



EPRA | RESEARCH

European Public Real Estate Association

Monthly Market Review

April 2010



FTSE EPRA/NAREIT Developed (Global) Index

April 2010

The FTSE EPRA/NAREIT Developed (Global) Index ended April by adding 4.3%, outperforming the global equities market that advanced 2.0%. While global bonds market returned 0.8% for investors. Real estate markets in Europe lost 3.2% compared to a gain of 8.4% in North America. Asian real estate advanced 3.1% at the end of April.

The global real estate total return from the five-year rolling period is 16.4%. Global equities returned 26.3%, while global bonds added 21.9%. Annual average return based on the five-year period from real estate investments is 3.1%. Global equities returned 4.8% while the figure from bond investments is 4.0%.

Global Developed Real Estate 36-month volatility equals 27.5%.

All figures are expressed in EUR.

Asset Classes (EUR)	Apr-10 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Global Real Estate	4.3	15.0	16.4	3.1
Global Equities	2.0	11.6	26.3	4.8
Global Bonds	0.8	2.0	21.9	4.0
Europe Real Estate	-3.2	0.3	-14.0	-3.0
N. America Real Estate	8.4	26.4	19.7	3.7
Asia Real Estate	3.1	10.2	33.3	5.9

Source: EPRA

FTSE EPRA/NAREIT Global Index – Top 5 Performers

Company	Sector	Total Return
Felcor Lodging Trust *	Lodging/Resorts	42.28%
Glimcher Realty Trust *	Retail	34.32%
Premier Investment Co. *	Diversified	30.62%
Tokyo Tatemono	Office	29.76%
Ashford Hospitality *	Lodging/Resorts	29.71%

FTSE EPRA/NAREIT Global Index – Bottom 3 Performers

Company	Sector	Total Return
Eurobank Properties Real Estate Investment Co *	Diversified	-20.51%
Lamda Development	Diversified	-21.66%
Babis Vovos	Diversified	-28.12%



Asia-Pacific

The FTSE EPRA/NAREIT Developed Asia added 3.1%. FTSE EPRA/NAREIT Japan (JPY) advanced 9.1% in April. FTSE EPRA/NAREIT Hong Kong (HKD) ended the month by declining 6.3% while FTSE EPRA/NAREIT Singapore (SGD) Index added 1.8%. FTSE EPRA/NAREIT Australia Index (AUD) Index advanced 4.0% compared to a gain of 1.0% for the New Zealand Index.

36-months rolling volatility for Asia-Pacific is 26.8%.

Country	Apr-10 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Asia (EUR)	3.1	10.2	33.3	5.9
Australia (AUD)	4.0	2.5	-31.3	-7.2
Hong Kong (HKD)	-6.3	-6.1	86.8	13.3
Japan (JPY)	9.1	15.1	29.4	5.3
Singapore (SGD)	1.8	-3.4	59.0	9.7
New Zealand (NZD)	1.0	-2.9	22.4	4.1

Source: EPRA

Suntec REIT reported its first quarter results this month. Distributable income for the first three months of the year fell 5% from the last quarter to SGD 45.4 million. Total revenues for the period were SGD 62.5 million, an increase of 110 bps from the previous quarter but down 3.8% year-on-year. The company attributed the year-on-year decline to weaker contributions from its retail and office portfolios. The company saw improved occupancy of Suntec City Office of 95.5%, up 20 bps compared to end of 2009. Suntec City Retails occupancy fell by 120 bps in the same period. The Singapore REIT faces no debt maturity this year however, 46.5% of total debt worth SGD 802 million matures next year. Suntec REIT is up 3.7% for the month compared to 3.06% return of FTSE EPRA/NAREIT Asia Index.

Keppel Land first quarter earnings surged by 75% as apartment sales have boomed across Asia and as the Singapore office market makes a comeback. The Singapore-based property developer stated its net profit in the first three months of the year jumped to SGD 64.7 million, compared with SGD 36.9 million a year earlier, according to SNL. Residential property sales from mainland China and Singapore equaled SGD 49 million representing a gain of 54%. Property investment income increased by 29% mainly from the office spin off K-REIT. Keppel Land posted an increase of 2.18%.

