



EPRA

EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

Monthly Market Review and Developers' Research Benchmark

April
2024

Overview

The FTSE EPRA Nareit (FEN) Global Developed Real Estate Index lost 5.0% during April, bringing down YTD to -3.8%. Both global equities (1.6%) and bonds (-1.9%) returned negative for the month.

In terms of regional performance, all regions returned negative: Europe (-1.7%), Asia (-3.3%) and North America (-6.2%). Meanwhile, Emerging markets (84 bps) posted limited but positive monthly return.

Focusing on sector performance, except healthcare (1.8%), all sectors returned negative which data centres (-9.1%) and industrial (-14.4%) were the bottom performers in April.

At the end of April, the FEN Developed Index totalled 361 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 123 billion.

EPRA Developers Research Benchmark : 2024-H1 Semi-Annual Review

The EPRA Developers Research Benchmark is a non-commercial benchmark designed to allow its constituents to assess themselves against each other. During H1-2024 review that took place in April, there were one deletion (YIT OYJ, Finland, EBITDA fail given the drop on its homebuilding activity and growth on infrastructure in 2023). As a result, the benchmark now has 28 constituents from 11 different countries in Developed Europe (17 out of the UK) representing an aggregated full market cap of EUR 45,874 million (30/04/2024). The Developed Europe benchmark lost 2.1% (m-o-m) bought YTD return at 0.5% in April. – Details on page 5.

Highlights of the Month

The ECB (4.5%) kept policy rates unchanged at the last meetings. The eurozone inflation down to 2.4% in March (from 8.3% March-23) and is expected to be stable in April. Disinflation in the eurozone continued to support policy rate cuts this year, however the market expectation is fewer cuts than expectation in the beginning of the year. It might be detrimental to interest rate sensitive sectors such as real estate (read more: [Varying Interest Rate Sensitivity of Different Real Estate Sectors :Global LRE Evidence](#) by WSU).

According to Oxford Economics, interest rates will remain low relative to the decades preceding the global financial crisis, supported by lower fertility rates, greater longevity, a global savings glut, and other secular forces. Looking 5-yr ahead, LRE will continue to outperform DRE and bonds, assisted by monetary policy easing and a gradual return to economic growth. LRE still looks well positioned relative to DRE, due to an attractive combination of strong balance sheets and steep discounts-to-NAV combined with high quality portfolios which stand to benefit in the next leg of the cycle.

The FEN Developed Europe Index lost momentum (-1.7%, m-o-m) in April, and now YTD return stands at -4.3%. The average P/D to NAV in Europe stood at -30% which only the Industrials/Office sector recorded a premium to NAV (8.3%). The European average LTV fell slightly to 38.0% in April (from 38.7%). The FEN Developed Europe constituents raised over EUR 2.1 billion capital in April (more info on [EPRA Monthly LTV Monitor](#)).

FTSE EPRA Nareit Global Index Total Return

% Total Returns (EUR)	Apr-24	YTD	1 yr	3 yrs*	5 yrs*
Global Real Estate ▼	-5.0	-3.8	3.4	-0.4	0.7
Global Equities (FTSE) ▼	-1.6	10.5	23.9	11.1	11.9
Global Bonds (JP Morgan) ▼	-1.9	-2.4	-1.7	-3.5	-1.8
Europe Real Estate ▼	-1.7	-4.3	11.1	-7.0	-2.7
Europe Equities (FTSE) ▼	-0.5	7.9	12.1	7.8	7.9
Europe Bonds (JP Morgan) ▼	-0.7	1.0	5.1	-1.8	-1.4
Asia Real Estate ▼	-3.3	-1.1	-2.6	-2.7	-2.3
Asia Equities (FTSE) ▲	1.6	13.9	23.7	8.5	9.2
Asia Bonds (JP Morgan) ▼	-0.5	1.7	0.1	1.7	-0.4
North America Real Estate ▼	-6.2	-4.7	4.0	2.0	2.7
North America Equities (FTSE) ▼	-3.0	9.6	26.6	11.7	14.0
North America Bonds (JP Morgan) ▼	-1.2	0.4	0.7	0.5	0.7
Emerging Real Estate ▲	0.8	-1.2	-2.2	-7.8	-7.4
Emerging Equities (FTSE) ▲	2.6	7.8	14.9	0.3	4.1
Emerging Bonds (JP Morgan) ▼	-0.9	2.9	10.3	1.6	1.5

