SPOTLIGHT
Savills Research

European Commercial – June 2025

Vive les SCPIs!

French funds continue their European expansion

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Understanding SCPIs: France’s collective property investment model

First established in the 1960s, an SCPI (Société Civile de Placement Immobilier) is a French real estate investment vehicle that enables individuals (retail investors) to invest in a professionally managed property portfolio. Often called *pierre-papier* or “paper property,” SCPIs pool capital from multiple investors to acquire and operate a portfolio of real estate assets. Investors become shareholders in the SCPI and receive a share of the rental income generated by the portfolio, typically distributed quarterly.

Specialist asset management firms, authorised by the AMF (Autorité des marchés financiers), manage the full lifecycle of SCPIs; from inception, through the day-to-day management of the vehicle, to the eventual exit.

The closest international equivalent to an SCPI is the Real Estate Investment Trust (REIT). However, REITs, particularly in the UK, have historically been geared more towards institutional investors and listed property firms, whereas SCPIs are designed primarily, though not exclusively, for retail savers seeking recurring income.

Debt is typically procured at a portfolio level, with funds harnessing their diversification to attain more attractive financing. As predominantly full equity buyers, this serves to make SCPIs as a group more agile, with their ability to trade speedily giving them a competitive edge, particularly in on-market processes.

Whilst requirements do differ from SCPI to SCPI, the principal features that this investor group are looking for can be broadly defined as follows:-

- Income-driven investments with a preference for secure cash flow of at least 5 years. The focus on stable income returns prioritises fully let properties whilst avoiding highly multi-let tenancies.
- Increasingly sectorally agnostic, seeking diversification across retail, industrial and office, whilst some groups can diversify into leased living products (PBSA, hotels, hostels) as well;
- Returns vary depending on fund and target geography, but typically SCPIs coalesce above the 7.00% NIY threshold;
- Cross-border activity is most concentrated in those western and southern European markets close to France, but interest in central and eastern European jurisdictions continues to grow;
- Currently, volumes of between €5-25m are most in demand. However, there are numerous requirements in the sub €5m category, and a handful of SCPIs are active in the €25m – 100m lot size range.
- Strong preference for asset deal structures, but certain groups can transact a proportion of share deals as well.
- Preference for Freehold properties, but many can acquire institutionally acceptable leasehold structures too.

Today, there are approximately 220 existing SCPIs. This figure includes the 18 new vehicles launched in 2024 alone. The recent launches comprise a mixture of single market strategies and sectoral focuses, to more diversified, multi-market funds. We set out a selection of these new funds later in the document as we analyse the continued evolution of SCPI outbound deployment.

How SCPIs are attracting capital in a changing market

Over the past decade, SCPIs experienced robust capital inflows, with annual subscriptions averaging €6 billion. Much of this timeframe was characterised by a prolonged period of low interest rates, which made traditional savings products less attractive and prompted French savers to seek alternatives offering better yields – hence the growth in the SCPI net inflows, also known as *"net collecte"*.

