



**EPRA**

EUROPEAN PUBLIC  
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

# Monthly Market Review and Developers' Research Benchmark

June  
2022

## Overview

The FTSE EPRA Nareit (FEN) Global Developed Real Estate Index lost 6.3% in June and YTD now stands at -13.4%. Global equities and bonds also lost 5.1% and 71 bps, respectively. In terms of regional performance, all regions were negative, Europe (-15.8%), North America (-5.4%) and Asia (-2.9%). Meanwhile emerging markets slipped 3.3% for the month. Focusing on sector performance, all sectors posted negative returns with a limited loss by specialty (-51 bps) and self-storage (-2.3%), while lodging/resorts (-15.9%) and industrial/office (-14.6%) were bottom performers.

At the end of June, the FEN Developed Index totalled 377 constituents, representing a free float market capitalisation of around EUR 1.57 trillion and the FEN Emerging Index totalled 125 constituents, representing a free float market capitalisation of around EUR 132 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 45,629 million in total market capitalization (30/06/2022). A high-level computation can be found in the relevant section (page 5).

## 2022-Q2 Quarterly Review

During the Q2-2022 quarterly review, there were five additions and five deletions in the Developed index, whereby four companies were added and six companies were deleted from the Emerging index. The changes were effective on June 20, 2022 and represented a net value of EUR -2,568 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 August, and the results will be published on September 2. All changes are effective as of Monday September 19, 2022.

## Highlights of the Month

The FEN Developed Europe Index lost 15.8% during June, all markets and sectors posted negative returns. Based on the cumulative returns, the index lost 21.2% since the beginning of the war in Ukraine (since 23/02/2022) and is still below the pre-Covid19 level with -27.8% (since 19/02/2020).

In terms of sector performance in Developed Europe, all sectors posted negative returns with self-storage (-6.4%) and retail (-17.8%) as the bottom performer. Focusing on cumulative returns (since 19/02/2020), self-storage (14.5%) and industrial (10.7%) are still the only sectors trading above their pre-Covid19 level. Although they lost momentum during 2022-H1, especially the industrial sector (-30.6%) was most impacted due to disruptive trade and logistics (Fig.1).

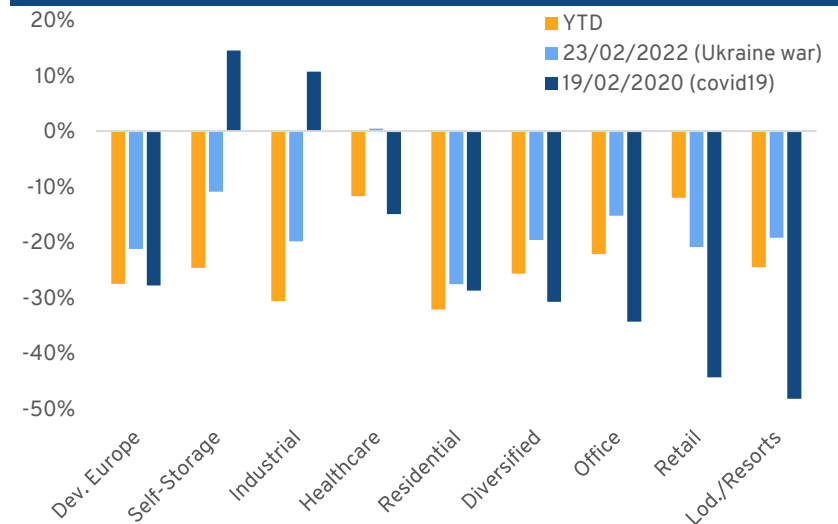
The pressure on inflation continued with an expectation of 8.6% annual inflation in the eurozone according to the latest Eurostat estimation published in June. The European Central Bank (ECB) also revised the baseline inflation projections up to 6.8% for 2022, a decrease of 3.5% in 2023 and 2.1% in 2024. It is still slightly above the target 2%, indicating that inflation will remain higher for longer than originally anticipated. To tackle inflation, the ECB intends a series of interest rate rises, starting in July with 25 bps and further rise is expected gradually after September depending on inflation expectations. You can read our latest report [Interest rates and inflation : What are the challenges for listed real estate](#).

