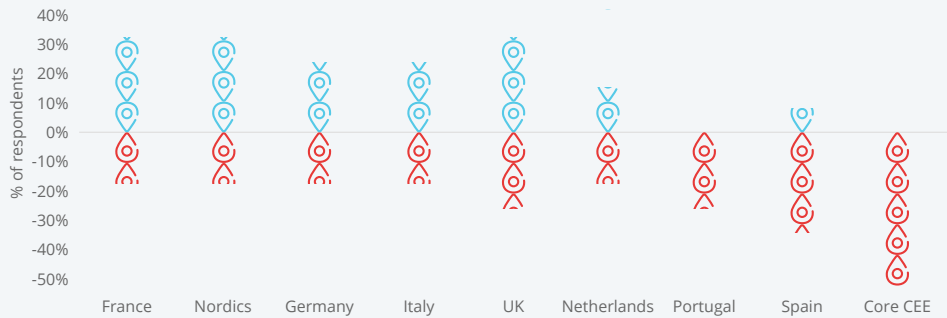


# COVID-19 Sentiment and Valuations Survey Q4 2020

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

## Sentiment towards UK improves, but on balance is still behind other core markets

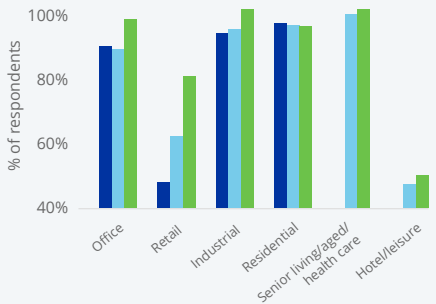
Intention to increase / decrease weighting



## Further improvement in rent received across all sectors

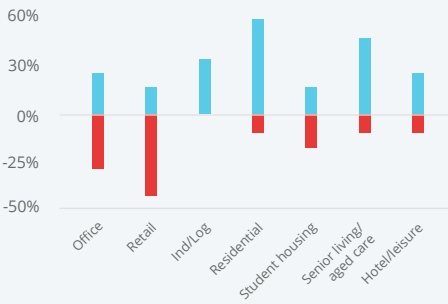
Rent received vs. rent expected

■ May 2020 ■ August 2020 ■ March 2021



Intentions to change allocations

March 2021

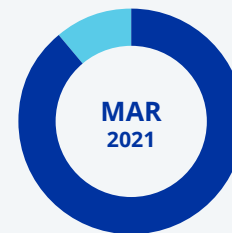
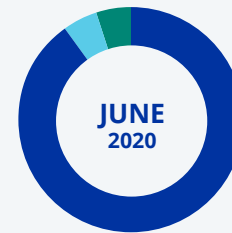


Strong fundamentals drive investor intentions to industrial/logistics and residential

## Share of portfolios that is subject to partial financial restructuring increases slightly

■ 0 - 25% ■ 25% - 50% ■ 50% - 75% ■ 75% - 100% ■ 100%

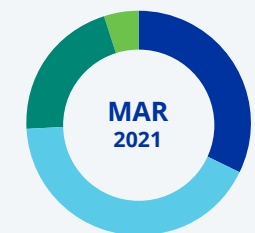
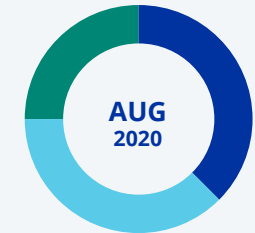
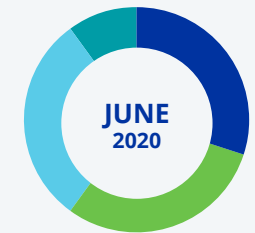
Percentage of your portfolio subject to financial restructuring



## Landlords remain (very) willing to support tenants

■ Very willing to ■ Willing to ■ Partially willing to ■ Neutral ■ Not at all willing ■ Other