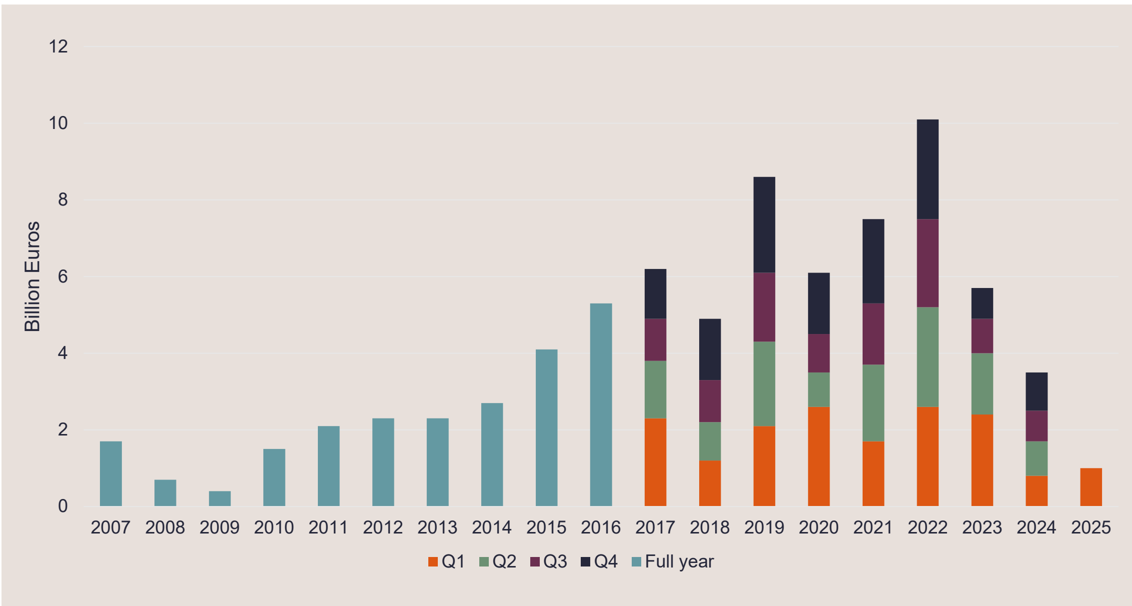
Interestingly, though, with their regular income distribution and relatively low volatility, SCPIs also afford a compelling option to investors during times of uncertainty. Their reputation for stability, especially during the pandemic, when most continued to pay out dividends, further reinforced investor confidence in this investment product. This was certainly the case in 2022, which proved to be a standout year for inflows as the ramifications of the post-pandemic environment became clearer and drove investors to seek out more stable returns.

However, from mid-2023 onwards, rising interest rates and a cooling property market triggered a sharp slowdown in net inflows, and in 2024, annual inflows fell to €3.8 billion, with the first three quarters each bringing in less than €1 billion. There was, however, a modest rebound in Q4, with net subscriptions reaching €1.3 billion. It is plausible that this uptick in inflows was underpinned, in part, by sustained growth in the French household saving ratio, which reached 18% in Q4 2024, well above the EU-27 average of 14.5%. This savings ratio has risen for five consecutive quarters in France, whereas in most other countries, it has gradually declined.

Moreover, the July 2024 Order, which removed the minimum nominal subscription amount for SCPIs, allows them to lower entry costs, making these investment products more inclusive and accessible. Combined with rising household savings in France, this reform is particularly relevant amid geopolitical instability and bond market volatility, reinforcing real estate's appeal as a safe haven for capital.

With France's saving ratio edging up further in Q1 2025, the upward trend in inflows seen in Q4 2024 appears to have continued into early 2025. According to ASPIM-IEIF, SCPIs recorded €1 billion in net inflows in Q1 2025, which, whilst slightly down on the previous quarter, shows a clear improvement on the €764 million collected in Q1 2024. A handful of newly launched, diversified SCPIs dominated the Q1 raise, capturing 71% of total gross subscriptions.

Net SCPIs capital inflows



Source: ASPIM-IEIF

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Evolving performance patterns in the SCPI sector

French SCPIs have delivered a solid performance between 2000 and 2023. During this time frame, the SCPI index rose by 19% annually on average, according to EDHEC IEIF. This consistency in performance is in part rooted in the fundamental structure of the SCPI itself. Unlike listed vehicles, SCPIs are not subject to daily market fluctuations. Their valuations are updated periodically, generally on a quarterly basis, which reduces volatility and shields investors from panic-driven price swings. Their investor base, mainly composed of retail savers with long-term goals, also contributes to their resilience by limiting sudden redemption pressures.

