Paris, Friday, 25 October 2024

PRESS RELEASE
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Inflows and performance of retail real estate funds in Q3 2024

ASPIM and IEIF have published subscription and performance statistics for SCPIs, retail OPCIs and SCIs (non-trading real estate companies) in the third quarter of 2024.

Statistics for the third quarter of 2024 confirm a slowdown in redemption flows as well as the continuation of high inflows for a significant portion of market participants. The volume of pending shares did not increase in the third quarter, and dividends paid out by SCPIs year-to-date are close to those paid out for the same period last year. However, annual performances were adversely affected by the decline in valuations. As a result, at 30 June 2024, the realisable values per share for SCPIs were lower than at the start of the year, with downward adjustments varying according to asset type.

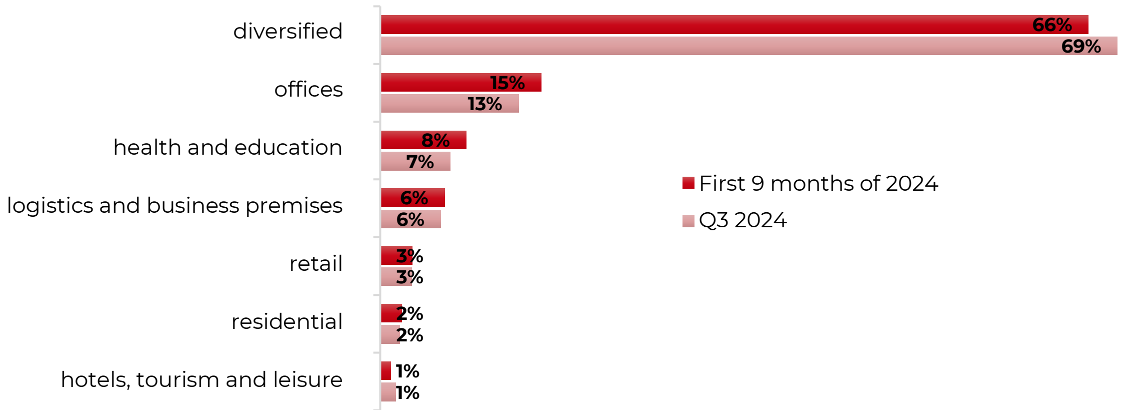
Gross inflows to SCPIs: €1.1 billion in Q3 2024

In the third quarter of 2024, net inflows to SCPIs totalled €1.1 billion, down 11% compared to the second quarter of 2024.

Year-to-date, inflows to SCPIs amount to €3.4 billion, down 48% compared to the same period last year.

“Diversified” SCPIs accounted for 69% of gross inflows in the third quarter. They outperformed SCPIs mainly invested in “offices” (13%), “health and education” (7%), “logistics and business premises” (6%) and “retail” (3%). “Residential” and “hotel, tourism and leisure” SCPIs accounted for 2% and 1% of total subscriptions, respectively.

Breakdown of gross inflows in 2024 by SCPIs’ predominant real estate strategies



Net inflows to unlisted real estate funds

SCIs

In the third quarter of 2024, non-trading companies recorded net outflows of €164 million, slightly worse than the second quarter (-€118 million). Year-to-date, cumulative net outflows total €679 million.

As of 30 September 2024, the net assets of unit-linked SCIs amounted to €21.9 billion.

Retail OPCIs

In the third quarter of 2024, retail OPCIs recorded net outflows of €404 million, an improvement compared to the second quarter (-€703 million). Year-to-date, cumulative net outflows total €1.7 billion.

As of 30 September 2024, the net assets of retail OPCIs amounted to €13 billion.

