

Europe Property Performance Monitor

Fourth Quarter 2025

IN A NUTSHELL

- The MSCI Pan-European Quarterly Property Fund Index recorded an annual, asset-level total return of 5.3% in 2025, reflecting the continued recovery of European real estate.¹
 - Income returns remained the primary driver of performance, while capital value growth was modestly positive at 0.7%. However, performance dispersion remained pronounced across both sectors and geographies.¹
 - On both a quarterly and 12-month basis, private real estate outperformed bonds, while equities remained the strongest performing asset class overall.
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Private Real Estate Performance¹

- European private real estate performance continued its recovery over 2025, although progress remained uneven. Capital deployment stayed cautious and selective amid ongoing macroeconomic uncertainty and geopolitical risks.
- At the all-property level, annual asset-level returns reached 5.2% in 2025, up from 4.8% at end-2024 and marking a clear improvement from the negative returns recorded in both 2022 and 2023. Quarterly momentum remained stable in Q4 2025, with asset-level total returns of 1.3%, still below the stronger run of performance seen in late 2024 and early 2025.
- Income remained the dominant driver of returns, contributing 4.5% over 2025. Capital growth accounted for a more modest 0.7% but has now been positive for more than a year, having turned positive in Q4 2024.
- Performance dispersion across sectors and geographies remains wide at the annual level. Retail was the top performing sector in 2025, delivering total returns of 6.9%, supported by resilient income and a return to modest capital appreciation.
- Residential and industrial performance was broadly comparable, with annual returns of 5.9% and 5.7% respectively. Offices continued to underperform, generating returns of 2.6% as negative capital growth of -1.1% weighed on performance.
- Nordic markets led returns, with Sweden and Denmark posting annual returns of 13.4% and 10.7% respectively. Southern Europe performed strongly, alongside Ireland, reflecting more supportive economic conditions.

¹ MSCI Pan-European Quarterly Property Fund Index, as of December 31, 2025. Past performance is not indicative of future returns.

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- The UK was the clear underperformer, recording returns of just 0.5% in 2025, down from 7.0% in 2024, reflecting its earlier cycle recovery and persistent economic and fiscal headwinds.
- Over the past 12 months, private real estate outperformed bonds, but lagged equities and listed real estate, reinforcing its role as a stable, income-oriented allocated rather than a short-term performance leader.

Recent Performance Trends (% Y-o-Y)

	Quarterly		Annual	
	2025 Q4	2025 Q3	2025 Q4	2024 Q4
Private Real Estate - Fund Level	1.0%	0.9%	3.9%	1.3%
Private Real Estate - Asset Level	1.3%	1.2%	5.2%	4.8%
Equities	6.3%	3.5%	20.4%	9.3%
Bonds	0.2%	0.2%	1.3%	2.5%
Listed Real Estate	1.8%	-4.4%	6.9%	-2.6%
Euro Area 10-Year Govt. Bond ¹	3.2%	3.2%	3.2%	2.7%
Euro Area 12-Month EURIBOR ¹	2.2%	2.2%	2.2%	2.5%
EU CPI	0.3%	0.5%	2.4%	2.5%

Sources: MSCI, Macrobond, Markit iBoxx. As of December 31, 2025. 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)

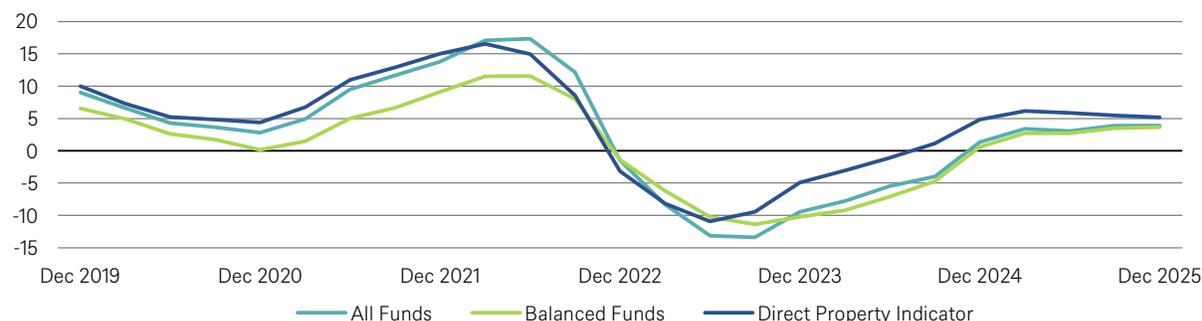
	Dec 2021	Dec 2022	Dec 2023	Dec 2024
Private Real Estate - Fund Level	13.8%	-1.5%	-9.5%	1.3%
Private Real Estate - Asset Level	15.0%	-3.2%	-4.9%	4.8%
Equities	25.7%	-12.3%	16.2%	9.3%
Bonds	-2.8%	-17.2%	7.2%	2.5%
Listed Real Estate	18.4%	-36.3%	17.1%	-2.6%
Euro Area 10-Year Govt. Bond ¹	0.1%	2.9%	2.8%	2.7%
Euro Area 12-Month EURIBOR ¹	-0.5%	3.3%	3.5%	2.5%
EU CPI	4.9%	11.0%	3.4%	2.5%

Sources: MSCI, Macrobond, Markit iBoxx. As of December 31, 2025. 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 December 31, 2025. Past performance is not indicative of future returns. It is not possible to invest directly in an index.