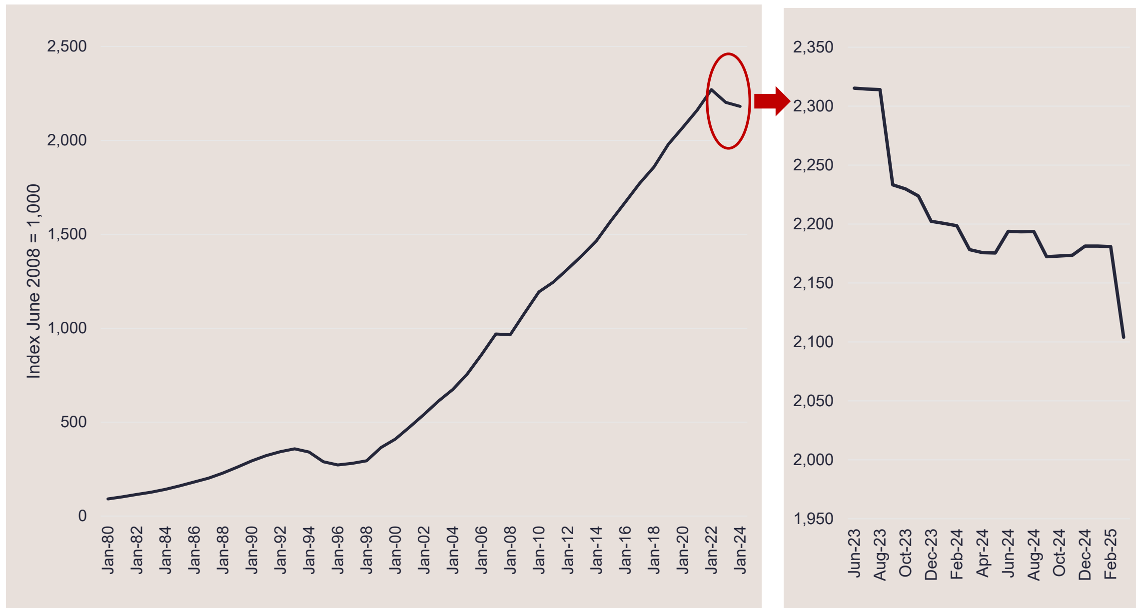
However, from early 2023 onwards, the landscape shifted significantly. Rising interest rates began to weigh heavily on real estate valuations, prompting a wave of downward adjustments in SCPI subscription prices. The first revaluation came from Lafitte Pierre in March 2023, setting off a cascade of repricing. Since then, 54 funds have revised their prices downwards, including 17 already in 2025.

These adjustments directly reflect the change in appraisal values. For the first quarter of the year, according to ASPIM-IEIF, the capitalisation-weighted average unit price of SCPIs dropped 3.5%, with office-focused SCPIs seeing the sharpest decline (-4.9%) compared to a milder dip (-1.6%) in other categories. Total SCPI capitalisation stood at €86bn, marking a 3% decline both quarterly and annually. Despite market fluctuations, 64% of SCPIs maintained or increased distribution levels, with over a third achieving an average capitalisation-weighted growth of 7%. In contrast, 36% reduced their quarterly dividends, with a weighted average decline of 15%.

Clearly, the impact of this correction has been far from uniform. A clear divide has emerged between older and newer generations of SCPIs. Certain older vehicles have been burdened by legacy properties acquired at the height of the previous pricing cycle and are now facing mounting pressures, in particular with refinancing costs and valuation declines. This, in certain cases, has fed through to diminished fundraising capabilities for some of these more established managers.

In contrast, newer SCPIs, nimbly capitalising upon a period of softening yield profiles, and coupled with a greater emphasis on portfolio diversification, have posted a more resilient performance in recent years. Some have even managed to preserve or grow their value; 24 SCPIs have increased their share prices since the start of the correction, including two since January 2025.

SCPIs performance



Source: EDHEC-IEIF SCPI index

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Redrawing the map: the new European footprint of French SCPIs

Over the past decade, French SCPIs have evolved from being Paris-centric and sector-specific into more diversified, pan-European funds. This strategic shift reflected changing investor expectations towards more resilience and diversification, notably after the pandemic highlighted the vulnerabilities of mono-asset strategies. In response, SCPIs have diversified both geographically and across asset classes.

In the last ten years, we have witnessed exceptional, unabating growth in SCPI cross-border trade. In fact, by Q1 2025, domestic investments represented circa 20% of SCPI acquisitions, a near reversal of the situation in 2015, when cross border investments accounted for slightly less than 20% of total capital deployed.

