



**EPRA**

EUROPEAN PUBLIC  
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

# Monthly Market Review and Developers' Research Benchmark

August  
2022

## Overview

The FTSE EPRA Nareit (FEN) Global Developed Real Estate Index lost 5.1% in August and now stands at YTD -9.0%. Global equities and bonds also lost 1.4% and 2.9% respectively. In terms of regional performance, all regions returned negative : Europe (-10.8%), North America (-4.9%) and Asia (-2.7%). Meanwhile emerging markets gained 1.3% for the month.

Focusing on sector performance, all sectors showed negative returns except self-storage (2.4%) as top performer, while office (-7.7%), residential (-7.3%) and industrial/office (-6.3%) were bottom performers and industrial (-5.4%) and data centres (-5.0%) also underperformed in August.

At the end of August, **the FEN Developed Index** totalled **375** constituents, representing a free float market capitalisation of around **EUR 1.63 trillion** and **the FEN Emerging Index** totalled **125** constituents, representing a free float market capitalisation of around **EUR 129 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. It has 28 constituents from 10 different countries in Developed Europe and represents **EUR 42,186 million** in total market capitalization (31/08/2022). A high-level computation can be found in the relevant section (page 5).

## Highlights of the Month

Following the interest rate hike in July, it is the first time in 11 years that the ECB announced that the main policy rates will be raised again by 50 bps in September. The ECB already stated that a series of interest rates rises to tackle inflation which remained high. Additionally, the annual inflation is expected to be 9.1% in August 2022 up from 8.9% in the previous month in the Euro area, according to Eurostat's estimate.

Geopolitical and economic uncertainties continued to put pressure on the markets. The FEN Developed Europe Index posted a negative return of 10.8% during August. Based on the cumulative returns, the index lost 21.0% since the beginning of the war in Ukraine (since 23/02/2022) and posted a negative 27.3% YTD return.

In terms of sector performance in Developed Europe, all sectors posted negative returns. Retail (-6.4%) and self-storage (-7.2%) returned still negative but relatively lower monthly returns, while industrial (-13.9%), residential (-13.7%) and lodging/resorts (-13.5%) were bottom performers posting the highest negative returns for the month. Focusing on cumulative return since the beginning of the war in Ukraine (since 23/02/2022), healthcare is the only sector returned positive (2.0%) and the remaining sectors posted negative returns which residential (-31.6%) and industrial (-21.5%) were underperformers. These sectors were performing relatively better during Covid-19 lockdown and started to lose momentum since the beginning of this year (Fig.1). Although, market recovery was fuelled by the reopening of the economy, and certain sectors returned pre-Covid19 levels, markets are quite sensitive to current turbulences and remain volatile. Self-storage (19.6%) and industrial (8.4%) are still the only sectors trading above their pre-Covid19 level (Table 1).

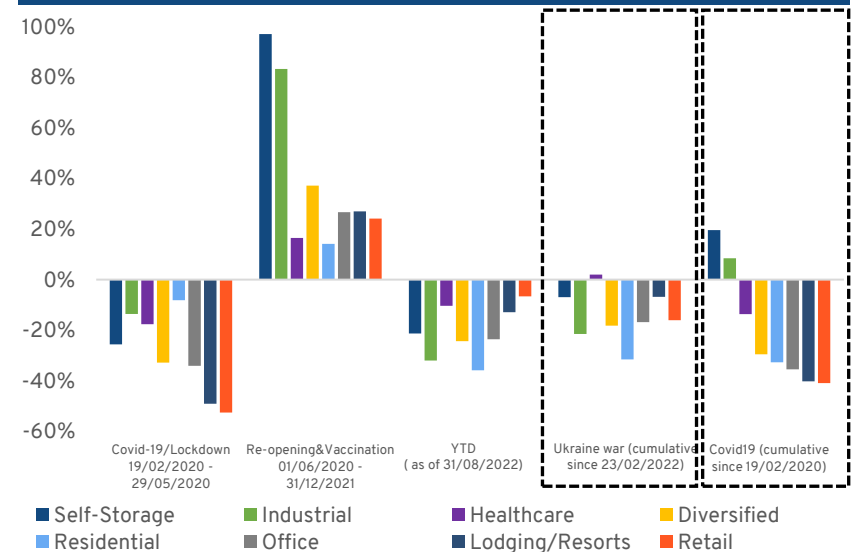
You can read our blog on market performance comparison during challenging times '[Listed Real Estate in context: A sector comparison](#)' and the latest report [Interest rates and inflation : What are the challenges for listed real estate](#).

