



April 2006

FTSE EPRA/NAREIT Global Real Estate Index

The FTSE EPRA/NAREIT Global Real Estate Index fell 4.4% in April; year to date the index is up 6.2%. In April, the Global Bond and the Global Equity markets both weakened 70bps. All three real estate regions lost ground during the month. Europe lost 2.3%, North America fell back considerably (-7%), and Asia pulled back 1.4%. All returns are expressed in EUR.

Using compounded annual returns, over a five-year period, Global Real Estate outperformed Global Equities and Global Bonds significantly. On average, Global Real Estate returned 12.9% annually, Global Equities was behind 20bps in comparison, and Global Bonds added 4.9%. As a result, over the total five-year period, Global Real Estate returned 83%, Global Equities dropped 1.1%, and Global Bonds added 26.9%.

Asset Classes (EUR)	Apr-06 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Global Real Estate	-4.4	6.2	83.0	12.9
Global Equities	-0.7	3.8	-1.1	-0.2
Global Bonds	-0.7	-2.0	26.9	4.9
Europe Real Estate	-2.3	15.0	139.3	19.1
N. America Real Estate	-7.0	3.6	85.7	13.2
Asia Real Estate	-1.4	5.1	64.0	10.4

Source: EPRA/FTSE/JP Morgan

Asia / Pacific

In the Asia/Pacific region, the performance of the countries was mixed. Performance ranged from negative 5.9% for EPRA/NAREIT Japan (JPY) to a strong 6.4% for EPRA/NAREIT Hong Kong (HKD). EPRA/NAREIT Singapore (SGD) added 1.3%, EPRA/NAREIT Australia (AUD) ended the month down 30bps and EPRA/NAREIT New Zealand (NZD) fell 50bps. Asia/Pacific volatility remains stable and currently stands at 14%.

Country	Apr-06 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Asia (EUR)	-1.4	5.1	64.0	10.4
Australia (AUD)	-0.3	1.4	100.9	15.0
Hong Kong (HKD)	6.4	23.9	87.2	13.4
Japan (JPY)	-5.9	5.6	117.5	16.8
Singapore (SGD)	1.3	26.7	139.8	19.1
New Zealand (NZD)	-0.5	1.0	-NA-	-NA-

Source: EPRA

Hong Kong developers headed the Asia-Pacific performers in April for the second consecutive month. Sino Land (+16%), Sun Hung Kai Properties (+12%) and Henderson Land (+10%) all performed impressively.

Sun Hung Kai owns 50% of the International Finance Centre, an office and retail complex in Hong Kong's central district. The centre will seek a US\$ 902 million loan to refinance existing debt. The centre set a 12 year high in April for the district's rents according to the Sing Tao Daily. A tenant has agreed to pay HKD 108 (\$14) per square foot. The report said that prime office rents may surpass the record of HKD 120 per square foot recorded in 1994 this year.

Singapore will keep its 20% tax rate on dividends paid by REITs to local corporate investors - twice the rate levied on those based overseas, the Monetary Authority of Singapore stated. In March, Temasek's CEO, Ho Ching said authorities should consider cutting the tax rate that local corporate investors pay to match those paid by shareholders overseas. Keppel Land span-off K-REIT on 13 April. K-REIT did not qualify for the FTSE EPRA/NAREIT Global Real

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Estate Index in its own right and when the shares started trading on 28 April, it was deleted from the index. Keppel Land jumped 10% in April following its Q1 2006 results.

CapitaLand's two REITs (CapitaCommercial Trust and CapitaMall Trust) will sell SGD 1 billion of debt to help finance a SGD 2.1 billion the Raffles City complex. Financing options may include mortgage backed securities and bonds. The REITs may also use a one year bridge loan. CapitaCommercial Trust said in March that it would buy 60% of the Raffles City complex, with CapitaMall picking up the other 40%. Singapore allows REITs to borrow as much as 35% of their assets and that amount can rise to 60% if the borrower has a credit rating. UBS estimate that the REIT market in Asia will grow to US\$100 billion in the next four years, led by developers in Hong Kong and Singapore raising funds for projects.

Office vacancies in Tokyo are at their lowest point (3.7%) since October 2001. In addition, rents increased for a fourth consecutive month according to Miki Shoji Co, the real estate broker. The report covered Tokyo's five main business districts – Chiyoda, Chuo, Minato, Shinjuku and Shibuya. The report also stated that, "The market for large new office buildings is brisk, and there are many buildings with full or high occupancy. We expect to see an improvement in rent negotiations for high quality large office buildings." Tokyo is the world's most expensive city after London. Fitch Ratings stated that broad improvements in the Japanese real estate market and the completion of wide-reaching restructuring have boosted the earnings of major Japanese property firms. In addition, they said that the combination of positive sector trends and financial restructuring have made the capital structure of these companies far more conservative than before, increasing the likelihood that major Japanese real estate firms will post improvements in their operating results this year. At a stock level, Japan's big performer in April was Daibiru (+ 4.7%).