At a European level, the extent of this overseas deployment has fed through into statistical evidence.

French investors have been shown to be some of the most active cross-border investors in the wider region, in particular through late 2023 and early 2024. Whilst they have since been overtaken by UK investors, they remain highly present in the market, driven in the main by the sustained activity of the SCPI funds.

Last year, SCPI funds allocated nearly €2.3bn across Europe (excluding France), marking a 16% decline over the previous five-year average. Despite this drop, SCPIs demonstrated resilience compared to the total cross-border investment volume, which fell by 28% over the same period. In Q1, SCPI funds invested €331 million – 26% more than the same period in 2024 – while total cross-border investment grew by just 12.6% in comparison.

This robustness in cross-border activity reflects the shift in modus operandi of most SCPIs as they pivot to expand their geographical and sectoral footprint. Initially, their geographic expansion focused on core Western European markets such as Germany, the Netherlands, Spain and Ireland. More recently, growth has accelerated in the UK and Italian markets, alongside a strategic push into Central and Eastern Europe, where risk-adjusted returns have become increasingly attractive.

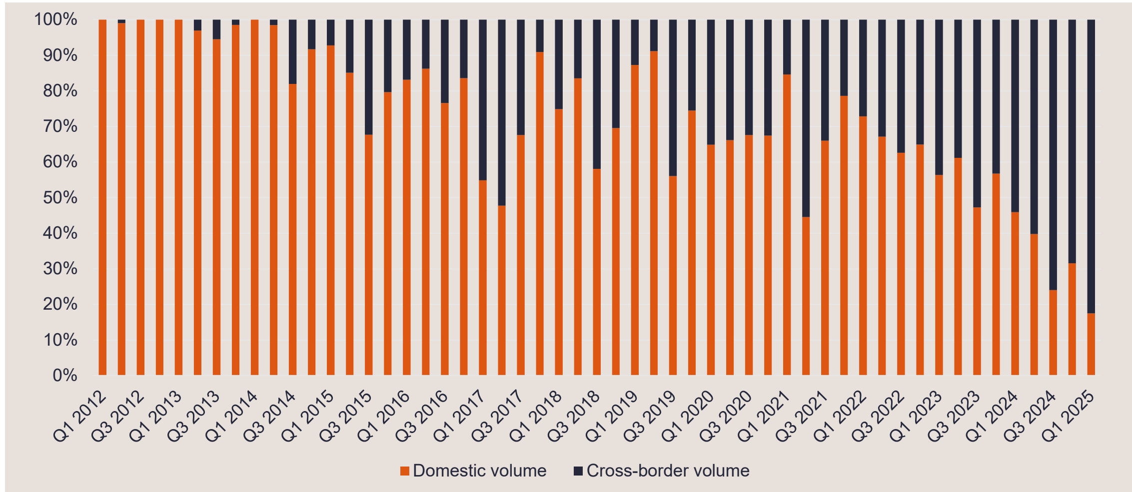
Simultaneously, SCPIs have moved beyond their traditional focus on office spaces, diversifying into hotels, healthcare, residential, particularly where living assets benefit from secure income such as such as leased PBSA and hospitality product.

What sets SCPIs apart when investing abroad?

French SCPIs benefit from a unique competitive edge thanks to their structure and investor base. Unlike many institutional investors, they do not rely heavily on debt financing. Their agility stems from consistent fundraising through a broad base of retail investors in France, who can subscribe on a monthly or quarterly basis. This steady flow of capital allows SCPIs to remain active in the market, even during periods of uncertainty, without needing to depend on bank loans or navigate volatile credit conditions.