## FTSE EPRA Nareit Global Index Total Return

% Total Returns (EUR)	Aug-22	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
<b>Global Real Estate</b>	▼ -5.1	-9.0	-1.7	2.5	6.2	7.7
Global Equities (FTSE)	▼ -1.4	-2.6	4.4	13.0	8.5	10.7
Global Bonds (JP Morgan)	▼ -2.9	-5.2	-4.5	-2.6	3.0	2.9
<b>Europe Real Estate</b>	▼ -10.8	-27.3	-28.2	-4.1	-0.1	5.9
Europe Equities (FTSE)	▼ -3.8	-13.6	-11.0	4.3	4.3	7.6
Europe Bonds (JP Morgan)	▼ -4.2	-2.9	-0.9	-2.7	2.2	4.1
<b>Asia Real Estate</b>	▼ -2.7	1.8	1.3	-1.2	3.9	5.6
Asia Equities (FTSE)	▲ 2.4	5.3	7.9	11.6	8.9	11.7
Asia Bonds (JP Morgan)	▲ 0.6	8.8	11.8	0.4	3.3	3.5
<b>North America Real Estate</b>	▼ -4.9	-8.1	4.4	5.3	8.6	9.0
NA Equities (FTSE)	▼ -2.5	-5.6	2.7	15.5	15.3	15.3
NA Bonds (JP Morgan)	▼ -1.1	2.3	5.1	0.8	3.8	3.2
<b>Emerging Real Estate</b>	▲ 1.3	-3.1	-7.0	-6.8	-2.3	3.2
Emerging Equities (FTSE)	▲ 2.7	-3.1	-3.8	7.0	5.3	6.1
Emerging Bonds (JP Morgan)	▲ 0.2	-6.2	-4.7	-1.4	2.3	4.0

(\* Annualised).

