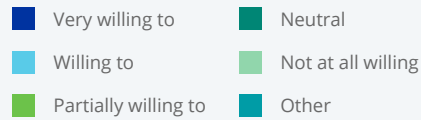


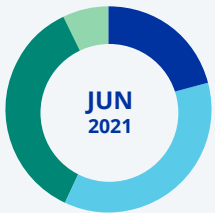
# COVID-19 Sentiment and Valuations Survey June 2021

A member sentiment survey first conducted in May 2020 to understand the impact on investment plans, operations and expected market performance

## Landlords remain willing to support tenants

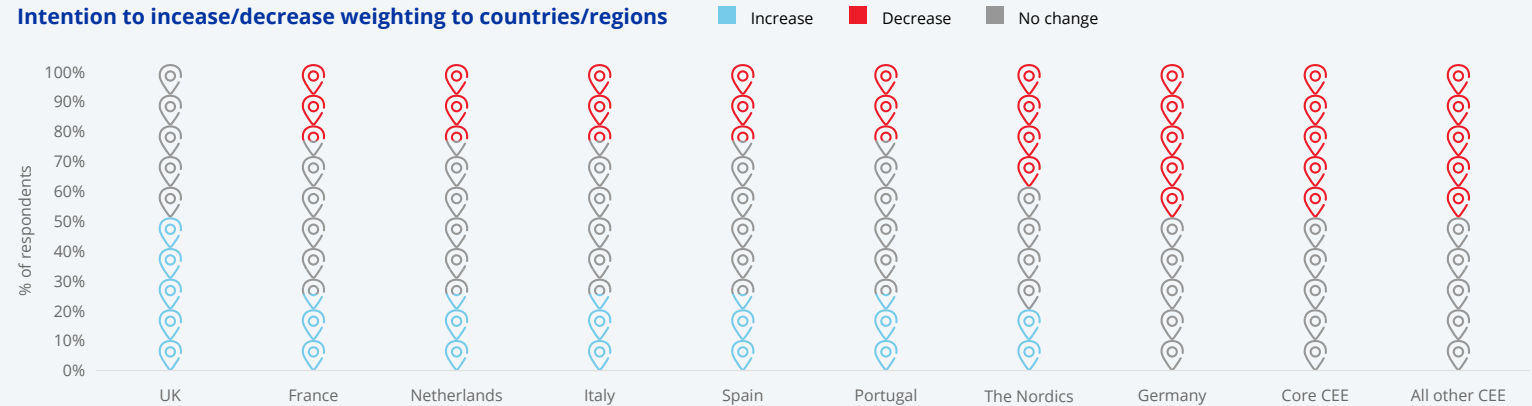


### Willingness to provide rent relief or abatement



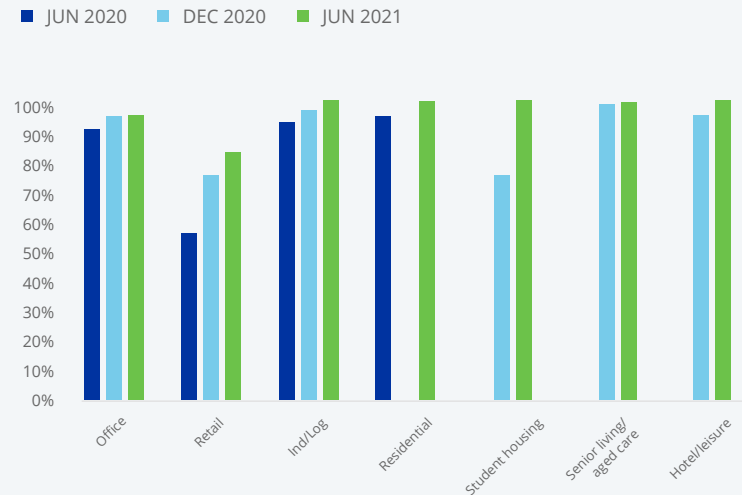
## Sentiment towards UK improves further

