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PRESS RELEASE

Inflows of retail real estate funds in Q1 2025
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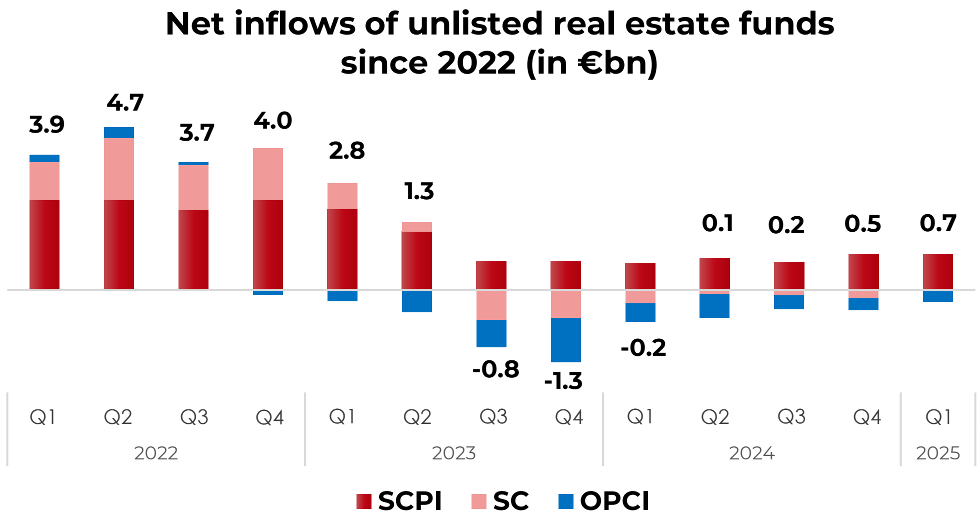
Performance indicators in 2024 for SCPIs

The French Association of Real Estate Investment Companies (ASPIM) and the French Institute for Real Estate and Property Savings (IEIF) publish subscription statistics for SCPIs, retail OPCIs and real estate non-trading companies in Q1 2025, as well as the main performance indicators for SCPIs for 2024.

Frédéric Bôl, Chairman of ASPIM, says: *"After a 2024 marked by the consolidation of the real estate markets, the first months of 2025 confirm a continued stabilisation. Net inflows of SCPIs increased and exceeded last year's average, reflecting investors' continued strong interest in this type of investment. At the same time, the secondary market continued to normalise, with a drop in the rate of pending units of SCPIs for the third consecutive quarter and a decrease in outflows for non-trading companies and retail OPCIs. These positive signals testify to the sector's ability to adapt in a still-constrained environment.*

The valuation adjustments initiated since 2023 have enabled the funds to return to levels more in line with new market conditions.

However, vigilance remains the watchword. The distribution capacity of funds, which is closely linked to the occupancy rate of assets, continues to vary from one segment to another. In particular, the office segment continues to suffer and changes in the general economic situation must be closely monitored. This situation requires active and rigorous portfolio management, particularly in terms of rental, in an uncertain economic and geopolitical environment, which continues to weigh on investors' expectations and choices."



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In Q1 2025, net inflows of the three main categories of real estate funds accessible to the general public totalled nearly €700m.

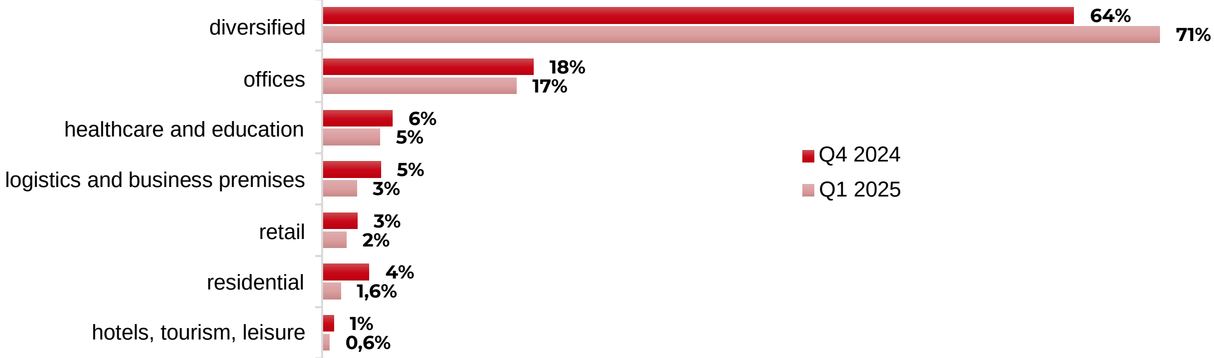
SCPI: improvement confirmed in Q1 2025

Gross inflows up 18% compared to Q1 2024

In Q1 2025, gross inflows of SCPIs reached €1.3bn, up 18% compared to the same period in 2024, confirming the recovery that began at the end of 2024.

