

IFRS Real Estate Survey 2024

December 2024



The better the question. The better the answer. The better the world works.



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Survey of 50 real estate asset management companies



General comments

- Average size increased from an average of 170 pages to **191** pages in the last 5 years
- French entities published largest three annual reports
 - Average of **450** pages
 - A **26%** increase in 5 years' time (average of 356 pages five years ago)
- No entities made material uncertainty disclosures

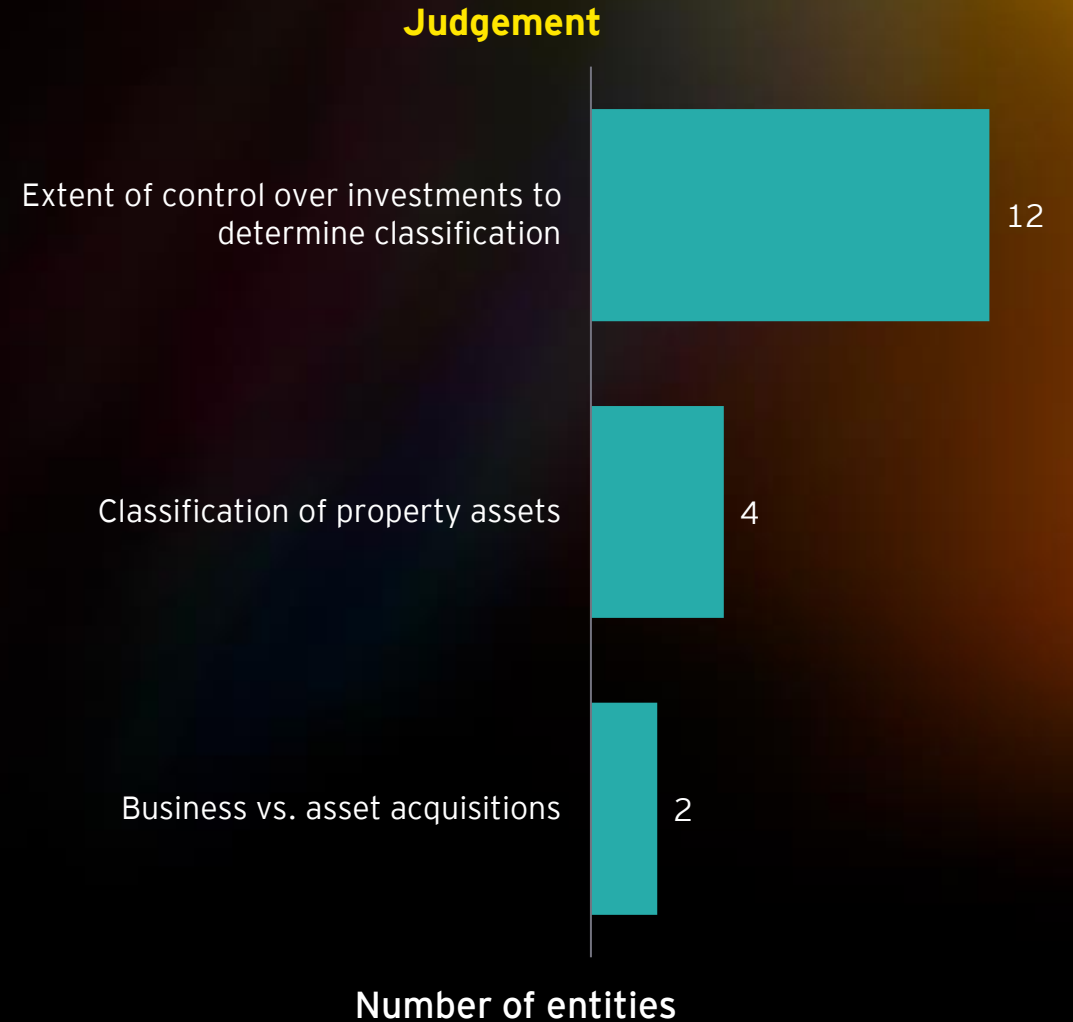


A woman with dark, curly hair, wearing a light pink long-sleeved shirt, is looking upwards and pointing her right index finger towards a teal pillar. Her left hand is also visible, pointing towards the pillar. The background is dark and out of focus, suggesting an outdoor setting at night.