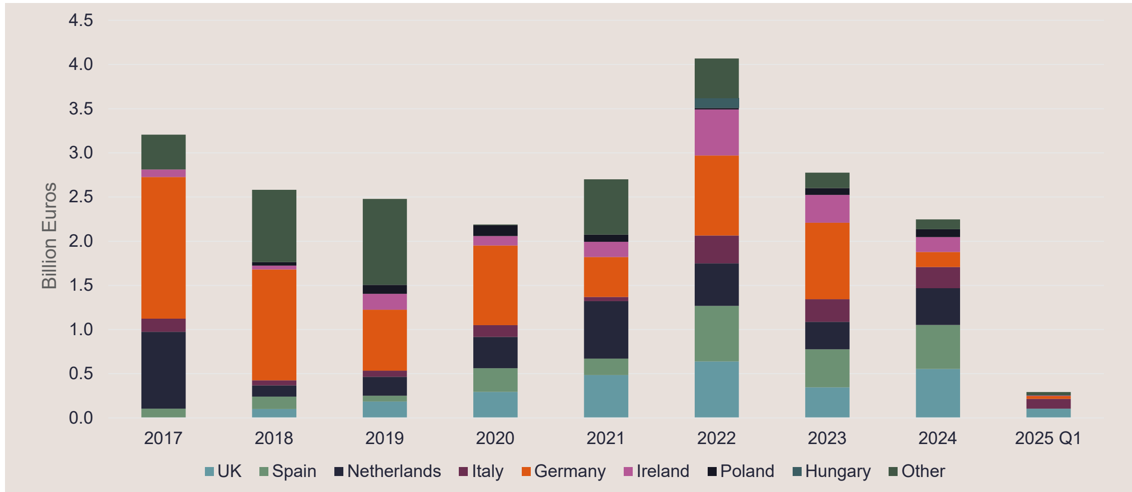
When investing abroad, SCPIs benefit from favourable tax environments, often supported by international agreements. By sidestepping the heavier tax burden in France, they can deliver higher yields. In addition, certain countries actively promote inward investment through targeted tax incentives, ranging from partial exemptions and tax breaks to preferential regimes for property income.

Domestic vs cross-border investments of SCPIs in Europe



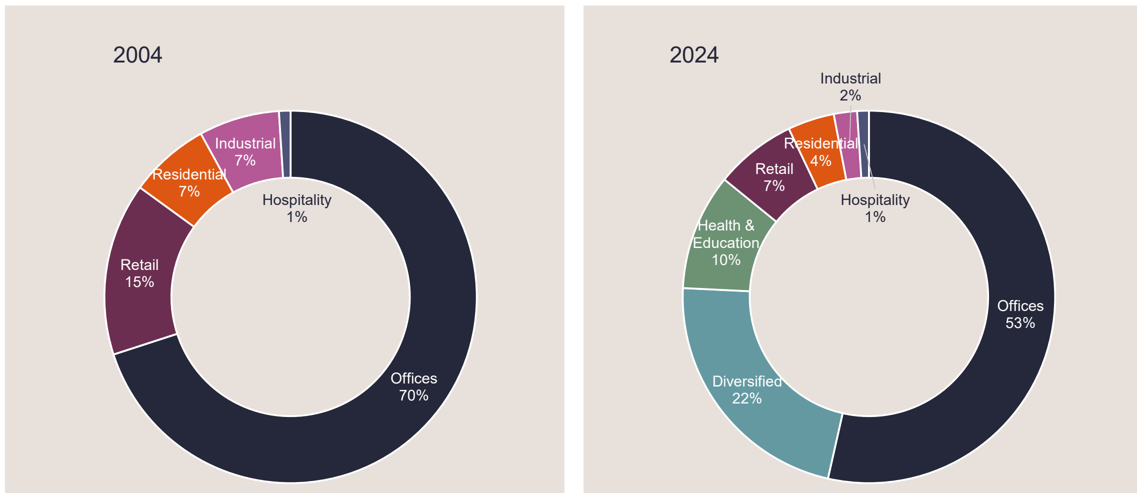
Source: Savills Research according to MSCI

Destination of SCPI cross-border investment in Europe



Source: Savills Research according to MSCI

Capitalisation by sectoral focus of SCPIs



Source: IEIF

In order to afford a real-time narrative on the rationale behind recent European expansion and to explore future growth aspirations in more detail, we spoke to three investment managers whose primary SCPIs have all been established in the post-pandemic period.

