

# Monthly Market Review

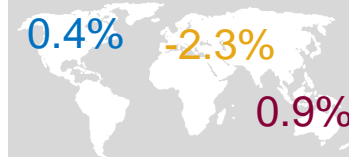
Europe

Asia

Americas

Emerging

% Total Returns (EUR)	Jan-13	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*	20 yrs*
Global Real Estate	0.2	0.2	18.8	17.8	4.4	10.1	10.2
Global Equities (FTSE)	4.9	4.9	17.1	9.8	0.4	8.4	-NA-
Global Bonds (JP Morgan)	-0.7	-0.7	2.7	4.3	4.3	3.8	5.6
Europe Real Estate	-2.3	-2.3	20.3	10.7	-1.5	7.9	9.0
Asia Real Estate	0.9	0.9	31.2	16.1	3.2	11.4	8.7
North America Real Estate	0.4	0.4	10.7	22.4	8.1	10.1	11.8



## FTSE EPRA/NAREIT Developed Index

The FTSE EPRA/NAREIT Developed (Global) Index increased 0.2% during January 2013. Global equities increased 4.9% while the global bonds market retreated 0.7%. Real estate markets in North America gained 0.4% and Europe declined 2.3% while Asia was up by 0.9%

Over a one-year period, global real estate investments have returned 18.8% compared to a 17.1% and 2.7% return from global equities and global bonds, respectively. Annualised ten-year rolling returns for real estate investments stands at 10.1%. Equities gained 8.4% while bonds markets achieved a 3.8% return per annum.

At the end of January 2013, the FTSE EPRA/NAREIT Developed Index counted a total of 294 constituents, representing a free float market capitalisation of over EUR 767 billion.

### Developed Index (TR) (EUR)

(ENGL) **2,787** ▲ 0.2%

### Developed Europe (TR) (EUR)

(EPRA) **2,445** ▼ -2.3%

### Developed Asia (TR) (EUR)

(EGAS) **2,189** ▲ 0.9%

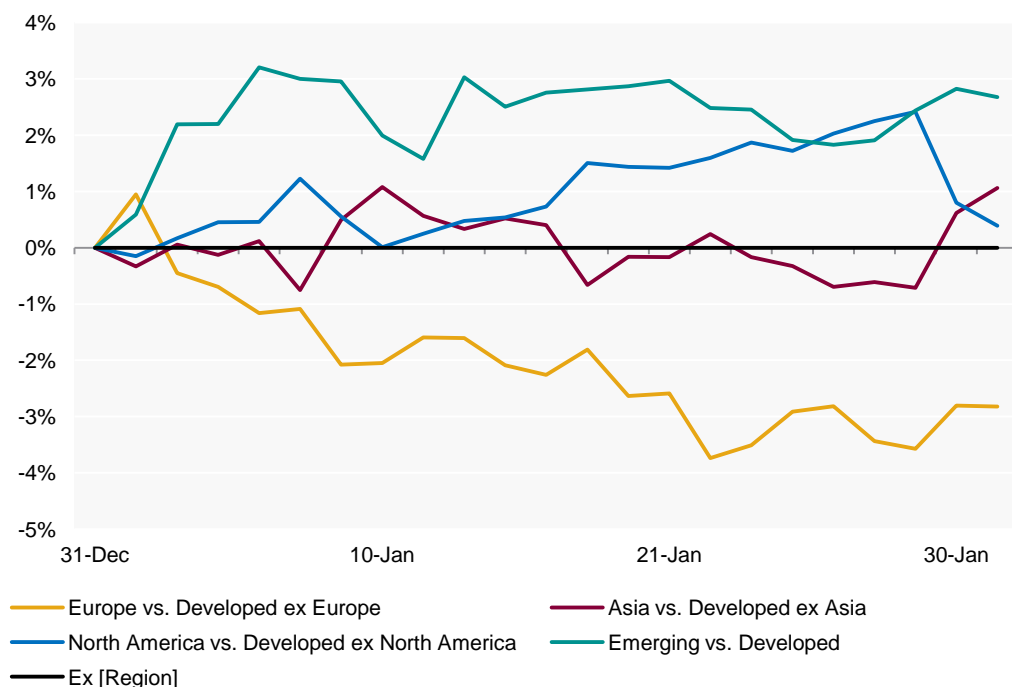
### North America (TR) (EUR)

(EGNA) **3,634** ▲ 0.4%

### Emerging (TR) (EUR)

(ENEI) **2,416** ▲ 2.9%

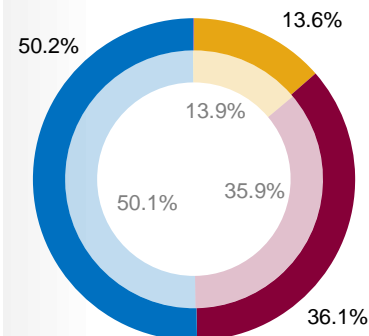
## Monthly Regional Over/Under Performance



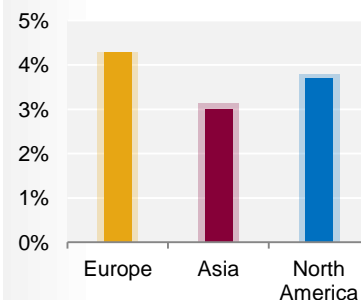
\* Annualised

\*\* Shaded bars display previous month's data

### Global Weights (EUR)\*\*



### Dividend Yields\*\*



# Monthly Market Review

Europe

Asia

Americas

Emerging

## FTSE EPRA/NAREIT Developed Index – Top 5 Performers

Company	Country	Total Return
Industrial & Infrastructure Fund Investment	Japan	▲ 27.7%
Ivg Immobilien	Germany	▲ 23.9%
Premier Investment Co. *	Japan	▲ 22.9%
ORIX JREIT *	Japan	▲ 21.7%
Activia Properties *	Japan	▲ 20.8%

## FTSE EPRA/NAREIT Developed Index – Bottom 3 Performers

Company	Country	Total Return
TAG Immobilien	Germany	▼ -5.9%
ANF-Immobilier S.A. *	France	▼ -6.0%
City Developments	Singapore	▼ -9.2%