Aeon Co, Japan's second largest retailer, offered to buy 27% of Diamond City to take its total stake to just over 60%. The deal is set to make Aeon Co the largest mall developer in sales in Japan. Annual leasing revenue of Aeon mall and Diamond City would exceed that of Mitsui Fudosan, currently Japan's largest developer. In total, the two companies will own around 50 shopping malls.

GPT Group bought a 50% stake in Melbourne's Highpoint Shopping Center, Australia's third biggest mall by annual sales for A\$621 million. The mall was wholly owned by 81 year-old billionaire Marc Besen, who retains a 50% stake in the mall. The Australian billionaire, Lang Walker, is planning to sell off his large property empire. According to the Australian Financial Review, Walker plans to sell up to A\$1.5 billion of diversified real estate assets. It is rumoured that groups such as Stockland, Lend Lease, Mirvac, GPT, Macquarie Bank and Babcock & Brown may be interested.

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Europe

In April, the EPRA/NAREIT Europe Index reversed 2.3%. Major countries in Europe were behind. EPRA/NAREIT UK (GBP) weakened 3.2% after five consecutive months of strong growth. EPRA/NAREIT France was harder hit, with a loss of 5.4%. EPRA/NAREIT Sweden (-9.6%) experienced the largest withdrawal of the European majors, with EPRA/NAREIT Netherlands (+40bps) the only country to make some headway. Broad European volatility stands at approximately 10%, the lowest of the three regions.

Country	Apr-06 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Europe (EUR)	-2.3	15.0	139.3	19.1
UK (GBP)	-3.2	12.6	134.7	18.6
Netherlands (EUR)	0.4	17.6	159.0	21.0
France (EUR)	-5.4	21.2	218.7	26.1
Sweden (SEK)	-9.6	7.4	212.1	25.6

Source: EPRA

Heading the European performers in April was Danish developer TK Developments (+28%). Icade, the real estate portion of France's Caisse des Depots et Consignations raised EUR 615 million at its IPO. The company was included in the FTSE EPRA/NAREIT Global Real Estate Index on its second day of trading (13 April) under the 'fast-track' rule. The company develops a diversified portfolio of properties in France. The shares leapt 22% since the IPO. UK industrial player, Big Yellow Group jumped 10% during the month, closely followed by Sjaelso Gruppen of Denmark (+ 9%). Rodamco Europe strengthened 6% in April.

Grupo Sacresa, the Barcelona based developer, controlled by the family of Metrovacesa board member Roman Sanahuja Pons, is bidding for a 20% stake in Metrovacesa. The offer will be financed by a loan from six banks led by Banesto. The additional stake would take Sacresa's total holding up to 44%. Sacresa is offering €78.10 per share according to a regulatory filing. Sacresa plans to strengthen its role as the biggest shareholder in Metrovacesa, which is increasing its rental portfolio as Spanish house price growth slows following a seven-year surge. Metrovacesa ended April + 3.3%.

Immofinanz plans to raise approximately EUR 1 billion by selling new shares to fund its expansion into Europe. Immofinanz was up 1.4% in April. Immofinanz CEO, Karl Petrikovic said the company will sell 333.5 shares at EUR 8 – 10 per share.

Beni Stabili agreed to buy EUR 1.1 billion of properties from the Comit Fund. The properties are mostly commercial and are located in the central Milan area. The purchase is expected to be completed by the end of June. Beni Stabili ended the month 93bps down.

London Merchant Securities announced that it will spin-off its investment based arm before the end of the first half of 2006. The company will list Leo Capital on AIM on 12 June. London Merchant CEO Robert Rayne will be Leo Capital's temporary CEO until a suitable replacement is found. London Merchant ended the month down 6%.

Rounding up the corporate events, Babis Vovos the Greek developer had its free float adjusted to 75% on 12 April following a sale of shares by the Vovos family. Castellum (Sweden) had a 4 for 1 stock split.

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North America

Over the Atlantic, US real estate stocks fell 3.4% in USD terms in April. EPRA/NAREIT Canada (CAD) also hit a negative note in April, losing 4.8%. At an aggregate level, the EPRA/NAREIT North America Index (USD) was down 3.2% during the month. Volatility in North America is 15%, the highest of the three regions.

