Benoit De Blieck’s 20 years at Befimmo
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They also play a crucial part in providing retirement security to millions of people, by offering pension funds stable and highly competitive assets to invest in.

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.

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Update from Dominique Moerenhout

It has been over a year since the first lockdowns across Europe, and although this year will still not see us ‘back to normal’, we look at the future optimistically. The global rollout of the vaccines and the stimulus packages prepared by the governments offer an insight into a more positive future.

While most of the events will have to remain virtual, though hopefully only during the first half of the year, and face-to-face meetings will probably still be scarce, I am excited to announce that we are preparing for you a hybrid EPRA Conference in Brussels in September. After consulting with the membership, we know that many of you are eager to go back to meeting in person and networking with your peers. We have secured a venue that will allow us to do so in a Covid-19 safe way, respecting the current strict sanitary measures.

Invitations will be sent very shortly, and I can already offer you a glimpse into the programme. The morning session will be dedicated to macroeconomics and to the recovery, with a keynote speech by Lord King, former Governor of the Bank of England, and Wolfgang Münchau, former European commentator for the Financial Times, offering a more continental outlook. The afternoon sessions will focus on ESG, health and wellbeing from an individual, company, building and city perspective. Brendan Wallace, Co-Founder and Managing Partner at Fifth Wall, the largest venture capital firm focused on proptech, will discuss how industry consortia can help propel the real estate forward with technology and innovation. The remainder of the week will be dedicated to company pitches to investors. You will be, of course, also welcome to join us online, should you be unable to attend in person. Revised sponsorship packages – in line with the uniqueness of the event – are also available. For more information, contact our team at conference@epra.com.

Furthermore, I am also pleased to communicate about the recent launch of the EPRA Executive Programme for listed real estate professionals, with an inaugural four-half-day course in June developed in partnership with INSEAD. The live virtual course, “Strategy for Listed Real Estate – What Good Looks Like”, covers the latest trends shaping the listed real estate sector, such as thematic investing, e-commerce and logistics, digitalisation and data analytics. Enrolment is ongoing and our team at education@epra.com will be happy to provide you with more information about this initiative.

Finally, as always, I would like to welcome our newest members: Aberdeen Standard European Logistics, Bloomberg, CTP, DeA Capital, Global Net Lease, Home REIT, Hufvudstaden, Neinor Homes, Nexity, Peach Property Group, Platzer and SF Urban Property.

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Adapting to the economic winds the key to Aroundtown’s astonishing success

Consistently travelling against the grain of common opinion to take advantage of the right economic opportunity appears to have been the key to success for Yakir Gabay, the private Israeli billionaire founder of German property giant Aroundtown. And there has been plenty of success.

Since listing Grand City Properties in mid-2012, in which Aroundtown holds a 40% stake, the value of the business has increased from an initial EUR 150 million to an impressive EUR 3.5 billion, a truly spectacular return. Since listing Aroundtown in mid-2015, the market cap increased from EUR 1.6 to 9 billion.

Gabay, who was appointed to the Board of Directors of EPRA in 2020, is keen to apportion all the credit for company performance to the expertise and talent of his homegrown team. However, it is difficult to look past the man who led the company and his experience outside of the property industry, where his career began, when trying to understand the catalysts responsible for Aroundtown’s staggering growth since its foundation 17 years ago.

“I actually started out as an investment banker,” says Gabay. “And I learned a lot about business, generally, doing M&A and equity and bond issuance.”

“When I was an investment banker,” he remarks, “I was doing everything! Finance, technology, property, it didn’t matter. What really mattered was that there were opportunities, and we found them wherever they were.”

In time, Gabay became head of the largest investment bank in Israel, and it was here that he learnt the fundamentals of business. “When I left the bank to start my own business venture, I was successful immediately as I made a fast profit from M&A, but it was really beginners’ luck,” he admits.

“Later on, I stumbled on a deal where I introduced US investors to buy one of the largest asset managers in Israel, Gmul Investments (which at that time had USD 30 billion assets under management (AUM)). They wanted me to stay and become a partner in the deal, and I stayed as a chairman and a partner.”

Not long after, Gabay decided to go it alone, using the capital from his successful M&A deals to fund his own venture in European real estate.

THE FIRST ‘MAJOR SHIFT’

In 2004, Berlin was in a terrible economical situation. Everyone saw the negative, but, Gabay explains, he saw what he calls the first ‘major shift’ that he was able to capitalise on in the city’s real estate.

“Residential and hotel property assets were being sold at ridiculously low prices,” explains Gabay. “This meant that rental yields were high. Interest rates in Germany were low, which made the rental yield spreads even more attractive.”
After the GFC, the tables turned, however, and many assets needed to be converted back in order to maximise profitability in a market where demand for residential units was high.

While this arrangement shows the adaptability of the assets themselves, Gabay is sure that the agility to convert existing assets in this way is rare, if not almost unique, for a business of its size. “The ability to upgrade or convert Aroundtown’s portfolio makeup without offloading large numbers of assets, which comes with considerable costs, is a phenomenal advantage when trying to maximise shareholder value,” according to Gabay.

That said, he is keen to stress that, for the most part, the business is not a developer or a greenfield builder or has not been until very recently.

“We have never been a developer in the classic sense. We don’t buy land and build,” Gabay says. “But we still have very intensive operations. We buy partially vacant buildings, make these more efficient and effective spaces to fill up, and then use these to generate income. And it has been a very successful business model until now.”

Interestingly, these operational skills are, Gabay highlights, even more useful during times of distress and economic difficulty, because it provides a business with the option to adjust if it wants to, and the means to do so if it must. And this, to some extent, provides some explanation for the company’s success through difficult economic realities in Germany both before, during and after the GFC.

THE SECOND ‘MAJOR SHIFT’

Interestingly, if you look at Aroundtown’s current portfolio compared with the period between 2004 and 2015, aside from a downturn during the Global Financial Crisis (GFC), but the assets had the added benefit of interchangeable adaptability. When conditions altered slightly to favour, for example, residential over hotels, hotels can very easily be physically converted into residential and vice versa.

“Strange as it sounds now, before the GFC, there was a major surplus of residential in Berlin in particular,” explains Gabay. “So, we converted the buildings from one to the other at that time.”

Due to the fallout from the GFC, both countries had an enormous oversupply of offices. As a result, rents were extremely low, even in comparison to Eastern Europe, according to Gabay. Then there was a change in the economy – near the time Aroundtown listed on the stock exchange. The economy had been growing consistently since 2010, and high office vacancies began to decrease steadily. Like its investment in Berlin hotels and residential the previous decade, the economic opportunity suggested there was only one direction of travel.

