ASPIM ASSOCIATION FRANÇAISE DES SOCIÉTÉS DE PLACEMENT IMMOBILIER

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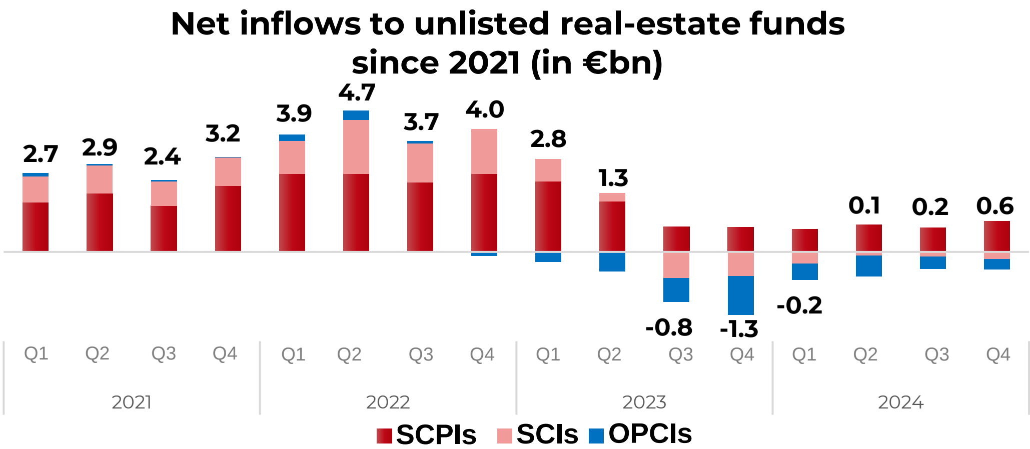
Inflows and performance of retail real-estate funds in 2024

ASPIM and IEIF have published subscription and performance statistics for SCPIs, retail OPCIs and SCIs (non-trading real-estate companies) in 2024. The commercial real-estate market in France recorded an investment volume of €12.1 billion in 2024, marking a decline of 2% compared to 2023 and confirming the continuation of the correction in the sector under the effect of rising interest rates. In this context, unlisted real-estate funds continued to adjust the valuation of their assets, impacting their average performances. Offices in the Ile-de-France region continue to be the asset class most affected by this correction.

Frédéric Bôl, Chairman of ASPIM, comments: *"After a difficult period of rising interest rates, which weighed on real-estate assets, market balanced was restored in 2024. In the main category of vehicles – SCPIs – there was a break in the trend in the fourth quarter, with a recovery in inflows and a decrease in pending shares. This momentum is also supported by the launch of new funds, which benefit from a more favourable market environment for new entrants. Finally, despite the fall in valuations, the average debt of retail real-estate funds remains under control and below the 20% threshold. With regard to the outlook for 2025, the recent drop in short-term rates is creating a more favourable environment for a gradual recovery in inflows, suggesting that the market could be regaining its attractiveness. However, the office segment remains under pressure and diversified strategies performed best."*



In 2024, net inflows from the three main categories of real-estate funds accessible to the general public amounted to nearly €600 million.

SCPI: a year of transition between correction in valuations and increase in inflows at the end of the year

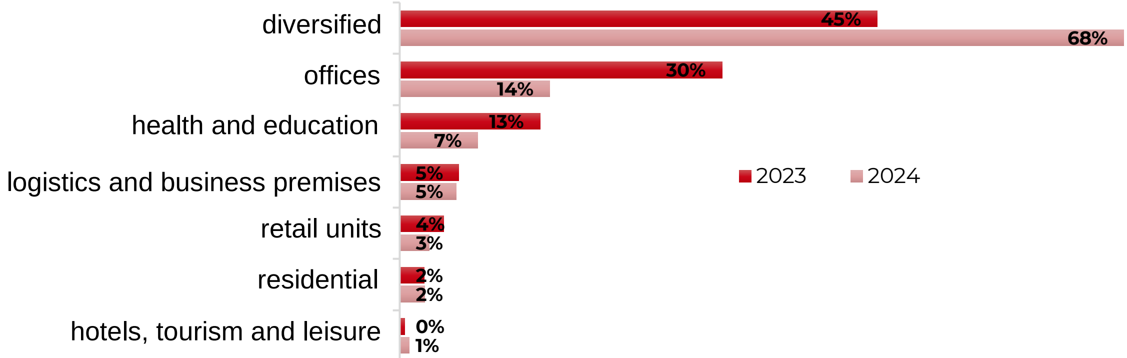
Gross inflows: €4.7 billion driven by diversified strategies

In 2024, gross inflows from SCPIs reached €4.7 billion, down 38% compared with 2023.

However, contrary to this annual downward trend, gross inflows from SCPIs in the fourth quarter of 2024 amounted to €1.3 billion, up 24% compared with the fourth quarter of 2023.

"Diversified" SCPIs, which represent 20% of SCPIs in number, captured 68% of gross inflows in 2024. They outperformed SCPIs mainly invested in "Offices" (14%), "Health and Education" (7%), "Logistics and Business Premises" (5%) and "Retail Units" (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: a decline over the full year but an increase in the fourth quarter

In 2024, SCPIs recorded net inflows of €3.5 billion. Of these inflows, 9% were captured by the 19 new SCPIs launched on the market this year. This record number of new creations is explained by a market environment that is particularly favourable for new funds, which is benefiting from the rise in yields on the real-estate markets.