Intention to increase/decrease weighting to countries/regions

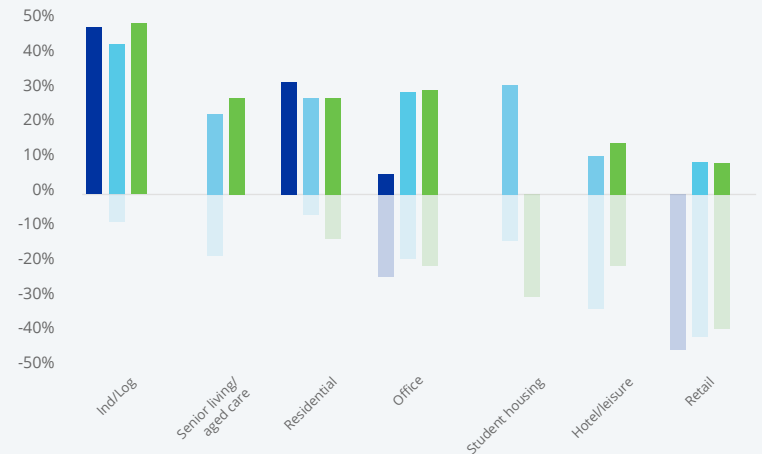


## Further improvement in rent received across all sectors

Rent received vs. rent expected



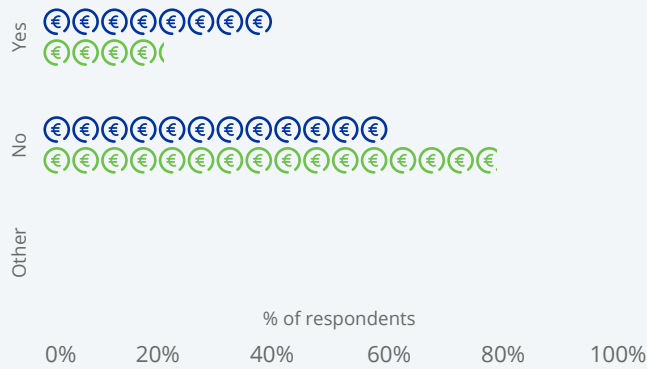
Intentions to change allocations



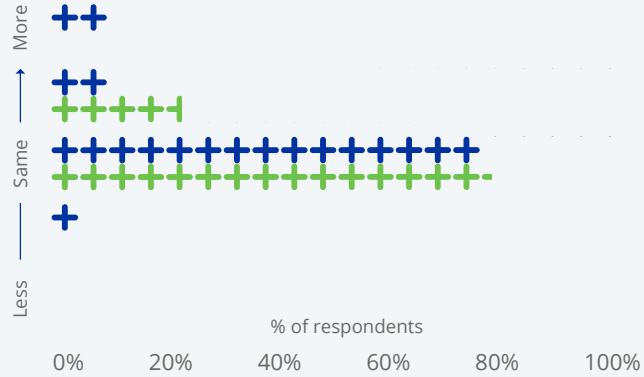
# European real estate investments remain attractive

