

Over the past year I first spent six months at AEW (Europe) within the Paris team of the Research & Strategy department from June to November 2022. AEW represents the real estate asset management platform of Natixis Investment Managers. The Paris team has three permanent members (two directors Mr. Baccam and Ms. Fossé and one data analyst Mr. Mejri) and usually has one or two interns. The range of work the team is involved in is really wide, even for the interns, whether it is for solely in-house purposes (for example for other teams) or to be published research works. During my time in the team I had the chance to be involved in working on at least one of every publication type, which I am going to explain for better understanding.

First, the team produces a monthly research report on (usually) high profile, or more forward looking, topics regarding the European real estate markets (office, logistics, retail or housing). These publications are then published on the company website and sent to partners. It is public available information that also serves as advertisement to showcase the company's work. Second are in-house reports and this is mainly what interns work on (mostly in English). Most of these reports are requested by the different investment funds within the company. It usually consists in a concise slideshow with comments and forecast on the side. The funds are often specialised in investment towards specific markets, for instance I worked a lot with *Logistis* which focuses on the French logistics market. Thus, the requests are mainly to update the 'research note' associated to the fund who is calling for an update. In the latter we find an economic outlook that screens the economy (country-specific or a region depending on the fund) and provides a broad summary of the past quarter economic developments (inflation, GDP growth, interest rates, labour market etc...). Then usually follow an Occupier market and an Investment market part. The first one essentially focuses on the real market variables recent trends (take-up, vacancy rate, rents...) and the second on market/financial variables (yields and investment volumes). This is what we call *Market Update Reports* and they are not really long publications but it is more the number of funds requesting these quarterly updates around the same dates that make it a lot of work.

I think this internship was the best way to start my gap year as I was a bit lost, had no particular field that I was interested in and just broadly felt that I lacked experience in working on economics related subjects. Choosing a strongly specialised research department such as the one of AEW focusing on real estate allowed me to first: strengthen my knowledge of basic economics subjects and make concrete links between them when I had to draft the outlook parts of the reports but it also introduced me to a field that I surprisingly developed a strong interest in. I think the way the team works played a key role in the latter. Indeed, the interns are not just involved in

drafting parts of the Market Update Reports but the whole thing in itself. At the beginning of the quarter we are handed with requests from the different funds and the work is divided between the interns. It is rewarding and inclusive as we have our own agenda and can organise it as we feel, as long as we meet the deadlines. The team being relatively small and enthusiastic also makes it increasingly motivating. Moreover, the work is not thoughtless charts updates as we go through reports, news and talks to draft our analysis and the reviews from my supervisor were always enriching. I was able to draft better, more concise and relevant comments as time went on thanks to his advice. The interns are also tasked with writing the *Quarterly Situation Report* for the French and European real estate markets. These two reports are (outside of client presentations) the longest in-house materials we work on and consist in a global overview of recent developments across the real estate sectors. Regarding the European note we do not go over every country but rather focus on the countries the French side of the company is heavily invested in: France, Germany, Belgium, Spain and the Netherlands. This is probably the reports I enjoyed working on the most as it required summarising a lot of information, while remaining clear and easy to go through which is something I struggled to do at the beginning but improved over time. The wide range of topics addressed in these reports also made it all the more interesting. Regarding the actual work I was involved in, I went through two quarters of updates and reporting. Below is the list of projects I worked on.

- French and European Q2 and Q3 (2022) *Quarterly Situation Report* that I previously mentioned during a particularly interesting period with rising interest rates, questioning from investors and increasing tension on the markets.
- Over the summer during one of our colleagues' break from London I took over a request from the *Hallog* fund. The report consists in an economic outlook for the eurozone as of Q2 2022. It was around July/August 2022 so it remained uncertain despite earlier recovery from the pandemic, mainly due to the conflict in Ukraine. In addition to the increases in interest rates, real GDP growth for the eurozone had been revised downwards by 20 bps compared to the first quarter projections. The report goes on with a property market overview for the eurozone logistics market and then country-specific market updates (France, Germany, the Netherlands, Belgium, Denmark and Austria). This is the first report where I actually suggested charts improvement on my own and tried to make most of the training period I went through in the prior weeks. Despite tight schedule I am thankful for the team manager Mr. Vrensen supervising my work and giving me a better understanding of economic variables I was struggling with, especially when it came to how

yields and prime yields were determined. The report was also interesting as I had to do some research on Danish and Austrian markets which I had never worked on.

