



European Listed Real Estate Monthly Review – March 2020



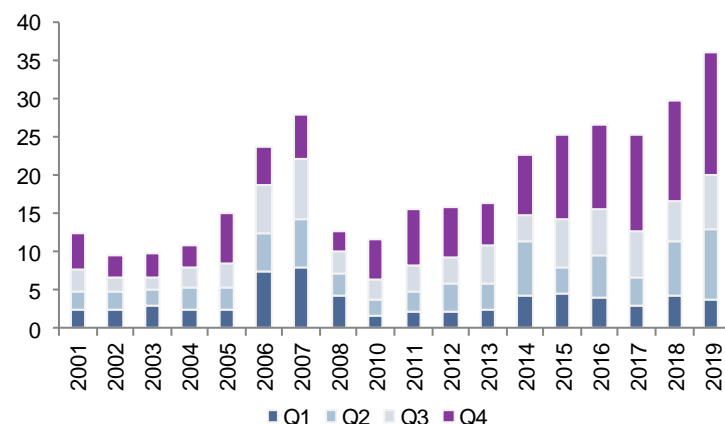
Market Conditions (1/3)

French Real Estate Trends

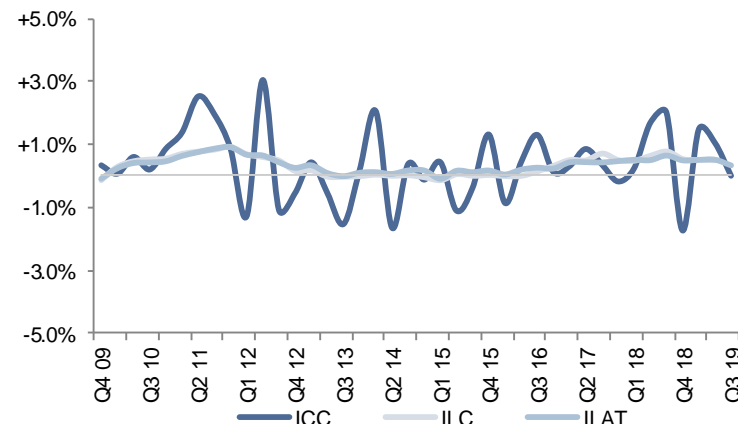
The investment in Standard commercial Real Estate in 2019 has reached over €36bn, a level never seen in France, an increase of 21% compared to 2018.

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

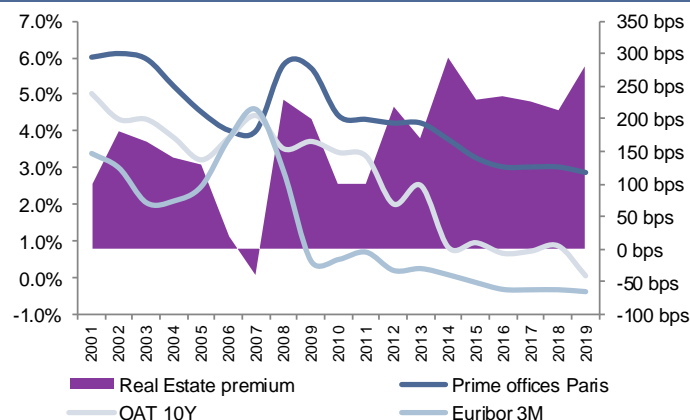
Investment in Standard Commercial Real Estate (€bn)