## FTSE EPRA/NAREIT Developed Index – News

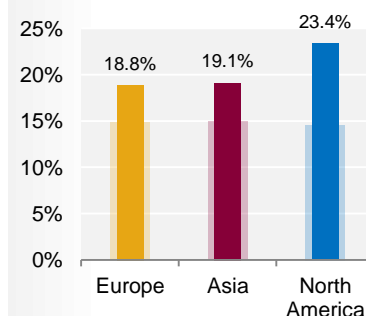
## FTSE EPRA/NAREIT Developed Index – Top 10 Constituents

Company	Country	Total Return
Simon Property Group *	US	▲ 1.3%
Sun Hung Kai Props	Hong Kong	▲ 9.6%
Westfield Group *	Australia	▲ 5.9%
Mitsubishi Estate	Japan	▲ 8.1%
Unibail-Rodamco *	France	▼ -4.3%
HCP *	US	▲ 3.8%
Mitsui Fudosan	Japan	▼ 0.0%
Public Storage *	US	▲ 6.2%
Ventas *	US	▲ 2.4%
AMB Property *	US	▲ 9.3%

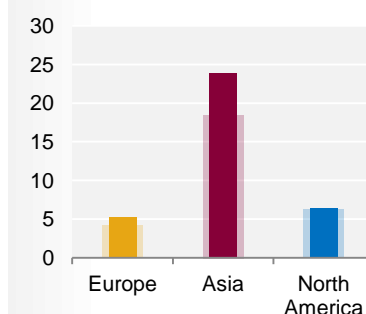
\* Shaded bars are 3 yr.

\*\* Previous month

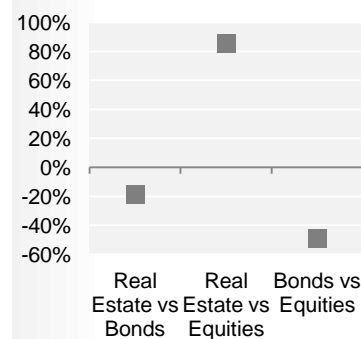
### Volatility (10 yr. & 3 yr.)\*



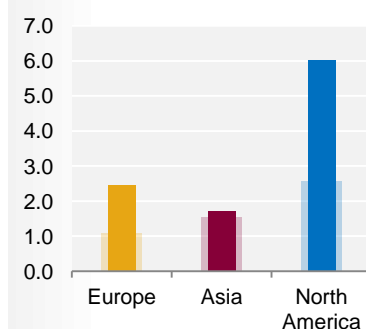
### Index Turnover (EUR billion)



### Correlation (3 yr. rolling)



### Transactions (EUR billion)\*\*



# Monthly Market Review

Europe

Asia

Americas

Emerging

## FTSE EPRA/NAREIT Developed Europe Index

The FTSE EPRA/NAREIT Developed Europe Index lost 2.3% during January 2013. The UK Index was up by 1.0% compared to a decline of 3.7% in France. The Netherlands was up by 2.8%.

At the end of January 2013, the FTSE EPRA/NAREIT Developed Europe Index counted a total of 83 constituents, representing a free float market capitalisation of over EUR 104 billion.

## FTSE EPRA/NAREIT Developed Europe - Selected Country Indices

% Total Returns	Jan-13	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*	20 yrs*
Europe (EUR)	-2.3	-2.3	20.3	10.7	-1.5	7.9	9.0
Europe ex UK (EUR)	-1.0	-1.0	20.2	10.2	2.4	10.6	10.9
UK (GBP)	1.0	1.0	24.4	10.9	-5.7	6.2	6.7
France (EUR)	-3.7	-3.7	24.3	10.8	6.4	15.9	14.1
Netherlands (EUR)	2.8	2.8	6.2	-0.7	-2.6	7.9	8.1

## Top stories - Europe

### Unibail - Rodamco - (France - REIT - Rental - Retail)

[Notice](#) ▼ **-4.3%**

Coinciding with the announcement of their full-year 2012 results, Unibail-Rodamco announced that their current CEO Guillaume Poitrinal will be succeeded by Christophe Cuvillier, the company's current COO, on April 25, 2013. Guillaume Poitrinal has been at Unibail for 18 years, including eight years as CEO.

### Hammerson - (UK - REIT - Rental - Retail)

[Notice](#) ▼ **-0.5%**

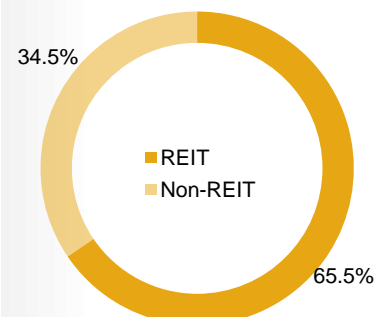
Hammerson and Westfield (FTSE EPRA/NAREIT Developed Asia constituent) announced they had entered into a joint venture to redevelop the retail centre of Croydon. As part of the JV, Westfield has acquired a 50% interest in the GBP 115 million Centrale shopping centre from Hammerson. The JV will also purchase a 25% interest in the Whitgift Centre, following completion of Hammerson's conditional acquisition agreement with Royal London. Under the new JV agreement, Hammerson and Westfield intend to redevelop and combine the two main Croydon shopping centres, the Whitgift Centre and Centrale, to deliver a "comprehensive and transformational change" to Croydon. The mixed-use scheme will create over 5,000 new jobs. It is anticipated that planning consent could be secured in 2013, with construction expected to start on site in 2015 for the approx. GBP 1 billion scheme. Westfield and Hammerson have set up a joint management company which has responsibility for development, leasing and asset management of the completed scheme. The partnership will see Westfield designing and constructing the project. Hammerson will continue to asset manage Centrale and any further acquisitions prior to the development of the Whitgift Centre. A Westfield Executive will lead the project development team, and it is intended that a Hammerson Executive will lead the asset management of the completed centre.

### Capital Shopping Centres Group - (UK - REIT - Rental - Retail)

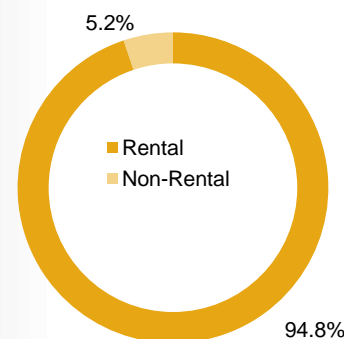
[Notice](#) ▲ **1.7%**

Capital Shopping Centres announced the creation of a nationwide customer-facing shopping centre brand and a revamp of its digital proposition. Key initiatives are the creation of a single brand, intu. This will be incorporated into the names of the company and the directly-managed centres - the integration of the physical and digital environments is intended to provide a seamless multi-channel experience for the visitors. The overall investment will be approx. GBP 25 million, comprising GBP 7 million on brand creation and roll out, GBP 8 million on digital infrastructure and GBP 10 million on the acquisition and start-up phase of intu.co.uk. David Fischel, Chief Executive, commented: "With over half the UK population visiting our shopping centres each year, we have the scale to seize the opportunities provided by the changes in the retail marketplace."

