



EPRA

EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

Monthly Market Review and Developers' Research Benchmark

March
2024

Overview

The FTSE EPRA Nareit (FEN) Global Developed Real Estate Index gained 3.8% during March, bringing YTD to 1.2%. Both global equities (3.5%) and bonds (67 bps) returned positive for the month.

In terms of regional performance, all regions returned positive : Europe (8.6 %), Asia (6.4%) and North America (2.2%). Emerging markets (17 bps) also posted limited but positive monthly return.

Focusing on sector performance, except data centres (-4.7%), all sectors returned positive which industrial/office (7.4%), diversified (7.2%) retail (5.1%) and residential (4.7%) were top performers in March.

At the end of March, the FEN Developed Index totalled 362 constituents, representing a free float market capitalisation of around EUR 1.5 trillion and the FEN Emerging Index totalled 130 constituents, representing a free float market capitalisation of around EUR 122 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 *Developed Europe benchmark* gained 4.7% (m-o-m) bought YTD return at 2.6% in March. The benchmark now has 29 constituents from 12 different countries in Developed Europe (18 out of the UK) representing an aggregated full market cap of EUR 47,034 million (29/03/2024) – *Details on page 5.*

2024-Q1 Quarterly Review

During the Q1-2024 quarterly review, there were three additions and six deletions in the Developed index, whereby six companies were added in, and two companies were deleted from the Emerging index. The changes were effective on March 18 and represented a net value of EUR 38,704 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 in May, and the results will be published on May, 29.

Highlights of the Month

The ECB (4.5%) kept policy rates unchanged at the last meetings, however signalled June might be the earliest to cut interest rates. According to ECB's Survey of Professional Forecasters (SPF) 2024Q1, respondents expected successive 25 bps cuts in each of the next three subsequent quarters, falling to 3.75% in the fourth quarter and further declines to 3.0% in 2025 and 2.75% in 2026.

Based on ECB's March 2024 projections, the risks to economic growth remain tilted to the downside, but there are upside risks to inflation include the heightened geopolitical tensions. The economic growth is projected to gradually pick up during 2024, around 0.6% for 2024 and 1.5% for 2025. The disinflation process continued in March (2.4%) and is expected to decline further to 2.0% in 2025 and 1.9% in 2026.

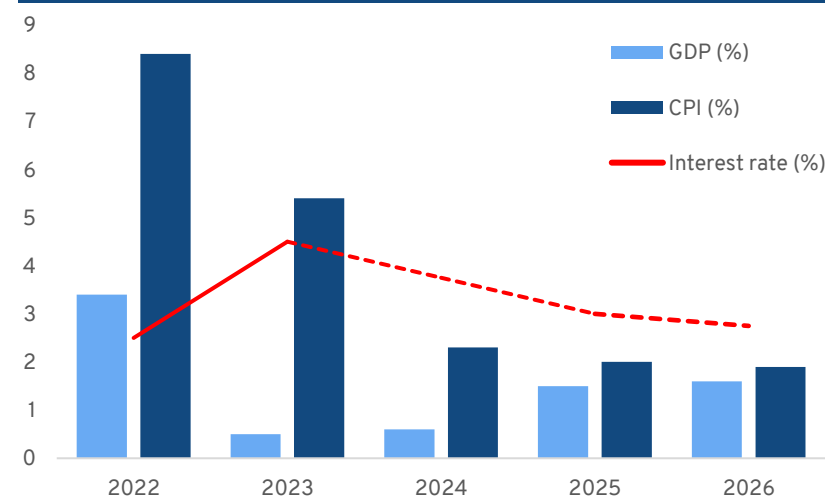
The FEN Developed Europe Index gained momentum (8.6%, m-o-m) in March, and now YTD return stands at -2.6%. The European average LTV fell slightly to 38.7% in March. The FEN Developed Europe constituents raised EUR 1.76 billion capital, a total of EUR 4.56 billion during Q1-2024 (more info on [EPRA Monthly LTV Monitor](#)).

