

MARKET RESEARCH

# European Listed Real Estate

## Special Report

### Methodologies for Valuation of REITs and Listed Property Companies

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## Purpose

This report seeks to provide guidance on the different valuation methodologies available for REITs and Listed Real Estate ("LRE") Companies. This guidance is necessary for a number of reasons :

- 1) For global investors/asset owners there is a need to be able to reconcile and integrate valuation differences between regions . As an example , European LRE companies, due to their adoption of IFRS accounting principles which require them to mark to market their assets, are typically values at a premium/discount to NAV. In contrast the largest market in the world , the US, adopts US GAAP, which determines that companies hold assets at cost less depreciation and amortisation. As a result a US REIT NAV will not reflect the market value of their assets.
- 2) For generalist investors there is a desire to integrate real estate valuation metrics with other equity sectors .
- 3) With an increasing focus on operational real estate there is a clear desire to disaggregate the property valuation from a valuation for the operating platform.
- 4) Over the last few years share prices have decoupled form their anchor of NAV.
- 5) The increase in M&A activity means investors are looking to determine and price the individual components of value for a target company.
- 6) The NAV methodology is thought to be one of the reasons why the European sector has grown less significantly than the US market, which typically values and raises capital using earnings based metrics (e.g. AFFO) to value company's future cash flows.
- 7) Concern that Red Book<sup>1</sup> valuations of property assets, although consistent, do not reflect market conditions, do not have explicit assumptions and forecasts, and do not necessarily reflect the true value of a company, particularly if it is an M&A target . As a result both buy side and sell side analysts have increasingly adopted earnings based metrics in their valuations.

Understanding the different valuations available, how they are used and by who, will allow investors and corporates to determine the true worth of LRE companies across different stages of the cycle.

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<sup>1</sup> Global Standards (Red Book), RICS Valuation.

## Introduction

Valuation of investments is always crucial for any market participant, whether you are an institutional investor managing a multi-asset portfolio, an individual looking for different stocks to invest part of your savings, or a real estate specialists with deep knowledge in the sector. If listed real estate (“LRE”) is part of your investable universe, valuing Listed Property Companies (LPCs) and Real Estate Investment Trusts (REITs) is a critical aspect of your investment analysis.

Unlike traditional stocks, LPCs and REITs derive their value from a combination of real estate assets, rental income, and market perceptions, making their valuation both complex and comprehensive. Various methodologies exist for valuing listed property companies, including Net Asset Value (NAV), Earnings and Funds from Operations (FFO) multiples, Dividend Discount Models (DDM), Discounted Cash Flow (DCF) models, and Economic Value Added (EVA) calculations. Each approach has its strengths and limitations, and their results can vary significantly depending on market conditions and underlying assumptions.

Comparing different valuation methods is essential for investors, analysts, and financial professionals to develop a deep understanding of listed real estate and its intrinsic value. A single methodology may not fully capture all the details in terms of performance, risk profile, and growth potential. By examining multiple approaches, we can identify discrepancies, validate assumptions, and enhance the decision-making process. Moreover, understanding these methodologies allows us to navigate market fluctuations, assess management strategies, and improve investment analysis.

This report explores and compares key valuation techniques applied to LPCs and REITs, highlighting their theoretical foundations, pros and cons and practical applications, while providing the reader some useful tools to critically assess valuations of listed real estate in order to make informed investment decisions. After this introduction, the next sections present a short discussion of the key users and purposes of such valuations, followed by a review of the four main methodologies and some specific examples. Finally, the last sections discuss some differences in the application of these valuations in Europe vs North America and APAC, while some conclusions are presented at the end.

## 1. Valuation purposes and main users

As Alex Moss and Kieran Farelly describe in their book *Global Real Estate Capital Markets* (Moss & Farelly, 2025), there are three main reasons for using real estate equity valuation:

### 1.1. Comparing companies (peer group analysis)

Here the idea is to determine the appropriate valuation of the company by comparing it to companies with similar assets, strategy, geographical exposure, size and leverage among others. This is one of the most common approaches used by many different market practitioners including individuals, institutional investors, sell-side analysts and investment bankers. However, the group of comparable companies (a.k.a. the peer group) varies significantly according to the user. For example, a general equity investor might be interested in companies from different sectors with similar size and leverage, while a real estate specialist would be more focused on creating a peer group of companies from the same property type (e.g. industrial, retail, offices) and geographical exposure.