Evolution of Indexation rates



Comparative Change in Rates



Sources: CBRE, Immostat, Banque de France, INSEE

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%	↓

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 %

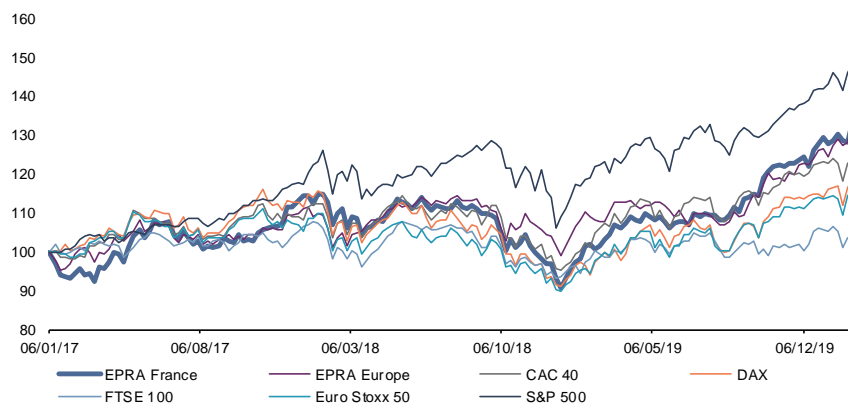
Market Conditions (3/3)

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

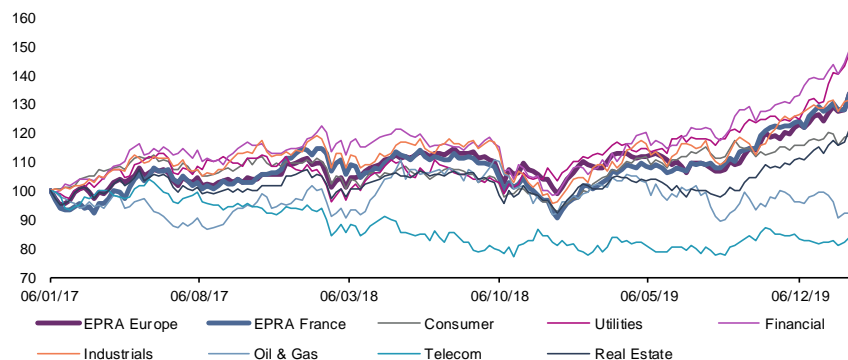
Regarding sector indices, the performances have been generally negative since one month with a few setbacks for the Oil & Gas. The largest performance has been recorded in the financial, Real Estate and Utilities sectors over the past twelve months.

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



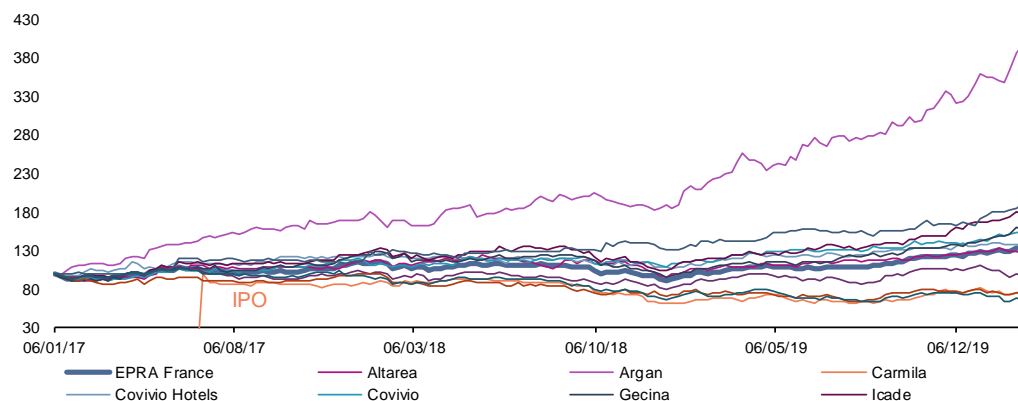
	Stock performance		
	1 M	6 M	12 M
EPRA France	-9%	+6%	+15%
EPRA Europe	-8%	+8%	+9%
Consumer	-9%	-9%	+2%
Utilities	-2%	+13%	+22%
Financial	-7%	+7%	+21%
Industrials	-9%	+4%	+7%
Oil & Gas	-10%	-12%	-21%
Telecom	-5%	-5%	-3%

Source: Bloomberg

Performance of Real Estate Stocks (1/4)