Fig. 1. Developed Europe : Total returns by sector



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

Fig. 2. Global Weights (EUR)\*

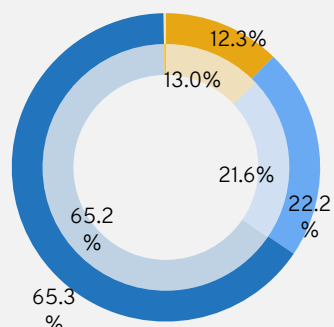


Fig. 3. REIT / Non-REITs

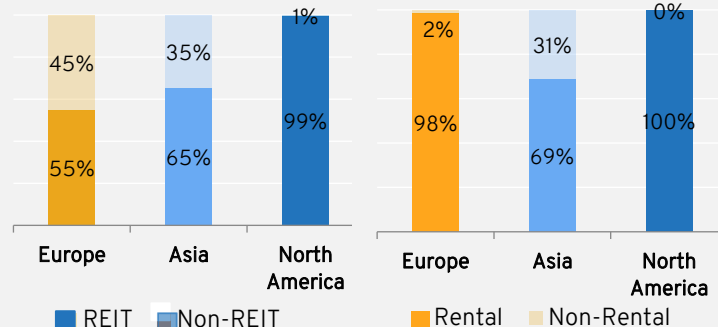


Fig. 4. Focus Split

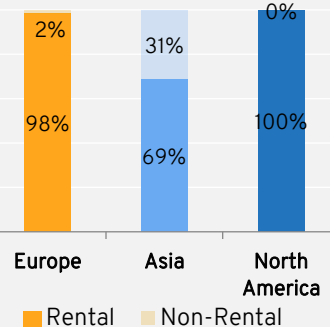


Fig. 5. Dividend Yields\*

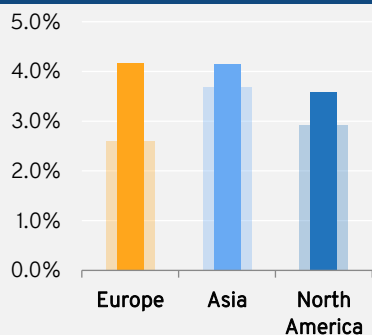


Fig. 6. Volatility (10 yr. & 3 yr.)\*\*

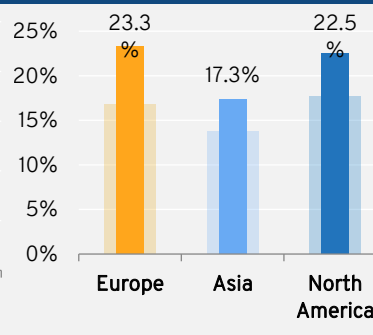
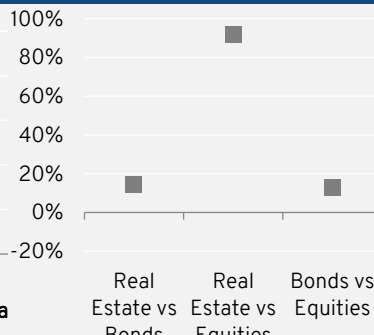


Fig. 7. Correlation (3 yr. rolling)



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

Dev. Europe: Total Return	Weekly Total Return by Sector					YTD	Ukraine war	Covid-19
	Aug-22	5-Aug	12-Aug	19-Aug	26-Aug			
Developed Europe	-10.8%	-3.4%	4.8%	-5.9%	-4.9%	-27.3%	-21.0%	-27.6%
Self-Storage	-7.2%	-5.4%	7.0%	-3.9%	-2.6%	-21.3%	-7.0%	19.6%
Industrial	-13.9%	-4.2%	3.9%	-5.6%	-5.1%	-32.0%	-21.5%	8.4%
Healthcare	-7.7%	-2.5%	3.8%	-1.8%	-3.6%	-10.4%	2.0%	-13.7%
Diversified	-8.9%	-3.1%	5.4%	-5.4%	-4.2%	-24.3%	-18.2%	-29.5%
Residential	-13.7%	-4.1%	3.4%	-7.2%	-6.3%	-35.9%	-31.6%	-32.7%
Office	-11.7%	-3.6%	3.8%	-5.8%	-4.6%	-23.6%	-16.8%	-35.5%
Lodging/Resorts	-13.5%	-3.8%	4.4%	-9.2%	-4.5%	-12.9%	-6.8%	-40.2%
Retail	-6.4%	0.9%	5.1%	-5.4%	-5.9%	-6.7%	-16.1%	-40.9%

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

FTSE EPRA Nareit Developed Europe - Country Indices

% Total Returns	Aug-22	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*
Europe (EUR)	-10.8	-27.3	-28.2	-4.1	-0.1	5.9
Europe ex UK (EUR)	-9.6	-29.0	-32.0	-6.7	-1.1	6.1
UK (GBP)	-10.2	-21.0	-18.2	1.0	0.8	6.1
France (EUR)	-8.2	-13.3	-18.9	-8.3	-3.5	3.3
Netherlands (EUR)	-6.6	-9.9	-23.1	-17.5	-18.1	-5.6
Germany (EUR)	-14.8	-40.7	-47.2	-11.5	-3.1	7.3

