



**EPRA**

EUROPEAN PUBLIC  
REAL ESTATE ASSOCIATION

MONTHLY MARKET REVIEW

# Monthly Market Review and Developers' Research Benchmark

August  
2024

## Overview

The FTSE EPRA Nareit Global Developed Real Estate Index continued to gain momentum and returned 3.9% during August, bringing YTD return to 9.0%. Global equities lost (-46 bps) compared to a gain from bonds (6 bps). In terms of regional performance: All regions posted positive returns: Europe (3.8%), North America (4.1%) and Asia (3.3%). Meanwhile, emerging markets (55 bps) saw a limited but negative return for the month.

Focusing on sector performance, self-storage (10.2%) was outperformer followed by residential (6.8%), industrial/office (5.9%), specialty (5.3%) and healthcare (5.2%) while industrial (-78 bps) and lodging/resorts (-93 bps) were the only sectors posted limited but still negative returns, as bottom performers.

*At the end of August, the FEN Developed Index totalled 360 constituents, representing a free float market capitalisation of around EUR 1.7 trillion and the FEN Emerging Index totalled 128 constituents, representing a free float market capitalisation of around EUR 122 billion.*

## EPRA Developers Research Benchmark

The EPRA Developed Europe benchmark lost -5.7% (m-o-m) in August, now YTD return stands at 17.4%. Redrow Plc (UK), which has been acquired by Barrat Developments Plc (UK, constituent) was deleted, so the benchmark now has 27 constituents from 11 different countries in Developed Europe (17 out of the UK) representing an aggregated full market cap of EUR 52,790 million (30/08/2024)– *Details on page 5.*

## Highlights of the Month

According to the latest Eurostat figures, Eurozone inflation is expected to be 2.2% in August, marking a three-year low. This decline has strengthened market expectations for a further 25-bps rate cut by the ECB in September, following the first cut to 4.25% in June. However, despite the overall decrease in the headline rate, persistently high inflation in the services sector—reaching an annual rate of 4.2%—is likely to keep overall inflation above the ECB's target well into next year, increasing pressure on policymakers. Indeed, the ECB expects inflation will return to its 2% target in the second half of next year, although the path may include some fluctuations.

The FTSE EPRA Nareit Developed Europe Index continued to recover with robust performance posting a 3.8% monthly return and now YTD return stands at 5.2%. The average P/D to NAV in Europe slightly improved and stood at -22.2% in August. Industrial (-2.2%) and lodging/resorts (-1.2%) sectors have lower discount to NAV while Sweden (9.7%) and Austria (0.7%) were the only countries with premium to NAV.

On the other hand, the European average LTV increased slightly to 39.1% in August (38.7% in July) that the lowest in the UK while the highest in Nordics, Italy, Germany and Ireland, as above the average.

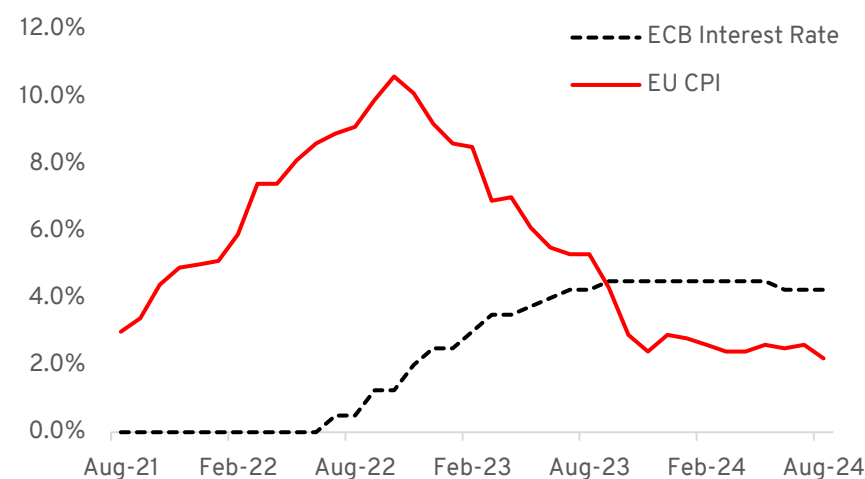
The FTSE EPRA Nareit Developed Europe constituents raised over EUR 4.2 billion capital during August (more info on [EPRA Monthly LTV Monitor](#)).

