



EPRA

EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

European Listed Real Estate

November 30, 2021 – Cercle Royal Gaulois de Bruxelles

Dominique Moerenhout, EPRA CEO

EPRA mission: Promote, develop and represent the European listed real estate sector

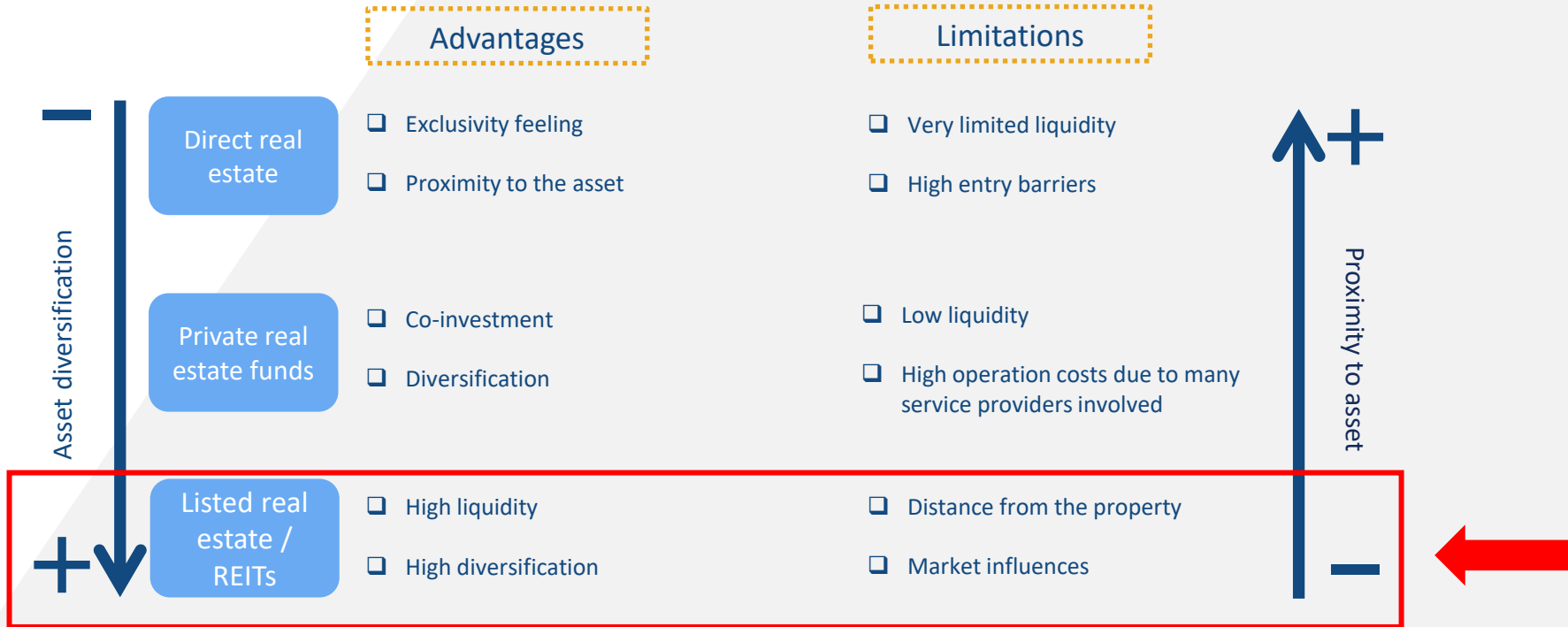


Members	No.	%
Property Companies & REITS	184	65
Investors*	61	22
Academics	20	7
Consultants & others	17	6
Total	282	100

Representing
> €690 billion
of real estate
assets

**Investment Companies, Insurance Companies/Funds, Banks & Stockbrokers*

Different ways to invest in real estate





EPRA
EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

Agenda

- 1 Why invest in listed real estate?
- 2 European and Belgian listed real estate snapshot
- 3 Covid-19 impact on European listed real estate¹
- 4 Perspectives: Good reasons to be positive!
- 5 Conclusion

Investing in listed real estate means investing in real estate

Listed real estate offers

- Equity diversification
- Geographic diversification
- Sector diversification



Diversification

108 companies with over 12,000 assets and portfolios in 20 countries across 9 sectors



Democratisation of real estate

Through the liquid nature of the asset class and the ability to purchase relatively small allocations of shares at low cost, LRE provides the opportunity for individual investors to invest alongside institutional investors

...with the additional benefit of being highly liquid

Businesses in perpetuity

European LRE businesses are, by their nature, able to take longer-term view on how they develop, particularly in terms of longevity and responsibility



Gecina I1ve redevelopment

The redevelopment of the iconic I1ve building at the heart of Paris, in line with the circular economy approach, with multipurpose areas, including a business centre, a fitness centre, rooftop gardens, high-end food offering and parking spaces.



URW Stratford City: East London regeneration

Westfield Stratford City has been a catalyst to the regeneration of East London. As one of the first pieces of the London 2012 Olympic legacies, by 2027, it's estimated that £25bn will be invested in the area.

...playing an active role in regenerating new or underdeveloped areas of cities

Shaping economic shifts and benefiting from them

Our members shape our cities, ensuring that we can work, live and play in them to the highest standards...



Citycon: Modern Cityscaping in Stockholm

Kista, Stockholm by Citycon is an example of one such development on the outskirts of Stockholm with residential, retail, leisure and workspace, allowing people to reside and flourish in the regenerated district.



WDP: Powering deliveries to your door

WDP has 5,5 million m² of warehouse space that is spread over the Benelux, France, Germany and Romania.

...and they make e-commerce and home deliveries possible so we can live more conveniently.

A positive contributor to the global climate crisis

Our members are involved in a number of carbon reduction initiatives for current and future buildings...

Castellum: Fossil Free Sweden Initiative

Castellum was the first property company to sign the Swedish government's "Fossil Free Sweden" initiative, and also works actively with industry organizations such as the Sweden Green Building Council to develop environmental certification systems and the national initiative to create more sustainable buildings.

Shaftesbury Plc: Committed to carbon recapture

Shaftesbury capture and repurpose the embodied carbon of their portfolio, retaining the unique character of London's historic Soho district through renovation rather than construction.

...and are committed to carbon recapture plans, to make sure old buildings with good bones are repurposed, not knocked down.



A positive contributor to the global social crisis

And in socially-minded placemaking....

Fabege: CityLab Initiative

Fabege has been involved in the CityLab initiative, a process to improve the city and its street space by developing in a thoughtful way to fulfil more than one purpose.

LEG Wohnen: “Living space for generations” Initiative

LEG Wohnen gives senior citizens the opportunity to downsize to more appropriate accommodation.

That is inclusive for all....

