



# SENTIMENT SURVEY

Q4 2021 Results

Detailed Analysis  
Exclusively for Known Participants

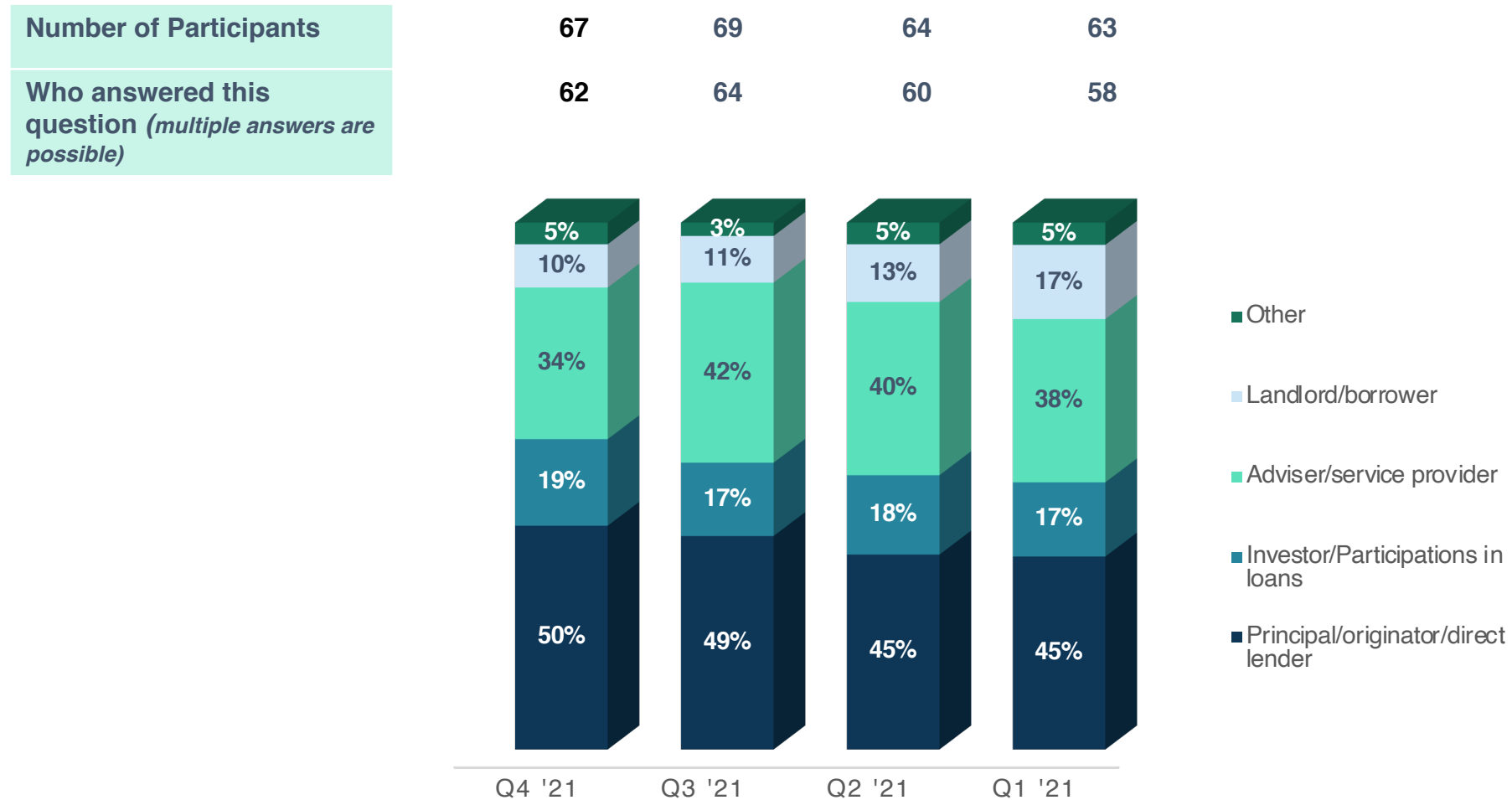
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November 2021

- ❑ The Q4 2021 survey ran between 1 and 19 October. There were 67 participants – 50% were lenders, 34% were advisers, 19% were investors in loans and 10% were borrowers.
- ❑ For the third consecutive quarter, **sentiment about overall market conditions was positive** and consistent for both the UK and Europe. There was an increasing proportion of those that thought that **overall market conditions, liquidity of capital and new business volume were significantly better**.
- ❑ Whilst market conditions have been perceived as positive for a few quarters, the trend towards **loosening lending terms** has continued in Q4. Qualitative comments pointed to the market getting more competitive, leading to more aggressive terms being offered to borrowers. **LTVs** were reported to be **increasing** and **ICRs being less demanding**.
- ❑ Against the positive views on the REF market, **sentiment about the political and economic environment has reversed and was negative in Q4**; the latter was most likely caused by concerns about inflation as evidenced by qualitative comments.
- ❑ Despite a slight drop in sentiment about overall real estate fundamentals in Q4, for the first time since the survey started, **sentiment was neutral to positive for all sectors**. Sentiment about retail continued to improve steadily, now above zero for the first time. Sentiment about **offices and hotels had notable improvements**.
- ❑ Sentiment about market participants' growth prospects continued to be **worse for commercial banks** continuing the trend seen since the pandemic started. Sentiment on growth prospects of insurers, debt funds and pension funds has continued to improve q-o-q.
- ❑ Qualitative comments highlighted the **polarized views on the market** and **nuanced perspectives on the different sectors**. Positive views pointed to opportunities and resilience in the market as 'normal life' returns. Negative views emphasised inflation and concerns about the expected distress when government support is withdrawn.

# PARTICIPANTS

Participation rate and breadth of types of participants continue to be fairly consistent.



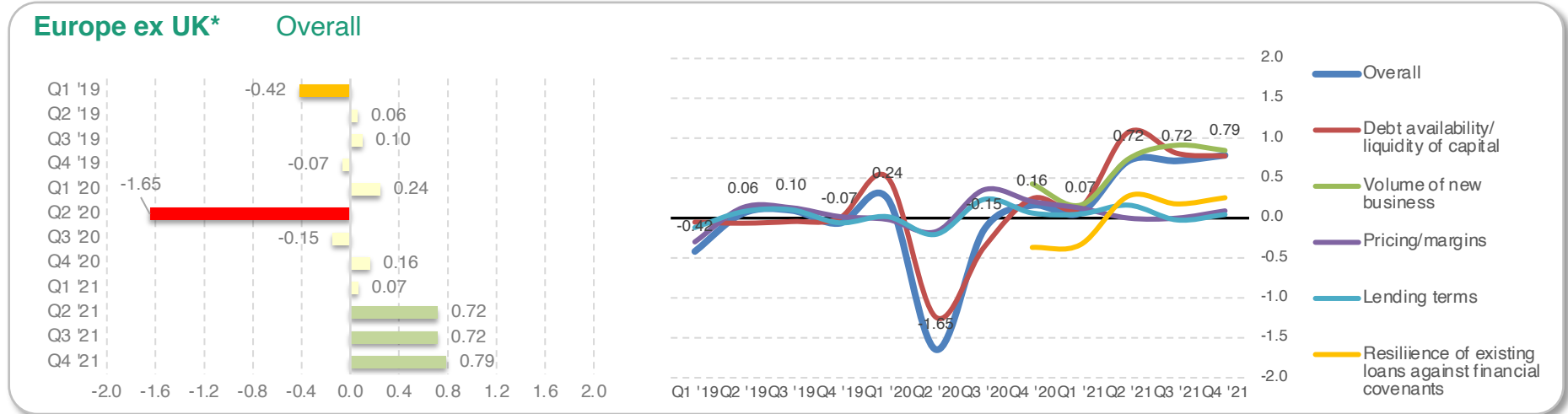
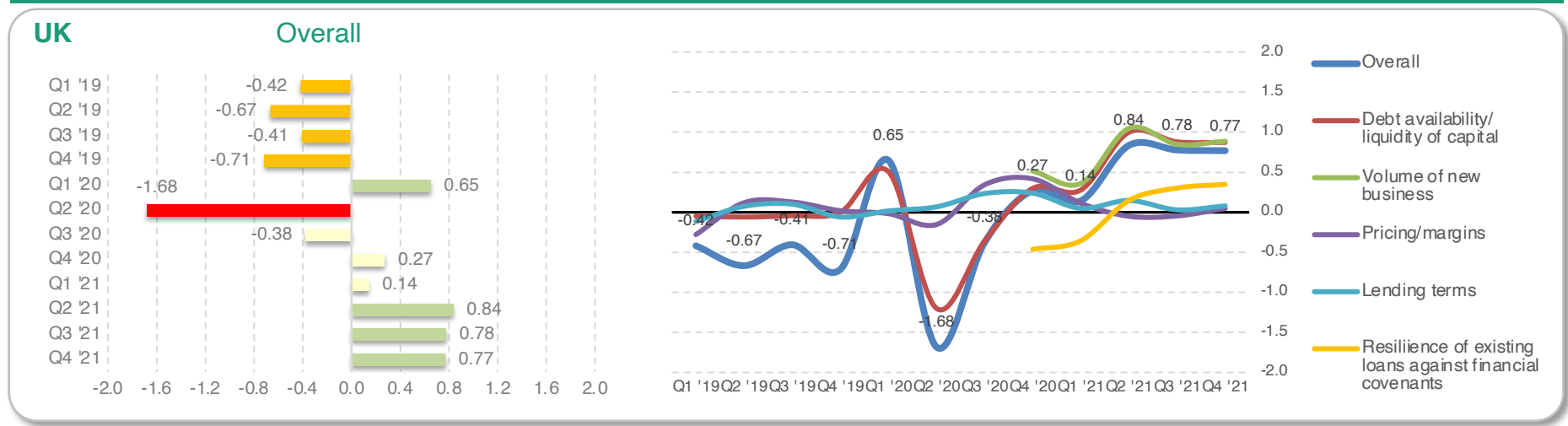
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# Sentiment Indices

See appendix for Sentiment Index methodology

# SENTIMENT INDEX – MARKET CONDITIONS

For the third consecutive quarter, sentiment about overall market conditions was positive and consistent for both the UK and Europe. [NB. Index for Europe has been restated to exclude 'Don't know' responses, which were unusually high – see Appendix]