Country	Apr-06 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
North America (USD)	-3.2	10.6	153.4	20.4
United States (USD)	-3.4	10.8	150.4	20.2
Canada (CAD)	-4.8	3.3	139.9	19.1

Source: EPRA

Mills Corporation headed the North American performers in April (+15%) following a fall of 30% in March. Mills is currently under investigation for financial irregularities. Taubman Centers could be interested in buying a number of the Mills assets, CEO Rober Taubman said on a conference call. Hotel investor Lasalle added 7% in April. GMH Communities regained 6% following a deep cut in stock price last month. GMH is currently under investigation for similar reasons as Mills Corporation.

CarrAmerica Realty announced that it had signed a definitive merger agreement to be acquired by an affiliate of the Blackstone Group in a transaction worth approximately \$5.6 billion. Under the agreement, Blackstone will acquire all of the outstanding common stock of CarrAmerica for \$44.75. CarrAmerica owns, develops and operates office properties in 12 markets throughout the United States. The company and its affiliates, own, directly or through joint ventures, interests in a portfolio of 285 operating office properties. The deal is expected to be completed by 30 June 2006. CarrAmerica ended the month + 34bps.

Residential investor Town & Country Trust was acquired by Magazine Acquisition for \$40.20 per share. The Magazine Acquisition is made up of Morgan Stanley, Onex Real Estate and Sawyer Realty Holdings. The bid was 19% more than their original bid made in December. In between that period, a bidding war evolved between Magazine Acquisition and Oriole. Oriole decided not to increase its last offer of \$40.15. Town & Country was deleted from the FTSE EPRA/NAREIT Global Real Estate Index on 3 April.

Continuing the M&A activity, GE Real Estate agreed to buy office investor Arden Realty for \$3.2 billion in cash. GE Real Estate paid \$45.25 a share for Arden Realty. In addition, GE Real Estate assumed \$1.6 billion of debt. Trizec Properties will buy a part of Arden assets for \$1.63 billion. Arden will be deleted from the FTSE EPRA/NAREIT Global Real Estate Index as at 3 May 2006.

Public Storage, the US' largest operator of self-storage facilities, agreed to buy rival Shurgard Storage Centers for \$3 billion. The takeover is set to become the largest in the sector ever. Shurgard shareholders will receive \$65.16 per share in stock. Public Storage CEO, Ronald Havner said, 'the transaction creates the largest self-storage company in the world.' Shurgard and Public Storage both lost 5.4% in April.

LBA Realty is set to buy the Bedford Property. The offer values Bedford Property at \$435 million. Closely held LBA Realty will pay \$27 a share for Bedford. Bedford was 11bps up in April.

Starwood Hotels completed the sale of 28 hotels to Host Marriot. Host Marriot issued 133.5 million shares. In addition, Host Marriot will be known as Host Hotels and Resorts with effect from 1 May 2006. The sale of the 28 hotels means Starwood Hotels & Resorts will be deleted from the FTSE EPRA/NAREIT Global Real Estate Index as at 19 June 2006, in accordance with rule 1.7(g). Starwood added 4.9% in April. Host Hotels dropped 1.8%.

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Meristar Hospitality will be deleted from the FTSE EPRA/NAREIT Global Real Estate Index with effect from 3 May 2006. Meristar shareholders approved the merger with Alcor Acquisition, an affiliate of the Blackstone Group on 27 April. Blackstone bought Meristar for approximately \$2.6 billion. Blackstone will borrow \$1.93 billion to help finance the deal. Meristar added 58bps in April.

Commercial Net Lease Realty will change its name into National Retail Properties on 1 May 2006.

The EPRA Monthly Statistical Bulletin is available for EPRA members from www.epra.com.

The FTSE EPRA/NAREIT Global Real Estate Index consists of the largest and most heavily traded real estate stocks in Asia, Europe and North America. As at 30 April, there were a total of 313 stocks in the index.