Social housing, PRS, healthcare, long-term support, elderly care

€10bn

of social housing
in Europe

€20bn

of senior housing
in Europe

€70bn

of PRS

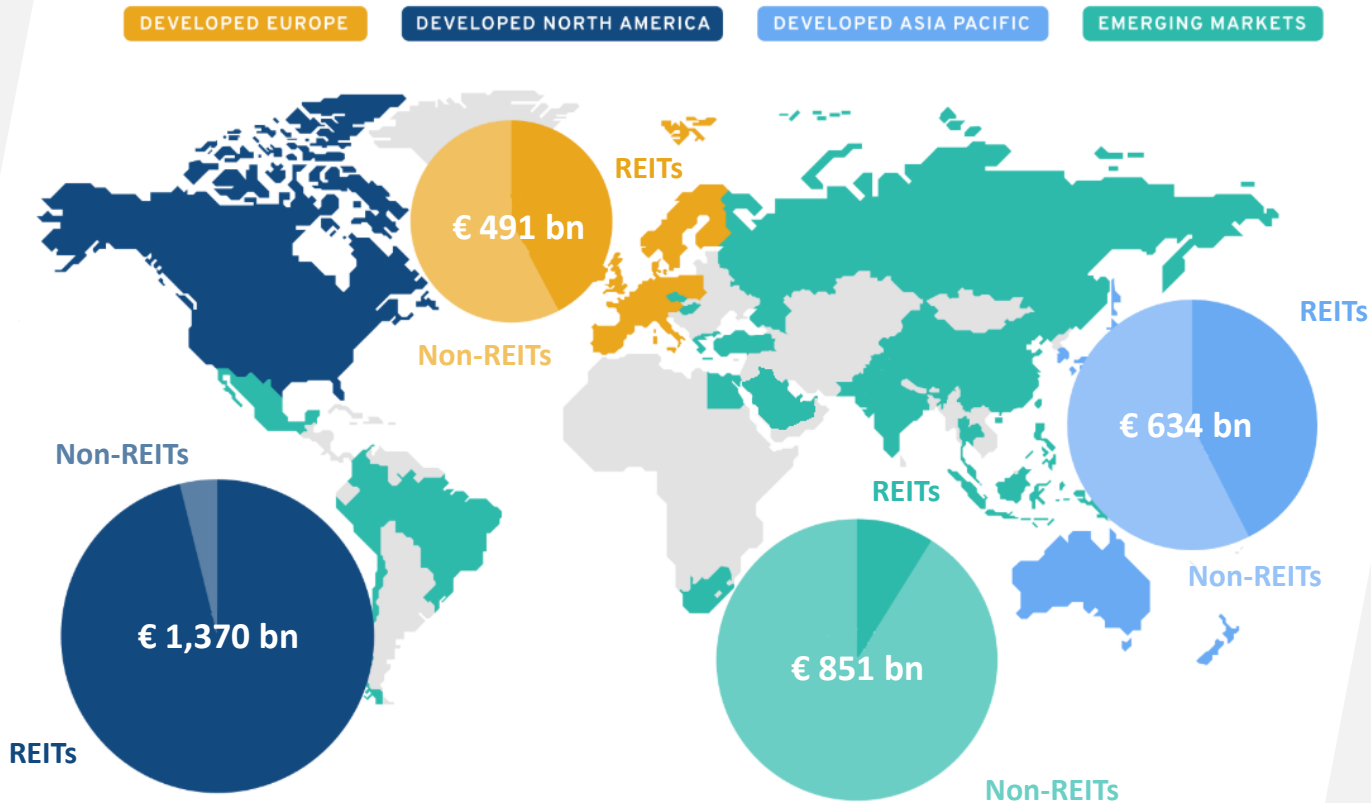


EPRA
EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

Agenda

- 1 Why invest in listed real estate?
- 2 European and Belgian listed real estate snapshot
- 3 Covid-19 impact on European listed real estate
- 4 Perspectives: Good reasons to be positive!
- 5 Conclusion

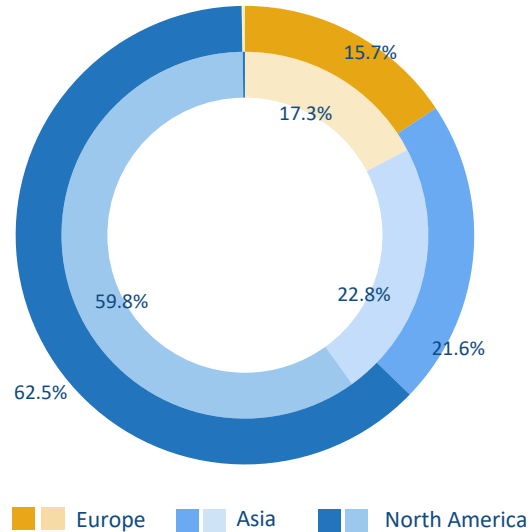
Listed real estate around the world



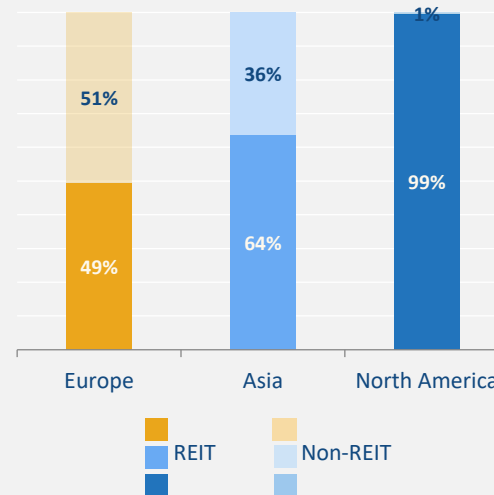
Source: EPRA
Data as of: September 30, 2021

FTSE EPRA Nareit Global Developed Index: 3 main regions, 3 different realities

Global weights (EUR)*



REITs / Non-REITs

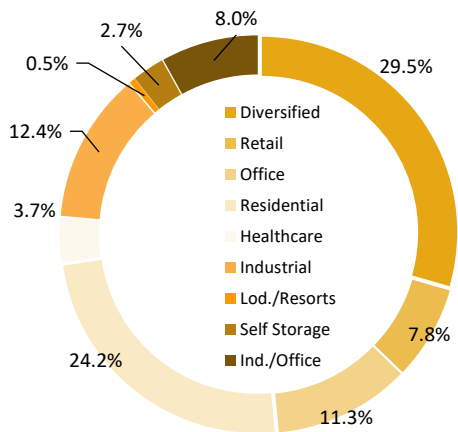


(*) Shaded rings are last month's.