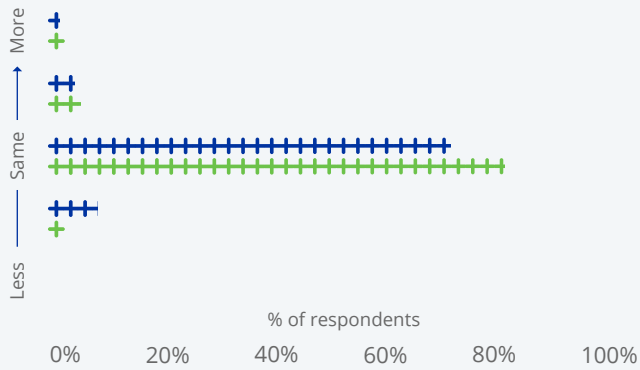
Willingness to provide rent relief or abatement



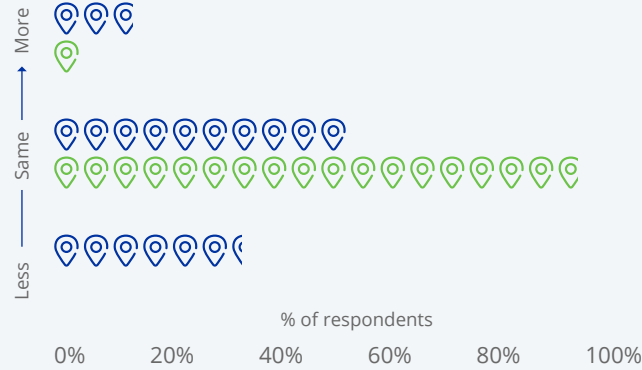
# European real estate investments remain attractive

■ May 2020 ■ March 2021

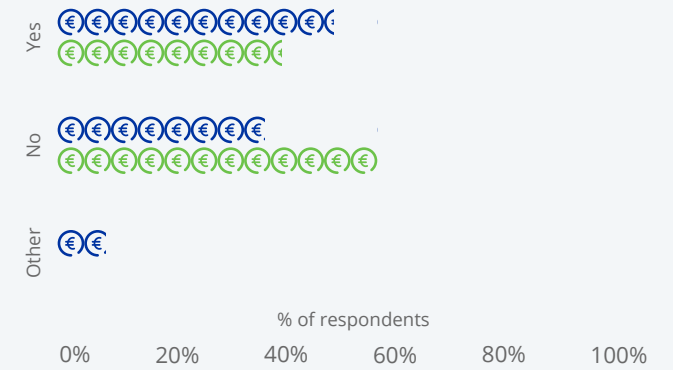
## Confidence in Europe



## Plans to invest in Europe

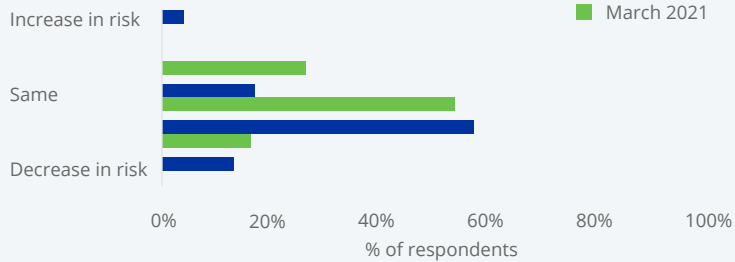


## Change in investment plans

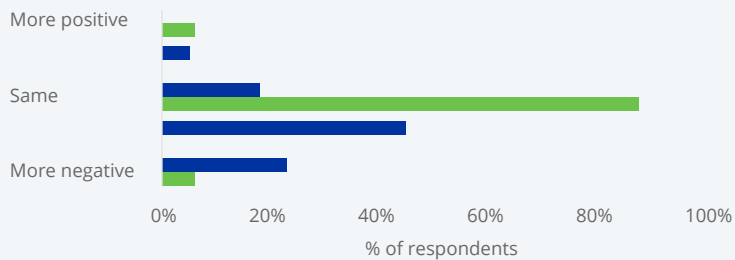


## Risk and return expectations

### Risk Assessment



### Views on Real Estate Performance



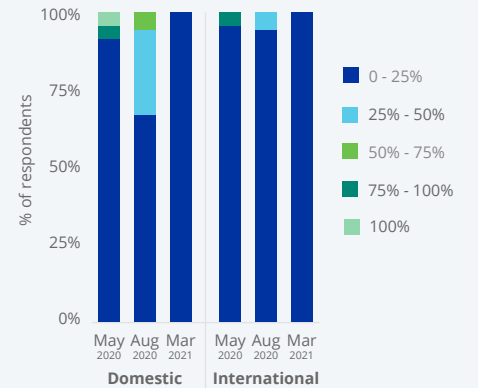
## Working from home rebounds as second wave hits Europe

What percentage of your workforce is currently working from home?



