



European Listed Real Estate

Monthly Review – March 2020



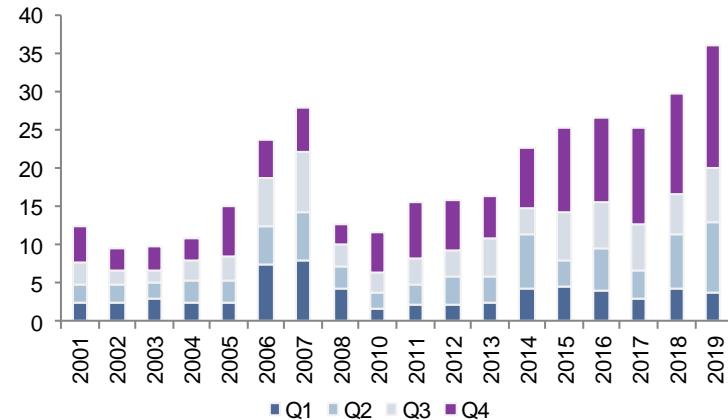
Market Conditions (1/3)

French Real Estate Trends

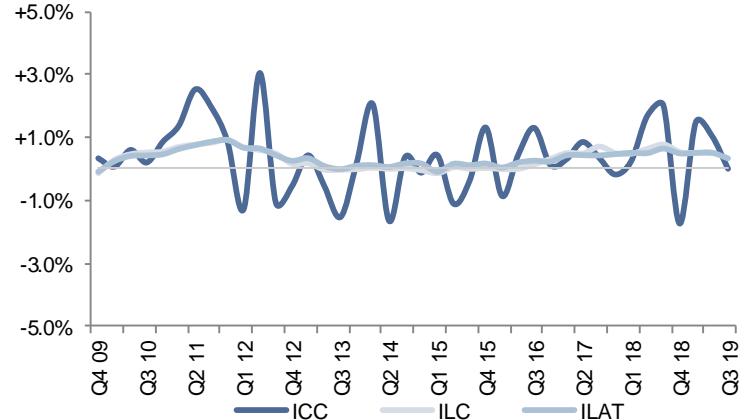
The investment in Standard commercial Real Estate in 2019 has reached over €36bn, a level never seen in France, an increase of 21% compared to 2018.

The real estate premium is increasing on the back of an OAT 10Y and Euribor 3M rates ever so low, while prime offices yields are steady

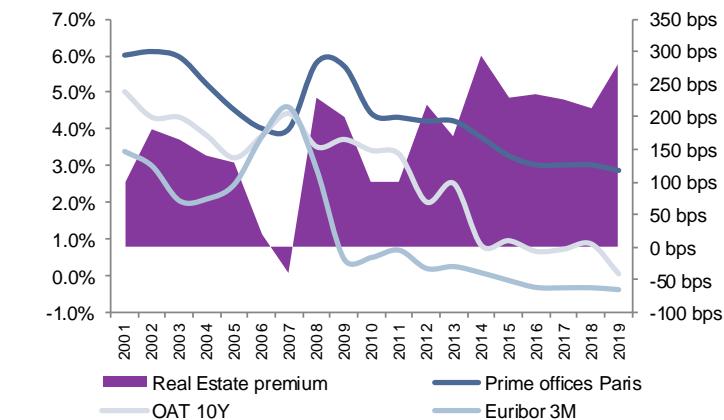
Investment in Standard Commercial Real Estate (€bn)



Evolution of Indexation rates



Comparative Change in Rates



Prime Yields as of December 2019

Assets	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Trend
Paris CBD	3.05%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	2.80%	↘
La Défense	4.10%	3.90%	4.10%	4.10%	4.00%	4.00%	4.00%	4.00%	4.00%	↗
Inner Rim	4.05%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	↗
Aix/Marseille	5.20%	4.70%	4.70%	4.70%	4.70%	4.70%	4.70%	4.70%	4.50%	↘
Lyon	3.90%	3.90%	3.90%	3.90%	3.85%	3.85%	3.85%	3.70%	3.50%	↘
Grade A Warehouses - Greater Paris	4.90%	4.90%	4.75%	4.75%	4.75%	4.50%	4.50%	4.20%	4.00%	↘
Industrial premises - Greater Paris	5.90%	5.90%	5.60%	5.60%	5.40%	5.60%	5.60%	5.60%	5.00%	↘
Street-level shops - Paris	2.75%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	↗
Shopping centers - France	4.20%	4.20%	4.20%	4.20%	4.20%	4.50%	4.75%	4.75%	4.00%	↘

Sources: CBRE, Immostat, Banque de France, INSEE

Market Conditions (2/3)

€324m Volumes in the Real Estate Sector in February

ABBs representing €324m
ECM volumes in the
European Real Estate
sector last month

It represents a significant
11% increase compared
to January

Shopping center owner
Intu properties plunged to
a huge annual loss after
the malaise sweeping the
retail sector wiped almost
£1.4bn off the value of its
properties, the company
could seek to raise about
£1bn to shore up its
finances

MAIN DEALS OF THE MONTH

ABB								
Issuer	Country	Date	Type	Amount (€ m)	% of capital	# of trading days	Discount	
Solon Eiedom ASA		5-Feb-20	Capital Increase	16	6.0%	105	0.0%	
Grainger PLC		13-Feb-20	Capital Increase	222	10.0%	29	-2.3%	
Nyfosa AB		17-Feb-20	Capital Increase	57	3.9%	11	-3.1%	
Fast Partner AB		19-Feb-20	Capital Increase	21	1.1%	2	-3.6%	
AEW UK REIT PLC		19-Feb-20	Capital Increase	8	4.8%	17	1.0%	

PERFORMANCE OF MAIN IPOS PRICED SINCE 2015

Company	Country	Date	Amount (€m)	Perf	Company	Country	Date	Amount (€m)	Perf
Pandox		18-Jun-15	593	+86.2 %	Aberdeen Standard		20-Nov-17	214	-17.2 %
Schroder		11-Dec-15	145	+6.5 %	Metrovacesa		2-Feb-18	646	-46.4 %
Coima		13-May-16	215	-10.4 %	Instone Real Estate		13-Feb-18	390	+14.4 %
Civitas Social Housing		21-Nov-16	408	-1.2 %	Godewind Immobilien		9-Mar-18	375	+59.3 %
Varia US Properties		8-Dec-16	100	+24.3 %	Kojamo		14-Jun-18	483	+111.8 %
Carmila		6-Jul-17	629	-29.8 %	Arima		18-Oct-18	100	+28.0 %
Aedas Homes		18-Oct-17	667	-37.4 %	Gateway Real Estate		9-Apr-19	172	-2.5 %
VGP		25-Oct-17	253	+84.8 %	John Mattson		22-May-19	121	+46.0 %

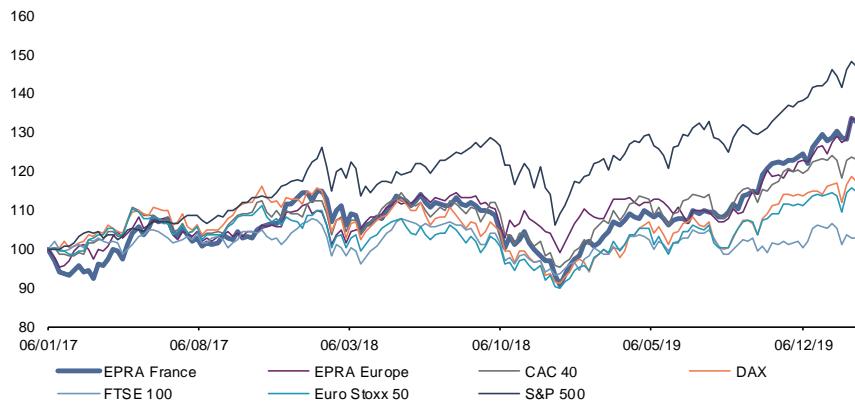
Market Conditions (3/3)