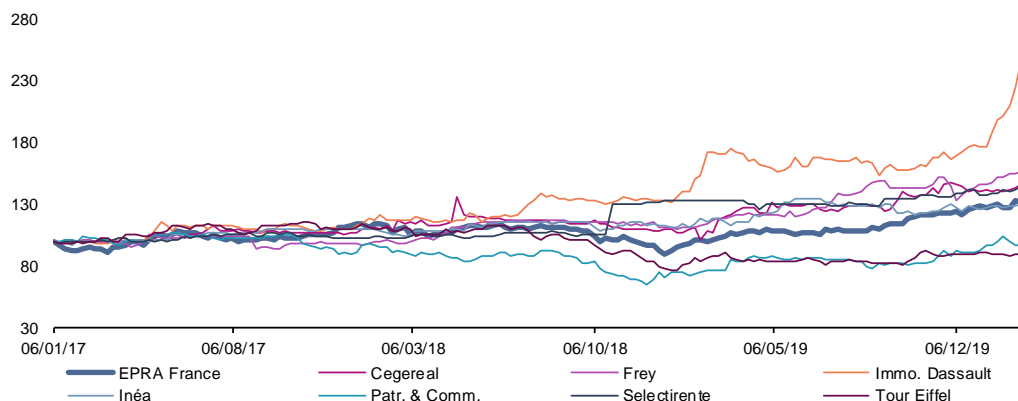
French Large & Mid Cap

Large Caps – Stock Performance since January 2017



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

Mid Caps – Stock Performance since January 2017



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

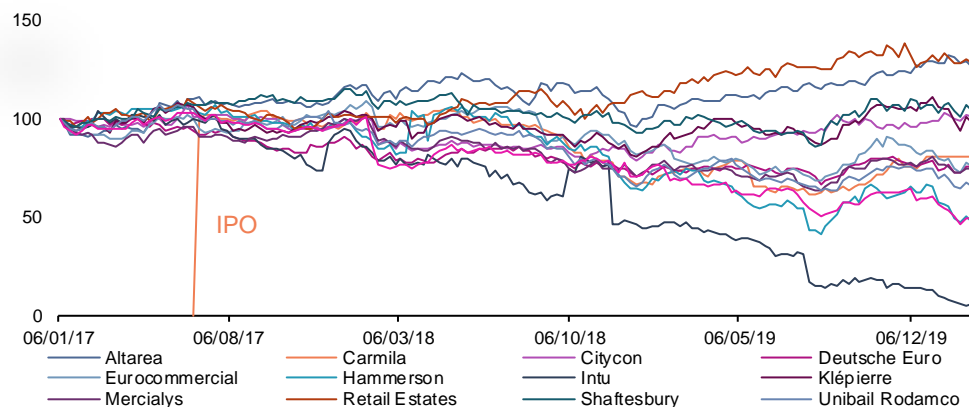
Source: Bloomberg * 3-month average daily volumes

Performance of Real Estate Stocks (2/4)

European Retail & Offices players



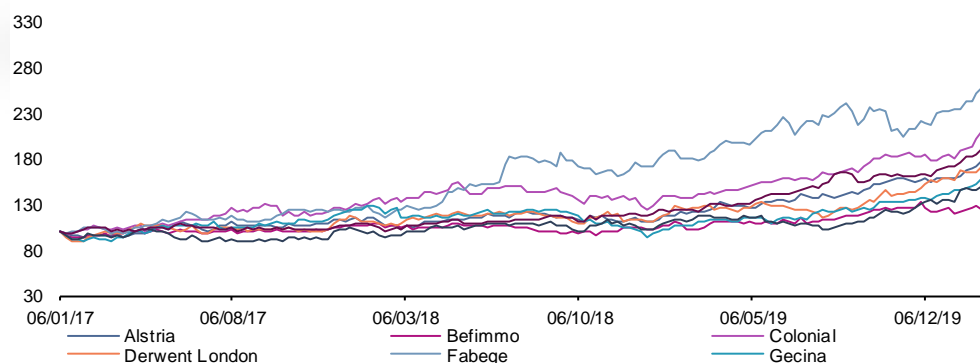
Retail – Stock Performance since January 2017