FTSE EPRA Nareit Developed Index - Top 10 Constituents

Company	Sector	Country	Total Return
ProLogis USA	Industrial	USA	▼ -6.1%
Equinix	Data Centers	USA	▼ -6.2%
Public Storage, Inc.	Self-Storage	USA	▲ 1.4%
Realty Income Corp.	Retail	USA	▼ -7.4%
Digital Realty Trust	Data Centers	USA	▼ -6.7%
Welltower Inc.	Healthcare	USA	▼ -10.5%
Simon Property Group, Inc.	Retail	USA	▼ -6.1%
Vici Properties Inc	Specialty	USA	▼ -3.5%
AvalonBay Communities, Inc.	Residential	USA	▼ -6.1%
Equity Residential Properties Trust	Residential	USA	▼ -6.7%

FTSE EPRA Nareit Developed Index - Top 10 Performers

Company	Sector	Country	Total Return
Deutsche EuroShop AG	Retail	GER	▲ 16.1%
CT Property Trust Limited	Ind./Office	UK	▲ 9.3%
ESP Empiric Student Property	Residential	UK	▲ 7.8%
LTC Properties Inc	Healthcare	USA	▲ 7.6%
Omega Healthcare Investors, Inc.	Healthcare	USA	▲ 7.5%
Cromwell European REIT	Ind./Office	SI	▲ 7.4%
Tokyo Tatemono Co., Ltd.	Office	JA	▲ 7.2%
ESR Kendall Square REIT	Industrial	KOR	▲ 6.6%
City Developments	Diversified	SI	▲ 6.5%
Nomura Real Estate Holdings	Diversified	JA	▲ 6.4%

### FTSE EPRA Nareit Developed Europe Index

The FEN Developed Europe Index returned -10.8% in August. European bonds and equities also lost 4.2% and 3.8%, respectively.

France (-8.2%), the Netherlands (-6.6%), Germany (-14.8%), and the UK (-10.2%) indexes posted negative returns.

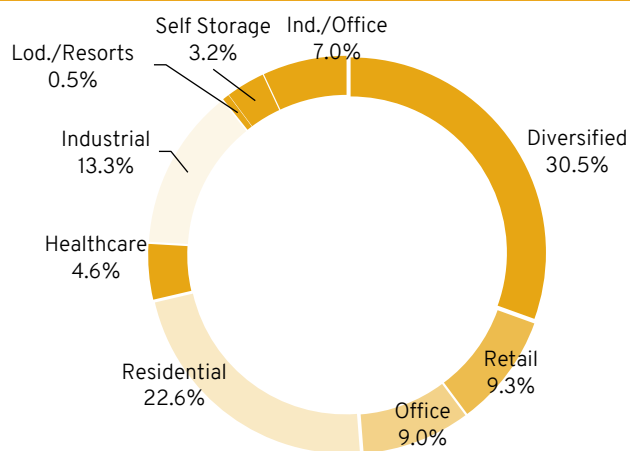
*Deutsche EuroShop, (Germany, constituent)* remained in the index with unchanged share of a total of 61,783,594 and a decreased investability weighting from 28.97% to 15.62%, following a tender offer by Hercules Bidco (non-constituent).

**Performance of top 3 sectors:** All sectors returned negative, retail (-6.4%), self-storage (-7.2%), healthcare (-7.7%) were top performers with relatively lower but still negative returns.

**Performance of top 3 constituents:** Deutsche EuroShop AG (16.1%, Germany, Retail), CT Property Trust Limited (9.3%, UK, Ind./Office), ESP Empiric Student Property (7.8%, UK, Residential).

*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 posted a negative return of 2.7%, compared to gains of 2.4% and 55 bps from Asian equities and bonds, respectively.

Australia (-3.5%), Hong Kong (-3.3%) and Singapore (-2.9%) indexes posted negative returns, while Japan (-49 bps) returned limited but negative as top performer in Asia (in local currencies).