## FTSE EPRA Nareit Global Index Total Return

| % Total Returns (EUR)             | Aug-24 | YTD  | 1 yr | 3 yrs* | 5 yrs* |
|-----------------------------------|--------|------|------|--------|--------|
| Global Real Estate ▲              | 3.9    | 9.0  | 16.4 | 2.4    | 2.1    |
| Global Equities (FTSE) ▼          | -0.5   | 16.9 | 21.1 | 11.4   | 13.0   |
| Global Bonds (JP Morgan) ▲        | 0.1    | 0.5  | 3.1  | -3.0   | -2.8   |
| Europe Real Estate ▲              | 3.8    | 5.2  | 23.4 | -5.4   | -1.0   |
| Europe Equities (FTSE) ▲          | 1.1    | 12.4 | 17.4 | 6.4    | 8.9    |
| Europe Bonds (JP Morgan) ▼        | -1.8   | 0.6  | 3.3  | -3.2   | -3.4   |
| Asia Real Estate ▲                | 3.3    | 3.4  | 6.4  | -2.4   | -2.3   |
| Asia Equities (FTSE) ▼            | -2.8   | 14.2 | 15.2 | 7.9    | 10.1   |
| Asia Bonds (JP Morgan) ▼          | -1.1   | -0.9 | -1.9 | -0.1   | -2.0   |
| North America Real Estate ▲       | 4.1    | 11.7 | 18.6 | 6.0    | 4.4    |
| North America Equities (FTSE) ▲   | 0.3    | 19.2 | 24.6 | 11.1   | 15.5   |
| North America Bonds (JP Morgan) ▼ | -1.0   | 2.7  | 4.0  | -0.1   | -0.6   |
| Emerging Real Estate ▼            | -0.5   | -2.3 | -0.4 | -7.8   | -6.3   |
| Emerging Equities (FTSE) ▼        | -0.2   | 11.5 | 14.3 | 1.1    | 5.6    |
| Emerging Bonds (JP Morgan) ▲      | 0.1    | 6.3  | 10.5 | 0.9    | 0.6    |

(\* Annualised).

Fig. 1. Eurozone: Inflation vs policy rate



Source: EPRA Research. Data is compiled from Eurostat and ECB.