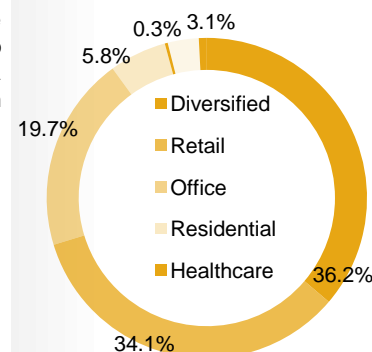
## Developed Europe REIT / Non-REITs



## Developed Europe Focus split



## Developed Europe Sector split



# Monthly Market Review

Europe

Asia

Americas

Emerging

## Big Yellow Group - (UK - REIT - Rental - Self Storage)

[Notice](#) ▲ **6.5%**

Big Yellow announced the successful completion of the placing of a total of ten million new ordinary shares of 10 pence each. The shares have been placed with existing and new institutional investors, raising gross proceeds of approx. GBP 37 million. The Placing Shares being issued represent 7.0% of Big Yellow's expected enlarged issued ordinary share capital. Nick Vetch, Big Yellow's Executive Chairman, commented: "We are delighted that this successful GBP 37 million equity raising will enable the company to reduce its debt level, improve its interest cover at the pre-interest cash flow level and allow us to rebase our dividend policy. In addition, we will now proceed with the phased development of three existing sites and at the same time we will continue to track other site acquisition opportunities in London."

## Wereldhave - (Netherlands - REIT - Rental - Diversified)

[Notice](#) ▲ **5.8%**

Wereldhave announced the sale of their entire US portfolio to Lone Star Funds for USD 720 million. Wereldhave's net proceeds, after deduction of costs, are in excess of the book value at September 30, 2012. The total proceeds of the disposal are approx. 5% above book value. The transaction is scheduled to be completed during the first quarter of 2013. During the last quarter of 2012, Wereldhave also sold two plots of land in the US, one in Texas and the other in Virginia, for a total of USD 10 million. These plots of land were the only two assets that were left out of the portfolio to be sold separately. The proceeds were slightly below book value. The proceeds from sales will be used to reduce group debt and will lower the LTV to slightly above 30%.

## Deutsche Wohnen AG - (Germany - Non-REIT - Rental - Residential)

[Notice](#) ▲ **1.3%**

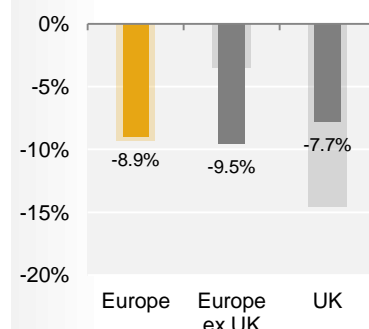
On January 16, Deutsche Wohnen AG successfully placed a capital increase that it announced the evening before. A total of 14,614,285 new shares were placed by way of an accelerated book-building with institutional investors in Germany and abroad, while shareholders' subscription rights were excluded. The order book was multiple times over-subscribed. The aggregate gross proceeds from the capital increase amount to approx. EUR 195.1 million. The company intends to use the net proceeds for financing of recent acquisitions in Berlin that were signed by the end of 2012 and selective future acquisitions, as well as for general corporate purposes.

## Beni Stabili - (Italy - Non-REIT - Rental - Office)

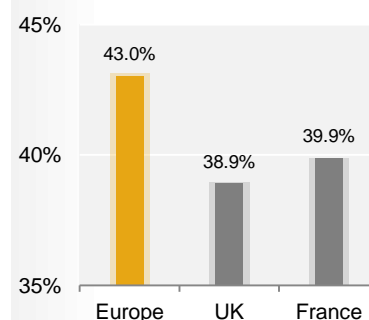
[Notice](#) ▲ **14.1%**

Beni Stabili S.p.A. SIQ announced that the transaction concerning the issue of equity linked-bonds with a maturity of January 17, 2018 and reserved for Italian and/or international qualified investors, announced on January 08, 2013, has been settled via the issue of the securities and payment of the subscription price. The equity-linked bonds, in nominal amounts of EUR 100,000 each, have been issued for a total amount of EUR 175 million. The initial conversion price of the equity-linked bonds will be EUR 0.5991. The bonds will pay interest semi-annually at a fixed rate of 3.375% per annum. The equity-linked bonds will become convertible into the company's existing and/or newly issued ordinary shares subject to approval, by the Extraordinary General Meeting, of a capital increase in respect of the conversion, after which the company will send an appropriate notice to the bondholders. The major shareholder Foncière des Régions, on January 08, 2013, announced its intention to vote in favour of the proposed capital increase.

Discounts to NAV (last month)\*



LTV (last month)



\*shaded bars are 20-year averages



# Monthly Market Review

Europe

Asia

Americas

Emerging

## FTSE EPRA/NAREIT Developed EMEA Index – Top 5 Performers

Company	Country	Total Return
Ivg Immobilien	Germany	▲ 23.9%
Development Securities	UK	▲ 16.8%
DIC Asset	Germany	▲ 16.8%
Fastighets AB Balder B *	Sweden	▲ 16.1%
Safestore Holdings	UK	▲ 15.7%

## FTSE EPRA/NAREIT Developed EMEA – Bottom 3 Performers

Company	Country	Total Return
Mercialys *	France	▼ -4.4%
TAG Immobilien	Germany	▼ -5.9%
ANF-Immobilier S.A. *	France	▼ -6.0%

## Corporate Actions

London & Stamford Property (UK) remained in the index with an increased number of shares in issue after the successful completion of the merger with Metric Property Investments. Subsequently, the company's name was changed into LondonMetric Property. Following the completion of a buyback and receipt of updated shares in issue number, ANF-Immobilier (France) remained in the index with a reduced number of shares in issue.

