

Pan-Europe Property: Returns Moderate in Majority of Countries

MSCI Index reveals 7.0% total return in 2016

London – April 11, 2017 – MSCI Inc. (NYSE: MSCI), a leading provider of research-based indexes and analytics, has recorded a 7.0% total return for Pan-European property investment in 2016, as published in the [IPD Pan-Europe Annual Property Index](#).

The index return of 7.0% in 2016 marks a decrease from the previous year's 10.0%. The index measures the performance of real estate markets in 18 countries inside and outside the Eurozone during the calendar year.

The majority of countries in Europe saw returns either moderate from 2015 levels or hold broadly stable. The only countries where returns accelerated significantly were the Netherlands and Portugal, with returns increasing from 7.7% and 11.0% in 2015 to 10.3% and 12.2% in 2016, respectively.

Returns for France, Spain, Hungary, Poland and Belgium moderated by more than a percentage point from their 2015 levels, although Spain's return remained the second highest in the index at 13.3%.

U.K. and Ireland returns moderated most in 2016, having already seen their performance slow through 2015. Ireland, whose returns had declined from 39.7% in 2014 to 24.9% in 2015, saw a further slowdown to 12.4% in 2016. While this represented a significant decrease, Ireland remained one of the better performing European countries. The U.K., however, having slowed from 17.8% in 2014 to 13.1% in 2015, placing it fourth in the European rankings, saw a further moderation through 2016 to just 3.9%, putting it bottom of the pack. U.K. capital values fell by 0.8% through 2016.

Other countries to experience negative capital growth in 2016 were Belgium, Italy and Poland, and all recorded total returns below 5.0%.

The IPD Pan-Europe Annual Property Index is based on the IPD indexes for Austria, Belgium, Czech Republic, Denmark, France, Germany, Hungary, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the U.K., as well as the KTI Index for Finland.

Malcolm Hunt, Executive Director, MSCI, explained: "The slowing of total returns, which was seen in only a couple of European countries in 2015, is becoming more widespread. The U.K. and Ireland have continued to experience a significant slowing of returns in 2016, but France, Spain, Hungary, Poland and Belgium are also seeing total returns moderate now. While a number of countries are still posting very strong double digit returns, for others this moderation has seen capital values begin to decline. "

The IPD Pan-Europe Annual Property Index tracked the performance of 48,918 properties and 765 portfolios with a combined capital value of 733.6 billion euros.

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Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research.

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