

# Pan-European Commercial Property Price Index

7 January 2022

Stoxx Europe 600: **488** | GPR 250 Europe: **20.70** | 10-Yr GILT: **1.16%**

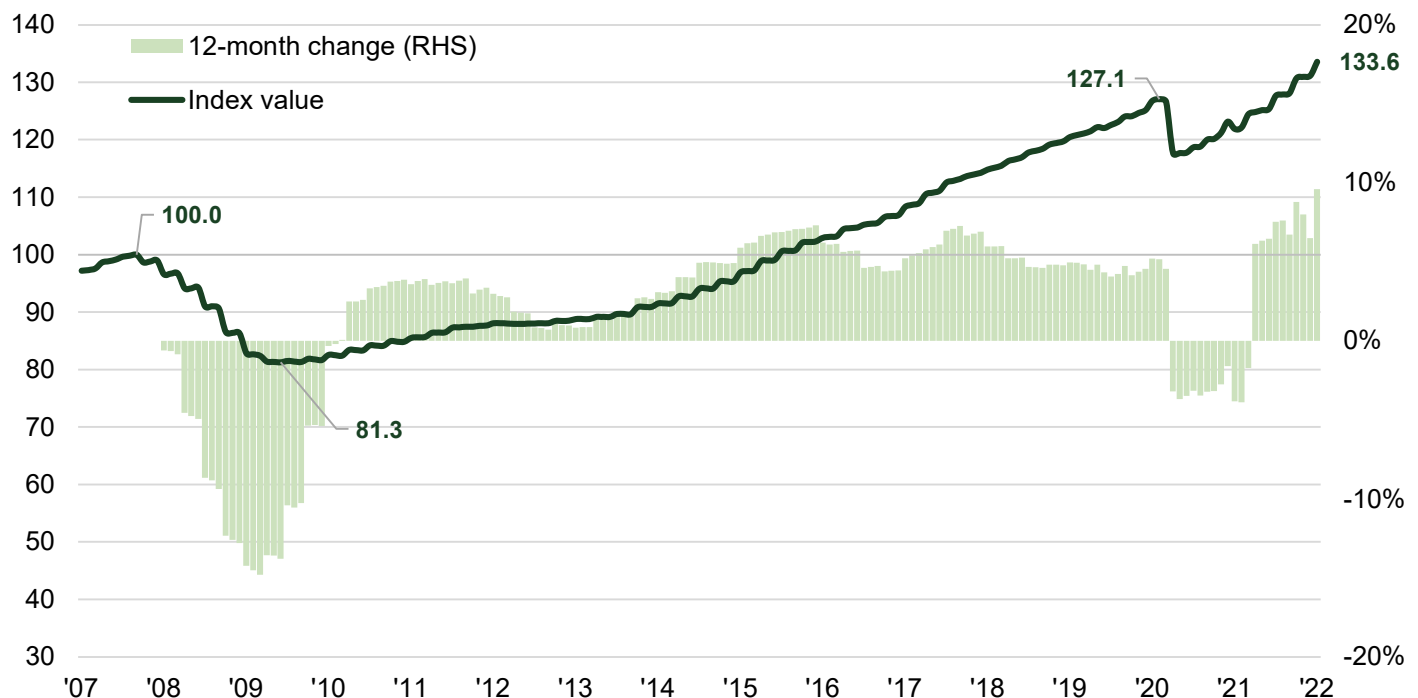


## Green Street Pan-European CPPI

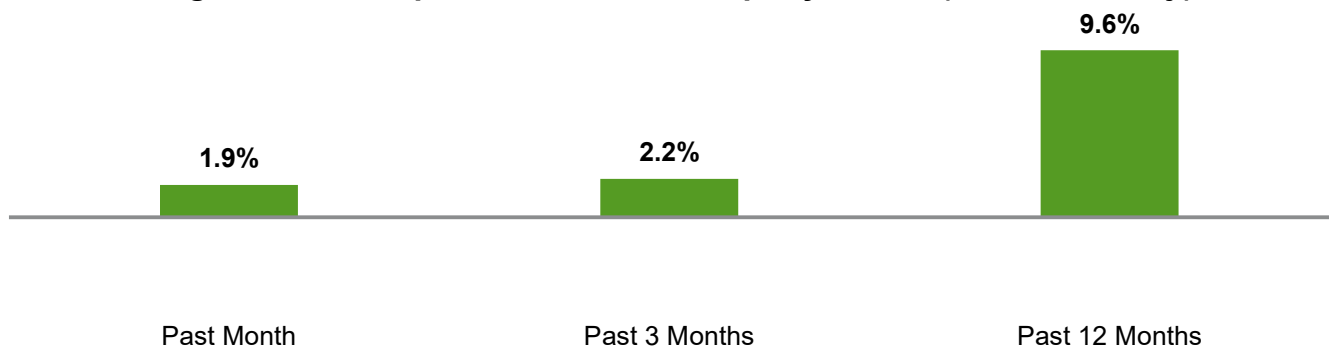
### New Year, New Highs

The Green Street Commercial Property Price Index increased by 2.2% during the fourth quarter of 2021. The index, which measures pricing of a broad swathe of Pan-European commercial properties, notched