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REIM VALUE FROM VALUES

REAL ESTATE CONVICTIONS

An Asset Manager's View of the European Real Estate Markets

2024 – Q4

FEBRUARY 2025

ECONOMIC AND REAL ESTATE ENVIRONMENT

> *While the current fragmentation of the political landscape in several of the world's major economies is 'detrimental' to government effectiveness, we are maintaining our scenario of a pivotal 2024 leading to a gradual recovery in the European real estate sector during 2025. The continued reduction in ECB interest rates, the level of savings amongst Europeans and the recovery of the real estate markets between 2022 and 2024 all point to the potential for improvement and a rebound in the sector.*

Henry-Aurélien NATTER
MRICS, Director of Research - Europe

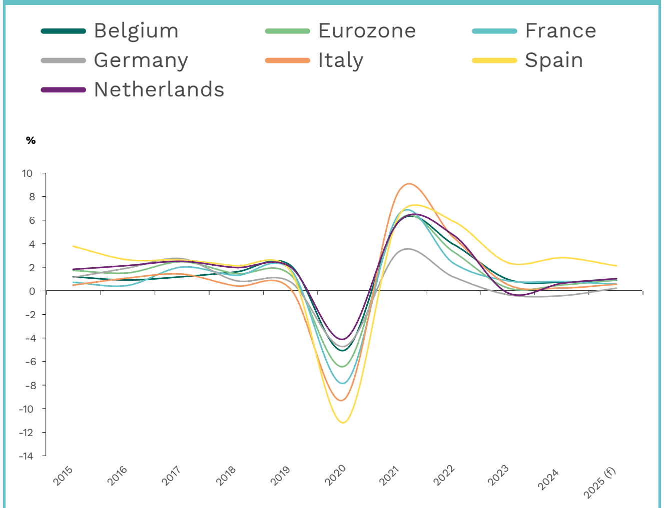
World growth is currently forecast at +3.3% for 2025, a slight improvement on 2024 (+3.2%). While economic activity in the United States will be determined by Donald Trump's economic policy decisions, these will also have global repercussions. Similarly, China will probably need to step up its fiscal support to boost activity. Finally, while the outlook for the euro zone has improved, possible trade tensions with the US, lack of productivity gains and regional conflicts are all risks weighing on the economic outlook.

For the time being, GDP growth in the euro zone is positioned at +0.8% in 2024, and we anticipate a rebound (+1.2%) in economic activity in 2025. The euro zone economy is expected to grow as the restrictive effects of the ECB's monetary policy gradually ease. Spain's GDP is expected to rise by +3.0% in 2024 and +2.4% in 2025, followed by France (+1.1% and +0.8%), Belgium (+1.0% and +1.2%), the Netherlands (+1.0% and +1.3%), Italy (+0.5% and +0.8%) and Germany (-0.2% and +0.3%).

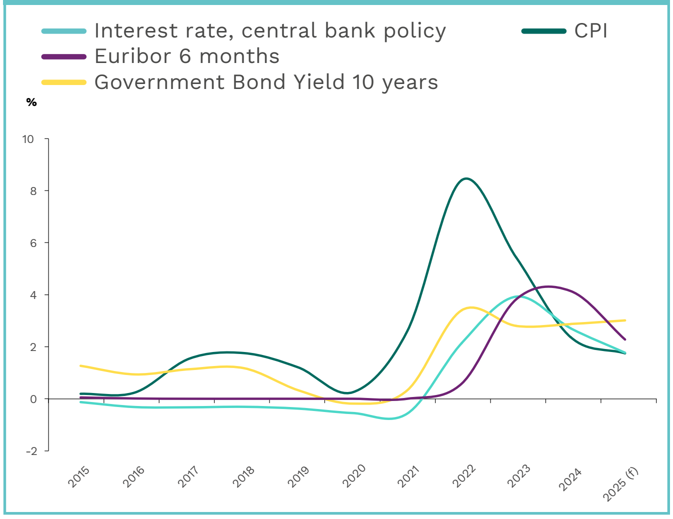
The European Central Bank once again cut its deposit rate by a quarter of a point in December 2024, to 3%, even though inflation picked up a little at the end of the year to 2.4% year-on-year. While in September the lack of indications characterised the direction of the Frankfurt-based institution's next strategic choices, certain indicators have reinforced our view that the ECB is now ready to do what is necessary to support the economy in the face of an uncertain economic climate. We believe that the ECB will move closer to its neutral rate, which neither speeds up nor slows down the economy, and which will be a positive factor for real estate. However, the risks are increasing, and a pick-up in inflation from the US should be monitored in 2025. This trend could be amplified by a currency effect.

Political uncertainties and government budgetary issues remain a risk. Solutions will have to be found to reduce the pressure on the sovereign bonds of certain European countries.

ECONOMIC ENVIRONMENT: GDP IN EUROPE



INTEREST RATE ENVIRONMENT IN THE EURO ZONE



From one quarter to the next, investment volumes confirmed their slight upturn. The search for diversification was the hallmark of investor strategy in 2024.

Consecutive cuts in key ECB interest rates have paved the way for investment volumes in Europe to pick up from their low point in the first quarter of 2024. Indeed, we have seen an improvement in investment volumes for three consecutive quarters. This thaw has highlighted the gradual shift that has taken place over the course of 2024.

However, it should be remembered that, with commitments of around €174 billion for 2024 as a whole, and despite the slight upturn in activity, the volume of investment remained low compared with the ten-year average of €280 billion, but was still better oriented than in 2023 (€164 billion).

Three countries accounted for 63% of real estate investment volumes: the United Kingdom (31%), Germany (19%) and France (13%). These countries were followed by the Netherlands (7%), Spain (6%) and Italy (5%).