March 2021 saw a **further increase** in working full-time from home compared to **49%** in August 2020 and **65%** in December 2020

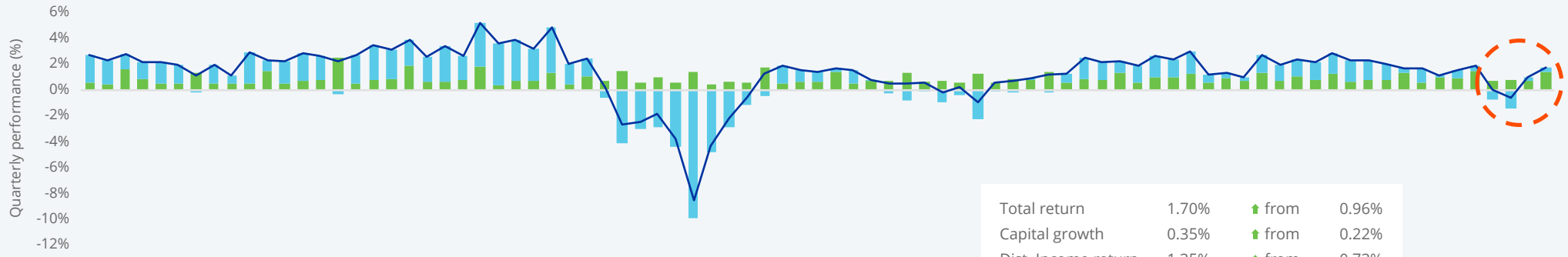
## Least travel since the COVID-19 outbreak



Very limited travel

## A strong end to the year as Q4 2020 performance improves to 1.7%

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



Q2 2000 - Q4 2020

Source: INREV Quarterly Fund Level Index Q4 2020

Total return	1.70%	↑ from	0.96%
Capital growth	0.35%	↑ from	0.22%
Dist. Income return	1.35%	↑ from	0.73%



### Almost half of the INREV Quarterly Fund Index contributed to the survey

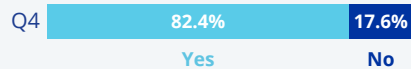
**153**  
Survey respondents

**333**  
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



## Valuation uncertainties have eased further in Q4 2020

### Material Uncertainty Clause



Material uncertainty clause applied to around **18% of funds** that completed the additional questions\*



About 60% 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



No suspended units subscriptions, redemptions or the issuance of a dealing NAV in **Q4 2020**

Almost **90%**

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

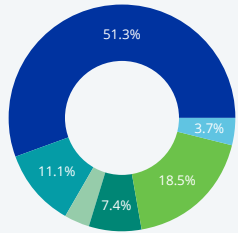


Mainly funds that collect rent with one quarter or one month in advance received over **75% of Q4 rents**. Good expectations for Q1 2021 rent collection

(\* ) 153 respondents for "Impact of COVID-19 on Valuations Survey Q4 2020" (\*\* ) Open end funds sample includes multi and single country funds

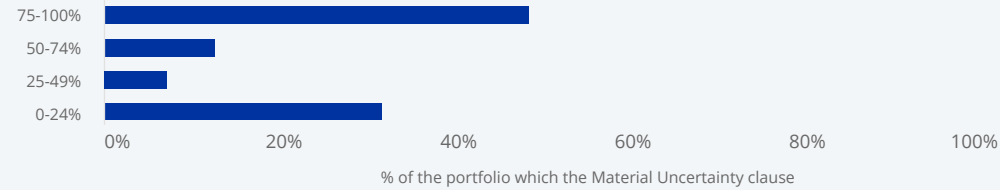
# Material Uncertainty clause impact across all sectors