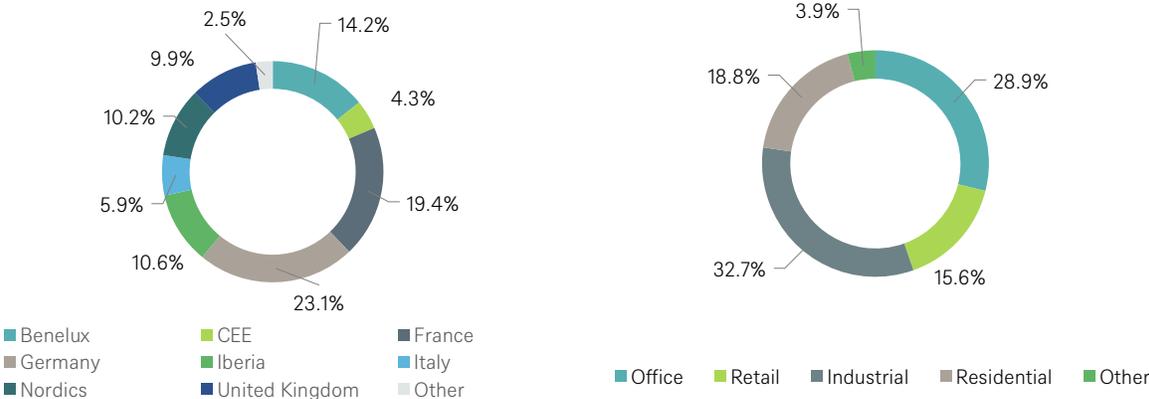
		Annual Returns							Standard Deviation		Descriptive Statistics			
		1 Year			3 years	5 years	10 years	All ²	10 years	All ²	Value (bn)	Number	Gear-ing (% GAV)	
		Total	In-come	Capital										
Fund-level Returns												GAV	Funds	
All Funds		3.9%	3.5%	0.4%	-1.6%	1.3%	4.1%	4.2%	4.8%	5.7%	€77.2	24	25.1%	
Balanced Funds		3.6%	3.2%	0.4%	-2.2%	0.1%	2.5%	1.9%	3.7%	5.0%	€42.5	16	22.9%	
Asset-level Returns												CV		
Type	Office	2.6%	3.7%	-1.1%	-2.7%	-0.8%	3.2%	4.5%	3.9%	3.5%	€12.1	147		
	Retail	6.9%	5.6%	1.3%	3.4%	3.2%	2.4%	2.9%	2.6%	3.2%	€6.0	107		
	Industrial	5.7%	5.0%	0.7%	3.5%	5.7%						€38.6	1,275	
	Residential	5.9%	3.2%	2.7%	0.3%	1.6%						€12.2	735	
Country	Belgium	4.9%	5.1%	-0.1%	0.8%	3.9%	5.5%	4.8%	4.1%	3.7%	€1.3	34		
	Finland	4.3%	4.6%	-0.3%	-0.8%	1.0%	2.7%	3.7%	3.6%	3.1%	€1.2	76		
	France	6.4%	4.2%	2.1%	0.3%	1.6%	5.1%	5.6%	4.2%	4.0%	€11.8	569		
	Germany	2.6%	4.3%	-1.6%	-1.0%	1.9%	6.3%	5.5%	4.5%	4.0%	€15.9	354		
	Italy	8.2%	4.8%	3.3%	3.9%	5.1%	5.9%	4.0%	3.5%	4.0%	€3.9	150		
	Netherlands	6.6%	4.7%	1.8%	3.3%	3.6%	7.0%	4.6%	4.9%	4.3%	€8.2	244		
	Poland	4.0%	5.7%	-1.5%	2.5%	5.0%	5.5%	6.3%	2.6%	2.4%	€3.0	120		
	Spain	8.2%	4.5%	3.5%	2.6%	3.8%	5.5%	4.3%	3.1%	4.9%	€5.6	143		
	Sweden	13.4%	4.3%	8.8%	3.8%	2.8%	5.4%	6.1%	6.7%	7.8%	€3.0	90		
UK	0.5%	4.0%	-3.4%	3.5%	3.5%	1.8%	6.5%	7.4%	8.0%	€8.8	168			
All Property		5.2%	4.5%	0.7%	1.6%	3.1%	5.3%	6.0%	4.0%	3.8%	€70.5	2,299		

Source: MSCI Pan-European Quarterly Property Fund Index. As of December 31, 2025. 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 December 31, 2025.

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