

# Investments - Flash

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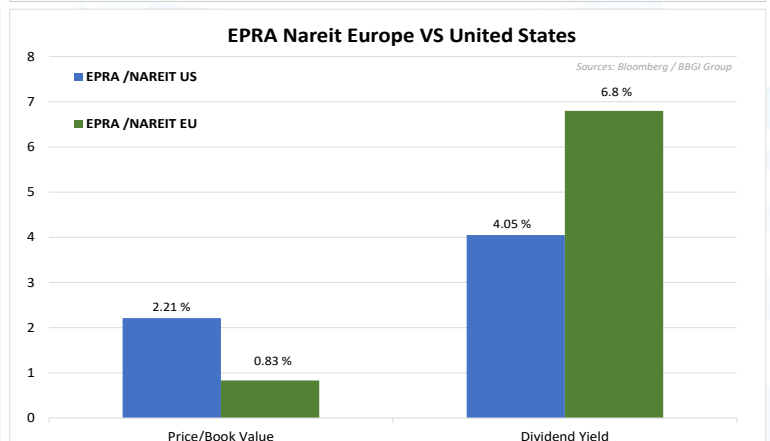
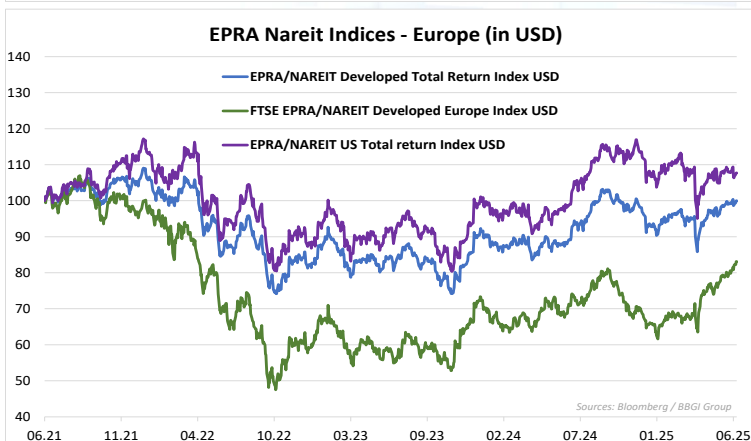
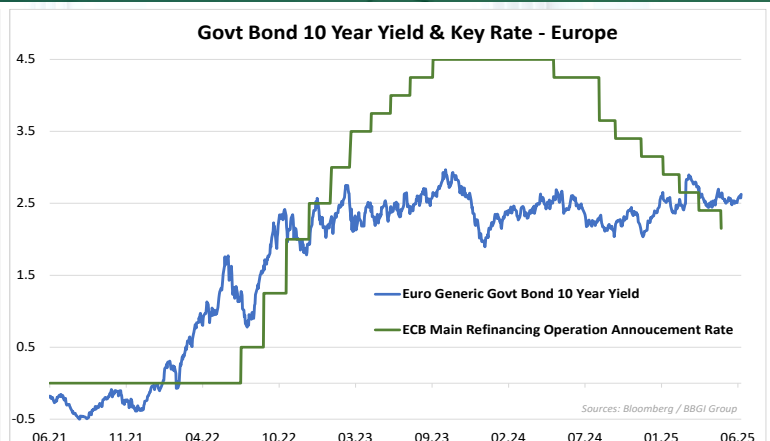
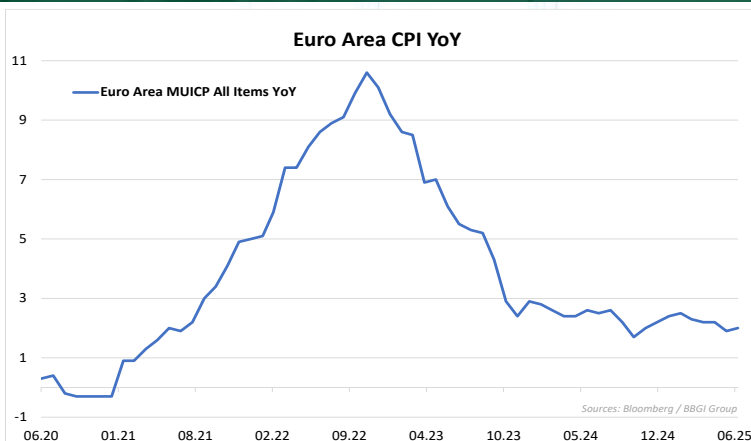


## EUROPEAN SECURITIZED REAL ESTATE STILL UNDERVALUED

Yield (6.8%) and market value/net assets (59%)

Securitized real estate in the eurozone has not yet really benefited from the fall in inflation below the ECB's target and the change in the central bank's monetary policy. However, the ECB has gradually reduced its key interest rates from 4.5% in June 2024 to just 2.15% today. Since the collapse of real estate values in 2022, which saw the Epra Nareit Euro-zone index lose -56% since its 2020 peak, prices stabilized in 2023 and then only slowly resumed a positive trend. The +35% rebound to date is welcome, but prices are still around 40% lower than in 2020. However, the perception of risks and opportunities is finally changing after eight key rate cuts and long-term financing costs that are once again reasonable. European securitized real estate finally reacted in 2025 to the ECB's positive monetary policy, rising by +12.6% over the quarter and +9.3% over six months. Financing costs continued to fall, supporting the stock

market outlook. At current valuations, we believe the opportunities are attractive. With an average yield of 6.8%, the EPRA Nareit index for the eurozone is among the top choices in the international securitized real estate universe, but it also benefits from an attractive valuation, with a price/net assets ratio of 59%. The current discount is therefore attractive, as we believe that securitized real estate in the eurozone has not yet taken into account the fall in financing costs. European securitized real estate is therefore still enjoying a favorable situation, which should enable it to record a very positive stock market performance in 2025. We recommend an overweight asset allocation to this segment, which could grow by +20% in 2025.



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