## Single sector vs Multi sector funds\*

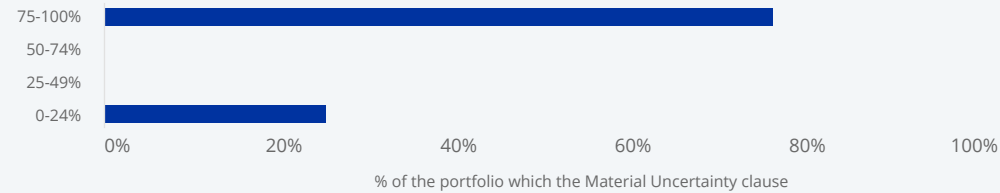


- Multi sector funds
- Office funds
- Retail funds
- Industrial funds
- Residential funds
- Other sectors funds\*\*

## Application range in multi sector funds



## Application range in single sector funds



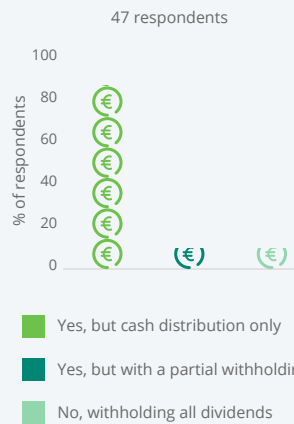
# 59.3%

of the total respondents (16) indicated that the Material Uncertainty clause impacted over 75% of GAV of properties, for single and multi sector funds

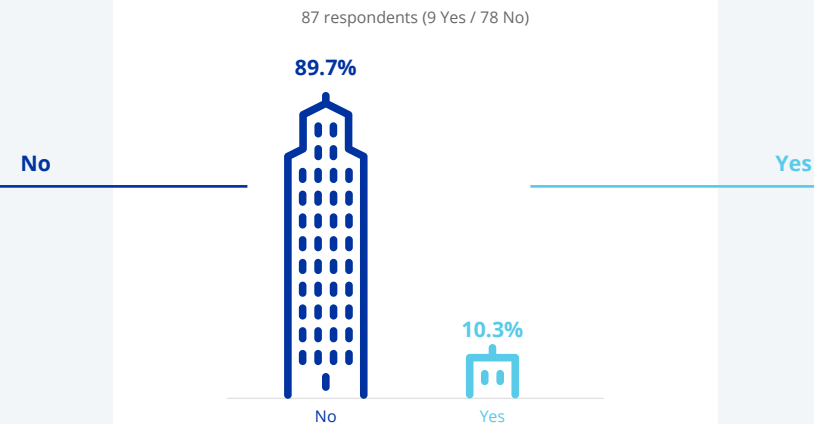
\*27 respondents \*\*Other sectors includes Development Residential, Leisure, Hotel and Health Care

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

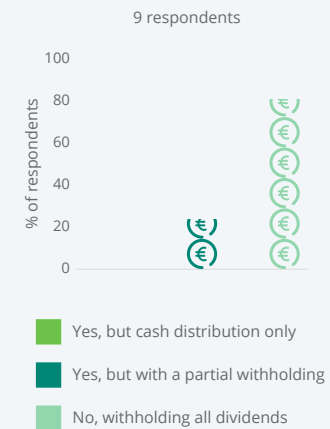
## Is the fund still distributing dividends, either cash or shares?