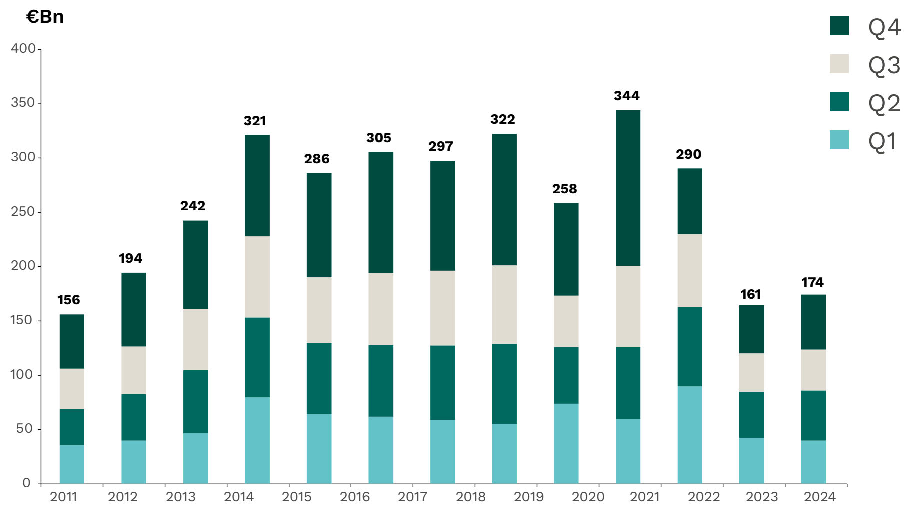
By asset class, there are three main areas of focus:

- The first is consumption (retail and logistics), which accounts for 40% of investment volumes
- The second is housing and services (residential, hotels and healthcare), with 36% of investment volumes
- The third is the business sector, with the office asset class accounting for 24% of capital.

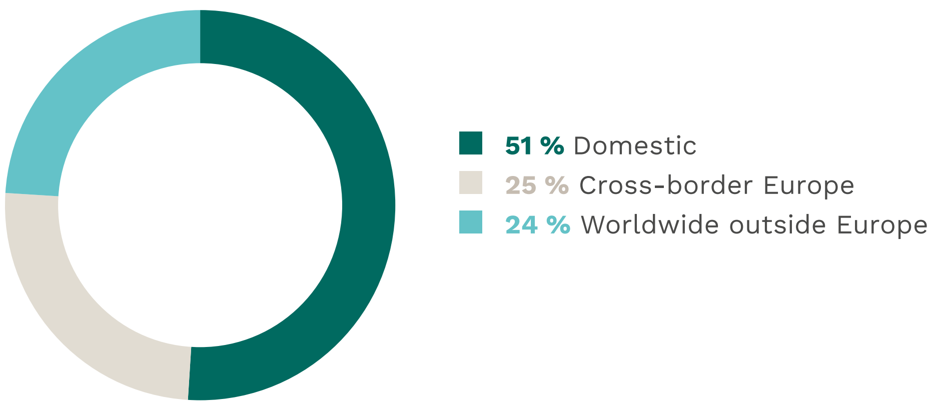
In terms of capital flows, investors favoured their domestic market (51%), dominated by institutional investors (17%), private investors (21%), listed property companies (6%) and end-users (7%).

International capital flows from outside Europe accounted for around 24% of investment. North American (American and Canadian), Asian (particularly Singaporean) and Middle Eastern investors saw their activity increase and their interest in European real estate grow throughout 2024.

REAL ESTATE INVESTMENT VOLUME IN EUROPE



CAPITAL FLOWS IN EUROPE (INCL. UK) BY ORIGIN IN THE FOURTH QUARTER OF 2024 (TWELVE MONTHS)



For three quarters in a row, European real estate performance has confirmed its return to positive territory, thanks to successive cuts in key ECB interest rates.

After being severely impacted by the sharp rise in interest rates over the last nine quarters, real estate performance has gradually changed direction and, for the last three quarters in a row, has posted a positive average performance.