1

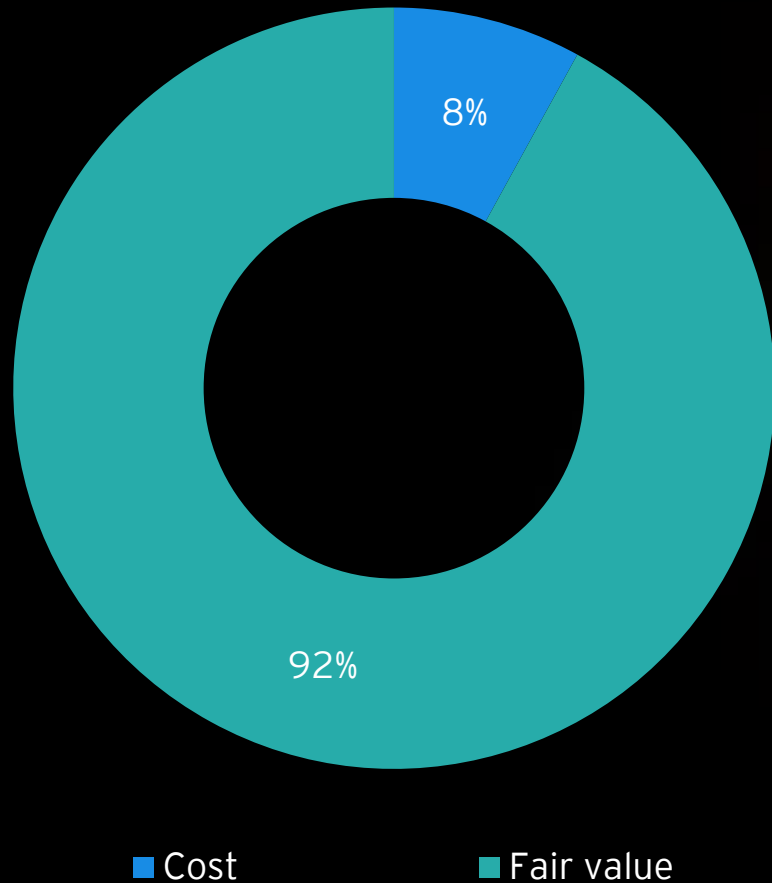
Estimates and judgements

Key estimates and judgements



Measurement of investment property

Fair value vs. Cost model

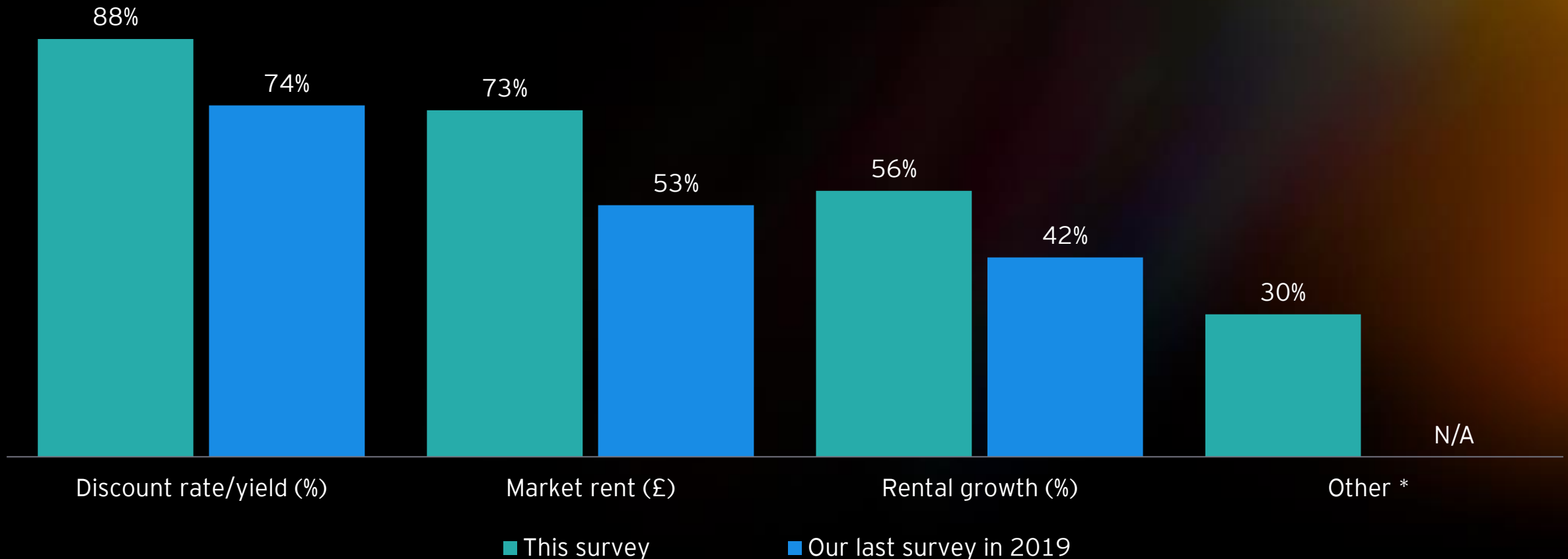


Syn Prop e Tech (Brazil) measured their properties under the cost model at **R\$3,147bn** but disclosed their fair value to be **R\$6,219bn**

