

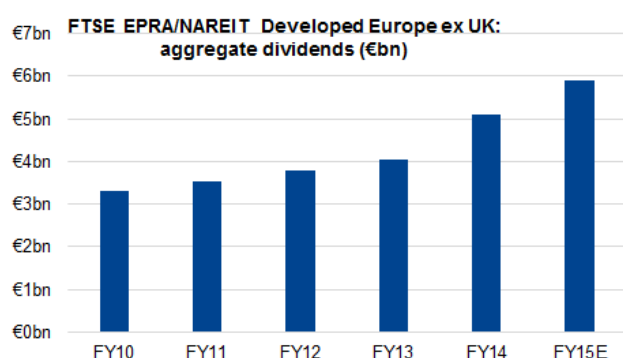
## European real estate dividends grow

Markit is expecting dividends from European real estate firms to increase by 16% in 2015; the fifth consecutive year of dividend growth for the sector.

- European real estate companies are forecast to declare €5.9bn in dividends, up 16%
- Strong yields are nearing 4% but down on the previous year due to share price increases
- France, Netherlands and Germany are the largest contributors to aggregate dividends

### Consecutive increases

Markit Dividend Forecasting is expecting ordinary dividends from European real estate firms outside the UK\* to increase by 16% in the 2015 fiscal year, with total payments reaching €5.9bn.



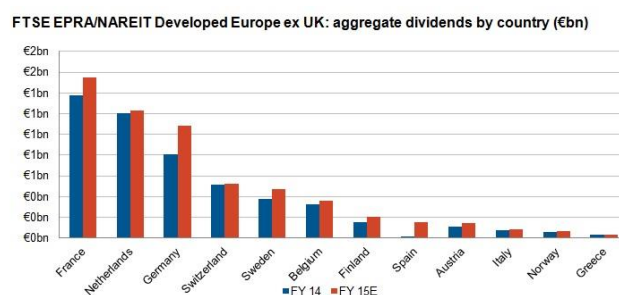
Source: Markit, FactSet; data for current composition; one-off payments excluded

This double digit growth is somewhat overshadowed by the previous year's 26% increase, but still marks the fifth consecutive annual increase with 75% growth in payments since 2010.

60% of firms are expected to increase their payments, with a third of these rising by more than 10%. The remaining firms are expected to maintain payment levels. Due to strong share price performances, the average dividend yield is forecast to be slightly lower at ~3.9%.

### Dividend nations

French, Dutch and German real estate companies account for two thirds of total aggregate dividends expected to be declared for fiscal 2015.



Source: Markit, FactSet; data for current composition. One-off payments excluded

France is the largest payer on a country basis, with four of the top seven payers. Unibail-Rodamco, listed on both the Amsterdam and Paris stock exchanges, is responsible of three quarters of dividends stemming from Netherlands-based firms.

### Top payers forecast for fiscal 2015

Unibail-Rodamco is forecast to remain the highest payer, with aggregate payments of almost €1bn on a stable per share dividend of €9.6 for FY15. Forecasts are in line with bullish statements from the ceo, who said that for fiscal 2015, despite of the impact of the 2014 and 2015 disposals, the company intends to maintain a dividend of at least €9.6 per share.

Klepierre is expected to distribute a dividend of €1.65 reflecting a 3% increase compared

with FY14 and a payout ratio of 76% on consensus earnings expectations, in line with previous years.

**Deutsche Annington Immobilien** is expected to payout €420m in FY15, following the firm's takeover of Gagfah.

Dividend growth of 5% is expected from **Gecina** based on maintaining the historical payout ratio of just under 90%, taking into account consensus earnings.

A small dividend increase is forecast for **Fonciere des Regions** for FY15 due to increased consensus in underlying profits and growth in cash flow. The company is expected to move towards historical payout levels of around 85%.

**\* FTSE EPRA Developed Europe ex. UK**

To access the full report or to find out more about **Markit Dividend Forecasting** data, please **contact us**.

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**Top payers forecast for fiscal 2015**

Stock Name	Payout €m	Type	DPS forecast	CCY	DPS change	Yield*
<b>Unibail-Rodamco</b>	946.7	YR	9.60	EUR	0.0%	3.9%
<b>Klepierre</b>	518.7	YR	1.65	EUR	3.1%	4.0%
<b>Deutsche Annington Immobilien</b>	419.4	YR	0.90	EUR	21.3%	3.3%
<b>Gecina</b>	309.5	YR	4.90	EUR	5.4%	4.2%
<b>Fonciere des Regions</b>	293.0	YR	4.40	EUR	2.3%	5.5%
<b>Icade</b>	284.7	YR	3.85	EUR	3.2%	5.6%
<b>Swiss Prime Site</b>	240.2	CR	3.60	CHF	0.1%	4.8%

Source: Markit FactSet

\* Forecast yield based on dividends going ex-dividend in the next 12 months

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