another new high. Industrial values continue to go vertical, gaining over 5% in the most recent quarter. Residential values ticked up ~3.0% as investors appreciate the income stability. Declining yields drove office values above pre-pandemic highs, while retail values remain flat.





### Green Street Pan-European Commercial Property Price Index (*Local Currency*)



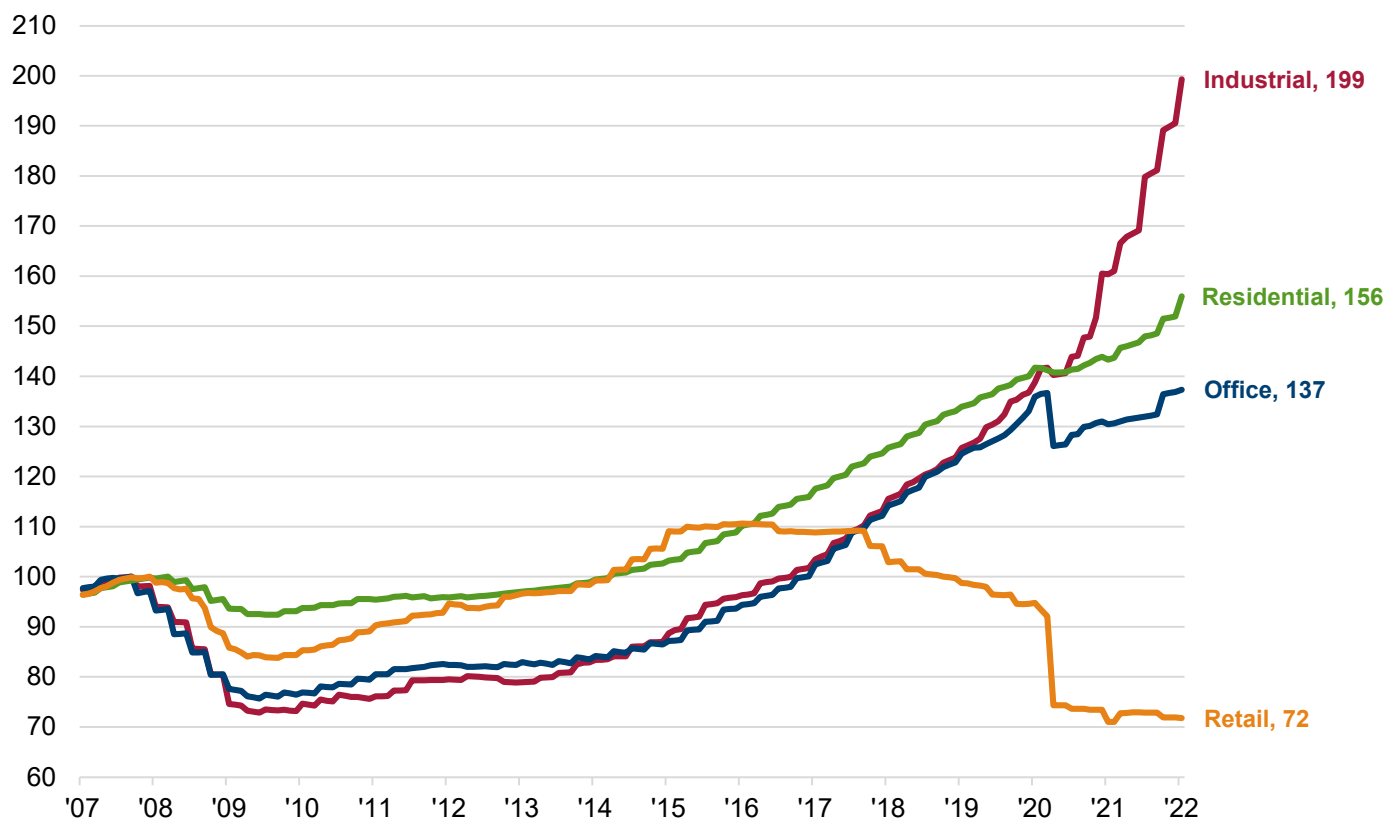
### Change in Pan-European Commercial Property Values (*Local Currency*)