Only entity with level 2 fair value measurement: Dream Office REIT

Almost all of the valuation models used for fair value measurement were DCF based, with the UK entities being the notable exceptions who used an income capitalisation approach

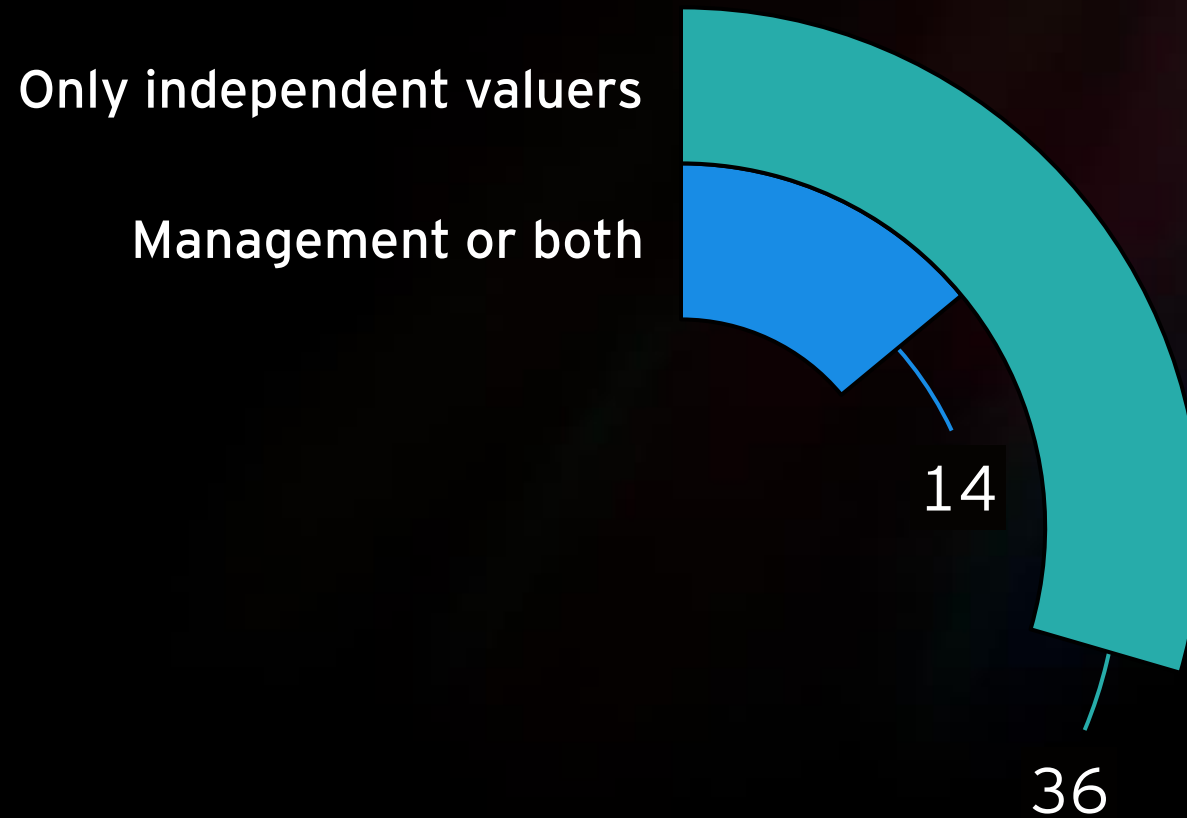
Key inputs in companies' valuation disclosures



