



EPRA

EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

Monthly Market Review and Developers' Research Benchmark

March
2022

Overview

The FTSE EPRA Nareit (FEN) Global Developed Real Estate Index returned 5.6% in March and now YTD stands at -1.7%. Global equities gained 3.7% compared to a loss of 2.5% from global bonds.

In terms of regional performance, all regions gained momentum and posted positive returns: higher in North America (7.3%) and Asia (3.8%), relatively limited in Europe (88 bps), while emerging markets returned 1.2% for the month.

Focusing on sector performance, all sectors posted positive returns in March. Healthcare (12.3%), self-storage (10.9%) and industrial (8.7%) were the top performers, while residential (2.4%), retail (3.4%) and diversified (3.7%) were the bottom performers.

At the end of March, **the FEN Developed Index totalled 381 constituents**, representing a free float market capitalisation of around **EUR 1.8 trillion** and **the FEN Emerging Index totalled 134 constituents**, representing a free float market capitalisation of around **EUR 139 billion**.

2022-Q1 Quarterly Review

During the first quarterly review of 2022, there were seven additions and no deletion in the Developed index, whereby one company was added in, and ten companies were deleted from the Emerging index. The changes were effective on March 21, 2022 and represented a net added value of EUR 2,138 million in free float market cap to the global index. The details are given in the related sections. The next index review will take place at the end of May, and the results will be published on June 3. All changes are effective as of Monday June 20, 2022.

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

During March, peace talks between Russia and Ukraine had a positive impact on markets, which displayed a slight recovery. However, heightened uncertainty and geopolitical risks continue to put further pressure on consumer and business confidence. Although no direct impact on property markets is expected (outside of CEE), there is an increasing concern of the indirect impacts of higher energy prices, especially if accompanied by a slowdown of the economy.

According to the latest Eurostat data, annual inflation in Eurozone is expected to be 7.5% in March 2022, up from 5.9% in February, with energy price already at its highest even prior to the additional pressure of the war. Certain sectors are more sensitive to a hike in energy costs, in particular logistics due to increasing shipping cost and residential with rising living costs. In addition, there is an ongoing debate around possible central bank rate hikes linked to inflation and the potential impact on the sector (read [MMR February commentary](#)).

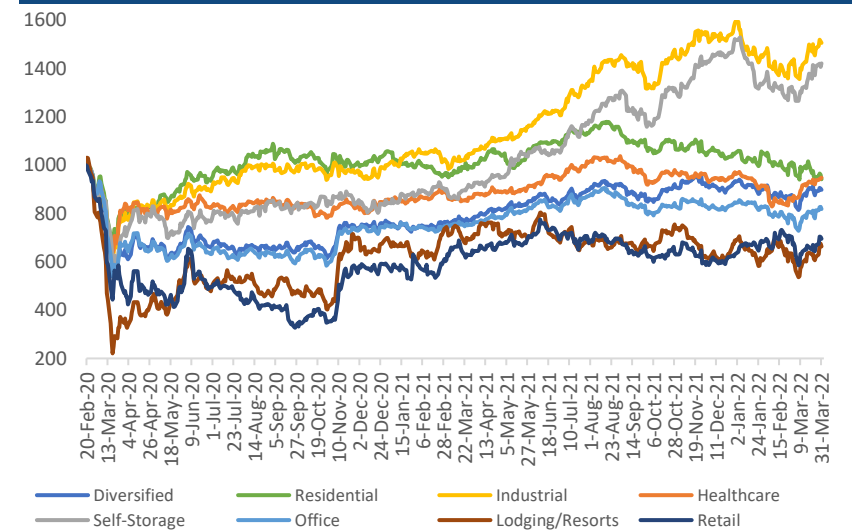
In terms of sector performance in Developed Europe, healthcare (10.0%) was top performer followed by self-storage (7.2%) and industrial (5.3%). The remaining sectors also posted positive returns, except for residential (-7.0%) and retail (-1.1%), which were the bottom performers. Based on the cumulative returns since 19/02/2020, industrial (50.6%) and self-storage (42.1%) are still the only sectors traded above pre-pandemic levels (Fig.1).