## Green Street Pan-European CPPI: Sector-Level Indexes

		Local Currency Index Value	Euro Denom. Index Value	Change in Comm. Prop. Value (Local Currency)		
				Past Month	Past 3 Mos	Past 12 Mos
	<b>Industrial</b>	199.3	191.2	4.6%	5.4%	24.3%
	<b>Residential</b>	156.0	156.3	2.7%	3.0%	8.8%
	<b>Office</b>	137.4	136.4	0.4%	0.7%	5.3%
	<b>Retail</b>	71.8	71.4	-0.2%	-0.2%	1.0%
<b>Core Sector Average*</b>		133.6	131.6	1.9%	2.2%	9.6%

## Green Street Pan-European Property Sector Indexes (Local Currency)



\*Core Sector Average is equally-weighted between the Industrial, Office, Residential, and Retail sectors

Sector Indices indexed to '07 peak (Industrial: September 2007; Office: September 2007; Residential: March 2008; Retail: December 2007)

30 Pantan Street, 6th Floor, London, SW1Y 4AJ, United Kingdom

T +44 (20) 7290 6555 / greenstreet.com

**Important disclosure on page 4**

© 2022, Green Street

## Green Street Commercial Property Price Index Fact Sheet

Green Street's Pan-European Real Estate Analytics platform covers 25 of the most liquid European real estate markets across the industrial, office, residential, and retail property sectors. The Commercial Property Price Index is a time series of unleveraged property values across these sectors and markets, and captures the prices at which commercial real estate transactions are currently being negotiated and contracted. Features that differentiate this index are its timeliness, its emphasis on average institutional quality properties, and its ability to capture changes in the aggregate value of the commercial property sector.

### Key Attributes of Green Street's Commercial Property Price Index

- **Average Institutional Quality:** The index is based on Green Street's frequently updated estimates of price for the property portfolios of a typical commercial real estate investor. It is driven by the fundamental models maintained by the research team, which, in turn, are driven primarily by changes in market cap rates and net rental income.
- **Timeliness:** The Green Street index value is based on where commercial real estate would transact today. Other indexes, based on either closed transactions or formal appraisals, may reflect market prices from many months earlier.
- **Asset Value Weighted:** Each sector index is created by GDP weighting individual market indexes. The sector indexes are then equal weighted to create the Pan-European Commercial Property Index. Akin to familiar stock price indexes (e.g., S&P 500), GDP value weighting provides a gauge of aggregate (as opposed to average) values. Equal-weighted indexes, by contrast, put the same emphasis on a Dusseldorf industrial building as they do a trophy London office building.