## FTSE EPRA Nareit Global Index Total Return

% Total Returns (EUR)	Jun-22	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
<b>Global Real Estate</b>	▼ -6.3	-13.4	-1.0	2.7	4.7	7.7
Global Equities (FTSE)	▼ -5.1	-10.1	-0.1	6.2	7.3	10.2
Global Bonds (JP Morgan)	▼ -0.7	-6.6	-4.5	2.5	2.9	2.9
<b>Europe Real Estate</b>	▼ -15.8	-27.5	-21.7	-2.9	-0.2	6.6
Europe Equities (FTSE)	▼ -7.8	-15.4	-9.4	3.3	4.1	8.0
Europe Bonds (JP Morgan)	▲ 0.5	-5.0	-1.3	-0.9	1.2	4.2
<b>Asia Real Estate</b>	▼ -2.9	-2.2	-3.3	-1.9	2.9	5.8
Asia Equities (FTSE)	▼ -1.0	-1.3	-0.7	9.2	7.1	11.1
Asia Bonds (JP Morgan)	▲ 1.1	3.9	8.0	0.6	1.6	3.2
<b>North America Real Estate</b>	▼ -5.4	-13.5	5.3	5.9	6.5	8.6
NA Equities (FTSE)	▼ -6.0	-13.6	-0.9	13.3	12.9	14.8
NA Bonds (JP Morgan)	▲ 1.3	-1.1	3.2	1.9	2.6	3.0
<b>Emerging Real Estate</b>	▼ -3.3	-1.4	-10.3	-8.4	-0.6	3.8
Emerging Equities (FTSE)	▼ -3.0	-7.5	-11.0	4.7	5.3	5.9
Emerging Bonds (JP Morgan)	▼ -3.3	-11.8	-8.7	-1.7	0.7	4.0

(\* Annualised).

Fig. 1. Dev. Europe : Total return by sector (cumulative returns)



Source: EPRA Research. Data is compiled from the FEN Index series (as of June 30, 2022).

Fig. 2. Global Weights (EUR)\*

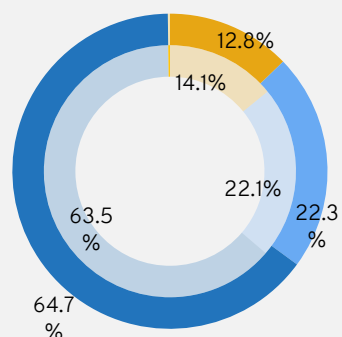


Fig. 3. REIT / Non-REITs

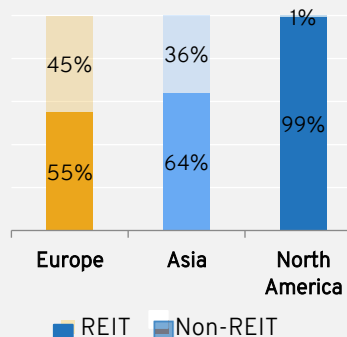


Fig. 4. Focus Split

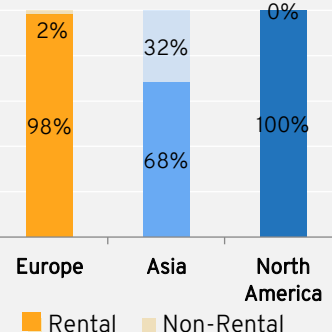


Fig. 5. Dividend Yields\*

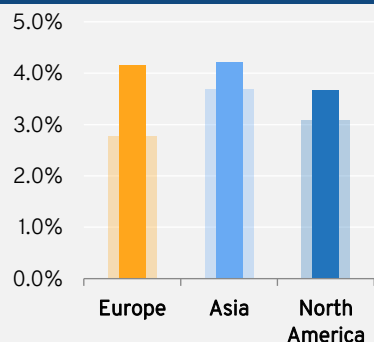


Fig. 6. Volatility (10 yr. & 3 yr.)\*\*

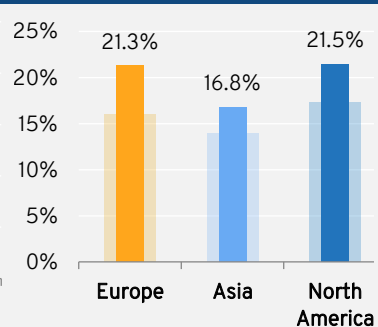
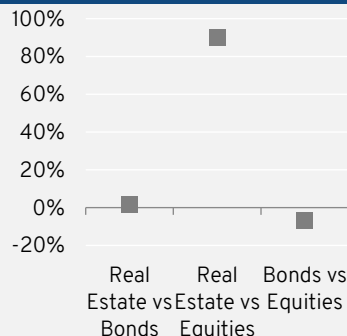


