

STATEMENT

Brussels, 22 March 2019



Comment from Dominique Moerenhout, CEO, European Public Real Estate Association, following proposed changes to the long-term investment in equity capital requirement as part of Solvency II by the European Commission:

“We appreciate the Commission’s recognition that equity capital charges are currently too high for insurers taking a long-term approach to investment. We expect that a few reasonable changes to the regulation could have a significant impact on the listed real estate sector, its investors and prospective investors for whom high capital requirements are a major barrier to increased investment.

“The regulation suggests that listed real estate assets should be treated the same as short-term equity holdings, which is a common but grossly misplaced representation of the long-term investment opportunity the listed real estate sector presents.

“It remains to be seen how the Commission’s proposal works in practice. There are a number of residual issues in the regulation which warrant quick and serious consideration. The lack of flexibility over the five-year holding period and the segregation of portfolios, for example, should be addressed as a matter of urgency in order to safeguard investors.”

ENDS

About EPRA

The European Public Real Estate Association is the voice of the publicly traded European real estate sector. With more than 270 members, covering the whole spectrum of the listed real estate industry (companies, investors and their suppliers), EPRA represents over EUR 450 billion of real estate assets* and 94% of the market capitalisation of the FTSE EPRA Nareit Europe Index. Through the provision of better information to investors, active involvement in the public and political debate, improvement of the general operating environment, promotion of best practices and the cohesion and strengthening of the industry, EPRA works to encourage greater investment in listed real estate companies in Europe.

**European companies only*

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