

A portrait of a middle-aged man with grey hair, wearing a brown textured jacket over a light blue shirt. He has his arms crossed and is standing against a plain grey background.

**Matthew Norris, Fund Manager and Managing Director of Real Estate Securities at Gravis, tells us more.**

Recurring income strengthens the appeal. The indicative yield on the UK REIT index stands at around 4.2%, comfortably ahead of the roughly 3.6% available from the relatively domestically focused FTSE 250.

Analysis from Gravis suggests that when the REIT sector discounts exceeds 30%, investors have historically gone on to generate positive returns over the following one- and two-year periods. That pattern played out again in 2025, when REITs entered the year trading at a 30% discount before notching up double-digit returns over the subsequent 12 months.

Return Range	1-year total returns	2-year total returns
(-5.0%, 0.0%)	4	2
(0.0%, 25.0%)	15	10
(25.0%, 50.0%)	15	6
(50.0%, 75.0%)	4	6
(75.0%, 100.0%)	0	8
>100.0%	0	2


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