Fig. 7. Correlation (3 yr. rolling)



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

Dev. Europe: Total Return	Weekly Total Return by Sector					YTD Dec-21	Ukraine war 23-Feb-22	Covid-19 19-Feb-20
	Jun-22	3-Jun	10-Jun	17-Jun	24-Jun			
Developed Europe	-15.8%	-2.9%	-5.0%	-5.1%	0.3%	-27.5%	-21.2%	-27.83%
Self-Storage	-6.4%	-0.7%	-4.4%	-1.5%	3.2%	-24.6%	-10.9%	14.5%
Industrial	-12.7%	-2.9%	-5.6%	-2.3%	1.7%	-30.6%	-19.9%	10.7%
Healthcare	-10.7%	-2.3%	-3.6%	-1.4%	-2.5%	-11.7%	0.4%	-15.0%
Residential	-15.7%	-1.0%	-6.1%	-5.1%	1.5%	-32.1%	-27.6%	-28.7%
Diversified	-15.3%	-4.2%	-4.6%	-4.7%	-0.1%	-25.7%	-19.6%	-30.8%
Office	-15.9%	-2.5%	-3.0%	-5.4%	-1.6%	-22.2%	-15.3%	-34.3%
Retail	-17.8%	-2.0%	-5.1%	-6.9%	0.7%	-12.0%	-20.9%	-44.3%
Lodging/Resorts	-16.3%	0.6%	1.7%	-12.6%	3.0%	-24.5%	-19.2%	-48.2%

Source: EPRA Research. Data is compiled from the FEN Index series (as of June 30, 2022).

### FTSE EPRA Nareit Developed Europe - Country Indices

% Total Returns	Jun-22	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Europe (EUR)	-15.8	-27.5	-21.7	-2.9	-0.2	6.6
Europe ex UK (EUR)	-17.9	-30.5	-27.9	-5.5	-1.2	6.4
UK (GBP)	-10.6	-19.1	-5.9	1.6	1.5	7.0
France (EUR)	-17.1	-18.3	-21.4	-8.8	-4.9	3.5
Netherlands (EUR)	-20.8	-12.9	-24.4	-19.9	-18.7	-6.2
Germany (EUR)	-18.2	-36.2	-40.5	-7.8	-1.1	8.6

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

Company	Sector	Country	Total Return
ProLogis USA	Industrial	USA	▼ -7.1%
Equinix	Data Centers	USA	▼ -4.4%
Public Storage, Inc.	Self-Storage	USA	▼ -4.8%
Realty Income Corp.	Retail	USA	▲ 0.4%
Welltower Inc.	Healthcare	USA	▼ -7.6%
Digital Realty Trust	Data Centers	USA	▼ -6.1%
Simon Property Group, Inc.	Retail	USA	▼ -15.7%
Vici Properties Inc	Specialty	USA	▼ -2.3%
AvalonBay Communities, Inc.	Residential	USA	▼ -5.8%
Equity Residential Properties Trust	Residential	USA	▼ -5.2%

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

Company	Sector	Country	Total Return
Tokyo Tatemono Co., Ltd.	Office	JA	▲ 10.6%
Americold Realty Trust	Industrial	USA	▲ 9.3%
CK Asset Holdings	Diversified	HK	▲ 8.3%
Hongkong Land Holdings	Office	HK	▲ 8.2%
Aeon Mall Co. Ltd.	Retail	JA	▲ 6.6%
Mapletree Industrial Trust	Ind./Office	SI	▲ 4.8%
Sino Land	Diversified	HK	▲ 4.1%
Agree Realty Corp	Retail	USA	▲ 4.0%
Duke Realty Corporation	Industrial	USA	▲ 4.0%
National Health Investors, Inc.	Healthcare	USA	▲ 4.0%

### FTSE EPRA Nareit Developed Europe Index

The FEN Developed Europe Index lost 15.8% in June. European bonds gained 51 bps compared to a loss of 5.1% from equities.