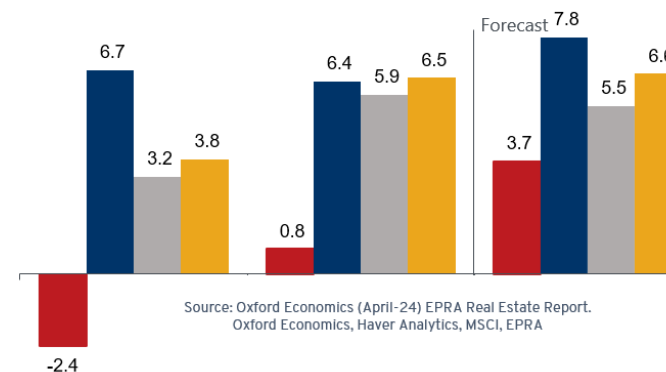
(* Annualised).

Fig. 1. Europe: Multi-asset class performance and forecast

Average annual return to 2023, EUR, % pa

■ Bonds ■ Equity ■ DRE ■ LRE

Bonds, equities & DRE are the GDP weighted average of DE, ES, FR, UK, NL. LRE is the EPRA Developed Europe index



Source: Oxford Economics (April-24) EPRA Real Estate Report, Oxford Economics, Haver Analytics, MSCI, EPRA

Source: Oxford Economics, EPRA Real Estate Report 2024 Q1.

Fig. 2. Global Weights (EUR)*

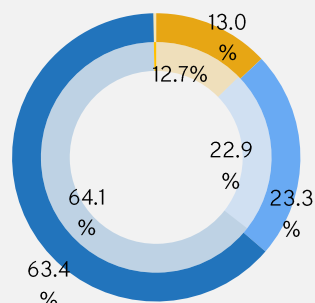


Fig. 3. REIT / Non-REITs

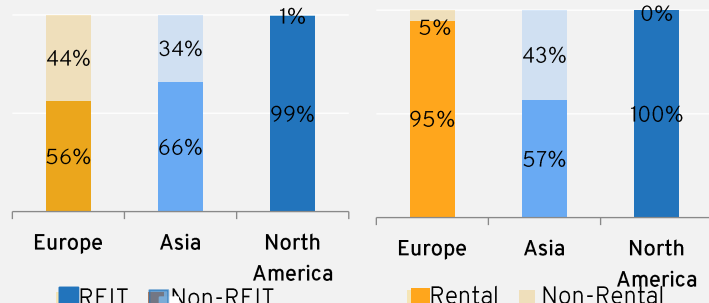


Fig. 4. Focus Split

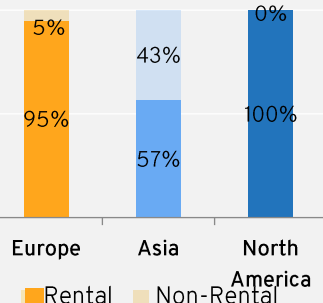


Fig. 5. Dividend Yields*

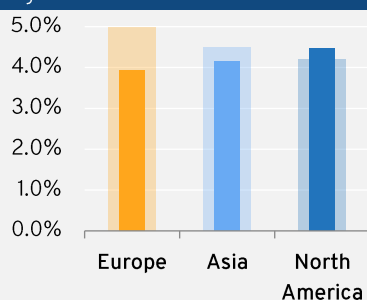


Fig. 6. Volatility (10 yr. & 3 yr.)**

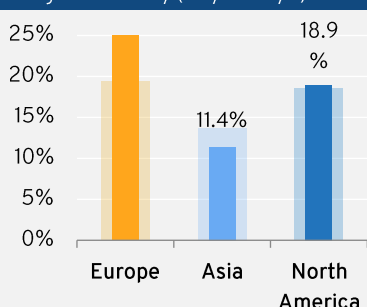
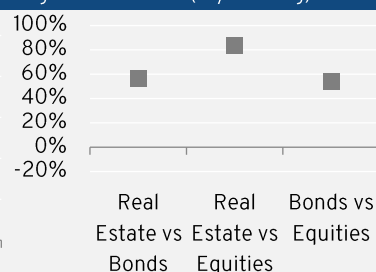


Fig. 7. Correlation (3 yr. rolling)



