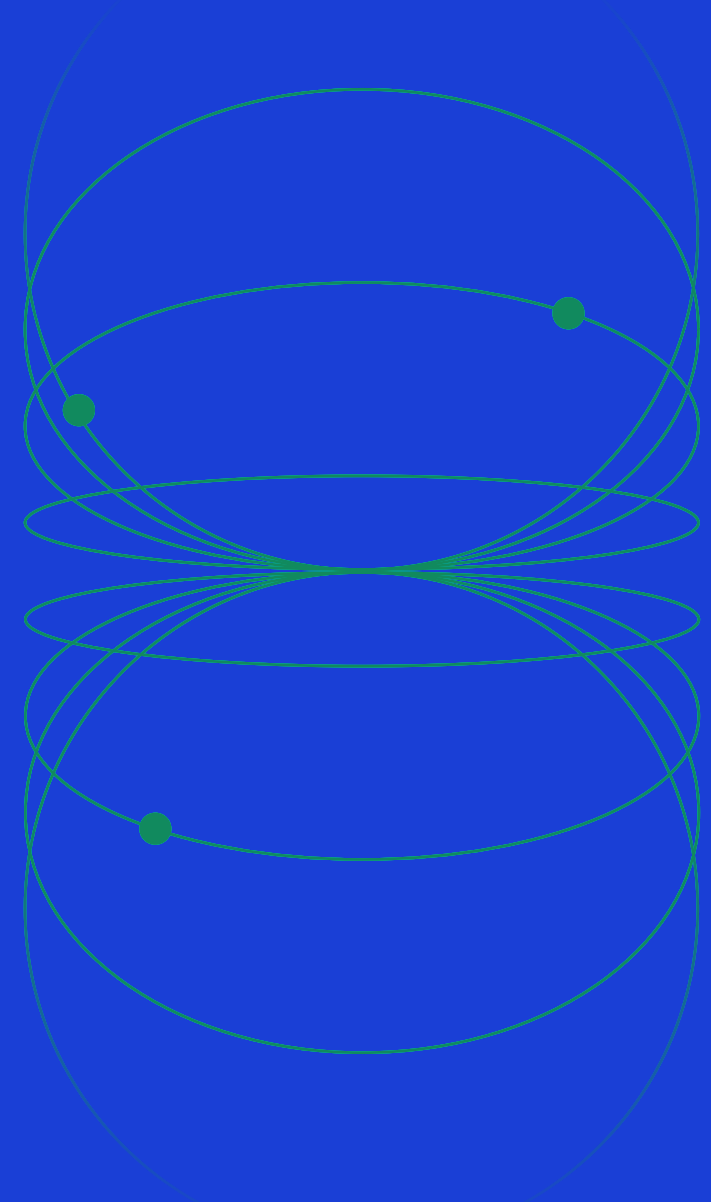




# MSCI UK Residential Index Results

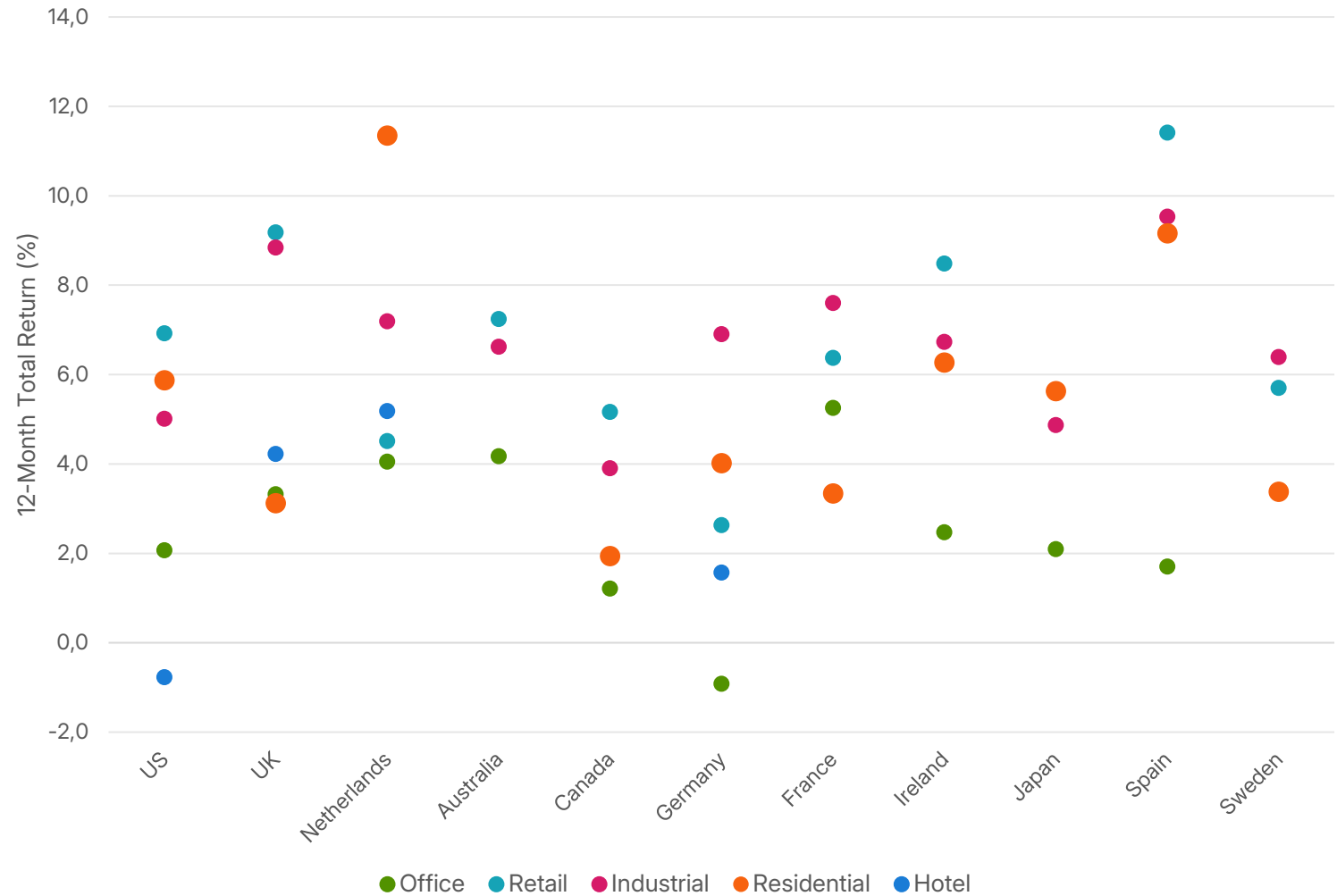
Results to December 2025



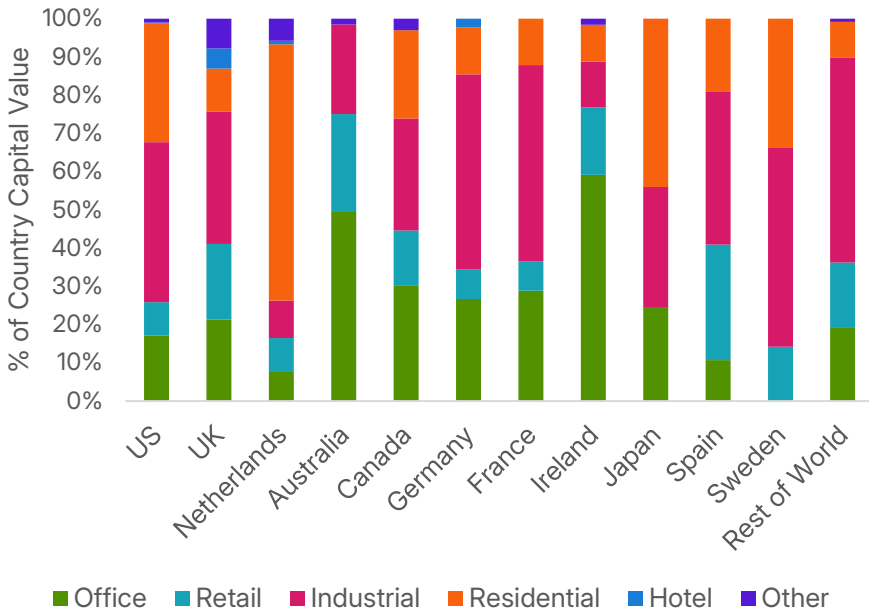
# Globally Residential outperformed All Property average

- Residential represents **\$217bn** (25.5%) of the MSCI Global Property Index at September 2025
- Residential delivered a **5.8%** total return over the 12 months to September 2025

MSCI Global Property Index — 12-Month Standing Investment Total Return by Country & Sector (Q3 2025)



MSCI Global Quarterly Property Index — Sector Split by Country (Q3 2025)