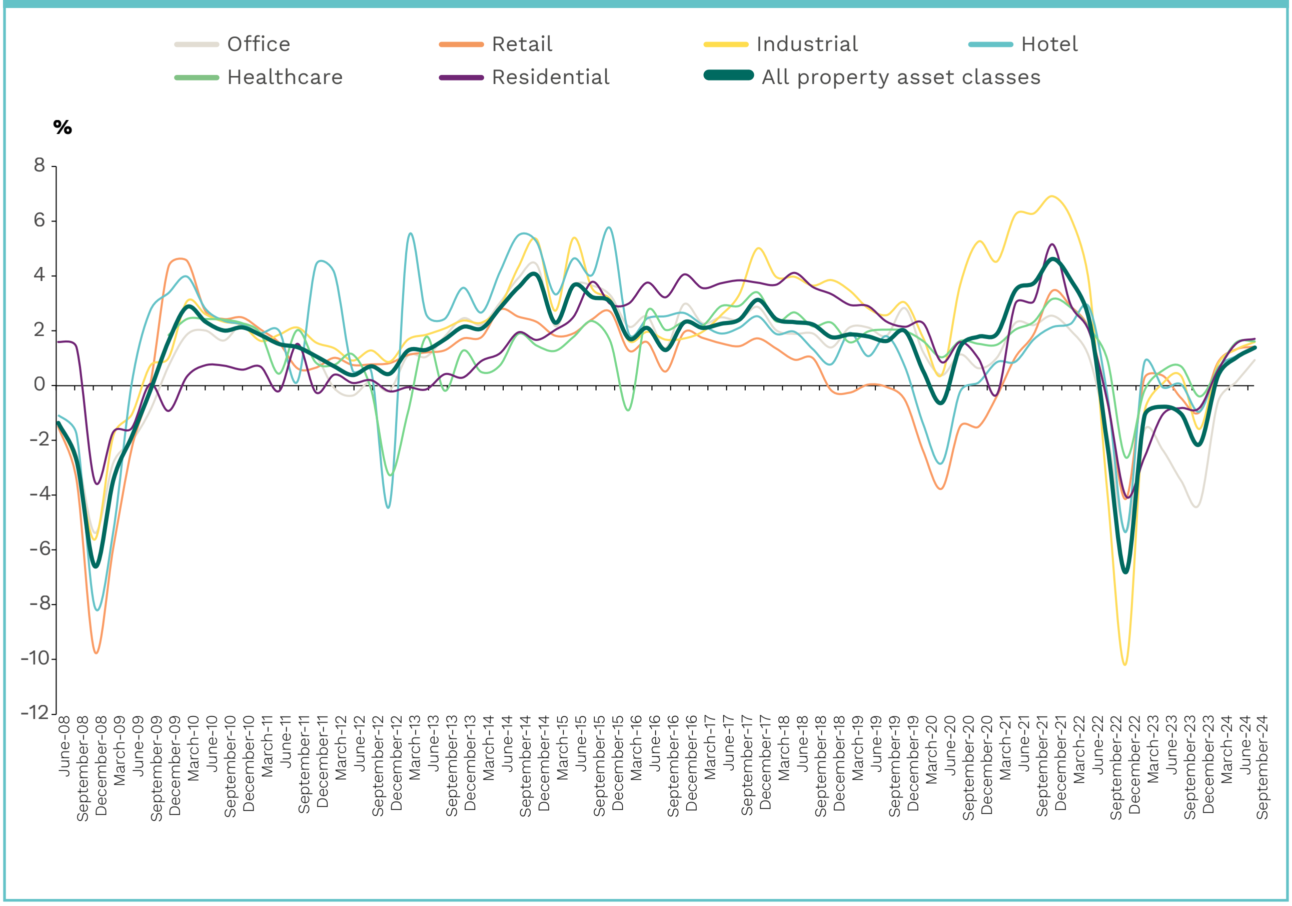
The successive cuts in key ECB interest rates in June, September, October and December 2024 and a dynamic rental yield have enabled performance to gradually return to positive territory.

Regarding capital return, the repricing process will need to be fully completed for all assets to enter a new cycle of expansion.

Since June 2024, the total return for all the asset classes analysed (office, retail, logistics, healthcare, hospitality and residential) has moved into positive territory in Europe. Income return continues to drive overall returns.

Questions remain about the consolidated capital return for the various markets and asset classes for 2024. While prime assets and markets are currently seeing an improvement in their capital performance, a dichotomy remains with secondary markets, which are still lagging behind.

TOTAL RETURN ON REAL ESTATE IN EUROPE



OFFICES

INVESTMENT IN OFFICE REAL ESTATE IN EUROPE - 2024 Q4 (12 MONTHS)	€ 42 Bn
TREND IN PRIME YIELDS IN EUROPE - 2024 Q4 / 2023 Q4	→
TAKE-UP TREND IN EUROPE - 2024 Q4 (12 MONTHS) / 2023 Q4 (12 MONTHS)	→
VACANCY TRENDS IN EUROPE - 2024 Q4 / 2023 Q4	↗
RENTAL TRENDS IN EUROPE - 2024 Q4 / 2023 Q4	↗
JOB CREATION TREND - 2024 Q4 / 2023 Q4	↗

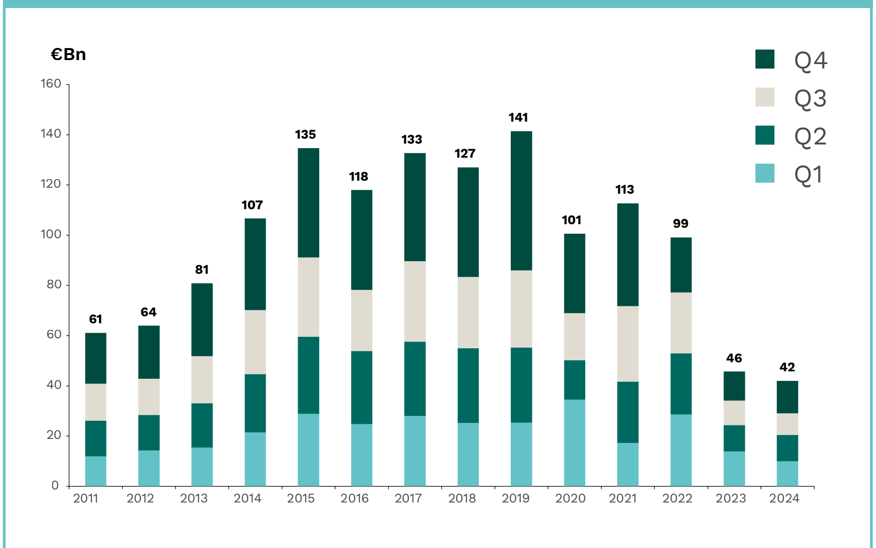
The volume of investment in office real estate in Europe totalled €42 billion in 2024, compared with €46 billion in 2023. Investment volumes accelerated in the last quarter of 2024. The UK is Europe's leading office market, with around €12 billion invested in 2024, followed by Germany and France with volumes of between €6 billion and €8 billion. Italy, the Netherlands and Spain each accounted for between €1.5 and €2.5 billion.