Real Estate vs. Blue Chips Indices and Sectors

Strong set of negative performance among the Blue Chips Indices during the last month. EPRA France has outperformed the sector with a +25% increase over the past year

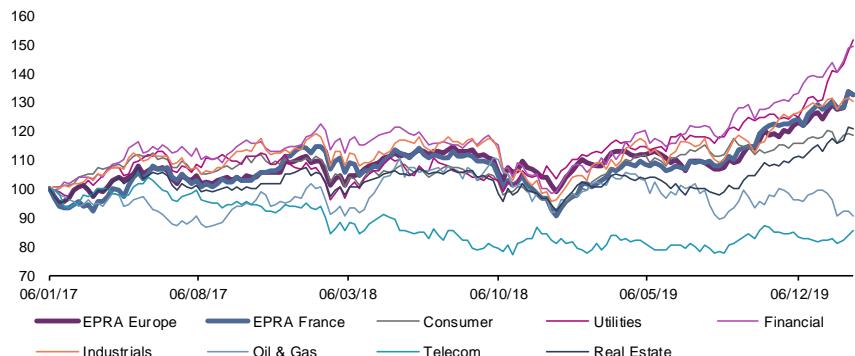
Regarding sector indices, the performances have been generally negative since one month with a few setbacks for the Oil & Gas. The largest performance has been recorded in the financial, Real Estate and Utilities sectors over the past twelve months.

Blue Chips Indices Performance



	Stock performance		
	1 M	6 M	12 M
EPRA France	-9%	+6%	+15%
EPRA Europe	-8%	+8%	+9%
CAC 40	-7%	-1%	+3%
DAX	-9%	-0%	+4%
FTSE 100	-9%	-8%	-6%
Euro Stoxx 50	-8%	-1%	+3%
S&P 500	-9%	+2%	+6%

DJ Stoxx Indices Performance



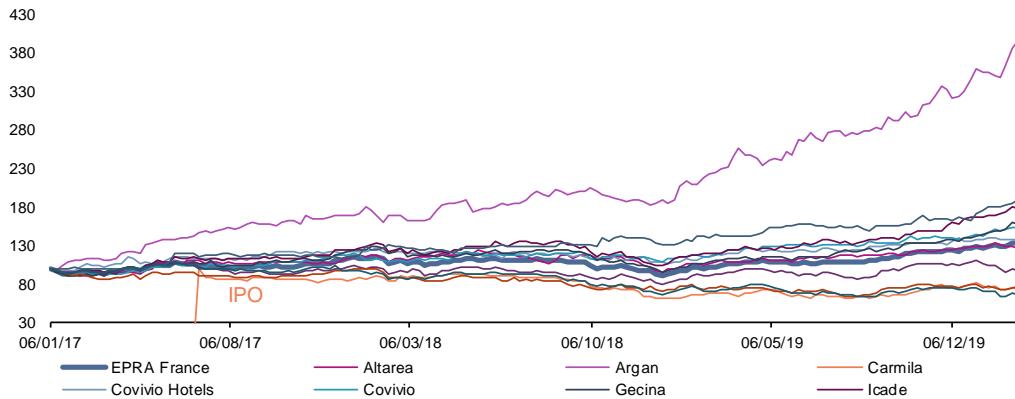
	Stock performance		
	1 M	6 M	12 M
EPRA France	-9%	+6%	+15%
EPRA Europe	-8%	+8%	+9%
Consumer	-9%	-9%	+2%
Utilities	-2%	+13%	+22%
Financial	-7%	+7%	+21%
Industrials	-9%	+4%	+7%
Oil & Gas	-10%	-12%	-21%
Telecom	-5%	-5%	-3%

Source: Bloomberg

Performance of Real Estate Stocks (1/4)

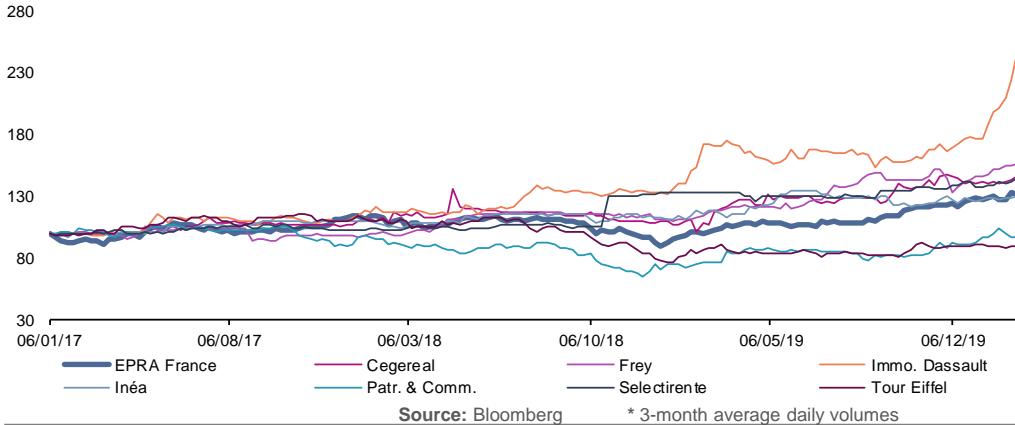
French Large & Mid Cap

Large Caps – Stock Performance since January 2017



	Stock performance			Capit. (€ m)	Float (%)	Vol.* (€ m)	Float rotation (trading days)
	1 M	6 M	12 M				
Altarea	-14%	-6%	+5%	2,913	18%	0.6	866
Argan	+6%	+35%	+67%	1,869	41%	0.4	1,976
Carmila	-8%	+9%	+0%	2,231	61%	1.8	765
Covivio Hotels	-13%	-4%	+3%	3,111	6%	0.1	1,225
Covivio	-9%	+1%	+17%	8,429	44%	12.1	307
Gecina	-5%	+15%	+32%	12,493	54%	19.1	351
Icade	-10%	+15%	+34%	6,824	42%	8.0	356
Klépierre	-10%	+0%	-3%	8,311	60%	28.7	174
Mercialys	-8%	+1%	-11%	967	50%	2.3	212
SFL	-0%	+17%	+24%	3,592	6%	0.1	2,474
Unibail Rodamco	-11%	-8%	-18%	15,042	100%	77.6	193

Mid Caps – Stock Performance since January 2017



	Stock performance			Capit. (€ m)	Float (%)	Vol.* (€ m)	Float rotation (trading days)
	1 M	6 M	12 M				
Cegereal	-10%	-2%	+10%	620	2%	0.0	1,558
Frey	+2%	+5%	+33%	867	8%	0.0	3,248
Immo. Dassault	+13%	+42%	+36%	596	14%	0.0	1,679
Inéa	-3%	-4%	+5%	342	16%	0.1	729
Patr. & Comm.	-14%	+13%	+18%	245	24%	0.0	1,499
Selectirente	+3%	+11%	+8%	382	32%	0.0	165,499
Tour Eiffel	-5%	+3%	-2%	619	7%	0.1	479

Source: Bloomberg

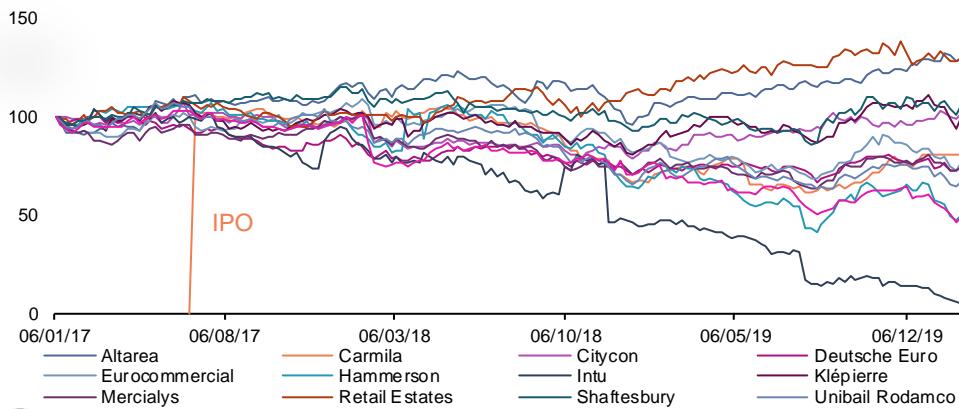
* 3-month average daily volumes

Performance of Real Estate Stocks (2/4)