FTSE EPRA Nareit Global Index Total Return

% Total Returns (EUR)	Mar-24	YTD	1 yr	3 yrs*	5 yrs*
Global Real Estate ▲	3.8	1.2	9.2	2.7	1.5
Global Equities (FTSE) ▲	3.5	12.3	25.9	12.2	13.1
Global Bonds (JP Morgan) ▲	0.7	-0.5	-1.2	-3.3	-1.4
Europe Real Estate ▲	8.6	-2.6	19.7	-4.8	-2.5
Europe Equities (FTSE) ▲	4.5	8.4	15.5	8.8	8.9
Europe Bonds (JP Morgan) ▲	1.3	1.7	3.8	-2.6	-1.3
Asia Real Estate ▲	6.4	2.3	1.4	-1.9	-2.2
Asia Equities (FTSE) ▲	3.6	12.1	20.5	7.3	9.4
Asia Bonds (JP Morgan) ▲	0.4	2.2	-0.6	1.2	-0.3
North America Real Estate ▲	2.2	1.6	10.0	6.1	3.9
North America Equities (FTSE) ▲	3.2	13.0	30.5	14.0	15.7
North America Bonds (JP Morgan) ▲	0.8	1.6	1.0	0.4	0.9
Emerging Real Estate ▲	0.2	-2.0	-3.3	-9.6	-7.5
Emerging Equities (FTSE) ▲	2.0	5.0	9.3	-0.5	4.0
Emerging Bonds (JP Morgan) ▲	1.9	3.9	10.3	1.7	1.7

(* Annualised).

Fig. 1. Macroeconomic forecast



Source: ECB Staff macroeconomic projections, Survey of Professional Forecasters, Q1-2024.

Fig. 2. Global Weights (EUR)*

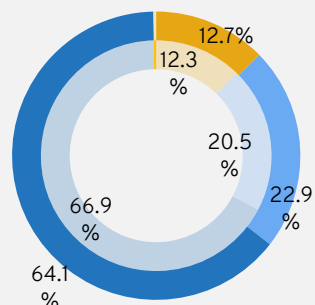


Fig. 3. REIT / Non-REITs

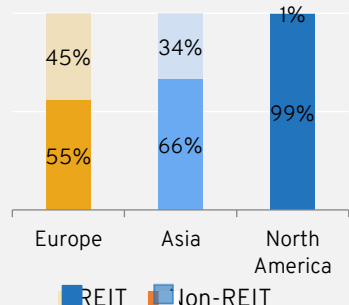


Fig. 4. Focus Split

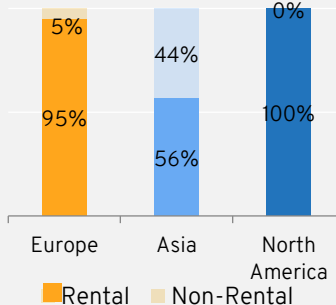


Fig. 5. Dividend Yields*

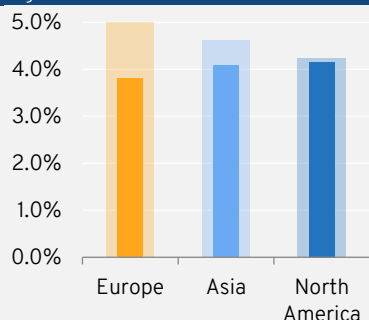


Fig. 6. Volatility (10 yr. & 3 yr.)**

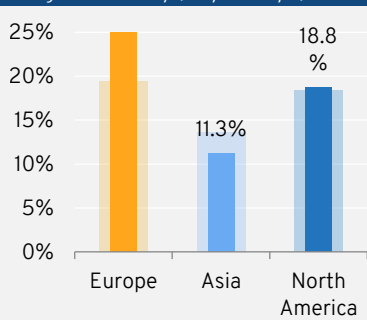
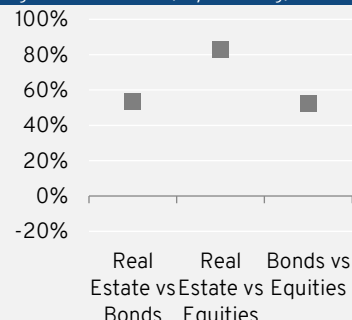


