



**EPRA**

EUROPEAN PUBLIC  
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

# Monthly Market Review and Developers' Research Benchmark

April  
2022

## Overview

The FTSE EPRA Nareit (FEN) Global Developed Real Estate Index slipped 25 bps in April and YTD now stands at -1.9%. Global equities lost 1.1% compared to a gain of 6.1% from global bonds.

In terms of regional performance, Europe continued to lose momentum with a negative 5.6% return, while North America (62 bps) and Asia (81 bps) posted a limited though still positive return. Meanwhile emerging markets returned 12.6% for the month.

Focusing on sector performance, lodging/resorts (6.7%), specialty (4.7%) and data centres (4.5%) were the top performers, while industrial/office (-5.5%) and office (-4.3%) were the bottom performers.

At the end of April, **the FEN Developed Index totalled 381 constituents, representing a free float market capitalisation of around EUR 1.77 trillion** and **the FEN Emerging Index totalled 134 constituents, representing a free float market capitalisation of around EUR 142 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. The EPRA Developers' Benchmark has 28 constituents from 10 different countries in Developed Europe and represents **EUR 51,744 million** in total market capitalization. There was only one change during the first semi-annual review of the year (2021-H1), *Bonava AB* (Sweden) was deleted from the index due to a size fail (Free Float Market Cap below EUR 150 million). A high-level computation can be found in the relevant section (page 5).

## Highlights of the Month

The ongoing war in Ukraine continued to put further pressure on the markets due to an increasing uncertainty and geopolitical risks. The FEN Developed Europe lost 5.6% and almost all markets posted negative returns, except for Italy (3.3%), Switzerland (1.9%) and Ireland (18 bps) with relatively limited positive monthly returns. Based on the cumulative returns since 19/02/2020, the index now stands at -5.2% (Fig.1).

In terms of sector performance in Developed Europe, all sectors posted negative returns, with a relatively better performance of healthcare (-94 bps) and industrial (-82 bps), while residential (-8.4%), diversified (-5.4%) and self-storage (-5.2%) were the bottom performers.

The probability of rates hike by the European Central Bank linked to inflation is increasing. The ECB is expected to raise interest rates in the third quarter of the year, after ending its 'asset purchase programmes', though depending on macroeconomic projections, this may happen already as soon as July.

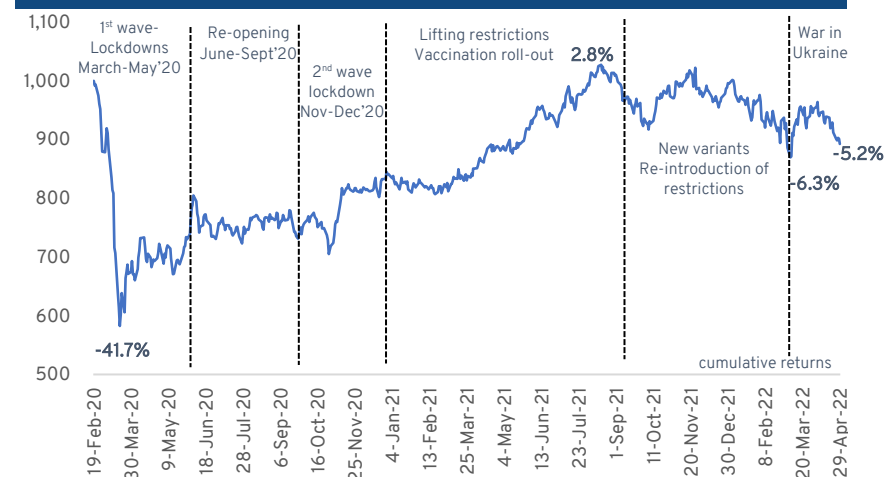
Indeed, annual inflation in Eurozone reached all time high surging to 7.5% in April 2022, according to the latest Eurostat estimate. In fact, Russia's invasion of Ukraine fuelled inflationary pressures and reduced economic growth, due to skyrocketing prices for energy and raw materials. The ECB stated that although the growth outlook has weakened, the economy should still grow robustly in 2022 and that projections will be revised before taking any actions.