Source: Savills Research based on various sources

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EPSICAP

Foundation year of main SCPI	2021
Assets Under Management (€m)	160
Typical lot size range (€m)	5 to 20
Preferred WALB (years)	None
Typical entry yield requirements (NIY%)	7
Geographical preferences	Depends on the asset class
Sectoral preferences	All (Diversified SCPI)

In relative terms, you manage a younger SCPI in the form of Epsicap Nano. Have there been any challenges with entry to new markets?

From a real estate fundamentals perspective, there are no major differences between European markets. If you have the right analysis methodology in France, it can largely be applied across borders - the strengths and weaknesses of assets remain fairly consistent throughout Europe.

When it comes to sourcing, while connecting with major market players is relatively straightforward, the real challenge lies in building relationships with smaller, local brokers. Real estate is a highly networked and transparent ecosystem, particularly in the SCPI space, so maintaining strong market intelligence is essential to uncover the right opportunities and contacts.

Of course, we never enter a new market alone. We are supported by experienced local advisors (legal, technical) who help us navigate any country-specific nuances.

Having built out a comprehensive exposure in France you have recently pivoted to investing overseas. What was the rationale behind making that strategic shift and why in H2 2024?

The benefits of European diversification within SCPI investments are now well established among investors and wealth management advisors. Following successful initial steps in Spain, there was strong demand from our distribution partners to replicate our investment strategy more broadly across Europe.

At your current, target lot size range of sub €15m, are you finding ample, suitable product ? If so, where are you seeing most opportunity?

Yes, at the sub-€15 million lot size range, each European market offers numerous opportunities.

This segment is still relatively underserved by a part of the market, which creates attractive possibilities for investors like us. These small-sized assets often provide excellent value, as they tend to be overlooked by larger institutional players focused on bigger deals. This allows us to source quality properties that align well with our investment strategy.

However we are not anymore only focus on small-deals and and also tend to look at bigger opportunities in locations that are less identified by the market, as we always try to fin the best opportunities for our associates.

How has your collecte been in 2025 – do you envisage any increases in inflows for the remainder of the year?

We raised a bit more than 55m€ in 2024 and expect to close the first semester of this year with c. 30m.

Recent acquisitions

Date	Location	Asset class	Area in sq m	Vendor	Price in million	Comments
Apr - 2025	Spain - Salamanca	Retail park	5,000	Spanish institutional management com-pany	c.€10	
Apr - 2025	Merignac - France	Retail unit	800	French retailer (sale & leaseback)	c.€2	Sale & Leaseback
Mar - 2025	Colomiers - France	Retail Park	4,000	French institutional management com-pany	c.€6	

Norma Capital

Foundation year of main SCPI	NCAP CONTINENT 2023 / Norma Capital 2015
Assets Under Management (€m)	approx. 65 / 1.3 bn
Typical lot size range (€m)	1 to 7
Preferred WALB (years)	5+
Typical entry yield requirements (NIY%)	7+
Geographical preferences	UK, Spain, Germany, Poland
Sectoral preferences	Offices, Retail, Industrial, Health, Education

Your first acquisition outside of France was in Spain. What was it about the Spanish market that attracted you to invest there?

Spain offered a compelling combination of macroeconomic stability, attractive yield spreads compared to core European markets, and a dynamic real estate landscape supported by strong fundamentals in sectors such as retail, logistics, and alternatives.

For our first acquisitions, we were particularly drawn to the resilience of consumer demand and the depth of the tenant market in Spain, especially with leading international operators.

The legal and fiscal framework is also relatively transparent and stable, which gave us confidence for a first step abroad. Finally, Spain's geographic and cultural proximity to France made it a natural choice for launching our pan-European strategy while maintaining operational efficiency.

Norma has continued to focus on smaller ticket items in overseas markets. What is the rationale behind you concentrating on the sub €5m lot size range?