It was a good move. Gabay points out:

“Since then, Germany has had the strongest economy in Europe. Unemployment has been at record lows, and so have interest rates. The conditions have been perfect.”

The pandemic has thrown a spanner in the works here, but Gabay is not pessimistic. Instead, he is focusing on the future of the economy and of the industry. “Things are no longer clear, so for now, we are on hold,” he says. Since the pandemic crisis, Aroundtown’s strategy has been to sell assets above book value and buy back shares at a deep discount to net asset value (NAV). We sold EUR 2.7 billion of mainly non-core assets and did a share buyback of EUR 1 billion at more than a 40% discount to EPRA NAV.

But, as a man who has made his fortune in property finding good economic opportunities during difficult economic times, it seems likelier than not that one will present itself soon.

YAKIR GABAY

Yakir Gabay, developed and scaled Aroundtown and Grand City Properties and led their listing of on the Frankfurt Stock Exchange. He continues to help guide each firm’s strategy on their Advisory Boards. Mr. Gabay was the CEO of Leumi & Co Underwriting.
Befimmo Executive Committee.
From left to right: Aminata Kaké (General Counsel and Secretary General), Benoit De Blieck (CEO), Martine Rorif (COO), Laurent Carlier (CFO).
From square metres provider to facilitator of corporate life: How industry heavyweight Benoît De Blieck transformed Befimmo’s business over more than 20 years at the helm

After more than 20 years at the helm of Befimmo, the Belux office REIT, Benoît De Blieck, the long-time CEO has come to the end of his mandate. Yet, this is not the end of the road for the self-professed “workaholic” from Belgium.

“Retirement is not a word I want to hear,” says De Blieck firmly. He has no plans for retirement at all just yet. The new CEO, Jean-Philip Vroninks, will be joining Befimmo in the coming months. But even then, De Blieck will sit as a non-executive director on the company board as foreseen until the end of his mandate in April 2022 and has plans to continue working beyond then.

“I will be retiring, but I feel young,” he explains. “I am ready to share my experience!”

In the meantime, his next role on the board will be to ensure a smooth transition with the new CEO and help the business see through the transformation of the company strategy, which has been ongoing under his leadership since 2016 and is, De Blieck is sure, one of his proudest achievement while at Befimmo.

“A few years ago, we were simply a provider of square metres,” De Blieck says. “Now we have become a facilitator of corporate life, of entrepreneurs and the people that work for them. When you think about it, this is actually an enormous change.”

CREATE ENVIRONMENTS WHERE PEOPLE CAN WORK, MEET, SHARE AND LIVE

Such a change has led to a revamp of the company’s internal and external identity. In this sense, more than any other, says De Blieck, the process has been transformative and, critically, has taken time.
“We must meet the expectation of our tenants, who require inspiring spaces,” De Blieck explains. “But this is not as simple as changing a few designs and letting as many square metres as we can.”

Letting as many square metres as possible may have been the company strategy ten years ago, De Blieck admits, but as the company has grown from just five people to more than 90 under his stewardship, so the industry has moved on with Befimmo at the forefront of this movement.

Now, the conversation is no longer “How can we lease more square metres?”. Instead, De Blieck has led the company to consider what it really means to be a “facilitator of corporate life”. How does this change the purpose of the business? And what does this mean for its talent, its personnel and its offering?

For De Blieck, it means increasing the number of services available and ensuring the availability of varied use spaces whenever feasible. Gone will be the days of packing colleagues into open plan areas and maximising the number of desks per square metre. Soon, most offices will be more experience focused, he explains, leading to a demand for quality spaces.

**FACILITATE THE WORKING LIFE OF ENTERPRISES, ENTREPRENEURS, AND THEIR TEAMS**

“Companies have to provide attractive spaces to hire talent. This means improvements in employee welfare and the environment, which are both integrated into development and design. This may mean fewer desks, but overall, offices should be more efficient because there is so much more that can be done in and around them.”

The list of services is extensive: daycare centres, laundry, fitness centres and cafeterias. And this is only the first step.

“The second step is about building in flexibility,” says De Blieck. According to him, Befimmo has found that traditional tenants who work on the upper floor offices in their buildings are heading down to the collaborative coworking spaces on the lower floors. “

De Blieck characterises the subtle shift this will bring about as “open space working rather than open plan offices.” What this means in practice is shifting away from the density of many current offices where we work separately in great numbers and fight over scarce resources, such as available meeting rooms and empty creative spaces, and moving towards working together smarter.

“People will probably now come to the offices to work together, not alone,” he predicts. “That will be the difference, and it is about much more than that. We are developing a network with Silversquare, the subsidiary we acquired in 2017.”

Silversquare is the Belgian pioneer in coworking, and with them, Befimmo is developing a Belux network of workspaces to become a one-stop-shop for all different kinds of workspace solutions. Ideas include exploring satellite working – a network of local offices close to where people live that serves a different purpose to the old-fashioned, enormous and singular regional HQ office.

In order to bring about this change in a meaningful way, Befimmo is currently developing an app through which it plans to give control to the users to achieve maximum flexibility. “Now on their phones, our users will individually be able to book a desk, a car parking space, block meeting rooms, order lunch and so on. This should allow our buildings to facilitate greater collaboration, growth and innovation.”

De Blieck is, however, quick to dispel the notion that these types of services will be the sole preserve of the major corporates, instead stating that these new solutions will be available for all.

“We have all sorts of tenants, and these types of services are attractive, whoever they are,” explains De Blieck. He waves away any notion of cynical intentions or clichés about big banks whose workers arrive in the basement gym with a child in arms at 6 AM and leave only after eating dinner at their desks. “This is not about one type of tenant versus the other but the future of the workplace.”

And yet, it seemed that the future of the workplace would be completely transformed at the beginning of last year as working from home was government ordered in countries across Europe and beyond.

But, in what seems like his typically jovial, affable style, De Blieck dismisses any concern about the demise of the office.

“To be sincere, I never believed that people would never go back to the office,” says De Blieck with a friendly chuckle. “It’s a question of attachment to the company and the need to work together with people as a team in order to create value.”
And, indeed, there are two major trends that have been accentuated by the pandemic, as far as offices are concerned, says the Belgian. The first is the speed of change but not its direction. Everything we see now was already in planning, but the lockdowns have caused businesses to accelerate changes to remain relevant.

The second accentuation is trust amongst colleagues. Businesses have been forced to continue as before with their employees out of sight, and it seems that productivity has remained stable, and work continues to get done whether people are present in the office or not.

“We looked at our own Belgian figures this morning,” De Blieck highlights, “and the results are not so different from a year ago. People are getting on with the job like they were before, but we hear and see more and more that people miss face-to-face contact with their colleagues!” •
Belgium’s Montea, Germany’s VIB Vermögen and the UK’s Tritax EuroBox look back on an astonishing year for the logistics and distribution real estate sector and consider the recipe for future success.