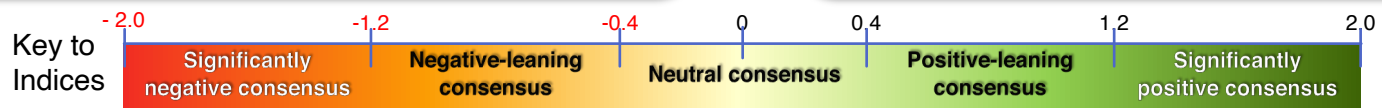
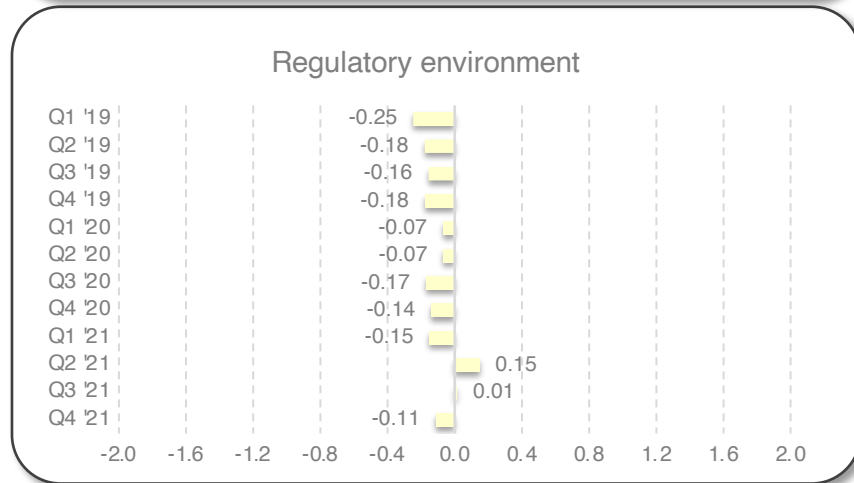
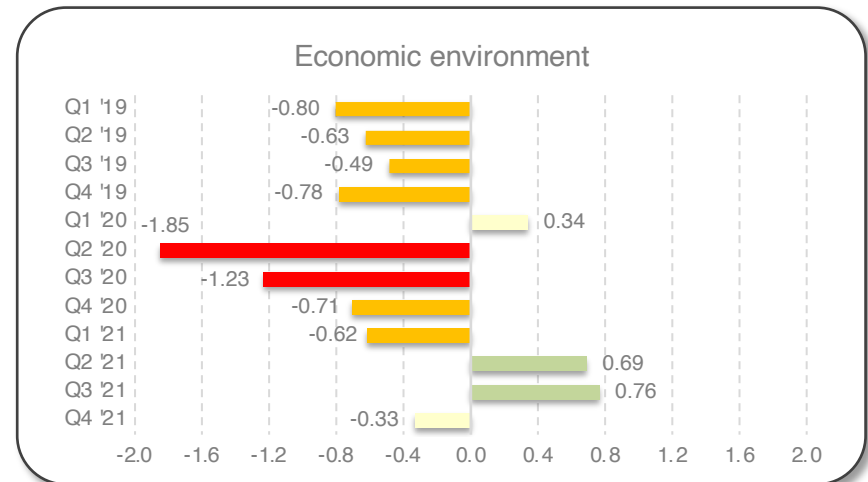
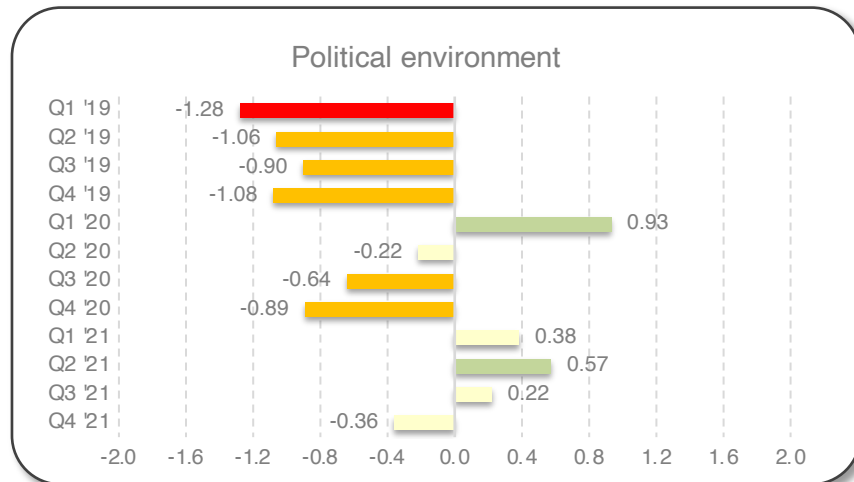


\* Europe Sentiment Index time series has been restated stripping out 'Don't know' responses from overall percentages, as they seemed disproportionately high.



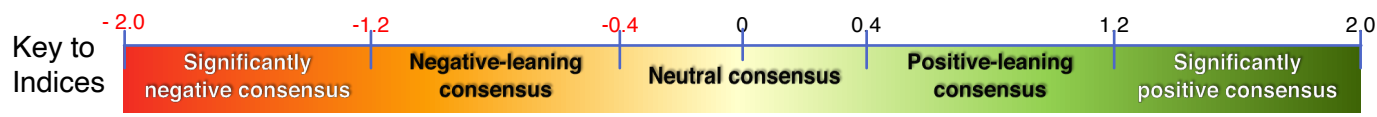
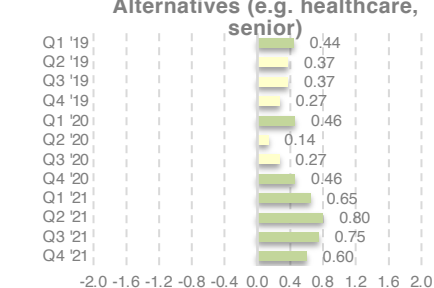
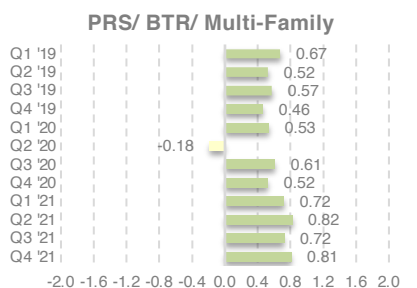
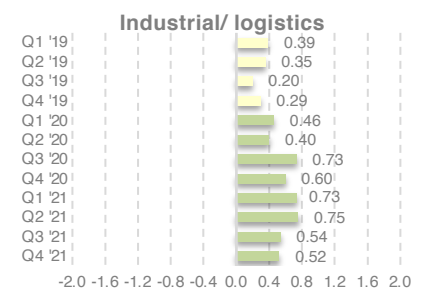
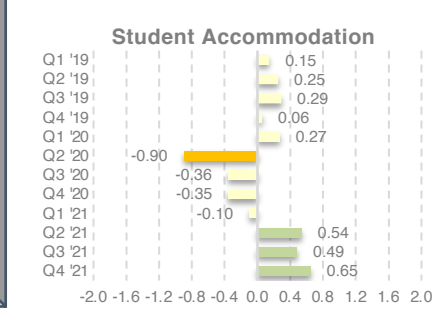
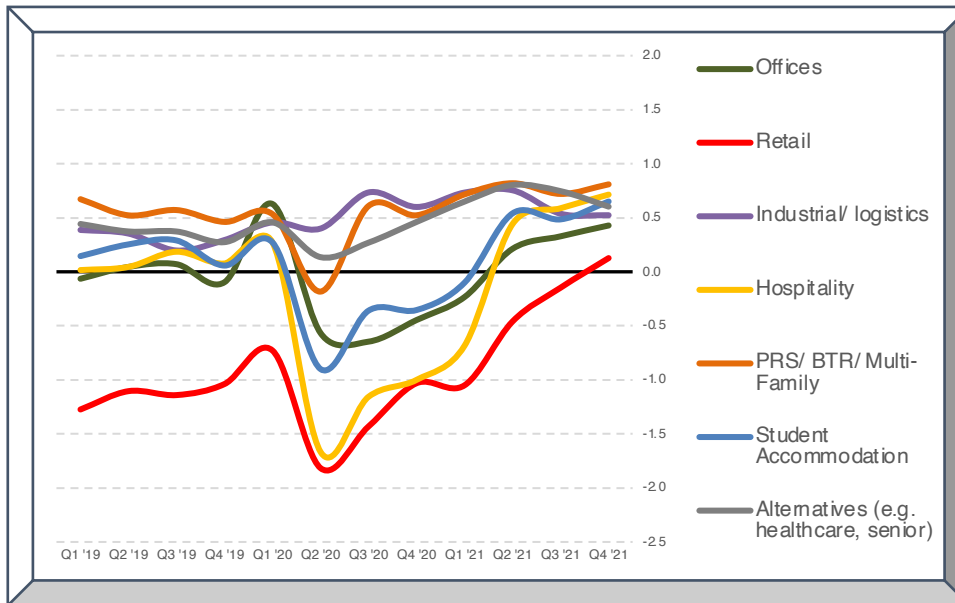
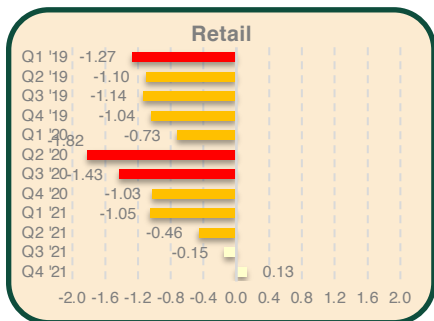
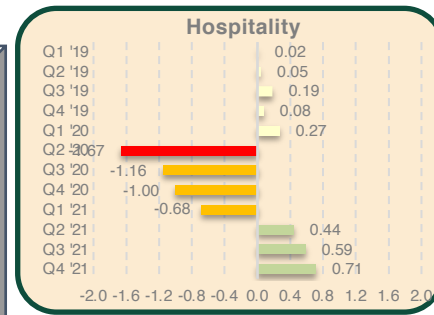
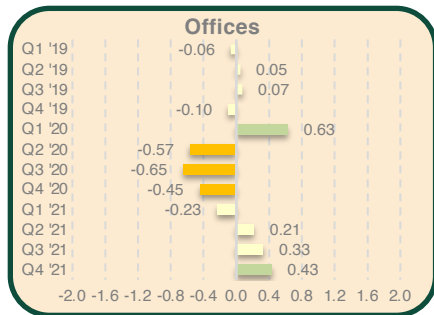
# SENTIMENT INDEX – MACRO-ENVIRONMENT

On the other hand, sentiment about the political and economic environment has reversed and was negative in Q4; the latter was most likely caused by concerns about inflation as evidenced by qualitative comments.



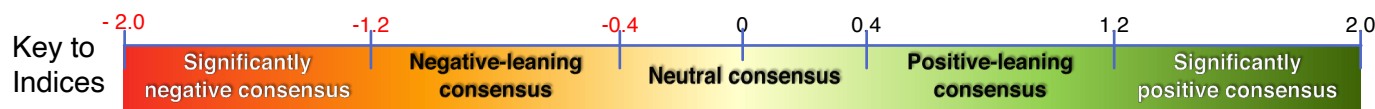
# SENTIMENT INDEX – REAL ESTATE SECTORS

Despite a slight drop in sentiment about overall real estate fundamentals in Q4, for the first time since the survey started, sentiment was neutral to positive for all sectors. Sentiment about retail continued to improve steadily, now above 0 for the first time. Sentiment about offices and hotels had notable improvements.



# SENTIMENT INDEX – GROWTH PROSPECTS FOR KEY MARKET PARTICIPANTS

Sentiment about growth prospects continued to be worse for commercial banks continuing the trend seen since the pandemic started.