FTSE EPRA Nareit Global Index Total Return

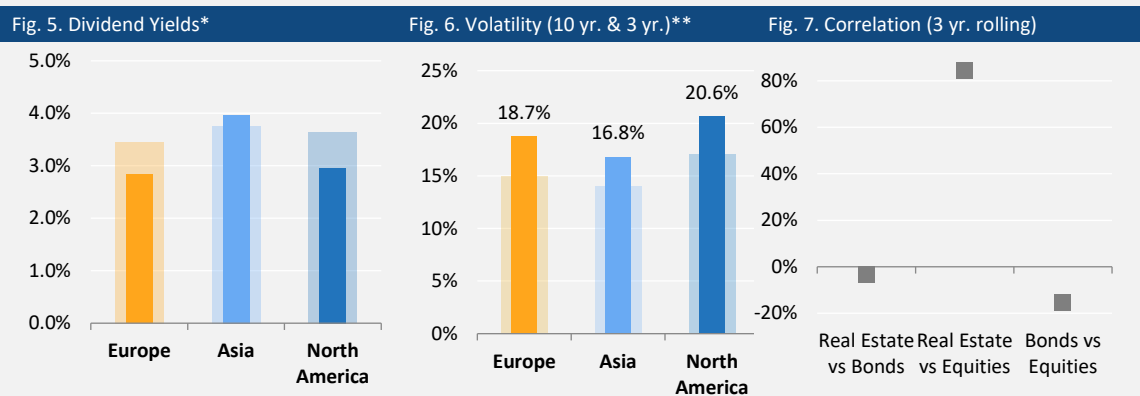
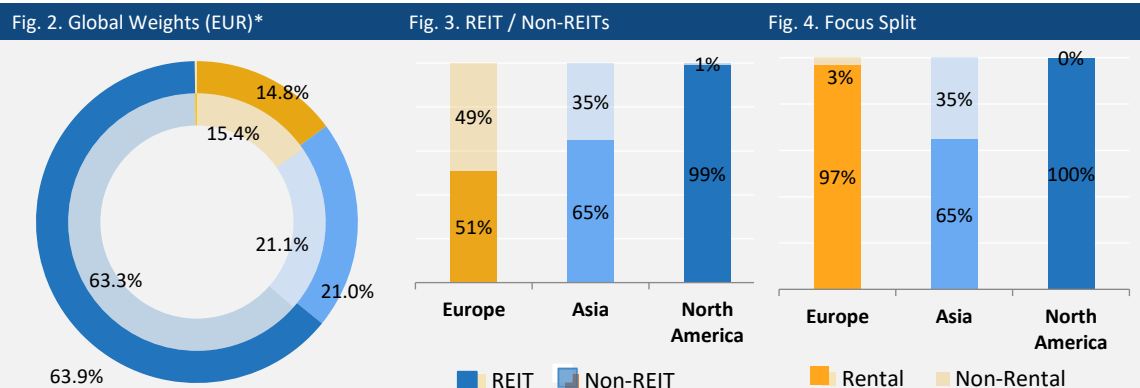
% Total Returns (EUR)	Mar-22	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Global Real Estate	▲ 5.6	-1.7	21.8	6.7	6.6	9.8
Global Equities (FTSE)	▲ 3.7	-2.0	15.7	14.9	9.8	10.7
Global Bonds (JP Morgan)	▼ -2.5	-4.2	-1.8	0.3	3.6	3.4
Europe Real Estate	▲ 0.9	-5.0	12.8	4.9	6.2	9.8
Europe Equities (FTSE)	▼ -0.1	-7.3	6.1	8.1	6.4	8.5
Europe Bonds (JP Morgan)	▼ -1.2	-3.0	-0.4	0.4	0.3	5.0
Asia Real Estate	▲ 3.8	1.3	2.7	-1.0	2.7	6.8
Asia Equities (FTSE)	▲ 2.6	-0.6	2.0	8.9	7.1	11.0
Asia Bonds (JP Morgan)	▲ 0.3	0.3	3.8	-0.5	-0.3	3.5
North America Real Estate	▲ 7.3	-1.8	32.0	10.2	8.2	10.9
NA Equities (FTSE)	▲ 4.7	-2.2	21.1	19.2	14.9	16.4
NA Bonds (JP Morgan)	▼ -1.8	-2.6	2.6	2.0	1.2	3.7
Emerging Real Estate	▲ 1.2	4.5	-10.7	-6.4	1.2	4.6
Emerging Equities (FTSE)	▼ -0.9	-2.6	-2.2	6.6	5.9	6.0
Emerging Bonds (JP Morgan)	▼ 0.0	-6.8	-0.5	0.9	1.0	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 March 31, 2022).