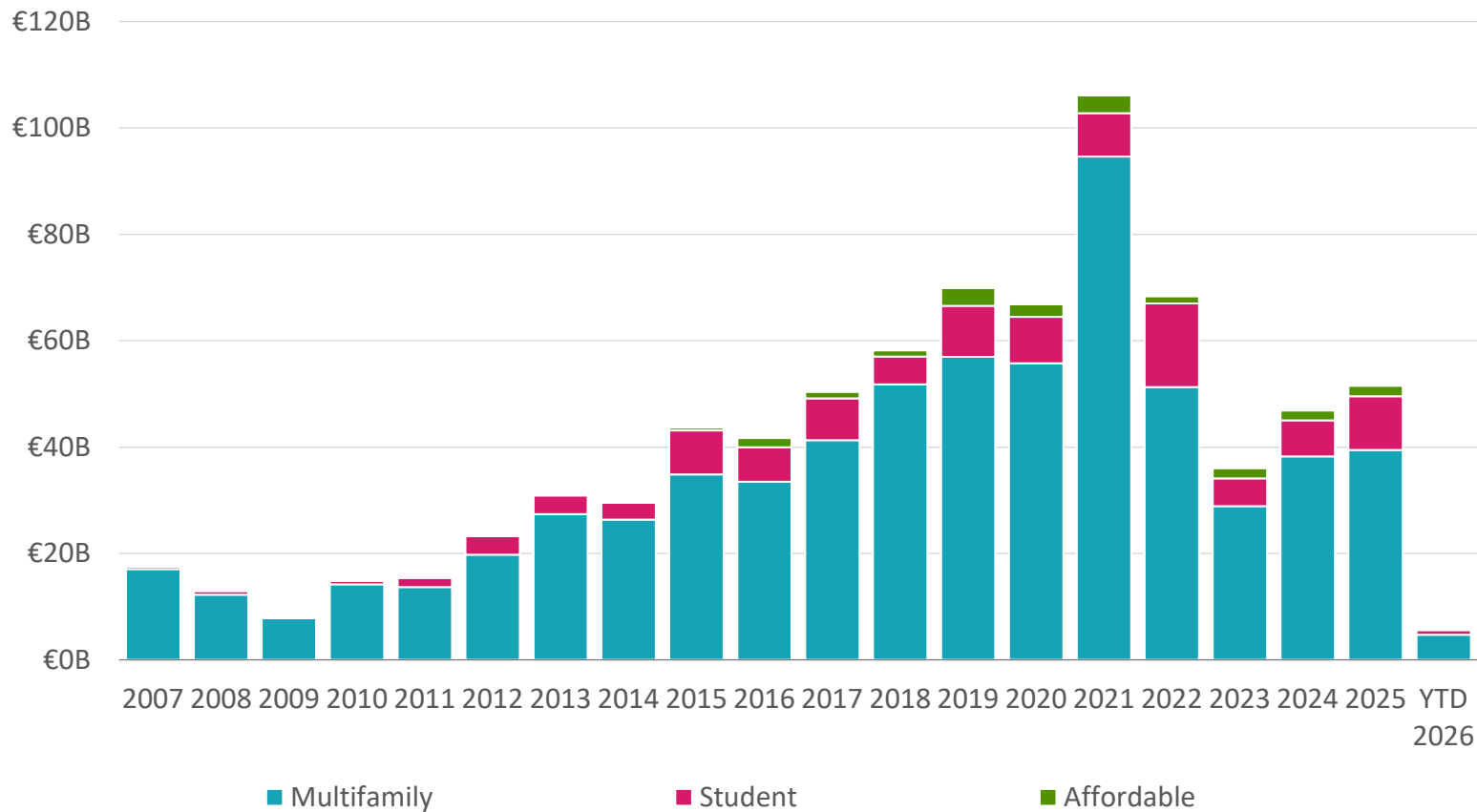
Source: MSCI Real Assets Index Intel



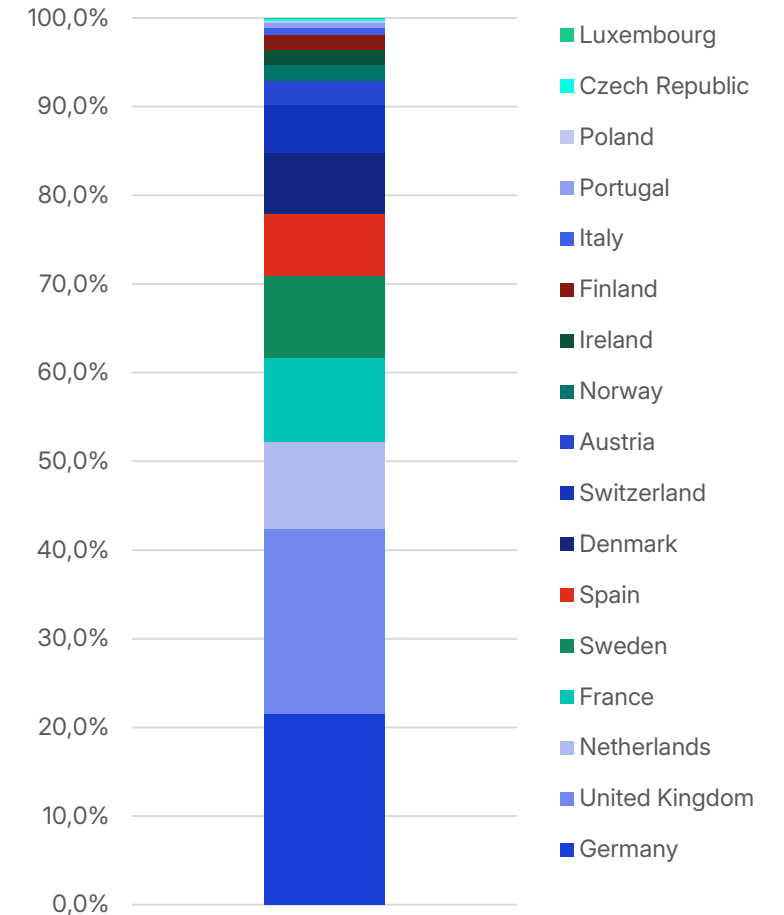
Information Classification: GENERAL

# European Residential Transactions volumes driven by Germany and the UK

Europe Residential Investment Volumes, EUR



MSCI European Residential Transaction percentage of European total volumes in 2025



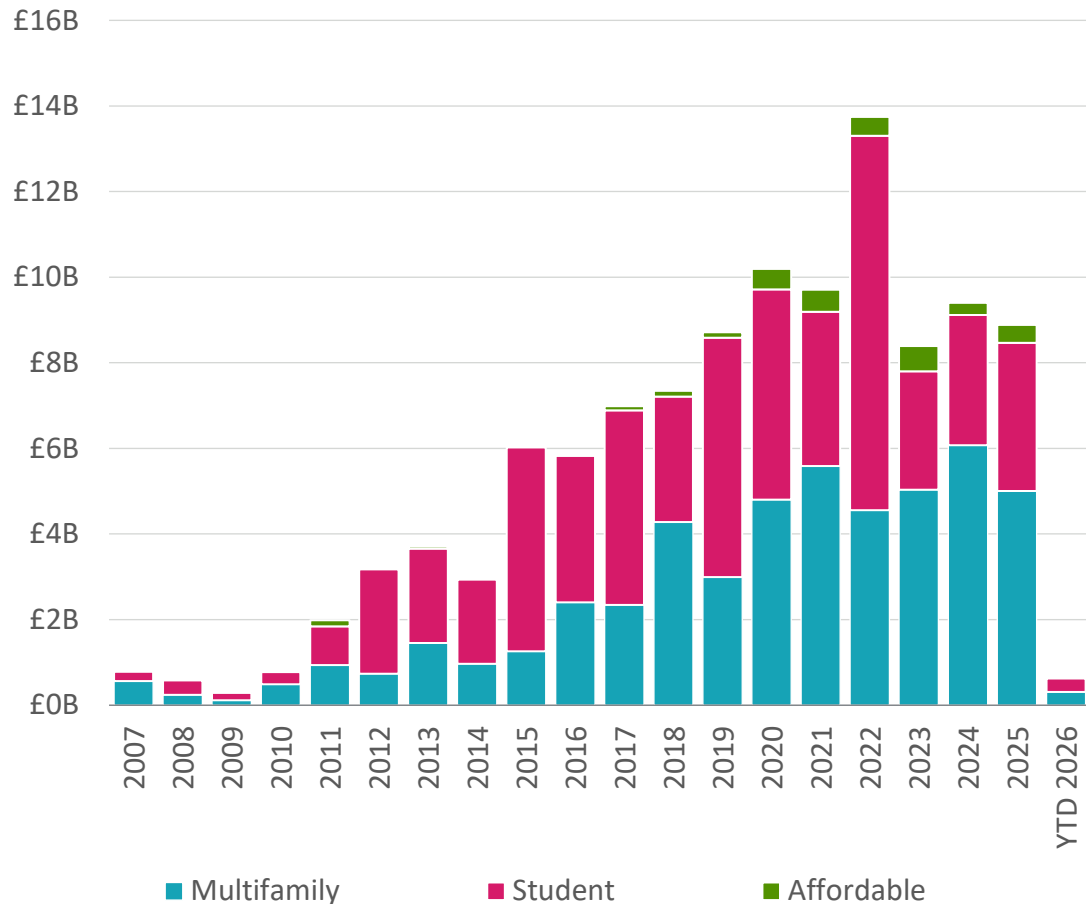
Based on data as of 9<sup>th</sup> March 2025 from MSCI RCA Platform



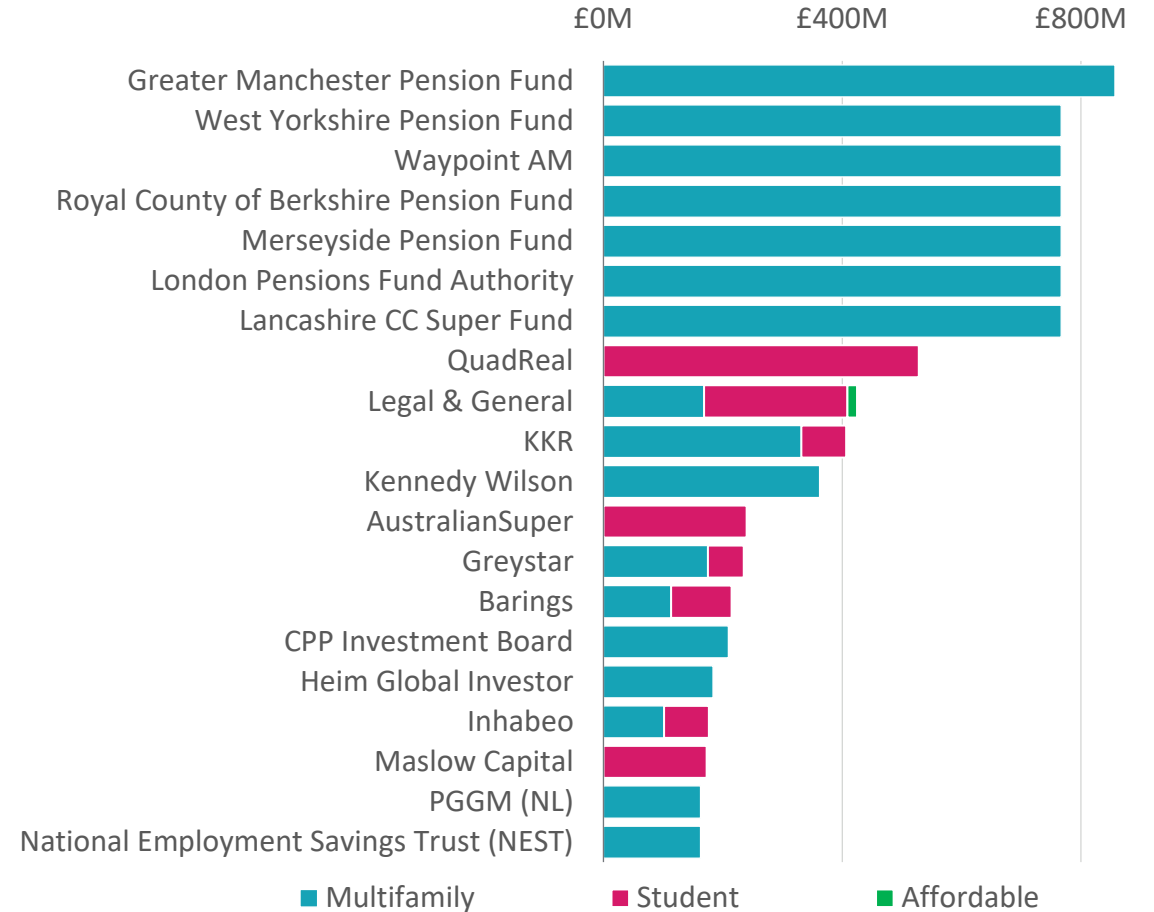
Information Classification: GENERAL

# 2025 UK residential transaction volumes just shy of previous year at £8.9 bn

UK Residential Investment Volumes, GBP



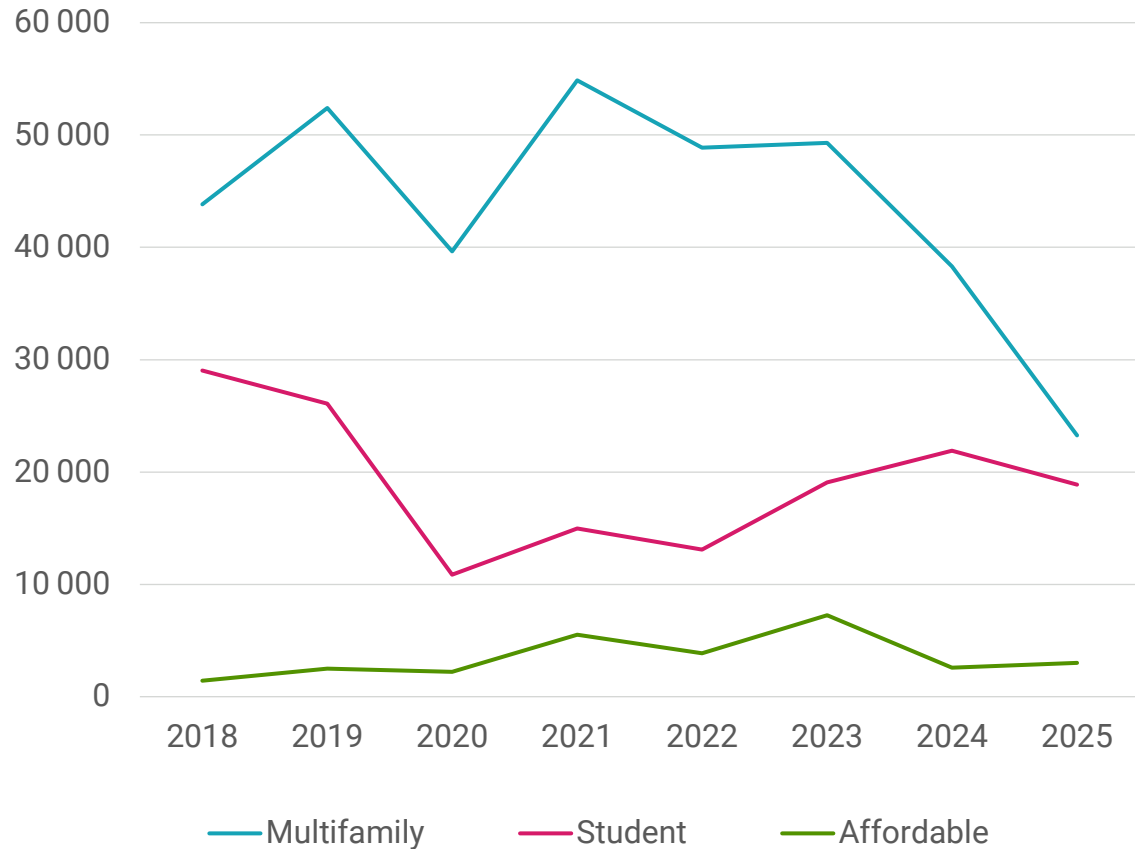
Top 20 Buyers of UK Residential, 2025, GBP



