FTSE)	▼ -2.8	-6.6	23.6	18.7	13.7	16.3
NA Bonds (JP Morgan)	▼ -0.5	-0.8	6.2	3.8	1.4	3.8
Emerging Real Estate	▼ -2.6	3.2	-7.9	-4.0	1.5	4.1
Emerging Equities (FTSE)	▼ -2.8	-1.7	-0.1	7.9	6.4	5.7
Emerging Bonds (JP Morgan)	▼ -5.4	-6.8	1.2	1.9	0.9	5.4

(\* 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 28 February 2022).

Fig. 2. Global Weights (EUR)\*

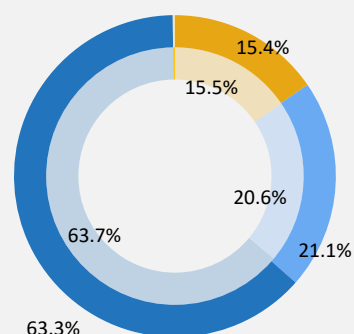


Fig. 3. REIT / Non-REITs

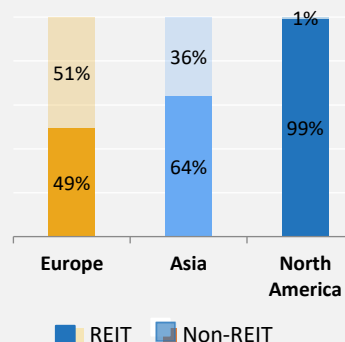


Fig. 4. Focus Split

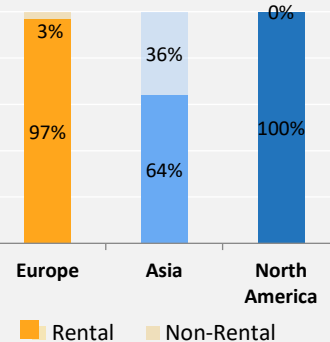


Fig. 5. Dividend Yields\*

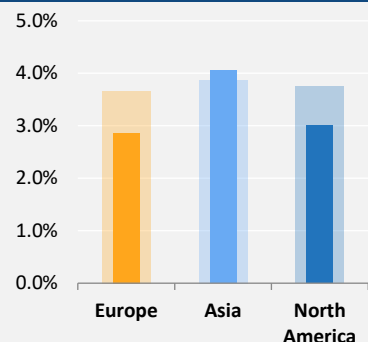


Fig. 6. Volatility (10 yr. & 3 yr.)\*\*

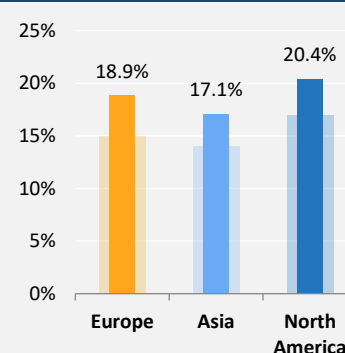
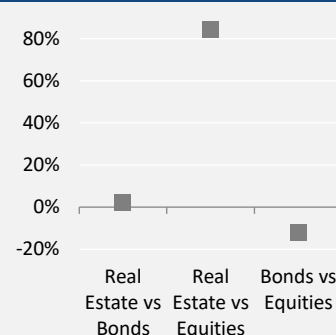


Fig. 7. Correlation (3 yr. rolling)



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

Dev. Europe:Total Return	Weekly Total Return by Sector					YTD	Since
	Feb-22	4-Feb-22	11-Feb-22	18-Feb-22	25-Feb-22		
<b>Developed Europe</b>	-3.1%	-2.7%	0.3%	-0.8%	0.2%	-5.9%	-6.28%
<b>Industrial</b>	-2.5%	-2.6%	-1.4%	0.6%	1.1%	-10.3%	43.04%
<b>Self-Storage</b>	-2.1%	-0.9%	0.3%	-2.2%	1.5%	-12.8%	32.50%
<b>Residential</b>	-3.3%	-3.3%	-1.2%	-1.3%	1.1%	-3.6%	1.24%
<b>Diversified</b>	-3.4%	-2.4%	1.0%	-1.5%	0.0%	-5.9%	-12.31%
<b>Healthcare</b>	-5.8%	-6.8%	0.3%	-1.7%	2.7%	-10.5%	-13.76%
<b>Office</b>	-4.7%	-3.5%	0.0%	0.3%	-0.2%	-6.2%	-20.84%
<b>Retail</b>	2.2%	-2.4%	5.7%	3.5%	-2.5%	11.1%	-29.71%
<b>Lodging/Resorts</b>	1.9%	5.2%	7.1%	-2.6%	-4.5%	-7.6%	-36.61%