* Includes future capital expenditure, vacancy rates, management costs & comparative land values. Comparative data for 2019 not available

Use of independent valuers

Who performed the valuations?



2

Alternative Performance Measures & Ratios

Use of alternative performance measures (APMs)

Entities using APMs:

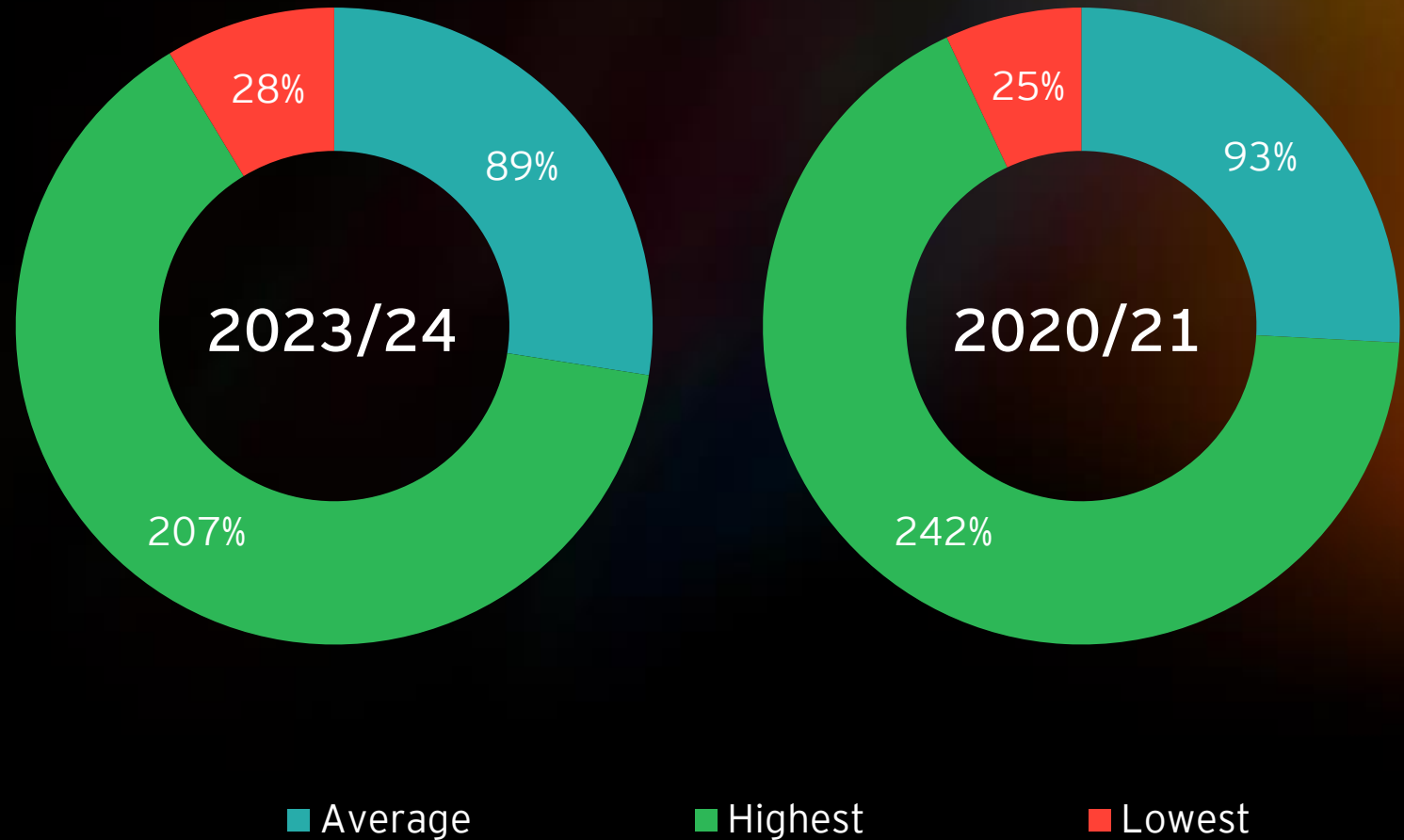


7 entities produced their own APMs to supplement or replace industry versions

Key ratios

- Market capitalisation
 - Average **74%** of the IFRS Net Asset Value
 - Highest was **126%** and lowest ratio was **27%**

Gearing



3

Audit opinions

Key audit matters

Audit Area	Property valuations/ carrying values	Revenue recognition	Deferred tax	Goodwill	Other areas
Number of entities	48	8	3	4	17
%	96%	16%	6%	8%	

