

# Total Tax Contribution (TTC) of Real Estate Investment Trusts (REITs) in Europe



This is the first TTC study of listed Real Estate Investment Trusts (REITs) in Europe. Listed REITs are publicly listed property investment companies that own, operate, develop and manage real estate assets to obtain returns from rental income and capital appreciation.

The tax profile of REITs can be misunderstood as the profit generated is not taxed in the hands of the REIT, but at the shareholder level, when the profit is paid out as a dividend. Legally, a REIT is obliged to distribute on average 90% of its taxable income as dividends.

There was strong participation in the first TTC survey with 48 REITs providing data from 11 countries.

**48** REITs participated in the survey

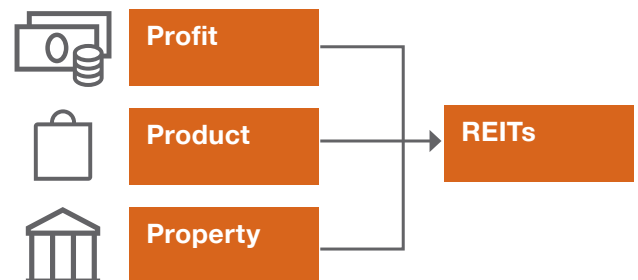
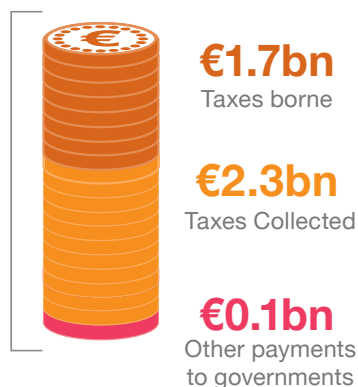


**11** Countries

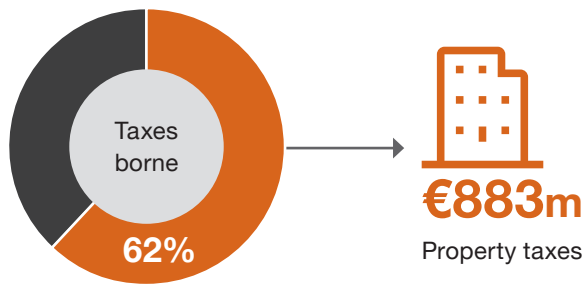
We estimate the TTC and other payments to governments of the EPRA REIT membership in Europe to be **€4.1bn**. This comprises **€1.7bn in taxes borne**, a cost to the REIT, **€2.3bn in taxes collected** on behalf of tax authorities and **€0.1bn in other payments** to governments.

Given the long-term nature of **real estate investment**, this contribution tends to be a steady tax revenue for governments over a period of time. Different tax bases (profit, product, property) are all significant for REITs.

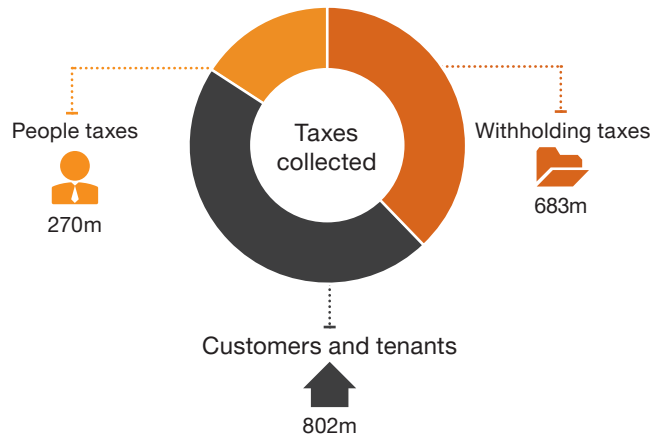
**€4.1bn**  
EPRA membership  
in Europe



Over half of taxes borne was property taxes (**€883m or 62%**) paid on ownership and transfer of property

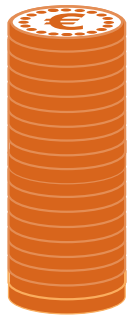


REITs collect taxes from **shareholders** (withholding tax, **€683m**), customers and tenants (**product taxes €802m**, e.g. net VAT) and **employees** (people taxes **€270m**).



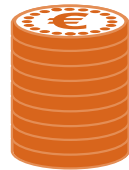
For every **€100** of turnover, REITs contribute **€32.8** in taxes.

**€100**

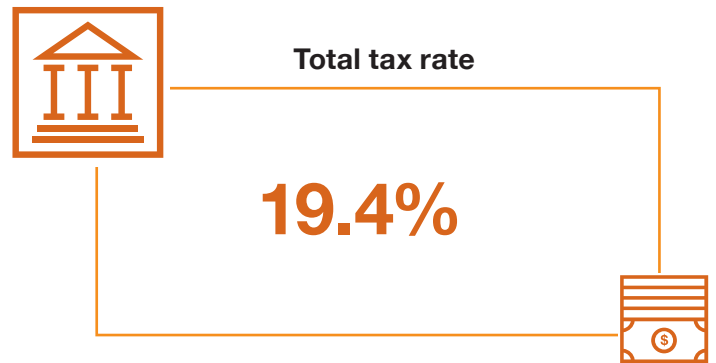


For every **€100** of turnover

**€32.8** in taxes



The total tax rate, a measure of taxes borne in relation to profits before taxes borne, is **19.4%**.



## Contacts

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### About EPRA

EPRA's mission is to promote, develop and represent the European public real estate sector. We achieve this through the provision of better information to investors and stakeholders, active involvement in the public and political debate, promotion of best practices and the cohesion and strengthening of the industry.

### About PwC

PwC is a network of firms in 157 countries with more than 223,000 people who are committed to delivering quality in assurance, tax and advisory services.

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