\* Some pension funds are also direct lenders



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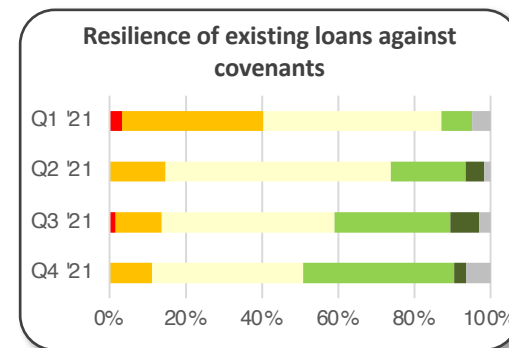
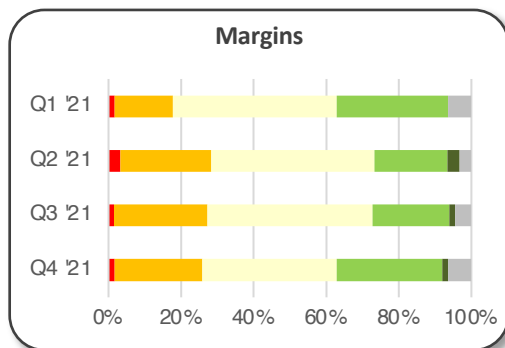
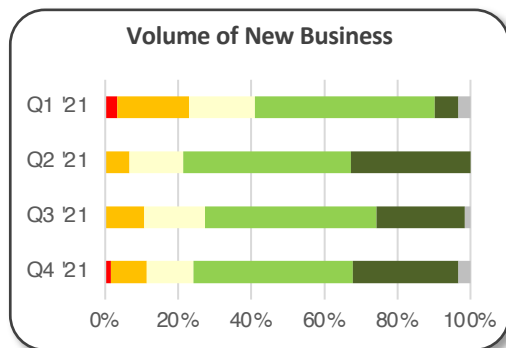
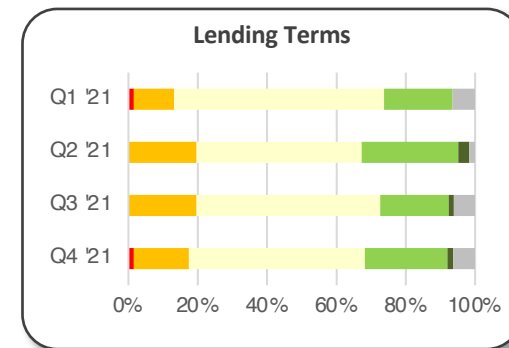
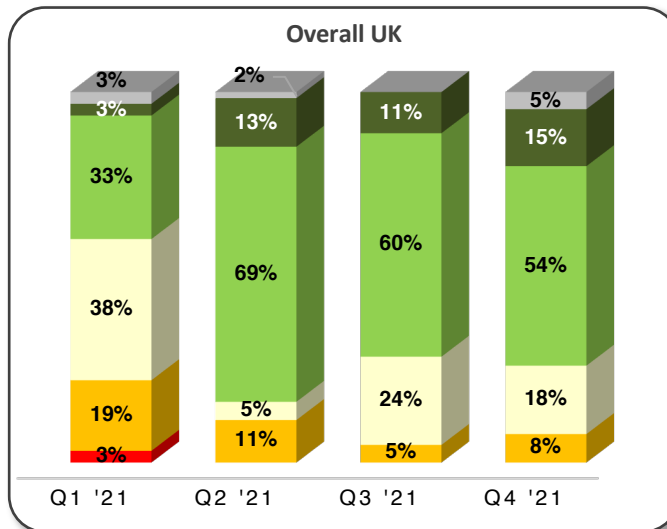
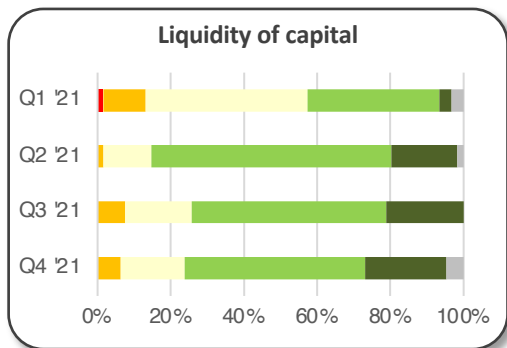
# Rolling 1-year Results

# UK MARKET CONDITIONS

Positive momentum in sentiment q-o-q has continued into Q4, with an increasing proportion of those that thought that overall market conditions, liquidity of capital and new business volume were significantly better.

## Question 1

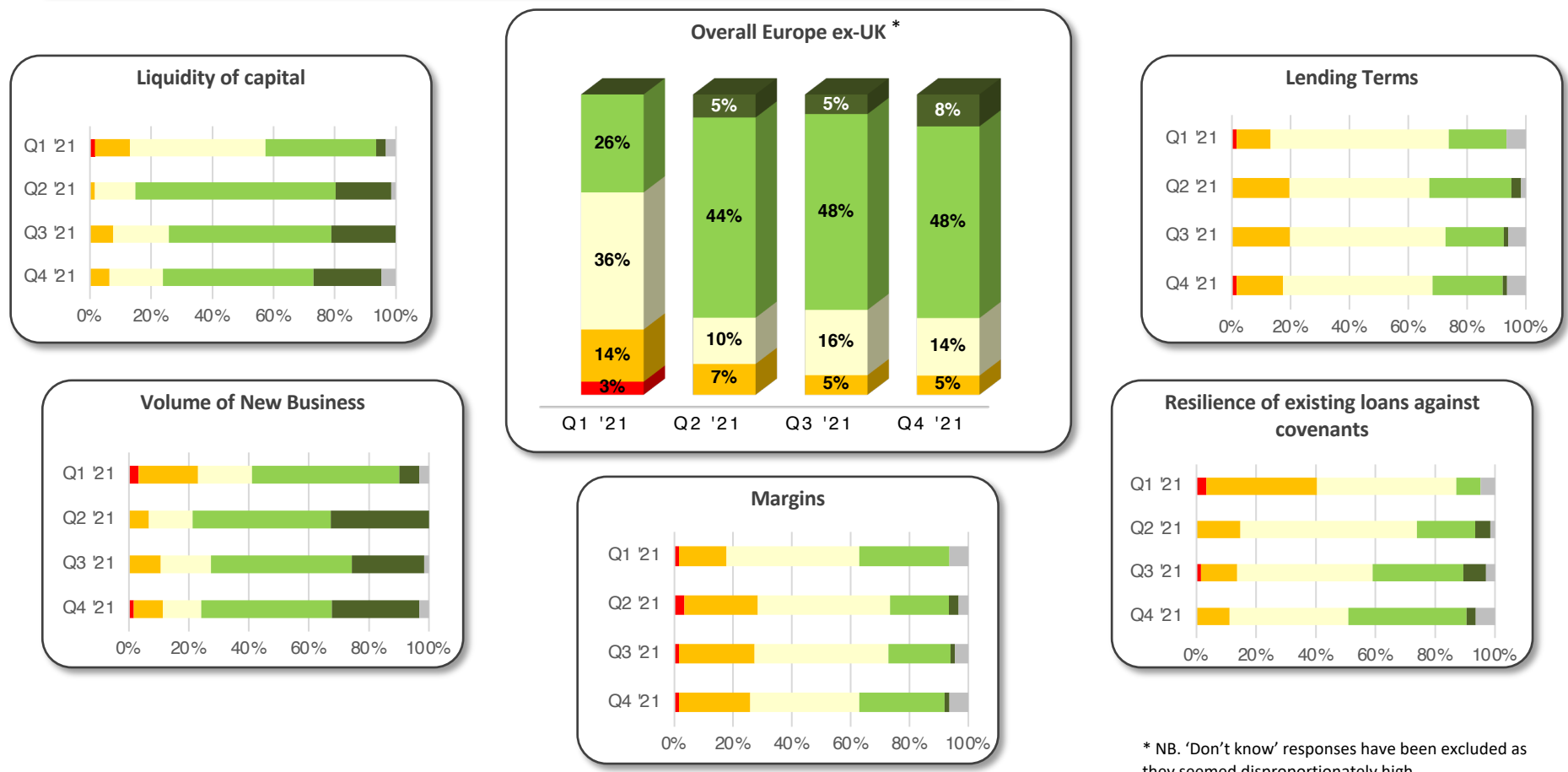
From a lending perspective, how would you assess debt market conditions in the UK today compared with those of 3 months ago?



...a similar trend was seen for sentiment about market conditions in Europe

### Question 2

From a lending perspective, how would you assess debt market conditions in Europe ex UK today compared with those of 3 months ago?

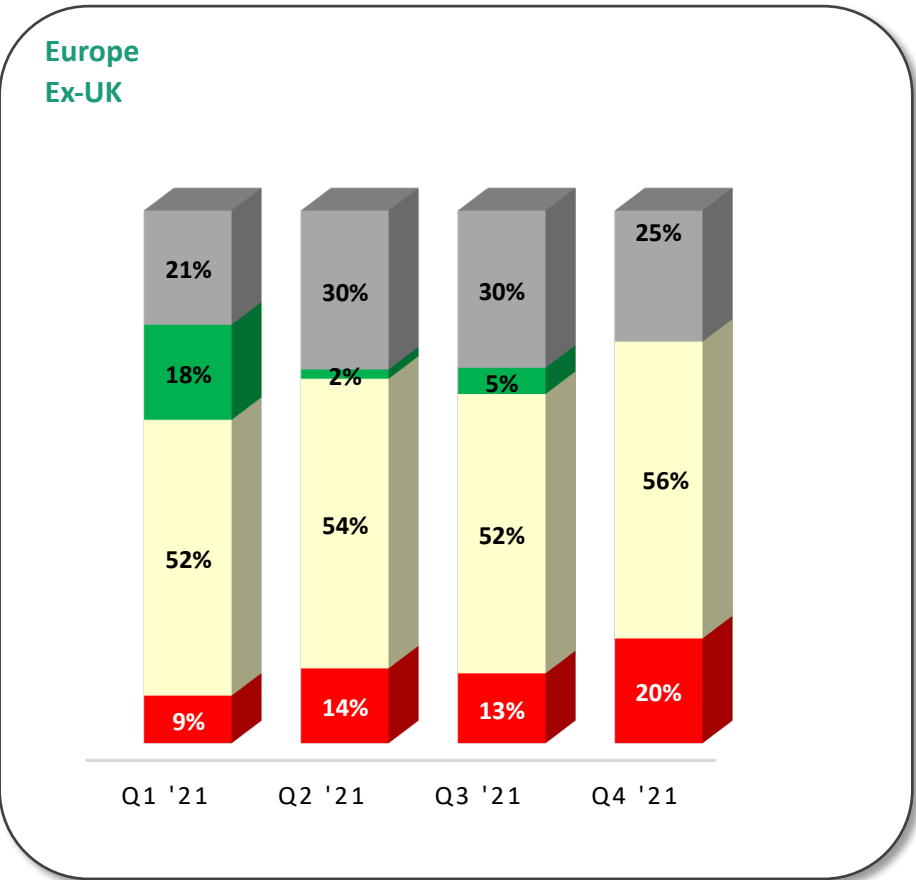
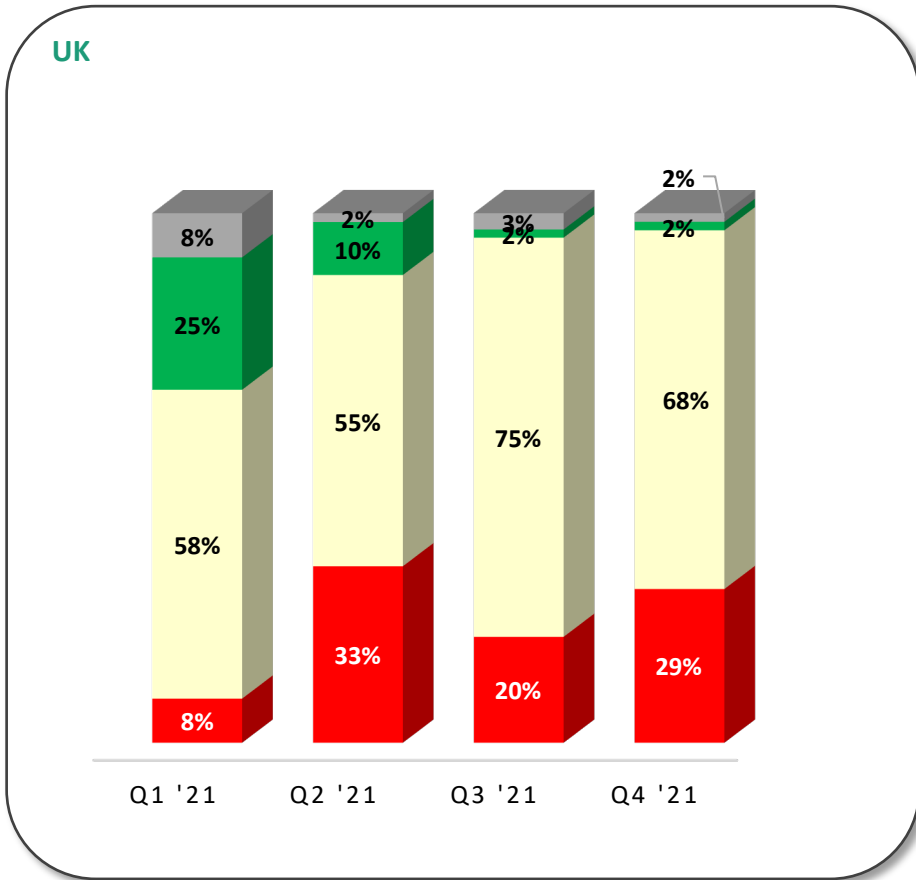
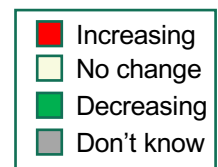


