



FTSE EPRA/NAREIT Global Real Estate Index

The FTSE EPRA/NAREIT Global Real Estate Index fell again (-4.2%) in February. Global equity markets (-9.3%) were hit hard, while the bond market added 2.3% for the month. On a positive note, Europe real estate edged forward 110bps in February. Asia-Pacific real estate fell 5.5% and North America ended 5.7% in the red. Year to date, only Europe (+1.4%) is ahead of the three regions. Both Asia Pacific (-15.4%) and North America (-8.1%) started 2008 poorly. All returns are expressed in €.

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 15.0% annually, global equities advanced 11% in comparison, and global bonds added 3.8%. As a result, over the total five-year period, global real estate returned 101%, global equities gained 69% and global bonds advanced 21%.

Asset Classes (EUR)	Feb-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Global Real Estate	-4.2	-9.5	101.2	15.0
Global Equities	-9.3	-10.0	68.6	11.0
Global Bonds	2.3	4.1	20.7	3.8
Europe Real Estate	1.1	1.4	136.2	18.8
N. America Real Estate	-5.7	-8.1	65.7	10.6
Asia Real Estate	-5.5	-15.4	140.5	19.2

Source: EPRA/FTSE/JP Morgan

Asia-Pacific

In the Asia-Pacific region, the performance of the countries was extremely disappointing in February. Performance ranged from a fall of 3.5% for EPRA/NAREIT Hong Kong (HK\$), to a significant drop of 9.3% for EPRA/NAREIT Japan (JPY). EPRA/NAREIT New Zealand (NZ\$) fell 4.6% and both EPRA/NAREIT Australia (A\$) and EPRA/NAREIT Singapore (SG\$) ended the month 4.7% down. The region is already down 15.4%, two months into 2008. Asia-Pacific 36 months rolling volatility is 16%, the lowest of the three regions.

Country	Feb-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Asia (EUR)	-5.5	-15.4	140.5	19.2
Australia (AUD)	-4.7	-18.5	75.3	11.9
Hong Kong (HKD)	-3.5	-15.6	334.3	34.1
Japan (JPY)	-9.3	-14.6	188.3	23.6
Singapore (SGD)	4.7	-8.3	331.4	34.0
New Zealand (NZD)	-4.6	-7.5	-NA-	-NA-

Source: EPRA

Hong Kong featured heavily in the top five performers in February. Following a poor month in January (-39%), Agile Property rebounded 28%. New World China Land and Shenzhen Investment added 22% and 21% respectively, also following heavy falls last month. China Overseas Land - the fourth Hong Kong company in the top five - gained 18%. The only non-Hong Kong company in the top five - Singapore Land, bounced back 19% after recording a 19% fall in January.

Centro Properties Group share price collapsed a further 32% in February. The group reported a record loss of A\$1.1 billion in the six months ended December 31. The loss was the result of write-downs of the New Plan Realty Trust portfolio (A\$578 million) plus financial products related to currency and interest rate hedges. The company reported an A\$157 million net profit in the same period last year. The company is struggling to refinance A\$5.4 billion in debt, is facing an end-April deadline from Australian and US private note holders. It's has been given until September 30 to meet obligations by US bankers. *The Wall Street Journal* reported that Blackstone, GE, the Mirvac Group and Mulpha International are all mulling over potential bids for Centro Properties Group. Centro Retail dropped 19% in



February. The company announced losses of A\$261 million for the six months to December 31.

Standard & Poors reported that operating conditions for all Chinese real estate developers will prove challenging in 2008. The report entitled '*Issuer Rankings: Chinese Real Estate Developers, Strongest to Weakest – A Rough Ride For All?*' warned that liquidity could dry up if market conditions do not improve. The report said that some players will find it difficult to maintain growth momentum, and others will be dealt a crippling blow. "Many small, cash-strapped developers will not survive the harsh operating conditions," Standard & Poors stated.

CapitaLand announced that fourth-quarter profit had jumped 49% as property investments rose in value and the company sold more homes in China, Australia and Singapore. However, things could be changing according to CapitaLand Chairman Richard Hu. He said in a statement: "The current weakness in the US housing market and economy, combined with the tight credit environment, will likely cast a cloudy outlook over the general economic and business conditions for at least the first half of 2008." CapitaLand added 7% during the month.