Source: FTSE EPRA Nareit Developed Index
Data as of October 29, 2021

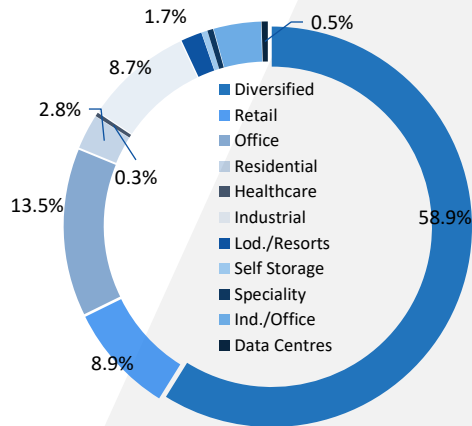
FTSE EPRA Nareit Global Developed Index: Full sectorial universe, continental specificities

Developed Europe



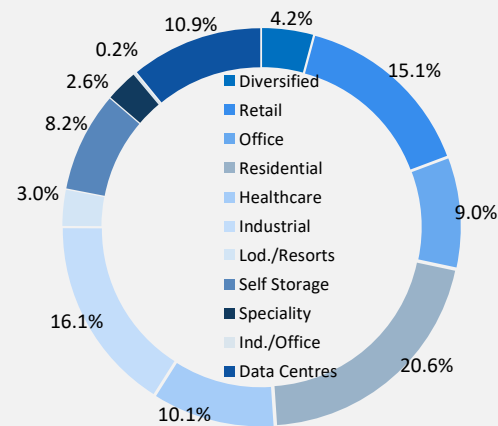
Developed Europe representing a free float MCap of around **EUR 269 billion** with **108** constituents

Developed Asia



Developed Asia representing a free float MCap of around **EUR 371 billion** with **126** constituents

Developed North America



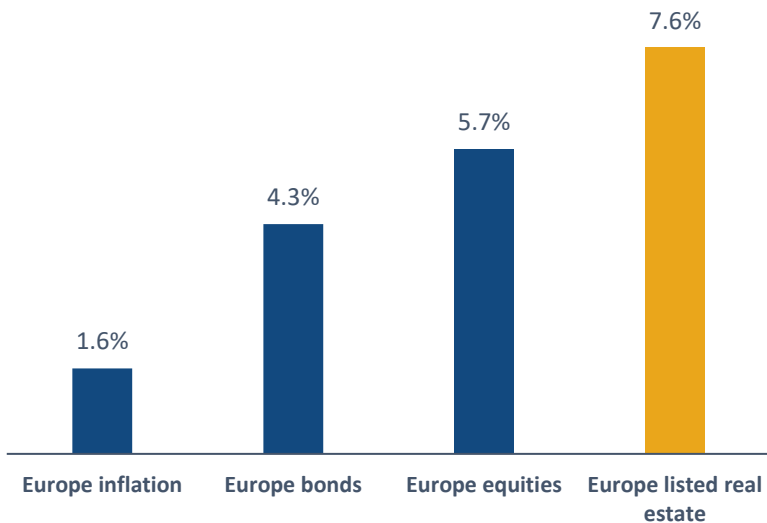
Developed North America representing a free float MCap of around **EUR 1,074 billion** with **140** constituents

FTSE EPRA Nareit Developed Europe Index: Country breakdown

Country	Companies	Market Cap (€ Bln)	% of Index
UK	40	82,4	25.0%
Germany	11	81,5	24.7%
Sweden	18	58,6	17.8%
France	6	28,7	8.7%
Belgium	11	25	7.6%
Switzerland	7	18,2	5.6%
Netherlands	5	11,3	3.4%
Spain	3	9	2.7%
Finland	2	5,6	1.7%
Austria	1	3,7	1.1%
Ireland, Italy, Norway	4	5,3	1.6%
Total Developed Europe	108	329,4	100.0%

European listed real estate delivers strong long-term performance

20-year annualised total return in local currency



	Europe listed real estate	Europe government bonds	Europe general equities
1 year	23.0%	-9.1%	28.5%
3 year	5.4%	1.1%	8.4%
5 year	5.4%	0.0%	9.2%
10 year	9.7%	3.4%	9.6%
15 year	3.2%	3.8%	5.4%
20 year	7.6%	4.3%	5.7%

Sources: ECB, FTSE, EPRA, Nareit, JP Morgan
Data as of: September 30, 2021

... And outperforms (not only) unlisted real estate in European pension funds' asset allocation

Returns

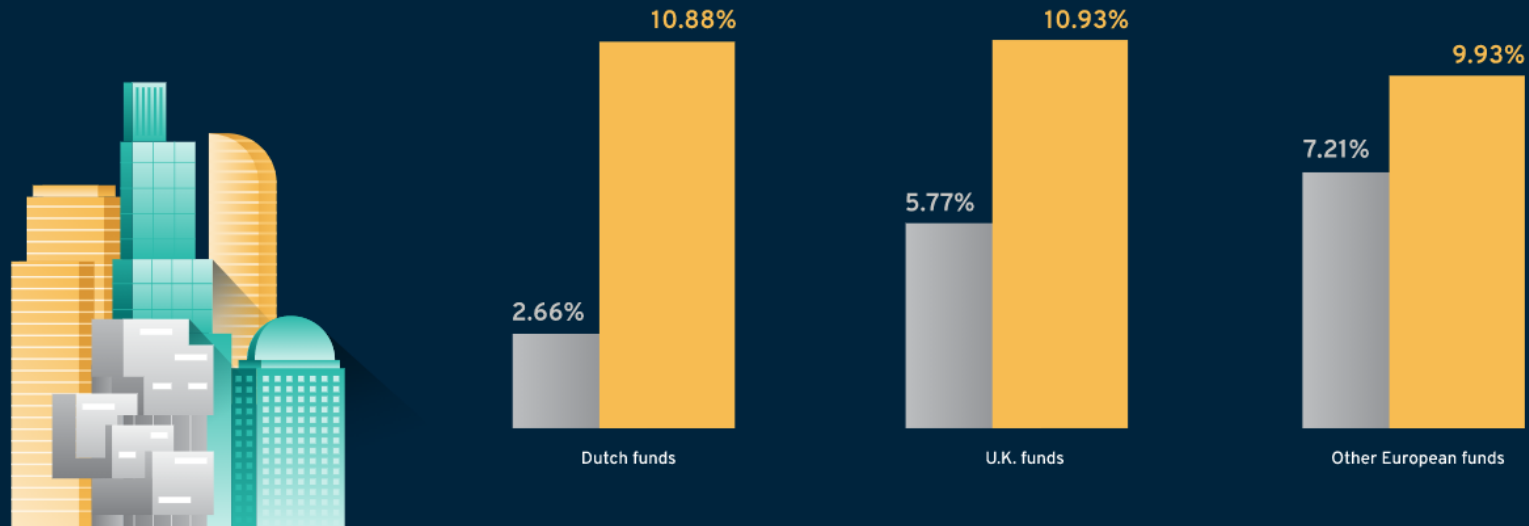
Listed real estate outperforms unlisted as an asset class within institutional investor's portfolios.