In the fourth quarter of 2024, SCPIs recorded net inflows of €1 billion, an increase of 27% compared with the fourth quarter of 2023.

Secondary market: a normalisation of redemption flows and a reduction in pending shares in the last quarter

The secondary market remained buoyant in 2024 with €1.2 billion of shares traded, a volume comparable to that of 2023, reflecting a normalisation of redemption flows.

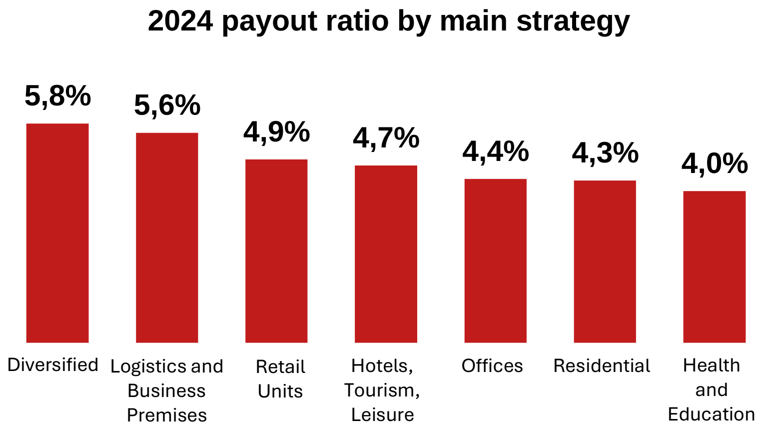
At the same time, the fourth quarter was characterised by a decrease in pending units, driven by the activation of several redemption funds. As a result, the value of pending shares fell by 7% in the last quarter to €2.4 billion (2.7% of capitalisation). Finally, out of a total of 221 SCPIs, 10 accounted for two-thirds of the volume of pending units as at 31 December 2024.

Payout ratio: increased to 4.72% in 2024

With regard to the distribution of SCPIs, the average gross dividend paid by SCPIs in 2024 decreased by 3% compared to 2023. More specifically, 8% of SCPIs by number paid out the same amount in 2024 as in 2023, while 49% increased the interim dividend year-on-year and

43% decreased it. Based on the reference price at 1 January 2024, the average payout ratio of SCPIs, all categories combined, was 2.15% in 2024 compared with 4.52% in 2023. This 0.20 point increase is explained by the 4.9% fall in the average share price in 2023.

By SCPI category, average market distribution rates vary from 4.0% for “Health and Education” SCPIs to 5.8% for “Diversified” SCPIs.



Share prices: contrasting trends, with Office SCPIs posting the biggest declines

In 2024, 24% of SCPIs by number saw their subscription price decrease, while 11% revalued it upwards and 65% left it unchanged. Changes in SCPI share prices vary significantly depending on the investment strategies. While residential and diversified SCPIs posted a slight increase (+0.5% and +0.1% respectively), other segments such as Logistics and Business Premises, as well as Hotels, Tourism and Leisure, kept their prices unchanged. On the other hand, Retail Unit SCPIs posted a moderate decline of -0.4%, while Health and Education SCPIs posted a more marked decline of -4.7%. Office SCPIs remained the most affected, with a significant decrease of -7.1%.

Overall, the average capitalisation-weighted share price decreased by -4.5% between 1 January and 31 December 2024.

As of 31 December 2024, SCPI capitalisation stood at €89.6 billion, down 1.7% year-on-year.

Retail OPCI: a slowdown in outflows in 2024

In 2024, net outflows from retail OPCIs amounted to -€2 billion compared with -€3 billion in 2023.

In the fourth quarter of 2024, retail OPCIs recorded net outflows of €404 million, an improvement compared to the fourth quarter of 2023 (-€1.3 billion).

Over 2024 as a whole, the performance of retail OPCIs was -2.9%.

At 31 December 2024, the net assets of retail OPCIs stood at €12.6 billion, down 18% over the year.

SCIs: a mixed situation depending on the vehicle

In 2024, SCIs' net outflows amounted to -€930 million, compared with -€564 million in 2023.

In the fourth quarter of 2024, SCIs recorded net outflows of -€250 million, an improvement year-on-year compared to the fourth quarter 2023 (-€835 million).

For 2024 as a whole, the overall performance of unit-linked SCIs was -4.7%. Despite a lower annual performance, SCIs are in a much more mixed position than retail OPCIs. For instance, 58% of SCIs posted a positive performance in 2024 (+2.8% on average), while 42% of the market by number posted a negative performance (-8.3% on average).

As of 31 December 2024, the net assets of unit-linked SCIs amounted to €21.4 billion, down 9% year-on-year.

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 143 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 31 highly-qualified experts from the real estate and financial ecosystem (lawyers, consultants, auditors and other experts).

Press relations

Etienne Dubanchet - PLEAD

Tel: +33 (0)6 62 70 09 43

etienne.dubanchet@plead.fr

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