Since their lowest point in 2022, all European office markets have seen falls of between 5 basis points and 200 basis points by the end of 2024. Secondary markets and countries with variable borrowing rates have been the hardest hit. Between the end of 2023 and the end of 2024, 40% of markets in Europe recorded a decline of between 5 and 100 basis points. However, a large majority of markets have returned to the same level as at the end of 2023 or have even seen a slight compression in their rates over one year. Inner-city offices have yields of between 4.0% and 5.0%, and are located in cities such as Paris, London, Munich, Madrid, and Milan. For secondary locations in the same markets, an additional 100 to 300 basis points are applicable.

The European user market saw a stabilisation in take-up in 2024. Around 10 million sq. m of space was taken up for the whole of 2024, a volume in line with 2023, while the European labour market continued to create jobs due to the resilience of economic growth for the whole of 2024. On the other hand, we are seeing a two-speed market: highly polarised and hyper-selective. Established and recognised tertiary sector centres have experienced rental pressure from users, while they are much more cautious about secondary areas. The desire of major users to relocate is present in many markets, and could materialise by 2025 in favour of well-located areas with attractive rents. Europe's biggest market, the Paris region was slowed down at the end of the year but is holding up well, with almost 1.8 million sq. m leased over the year, followed by London, Munich/Berlin, Madrid and Milan, with 500,000 sq. m to 1,000,000 sq. m leased in each of these markets.

Supply was expected to increase between 2023 and 2024. While secondary markets have seen an increase in vacancy, central districts have confirmed their attractiveness to users, with vacancy rates remaining at low levels. This is true of Paris itself, with a vacancy rate of less than 5%. While Berlin, Munich and Amsterdam have vacancy rates of between 6% and 8%, Barcelona, Madrid and Frankfurt have rates of over 10%.

INVESTMENT VOLUME IN OFFICE REAL ESTATE IN EUROPE



Rents rose less quickly in 2024 than in 2023. The slowdown in inflation explains this trend. Central districts once again saw the strongest growth in rents. Prime rents in the Paris business district now stand at €1,200 /sq. m for the most sought-after assets. Dublin, Berlin, Munich, Milan and Rome offer rents of between €500 and €750/sq m, and markets such as Brussels, Madrid and Barcelona have rents of around €300-550/sq. m. Accompanying measures (rent-free periods) are up year-on-year. The highest levels of rent-free periods are proposed for markets with a large supply or for less attractive areas, in order to attract users.

RESIDENTIAL

RESIDENTIAL PROPERTY INVESTMENT IN EUROPE - 2024 Q4 (12 MONTHS)	**38 Mds €**
TREND IN PRIME YIELDS IN EUROPE - 2024 Q4 / 2023 Q4	→ / ↘
TREND IN RESIDENTIAL PRICE RISES IN EUROPE - 2024 Q4 / 2023 Q4	↗
HOUSEHOLD WAGE TRENDS IN THE EURO ZONE - 2024 Q4 / 2023 Q4	↗

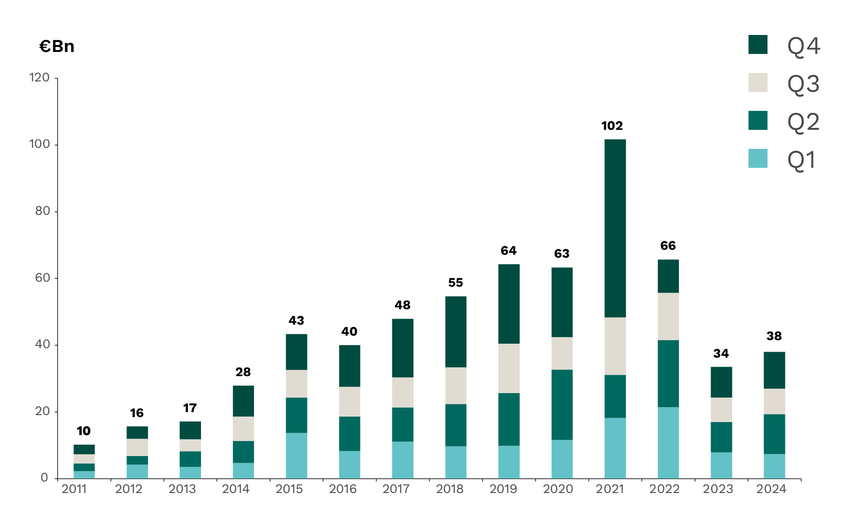
The volume of residential investment 'en bloc' in Europe has risen slightly over the past year. The market totalled €38 billion for the whole of 2024, compared with €34 billion in 2023. In the euro zone, Germany saw its market rebound, with investment totalling around €9.3 billion (compared with €8 billion in 2023), the Netherlands more than €4 billion, France almost €4 billion, Spain €2 billion and Austria just over €1 billion. Outside the euro zone, the United Kingdom has been the most active, investing over €9 billion, followed by Sweden with over €3 billion and Denmark with over €1 billion.

House prices in the euro zone are up this quarter compared with the previous quarter. After several quarters of value revisions, the positive trend has started for all the main euro zone markets. This quarter, prices rose in the Netherlands (+2.6% q/q 2024), Ireland (+1.4%), Spain (+1.1%), Portugal (+1.0%), Belgium (+0.8%), Finland (+0.6%), Germany (+0.3%), Austria (+0.3%), France (+0.3%) and Italy (+0.2%). Easing borrowing rates, limited supply, a resilient labour market, a high savings rate and dynamic wage trends all contributed to the rebound in price growth. However, for the year as a whole, some markets (Austria, Finland, France) are still showing a negative trend compared with 2023.

