



Consensus Indicator | December 2024

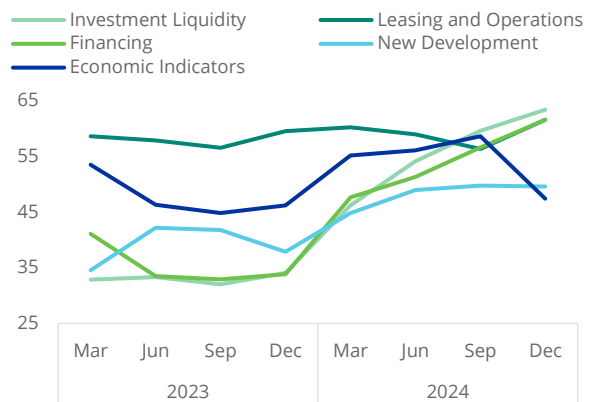
Key results

- > The December INREV Consensus Indicator recorded a headline reading of 57.8, revealing a notable increase from September's 55.8. This marks a fourth consecutive quarterly improvement, setting a new all-time high since we started to track the market consensus in March 2023.
- > For the first time, three of the five subindicators surpassed the 60 mark. At 63.3, the investment liquidity subindicator maintained the lead for the second consecutive quarter. The financing subindicator showed the most significant improvement, increasing to 61.5 from the 56.6 three months prior. More than a quarter of respondents suggested that not only alternative lenders but increasingly traditional lenders, ie banks, have started to be more active in providing new financing opportunities. Furthermore, there is some evidence that financing conditions are becoming more favourable.
- > The leasing and operations subindicator rebounded to 61.5 after two consecutive quarters of decline, marking its first reading above 60 since March 2024. Notably, 58% of indicator contributors reported net effective rent improvements for new leases and rent renewals.
- > The new development subindicator remained steady, with a reading of 49.5, just shy of the 50 threshold for the second consecutive quarter
- > Driven by expectations for the European GDP growth to diminish over the next 12 months, the economic subindicator fell to 47.4. It is a notable slide from 58.6 in September, falling below the 50 mark for the first time since December 2023. Downside risks remain unabated, and a bifurcation of the letting market is of particular concern. It will be critical to near term performance, given that 71% of participants expect rental income to be a primary return driver next quarter.

Consensus Indicator



Consensus subindicators



Background

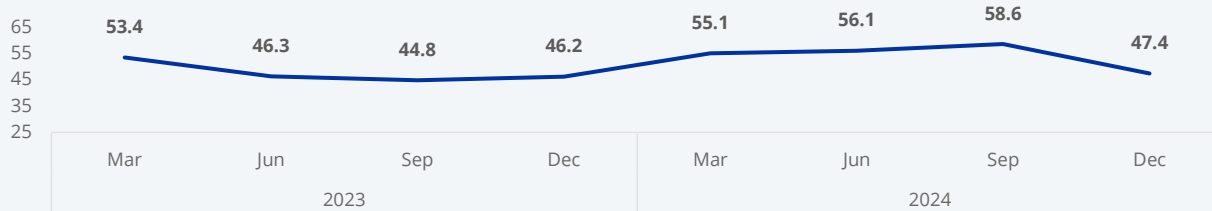
INREV Consensus Indicator is a diffusion index, designed to measure the direction of trends in the European non-listed real estate market. The purpose of Consensus Indicator is to provide insights to decision makers, investors, market analysts and asset allocators, and to become the leading indicator for European non-listed real estate.

The headline Consensus Indicator is a number from 0 to 100 and consists of five subindicators that summarise whether market conditions are expanding, staying the same, or contracting.

A Consensus Indicator of above 50 represents growth, while a reading of 50 represents no change. A reading of under 50 indicates contraction. The further away from the 50 mark the results, the greater the level of change.

INREV Consensus Indicator aims to provide the market with quarterly information about current and future economic, leasing and operations, new development, investment liquidity and lending market conditions, with a focus on regular contribution from consistent sample of participants to ensure quality results.