JUN 2020 JUN 2021

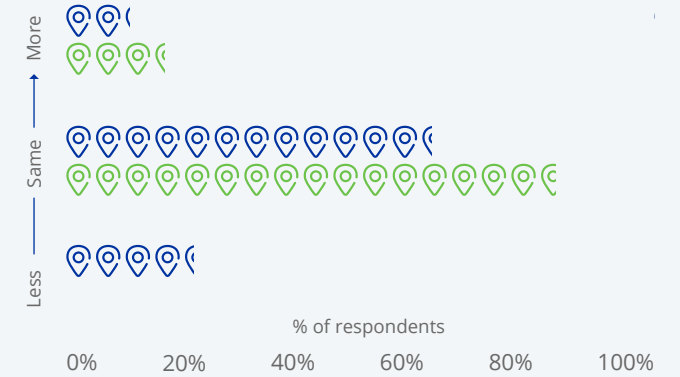
## Change in investment plans



## Confidence in Europe



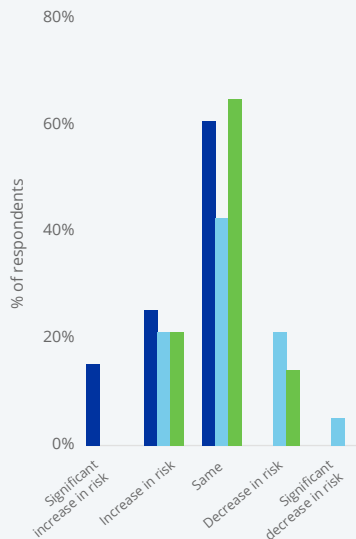
## Plans to invest in Europe



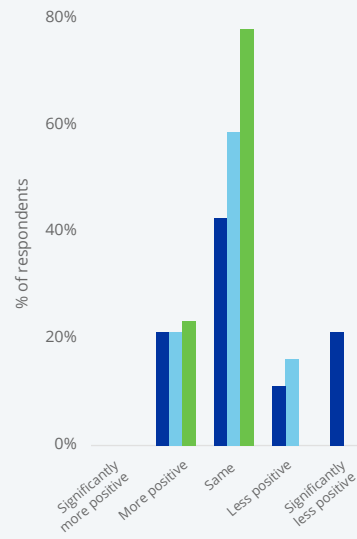
# Risk and return expectations

JUN 2020 DEC 2020 JUN 2021

## Risk Assessment



## Views on Real Estate Performance



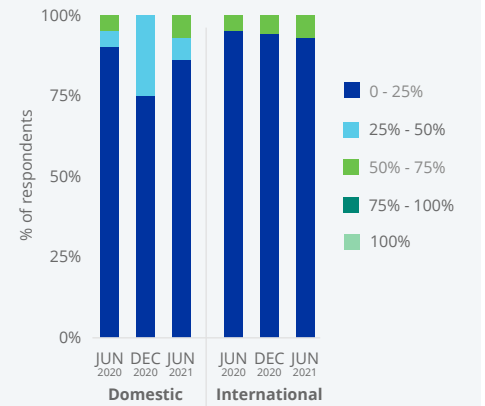
# The return of hybrid working routines

What percentage of your workforce is currently working from home?



June 2021 (40%) saw an **increase in hybrid working routines** compared to March 2021 (24%) as restrictions eased and vaccination programs are gaining steam throughout Europe

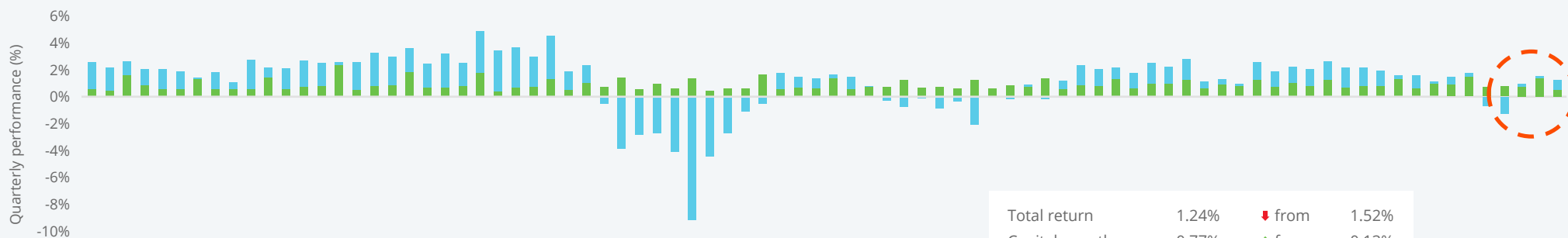
# Still limited travel domestically and internationally



Very limited travel

## Positive momentum for European real estate continues in Q1 2021

■ Total Return (%)  
■ Capital Growth (%)  
■ Distributed Income Return (%)



Total return	1.24%	↓ from	1.52%
Capital growth	0.77%	↓ from	0.13%
Dist. Income return	1.48%	↓ from	1.39%

Q2 2000 - Q1 2021

Source: INREV Quarterly Fund Index



### A quarter of the INREV Quarterly Fund Index contributed to the survey

**112**  
Survey respondents

**320**  
INREV Quarterly Index

Contributions are still coming from different funds. The questionnaire will be extended to Funds of funds and Debt funds.

#### Material Uncertainty Clause Claimed

Q1	Yes	No
	79.5%	20.5%

## Valuation uncertainties continue to exist in Q1 2021

### Material Uncertainty Clause



Material uncertainty clause applied to around **20%** of funds that completed the additional questions\*



Nearly **80%** indicated that the clause was issued for 75% - 100% of their portfolio



The majority of multi sector funds indicated that the clause was applied across all sectors



**98.3%** of respondents indicated no suspended units subscriptions, redemptions or the issuance of a dealing NAV in **Q1 2021**

Nearly **94%**

of the funds didn't change dividend distribution policy in response to COVID-19

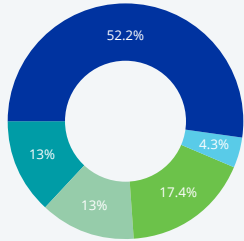


**93.4%** of respondents collected 75% - 100% of rent over Q1 2021, slightly lower expectations for Q2 2021 (92.5%)

(\* ) 112 respondents for "Impact of COVID-19 on Valuations Survey Q1 2021" (\*\* ) Open end funds sample includes multi and single country funds