## FTSE EPRA/NAREIT Developed EMEA – Top 10 Constituents

Company	Country	Total Return
Unibail-Rodamco *	France	▼ -4.3%
Land Securities *	UK	▼ -1.3%
British Land *	UK	▲ 1.2%
Hammerson *	UK	▼ -0.5%
Swiss Prime Site	Switzerland	▲ 0.8%
PSP Swiss Property	Switzerland	▲ 0.8%
Klepierre *	France	▼ -3.2%
Capital Shopping Centres Group *	UK	▲ 1.7%
Corio *	Netherlands	▲ 4.2%
Derwent London *	UK	▲ 2.5%





**Charts &  
Raw Data**

# EPRA data unlocked

EPRA's archive feeding the Charts & Indices pages has undergone a radical recode to free up more value from the years of statistics from hundreds of indices. Not only will accessing the data be simpler, but the range and customisation ability you'll have at your fingertips will make this resource more valuable than ever.

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# Monthly Market Review

Europe

Asia

Americas

Emerging

## FTSE EPRA/NAREIT Developed Asia Index

The FTSE EPRA/NAREIT Developed Asia Index gained 0.9% during January 2013. The Hong Kong Index was up by 7.7% compared to a gain of 5.6% in Japan. The Australia Index was up by 4.5%, while Singapore returned 2.9% during the month.

At the end of January 2013, the FTSE EPRA/NAREIT Developed Asia Index counted a total of 76 constituents, representing a free float market capitalisation of over EUR 277 billion.

## FTSE EPRA/NAREIT Developed Asia - Selected Country Indices

% Total Returns	Jan-13	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*	20 yrs*
Asia (EUR)	0.9	0.9	31.2	16.1	3.2	11.4	8.7
Hong Kong (HKD)	7.7	7.7	36.2	14.4	3.4	17.9	10.7
Japan (JPY)	5.6	5.6	66.8	14.5	-2.2	10.8	5.0
Australia (AUD)	4.5	4.5	30.7	11.8	-6.0	2.7	8.7
Singapore (SGD)	2.9	2.9	43.9	9.4	1.7	17.0	6.3

## Top stories - Asia

### Westfield Group - (Australia - REIT - Rental - Retail)

[Notice](#) ▲ 5.9%

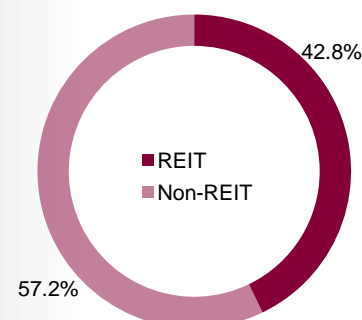
Westfield Group is accelerating its development pipeline from AUD 11 billion to AUD 14 billion. The retail REIT disclosed plans to transform its Westfield Parramatta Centre in Sydney's western suburbs into a AUD 2 billion retail and office complex, according to The Australian Financial Review. The centre is one of Australia's largest shopping centres offering a broad mix of almost 500 stores, in Sydney's second-largest commercial hub. The development plans includes the addition of a floor to the existing five-level complex, and a construction of a 20-storey office tower above. The Sydney-based company has a 25% stake in Westfield Parramatta, which equals Westfield Retail Trust's stake, while 50% is owned by the property investment arm of the Singapore government GIC Real Estate.

### IPO News

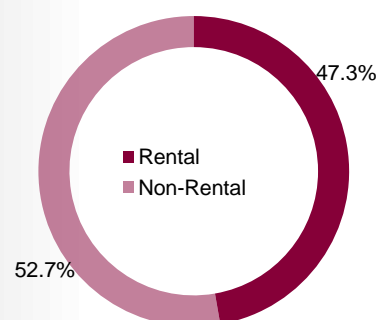
[Notice](#)

Mapletree Investments, the real estate unit of Temasek Holdings, plans to raise more than SGD 1.5 billion in what would be the biggest REIT IPO in Singapore, with assets in Hong Kong and China. Mapletree Greater China Commercial Trust may start trading in the first half of the year. It will include the Festival Walk mall in Hong Kong and Gateway Plaza in Beijing, according to Bloomberg. The planned REIT, in which Mapletree Investments is likely to retain a 30% stake, follows the successful IPOs of Mapletree Commercial and Mapletree Industrial in 2011 and 2010, respectively. REITs in Singapore appeal to investors seeking assured yields, rather than capital gains. Listed REITs currently provide a dividend yield of 3.03% (FTSE EPRA/NAREIT Singapore Index) in an otherwise low interest-rate environment. Local banks offer annual rates of just 0.25% on local currency deposits. Mapletree Investments owns and manages approximately a SGD 20 billion portfolio that includes office, logistics, industrial, residential and retail assets across Asia. Citigroup, Goldman Sachs, DBS Group and HSBC Holdings are said to be managing the offering.

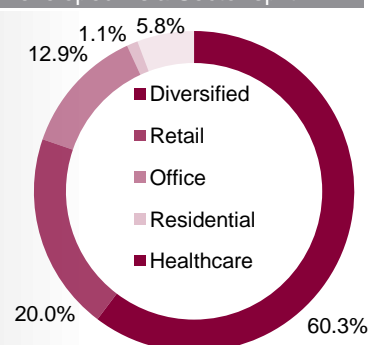
## Developed Asia REIT / Non-REITs



## Developed Asia Focus split



## Developed Asia Sector split



\* Annualised



# Monthly Market Review

Europe

Asia

Americas

Emerging

## Keppel Land - (Singapore - Non-REIT - Non-Rental - Diversified) [Notice](#) ▲ 5.7%

Keppel Land, a Singapore-based developer with a portfolio of residential developments investment-grade commercial properties, reported 55% and 39% declines in net profit for the fourth quarter and 2012 full year, respectively. The company's net profit for the quarter was at SGD 527 million compared to SGD 1.18 billion last year. Fourth-quarter net profit before divestment and revaluation gains, however, totaled SGD 157 million - up 39.9% from SGD 112 million in the previous year. Turnover rose 25.8% to SGD 472 million from SGD 375 million year-on-year, while EBITDA is up almost 109% from SGD 59 million. For the full year 2012, net profit totaled SGD 838 million compared to SGD 1.37 billion registered in 2011. Keppel Land attributed the decline to the SGD 480.3 million gain reported in 2011, from the stake sale in Ocean Financial Centre. Looking ahead, management stated that "the group will continue to focus on its core businesses of property development for sale and property fund management. Developing for sale residential, investment-grade office, mixed-use and township projects in Singapore, China, Vietnam and Indonesia will also be on the company's list."