## FTSE EPRA Nareit Global Index Total Return

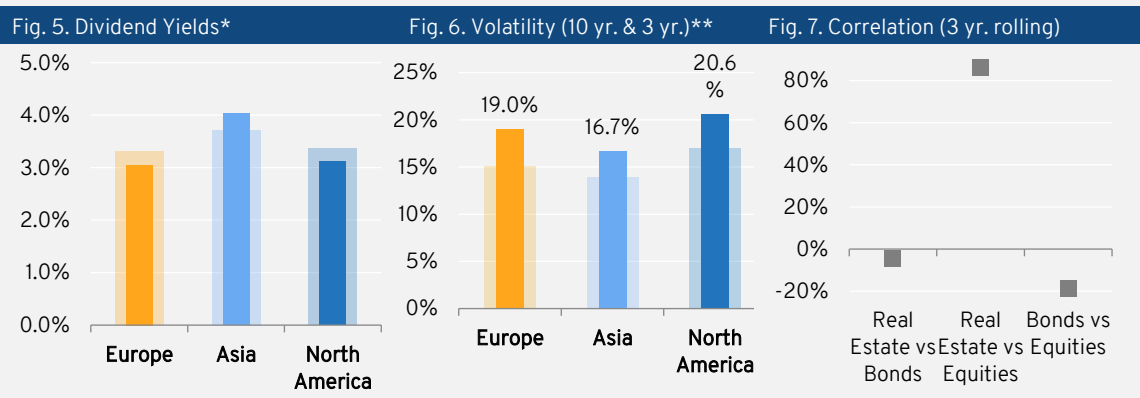
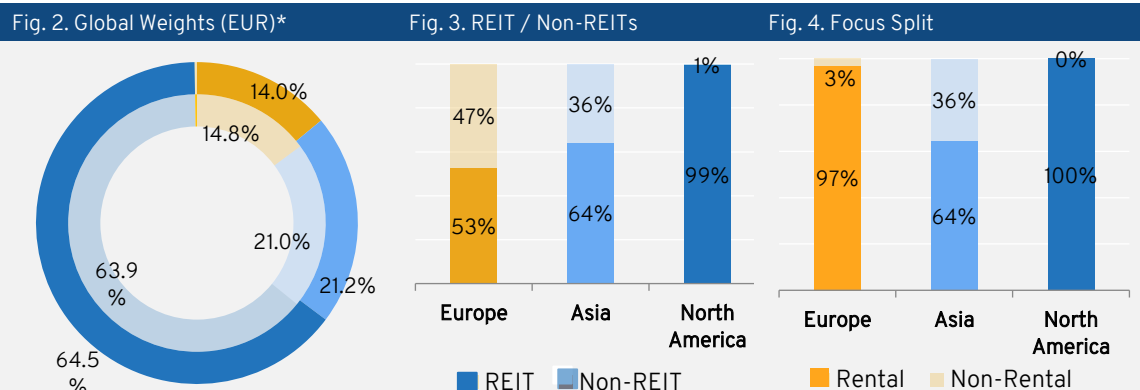
	Apr-22	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
<b>% Total Returns (EUR)</b>						
<b>Global Real Estate</b>	▼ -0.2	-1.9	16.9	7.0	6.7	9.4
Global Equities (FTSE)	▼ -1.1	-3.1	12.9	13.1	9.3	10.7
Global Bonds (JP Morgan)	▲ 6.1	1.7	5.5	2.5	4.7	3.9
<b>Europe Real Estate</b>	▼ -5.6	-10.3	1.3	3.2	4.2	9.2
Europe Equities (FTSE)	▼ -0.7	-8.0	2.7	6.3	5.9	8.7
Europe Bonds (JP Morgan)	▲ 1.3	-1.8	4.1	0.9	0.8	5.1
<b>Asia Real Estate</b>	▲ 0.8	2.1	4.4	0.2	2.9	6.6
Asia Equities (FTSE)	▲ 2.1	1.5	6.0	8.9	7.6	11.4
Asia Bonds (JP Morgan)	▲ 4.4	4.8	10.7	1.1	0.8	3.8
<b>North America Real Estate</b>	▲ 0.6	-1.2	25.8	10.6	8.7	10.6
NA Equities (FTSE)	▼ -4.2	-6.4	12.7	15.9	14.1	15.9
NA Bonds (JP Morgan)	▲ 1.7	-0.9	6.0	2.7	1.8	3.7
<b>Emerging Real Estate</b>	▲ 2.6	7.2	-3.9	-5.9	1.6	4.7
Emerging Equities (FTSE)	▼ -0.4	-3.0	-2.8	5.6	5.8	6.1
Emerging Bonds (JP Morgan)	▼ -0.7	-7.4	-0.8	0.6	0.9	5.0