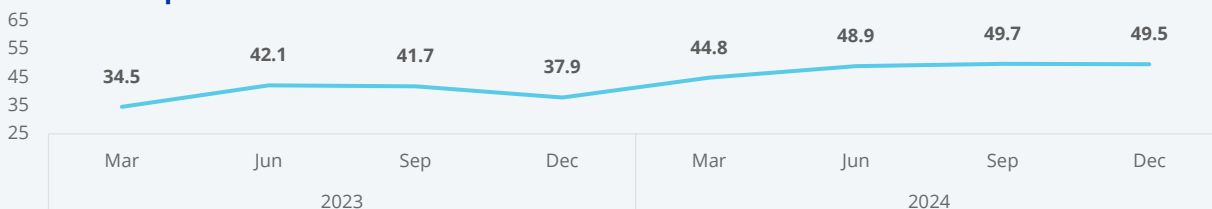
Economic Indicators



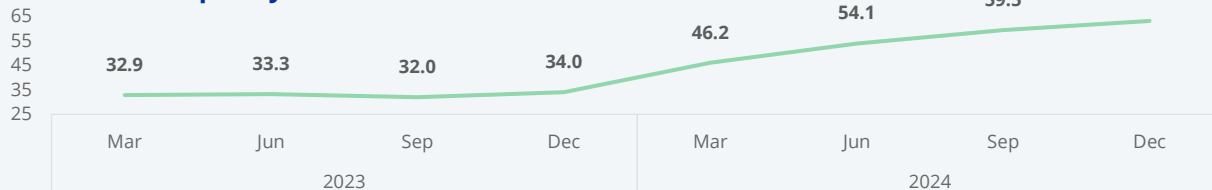
Leasing & Operations



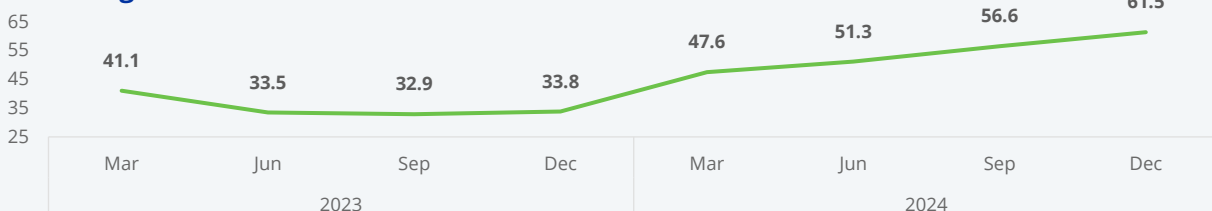
New Development



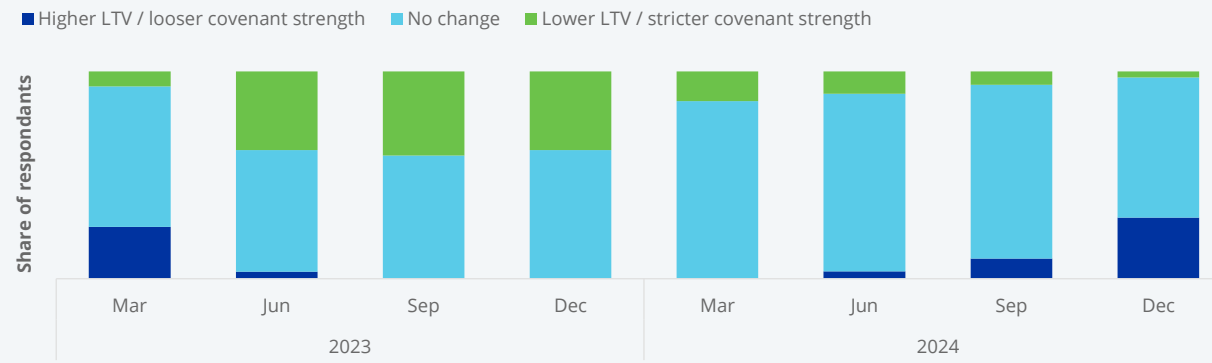
Investment Liquidity



Financing



Market insight: Have the financing terms offered changed over the last quarter for your overall portfolio?



Participants

Thirty eight organisations contributed to this quarter's INREV Consensus Indicator, comprising 14 investors and 24 fund managers. In this early phase of the publication launch, INREV Consensus Indicator will continue to be open to additional contributors. If you would like to become part of the INREV Consensus Indicator, an initiative that only increases in relevance in the current market climate, you must meet the following criteria:

- INREV member with a Pan-European coverage
- Contribution by Head of Research / Head of Strategy, or an equivalent
- Commit to regular quarterly contribution to ensure consistency of the sample

Company

abrdn	GARBE Industrial Real Estate
AEW	Grosvenor
Altera Vastgoed N.V.	JP Morgan Asset Management
AM alpha Kapitalverwaltungsgesellschaft mbH	LaSalle Investment Management
Ampega	LaSalle Global Solutions
APG Asset Management	LGT Capital Partners
AXA IM Alts	M&G Real Estate
BauMont Real Estate Capital Ltd	Nuveen Real Estate
Bayerische Versorgungskammer	PATRIZIA SE
BNP Paribas REIM	PGGM
Bouwinvest	PGIM Real Estate
CAERUS Debt Investments AG	QuadReal
CapMan Real Estate	Realty Corporation
CBRE Investment Management	Savills Investment Management
CNP Assurances SA	Slate Asset Management
Cromwell Property Group	Sonae Sierra
Dicoval AG	Urban Partners
DWS	YIT Group
Fidelity International	Zurich Insurance