



April 2007

FTSE EPRA/NAREIT Global Real Estate Index

The FTSE EPRA/NAREIT Global Real Estate Index fell back 1.7% for the third consecutive month in April, whereas the Global Equity markets and Global Bonds made some headway. The three real estate regions were all down during the month. Europe was heaviest hit, falling 3.5%, and across the Atlantic North America was down 2.1%. Asia-Pacific ended the month 10bps in negative territory (predominately caused by exchange rates). Year to date Asia-Pacific remains well ahead 10%, with North America 90bps up. Europe stocks are now 1.6% behind after another disappointing month. 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 16.4% annually, Global Equities advanced 4.7% in comparison, and Global Bonds added 4.4%. As a result, over the total five-year period, Global Real Estate returned 113.4%, Global Equities gained 25.6% and Global Bonds advanced 24.3%.

Asset Classes (EUR)	Apr-07 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Global Real Estate	-1.7	3.4	113.4	16.4
Global Equities	2.0	3.6	25.6	4.7
Global Bonds	0.2	0.8	24.3	4.4
Europe Real Estate	-3.5	-1.6	177.4	22.6
N. America Real Estate	-2.1	0.9	83.1	12.9
Asia Real Estate	-0.1	10.0	130.1	18.1

Source: EPRA/FTSE/JP Morgan

Asia / Pacific

In the Asia/Pacific region, the performance of the countries was positive. Performance ranged from a strong push for the third consecutive month of 5.3% for EPRA/NAREIT Singapore (SGD), to a pull back of 1.8% for EPRA/NAREIT New Zealand (NZD). EPRA/NAREIT Australia (AUD) and EPRA/NAREIT Hong Kong (HKD) added 3.3% and 2.1% respectively. EPRA/NAREIT Japan (JPY) ended the month up 20bps. Asia-Pacific 36 months rolling volatility is 12%.

Country	Apr-07 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Asia (EUR)	-0.1	10.0	130.1	18.1
Australia (AUD)	3.3	1.1	136.9	18.8
Hong Kong (HKD)	2.1	7.8	136.9	18.8
Japan (JPY)	0.2	22.9	300.9	32.0
Singapore (SGD)	5.3	28.2	286.5	31.1
New Zealand (NZD)	-1.8	5.2	-NA-	-NA-

Source: EPRA

On top of the Asian and Global performers in April was Toc Co. Toc jumped 38% following a JPY 1100 per share bid by Japan's largest private real estate fund – KK DaVinci Advisors. The bid topped an offer of JPY 800 per share by Toc president Takuo Ohtani. Guocoland leapt 30% to add to the 44% of the previous month. Guocoland announced in April that it was buying Leedon Heights, a residential property close to Singapore's downtown area. The total price is the highest paid for an existing apartment project in Singapore. Singapore's home prices gained 4.8% in the first quarter from the previous three months, the largest gain in seven years. Diamond City the Japanese retail player forged ahead 20% in April. Diamond City and Aeon Mall signed an agreement in March to merge on 21 August in order to expand into China and other overseas markets. Aeon Mall added 16% in April. Two Hong Kong listed stocks completed the top five performers: New World China and Shenzhen Investment both added 17%. Propping up the Asian performers was Sunland Group (-8%) of Australia.

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Macquarie Prologis Trust jumped 13% following the announcement in April that US real estate group Prologis offered to pay A\$1.43 per share. The deal values Macquarie Prologis at A\$1.5 billion. Geoff Lovell, the trust's CEO said that the deal had been on the cards since Prologis established the Prologis North American Industrial Fund in early 2006.

Country Garden raised almost HK\$15 billion in its IPO on 25 April. The IPO was largest of any Chinese property developer. Country Garden targets developing mid-to-high end residential property in the Shunde in Guangdong Province, with an average selling price of HK\$5,000-6,000psm. The Yang family holds a controlling stake in the company worth in the region of HK\$6.6 billion or approximately 60% of the shares. The company did not enter the FTSE EPRA/NAREIT Global Real Estate Index as the company's free float remains below the required minimum.