## CapitaCommercial Trust - (Singapore - REIT - Rental - Office) [Notice](#) ▼ -1.2%

CapitaCommercial Trust booked a 7.4% year-on-year gain in 2012 distributable income to SGD 228.5 million. For the financial year ended December 31, 2012, distribution per unit was up 6.9% to 8.04 Singapore cents from 7.52 cents reported a year ago. The rise in distributable income was explained by the company as higher income generated from the HSBC building and additional income from the acquisition of Twenty Anson in Singapore. It was partially offset, however, by reduced income from the Six Battery Road property in Singapore due to negative reversions and loss of income from the former Market Street Car Park. Net property income for the financial year rose 6.6% to SGD 295.5 million from SGD 277.3 million in 2011. Total revenues were up 4% to SGD 375.8 million from SGD 361.2 million in the same period last year. Lynette Leong, company CEO, added: "The Company's portfolio occupancy rate increased to 97.2% in the 2012 fourth quarter, which is above the market occupancy of 92.2% for Singapore's core central business district. We are also proactive in lease negotiations — out of the office portfolio leases expiring in 2013, more than half the leases are already in negotiations."

## Shimao Property Holdings - (Hong Kong - Non-REIT - Non-Rental - Diversified) [Notice](#) ▲ 17.2%

Shimao Property, the Hong-Kong listed developer, said it priced a USD 800 million bond with a duration of seven years at 6.625%. Asked on what it would do with the USD 786 million of net proceeds from the issuance, its management said: "The net proceeds will be used to fund property projects, refinance debts and for general corporate purposes." Shimao, whose projects include the five-star Shanghai Hyatt on the Bund, had appointed HSBC, Standard Chartered bank, UBS, Goldman Sachs and J.P. Morgan as joint global coordinators, joint lead managers and joint book runners to manage the bond issue.

## Goodman Group - (Australia - REIT - Non-Rental - Industrial) [Notice](#) ▲ 3.9%

Dexus Property Group, the Sydney-listed REITs sold the majority of its US industrial portfolio for USD 561 million as part of its strategy to exit the US market by April. The entity, advised by Chicago-based Heitman LLC, exchanged unconditional contracts to acquire a portfolio of 25 properties for a total consideration of USD 542.8 million. The transaction is expected to close on January 31. The bulk of the portfolio is located in the west end of San Bernardino County in California's Inland Empire, with other properties located in Los Angeles, San Diego, Seattle and Dallas. Darren Steinberg, company CEO, commented: "The Company is reallocating proceeds from offshore property sales to core Australian properties. The portfolio generated significant interest from a number of institutions and real estate companies, with more than 40 individual parties expressing interest when the sale campaign was launched in September. The sale of 26 of Dexus's 27 American properties was achieved at a significant premium to their book value."





# Monthly Market Review

Europe

Asia

Americas

Emerging

## FTSE EPRA/NAREIT Developed Asia Index – Top 5 Performers

Company	Country	Total Return
Industrial & Infrastructure Fund Investment	Japan	▲ 27.7%
Premier Investment Co. *	Japan	▲ 22.9%
ORIX JREIT *	Japan	▲ 21.7%
Activia Properties *	Japan	▲ 20.8%
Kenedix Realty Investment *	Japan	▲ 18.8%

## FTSE EPRA/NAREIT Developed Asia – Bottom 3 Performers

Company	Country	Total Return
Tokyo Tatemono	Japan	▼ -2.5%
Hang Lung Properties	Hong Kong	▼ -5.0%
City Developments	Singapore	▼ -9.2%

## Corporate Actions

Centro Retail Australia changed its name to Federation Centers on January 25

## FTSE EPRA/NAREIT Developed Asia – Top 10 Constituents

Company	Country	Total Return
Sun Hung Kai Props	Hong Kong	▲ 9.6%
Westfield Group *	Australia	▲ 5.9%
Mitsubishi Estate	Japan	▲ 8.1%
Mitsui Fudosan	Japan	▼ 0.0%
Sumitomo Realty & Dev	Japan	▼ -2.2%
Hongkong Land Hldgs	Hong Kong	▲ 12.0%
Wharf Holdings	Hong Kong	▲ 13.0%
Link REIT *	Hong Kong	▲ 4.1%
Capitaland	Singapore	▲ 8.1%
Westfield Retail Trust	Australia	▲ 6.3%

\* Annualised



# Monthly Market Review

Europe

Asia

Americas

Emerging

## FTSE EPRA/NAREIT North America Index

The FTSE EPRA/NAREIT North America Index increased 3.4% during January 2013. The United States Index gained 3.7% compared to an increase of 0.8% in Canada (CAD).

At the end of January 2013, the FTSE EPRA/NAREIT North America Index counted a total of 134 constituents, representing a free float market capitalisation of over EUR 385 billion.

## FTSE EPRA/NAREIT North America - Country Indices

% Total Returns	Jan-13	YTD	1 yr	3 yrs*	5 yrs*	10 yrs*	20 yrs*
North America (USD)	3.4	3.4	14.8	21.4	6.2	12.7	12.3
United States (USD)	3.7	3.7	14.9	21.4	5.8	12.3	12.0
Canada (CAD)	0.8	0.8	13.8	19.1	10.6	13.2	10.8

## Top stories - North America

### Kite Realty Group Trust - (US - REIT - Rental - Retail)

[Notice](#) ▲ **8.2%**

Kite Realty Group Trust announced that it has acquired a 69,000 square foot Publix Supermarket-anchored shopping centre in Orlando, Florida for a purchase price of USD 11.6 million. The centre is 99% leased and is located within close proximity to Waterford Lakes Village, another company-owned property. "This property is a well-positioned grocery-anchored centre with strong credit. We will continue to selectively acquire well-located assets throughout the Midwest, Southeast, and Texas markets," said John Kite, the company's chairman and CEO.