The trend in gross inflows is clearly concentrated on SCPIs with a "diversified" strategy (71%), followed by SCPIs with a preponderance of "offices" (17%), then "healthcare and education" (5%), "logistics and business premises" (3%), "retail" (2%), "residential" (1.6%) and "hotels, tourism and leisure" (0.6%).

Breakdown of gross inflows according to the SCPI's main real estate strategy



Net inflows up 35% compared to Q1 2024

In Q1 2025, net inflows of SCPIs reached €1bn, an amount comparable to that of Q4 2024, and up 35% compared to Q1 2024.

Secondary market normalisation confirmed

As of 31 March 2025, the total value of pending units was €2.25bn, or 2.6% of the market capitalisation. This total amount was down 4.9% compared to the previous quarter, which is explained by the drop in unit prices in Q1 2025, while the number of pending units remained broadly stable over the period. In addition, the majority of these pending units relate to SCPIs with a focus on offices (70% of the total value), which highlights a concentration in this segment of the market.

Distribution: managers favour caution at the start of the year

In Q1 2025, a majority of SCPIs – representing 64% of the vehicles on the market in number – maintained or increased their level of distribution, more than a third of which with an average growth weighted by capitalisation of 7%. 36% of SCPIs cut their quarterly dividend, with a weighted average of -15%.

These falls are the result of a general deterioration in the economic environment that has repercussions on the various European rental markets. They can also be explained by tighter cash flow for some stakeholders, faced with the drying up of inflows, the rise in financing costs, and the need to carry out major works or bring certain buildings into compliance with environmental standards.

Against this backdrop, and in line with the resources actually available, several fund managers have decided to adjust their distribution policy in 2025. This decision is intended to finance work to maintain or improve the quality of the buildings, thereby preserving the long-term value of the assets.

Compared to the reference prices[1] at 1 January 2025, the average distribution rate, all categories combined, was 1.13% in Q1 2025, a level comparable to that observed in Q1 2024.

Value of units: adjustments continue in Q1 2025

Between 31 December 2024 and 31 March 2025, 13 variable-capital SCPIs reduced their subscription price while 7 SCPIs increased it. These adjustments directly reflect the change in appraisal values at the end of 2024.

For the market as a whole, the capitalisation-weighted average unit price fell by 3.5% over the quarter.

Predominantly "office" SCPIs are the most affected, with an average decrease of 4.9%, compared to a more moderate decrease of 1.6% for other SCPI categories.

As of 31 March 2025, the capitalisation of SCPIs stood at €86bn, down 3% quarter-on-quarter and 3% year-on-year**.**

Retail OPCIs: towards a gradual stabilisation

In Q1 2025, net outflows of retail OPCIs amounted to -€307m, an improvement of 9% compared to the previous quarter and 45% compared to Q1 2024.

Q1 2025 confirmed the slowdown in outflows recorded in HY2 2024.

In terms of overall performance since the start of the year, that of retail OPCIs stood at +0.2% in Q1 2025.

As of 31 March 2025, the net assets of retail OPCIs stood at €12.3bn, down 2% quarter-on-quarter and 15% year-on-year.

Non-trading companies: return to breakeven in Q1 2025

In Q1 2025, net outflows of non-trading companies amounted to -€39m, compared to -€250m in the previous quarter and -€400m in Q1 2024.

Q1 2025 confirms the sharp slowdown in redemptions observed in HY2 2024.

In terms of overall performance since the start of the year, that of non-trading real estate unit-linked companies stood at +0.4% in Q1 2025.

As of 31 March 2025, the net assets of non-trading companies stood at €21.4bn, up 0.3% quarter-on-quarter, but down 4% year-on-year.