Prime yields in the residential sector were severely impacted by the rise in key ECB interest rates, with virtually all the markets analysed experiencing decompressions of between 5 and 160 basis points between 2022 and 2024. The trend has reversed over the past year, with three major segments evenly distributed: one-third of the markets are still experiencing corrections, another third remaining stable, and the final third seeing compressions over the past year. The major German cities are among the last to see year-on-year adjustments (between 35 and 45 basis points). Conversely, the Netherlands and Austria have seen the biggest year-on-year compressions. In the euro zone, Amsterdam, Berlin, Brussels, Paris, Milan, and Munich have prime yields of between 3.0% and 5%.

The consumer price index (CPI) in the euro zone stood at 2.2% at the end of the fourth quarter of 2024. The main countries where the index remains well above 2.2% are the Netherlands, Belgium, and Portugal. Germany, Spain, Italy, and France are at or below the European CPI average. For residential property, this rate will be passed on in full or in part, depending on the indexation mechanisms specific to each country. Local regulations (rent controls, carbon tax, energy performance, etc.) can also have an impact on rental pressure.

VOLUME OF BLOCK RESIDENTIAL INVESTMENT IN EUROPE



Between 2019 and 2024, the housing construction sector in Europe recorded a very sharp fall of more than 20 basis points in the index. Between 2023 and 2024, the trend is still downwards in many European countries. The causes of this fall are the consequences of the pandemic, strong growth in the price of materials, and rising interest rates. Despite the cut in ECB interest rates, this has not yet been enough to revive the property development sector, adding to the pressure on prices.

HEALTHCARE

INVESTMENT IN HEALTHCARE REAL ESTATE IN EUROPE - 2024 Q4 (12 MONTHS)	€ 4 Bn
TREND IN PRIME YIELDS IN EUROPE - 2024 Q4 / 2023 Q4	→
TREND IN THE NUMBER OF OVER-65S 2025/2024	↗

Healthcare real estate (senior residences and nursing homes) totalled just under €4 billion over 2024 as a whole. In the euro zone, investment volumes were concentrated in Germany, France, the Netherlands, Italy, and Spain.

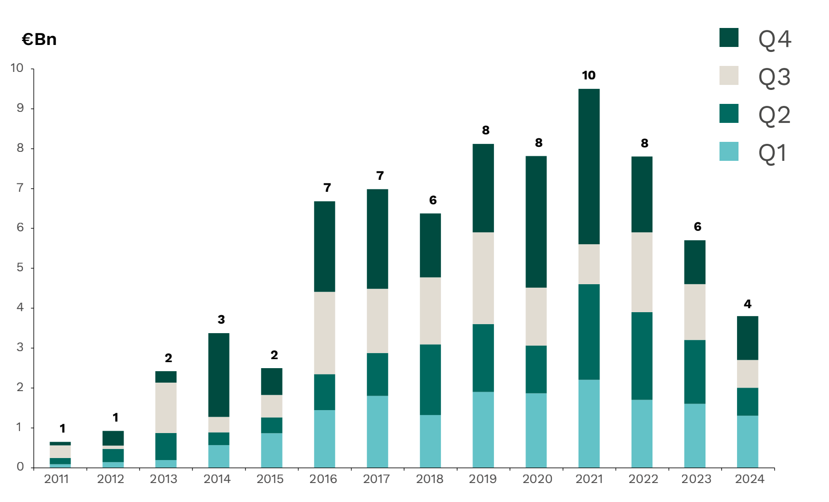
Between 2022 and 2024, healthcare real estate showed resilience compared with other asset classes, with prime rates correcting by between 10 and 100 basis points. Between the end of 2023 and the end of 2024, a large majority of markets remained stable. Some markets, such as France and the UK, experienced a few late decompressions. France, the UK, Germany, the Netherlands, Italy, Spain, and Sweden have prime yields of between 4.5% and 6.0% for nursing homes. After the latest adjustments, the process of decompression should give way to a phase of stability. Prime yields for clinics were between 5.0% and 6.0% in France, Germany, the Netherlands, Italy, and the UK.

The average price per bed in Europe was above €150,000 in 2024. The most prime assets were signed for around €210,000 per bed on average, while assets in the lowest quartile were signed for over €100,000. On a country-by-country basis, France and Germany saw a price-per-bed signing range of between €100,000 and €150,000 in the fourth quarter of 2024. Outside the euro zone, the United Kingdom recorded an average price per transaction in excess of €190,000. Meanwhile, Sweden posted an average price per bed in excess of €200,000 in the fourth quarter of 2024.

Overall spending on healthcare is high in Europe, even though the question of rationalising budgets was raised during 2024. The ageing of the population will inevitably be accompanied by an increase in social spending. Health budgets (as a % of GDP) are mainly allocated to hospitals and outpatient services in France, Germany, and Italy. On average, in the European Union, around 14% of current healthcare expenditure is borne directly by households. Luxembourg and France have the lowest out-of-pocket expenditure rates in the OECD (around 9%).

The number of people aged over 65 is set to rise in 2024, to 21.8% of the euro zone population, an increase of more than three percentage points on 2012. At the same time, this growth in the population of senior citizens in all European countries is generating pressure to meet the demand for healthcare real estate. Italy, Portugal, and Finland have the highest proportion of over-65s in Europe. Conversely, Luxembourg and Ireland have a lower rate of over-65s than the European average. France and Germany, which have large populations of over-65s, are at the European average. Loss of autonomy among senior citizens must be accompanied by assistance or care in senior residences. The population aged over 75 in the European Union (excluding the United Kingdom) is set to rise from 44 million in 2020 to over 66 million in 2040, an increase of over 50%.