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

Dev. Europe:Total Return	Weekly Total Return by Sector					YTD	Since
	Mar-22	4-Mar-22	11-Mar-22	18-Mar-22	25-Mar-22		
Developed Europe	0.9%	-4.9%	4.1%	3.7%	-2.1%	-5.0%	-5.46%
Industrial	5.3%	-3.0%	3.2%	6.0%	-1.1%	-5.6%	50.6%
Self-Storage	7.2%	-4.0%	4.3%	4.5%	2.2%	-6.4%	42.1%
Healthcare	10.0%	0.0%	6.2%	1.8%	0.6%	-1.5%	-5.1%
Residential	-7.0%	-4.3%	2.7%	1.5%	-5.0%	-10.3%	-5.8%
Diversified	2.4%	-4.6%	4.8%	4.0%	-1.7%	-3.6%	-10.2%
Office	3.5%	-6.6%	5.3%	2.9%	0.8%	-3.0%	-18.1%
Retail	-1.1%	-11.5%	2.4%	2.9%	1.1%	9.8%	-30.5%
Lodging/Resorts	4.7%	-11.3%	5.8%	7.0%	-2.7%	-3.3%	-33.7%

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

FTSE EPRA Nareit Developed Europe - Country Indices

% Total Returns	Mar-22	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Europe (EUR)	0.9	-5.0	12.8	4.9	6.2	9.8
Europe ex UK (EUR)	-0.1	-5.9	8.7	3.5	6.2	9.8
UK (GBP)	4.0	-2.5	21.8	7.4	5.9	9.4
France (EUR)	-0.8	1.6	8.0	-2.1	0.7	6.0
Netherlands (EUR)	3.3	14.6	6.7	-15.1	-13.9	-4.3
Germany (EUR)	-10.0	-11.7	-9.2	-0.6	7.3	13.1

FTSE EPRA Nareit Developed Index – Top 10 Constituents

Company	Sector	Country	Total Return
ProLogis USA	Industrial	USA	▲ 11.3%
Equinix	Data Centers	USA	▲ 4.9%
Public Storage, Inc.	Self-Storage	USA	▲ 10.5%
Simon Property Group, Inc.	Retail	USA	▼ -3.2%
Welltower Inc.	Healthcare	USA	▲ 16.2%
Digital Realty Trust	Data Centers	USA	▲ 6.0%
Realty Income Corp.	Retail	USA	▲ 5.2%
Vonovia SE	Residential	GER	▼ -10.9%
AvalonBay Communities, Inc.	Residential	USA	▲ 4.8%
Alexandria Real Estate Equities, Inc.	Office	USA	▲ 6.9%

