

Europe Property Performance Monitor

First Quarter 2026

IN A NUTSHELL

- The MSCI Pan-European Quarterly Property Fund Index recorded a fund-level total return of 1.5% in the first quarter of 2026, while annual returns indicate a moderation in the recovery momentum seen over the second half of 2025.¹
 - Income remained the primary driver of return performance, while capital value growth was modestly positive at 0.2%. However, performance dispersion remained pronounced across both sectors and geographies.¹
 - In a more volatile macro and geopolitical environment, private real estate outperformed bonds, equities and listed real estate, supported by its defensive, income-led characteristics.
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Private Real Estate Performance¹

- Over the first three months of 2026, European private real estate performance remained in positive territory, although recovery momentum stabilised, with quarterly asset-level total returns broadly unchanged at 1.3%. Annual returns softened slightly to 4.9%, down from 5.2% at end-2025, reflecting a moderation following last year's recovery.
- Performance remains firmly income driven, with 4.5% income returns and just 0.4% capital appreciation over the last 12 months. Indeed, capital growth weakened again over the first quarter of 2026, declining to 0.2% from 0.4% in Q4 2025, highlighting that the pricing recovery remains gradual and uneven.
- Performance dispersion across sectors and geographies remains pronounced. Retail was the strongest performer, delivering quarterly returns of 1.8%, supported by resilient income and positive capital growth. Residential and industrial followed, posting quarterly returns of 1.7% and 1.4% respectively.
- Offices continue to underperform, generating returns of just 0.3% over the quarter as negative capital growth (-0.6%) weighed on performance despite stable income. The sector remains highly polarised, with prime, well-located assets outperforming while secondary stock continues to decline.
- From a geographic perspective, Denmark delivered particularly strong performance with quarterly returns at 4.1%, driven predominantly by strength in the residential sector. Southern Europe also remains a key outperformer, with Spain (2.2%) and Italy (2.1%) supported by both income and capital growth.
- Macroeconomic volatility increased in Q1 2026 amid geopolitical risks and renewed inflation pressures. In this environment, private real estate outperformed bonds and equities, while listed real estate corrected sharply.

¹ MSCI Pan-European Quarterly Property Fund Index, as of March 31, 2026. Past performance is not indicative of future returns.

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Recent Performance Trends (% Y-o-Y)

| | Quarterly | | Annual | |
|---|-----------|---------|---------|---------|
| | 2026 Q1 | 2025 Q4 | 2026 Q1 | 2025 Q4 |
| Private Real Estate - Fund Level | 1.5% | 1.0% | 3.8% | 3.9% |
| Private Real Estate - Asset Level | 1.3% | 1.3% | 4.9% | 5.2% |
| Equities | -0.9% | 6.3% | 13.0% | 20.4% |
| Bonds | -0.7% | 0.2% | 1.4% | 1.3% |
| Listed Real Estate | -4.5% | 1.8% | 3.1% | 6.9% |
| Euro Area 10-Year Govt. Bond ¹ | 3.3% | 3.2% | 3.3% | 3.2% |
| Euro Area 12-Month EURIBOR ¹ | 2.9% | 2.2% | 2.9% | 2.2% |
| EU CPI | 0.5% | 0.3% | 2.3% | 2.4% |

Sources: MSCI, Macrobond, Markit iBoxx. As of March 31, 2026. Private real estate: MSCI Pan-European Quarterly Property Fund Index; Equities: STOXX All Europe Total Market; Bonds: iBoxx € Overall; Listed Real Estate: FTSE EPRA/NAREIT Europe. Past performance is not indicative of future returns.