K-REIT (non-constituent) [reported](#) a 28% rise in net property income compared to a year ago, securing SGD 13.9 million for the first quarter alone. The difference is attributable to maiden contribution from the 50% stake in 275 George Street, Brisbane. The acquisition was made two months ago and was good for SGD 1.6 million in rental income. According to management guidance, 50% of management fees for the current year will be paid in units, down from 100% last year. The company has improved several KPI's according to the latest report.

CapitaCommercial Trust increased net property income by 11% year-on-year or SGD 77.6 million as it reported its results for the first quarter. Total revenues came out at SGD 101 million, an increase of 4%. The results come on the back of positive



rent reversions, lower property tax and improved occupancy of 95.1%. The Office REIT is actively managing its debt portfolio. It purchased an additional SGD 126 million of convertible bonds due in 2013 for SGD 135 million, including accrued interest. The company disclosed that its refinancing requirements have declined to SGD 658 million - these stood at SGD 1.025 billion at the end of FY09 - while average debt maturity has been pushed to 2.1 years. CapitaCommercial advanced 12% at the end of April.

China Real Estate Opportunities (CREO), constituent of the FTSE EPRA/NAREIT AIM Index, is looking to move from London's Aim market to the exchange of Singapore according to the FT. The company owns a GBP 840 million property portfolio in China. The decision comes as the company's share continues to trade at a discount of above 65%. Average discount to NAV stood at 1% for EPRA UK index stocks as of end of March 2010.

Corporate Actions

There were no corporate actions in the Developed Asia – Pacific region

FTSE EPRA/NAREIT Asia Index – Top 5 Performers

Company	Sector	Total Return
Premier Investment Co. *	Diversified	30.62%
Tokyo Tatemono	Office	29.76%
Kenedix Realty Investment *	Diversified	27.36%
FKP Property Group	Diversified	19.58%
NTT Urban Development	Office	15.95%

FTSE EPRA/NAREIT Asia Index – Bottom 3 Performers

Company	Sector	Total Return
Shenzhen Investment	Diversified	-16.67%
Hopson Development	Residential	-17.86%
KWG Property Holdings	Diversified	-18.44%



EUROPE

The FTSE EPRA/NAREIT Developed Europe Index lost 3.2% for the month of April. The UK lost 1.7% while France was down 5.3%. The Netherlands finished the month down 6.0%, while Sweden lost 8.1%.

European Real Estate 36-month volatility stands at 26.6, the lowest of the three regions.

Country	Apr-10 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Europe (EUR)	-3.2	0.3	-14.0	-3.0
UK (GBP)	-1.7	-2.6	-28.6	-6.5
Netherlands (EUR)	-6.0	-0.8	30.0	5.4
France (EUR)	-5.3	-2.3	52.4	8.8
Sweden (SEK)	-8.1	2.9	26.5	4.8

Source: EPRA

Hammerson reported its IMS for the first four months of the year. The retail REIT said overall occupancy in its portfolio was flat at 95.3% at end-March 2010. Like-for-like sales growth for tenants at its UK shopping centres was 1.7% over the period. Sales at its French retail centres dropped 50 bps. Threadneedle St and Old Broad St, the recently completed developments are now respectively 100% and 92% let or in solicitors hands, according to JP Morgan. In addition the company is also said to be preparing for asset sales. It is seeking the GBP 150 million sale of Harbor Exchange Square in London’s Docklands. David Atkins, company CEO, said he expects to be a net seller of assets for the rest of the year. He said that as a business and a REIT, the company should have a lower level of gearing. The company has no debt maturing before March 2012. Hammerson is down 2.3% for the month.

SEGRO in its IMS report stated that vacancy for the UK portfolio declined from 14.8% to 14.6% since December 2009. Continental Europe vacancy increased in the same period from 10.7% to 12.8%. The industrial REIT acquired 50% of the Airport Property Partnership (APP) for GBP 111.3 million, implying a GBP 467 million valuation for the property for 100% ownership. The remaining 50% of the portfolio is owned by AVIVA. SEGRO intends to sell assets into the JV in order to avoid having to compete in the same market. 73% of APP’s assets are within the Heathrow airport complex, complementing SEGRO’s existing holdings. SEGRO slipped 3.3% month of April.