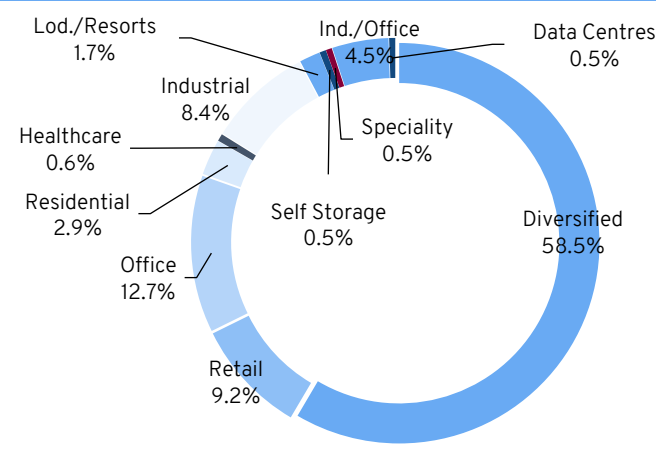
Mapletree Commercial Trust (Singapore) renamed as *Mapletree Pan Asia Commercial Trust*.

**Performance of top 3 sectors:** All sectors returned negative, retail (-1.2%), residential (-1.3%), industrial (-1.6%) were top performers with limited but still negative returns.

**Performance of top 3 constituents:** Cromwell European REIT (7.4%, Singapore, Ind./Office), Tokyo Tatemono Co., Ltd. (7.2%, Japan, Office), ESR Kendall Square REIT (6.6%, South Korea, Industrial).

*Developed Asia* representing a free float MCap of around **EUR 361 billion** with **133** constituents

### Developed Asia Sector Split



### FTSE EPRA Nareit North America Index

The FEN North America Index lost 4.9% in August. North America equities and bonds posted a negative return of 2.5% and 1.1%, respectively.

The US index (-6.1%) and Canada (-4.8%) displayed negative returns for the month (in local currencies).

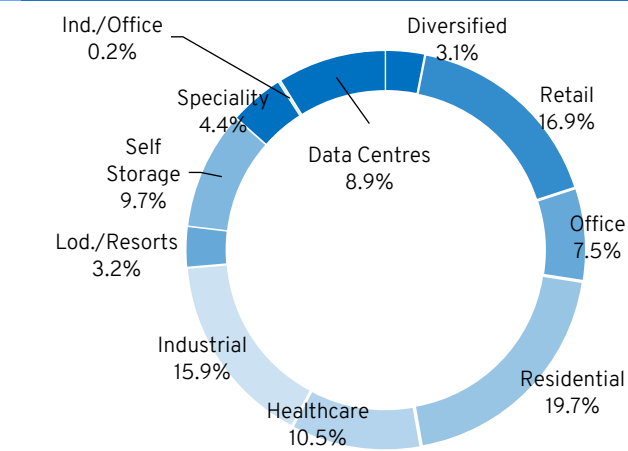
Subject to the completion of the cash acquisition by Blackstone Funds. (non-constituents), *American Campus Communities* (USA, constituent) was deleted from the index.

**Performance of top 3 sectors:** Self-storage (3.1%) as only sector returned positive and lodging/resorts (-2.7%), specialty (-4.4%) with relatively lower but still negative returns.

**Performance of top 3 constituents:** LTC Properties Inc (7.6%, USA, Healthcare), Omega Healthcare Investors, Inc. (7.5%, USA, Healthcare), Apartment Investment and Management (6.3%, USA, Residential).

*Developed North America* representing a free float MCap of around **EUR 1,063 billion** with **133** constituents

### North America Sector Split



## EPRA Developers Research Benchmark

Wednesday, 31 August 2022



Historical Performance	Last Month	1 Year	3 Years	5 Years
Total Return	-16.6%	-37.2%	-9.7%	-12.3%
Total Return (Annualized)		-37.2%	-3.2%	-2.5%

Return	3 Months	6 Months	Year to Date	5 Years
Total Return	-17.0%	-25.5%	-36.9%	-12.3%
Maximum Return	3.3%	3.6%	3.6%	11.6%
Minimum Return	-4.8%	-4.8%	-6.1%	-13.2%
Mean Return (Annualized)	-62.4%	-53.3%	-60.1%	2.7%
Maximum Drawdown	-18.1%	-25.1%	-38.1%	-55.2%
Maximum Drawdown Length	62	116	171	23