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



Offices – Stock Performance since January 2017



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

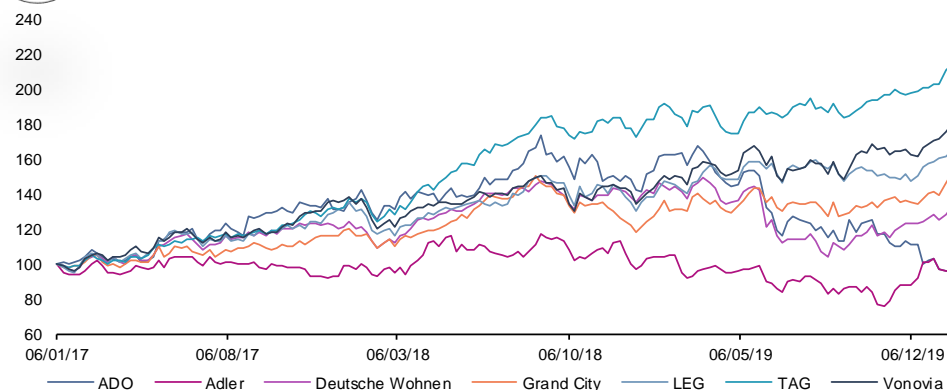
Source: Bloomberg * 3-month average daily volumes

Performance of Real Estate Stocks (3/4)

European Residential & Diversified



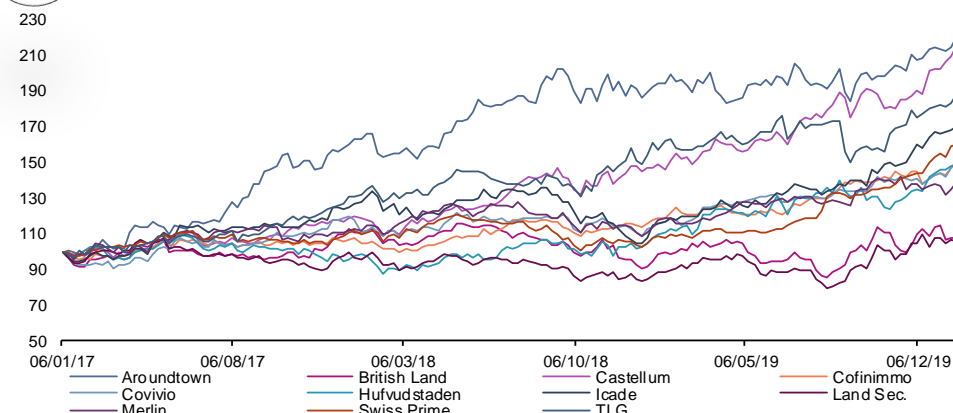
Residential – Stock Performance since January 2017



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



Diversified – Stock Performance since January 2017



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

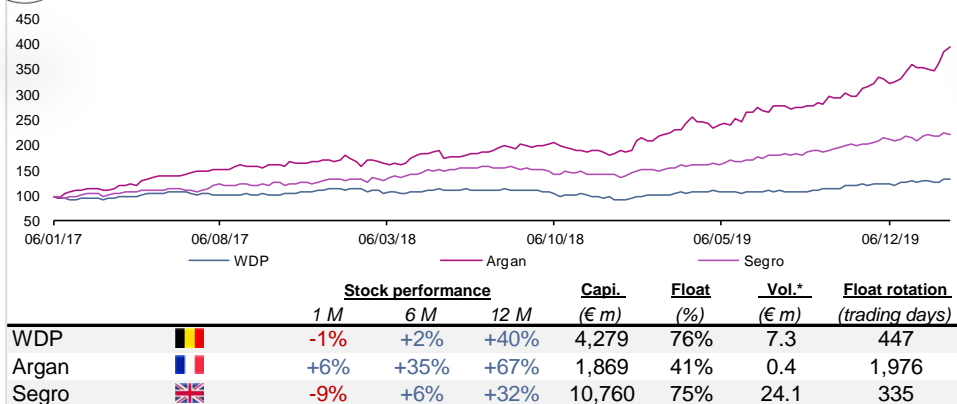
Source: Bloomberg * 3-month average daily volumes

Performance of Real Estate Stocks (4/4)