The Netherlands (-20.8%), Germany (-18.2%), France (-17.1%) and the UK (-10.6%) indexes posted negative returns.

During the Q2-2022 index review, *Supermarket Income REIT plc* (UK, Rental, REIT, Retail) and *VGP N.V.* (Belgium, Non-Rental, non-REIT, Industrial) were added, while *K-Fast Holding* (Sweden) and *Hibernia REIT plc* (Ireland) were deleted from the index. In addition, *UK Commercial Property REIT Ltd.* (UK) were reclassified from the “Diversified” sector to “Industrial/Office.”

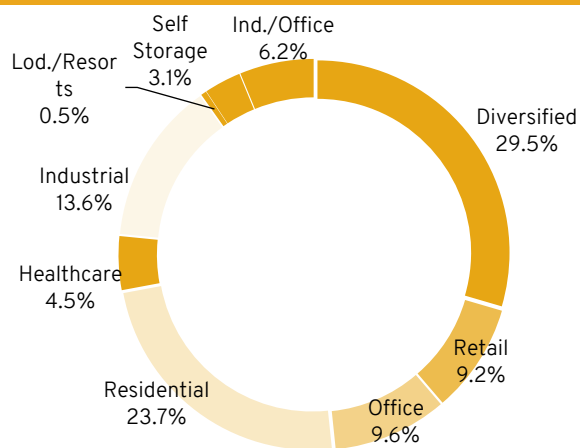
Following the cash offer arrangement with Benedict Real Estate Bidco (non-constituent), *Hibernia REIT plc* (Ireland, constituent) was deleted from the index.

**Performance of top sectors:** All sectors showed negative returns: self-storage (-6.4%), healthcare (-10.7%), industrial (-12.7%).

**Performance of top 3 constituents:** Deutsche EuroShop AG (54 bps, Germany, Retail), Befimmo SA (43 bps, Belgium, Office), Custodian REIT plc (20 bps, UK, Diversified).

*Developed Europe* representing a free float MCap of around **EUR 200 billion** with **107 constituents**

### Developed Europe Sector Split



### FTSE EPRA Nareit Developed Asia Index

The FEN Developed Asia Index showed a negative return of 2.9%, Asian equities lost 1.0% and bonds gained 1.1%.

The Japanese index showed limited but positive return of 13bps, while the Singapore (-80 bps), Hong Kong (-1.4%) and Australian (-8.8%) indexes showed negative returns in Asia (in local currencies).

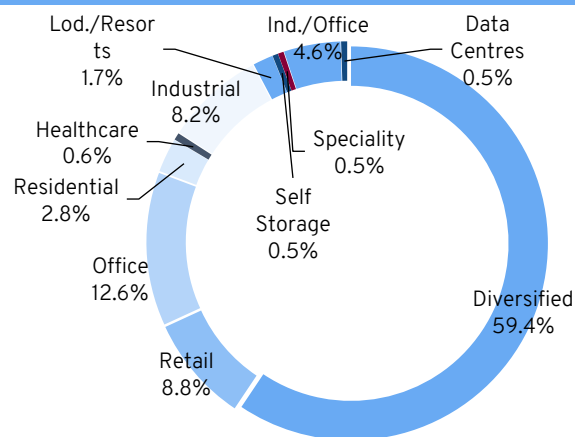
*Samty Residential Investment* (Japan, Rental, REIT, Residential), *Lotte REIT* (Korea, Rental, REIT, Residential) were added, while *Hang Lung Properties* (Hong Kong) and *Henderson Land Development* (Hong Kong) were deleted from the index in the quarterly review.

**Performance of top sectors:** All sectors showed negative returns: diversified (-1.7%), industrial/Office (-2.3%), residential (-2.6%).

**Performance of top 3 constituents:** Tokyo Tatemono Co. Ltd. (10.6%, Japan, Office), CK Asset Holdings (8.3%, Hong Kong, Diversified), Hongkong Land Holdings (8.2%, Hong Kong, Office).

*Developed Asia* representing a free float MCap of around **EUR 351 billion** with **134 constituents**

### Developed Asia Sector Split



### FTSE EPRA Nareit North America Index

The FEN North America Index decreased 5.4% in June. North America bonds gained 1.3% and equities lost 6.0%.

The US index (-7.6%) and Canada (-10.7%) showed negative returns for the month (in local currencies).