Source: EPRA. Data is compiled from the FEN Index series (as of 28 February 2022).

**FTSE EPRA Nareit Developed Europe - Country Indices**

% Total Returns	Feb-22	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Europe (EUR)	-3.1	-5.9	15.8	6.0	6.1	10.2
Europe ex UK (EUR)	-3.2	-5.8	12.4	5.6	6.4	10.4
UK (GBP)	-2.8	-6.3	20.0	6.1	5.0	9.3
France (EUR)	-0.9	2.4	13.2	-0.5	1.6	6.6
Netherlands (EUR)	1.9	10.9	14.1	-14.5	-13.8	-3.9
Germany (EUR)	-3.5	-1.9	4.1	5.2	9.2	15.4

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

Company	Sector	Country	Total Return
ProLogis USA	Industrial	USA	▼ -7.0%
Equinix	Data Centers	USA	▼ -2.1%
Public Storage, Inc.	Self-Storage	USA	▼ -1.0%
Simon Property Group, Inc.	Retail	USA	▼ -6.6%
Vonovia SE	Residential	GER	▼ -5.7%
Digital Realty Trust	Data Centers	USA	▼ -9.6%
Realty Income Corp.	Retail	USA	▼ -4.4%
Welltower Inc.	Healthcare	USA	▼ -3.9%
AvalonBay Communities, Inc.	Residential	USA	▼ -2.3%
Equity Residential Properties Trust	Residential	USA	▼ -3.9%

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

Company	Sector	Country	Total Return
Befimmo SA	Office	BELG	▲ 42.8%
Paramount Group	Office	USA	▲ 28.8%
Wereldhave NV	Retail	NETH	▲ 19.4%
Adler Group SA	Residential	GER	▲ 19.0%
RioCan Real Estate Investment Trust	Retail	CAN	▲ 13.9%
EPR Properties	Specialty	USA	▲ 13.8%
Vicinity Centres	Retail	AU	▲ 13.4%
HomeCo Daily Needs REIT	Diversified	AU	▲ 12.8%
Kilroy Realty Corporation	Office	USA	▲ 11.9%
Hudson Pacific Properties	Office	USA	▲ 11.7%

**FTSE EPRA Nareit Developed Europe Index**

The FEN Developed Europe Index lost 3.1% compared to a loss of 4.1% from European equities and 1.6% from bonds.

The Netherlands (1.9%) posted a positive return, while Germany (-3.5%), the UK (-2.8%) and France (-94 bps) indexes posted negative returns in Developed Europe for the month.

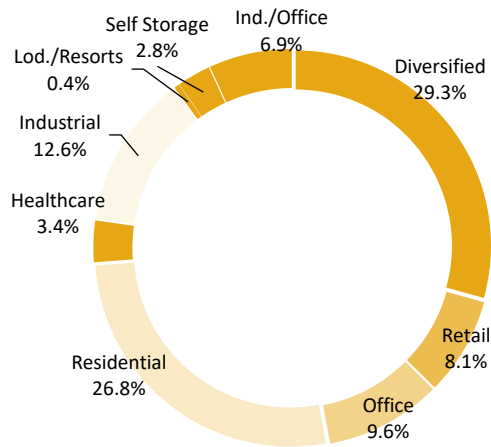
*Alstria Office* REIT AG (Germany, REIT, Rental constituent) was deleted from the index after a tender offer by Alexandrite Lake Lux Holdings (non-constituent, subsidiary of the Brookfield).