Fig. 2. Global Weights (EUR)\*

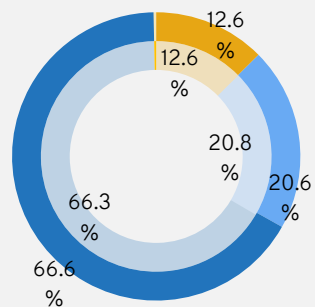


Fig. 3. REIT / Non-REITs

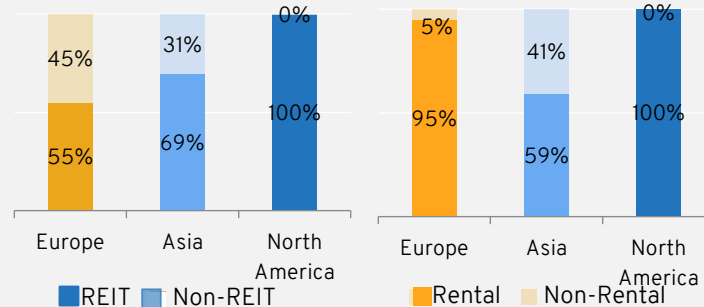


Fig. 4. Focus Split

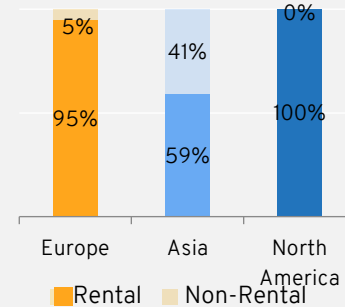


Fig. 5. Dividend Yields\*

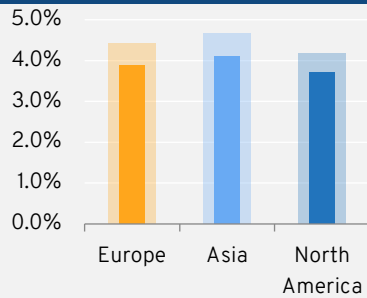


Fig. 6. Volatility (10 yr. & 3 yr.)\*\*

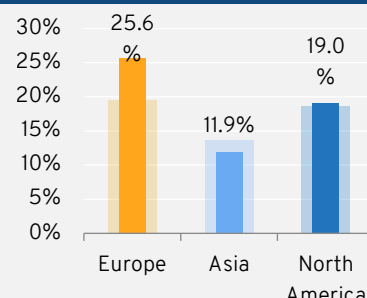
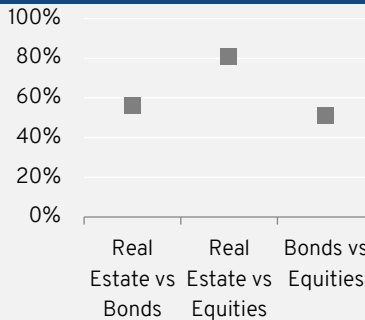


Fig. 7. Correlation (3 yr. rolling)



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

| Dev. Europe:Total Return | Weekly Total Return by Sector |       |       |        |        |        | YTD    | Covid-19  |
|--------------------------|-------------------------------|-------|-------|--------|--------|--------|--------|-----------|
|                          | Aug-24                        | 2-Aug | 9-Aug | 16-Aug | 23-Aug | 30-Aug | Dec-23 | 19-Feb-20 |
| <b>Developed Europe</b>  | 3.8%                          | 2.4%  | -0.7% | 0.2%   | 3.2%   | 0.0%   | 5.2%   | -21.9%    |
| <b>Self-Storage</b>      | 6.8%                          | 3.3%  | -0.4% | 3.1%   | 4.5%   | -0.9%  | 4.1%   | 12.5%     |
| <b>Industrial</b>        | -2.4%                         | 1.8%  | -2.7% | 0.1%   | 0.9%   | -0.8%  | 1.4%   | 5.4%      |
| <b>Lodging/Resorts</b>   | 1.3%                          | 1.4%  | -3.4% | -2.6%  | 4.4%   | 0.9%   | 31.8%  | -12.3%    |
| <b>Retail</b>            | 2.5%                          | 1.8%  | -0.8% | 0.9%   | 3.3%   | -0.2%  | 13.3%  | -21.0%    |
| <b>Diversified</b>       | 4.6%                          | 2.1%  | -0.6% | 0.2%   | 3.8%   | 0.3%   | 6.8%   | -21.1%    |
| <b>Residential</b>       | 7.4%                          | 3.6%  | 0.1%  | -0.4%  | 3.5%   | 1.1%   | 7.7%   | -27.3%    |
| <b>Office</b>            | 4.2%                          | 2.6%  | 0.8%  | -0.3%  | 4.0%   | -0.8%  | -2.4%  | -31.4%    |
| <b>Healthcare</b>        | 3.9%                          | 1.6%  | -0.3% | 1.4%   | 1.9%   | -1.2%  | -0.7%  | -32.7%    |

Source: Data is compiled from FTSE EPRA Nareit (as of August 30, 2024)

FTSE EPRA Nareit Developed Index – Top 10 Constituents

| Company                    | Sector       | Country | Total Return |
|----------------------------|--------------|---------|--------------|
| ProLogis USA               | Industrial   | USA     | ▲ 1.4%       |
| Equinix Inc                | Data Centers | USA     | ▲ 6.1%       |
| Welltower                  | Health Care  | USA     | ▲ 9.1%       |
| Public Storage, Inc.       | Self-Storage | USA     | ▲ 16.2%      |
| Simon Property Group, Inc. | Retail       | USA     | ▲ 9.1%       |
| Realty Income Corp.        | Retail       | USA     | ▲ 8.6%       |
| Digital Realty Trust       | Data Centers | USA     | ▲ 1.4%       |
| Goodman Group              | Diversified  | AU      | ▼ -4.8%      |
| Extra Space Storage        | Self-Storage | USA     | ▲ 10.9%      |
| Vici Properties Inc        | Specialty    | USA     | ▲ 7.1%       |