NET TOTAL RETURN COMPARISON (2010-2016)

■ Unlisted Real Estate ■ Listed Real Estate

COST VS NET RETURN

RETURN COMPARISON



Source: CEM Benchmarking (2018)

Source: CEM Benchmarking (2018). Asset allocation, cost of investing and performance of European pension funds: the impact of listed real estate on investment portfolios

Belgian REITs: A diversified universe, spreading beyond its borders

Company	Full Market Cap (€ Mln)
WDP	7,249.7
SHURGARD SELF STORAGE*	4,705.8
COFINIMMO	4,184.7
AEDIFICA	4,137.7
MONTEA	2,082.1
XIOR STUDENT HOUSING NV	1,293.1
BEFIMMO	1,007.0
RETAIL ESTATES	876.5
NEXTENSA (LEASINVEST REAL ESTATE SCA)	798.2
CARE PROPERTY INVEST	701.9
INTERVEST OFFICES&WAREHOUSES	662.8
VASTNED RETAIL BELGIUM NV	422.8
WERELDHAVE BELGIUM NV	422.4
HOME INVEST BELGIUM	394.3
ASCENCIO	328.5
INCLUSIO SA	144.7
WAREHOUSES ESTATES BELGIUM	128.2
QRF COMM VA	81.2
IMMO MOURY	21.9
	29,643.49

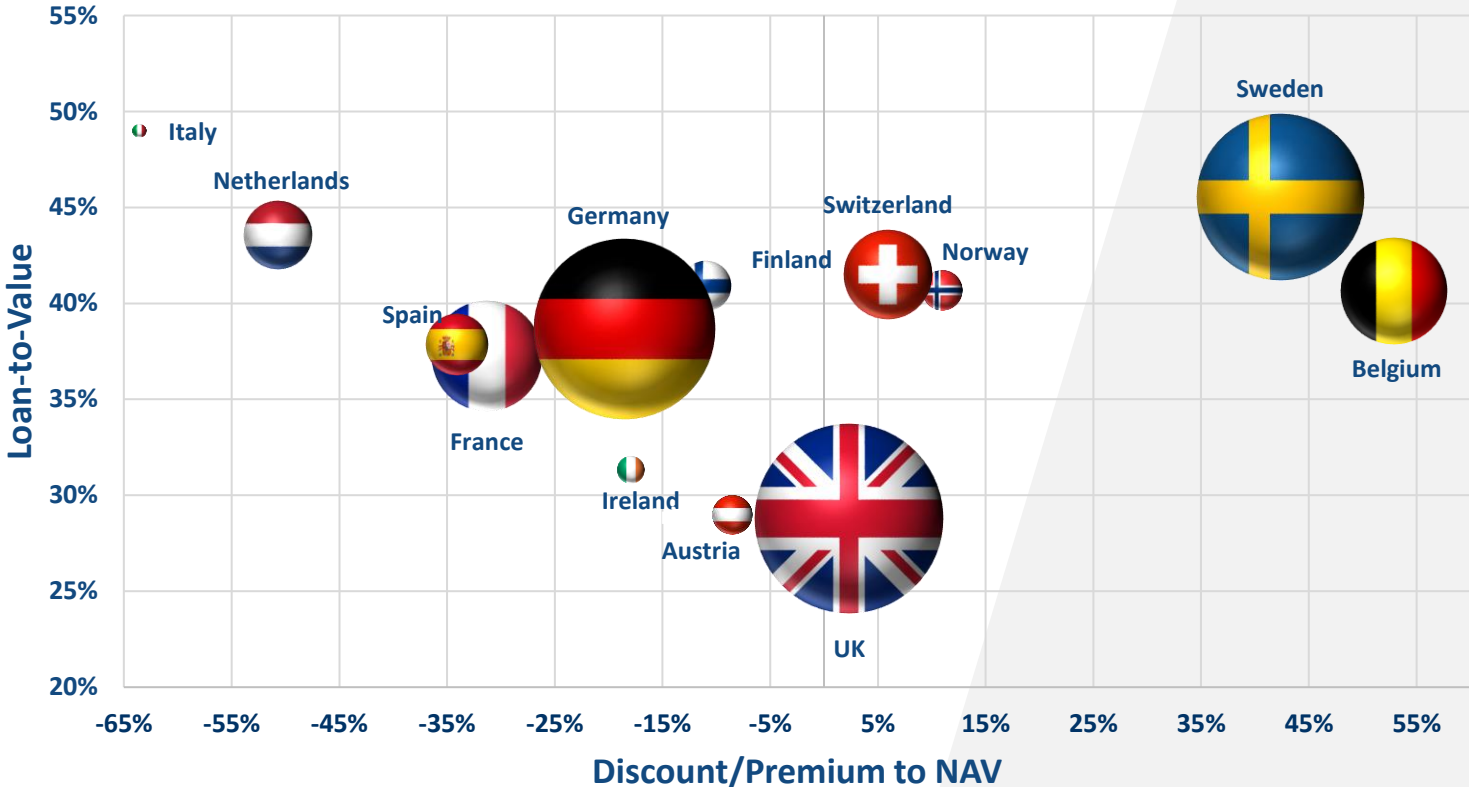
BEL-20 Constituents at Euronext Brussels

*Luxembourg domiciled, traded at Euronext Brussels

Data as of: October 29, 2021



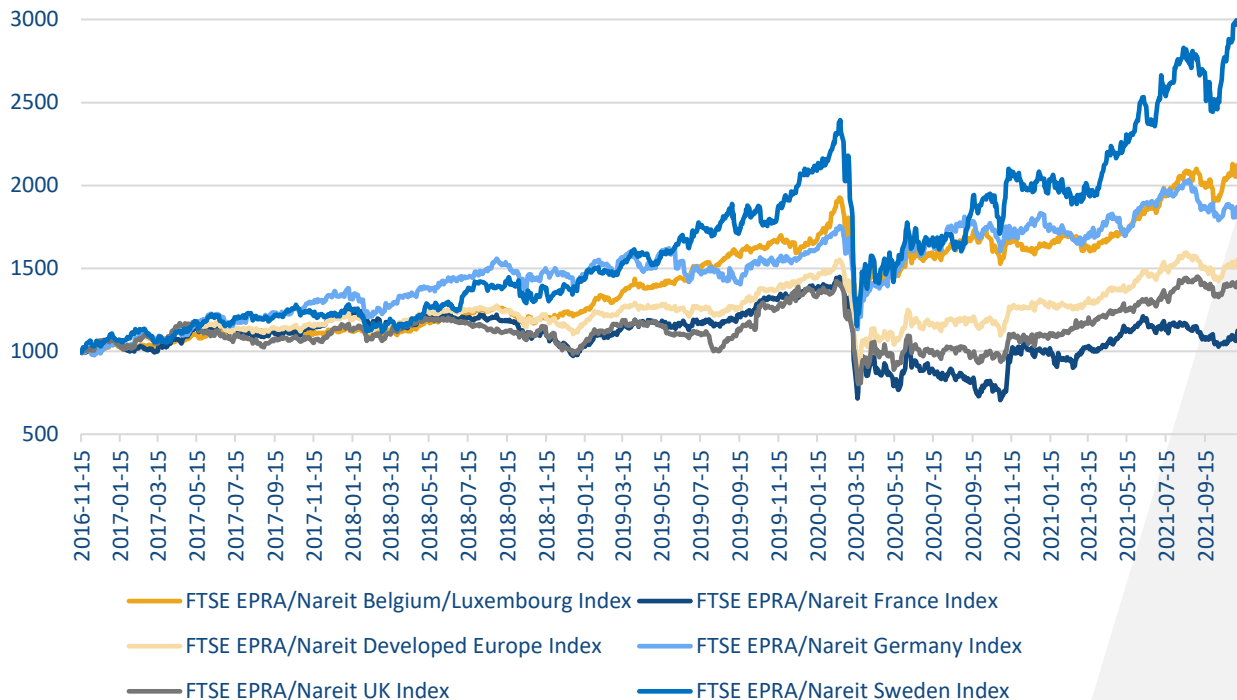
Belgian REITs trading historically at a premium to NAV