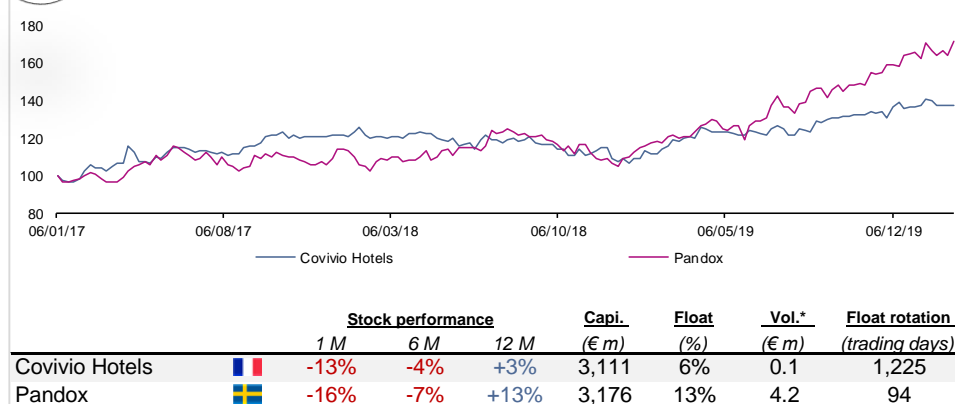
Alternative Assets



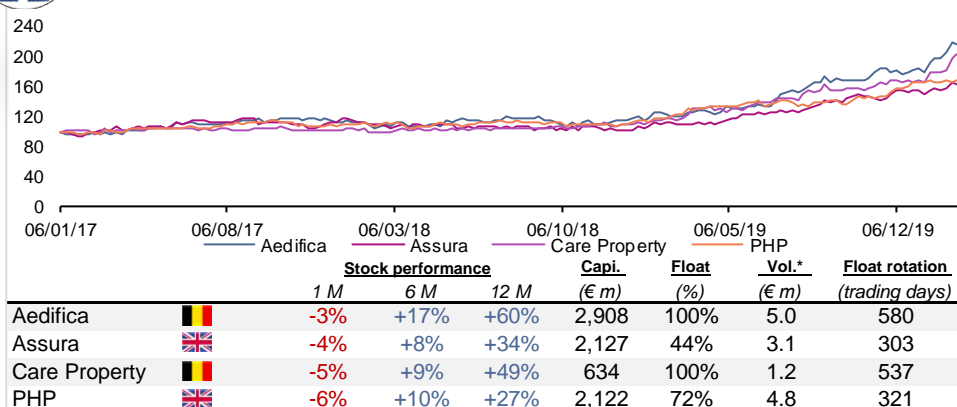
Logistics – Stock Performance since January 2017



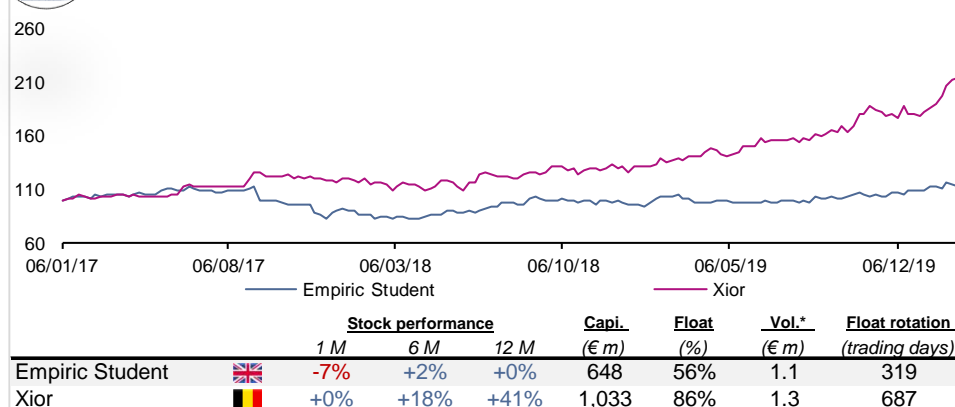
Hotels – Stock Performance since January 2017