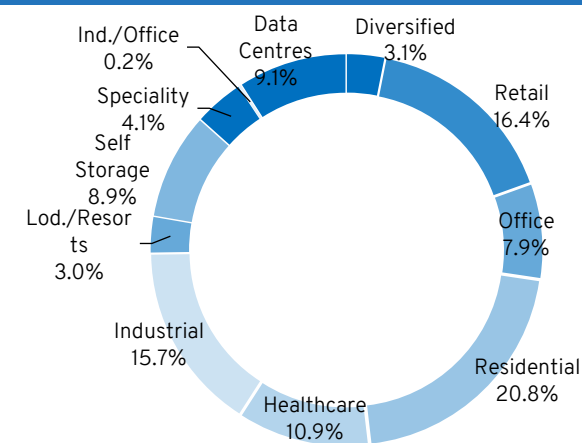
*Phillips Edison & Company* (US, Rental, REIT, Retail) was added, while *DigitalBridge Group Inc.* (US) and *Diversified Healthcare Trust* (US) were deleted from the index during the Q2-2022 index review.

**Performance of top sectors:** All sectors showed negative returns: speciality (-33 bps), self-storage (-1.9%), data centres (-2.7%).

**Performance of top 3 constituents:** Americold Realty Trust (9.3%, USA, Industrial), Agree Realty Corp. (4.0%, USA, Retail), Duke Realty Corp. (4.0%, USA, Industrial).

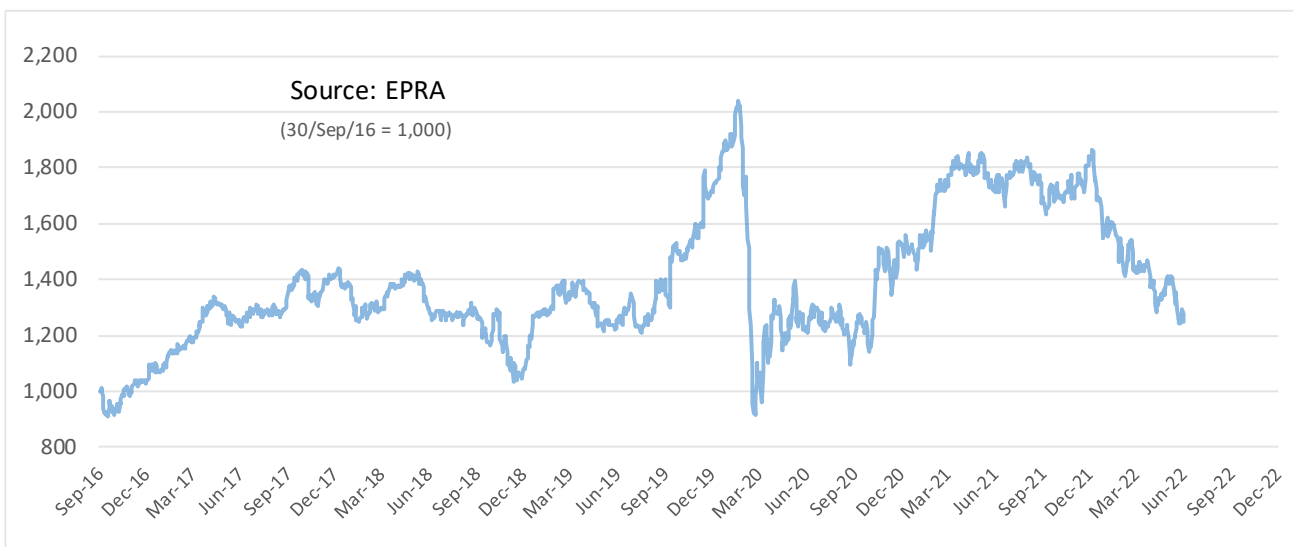
*Developed North America* representing a free float MCap of around **EUR 1,017 billion** with **136 constituents**

### North America Sector Split



## EPRA Developers Research Benchmark

Thursday, 30 June 2022



Historical Performance	Last Month	1 Year	3 Years	5 Years
Total Return	-10.1%	-26.8%	-1.5%	-0.4%
Total Return (Annualized)		-26.8%	-0.5%	-0.1%