Fig. 7. Correlation (3 yr. rolling)



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

Dev. Europe: Total Return	Weekly Total Return by Sector					YTD	Covid-19
	Mar-24	8-Mar	15-Mar	22-Mar	29-Mar	Dec-23	19-Feb-20
Developed Europe	8.6%	2.8%	-2.7%	4.8%	1.8%	-2.6%	-27.8%
Industrial	8.9%	2.9%	-2.4%	5.1%	1.6%	0.6%	4.5%
Self-Storage	4.1%	2.2%	-3.0%	2.5%	-0.1%	-10.0%	-2.7%
Lodging/Resorts	11.7%	6.2%	-0.7%	4.5%	0.0%	15.2%	-23.3%
Retail	8.7%	2.3%	-0.9%	3.7%	2.2%	4.1%	-27.4%
Diversified	8.5%	2.8%	-1.2%	3.5%	1.8%	-3.5%	-28.7%
Residential	7.8%	1.6%	-6.5%	8.5%	2.0%	-3.7%	-35.0%
Office	9.7%	5.5%	-2.1%	2.9%	1.6%	-9.5%	-36.4%
Healthcare	6.7%	1.0%	-1.9%	3.8%	2.3%	-7.7%	-37.5%

Source: EPRA Research. Data is compiled from the FEN Index series (as of March 29, 2024)

FTSE EPRA Nareit Developed Index – Top 10 Constituents

Company	Sector	Country	Total Return
ProLogis USA	Industrial	USA	▼ -1.6%
Equinix Inc	Data Centers	USA	▼ -7.1%
Welltower	Healthcare	USA	▲ 1.4%
Simon Property Group, Inc.	Retail	USA	▲ 5.6%
Public Storage, Inc.	Self-Storage	USA	▲ 3.2%
Realty Income Corp.	Retail	USA	▲ 4.3%
Digital Realty Trust	Data Centers	USA	▼ -1.1%
Goodman Group	Diversified	AU	▶ 0.0%
Vici Properties Inc	Specialty	USA	▲ 0.9%
Extra Space Storage	Self-Storage	USA	▲ 5.4%

FTSE EPRA Nareit Developed Index – Top 10 Performers

Company	Sector	Country	Total Return
Peach Property Group AG	Residential	SWIT	▲ 42.8%
Sumitomo Realty & Dev. Co Ltd	Diversified	JA	▲ 31.3%
Catena AB	Industrial	SWED	▲ 23.2%
Grand City Properties S.A.	Residential	GER	▲ 23.0%
Mitsui Fudosan Co., Ltd.	Diversified	JA	▲ 22.6%
Fastighets AB Balder	Diversified	SWED	▲ 22.4%
Mitsubishi Estate Company, Limited	Diversified	JA	▲ 21.9%
COREM PROPERTY GROUP AB	Ind/Office	SWED	▲ 21.8%
Platzer Fastigheter Holding AB (publ)	Ind/ Office	SWED	▲ 21.7%
Tokyo Tatemono Co., Ltd.	Diversified	JA	▲ 21.2%