Healthcare – Stock Performance since January 2017



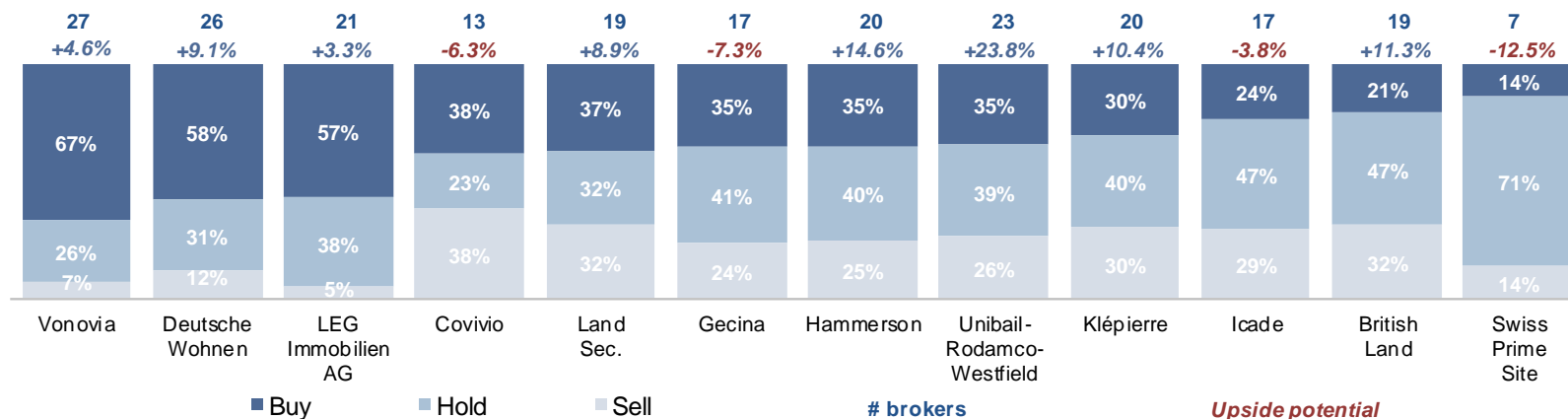
Student Housing – Stock Performance since January 2017



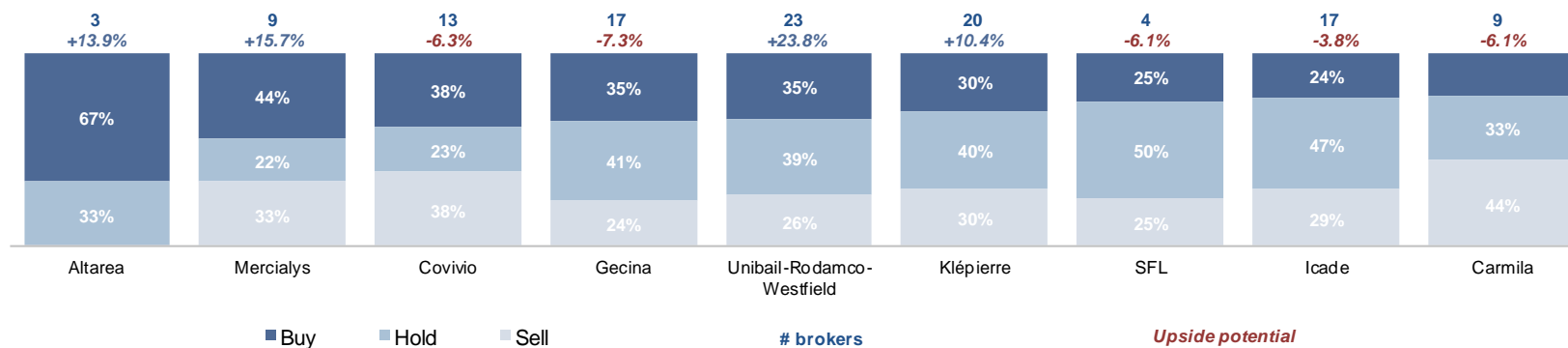
Source: Bloomberg * 3-month average daily volumes