## 1.2. Comparing stocks market valuations to direct market valuations

In this case the valuation is focused on the value of the company's underlying assets, the property portfolio adjusted by leverage, and the value of its shares in the market. In this case, the main users are the real estate specialists, and significant adjustments or assumptions have to be made given the different nature of the property assets (e.g. tangible, illiquid) compared to the company's shares traded in public markets.

## 1.3. Calculating implied valuations

This is an alternative angle used mainly during time of turbulence and absence of liquidity in the capital markets and is mainly used by real estate specialists, sell-side analysts and institutional investors with long term horizon. The starting point is the current company's shares valuation, and the users apply a pricing model backwards to determine the implied growth rates and other relevant long-term variables in order to compare them against their own or external forecasts, then making possible to detect potential mispricing or overreaction to new information.

A fourth purpose might be included in this list, price targeting. However, since this is an approach mainly used by sell-side analysts and can serve other purposes different to valuation of LPCs and REITs, it can be put aside. Now, after having discussed the main users of listed real estate valuations and their purpose, it is time to review the main methodologies.

## 2. Valuations based on Earnings and the Profit & Loss Statement (P&L)

This is one of the most traditional methodologies used by all types of investors. Here the main focus is determining the relative valuation of the LPC or REIT against the peer group by comparing ratios based on earnings, which might be adjusted according to the user's own purposes.

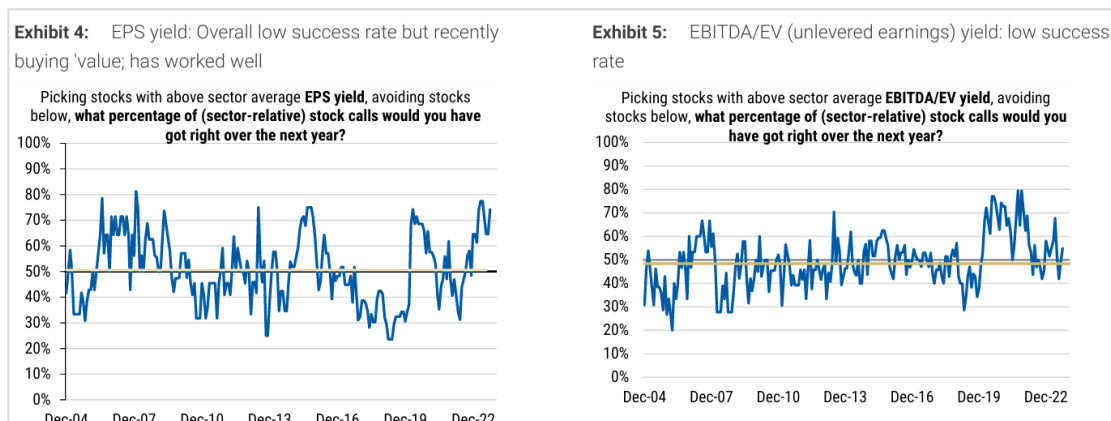
The most common ratio is of course the Price/Earnings ratio (P/E), which can be also computed as Earnings Yield by inverting the order (E/P). The only inputs are the shares price and the Earnings per share (EPS), usually computed using a 12-months rolling window in order to make it comparable with other asset classes and metrics expressed in annual terms. Given its simplicity, it is an ideal tool for comparing listed real estate shares against other equity sectors, and of course against shares in the same industry. In this last case, many real estate specialists use standardized metrics to compare companies from different regions or countries in order to do an accurate *apples-to-apples* relative valuation. Some variations are computed using other earnings-related metrics or specific standardized accounting earnings, good examples are P/FFO, P/AFFO and P/EPRA EPS<sup>2</sup>.

One alternative of this approach combines elements of the P&L (e.g. EBITDA) with other elements from the balance sheet at market value (e.g. market cap for Equity and Debt value for liabilities) for determining a relative Enterprise Value (EV), then providing another ratio commonly used in real estate: EV/EBITDA. However, the success of these metrics in providing accurate guidance on companies' valuation and future returns is not constant and somehow questionable (see Chart 1).

