



FTSE EPRA/NAREIT Global Real Estate Index

The FTSE EPRA/NAREIT Global Real Estate Index rallied 8.1% in April driven by North America and Asia-Pacific. Global equity markets showed no sign of improvement, and slipped further back (-5.5%) and the Global bond market lost 60bps. European real estate markets finished behind (-80bps) for the month. Impressive performance by North America (+7.6%) was outpaced by the Asia-Pacific region – the star performer with a gain of 13.6%. The real estate indices of all three regions remain on negative ground year to date. Asia-Pacific is heaviest hit (-12.3%), followed by Europe (-2.5%) and North America (-20bps).

Over a five years holding period, Global real estate returned 108% to investors. Global equities added 49% and Global bonds gained 21%. Global real estate significantly outperformed global equities and global bonds based on five-year compounded annual returns. On average Global real estate returned 15.8% per annum compared against 8.2% and 3.8% for Global equities and Global bonds, respectively. All returns are expressed in EUR.

Asset Classes (EUR)	Apr-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Global Real Estate	8.1	-5.8	108.2	15.8
Global Equities	-5.5	-16.8	48.6	8.2
Global Bonds	-0.6	4.3	20.6	3.8
Europe Real Estate	-0.8	-2.5	130.3	18.2
N. America Real Estate	7.6	-0.2	74.3	11.8
Asia Real Estate	13.6	-12.3	159.9	21.0

Source: EPRA/FTSE/JP Morgan

Asia-Pacific

The Asia real estate index rebound from last month was built on returns from all five country indices. EPRA/NAREIT Japan led the charge with a stellar +22.1%, followed by EPRA/NAREIT Hong Kong (12.3%). EPRA/NAREIT Singapore (+4.3%), EPRA/NAREIT Australia (+4.3%) and EPRA/NAREIT New Zealand (+1.7) all ended the month on a positive note. The 36-months rolling volatility for the region is currently 18%, significantly higher than 12 months ago.

Country	Apr-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Asia (EUR)	13.6	-12.3	159.9	21.0
Australia (AUD)	4.3	-15.0	70.1	11.2
Hong Kong (HKD)	12.3	-15.0	396.8	37.8
Japan (JPY)	22.1	-2.1	271.3	30.0
Singapore (SGD)	4.3	-3.2	378.1	36.7
New Zealand (NZD)	1.7	-8.2	-NA-	-NA-

Source: EPRA

The top performing stock from the Asia-Pacific region came from Japan – Sumitomo Realty (+48%). The stock also topped the global list. Centro Properties Group jumped 41% to claim the second position. The Australian listed retail specialist has been struggling for months to restructure its debt and convince investors that the company should retain its portfolio of malls. The company announced in April that debt providers have extended the deadline to restructure debt until September this year. Adding 39% to claim the third position was the Hong Kong developer Hopson Development. Japanese developer Tokyo Tatemono (+38%) responded well after the company published its results for the first quarter. Australian retail specialist Macquarie DDR gained 36% – a significant turnaround from the poor performance of the previous month.



At the bottom end of the performance list is Guocoland Ltd. The company stock posted 27% reversal, and currently sits at its lowest level in a year. The company announced that third quarter profit fell by 93% due to increased finance costs and income tax expenses from projects in China. Japanese developer Toc Co lost 16% in April. Australand Property Group lost 9% despite reassurances by management of their ability to perform in a softening property market. The company has relocated capital to its industrial and commercial business. UBS predicts a 100 basis points drop in margins for these two divisions. Wing Tai Holdings from Singapore (-8%) and Japanese rental firm Premier investment Co (-2%) were among the weaker performers of the region.

Europe

EPRA/NAREIT Europe Index ended yet another month in negative territory (-80bps). The Netherlands bounced back from the loss of the previous month and gained 5%. France, the top performer in March, continued its good run and finished in second position (+2.4%). EPRA/NAREIT Sweden slipped back 5.1% and EPRA/NAREIT UK did not fare much better (-4.8%). Year-to-date, both France and the Netherlands are ahead 8.6% and 7.8% respectively. On the flip side, the heavily weighted UK market is 3.6% in the red, and Sweden is 1.1% behind. Europe's 36-month volatility is 16%, the lowest of the three regions.