FTSE EPRA Nareit Emerging Index – Top 10 Constituents

Company	Sector	Country	Total Return
China Resources Land Ltd	Diversified	CHN	▲ 2.7%
DLF	Diversified	IDA	▼ -0.5%
SM Prime Holdings	Diversified	PHIL	▲ 3.5%
ALDAR PROPERTIES PJSC	Diversified	UAE	▲ 4.0%
China Overseas Land & Inv Ltd.	Diversified	CHN	▼ -3.3%
Central Pattana Public Co. Ltd.	Diversified	THAI	▲ 0.1%
Fibra Uno Administracion S.A. de C.V.	Diversified	MEX	▼ -10.0%
Ayala Land	Diversified	PHIL	▼ -7.3%
Embassy Office Parks REIT	Office	IDA	▼ -1.1%
Corporacion Inmobiliaria Vesta	Industrial	MEX	▲ 8.6%

FTSE EPRA Nareit Developed Europe Index

The FEN Developed Europe Index gained momentum with an 8.6% return in March. European equities (4.5%) and bonds (1.3%) also returned positive for the month.

All country indexes returned positive during March : Germany (9.3%), Netherlands (6.3%), the UK (8.0%), France (9.1%) and Sweden (13.3%), except Italy (-10.6%).

During the Q1-2024 index review, *FastPartner* (Sweden, Diversified) was added in while *Phoenix Spree Deutschland* (UK), *Branicks Group AG* (Germany) and *Hiag Immobilien AG* (Switzerland) were deleted from the European index.

Sector Performance: All sectors returned positive which lodging/resorts (11.7%) was outperformer followed by office (9.7%), industrial (8.9%). Meanwhile self-storage (4.1%) was bottom performer with relatively lower but positive return.

Top 3 constituents: *Peach Property Group AG* (428.8%, Switzerland, Residential), *Catena AB* (23.2%, Sweden, Industrial), *Grand City Properties SA* (23.0%, Germany, Residential).

Developed Europe representing a free float MCap of around EUR 194 billion with 104 constituents

FTSE EPRA Nareit Developed Asia Index

The FEN Developed Asia Index gained 6.4%, both Asian equities (3.6%) and bonds (38 bps) also posted positive returns in March.

The Japan (11.7%), Australia (10.8%) and South Korea (3.3%) indexes returned positive while Singapore (-13 bps) and Hong Kong (-6.7%) indexes returned negative in Asia - *in Euros*.

During the quarterly review, *Goodman Group* (Australia, Diversified) and *Shinhan Alpha REIT* (South Korea, Office) were added in while *Keppel Pacific Oak US REIT* (Singapore) was deleted from the Asian index.

Sector Performance: All sectors returned positive which residential (9.1%), lodging/resort (7.9%) and diversified were top performers, while industrial/office (1.8%) was bottom performer with lower positive return.

Top 3 constituents: *Sumitomo Realty&Dev Co. Ltd.* (31.3%, Japan, Diversified), *Mitsui Fudosan Co. Ltd.* (22.6%, Japan, Diversified), *Mitsubishi Estate Co. Ltd* (21.9%, Japan, Diversified),

Developed Asia representing a free float MCap of around EUR 350 billion with 135 constituents

FTSE EPRA Nareit North America Index

The FEN North America Index posted 2.2% monthly return in March. Both North American equities (3.2%) and bonds (75 bps) returned positive for the month.

The US (2.1%) and Canada (2.6%) indexes posted positive returns for the month - *in Euros*.

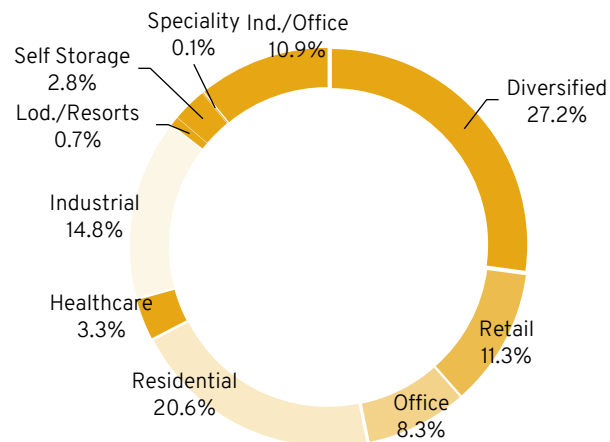
There is no addition in North American index while *Net Lease Office Properties* (USA) and *Universal Health Realty Income* (USA) were deleted from the index, during quarterly review.