FTSE EPRA Nareit Developed Index – Top 10 Performers

Company	Sector	Country	Total Return
Hibernia REIT plc	Office	IRE	▲ 39.3%
Inventrust Properties	Retail	USA	▲ 19.4%
Welltower Inc.	Healthcare	USA	▲ 16.2%
UK Commercial Property REIT	Diversified	UK	▲ 16.2%
Catena AB	Industrial	SWED	▲ 15.7%
Ventas, Inc.	Healthcare	USA	▲ 14.4%
LTC Properties Inc	Healthcare	USA	▲ 14.3%
CDL Hospitality Trusts	Lod./Resorts	SI	▲ 13.2%
Kenedix Residential Next Investment	Residential	JA	▲ 13.1%
Far East Hospitality Trust	Lod./Resorts	SI	▲ 13.0%

FTSE EPRA Nareit Developed Europe Index

The FEN Developed Europe Index gained 88 bps compared to a loss of 13 bps from European equities and 1.2% from European bonds in March.

The UK (4.0%) and the Netherlands (3.3%) indexes posted a positive return, while Germany (-10.0%) and France (-75 bps) indexes posted negative returns in Developed Europe for the month.

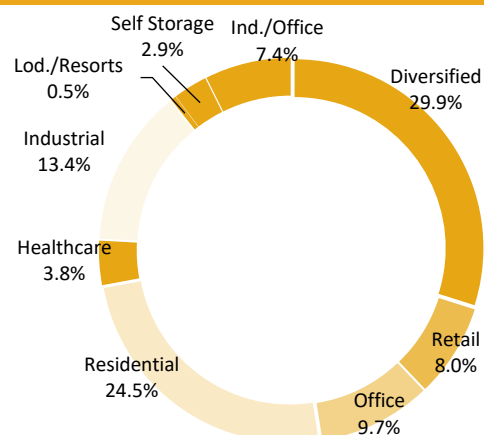
During the Q1-2022 index review, *Urban Logistics REIT* (UK, Rental, REIT, Industrial) and *NP3 Fastigheter* (Sweden, Rental, non-REIT, Diversified) were added to the index.

Performance of top 3 sectors: Healthcare (10.0%), Industrial/Office (8.5%), Self-Storage (7.2%).

Performance of top 3 constituents: Hibernia REIT plc (39.3%, Ireland, Office), UK Commercial Property REIT (16.2%, UK, Diversified), Catena AB (15.6%, Sweden, Industrial).

Developed Europe representing a free float MCap of around **EUR 264 billion** with **107 constituents**

Developed Europe Sector Split



FTSE EPRA Nareit Developed Asia Index

The FEN Developed Asia Index returned 3.8%, compared to a gain of 2.6% from Asian equities and 30 bps from Asian bonds. The Japan (5.8%), Singapore (5.8%) and Hong Kong (4.4%) indexes outperformed, with Australia (1.0%) posting a limited though still positive return in Asia (in local currencies).

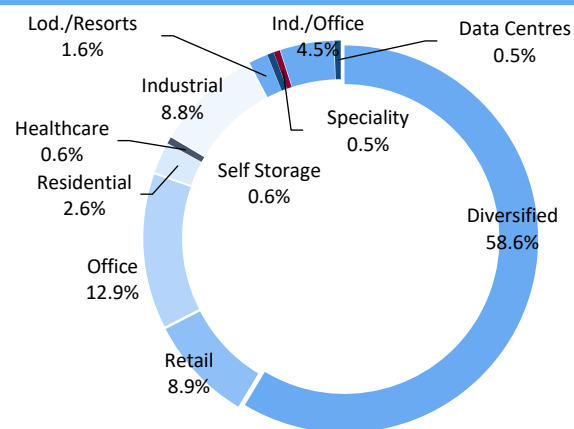
Three Japanese companies, *Heiwa Real Estate* (Non-Rental, Non-REIT, Diversified), *One REIT* (Rental, REIT, Office) and *Takara Leben Real Estate Investment* (Rental, REIT, Diversified), and *Vital Healthcare Property Trust* (New Zealand, Rental, REIT, Healthcare), *ESR Kendall Square REIT* (South Korea, Rental, REIT, Industrial) were added to the index in Q1-2022 review. In addition, *Starts Proceed Investment* was reclassified from 'Industrial' sector to 'Diversified.'