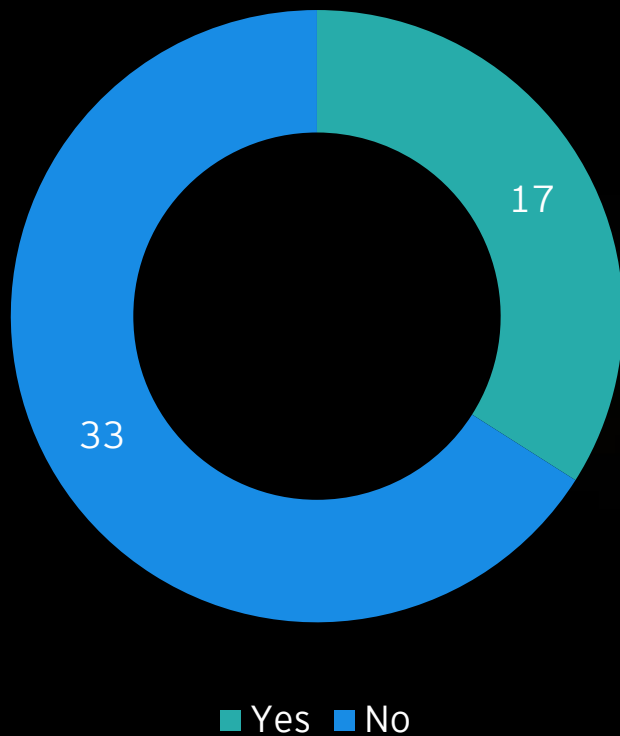
4

Other findings



There can be goodwill in real estate!

Entities recognising goodwill



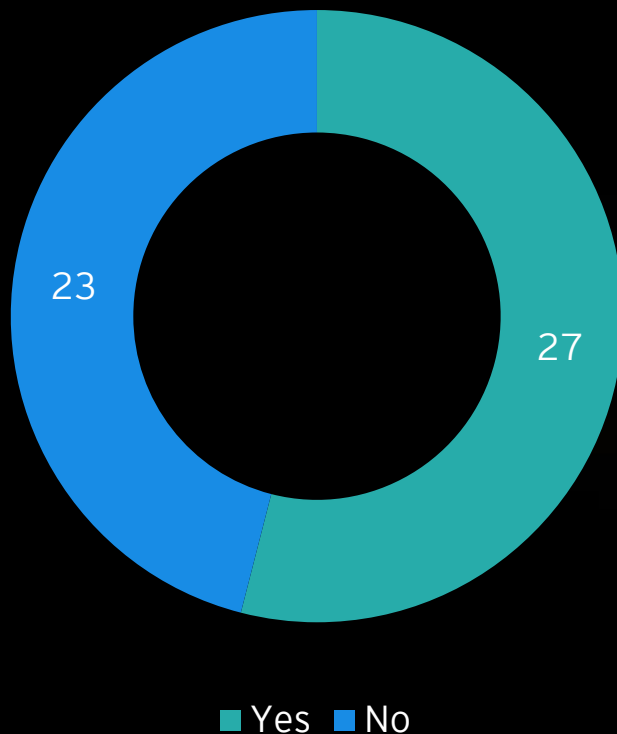
Basis for recognition of the goodwill:



* 5 entities did not disclose the basis, likely because it is immaterial

ESG playing an important role in financing

Financing arrangements with pricing linked to ESG targets



Examples:

Klepierre – €2,110m in financing subject to sustainability criteria whereby the margin on the facility is reduced if Klépierre achieves the targets set out in the loan agreement. Most of resulting savings are to be reinvested by Klépierre in programs designed to improve the low-carbon efficiency and overall environmental performance of its assets.