Sector Performance: Industrial/office (8.0%), office (4.8%) and self-storage (4.6%) were top performers, while data centres (-4.8%) was the only sector returned negative as bottom performer.

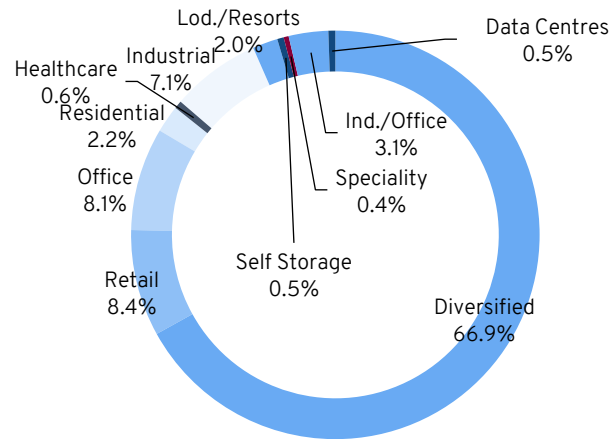
Top 3 constituents: *Northwest Healthcare Properties REIT* (18.6%, Canada, Healthcare), *SL Green Realty Corp.* (14.2%, USA, Office), *Essential Properties Realty Trust, Inc.* (12.8%, USA, Retail).

Developed North America representing a free float MCap of around EUR 981 billion with 120 constituents