FTSE EPRA Nareit Developed Index – Top 10 Performers

| Company                      | Sector      | Country | Total Return |
|------------------------------|-------------|---------|--------------|
| IGD SIIQ SpA                 | Retail      | ITA     | ▲ 23.8%      |
| Wharf Real Estate Investment | Diversified | HKG     | ▲ 21.7%      |
| Fortune REIT                 | Retail      | SGP     | ▲ 18.5%      |
| Hongkong Land Holdings       | Offices     | HKG     | ▲ 18.0%      |
| Sunlight REIT                | Diversified | HKG     | ▲ 17.7%      |
| Hysan Development Co Ltd     | Diversified | HKG     | ▲ 17.4%      |
| Deutsche Wohnen SE           | Residential | DEU     | ▲ 17.4%      |
| Champion REIT                | Diversified | HKG     | ▲ 17.0%      |
| The PRS REIT plc             | Residential | UK      | ▲ 16.6%      |
| Aroundtown S.A.              | Diversified | DEU     | ▲ 16.4%      |

FTSE EPRA Nareit Emerging Index – Top 10 Constituents

| Company                                | Sector      | Country | Total Return |
|--|-------------|---------|--------------|
| China Resources Land Ltd               | Diversified | CHN     | ▼ -5.5%      |
| ALDAR PROPERTIES PJSC                  | Diversified | UAE     | ▼ -0.7%      |
| DLF                                    | Diversified | IDA     | ▼ -4.4%      |
| China Overseas Land & Investment Ltd.  | Diversified | CHN     | ▼ -2.2%      |
| SM Prime Holdings                      | Diversified | PHIL    | ▲ 7.5%       |
| Central Pattana Public Company Limited | Diversified | THAI    | ▲ 7.7%       |
| Ayala Land                             | Diversified | PHIL    | ▲ 19.7%      |
| Embassy Office Parks REIT              | Office      | IDA     | ▲ 8.6%       |
| Macrotech Developers                   | Diversified | IDA     | ▼ -4.0%      |
| Fibra Uno Administracion S.A. de C.V.  | Diversified | MEX     | ▶ 0.0%       |

### FTSE EPRA Nareit Developed Europe Index

The FEN Developed Europe Index returned 3.8% in August. European equities (1.1%) gained compared to a loss from bonds (-1.8%) for the month.

The Germany (9.6%), Sweden (4.9%), France (4.2%), Netherlands (1.9%) and the UK (19 bps) indexes returned positive in August. Ireland (-1.7%) was the only country index saw negative return in Developed Europe.

There was no major corporate action in Developed Europe region.

**Sector Performance:** Residential (7.4%), self-storage (6.8%) and diversified (4.6%) were top performers while the remaining of the sectors returned positive except industrial (-2.4%) as the bottom performer.

**Top 3 constituents:** *IGD SIIQ SpA* (23.8%, Italy, Retail), *Deutsche Wohnen SE* (17.4%, Germany, Residential), *The PRS REIT plc* (16.6, UK, Residential).

*Developed Europe* representing a free float MCap of around EUR 208 billion with 103 constituents

### FTSE EPRA Nareit Developed Asia Index

The FEN Developed Asia Index gained 3.3% compared to losses from both Asian equities (-2.8%) and bonds (-1.1%).

All country indexes returned positive in Developed Asia region: New Zealand (11.2%), Hong Kong (10.8%), Singapore(5.5%), Japan (2.0%), Australia (1.2%) and South Korea (57 bps), *in Euros*.

There was no major corporate action in Developed Asia region.

**Sector Performance:** Office (9.5%) and industrial/office (9.3%) outperformed followed by data centres (7.4%), retail (4.8%) and industrial (4.1%) while lodging/resorts (-2.1%) was the only sector returned negative as the bottom performer.

**Top 3 constituents:** *Wharf Real Estate Investment* (21.7%, Hong Kong, Diversified), *Fortune REIT* (18.5%, Singapore, Retail), *Hongkong Land Holdings* (18.0%, Hong Kong, Office).

*Developed Asia* representing a free float MCap of around EUR 341 billion with 134 constituents

### FTSE EPRA Nareit North America Index

The FEN North America Index posted 4.1% monthly return in August. North American equities (27 bps) returned positive compares to a loss from bonds (-97 bps) for the month.

The US (4.0%) and Canada (6.7%) indexes posted positive monthly returns in July – *in Euros*.