One of the most consistent messages from leaders in the European transport logistics sector is that the conditions created during the pandemic are simply an acceleration or accentuation of long-term, pre-pandemic trends that favour the sector.

Martin Pfandzelter, CEO at VIB Vermögen, suggests that increased demand for space is perhaps the most dominant trend that can be seen in transport logistics. The reason for this, he explains, is driven by the rise in e-commerce. Pfandzelter is clear that “this effect was further intensified by the coronavirus pandemic” rather than created by it.

And Pfandzelter is not alone. Nick Preston, Fund Manager at Tritax EuroBox, highlights “a fundamental lack of land in the most sought-after locations” becoming a critical issue for the industry. On the upside, as land supply becomes ever tighter, Preston predicts that “demand will not be able to be satisfied by supply, which in turn will positively drive upwards pressure on rents.”

This has not gone unnoticed and could prove extremely attractive for long-term investors only now turning to the sector. CBRE’s Q4 European logistics market summary highlighted that the most constrained markets rental growth was already evident with Belgium up 5.8% year-on-year on average, Italy up 1.8% and Germany up 1.4%.

There is a downside to a restricted supply of land, however. Jo De Wolf, CEO of Montea, notes that through the pandemic, “we have witnessed how quickly our economic system is disrupted when supply from outside Europe suddenly stops.” As a result, he expects companies to hold larger stocks and perhaps even bring some production back to Europe.

Logistically, where do businesses keep this stock with such constrained land supply in key locations? And what will the cost of storage be? For developers, the issue is competition space, which could present a challenge in the not-too-distant future. For occupiers, this could represent a significant increase in cost. How does an industry facing these challenges remain competitive and attractive long-term?

**WILL THE PARTY CONTINUE?**

By now, it seems a cliché to look back on the past 12 months and recount the disruption caused to communities across the world and the businesses that exist to serve them. Indeed, without comprehensive and generous stimulus programs, the disruption could easily have become devastation. Yet, where town centre, high street and office real estate norms have been put on standby, a rare star has shone over the distribution and logistics real estate industry in Europe this past year.
According to Preston, it has been suggested that “the pandemic has conflated ten years of evolution in e-commerce into just one year.” But this is not to say that growth and development of the sector will now stall or even recede. “The pandemic has materially accelerated existing long-term structural trends,” he explains. “These are underpinned, in part, by urbanisation and advancement in technology.”

De Wolf agrees. The lockdown has been transformative to e-commerce. He describes it as a “breakthrough for e-commerce in Europe” and predicts that “growth of the sector in 2020 will be greater than the growth of e-commerce over the last five years combined!”

But, critically, the heightened level of activity and interest during the pandemic, which Preston has characterised as “explosive”, has done more than spur some operational upgrades to help deal with future demand.

Instead, the knock-on effect has brought forward growth in overall demand for logistics assets. The lack of prime land is a consideration already covered by the panel, but the extreme interest in assets raises a different problem entirely. Where there is currently a limited supply of prime locations for logistics businesses, there is an even greater dearth of state-of-the-art assets.

“The pandemic has laid bare the need for a new type of buildings, but it is not the only driver,” states De Wolf. “It is already obvious,” he continues, “that the rise of e-commerce will require additional storage capacity as well as new ways to re-organise the supply chain.”

For investors, Preston urges caution amid rising prices, though. “Players in this space need to avoid being swept up in the wave of demand,” highlights Preston. “There is danger here for anyone who is willing to deploy capital indiscriminately. The sector is expected to perform well, but not all locations will perform equally.”

Fortunately, it seems that the teams at Montrea and VIB Vermögen are already alive to this and focus instead on enhancing current assets to better meet demand rather than embarking on a Europe-wide spending spree.

“Focusing on urban and sustainable delivery will require innovative solutions,” says De Wolf. “Given the scarcity of available land, we may well start to see many physical changes to the sector, like multilayer buildings on core locations becoming more common.”

Indeed, Pfandzelter agrees. “We do not expect the coronavirus pandemic to have a significant impact on our business strategy,” he explains, pointing to the long-term success of the sector outside of the influence of the pandemic.

Like De Wolf, Pfandzelter believes VIB Vermögen will look to make physical changes to its assets to help deal with heightened demand that is forecast to increase in the coming years. Amongst other measures, he highlights, in particular, the possibility of adding density to its existing sites to make them future-ready for increased trading.

“Performance hasn’t slowed down in 2020,” she says. “We expect this trend to continue in a comparable manner in the current year, 2021. This is because stable user markets and high demand for logistics solutions continue to be behind this development.” It seems unanimous. The distribution and logistics party looks sure to continue.

**ESG IS EVERYONE’S PRIORITY**

Density and innovation to spur operational profitability is not, however, the only thing on the minds of investors and operators. ESG is, like in many other industries, of great and increasing importance in the transport logistics segment.

Preston, for example, highlights increasing evidence of occupiers’ preparedness to pay a higher price for high calibre buildings with strong sustainability credentials. Pfandzelter sees a similar trend, explaining that it is no longer just a game of numbers and profit. “It has long since ceased to be enough to simply build a logistics hall in order to achieve the highest return on investment,” he explains.
According to Pfandzelter, all stakeholders, from the public to banks and creditors, now demand a level of ESG compliance that is growing more complex over time.

However, the complexity of ESG criteria and the discrepancy with which they are compiled could quickly become a problem for the sector.

De Wolf says that “the time of good intentions is over. The results of our ESG efforts will be quantified and judged.” But how? Now, Montea compares itself against its industry peers and is developing criteria around carbon emissions, energy consumption and sustainable construction practices.

“But the landscape for ESG and sustainability benchmarking is disparate,” explains Preston. Before long, he is sure there will be pressure from multi-country investors to harmonise an approach to ESG reporting and standards. “For now, though, there are many countries in Europe languishing behind advanced markets, such as Germany and the Nordics, who are leading the pack in this respect.”

It is worth noting, however, that while there may not be cohesion at the European level of politics on how to define, quantify and judge ESG efforts, change could be afoot in Europe with upcoming EU Taxonomy efforts, which could be operating successfully for more than 25 years now. The focus is on properties in the logistics/light industry and retail sectors in the economically strong Southern German region. VIB’s shares have been listed on the Munich (m:access) and Frankfurt (Open Market) stock exchanges since 2005. Mr Pfandzelter has been CEO of the company since 2017.

