

Returns on Property Investment in France Remain Strong

MSCI Index reveals 7.8% return

Paris – March 27, 2017 – MSCI Inc. (NYSE: MSCI), a leading provider of research-based indexes and analytics, announced today that it has recorded a 7.8% total return for property investment in France in 2016, as indicated by the [IPD France Annual Property Index](#). This was a decrease on the 2015 total return of 9.0%.

The latest index data shows that income return reached 4.6%, its lowest level since 1998. This decrease was reflected across all sectors. Industrial recorded the largest decrease, although it continued to show the strongest sector income return at 6.2%. The retail sector recorded an income return of 4.8%, followed by offices at 4.6% and residential at 2.6%.

The decrease in income return was largely explained by positive capital growth, at 3.1% across all sectors in 2016. After a large increase in capital values in 2015, industrial capital growth declined in 2016, although it remained positive at 1.9%. This was however below the capital growth for offices and retail, at 3.1% and 3.6% respectively.

Carine Dassé, Vice President, MSCI commented : “The high level of investment in the real estate market in 2016 has once again led to a decrease in yields for all sectors, resulting in rising capital values.”

Dassé continued: “However, location matters. Paris CBD offices recorded 6.4% capital growth and elsewhere in Paris values rose by 4.2%; but other locations did not see growth of more than 2%. Paris has seen its vacancy rate decreasing quite strongly, impacting capital growth, whereas the level of rents remains stable.”

Over its 19 year history, the IPD France Annual Property Index has outperformed equities and bonds.

The IPD France Annual Property Index measures ungeared total returns to directly held standing property investments from one open market valuation to the next. The index tracks performance of 5,944 property investments, with a total capital value of EUR 127.8bn as at December 2016, showing an increase of 19% compared with 2015. The market coverage is estimated to be around 40%.

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About MSCI

For more than 40 years, MSCI’s research-based indexes and analytics have helped the world’s leading investors build and manage better portfolios. Clients rely on our offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset class coverage and innovative research.

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

MSCI serves 97 of the top 100 largest asset managers, based upon P&I data as of December 2014 and MSCI client data as of June 2015.

For more information, visit us at www.msci.com.

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