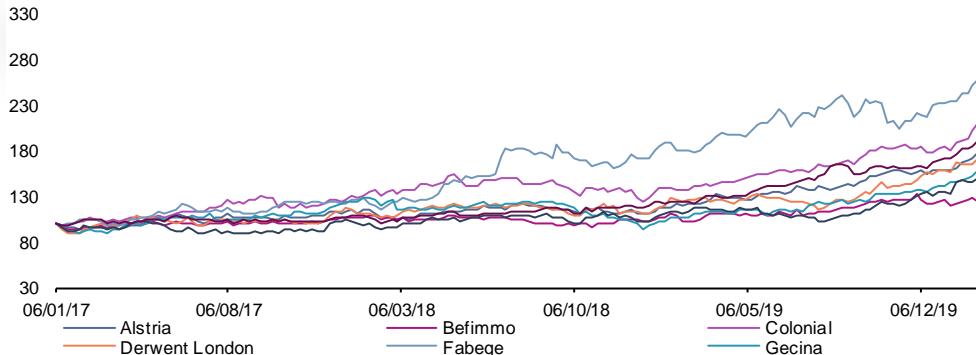
European Retail & Offices players



Retail – Stock Performance since January 2017



Offices – Stock Performance since January 2017



Source: Bloomberg

* 3-month average daily volumes

		Stock performance			Capi.	Float	Vol.*	Float rotation
		1 M	6 M	12 M	(€ m)	(%)	(€ m)	(trading days)
Altarea	FR	-14%	-6%	+5%	2,913	18%	0.6	866
Carmila	FR	-8%	+9%	+0%	2,231	61%	1.8	765
Citycon	FI	-4%	-3%	+13%	1,615	76%	1.4	851
Deutsche Euro	DE	-9%	-5%	-9%	1,380	75%	4.5	228
Eurocommercial	FR	-8%	-3%	-14%	1,018	87%	2.0	436
Hammerson	UK	-9%	-8%	-38%	1,908	68%	11.3	115
Intu	UK	-28%	-64%	-89%	200	58%	1.5	80
Klépierre	FR	-10%	+0%	-3%	8,311	60%	28.7	174
Mercialys	FR	-8%	+1%	-11%	967	50%	2.3	212
Retail Estates	BE	-12%	-12%	-3%	904	78%	0.9	792
Shaftesbury	UK	-8%	-4%	-6%	2,916	45%	3.6	364
Unibail Rodamco	FR	-11%	-8%	-18%	15,042	100%	77.6	193
Wereldhave	FR	-12%	-14%	-36%	586	100%	5.9	100

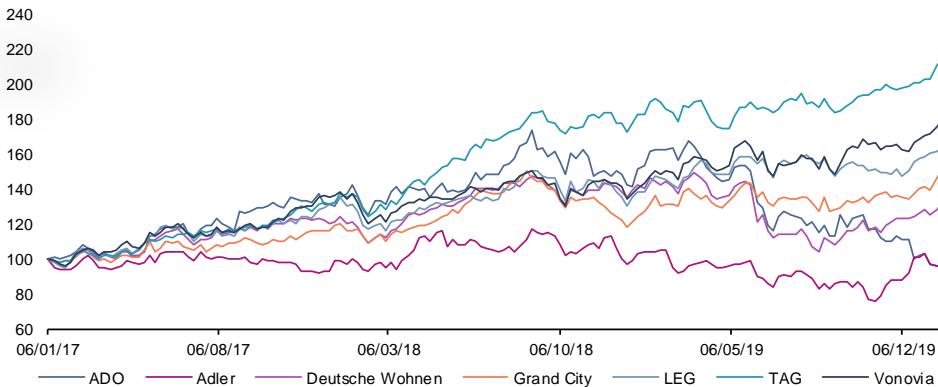
		Stock performance			Capi.	Float	Vol.*	Float rotation
		1 M	6 M	12 M	(€ m)	(%)	(€ m)	(trading days)
Alstria	DE	-6%	+14%	+34%	3,046	95%	8.1	357
Befimmo	BE	-11%	-4%	+10%	1,402	66%	1.6	566
Colonial	ES	-3%	+11%	+35%	5,935	33%	6.5	305
Derwent London	UK	-3%	+28%	+26%	5,234	80%	12.7	332
Fabege	SE	-3%	-1%	+32%	5,032	55%	11.9	234
Gecina	FR	-5%	+15%	+32%	12,493	54%	19.1	351
Great Portland Estates	UK	-7%	+24%	+17%	2,575	90%	9.3	249
PSP	CH	-2%	+10%	+47%	6,110	73%	18.0	247
SFL	FR	-0%	+17%	+24%	3,592	6%	0.1	2,474

Performance of Real Estate Stocks (3/4)

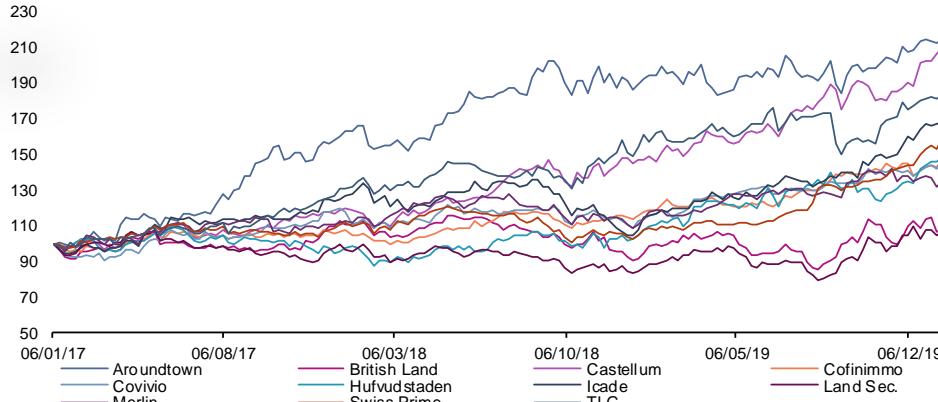
European Residential & Diversified



Residential – Stock Performance since January 2017



Diversified – Stock Performance since January 2017



Source: Bloomberg

* 3-month average daily volumes

		Stock performance			Capi.	Float	Vol.*	Float rotation
		1 M	6 M	12 M	(€ m)	(%)	(€ m)	(trading days)
ADO	DE	-4%	-26%	-46%	1,202	63%	4.5	168
Adler	DE	-5%	+3%	-10%	812	61%	2.3	213
Deutsche Wohnen	DE	-3%	+15%	-8%	13,306	70%	29.6	316
Grand City	DE	-7%	+8%	+7%	3,607	55%	4.3	466
LEG	DE	-3%	+5%	+14%	7,439	70%	18.7	279
TAG	DE	-7%	+4%	+11%	3,223	97%	7.7	406
Vonovia	DE	-5%	+10%	+18%	26,550	73%	62.0	310

