



June 2006

FTSE EPRA/NAREIT Global Real Estate Index

The FTSE EPRA/NAREIT Global Real Estate Index responded well (+4.1%) in June. Subsequently, year to date the index remains ahead 4.8%. In June, the Global Equity market advanced 80bps and Global Bonds lost 20bps. All three real estate regions gained ground during the month. Europe added 2.2%, North America pushed forward 5.5%, and Asia pulled back some of the ground lost last month (+3.1%). 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 10.8% annually, Global Equities fell 1.3% in comparison, and Global Bonds added 4.7%. As a result, over the total five-year period, Global Real Estate returned 67%, Global Equities dropped 6.4%, and Global Bonds added 25.6%.

| Asset Classes (EUR) | Jun-06 Return % | YTD Return % | Rolling 5 Yrs Return % | Average Annual Return % |
|------------------------|-----------------|--------------|------------------------|-------------------------|
| Global Real Estate | 4.1 | 4.8 | 67.3 | 10.8 |
| Global Equities | 0.8 | -1.3 | -6.4 | -1.3 |
| Global Bonds | -0.2 | -2.0 | 25.6 | 4.7 |
| Europe Real Estate | 2.2 | 13.2 | 129.8 | 18.1 |
| N. America Real Estate | 5.5 | 4.7 | 64.7 | 10.5 |
| Asia Real Estate | 3.1 | -0.2 | 49.3 | 8.3 |

Source: EPRA/FTSE/JP Morgan

Asia / Pacific

In the Asia/Pacific region, the performance of the countries was, on the whole, good. Performance ranged from +10bps for EPRA/NAREIT Hong Kong (HKD) to a strong advance of 6.4% for EPRA/NAREIT New Zealand (NZD). EPRA/NAREIT Australia (AUD) gained 6.2%, EPRA/NAREIT Japan (JPY) ended the month up 5% and EPRA/NAREIT Singapore (SGD) added 1.1%. Asia/Pacific 36 months rolling volatility is 15%.

| Country | Jun-06 Return % | YTD Return % | Rolling 5 Yrs Return % | Average Annual Return % |
|-------------------|-----------------|--------------|------------------------|-------------------------|
| Asia (EUR) | 3.1 | -0.2 | 49.3 | 8.3 |
| Australia (AUD) | 6.2 | 6.2 | 100.2 | 14.9 |
| Hong Kong (HKD) | 0.1 | 13.1 | 74.8 | 11.8 |
| Japan (JPY) | 5.0 | 1.3 | 109.1 | 15.9 |
| Singapore (SGD) | 1.1 | 14.9 | 91.2 | 13.8 |
| New Zealand (NZD) | 6.4 | 11.8 | -NA- | -NA- |

Source: EPRA

Japan headed Asia-Pacific performers in June. Mitsubishi Estate (+11%) topped the list followed by Hong Kong based Hysan Development and Great Eagle who both added 10%. Capitaland (Singapore) advanced 9.5% and Mitsui Fudosan (Japan) gained 8.5%. Performance was also strong from the Pacific portion of the region. Australia stocks Macquarie Goodman, Investa, ING Industrial, Westfield and GPT all achieved returns in the 7-8% range.

Sun Hung Kai Properties announced that it had postponed a \$600 million REIT listing in June. It was the third time a REIT listing was cancelled during the month. The company postponed its listing of Sun Millennium REIT due to 'market conditions'. Sunlight REIT and Shui On Land also scrapped IPOs in June.

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Fraser & Neave, Singapore's largest beverage maker, plans to raise \$169 million in a trust that contains three Singapore shopping malls. The trust, to be named Frasers Centerpoint Trust will be priced at SGD1.03 per share. Based on this price, the trust would offer a yield of 5.7% for the year starting 1 October 2006. Han Cheug Fong, Fraser & Neave's CEO said, "The F&N Group continues to view the Singapore retail sector as an attractive and growing business sector. The trust will be used as F&N's primary vehicle to expand its future retail mall investment and management business in Singapore."

The Bank of Japan reported that average land prices rose for the first time in 15 years. Land prices rose 1.4 percent in 2005. 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. Tokyo office vacancies fell in May to the lowest levels since February 2001, as demand for space remained strong, according to Miki Shoji Co. The vacancy currently stands at 3.2%.

New additions and deletions from the quarterly review became effective on 19 June.