JO DE WOLF
Jo has been the Chief Executive Officer of Montea since 2010. Under his management, the portfolio has grown from EUR 200 million to EUR 1.4 billion, and it continues to grow at a pace of EUR 150 million per year. He has been active in European real estate since 1997 and broadened his real estate expertise in various companies of the Belgian listed investment fund Ackermans & van Haaren, the REIT Leasinvest Real Estate and the Extensa Group. He also acted as development manager for the Tour & Taxis reconversion project in Brussels. From 2006 until 2010, Jo headed the Real Estate Department of The Brussels Airport Company. He holds a Master’s Degree in Economics (KU Leuven) and a Master’s Degree in Business Administration (Vlerick School).

MARTIN PFANDZELTER
The VIB Vermögen AG is a medium-sized company specialising in the management of commercial real estate portfolios, which has been operating successfully for more than 25 years now. The focus is on properties in the logistics/light industry and retail sectors in the economically strong Southern German region. VIB’s shares have been listed on the Munich (m:access) and Frankfurt (Open Market) stock exchanges since 2005. Mr Pfandzelter has been CEO of the company since 2017.

NICK PRESTON
Nick is the fund manager for Tritax EuroBox plc with overall responsibility for the provision of investment management and advisory services to the company. He has extensive experience at managing portfolios of commercial real estate across the UK and continental Europe. Prior to joining the Tritax Group in September 2017, he worked for Grosvenor Europe in the positions of Managing Director (Europe) and Head of Portfolio. Prior to this, he held the position of senior director at CBRE Global Investors with responsibility for the management of a wide range of portfolios, including separate accounts, pooled funds and fund of funds portfolios. He joined Tritax Group in 2017 and launched the company in 2018. He was made a partner of the Manager, Tritax Group, in 2020.
Index sector focus

3-year performance: Developed Europe Industrial Index vs Developed Europe Index

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# Industrial: EPRA constituent’s assets

- Assets owned by EPRA Index constituents*

* FTSE EPRA Nareit Developed Europe Index

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Small appraisals market poses a big competition problem for Europe’s property equities

Oddly, it is a lack of competition in the real estate appraisal market that poses one of the greatest challenges for Vincent Bruyère, Senior Fund Manager at DPAM, speaking in February from a semi-locked-down Belgium.

The Brussels-based fund manager argues that a lack of appraisal options outside of the top five or six real estate consulting businesses allows a certain “naïvety” in direct and private real estate valuations that artificially creates a real disadvantage for listed real estate strategies.

Bruyère, who has invested in listed real estate for institutional clients at DPAM for almost 15 years, loves the asset class. He, along with his senior team colleagues Olivier Hertoghe and Damien Marichal, oversee no fewer than ten institutional mandates that cover liquid real estate equities or, in some cases, combined real estate equities and bond strategies.

Valuation schedules that smooth returns are key to the appraisal debate, says Bruyère, particularly among larger institutional investors. Where liquid listed real estate is exposed to real-time price fluctuations on the stock market, the book value of other forms of real estate may only fluctuate once a quarter, or in some cases, only once a year. The underlying value and volatility of both forms of real estate could be the same, but real value fluctuations in unlisted real estate remain hidden much of the time.

“I personally think we should have many, many more appraisers in Europe that would make independent valuations,” says Bruyère. “There is little competition, and maybe that explains why, at the moment, we always see valuations that are very consistent,” even when the industry is riding out obvious market fluctuations.

If there is one criticism of the current system in Europe, it is “a lack of competition” which allows these naïve valuations. “Appraisers on the continent are too careful to take the hit,” Bruyère thinks they might not want to frustrate real estate companies who don’t like to see much volatility in their results.

In this sense, Bruyère believes that listed real estate market is always “right”. Prices are competitive, and so if there is a discount, it is being taken into account in the buy or sell price of a company’s shares. “Stock values will always adapt faster than physical valuation,” he says. “The benefit is that stocks might provide a buying or selling opportunity today that cannot be taken advantage of through other methods of real estate investment.”

What this means in practice, for example, is that retail stock values are currently pricing a discount between approximately 40% and 60%. Bruyère and his team (and the wider market) expect retail rents and values to be down this year and next, accounting for the discount. Yet, they do not believe this will be reflected in physical valuations for another two years. The returns for big investors holding those physical assets, or equivalent, will look steady and smooth when, actually, the underlying picture could be one of extreme highs and lows.

“The markets are not naïve, and this can create opportunities for investors in real estate equities,” Bruyère says. “But do we need more competition amongst appraisers? Yes!”

Even with complications around valuation, Bruyère loves the listed real estate asset class. His interest in real estate investment began in physical property during his tenure as Chief Financial Officer of Curalia, the Belgian pharmacists’ pension fund. At the time, around 10% of the fund was dedicated to direct property, which was further constrained to Belgian real estate, but it was enough to spark a passion for the asset class that still runs strong today.

Now, Bruyère looks after far greater sums, yet is constrained only to liquid listed real estate that is readily available for purchase on the main markets because, he stresses, when
investors want to access their capital, “it is important to be able to look them in the eye.”

The liquidity element of real estate equity investing has been central to Bruyère’s ethics as a fund manager for years, but it is particularly pertinent when considering the relative hype surrounding open-ended investment company structures advertising liquid access to property investments in recent times.

Yet, listed real estate strategies lack the popularity of direct and open-ended real estate strategies amongst institutional investors in Europe. Bruyère suggests that this is partly down to the size of the market.

“At present, one can diversify their listed real estate portfolio by market or by sector quite well,” he explains. With only a couple of euros, you may have a well-diversified exposure in listed real estate in different sub-sectors and in different countries. “But there are also gaps in what is available. Italy is the fourth-largest economy in Europe, and there are only three or four real estate equities available.”

Part of this is a cultural, human issue. “Physical real estate is important to people in Europe,” according to Bruyère. “For example, in Belgium where I live, people have an extremely strong relationship with physical property.”

But the bigger issue, Bruyère thinks, is the need for a unified REIT regime in Europe to allow for easy, multi-national diversification within European portfolios. He explains that Europe has a listed universe of about 250 companies that we could expect to broaden, deepen and grow under a single European REIT standard. “It is understandable that every country in Europe wants to keep its own fiscal regulations, but ideally, all the REIT regimes should work together in Europe.”

For now, at least, Bruyère is happy with the opportunities the European real estate equities afford him and his team. DPAM expertise is based on three key pillars: Active management, Sustainability and Research. “We put a lot of attention to the ESG side of each company, and we develop our own scorecards to assess the quality before engaging with the management of the companies.”