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<sup>2</sup> For more details, see EPRA BPR Guidelines, available on <https://www.epra.com/finance/financial-reporting/guidelines>.

Chart 1: Morgan Stanley's analysis on success rates for Earnings Yield and EBITDA/EV



Source: Morgan Stanley. *Valuing Property Stocks: A Primer*. European Property Research. September 27, 2024.

### Pros and Cons

Of course, simplicity is the main positive angle. Comparability is also positive since this type of valuation allows to compare LRE shares vs other equity sectors using companies' earnings and cashflows. However, on the negative side, EPS and other earnings-related metrics might not be comparable across equity sectors and regions (e.g. US-GAAP vs IFRS earnings) and might require specific adjustment, which are not commonly applied by several vendors and so large datasets might not be reliable. In addition, this metric does not account for companies' leverage, therefore it should be used in conjunction with other metrics focused on companies' capital structure (e.g. Debt/Assets).

## 3. Valuations based on Dividends and Cashflows

The previous methodology was focused on cashflows generated by the company, here the main angle is cashflows received by the investor by holding a new long position, and two different approaches can be followed: current dividend distribution or future dividend growth.

The first approach is addressed by a simple ratio that compares the current or expected dividends per share (DPS) against the current price shares (DPS/P), commonly known as Dividend Yield. Again, the common practice is to take the full-year dividend paid (declared) in order to have an annual yield that can be compared against annual returns from other assets (see Chart 2). In addition, just regular dividends should be included, excluding special dividends than might create abnormal valuations.

Chart 2: Green Street's Estimates and Opinions

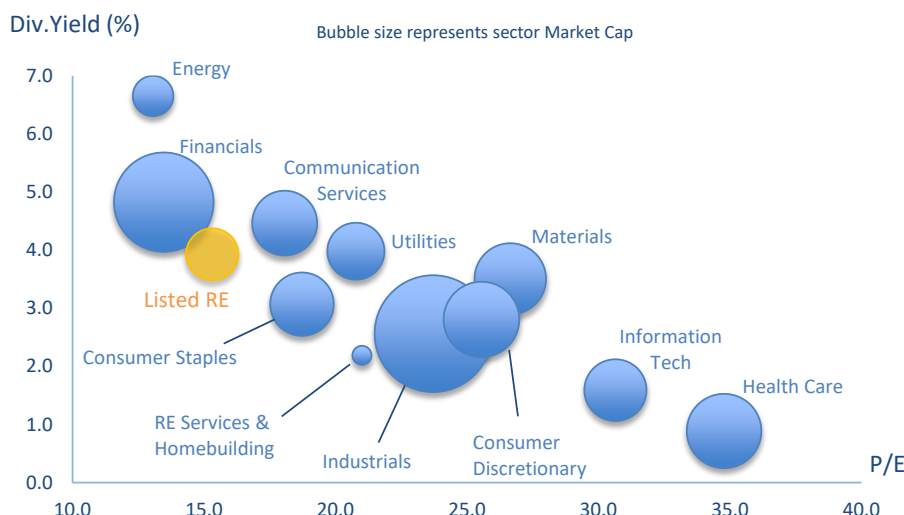
	EPRA Earnings							AFFO							Cap-Ex Reserve (13)	Dividends		
	Estimate			Growth		Yield		Estimate			Growth		Yield			'25 Div Yield	Cov From '25 AFFO	
	'24	'25	'26	'25	'26	'25	'26	'24	'25	'26	'25	'26	'25	'26				
Healthcare																		
AED	€4.93	€5.02	€5.12	1.7%	2.0%	7.6%	7.7%	€4.15	€4.23	€4.31	2.0%	1.9%	6.4%	6.5%	10.8%	6.1%	1.1x	
COFB	€6.50	€6.18	€6.07	-5.0%	-1.7%	8.0%	7.9%	€5.52	€5.21	€5.09	-5.6%	-2.3%	6.7%	6.6%	12.1%	6.7%	1.0x	
AGR	3.4p	3.5p	3.7p	2.5%	5.5%	6.9%	7.3%	2.9p	3.1p	3.0p	5.9%	-2.6%	6.1%	5.9%	11.2%	6.6%	0.9x	
PHP	7.0p	7.1p	7.1p	1.7%	0.7%	7.0%	7.1%	5.7p	5.8p	5.8p	1.6%	0.4%	5.7%	5.8%	10.8%	6.8%	0.8x	
Total / Wtd Avg				-0.2%	1.3%	7.5%	7.6%					0.4%	-0.5%	6.3%	6.3%	11.3%	6.5%	1.0x

Source: Green Street. *Weekly REIT Pricing Review*. European Research Team. June 27, 2025.