Peter Papadakos

## Green Street's Disclosure Information

Green Street (US) accepts all responsibility for the content of this report.

*This report does NOT constitute investment advice nor is it provided in the capacity of a fiduciary.*

The information contained in this report is based on data obtained from sources we deem to be reliable; it is not guaranteed as to accuracy and does not purport to be complete. This report is produced solely for informational purposes and is not intended to be used as the primary basis of investment decisions. Because of individual client requirements, it is not, and it should not be construed as, advice designed to meet the particular investment needs of any investor. This report is not an offer or the solicitation of an offer to sell or buy any security.

**Issuers of this Report US and EEA:** This report has been prepared by analysts working for Green Street (Green Street US) and/or Green Street (U.K.) Limited (Green Street UK). Green Street US is the parent company of Green Street UK.

**This report is issued in the US by Green Street US. Green Street UK accepts no responsibility for this report to the extent that it is read by persons based in the US.**

**This report is issued in the European Economic Area (EEA) by Green Street UK.** Green Street US accepts no responsibility for this report to the extent that it is read by persons based in the EEA. Green Street Advisors (UK) Ltd is registered in England, (Company number. 6471304), and its registered office is 6th Floor, 30 Pantons Street, London SW1Y 4AJ. Green Street Advisors (UK) Ltd is authorized and regulated by the Financial Conduct Authority in the United Kingdom (FRN 482269).

**References to "Green Street" in Disclosures in this section and in the Other Important Information section apply to:**  
**Green Street US to the extent that this report/presentation has been disseminated in the US; or**  
**Green Street UK to the extent that this report/presentation has been disseminated in the EEA.**

Green Street US relies on the Limited Connection Relief for services provided to our clients located in Australia.

Green Street UK is exempt from the requirement to hold an Australian financial services license under the Act in respect of the financial services; and is regulated by the FCA under UK laws, which differ from Australian laws.

Swiss recipients: the funds, the REITs, the investment companies and any collective investment schemes referred to in these reports may not have been registered with the Swiss Financial Market Supervisory Authority (FINMA) and no Swiss representative or paying agent has been appointed. This report is provided in Switzerland for the use of the addressees only and may not be distributed, copied, reproduced, or passed on to any third parties.

Green Street reserves the right to update the disclosures and policies set out in this document at any time.

**For EEA recipients:** Green Street US has approved the content of this report. In addition, the following foreign research analysts contributed to the material in this report: Peter Papadakos. Notwithstanding the contributions of those foreign research analysts, the Green Street UK analyst identified in the Analyst Certification above is responsible for its production and distribution to EEA recipients, on behalf of Green Street UK.

**For US recipients:** Green Street US has approved the content of this report. In addition, the following foreign research analysts contributed to the material in this report: Peter Papadakos.

### **Other Important Information**

**Management of Conflicts of Interest:** Conflicts of interest can seriously impinge the ability of analysts to do their job, and investors should demand unbiased research. In that spirit, Green Street adheres to the following policies regarding conflicts of interest:

- Green Street employees are prohibited from actively trading the shares of any company in our coverage universe.
- Green Street employees do not serve as officers or directors of any of our subject companies.
- Neither Green Street nor its employees/analysts receive any compensation from subject companies for inclusion in our research.
- On occasion, Green Street analysts may be contacted by companies within the firm's coverage universe regarding potential employment opportunities. Additional disclosure will be made when appropriate.
- Green Street's Advisory business services investors seeking to acquire interests in publicly traded companies. Green Street may provide valuation services to prospective acquirers of companies which are the subject(s) of Green Street's research reports.