French REIT **Klépierre** increased overall revenue by 3.2% year-on-year in the first quarter as it saw the first signs of a recovery for retailers, reinforcing its outlook for the year. Rental revenues from its shopping centers were stable; Office’s segment saw a decline of 4.2% while rental revenue from other retail assets slipped 2.1%. This adds up to a slight dip of 30 bps in quarterly rents from the entire portfolio in a year. Klépierre maintained its target of disposing EUR 250 million worth of assets this year and has already sold EUR 84 million worth year-to-date. Company CFO added that more properties could have been sold, but the bids it recieved were too low. Klépierre tumbled 10.4% for the month.



The office specialist from Italy **Beni Stabili** is selling 134.8 million shares, or 7% of its capital, as part of the process of qualifying for the Italian equivalent of a real estate investment trust (REIT) or SIQ status by the end of 2010. The treasury placement will reduce majority owner Foncière des Régions' stake to 51.5%. Foncière announced in February that it was planning to reduce its stake in Beni Stabili to 52% to allow the Italian arm to qualify for REIT status. The Rome-based company will also issue EUR 175 million worth of convertibles, which will replace the company's existing 2.5% convertibles maturing in October 2011. The convertible bonds will be issued at a fixed rate of interest, within a range from 3.5% to 4.25% per annum, with a conversion premium between 27.5% and 32.5%. Beni Stabili is down 8.4% compared to Foncière de Région that lost 4.6%.

London & Stamford (FTSE EPRA/NAREIT AIM constituent) is to buy GBP 215 million of properties from Warner Estates and Lloyds Banking Group. The Radial distribution fund will be bought by London & Stamford which is jointly owned by Warner Estates and HBOS, reflects a yield of 8% to the last reported value of GBP196 million at the end of last year. The price paid by London & Stamford is the debt behind the portfolio, meaning HBOS will recoup its loan while the equity has been wiped out.

Mergers & Acquisition

The **F&C Commercial Property Trust** (FCPT) will be merged with the **UK Commercial Property Trust** (UKCPT). The new company will have a market capitalisation of around GBP 1.6 billion. The two companies are current constituents of the FTSE EPRA/NAREIT Developed Europe Index. The merged entity will remain in the index.

Rugby REIT, constituent of the FTSE EPRA/NAREIT AIM index, accepted a takeover bid from **ING UK Real Estate Income Trust** (FTSE EPRA/NAREIT Developed Europe constituent). ING UK REITs bid offers Rugby REIT shareholders three alternatives. Investors can either accept 1.2 ING UK REIT shares for every Rugby REIT share. They can also choose between 63p in cash per share or one Zero Dividend Preference share.

European Debt Offerings

Klépierre raised EUR 900 million by offering senior bonds while **Beni Stabili** raised EUR 225 million via equity linked convertibles. **Gecina** also raised EUR 320 million via convertibles that were announced end of March. This adds up to EUR 1,906 billion raised by EPRA Europe constituents year-to-date.

IPO alert

Following the IPO of **GSW Immobilien AG** and subject to the listing commencing on May 07, 2010, the company will be added under the fast-track rule to the FTSE EPRA/NAREIT Developed Europe Index.

Corporate Actions

There were no corporate action in the Developed Europe region.



FTSE EPRA/NAREIT Europe Index – Top 5 Performers

Company	Sector	Total Return
Minerva	Diversified	20.21%
Derwent London *	Office	6%
CA Immobilien Anlage	Diversified	5.13%
Standard Life Inv Prop	Diversified	5.02%
ING UK Real Estate Income Trust	Diversified	4.17%

FTSE EPRA/NAREIT Europe Index – Bottom 3 Performers

Company	Sector	Total Return
Eurobank Properties *	Diversified	-20.51%
Lamda Development	Diversified	-21.66%
Babis Vovos	Diversified	-28.12%

NORTH AMERICA

The EPRA/NAREIT North America Index added 6.6% in USD. The US returned 6.9% (USD) for the month, compared to an increase of 3.1% for the Canada Index in CAD, at the end of April.

The 36-months rolling volatility for North America is 36.7%, the highest of the three regions.

Country	Apr-10 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
North America (USD)	6.6	17.1	23.3	4.3
United States (USD)	6.9	17.3	19.8	3.7
Canada (CAD)	3.1	11.5	38.9	6.8

Source: EPRA

SL Green, Manhattan’s leading landlord, said that it had received a letter of intent from “a major pension fund” to be a 45% equity partner on 600 Lexington. The pending acquisition of the office building, announced last week, was underwritten with an expectation of a rise of 25% in the next three years according to company CEO. The office specialist will pay USD 193 million, or USD 636 a square foot for the 36-storey building. The Office REIT shares have more than tripled in 12 months, as its market makes a comeback. The asking rents in the New York area, however, hit a three-year low according to Cushman & Wakefield. “The city’s rebound continues at a slow but steadily improving pace,” Andrew Mathias, company CIO, commented to Bloomberg. SL green reported an increase of 8.5% for the month.