[1] The reference price is the value of the unit used as the basis for calculating the distribution rate of an SCPI. It corresponds to the subscription price on 1 January for variable-capital SCPIs, or the average unit purchase price of the previous year for fixed-capital SCPIs**.**

Performance indicators for SCPIs in 2024

Realisable values per unit of SCPIs: -5.8% in 2024

In 2024, realisable values per unit decreased on a weighted average basis by -5.8%, after a first decrease of -2.5% in 2022 and a second decrease of -10.3% in 2023. The valuation adjustment of the assets of SCPIs is in line with the change in appraised values observed on the real estate investment market in France: -1.5% in 2022, -11% in 2023 and -3.2% in 2024 according to the MSCI France Annual Property index.

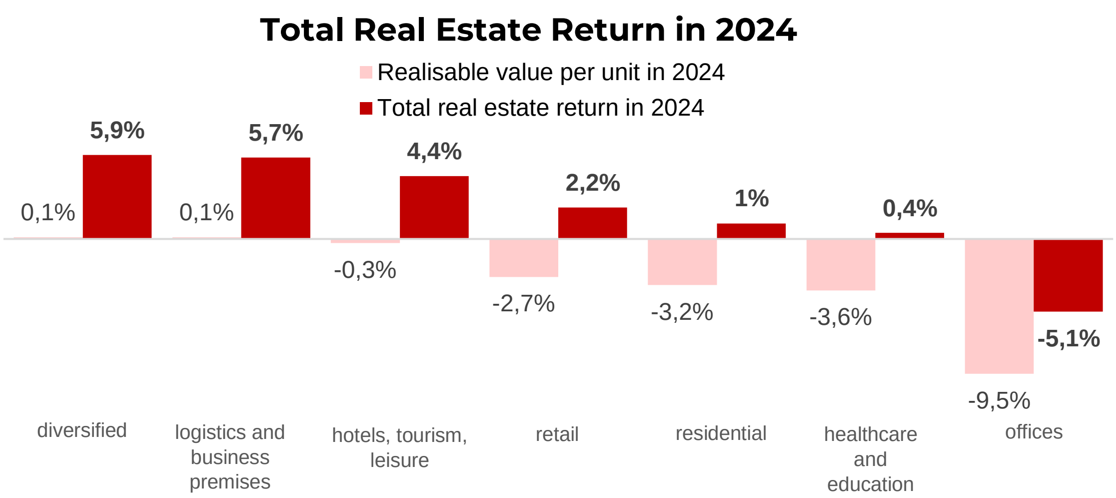
"Office" SCPIs were the most affected, their realisable value per unit having fallen by -9.5% in 2024, on a weighted average. Next, SCPIs in the "healthcare and education"[2], "residential" and "retail" categories posted smaller corrections, of -3.6%, -3.2% and -2.7% respectively. Lastly, SCPIs in the "hotels, tourism, leisure", "diversified" and "logistics, business premises" categories saw their realisable value per unit remain virtually stable in 2024.

Total Real Estate Return of SCPIs in 2024: positive outside of the office segment

Taking into account the average market distribution rate of 4.72% and an average decrease in realisable values per unit of -5.8%, the total real estate return of SCPIs was -1.1% for 2024.

Having recorded the largest value corrections in 2024, SCPIs with a predominance of "offices" posted a total real estate return of -5.1% in 2024. This is the only category of SCPIs with a negative total return in 2024. Thus, the total 2024 return of the other types of SCPIs, excluding "offices", stands at +3.8%[3].

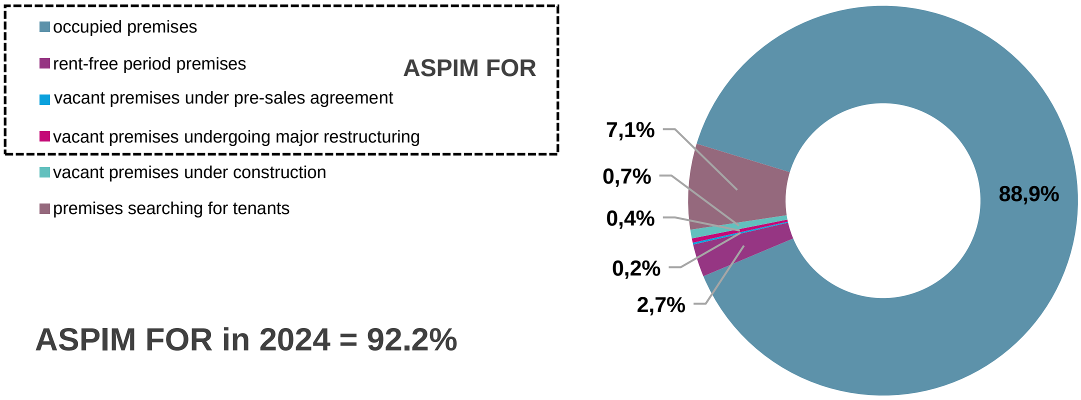
Among the different types of SCPIs, "diversified" and predominantly "logistics and business premises" SCPIs posted the highest overall real estate returns in 2024 with +5.9% and +5.7% respectively. Then comes the "hotels, tourism, leisure (+4.4%), "retail" (+2.2%), "residential" (+1%) and "healthcare and education" (+0.4%) SCPIs.