- Then came the updates for four different funds that I took over from the other intern I replaced. Namely, *Logistis*, *PBW1*, *Fondis*, *Celsius* and *Ulis*. I already mentioned *Logistis* before and to go over the other three *PBW1* focuses on investment in Poland and Czech Republic (office and retail markets), *Fondis* on the French retail market, *Celsius* on the French and Belgian retail markets and *Ulis* on different European logistics markets. It was challenging but educative as I had to manage my agenda to provide reports in time, meet different teams' needs and improve in my writing skills when it came to delivering clear messages in a few points. The reports format were pretty similar with first a global outlook, then some property market slides and comments, then a focus on the investment side. They were especially concerned with rising interest rates leading to increasing funding costs and yields, thus potentially decreasing property values.
- The *Quarterly Real Estate Market Update* of September 2022 for France. It is basically a longer and more in depth version of the French *Quarterly Situation Report* that incorporates more details on different French regional markets. It is intended to AEW Patrimoine's clients (basically the real-estate investment trust (REITs) side of AEW - 'SCPI' in French-).
- A global market update for Germany in Q3 2022, that goes over each sector (logistics, retail, office, housing) and showcases data for the main German cities.

These were requests we knew we would get from the start of the quarter. However, I was also involved in helping Ms. Fossé drafting some client presentation materials or tackled extempore requests. It was again challenging as it differs from usual report with much more tight deadlines and varying topics addressed. Below is the list of subjects I worked on in this matter.

- Q3 2022 ImmoCorp Monitoring Committee where Irene presented the market overview part for AEW's presentation. It covers a wide range of topics: Frankfurt office market, the shopping centers market in Italy, the Paris region office occupier market and La Défense office market.
- A slide included in one of Ms. Fossé's presentations on the French student housing market where data was surprisingly pretty hard to find but very interesting.
- A global market overview client presentation that covered every sector of the French real estate market and in addition focuses on the office market in Ile-de-France and the French hotel trade market.

- A long report for CNP Assurances. It covered the office market for London, Germany, the Netherlands and Luxembourg; pan-european residential market; every market in France and its investment market (investment volumes and key players). As a presentation for investors it also focused on the property debt market in Europe tackling issues such as loan-to-value ratio, increasing cost of debt, prime yields etc... It was quite different from what I had worked on up until this point, as it focused more on financial variables and concepts that I had to get my head around.
- I also received market update slide requests from members of the Investment team that they wished to include in their presentation for investment projects they had to submit during investment committees. It dealt with usual areas such as the Parisian region or larger markets but I had the opportunity to work on precise locations as well, including a retail market update for Neuilly-sur-Seine/Levallois-Perret and a summary of the office rental activity in Vélizy-Villacoublay.

Overall, the six months I spent within the team were enlightening. I enjoyed discovering the key topics in real estate investment and how the different sectors are analysed. It allowed me to grasp topics in economics better, by writing and reading daily update materials but also by talking with my colleagues (especially Mr. Mejri to whom I am thankful for the many talks we had, his explanation, and experience sharing). Before going into this internship I had a pretty mathematical approach of economic topics and I lacked concrete understanding. Working without mathematical models really allowed me to focus on understanding the variables for what they were and how the key economic variables interact. This is what motivated me to apply for a second internship in an economic research team, and this time I was interested in dealing with models and broader topics. I am again thankful to Mr. Mejri that helped me prepare for the different interviews I had. His guidance played a key role in my selection for the position I then had at Allianz Trade within the Economic Research department. The basis I acquired during my time at AEW were really helpful during the second part of my gap year and I will for sure keep the interest I developed for real estate on the back of my mind.