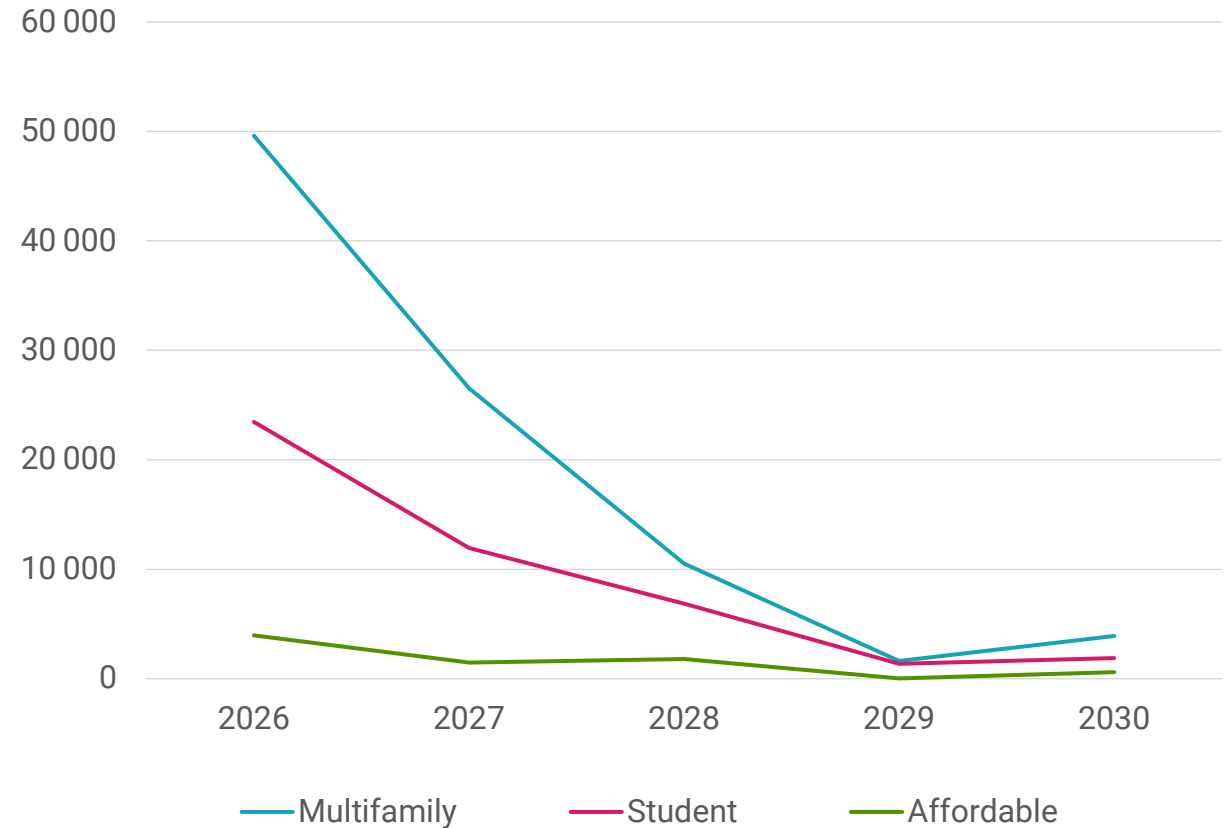
Based on data as of 9<sup>th</sup> March 2025 from MSCI RCA Platform

# Residential construction starts are down but expect to see a surge in development completions in 2026

UK Residential Construction Starts, Number of Units



UK Residential Expected Completions by Year, Number of Units

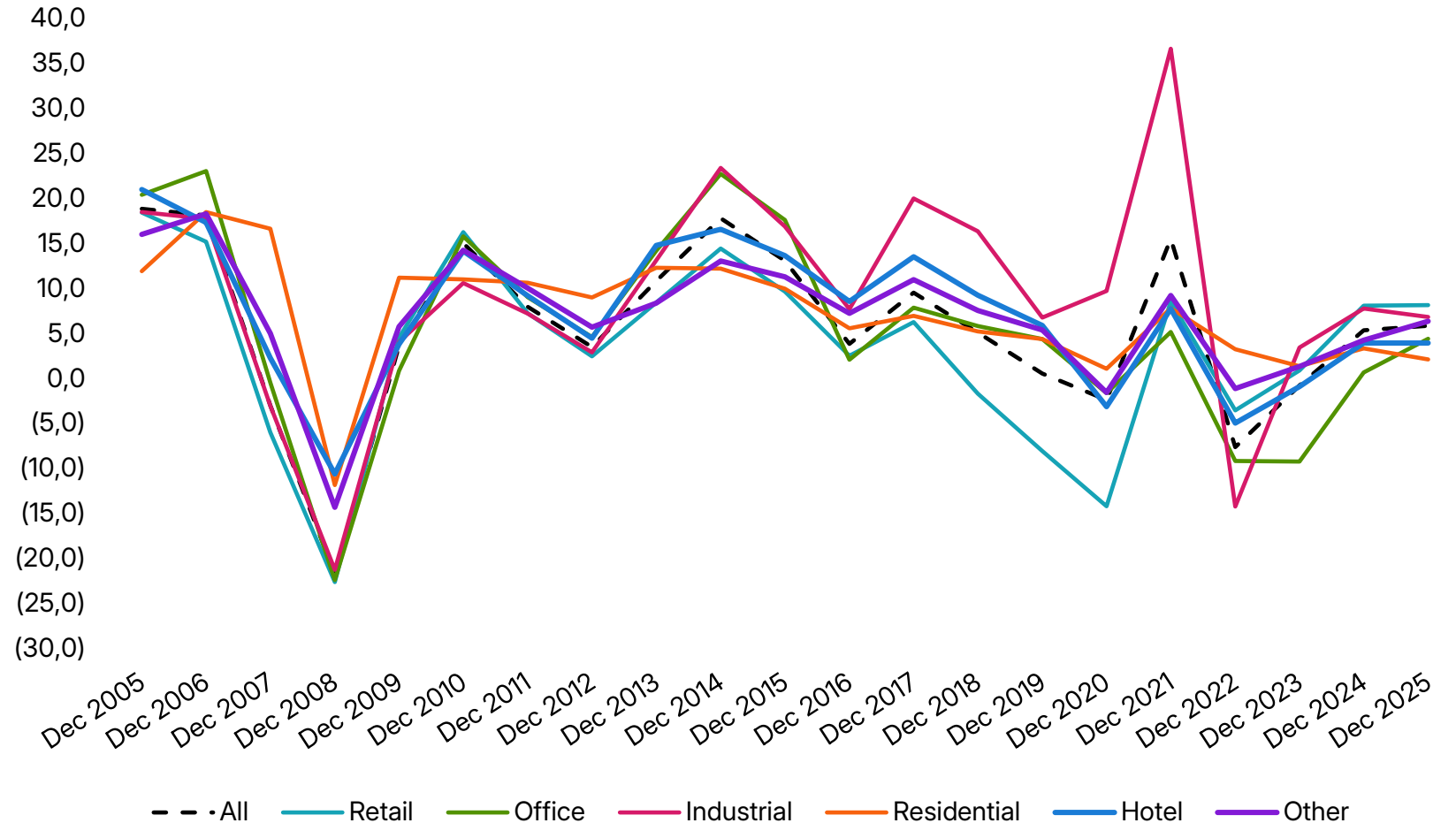
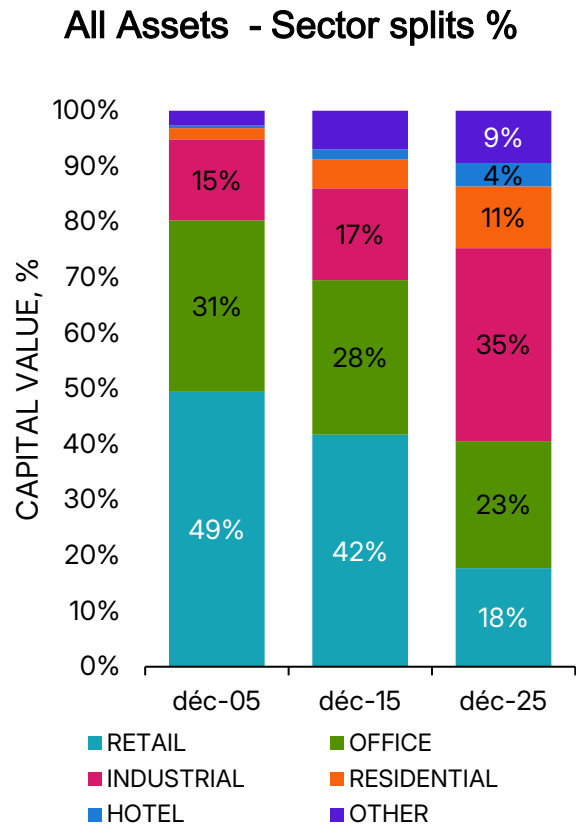


Based on data as of 9<sup>th</sup> March 2025 from MSCI RCA Platform

# UK Residential was the lowest performing sector in 2025

MSCI UK Annual Profile & Performance to December 2025

Standing Investment - Annual Total Return by sector %



Source: MSCI Real Assets Index Intel - UK Annual Index

# UK Residential Index sees negative capital growth in Dec 2025

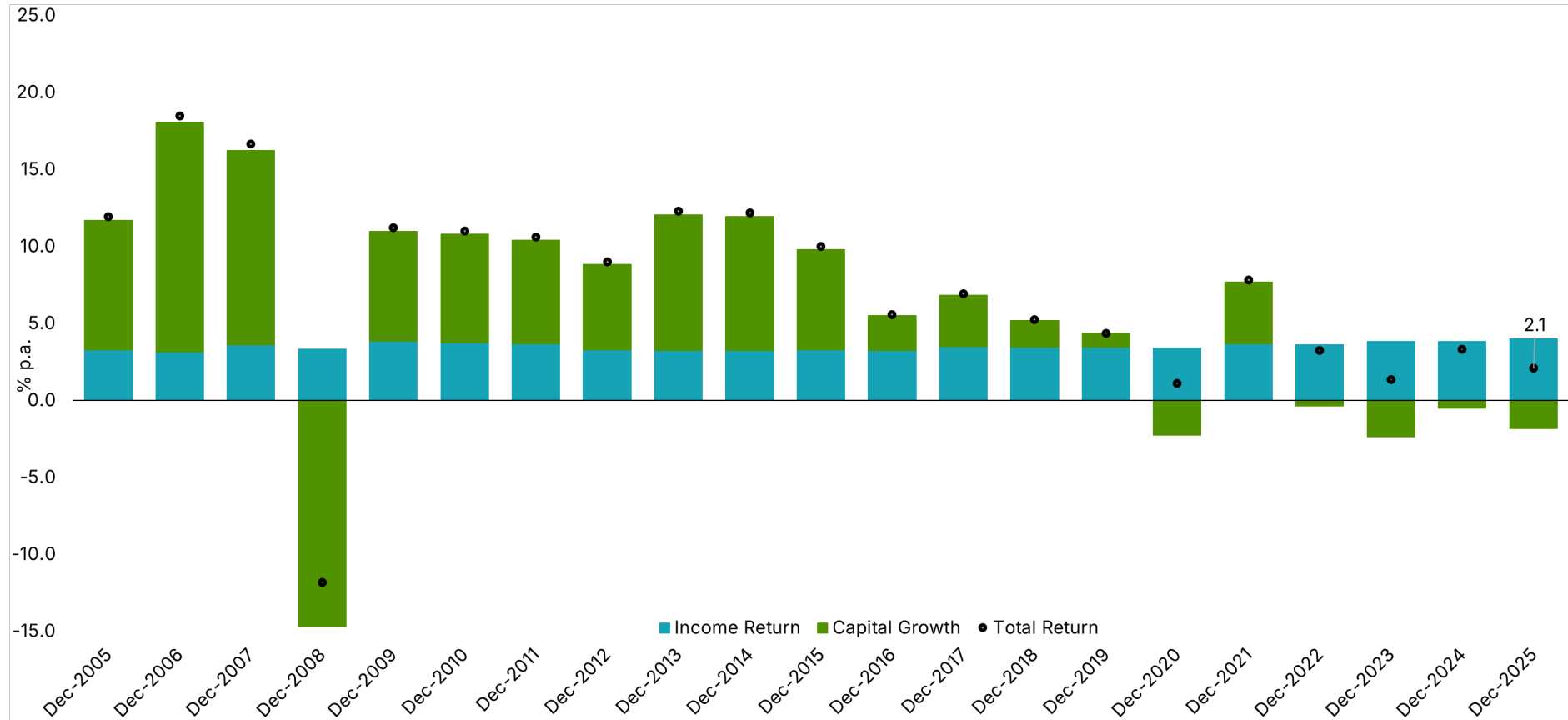
MSCI UK Annual Residential Index  
All Assets