\* NB. 'Don't know' responses have been excluded as they seemed disproportionately high

# FINANCIAL COVENANTS – LTV

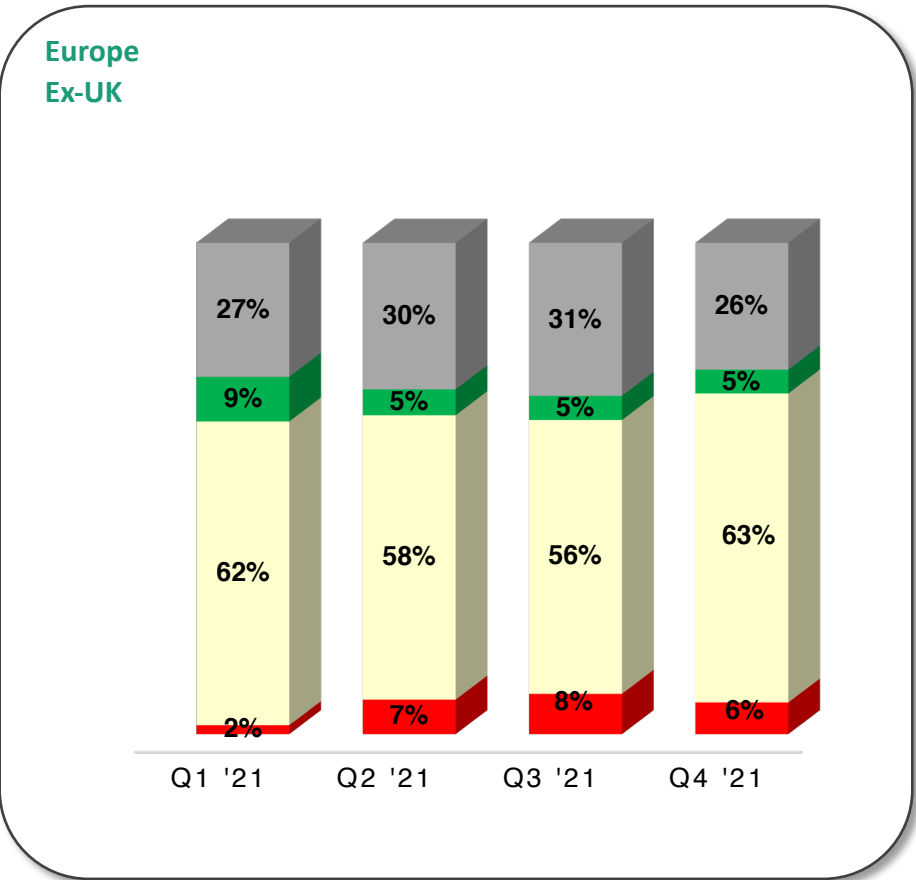
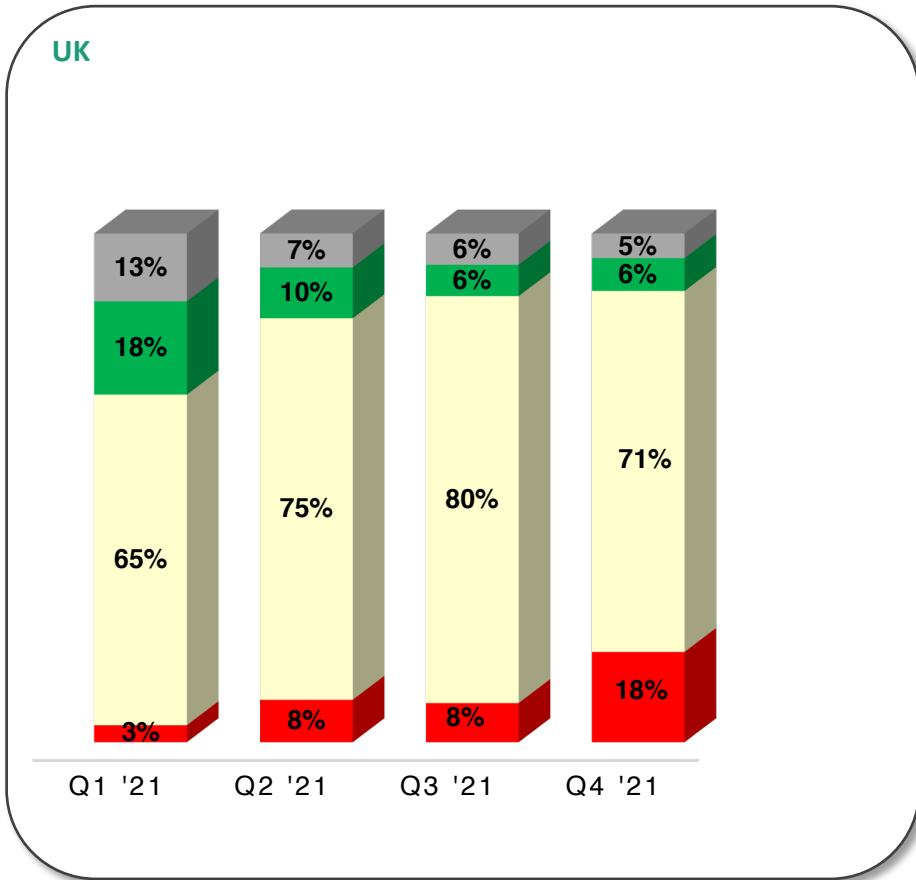
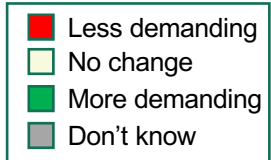
The trend towards lending terms loosening continued in Q4 and was also mentioned in qualitative comments due to the market getting more competitive; LTVs were reported to be increasing...

Question 3  
For New loans, compared with 3 months ago, do you think LTVs are:



...and ICRs have been less demanding.

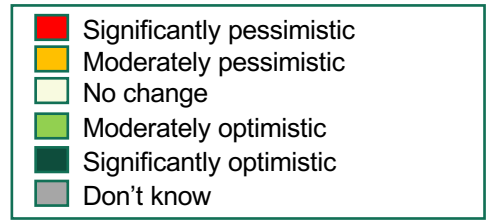
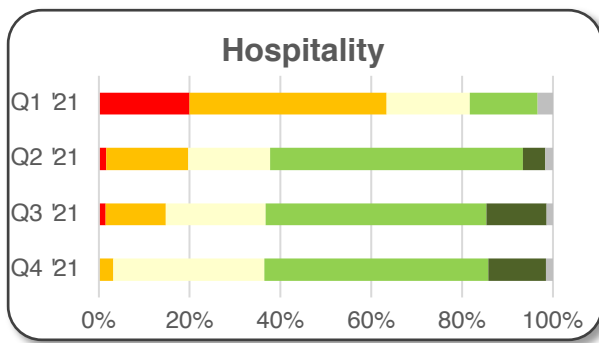
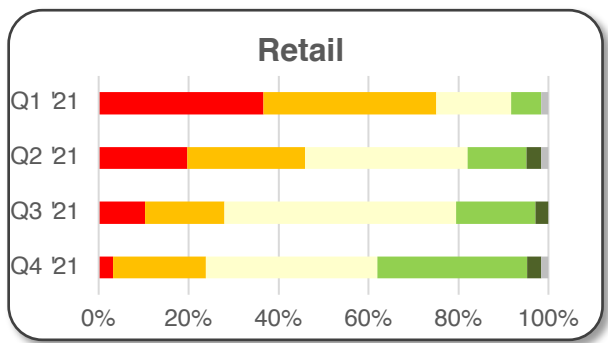
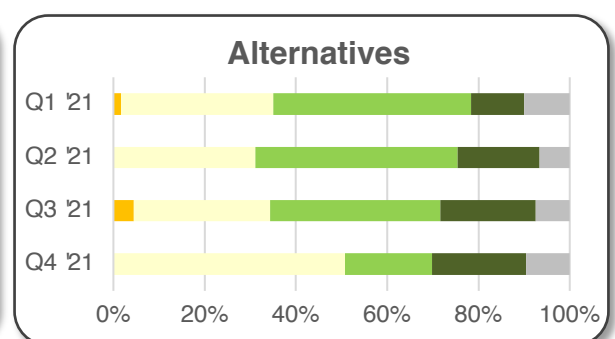
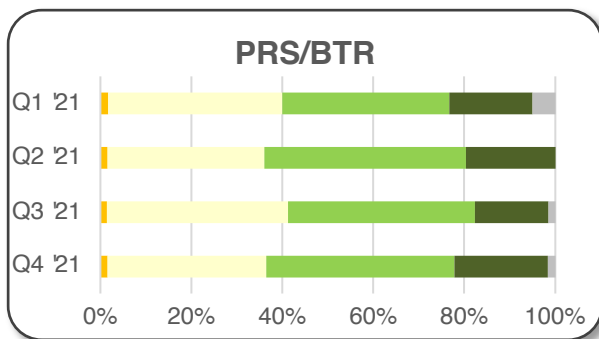
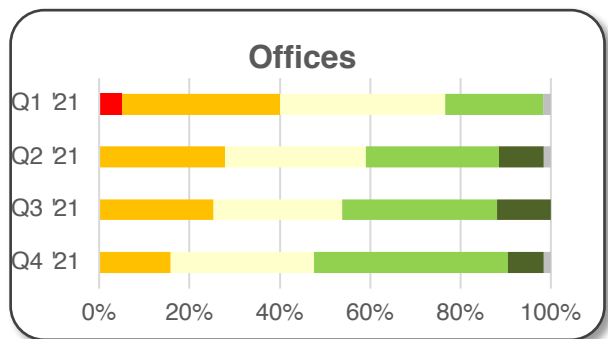
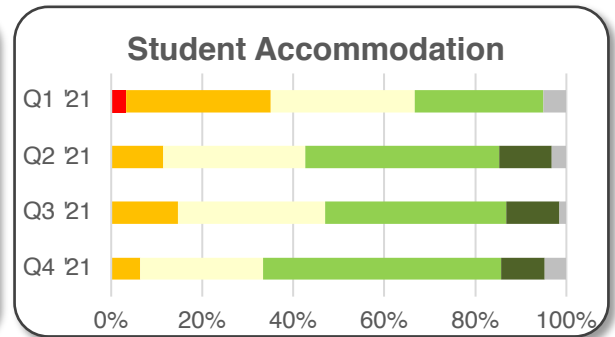
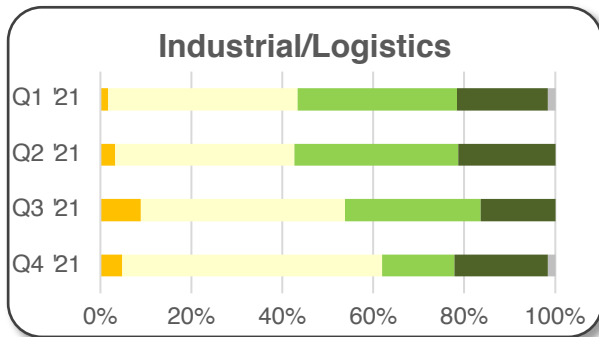
**Question 4\***  
For New loans, compared with 3 months ago, do you think ICRs are:



# REAL ESTATE SECTORS

Sentiment about retail, offices, student accommodation, PRS and hospitality all improved in Q4. For the first time since the start of the survey, positive views outnumbered negative views on retail.