Mitsubishi Corp and UBS plan to sell shares in Japan's first ever industrial REIT within the next 12 months according to Mitsubishi UBS Realty CEO Yuichi Hiromoto. Land prices in Japan rose for the first time in 16 years as overseas and domestic investors competed to acquire properties in the country three biggest cities. Average commercial land prices rose 8.9% and residential 2.8% in 2006 according to the Ministry of Land. Land values are still recovering from the collapse of the asset bubble at the start of the 1990s and the ensuing decade of declines.

Rounding up the corporate actions for the Asia-Pacific region in April, Singapore Land paid a special dividend of SG\$0.25. Looking ahead, Centro Retail Trust will change free float weighting to 100% - effective 7 May.

Europe

In April, the EPRA/NAREIT Europe Index fell back 3.5%. The UK dropped 4.6% and France was down 5.1%. The UK is in the red year to date (-8.3%). France remains on positive ground. The Netherlands and Sweden added 60bps and 10bps respectively in April. Broad European volatility stands at approximately 11%, the lowest of the three regions.

Country	Apr-07 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Europe (EUR)	-3.5	-1.6	177.4	22.6
UK (GBP)	-4.6	-8.3	159.4	21.0
Netherlands (EUR)	0.6	7.4	195.0	24.2
France (EUR)	-5.1	5.9	331.1	33.9
Sweden (SEK)	0.1	11.6	268.0	29.8

Source: EPRA

Heading the European performers in April was Denmark's TK Development (+14%). Assura, the UK healthcare specialist added 11%, closely followed by Lamda Development of Greece (+10%). Deutsche Wohnen climbed 9% and Acanthe Developpement of France added 8%. Holding up the list of European stocks was Austrian stock Sparkassen Immobilien with a fall of 12% following at 23% jump in March.

The big news of the month came with the announcement that Unibail will buy Rodamco Europe for €11.2 billion. The deal will create the largest real estate company in Europe by market capitalization. Unibail offered stock worth around €124.80 per Rodamco Europe share based on the close of 5 April. The combined group will own a pro-forma 2006 portfolio appraised at €21.7 billion with a net rental income of €974 million. Unibail ended the month 9% down, while Rodamco Europe added 4%.

Alstria Office, a German investor in office property, sold 56 million shares in an IPO on 3 April. The company entered the FTSE EPRA/NAREIT Global Real Estate Index with effect from 4 April under the 'fast track' rule. The company which is based in Hamburg plans to invest between €500 and €750 million in property over the next two years. Alstria, which owns 71 properties valued at €1.6 billion said the IPO would make it easier for the company to eventually convert into a G- REIT in the future.

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Deutsche Börse cancelled plans to exclude German Real Estate companies that convert to REITs from its main 'blue chip' indices (DAX Index and DAX Mid-Cap Index) after considerable resistance from investors and companies. The exchange announced plans to introduce a separate REIT section and two new indices following the first REIT conversion.

Rounding up the corporate actions in Europe was Colonia Real Estate of Germany which issued rights on the terms 2 for 5 at €28.50 per share.

North America

Over the Atlantic, US real estate stocks ended neutral in USD terms in April, and EPRA/NAREIT Canada (CAD) strengthened 90bps. At an aggregate level, the EPRA/NAREIT North America Index (USD) ended up 40bps during the month. North America is ahead 4.4% so far in 2007. 36 months rolling volatility in North America is the highest of the three regions, currently standing at 16%.

Country	Apr-07 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
North America (USD)	0.4	4.4	177.4	22.6
United States (USD)	0.0	3.8	172.5	22.2
Canada (CAD)	0.9	6.3	167.1	21.7

Source: EPRA

BioMed Realty (+9%) topped the North American performers list in April. Healthcare specialist Chartwell Seniors (Canada) advanced 8.5%, a performance mirrored by diversified player Colonial Properties. Both Innkeepers USA and Associated Estates moved up 8%. Lodging/Resorts companies featured heavily for the second consecutive month in the list of top 20 performers, however ironically it was Orient Express Hotel (-12%) that finished bottom of the North American pile.