Return	3 Months	6 Months	Year to Date	5 Years
Total Return	-12.5%	-31.7%	-31.6%	-0.4%
Maximum Return	2.5%	3.6%	3.6%	11.6%
Minimum Return	-4.8%	-6.1%	-6.1%	-13.2%
Mean Return (Annualized)	-50.1%	-63.7%	-64.0%	6.3%
Maximum Drawdown	-15.3%	-33.4%	-33.4%	-55.2%
Maximum Drawdown Length	44	121	121	23

Risk	3 Months	6 Months	Year to Date	5 Years
Standard Deviation (Annualized)	24.8%	28.0%	28.1%	29.9%
Downside Risk (Annualized)	18.9%	20.8%	20.9%	21.2%
Kurtosis	0.06	0.51	0.48	8.21
Skewness	-0.54	-0.44	-0.43	0.07
Semivariance (Annualized)	27.8%	30.1%	30.0%	30.1%
VaR (ex-post)	-2.58	-3.00	-3.02	-2.75

Risk-Adjusted Performance	3 Months	6 Months	Year to Date	5 Years
Sharpe Ratio	-1.56	-1.83	-1.83	0.16

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

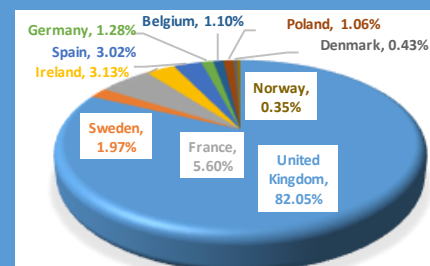
**Base Value:** 1,000

**Review Dates:** April, October

## EPRA Developers Research Benchmark

Thursday, 30 June 2022

Constituent	ISIN	Weight	Country	Currency
PERSIMMON	GB0006825383	18.39%	UK	GBp
BARRATT DEV	GB0000811801	13.74%	UK	GBp
TAYLOR WIMPEY PL	GB0008782301	11.99%	UK	GBp
BERKELEY GROUP	GB00BLJNL82	11.65%	UK	GBp
BELLWAY PLC	GB0000904986	7.95%	UK	GBp
VISTRY GROUP PLC	GB0001859296	5.35%	UK	GBp
REDROW PLC	GB00BG11K365	4.76%	UK	GBp
COUNTRYSIDE PART	GB00BYPHNG03	3.50%	UK	GBp
CREST NICHOLS	GB00B8VZXT93	1.78%	UK	GBp
WATKIN JONES PLC	GB00BD6RF223	1.38%	UK	GBp
HARWORTH GROUP P	GB00BYZJ7G42	0.82%	UK	GBp
MJ GLEESON PLC	GB00BRKD9Z53	0.75%	UK	GBp
GLENVEAGH PROPER	IE00BD6JX574	1.59%	Ireland	EUR
CAIRN HOMES	IE00BWY4ZF18	1.54%	Ireland	GBp
NEXITY	FR0010112524	3.01%	France	EUR
ALTAREA	FR0000033219	1.48%	France	EUR
KAUFMAN & BROAD	FR0004007813	1.10%	France	EUR
METROVACESA SA	ES0105122024	1.27%	Spain	EUR
NEINOR HOMES SA	ES0105251005	1.16%	Spain	EUR
AEDAS HOMES SA	ES0105287009	0.59%	Spain	EUR
JM AB	SE0000806994	1.97%	Sweden	SEK
INSTONE REAL EST	DE000A2NBX80	1.28%	Germany	EUR
IMMOBEL	BE0003599108	0.63%	Belgium	EUR
ATENOR	BE0003837540	0.47%	Belgium	EUR
DEVELIA SA	PLLCRP00017	0.64%	Poland	PLN
DOM DEVELOPMENT	PLDMDVL00012	0.42%	Poland	PLN
HUSCIET A/S	DK0061412855	0.43%	Denmark	DKK
SELVAAG BOLIG AS	NO0010612450	0.35%	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