(\* Annualised).

Fig. 1. Developed Europe: Total return (19/02/2020=1000)



Source: EPRA. Data is compiled from the FEN Index series (as of April 29, 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	1-Apr-22	8-Apr-22	15-Apr-22	22-Apr-22	29-Apr-22		
Developed Europe	-5.6%	1.8%	-0.7%	-0.7%	-2.9%	-2.1%	-10.3%	-10.72%
Industrial	-0.8%	2.5%	1.8%	0.1%	-1.6%	-2.2%	-6.4%	49.4%
Self-Storage	-5.2%	1.1%	2.6%	-0.7%	-3.6%	-3.9%	-11.3%	34.7%
Healthcare	-0.9%	1.8%	2.4%	0.8%	-2.9%	-1.8%	-2.4%	-6.0%
Residential	-8.4%	0.7%	-2.4%	-2.5%	-2.2%	-3.0%	-17.8%	-13.7%
Diversified	-5.4%	1.2%	-0.6%	-0.6%	-3.2%	-1.5%	-8.8%	-15.1%
Office	-5.1%	0.9%	-0.4%	0.4%	-2.9%	-2.4%	-7.9%	-22.3%
Retail	-3.4%	4.0%	-1.1%	2.6%	-2.3%	-2.7%	6.1%	-32.9%
Lodging/Resorts	-2.6%	8.2%	-1.2%	0.2%	-1.9%	-0.9%	-5.8%	-35.4%

Source: EPRA. Data is compiled from the FEN Index series (as of April 29, 2022).

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

% Total Returns	Apr-22	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Europe (EUR)	-5.6	-10.3	1.3	3.2	4.2	9.2
Europe ex UK (EUR)	-7.5	-13.0	-4.8	1.3	4.1	9.2
UK (GBP)	-2.0	-4.5	12.4	6.4	4.4	9.1
France (EUR)	-3.7	-2.2	-2.8	-3.8	-0.8	6.1
Netherlands (EUR)	-2.0	12.3	2.5	-16.7	-14.8	-3.9
Germany (EUR)	-9.5	-20.1	-21.6	-2.3	4.9	11.9

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

Company	Sector	Country	Total Return
ProLogis USA	Industrial	USA	▼ -0.7%
Equinix	Data Centers	USA	▼ -3.0%
Public Storage, Inc.	Self-Storage	USA	▼ -4.8%
Digital Realty Trust	Data Centers	USA	▲ 3.1%
Welltower Inc.	Healthcare	USA	▼ -5.5%
Realty Income Corp.	Retail	USA	▲ 0.4%
Simon Property Group, Inc.	Retail	USA	▼ -10.3%
AvalonBay Communities, Inc.	Residential	USA	▼ -7.8%
Vonovia SE	Residential	GER	▼ -10.2%
Alexandria Real Estate Equities, Inc.	Office	USA	▼ -8.9%

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

Company	Sector	Country	Total Return
American Campus Communities	Residential	USA	▲ 15.5%
PS Business Parks, Inc.	Industrial	USA	▲ 11.4%
Nomura Real Estate Holdings	Diversified	JA	▲ 9.1%
City Developments	Diversified	SI	▲ 8.5%
Helical plc.	Office	UK	▲ 6.6%
Amot Investments Ltd	Diversified	ISR	▲ 6.3%
Charter Hall Retail REIT	Retail	AU	▲ 6.2%
Japan Hotel REIT Investment	Lod./Resorts	JA	▲ 6.1%
Orix JREIT Inc	Diversified	JA	▲ 6.1%
CapitaLand Investment	Diversified	SI	▲ 6.0%

### FTSE EPRA Nareit Developed Europe Index

The FEN Developed Europe Index lost 5.6% compared to a gain of 1.3% from European bonds and a loss of 72 bps from European equities in April.