US office REIT **Boston Properties** reported first quarter FFO of USD 149.6 million, up from 134.8 million a year earlier, as rental income increased. This comes out at USD 1.07 per share compared to USD 1.11 per share last year due to increase in shares following its secondary offering. FFO per share came out higher than the 15 analysts forecast in the Bloomberg survey. The office REIT forecast second-quarter FFO per share between 97 and 99 cents, while the annual forecast stood between USD 4.06-4.16 a share. The owner of 601 Lexington Avenue in Manhattan has ownership or interest in 145 properties across the country, said it plans to ride out the recession by curtailing development, stockpiling cash for acquisition and reducing dividends. Boston Properties is up 4.5% for the month.

Mergers & acquisition

Simon Property Group, the Retail REIT that is the leading bidder to bring **General Growth Properties** out of bankruptcy, said it is in talks with Blackstone Group for a potential investment partnership. General Growth turned down a USD 10 billion takeover bid from Simon properties in February. General Growth has supported a rival bankruptcy exit plan led by Toronto-based Brookfield asset management. Simon Property backed by RREEF, ING Clarion, Taconic Capital Advisors, Oak Hill Advisors and Paulson & Co., said that its offer is superior for General Growth's shareholders as it does not include issuing of warrants. The company estimates that the warrants will cost the shareholders USD 895 million while General Growth puts the value at USD 519 million.

IPO Alert

There were two IPO's in the North America region. **Excel Trust** and **Chatham Lodging Trust** did not meet the fast-track entry [criteria](#) for the FTSE EPRA/NAREIT North America Index.

Yunan Properties, owner of 35 office properties, announced its intention to go public through an IPO. The California-based company generated USD 190 million in property revenues and plans to attain a REIT status.

Corporate Actions

There were no corporate actions in the North America region.

FTSE EPRA/NAREIT North America Index – Top 5 Performers

Company	Sector	Total Return
Felcor Lodging Trust *	Lodging/Resorts	42.28%
Glimcher Realty Trust *	Retail	34.32%
Ashford Hospitality *	Lodging/Resorts	29.71%
Pennsylvania Real Estate *	Retail	26.62%
Education Realty Trust *	Residential	23.17%