INVESTMENT VOLUME IN RETIREMENT AND NURSING HOMES IN EUROPE



In France, the population aged 75-84 will rise from 4.1 million in 2020 to 6.1 million in 2030, an increase of almost 50%, which will have a positive impact on operators' results and on the value of existing stock. Industry professionals estimate that the number of retirement homes in Europe should rise to more than 4.5 million by 2030, meaning that around 500,000 new beds will need to be created to absorb the new needs, particularly in France, Germany, and Italy. Europe's stock of nursing homes is also facing a problem of obsolescence, with between 300,000 and 400,000 beds identified as needing renovation in the short term in France and Germany alone.

HOSPITALITY

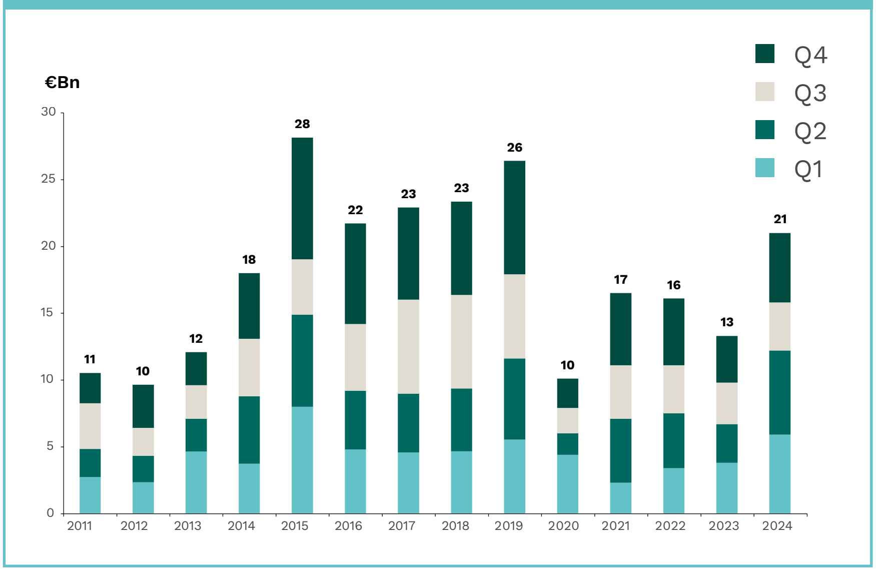
INVESTMENT IN HOSPITALITY REAL ESTATE IN EUROPE - 2024 Q4 (12 MONTHS)	**€ 21 Bn**
EUROPEAN ROOM OCCUPANCY RATES - 2024 Q4 (12 MONTHS) / 2023 Q4	↗
REVPAR IN EUROPE - 2024 Q4 (12 MONTHS) / 2023 Q4	↗
AVERAGE DAILY RATE IN EUROPE - 2024 Q4 (12 MONTHS) / 2023 Q4	↗
TREND IN PRIME YIELDS IN EUROPE - 2024 Q4 / 2023 Q4	→
EXPECTED TOURIST ARRIVALS IN EUROPE - 2024/2023	↗

The European hospitality real estate market totalled €21 billion in 2024, compared with €13 billion in 2023. Capital was concentrated in three major markets: the United Kingdom, with almost €8 billion of commitments, followed by Spain and France, with €3 billion of investment in each of these two markets. Germany and Italy saw investment flows of between €1.3 billion and €2 billion each. At the same time, Ireland, the Netherlands, and Greece recorded investment volumes of between €500 million and €1 billion.

Over the period 2022-2024, prime yields in the hospitality sector fell into three main categories: on the one hand, 50% of hotels saw a reduction of between 10 and 150 basis points, 30% of hotels saw a stable prime yield over the period and 20% saw further reductions. Between the end of 2024 and the end of 2023, the trend is predominantly towards stability, with a third of markets experiencing compressions, while markets that are still correcting have become largely a minority. Prime yields on leased hospitality properties, based on rental profitability, have remained largely stable, with an increasing number of markets experiencing compressions. Prime yields are now positioned between 4.5% and 8.5%. London, Milan, Madrid and Paris offer prime yields of between 4.5% and 5.5%. Prime yields on hotels under management contracts, which enable hotel owners to capture both the value of the business and the value of the real estate asset, offer prime yields in Europe of between 5.75% and 8.75%. Yields have remained largely stable in this category, with more and more markets once again experiencing rate cuts.

The number of hotel rooms sold or rented in Europe was up in 2024 (+2.4% year-on-year), as were revenues (+6.6%). These good figures can be explained by the growth in tourist arrivals in Europe in 2024, whereas the trend was still negative in 2023. Northern and Western Europe have benefited from this dynamic, while Central Europe has been impacted by the conflict in Ukraine. In terms of revenue, the initial indicators show that levels are now equivalent to those prior to the pandemic. By category, budget hotels recorded a slight slowdown in growth (between -0.1% and +1.3%). The mid-range category continued to show good growth (between 2.5% and 3.5%). Rooms in top-of-the-range hospitality (+4.0%) and luxury hotels (+4.6%) recorded satisfactory growth.

HOSPITALITY INVESTMENT VOLUME IN EUROPE



Hotel indicators were on the rise in the fourth quarter of 2024. The occupancy rate for hotels in Europe rose to over 70% at the end of the fourth quarter of 2024. The average price is also on the rise, reaching over €161 year-on-year, compared with €155 over the same period in 2023. RevPAR stood at €113, compared with €107 a year earlier. By category, only the budget hotel segment had an occupancy rate of around 74%. The other categories were between 62% and 70%.