In addition, in a similar way than other equity ratios, this approach allows a direct comparison of listed real estate against other sectors from the general equity universe, although does not guarantee an accurate comparison, therefore many investors use this ratio in conjunction with other metrics and even combining it with the traditional P/E or Earnings Yield ratios (see chart 3).

Chart 3: Dividend Yield for European LRE vs other European Equity Sectors (small and mid-caps)\*



\* Defined as companies under EUR 30 billion and above EUR 100 million in Market Cap.

Source: EPRA Research. Data as of Jan/2025.

For the specific case of listed real estate, this ratio is usually more appropriate for REITs than LPCs, mainly due to the mandatory dividend distribution requirement for REITs and the potential unrealised gains from properties development than some LPCs can hold in their projects in process.

As mentioned before, the second approach is focused on future dividend growth, which requires estimating the companies' future dividends and discounting them to the valuation date using an appropriate discount rate. The most common model for such type of valuation is the Gordon Growth Model (GGM), which results familiar for most people with some background in financial markets and is well known by assuming a constant dividend growth rate. However, such assumption is usually considered too simplistic by most users, therefore it is common to see some variations of this model with specific forecasts for the short-term dividends (<5 years) and then one or more stages of dividends growth with certain constant rate.

In addition to the simplistic assumption on dividends growth, this model is particularly sensitive to changes in the discount rate, which makes it very unpopular across many analysts and investors, particularly the real estate specialists given the significant exposure to interest rates movements of the rental property business given its capital intensity nature. Therefore, a common use of this approach is to apply the GGM backwards using the shares prices as an input in order to determine the discount rate (proxy for Cost of Equity) or implied cap rate (for comparing listed vs direct real estate).

Finally, several analysts and investors use some more sophisticated models that break the assumption of constant dividend growth. Some of these models are purely focused on discounting dividends (DDM) with different patterns of growth or even no dividend distribution, then discounting the cashflows generated by the companies and re-invested in their own activities (DCF models), which

requires a deep understanding of their current business and future evolution, not only in terms of their operational metrics but also their financing strategy and expected dividend distribution policy.

#### Pros

- Simplicity and direct relevance to income-focused investors.
- Comparability with other assets classes and markets.
- The Dividend Yield metric provides an easy-to-use comparison across various sectors, helping investors assess income-generating potential relative to other asset classes.
- GGM model, when used effectively, provides a forward-looking perspective by incorporating expected future dividend growth, which can be useful in long-term valuation models.

#### Cons

- The Dividend Yield approach does not account for capital appreciation, limiting its effectiveness in valuing companies with significant unrealized gains, such as LPCs with some exposure to property development.
- While GGM is widely recognized, its assumption of a constant dividend growth rate is often unrealistic. Even more, its reliance on discount rate assumptions makes it particularly problematic for real estate companies given their capital-intensive nature.

## 4. Models focused on Assets and Balance Sheet

In contrast to the first two methodologies previously discussed that were focused on cashflows (earnings and dividends), this third methodology brings the attention into the company's balance sheet and assets structure, therefore allowing the comparison of REITs and LPCs against other types of real estate-oriented investments, both listed and private, but not against other sectors in the general equity market or other asset classes like government and corporate bonds. The main reason for this is the nature of companies' assets across different types of companies in the economy. For instance, REITs and LPCs own real estate, which are tangible assets that can be appraised and traded in both public and private markets, however, companies specialized in the services sectors like IT, consultancy or marketing usually do not own large amounts of tangible assets, and their business model is mostly based on intangible assets, therefore is hard to find financial metrics that recognize such substantial differences. Hence, these models are mostly used by real estate specialists.