**Performance of top sectors:** Retail (2.2%) and Lodging/Resorts (1.9%), the remaining sectors posted negative returns.

**Performance of top 3 constituents:** Befimmo SA (42.8%, Belgium, Office), Wereldhave NV (19.4%, Netherland, Retail), Adler Group SA (19.0%, Germany, Residential).

*Developed Europe* representing a free float MCap of around **EUR 260 billion** with **105 constituents**

**Developed Europe Sector Split**



**FTSE EPRA Nareit Developed Asia Index**

The FEN Developed Asia Index slipped 8 bps, compared to a loss of 1.0% from Asian equities and 51 bps from Asian bonds.

The Australia (4.2%) and Singapore (3.4%) indexes outperformed while the Hong Kong (-4.0%) and Japan (-1.3%) indexes were underperformers in Asia (in local currencies).

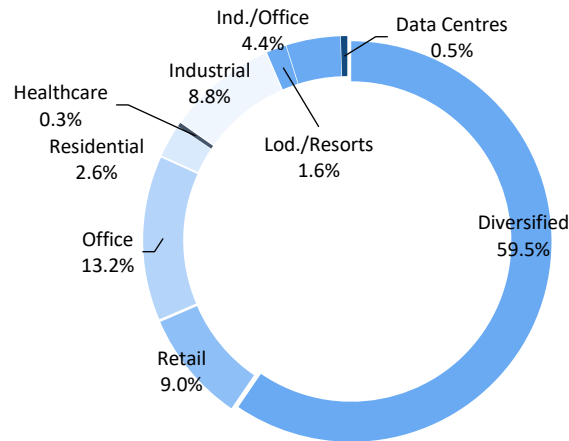
Following the stock acquisition of *Aventus Group* (Australia, REIT, Rental constituent) which was deleted from the index, by *HomeCo Daily Needs REIT* (Australia, constituent) remained in the index with an increase of issue shares from 790,663,774 to 2,041,601,543 and an increased investability weighting from 51.53% to 64.69%.

**Performance of top 3 sectors:** Retail (5.7%), Lodging/Resorts (4.9%), Industrial/Office (2.5%).

**Performance of top 3 constituents:** Vicinity Centres (13.4%, Australia, Retail), HomeCo Daily Needs REIT (12.8%, Australia, Diversified), Invincible Investment Corporation (9.0%, Japan, Lodging/Resorts).

*Developed Asia* representing a free float MCap of around **EUR 356 billion** with **130 constituents**

**Developed Asia Sector Split**



**FTSE EPRA Nareit North America Index**

The FEN North America Index returned a negative 3.3%, North America equities and bonds also lost 2.8% and 54 bps, respectively. The Canada index gained 1.2% compared to a loss of 3.3% from the U.S. index (in local currencies).

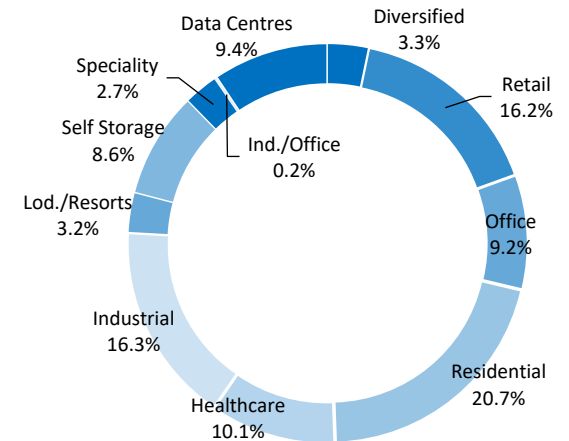
*Monmouth REIT CI A* (USA, constituent) was deleted from the index after completion of the cash acquisition by Industrial Logistics Properties Trust. Meanwhile, American Finance Trust was renamed as *The Necessity Retail REIT Inc.*

**Performance of top 3 sectors:** Office (3.4%), Lodging/Resorts (3.4%), Industrial/Office (2.1%).

**Performance of Top 3 constituents:** Paramount Group (28.8%, USA, Office), RioCan Real Estate Investment (13.9%, Canada, Retail), EPR Properties (13.8%, USA, Specialty).

