

German Property Investments Benefit from Rental Growth

MSCI Index reveals 7.8 % total return in 2016

Frankfurt – April 06, 2017 - MSCI Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, including indexes, portfolio risk and performance analytics and ESG research, reported that property standing investments in Germany returned 7.8% in 2016 as published in the [IPD Germany Annual Property Index](#). This is only slightly below the record return in 2015 of 8.1%.

Capital growth in all major sectors - industrial, hotel, office, residential and retail - remained positive, while the hotel and office sectors declined when compared to last year’s returns. Capital growth for residential and industrial/logistic properties declined by more than 250 basis points. However, in contrast to 2015, capital appreciation was driven by rental value growth, and not primarily by yield compression.

Direct property returns are produced in line with the latest Q4 2016 results of Germany-allocated institutional property funds as measured by the IPD German Quarterly Property Funds Index (SFIX). The aggregated fund level performance of 92 funds measured by SFIX sub-index in Germany achieved 6.1%, up from 5.5% in Q3 2016. Cross-sample comparison reveals that both for direct and fund investments the highest performing assets tended to experience a decline compared to the previous period, while lower performing assets and funds tended to improve, resulting in a lower return spread within the indexes.

The [IPD Germany Annual Property Index](#) tracked the performance of 1.796 properties with total value of 50.3 billion euros, [IPD Germany Quarterly Property Fund Index \(SFIX\)](#) tracked the performance of 186 funds worth 48.5 billion euros NAV.

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