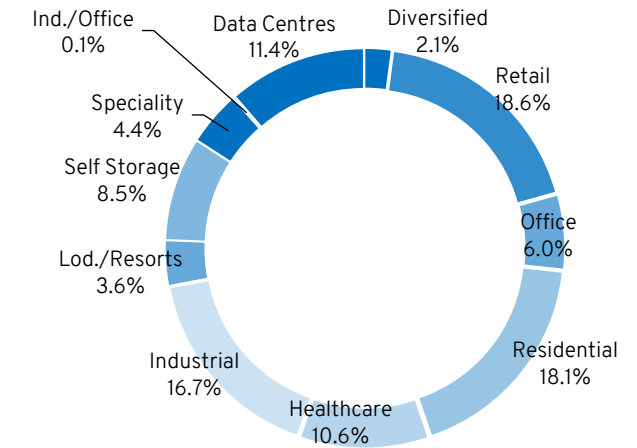
Developed Europe Sector Split



Developed Asia Sector Split

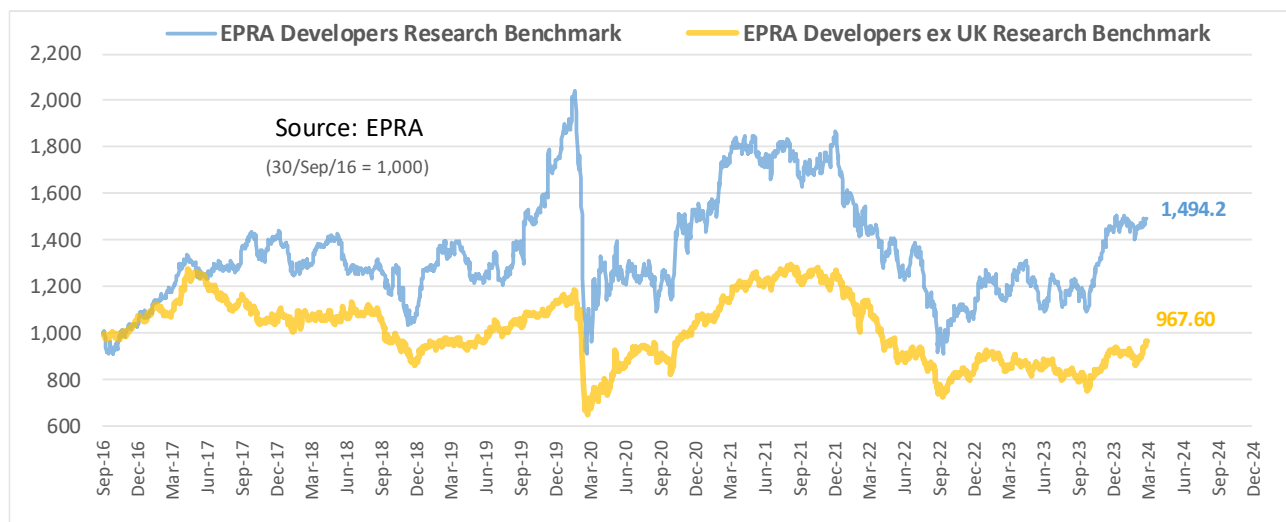


North America Sector Split



EPRA Developers Research Benchmark

Friday, 29 March 2024



EPRA DEVELOPERS RESEARCH BENCHMARK	Developed Europe			Developed Europe ex UK		
	1M	YTD	1 Year	1M	YTD	1 Year
Total Return	4.7%	2.6%	26.5%	12.3%	4.4%	14.5%
Return	YTD	6M	5 Years	YTD	6M	5 Years
Total Return	2.6%	23.4%	10.8%	4.4%	18.7%	0.1%
Maximum Return	2.8%	4.9%	11.6%	2.3%	5.6%	5.6%
Minimum Return	-3.4%	-3.7%	-13.2%	-2.5%	-3.4%	-12.5%
Mean Return (Annualized)	18.7%	86.8%	10.3%	28.9%	66.0%	3.2%
Maximum Drawdown	-6.6%	-8.3%	-55.3%	-8.4%	-9.5%	-45.1%
Maximum Drawdown Length	35	10	690	38	10	22
Risk	YTD	6 Months	5 Years	YTD	6 Months	5 Years
Standard Deviation (Annualized)	19.7%	22.4%	31.4%	14.5%	19.0%	20.8%
Downside Risk (Annualized)	14.5%	15.8%	22.0%	10.7%	12.8%	15.8%
Kurtosis	0.29	1.00	6.54	0.01	0.04	0.13
Skewness	-0.32	0.13	0.12	0.00	0.01	-0.01
Semivariance (Annualized)	21.2%	22.1%	30.9%	16.2%	17.8%	22.8%
VaR (ex-post)	-2.15	-2.15	-2.98	-1.17	-1.75	-1.93
Risk-Adjusted Performance	YTD	6 Months	5 Years	YTD	6 Months	5 Years
Sharpe Ratio	0.46	2.34	0.21	1.10	2.09	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