¹ Figures represent annual yield

Performance Over The Past Five Years (% Y-o-Y)

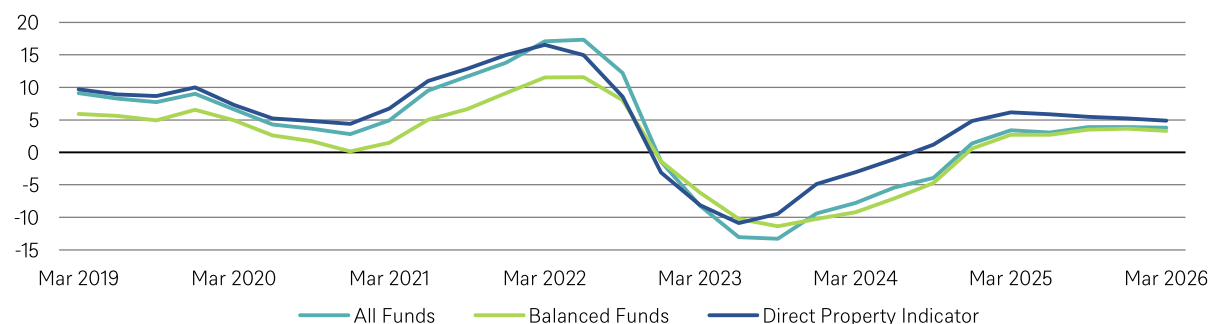
| | Mar 2023 | Mar 2024 | Mar 2025 | Mar 2026 |
|---|----------|----------|----------|----------|
| Private Real Estate - Fund Level | -8.2% | -7.7% | 3.4% | 3.8% |
| Private Real Estate - Asset Level | -8.2% | -3.0% | 6.1% | 4.9% |
| Equities | 3.0% | 15.4% | 7.6% | 13.0% |
| Bonds | -10.7% | 4.6% | 2.1% | 1.4% |
| Listed Real Estate | -36.0% | 19.8% | -1.1% | 3.1% |
| Euro Area 10-Year Govt. Bond ¹ | 3.1% | 2.9% | 3.2% | 3.3% |
| Euro Area 12-Month EURIBOR ¹ | 3.6% | 3.7% | 2.3% | 2.9% |
| EU CPI | 9.4% | 2.8% | 2.7% | 2.3% |

Sources: MSCI, Macrobond, Markit iBoxx. As of March 31, 2026. Private real estate: MSCI Pan-European Quarterly Property Fund Index; Equities: STOXX All Europe Total Market; Bonds: iBoxx € Overall; Listed Real Estate: FTSE EPRA/NAREIT Europe. Past performance is not indicative of future returns.

¹ Figures represent annual yield

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Private Real Estate Total Returns (% Y-o-Y)



Source: MSCI Pan European Quarterly Property Fund Index. as of March 31, 2026. Past performance is not indicative of future returns. It is not possible to invest directly in an index.