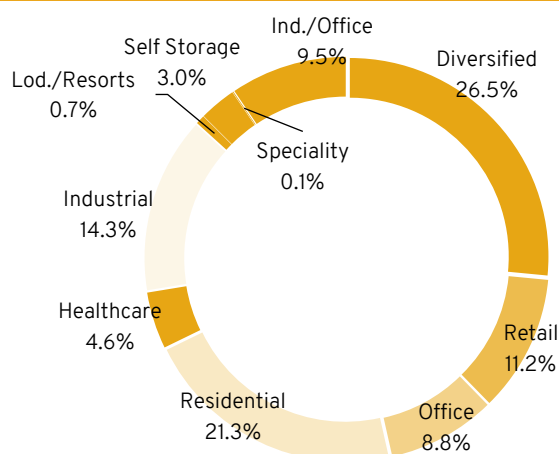
Following the IPO for *Lineage* (USA, REIT, Rental), there was a fast entry adding to the index with a shares in issue total of 210,008,463 and an investability weighting of 25.46%.

**Sector Performance:** Self-storage (10.7%) was outperformer followed by residential (6.8%), healthcare (5.3%) and specialty (5.3%). Meanwhile, industrial/office (-3.1%), industrial (-1.2%) and lodging/resorts (-77 bps) were the bottom performers with negative returns.

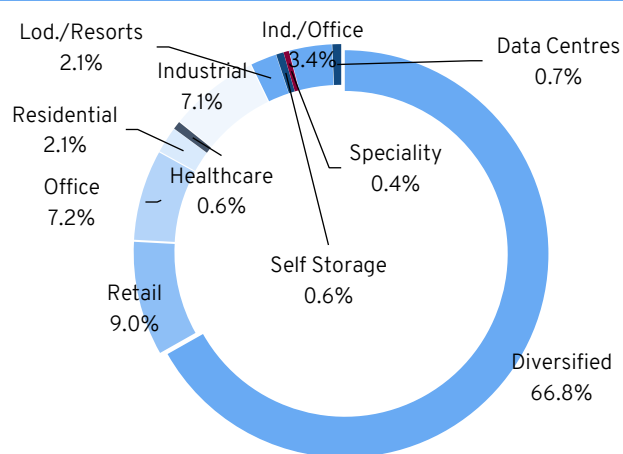
**Top 3 constituents:** *Mid-America Apartment Communities, Inc.* (16.2%, USA, Residential), *Public Storage, Inc.* (16.2%, USA, Self-Storage), *Public Storage, Inc.* (14.5%, USA, Office).

*Developed North America* representing a free float MCap of around EUR 1,103 billion with 110 constituents