Risk	3 Months	6 Months	Year to Date	5 Years
Standard Deviation (Annualized)	27.5%	27.4%	27.7%	30.1%
Downside Risk (Annualized)	20.5%	20.0%	20.5%	21.4%
Kurtosis	-0.05	-0.20	0.38	7.90
Skewness	-0.40	-0.24	-0.40	0.07
Semivariance (Annualized)	31.3%	29.1%	29.9%	30.4%
VaR (ex-post)	-3.45	-2.78	-2.94	-2.78

Risk-Adjusted Performance	3 Months	6 Months	Year to Date	5 Years
Sharpe Ratio	-1.81	-1.51	-1.72	0.08

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

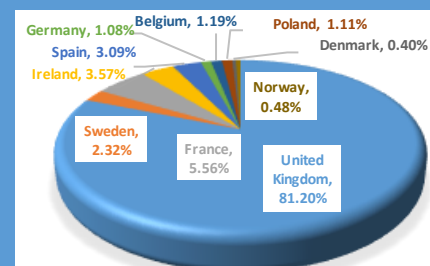
**Base Value:** 1,000

**Review Dates:** April, October

## EPRA Developers Research Benchmark

Wednesday, 31 August 2022

Constituent	ISIN	Weight	Country	Currency
PERSIMMON	GB0006825383	15.73%	UK	GBp
BARRATT DEV	GB0000811801	13.85%	UK	GBp
BERKELEY GROUP	GB00BLJNXL82	12.40%	UK	GBp
TAYLOR WIMPEY PL	GB0008782301	12.01%	UK	GBp
BELLWAY PLC	GB0000904986	8.17%	UK	GBp
VISTRY GROUP PLC	GB0001859296	5.33%	UK	GBp
REDROW PLC	GB00BG11K365	5.30%	UK	GBp
COUNTRYSIDE PART	GB00BYPHNG03	3.68%	UK	GBp
CREST NICHOLS	GB00B8VZXT93	1.85%	UK	GBp
WATKIN JONES PLC	GB00BD6RF223	1.28%	UK	GBp
HARWORTH GROUP P	GB00BYZJ7G42	0.86%	UK	GBp
MJ GLEESON PLC	GB00BRKD9Z53	0.73%	UK	GBp
GLENVEAGH PROPER	IE00BD6JX574	1.87%	Ireland	EUR
CAIRN HOMES	IE00BWY4ZF18	1.70%	Ireland	GBp
NEXITY	FR0010112524	2.86%	France	EUR
ALTAREA	FR0000033219	1.61%	France	EUR
KAUFMAN & BROAD	FR0004007813	1.09%	France	EUR
METROVACESA SA	ES0105122024	1.39%	Spain	EUR
NEINOR HOMES SA	ES0105251005	1.13%	Spain	EUR
AEDAS HOMES SA	ES0105287009	0.57%	Spain	EUR
JM AB	SE0000806994	2.32%	Sweden	SEK
IMMOBEL	BE0003599108	0.68%	Belgium	EUR
ATENOR	BE0003837540	0.51%	Belgium	EUR
DEVELIA SA	PLCCRP00017	0.66%	Poland	PLN
DOM DEVELOPMENT	PLDMDVL00012	0.45%	Poland	PLN
INSTONE REAL EST	DE000A2NBX80	1.08%	Germany	EUR
SELVAAG BOLIG AS	NO0010612450	0.48%	Denmark	NOK
HUSCIET A/S	DK0061412855	0.40%	Norway	DKK