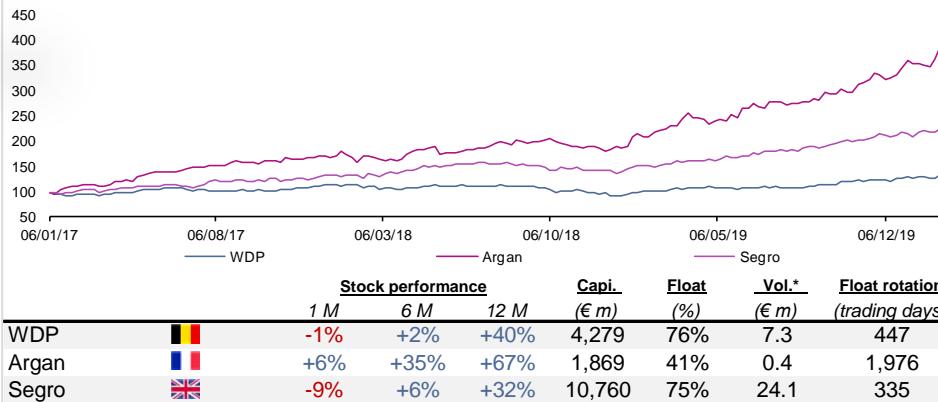
		Stock performance			Capi.	Float	Vol.*	Float rotation
		1 M	6 M	12 M	(€ m)	(%)	(€ m)	(trading days)
Aroundtown	IE	-8%	+7%	+9%	12,026	35%	33.4	125
British Land	UK	-10%	+2%	-10%	5,514	84%	21.7	215
Castellum	SE	-4%	+8%	+38%	5,884	65%	11.8	325
Cofinimmo	BE	+3%	+16%	+32%	3,890	95%	6.7	554
Covivio	FR	-9%	+1%	+17%	8,429	44%	12.1	307
Hufvudstaden	SE	-7%	-2%	+20%	7,004	29%	5.3	375
Icade	FR	-10%	+15%	+34%	6,824	42%	8.0	356
Land Sec.	UK	-12%	+11%	-1%	7,288	82%	21.8	274
Merlin	ES	-9%	-1%	+10%	5,529	62%	11.4	300
Swiss Prime	CH	-2%	+19%	+46%	8,164	88%	26.2	274
TLG	DE	-16%	-1%	+4%	2,886	60%	10.0	174

Performance of Real Estate Stocks (4/4)

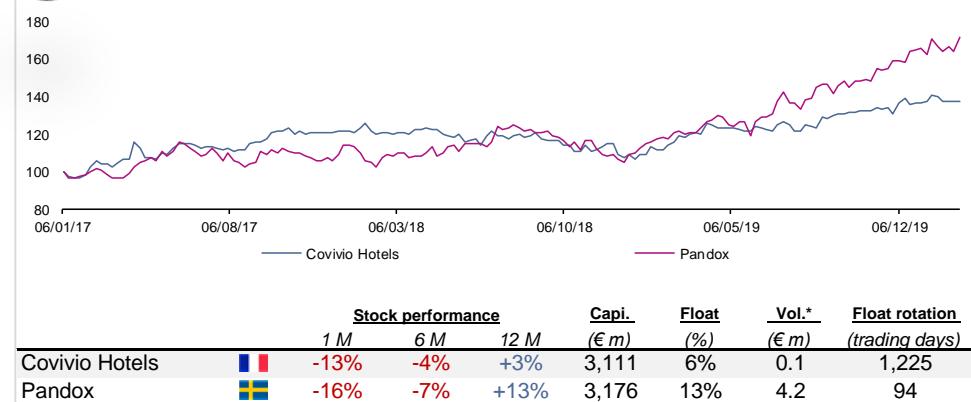
Alternative Assets



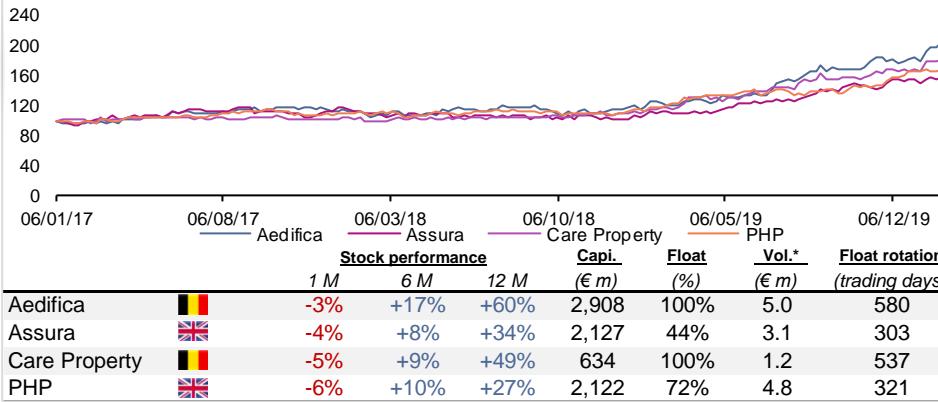
Logistics – Stock Performance since January 2017



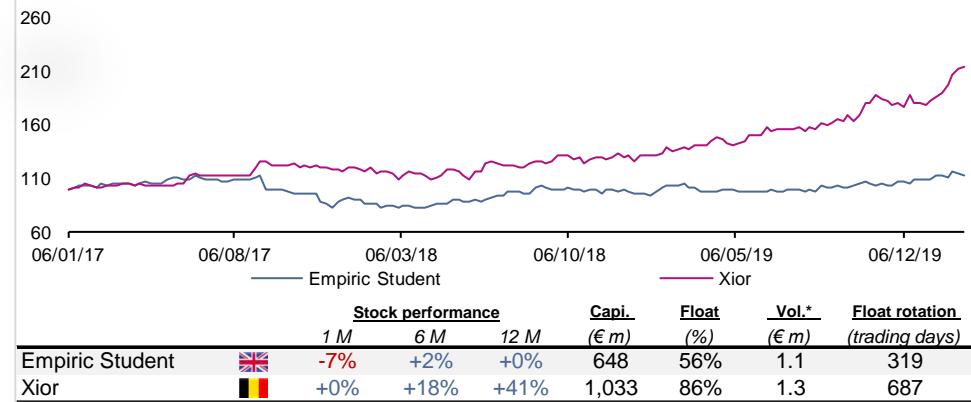
Hotels – Stock Performance since January 2017