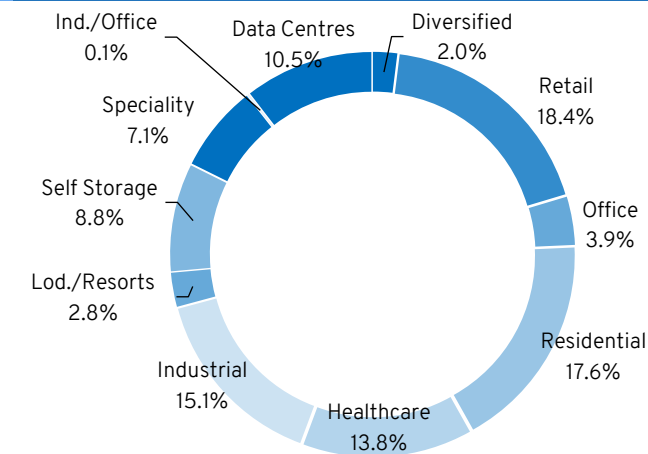
### Developed Europe Sector Split



### Developed Asia Sector Split

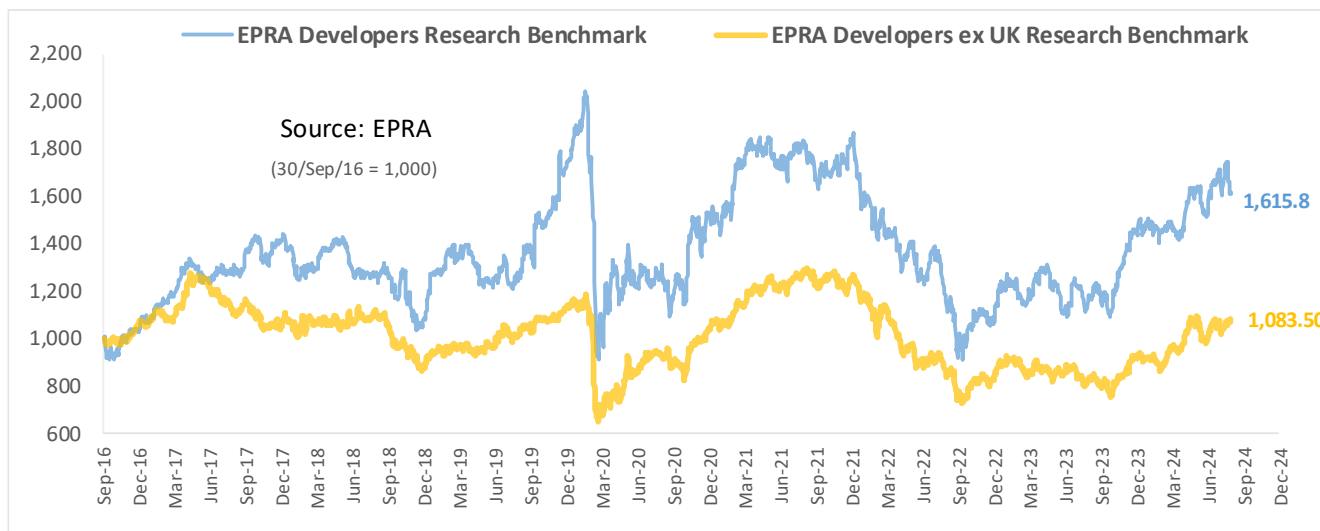


### North America Sector Split



## EPRA Developers Research Benchmark

30 August 2024



| EPRA DEVELOPERS<br>RESEARCH BENCHMARK | Developed Europe |          |         | Developed Europe ex UK |          |         |
|---------------------------------------|------------------|----------|---------|------------------------|----------|---------|
|                                       | 1M               | YTD      | 1 Year  | 1M                     | YTD      | 1 Year  |
| Total Return                          | -5.7%            | 17.4%    | 44.6%   | 0.5%                   | 16.7%    | 31.4%   |
| Return                                | YTD              | 6M       | 5 Years | YTD                    | 6M       | 5 Years |
| Total Return                          | 17.4%            | 19.8%    | 33.7%   | 16.7%                  | 25.7%    | 6.5%    |
| Maximum Return                        | 3.5%             | 3.5%     | 11.6%   | 2.9%                   | 2.9%     | 5.6%    |
| Minimum Return                        | -3.4%            | -3.4%    | -13.2%  | -3.3%                  | -3.3%    | -12.5%  |
| Mean Return (Annualized)              | 43.8%            | 70.0%    | 16.2%   | 40.6%                  | 92.4%    | 5.0%    |
| Maximum Drawdown                      | -7.9%            | -7.9%    | -55.3%  | -10.6%                 | -10.6%   | -45.1%  |
| Maximum Drawdown Length               | 16               | 16       | 690     | 19                     | 19       | 22      |
| Risk                                  | YTD              | 6 Months | 5 Years | YTD                    | 6 Months | 5 Years |
| Standard Deviation (Annualized)       | 20.0%            | 19.4%    | 31.4%   | 15.9%                  | 16.1%    | 21.0%   |
| Downside Risk (Annualized)            | 14.8%            | 14.2%    | 22.1%   | 11.9%                  | 12.2%    | 16.0%   |
| Kurtosis                              | 0.47             | 0.69     | 6.51    | 0.01                   | 0.01     | 0.13    |
| Skewness                              | -0.33            | -0.30    | 0.11    | 0.00                   | -0.01    | -0.01   |
| Semivariance (Annualized)             | 21.5%            | 20.1%    | 31.0%   | 17.3%                  | 18.1%    | 23.2%   |
| VaR (ex-post)                         | -2.23            | -2.07    | -2.97   | -1.60                  | -1.48    | -1.96   |
| Risk-Adjusted Performance             | YTD              | 6 Months | 5 Years | YTD                    | 6 Months | 5 Years |
| Sharpe Ratio                          | 1.29             | 2.18     | 0.33    | 1.50                   | 3.48     | 0.12    |