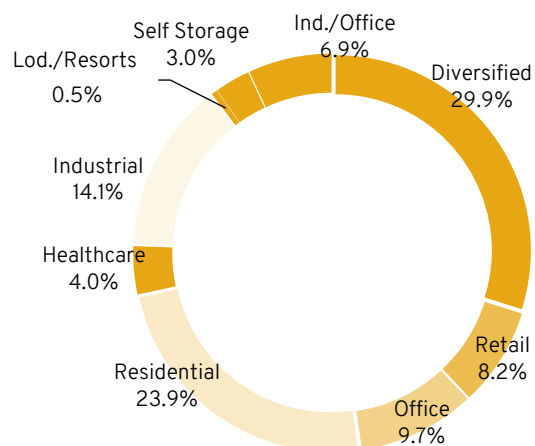
Germany (-9.5%) and France (-3.7%) indexes posted higher negative returns, while the UK and the Netherlands indexes posted negative but relatively limited returns of -2.0% each. No major corporate actions in the European region.

**Performance of top sectors:** All sectors posted negative returns with relatively limited loss for Industrial (-82 bps) and Healthcare (-94 bps).

**Performance of top 3 constituents:** Helical plc (6.6%, UK, Office), Swiss Prime Site AG (4.7%, Switzerland, Diversified), PSP Swiss Property AG (4.4%, Switzerland, Diversified).

*Developed Europe* representing a free float MCap of around **EUR 248 billion** with **107 constituents**

### Developed Europe Sector Split



### FTSE EPRA Nareit Developed Asia Index

The FEN Developed Asia Index posted a return of 81 bps, Asian equities and bonds also gained 2.1% and 4.4%, respectively.

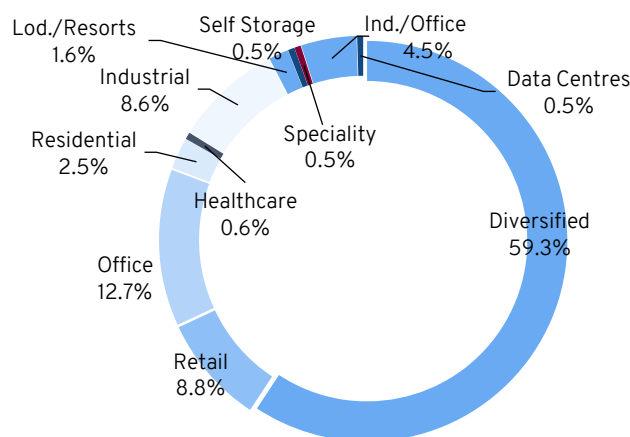
The Japan (23 bps) and Singapore (90 bps) indexes posted limited but still positive returns, while Australia (-64 bps) and Hong Kong (-1.5%) indexes were bottom performers, posting negative returns in Asia (in local currencies). No major corporate actions in the Asian region.

**Performance of top 3 sectors:** Lodging/Resorts (2.4%), Diversified (2.0%), Industrial/office (61 bps). The remaining sectors posted negative returns.

**Performance of top 3 constituents:** Nomura Real Estate Holdings (9.1%, Japan, Diversified), City Developments (8.5%, Singapore, Diversified), Charter Hall Retail REIT (6.2%, Australia, Retail).

*Developed Asia* representing a free float MCap of around **EUR 376 billion** with **135 constituents**

### Developed Asia Sector Split



### FTSE EPRA Nareit North America Index

The FEN North America Index returned 62 bps in April. North America bond gained 1.7% compared to a loss of 4.2% from equities.

The US index (-4.5%) and Canada (-5.0%) posted negative returns for the month (in local currencies).