### Spirit Realty Capital - (USA - REIT - Rental - Diversified)

[Notice](#) ▲ **9.4%**

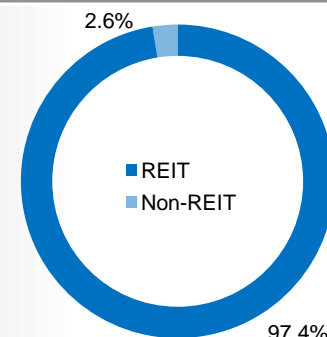
Spirit Realty Capital and Cole Credit Property Trust II announced a definitive agreement to merge their companies to create the second largest publicly traded triple-net-lease REIT in the US with a pro-forma enterprise value of approximately USD 7.1 billion. The combined company, which will retain the Spirit Realty name, will own or have an interest in 2,012 properties in 48 states and the current management team of Spirit Realty will lead the combined company. The transaction is expected to close in the third quarter of 2013. "The addition of CCPT II's portfolio effectively doubles the size of our portfolio. As a result, the merger further diversifies us both geographically and by industry, reduces our tenant concentration, improves the overall credit quality of our portfolio and increases operating efficiency", the company stated.

### H & R REIT - (Canada - REIT - Rental - Diversified)

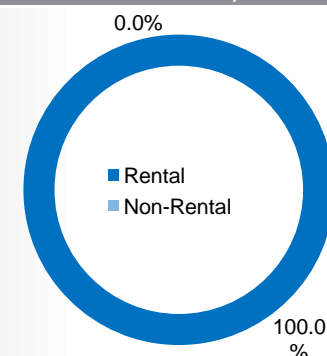
[Notice](#) ▼ **-1.9%**

H&R Real Estate Investment Trust and Primaris Retail Real Estate Investment Trust have announced that they have entered into an agreement whereby H&R will acquire 100% of the issued and outstanding units of Primaris. Unitholders of Primaris will be entitled to elect to receive 1.13 stapled units of H&R or USD 28.00 cash per unit, subject to a maximum cash amount of USD 700 million. The cash price represents a 22% premium over the USD 22.95 volume weighted average price of Primaris. If the maximum cash is elected, Primaris unitholders will own approximately 30% of the combined REIT. "This acquisition will solidify H&R's position as Canada's leading diversified real estate investment trust and is complementary to our existing low risk, high quality and conservative philosophy."

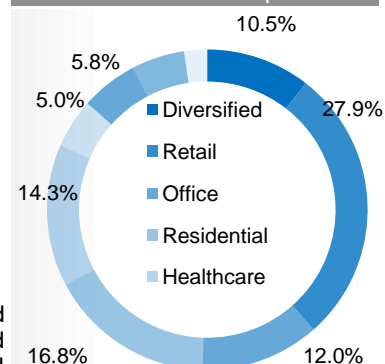
## North America REIT / Non-REITs



## North America Focus split



## North America Sector split



\* Annualised



# Monthly Market Review

Europe

Asia

Americas

Emerging

## Digital Realty Trust - (US - REIT - Rental - Specialty)

[Notice](#) ▲ 0.0%

Digital Realty Trust has completed the acquisition of a three-property data centre portfolio in the Paris area, from Bouygues Telecom. The purchase price for the portfolio was EUR 60.0 million. Structured as a sale-leaseback transaction, Bouygues Telecom has signed long-term, triple net leases with Digital Realty for all three facilities. The portfolio consists of one Tier III+ facility at Montigny-le-Bretonneux and two Tier III facilities in Bievres and Saclay. The properties total approximately 87,000 rentable square feet, with nearly five megawatts of IT capacity. Bouygues Telecom will continue to operate and maintain the facilities, which represent core infrastructure assets for its business. "The acquisition of this institutional-quality portfolio further expands our footprint in this key European market and, equally important, adds a new network and IT service provider to our global customer base," said Michael Foust, CEO of Digital Realty.

## Realty Income - (US - REIT - Rental - Retail)

[Notice](#) ▲ 8.6%

Realty Income Corporation announced that Realty Income and American Realty Capital Trust (ARCT) shareholders have approved the acquisition of ARCT by Realty Income. Realty Income will issue 45.6 million shares of common stock to ARCT shareholders, based on a fixed exchange ratio of 0.2874 shares of Realty Income stock for each share of ARCT common stock owned, and ARCT shareholders will receive a one-time cash payment of USD 0.35 per share. The transaction will be essentially balance-sheet neutral. Commenting on the approved acquisition, CEO Tom Lewis said: "We are very gratified to have received approval from both Realty Income and ARCT shareholders to complete the acquisition of ARCT. As a result of this transaction, we will significantly advance our strategic objective to increase the overall credit quality of the revenue generated by our tenants. We are also pleased that, due to the significant revenue and earnings growth as a result of this acquisition, we are able to substantially increase our dividend." As a result, American Realty was removed from the FTSE EPRA/NAREIT Indices and the weight of Realty Income was adjusted.

## Healthcare REIT - (US - REIT - Rental - Health Care)

[Notice](#) ▲ 2.5%

Health Care REIT announced the completion of the acquisition of the Sunrise Senior Living, Inc. property portfolio, the sale of the Sunrise management company, and the acceleration of all planned joint venture partner buy-outs. The company's investment in Sunrise properties is USD 3.4 billion, and that investment is expected to increase to USD 4.3 billion by July 2013 upon exercise of the company's rights to acquire additional joint venture partner interests at fixed purchase prices. The USD 4.3 billion investment is expected to include 120 wholly-owned properties and five joint-venture properties. The properties generate average monthly rental rates that are nearly 100% higher than the national average. The properties are concentrated in London, Southern California, Chicago, Philadelphia, Boston, Washington D.C., and Montreal. Health Care REIT expects the USD 4.3 billion acquisition to generate a 6.5% unlevered initial yield, or 6.1% after capital expenditures.

## Brookfield Office Properties - (Canada - Non-REIT - Rental - Office)

[Notice](#) ▼ -3.1%

Brookfield Office Properties Inc. has commenced construction of the platform for the Manhattan West development site - on Ninth Avenue between West 31st and West 33rd Streets and Dyer Avenue at a ceremony at the site with New York Mayor Michael Bloomberg and Manhattan Borough President Scott Stringer. The total Manhattan West project cost is estimated at USD 4.5 billion. Construction is expected to be completed in 2014, positioning the project to receive tenants in 2016. "Brookfield is thrilled to have kicked off construction on our premier development on the west side of Manhattan," said Dennis Friedrich, CEO of Brookfield Office Properties. "We are proud to be investing in this exciting New York neighborhood and look forward to Manhattan West taking its place as the gateway project for the Hudson Yards district."