Healthcare – Stock Performance since January 2017



Student Housing – Stock Performance since January 2017

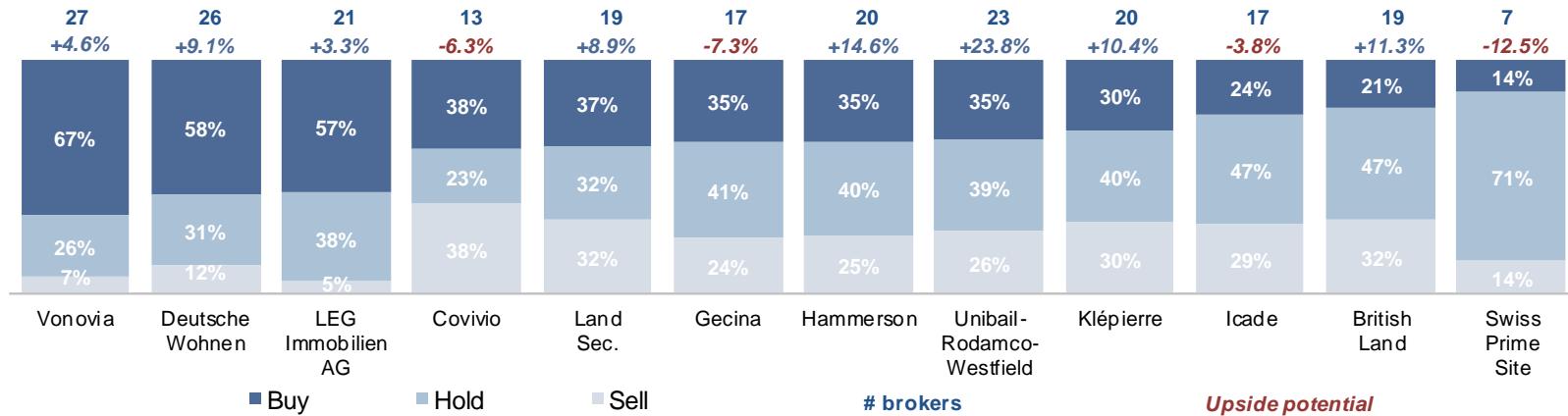


Source: Bloomberg

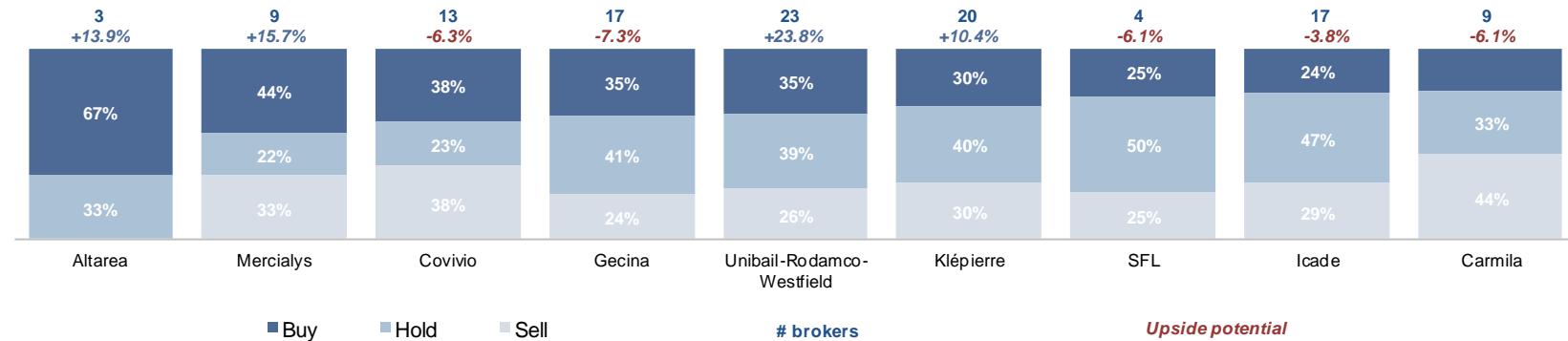
* 3-month average daily volumes

Analysts' Consensus (1/4)

Consensus on main European Players



Consensus on main French Players



Source: Bloomberg

Analysts' Consensus (2/4)

Last Changes in Brokers' Recommendations / Target Prices for Selected European Players

Date	Company	Broker	Reco.	Target Price
27-Feb	ADO	Commerzbank	reduce	€ 27.0 ↘
11-Feb	Adler	DZ Bank	hold	€ 12.0 ↘
20-Feb	Aedifica	Kepler Cheuvreux	buy	€ 150.0 ↗
21-Feb	Alstria	Oddo BHF	neutral	€ 18.5 ↗
27-Feb	Alstria	Deutsche Bank	hold	€ 19.3 ↗
6-Feb	Aroundtown	Jefferies	buy	€ 10.0 ↗
20-Feb	Aroundtown	J.P. Morgan	neutral	€ 9.7 ↗
14-Feb	Befimmo	Bank Degroof	hold	€ 58.0 ↗
27-Feb	British Land	AlphaValue	reduce	GBp 529.0 ↘
5-Feb	Castellum	Barclays	overweight	SEK 235.0 ↗
24-Feb	Castellum	Goldman Sachs	sell	SEK 171.0 ↗
7-Feb	Citycon	Kepler Cheuvreux	hold	€ 9.7 ↗
24-Feb	Citycon	Goldman Sachs	sell	€ 5.9 ↘
5-Feb	Cofinimmo	Kepler Cheuvreux	buy	€ 160.0 ↗

Date	Company	Broker	Reco.	Target Price
14-Feb	Cofinimmo	J.P. Morgan	overweight	€ 160.0 ↗
19-Feb	Cofinimmo	Barclays	underweight	€ 125.0 ↗
14-Feb	Covivio	Bank Degroof	hold	€ 110.0 ↗
26-Feb	Derwent London	Jefferies	underperform	GBp 3600.0 ↗
27-Feb	Derwent London	Barclays	underweight	GBp 3600.0 ↗
27-Feb	Deutsche Wohnen	AlphaValue	buy	€ 45.5 ↘
24-Feb	Eurocomm.	Goldman Sachs	sell	€ 19.7 ↘
27-Feb	Eurocomm.	ABN Amro Bank	buy	€ 29.0 ↗
6-Feb	Fabege	Kepler Cheuvreux	buy	SEK 185.0 ↗
12-Feb	Fabege	Barclays	overweight	SEK 180.0 ↗
24-Feb	Fabege	Goldman Sachs	sell	SEK 130.7 ↗
19-Feb	Gecina	Deutsche Bank	hold	€ 160.0 ↗
20-Feb	Gecina	Oddo BHF	buy	€ 180.0 ↗
20-Feb	Gecina	Bank Degroof	reduce	€ 150.0 ↗

Source: Bloomberg

Analysts' Consensus (3/4)

Last Changes in Brokers' Recommendations / Target Prices for Selected European Players

Date	Company	Broker	Reco.	Target Price
21-Feb	Gecina	Barclays	equalweight	➔ € 175.0 ↗
27-Feb	Gecina	AlphaValue	sell	↘ € 156.0 ↘
14-Feb	Grand City Property	Deutsche Bank	buy	↗ € 27.5 ↗
24-Feb	Great Port.	Goldman Sachs	neutral	➔ GBP 844.0 ↘
25-Feb	Hammerson	Jefferies	underperform	➔ GBP 188.0 ↘
25-Feb	Hammerson	Deutsche Bank	buy	➔ GBP 300.0 ↘
26-Feb	Hammerson	Barclays	underweight	➔ GBP 190.0 ↘
14-Feb	Hufvudstaden	Kepler Cheuvreux	buy	➔ SEK 225.0 ↘
17-Feb	Icade	Bank Degroof	add	↘ € 110.0 ↗
19-Feb	Icade	Barclays	underweight	➔ € 80.0 ↗
20-Feb	Icade	HSBC	buy	➔ € 120.0 ↗
24-Feb	Icade	Deutsche Bank	hold	➔ € 99.0 ↘
27-Feb	Icade	AlphaValue	reduce	➔ € 91.8 ↘
21-Feb	Inmobiliaria Colonial	Grupo Santander	buy	➔ € 13.2 ↗

Date	Company	Broker	Reco.	Target Price
27-Feb	Inmobiliaria Colonial	AlphaValue	sell	↘ € 11.1 ↘
27-Feb	Intu Prop.	AlphaValue	sell	➔ GBP 9.6 ↘
7-Feb	Klépierre	Barclays	equalweight	➔ € 27.0 ↘
10-Feb	Klépierre	HSBC	hold	➔ € 30.0 ↘
10-Feb	Klépierre	Deutsche Bank	sell	➔ € 27.0 ↗
24-Feb	Klépierre	Goldman Sachs	neutral	➔ € 32.4 ↗
27-Feb	Klépierre	AlphaValue	sell	➔ € 25.1 ↘
27-Feb	Land Sec.	AlphaValue	reduce	↗ GBP 851.0 ↘
20-Feb	LEG Immobilien	Deutsche Bank	hold	↘ € 114.0 ➔
19-Feb	Mercialys	Oddo BHF	reduce	➔ € 12.3 ↘
24-Feb	Mercialys	Goldman Sachs	sell	➔ € 10.0 ↘
27-Feb	Mercialys	AlphaValue	add	➔ € 12.6 ↘
13-Feb	PHP	Barclays	overweight	➔ GBP 168.0 ↗
24-Feb	PHP	Jefferies	hold	➔ GBP 165.0 ↗

Source: Bloomberg

Analysts' Consensus (4/4)

Last Changes in Brokers' Recommendations / Target Prices for Selected European Players