A number of companies covered by Green Street research reports pay an annual fee to receive Green Street's research reports. Green Street may periodically solicit this business from the subject companies. In the aggregate, annual fees for Green Street US and Green Street UK research reports received from subject companies represent approximately 3% of each of Green Street US and Green Street UK respective total revenues.

Green Street publishes research reports covering issuers that may offer and sell securities in an initial or secondary offering.

Green Street US generally prohibits research analysts from sending draft research reports to subject companies. However, it should be presumed that the analyst(s) who authored this report has/have had discussions with the subject company to ensure factual accuracy prior to publication and has/have had assistance from the company in conducting due diligence, including visits to company sites and meetings with company management and other representatives.

### **US Advisory Services**

Green Street US Advisory is regulated by the Securities and Exchange Commission, and its headquarters is located at 100 Bayview Circle, Suite 400, Newport Beach, CA 92660. Services are only offered to clients or perspective clients where Green Street and its advisory representatives are properly licensed or exempt from licensure. Please note, Green Street's US Research, Data, and Analytics products along with its global news publications are **not** provided as an investment advisor nor in the capacity of a fiduciary. The firm maintains information barriers to the independence of its non-regulated businesses from the regulated services provided by Green Street.

Green Street US Advisory, at times, assists Eastdil Secured, a real estate brokerage and investment bank, when Eastdil Secured provides investment banking services to companies in Green Street's coverage universe. Green Street is never part of the underwriting syndicate or the selling group, but Green Street may receive compensation from Eastdil Secured for consulting services that Green Street provides to Eastdil Secured related to Eastdil Secured's investment banking services. Green Street does not control, have ownership in, or make any business or investment decisions for, Eastdil Secured.

### **Terms of Use**

**Protection of Proprietary Rights:** To the extent that this report is issued by Green Street US, this material is the proprietary and confidential information of Green Street and is protected by copyright. To the extent that this report is issued by Green Street UK, this material is the proprietary and confidential information of Green Street (U.K.) Limited and is protected by copyright.

This report may be used solely for reference for internal business purposes. This report may not be reproduced, re-distributed, sold, lent, licensed or otherwise transferred without the prior consent of Green Street. All other rights with respect to this report are reserved by Green Street.

**EEA Recipients: For use only by Professional Clients and Eligible Counterparties:** Green Street Advisors (UK) Ltd is authorized by the Financial Conduct Authority of the United Kingdom to issue this report to "Professional Clients" and "Eligible Counterparties" only and is not authorized to issue this report to "Retail Clients", as defined by the rules of the Financial Conduct Authority. This report is provided in the United Kingdom for the use of the addressees only and is intended for use only by a person or entity that qualifies as a "Professional Client" or an "Eligible Counterparty". **Consequently, this report is intended for use only by persons having professional experience in matters relating to investments. This report is not intended for use by any other person. In particular, this report is intended only for use by persons who have received written notice from Green Street (UK) that he/she/it has been classified, for the purpose of receiving services from Green Street (UK), as either a "Professional Client" or an "Eligible Counterparty". Any other person who receives this report should not act on the contents of this report.**

### **Review of Recommendations:**

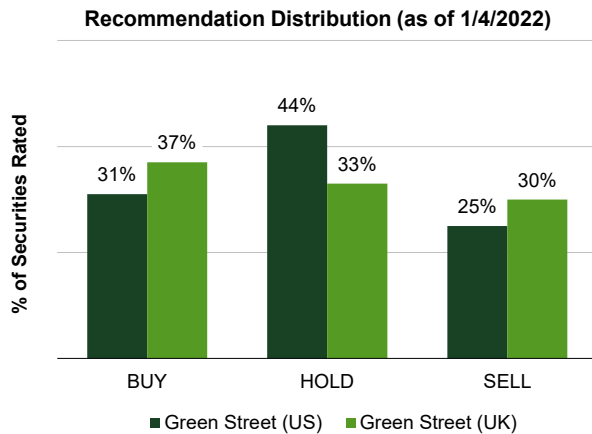
Unless otherwise indicated, Green Street reviews all recommendations on at least a monthly basis.