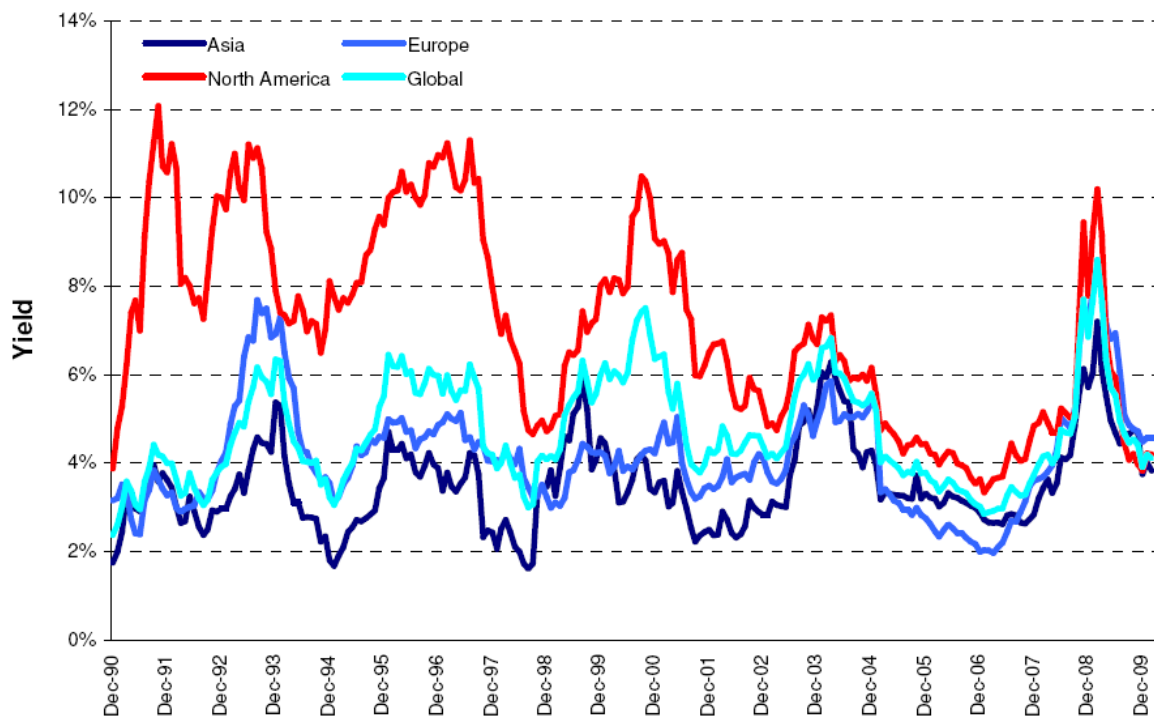


FTSE EPRA/NAREIT North America Index – Bottom 3 Performers

Company	Sector	Total Return
Saul Centers *	Retail	-4.52%
Universal Health Realty *	Health Care	-6%
Extencicare REIT *	Health Care	-11.46%

EPRA Chart of the Month

The chart below shows the development of the 12-month dividend yields since the inception of the indices for the global and regional indices.



The FTSE EPRA/NAREIT Developed (Global) Real Estate Index consists of the largest and most heavily traded real estate stocks in Asia, Europe and North America. As of April 30, there were a total of 275 stocks in the index.

The *EPRA Monthly Statistical Bulletin* is available for EPRA members on: www.epra.com.



FTSE EPRA/NAREIT Emerging (Global) Index

The FTSE EPRA/NAREIT Emerging (Global) Index ended the month gained 1.9%. The Emerging Asia-Pacific region declined 0.6%% in April. Real estate markets from the Emerging Europe, Middle East & Africa Region added 2.4%. The Emerging Americas was the best performing region with a monthly gain of 5.3%.

FTSE EPRA/NAREIT AIM index tracking the performance of AIM listed property companies with a global exposure is up 1.0% for the month.

