

EPRA continues to pave way for greater transparency in financial reporting – Deloitte

The European Public Real Estate Association's (EPRA) Best Practices Recommendations (BPR) for financial reporting have again seen a record level of companies awarded according to the annual survey conducted by Deloitte, providing investors and stakeholders with more transparent and comparable information to further instill confidence in the European listed real estate sector.

A total of 130 companies, representing a record 86% of the scope of the review by market capitalisation, complied with the BPR Guidelines, as shown in the 2020 survey.

Compared to last year, 16 companies have significantly improved the quality of their disclosures and gained a higher Award this year, as well as 3 companies who were awarded this year having been part of the survey for the first time.

2020 also marks the first year in which the new Net Asset Value metrics have been included in the BPR after their announcement in 2019, with some EPRA members already adopting them in their financial reporting. For the purposes of the survey, companies' compliance with the new Net Asset Value metrics will be measured for the first time in the 2021 BPR Awards.

The report covers 168 annual reports of EPRA members and focuses on six performance measures: EPRA Earnings, Net Asset Value, Triple Net Asset Value, Net Initial Yields, Vacancy Rate and Cost Ratios. Information on like-for-like rental growth and capital expenditure reporting is also taken into account.

Dominique Moerenhout, EPRA CEO, said: "The EPRA BPR are incredibly important for our industry and we are constantly looking to improve and develop them through discussions with the investment community and property companies. The decision to introduce new NAV metrics to the BPR was very much influenced by these conversations, as it was clear reporting needed to align with a market that has undergone considerable change over the last ten years. In order to bring greater value to the industry it is essential that our reporting remains relevant and consistent. This year's survey results are a clear indication that we are on the right track in our push for greater transparency in the industry."

Emmanuel Proudhon, Partner, Deloitte, said: "The remarkable strong uptake of the EPRA BPR shows just how valuable they are to the listed real estate sector. However, there is still more that can be done. As we move into next year the survey will be adapted to reflect stricter compliance and so we hope to see more companies report in accordance with the recommendations of the BPR. It's essential that we continue to promote the value in consistency and transparency in financial reporting."

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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.

**European companies only*

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