MSCI UK Annual Residential Index - Total Return  
Standing Investment

→ Capital Value - £19.5 bn

→ Number of Assets – 2,838

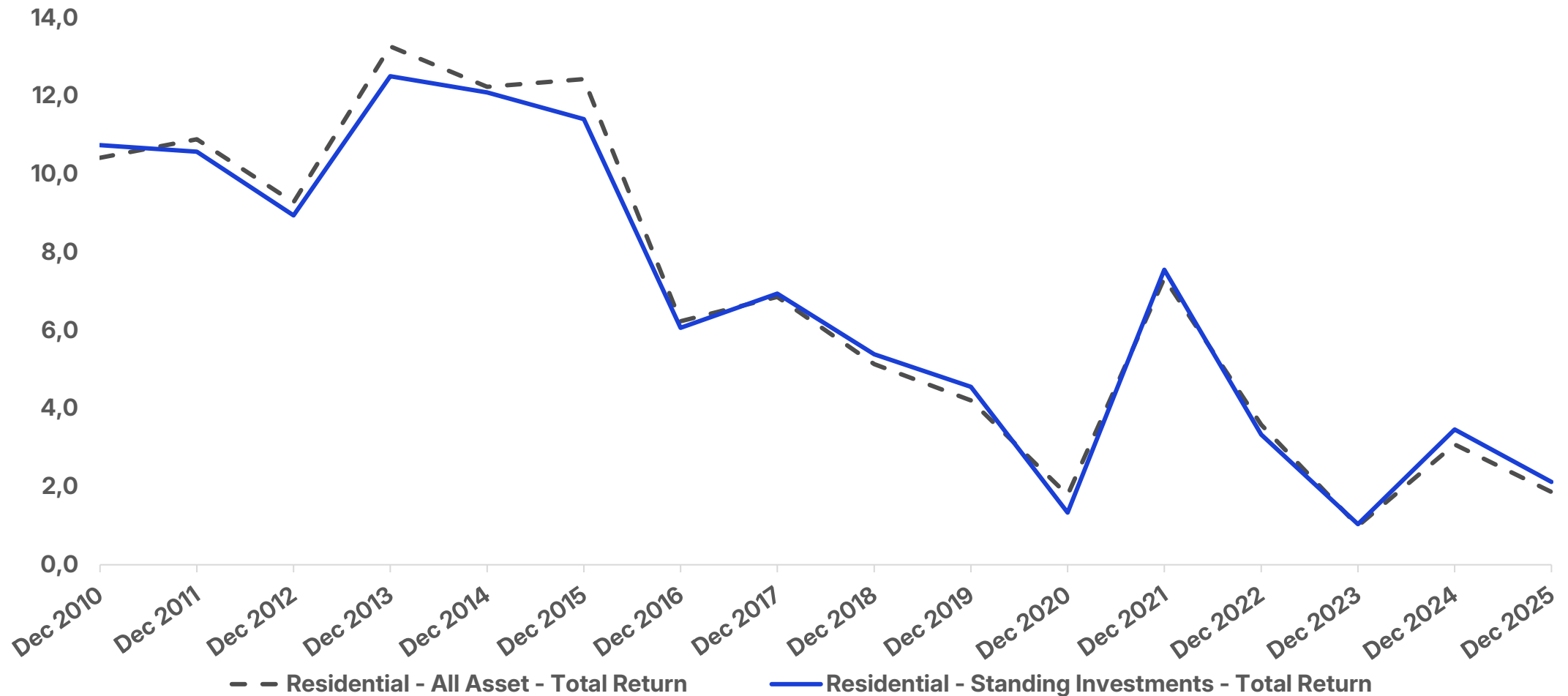
→ Number of portfolios – 93



Source: MSCI Real Assets Index Intel - UK Annual Residential Index

# Gap between All Asset and Standing Investment performance persists

MSCI UK Annual Residential Index Total Return – Standing Investments and All Assets



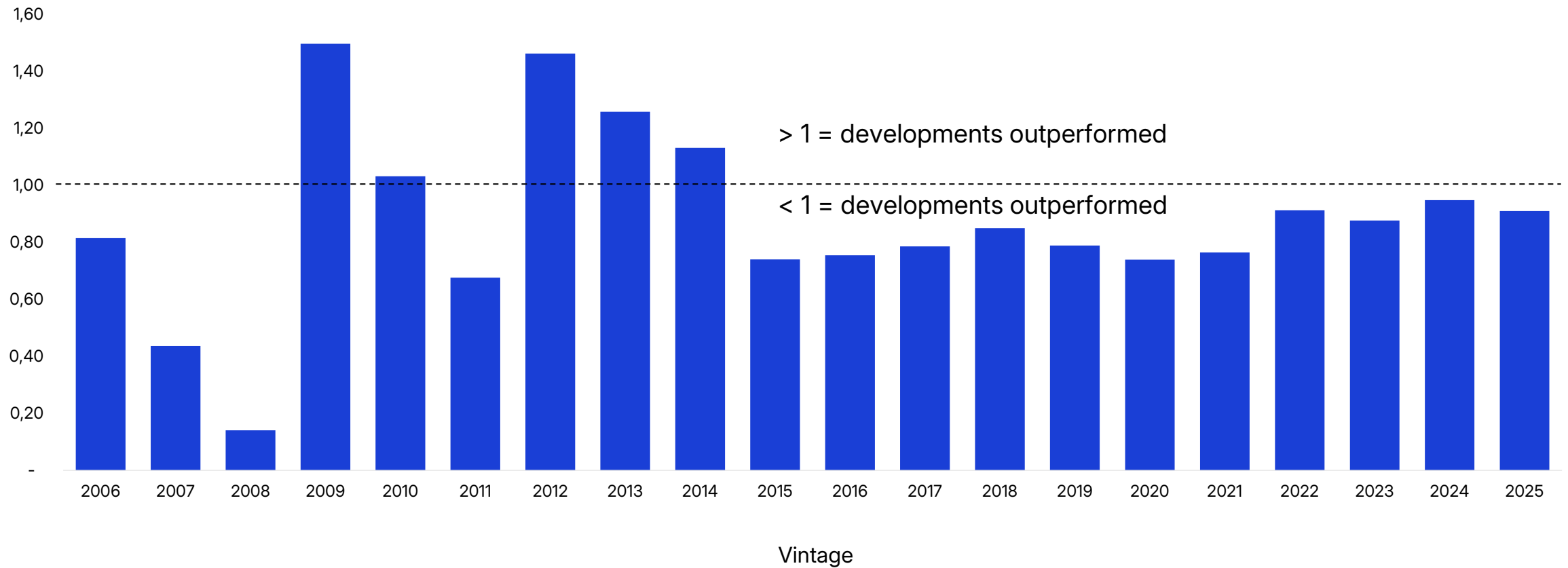
Source: MSCI Real Assets Index Intel



Information Classification: GENERAL

# Developments underperformed held assets over last 10 years

Public market equivalent of residential developments, vs residential standing investments



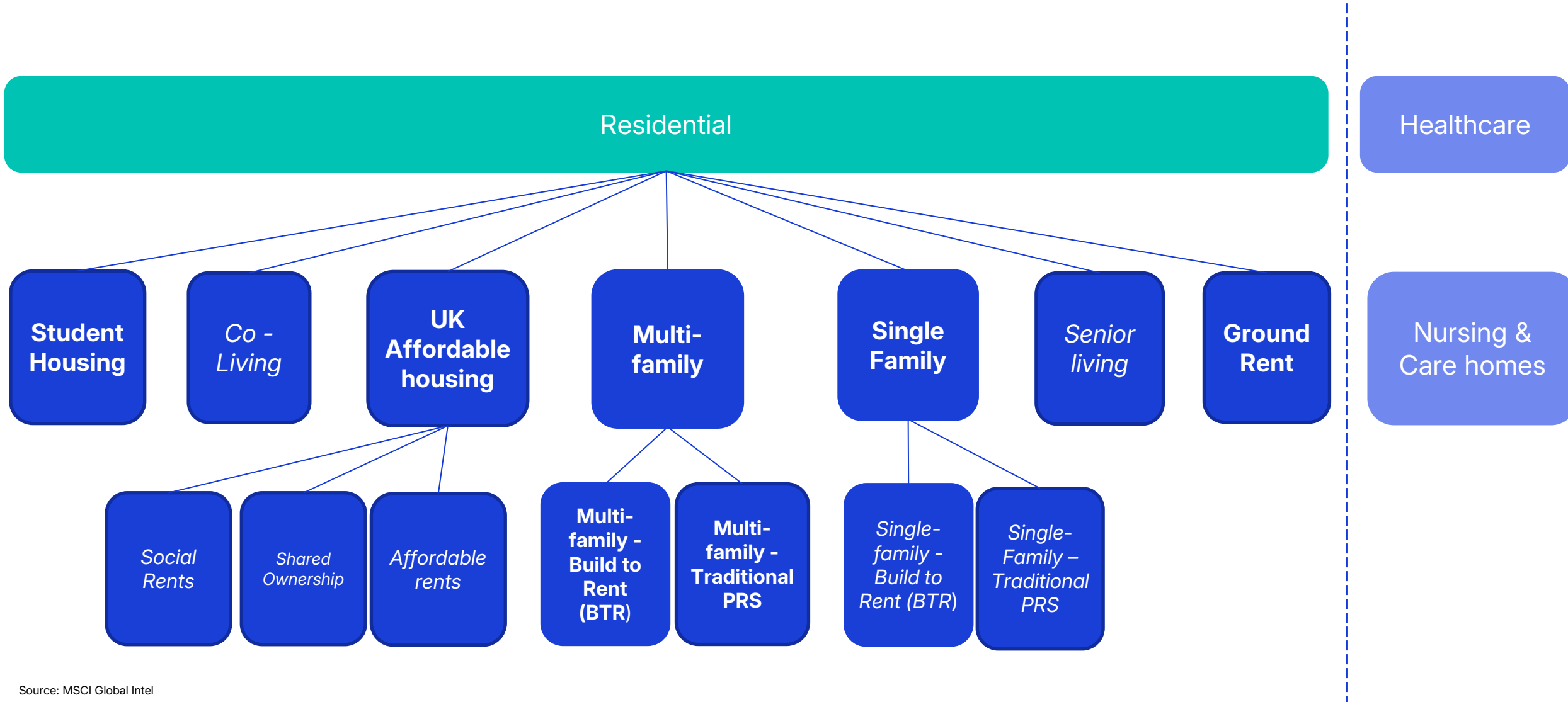
Source: MSCI Real Assets Index Intel

# Residential Index Contributors



Note: It is not common practice for MSCI to reveal who contributes to our property indices but as an exception we have asked some of the key contributors if they are happy to share that they contribute to the MSCI UK Annual Residential Index. This is not an exhaustive list as we have over 80 portfolios contributing.