Additions:

Abacus Property Group (Australia)
Shenzhen Investment (Hong Kong)
Kenedix Realty Investment (Japan)
Mori Trust Sogo REIT (Japan)
Guocoland (Singapore)

Deletions:

None

Europe

In June, the EPRA/NAREIT Europe Index (+2.2%) clawed back some of the loses of the previous month. Major countries in Europe were all ahead. EPRA/NAREIT UK (GBP) strengthened 2.3%, EPRA/NAREIT France completed a bullish month 5% up, and EPRA/NAREIT Netherlands (+2.5%) gained. EPRA/NAREIT Sweden (+8.6%) led the European majors after disappointing figures in April and May. Broad European volatility stands at approximately 10%, the lowest of the three regions.

| Country | Jun-06 Return % | YTD Return % | Rolling 5 Yrs Return % | Average Annual Return % |
|-------------------|--------------------|-----------------|---------------------------|----------------------------|
| Europe (EUR) | 2.2 | 13.2 | 129.8 | 18.1 |
| UK (GBP) | 2.3 | 11.9 | 135.2 | 18.7 |
| Netherlands (EUR) | 2.5 | 10.4 | 136.6 | 18.8 |
| France (EUR) | 5.0 | 18.8 | 198.7 | 24.5 |
| Sweden (SEK) | 8.6 | 5.6 | 185.4 | 23.3 |

Source: EPRA

Heading the European and Global performers in June was Risanamento (Italy) and Workspace (UK) who both added 19%. Workspace announced that it recorded net asset value gains of 34% in the year ended 31 March 2006. McKay Securities (UK) performed very strongly in June (+16%) to add to a good month in May (+5%). At the bottom end, Keops (Denmark) lost 23%. The company agreed to buy 172 offices, industrial properties and storage facilities in Sweden from Kungsleden for US\$ 910 million. Kungsleden added 10% during the month.

Grupo Inmocaral said it will offer €3.76 billion in cash for competitor Inmobiliaria Colonial. The bid equates to €63 per share. La Caxia, Colonial's largest shareholder said it would back the deal and tender its 39.4% stake in the company. Colonial advanced 15% in June.

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Fonciere des Regions and Bail Investissement, two French real estate companies agreed to merge to create France's fourth largest real estate company. The merged company will have a market value of €3 billion. Bail Investissement shareholders will receive one new Fonciere des Regions share for every two shares held. Fonciere des Regions will pay its shareholders an extraordinary dividend of €2 per share. Fonciere des Regions lost 6.2% and Bail Investissement fell 1% in June. Fonciere des Regions is currently a constituent of the FTSE EPRA/NAREIT Global Real Estate Index; Bail Investissement is not.

Metrovacesa Chairman Joaquin Rivero and Bautista Soler are bidding approximately €2.1 billion for a 26% stake in Metrovacesa to counter-bid the Grupo Sacresa offer. Rivero and Soler, who already jointly own around 12% of Metrovacesa will offer €80 per share. In a statement, the holding companies of Rivero and Soler said, "The bidders propose to increase their current shareholding to create a stable core that will be able to sufficiently support Metrovacesa's present management team, without reaching control." Grupo Sacresa, the Barcelona based developer, offered €78.10 per share for a 20% stake in Metrovacesa. The additional stake would have taken Sacresa's total holding up to 44%. Spanish market regulators blocked Grupo Sacresa's plan to improve its offer in June. Metrovacesa ended June down 3.5%.

Immoeast Immobilien Anlagen, the Austrian based developer operating in Eastern Europe, raised €2.75 billion in a share sale to fund expansion in ex-communist countries. Immoeast sold 333.5 million new shares at €8.25 each. The new shares started trading on 13 June. The company raised the money to tap into the growing demand for office space and residential space. Karl Petrikovics said in a statement, "We have placed the shares without problems because our expansion strategy was well accepted". Immoeast fell 1.3% in June.

On a pure corporate actions level, London Merchant span off Leo Capital on 9 June, Swiss Prime Site (Switzerland) returned capital of CHF 2.10 on 21 June, and Colonia Real Estate (Germany) had a 4 for 1 stock split effective 30 June.

New additions and deletions from the quarterly review became effective on 19 June.