Sources: EPRA Research, FTSE EPRA Nareit Developed Europe Index. Bubble size based on country size (full market cap) in FTSE EPRA Nareit Developed Europe Index (not for 'Europe')
 Data as of: October 29, 2021



Belgian REITs outperforming most of the main European countries



	Annual performance of the Belgium/Lux Index
5 year	17.4%
10 year	15.7%

Source: EPRA
Data as of: October 29, 2021



EPRA
EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

Agenda

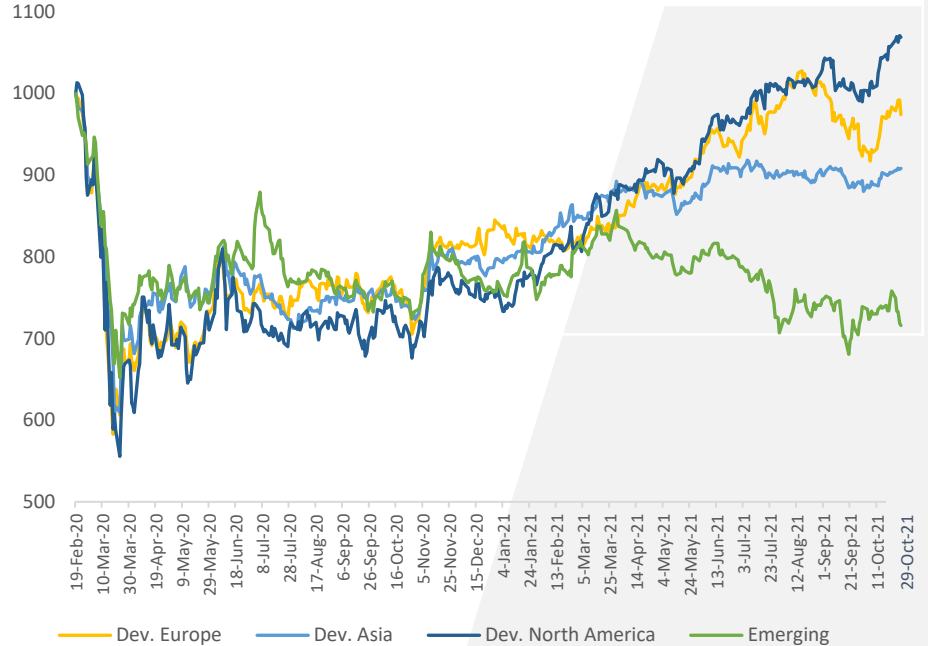
- 1 Why invest in listed real estate?
- 2 European and Belgian listed real estate snapshot
- 3 Covid-19 impact on European listed real estate
- 4 Perspectives: Good reasons to be positive!
- 5 Conclusion

Covid-19 affected the entire global sector, with a rebound since late 2020

FTSE EPRA Nareit Global Index Total Return

% Total Returns (EUR)	Since					
	YTD	19/02/20	1 yr	3 yrs*	5 yrs*	10 yrs*
Global Real Estate	▲ 29.2	1.4	44.3	9.9	6.8	10.7
Global Equities (FTSE)	▲ 26.1	22.7	39.1	12.1	11.9	11.6
Global Bonds (JP Morgan)	▼ -0.6	-4.1	-2.9	7.0	3.8	3.9
Europe Real Estate	▲ 15.8	-2.6	35.5	8.4	8.1	10.6
Europe Equities (FTSE)	▲ 20.3	16.0	41.0	11.7	10.0	9.9
Europe Bonds (JP Morgan)	▲ 1.7	-7.2	-2.7	2.6	0.8	6.1
Asia Real Estate	▲ 13.8	-9.2	25.6	5.6	3.5	7.9
Asia Equities (FTSE)	▲ 12.7	15.0	22.8	11.4	9.6	12.3
Asia Bonds (JP Morgan)	▲ 4.6	-8.1	-0.4	0.2	-0.6	3.8
North America Real Estate	▲ 40.2	6.9	55.0	11.9	7.8	11.9
North America Equities (FTSE)	▲ 30.7	32.2	44.4	21.0	17.7	18.1
North America Bonds (JP Morgan)	▲ 2.9	-3.9	-1.8	4.5	1.4	4.4
Emerging Real Estate	▼ -7.0	-28.4	-2.3	-0.3	2.1	5.3
Emerging Equities (FTSE)	▲ 8.3	11.6	18.5	12.3	8.4	7.4
Emerging Bonds (JP Morgan)	▲ 4.5	-1.9	5.0	5.7	2.8	7.0

Total return : by region (19/02/2020=1000)



Source: Compiled from FTSE EPRA Nareit Developed Index

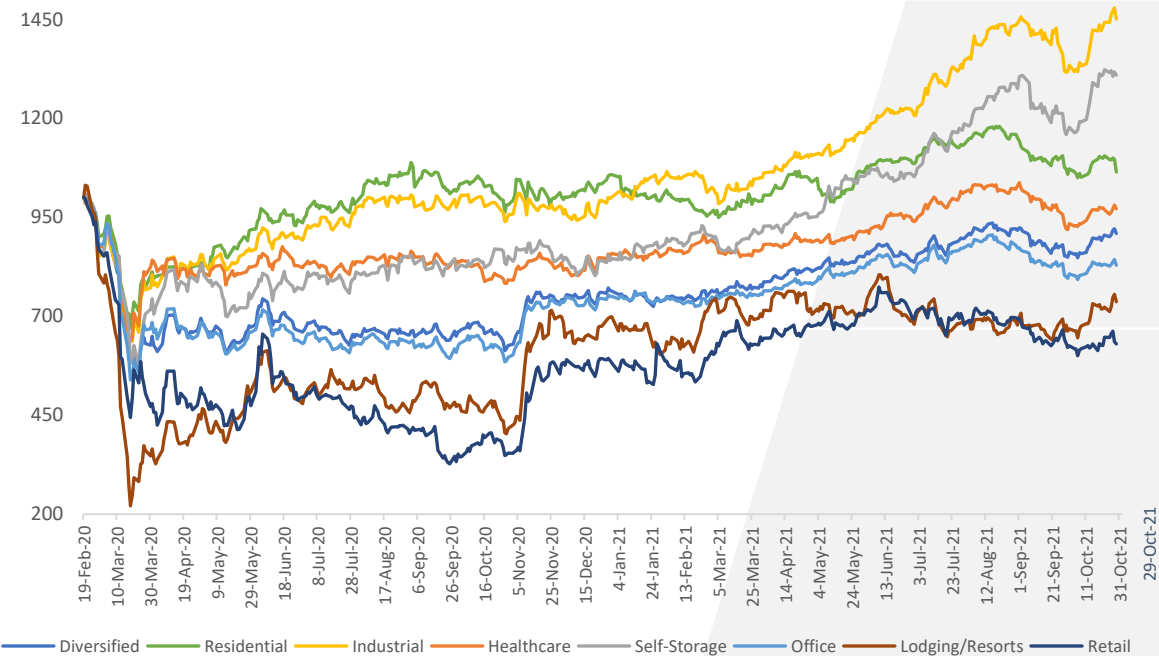
Data as of: October 29, 2021

* Annualised

Industrial, self-storage and residential outperforming the other sectors...