Date	Company	Broker	Reco.	Target Price
25-Feb	PSP	Deutsche Bank	hold	➔ CHF 102.0 ↘
27-Feb	PSP	Berenberg	buy	➔ CHF 160.0 ➗
14-Feb	Segro	Jefferies	hold	➔ GBP 978.0 ➗
19-Feb	Segro	RBC Capital Markets	underperform	➔ GBP 750.0 ➗
20-Feb	Segro	Barclays	overweight	➔ GBP 980.0 ➗
20-Feb	Segro	Deutsche Bank	hold	➔ GBP 810.0 ↘
7-Feb	SFL	Oddo BHF	buy	↗ € 87.0 ➗
12-Feb	SFL	Kepler Cheuvreux	hold	➔ € 77.0 ➗
21-Feb	TLG	J.P. Morgan	neutral	➡ € 33.0 ➡
27-Feb	TLG	Commerzbank	buy	➔ € 35.0 ➗
13-Feb	Unibail	Deutsche Bank	buy	➔ € 147.0 ↘
14-Feb	Unibail	Barclays	underweight	➔ € 110.0 ↘
18-Feb	Unibail	HSBC	buy	➔ € 144.0 ↘
27-Feb	Unibail	AlphaValue	buy	➔ € 153.0 ↘

Date	Company	Broker	Reco.	Target Price
27-Feb	Vonovia	AlphaValue	reduce	➔ € 53.5 ↘
3-Feb	WDP	Kepler Cheuvreux	hold	➔ € 25.0 ➗
5-Feb	WDP	Morgan Stanley	overweight	➔ € 26.0 ➗
21-Feb	WDP	ABN Amro Bank	hold	↗ € 24.0 ➗
10-Feb	Wereldhave	Kepler Cheuvreux	hold	➔ € 15.0 ↘
11-Feb	Wereldhave	Bank Degroof	hold	➔ € 18.0 ↘
11-Feb	Wereldhave	J.P. Morgan	underweight	➔ € 14.0 ↘
27-Feb	Wereldhave	AlphaValue	sell	➔ € 12.7 ↘
6-Feb	Xior	Bank Degroof	add	↗ € 60.0 ➗
7-Feb	Xior	Kepler Cheuvreux	buy	➔ € 62.0 ➗

Source: Bloomberg

Valuation of Real Estate Stocks (1/4)

French Large & Mid Cap

French Players															
Company	Activity	Market cap.	LTV (%)	P / NNAV		EV / EBITDA			P / CF			Dividend Yield			
		(€m)	Ir (2)	Ir (3)	2020E	2021E	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
Large Cap															
Altarea	Retail	2,786	34%	8%	10%	5%	17.6x	16.3x	n.m.	9.4x	9.7x	n.m.	7.7%	7.9%	n.m.
Argan	Industrials	1,884	56%	n.m.	2.0%	2.1%	-								
Carmila	Retail	2,231	37%	(38%)	(36%)	(40%)	15.3x	15.1x	14.2x	9.8x	9.6x	n.m.	9.3%	9.4%	9.4%
Covivio Hotels	Hotels / div.	2,978	37%	n.m.	n.m.	n.m.	n.m.								
Covivio	Diversified	8,396	41%	6%	(6%)	(10%)	36.9x	35.0x	n.m.	17.7x	16.5x	n.m.	5.1%	5.3%	5.3%
Gecina	Offices	11,837	36%	(7%)	(14%)	(17%)	35.3x	34.5x	31.2x	26.6x	25.8x	n.m.	3.5%	3.6%	3.7%
Icade	Diversified	6,677	42%	(1%)	(6%)	(8%)	22.5x	21.0x	19.6x	17.8x	16.1x	n.m.	5.5%	5.8%	5.9%
Klepierre	Retail	7,923	40%	(28%)	(28%)	(26%)	17.7x	17.6x	17.8x	9.4x	9.1x	9.4x	8.4%	8.6%	8.6%
Mercialys	Retail	958	40%	(48%)	(40%)	(32%)	16.4x	16.3x	16.2x	7.7x	7.7x	n.m.	11.0%	11.1%	11.1%
SFL	Offices	3,611	24%	(19%)	(16%)	(16%)	31.8x	29.8x	n.m.	28.5x	25.7x	n.m.	3.3%	3.3%	n.m.
Unibail Rodamco - West.	Retail	15,075	39%	(45%)	(42%)	(42%)	15.3x	15.2x	15.2x	8.1x	7.8x	n.m.	10.0%	10.1%	10.0%
Median			39%	(19%)	(16%)	(17%)	17.7x	17.6x	17.0x	9.8x	9.7x	9.4x	6.6%	6.8%	7.3%
Mid Cap															
Cegereal	Offices	620	52%	(6%)	n.m.	n.m.	23.8x	23.4x	n.m.	14.4x	n.m.	n.m.	6.4%	6.6%	n.m.
Frey	Retail	867	24%	16%	(14%)	(21%)	24.6x	20.5x	n.m.	20.6x	17.6x	n.m.	3.2%	5.2%	-
Immobilier Dassault	Offices	582	41%	n.m.	n.m.	n.m.	n.m.								
Inea	Diversified	336	39%	(12%)	n.m.	n.m.	16.8x	15.5x	14.6x	n.m.	n.m.	n.m.	6.1%	6.7%	6.9%
Patrimoine & Commerce	Retail	250	47%	n.m.	(36%)	(40%)	n.m.	14.3x	n.m.	8.4x	7.9x	n.m.	7.5%	8.0%	n.m.
Selecthirent	Retail	370	35%	n.m.	n.m.	n.m.	n.m.								
Société de la Tour Eiffel	Offices	586	58%	(28%)	n.m.	n.m.	n.m.	n.m.							
Median			41%	(9%)	(25%)	(31%)	23.8x	18.0x	14.6x	14.4x	12.7x	n.m.	6.3%	6.7%	3.5%

(1) Market capitalisation based on last spot price as of 28/02/2020

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(3) Price / last reported NNAV

Sources: Bloomberg, Companies

Valuation of Real Estate Stocks (2/4)

European Retail & Offices players

European Players (1/3)

Company	Activity	Market cap. (€m)	LTV (%) Ir (2)	P / NNAV Ir (3)	P / NAV		EV / EBITDA			P / CF			Dividend Yield			
					2020E	2021E	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E	
Retail																
Altarea	Retail	2,786	34%	8%	10%	5%	17.6x	16.3x	n.m.	9.4x	9.7x	n.m.	7.7%	7.9%	n.m.	
Carmila	Retail	2,231	37%	(38%)	(36%)	(40%)	15.3x	15.1x	14.2x	9.8x	9.6x	n.m.	9.3%	9.4%	9.4%	
Citycon	Retail	1,595	42%	(18%)	(26%)	(27%)	18.3x	17.9x	17.6x	12.3x	11.9x	n.m.	7.2%	6.8%	7.0%	
Deutsche Euroshop	Retail	1,367	31%	n.m.	(48%)	(46%)	11.3x	11.4x	11.7x	9.1x	9.1x	9.0x	7.0%	7.2%	7.3%	
Eurocommercial	Retail	995	44%	(48%)	n.m.	(51%)	17.4x	17.4x	n.m.	n.m.	8.5x	16.9x	n.m.	11.0%	11.0%	
Hammerson	Retail	1,859	37%	(71%)	(63%)	(62%)	18.6x	20.8x	19.8x	14.5x	14.5x	n.m.	10.6%	10.3%	6.5%	
Intu properties	Retail	190	49%	(96%)	(92%)	(92%)	15.4x	16.5x	15.3x	n.m.	11.7x	n.m.	-	-	5.8%	
Klepierre	Retail	7,923	40%	(28%)	(28%)	(26%)	17.7x	17.6x	17.8x	9.4x	9.1x	9.4x	8.4%	8.6%	8.6%	
Mercialys	Retail	959	40%	(48%)	(40%)	(32%)	16.4x	16.3x	16.2x	7.7x	7.7x	n.m.	11.0%	11.1%	11.1%	
Retail Estate	Retail	906	52%	16%	5%	(0%)	18.1x	16.9x	n.m.	11.9x	11.3x	10.7x	6.5%	6.9%	7.3%	
Shaftesbury	Retail	2,850	23%	(18%)	(17%)	(18%)	34.6x	32.6x	n.m.	41.4x	38.4x	n.m.	2.3%	2.5%	n.m.	
Unibail Rodamco- West	Retail	15,075	39%	(45%)	(42%)	(42%)	15.3x	15.2x	15.2x	8.1x	7.8x	n.m.	10.0%	10.1%	10.0%	
Wereldhove	Retail	581	42%	(69%)	(52%)	(45%)	14.9x	16.2x	23.1x	5.9x	6.8x	10.2x	14.4%	13.2%	10.1%	
Median			40%	(42%)	(38%)	(40%)	17.4x	16.5x	16.2x	9.4x	9.6x	10.2x	8.0%	8.6%	8.6%	
Offices																
Alstria	Office	3,043	30%	15%	(14%)	(18%)	28.6x	27.4x	n.m.	25.0x	23.2x	n.m.	3.2%	3.4%	n.m.	
Befimmo	Offices	1,244	44%	(13%)	(18%)	(24%)	22.6x	23.8x	20.7x	15.3x	14.6x	13.4x	6.7%	7.1%	7.1%	
Derwent	Offices	5,113	18%	2%	(3%)	(7%)	33.5x	30.9x	29.2x	33.4x	31.5x	n.m.	2.0%	2.2%	2.4%	
Fabege	Offices	4,907	39%	14%	2%	(5%)	38.5x	36.1x	33.9x	36.2x	32.0x	n.m.	2.2%	2.4%	2.5%	
Gecina	Offices	11,837	36%	(7%)	(14%)	(17%)	35.3x	34.5x	31.2x	26.6x	25.8x	n.m.	3.5%	3.6%	3.7%	
Great portland	Offices	2,792	6%	(1%)	n.m.	(12%)	n.m.	49.5x	39.2x	n.m.	n.m.	n.m.	n.m.	1.7%	1.9%	
Immobiliaria Colonial	Offices	5,853	41%	36%	(0%)	(10%)	43.2x	39.5x	35.5x	43.3x	39.1x	n.m.	2.0%	2.2%	2.7%	
PSP	Offices	6,146	39%	56%	40%	27%	34.9x	34.5x	33.0x	31.9x	30.4x	28.1x	2.6%	2.6%	2.7%	
SFL	Offices	3,611	24%	(19%)	(16%)	(16%)	31.8x	29.8x	n.m.	28.5x	25.7x	n.m.	3.3%	3.3%	n.m.	
Median			36%	2%	8%	12%	34.2x	34.5x	33.0x	30.2x	28.1x	20.8x	2.9%	2.6%	2.7%	