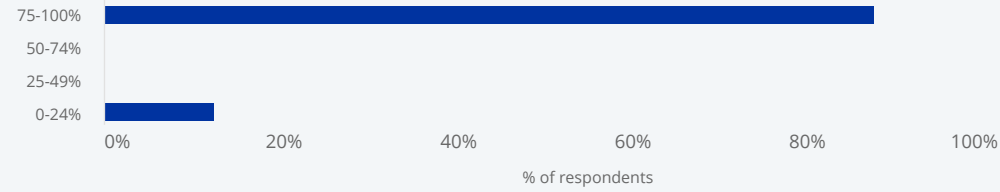
# Material Uncertainty clause impact across all sectors

## Single sector vs Multi sector funds\*

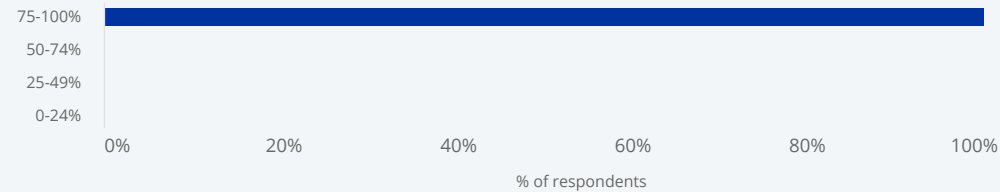


- Multi sector funds
- Office funds
- Retail funds
- Industrial funds
- Residential funds
- Other sectors funds\*\*

## Application range in multi sector funds



## Application range in single sector funds



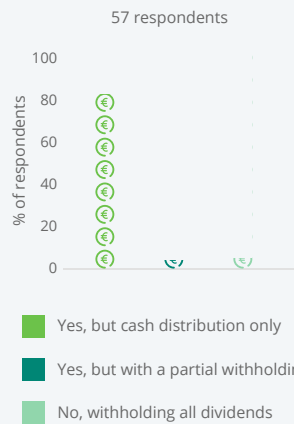
# 78.3%

of the total respondents (18) indicated that the Material Uncertainty clause impacted over 75% of GAV of properties, for single and multi sector funds

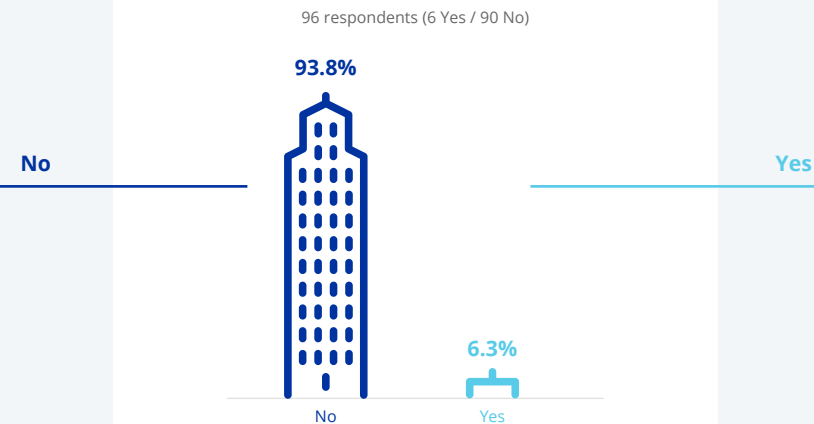
\*27 respondents \*\*Other sectors includes Development Residential, Leisure, Hotel and Health Care