Total Return	YTD		Since
	Oct-21	Dec-20	19-Feb-20
Developed Europe	5.5%	15.8%	-2.6%
Industrial	10.1%	45.1%	45.1%
Self-Storage	12.1%	54.8%	31.0%
Residential	0.6%	0.6%	6.4%
Healthcare	5.7%	13.1%	-2.9%
Diversified	7.1%	19.1%	-9.1%
Office	4.1%	10.5%	-17.1%
Lodging/Resorts	11.3%	5.4%	-26.3%
Retail	1.5%	8.2%	-37.0%

Dev. Europe : Total return by sector (19/02/2020=1000)



Source: Compiled from FTSE EPRA Nareit Developed Europe Index
Data as of: October 29, 2021

The sector coped better with Covid-19 vs GFC



Source: Compiled from FTSE EPRA Nareit Index series

Data as of: October 29, 2021

...Because it was better prepared

2008: GFC, a solvency crisis

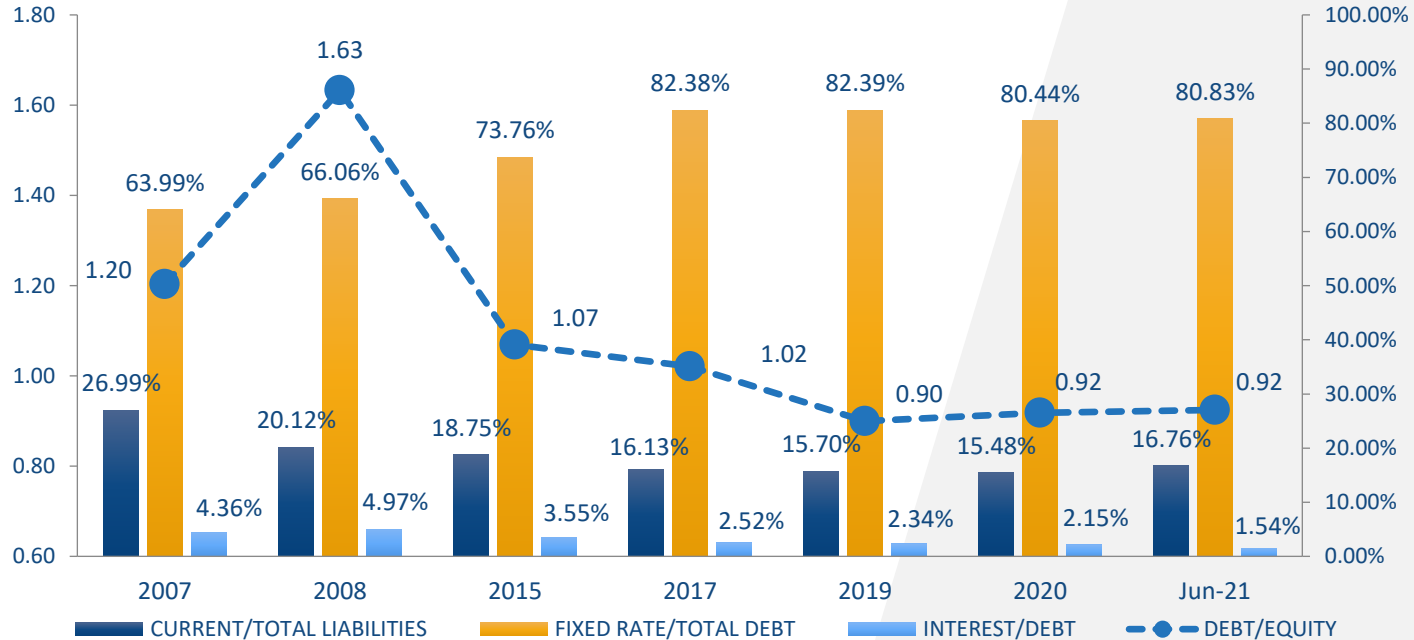
2020: Covid-19, a liquidity crisis

→ Although totally unpredicted and unprecedented, the European listed real estate sector was better prepared to absorb the shock



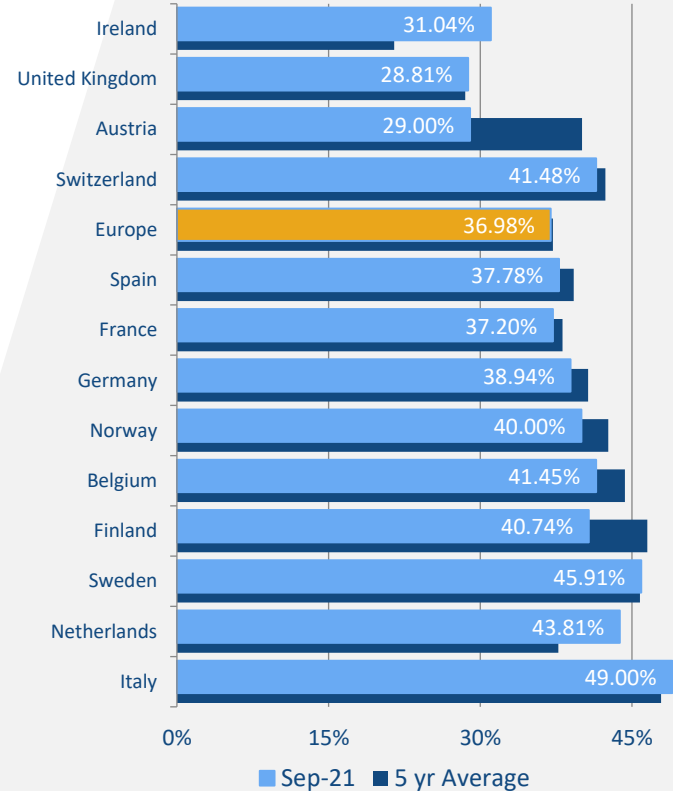
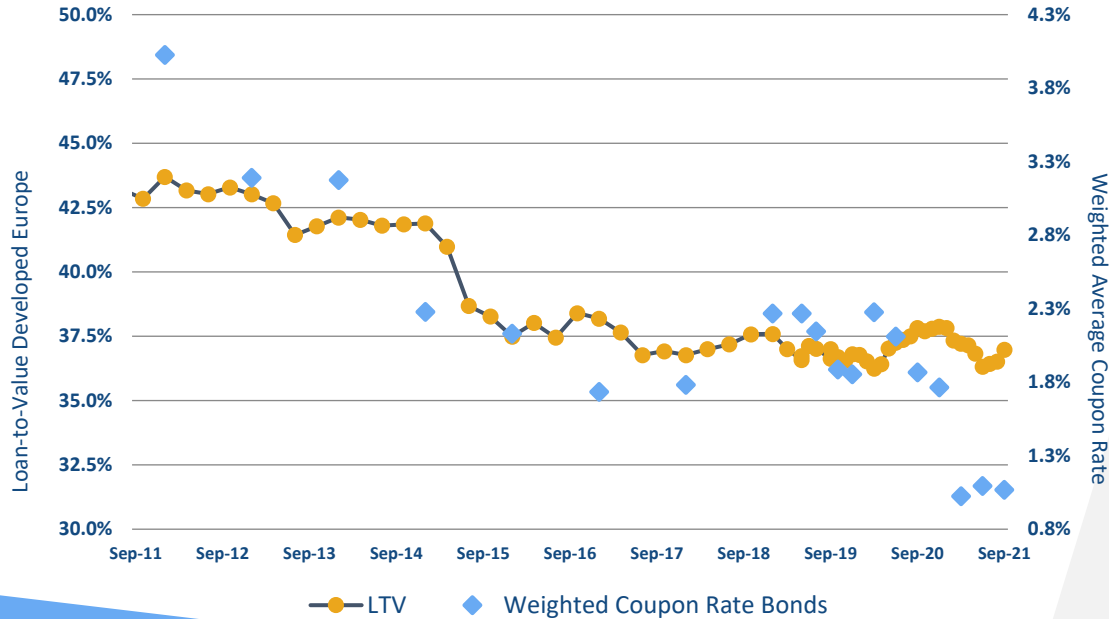
... Thanks to a significantly positive debt profile evolution