Additions:

Affine (France)
 Mercialys (France)
 Societe de la Tour Eiffel (France)
 Colonia Real Estate (Germany)
 Norgani Hotels (Norway)
 Teesland Advantage Property Income Trust (UK)

Deletions:

Sjaelso Gruppen (Denmark)

North America

Over the Atlantic, US real estate stocks gained 5.1% in USD terms in June. EPRA/NAREIT Canada (CAD) also hit a positive note in June, adding 4%. At an aggregate level, the EPRA/NAREIT North America Index (USD) was up 5% during the month. 36 months rolling volatility in North America is the highest of the three regions, currently standing at 16%.

| Country | Jun-06 Return % | YTD Return % | Rolling 5 Yrs Return % | Average Annual Return % |
|---------------------|-----------------|--------------|------------------------|-------------------------|
| North America (USD) | 5.0 | 13.5 | 138.6 | 19.0 |
| United States (USD) | 5.1 | 13.7 | 136.1 | 18.7 |
| Canada (CAD) | 4.0 | 4.0 | 122.0 | 17.3 |

Source: EPRA

US stocks dominated the top Global performers list in June. Educational Realty Trust jumped 18% during the month, followed by U-Store-It Trust (+17.5%). Merrill Lynch recently initiated coverage on U-Store-It Trust with a 'Buy' rating. The trust's new CEO, Dean Jernigan envisages a consolidation in the self storage industry. Speaking at the NAREIT conference in

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New York in June he said that the industry was 'ripe for it'. Jernigan stated that he had no immediate plans to sell the trust. Rather, he is focused on increasing U-Store-It's funds from operations.

Continuing in the self-storage industry, 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.' The deal was expected to be completed on 30 June. Shurgard and Public Storage both added 4% in June.

Brookfield Properties and buyout firm Blackstone Group agreed to acquire Trizec Properties for \$8.9 billion including debt. The deal is the second largest takeover of a REIT. The purchase will triple Brookfield's US properties, especially in New York, Washington and Los Angeles. Brookfield is based in New York however half of its properties are located in Canada. The joint venture will pay \$29.01 a share for Trizec and \$30.97 for its Canadian subsidiary. Brookfield jumped 14% in June.

Retail focused Mills Corp said it had been contacted by a 'variety of parties' as it studies the sale, or other options, to increase its share price. The share price has fallen over 50% in the last 12 months amid a SEC investigation into the company's accounting practices. Mills cut its workforce by 222 people and appointed a new CFO as part of a restructuring programme in June. Mills ended 13% down in June.

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 was expected to be completed by 30 June 2006. CarrAmerica closed the month +70bps.

Starwood Hotels completed the sale of 28 hotels to Host Marriot. Host Marriot issued 133.5 million shares to finance the deal. The sale of the 28 hotels means Starwood Hotels & Resorts was deleted from the FTSE EPRA/NAREIT Global Real Estate Index on 19 June 2006, in accordance with rule 1.7(g).

New additions and deletions from the quarterly review became effective on 19 June.

Additions:

Alexis Nihon (Canada)
Morguard (Canada)
Northern Property (Canada)

Deletions:

Boykin Lodging (US)
Starwood Hotels & Resorts (US)
Trizec Properties (US)

The next round of FTSE EPRA/NAREIT Global Real Estate Index quarterly reviews will be held on Wednesday 6th September. The reviews take the form of three separate regional committee meetings.