**Question 6**  
From the perspective of your business or the business area in which you operate, how optimistic/pessimistic are you about fundamentals in the following segments, compared with 3 months ago?

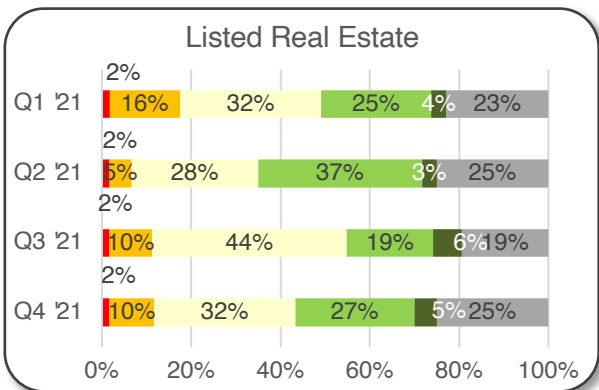
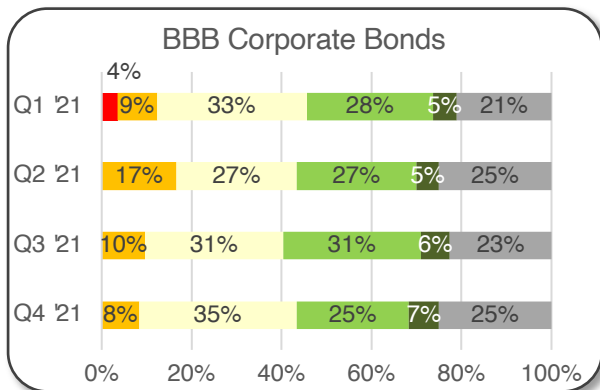
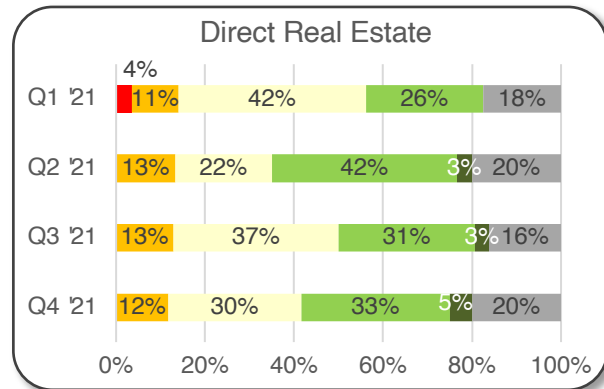
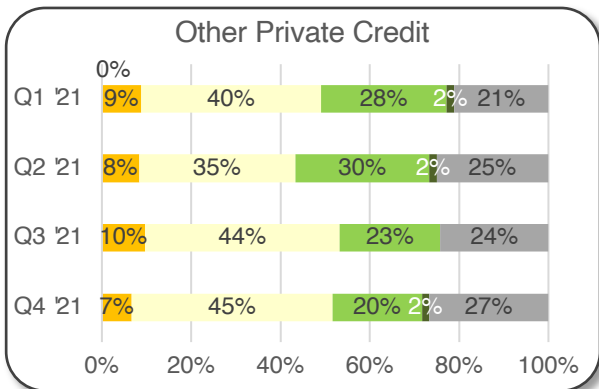
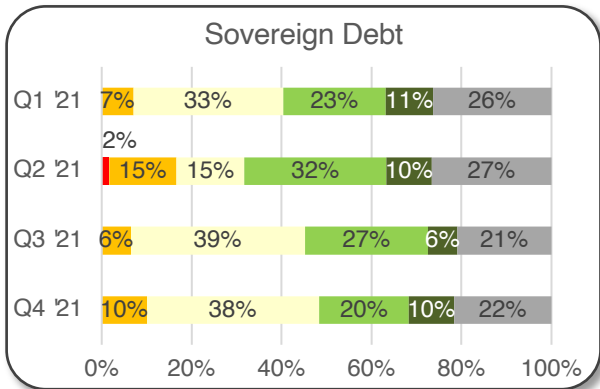


# REAL ESTATE DEBT VS. OTHER ASSET CLASSES

Overall, there has not been much change in sentiment on the relative value of real estate debt compared with other fixed income or real estate asset classes.

## Question 7\*

What are your risk-adjusted returns expectations from real estate debt over the next 12 months relative to the following asset classes?

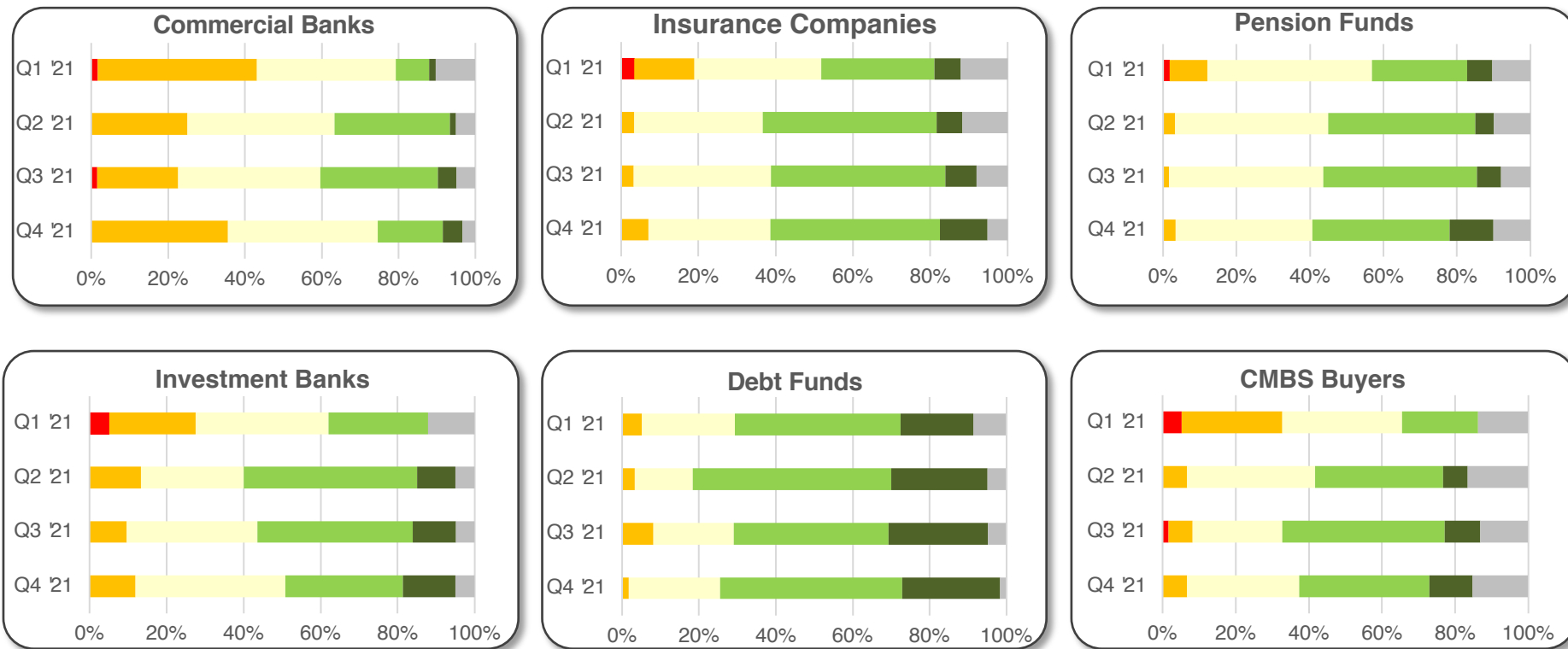


# GROWTH PROSPECTS OF MARKET PARTICIPANTS

Sentiment on growth prospects of insurers, debt funds and pension funds has continued to improve q-o-q, whereas sentiment on commercial banks' growth prospects has gone the other way.

**Question 8**

Where you have a view, do you think that the origination potential of the following types of market participant is worse or better compared with 3 months ago?



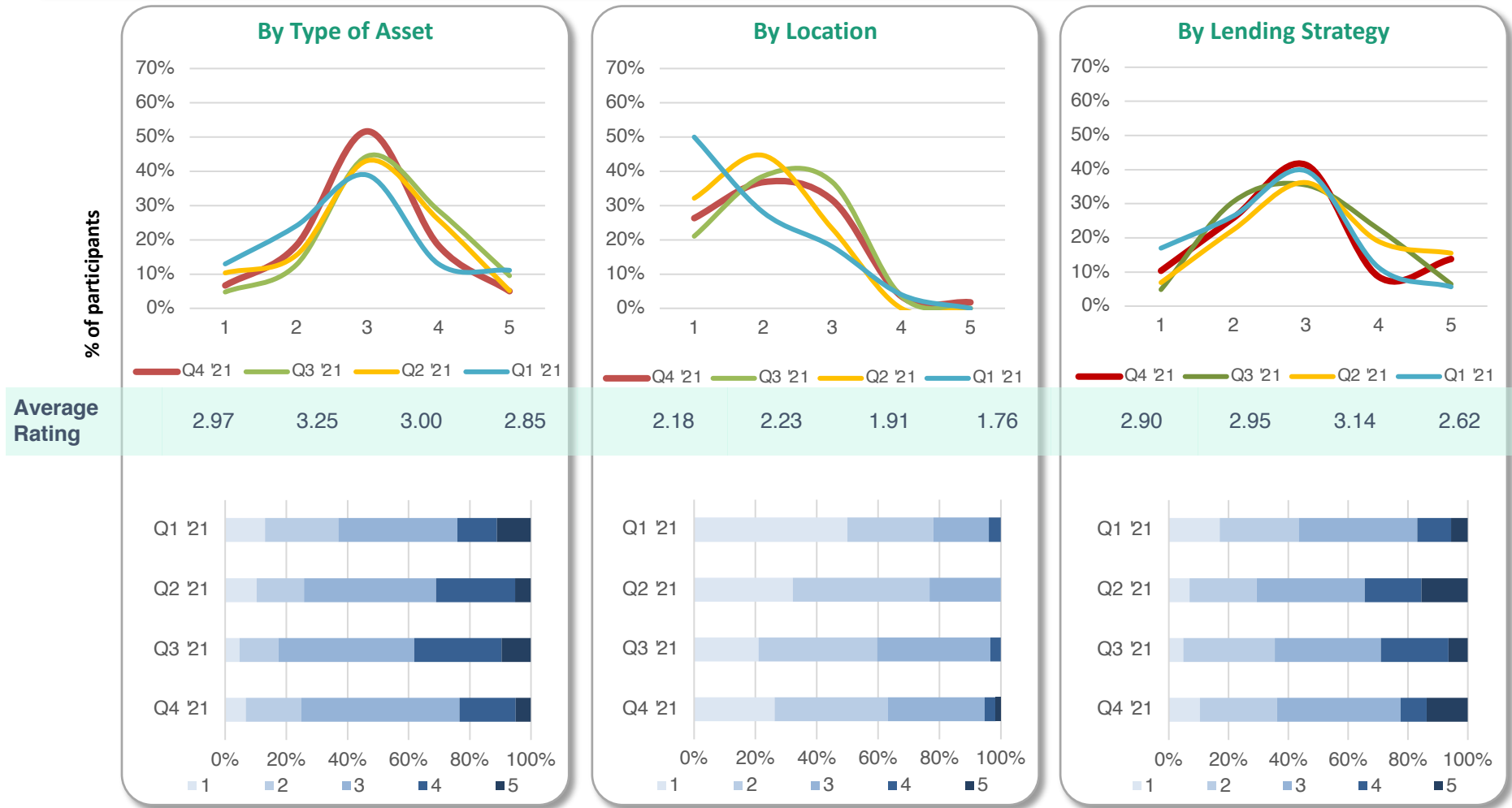
■ Significantly worse  
 ■ Moderately worse  
 ■ No change  
 ■ Moderately better  
 ■ Significantly better  
 ■ Don't know



Risk-return expectations have largely remained at similar levels than in the previous quarter.