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



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

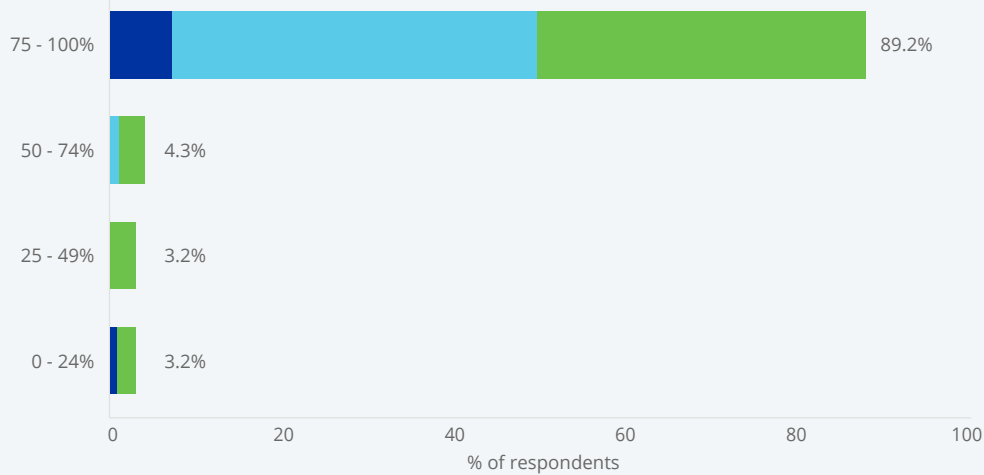


## Rent received versus rent expected

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

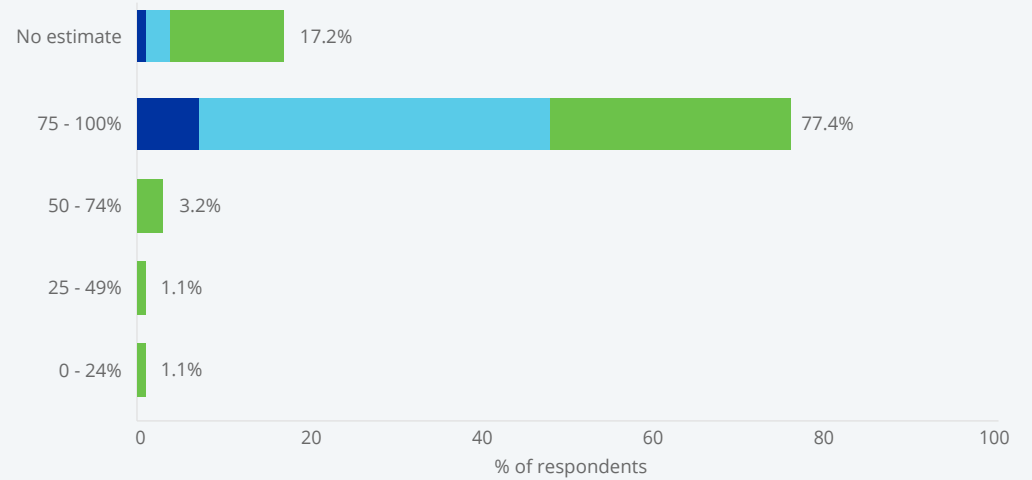
### Rent collected in Q4 2020

93 respondents



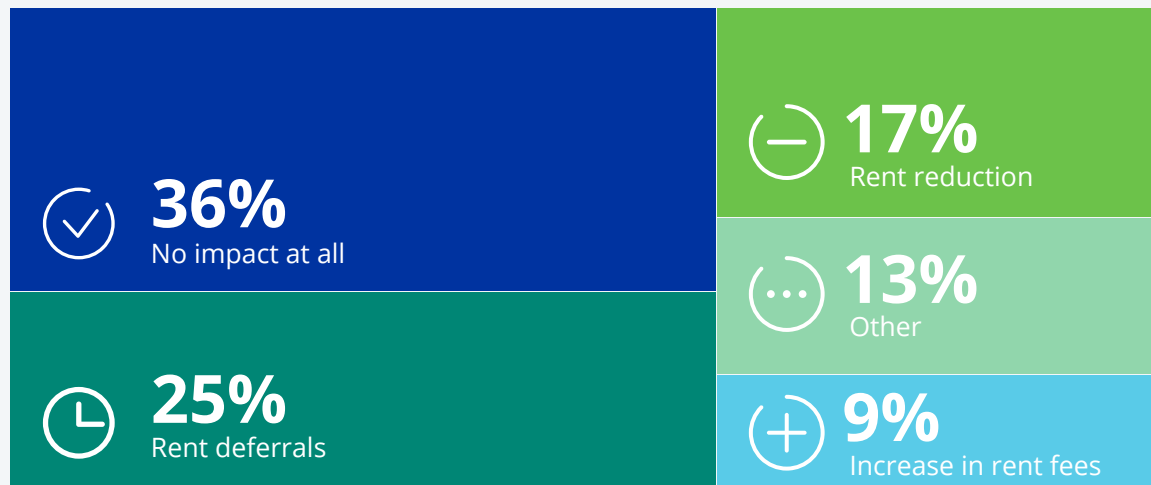
### Rent expected in Q1 2021

93 respondents



## Has the NOI been impacted in any way?

95 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.