VINCENT BRUYÈRE
Vincent Bruyère has more than 27 years of experience in finance and has been a senior fund manager in listed real estate at Degroof since 2007, after which it merged with Petercam Asset Management in 2016. Previously, Bruyère was CFO, also managing DIRECT real estate for the pension fund of Curalia. He graduated from Solvay Brussels School of Economics and Management with an MA in general management after graduating with economics and economics and social science degrees from the University of Brighton and the University of Namur, Belgium, respectively. Bruyère holds a CIAF and RICS.

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European office space: Temporary or permanent changes?

Office is by far one of the most traditional sectors in the Listed Real Estate (LRE) industry. Its history can be tracked for several decades, depending on the region, even longer than the creation of the FTSE EPRA Nareit (FEN) Global Real Estate Index itself.

This is a quite homogeneous sector across the regions, mostly thanks to the introduction of the REIT regimes in several countries using the USA regime model as the main reference point. Therefore, most of the differences among companies are related to the type of tenants, properties’ location, implementation of new technologies and specific economic drivers.

In the last five years, the sector has faced some interesting changes worldwide. In Europe, all the restrictions associated with the COVID-19 pandemic have pushed vacancy rates upwards and office take-ups downwards, forcing several landlords and tenants to redesign their corporate strategy and even to implement new business models, being flexible office space, mobility and working from home (WFH) policies some of the most discussed topics. However, some of these trends are likely to be temporary, while some others seem to bring significant changes to the industry in the long term.

Remote-working or teleworking are not new concepts for workplaces; the COVID-19 pandemic is accelerating trends that were already underway for a while, and it is fuelled by WFH experience during the pandemic. The experts and business leaders expect an increase in remote working in the future, therefore possible impacts on workplaces.

A recent survey by McKinsey indicates that the potential for remote working is likely to persist in the wake of the pandemic, especially among highly-skilled, highly-educated workers in a handful of industries, occupations and geographies, such as finance, professional services, IT and telecom in advanced economies.

In terms of mobility, most European countries implemented strict measures (including full lockdown), and most companies adopted WFH policies during lockdown periods. Workplace-related mobility was adversely impacted by restrictions during the first and second waves, although a slight increase has been observed with deconfinement policies during the summer period.

According to Cushman & Wakefield, the share of people working permanently from home in the US and Europe is estimated to have increased from between 5% and 6% pre-COVID-19 to between 10% and 11% post-COVID-19, and significantly lower across Asia Pacific and Greater China where WFH is less common.

Globally, a total of 8.9 million m² of negative absorption is estimated. Of that, 82% is related to cyclical factors – office-using job losses and coworking impacts – and the remaining 18% related to structural factors – an increase in remote working. The European office sector is forecasted to contract by 5.4 million m². With the combined cyclical and structural impact, that increase in remote working is expected to reduce office demand by 0.95 million m² during 2020 and 2021.
European office demand forecast

![Bar chart showing European office demand forecast](chart.png)


New workplace models and recent performance

Most of the companies foresee a hybrid workforce split between office, home and ‘third places’, giving employees the flexibility to choose; therefore, workplaces will evolve to address the changing needs of a distributed workforce as a hybrid model to redefine workplaces and the role of cities and real estate.

Companies will consider providing access to alternative workplaces, including home-offices, coworking places, satellite offices and the headquarters (CBRE, Colliers, JLL). It is also expected that some countries/cities/markets, such as London and Paris, will experience stronger structural shifts from an increase in remote working than others driven by higher residential prices, longer commute times, greater congestion and greater adoption of WFH (C&W).

A Hybrid workforce network

![Diagram showing A Hybrid workforce network](diagram.png)

Source: CBRE Research, Q1 2020.
There is no doubt that all these changes represent a big challenge for property companies, analysts and investors. The main question remains on how workplaces will transform to address a wide adoption of WFH policies in the near future and how this will affect the companies’ profits and value.

By the end of February 2021, the FEN Europe Office Index accumulated a total return of -26.9% compared to the precise peak on February 19, 2020. However, in the last six months, the same index has accumulated a total return of 15.3%, evidencing the initial overreaction observed in the market during the first lockdown, also making clear that the sector still has intrinsic value and shows interesting fundamentals for the future.

Right now, there is no clear consensus across the analyst on how permanent these changes will be, where most companies are rated as ‘neutral’ given the lack of certainty on most of their main drivers.

What is clear is that the function of the offices will shift away from traditional formats towards hybrid formats, where ‘flexibility’ and ‘digitalisation’ are key aspects for the future of the office sector; hence there will be plenty of opportunities for all players in this big game.

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South African REITs position for post-COVID-19 recovery and long-term growth

The South African property sector in general, and REITs in particular, have been navigating a very challenging period marked by significant socio-economic headwinds, changes in overall fundamentals for the asset class and structural shifts in key sub-sectors. These trends have all been compounded by the onset of a pandemic that has fundamentally changed the way we work, live and play since the beginning of 2020.

Understanding the need to step up support in response to the challenges faced by members well before the COVID-19 pandemic, the SA REIT Association (SAREIT), which represents about 28 members listed on the Johannesburg Stock Exchange (JSE), deployed the necessary resources to become a more prominent voice for the industry and deliver on clear objectives.

Some of the objectives include promoting South African REITs as an investment class locally and internationally and support members in addressing core issues and sector-specific challenges collectively.

2020 was a year of material transition for SAREIT, which included new leadership appointments and the reshaping as well as the addition of critical committees, all of which are a demonstration of the buy-in from members to drive the re-energised strategy. In particular, the pillars of governance, best practice methodologies, innovation and best-in-class reporting standards all aim to retain and prepare to woo back investors amidst ongoing uncertainty.

Faced by the unprecedented challenges brought about by lockdown restrictions, South African REITs respond swiftly by prioritising the protection of their stakeholders’ health and safety and ensuring that they could weather the storm financially. Engagements with regulators, shareholders and other capital providers took centre stage to ensure the entire sector value chain’s survival.

SAREIT established the Property Industry Group (PIG) in April 2020 together with the South African Property Owners Association (SAPOA) and the South African Council of Shopping Centres (SACSC), assisting the industry in navigating the initial months of the pandemic. PIG proved to be an invaluable platform to address the unparalleled challenges resulting from the South African government’s response to COVID-19. This included an industry-wide assistance and relief package for retail tenants hardest hit.
The initiative expanded beyond retail and focused principally on supporting affected SMMEs across sectors, with landlords providing relief and assistance to many other tenants nationally. Consultations with regulators relating to pay-out ratios associated with JSE listing rules and regulations have also been in the spotlight and are expected to continue to ensure that our members can balance their mandate as REITs with the realities facing the sector and our economy, especially with the limited financial support that the government is able to dispense.