Canadian based Alexis Nihon was deleted from the FTSE EPRA/NAREIT Global Real Estate Index as at 16 April following its takeover by Homburg Invest. Alexis Nihon shareholders received C\$18.60 per share. Homburg Chairman and CEO, Richard Homburg, said, "Continued diversification both geographically and by real estate asset class are cornerstones of Homburg's growth strategy.

Staying in Canada, Sunrise Senior Living REIT shareholders approved the acquisition by Ventas in April. Ventas' bid prevailed over Health Care Property following a legal battle. Ventas Inc, active in the healthcare sector, agreed to buy Sunrise Senior Living REIT for C\$2.28 billion, including debt to break into the seniors housing market in Canada. Sunrise operated 77 residences in Canada and the US. Ventas added 7bps in April. Sunrise was deleted from the FTSE EPRA/NAREIT Global Real Estate Index as at 26 April.

Moving south, Mills Corp, the owner of 38 shopping malls was acquired by Simon Property and Farallon Capital Management for \$1.64 billion. Simon and Farallon paid \$25.25 a share in cash, or \$7.9 billion including debt and preferred stock, higher than its earlier bid of \$24 a share. Mills had lost more than a third of its market value in the last 12 months after becoming the subject of a SEC accounting probe and running out of money on its largest ever project - the 104-acre Meadowlands Xanadu shopping and entertainment complex in New Jersey. Mills Corp was deleted from the FTSE EPRA/NAREIT Global Real Estate Index as at 2 April.

Centro Properties Group, Australia's second largest shopping centre owner, completed its purchase of New Plan Excel Realty Trust in a transaction worth US\$6.2 billion. The deal makes Centro the fifth largest mall owner in the US. The deal is Centro's sixth deal in the US since 2003. Subsequently, Centro has transformed from an operator of regional malls in Australia to an international shopping mall owner. New Plan was deleted from the FTSE EPRA/NAREIT Global Real Estate Index effective 23 April.

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Innkeepers USA Trust is the target of a US\$ 1.5 billion takeover bid by Apollo Investment Corp. The deal is worth US\$17.75 per share in cash and Apollo will assume Innkeepers debt. Apollo is targeting hotels after takeovers of lodging companies by private equity surged in the past 12 months to US\$16.1 billion. Innkeepers jumped 8% in April.

Winston Hotels is the target of a \$430 million bid by Wilbur Acquisition Holding. Wilbur is offering \$14.10 per share. Winston is the owner of 53 hotel properties across the United States. Winston has also received an unsolicited \$457.5 million bid from Inland American Real Estate Trust. Winston Hotels will hold a special shareholder meeting on 21 June to vote on the proposal to approve the merger into Inland American Real Estate Trust. Winston fell 1.5% in April.

To complete the corporate actions in April for the region, Alexis Nihon had a repayment of C\$0.01528 and Healthcare Realty repaid US\$4.75. Digital Realty Trust changed its free float from 50% to 100%.

The next round of FTSE EPRA/NAREIT Global Real Estate Index quarterly reviews will be held on Wednesday 6th June. The reviews take the form of three separate regional committee meetings. Results are announced before the next days trading.

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:

Index Description	Curr	Close Value 30-Apr	Div		Total		Total		36 Mths Vlty (%)
			Yld (%) 30-Apr	Rtn (%) QTD	Rtn (%) Apr-07	Rtn (%) YTD			
Global	EUR	2,931.68	2.97	- 1.72	- 1.72	3.41	10.25		
Asia	EUR	2,225.08	2.66	- 0.13	- 0.13	10.02	11.03		
Europe	EUR	3,792.73	2.10	- 3.52	- 3.52	1.62	11.02		
North America	EUR	3,323.79	3.67	- 2.09	- 2.09	0.85	14.02		
Global Ex-Asia	EUR	3,412.31	3.14	- 2.58	- 2.58	0.10	11.61		
Global Ex-Europe	EUR	2,707.86	3.21	- 1.21	- 1.21	4.86	11.20		
Global Ex-North America	EUR	2,835.92	2.45	- 1.45	- 1.45	5.28	9.76		
Asia	EUR	2,225.08	2.66	- 0.13	- 0.13	10.02	11.03		
Pure Asia	EUR	2,307.36	2.21	- 0.65	- 0.65	10.83	11.72		
Japan	JPY	4,599.13	0.84	0.20	0.20	22.86	21.60		
Australia	AUD	3,012.12	5.38	3.30	3.30	1.12	9.28		
Pure Australia	AUD	3,168.00	5.18	3.59	3.59	- 0.12	9.80		
Hong Kong	HKD	2,071.29	2.14	2.10	2.10	7.84	16.80		
Singapore	SGD	2,400.93	2.01	5.32	5.32	28.19	16.23		
New Zealand	NZD	1,644.11	5.21	- 1.82	- 1.82	5.19	-NA-		
Europe	EUR	3,792.73	2.10	- 3.52	- 3.52	1.62	11.02		
Europe Net Index	EUR	2,376.25	1.58	- 3.65	- 3.65	1.80	-NA-		
Euro Zone	EUR	4,226.03	2.26	- 2.66	- 2.66	5.17	10.99		
Euro Zone Net Index	EUR	2,543.08	1.70	- 2.86	- 2.86	4.89	-NA-		
Europe Ex UK	EUR	4,383.95	2.38	- 2.15	- 2.15	5.88	10.96		
Europe Ex UK Net Index	EUR	4,294.46	1.79	- 2.39	- 2.39	5.51	11.02		
Europe Liquid 40	EUR	3,734.96	2.04	- 4.03	- 4.03	2.79	11.78		
Europe Liquid 40 Net Index	EUR	3,666.22	1.53	- 4.15	- 4.15	2.96	-NA-		
Europe Liquid 40 Ex UK	EUR	4,695.36	2.39	- 2.40	- 2.40	6.35	11.65		
Europe Liquid 40 Ex UK Net Index	EUR	4,529.53	1.79	- 2.65	- 2.65	5.96	-NA-		
UK	EUR	3,299.12	1.77	- 5.14	- 5.14	9.42	13.97		
UK Net Index	EUR	2,182.85	1.33	- 5.14	- 5.14	9.42	-NA-		
Netherlands	EUR	3,910.49	3.87	0.61	0.61	7.36	12.50		
France	EUR	5,283.09	1.87	- 5.09	- 5.09	5.95	15.34		
Austria	EUR	2,134.00	0.08	- 3.27	- 3.27	7.20	7.54		
Sweden	EUR	5,570.11	4.93	2.16	2.16	10.04	21.18		
Germany	EUR	1,652.95	1.84	- 3.64	- 3.64	5.63	19.25		
Switzerland	EUR	1,985.89	1.31	- 2.68	- 2.68	2.11	10.96		
Belgium	EUR	2,264.71	5.38	- 5.69	- 5.69	2.06	9.05		
Italy	EUR	5,781.58	1.75	0.01	0.01	3.09	17.78		
Denmark	EUR	891.02	0.17	9.26	9.26	35.32	39.70		
Finland	EUR	6,474.41	2.68	0.30	0.30	17.15	18.77		
Poland	EUR	2,510.42	-	- 2.22	- 2.22	24.27	-NA-		
UK	GBP	3,638.14	1.77	- 4.62	- 4.62	8.25	14.59		
UK Net Index	GBP	1,907.45	1.33	- 4.62	- 4.62	8.25	-NA-		
Switzerland	CHF	2,049.16	1.31	- 1.38	- 1.38	4.47	11.62		
Sweden	SEK	5,988.50	4.93	0.14	0.14	11.64	21.39		
Denmark	DKK	893.60	0.17	9.26	9.26	35.27	39.65		
Poland	PLN	2,940.48	-	- 4.08	- 4.08	22.89	-NA-		
Nth America	USD	4,329.69	3.67	0.39	0.39	4.38	13.17		
United States	USD	4,281.04	3.62	- 0.02	- 0.02	3.76	13.58		
Canada	USD	5,389.96	4.28	5.31	5.31	11.94	10.57		

Source: EPRA

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