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

Dev. Europe: Total Return	Weekly Total Return by Sector					YTD	Covid-19
	Apr-24	5-Apr	12-Apr	19-Apr	26-Apr	Dec-23	19-Feb-20
Developed Europe	-1.7%	-3.5%	-0.9%	-0.1%	1.4%	-4.3%	-29.0%
Industrial	-4.7%	-3.6%	-1.6%	-0.8%	0.7%	-4.1%	-0.3%
Self-Storage	0.0%	-2.2%	0.7%	0.1%	0.4%	-10.0%	-2.7%
Retail	3.0%	-1.9%	0.2%	1.7%	2.2%	7.2%	-25.3%
Lodging/Resorts	-3.3%	-3.6%	-1.8%	0.6%	-0.1%	11.4%	-25.8%
Diversified	-1.6%	-2.4%	-1.0%	0.3%	1.0%	-5.0%	-29.8%
Residential	-0.8%	-6.0%	0.0%	-0.8%	2.8%	-4.5%	-35.5%
Healthcare	0.6%	-1.3%	1.0%	-0.7%	1.6%	-7.2%	-37.1%
Office	-3.1%	-3.3%	-1.0%	-0.3%	0.8%	-12.3%	-38.4%

Source: EPRA Research. Data is compiled from the FEN Index series (as of April 30, 2024)

FTSE EPRA Nareit Developed Index - Top 10 Constituents

Company	Sector	Country	Total Return
Prologis Inc	Industrial	USA	▼ -21.6%
Equinix Inc	Data Centers	USA	▼ -13.8%
Welltower Inc	Healthcare	USA	▲ 2.0%
Simon Property Group Inc	Retail	USA	▼ -10.2%
Realty Income Corp	Retail	USA	▼ -0.6%
Digital Realty Trust Inc	Data Centers	USA	▼ -3.7%
Public Storage	Self-Storage	USA	▼ -10.6%
Goodman Group	Diversified	AU	▼ -6.3%
VICI Properties Inc	Specialty	USA	▼ -4.2%
Extra Space Storage Inc	Self-Storage	USA	▼ -8.7%

FTSE EPRA Nareit Developed Index - Top 10 Performers

Company	Sector	Country	Total Return
Apartment Income REIT Co	Residential	USA	▲ 18.2%
Centerspace	Residential	USA	▲ 17.7%
ELME Communities	Diversified	USA	▲ 8.9%
Champion REIT	Diversified	HK	▲ 8.7%
IGD	Retail	ITA	▲ 8.4%
Northwest Healthcare Properties	Healthcare	CAN	▲ 8.3%
Cromwell REIT	Ind/Office	SI	▲ 8.0%
Heiwa Real Estate Co. Ltd.	Diversified	JA	▲ 7.1%
Xior Student Housing NV	Residential	BEL	▲ 7.1%
Regional REIT	Office	UK	▲ 6.9%

FTSE EPRA Nareit Emerging Index - Top 10 Constituents

Company	Sector	Country	Total Return
China Resources Land	Diversified	CHN	▲ 15.0%
China Overseas Land & Invest	Diversified	CHN	▲ 29.5%
DLF	Diversified	IDA	▼ -0.6%
Aldar Properties	Diversified	UAE	▼ -2.2%
Central Pattana	Diversified	THAI	▲ 0.8%
SM Prime Holdings	Diversified	PHIL	▼ -14.5%
Fibra Uno Administracion	Diversified	MEX	▼ -4.5%
Embassy Office Parks REIT	Office	IDA	▼ -2.7%
Ayala Land Inc	Diversified	PHIL	▼ -10.9%
Macrotech Developers	Diversified	IDA	▲ 9.1%

FTSE EPRA Nareit Developed Europe Index

The FEN Developed Europe Index slipped 1.7% in April. European equities (-50 bps) and bonds (-66 bps) posted limited but still negative returns for the month.

The France (3.6%) index returned positive, while Germany (-31 bps), Netherlands (-33 bps), the UK (-2.8%) and Sweden (-7.0%) indexes returned negative in April.

As a result of a tender offer by European Real Estate Holdings NV (non-constituent), *Intervest Offices & Warehouses* was deleted from the index.

Sector Performance: Retail (3.0%) and healthcare (61 bps) were top performers. The rest of the sectors returned negative that industrial (-4.7%), lodging/resorts (-3.3%) and office (-3.1%) were bottom performers.

