



Caisse de dépôt et placement  
du Québec

# A EUROPEAN REAL ESTATE STRATEGY

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# European markets

## 15 years ago

Limited liquidity

Local markets weakly  
correlated

Few pan-European investors

Few foreign investors

## Today

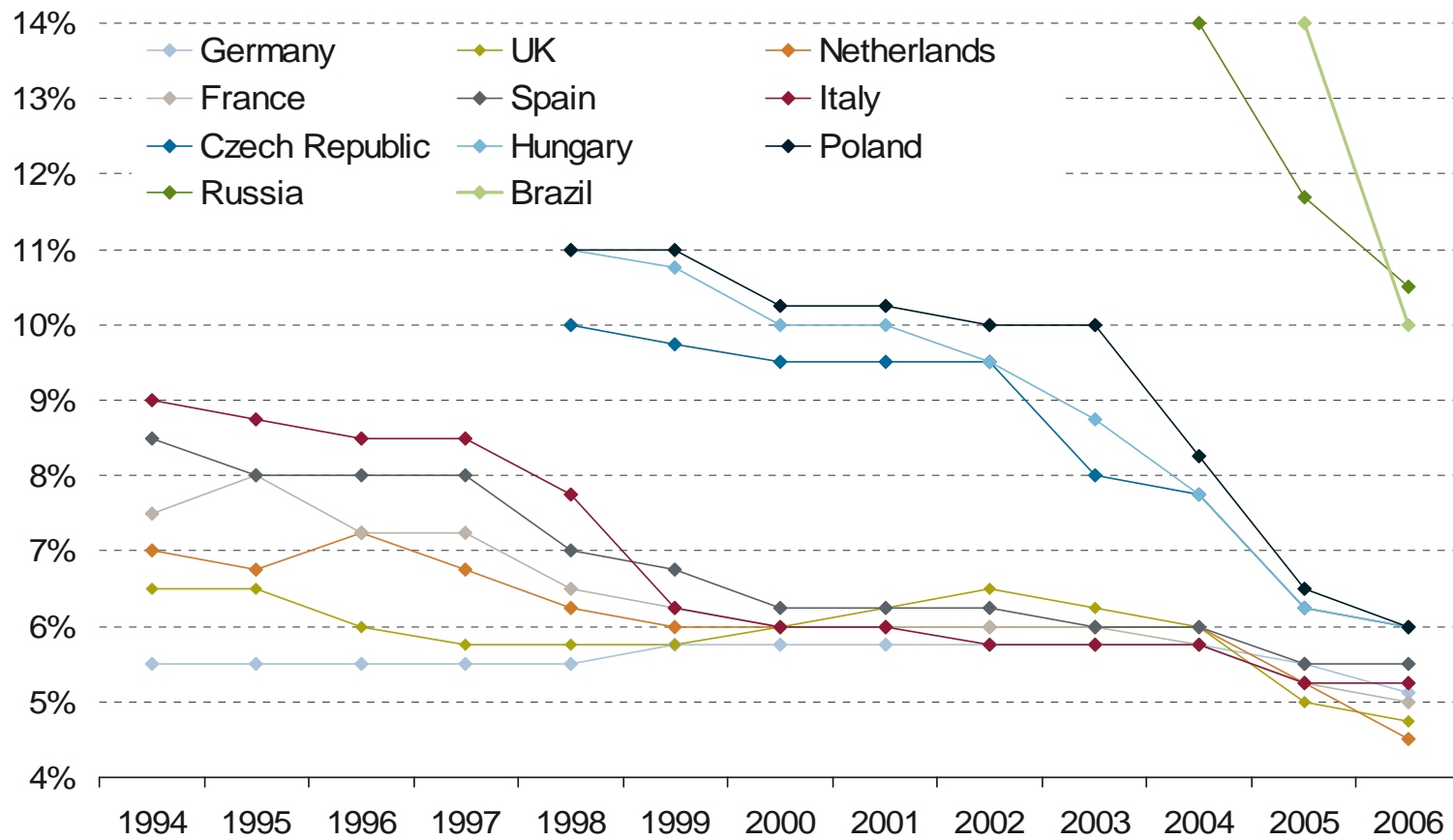
Liquid markets

Increased correlation

Cross border investments =  
over 50% of total transactions



# Risk/reward compression





# Investment in office assets

- > Quality assets in liquid markets  
(Paris, London, Munich, Frankfurt)
- > Development projects in strong markets  
(Paris, London)
- > Retrofit and modernization of older buildings