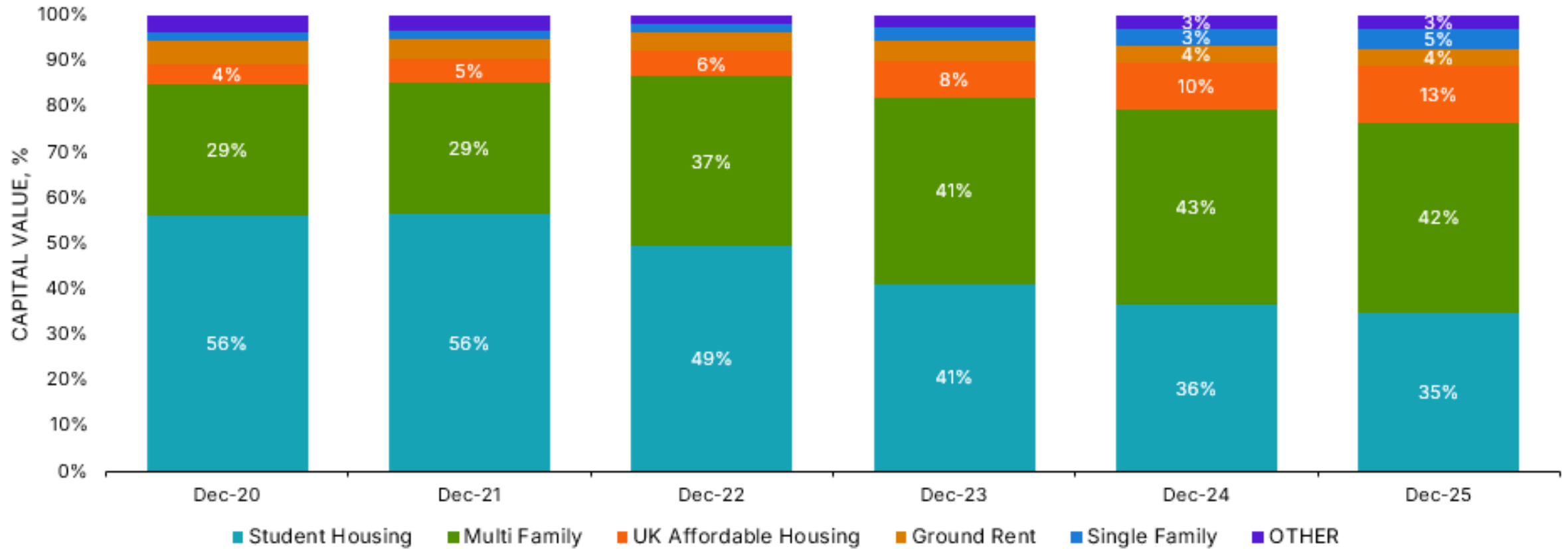
# MSCI Residential Classifications



Source: MSCI Global Intel

# Multifamily and UK Affordable Housing coverage has increased

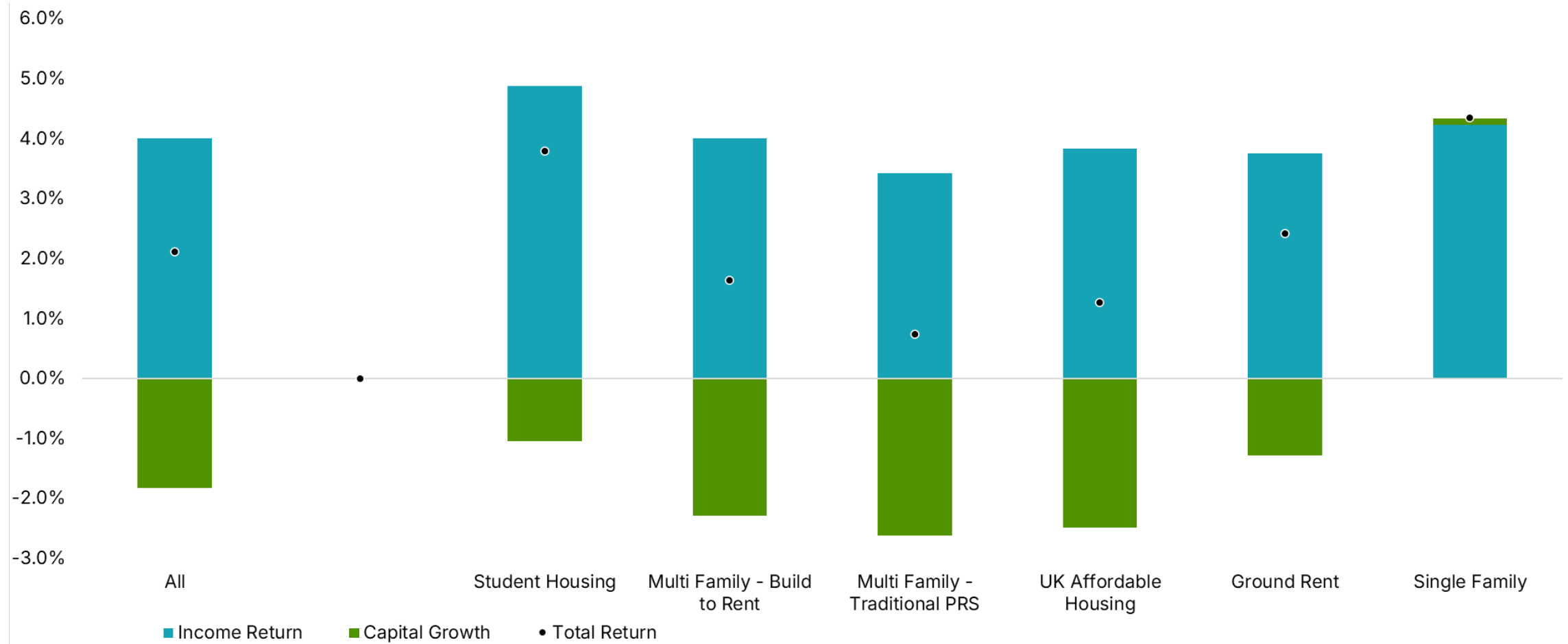
MSCI UK Annual Residential Index weightings as of Dec 2025 - All Assets



Source: MSCI Real Assets Index Intel

# Student and Single-Family Housing top performers in 2025

MSCI UK Annual Residential Index Performance as of Dec 2025 - Standing Investment



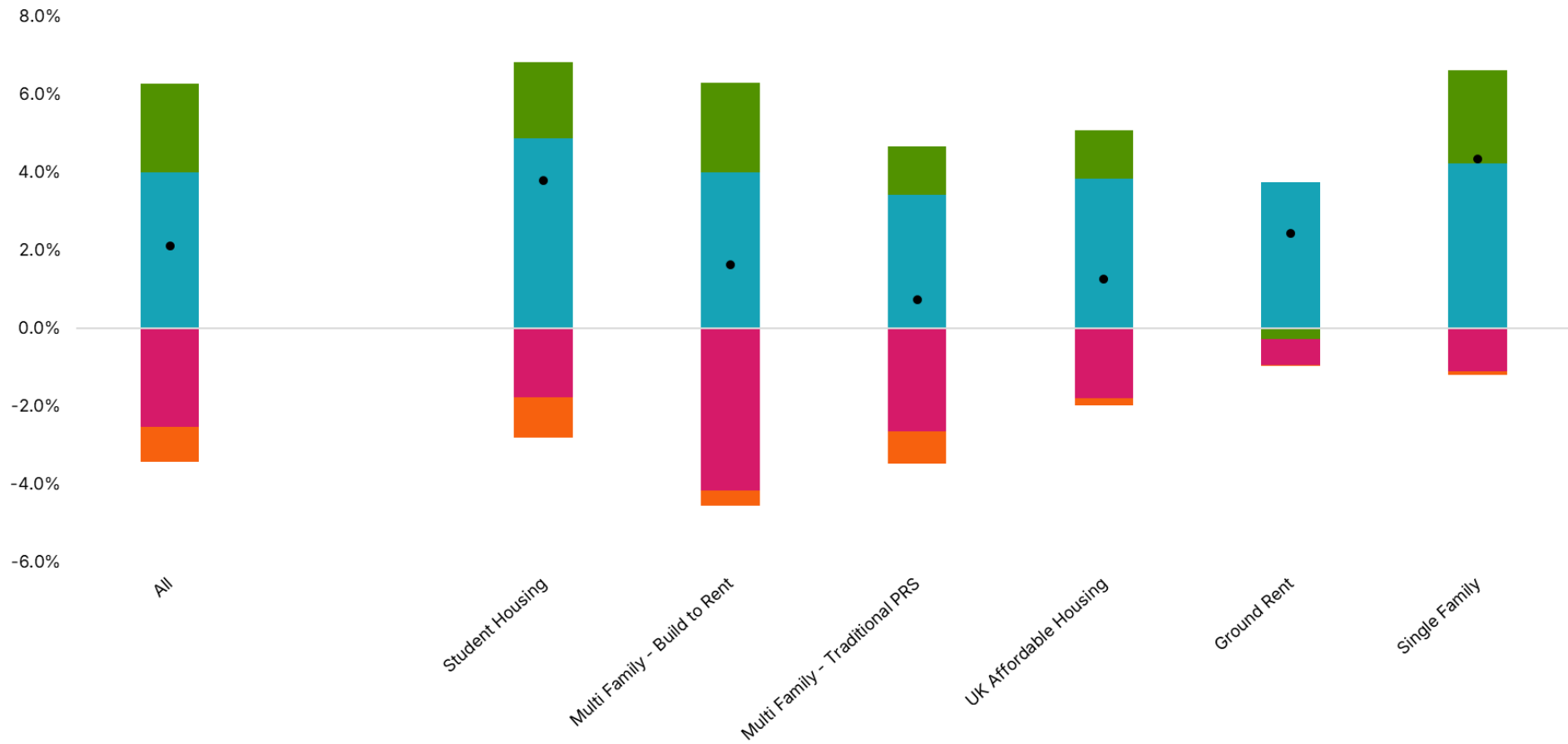
Source: MSCI Real Assets Index Intel



Information Classification: GENERAL

# Stronger performance driven by less yield expansion over the last 12 months

Total return split between income return, market rental value growth & yield impact - Standing Investment



Source: MSCI Real Assets Index Intel

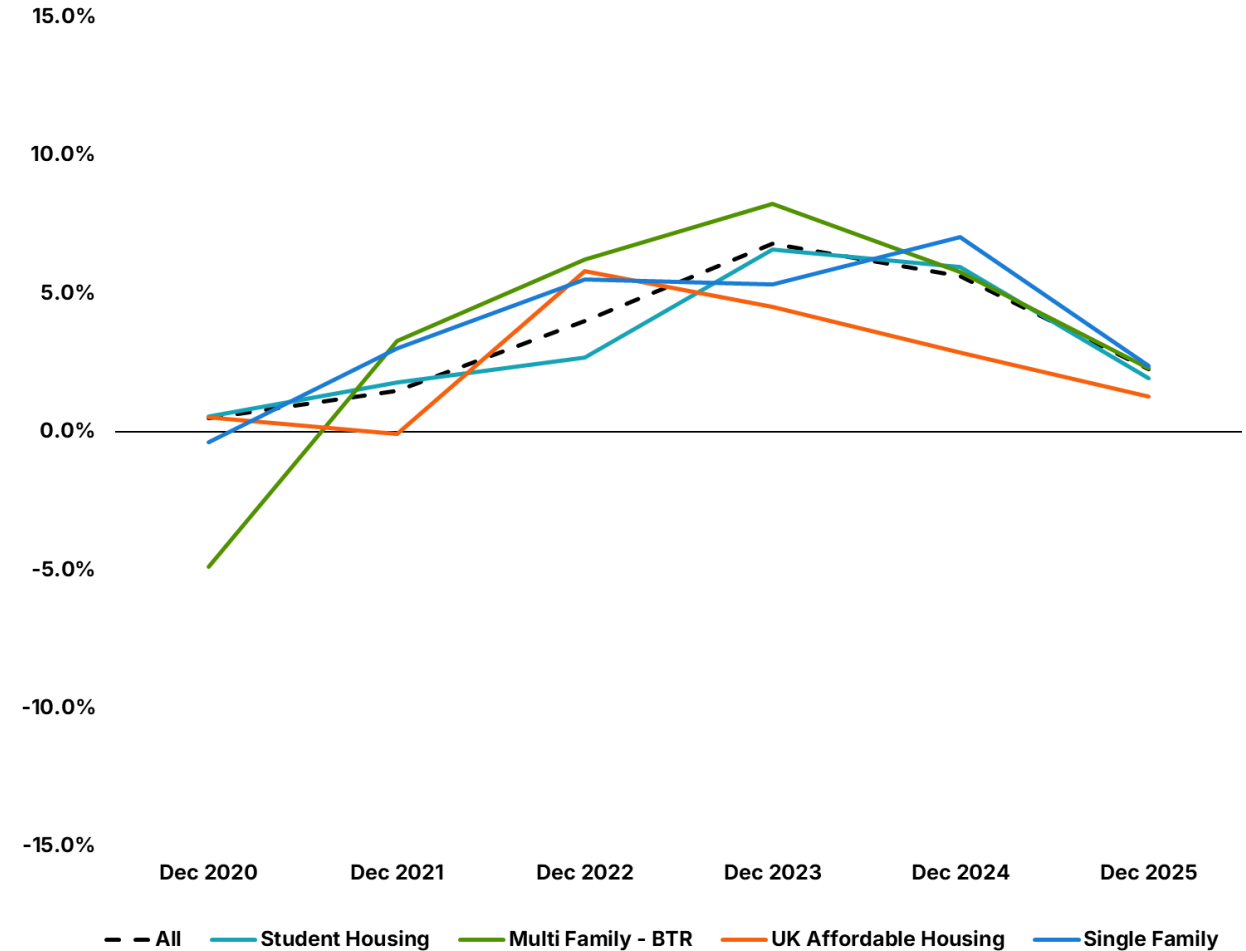
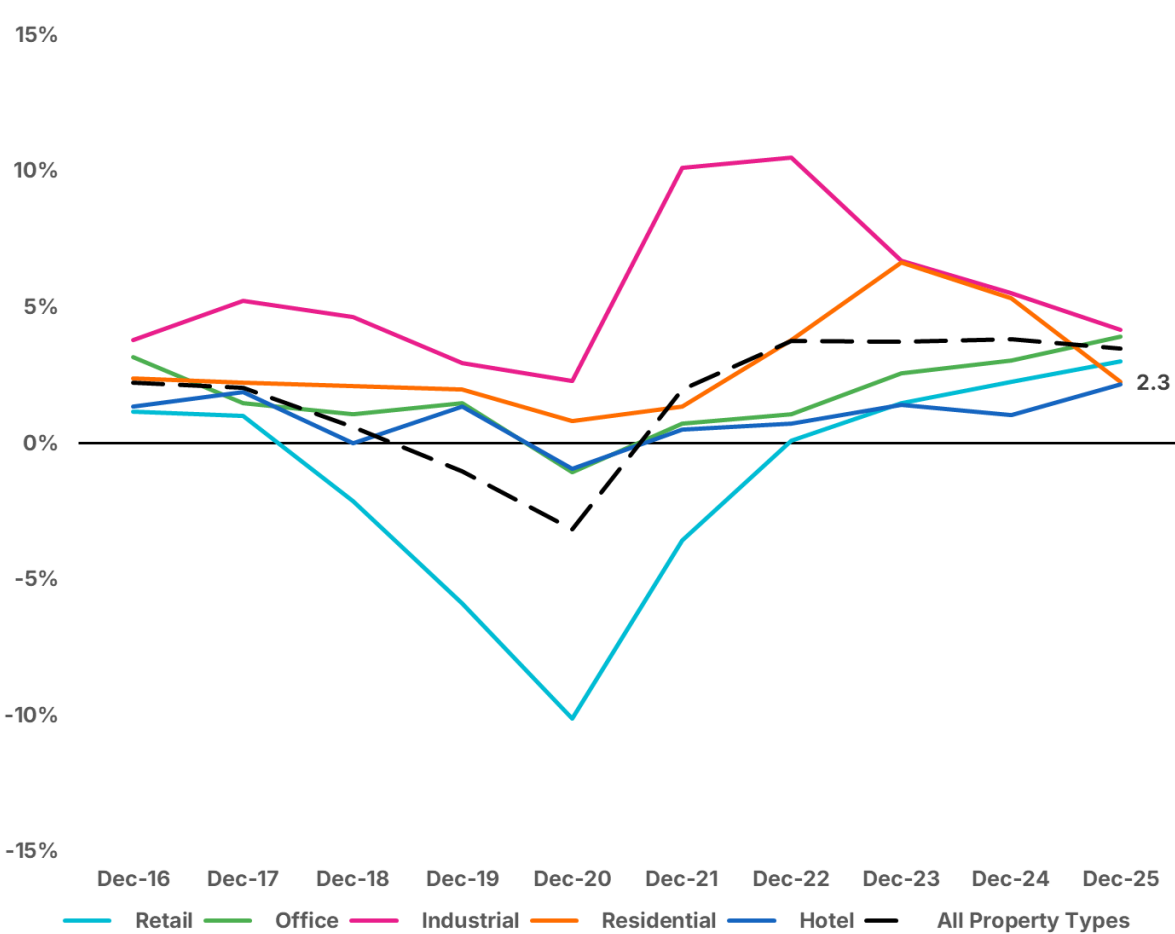
Income Return    Market Rental Value Growth    Gross Reversionary Yield Impact    Investment Impact    Total Return