Country	Apr-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Europe (EUR)	-0.8	-2.5	130.3	18.2
UK (GBP)	-4.8	-3.6	125.1	17.6
Netherlands (EUR)	5.0	7.8	142.9	19.4
France (EUR)	2.4	8.6	253.9	28.8
Sweden (SEK)	-5.1	-1.1	230.2	27.0

Source: EPRA

The European best performers list is headed by TK Developments from Denmark (+15%) – the company announced its preliminary results in April. Dutch retail specialist Corio gained 13% to finish in second position. White Estate Investments has finalised negotiations to buy USD 1 billion worth of office and industrial properties from Corio. Corio announced its plan to focus on the retail properties and to reduce exposure to other sectors. Two Austrian firms ended the month in the best performers list. Conwert Immobilien Invest gained 11% as its net income for the full year more than doubled. CA Immobilien Anlagen (+11%) achieved gains in property values and rental income rose 60% from the previous year's figures. Teesland Advantage properties (UK) gained 7.5%.

Weaker performers in the region included Patrizia Immobilien AG from Germany. The residential player posted a loss of 22% for the month. Investor confidence in the stock has been under pressure recently due to unfavourable reports and analyst downgrades. Spanish stock Renta, was hit 19% in April. A loss USD 14 million was reported as sales declined due to tougher credit conditions. Renta is selling fewer buildings and the stock price has dropped 63% in the past six months. As a result, the market value stands at EUR 220 million. Capital & Regional (UK) lost 18%, and also hard hit were Workspace Group (-17%) and Vivacon AG (-16%).

Continuing its forgettable trend from last month is IVG Immobilien – the largest commercial property player in Germany. The Bonn-based company lost 9%. The company will delay the IPO of its office REIT, announced that profits will be lower than the previous year and expects its property values to stagnate in 2008.

UAE-based Aldar Properties CEO Ron Barrott has expressed interest in the three largest UK property stocks – Land Securities, British Land and Hammerson, according to *The Times*. Their interest is motivated by price declines caused by concerns over office and retail rents. *FT* reported that office rents in the City of London have fallen by 40% (are you sure this is correct?- this seems extremely high) in the past six months due to concerns about the health of the economy. CBRE reports add weight to this view, stating that rents in London Offices



have declined for the first time in four years. At the same time take-up of office space remains strong in Paris and Frankfurt, while CEE has actually experienced growth.

Non-constituent news – Marylebone Warwick Balfour (MWB) announced that its planned property sell off would be delayed according to the *FT*. This is believed to be motivated by the global credit crunch. The company announced that the current prices are neither reflective of the brands nor the assets. MWB stock price rose 13% in April, almost recovering the loss of value in March. Pirelli Real Estate (Italy) also postponed the publication of its three-year plan, citing similar reasons.

Immoeast AG took another step to increase its presence in Russia by announcing a joint venture with OAO RTM Development of Russia. This collaboration is expected to be tied-up in the coming two months, with the first project being a retail property in St. Petersburg. BUWOG the residential subsidiary plans to increase its activity in the CEE region. The focus will be on residential development, with the project worth of EUR 300-400 million.

North America

The EPRA/NAREIT North America Index gained 5.7% in USD. The region experienced positive returns for both countries – the United States (+5.8%) and Canada (+2.7%). April's rally significantly improves the result so far this year for North America real estate (+6.3%). 36-month volatility remains the highest of the three regions at 19%.

Country	Apr-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
North America (USD)	5.7	6.3	143.2	19.5
United States (USD)	5.8	7.3	140.0	19.1
Canada (CAD)	2.7	-1.2	107.4	15.7

Source: EPRA

In the North American region, Sunstone was the top performer with a gain of 17%. SL Green Realty, the biggest owner of Manhattan Skyscrapers rose 14% beating first quarter estimates to finish the month in second position. The performance stands out given the fact that the Manhattan office market is under pressure due to fall in demand from the financial sector. Getty Realty added 14% clawing back some of the heavy loss of the previous month (-39%). Highwood Properties and First Potomac Realty Trust both added 13% to complete the North American top five.

On the other side, Corrections Corp of America lost 7% to finish at the bottom of the North American performers list. Post Properties (-5%), Hospitality Properties (-3%), Agree Realty Corp (-3%) and Ininvest REIT (-3%) ended the month in the weaker performers section of the region.

ING Industrial Fund seems to be heading in the right direction following its 20% price fall at the beginning of 2008. The improvement in the price is most likely a result of the successful refinancing worth USD 1.7 billion.



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 of April 30, there were a total of 291 stocks in the index.