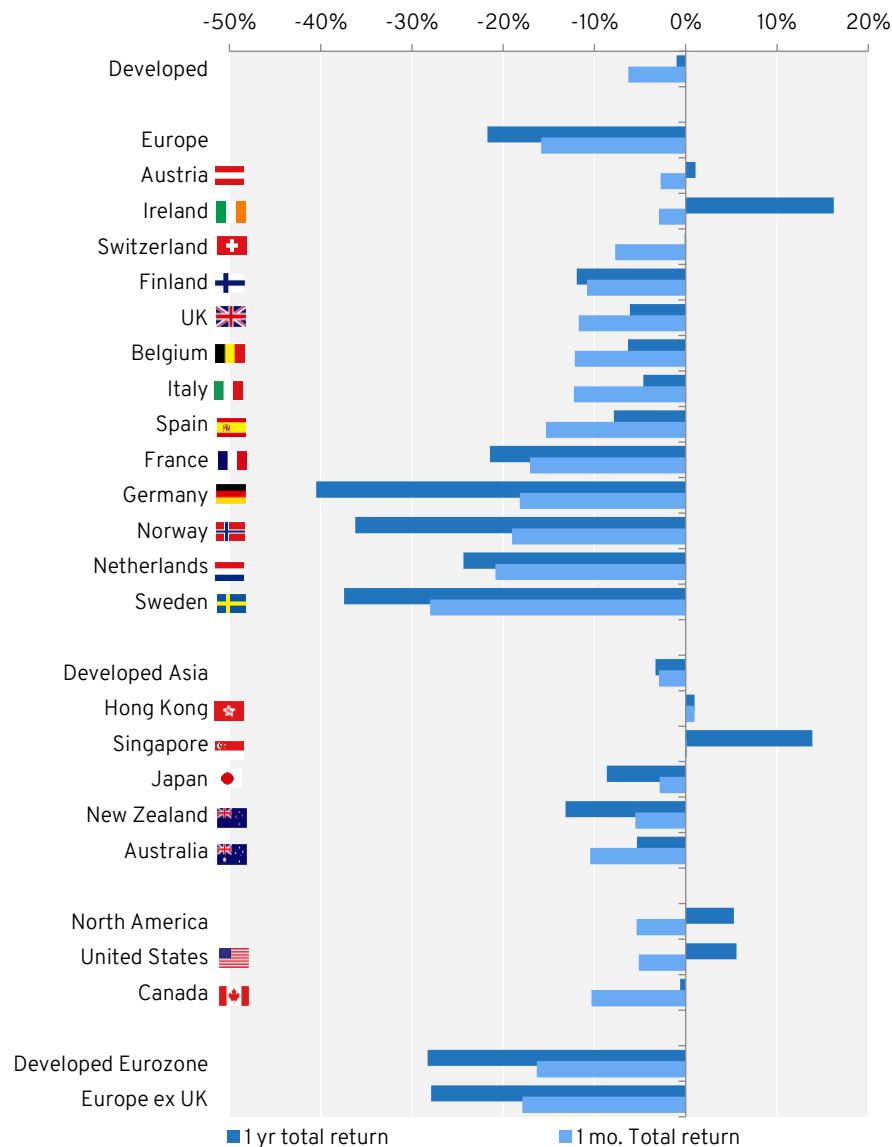
**Assets:** ≥ 50% of Total Tangible Assets  
 invested in RE. No Holding structures.

**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	-12.36%	-32.47%	-32.47%	-1.29%
Residential Developers: Standard Deviation (Annualized)	26.12%	29.17%	29.29%	30.85%
Liquid Developers: Total Return	-12.37%	-32.18%	-32.15%	0.81%
Liquid Developers: Standard Deviation (Annualized)	25.46%	28.50%	28.61%	30.47%

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



Source: FTSE EPRA Nareit as of June 30, 2022

### Link to Reports & Contacts

Monthly Statistical Bulletin

Monthly Published NAV Bulletin

Monthly LTV Report

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(special edition)

[Sector Analysis: Residential](#)

[Sector Analysis: Office \(Aug-21\)](#)

[Total Markets Table 2022-Q1](#)

(quarterly)



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### EPRA INSEAD Education Programme, 2022 Edition (1-3 June, Fontainebleau)

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 e-commerce and logistics, digitalisation and data analytics.

The 2022 edition was held at INSEAD's Fontainebleau campus in June 1-3. For more, you can contact [education@epra.com](mailto:education@epra.com).



### EPRA's latest research report

Read the latest EPRA's special report (June 2022) [Interest rates and inflation : What are the challenges for listed real estate?](#)

Download EPRA's special report (February 2022) [Inflation and short-term impact on listed property companies](#)

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