RETAIL

RETAIL PROPERTY INVESTMENT IN EUROPE - 2024 Q4 (12 MONTHS)	**€ 31 Bn**
TREND IN PRIME YIELDS FOR HIGH STREET RETAIL PROPERTY IN EUROPE - 2024 Q4 / 2023 Q4	→
TREND IN PRIME YIELDS FOR SHOPPING CENTRES IN EUROPE - 2024 Q4 / 2023 Q4	→
TREND IN DEFLATED EURO ZONE RETAIL SALES - 2024 Q4/ 2023 Q4	↗

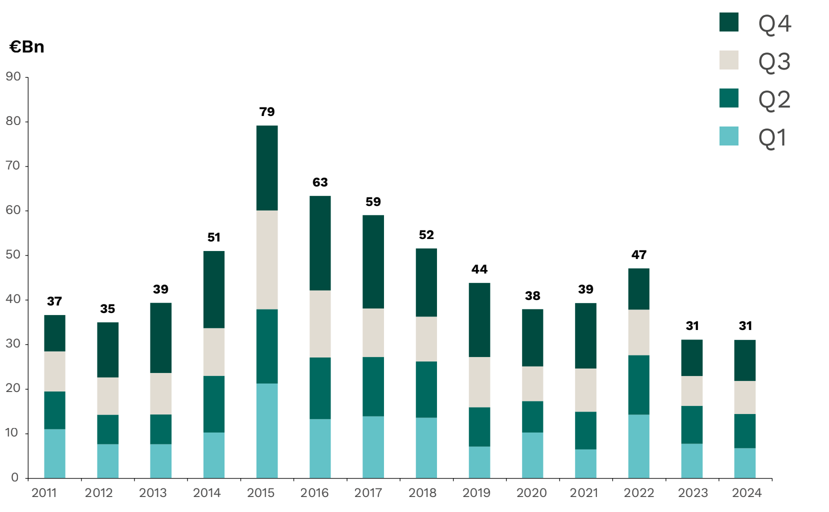
The volume of investment in retail real estate remained unchanged between 2024 and 2023, at €31 billion. The United Kingdom (€10 billion) and Germany (€6 billion) were the most active markets. Italy, France, and Spain accounted for between €2 billion and €3 billion of commitments in their respective markets. Italy and Spain have confirmed a strong upturn in commercial investment in 2024, with volumes doubling between 2023 and 2024. The Netherlands is still at a low level, with €1 billion of capital flowing into this market. Investors have focused on locations with strong pedestrian flows that can generate dynamic sales for retailers.

Prime yields on high street retail premises and on shopping centres remained largely stable over the year to the end of 2024. It is interesting to note that in 2024, the number of compressions is now equivalent to the number of decompressions. Similarly, between 2022 and 2024, although yields fell, it should be noted that a significant proportion of the market is now stable or even in decline, confirming the change in momentum. Prime retail yields in Amsterdam, Milan, Madrid, Munich, and Paris ranged from 4.0% to 4.25%. In Vienna, Brussels, Dublin, and Helsinki, yields were between 4.7% and 6.0%. For shopping centres, the trend is stable, with prime rates ranging from 4.6% to 8.25% in Europe.

Rental values for high street retail premises showed a very respectable increase over 2024 as a whole in Europe (above +3% on average). Rental values for shopping centres were slightly positive for 2024 as a whole, at a much lower level than for high street retail units. The higher vacancy rate in shopping centres partly explains this trend.

The leading indicators show a certain paradox. On the one hand, European consumers have shown a very low level of confidence in recent months, which has encouraged a high savings rate. On the other hand, the continuing rise in real wages has helped to support consumption and therefore sales growth for retailers. As a result, in the fourth quarter of 2024, retailer sales grew by around 2.3% in value terms in the euro zone. Some countries, such as Portugal, Spain, Germany, and the Netherlands, recorded above-average growth. It is worth noting that retailer sales growth has accelerated for two consecutive quarters in the euro zone. Retail sales volumes also performed well, rising by 1.8% in the fourth quarter of 2024. Portugal, France, and Austria clearly outperformed the European average in this category.

VOLUME OF TRADE INVESTMENT IN EUROPE



LOGISTICS

INVESTMENT IN LOGISTICS REAL ESTATE IN EUROPE - 2024 Q4 (12 MONTHS)	**€ 38 Bn**
TREND IN PRIME YIELDS IN EUROPE - 2024 Q4 / 2023 Q4	→
FOREIGN TRADE TREND - 2024 Q4 / 2023 Q4	↗
E-COMMERCE SALES TRENDS IN EUROPE TO 2029	↗

The logistics sector saw an increase in investment volume over 2024 as a whole. The European logistics real estate market totalled more than €38 billion in 2024, compared with €35 billion in 2023. Capital was concentrated in the UK with over €11 billion, but down on 2023, followed by Germany with over €6 billion and France with over €5 billion. The Netherlands, Sweden, Italy, and Spain had investment volumes of between €1 billion and €4 billion. Of the European markets analysed, the most dynamic were France, the Netherlands, and Italy.

Between 2022 and 2024, the predominant trend was for yields to rise by between 15 and 100 basis points. Between the end of 2023 and the end of 2024, prime logistics yields in Europe were largely stable. The most sought-after markets have yields of between 4.25% and 5.5%. This is particularly true of Germany, the Netherlands, France, Belgium, Spain, and Italy.

Rental market activity was down for 2024 as a whole. Net take-up of warehouses was below 13 million sq. m in 2024, down from over 16 million sq. m in the same period in 2023. The largest markets were France, Italy, the Netherlands, the UK, Germany, and Poland.