Performance of top 3 sectors: Industrial/office (6.9%), Retail (4.5%), Lodging/Resorts (4.1%).

Performance of top 3 constituents: CDL Hospitality Trusts (13.2%, Singapore, Lodging/Resorts), Kenedix Residential Next Investment (13.1%, Japan, Residential), Far East Hospitality Trust (13.0%, Singapore, Lodging/Resorts).

Developed Asia representing a free float MCap of around **EUR 374 billion** with **135 constituents**

Developed Asia Sector Split



FTSE EPRA Nareit North America Index

The FEN North America Index posted a return of 7.3% in March. North America equities gained 4.7% compared to a loss of 1.8% from bonds. The US index (6.4%) and Canada (6.3%) posted positive returns for the month (in local currencies).

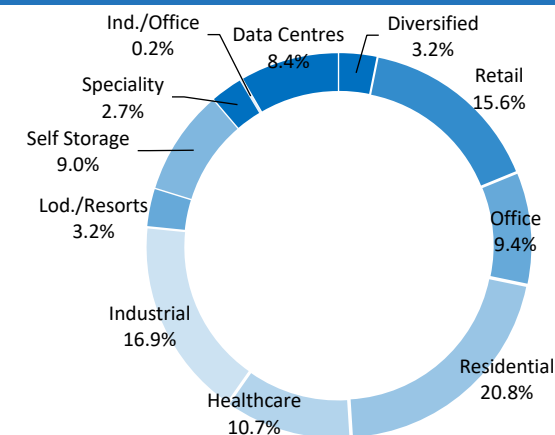
There was no addition in the North America region, while *Orion Office REIT INC-W/I* was reclassified from the "Retail" sector to "Office" in the quarterly review. *CyrusOne* (USA, constituent) was deleted from the index following the completion of the cash acquisition by KKR and Global Infrastructure Partners. *Cominar REIT* (Canada, non-constituent) was deleted after being acquired by Canderel Real Estate Property Inc and Blackstone (non-constituent).

Performance of top 3 sectors: Healthcare (12.6%), Self-Storage (11.2%), Industrial (10.3%).

Performance of top 3 constituents: InvenTrust Properties (19.4%, USA, Retail), Welltower Inc. (16.2%, USA, Healthcare), Ventas (14.4%, USA, Healthcare).

Developed North America representing a free float MCap of around **EUR 1,137 billion** with **137 constituents**

North America Sector Split



EPRA Developers Research Benchmark

31 March 2022



Historical Performance	Last Month	1 Year	3 Years	5 Years
Total Return	-8.2%	-17.9%	5.5%	17.6%
Total Return (Annualized)		-17.9%	1.8%	3.5%

Return	3 Months	6 Months	Year to Date	5 Years
Total Return	-22.3%	-16.0%	-22.3%	17.6%
Maximum Return	3.6%	3.6%	3.6%	11.6%
Minimum Return	-6.1%	-6.1%	-6.1%	-13.2%
Mean Return (Annualized)	-74.6%	-35.5%	-74.6%	11.3%
Maximum Drawdown	-24.3%	-24.3%	-24.3%	-55.2%
Maximum Drawdown Length	45	45	45	23

Risk	3 Months	6 Months	Year to Date	5 Years
Standard Deviation (Annualized)	31.0%	26.4%	31.0%	29.6%
Downside Risk (Annualized)	22.6%	19.7%	22.6%	20.9%
Kurtosis	0.39	1.42	0.39	8.61
Skewness	-0.31	-0.55	-0.31	0.08
Semivariance (Annualized)	31.7%	28.7%	31.7%	29.7%
VaR (ex-post)	-3.45	-2.64	-3.45	-2.65