Top 3 constituents: *IGD* (8.4%, Italy, Retail), *Xior Student Housing* (7.1%, Belgium, Residential), *Regional REIT* (6.9%, UK, Office).

FTSE EPRA Nareit Developed Asia Index

The FEN Developed Asia Index lost 3.3%. Asian equities gained (1.6%) compared to a loss from Asian bonds (-49 bps) in April.

Except the Hong Kong (1.6%) index, all country indexes returned negative in Asia: South Korea (-1.9%), Singapore (-2.2%), Japan (-2.7%) and Australia (-7.2%) – *in Euros*.

There was no major corporate action in Developed Asia region.

Sector Performance: All sectors returned negative which was relatively limited for data centres (-38 bps) and lodging/resort (-49 bps) as top performers, while industrial/office (-4.9%) and retail (-5.1%) were bottom performers.

Top 3 constituents: *Champion REIT* (8.7%, Hong Kong, Diversified), *Cromwell REIT* (8.0%, Singapore, Industrial), *Heiwa Real Estate* (7.1%, Japan, Diversified).

FTSE EPRA Nareit North America Index

The FEN North America Index posted a negative 6.2% monthly return in April. Both North American equities (-3.0%) and bonds (-1.2%) returned negative for the month.

The US (-6.2%) and Canada (5.7%) indexes posted negative returns for the month – *in Euros*.

There was no major corporate action in Developed North America region.

Sector Performance: Except healthcare (2.0%) as top performer, the remaining sectors returned negative which Industrial (-17.8%) and data centres (-9.2%) were bottom performers.

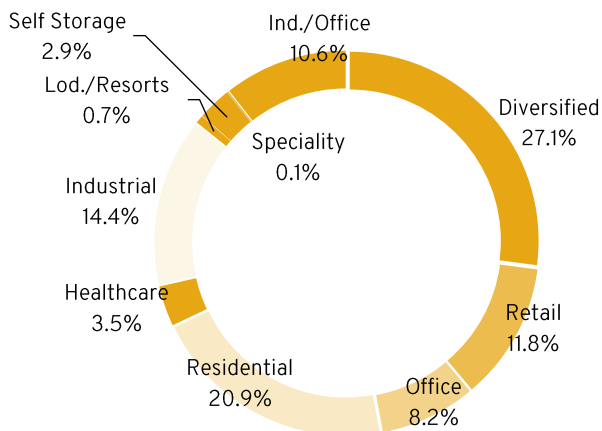
Top 3 constituents: *Apartment Income REIT* (18.2%, USA, Residential), *Centerspace* (17.7%, USA, Residential), *ELME Communities* (8.9%, USA, Diversified).

Developed Europe representing a free float MCap of around **EUR 189 billion** with **103 constituents**

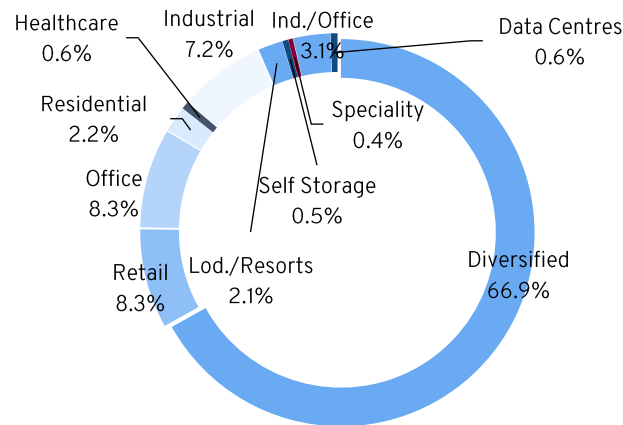
Developed Asia representing a free float MCap of around **EUR 338 billion** with **135 constituents**

Developed North America representing a free float MCap of around **EUR 919 billion** with **120 constituents**