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

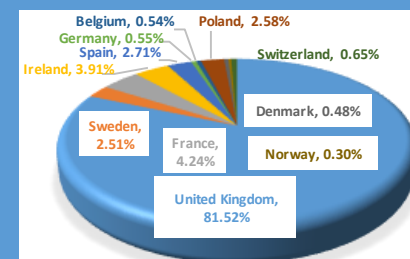
**Base Value:** 1,000

**Review Dates:** April, October

## EPRA Developers Research Benchmark

### 30 August 2024

| Constituent      | Classification | Weight | Country     | TR 1M  | TR 1Y  | Std.Dev |
|------------------|----------------|--------|-------------|--------|--------|---------|
| BERKELEY GROUP   | Residential    | 15.88% | UK          | -1.9%  | 25.8%  | 21.6%   |
| BARRATT DEV      | Residential    | 14.80% | UK          | -3.7%  | 21.2%  | 26.1%   |
| TAYLOR WIMPEY PL | Residential    | 14.91% | UK          | 1.1%   | 54.0%  | 23.8%   |
| PERSIMMON        | Residential    | 12.40% | UK          | 3.5%   | 65.5%  | 31.9%   |
| VISTRY GROUP PLC | Residential    | 10.20% | UK          | -1.8%  | 78.8%  | 35.0%   |
| BELLWAY PLC      | Residential    | 9.93%  | UK          | 5.9%   | 50.4%  | 26.7%   |
| CREST NICHOLS    | Residential    | 1.58%  | UK          | -22.9% | 26.4%  | 44.2%   |
| HARWORTH GROUP P | Diversified    | 0.77%  | UK          | -0.6%  | 59.8%  | 34.9%   |
| MJ GLEESON PLC   | Residential    | 0.73%  | UK          | 1.4%   | 65.0%  | 31.5%   |
| WATKIN JONES PLC | Residential    | 0.31%  | UK          | -39.7% | -33.9% | 59.4%   |
|                  |                |        |             |        |        |         |
| NEXITY           | Residential    | 1.80%  | France      | -7.3%  | -35.6% | 52.5%   |
| KAUFMAN & BROAD  | Residential    | 1.32%  | France      | 1.4%   | 32.2%  | 29.5%   |
| ALTAREA          | Residential    | 1.12%  | France      | -0.3%  | 22.2%  | 33.5%   |
| METROVACESA SA   | Residential    | 1.08%  | Spain       | 0.2%   | 25.5%  | 19.2%   |
| NEINOR HOMES SA  | Residential    | 1.07%  | Spain       | 2.3%   | 65.7%  | 25.5%   |
| AEDAS HOMES SA   | Residential    | 0.56%  | Spain       | 7.8%   | 81.8%  | 25.5%   |
| IMMOBEL          | Diversified    | 0.40%  | Belgium     | -1.8%  | -24.1% | 39.6%   |
| ATENOR           | Diversified    | 0.14%  | Belgium     | -3.9%  | -48.7% | 74.7%   |
| CAIRN HOMES      | Residential    | 2.09%  | Ireland     | 3.2%   | 88.0%  | 26.1%   |
| GLENVEAGH PROPER | Residential    | 1.81%  | Ireland     | 4.4%   | 47.0%  | 24.3%   |
| DEVELIA SA       | Diversified    | 1.58%  | Poland      | -3.5%  | 33.8%  | 35.4%   |
| DOMDEV           | Residential    | 0.99%  | Poland      | 0.5%   | 24.5%  | 32.2%   |
| HUSCIET A/S      | Residential    | 0.48%  | Denmark     | 19.0%  | 27.1%  | 33.2%   |
| INSTONE REAL EST | Residential    | 0.55%  | Germany     | -3.0%  | 58.2%  | 38.1%   |
| SELVAAG BOLIG AS | Residential    | 0.30%  | Norway      | -3.8%  | 25.6%  | 35.8%   |
| JM AB            | Residential    | 2.51%  | Sweden      | -1.3%  | 51.0%  | 43.7%   |
| CHAM GROUP AG    | Diversified    | 0.65%  | Switzerland | 3.3%   | 7.5%   | 17.5%   |