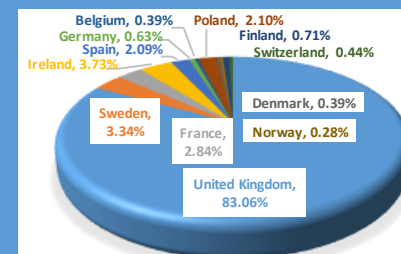
Review Dates: April, October

EPRA Developers Research Benchmark

Friday, 29 March 2024

Constituent	Classification	Weight	Country	TR 1M	TR 1Y	Std.Dev
BERKELEY GROUP	Residential	13.76%	UK	3.3%	20.6%	21.0%
TAYLOR WIMPEY PL	Residential	13.74%	UK	3.0%	30.5%	25.1%
BARRATT DEV	Residential	12.93%	UK	2.0%	14.6%	25.7%
VISTRY GROUP PLC	Residential	12.73%	UK	17.1%	72.0%	36.9%
PERSIMMON	Residential	11.64%	UK	-3.4%	17.1%	34.1%
BELLWAY PLC	Residential	9.45%	UK	-1.2%	33.0%	26.2%
REDROW PLC	Residential	5.75%	UK	4.0%	52.3%	32.1%
CREST NICHOLS	Residential	1.46%	UK	-3.5%	-1.3%	40.7%
HARWORTH GROUP P	Diversified	0.73%	UK	7.0%	27.6%	36.4%
MJ GLEESON PLC	Residential	0.62%	UK	-8.5%	23.9%	30.7%
WATKIN JONES PLC	Residential	0.25%	UK	-13.0%	-49.8%	66.7%
KAUFMAN & BROAD	Residential	0.97%	France	-2.5%	9.9%	28.9%
NEXITY	Residential	0.94%	France	-10.7%	-53.6%	46.0%
ALTAREA	Residential	0.94%	France	16.1%	-22.4%	31.9%
METROVACESA SA	Residential	0.81%	Spain	7.5%	25.4%	18.9%
NEINOR HOMES SA	Residential	0.80%	Spain	-0.8%	23.8%	26.4%
AEDAS HOMES SA	Residential	0.47%	Spain	3.3%	69.9%	27.6%
IMMOBEL	Diversified	0.30%	Belgium	22.6%	-33.1%	37.4%
ATENOR	Diversified	0.09%	Belgium	8.1%	-72.6%	80.0%
CAIRN HOMES	Residential	2.02%	Ireland	11.2%	66.0%	24.5%
GLENVEAGH PROPER	Residential	1.71%	Ireland	10.4%	26.8%	24.8%
DEVELIA SA	Diversified	1.35%	Poland	25.3%	127.7%	35.7%
DOMDEV	Residential	0.74%	Poland	11.6%	65.4%	29.9%
HUSCIET A/S	Residential	0.39%	Denmark	19.2%	14.3%	35.9%
YIT OYJ	Diversified	0.71%	Finland	21.2%	-13.5%	34.2%
INSTONE REAL EST	Residential	0.63%	Germany	13.8%	23.9%	38.8%
SELVAAG BOLIG AS	Residential	0.28%	Norway	8.3%	7.6%	36.1%
JM AB	Residential	3.34%	Sweden	32.0%	33.3%	47.1%
CHAM GROUP AG	Diversified	0.44%	Switzerland	2.0%	4.2%	23.4%

Developers Sub-Indexes: Risk and Return	YTD	6 Months	5 Years	Sharpe	5Y Max. Drawdown
Liquid Developers: Total Return	2.5%	24.4%	9.6%	0.21	-56.1%
Standard Deviation (Annualized)	21.1%	24.0%	32.6%		690 Days
Residential Developers: Total Return	1.9%	23.0%	9.2%	0.20	-55.6%
Standard Deviation (Annualized)	20.1%	22.9%	32.0%		690 Days



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)