Focusing on sub-€5m assets allows us to operate in a less competitive segment of the market, where institutional capital is often less active. This creates opportunities to secure assets at more attractive pricing and with better risk-adjusted returns. Additionally, these smaller lot sizes provide greater diversification at the portfolio level and allow us to build critical mass gradually in selected markets. It also enables us to access off-market or lightly marketed transactions where local knowledge and reactivity make a significant difference.

This strategy is particularly well suited to our SCPI model, which values stable income, prudent risk management, and granular exposure across geographies and asset types.

What are the priority sectors and geographies for your next acquisitions given Norma now has holdings in France, Spain and the UK?

We continue to prioritise sectors that offer resilient income streams and strong occupier fundamentals. Convenience retail, healthcare-related assets, and select alternative segments remain key targets, particularly where we can secure long leases with solid covenants.

Geographically, we are deepening our presence in Spain and the UK, while actively looking at Germany as our next core market, given its economic stability and liquidity. We are also exploring opportunities in Poland, which offers attractive yields and demographic momentum. However, we remain cautious due to the market's relative opacity and are progressing carefully, relying on strong local partners.

Across all geographies, our approach remains highly selective, focused on assets that combine immediate income with long-term resilience.

How has your collecte been in 2025 – do you envisage any increases in inflows for the remainder of the year?

2025 has so far been encouraging in terms of fundraising. While inflows remain below the peaks seen in previous years across the SCPI market, we are seeing steady interest from both existing and new investors, particularly those seeking diversification outside France.

We anticipate a moderate increase in inflows during the second half of the year, supported by the gradual stabilisation of interest rates and renewed confidence in real estate as a source of long-term income. Our European strategy and the visibility offered by recent acquisitions abroad are also helping to attract new capital.

That said, we remain cautious and focused on aligning our investment pace with the evolution of our collecte.

Recent acquisitions

Date	Location	Asset class	Area in sq m	Vendor	Price in millions	NIY	Comments
Apr - 2025	UK - York	3 commercial units	3,000	Developer	€6.70	7.74%	Let to Co-operative Group Food Ltd / Roxy Leisure Ltd / Whitecross Dental
Mar - 2025	UK - Manchester	Supermarket	1,777	Charity	€7.30	7.40%	Let to Aldi on long lease term
Dec - 2024	UK - Newcastle-upon-Tyne	Retail / Office	589	UK Individual	€3.40	7.20%	Let to Starbucks and Co-operative Bank on long lease term

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Remake

Foundation year of main SCPI	2022
Assets Under Management (€m)	720
Typical lot size range (€m)	10 to 20
Preferred WALB (years)	5+
Typical entry yield requirements (NIY%)	7
Geographical preferences	Europe (OECD)
Sectoral preferences	All (Diversified SCPI)

You made waves with your entry into the UK in particular your initial acquisitions in Scotland and London and you have subsequently invested further into the market – what was it that made the UK so appealing to you?

What prompted us to invest in the United Kingdom is a combination of very specific reasons. The first is the speed at which deals can be executed, time is always of the essence for us. Furthermore, the balance between the quality of the buildings, the length of British leases, and the quality of the covenants—relative to the yield generated—is often unmatched compared to other European countries in which we also invest.

Finally, we were impressed by the transparency of the market and its ability to correct itself very quickly, which greatly assists us in making the most informed decisions.

You have recently executed acquisitions in the Polish market. What drew you to invest there now? Do you see other geographies in CEE as new frontier markets for Remake?

The idea of investing in Poland naturally aligns with our strategy to expand and diversify risk within the SCPI. We are quite opportunistic, and the deals completed in Poland checked all the boxes in terms of yield, asset type, and tenant profile. Moreover, the main reason is that our assets purchased in Poland have a weighted average lease break (WALB) of approximately 16 years!

We don't want to miss out on good opportunities, we are already invested in 8 countries across Europe. For future acquisitions, we are of course looking at other countries, such as Hungary or Italy...

What is next for Remake? Do you have any new strategies that will complement the continued activity of Remake Live?

The very essence of an asset management company is to define the best strategies and geographies in order to provide its retail investors with the most suitable investment products.

The success of Remake Live motivates us to keep moving forward, and having multiple funds is at the very core of our initial strategy.