# Investment in retail assets

The investment of choice in most European markets

- > Important barriers to entry
- > Long and difficult planning process
- > The most stable real estate investment in Western Europe
- > Potential for development projects in Germany



# Other investments

- > Residential
- > Hotels
- > Senior housing



# REITs

> Market capitalisation (REIT and non REIT) of EPRA index = €200 billion\*



± 4% of the total value of  
European commercial  
real estate

> REIT capitalisation of EPRA index = €118 billion\*

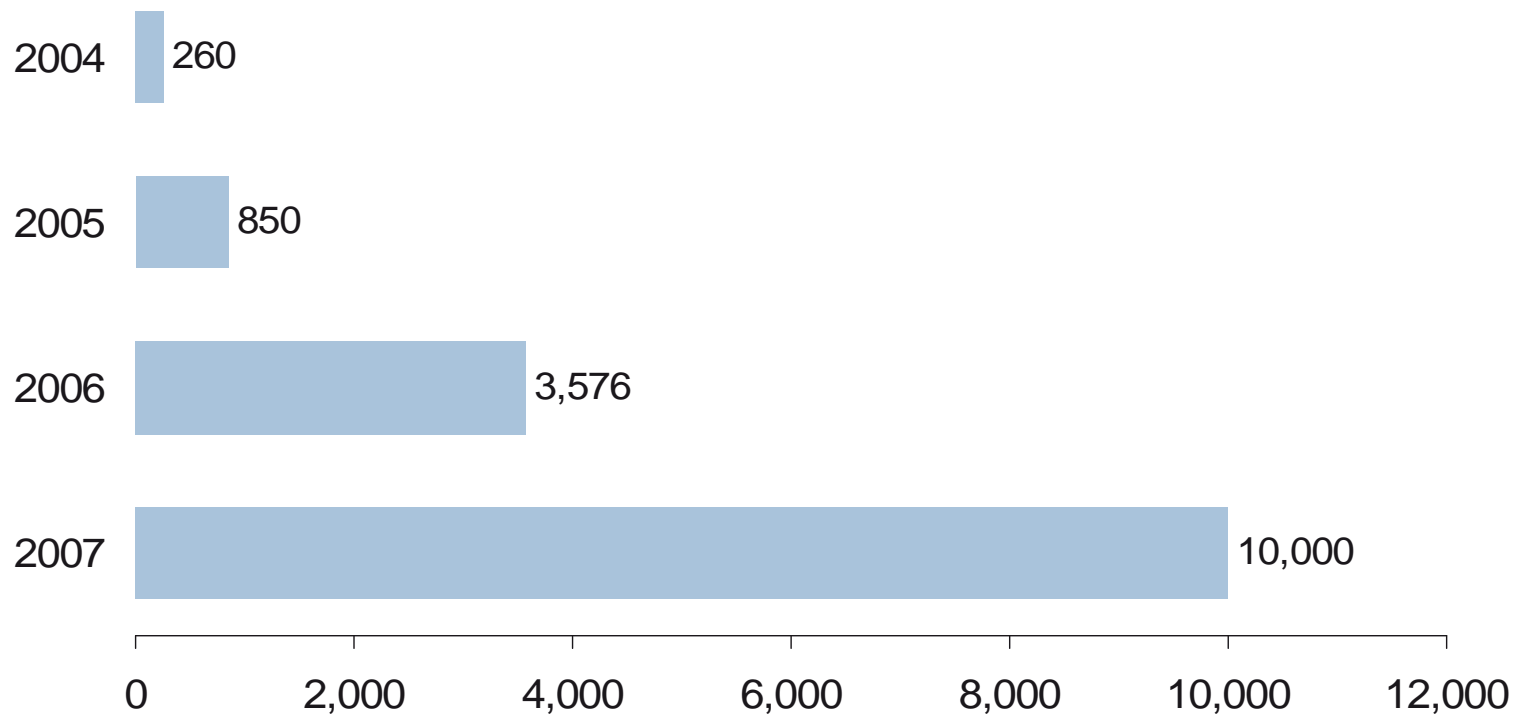


± 2% of the total value of  
European commercial  
real estate



# Derivatives

Derivatives transaction volume  
(million of GBP)





# Investments in Central Europe

- > Not quite emerging markets anymore
- > Offices ⇔ small and volatile markets
- > Retail ⇔ development opportunities in tier 2 markets
- > Residential development



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