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Sources: Bloomberg, Companies

Valuation of Real Estate Stocks (3/4)

European Residential & Diversified & alternative assets

European Players (2/3)

Company	Activity	Market cap. (€m)	LTV (%) Ir (2)	P / NNNNAV Ir (3)	P / NAV		EV / EBITDA			P / CF			Dividend Yield		
					2020E	2021E	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
Residential															
ADO Properties	Residential	1,180	40%	(45%)	(57%)	(58%)	31.8x	28.1x	34.6x	20.2x	19.6x	19.1x	2.7%	2.7%	3.0%
Adler	Residential	803	65%	(54%)	(49%)	(53%)	27.8x	22.6x	19.8x	9.6x	9.0x	n.m.	-	-	-
Deutsche Wohnen	Residential	13,017	34%	14%	(20%)	(23%)	31.0x	30.6x	32.2x	24.0x	23.6x	24.1x	2.7%	2.8%	2.7%
Grand City Property	Residential	3,536	35%	3%	(18%)	(22%)	21.4x	20.0x	16.8x	17.0x	15.8x	15.3x	4.2%	4.5%	4.6%
LEG Immobilien	Residential	6,831	42%	55%	(4%)	(9%)	25.8x	24.1x	21.3x	20.0x	19.2x	17.7x	3.6%	3.8%	4.0%
TAG Immobilien	Residential	3,214	50%	34%	3%	(4%)	24.4x	22.9x	22.3x	19.2x	18.3x	n.m.	4.0%	4.2%	4.2%
Vonovia	Residential	26,344	44%	42%	(14%)	(16%)	26.3x	24.1x	21.9x	20.7x	20.4x	18.2x	3.5%	3.7%	4.0%
Median			42%	14%	(16%)	(19%)	27.0x	24.1x	22.1x	20.1x	19.4x	18.7x	3.5%	3.7%	4.0%
Diversified															
Arroundtown	Diversified	8,835	35%	n.m.	(17%)	(21%)	18.6x	16.5x	16.0x	25.0x	22.5x	19.4x	4.0%	4.5%	5.2%
British Land	Diversified	5,435	31%	(37%)	n.m.	(36%)	13.5x	13.3x	12.8x	n.m.	14.1x	56.4x	n.m.	6.6%	6.5%
Castellum	Diversified	5,707	43%	23%	6%	-	24.3x	23.2x	22.6x	19.9x	18.8x	n.m.	3.1%	3.3%	3.4%
Confinimmo	Diversified	3,330	42%	56%	29%	30%	23.0x	19.7x	n.m.	19.6x	n.m.	n.m.	3.9%	4.2%	4.2%
Covivio	Diversified	8,400	41%	6%	(6%)	(10%)	36.9x	35.0x	n.m.	17.7x	16.5x	n.m.	5.1%	5.3%	5.3%
Hufvudstaden	Diversified	3,359	15%	7%	(14%)	(19%)	29.9x	27.5x	26.5x	30.3x	27.9x	n.m.	2.4%	2.5%	2.6%
Icade	Diversified	6,681	42%	(1%)	(6%)	(8%)	22.5x	21.0x	19.6x	17.8x	16.1x	n.m.	5.5%	5.8%	5.9%
Land Securities	Diversified	7,191	26%	(39%)	n.m.	(32%)	21.3x	21.2x	20.4x	n.m.	14.2x	n.m.	n.m.	5.9%	6.1%
Merlin properties	Diversified	5,473	43%	(11%)	(26%)	(31%)	24.8x	23.1x	22.5x	17.4x	16.2x	17.9x	4.7%	5.1%	5.2%
Swiss Prime Site	Diversified	8,278	48%	74%	40%	38%	28.4x	28.4x	n.m.	28.4x	27.0x	n.m.	3.3%	3.3%	n.m.
TLG	Diversified	2,884	40%	26%	(20%)	(23%)	23.5x	22.3x	n.m.	17.9x	16.8x	14.7x	4.0%	4.2%	4.6%
Median			41%	7%	(6%)	(19%)	23.5x	22.3x	20.4x	19.6x	16.7x	18.7x	4.0%	4.5%	5.2%

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Valuation of Real Estate Stocks (4/4)

Alternative assets

European Players (3/3)																
Company	Activity	Market cap. (€m)	LTV (%) lr (2)	P / NNNNAV lr (3)	P / NAV		EV / EBITDA			P / CF			Dividend Yield			
					2020E	2021E	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E	
Student housing																
Xior	Student Prop.	1,006	65%	77%	36%	25%	31.0x	26.0x	23.9x	33.9x	26.4x	22.7x	2.6%	2.9%	3.6%	
Empiric	Student Prop.	644	34%	(12%)	(19%)	(21%)	21.2x	18.7x	n.m.	n.m.	n.m.	n.m.	5.5%	5.4%	n.m.	
Median			50%	32%	9%	2%	26.1x	22.4x	23.9x	33.9x	26.4x	22.7x	4.0%	4.2%	3.6%	
Healthcare																
Aedifica	Healthcare	2,888	45%	129%	68%	54%	23.6x	20.3x	n.m.	25.9x	22.9x	n.m.	2.6%	2.9%	--	
Assura	Healthcare	2,059	30%	40%	32%	28%	25.5x	23.8x	n.m.	n.m.	n.m.	n.m.	3.9%	4.1%	1.0%	
Care Property Invest.	Healthcare	612	79%	105%	66%	58%	31.1x	27.5x	28.6x	30.0x	25.4x	n.m.	3.0%	3.4%	n.m.	
PHP	Healthcare	2,048	45%	46%	32%	26%	24.9x	23.4x	22.5x	n.m.	n.m.	n.m.	4.0%	4.2%	4.4%	
Median			45%	76%	49%	41%	25.2x	23.6x	25.5x	27.9x	24.2x	n.m.	3.5%	3.7%	1.0%	
Logistics																
WDP	Industrials	3,962	55%	149%	80%	62%	26.0x	23.7x	21.4x	24.0x	21.9x	20.3x	2.8%	3.6%	3.9%	
Argan	Industrials	1,883	56%	52%	n.m.	n.m.	29.7x	20.5x	n.m.	n.m.	n.m.	n.m.	1.7%	2.0%	2.1%	
Segro	Industrials	10,524	29%	40%	8%	0%	29.2x	26.6x	25.2x	30.4x	27.9x	n.m.	2.7%	2.9%	3.2%	
Median			55%	52%	44%	31%	29.2x	23.7x	23.3x	27.2x	24.9x	20.3x	2.7%	2.9%	3.2%	
Hotels																
Covivio Hotel	Hotel	2,978	37%	(12%)	n.m.	n.m.	21.4x	n.m.	n.m.	n.m.	n.m.	n.m.	6.3%	n.m.	n.m.	
Pandox	Hotel	2,982	51%	n.m.	(10%)	(16%)	17.6x	17.0x	16.8x	15.0x	13.5x	12.8x	2.4%	2.6%	2.6%	
Median			44%	(12%)	(10%)	(16%)	19.5x	17.0x	16.8x	15.0x	13.5x	12.8x	4.4%	2.6%	2.6%	