The research recommendation contained in this report was first released for distribution on the date identified on the cover of this report.

Green Street will furnish upon request available information supporting the recommendation(s) contained in this report.

## Green Street's Disclosure Information

At any given time, Green Street publishes roughly the same number of "BUY" recommendations that it does "SELL" recommendations.



Green Street's "BUYs" have historically achieved far higher total returns than its "HOLDs", which, in turn, have outperformed its "SELLs".

**Total Return of Green Street's Recommendations<sup>1,2</sup>**

Year <sup>3</sup>	Buy	Hold	Sell	Universe
2021 YTD	30.1%	13.6%	12.0%	17.9%
2020	5.2%	-26.6%	-16.4%	-14.4%
2019	40.8%	26.1%	23.5%	29.0%
2018	1.8%	-6.9%	-20.9%	-8.5%
2017	30.9%	19.2%	11.1%	19.9%
2016	5.4%	2.1%	-2.3%	1.9%
2015	22.8%	14.4%	10.5%	16.1%
2014	35.6%	28.3%	24.1%	29.8%
2013	16.3%	7.6%	9.4%	11.2%
2012	39.8%	29.3%	17.0%	29.8%
2011	-7.6%	-8.2%	-12.7%	-9.2%
2010	13.1%	0.3%	7.9%	9.2%
2009	10.0%	5.5%	1.6%	7.0%
<b>Cumulative Total Return</b>	<b>743.2%</b>	<b>136.2%</b>	<b>66.9%</b>	<b>235.9%</b>
<b>Annualized</b>	<b>19.0%</b>	<b>7.3%</b>	<b>4.3%</b>	<b>10.4%</b>

The results shown above are hypothetical and for illustrative purposes only. Hypothetical results do not represent actual trading. Actual performance will vary from the hypothetical performance shown above due to, but not limited to, (1) advisory fees and other expenses incurred; (2) transaction costs; (3) exchange rate movements; (4) the inability to execute trades at the last published price (the hypothetical returns assume execution at the last closing price); (5) the inability to maintain an equally-weighted portfolio in size (the returns above assume an equal weighting); and (6) market and economic factors that will almost certainly cause one to invest differently than projected by the model that simulated the above returns. All returns assume reinvestment of dividends. Hypothetical and past performance does not guarantee future results.

- Results are for recommendations made by Green Street's European Research Team only. Since 5 July 2017, performance is calculated whenever a recommendation is changed using the share price at the most recent market close. Previously, performance was based on recommendations provided in Green Street's "Real Estate Securities Monthly" (RESM) and assumed no change in recommendation between RESM publications. Results from 1 September 2009 through 4 January 2016 were independently verified by an international "Big 4" accounting firm. The accounting firm did not verify the stated results subsequent to 4 January 2016. As of 4 January 2016, the annualised total return of Green Street's recommendations since 1 September 2009 was: Buy +19.6%, Hold +11.4%, Sell +8.5%, Universe +14.1%.
- Beginning 5 July 2017, all companies in Green Street's European coverage universe are included in the performance calculation. Previously, inclusion in the calculation of total return had been based on whether the companies were listed in the primary exhibit of Green Street's RESM.
- From 1993 until 3 July 2017, the returns for each year cover the period following the first RESM issued in the respective year through the first RESM issued in the following year and are not based on a calendar year. Subsequent to 5 July 2017, returns are based on calendar months.
- Green Street has only three recommendations: BUY ("B"), HOLD ("H") and SELL ("S"). The firm does not consistently publish price targets and therefore price targets are not included in this graph. "Buy" = Most attractively valued stocks, in which we recommend overweight position; "Hold" = Fairly valued stocks, in which we recommend market-weighting; "Sell" = Least attractively valued stocks, in which we recommend underweight position. "Not Rated" companies are covered by the firm's research department, but are not rated due to fundamental attributes related to business prospects and balance sheets that are deemed to make the securities more option-like than equity-like.