It considers only those companies which were included in the index in the three consecutive years



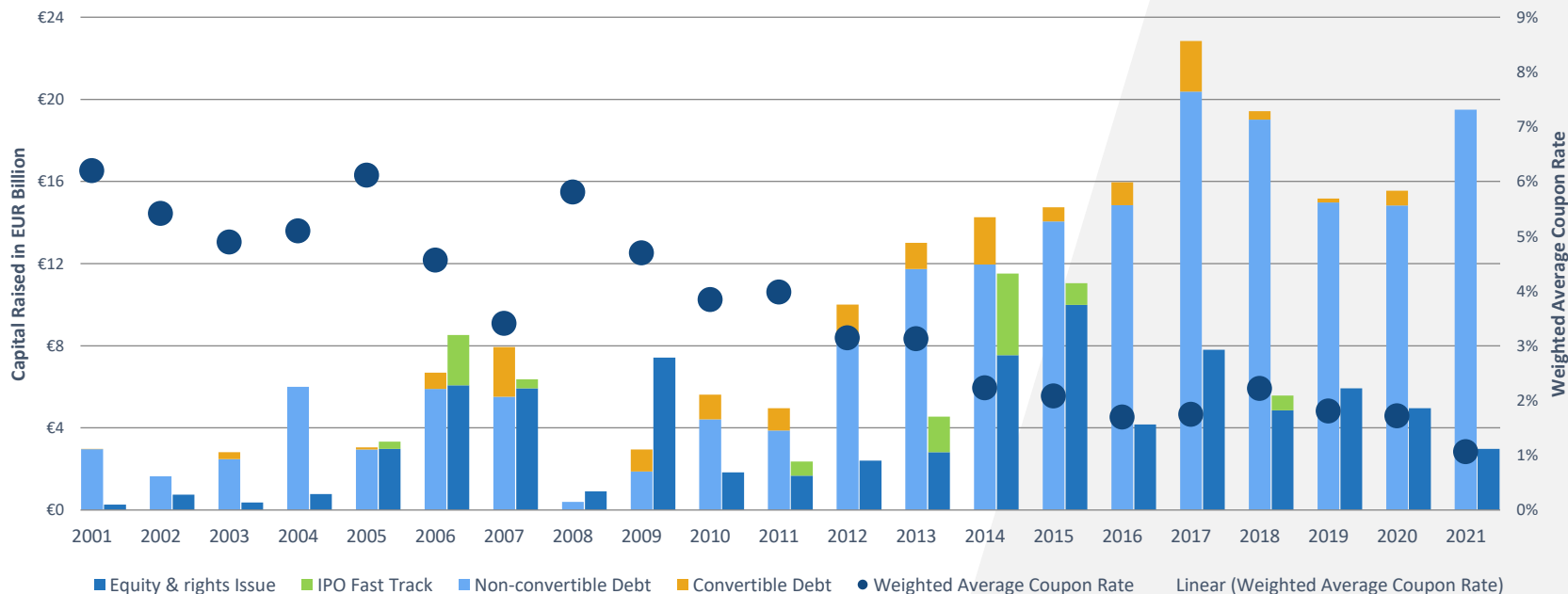
... Coupled with pro-active LTV management

Loan-to-Value vs Weighted Coupon Rate Bonds



Source: EPRA
Data as of: September 30, 2021

... And an easy access to capital markets over the last decade



Sources: EPRA Research based on FTSE EPRA Nareit Developed Europe Index
Data as of: October 29, 2021



EPRA
EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

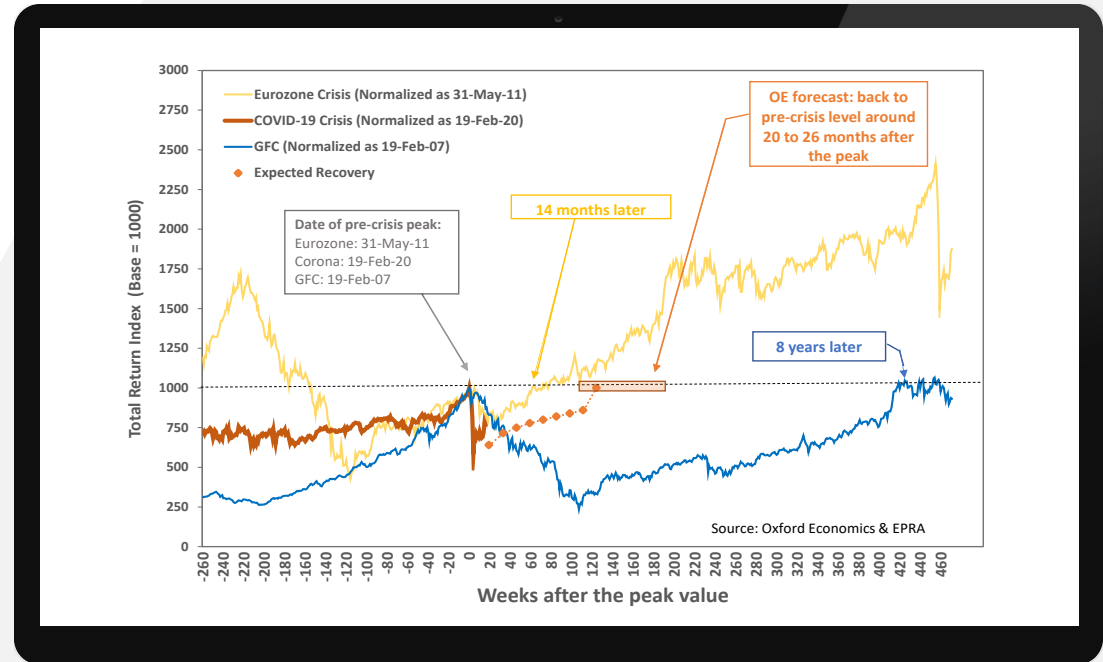
Agenda

- 1 Why invest in listed real estate?
- 2 European and Belgian listed real estate snapshot
- 3 Covid-19 impact on European listed real estate
- 4 Perspectives: Good reasons to be positive!
- 5 Conclusion

Return to pre-crisis level ahead of initial predictions... and 5 times quicker than GFC!

