

DG GROW  
Submitted electronically

Brussels, 17 January 2025

SUBJECT:

## Call for evidence on the Single Market Strategy 2025

Dear Sir/Madam,

The European Real Estate Association (“EPRA”) is the voice of Europe’s listed real estate companies, their investors, and suppliers. With more than 290 members covering the entire spectrum of the listed real estate industry, EPRA represents over €880 billion in real estate assets and 95% of the market capitalisation of the FTSE EPRA Nareit Europe Index.

EPRA’s mission is to promote, develop, and represent the European public real estate sector. We achieve this by providing better information to investors and stakeholders, actively engaging in public and political debates, promoting best practices, and fostering cohesion and strength within the industry.

In this role, we welcome the opportunity to present our recommendations for the Single Market Strategy 2025 as it presents a key opportunity to address critical sector-specific initiatives, such as the **Savings and Investment Union**, which aims to strengthen capital markets for long-term investments as well as the **Affordable Housing Action Plan**, which seeks to ensure access to adequate and sustainable housing across the EU.

In this debate, EPRA wants to underline the opportunity this presents for giving a boost to the real estate market in the EU.

Over the past decades, 13 Member States have established national regimes for Real Estate Investment Trusts (REITs), creating a European success story. REITs are professionally managed companies that own, operate, develop, and manage real estate assets to obtain returns from rental income and capital appreciation, with a mandatory high dividend payout. All REITs are publicly listed on stock exchanges.

Currently, more than 240 REITs, managing over €326 billion in assets, operate across Europe. They play a vital role in transforming the EU’s building stock to align with net-zero objectives while making essential assets available to the EU economy. These include **residential properties**, including social housing, **healthcare and senior housing**, as well as **offices, retail, self-storage, logistics hubs, data centres**, and **life science facilities**, all crucial for EU companies and innovation.

At the same time, this capital-intensive industry contributes long-term income to the diversified investment portfolios of pension funds and insurance companies responsible for savings and pensions of millions of Europeans.

**However, the lack of harmonisation and mutual recognition among Member States limits the potential of REITs** to benefit the European economy and its citizens fully. In comparison, the US REIT framework, a single and unified regime, greatly increases the sector’s impact. With fewer

administrative barriers and more flexibility, US REITs play a critical role in **investment portfolios for approximately 170 million Americans**, particularly in retirement savings. This single regime also reduces administrative burdens and enhances flexibility, giving US REITs a competitive edge in pursuing opportunities, leaving the EU market far behind.

With 13 separate national frameworks, the fragmentation of EU REIT regimes creates significant barriers to cross-border investments, restricting the flow of capital toward key assets. **These constraints limit the ability of European REITs to deepen capital markets; foster a more competitive and liquid real estate sector across the EU as well as drive additional investments into much-needed buildings, such as affordable housing, logistics, or data centres.** Achieving greater harmonisation across these regimes would remove obstacles, allowing Europe to fully leverage its real estate sector's potential, which in turn strengthens the long-term retirement savings of millions of Europeans.

**An action point in the upcoming Single Market Strategy** would encourage a mutual recognition framework for national Real Estate Investment Trust (REIT) regimes in Europe. Given that REIT regimes are administered at the level of Member States, this EU Communication could initialise a more focused and constructive dialogue with policymakers in each Member State to move the initiative forward. This will include minimum standards to ensure institutional investors across jurisdictions have common freedoms and benefits, reducing market barriers.

Therefore, EPRA encourages the inclusion of the following initiative in the upcoming EU Communication on the Single Market Strategy for 2025, wherein the European Commission:

**Call to harmonise the fragmented EU REIT regimes and encourage Member States to promote mutual recognition of the different REIT frameworks across the EU. This will facilitate further cross-border investments, strengthen capital markets for long-term investments, and enhance the EU's competitiveness and strategic autonomy by ensuring the availability of key real assets to the EU economy.**

By doing so, it will recognise the importance of real estate investment vehicles in achieving key EU objectives, including improving energy efficiency, ensuring access to housing, and enhancing long-term investment opportunities for pension funds and insurers in Europe.

We are confident that this step could deliver substantial benefits to the real economy. In the meantime, EPRA is readily available to provide any additional information you may need. You can reach us directly at [publicaffairs@epra.com](mailto:publicaffairs@epra.com).

#### **About EPRA**

For 25 years, the European Public Real Estate Association (EPRA) has been the voice of Europe's listed real estate companies, investors, and their suppliers. EPRA achieves this through providing better information to investors and stakeholders, active involvement in the public and political debate, promotion of best practices, and the cohesion and strengthening of the industry. With more than 290 members (companies, investors, and their suppliers), EPRA represents over 880 billion EUR of real estate assets (European companies only) and 95% of the market capitalisation of the FTSE EPRA Nareit Europe Index. Find out more about our activities on [www.epra.com](http://www.epra.com).

EU Transparency Register no. 09307393718-06