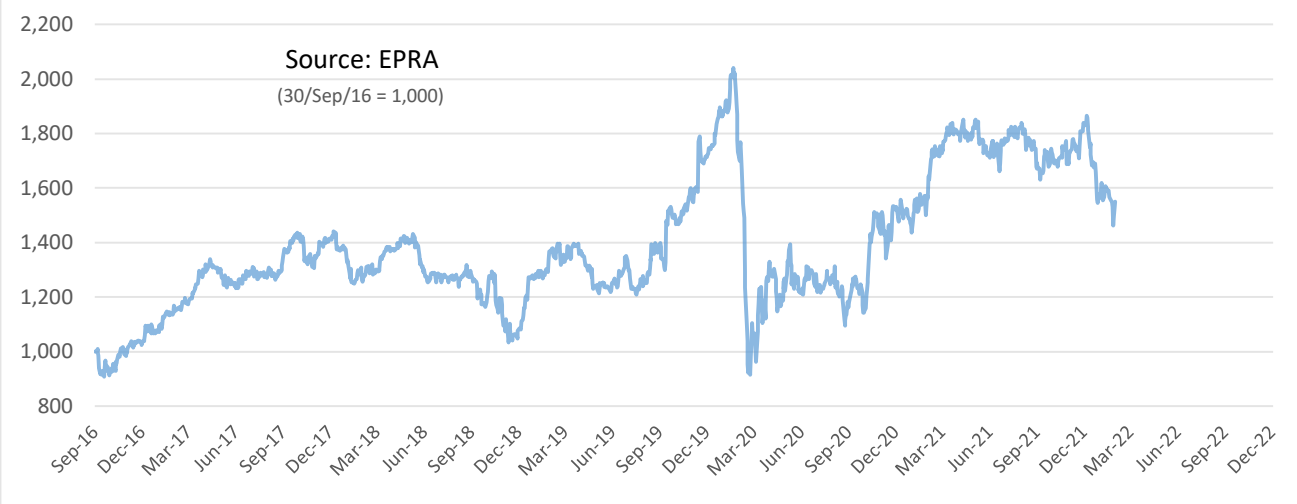
*Developed North America* representing a free float MCap of around **EUR 1,068 billion** with **139 constituents**

**North America Sector Split**



## EPRA Developers Research Benchmark

28 February 2022



Historical Performance	Last Month	1 Year	3 Years	5 Years
Total Return	-2.3%	3.3%	11.9%	34.0%
Total Return (Annualized)		3.3%	4.0%	6.8%

Return	3 Months	6 Months	Year to Date	5 Years
Total Return	-8.2%	-15.7%	-15.3%	34.0%
Maximum Return	3.6%	3.6%	3.6%	11.6%
Minimum Return	-6.1%	-6.1%	-6.1%	-13.2%
Mean Return (Annualized)	-35.7%	-35.8%	-75.9%	15.2%
Maximum Drawdown	-21.6%	-21.6%	-21.6%	-55.2%
Maximum Drawdown Length	37	37	37	23

Risk	3 Months	6 Months	Year to Date	5 Years
Standard Deviation (Annualized)	26.1%	23.9%	28.7%	29.3%
Downside Risk (Annualized)	20.2%	18.4%	22.3%	20.7%
Kurtosis	2.33	2.39	1.59	9.03
Skewness	-0.89	-0.84	-0.82	0.07
Semivariance (Annualized)	30.8%	27.4%	34.2%	29.4%
VaR (ex-post)	-2.36	-2.33	-3.57	-2.60

Risk-Adjusted Performance	3 Months	6 Months	Year to Date	5 Years
Sharpe Ratio	-1.02	-1.11	-2.21	0.38