SCPIs

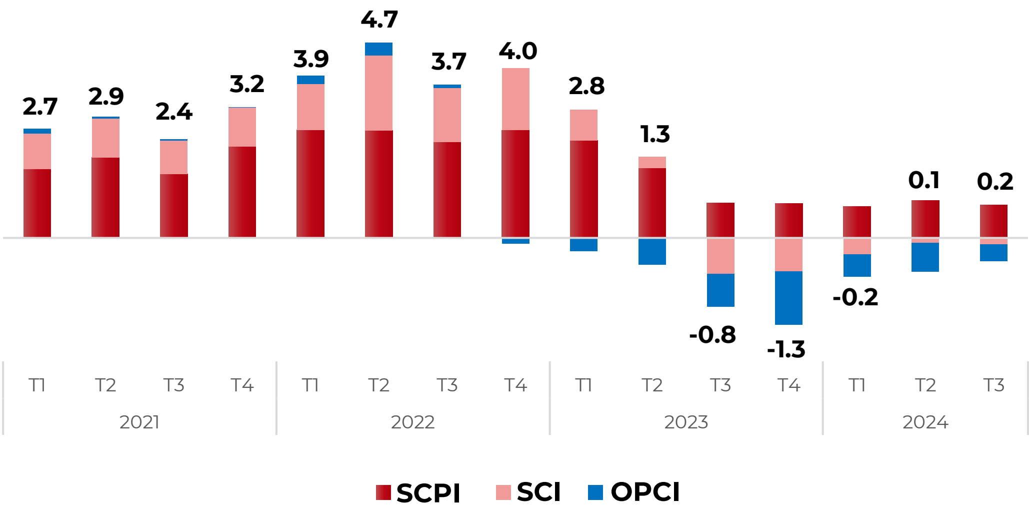
SCPIs recorded net inflows of €807 million in the third quarter of 2024, down 11% compared to the second quarter (€907 million). Year-to-date, net inflows to SCPIs total €2.5 billion, down 49% compared to the same period last year.

Redemption order volumes fell sharply from one quarter to the next, from €412 million in the second quarter of 2024 to €264 million in the third quarter of 2024.

At 30 September 2024, the value of pending shares was flat at €2.6 billion, i.e. 2.9% of the market capitalisation. The status of pending shares remained very mixed depending on the player – out of a total of 215 SCPIs, 93 SCPIs managed by 18 management companies had shares pending redemption at 30 September 2024, while 122 SCPIs managed by 44 management companies had none at that date. SCPIs without pending shares were the main players to capture gross inflows: €1.07 billion, i.e. 86% of all subscriptions in the third quarter of 2024.

At 30 September 2024, SCPI capitalisation stood at €88.5 billion.

Net inflows to unlisted real estate funds since 2021 (in €bn)



Valuations and performance: decline in the realisable values of SCPIs at 30 June

SCPIs

Interim dividends for the first three quarters of 2024 indicated dividend levels close to those of last year. As such, 35% of the market's SCPIs paid out the same amount in the first three quarters of 2024 as in the first three quarters of 2023, while 38% increased the interim dividend year-on-year and 27% decreased it. Based on the reference price at 1 January 2024, the average pay-out ratio of SCPIs, all categories combined, was 3.44% in the first three quarters of 2024, up compared to the first three quarters of 2023 (3.25%). SCPI pay-out ratios for the first three quarters varied from 2.11% to 8.82% depending on the SCPI

As for trends in SCPI share prices, 23% of the market's SCPIs reduced their subscription prices in the first three quarters of 2024, while 9% of SCPIs increased them and 68% kept them unchanged. Overall, the average capitalisation-weighted share price decreased by 3.76% between 1 January and 30 September 2024.

The updated realisable values per share at 30 June 2024 showed significant declines for SCPIs mainly invested in offices (-6.3%) and SCPIs mainly invested in healthcare and education (-4.1%). The other types were relatively flat, with slight declines: logistics and business premises (-0.1%), diversified (-0.2%), hotels, tourism and leisure (-0.8%), residential (-1.4%) and retail (-1.9%).

In the first half of 2024, the overall real estate yield for SCPIs was -2.45%.

Retail OPCIs and SCIs

In the first nine months of 2024, the overall performance of unit-linked SCIs was -3.8% and that of retail OPCIs was -2.4%. The performances of retail OPCIs and SCIs, mainly distributed as unit-linked funds, ranged from +8.3% to -11.8% between 1 January and 30 September 2024.

ABOUT ASPIM

ASPIM promotes, represents and defends the interests of its members, all managers of alternative investment funds (AIFs) in real estate (SCPIs, OPCIs and other AIFs "by purpose"). Formed in 1975, ASPIM is a non-profit association that brings together players in the management of unlisted real estate funds. In France, at 31 December 2023, real estate AIFs in France represented a total capitalisation of €313 billion and 4 million investors.

ASPIM has 141 members, of which 112 asset management companies (*sociétés de gestion de portefeuille*) approved by the French financial markets regulator *(Autorité des Marchés Financiers - AMF)*, be they subsidiaries of banking, insurance or foreign real estate management groups or entrepreneurial firms, and 29 highly-qualified experts from the real estate and financial ecosystem (lawyers, consultants, auditors and other experts).

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