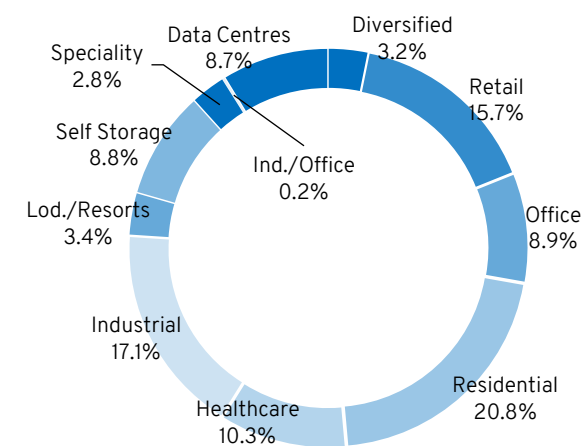
*ARA LOGOS Logistics Trust* (Singapore) was deleted from the index, following the completion of the cash and stock acquisition by *ESR-REIT* (Singapore), which remained in the index with unchanged shares in issue total of 4,001,308,128 and an unchanged investability weighting of 66.65%.

**Performance of top 3 sectors:** Lodging/resort (7.7%), Specialty (5.0%), Data Centres (4.7%).

**Performance of top 3 constituents:** American Campus Communities (15.5%, USA, Residential), PS Business Parks, Inc. (11.4%, USA, Industrial), DiamondRock Hospitality (5.2%, USA, Lodging/Resorts).

*Developed North America* representing a free float MCap of around **EUR 1,143 billion** with **137 constituents**

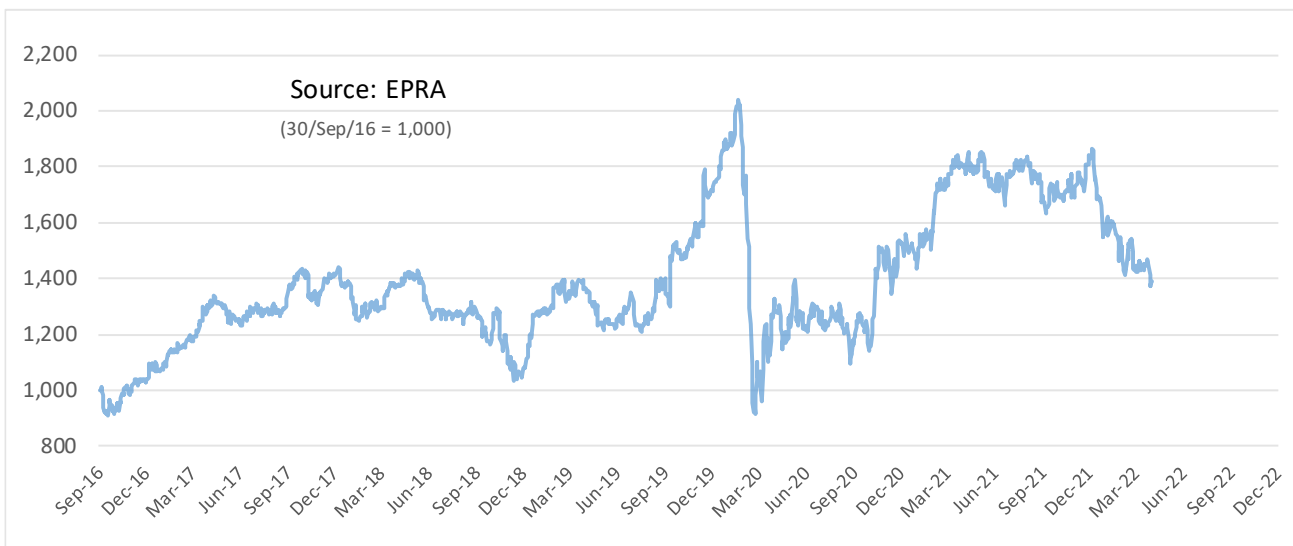
### North America Sector Split





## EPRA Developers Research Benchmark

Friday, 29 April 2022



Historical Performance	Last Month	1 Year	3 Years	5 Years
Total Return	-2.4%	-22.9%	0.0%	5.7%
Total Return (Annualized)		-22.9%	0.0%	1.1%