A number of other notable milestones were achieved beyond the response to the pandemic. These included resolutions on several long-standing matters with the South African Revenue Service relating to Value Added Tax apportionment and other tax matters that are significant for the sector and will assist SAREIT’s members in navigating this difficult period and beyond.

The sector is now looking ahead, and 2021 has started off on a more positive note given the overall market rally since December, major political milestones – including Brexit and the US elections – as well as the roll-out of vaccination programmes that will undoubtedly result in a rebound of economic activity and have a direct and indirect impact on the South African capital markets.

SAREIT is committed to delivering the right level of support for its members by maintaining open and continuous engagements with government, regulators and other business associations with the aim to maintain a conducive business environment for the sector at large. As part of meeting this deliverable, we will be resuming our annual conference in May 2021, acknowledging both the limitations that may still exist with the need for industry’s leaders to regain access to irreplaceable engagement platforms. Key themes already under review include REITs’ relevance as an asset class, ESG considerations and the alignment of investor requirements in the current environment.

In a society with some of the deepest inequalities in the world, a strong real estate sector is a critical component to support economic growth, employment and revenues for the government. Many South African REITs remain mispriced and offer excellent value propositions for investors while being underpinned by quality assets, skilled and experienced leadership teams and the proven agility and tenacity that has been a hallmark of the SA Inc and its REIT sector. With an increasingly available fintech platform for retail investors, REITs will also continue to be the most accessible, liquid and cost-effective way to own property, thereby making it an undeniably attractive asset class in the long-term for all investors.

With many societies and economies looking to chart a path to recovery amidst ongoing short-term pressures, SAREIT is clear about its role to drive collaboration between members, global peers and other stakeholders to support good governance, international best practices and innovation that will underpin REITs’ continued eminence within the investment community, both in South Africa and internationally.

**JOANNE SOLOMON**

Joanne Solomon is the CEO of SAREIT. She holds a B Economics degree and is a seasoned marketer with 22 years of experience. Her long track-record stems from working for one of South Africa’s largest financial institutions, where she held executive positions in commercial property finance and corporate and investment banking.
European Green Deal: Challenges and opportunities for the listed real estate sector

By Jana Bour, EPRA EU Policy Manager

With the ‘European Green Deal’ (EGD), as with every growth-oriented policy strategy, come challenges but also opportunities. The European Commission aims to reshape our continent to achieve net-zero emissions of greenhouse gases by 2050. It will inevitably require deep social and economic transformation.

Buildings are responsible for around 40% of energy consumption in Europe. There is a significant annual investment gap estimated at around EUR 177 billion, totalling EUR 1.77 trillion between 2021 and 2030, out of which the biggest gap relates to investment in energy efficiency in buildings (74%). In this context, the Commission’s commitment to promoting a shift towards more sustainable investments may lead to a transformation of the real estate sector we see today, including listed real estate.

The below summarises some of the challenges as well as opportunities for listed property companies and Real Estate Investment Trusts (REITs), as presented during a recent CAIA (Chartered Alternative Investment Analyst Association)/EPRA webinar on the European Green Deal.

**SETTING THE SCENE: A STRONG HIGH-LEVEL POLITICAL AMBITION**

EGD has identified the real estate sector as an important part of its environmental plan. It proposes the start of a major ‘Renovation Wave’ across Europe, focusing on improving the energy efficiency of buildings in line with the principles of the circular economy. Two additional elements are further increasing the already existing momentum placed on greening real estate investments:

1. Recovery Plan for Europe: The package put forward by the European Union to help with post-pandemic recovery that has been tied to the climate objectives
2. EU Sustainable Finance: An initiative that was further reinforced by the EGD aiming to redirect the financial flows into more sustainable economic activities, including in real estate

Cumulatively, the European Green Deal, the Renovation Wave, the EU Sustainable Finance and the post-pandemic recovery plan are creating a very strong political movement. We can therefore expect the year 2021 to be particularly fruitful in ESG-related regulations, laws and policies in Europe. For the listed real estate sector, the focus will be on the EU taxonomy of sustainable investments and the review of non-financial (ESG) reporting by listed companies.

**REITS AND LISTED PROPERTY COMPANIES ARE THE ASSET OWNERS TO WATCH**

Christos Angelis, CAIA Director at Masterdam, points rightly, in one of his blogs, to REITs as an interesting group of real estate investors in the context of EGD, saying that REITs are “well-positioned to acquire assets in need of energy retrofit projects and maintain them for the long-term”.

Even more so in Europe — the continent where EPRA members predominantly invest and where 85% of the building
stock was built before 2001 and will be standing in 2050 — the topic of renovation, energy efficiency, and sustainability will certainly be high on the agenda of the real estate industry. It is, therefore, our role to continue explaining, particularly to EU policymakers, that REITs are in the business of investing in the value of assets they own and maintaining that value for the long-term. The sector itself has been focused on retrofit, and we see REITs whose entire business models are based on acquiring existing assets in need of retrofit.

**REITs’ access to public markets enables them to gain capital rather quickly to finance retrofits, which are heavy on upfront capital costs. They are equally able to sufficiently scale up their investments, including in energy efficiency. They would therefore be the most logical partner for discussions with policymakers on how to solve current barriers to the continent’s retrofitting efforts.**

**REITs’ potential overlooked by policymakers**

Yet, REITs’ ability to help with European retrofitting ambitions continues to be overlooked by European policymakers. As the sector grows, and with it, the number of national REIT regimes in Europe, we continue to point out the obstacles hindering REITs’ ability to invest within the European market.

Currently, only 14 European countries have a REIT regime. And although those 14 countries represent 84% of the European GDP, there are still major disparities; these are 14 unique REIT regimes with no framework in place to facilitate their mutual recognition.

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*As indicated in the EU Renovation Wave strategy published in October 2020*

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**Well positioned to acquire assets in need of energy retrofit projects:**

- Higher liquidity/A2F/Lower transaction costs
- Able to act quickly but with long-term goals & returns
- Able to scale-up energy efficiency investments/large portfolios

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**EUROPEAN PUBLIC REAL ESTATE ASSOCIATION**

**LISTED REITs IN THE EUROPEAN UNION**

EUROPEAN REITs DIRECTIVE enabling a mutual recognition
However, a successful REIT regime could be an excellent enabling framework to drive investments in the retrofit of existing buildings. If only a REIT’s status in, for example, Belgium or France would be recognised in the other Member States, it would significantly facilitate their ability to further scale up investments within the European internal market. If there were a European directive enabling mutual recognition of REITs, subject to the right set of conditions, it would certainly help drive the investments toward more sustainable real estate.

WHAT IS THE BIGGEST CHALLENGE FOR REITS?