Information Classification: GENERAL

# Residential rental value growth slowing

Annualised rental value growth by sector - Standing Investment



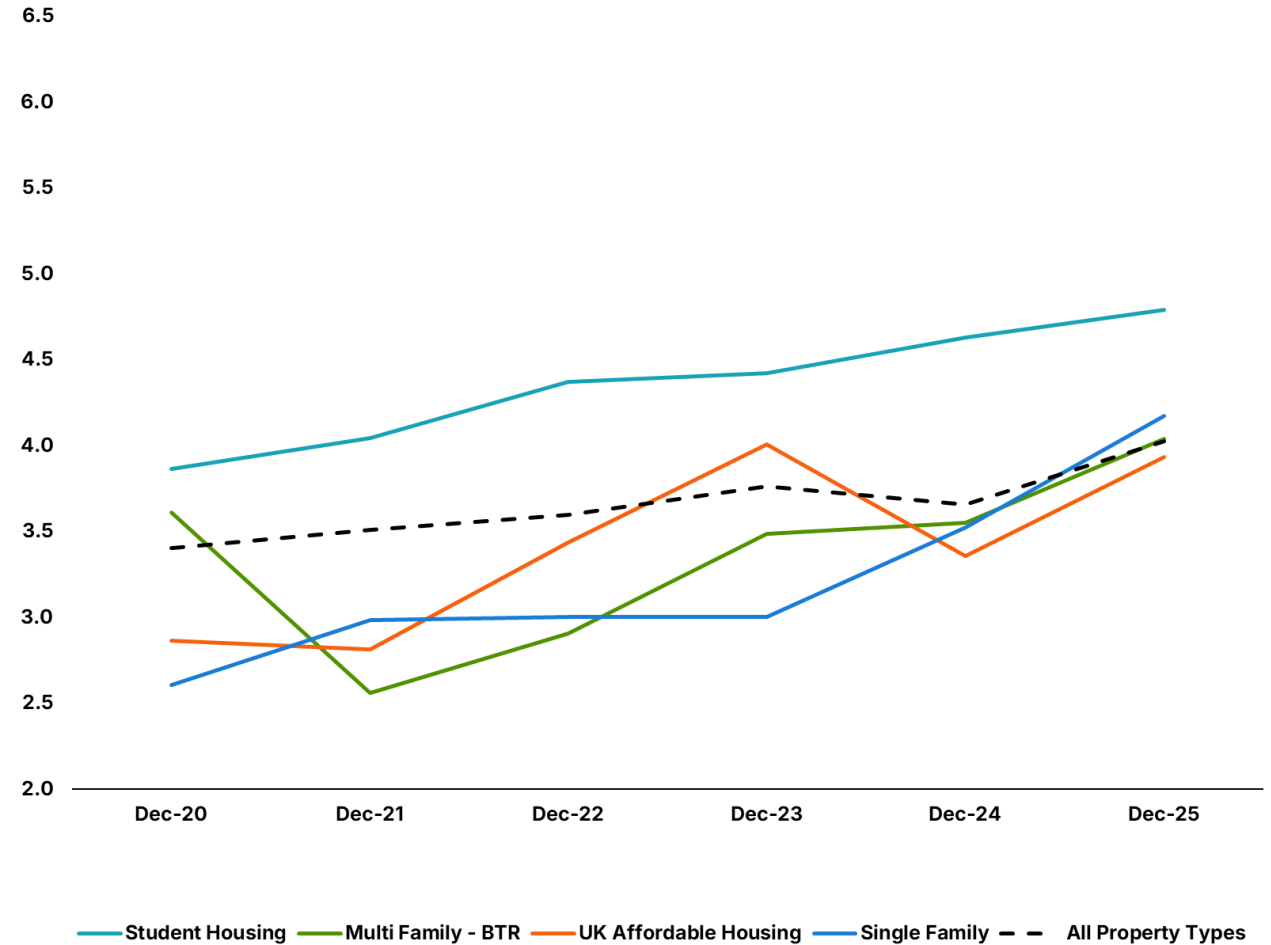
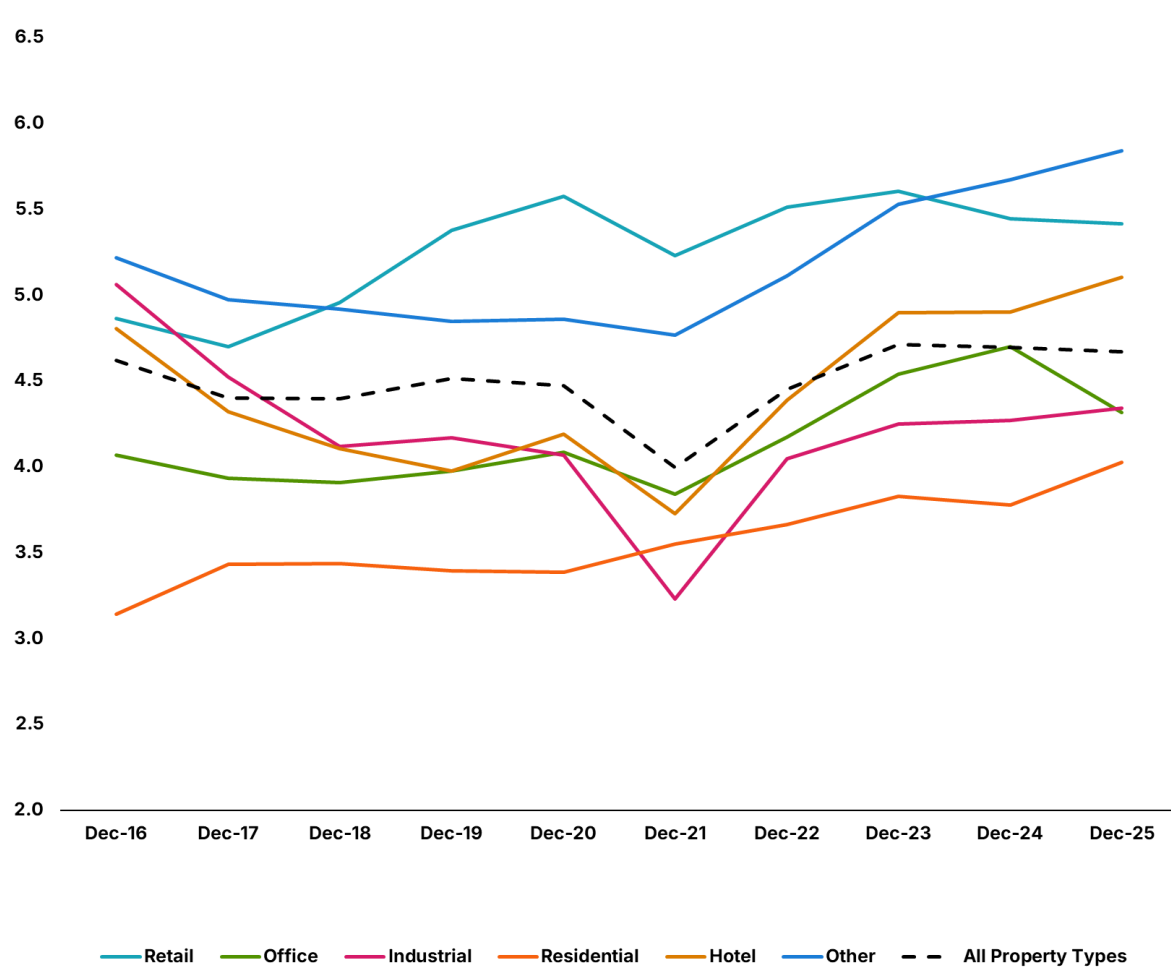
Source: MSCI Real Assets Index Intel