The most common metric computed under this methodology is the Net Asset Value (NAV), usually expressed in per share terms for allowing comparison against companies' shares price and units of other investment vehicles like open-end private funds or close-end listed funds. In its most basic structure, this metric is a simple difference between the company's assets and liabilities divided by the total shares issued by the company, however, this apparent simplicity is far from being realistic given significant differences in the accounting standards across the countries, as well as the diverse types of assets and liabilities included in the companies' balance sheet and the possible approaches that can be assumed depending on the valuation purpose. As a result, there is wide spectrum of possible ways to compute this metric, making clear the need for standardization that allows all users to do a meaningful comparison across the real estate industry<sup>3</sup>.

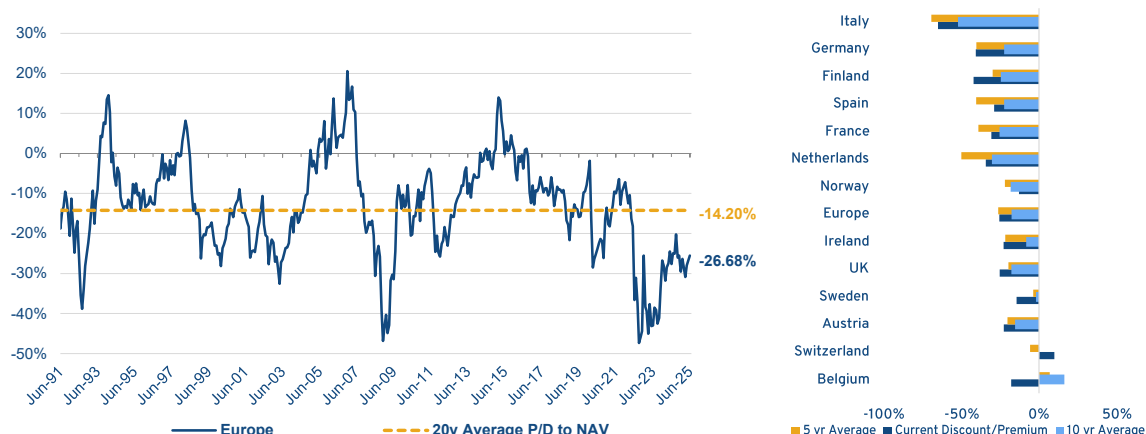
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<sup>3</sup> For more details, see EPRA BPR Guidelines, available on <https://www.epra.com/finance/financial-reporting/guidelines>.



Once it is clear that the NAV computation is consistent across the investible universe of REITs and LPCs, the most common approach is to estimate a company's relative valuation by determining the Premium or Discount (P/D) of its shares price against its own NAV per share, and then compare such P/D to NAV against its own history and the peer group, usually composed by companies operating in the same property sector and/or geography (see chart 4).

Chart 4: Average Premium/Discount to NAV for European Listed RE



Source: EPRA Research. Data as of Jun/2025.

Some other more sophisticated variations of this methodology include NAV growth, NAV vs ROE and Discount to Gross Asset Value (GAV) and even a combination of DCF models and NAV computations. APG Asset Management N.V. provides a good example of this approach:

*At APG, investment underwriting is anchored on quantitative and qualitative top-down and fundamental bottom-up research, with fundamental bottom-up property research being the cornerstone of our investment process. The quantitative underwriting process starts off by establishing a view on markets from a macro as well as a fundamental real estate perspective. Given our assessed macro view, we focus on the main real estate fundamentals, with key inputs for the fundamental property analysis being real rental growth, occupancy levels, operating expenses, and capex to eventually derive estimates for economic rental income. These estimates are made on a detailed basis for the coming 4 years, followed by a steady state that is forecasted based on long-term estimates for real rental growth, inflation, and occupancy levels.*

*The following step is implementing these expectations into our proprietary valuation models and determining the appropriate property discount rate, resulting in our assessment of property value. In addition to a mark-to-market of the underlying real estate component, liabilities will also be adjusted to reflect an estimated fair market value. Correcting the overall assessed property value for other net liabilities results in our derived proprietary estimate of APG NAV. The APG NAV in combination with the prevailing NAV/share price translates into an expected IRR. The expected IRR is contrasted with the vehicle's required IRR to quantify the degree of mispricing, which also translates into a discount or premium to (net) asset value<sup>4</sup>.*

<sup>4</sup> The contribution of Vincent Fokke, Head of Listed Real Estate Europe at APG Asset Management N.V. is gratefully acknowledged.