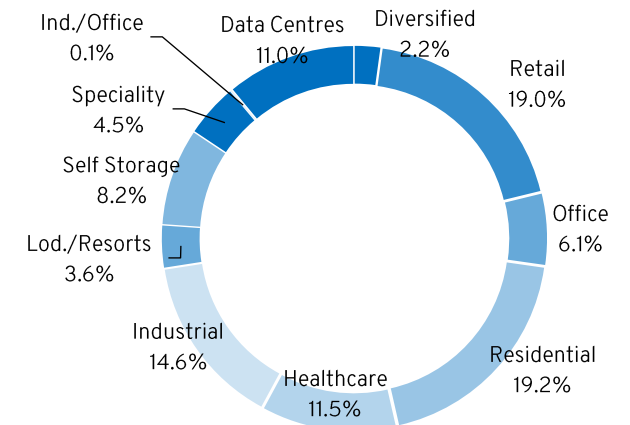
Developed Europe Sector Split



Developed Asia Sector Split

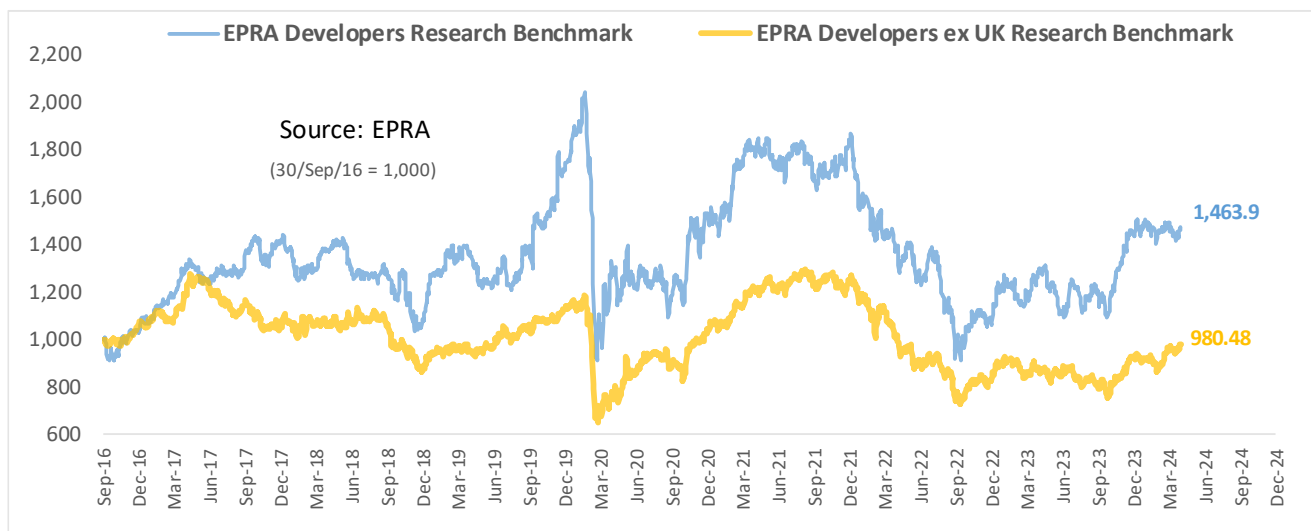


North America Sector Split



EPRA Developers Research Benchmark

Tuesday, 30 April 2024



EPRA DEVELOPERS RESEARCH BENCHMARK	Developed Europe			Developed Europe ex UK		
	1M	YTD	1 Year	1M	YTD	1 Year
Total Return	-2.1%	0.5%	13.8%	1.2%	5.7%	12.2%
Return	YTD	6M	5 Years	YTD	6M	5 Years
Total Return	0.5%	29.5%	6.2%	5.7%	23.2%	2.7%
Maximum Return	2.8%	4.9%	11.6%	2.3%	5.6%	5.6%
Minimum Return	-3.4%	-3.4%	-13.2%	-2.5%	-2.5%	-12.5%
Mean Return (Annualized)	4.8%	118.7%	9.0%	27.2%	83.3%	3.9%
Maximum Drawdown	-6.6%	-6.6%	-55.3%	-8.4%	-8.4%	-45.1%
Maximum Drawdown Length	35	35	690	38	38	22
Risk	YTD	6 Months	5 Years	YTD	6 Months	5 Years
Standard Deviation (Annualized)	19.4%	21.0%	31.4%	14.3%	17.0%	20.8%
Downside Risk (Annualized)	14.3%	14.4%	22.0%	10.5%	10.8%	15.8%
Kurtosis	0.07	1.25	6.55	0.01	0.05	0.13
Skewness	-0.29	0.31	0.13	0.00	0.01	-0.01
Semivariance (Annualized)	20.8%	20.0%	30.9%	15.5%	15.0%	22.8%
VaR (ex-post)	-2.14	-2.00	-2.98	-1.34	-1.19	-1.93
Risk-Adjusted Performance	YTD	6 Months	5 Years	YTD	6 Months	5 Years
Sharpe Ratio	-0.03	3.39	0.18	1.04	2.97	0.10