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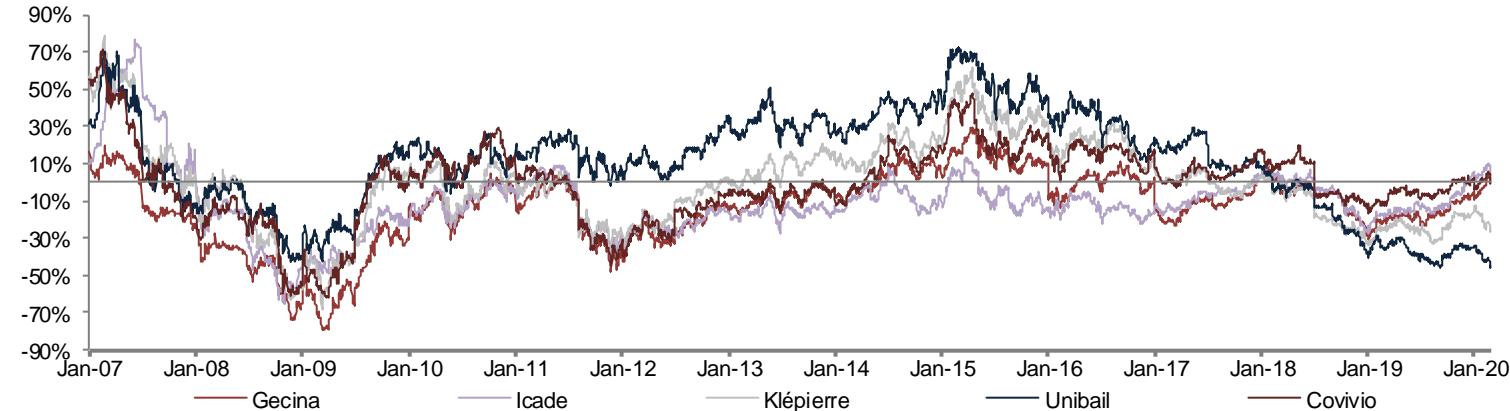
Long-term Valuation Metrics

NAV & P/CF ratios

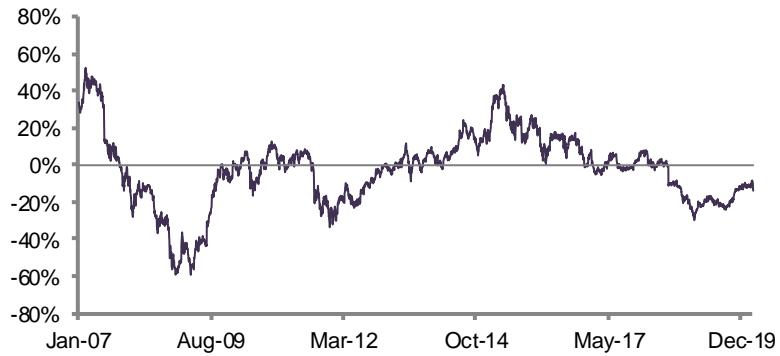
Icade & Covivio are trading with a premium to NAV while retail players (Klépierre and Unibail) and Gecina with a discount to NAV

P/CF ratio is around 15x

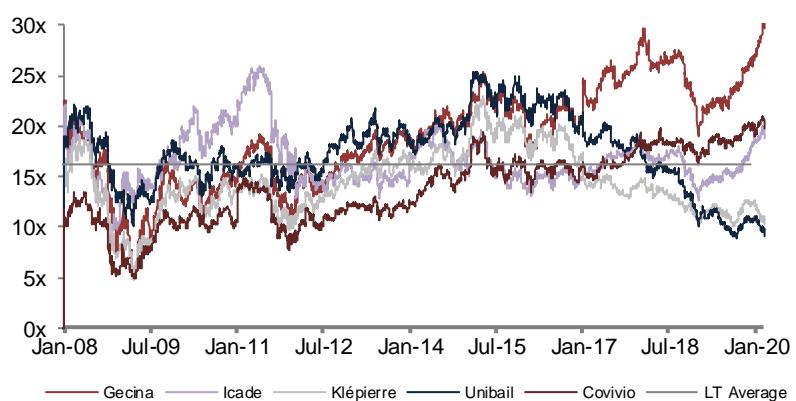
Premium/Discount to NAV of Selected Players (last reported)



Average of Premium/Discount to NAV of Selected Players



P/CF-Forward Evolution of Selected Players



Source: Datastream

Other Newsflows from the Real Estate Sector

last updated 28th of February 2020

M&A

- **Covivio** has announced its decision to launch a voluntary public takeover offer for all shares in **Godewind Immobilien** for **€6.40 per share which value the company at €1.2bn**. Covivio has already secured up to c.35% of Godewind's fully diluted share capital. Following the closing of this major investment, the company will have critical mass in the German office real estate market with a total portfolio of €2.1m.
- **Union Investment** has acquired **Logistrial Real Estate** from Garbe Industrial Real Estate. The acquisition includes all the shares in Logistrial Real Estate AG and a logistics portfolio comprising 13 existing properties and 6 development projects. The purchase price is c.€800m.
- **Unibail-Rodamco-Westfield** has received binding offers from a consortium of leading French investors comprised of **Credit Agricole Assurances** and **La Française** to acquire a stake in a new JV to be formed, in which the Consortium will hold 54.2% and URW 45.8%. The new JV will own the following **five French shopping centres** : Aéroville, So Ouest, Rennes Alma, Toison d'Or and Confluences. These five assets represent an offer price of **€2bn**.

Main asset transaction

- **Citycon** has agreed to acquire the remaining interest in **Sektor Portefolje II AS**, a portfolio of three shopping centers in Norway for a transaction cost **€145m**.
- **Hammerston** has exchanged unconditional contracts on the sale of a portfolio of seven retail parks to Orion European Real Estate Fund V for a **headline price of €478.8m** with expected net proceeds of €472.8m.
- **King Street Real Estate** and **Arax Properties** have completed the acquisition of the Alban Gate office block in the City of London for about **€300m**.
- **Deka Immobilien** has acquired an office building in Dublin for a price of €153m. The vendor is Hanover Quay Property Development, a subsidiary of **Park Developments Group**

DCM / Credit

- **PBB Deutsche Pfandbriefbank** provided a **€99.2m senior loan facility** to **Argan**.
- **Great Portland Estates** has signed a €531m ESG-linked unsecured revolving credit facility at a headline margin of 90 basis points over LIBOR with a group of five existing relationship banks. The facility has an initial five-year term which may be extended to a maximum of seven years.

Source: Europe Real Estate

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