## Parkway Properties - (US - REIT - Rental - Office)

[Notice](#) ▲ 13.2%

Parkway Properties, Inc. announced that it has entered into a purchase and sale agreement to acquire a portfolio of eight office properties totaling 1.0 million square feet located in the Deerwood submarket of Jacksonville, Florida for a purchase price of USD 130 million. The properties were developed in phases from 1996 through 2005 and are currently a combined 93.7% occupied with an average in-place gross rent per square foot of USD 19.11. The portfolio is expected to generate an initial full-year cash net operating income yield of approximately 9%. Parkway will own 100% of the portfolio and plans to place secured financing on the properties simultaneous with closing totaling up to 65% of the purchase price.



# Monthly Market Review

Europe

Asia

Americas

Emerging

## Equity Residential - (US - REIT - Rental - Residential)

[Notice](#) ▼ -2.3%

Equity Residential announced that the company has entered into an agreement to sell a portfolio of assets to a joint venture of the Real Estate Principal Investment Area of Goldman, Sachs & Co. and Greystar Real Estate Partners LLC for USD 1.5 billion. The transaction values the 27 properties at approximately USD 187,000 per apartment unit and a capitalisation rate in the mid to high 5% range. Equity Residential has granted the buyer the right to exclude up to 8% of the value of these assets from their purchase. As a result, Goldman Sachs and Greystar have the contractual right to acquire all of the assets for USD 1.5 billion but are obligated to purchase not less than USD 1.38 billion of assets. The transaction is expected to be completed in two separate closings, both of which will occur in the first quarter of 2013.



# Monthly Market Review

Europe

Asia

Americas

Emerging

## FTSE EPRA/NAREIT North America Index – Top 5 Performers

Company	Country	Total Return
Sabra Health Care REIT *	US	▲ 15.5%
Felcor Lodging Trust *	US	▲ 15.2%
Strategic Hotels & Resorts	US	▲ 14.2%
Ramco-Gershenson *	US	▲ 13.6%
Parkway Properties *	US	▲ 13.2%

## FTSE EPRA/NAREIT North America – Bottom 3 Performers

Company	Country	Total Return
Post Properties *	US	▼ -2.9%
Brookfield Props	Canada	▼ -3.1%
Avalonbay Communities *	US	▼ -4.3%

## Corporate Actions

LaSalle Hotel Properties, Agree Realty Corp., Duke Realty Corp. and STAG Industrial did share issuances larger than 10% of the existing amount and as such their weighting in the FTSE EPRA/NAREIT indices were adjusted. Chartwell Seniors Housing REIT changed its name into Chartwell Retirement Residences.

## FTSE EPRA/NAREIT North America – Top 10 Constituents

Company	Country	Total Return
Simon Property Group *	US	▲ 1.3%
HCP *	US	▲ 3.8%
Public Storage *	US	▲ 6.2%
Ventas *	US	▲ 2.4%
AMB Property *	US	▲ 9.3%
Equity Residential Props *	US	▼ -2.3%
Health Care REIT *	US	▲ 2.5%
Boston Properties *	US	▼ -0.5%
Vornado Realty Trust *	US	▲ 6.4%
Avalonbay Communities *	US	▼ -4.3%





# Monthly Market Review

Europe

Asia

Americas

Emerging

## FTSE EPRA/NAREIT Emerging Index

The FTSE EPRA/NAREIT Emerging Index gained 2.9% during January 2013. Emerging EMEA was down 1.1%, while Emerging Asia Pacific gained 6.0%. Real estate markets in Emerging Americas declined 1.1% over the month.

At the end of January 2013, the FTSE EPRA/NAREIT Emerging Index counted a total of 128 constituents, representing a free float market capitalisation of over EUR 91 billion.

## FTSE EPRA/NAREIT Emerging - Country Indices

% Total Returns	Jan-13	YTD	1 yr	3 yrs*	5 yrs*
Emerging (EUR)	2.9	2.9	27.1	11.2	1.8
Emerging EMEA (EUR)	-1.1	-1.1	23.3	13.0	11.5
Emerging Europe (EUR)	0.1	0.1	26.4	-9.0	-17.0
Emerging MEA (EUR)	-1.6	-1.6	20.8	17.0	14.0
Emerging Asia Pacific (EUR)	6.0	6.0	52.1	18.6	1.0
Emerging Americas (EUR)	-1.1	-1.1	-8.2	-1.3	-3.5

## FTSE EPRA/NAREIT Emerging Index – Top 10 Constituents

Company	Country	Total Return
China Overseas Land & Inv (Red Chip)	China	▲ 4.1%
China Resources Land (Red Chip)	China	▲ 11.8%
BR Malls Participacoes S/A Ord	Brazil	▼ -4.6%
Growthpoint Prop Ltd	South Africa	▲ 2.8%
BR Properties S/A Ord	Brazil	▲ 1.4%
Emaar Properties	U.A.E.	▲ 29.9%
Ayala Land	Philippines	▲ 9.6%
Sino-Ocean Land Holdings (Red Chip)	China	▲ 6.9%
Evergrande Real Estate Group	China	▼ -3.5%
SM Prime Hldgs	Philippines	▲ 6.3%