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

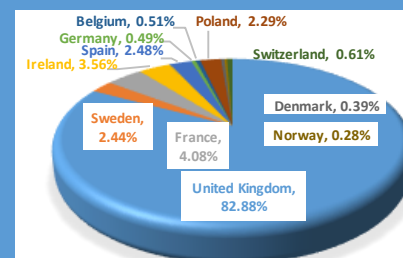
Base Value: 1,000

Review Dates: April, October

EPRA Developers Research Benchmark

Tuesday, 30 April 2024

Constituent	Classification	Weight	Country	TR 1M	TR 1Y	Std.Dev
BERKELEY GROUP	Residential	15.18%	UK	-0.8%	11.5%	21.2%
BARRATT DEV	Residential	14.70%	UK	-3.3%	-0.4%	25.6%
TAYLOR WIMPEY PL	Residential	13.77%	UK	-3.6%	14.3%	25.1%
PERSIMMON	Residential	11.62%	UK	-0.8%	4.1%	33.8%
VISTRY GROUP PLC	Residential	9.76%	UK	-2.5%	57.5%	36.8%
BELLWAY PLC	Residential	9.24%	UK	-4.9%	14.6%	26.1%
REDROW PLC	Residential	5.44%	UK	-3.3%	33.9%	31.6%
CREST NICHOLS	Residential	1.49%	UK	-3.6%	-22.5%	38.3%
HARWORTH GROUP P	Diversified	0.73%	UK	1.3%	24.7%	35.5%
MJ GLEESON PLC	Residential	0.67%	UK	4.9%	24.6%	30.7%
WATKIN JONES PLC	Residential	0.28%	UK	9.7%	-51.4%	66.4%
NEXITY	Residential	1.79%	France	11.2%	-50.5%	47.1%
KAUFMAN & BROAD	Residential	1.21%	France	12.0%	11.6%	28.2%
ALTAREA	Residential	1.08%	France	3.4%	-25.3%	32.0%
METROVACESA SA	Residential	1.01%	Spain	6.1%	23.9%	19.0%
NEINOR HOMES SA	Residential	0.99%	Spain	3.3%	25.6%	27.1%
AEDAS HOMES SA	Residential	0.48%	Spain	7.8%	62.1%	27.0%
IMMOBEL	Diversified	0.38%	Belgium	1.3%	-35.0%	37.7%
ATENOR	Diversified	0.13%	Belgium	-9.9%	-74.7%	80.6%
CAIRN HOMES	Residential	1.89%	Ireland	1.6%	61.5%	24.1%
GLENVEAGH PROPER	Residential	1.67%	Ireland	1.9%	34.9%	24.4%
DEVELIA SA	Diversified	1.46%	Poland	10.7%	112.4%	36.9%
DOMDEV	Residential	0.83%	Poland	-0.1%	54.0%	29.8%
HUSCIET A/S	Residential	0.39%	Denmark	3.8%	-0.1%	35.1%
INSTONE REAL EST	Residential	0.49%	Germany	-2.9%	27.2%	38.3%
SELVAAG BOLIG AS	Residential	0.28%	Norway	-2.0%	2.1%	37.0%
JM AB	Residential	2.44%	Sweden	-13.7%	13.0%	47.0%
CHAM GROUP AG	Diversified	0.61%	Switzerland	0.2%	4.7%	22.9%