Capitalland – \$353m of the group's debt securities are sustainability-linked notes where interest rates vary according to the achievements of sustainability performance targets that are benchmarked against ESG indicators or green building certifications.

URW – A green bond of €750m which will finance or refinance Eligible Green Assets in line with the Group's 2022 Green Financing Framework.



A



Appendix - List of Companies in survey

List of companies

Name	Reporting date	Country
Stockland Corporation Limited and Stockland Trust	30 June 2023	Australia
Goodman Limited	30 June 2023	Australia
Scentre Group	31 Dec 2023	Australia
Immofinanz AG	31 Dec 2023	Austria
CA Immobilien Anlagen AG	31 Dec 2023	Austria
Aedifica S.A.	31 Dec 2023	Belgium
Cofinimmo S.A.	31 Dec 2023	Belgium
LOG Commercial Properties e Participações S.A.	31 Dec 2023	Brazil
São Carlos Empreendimentos e Participações S.A.	31 Dec 2023	Brazil
Syn Prop e Tech S.A.	31 Dec 2023	Brazil
Dream Office REIT	31 Dec 2023	Canada
Rio Can REIT	31 Dec 2023	Canada
First Capital Realty Inc.	31 Dec 2023	Canada
Morguard Corp	31 Dec 2023	Canada
Canadian Apartment Properties Real Estate Investment Trust	31 Dec 2023	Canada
Aedas Homes, S.A.	31 March 2023	Spain
Neinor Homes, S.A	31 Dec 2023	Spain

List of companies (cont'd)

Name	Reporting date	Country
Merlin Properties SOCIMI S.A	31 Dec 2023	Spain
Inmobiliaria Colonial SOCIMI S.A.	31 Dec 2023	Spain
AS Pro Kapital Grupp	31 Dec 2023	Estonia
Klépierre SA	31 Dec 2023	France
Unibail-Rodamco-Westfield N.V.	31 Dec 2023	France
Icade S.A.	31 Dec 2023	France
Gecina S.A	31 Dec 2023	France
LEG Immobilien SE	31 Dec 2023	Germany
Deutsche Wohnen SE	31 Dec 2023	Germany
Vonovia SE	31 Dec 2023	Germany
Iida Group Holdings Co., Ltd	31 March 2023	Japan
CPI Property Group S.A.	31 Dec 2023	Luxembourg
M&G European Property Fund SICAV-FIS	31 Dec 2023	Luxembourg
Vastned Retail NV	31 Dec 2023	Netherlands
EuroCommercial Properties N.V.	31 Dec 2023	Netherlands
Wereldhave NV	31 Dec 2023	Netherlands
Echo Investment S.A.	31 Dec 2023	Poland

List of companies (cont'd)

Name	Reporting date	Country
GTC S.A.	31 Dec 2023	Poland
MLP Group S.A.	31 Dec 2023	Poland
City Developments Limited	31 Dec 2023	Singapore
Mapletree Investments Pte Ltd	31 March 2023	Singapore
Capitaland Investment Limited	31 Dec 2023	Singapore
Growthpoint Properties Limited	30 June 2023	South Africa
Redefine Properties Limited	31 August 2023	South Africa
Vukile Property Fund Limited	31 August 2023	South Africa
Resilient REIT Limited	31 Dec 2023	South Africa
PSP Swiss Property AG	31 Dec 2023	Switzerland
Mobimo Holding AG	31 Dec 2023	Switzerland
Swiss Prime Site AG	31 Dec 2023	Switzerland
The British Land Company plc	31 March 2024	United Kingdom
Land Securities Group PLC	31 March 2024	United Kingdom
SEGRO plc	31 Dec 2023	United Kingdom

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