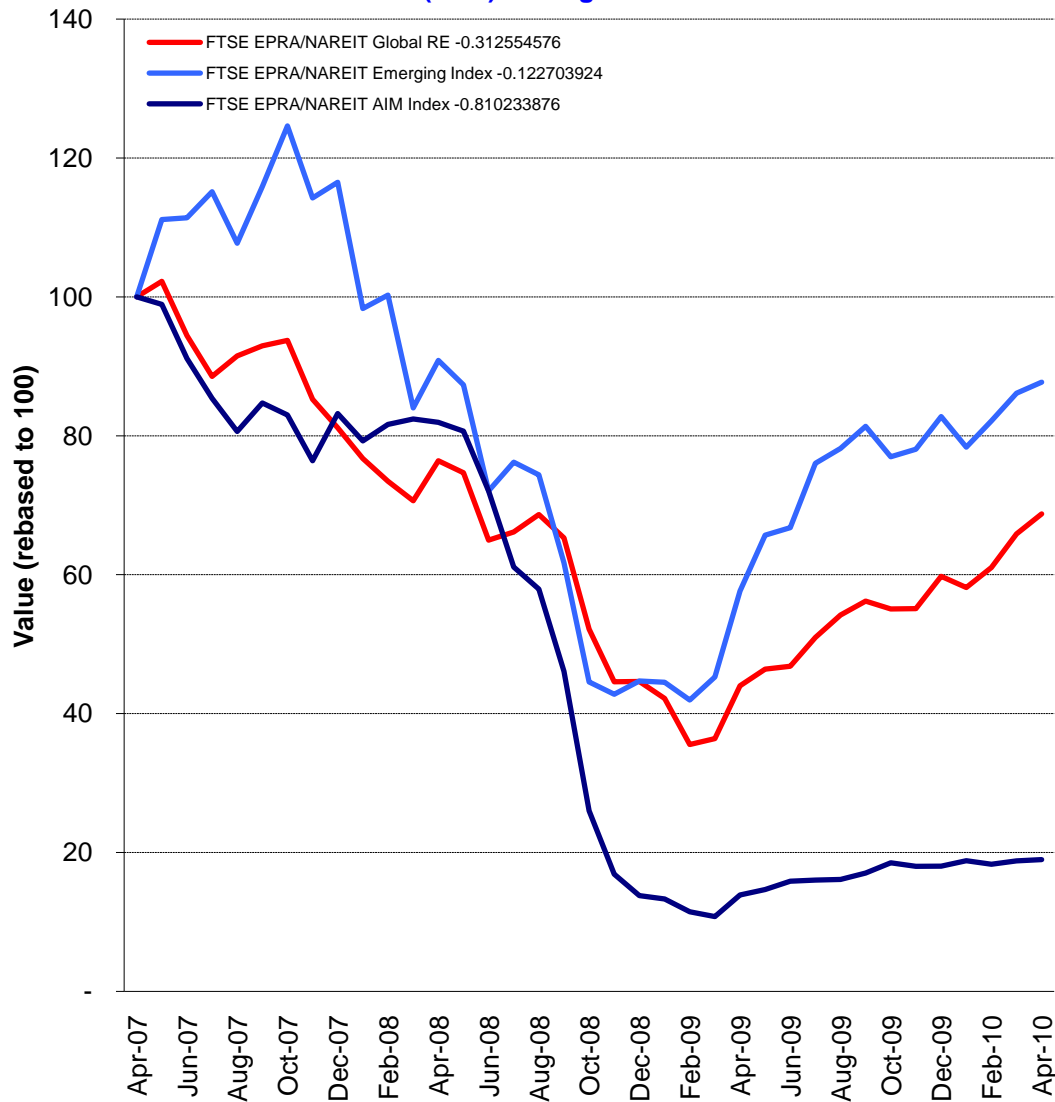
TOP 20

The FTSE EPRA/NAREIT Emerging Index is composed of three regions; Asia, EMEA and Latin America.

Company	Country	Investment Focus	Sector	Free Float Mkt Cap (EUR m) 30-Apr	Free Float Emerging (%) Weight 30-Apr
Cyrela Brazil Realty S/A Empreendimentos e Participações Or	BRAZ	Non-rental	Diversified	2,890.67	20.25
DLF	IDA	Non-rental	Diversified	2,705.83	13.08
Unitech	IDA	Non-rental	Diversified	2,592.49	12.53
Growthpoint Prop Ltd	SAF	Rental	Diversified	2,407.39	29.26
Redefine Income Fund	SAF	Rental	Diversified	2,138.01	25.98
Gafisa	BRAZ	Non-rental	Residential	2,099.93	14.71
BR Malls Participações S/A Ord	BRAZ	Rental	Retail	1,456.06	10.20
MRV Engenharia e Participações SA	BRAZ	Non-rental	Residential	1,286.50	9.01
Ayala Land	PHIL	Non-rental	Diversified	1,203.28	5.81
Poly (Hong Kong) Investments (Red Chip)	CHN	Non-rental	Diversified	1,128.75	5.45
SP Setia	MAL	Non-rental	Diversified	1,000.07	4.83
Geo B	MEX	Non-rental	Residential	977.61	6.85
Yuexiu Property (Red Chip)	CHN	Non-rental	Residential	972.39	4.70
Guangzhou R&F Properties (H)	CHN	Non-rental	Diversified	972.01	4.70
Shenzhen Vanke (B)	CHN	Non-rental	Residential	961.72	4.65
Desarrolladora Homex SA de CV	MEX	Non-rental	Residential	922.19	6.46
Land & Houses	THAI	Non-rental	Residential	882.65	4.27
Urbi Desarrollos Urbanos	MEX	Non-rental	Residential	861.38	6.03
Pangbourne Prop Ltd	SAF	Rental	Diversified	818.59	9.95
Agre Empreendimentos Imobiliários S/A	BRAZ	Non-rental	Diversified	775.33	5.43



**Graph 1: Global Developed Real Estate vs Emerging Markets & AIM
- Total Returns (EUR) Rolling 36 Months Performance**



The FTSE EPRA/NAREIT Emerging Index consists of the largest and most heavily traded real estate stocks in Emerging Asia, EMEA and Latin America. As of April 30, there were a total of 78 stocks in the index.