Return	3 Months	6 Months	Year to Date	5 Years
Total Return	-11.3%	-19.4%	-24.1%	5.7%
Maximum Return	3.6%	3.6%	3.6%	11.6%
Minimum Return	-4.6%	-6.1%	-6.1%	-13.2%
Mean Return (Annualized)	-46.2%	-42.7%	-67.6%	8.0%
Maximum Drawdown	-15.3%	-26.6%	-26.6%	-55.2%
Maximum Drawdown Length	60	81	81	23

Risk	3 Months	6 Months	Year to Date	5 Years
Standard Deviation (Annualized)	28.7%	26.5%	28.9%	29.6%
Downside Risk (Annualized)	20.3%	20.0%	21.2%	21.0%
Kurtosis	-0.19	1.26	0.61	8.54
Skewness	-0.05	-0.56	-0.34	0.08
Semivariance (Annualized)	28.7%	29.5%	29.6%	29.8%
VaR (ex-post)	-2.69	-2.64	-2.77	-2.65

Risk-Adjusted Performance	3 Months	6 Months	Year to Date	5 Years
Sharpe Ratio	-1.23	-1.22	-1.90	0.21

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

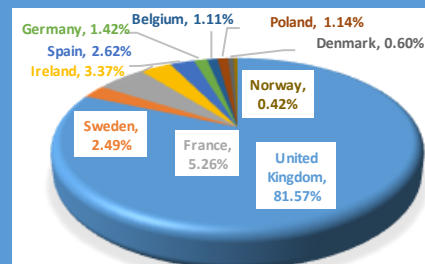
**Base Value:** 1,000

**Review Dates:** April, October

## EPRA Developers Research Benchmark

Friday, 29 April 2022

Constituent	ISIN	Weight	Country	Currency
PERSIMMON	GB0006825383	18.1%	UK	GBp
BARRATT DEV	GB0000811801	13.7%	UK	GBp
TAYLOR WIMPEY PL	GB0008782301	12.0%	UK	GBp
BERKELEY GROUP	GB00BLJNXL82	11.8%	UK	GBp
BELLWAY PLC	GB0000904986	8.2%	UK	GBp
VISTRY GROUP PLC	GB0001859296	4.9%	UK	GBp
REDROW PLC	GB00BG11K365	4.7%	UK	GBp
COUNTRYSIDE PART	GB00BYPHNG03	3.3%	UK	GBp
CREST NICHOLS	GB00B8VZXT93	1.7%	UK	GBp
WATKIN JONES PLC	GB00BD6RF223	1.4%	UK	GBp
HARWORTH GROUP P	GB00BYZJ7G42	0.9%	UK	GBp
MJ GLEESON PLC	GB00BRKD9Z53	0.8%	UK	GBp
GLENVEAGH PROPER	IE00BD6JX574	1.8%	Ireland	EUR
CAIRN HOMES	IE00BWY4ZF18	1.6%	Ireland	GBp
NEXITY	FR0010112524	2.8%	France	EUR
ALTAREA	FR0000033219	1.4%	France	EUR
KAUFMAN & BROAD	FR0004007813	1.0%	France	EUR
METROVACESA SA	ES0105122024	1.2%	Spain	EUR
NEINOR HOMES SA	ES0105251005	0.9%	Spain	EUR
AEDAS HOMES SA	ES0105287009	0.6%	Spain	EUR
JM AB	SE0000806994	2.5%	Sweden	SEK
INSTONE REAL EST	DE000A2NBX80	1.4%	Germany	EUR
DEVELIA SA	PLLCRP00017	0.8%	Poland	PLN
DOM DEVELOPMENT	PLDMDVL00012	0.4%	Poland	PLN
IMMOBEL	BE0003599108	0.6%	Belgium	EUR
ATENOR	BE0003837540	0.5%	Belgium	EUR
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 FFMIC