### Pros

- By emphasizing asset valuation, it provides a clear comparative measure of the main source of REITs and LPCs intrinsic value, their property portfolio.
- It enables meaningful comparisons between REITs, LPCs, and other real estate investments, whether listed or private.
- It considers the companies' capital structure and quality of its assets.

### Cons

- Limited comparability if REITs and LPCs to companies in other general equity sectors.
- Variations in accounting standards, asset classifications, and valuation approaches across different jurisdictions introduce inconsistencies, requiring large efforts on standardization.
- By counting for liabilities, relative valuation can be highly affected by leverage and capital structure rather than business growth.
- More suitable for companies operating a pure rental business model.
- Usually used as a current or backward-looking approach, difficult to implement on a forward looking basis.

## 5. EVA and Cost of Capital

The final methodology we cover in this report is developed over the concept of Economic Value Added (EVA). It is used for equity valuation by focusing on a firm's ability to generate returns above its cost of capital. The core idea is that a company creates value only if it earns more than its total cost of capital (both debt and equity). This is a popular concept across corporate finance specialists and frequently used in general equity valuations and price targeting. In its most basic structure, EVA can be computed using the following formula:

$$EVA = NOPAT - (WACC \times \text{Capital Employed})$$

Where: NOPAT = Net Operating Profit After Taxes, WACC = Weighted Average Cost of Capital and Capital Employed = Total capital invested in the business (Debt + Equity)

This computation usually implies forecasting company's future cashflows to calculate the NOPAT and EVA for future periods, then discounting to present value each future EVA using the WACC and finally determining the firm's Value by adding the invested capital and the present value of future EVA. Finally, to find the Total EVA per share, the user must subtract the net debt from the firm's total value to get the equity value and divide by the number of outstanding shares to determine the intrinsic stock price. Having this estimation of the company's shares intrinsic value, a simple ratio of P/EVA can be computed for running a comparative valuation against a peer group.

Of course, one of the most important variables in this approach is the cost of capital (WACC), which at a certain point can become subjective and relay significantly in the specific risk premiums and assumptions incorporated by the users.

This methodology requires a certain level of familiarity with the companies' business, projects and expected developments, therefore it is commonly used by buy-side and sell-side analysts and can be adjusted for general comparison across equity sectors or more specialized sector-focused analysis. In the specific case of real estate, some variations from the general approach can incorporate modelling futures changes in companies' property portfolio and indirect results (see chart 5).

Chart 5: Degroof Petercam' EVA Model applied to Shurgard

Exhibit 12 Shurgard EVA model											
(EUR m)	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	25e-34e CAGR
Operating result	219	235	255	276	298	321	344	369	391	419	7.5%
Indirect prop. result	129	150	148	154	162	170	178	185	192	199	
Total return	348	385	402	429	460	490	522	553	583	618	
Avg. capital employed	5,728	6,108	6,513	6,924	7,354	7,806	8,279	8,773	9,287	9,820	6.6%
ROIC	6.1%	6.3%	6.2%	6.2%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	
WACC	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	
Difference	-1.3%	-1.1%	-1.2%	-1.2%	-1.1%	-1.1%	-1.1%	-1.1%	-1.1%	-1.1%	6.6%
Value contribution	-76	-67	-80	-83	-84	-87	-91	-96	-104	-109	
average # shares (m)	99,291	101,239	103,224	105,248	107,312	108,529	108,529	108,529	108,529	108,529	
Value per share (EUR)	-0.8	-0.7	-0.8	-0.8	-0.8	-0.8	-0.8	-0.9	-1.0	-1.0	6.6%
NPV of values contributions (EUR)	-6.5										
EPRA NTA (FY24) (EUR)	48.4										
Fair Value (EUR)	41.9										6.6%
Topped-off NRV	6.0										
Target price	47.9										

Source: Degroof Petercam. *Shurgard Valuation Report*. Equity Research / Real Estate Team. April 16, 2025.

### Pros

- Accounts for a comprehensive Cost of Capital.
- Helps to assess whether a company is actually creating economic profit rather than just earning accounting profits.
- Allows investors to compare companies across industries based on value creation rather than just financial ratios.
- It can be adjusted to sector's specific metrics and practices.
- Focuses on operating performance and efficient capital structure.