Ultimately, the biggest challenge for REITs, and any other real estate investor, is to invest in energy efficiency retrofit in a:

1. Profitable way: It is still an investment, and there may be specific constraints with the rental gaps following the energy efficiency investments, particularly in the jurisdictions with rent control regulations.

2. Impactful way: While ensuring that the actual performance of the building has indeed improved as a consequence of the investment.

3. Affordable way: Ensuring that after the investment, real estate remains affordable for tenants who pay rent.

These are the three factors that cumulatively impact the decision of real estate investors in whether they invest in renovation or whether they develop or acquire a new building.

Supporting a new emerging business model, such as social housing in listed real estate, could also bring much-needed collaboration between governments, property companies, investors and tenants while addressing the top priorities of the Renovation Wave, such as energy poverty and retrofitting the worst-performing buildings in the residential sector.

A lifecycle assessment of the buildings and acceleration of circular economy could also help improve the way we look at the value of the existing buildings. Helping the market see the value in existing assets prior to and after renovations is probably one of the most important ways policymakers could assist the industry.

POTENTIAL OF THE EU TAXONOMY TO DRIVE THIS TRANSFORMATION

The EU Taxonomy Regulation that the European Commission adopted last year does not obligate companies to change their business model or to conduct their business in a more sustainable way. Instead, it sets a common framework based on which the sector can determine (and then also communicate or report on) what underlying economic activities can be considered sustainable. Its ultimate ambition is to drive private capital towards more sustainable activities.

Here it is how:

1. The listed property companies, including REITs, will determine if their activities are ‘eligible’ (or, in other words, covered by the EU Taxonomy) and thus can be considered environmentally sustainable.

2. They will then ‘report’ on how and to what extent their activities are eligible. They will do so by informing on the proportion of their turnover, CAPEX and OPEX (where applicable) in their non-financial statements.

3. This information will serve investors who will assess REITs or other property companies and their sustainable investments. They would then adjust their own investment portfolios accordingly.

This is a significant opportunity for the listed real estate sector to attract new investors who are looking to invest in a more sustainable way. The potential the EU Taxonomy has in supporting REITs towards investing in renovations is real. However, it can only be materialised provided that:

1. REITs can tap into the renovation category as an economic activity, and their refurbishment CAPEX and subsequent rental income are considered eligible.

2. REITs are incentivised to acquire to renovate so that the acquisition CAPEX of existing buildings is added on.

Recently, the Commission requested that an expert group from the Platform on Sustainable Finance further advise on how to ensure that the EU Taxonomy can motivate transitional activities. In other words, the Commission is looking to drive investments not only in real estate that is already green but, more importantly, in real estate that is to become green in order to finance this ‘transition from brown to green.’ It is indeed great news for the EGD and its Renovation Wave; however, it remains to be seen to what extent the Commission will incentivise investment in renovations.
The Covid-19 pandemic has accelerated previous trends in shoppers’ behaviour, as well as crystallised new opportunities and challenges for shopping malls.

E-commerce sales surged during the pandemic, and the shift towards online is expected to grow. Even non-internet-savvy shoppers learnt new technologies stepping out of their comfort zones into new sales channels. The increase in e-commerce stimulated further integration of stores stock with online sales (click & collect, drive-thru services, Zalando Connect) or even deployment of quicker from-store delivery (e.g. QCommerce by Glovo).

The economic slowdown also impacted consumer behaviour. Shoppers tended to move towards a more targeted, less frequent, higher basket experiential shopping (with limited leisure and entertainment elements).

In recent years some shopping malls tested solutions to capture a slice of this online cake (e.g. click & reserve, aggregated collection of online purchase with drive-thru service, live-streaming sales), but they find it challenging to compete with multi-brand online stores due to a limited offer width or technical capacity. However, end-customer proximity remains the great advantage of shopping malls.

Clients clearly appreciate this proximity (proven by post-lockdown footfall and sales rebounds), and there remains a place for shopping malls as long as they continue to adapt and enhance their focus on shoppers’ experience, personalised value and embrace the opportunities of the ROPO effect (research online, purchase offline). Lockdown has left shoppers asking for more human interaction – shopping malls can offer that.

Understanding shoppers, what they want, how they behave becomes even more critical; therefore, a data-driven approach is of paramount importance. It means a combination of an effective CRM solution with integrated omnichannel touchpoints, gathering data about shoppers’ behaviour and preferences (e.g. demographic and psychographic characteristics as well as behavioural and transactional activity records) together with multichannel communication both with shoppers and retailers. Shoppers’ insights may be effectively enhanced with systems analysing people’s movement throughout a mall and between stores, such as traditional counting, wifi-tracking or the latest visual recognition tools supported by AI.

Analysed data should help define actions improving the experience, both digital (e.g. intelligent digital signage, wayfinding, chatbots, personalised communication and ads) and non-digital (e.g. unique emotional experience, personalised events). It can also help landlords streamline operations, focus marketing strategies and optimise the tenant mix.

Post-pandemic decreases in footfall and revenue have meant a stronger focus on costs. PropTech supporting decreases in utility consumption and streamlining facility management, as well as improving collaboration with tenants, which will be highly useful in the near future.

Overall, shopping malls now need to embrace technology to drive a digital transformation that has just commenced in earnest for the industry.

Daria Pawelko
Daria Pawelko is a Group Innovation Manager at Atrium European Real Estate. She looks for and implements new solutions to improve the shopping experience and operational efficiency in Atrium shopping malls. Earlier, she supported the digital transformation and other strategic initiatives at Empik, the biggest multimedia retail chain in Poland and advised various industries at Roland Berger, a strategy consultancy.
Covivio: Smart building and innovation

Coronavirus is amplifying demand for more flexible commercial real estate. In this context, technology allows us to do more with less. At Covivio, we rely on data to improve the ways we manage our own assets. Several IoT (internet of things) initiatives have been taken both for monitoring buildings consumptions as well as improving indoor air quality.

On the first topic, a real-time platform has been set-up to collect environmental and energy consumption data from buildings. Such an IoT infrastructure has been deployed in 20 different assets – residential, offices and hotels – in France, Italy and Germany. The overall architecture of the system is built upon multiple types of censors located in buildings technical infrastructures (HVAC systems), which communicate with a cloud infrastructure.

Regarding air quality, following a European’s initiative (Air Quality Challenge) launched in partnerships with EDF, another IoT infrastructure is about to be deployed in France and Italy, aiming to monitor carbon dioxide (CO₂) and volatile organic compound (VOC) levels in offices’ private and public areas.

As one of the leading property company in Europe, Covivio is moving forward testing and adopting new technologies in order to improve the way we serve our clients.