# COVID-19 didn't affect the dividend distribution policy

## Is the fund still distributing dividends, either cash or shares?



## Has the funds dividend distribution policy changed in response to COVID-19?



## Is the fund still distributing dividends, either cash or shares?

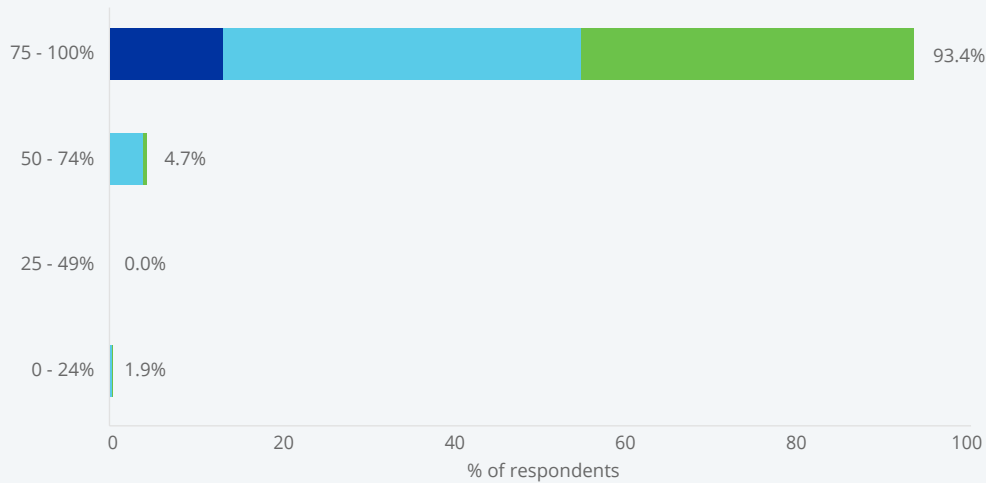


## Rent received versus rent expected

■ In arrears ■ 1M in advance ■ 1Q in advance

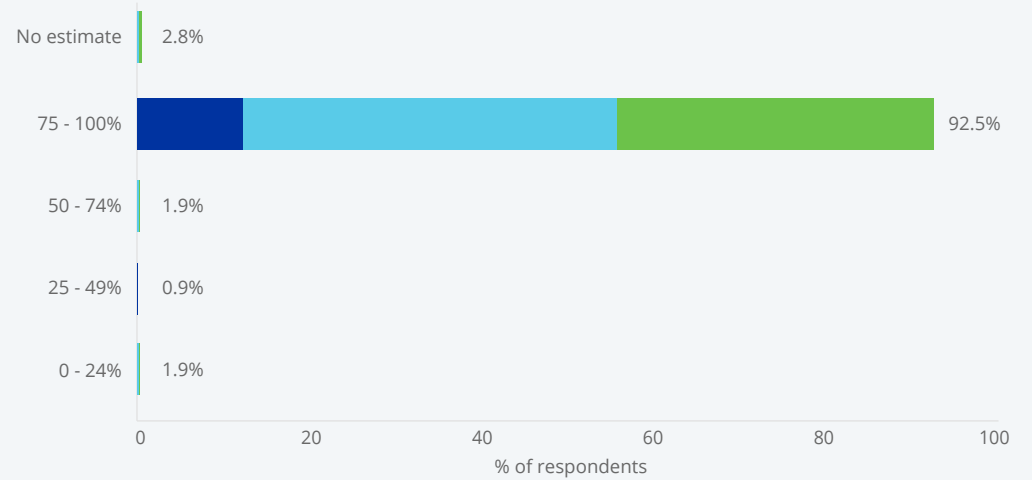
### Rent collected in Q1 2021

106 respondents



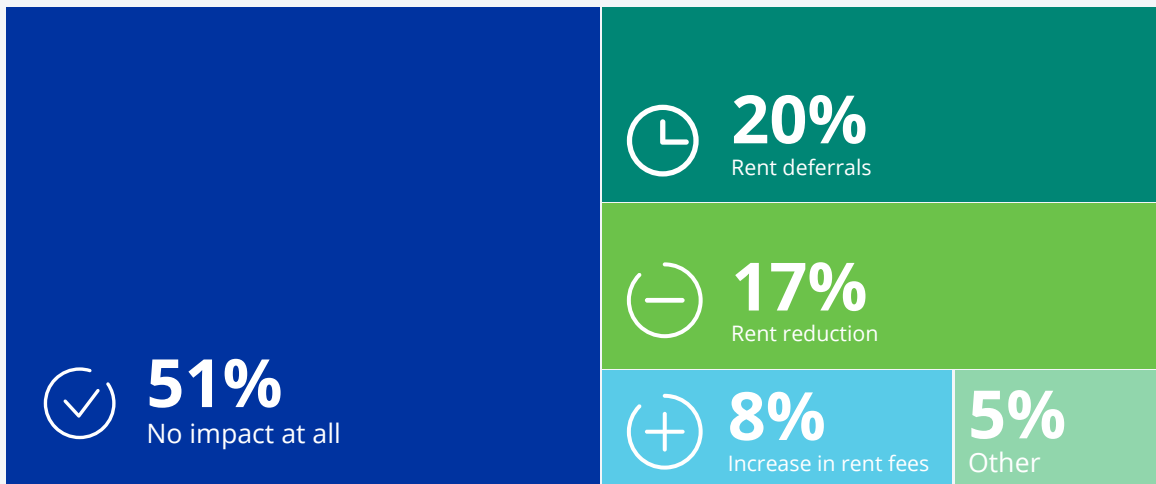
### Rent expected in Q2 2021

106 respondents



## Has the NOI been impacted in any way?

106 respondents



The answer "Other" allowed to add some comments, some of the funds indicated that:

- Rent frees and rent deferrals in exchange for longer contracts
- Combination of rent deferrals, late payments, rent frees mainly in relation to particular sector tenants
- Significant increase in bad debt provision
- With regards to the current lockdown situation in several countries in Europe, Fund Managers expect that to remit part of the rent payments