### Cons

- Complexity. Requires multiple adjustments to NOPAT and capital employed, making it more difficult to estimate than simple valuation metrics like P/E ratio or Dividend Yield.
- Sensitive to assumptions. EVA is highly dependent on the accuracy of WACC and future projections, which can be difficult to estimate.
- Not appropriate for companies in early growth stages given possible negative EVA.

Finally, to conclude the review of these main groups of methodologies, here a short summary:

Main methodologies for valuation of REITs and LPCs

Methodology	Description	Key Metrics/Ratios	Strengths	Weaknesses
<b>Earnings-Based (P&amp;L)</b>	Focuses on company earnings to determine relative valuation.	P/E ratio, P/FFO, P/AFFO, P/EPRA EPS, EPS Yield, EV/EBITDA	Simple, comparable across equity sectors and industries.	Does not account for leverage, potential regional differences.
<b>Dividends and Cashflows</b>	Focuses on the cashflows generated by the company and dividends paid to investors.	Dividend Yield, Gordon Growth Model (GGM), Discounted Cash Flow (DCF)	Directly relevant for income-focused investors.	Sensitive to selection of interest rate, assumptions of constant growth.
<b>Asset-Based (NAV)</b>	Focuses on the company's real estate assets, adjusted by liabilities.	Net Asset Value (NAV), Discount/Premium to NAV, NAV Growth	Aligns directly with real estate values, compares REITs and LPCs.	Difficult to compare across regions and industries.
<b>EVA and Cost of Capital</b>	Focuses on value creation by comparing returns to cost of capital.	Economic Value Added (EVA), Weighted Average Cost of Capital (WACC)	Explores value creation and operating efficiency.	Complex to compute, sensitive to assumptions on cost of capital.

Source: EPRA Research.

## 6. Geographical Differences: Europe vs USA & APAC

Real Estate specialists in different regions prefer distinct methodologies for valuing real estate due to structural and market differences:

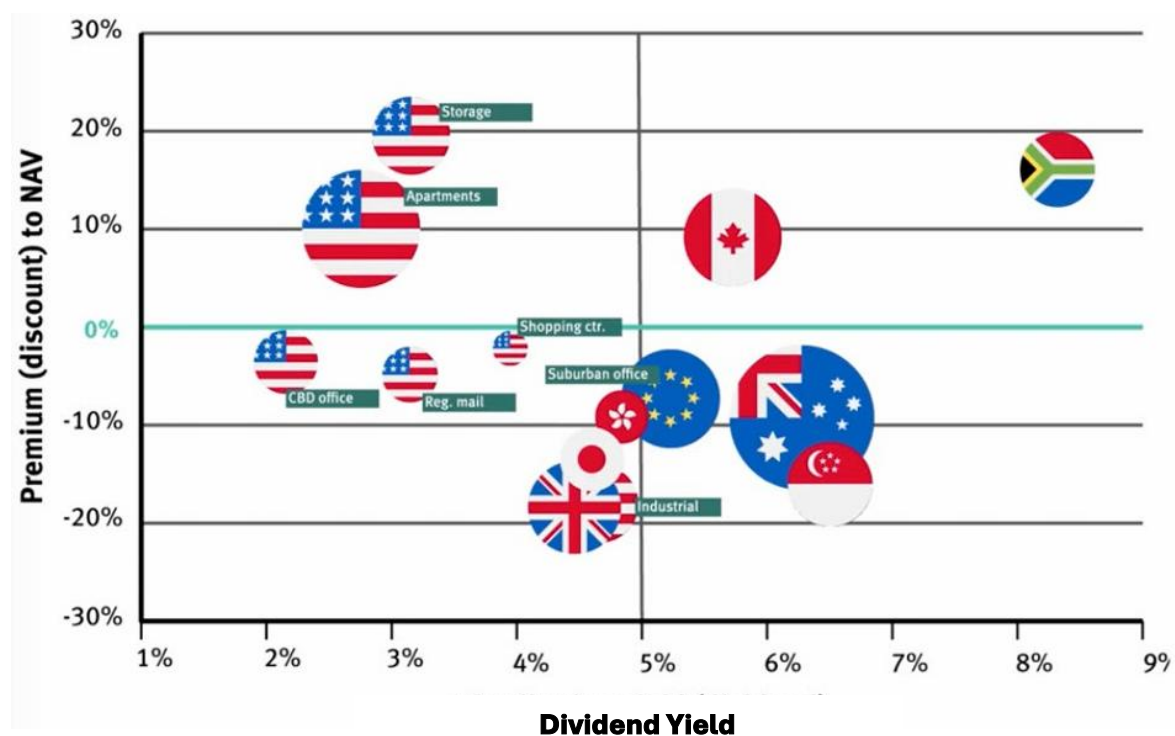
- UK & Europe: Use NAV (Net Asset Value) and dividend yield since assets are marked-to-market and most firms operate a rental business, LPCs and REITs.
- US & Japan: Prefers FFO (Funds from Operations) multiples and dividend yield as assets are not marked-to-market, and nearly all real estate firms are REITs.
- Australia & Developed Asia: Uses free cash flow yields and sum-of-the-parts valuation, considering factors like stapled securities and fund management businesses linked to REITs.
- Emerging Asia: Often employs discounted cash flow (DCF) and NAV due to high levels of development and residential activity, leading to stocks trading at persistent discounts.