Information Classification: GENERAL

# While yields expand

Annualised NOI Yield by sector -Standing Investment

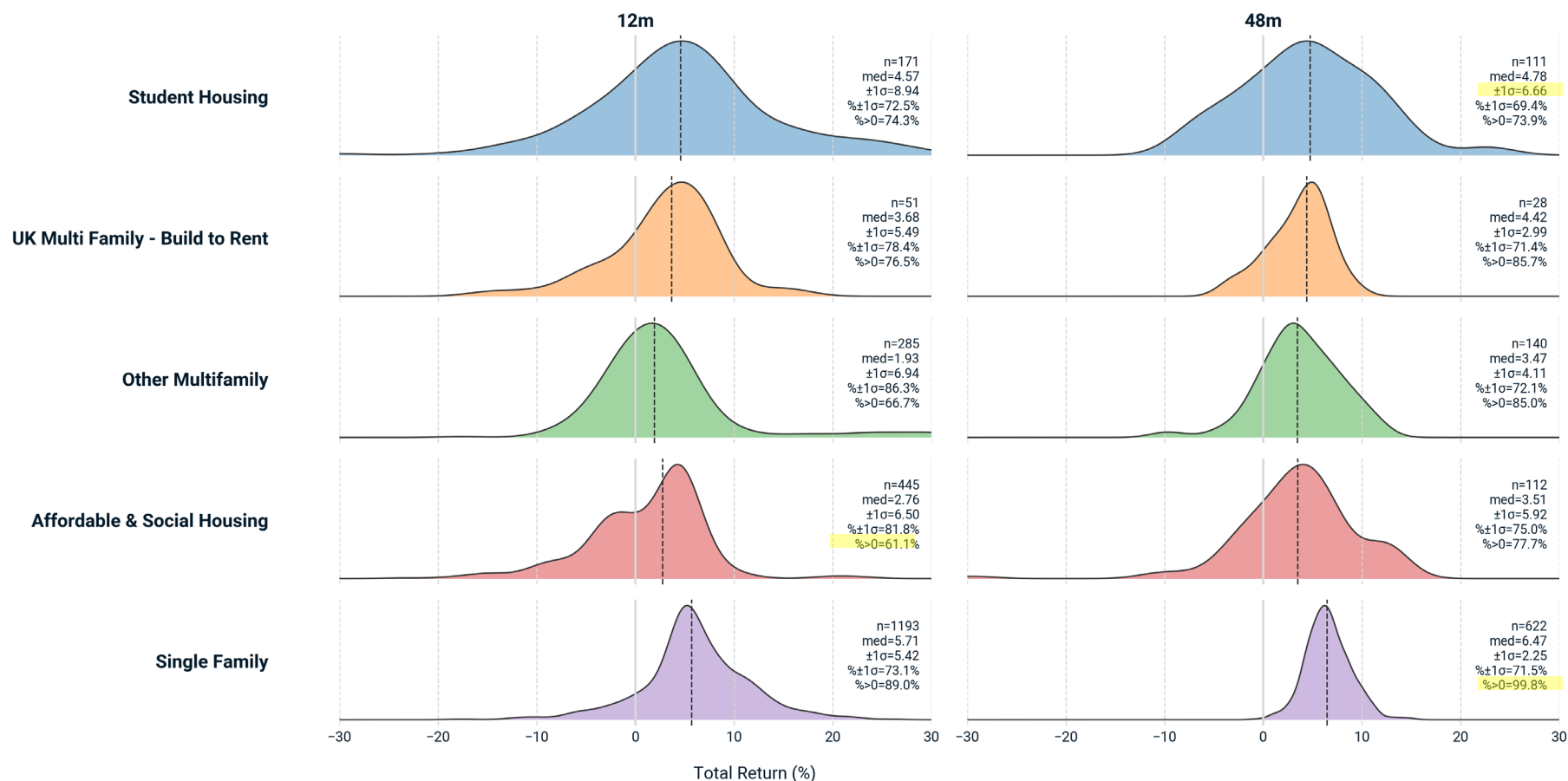


Source: MSCI Real Assets Index Intel



Information Classification: GENERAL

# Student Housing had the widest range of returns since 2022, Affordable Housing had the largest % of negative outcomes



Widest range of returns in Student Housing

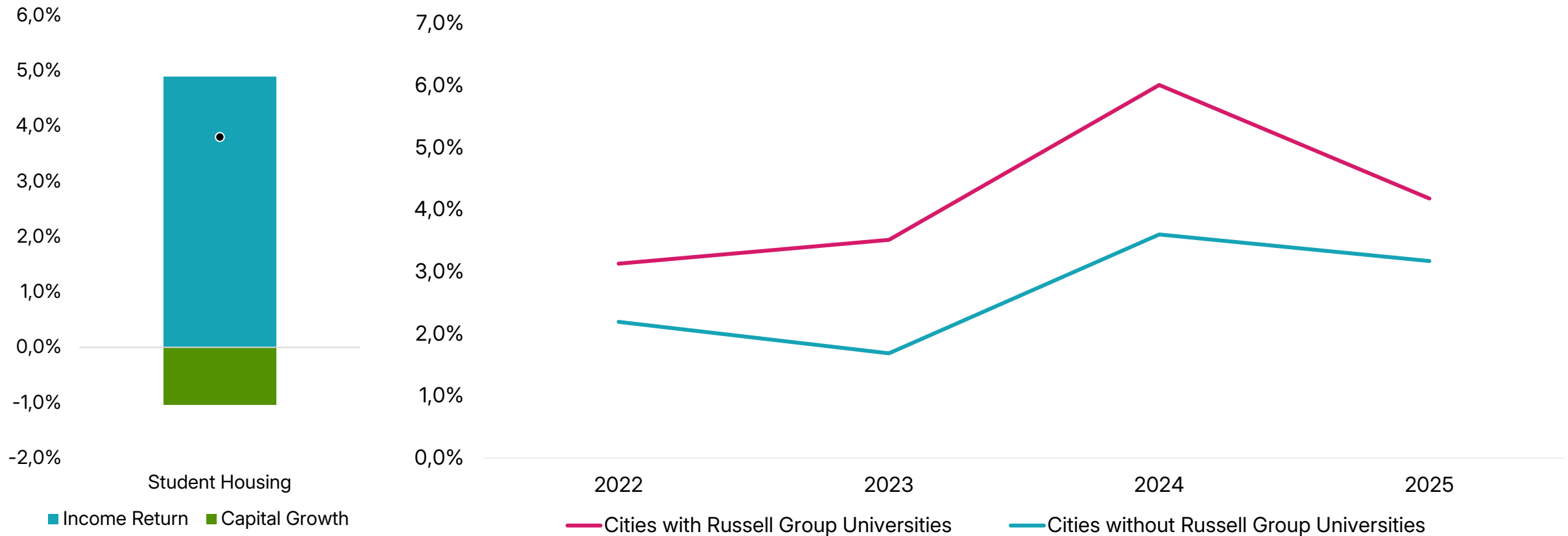
Only 61% of Affordable housing returns positive in 2025

Since 2022, almost all Single Family assets delivered a positive return

Source: MSCI Real Assets Index Intel

# Consistent outperformance by assets in Cities with Russell Group universities

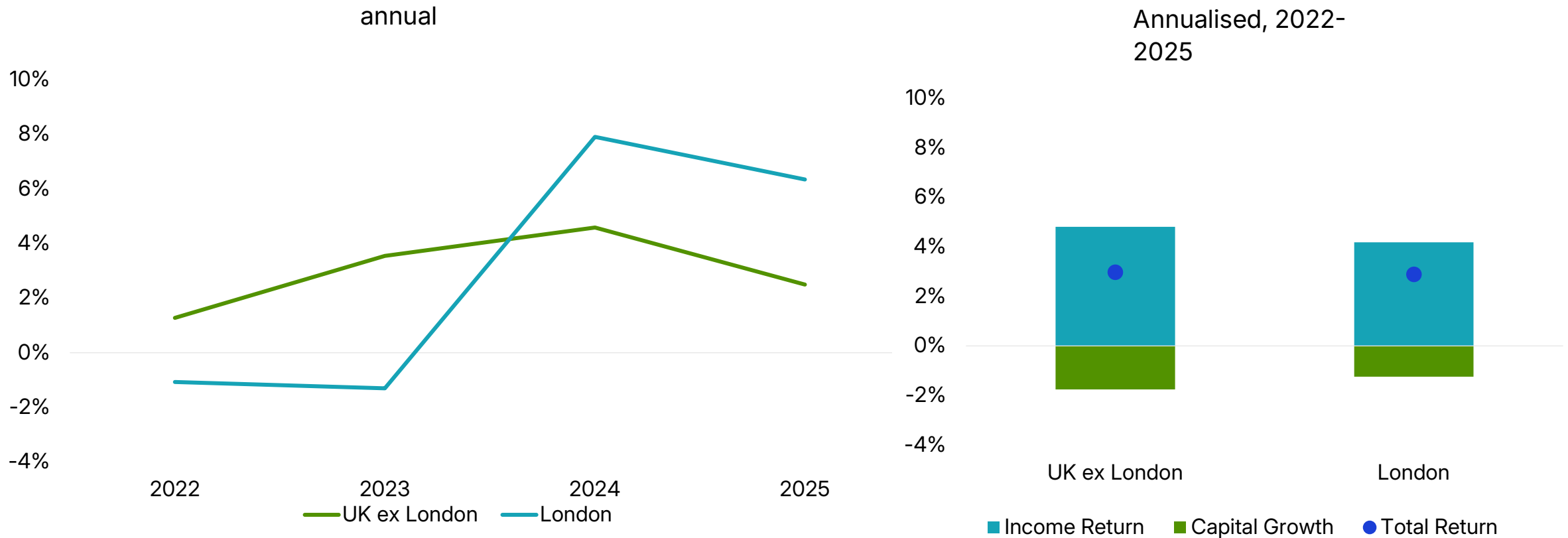
Student housing, total returns by presence of Russell group institution, standing investments



Source: MSCI Real Assets Index Intel

# Strong recent performance by London student housing, but similar to UK ex London since 2022

Student housing, total returns, London vs uk ex london, standing investments



Source: MSCI Real Assets Index Intel

# In 2025, Affordable housing returns varied by Region

Affordable housing by region, 2025, total returns, standing investments



Source: MSCI Real Assets Index Intel

# In 2025, higher yield Affordable Housing outperformed

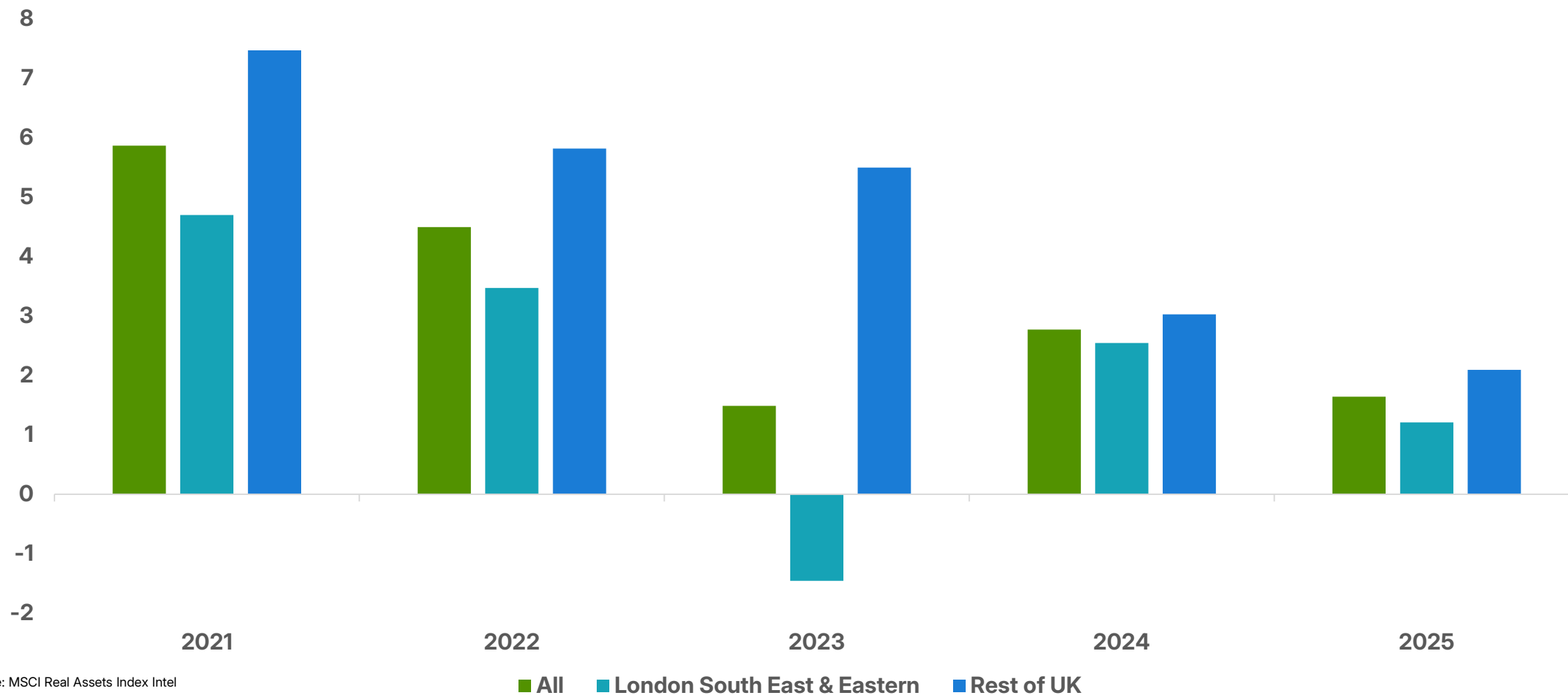
Affordable housing, total return by residential gross rental passing yield quartile, standing investments