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 31 June, there were a total of 321 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 Vity (%) |
|----------------------------------|------|-------------|-------------|---------------|---------------|---------------|------------------|
| Index Description | Curr | 30-Jun | 30-Jun | QTD | Jun-06 | YTD | |
| Global | EUR | 2,332.42 | 3.56 | - 5.71 | 4.09 | 4.76 | 12.30 |
| Asia | EUR | 1,653.72 | 3.24 | - 6.31 | 3.11 | - 0.17 | 14.92 |
| Europe | EUR | 2,921.97 | 2.53 | - 3.86 | 2.21 | 13.21 | 10.02 |
| North America | EUR | 2,830.21 | 4.23 | - 6.04 | 5.49 | 4.68 | 15.54 |
| Global Ex-Asia | EUR | 2,813.99 | 3.71 | - 5.43 | 4.53 | 6.97 | 13.07 |
| Global Ex-Europe | EUR | 2,172.54 | 3.83 | - 6.16 | 4.57 | 2.83 | 13.74 |
| Global Ex-North America | EUR | 2,136.86 | 2.96 | - 5.34 | 2.75 | 4.86 | 11.22 |
| Asia | EUR | 1,653.72 | 3.24 | - 6.31 | 3.11 | - 0.17 | 14.92 |
| Pure Asia | EUR | 1,711.51 | 2.73 | - 7.12 | 2.84 | 1.00 | 15.35 |
| Japan | JPY | 3,013.97 | 1.08 | - 9.76 | 4.99 | 1.27 | 24.48 |
| Australia | AUD | 2,374.65 | 6.21 | 4.46 | 6.18 | 6.19 | 8.48 |
| Pure Australia | AUD | 2,495.28 | 1.08 | 7.10 | 6.37 | 11.02 | 8.99 |
| Hong Kong | HKD | 1,560.76 | 2.27 | - 2.84 | 0.12 | 13.12 | 24.31 |
| Singapore | SGD | 1,314.16 | 3.08 | - 8.11 | 1.08 | 14.94 | 17.45 |
| New Zealand | NZD | 1,361.39 | 6.02 | 10.15 | 6.38 | 11.83 | -NA- |
| Europe | EUR | 2,921.97 | 2.53 | - 3.86 | 2.21 | 13.21 | 10.02 |
| Europe Net Index | EUR | 1,835.89 | 1.90 | - 4.10 | 2.20 | 12.88 | -NA- |
| Euro Zone | EUR | 3,109.41 | 2.96 | - 4.35 | 2.70 | 16.07 | 10.50 |
| Euro Zone Net Index | EUR | 1,879.73 | 2.22 | - 4.80 | 2.68 | 15.45 | -NA- |
| Europe Ex UK | EUR | 3,222.35 | 2.86 | - 4.88 | 2.76 | 14.92 | 10.43 |
| Europe Ex UK Net Index | EUR | 3,173.41 | 2.15 | - 5.33 | 2.74 | 14.28 | 10.50 |
| Europe Liquid 40 | EUR | 2,854.12 | 2.53 | - 3.74 | 2.39 | 13.55 | 10.58 |
| Europe Liquid 40 Net Index | EUR | 2,808.65 | 1.90 | - 3.98 | 2.39 | 13.23 | -NA- |
| Europe Liquid 40 Ex UK | EUR | 3,352.78 | 2.96 | - 4.76 | 3.27 | 15.47 | 10.94 |
| Europe Liquid 40 Ex UK Net Index | EUR | 3,251.40 | 2.22 | - 5.24 | 3.27 | 14.80 | -NA- |
| UK | EUR | 2,685.26 | 2.16 | - 2.85 | 1.58 | 11.25 | 12.12 |
| UK Net Index | EUR | 1,776.73 | 1.62 | - 2.85 | 1.58 | 11.25 | -NA- |
| Netherlands | EUR | 2,842.02 | 5.11 | - 5.74 | 2.54 | 10.36 | 11.57 |
| France | EUR | 3,539.67 | 2.88 | - 7.25 | 4.95 | 18.82 | 14.81 |
| Austria | EUR | 1,650.56 | 0.12 | - 0.86 | - 0.02 | 3.96 | 4.50 |
| Spain | EUR | 6,993.73 | 1.72 | 3.92 | 3.64 | 37.78 | 18.14 |
| Sweden | EUR | 3,853.35 | 4.17 | - 8.96 | 9.25 | 7.58 | 20.57 |
| Germany | EUR | 1,455.63 | 2.29 | - 4.95 | - 0.36 | 27.58 | 18.82 |
| Switzerland | EUR | 1,770.17 | 0.46 | - 0.39 | 3.22 | 10.64 | 10.61 |
| Belgium | EUR | 1,925.33 | 5.91 | - 2.00 | 2.39 | 1.90 | 7.00 |
| Italy | EUR | 3,931.45 | 2.49 | - 7.65 | 4.15 | 13.77 | 16.14 |
| Denmark | EUR | 646.16 | 0.75 | - 15.95 | - 20.53 | 2.44 | 52.15 |
| Finland | EUR | 3,883.50 | 4.46 | - 9.98 | 3.15 | 15.82 | 18.71 |
| Poland | EUR | 1,251.21 | - | - 11.65 | 2.81 | 44.41 | -NA- |
| UK | GBP | 2,999.85 | 2.16 | - 3.74 | 2.31 | 11.94 | 12.58 |
| UK Net Index | GBP | 1,572.78 | 1.62 | - 3.73 | 2.31 | 11.94 | -NA- |
| Switzerland | CHF | 1,737.14 | 0.46 | - 1.34 | 3.60 | 11.48 | 10.79 |
| Sweden | SEK | 4,168.05 | 4.17 | - 11.09 | 8.58 | 5.56 | 21.02 |
| Denmark | DKK | 648.71 | 0.75 | - 15.99 | - 20.52 | 2.45 | 52.16 |
| Poland | PLN | 1,577.38 | - | - 8.46 | 6.43 | 53.18 | -NA- |
| Nth America | USD | 3,454.08 | 4.23 | - 0.72 | 5.01 | 13.47 | 15.31 |
| United States | USD | 3,432.23 | 4.12 | - 0.82 | 5.14 | 13.74 | 15.61 |
| Canada | USD | 4,060.04 | 5.56 | 0.61 | 2.92 | 9.26 | 13.66 |

Source: EPRA

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