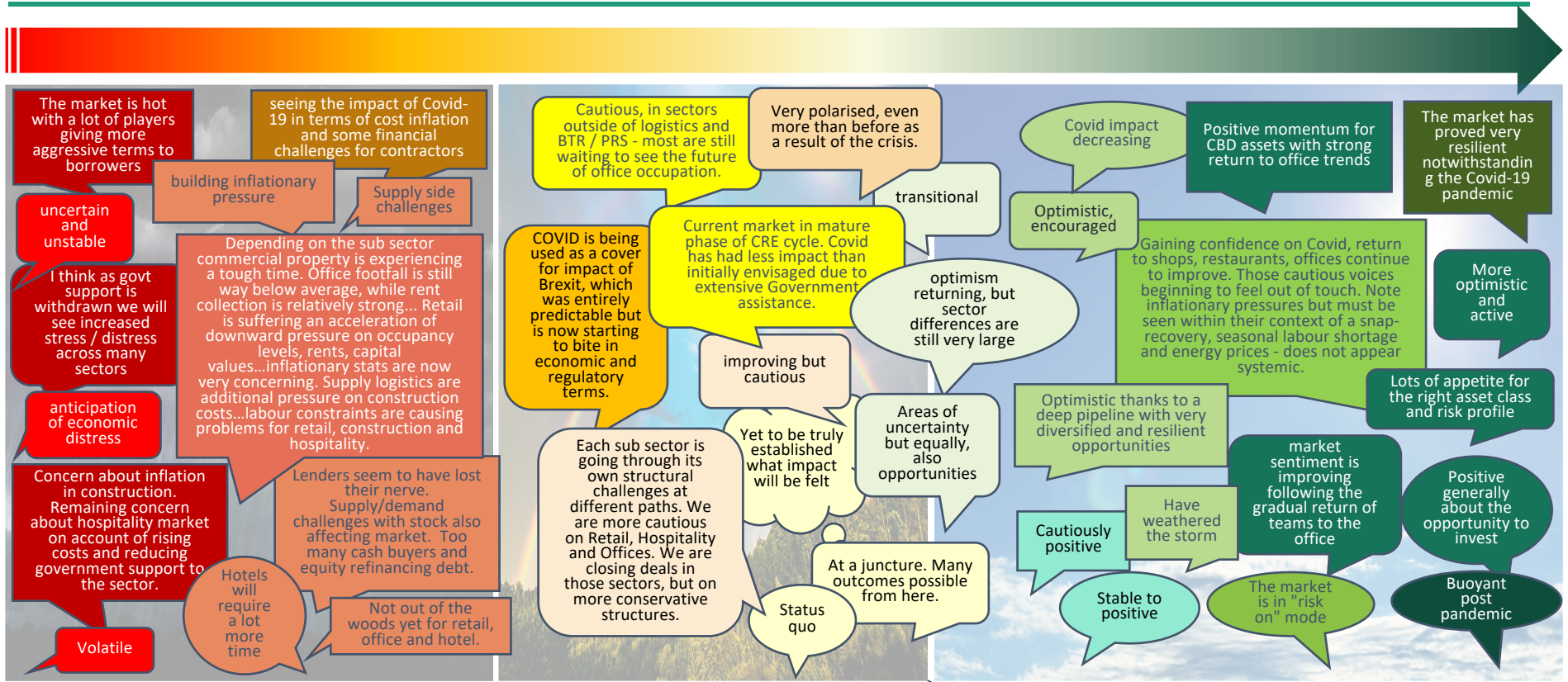
Questions 9-11

Where do you see the most attractive opportunities over the next 3 months, on a scale of 1 to 5, where 1 = low risk and 5 = high risk?

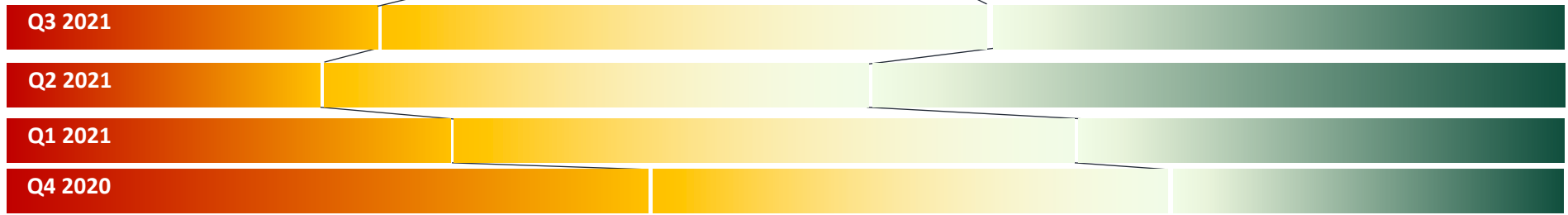


# QUALITATIVE COMMENTS

Qualitative comments highlighted the polarized views on the future market and nuanced perspectives on the different sectors. Positive views pointed to opportunities and resilience in the market as 'normal life' returns. Negative views emphasised inflation and concerns about the expected distress when government support is withdrawn.



Trend in comments



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# Appendices

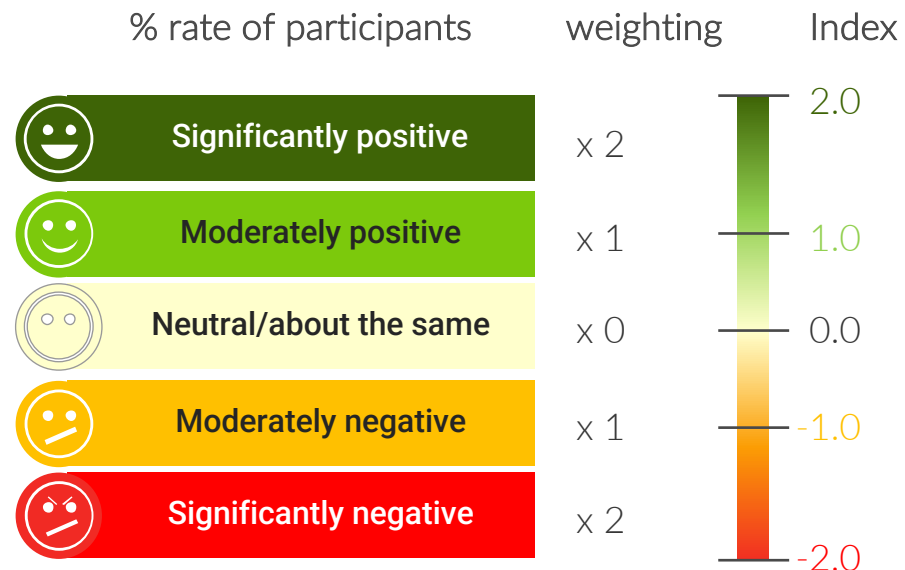
1. Methodology for Sentiment Index
2. Historic Data

# 1A. METHODOLOGY FOR SENTIMENT INDEX

The methodology is based on the 'Net Promoter Score' approach

Most of the measures in the survey have a five point scale (significantly negative, moderately negative, neutral, moderately positive, significantly positive). The methodology for measuring the index is as follows:

- The percentage rates of the two 'extremes' (significantly negative and significantly positive), expressed in decimal form, are **weighted 200%**
- The percentage rates of the two 'moderates' (moderately negative and moderately positive), expressed in decimal form, are **weighted 100%**
- The percentage rate of the 'neutrals' is **weighted 0%**, so set aside
- The 'negatives' are **subtracted** from the 'positives'



**Sentiment Index = 2a + b - y - 2z**

where:

- a** = proportion of respondents who responded significantly positive
- b** = proportion of respondents who responded moderately positive
- y** = proportion of respondents who responded moderately negative
- z** = proportion of respondents who responded significantly negative

A score on the index therefore ranges from **-2.0** to **2.0**.

# 1B. RESTATEMENT OF EUROPE EX-UK SENTIMENT INDEX

Over the past few quarters the number of 'Don't Know' responses in relation to the European market conditions has been unusually high, suggesting that respondents were potentially UK only. In light of this, all percentages were recalibrated so that 100% excluded the 'DK' responses.

From a generic lender's perspective, do you think that the situation is worse or better in each of these areas, compared with 3 months ago?

Overall	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Don't know	25%	26%	34%	21%	19%	5%	12%	9%	10%	10%	9%	0%
<b>Debt availability/liquidity of capital</b>	<b>Q4 '21</b>	<b>Q3 '21</b>	<b>Q2 '21</b>	<b>Q1 '21</b>	<b>Q4 '20</b>	<b>Q3 '20</b>	<b>Q2 '20</b>	<b>Q1 '20</b>	<b>Q4 '19</b>	<b>Q3 '19</b>	<b>Q2 '19</b>	<b>Q1 '19</b>
Don't know	26%	24%	36%	21%	21%	2%	3%	0%	2%	1%	6%	3%
<b>Volume of new business</b>	<b>Q4 '21</b>	<b>Q3 '21</b>	<b>Q2 '21</b>	<b>Q1 '21</b>	<b>Q4 '20</b>	<b>Q3 '20</b>	<b>Q2 '20</b>	<b>Q1 '20</b>	<b>Q4 '19</b>	<b>Q3 '19</b>	<b>Q2 '19</b>	<b>Q1 '19</b>
Don't know	25%	27%	34%	25%	21%							
<b>Pricing/margins</b>	<b>Q4 '21</b>	<b>Q3 '21</b>	<b>Q2 '21</b>	<b>Q1 '21</b>	<b>Q4 '20</b>	<b>Q3 '20</b>	<b>Q2 '20</b>	<b>Q1 '20</b>	<b>Q4 '19</b>	<b>Q3 '19</b>	<b>Q2 '19</b>	<b>Q1 '19</b>
Don't know	28%	29%	39%	30%	21%	3%	10%	2%	0%	1%	10%	7%
<b>Lending terms</b>	<b>Q4 '21</b>	<b>Q3 '21</b>	<b>Q2 '21</b>	<b>Q1 '21</b>	<b>Q4 '20</b>	<b>Q3 '20</b>	<b>Q2 '20</b>	<b>Q1 '20</b>	<b>Q4 '19</b>	<b>Q3 '19</b>	<b>Q2 '19</b>	<b>Q1 '19</b>
Don't know	26%	30%	37%	30%	24%	0%	8%	3%	0%	3%	7%	3%
<b>Resilience of existing loans against financial covenants</b>	<b>Q4 '21</b>	<b>Q3 '21</b>	<b>Q2 '21</b>	<b>Q1 '21</b>	<b>Q4 '20</b>	<b>Q3 '20</b>	<b>Q2 '20</b>	<b>Q1 '20</b>	<b>Q4 '19</b>	<b>Q3 '19</b>	<b>Q2 '19</b>	<b>Q1 '19</b>
Don't know	30%	29%	39%	26%	21%							