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

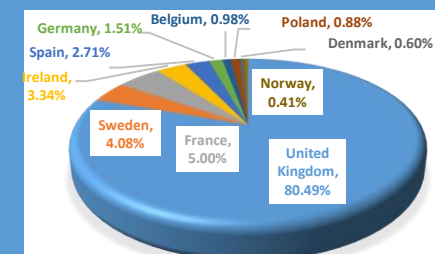
**Base Value:** 1,000

**Review Dates:** April, October

## EPRA Developers Research Benchmark

28 February 2022

Constituent	ISIN	Weight	Country	Currency
PERSIMMON	GB0006825383	17.7%	UK	GBp
BARRATT DEV	GB0000811801	14.4%	UK	GBp
TAYLOR WIMPEY PL	GB0008782301	12.7%	UK	GBp
BERKELEY GROUP	GB00BLJNXL82	9.7%	UK	GBp
BELLWAY PLC	GB0000904986	8.4%	UK	GBp
VISTRY GROUP PLC	GB0001859296	5.2%	UK	GBp
REDROW PLC	GB00BG11K365	4.6%	UK	GBp
COUNTRYSIDE PART	GB00BYPHNG03	3.4%	UK	GBp
CREST NICHOLS	GB00B8VZXT93	1.8%	UK	GBp
WATKIN JONES PLC	GB00BD6RF223	1.0%	UK	GBp
HARWORTH GROUP P	GB00BYZJ7G42	0.8%	UK	GBp
MJ GLEESON PLC	GB00BRKD9Z53	0.8%	UK	GBp
JM AB	SE0000806994	3.8%	Sweden	SEK
BONAVA AB	SE00008091573	0.3%	Sweden	SEK
NEXITY	FR0010112524	2.9%	France	EUR
ALTAREA	FR0000033219	1.1%	France	EUR
KAUFMAN & BROAD	FR0004007813	1.0%	France	EUR
GLENVEAGH PROPER	IE00BD6JX574	1.8%	Ireland	EUR
CAIRN HOMES	IE00BWY4ZF18	1.5%	Ireland	GBp
NEINOR HOMES SA	ES0105251005	1.3%	Spain	EUR
METROVACESA SA	ES0105122024	0.9%	Spain	EUR
AEDAS HOMES SA	ES0105287009	0.5%	Spain	EUR
INSTONE REAL EST	DE000A2NBX80	1.5%	Germany	EUR
IMMOBEL	BE0003599108	0.6%	Belgium	EUR
ATENOR	BE0003837540	0.4%	Belgium	EUR
DEVELIA SA	PLLCRCP00017	0.5%	Poland	PLN
DOM DEVELOPMENT	PLDMDVL00012	0.3%	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 FFMC

**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

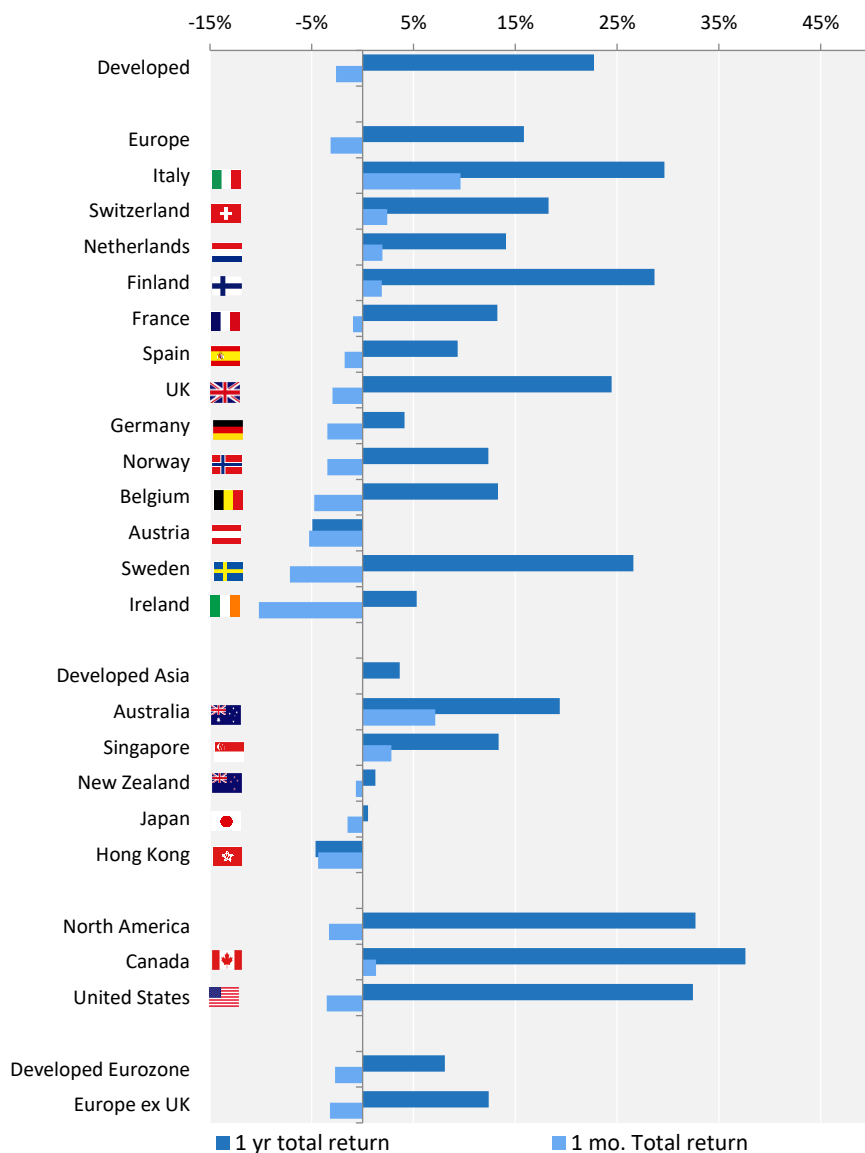
**Assets:** ≥ 50% of Total Tangible Assets  
 invested in RE. No Holding structures.