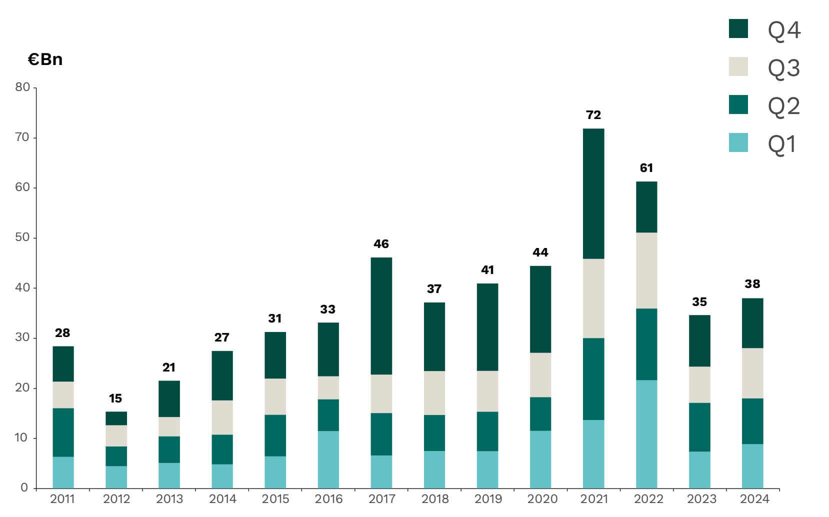
The supply of logistics real estate increased in 2024 compared with the end of 2023. Markets such as Germany, the Netherlands, France, Belgium, and Italy have a vacancy rate of less than 5%. Conversely, the United Kingdom, Spain, and Poland have vacancies in excess of 5%.

Rents rose in 2024 compared with 2023. Average headline rents for the best warehouses rose by between 0.5% and 4.5% in 2024 compared with 2023. Germany, the Netherlands, Spain, Belgium, and France have rents between €60/sq.m and €105/sq.m.

The growth of e-commerce will continue to fuel demand for logistics. In 2024, the e-commerce sector in Europe generated sales of €887 billion, up 3% on 2023. Projections for e-commerce sales in Europe are set to rise again in 2025. In fact, the market is expected to continue growing until 2029, when it is expected to exceed €1,000 billion in sales.

External trade in the euro zone was slightly in surplus at the end of October 2024 compared with the same period in 2023. Conversely, imports and intra-European trade are falling. For both exports and imports, the products currently most affected are raw materials and machinery and vehicles.

LOGISTICS INVESTMENT VOLUME IN EUROPE



DEFINITIONS

10-year government bonds: debt securities issued by a state for a period of ten years, generally acknowledged to be a risk-free investment.

Investment volume in corporate real estate: total volume of premises acquired in the offices, retail, business premises and warehouses segments by an investor.

Take-up of offices: all leases or sales to the occupant (as opposed to sales to investors) for premises to be used as offices. It is expressed as square meters of usable space.

Sale Before Completion: sale before completion is the contractual method for selling a building before it is built. The investor becomes the owner as it is built.

Free leases: favourable measures granted to tenants (rent cuts, renovation work, etc.).

Yield: ratio between the gross or net revenues from the building and the capital committed by the buyer (acquisition price + fees and transfer taxes).

Store premises: traditional ground-floor retail premises located in town-center high streets.

Shopping center: a building containing at least 20 retail outlets housed in indoor centers around a large food store that drives customer traffic.

Retail park: an outdoor shopping center built and managed as a single unit. It comprises at least five buildings linked by lanes and located on city peripheries.

Care homes: a health facility that houses dependent elderly people.

Medical, surgery and obstetric clinics: medical facilities for short-term care, with or without lodging, or for severe conditions during their acute phase.

RevPAR: abbreviation for Revenue Per Available Room. It corresponds to the turnover on accommodation of an establishment divided by the total number of rooms RevPAR also corresponds to Occupancy Rate multiplied by ADR.

ADR: abbreviation for Average Daily Rate. It is calculated (excluding breakfast) by dividing total revenue by the number of occupied rooms.

Hotel Occupancy Rate (OR): ratio of the number of occupied rooms to the total number of rooms in a hotel.

About Praemia REIM

Praemia REIM brings together 550 employees in **France, Germany, Luxembourg, Italy, Spain, Singapore,** and **the United Kingdom**. The company leverages its values of conviction and commitment as well as its European-scale expertise to design and manage real estate funds for its national and international clients, whether individuals or institutions.

As of June 30, 2024, **Praemia REIM** holds **37 billion euros** in assets under management. Its conviction allocation is composed of:

- **47%** healthcare/education real estate,
- **32%** offices,
- **9%** residential,
- **6%** retail,
- **5%** hospitality, and
- **2%** logistics.

Its pan-European platform manages **61 funds** and comprises over **96,000 individual** and **institutional investors**. Its real estate portfolio includes more than 1,600 buildings spread across the main asset categories and located in **11 European countries**.

www.praemiareim.com

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The Research & Strategy Department's role is to formalise Praemia REIM's real estate investment strategies, based on continuous monitoring of the French and European markets. Although collective real estate accounts for a growing share of institutional portfolios and household savings, it is at the crossroads of financial (hierarchy of rates), economic (tenants' business models), demographic (the metropolisation phenomenon) and societal (changes in usage) factors. This is why a cross-cutting analysis is needed, which is also long term and therefore in keeping with the horizon of most real estate investors.

Sources used throughout the document : PRAEMIA REIM Recherche et Stratégie data, Immostat, CBRE, Savills, Colliers International, BNP PRE, JLL, Knight Frank, MSCI, Oxford Economics, Eurostat, OECD, IMF, Statbel, NSI, CZSO, DST, Destatis, Stat, CSO, Statistics, INE, INSEE, DZS, ISTAT, CSB, Statistics Lithuania, Statec, KSH, CBS, Statistik Austria, Stat Poland, INE, INSEE, Statistics Finland, SCB, SSB, BFS, ONS, STR, Operators, UNWTO, national e-commerce associations, Statista.

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