The following table highlights the performance of regions and countries over a number of time periods:

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Total Return		Close Value	Div Yld (%)	Total Rtn (%)	Total Rtn (%)	Total Rtn (%)	36 Mths Vlty (%)
Index Description	Curr	28-Apr	28-Apr	QTD	Apr-06	YTD	
Global	EUR	2,365.03	3.48	- 4.39	- 4.39	6.23	11.54
Asia	EUR	1,740.31	3.10	- 1.40	- 1.40	5.05	13.72
Europe	EUR	2,968.05	2.49	- 2.35	- 2.35	15.00	9.68
North America	EUR	2,800.55	4.13	- 7.02	- 7.02	3.58	15.09
Global Ex-Asia	EUR	2,805.80	3.65	- 5.70	- 5.70	6.66	12.56
Global Ex-Europe	EUR	2,202.05	3.73	- 4.89	- 4.89	4.23	13.00
Global Ex-North America	EUR	2,217.57	2.86	- 1.77	- 1.77	8.82	10.11
Asia	EUR	1,740.31	3.10	- 1.40	- 1.40	5.05	13.72
Pure Asia	EUR	1,810.64	2.57	- 1.74	- 1.74	6.85	14.10
Japan	JPY	3,142.07	0.94	- 5.92	- 5.92	5.58	23.75
Australia	AUD	2,267.29	6.38	- 0.26	- 0.26	1.39	8.37
Pure Australia	AUD	2,340.14	0.94	0.45	0.45	4.12	9.01
Hong Kong	HKD	1,709.53	2.07	6.42	6.42	23.90	23.43
Singapore	SGD	1,448.99	2.72	1.32	1.32	26.73	17.83
New Zealand	NZD	1,229.12	6.15	- 0.55	- 0.55	0.97	-NA-
Europe	EUR	2,968.05	2.49	- 2.35	- 2.35	15.00	9.68
Europe Net Index	EUR	1,866.14	1.87	- 2.52	- 2.52	14.74	-NA-
Euro Zone	EUR	3,190.31	3.02	- 1.87	- 1.87	19.09	9.70
Euro Zone Net Index	EUR	1,931.82	2.27	- 2.16	- 2.16	18.65	-NA-
Europe Ex UK	EUR	3,313.28	2.90	- 2.20	- 2.20	18.17	9.43
Europe Ex UK Net Index	EUR	3,267.40	2.18	- 2.53	- 2.53	17.66	9.50
Europe Liquid 40	EUR	2,893.18	2.50	- 2.43	- 2.43	15.10	10.26
Europe Liquid 40 Net Index	EUR	2,848.83	1.88	- 2.61	- 2.61	14.85	-NA-
Europe Liquid 40 Ex UK	EUR	3,437.27	3.00	- 2.36	- 2.36	18.38	9.94
Europe Liquid 40 Ex UK Net Index	EUR	3,337.64	2.25	- 2.73	- 2.73	17.84	-NA-
UK	EUR	2,694.66	2.05	- 2.51	- 2.51	11.64	12.58
UK Net Index	EUR	1,782.98	1.54	- 2.51	- 2.51	11.64	-NA-
Netherlands	EUR	3,027.39	4.79	0.41	0.41	17.55	10.08
France	EUR	3,611.41	2.84	- 5.37	- 5.37	21.23	13.76
Spain	EUR	6,791.94	1.70	0.92	0.92	33.80	17.99
Austria	EUR	1,669.21	0.17	0.26	0.26	5.13	4.48
Sweden	EUR	3,879.75	4.10	- 8.33	- 8.33	8.32	19.04
Germany	EUR	1,450.47	2.47	- 5.29	- 5.29	27.12	19.74
Switzerland	EUR	1,795.26	0.45	1.02	1.02	12.21	10.06
Italy	EUR	4,156.14	1.67	- 2.37	- 2.37	20.27	14.63
Belgium	EUR	1,934.65	5.98	- 1.52	- 1.52	2.40	6.58
Denmark	EUR	819.83	1.32	6.63	6.63	29.98	51.92
Finland	EUR	4,060.86	4.28	- 5.87	- 5.87	21.11	18.14
Poland	EUR	1,322.02	-	- 6.65	- 6.65	52.59	-NA-
UK	GBP	3,017.64	2.05	- 3.16	- 3.16	12.60	13.44
UK Net Index	GBP	1,582.12	1.54	- 3.16	- 3.16	12.60	-NA-
Switzerland	CHF	1,762.14	0.45	0.08	0.08	13.08	10.07
Sweden	SEK	4,238.88	4.10	- 9.57	- 9.57	7.35	19.56
Denmark	DKK	823.11	1.32	6.60	6.60	30.00	51.93
Poland	PLN	1,583.33	-	- 8.12	- 8.12	53.76	-NA-
Nth America	USD	3,367.13	4.13	- 3.22	- 3.22	10.61	15.14
United States	USD	3,343.80	4.04	- 3.38	- 3.38	10.81	15.42
Canada	USD	4,000.29	5.42	- 0.87	- 0.87	7.65	13.76

Source: EPRA

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