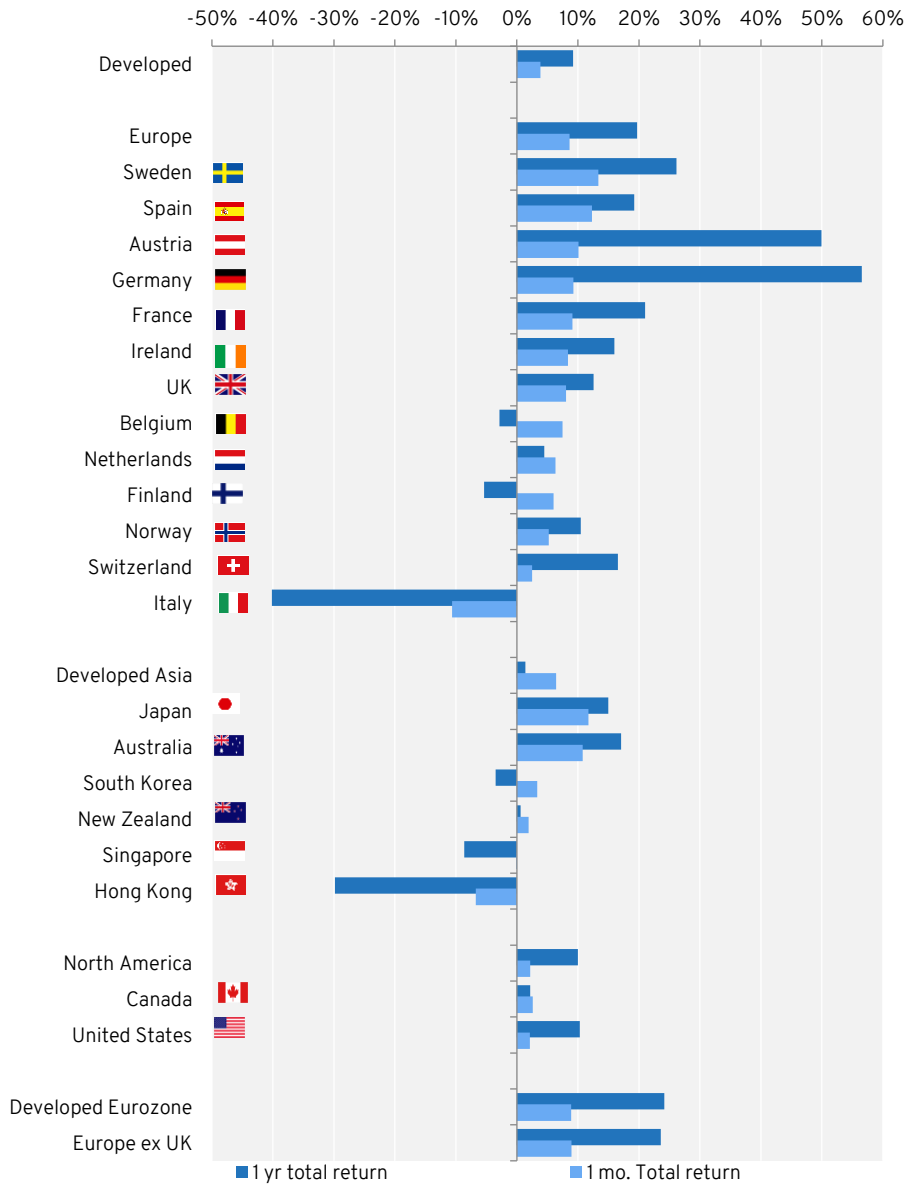
Geography: ≥ 75% EBITDA from Developed
 countries

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

FTSE EPRA Nareit Monthly Index Performances (EUR)



Source: FTSE EPRA Nareit (as of March 29, 2024)

Link to Reports & Contacts

Monthly Statistical Bulletin
 Monthly Published NAV Bulletin
 Monthly LTV Report
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[Index Ground Rules Version 11.8](#)
[Property Portfolio Analysis \(end of 2022\)](#)
[Emerging Markets 2023](#)
[Sector Analysis: Office \(Aug-21\)](#)
[Total Markets Table 2023-Q4 \(quarterly\)](#)



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[EPRA Bayes Business School Online Programme, Understanding the REIT price](#)
 An online programme dedicated to understanding the listed real estate market, the fourth edition will start in Autumn 2024.

EPRA Research Webinar Series

We are pleased to host three webinars dedicated to research papers under EPRA Academic Research Programme 2023. The key findings presented by the authors and the implications for LRE were discussed. You can follow on the [website](#).

EPRA Research Webinar Series : 2023 Academic Research Papers

- The Volatility of Listed Real Estate in Europe and Portfolio Implication (University of Geneva)
- Measuring Interconnectedness and Systemic Risk in the European Listed Real Estate Sector (Bayes Business School)
- Varying Interest Rate Sensitivity of Different Real Estate Sectors: Evidence from Global Listed Real Estate (WSU)

For full paper: www.epra.com/academic-research
 For further queries: research@epra.com

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