Q2. Europe Market Conditions	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Overall	0.59	0.53	0.47	0.05	0.13	(0.14)	(1.45)	0.22	(0.06)	0.09	0.05	(0.42)
Debt availability/ liquidity of capital	0.57	0.62	0.70	0.11	0.19	(0.36)	(1.20)	0.51	0.00	(0.04)	(0.06)	(0.05)
Volume of new business	0.64	0.67	0.49	0.12	0.34							
Pricing/margins	0.07	(0.00)	0.00	0.09	0.16	0.34	(0.15)	(0.02)	0.02	0.13	0.12	(0.28)
Lending terms	0.03	(0.02)	0.10	0.04	0.05	0.23	0.07	0.02	(0.06)	0.10	0.07	(0.11)
Resilience of existing loans against financial covenants	0.18	0.13	0.17	(0.25)	(0.29)							
<i>Excluding 'Don't know' responses</i>												
Overall	0.79	0.72	0.72	0.07	0.16	(0.15)	(1.65)	0.24	(0.07)	0.10	0.06	(0.42)
Debt availability/ liquidity of capital	0.78	0.81	1.08	0.13	0.24	(0.37)	(1.24)	0.51	(0.00)	(0.04)	(0.06)	(0.05)
Volume of new business	0.85	0.91	0.74	0.16	0.43							
Pricing/margins	0.09	0.00	(0.00)	0.13	0.21	0.35	(0.17)	(0.02)	0.02	0.13	0.13	(0.30)
Lending terms	0.04	(0.02)	0.16	0.05	0.06	0.23	(0.20)	0.02	(0.06)	0.10	0.08	(0.12)
Resilience of existing loans against financial covenants	0.26	0.18	0.28	(0.33)	(0.37)							

### 2.1. Views on market conditions in UK

From a generic lender's perspective, do you think that the situation is worse or better in each of these areas, compared with 3 months ago?

Overall	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	0%	0%	3%	5%	30%	71%	0%	16%	4%	8%	3%
Moderately worse	8%	5%	11%	19%	23%	22%	25%	3%	41%	45%	57%	51%
No change	18%	24%	5%	38%	20%	11%	3%	38%	41%	41%	30%	36%
Moderately better	54%	60%	69%	33%	41%	28%	0%	42%	2%	9%	3%	6%
Significantly better	15%	11%	13%	3%	9%	8%	0%	13%	0%	1%	2%	4%
Don't know	5%	0%	2%	3%	3%	2%	0%	3%	0%	0%	0%	0%

Debt availability/ liquidity of capital	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	0%	0%	2%	3%	11%	43%	0%	0%	0%	1%	0%
Moderately worse	6%	8%	2%	11%	21%	38%	38%	5%	22%	17%	22%	26%
No change	17%	18%	13%	44%	25%	28%	10%	42%	58%	69%	51%	49%
Moderately better	49%	53%	66%	36%	36%	20%	5%	49%	14%	13%	19%	21%
Significantly better	22%	21%	18%	3%	10%	2%	0%	3%	4%	0%	0%	0%
Don't know	5%	0%	2%	3%	4%	2%	3%	0%	2%	1%	6%	3%

Volume of new business	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	2%	0%	0%	3%	5%							
Moderately worse	10%	11%	7%	20%	18%							
No change	13%	17%	15%	18%	12%							
Moderately better	44%	47%	46%	49%	42%							
Significantly better	29%	24%	33%	7%	18%							
Don't know	3%	2%	0%	3%	5%							

Pricing/margins	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly lower	2%	2%	3%	2%	0%	5%	17%	0%	0%	0%	0%	2%
Moderately lower	24%	26%	25%	16%	13%	27%	25%	15%	25%	11%	16%	41%
No change	37%	45%	45%	45%	36%	11%	19%	69%	47%	63%	45%	34%
Moderately higher	29%	21%	20%	31%	40%	39%	14%	14%	27%	24%	28%	16%
Significantly higher	2%	2%	3%	0%	7%	16%	15%	0%	0%	0%	0%	0%
Don't know	6%	5%	3%	6%	3%	3%	10%	2%	0%	1%	10%	7%

Lending terms	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	2%	0%	0%	2%	0%	6%	15%	0%	0%	0%	0%	0%
Moderately worse	16%	20%	20%	11%	19%	28%	0%	10%	25%	10%	13%	30%
No change	51%	53%	48%	61%	37%	16%	24%	75%	55%	67%	58%	49%
Moderately better	24%	20%	28%	20%	31%	36%	17%	12%	20%	20%	21%	18%
Significantly better	2%	2%	3%	0%	6%	14%	10%	0%	0%	0%	0%	0%
Don't know	6%	6%	2%	7%	6%	0%	8%	3%	0%	3%	7%	3%

Resilience of existing loans against financial covenants	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	2%	0%	3%	13%							
Moderately worse	11%	12%	15%	37%	34%							
No change	40%	45%	59%	47%	34%							
Moderately better	40%	30%	20%	8%	15%							
Significantly better	3%	8%	5%	0%	0%							
Don't know	6%	3%	2%	5%	3%							

### 2.1. Views on market conditions in Europe

From a generic lender's perspective, do you think that the situation is worse or better in each of these areas, compared with 3 months ago?

Overall	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	0%	0%	3%	5%	17%	62%	0%	0%	0%	0%	3%
Moderately worse	5%	5%	7%	14%	21%	26%	21%	4%	18%	12%	11%	51%
No change	14%	16%	10%	36%	16%	14%	5%	67%	61%	59%	64%	36%
Moderately better	48%	48%	44%	26%	34%	29%	0%	15%	12%	18%	16%	6%
Significantly better	8%	5%	5%	0%	5%	9%	0%	6%	0%	1%	0%	4%
Don't know	25%	26%	34%	21%	19%	5%	12%	9%	10%	10%	9%	0%

Debt availability/liquidity of capital	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	0%	0%	2%	2%	11%	43%	0%	0%	0%	1%	0%
Moderately worse	7%	6%	2%	19%	18%	38%	38%	5%	22%	17%	22%	26%
No change	15%	16%	8%	25%	23%	28%	10%	42%	58%	69%	51%	49%
Moderately better	41%	40%	37%	33%	34%	20%	5%	49%	14%	13%	19%	21%
Significantly better	11%	14%	17%	0%	3%	2%	0%	3%	4%	0%	0%	0%
Don't know	26%	24%	36%	21%	21%	2%	3%	0%	2%	1%	6%	3%

Volume of new business	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	0%	0%	2%	3%							
Moderately worse	5%	2%	8%	21%	11%							
No change	18%	19%	10%	19%	23%							
Moderately better	36%	37%	37%	30%	32%							
Significantly better	16%	16%	10%	4%	10%							
Don't know	25%	27%	34%	25%	21%							

Pricing/margins	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly lower	2%	2%	2%	2%	3%	5%	17%	0%	0%	0%	0%	2%
Moderately lower	15%	19%	17%	12%	13%	27%	25%	15%	25%	11%	16%	41%
No change	31%	29%	24%	35%	28%	11%	19%	69%	47%	63%	45%	34%
Moderately higher	25%	22%	17%	18%	33%	39%	14%	14%	27%	24%	28%	16%
Significantly higher	0%	0%	2%	4%	2%	16%	15%	0%	0%	0%	0%	0%
Don't know	28%	29%	39%	30%	21%	3%	10%	2%	0%	1%	10%	7%

Lending terms	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	2%	0%	2%	0%	6%	15%	0%	0%	0%	0%	0%
Moderately worse	16%	14%	12%	13%	19%	28%	0%	10%	25%	10%	13%	30%
No change	38%	38%	29%	38%	34%	16%	24%	75%	55%	67%	58%	49%
Moderately better	20%	16%	22%	16%	21%	36%	17%	12%	20%	20%	21%	18%
Significantly better	0%	0%	0%	2%	2%	14%	10%	0%	0%	0%	0%	0%
Don't know	26%	30%	37%	30%	24%	0%	8%	3%	0%	3%	7%	3%

Resilience of existing loans against financial covenants	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	2%	0%	2%	6%							
Moderately worse	8%	8%	7%	26%	29%							
No change	38%	40%	32%	40%	31%							
Moderately better	23%	21%	20%	5%	13%							
Significantly better	2%	2%	2%	0%	0%							
Don't know	30%	29%	39%	26%	21%							

## 2. HISTORIC DATA

### 2.2. Views on financial covenants

For New loans, compared with 3 months ago, do you think LTVs are:

UK	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20
Increasing	29%	20%	33%	8%	5%
About the same	68%	75%	55%	58%	57%
Decreasing	2%	2%	10%	25%	37%
Unclear/don't know	2%	3%	2%	8%	2%

Europe ex UK	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20
Increasing	20%	13%	14%	9%	5%
About the same	56%	52%	54%	52%	49%
Decreasing	0%	5%	2%	18%	27%
Unclear/don't know	25%	30%	30%	21%	19%

For New loans, compared with 3 months ago, do you think ICR covenants are:

UK	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20
Less demanding	18%	8%	8%	3%	5%
About the same	71%	80%	75%	65%	64%
More demanding	6%	6%	10%	18%	25%
Unclear/don't know	5%	6%	7%	13%	6%

Europe ex UK	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20
Less demanding	6%	8%	7%	2%	5%
About the same	63%	56%	58%	62%	52%
More demanding	5%	5%	5%	9%	19%
Unclear/don't know	26%	31%	30%	27%	24%



## 2. HISTORIC DATA

### 2.3. Views on market factors

From a generic lender's perspective, do you think that the situation is worse or better in each of these areas, compared with 3 months ago?

	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
<b>Political environment</b>												
Significantly worse	2%	3%	0%	5%	14%	19%	15%	2%	29%	20%	23%	33%
Moderately worse	45%	12%	10%	15%	65%	36%	27%	12%	53%	51%	62%	62%
No change	42%	50%	31%	20%	18%	36%	32%	7%	14%	24%	11%	3%
Moderately better	9%	31%	51%	53%	3%	9%	15%	47%	4%	1%	2%	0%
Significantly better	2%	4%	8%	5%	0%	0%	10%	31%	0%	0%	0%	0%
Don't know	0%	0%	0%	2%	0%	0%	2%	2%	0%	3%	3%	2%
<b>Economic environment</b>												
Significantly worse	5%	0%	2%	7%	18%	53%	87%	0%	4%	1%	4%	2%
Moderately worse	52%	12%	10%	63%	49%	31%	12%	17%	71%	51%	58%	77%
No change	17%	10%	13%	15%	17%	2%	2%	36%	25%	40%	30%	20%
Moderately better	22%	68%	69%	12%	15%	14%	0%	41%	0%	6%	4%	0%
Significantly better	3%	10%	7%	2%	0%	0%	0%	5%	0%	0%	0%	0%
Don't know	0%	0%	0%	2%	0%	0%	0%	2%	0%	1%	3%	2%
<b>Regulatory environment</b>												
Significantly worse	0%	0%	0%	3%	2%	8%	3%	0%	2%	1%	1%	2%
Moderately worse	11%	7%	5%	17%	12%	14%	12%	12%	14%	14%	18%	25%
No change	89%	82%	72%	70%	83%	66%	75%	79%	82%	81%	72%	67%
Moderately better	0%	6%	20%	5%	2%	13%	8%	5%	0%	1%	3%	3%
Significantly better	0%	1%	0%	2%	0%	0%	2%	0%	0%	0%	0%	0%
Don't know	0%	3%	3%	3%	2%	0%	0%	3%	2%	1%	6%	3%
<b>Real estate fundamentals</b>												
Significantly worse	0%	0%	0%	3%	3%	14%	35%	0%	2%	1%	0%	0%
Moderately worse	11%	9%	8%	37%	52%	52%	48%	10%	33%	34%	33%	43%
No change	48%	40%	30%	40%	37%	20%	17%	68%	57%	61%	60%	48%
Moderately better	36%	48%	57%	15%	6%	14%	0%	22%	6%	1%	1%	8%
Significantly better	5%	3%	5%	3%	2%	0%	0%	0%	0%	0%	0%	0%
Don't know	0%	0%	0%	2%	0%	0%	0%	0%	2%	1%	6%	2%

## 2. HISTORIC DATA

### 2.4. Views on real estate sectors (1 of 2)

From the perspective of your business or the business area in which you operate, how optimistic/pessimistic are you about fundamentals in the following segments, compared with 3 months ago?