Source: MSCI Real Assets Index Intel

# Rest of UK Multifamily BTR assets have outperformed London and South East over the last 5 years

Annualised Multifamily BTR Total Return by sector - Standing Investment



Source: MSCI Real Assets Index Intel

# Mid-market BTR outperformed in the 5 yrs to 2025

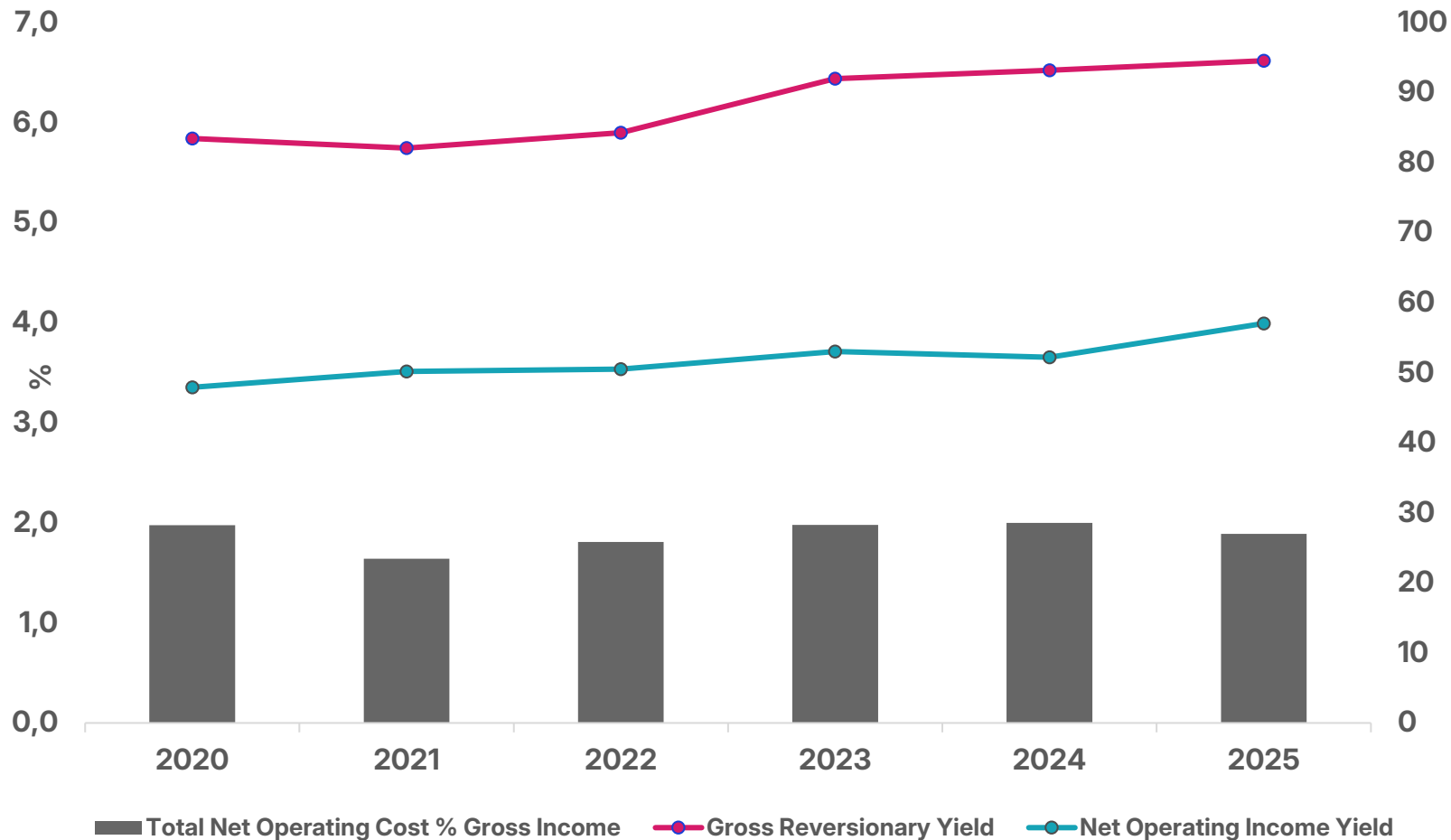
Net cost to rent ratio quartiles, annualized Total return, 5 yrs to 2025, standing investments



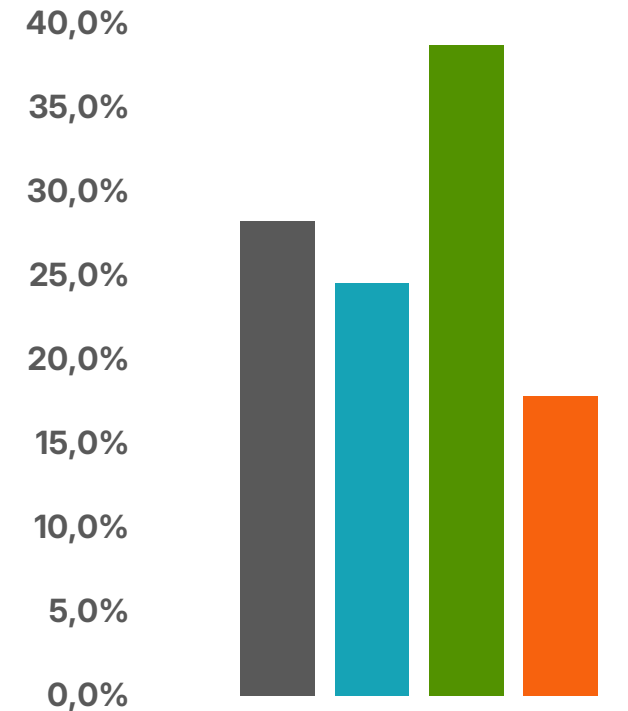
Source: MSCI Real Assets Index Intel

# Operational costs have remained broadly stable

Gross to Net Yields and Operational cost % Gross Rent Receivable (incl LRTV) – Same Store



Total Net Operating Costs % Gross Rent Receivable (incl. LRTV)

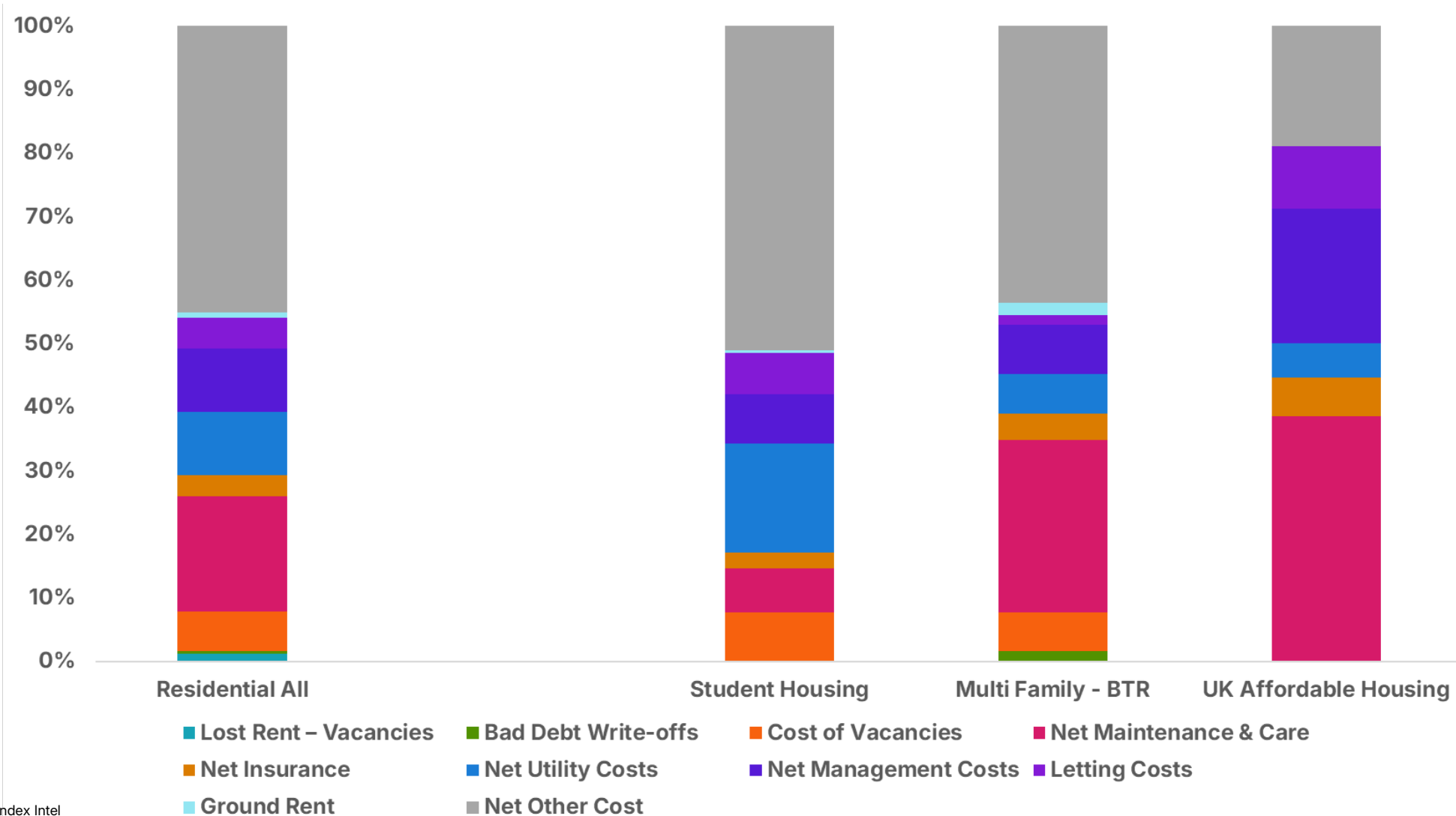


- Residential All
- Student Housing
- Multi Family - BTR
- UK Affordable Housing

Source: MSCI Real Assets Index Intel

# Operational costs breakdown

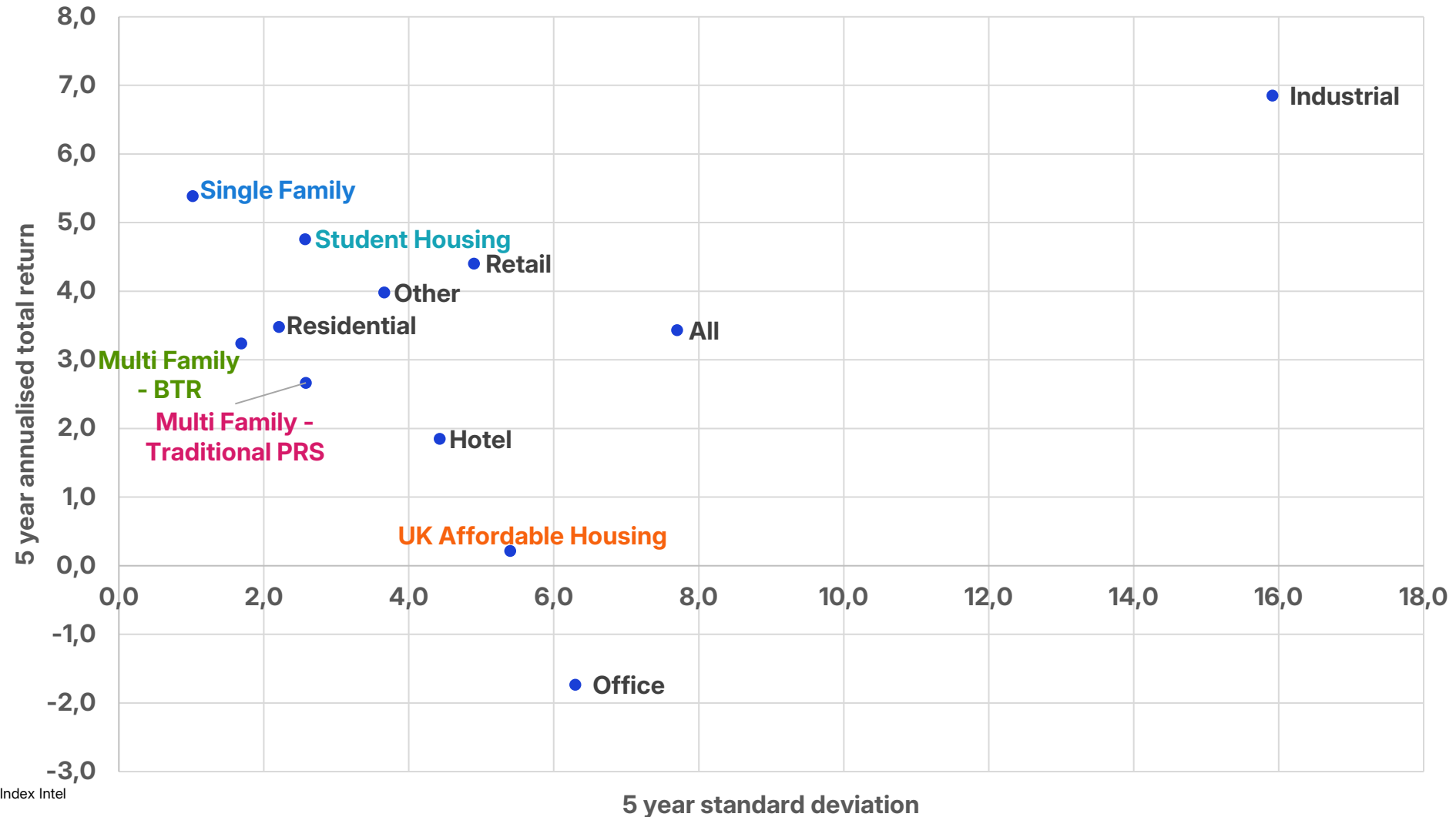
Operational cost % Gross Rent Receivable (incl LRTV) breakdown by residential segments – Same Store



Source: MSCI Real Assets Index Intel

# Residential performance is less volatile than other segments

5 years annualised total return and standard deviation to December 2025 by sub sector



Source: MSCI Real Assets Index Intel

# Panel Discussion

Sponsored by  CUSHMAN & WAKEFIELD



**James Dunne**  
*Head of UK  
Living  
Cushman &  
Wakefield*



**Damien Sharkey**  
*Managing  
Director  
HUB*



**Tim Francis**  
*Independent  
Researcher  
and Strategy  
Analyst*



**Amanda Newton**  
*Client Consultant  
MSCI*



**Richard MacDowel**  
*Director of Investment  
Management  
Long Harbour*

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