\* Annualised



# Monthly Market Review

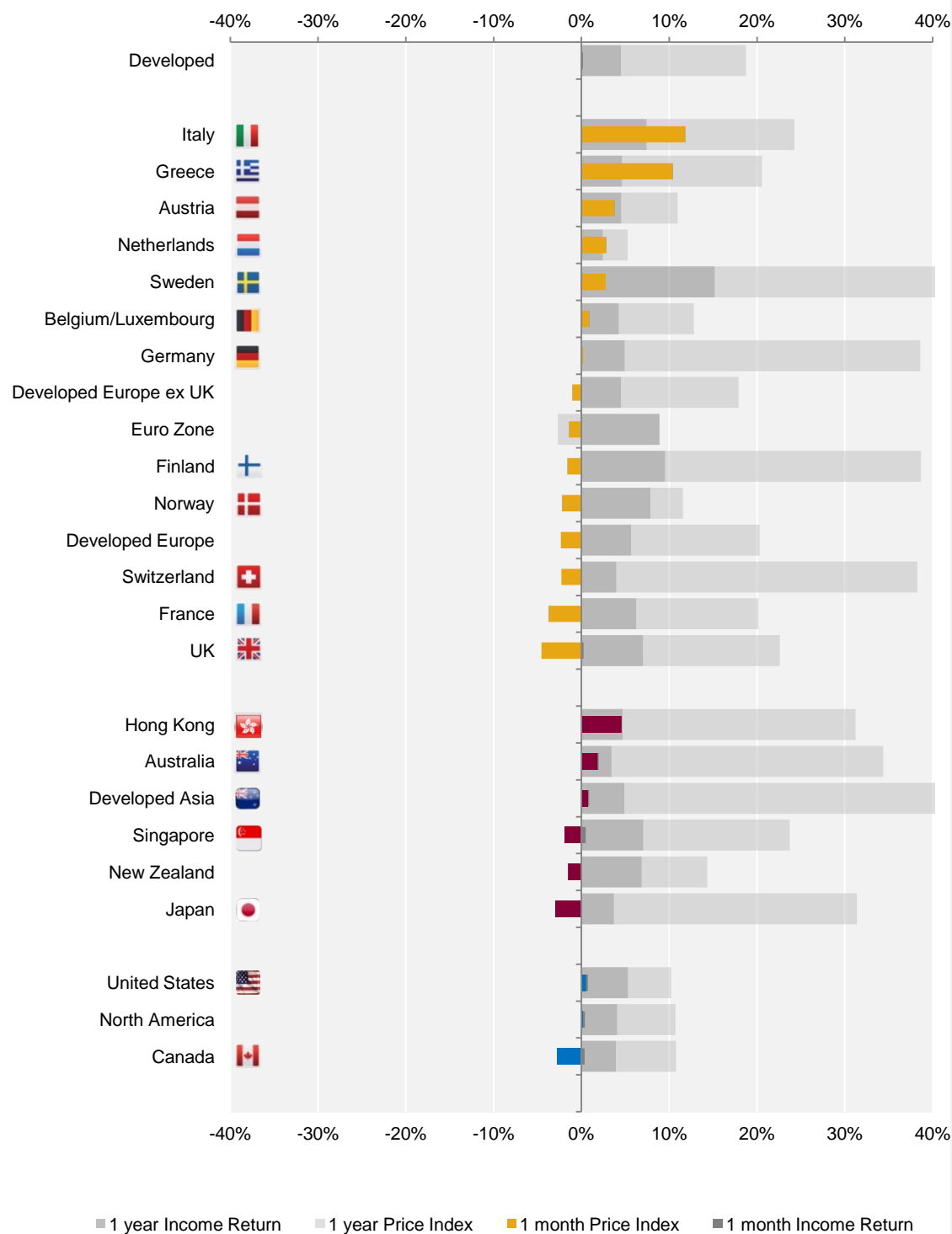
Europe

Asia

Americas

Emerging

## FTSE EPRA/NAREIT Monthly Index Performances (EUR)



# Monthly Market Review

Europe

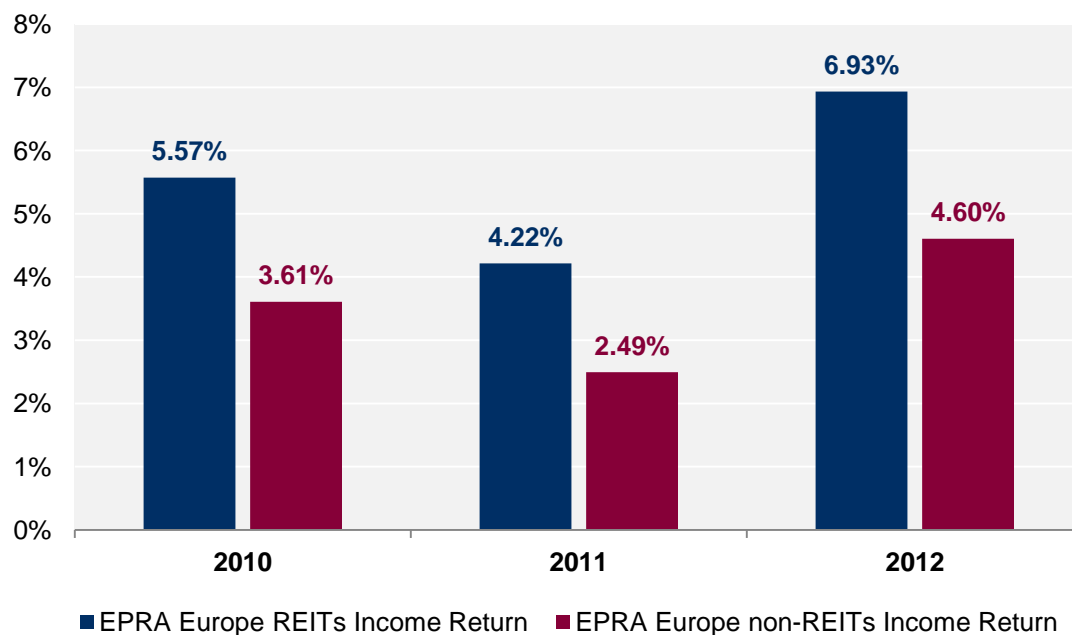
Asia

Americas

Emerging

## Chart of the Month

### Income Return



Sources: FTSE, EPRA, NAREIT

The above chart displays the Income Returns for the FTSE EPRA/NAREIT Developed Europe REITs Index as well as the FTSE EPRA/NAREIT Developed Europe Non-REITs Index. Both European REITs as well as European Non-REITs have displayed healthy income returns over the last couple of years. REITs however have, as expected due to their higher payout obligations, outperformed the Non-REITs in terms of dividend payments.



# Monthly Market Review

Asia

Americas

Emerging

## Notes

## Links to Reports

**Monthly Statistical Bulletin**  
[January 2013](#)

**Monthly Index Chartbook**  
December 2012

## Monthly Company Chartbook

December 2012

**Monthly Published NAV  
Bulletin**  
[December 2012](#)

## Monthly LTV report

### December 2012

**Monthly Transactions Bulletin**  
December 2012

**Index Ground rules**  
[Version 5.1](#)

**EPRA Newsletter**  
November 2012



# Monthly Market Review

Europe

Asia

Americas

Emerging

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