Risk-Adjusted Performance	3 Months	6 Months	Year to Date	5 Years
Sharpe Ratio	-1.99	-1.00	-1.99	0.28

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

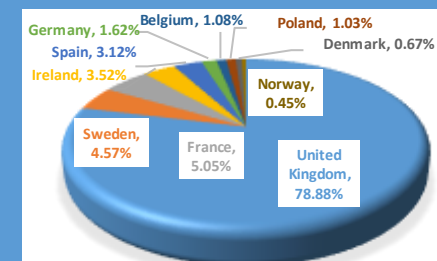
Base Value: 1,000

Review Dates: April, October

EPRA Developers Research Benchmark

31 March 2022

Constituent	ISIN	Weight	Country	Currency
PERSIMMON	GB0006825383	18.0%	UK	GBp
BARRATT DEV	GB0000811801	13.3%	UK	GBp
TAYLOR WIMPEY PL	GB0008782301	12.3%	UK	GBp
BERKELEY GROUP	GB00BLJNXL82	10.0%	UK	GBp
BELLWAY PLC	GB0000904986	7.7%	UK	GBp
VISTRY GROUP PLC	GB0001859296	5.2%	UK	GBp
REDROW PLC	GB00BG11K365	4.5%	UK	GBp
COUNTRYSIDE PART	GB00BYPHNG03	3.3%	UK	GBp
CREST NICHOLS	GB00B8VZXT93	1.7%	UK	GBp
WATKIN JONES PLC	GB00BD6RF223	1.2%	UK	GBp
HARWORTH GROUP P	GB00BYZJ7G42	0.9%	UK	GBp
MJ GLEESON PLC	GB00BRKD9Z53	0.8%	UK	GBp
JM AB	SE0000806994	4.3%	Sweden	SEK
BONAVA AB	SE0008091573	0.3%	Sweden	SEK
NEXITY	FR0010112524	2.9%	France	EUR
ALTAREA	FR0000033219	1.2%	France	EUR
KAUFMAN & BROAD	FR0004007813	1.0%	France	EUR
GLENVEAGH PROPER	IE00BD6JX574	1.9%	Ireland	EUR
CAIRN HOMES	IE00BWY4ZF18	1.6%	Ireland	GBp
NEINOR HOMES SA	ES0105251005	1.5%	Spain	EUR
METROVACESA SA	ES0105122024	1.2%	Spain	EUR
AEDAS HOMES SA	ES0105287009	0.5%	Spain	EUR
INSTONE REAL EST	DE000A2NBX80	1.6%	Germany	EUR
IMMOBEL	BE0003599108	0.6%	Belgium	EUR
ATENOR	BE0003837540	0.5%	Belgium	EUR
DEVELIA SA	PLLCCRP00017	0.7%	Poland	PLN
DOM DEVELOPMENT	PLDMDVL00012	0.4%	Poland	PLN
HUSCIET A/S	DK0061412855	0.7%	Denmark	DKK
SELVAAG BOLIG AS	NO0010612450	0.5%	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