[2] Some healthcare & education funds are also exposed to offices
[3] Weighted by capitalisation

In 2024, the overall performance of unlisted real estate funds was -1.1% for SCPIs, -4.7% for non-trading companies and -2.8% for retail OPCIs.

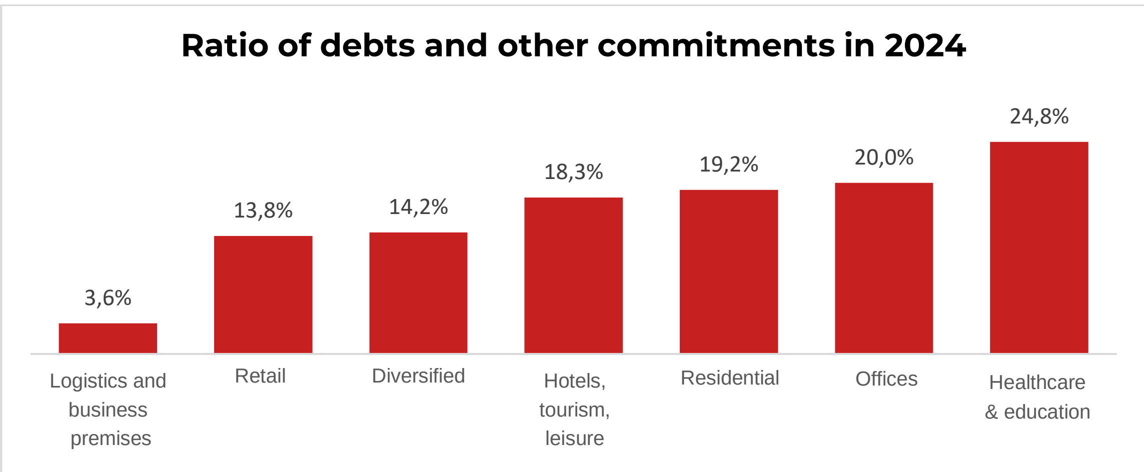
Occupancy rate of SCPIs: 92.2% in 2024, a transition after restructuring



The financial occupancy rate of SCPIs was 92.2% for 2024, including 88.9% occupied premises, 2.7% occupied rent-free period premises, 0.2% under a pre-sales agreement and 0.4% undergoing major or environmental restructuring.

This rate marks a slight decrease compared to 2023 (93.3%, including 89.1% occupied premises excluding rent-free periods) mainly due to the end of major restructuring, which temporarily resulted in more vacancies in a more demanding rental environment. There was thus a 0.8 point decrease in surface areas undergoing major or environmental restructuring, compared to an increase of 0.7 point in vacant surface areas searching for tenants.

Ratio of debts and other SCPI commitments: 18.4% in 2024



Debts and other commitments of SCPIs represent on average 18.4% of net assets plus commitments payable in the future[4] of SCPIs compared to 21.4% at the end of 2023. The debt ratio of SCPIs fell back to the level of 2022, after a temporary increase in 2023 (+3 points), linked to the fall in the market values of real estate assets.

[4] Essentially the sales in future state of completion "Methods of calculation and publication of financial data by non-trading real estate investment companies (SCPIs)" applicable from 1 January 2022)

ABOUT ASPIM

The French Association of Real Estate Investment Companies (ASPIM) represents and defends the interests of its members, managers of alternative investment funds (AIFs) in real estate (SCPIs, OPCIs and other AIFs “by purpose”). Created in 1975, ASPIM is a non-profit association that brings together stakeholders in the management of unlisted real estate funds. In France, as of 31 December 2024, real estate AIFs represented a total capitalisation of €294bn and 4m savers.

The total number of ASPIM members is 145, including 114 asset management companies (AMCs) approved by the AMF, subsidiaries of banking, insurance, foreign or entrepreneurial real estate management groups, and 31 corresponding experts who are professionals in the real estate and financial ecosystem (lawyers, consultants, auditors and experts).

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