**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

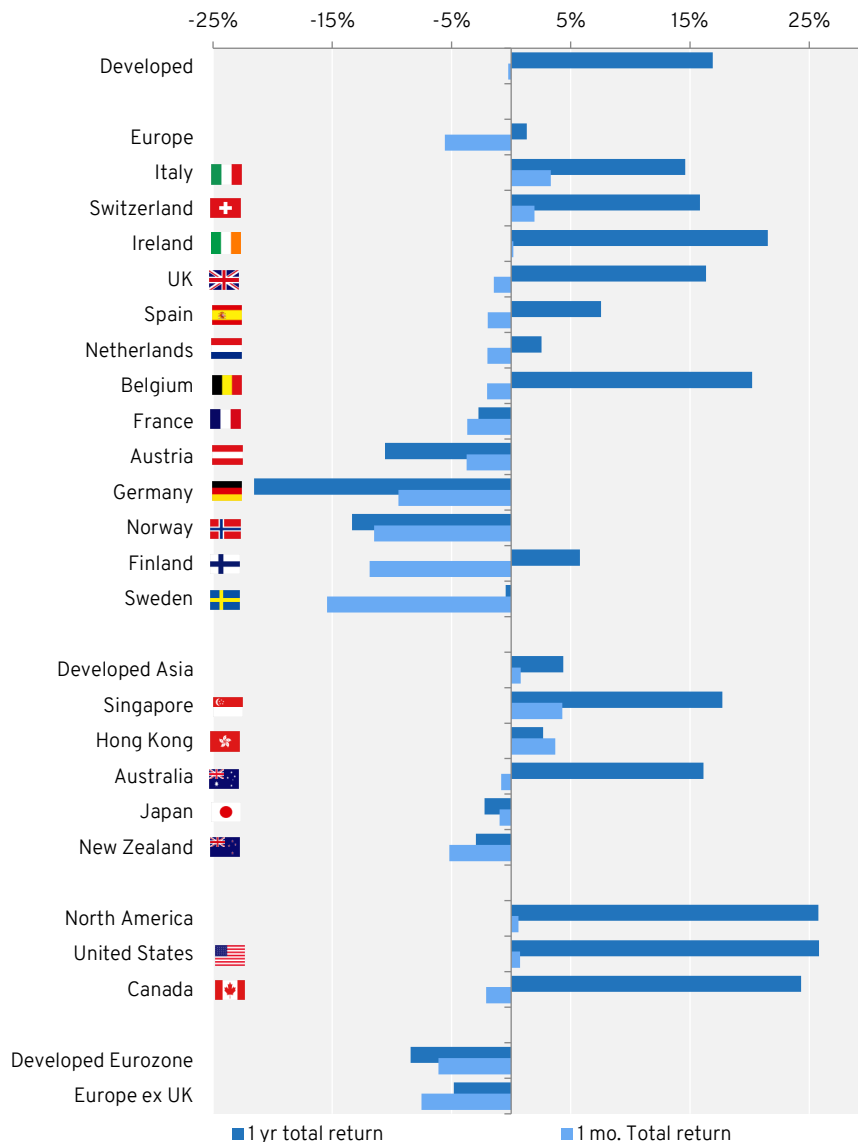
**Assets:** ≥ 50% of Total Tangible Assets  
 invested in RE. No Holding structures.

**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	-11.49%	-20.03%	-25.11%	4.38%
Residential Developers: Standard Deviation (Annualized)	29.74%	27.55%	30.02%	30.56%
Liquid Developers: Total Return	-11.59%	-19.82%	-24.79%	7.16%
Liquid Developers: Standard Deviation (Annualized)	29.04%	27.01%	29.37%	30.20%

### FTSE EPRA Nareit Monthly Index Performances (EUR)



Source: FTSE EPRA Nareit as of April 29, 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 10.8](#)
- [Emerging Markets 2021 \(special edition\)](#)
- [Sector Analysis: Residential](#)
- [Sector Analysis: Office \(Aug-21\)](#)
- [Total Markets Table 2022-Q1 \(quarterly\)](#)



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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](mailto:education@epra.com).



### EPRA's latest research report

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

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### 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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