Report highlights

- Initial impact comparable to GFC
- Recovery path similar to Eurozone crisis
- Listed real estate sectors will not be equal
- OE agree **listed RE key in a multi-asset portfolio**



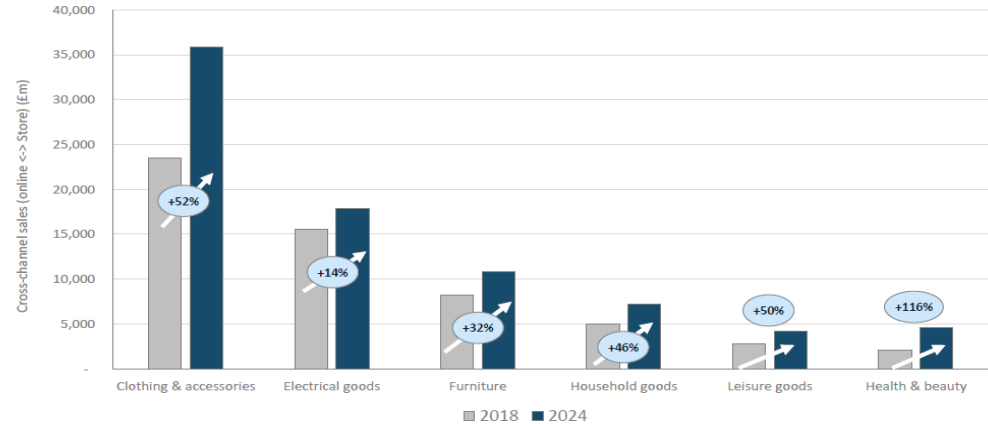
Source: Oxford Economics & EPRA 'Impact of the Covid-19 crisis on European listed real estate- Update' (September, 2021)

Investors are risk-on again, focusing on thematic investment

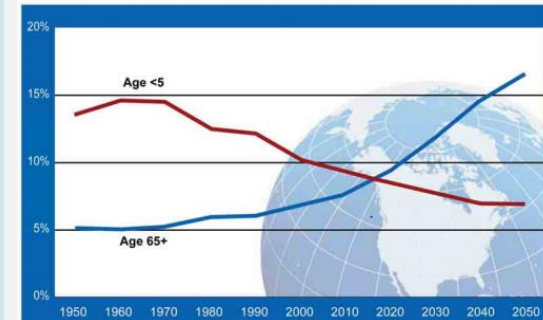
- Increased interest in **thematic approach** towards property investment
 - Ageing Demographics – Healthcare
 - Omni-Channel retail – Retail + Industrial
 - Urbanisation – Residential
 - Rise in global GDP share from Emerging Markets – geographic exposure
- Expected **weights by 2025**
 - Communication towers
 - Data centres

Multi-channel interaction varies by category; and looks set to increase across all by 2024

Multi-channel (i.e. across store and online) sales increase (£m) forecast to 2024 by category



Young Children and Older People as a Percentage of Global Population: 1950-2050



Heard at the EPRA Conference in September...



“COVID is not a normal business cycle. It will shape the economy on the short term. On the medium term, it will have an impact on debt, reallocation of resources and inflation.”

- *Lord King, Former Governor of the Bank of England*



“COVID is not a crisis, but a transformation”

- *several REIT CEOs*



“Inflation in the EU is a short-term phenomenon”

- *Wolfgang Munchau, Former FT journalist*

Growth opportunities: US vs Europe vs Asia



REITs vs non-REITs
market cap

99% vs 1%

49% vs 51%

64% vs 36%

Pension funds' asset
allocation to LRE

0.7-1.5%

0.3-1.7%

< 1%

Proportion of CRE owned by
LRE companies

16%

7%

17%



Flexible
working

Polarisation
around green
buildings



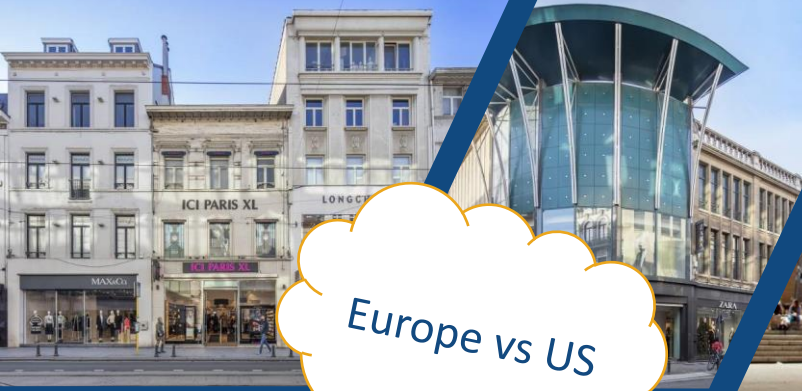
Co-working

CapEx to turn
green

THE FUTURE OF OFFICE

“The crisis has once again reaffirmed the physical workspace’s function”

Gecina, 2021



Europe vs US



Omni-channels



RETAIL OR NOT RETAIL

Last mile

Flexible lease



“Retail is not dying. Boring retail is dying.”

Unibail-Rodamco-Westfield , 2018



EPRA
EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

Agenda

- 1 Why invest in listed real estate?
- 2 European and Belgian listed real estate snapshot
- 3 Covid-19 impact on European listed real estate
- 4 Perspectives: Good reasons to be positive!
- 5 Conclusion

Key takeaways

- Listed real estate, direct and private real estate funds are different but complementary ways to get access to real estate investments
- Listed real estate offers access to a broad palette of liquid investment strategies, with long-term attractive returns and dividend yields
- Belgium is one of the leading countries in the European listed real estate landscape, we can be proud of our “little” country!



EPRA
EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

General enquiries:

info@epra.com

Switchboard:

+32 0 2739 1010

More information:

www.epra.com

HEAD OFFICE

Square de Meeùs 23
1000 Brussels, BE

UK

Devonshire House, One Mayfair Place
London W1J 8AJ, UK

The European Public Real Estate Association ("EPRA") is a not-for-profit association registered in Belgium with registered number 0811738560 and VAT registration number BE 0811.738.560. Our registered office is at Square De Meeus 23, 1000 Brussels, Belgium. This presentation is intended solely for the addressee and may contain confidential information. Do not use, copy or disclose the information contained in this presentation. Users of information in this presentation do so at their own risk and must still comply with their responsibilities to their regulatory authority or shareholders. We are not liable for incorrect use or interpretation of our published research, policies or guidance. We accept no liability for damage suffered as a consequence of our published research, policies or guidance being used to mislead a third party.