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



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-08	Rtn (%) YTD			
Global	EUR	2,240.05	4.00	8.14	8.14	-	5.84	15.68	
Asia	EUR	1,836.66	3.33	13.64	13.64	-	12.29	18.40	
Europe	EUR	2,558.66	3.95	- 0.77	- 0.77	-	2.53	15.84	
North America	EUR	2,524.90	4.69	7.60	7.60	-	0.16	18.48	
Global Ex-Asia	EUR	2,492.65	4.45	4.73	4.73	-	0.94	16.29	
Global Ex-Europe	EUR	2,137.08	4.01	10.53	10.53	-	6.61	16.95	
Global Ex-North America	EUR	2,178.01	3.53	8.51	8.51	-	9.31	15.53	
Asia	EUR	1,836.66	3.33	13.64	13.64	-	12.29	18.40	
Pure Asia	EUR	1,900.00	2.78	14.25	14.25	-	12.22	19.01	
Japan	JPY	3,215.60	1.43	22.09	22.09	-	2.10	29.16	
Australia	AUD	2,336.97	7.11	4.28	4.28	-	15.03	15.72	
Pure Australia	AUD	2,281.19	7.34	4.03	4.03	-	16.47	16.72	
Hong Kong	HKD	2,594.62	2.02	12.30	12.30	-	15.00	21.29	
Singapore	SGD	1,959.26	3.39	4.30	4.30	-	3.20	21.88	
New Zealand	NZD	1,323.26	6.91	1.65	1.65	-	8.21	15.18	
Europe	EUR	2,558.66	3.95	- 0.77	- 0.77	-	2.53	15.84	
Europe	EUR	1,903.85	-	- 1.74	- 1.74	-	4.10	16.01	
Euro Zone	EUR	3,140.59	4.25	1.92	1.92	-	3.14	15.96	
Euro Zone	EUR	2,194.80	-	0.97	0.97	-	1.50	16.19	
Europe Ex UK	EUR	3,280.12	4.23	0.93	0.93	-	2.62	15.86	
Europe Ex UK	EUR	2,313.24	-	- 0.31	- 0.31	-	0.68	16.09	
Europe Liquid 40	EUR	2,506.20	3.86	- 0.73	- 0.73	-	2.03	16.65	
Europe Liquid 40	EUR	1,820.17	-	- 1.73	- 1.73	-	3.63	16.85	
Europe Liquid 40 Ex UK	EUR	3,573.99	4.17	1.51	1.51	-	4.80	16.55	
Europe Liquid 40 Ex UK	EUR	2,416.83	-	0.18	0.18	-	2.71	16.84	
UK	EUR	1,918.09	3.50	- 3.43	- 3.43	-	9.92	19.15	
UK	EUR	1,500.92	-	- 3.98	- 3.98	-	10.95	19.29	
Netherlands	EUR	3,444.19	5.33	4.99	4.99	-	7.79	16.24	
France	EUR	4,350.09	4.18	2.43	2.43	-	8.59	19.22	
Austria	EUR	1,326.58	2.59	5.62	5.62	-	0.53	16.87	
Sweden	EUR	3,946.35	6.78	- 4.51	- 4.51	-	0.11	24.35	
Germany	EUR	902.01	4.44	- 5.82	- 5.82	-	14.17	23.59	
Switzerland	EUR	1,836.60	1.96	- 6.90	- 6.90	-	12.88	14.72	
Belgium	EUR	2,140.19	5.71	0.12	0.12	-	4.45	10.33	
Italy	EUR	2,416.21	3.79	- 5.38	- 5.38	-	21.27	25.78	
Denmark	EUR	525.85	-	14.55	14.55	-	2.84	46.28	
Finland	EUR	4,469.46	3.57	- 2.68	- 2.68	-	4.66	22.21	
Poland	EUR	2,042.45	-	- 0.40	- 0.40	-	14.23	-NA-	
UK	GBP	2,436.42	3.50	- 4.79	- 4.79	-	3.59	18.13	
UK	GBP	1,906.77	-	- 5.32	- 5.32	-	4.69	18.28	
Switzerland	CHF	1,866.02	1.96	- 3.67	- 3.67	-	10.58	14.46	
Sweden	SEK	4,325.83	6.78	- 5.15	- 5.15	-	1.11	24.64	
Denmark	DKK	528.17	-	14.63	14.63	-	2.76	46.32	
Poland	PLN	2,182.14	-	- 2.16	- 2.16	-	17.62	-NA-	
Nth America	USD	3,752.26	4.69	5.72	5.72	-	6.32	16.14	
United States	USD	3,699.77	4.59	5.83	5.83	-	7.26	16.59	
Canada	USD	4,819.73	5.81	4.60	4.60	-	3.21	14.59	

Source: EPRA