### 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

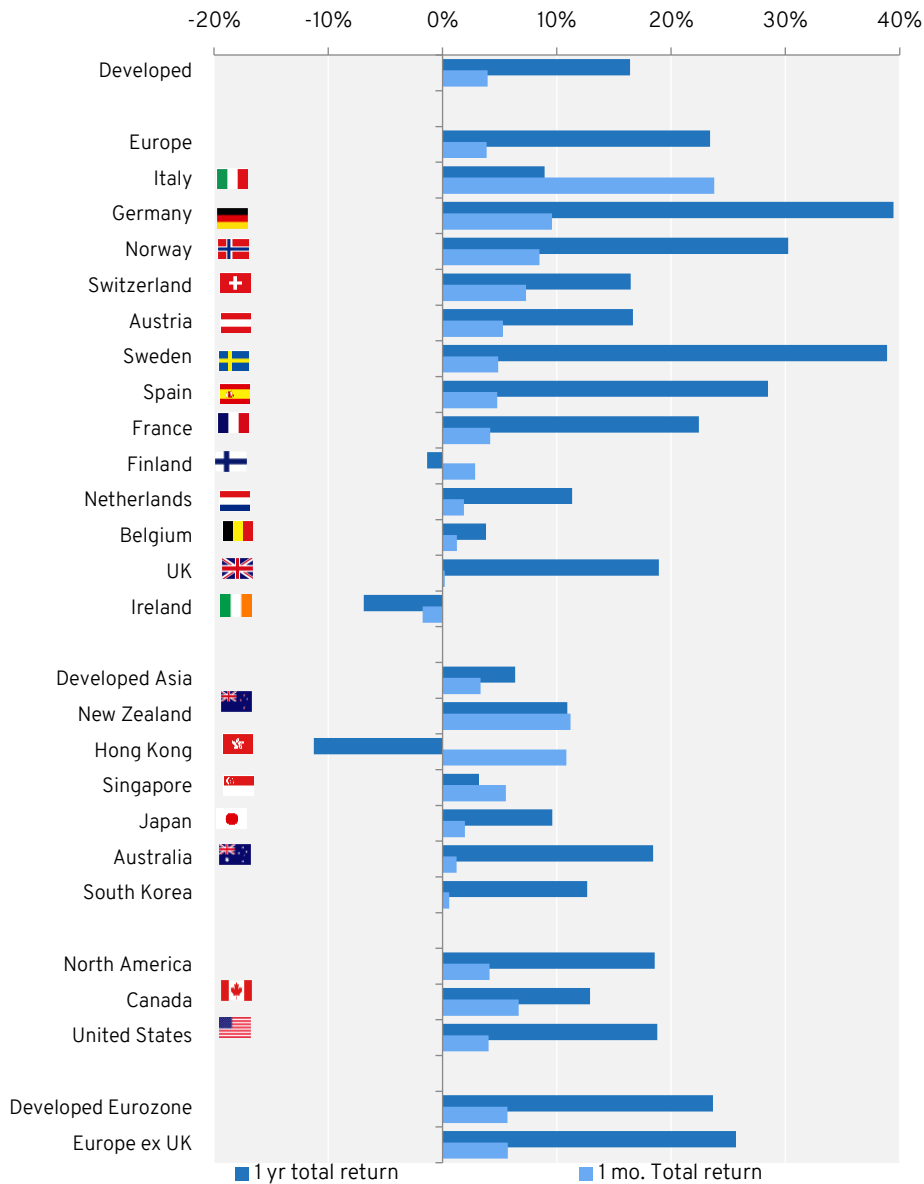
**Assets:** ≥ 50% of Total Tangible Assets  
 invested in RE. No Holding structures.

**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     | YTD   | 6 Months | 5 Years | Sharpe | 5Y Max. Drawdown |
|---|-------|----------|---------|--------|------------------|
| <b>Liquid Developers:</b> Total Return      | 17.3% | 19.5%    | 32.5%   | 0.33   | -56.1%           |
| Standard Deviation (Annualized)             | 21.3% | 20.6%    | 32.6%   |        | 690 Days         |
| <b>Residential Developers:</b> Total Return | 17.3% | 19.7%    | 32.6%   | 0.33   | -55.6%           |
| Standard Deviation (Annualized)             | 20.6% | 20.0%    | 32.0%   |        | 690 Days         |

FTSE EPRA Nareit Monthly Index Performances (EUR)



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

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[Index Ground Rules Version 12.1](#)

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[Alternative Sector report \(Jul-24\)](#)

[Total Markets Table 2024-Q2 \(quarterly\)](#)



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