**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	-8.63%	-16.21%	-15.93%	33.22%
Residential Developers: Standard Deviation (Annualized)	26.90%	24.84%	29.63%	30.19%
Liquid Developers: Total Return	-8.45%	-15.99%	-15.67%	36.61%
Liquid Developers: Standard Deviation (Annualized)	26.50%	24.48%	29.18%	29.84%

## FTSE EPRA Nareit Monthly Index Performances (EUR)



## 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 10.6](#)  
[Emerging Markets 2021](#)  
 (special edition)  
[Sector Analysis: Residential](#)  
[Sector Analysis: Office \(Aug-21\)](#)  
[Total Markets Table 2021-Q4](#)  
 (quarterly)



**EPRA CONTACTS:**  
 Dilek Pekdemir, PhD.  
 Research Manager  
[d.pekdemir@epra.com](mailto:d.pekdemir@epra.com)

David Moreno, CFA  
 Indexes Manager, Indices & Research  
[d.moreno@epra.com](mailto:d.moreno@epra.com)

Lourdes Calderon Ruiz  
 Senior Analyst Indices & Research  
[l.calderonruiz@epra.com](mailto:l.calderonruiz@epra.com)

Iskren Marinov  
 Analyst Indices & Research  
[i.marinov@epra.com](mailto:i.marinov@epra.com)

Download EPRA's special report [Inflation and short-term impact on listed property companies](#).

### European Real Estate Barometer H2 2021

EPRA and Euronext are pleased to partner for the fourth edition of the Real Estate Barometer which analyses the key trends and figures of the listed European real estate sector. You can download it [here](#).

### EPRA Academic Programme 2021

EPRA commissioned two academic papers under the 2021 Academic programme. You can find all academic reports under this [link](#) and click to read full 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 \(UCL\)](#)

### EPRA Research Webinar Series, March 22, 17:00 - 17:30 (CET)

It will focus on commissioned 2021 Academic papers and key findings will be presented, register via this [link](#), and follow our updates



### Disclaimer

EPRA does not intend this presentation to be a solicitation related to any particular company, nor does it intend to provide investment, legal or tax advice. Investors should consult with their own investment, legal or tax advisers regarding the appropriateness of investing in any of the securities or investment strategies discussed in this presentation. Nothing herein should be construed to be an endorsement by EPRA of any specific company or products or as an offer to sell or a solicitation to buy any security or other financial instrument or to participate in any trading strategy. EPRA expressly disclaims any liability for the accuracy, timeliness or completeness of data in this presentation. Unless otherwise indicated, all data are derived from, and apply only to, publicly traded securities. Any investment returns or performance data (past, hypothetical or otherwise) are not necessarily indicative of future returns or performance.

Source: FTSE EPRA Nareit as of February 28, 2022