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		Date	Company	Broker	Reco.		Target Price	
25-Feb	PSP	Deutsche Bank	hold	➡	CHF 102.0	🔴	27-Feb	Vonovia	AlphaValue	reduce	➡	€ 53.5	🔴
27-Feb	PSP	Berenberg	buy	➡	CHF 160.0	🟢	3-Feb	WDP	Kepler Cheuvreux	hold	➡	€ 25.0	🟢
14-Feb	Segro	Jefferies	hold	➡	GBp 978.0	🟢	5-Feb	WDP	Morgan Stanley	overweight	➡	€ 26.0	🟢
19-Feb	Segro	RBC Capital Markets	underperform	➡	GBp 750.0	🟢	21-Feb	WDP	ABN Amro Bank	hold	🟢	€ 24.0	🟢
20-Feb	Segro	Barclays	overweight	➡	GBp 980.0	🟢	10-Feb	Wereldhave	Kepler Cheuvreux	hold	➡	€ 15.0	🔴
20-Feb	Segro	Deutsche Bank	hold	➡	GBp 810.0	🔴	11-Feb	Wereldhave	Bank Degroof	hold	➡	€ 18.0	🔴
7-Feb	SFL	Oddo BHF	buy	🟢	€ 87.0	🟢	11-Feb	Wereldhave	J.P. Morgan	underweight	➡	€ 14.0	🔴
12-Feb	SFL	Kepler Cheuvreux	hold	➡	€ 77.0	🟢	27-Feb	Wereldhave	AlphaValue	sell	➡	€ 12.7	🔴
21-Feb	TLG	J.P. Morgan	neutral	🔴	€ 33.0	➡	6-Feb	Xior	Bank Degroof	add	🟢	€ 60.0	🟢
27-Feb	TLG	Commerzbank	buy	➡	€ 35.0	🟢	7-Feb	Xior	Kepler Cheuvreux	buy	➡	€ 62.0	🟢
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	🔴							

Source: Bloomberg

Valuation of Real Estate Stocks (1/4)

French Large & Mid Cap

French Players

			Market cap.	LTV (%)	P / NNNAV	P / NAV		EV / EBITDA			P / CF			Dividend Yield		
Company	Activity		(€m)	lr (2)	lr (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.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	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.	n.m.	n.m.	n.m.	n.m.	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%	-
Immobiliere Dassault	Offices	■ ■	582	41%	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	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.
Selectirente	Retail	■ ■	370	35%	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	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.	n.m.	n.m.	n.m.	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

(2) Loan-to-Value (LTV) last reported: Net Financial Debt / Asset Valuation excl. transfer rights























(3) Price / last reported NNNAV

Sources: Bloomberg, Companies

Valuation of Real Estate Stocks (2/4)

European Retail & Offices players

European Players (1/3)

Company	Activity		Market cap. (€m)	LTV (%) 1r (2)	P / NNAV 1r (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%
Wereldhave	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%

(1) Market capitalisation based on last spot price as of 28/02/20

(2) Loan-to-Value (LTV) last reported: Net Financial Debt / Asset Valuation excl. transfer rights



















(3) Price / last reported NNAV

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 (%) lr (2)	P / NNAV lr (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																
Aroundtown	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%

(1) Market capitalisation based on last spot price as of 28/02/20

(2) Loan-to-Value (LTV) last reported: Net Financial Debt / Asset Valuation excl. transfer rights












(3) Price / last reported NNAV

Sources: Bloomberg, Companies

Valuation of Real Estate Stocks (4/4)

Alternative assets

European Players (3/3)