MERLIN Properties launches ‘Merlin Hub’ Madrid Norte

The largest connected Business Hub in Europe with more than 327,000 m² of interlinked office space; 33 buildings are connected physically, digitally and emotionally through experience, flexibility, sustainability, technology and mobility.

MERLIN HUB is served by an innovative Tenant Engagement App that provides users with a wide array of services enriching their working life, available by a simple click. The app functionalities include access control, restaurants booking, special discounts, flex space booking, etc. plus access to a Special Mobility Department offering real-time transport solutions via car-sharing and pooling, shuttle, public network, electric cars, bikes, taxis, Uber, Cabify, etc. with intelligent parking finding for private vehicles. The app is also conceived as a social community, sharing weekly events, activities and newsletters.

Some 30,000 clients of the company have access to this service at MERLIN HUB, with more than 2,000 subscribers since launching.

In addition, all buildings are being fitted with a centralised predictive maintenance system as part of the company’s ambitious 2017-2022 plan on sustainability, which has so far resulted in the certification of more than 80% of all MERLIN office buildings to LEED (Silver, Gold or Platinum) and BREEAM (Good, Very Good or Excellent) standards, with a pioneering agreement in Europe to adopt the US Wired Score (high connectivity) certifications.
At the start of the year, EPRA held its flagship Insight events in a virtual format across four markets: London, Brussels, Paris and for the first time Germany. Industry leaders discussed the market outlook for 2021, with the big debate being about how the pandemic will impact the real estate sector at large going forward.

2021 was deemed to be a year of further uncertainty and transition, with the global rollout of the vaccines, massive EU stimulus package and ECB purchasing programme, as well as the end of negotiations around Brexit. Whilst the EPRA-commissioned Oxford Economics report foresees a return to pre-crisis level at some point in 2022, speakers across all markets shared an optimistic view about the resilience of the European listed real estate sector.

From working from home to e-commerce, passing by digitalisation, none of these concepts are new. There is a broad consensus that these trends were in part already anticipated, and what the pandemic did was massively accelerate them. And while some sectors feel the pressure more than others, and some markets may never return to pre-Covid-19 levels, the general feeling is that a sustainable level will be recovered sooner rather than later.

Take the example of the office market; research shows that 85% of the global population wants to work from home not more than one or two days per week. “Humans are social beings. And working alone is not necessarily the same as working from home,” participants heard.

The focus, however, has shifted: the main question now is how to create a working environment where people want to be. It is not anymore about open landscape architecture and accommodating more people into less square meters; the future of the office sector will be much more employee-driven.

A shift of focus on people did not only happen in the office sector. Panellists agree that residential, student housing and retail sectors have seen a refocusing of the conversation around customer relationship. Deeper strategic customer relationships, with an emphasis on innovation and technology, is what is believed to drive success in the long-term.

While the logistics sector is currently in what one can call a ‘perfect storm’, with online sales at the heart of the growth, self-storage is still underdeveloped in Europe. According to Bank of America, the COVID-19 crisis accelerated the penetration of e-commerce by four to five years, with the volume of packages growing by 75% between 2017 and 2021 and expected to grow by another 75% by 2025. New platforms, like Instagram, have become the main e-commerce drivers, but physical stores are still very much needed, with outlets, destination-led retail and community-based retail leading the way.

On the back of the success of the logistics sector appeared a new distribution challenge linked to ordering food online. Panellists in Brussels wondered if we would see this trend continue to accelerate and if this could be a starting point for a new sub-asset class in logistics.

Overall, while 2020 has been a tough year for our sector, the listed real estate sector has shown tremendous solidarity and generosity in supporting its tenants and local communities and plans to continue doing so in 2021 and beyond. Everyone is expecting to see a real estate sector more flexible, connected and resilient emerge from this crisis.
EPRA new members in the spotlight
ABERDEEN STANDARD EUROPEAN LOGISTICS INCOME PLC

is an investment trust investing in high-quality European logistics real estate to achieve its objective of providing its shareholders with a regular and attractive level of income and capital growth. The company invests in a portfolio of assets diversified by both geography and tenant throughout Europe.

BLOOMBERG

is the global leader in business and financial data, news and insight. Using the power of technology, Bloomberg connects the world’s decision makers to a dynamic network of information, people and ideas, helping them to make faster, smarter decisions.

CTP

is a top five European logistics property company and the largest full-service owner-developer of prime industrial and logistics property in the CEE region.

DEA CAPITAL

a subsidiary of De Agostini SpA and listed on the STAR segment of the MTA Market of Borsa Italiana, is the leading independent Italian player in the alternative asset management sector, with combined assets under management of approximately EUR 23,000 million and an investment portfolio of approximately EUR 338 million.

GLOBAL NET LEASE

is a real estate investment trust that focuses on acquiring and managing a globally-diversified portfolio of strategically-located commercial real estate properties that are crucial to the success of GNL’s roster of primarily investment-grade corporate tenants.

HOME REIT

is a real estate investment trust listed on the premium listing segment of the Official List of the UK Listing Authority and admitted to trading on the main market for listed securities of the London Stock Exchange in October 2020. Home REIT will focus on well-located properties that provide a sustainable level of rent for the company’s tenants.

HUFVUDSTADEN

offers office and retail premises in Stockholm and Gothenburg’s most attractive locations. The real estate company was founded in 1915 and today owns a total of 30 properties.

NEINOR HOMES

is a listed company that develops new homes, both for sale and for rent, in Madrid, Catalonia, the Basque Country, Andalusia and the Valencian Community, and currently has nearly 5,000 units under construction.

NEXITY

is a French commercial and residential real estate development and services company with a strong sustainability focus.

NORWEGIAN PROPERTY

is a real estate company that has a portfolio in Oslo and Stavanger, Norway. Created in 2006 and listed on the Oslo Stock Exchange, it invests in major commercial real estate, offering its owners a publicly traded real estate portfolio.

PEACH PROPERTY GROUP

is a Swiss residential real estate company investing predominantly in German Tier 2 cities close to metropolitan areas. Peach Property Group’s portfolio currently comprises 12,950 apartments in Germany and the greater Zurich region.

PLATZER

is a leading real estate company in commercial real estate, only active in Gothenburg. The company owns, manages and develops 68 properties with a total of 825,000 m².

SF URBAN PROPERTIES AG

is a real estate company based in Zurich. It is engaged in the development and management of an existing real estate portfolio, as well as the acquisition of new properties. SF Urban Properties invests in commercial, residential and development properties.
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EPRA 2021 Conference

European real estate business
What opportunities between the global health, economic crisis and accelerated change?
Index focus

Comparison of asset classes

Developed Europe Index

Top 10 European performers
(March 2021)

Value snapshot
(March 2021)

* 1-year LTV value as of February 2021 and 10-year value as of 2021