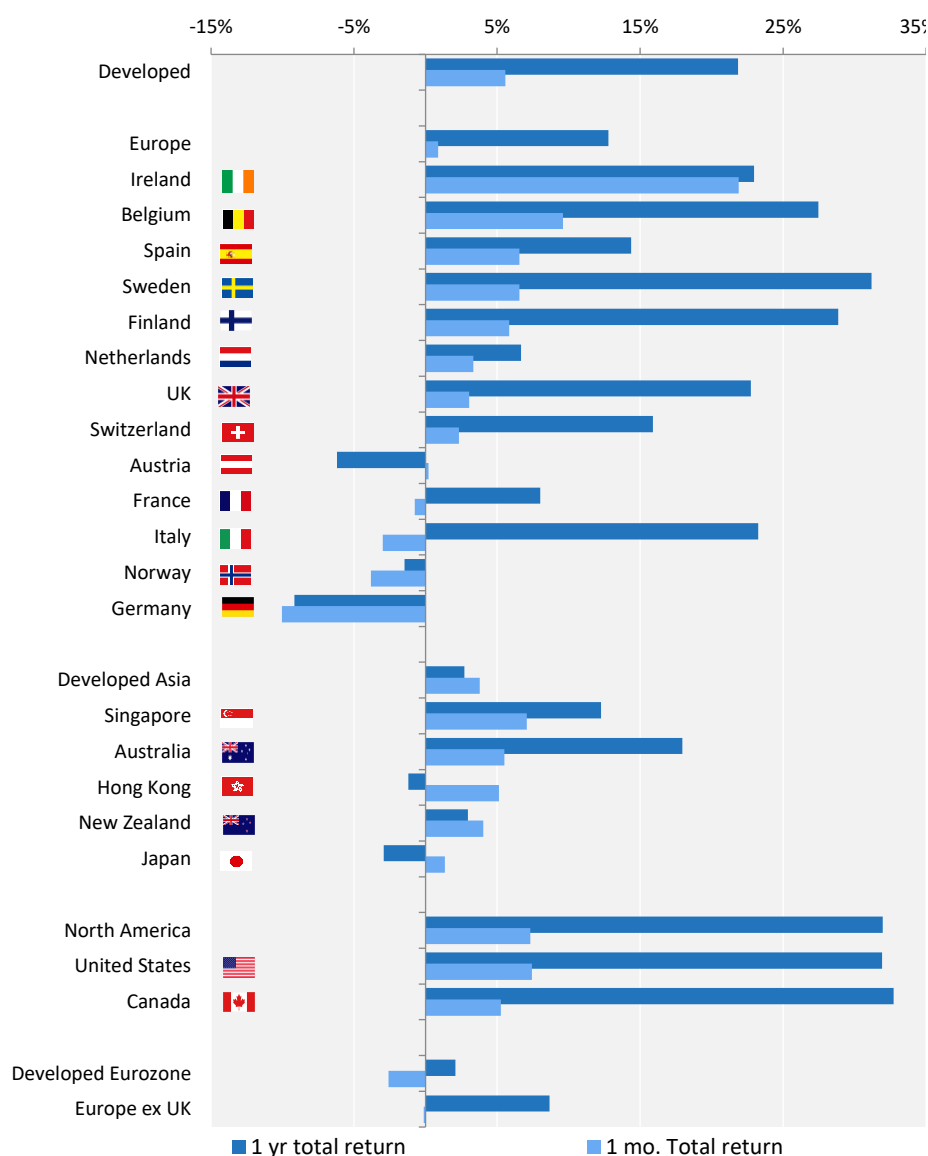
Assets: ≥ 50% of Total Tangible Assets
invested in RE. No Holding structures.

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

Developers Sub-Indexes: Risk and Return	3 Months	6 Months	Year to Date	5 Years
Residential Developers: Total Return	-23.29%	-16.60%	-23.29%	16.07%
Residential Developers: Standard Deviation (Annualized)	32.14%	27.40%	32.14%	30.51%
Liquid Developers: Total Return	-22.91%	-16.25%	-22.91%	19.25%
Liquid Developers: Standard Deviation (Annualized)	31.45%	26.90%	31.45%	30.15%

FTSE EPRA Nareit Monthly Index Performances (EUR)



Source: FTSE EPRA Nareit as of March 31, 2022

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)



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EPRA INSEAD Education Programme, 2022 Edition

Held in partnership with INSEAD, the Executive Programme is a unique, intensive course that covers the latest trends shaping the listed real estate sector, such as thematic investing, e-commerce and logistics, digitalisation and data analytics. For more, you can contact education@epra.com.



EPRA's latest research report

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

EPRA Blog

Read articles on the latest trends on our [blog](#)

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 \(UCL\)](#)

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