Bloomberg Ticker: FENEI

Thomson Reuters: .FTENEI



Index Description	Curr	Close Value 30-Apr	Div	Total	Total	Total	36 Mths Vlty (%)
			Yld (%) 30-Apr	Rtn (%) QTD	Rtn (%) Apr-10	Rtn (%) YTD	
Total Return							
Global	EUR	2,015.37	3.91	4.34	4.34	15.02	27.68
Asia	EUR	1,602.64	3.78	3.06	3.06	10.20	26.86
Europe	EUR	1,842.48	4.79	- 3.17	- 3.17	0.34	26.59
North America	EUR	2,556.96	3.71	8.43	8.43	26.39	37.05
Global Ex Asia	EUR	2,286.46	3.99	5.21	5.21	18.48	33.01
Global Ex Europe	EUR	2,013.39	3.75	5.83	5.83	18.19	28.83
Global Ex North America	EUR	1,796.65	4.06	1.24	1.24	7.25	24.21
Asia	EUR	1,602.64	3.78	3.06	3.06	10.20	26.86
Pure Asia	EUR	1,688.51	3.40	2.35	2.35	9.83	27.73
Japan	JPY	2,127.08	2.51	9.08	9.08	15.09	33.09
Australia	AUD	1,305.20	7.82	3.97	3.97	2.54	27.56
Pure Australia	AUD	972.71	8.13	1.24	1.24	- 0.31	35.18
Hong Kong	HKD	2,289.51	2.35	- 6.35	- 6.35	- 6.12	40.11
Singapore	SGD	1,531.61	3.07	1.77	1.77	- 3.44	35.88
New Zealand	NZD	1,268.21	7.67	1.00	1.00	- 2.88	14.12
Europe	EUR	1,842.48	4.79	- 3.17	- 3.17	0.34	26.59
Europe (Price Return)	EUR	1,239.75	-	- 4.15	- 4.15	- 1.33	26.00
Euro Zone	EUR	2,462.59	5.53	- 5.29	- 5.29	- 1.16	25.85
Euro Zone (Price Return)	EUR	1,542.91	-	- 6.70	- 6.70	- 2.81	25.16
Europe Ex UK	EUR	2,651.11	5.13	- 5.34	- 5.34	0.76	25.39
Europe Ex UK (Price Return)	EUR	1,681.90	-	- 6.70	- 6.70	- 1.07	24.78
Europe Liquid 40	EUR	1,782.34	4.84	- 3.31	- 3.31	- 0.07	27.06
Europe Liquid 40 (Price Return)	EUR	1,173.35	-	- 4.27	- 4.27	- 1.72	26.43
Europe Liquid 40 Ex UK	EUR	2,925.23	5.23	- 5.46	- 5.46	0.38	25.36
Europe Liquid 40 Ex UK (Price Return)	EUR	1,785.57	-	- 6.77	- 6.77	- 1.39	24.70
UK	EUR	1,086.15	4.19	0.96	0.96	- 0.35	34.00
UK (Price Return)	EUR	773.98	-	0.73	0.73	- 1.75	34.01
Netherlands	EUR	2,907.15	6.50	- 6.03	- 6.03	- 0.78	23.52
France	EUR	3,939.60	5.42	- 5.30	- 5.30	- 2.26	25.66
Austria	EUR	481.19	1.34	1.29	1.29	11.95	61.55
Sweden	EUR	3,872.26	5.18	- 7.17	- 7.17	9.38	36.81
Germany	EUR	588.99	4.88	- 6.03	- 6.03	- 1.12	40.17
Switzerland	EUR	2,185.57	2.25	- 4.54	- 4.54	13.14	17.93
Belgium	EUR	1,983.01	7.86	- 3.22	- 3.22	0.45	19.25
Italy	EUR	1,563.71	2.42	- 8.17	- 8.17	2.28	42.03
Finland	EUR	3,255.58	3.16	- 5.26	- 5.26	7.83	39.60
UK	GBP	1,524.85	4.19	- 1.68	- 1.68	- 2.57	32.60
UK (Price Return)	GBP	1,086.57	-	- 1.90	- 1.90	- 3.94	32.57
Switzerland	CHF	1,962.66	2.25	- 3.93	- 3.93	9.34	17.91
Sweden	SEK	4,384.46	5.18	- 8.13	- 8.13	2.91	36.35
North America	USD	3,245.14	3.71	6.55	6.55	17.13	39.86
United States	USD	3,145.48	3.50	6.90	6.90	17.32	41.17
Canada	USD	5,030.05	5.83	3.28	3.28	15.39	32.00



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