In addition, given the significant presence of large real estate corporations in the Asia-Pacific region operating real estate as the main business segment across several others (e.g. funds management, hotels, infrastructure, restaurants and pubs), it is common to implement a *Sum of Parts* approach for

valuation of these companies. However, since this methodology considers valuation of several non-real estate businesses, we do not cover such approach in this report.

Finally, chart 6 shows a comparative mapping of dividend yield (x-axis) vs. premium/discount to NAV (y-axis), where market size is represented by bubble size. Australia has the largest market in the example. Again, as discussed by Alex Moss and Kieran Farelly, investors tend to focus on dividend yield in uncertain market conditions, making dividend yield and NAV discount/premium key valuation metrics both for REITs and LPCs. These metrics help identify undervalued and overvalued stocks and assess assumptions about growth rates.

Chart 6: Global income-oriented Property



Source: Consilia Capital.

## 7. Conclusions

Valuing listed real estate companies – REITs and LPCs – is almost an art that can be as simple or as complex as the user wants. Various methodologies can be used, which differ not only in theoretical foundations but also in their relevance depending on geography, market conditions, and investor preferences.

This report has provided a structured overview of the four principal valuation approaches: earnings-based metrics, dividend and cashflow models, asset-based valuations, and EVA-focused frameworks. Each of these offers distinct insights and serves different types of users, from generalist equity investors to real estate specialists and financial analysts.

The analysis shows that no single methodology is universally superior; rather, each has strengths that make it more or less suitable depending on the context:

- Earnings-based valuations offer comparability across sectors but can obscure leverage and structural differences.
- Dividend and cashflow methods provide simplicity and investor-centric perspectives but face limitations due to assumptions about growth and sensitivity to interest rates.
- Asset-based models such as NAV enable direct alignment with underlying real estate values but require careful standardization and are less forward-looking.
- EVA models, while complex, provide a rigorous framework for understanding value creation above capital costs and allow sector-specific adjustments.

In addition, geographical variations reflect accounting standards, investor expectations, and market maturity. For instance, Europe's reliance on NAV and marked-to-market accounting contrasts with the U.S. focus on earnings metrics under historical cost accounting. Meanwhile, Asia-Pacific's preference for DCF and sum-of-the-parts valuation reflects the prevalence of mixed-business models and development exposure.

As the real estate landscape evolves, shaped either by macroeconomic drivers like inflation or economic growth, or by structural mega trends like digitalization and ageing population, investors and analysts can always benefit from different approaches to valuing listed real estate. Employing a combination of methodologies, cross-checking outcomes, and understanding the assumptions behind each approach are essential steps in the process of managing portfolios with exposure to REITs and LPCs and analysing key opportunities in the sector.

A well-rounded valuation process will not only improve accuracy but also enhance the ability to identify market mispricing, assess company strategy, and navigate diverse market environments.

Ultimately, the value of listed real estate is multi-dimensional. Understanding and applying the right mix of valuation methodologies enables stakeholders to capture this complexity and support resilient, data-driven investment frameworks.

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