

PRESS RELEASE

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European REITs responsible for EUR 4.1 billion in tax, according to EPRA/PwC study

European real estate investment trusts (REITs) are estimated to have been responsible for a total tax collection of 4.1 billion euros (£3.7 billion) last year, according to new research published today by the European Public Real Estate Association (EPRA).

The report, which included all 98 REITs from the EPRA membership and was conducted in partnership with PwC, is the first of its kind and aims to dispel misconceptions of the sector as a low tax-contributor in Europe.

The study found that the average contribution from each European REIT, or equivalent to EUR 0.33 in tax paid for every EUR 1.00 of turnover, or a third.

Additionally, almost two fifths (38%) of the total tax generated were taxes borne by the company, rather than collected from employees, shareholders and customers. Of taxes borne, more than half (62%) were generated by property taxes, totalling EUR 883 million (£795 million), arising either from the occupation or, less commonly, the sale of property assets.

Of taxes collected, it is estimated that EUR 683 million (£615 million) of tax was generated from shareholder dividends.

Dominique Moerenhout, CEO, EPRA, said: “The positive financial contribution of REITs to Europe’s social fabric has been a core principle of the listed real estate industry for decades. These entities are serious drivers of tax contributions and REIT legislation can be a fiscally beneficial introduction for any government. Their existence should be celebrated and their license to operate should be extended throughout Europe.”

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Notes to editors

Since REITs are not subject to corporate income tax on income or gains realised on the disposal of properties which generate income, a non-tax expert may conclude that REITs do not pay tax.

14 countries in Europe currently operate a REIT regime. EPRA is in discussion with the European Commission to design European-wide recommendations for the mutual recognition of REIT regimes across the continent.

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 600 billion of real estate assets* and 94% 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 through the provision of 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. Find out more about our activities on www.epra.com.

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