Green Street Advisors (UK) Limited's track record will continue to be published monthly in RESM – Europe Edition. The results may not be relied upon in connection with any offer or sale of securities. Neither Green Street Advisors (UK) Limited, its affiliates nor any of their respective directors, employees, agents or representatives makes any implicit or explicit representation or warranty with regard to the accuracy or completeness of this information or accepts or assumes any responsibility for the accuracy or completeness of this information or any loss whether direct or indirect, incidental, special or consequential that may arise from or in connection with the use of this information or otherwise.

Green Street will furnish upon request available investment information regarding the recommendation



## European Team

### Research

<b>EVP, Director of Research</b>	Cedrik Lachance	clachance@greenstreet.com
<b>Head of European Research</b>	Peter Papadakos, Managing Director	ppapadakos@greenstreet.com
<b>Health Care</b>	Peter Papadakos, Managing Director Edoardo Gili, CFA, Senior Associate	ppapadakos@greenstreet.com egili@greenstreet.com
<b>Industrial/Self-Storage</b>	Peter Papadakos, Managing Director Sophie Park, Senior Associate	ppapadakos@greenstreet.com spark@greenstreet.com
<b>Office</b>	Peter Papadakos, Managing Director Marie Dormeuil, Analyst Edoardo Gili, CFA, Senior Associate Alexander Totomanov, Senior Associate Lucie Plassard, Associate Nika Strelnikova, Associate	ppapadakos@greenstreet.com mdormeuil@greenstreet.com egili@greenstreet.com atotomanov@greenstreet.com lplassard@greenstreet.com nstrelnikova@greenstreet.com
<b>Residential</b>	Andres Toome, Analyst	atoome@greenstreet.com
<b>Retail</b>	Rob Virdee, Analyst	rvirdee@greenstreet.com
<b>Data Management</b>	Sadie Baldwin, Senior Associate Rahul Kaushal, Associate Bhavin Karsan, Associate	sbaldwin@greenstreet.com rkaushal@greenstreet.com bkarsan@greenstreet.com
<b>Market Analytics</b>	Andrew McCulloch, CFA, EVP, Global Head of Data & Analytics Ryan Miller, CFA, Analyst Alex McIntyre, Associate Chinar Rastogi, Associate Mitchell Briggs, Associate	amcculloch@greenstreet.com rmiller@greenstreet.com amcintyre@greenstreet.com crastogi@greenstreet.com mbriggs@greenstreet.com

### Account Management

Adam Shapton, Vice President ashapton@greenstreet.com

### Sales

Kris Hoffman, EVP, Head of Revenue khoffman@greenstreet.com  
Alistair Bush, Vice President abush@greenstreet.com

### Advisory

Jesse Freitag-Akselrod, Managing Director jfreitag-akselrod@greenstreet.com  
Andy Simmons, Senior Vice President asimmons@greenstreet.com  
Leon Johnson, CFA, Senior Associate ljohnson@greenstreet.com  
Samuel Charlton, Senior Associate scharlton@greenstreet.com  
Nikki Pagdades, Associate npagdades@greenstreet.com  
Michael Finn, Associate mfinn@greenstreet.com

### Marketing & Communications

Gabi Peak, Senior Associate gpeak@greenstreet.com

#### Green Street (UK) Limited

6th Floor, 30 Panton Street  
London SW1Y 4AJ  
T +44 (0)20.3793.7000

#### Green Street

100 Bayview Circle, Suite 400  
Newport Beach, CA 92660  
T 949.640.8780

With regards to UK employees, all acts performed in the United States are supervised by Green Street US.