Company	Activity		Market cap. (€m)	LTV (%) lr (2)	P / NNAV 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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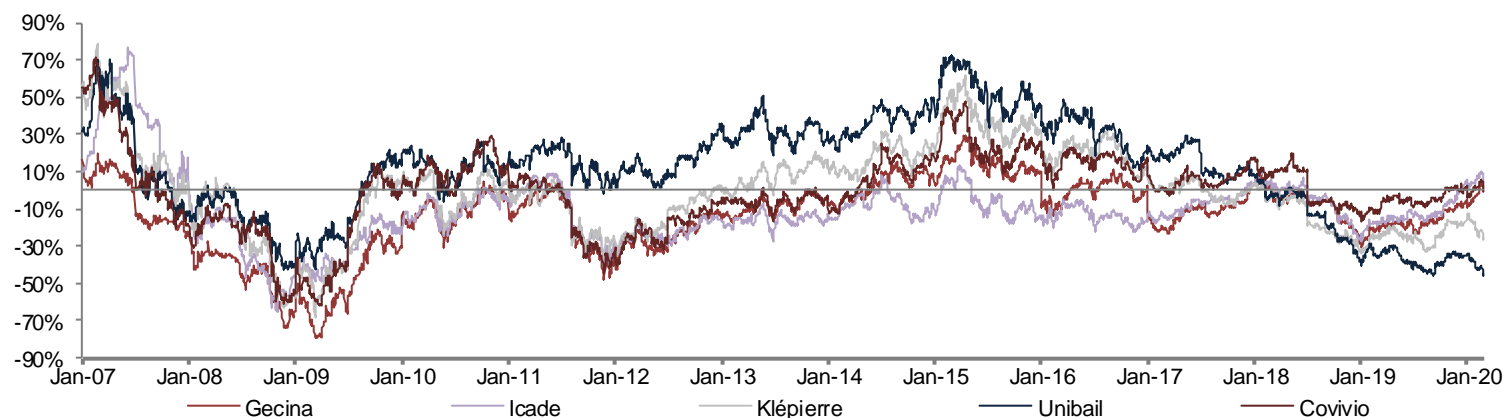
Long-term Valuation Metrics

NAV & P/CF ratios

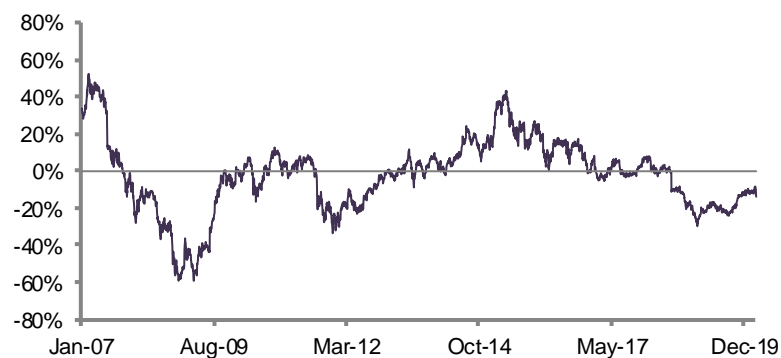
Icade & Covivio are trading with a premium to NAV while retail players (Klépierre and Unibail) and Gecina with a discount to NAV

P/CF ratio is around 15x

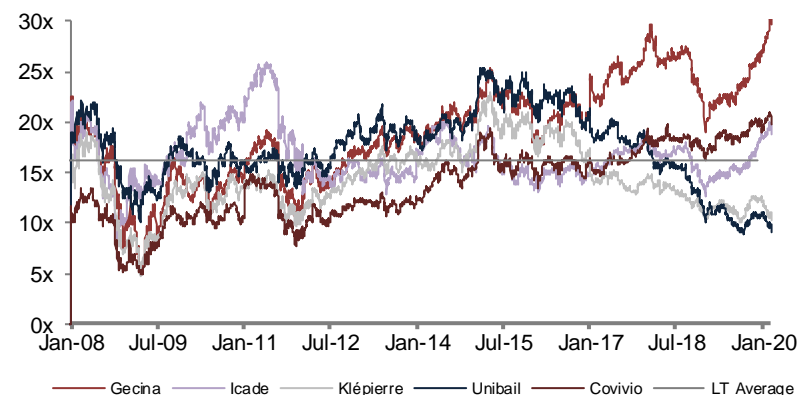
Premium/Discount to NAV of Selected Players (last reported)



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 28st of February 2020

M&A

- **Covivio** has announced its decision to launch a voluntary public takeover offer for all shares in **Godewing 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-Westfiel** 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**.
- **Hammerson** 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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