As described above, we strongly believe in the window of opportunity that has opened in the United Kingdom since 2023, that's why we are considering making it a specific investment theme.

How has your collecte been in 2025 – do you envisage any increases in inflows for the remainder of the year?

We raised €250 million in 2024, so we aim to do the same in 2025.

Since January 2025, our "collecte" fundraising for Remake Live has been going very well, with monthly inflows ranging between €20 and €30 million.

Recent acquisitions

Date	Location	Asset class	Vendor	Price in millions	NIY	Comments
Mar - 2025	UK - Aberdeen	Education/ Offices	Knight Property Group	£13.50	8.11%	Heritable interest
Mar - 2024	Lodz & Warsaw	Hotel (portfolio)	Covivio	€16.70	7.00%	Freehold
Feb - 2025	UK - Glasgow	Retail	Redevco	£12.16	6.86%	Flying freehold

Next steps? Charting the future of SCPIs in a shifting market

Given the unabating geopolitical instability, which is creating continued uncertainty and volatility in the financial markets, there is an expectation that the real estate sector may emerge once more as a preferential investment class. In view of this, and given the long-term performance and structure of the SCPI market, we anticipate both the number of SCPIs and the capital inflows into these funds to continue rising in 2025 - a trend already reflected in the high number of newly launched SCPIs shown in the table below.

We expect managers of SCPIs to maintain their strategic focus on diversification, aiming to balance risk while optimising returns, and anticipate continued expansion of their footprint across Europe, including to jurisdictions like the Czech Republic, where share deals tend to dominate, and Scandinavia, despite the strength of domestic capital and the resultant 'tighter' returns offered.
We do expect the prowess of the UK as a target market for deployment to continue given its transparency, the large pool of opportunities it offers, its high liquidity and current attractive returns, relative to other European countries.

With the prospect of elevated inflows during the remainder of 2025, it is conceivable that certain SCPIs will find themselves in a position to engage in larger lot size transactions. With this, we envisage that some of the larger players, alongside those with a more established track record, may look to alternative structures in order to diversify their portfolio composition further, including, but not limited to, constructing potential joint ventures with specialist partners in preferential sectors.

As market conditions continue to evolve, through their continued European expansion and sectoral diversification, the SCPIs are well positioned to not just endure the challenges facing the real estate markets, but capitalise on the opportunities they present.

Some newly created SCPIs

Name	Managing company	Date launched	Property type	Locations
MomenTime	Arkéa REIM	Dec-24	Diversified	Domestic & cross border (ex EZ)
Eden	Advenis REIM	Dec-24	Diversified	Nordics, Ireland, Netherlands, UK
Darwin RE01	Darwin	Dec-24	Diversified	Europe
Imarea Pierre	BNP Parisbas REIM	Dec-24	Diversified	Europe and OECD
Reason	MNK Partners France	Oct-24	Diversified	Europe and OECD
Epargne Pierre Sophia	Atland Voisin	Oct-24	Healthcare - Life science	Europe
Vitality	ClubFunding AM	Oct-24	Wellness	Europe
Elysées Grand Large	HSBC REIM	Sep-24	Diversified	Europe
Linaclub	Aestiam	Sep-24	Diversified	Europe
Attraits Pierre	Groupama GAN REIM	Jun-24	Diversified	Europe
EDR Europa	Edmond de Rothschild REIM	Apr-24	Diversified	Europe
Mistral Sélection	Swiss Life AM	Apr-24	Diversified	Europe
Wemo One	Wemo REIM	Mar-24	Diversified	Europe
Osmo Energie	Mata Capital	Mar-24	Diversified	Europe
Sofidynamic	Sofidy	Jan-24	Diversified	Europe

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Lydia Brissy
Europe Research
Director
+33 624 623 644
LBrissy@savills.fr

James Burke
Global Cross Border Investment
Director
+44 (0) 7976 318 623
JBurke@savills.com

Emma Steele
Global Cross Border Investment
Director
+44 (0) 7752 406 698
ESteele@savills.com