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

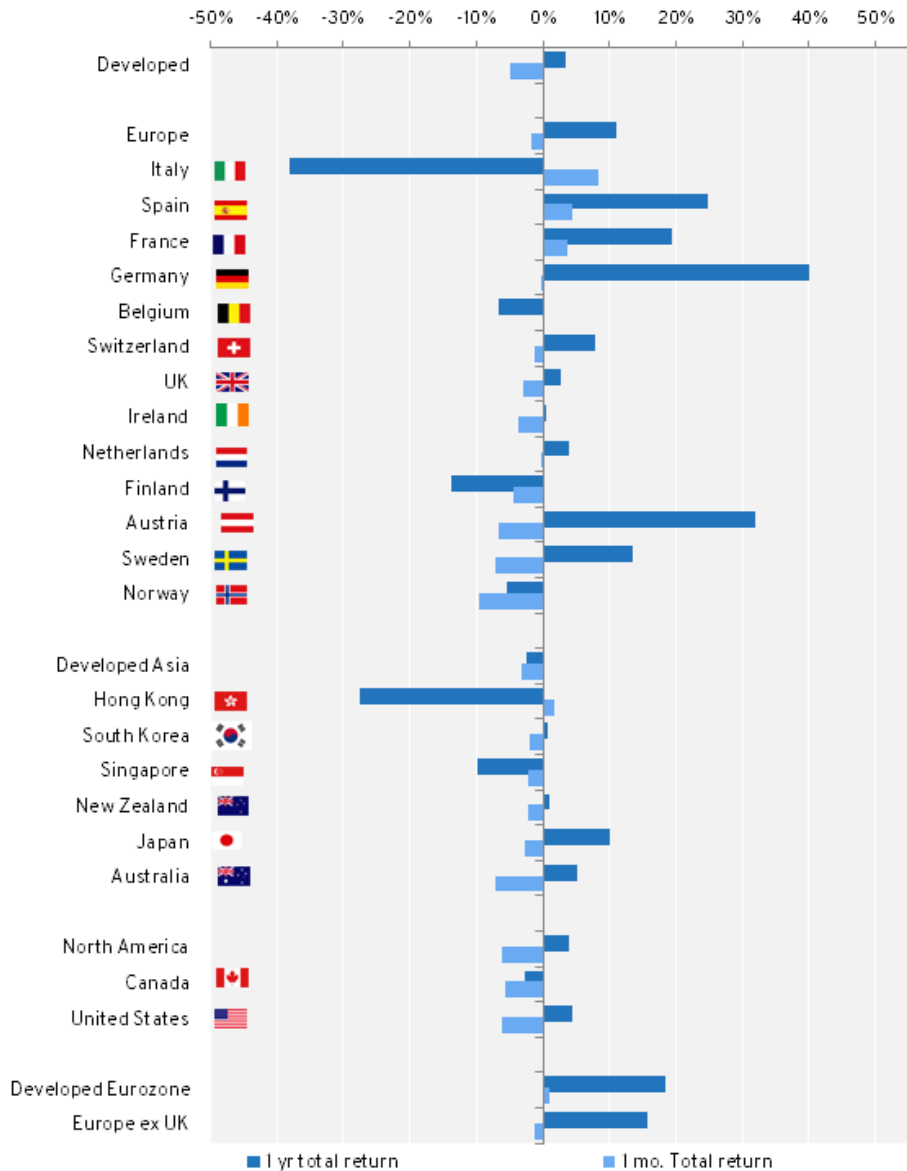
Assets: ≥ 50% of Total Tangible Assets
 invested in RE. No Holding structures.

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	YTD	6 Months	5 Years	Sharpe	5Y Max. Drawdown
Liquid Developers: Total Return	-0.4%	30.2%	4.4%	0.17	-56.1% 690 Days
Standard Deviation (Annualized)	20.8%	22.3%	32.6%		
Residential Developers: Total Return	-0.3%	29.2%	4.6%	0.17	-55.6% 690 Days
Standard Deviation (Annualized)	19.9%	21.4%	32.0%		

FTSE EPRA Nareit Monthly Index Performances (EUR)



Source: FTSE EPRA Nareit (as of April 30, 2024)

Link to Reports & Contacts

Monthly Statistical Bulletin
 Monthly Published NAV Bulletin
 Monthly LTV Report
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[Property Portfolio Analysis \(end of 2022\)](#)
[Emerging Markets 2023](#)
[Sector Analysis: Office \(Aug-21\)](#)
[Total Markets Table 2024-Q1](#)
 (quarterly)



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[EPRA INSEAD Executive Education Programme](#)
 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 fourth edition will be **June 18-20, 2024** at INSEAD Fontainebleau campus.

[EPRA Bayes Business School Online Programme. Understanding the REIT price \(14 October-22 November 2024\)](#)

An online programme dedicated to understanding the listed real estate market, the fourth edition will start in week of October 14.

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](#).

Disclaimer

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