

PRESS RELEASE

Brussels, 21 March 2022

European Public Real Estate Associations (EPRA) announces the introduction of a new financial metric: the EPRA Loan-to-Value (LTV)

Following extensive consultation with industry stakeholders, EPRA has announced the introduction of a new financial KPI, the EPRA Loan-to-Value (LTV) ratio, to respond to a need voiced by investors, analysts and property companies. This new metric is officially included in the EPRA Best Practices Recommendations (BPR) Guidelines 2022, as part of the EPRA Performance Measures.

LTV is a widely used KPI in corporate reporting. However, until today, there was no consistency nor comparability in how the metric was being calculated and reported across various listed real estate companies and different jurisdictions. The EPRA LTV introduces a consistent and comparable metric for the sector, with the aim to assess the gearing of the shareholder equity within a real estate company.

Hassan Sabir, Director of Finance and ESG at EPRA said: “The EPRA Best Practices Recommendations are a cornerstone non-GAAP framework for the listed real estate industry, and as the sector is expanding, we are ensuring that the main indicators evolve with it. The introduction of the LTV metric has increased the focus on the quality of reporting and will bring further benefits to the overall transparency of the sector.”

The changes will come into effect for the accounting period starting on (or after) January 1st, 2022 and will be the basis for EPRA’s BPR Awards in 2023 and beyond.

Over the next months, EPRA will be conducting workshops in key European markets in collaboration with the Big 4 audit firms to educate the listed real estate sector on the changes and how they will affect financial reporting.

ENDS

About EPRA

The European Public Real Estate Association is the voice of the publicly traded European real estate sector. With more than 280 members, covering the whole spectrum of the listed real estate industry (companies, investors and their suppliers), EPRA represents over EUR 690 billion of real estate assets* and 94% of the market capitalisation of the FTSE EPRA Nareit Europe Index. 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. Find out more about our activities on www.epra.com.

**European companies only*

For more information please contact:

EPRA Reporting & Accounting team: randa@epra.com

Kasia Jasik-Cañzós, EPRA Communications Manager: +32 (0)2 739 10 29, k.jasik@epra.com