### 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

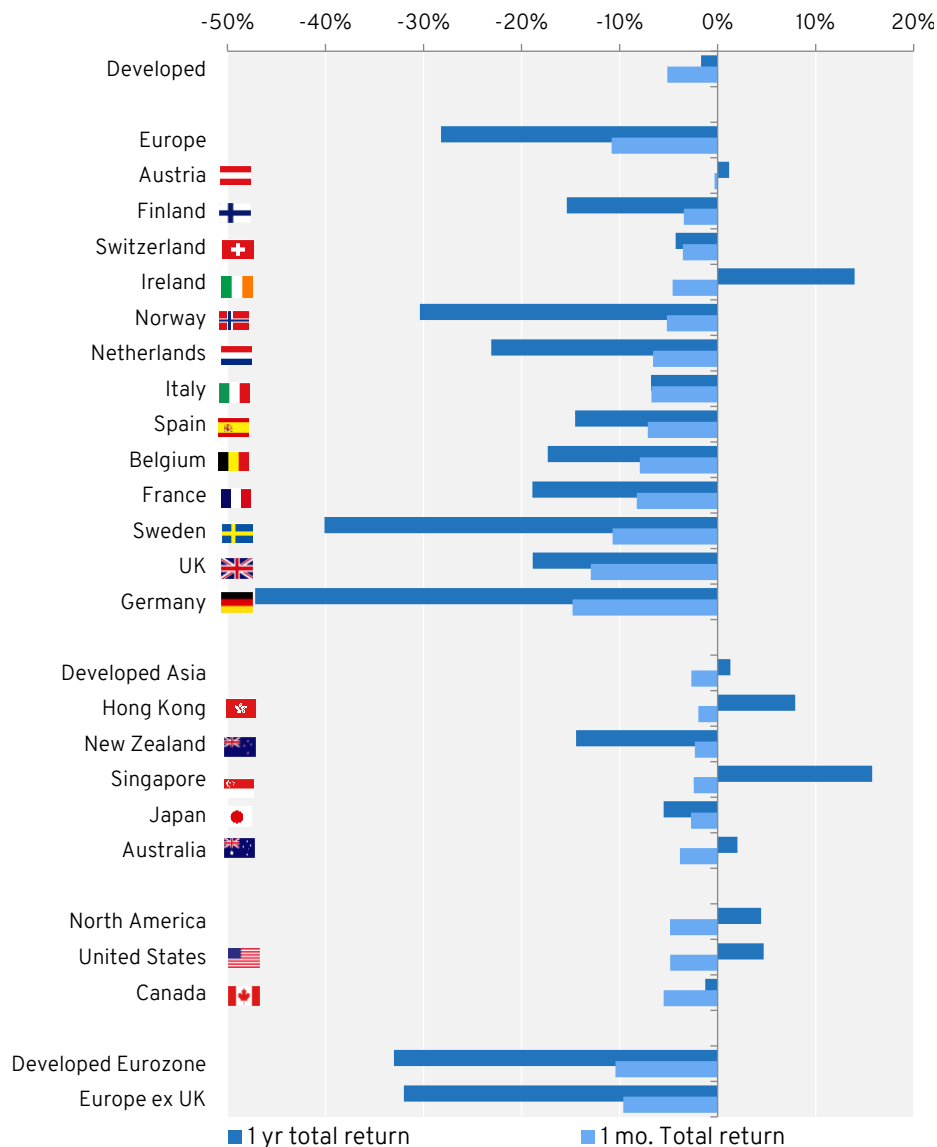
**Assets:** ≥ 50% of Total Tangible Assets  
 invested in RE. No Holding structures.

**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	-17.38%	-26.02%	-37.80%	-13.47%
Residential Developers: Standard Deviation (Annualized)	28.93%	28.81%	28.95%	31.12%
Liquid Developers: Total Return	-17.27%	-25.94%	-37.55%	-11.87%
Liquid Developers: Standard Deviation (Annualized)	28.14%	28.04%	28.25%	30.73%

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



Source: FTSE EPRA Nareit as of August 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 11.0](#)
- [Emerging Markets 2021](#) (special edition)
- [Sector Analysis: Residential](#)
- [Sector Analysis: Office \(Aug-21\)](#)
- [Total Markets Table 2022-Q2](#) (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)

### 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 2023 edition will be at INSEAD's Fontainebleau campus in June 20-22. 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](#)

### EPRA Blog

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

### 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.