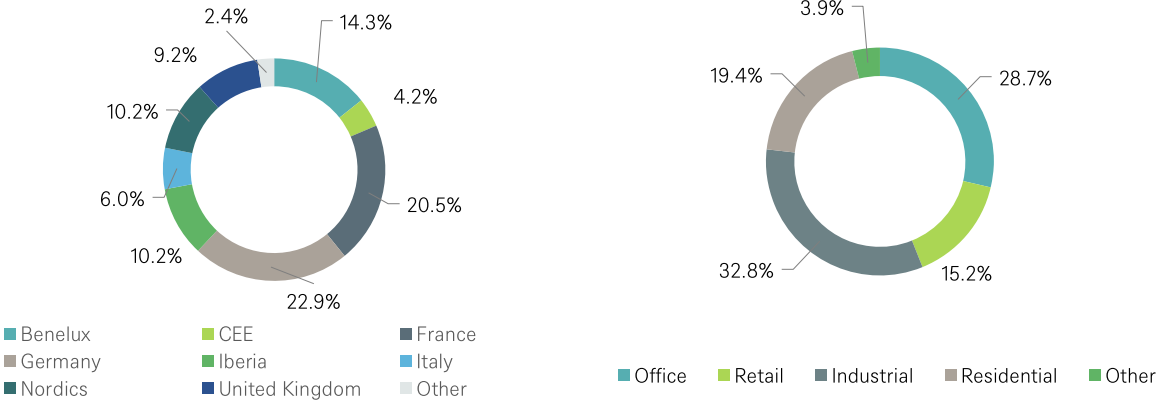
| Returns By Property Type and Region | | | | | | | | | | | | |
|-------------------------------------|----------------|----------|---------|---------|---------|----------|------------------|--------------------|------------------|------------------------|--------|-------------------|
| | Annual Returns | | | | | | | Standard Deviation | | Descriptive Statistics | | |
| | 1 Year | | | 3 years | 5 years | 10 years | All ² | 10 years | All ² | Value (bn) | Number | Gear- ing (% GAV) |
| | Total | In- come | Capital | | | | | | | | | |
| Fund-level Returns | | | | | | | | | | GAV | Funds | |
| All Funds | 3.8% | 3.5% | 0.3% | -0.3% | 1.2% | 4.2% | 4.3% | 4.8% | 5.7% | €78.9 | 25 | 25.0% |
| Balanced Funds | 3.3% | 3.1% | 0.2% | -1.2% | 0.2% | 2.5% | 1.9% | 3.7% | 4.9% | €43.4 | 16 | 22.8% |
| Asset-level Returns | | | | | | | | | | CV | | |
| Type | Office | 1.7% | 3.7% | -1.9% | -2.0% | -1.0% | 3.2% | 4.4% | 3.9% | 3.5% | €12.2 | 144 |
| | Retail | 6.7% | 5.6% | 1.1% | 4.1% | 3.7% | 2.5% | 2.9% | 2.7% | 3.2% | €6.0 | 108 |
| | Industrial | 5.4% | 5.0% | 0.4% | 4.5% | 5.1% | | | | | €39.8 | 1,355 |
| | Residential | 5.8% | 3.1% | 2.6% | 1.7% | 1.8% | | | | | €12.6 | 740 |
| Country | Belgium | 6.0% | 5.1% | 0.8% | 2.0% | 3.7% | 5.5% | 4.8% | 4.1% | 3.7% | €1.3 | 34 |
| | Finland | 3.2% | 4.7% | -1.4% | -0.8% | 0.7% | 2.5% | 3.6% | 3.6% | 3.1% | €1.1 | 76 |
| | France | 5.0% | 4.2% | 0.8% | 1.3% | 1.5% | 5.1% | 5.5% | 4.2% | 4.0% | €12.6 | 592 |
| | Germany | 2.5% | 4.3% | -1.7% | -0.1% | 1.5% | 6.2% | 5.4% | 4.5% | 4.0% | €16.3 | 368 |
| | Italy | 8.0% | 4.8% | 3.0% | 5.5% | 5.2% | 5.9% | 4.0% | 3.5% | 4.0% | €4.0 | 152 |
| | Netherlands | 6.7% | 4.7% | 1.9% | 4.8% | 3.7% | 7.0% | 4.7% | 4.9% | 4.3% | €8.7 | 286 |
| | Poland | 2.7% | 5.7% | -2.9% | 2.6% | 4.5% | 5.4% | 6.3% | 2.7% | 2.4% | €3.0 | 121 |
| | Spain | 8.7% | 4.5% | 4.1% | 3.7% | 4.0% | 5.6% | 4.4% | 3.2% | 4.9% | €5.5 | 140 |
| | Sweden | 5.9% | 4.2% | 1.6% | 4.8% | 2.5% | 5.3% | 6.1% | 6.7% | 7.8% | €3.0 | 93 |
| | UK | 1.6% | 4.1% | -2.4% | 4.0% | 2.6% | 2.5% | 6.5% | 7.1% | 7.9% | €8.6 | 164 |
| All Property | | 4.9% | 4.5% | 0.4% | 2.6% | 2.9% | 5.4% | 6.0% | 4.0% | 3.8% | €72.2 | 2,380 |

Source: MSCI Pan-European Quarterly Property Fund Index. As of March 31, 2026. Past performance is not indicative of future returns.

²All Funds index returns start in 2004, equivalent to a 20-year calculation. Returns for MSCI Pan-European Balanced PFI Funds Quarterly Property Index and asset-level indices may start later than 2004.

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MSCI Balanced Funds Index Asset Allocation (% of GAV)



Source: MSCI Balanced Fund Index. As of March 31, 2026.

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