Offices	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly pessimistic	0%	0%	0%	5%	3%	11%	7%	0%	0%	1%	0%	0%
Moderately pessimistic	16%	25%	28%	35%	51%	52%	55%	3%	31%	10%	20%	24%
No Change	32%	28%	31%	37%	32%	29%	27%	39%	50%	68%	56%	60%
Moderately optimistic	43%	34%	30%	22%	12%	6%	8%	46%	17%	20%	24%	15%
Significantly Optimistic	8%	12%	10%	0%	0%	2%	2%	10%	2%	0%	0%	2%
Don't know	2%	0%	2%	2%	2%	0%	2%	2%	1%	1%	0%	0%

Retail	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly pessimistic	3%	10%	20%	37%	34%	65%	82%	22%	35%	31%	30%	32%
Moderately pessimistic	21%	18%	26%	38%	38%	15%	18%	41%	40%	52%	51%	63%
No Change	38%	51%	36%	17%	23%	18%	0%	24%	19%	17%	19%	5%
Moderately optimistic	33%	18%	13%	7%	3%	2%	0%	12%	6%	0%	0%	0%
Significantly Optimistic	3%	3%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Don't know	2%	0%	2%	2%	2%	0%	0%	2%	0%	0%	0%	0%

Industrial/ logistics	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly pessimistic	0%	0%	0%	0%	0%	2%	3%	0%	0%	0%	2%	0%
Moderately pessimistic	5%	9%	3%	2%	2%	2%	17%	8%	12%	17%	12%	11%
No Change	57%	45%	39%	42%	46%	30%	35%	47%	55%	49%	45%	47%
Moderately optimistic	16%	30%	36%	35%	40%	56%	27%	27%	25%	25%	32%	34%
Significantly Optimistic	21%	16%	21%	20%	11%	11%	18%	14%	8%	6%	9%	8%
Don't know	2%	0%	0%	2%	2%	0%	0%	3%	0%	3%	0%	0%

Hospitality	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly pessimistic	0%	1%	2%	20%	26%	42%	73%	0%	0%	1%	2%	3%
Moderately pessimistic	3%	13%	18%	43%	49%	39%	22%	10%	15%	13%	18%	13%
No Change	33%	22%	18%	18%	22%	9%	3%	49%	60%	50%	55%	61%
Moderately optimistic	49%	49%	56%	15%	2%	8%	2%	27%	23%	29%	20%	18%
Significantly Optimistic	13%	13%	5%	0%	0%	0%	0%	5%	0%	3%	3%	2%
Don't know	2%	1%	2%	3%	2%	2%	0%	8%	2%	4%	3%	3%

## 2. HISTORIC DATA

### 2.4. Views on real estate sectors (2 of 2)

From the perspective of your business or the business area in which you operate, how optimistic/pessimistic are you about fundamentals in the following segments, compared with 3 months ago?

PRS/ BTR/ Multi-Family	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly pessimistic	0%	0%	0%	0%	0%	3%	8%	0%	0%	0%	0%	2%
Moderately pessimistic	2%	1%	2%	2%	8%	3%	20%	7%	6%	7%	6%	5%
No Change	35%	40%	34%	38%	40%	41%	55%	35%	46%	43%	43%	31%
Moderately optimistic	41%	41%	44%	37%	45%	36%	15%	47%	44%	33%	37%	46%
Significantly Optimistic	21%	16%	20%	18%	8%	17%	2%	7%	4%	16%	10%	15%
Don't know	2%	1%	0%	5%	0%	0%	0%	5%	0%	1%	3%	2%

Student Accommodation	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly pessimistic	0%	0%	0%	3%	8%	8%	25%	0%	0%	0%	0%	2%
Moderately pessimistic	6%	15%	11%	32%	46%	41%	52%	10%	21%	13%	18%	18%
No Change	27%	32%	31%	32%	20%	30%	13%	53%	52%	51%	40%	50%
Moderately optimistic	52%	40%	43%	28%	26%	17%	8%	24%	27%	25%	31%	23%
Significantly Optimistic	10%	12%	11%	0%	0%	2%	2%	7%	0%	9%	6%	6%
Don't know	5%	1%	3%	5%	0%	3%	0%	7%	0%	3%	4%	2%

Alternatives (e.g. healthcare, senior)	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly pessimistic	0%	0%	0%	0%	0%	5%	7%	2%	0%	0%	0%	2%
Moderately pessimistic	0%	4%	0%	2%	6%	11%	0%	7%	18%	9%	7%	11%
No Change	51%	30%	31%	33%	42%	40%	42%	32%	37%	45%	45%	36%
Moderately optimistic	19%	37%	44%	43%	37%	29%	20%	32%	33%	31%	36%	30%
Significantly Optimistic	21%	21%	18%	12%	8%	10%	3%	12%	6%	7%	4%	15%
Don't know	10%	7%	7%	10%	8%	6%	3%	15%	6%	7%	7%	7%

### 2.5. Views on growth prospects

Where you have a view, do you think that the growth prospects of the following categories of market participant are worse or better compared with 3 months ago?

Commercial banks	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	2%	0%	2%	6%	17%	35%	0%	0%	3%	3%	2%
Moderately Worse	36%	21%	25%	41%	34%	56%	44%	22%	31%	42%	39%	43%
No change	39%	37%	38%	36%	34%	24%	16%	56%	59%	44%	48%	43%
Moderately Better	17%	31%	30%	9%	22%	2%	2%	17%	8%	5%	3%	7%
Significantly better	5%	5%	2%	2%	0%	0%	0%	2%	0%	0%	0%	0%
Don't know	3%	5%	5%	10%	3%	2%	4%	3%	2%	6%	6%	5%

Investment banks	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	0%	0%	5%	6%	19%	40%	0%	2%	2%	0%	2%
Moderately Worse	12%	10%	13%	22%	29%	34%	37%	14%	20%	29%	31%	24%
No change	39%	34%	27%	34%	32%	32%	14%	53%	49%	50%	48%	41%
Moderately Better	31%	40%	45%	26%	29%	13%	5%	25%	25%	11%	14%	25%
Significantly better	14%	11%	10%	0%	2%	0%	0%	5%	0%	3%	0%	2%
Don't know	5%	5%	5%	12%	3%	2%	4%	3%	4%	6%	8%	7%

Insurance companies	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	0%	0%	3%	2%	6%	26%	0%	0%	0%	3%	0%
Moderately Worse	7%	3%	3%	16%	16%	24%	37%	2%	16%	9%	8%	12%
No change	32%	35%	33%	33%	44%	41%	26%	48%	51%	44%	42%	39%
Moderately Better	44%	45%	45%	29%	25%	25%	4%	45%	29%	38%	38%	42%
Significantly better	12%	8%	7%	7%	6%	0%	2%	2%	0%	2%	2%	0%
Don't know	5%	8%	12%	12%	8%	3%	5%	3%	4%	8%	8%	7%

Debt funds	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	0%	0%	0%	0%	3%	23%	0%	0%	0%	0%	0%
Moderately Worse	2%	8%	3%	5%	8%	24%	37%	5%	12%	14%	11%	14%
No change	24%	21%	15%	24%	31%	21%	18%	34%	35%	34%	29%	24%
Moderately Better	47%	40%	52%	43%	39%	48%	11%	47%	43%	43%	46%	59%
Significantly better	25%	26%	25%	19%	17%	2%	9%	12%	6%	6%	8%	2%
Don't know	2%	5%	5%	9%	5%	2%	4%	2%	4%	3%	6%	2%

Pension funds	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	0%	0%	2%	2%	6%	21%	0%	0%	0%	0%	0%
Moderately Worse	3%	2%	3%	10%	13%	25%	39%	3%	14%	12%	11%	12%
No change	37%	42%	42%	45%	49%	40%	23%	53%	57%	46%	46%	42%
Moderately Better	37%	42%	40%	26%	22%	22%	7%	37%	25%	34%	32%	35%
Significantly better	12%	6%	5%	7%	5%	0%	2%	2%	0%	2%	2%	5%
Don't know	10%	8%	10%	10%	10%	6%	7%	5%	4%	6%	9%	7%

CMBS buyers	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
Significantly worse	0%	2%	0%	5%	6%	23%	41%	0%	0%	0%	5%	0%
Moderately Worse	7%	7%	7%	28%	21%	30%	33%	2%	12%	14%	8%	25%
No change	31%	25%	35%	33%	44%	25%	10%	40%	37%	40%	35%	37%
Moderately Better	36%	44%	35%	21%	19%	11%	5%	52%	37%	28%	29%	28%
Significantly better	12%	10%	7%	0%	0%	0%	2%	3%	2%	3%	6%	2%
Don't know	15%	13%	17%	14%	10%	11%	9%	3%	12%	15%	17%	8%

## 2. HISTORIC DATA

### 2.6. Views on attractive opportunities by level of risk

Where do you see the most attractive risk-adjusted returns over the next 3 months, on a scale of 1 to 5, where 1 = low risk and 5 = high risk?

#### By type of asset

	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
1	7%	5%	10%	13%	13%	23%	46%	5%	8%	5%	11%	2%
2	18%	13%	16%	24%	42%	26%	20%	7%	26%	20%	13%	14%
3	52%	44%	43%	39%	29%	35%	20%	45%	40%	48%	56%	46%
4	18%	29%	26%	13%	13%	12%	6%	25%	16%	16%	14%	25%
5	5%	10%	5%	11%	3%	4%	8%	16%	10%	11%	6%	13%
Average Rating	2.97	3.25	3.00	2.85	2.52	2.47	2.10	3.40	2.94	3.08	2.92	3.32

#### By location of asset

	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
1	26%	21%	32%	50%	42%	47%	61%	18%	30%	10%	19%	9%
2	37%	39%	45%	28%	47%	32%	22%	37%	33%	42%	37%	39%
3	32%	37%	23%	18%	10%	13%	11%	39%	33%	37%	32%	35%
4	4%	4%	0%	4%	0%	6%	4%	6%	4%	10%	10%	11%
5	2%	0%	0%	0%	2%	2%	2%	0%	0%	2%	2%	6%
Average Rating	2.18	2.23	1.91	1.76	1.73	1.83	1.65	2.33	2.11	2.52	2.37	2.65

#### By type of lending

	Q4 '21	Q3 '21	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Q3 '19	Q2 '19	Q1 '19
1	10%	5%	7%	17%	24%	24%	59%	9%	11%	13%	16%	13%
2	26%	31%	22%	26%	32%	30%	11%	25%	30%	23%	30%	17%
3	41%	35%	36%	40%	27%	35%	22%	38%	36%	43%	33%	45%
4	9%	23%	19%	11%	16%	6%	4%	21%	17%	16%	16%	17%
5	14%	6%	16%	6%	2%	6%	4%	7%	6%	5%	5%	8%
Average Rating	2.90	2.95	3.14	2.62	2.40	2.39	1.85	2.93	2.79	2.77	2.63	2.89



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