Europe

In February, the EPRA/NAREIT Europe Index just managed to finish ahead for the second consecutive month (110bps). The heavily weighted UK market fell 2%. France (4.2%) ended the month up, but the Netherlands (+6.8%) and Sweden (+8.6%) proved to be the star performers in the region. At a composite level, EPRA/NAREIT Europe Index is 1.4% up year to date. Broad European volatility stands at approximately 16%.

Country	Feb-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Europe (EUR)	1.1	1.4	136.2	18.8
UK (GBP)	-2.0	3.0	132.5	18.4
Netherlands (EUR)	6.8	6.1	152.0	20.3
France (EUR)	4.2	5.2	248.5	28.4
Sweden (SEK)	8.6	6.6	250.0	28.5

Source: EPRA

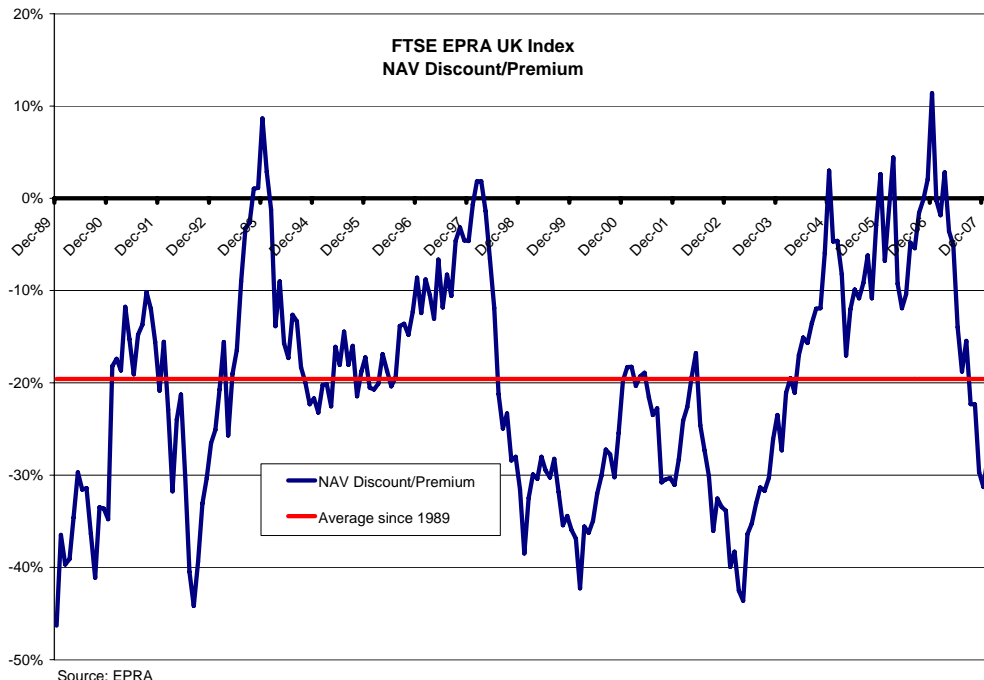
UK Government offices specialist Mapeley led the European performers in February. The company added 28% on the back of speculation that Fortress would take it over. The company announced: "Discussions are at an early stage and there can be no certainty that any offer will be made, or as to its terms." Vivacon of Germany jumped 18% - the company acquired 80% of shares in Curanis with effect from January 1. Immofinanz posted its second-half results in February, and added 13% during the month. Colonia Real Estate met its target to double full-year profit in 2007, to see its shares strengthen 13%. French retail investor Mercalys moved up 13% following the announcement of good results in 2007. UK stock Teesland Advantage Property ended February down 17%, and subsequently held up the European performers.

Dutch property company VastNed Retail received a hostile takeover bid of €70 per share from IEF Capital in November, which was rejected. On February 8th, the company announced that it had received an undisclosed number of separate offers for its stock and its assets. The company also stated that it won't make a decision on which, or any, of the offers it will accept until the middle of next month. Vastned Retail finished February 3% up, at €67.61.

The Telegraph reported that the private equity group Cinven had approached Land Securities about a takeover of its Trillium arm. The deal could raise around £1.5 billion. Further, the reports during the month stated that Macquarie may also table a bid. Land Securities said in a statement that it will "evaluate the benefits of a sale of its Trillium business against the merits of a demerger." Land Securities ended February 82bps lighter.



The chart below shows the NAV discount/premium of the FTSE EPRA UK Index since 1989. The chart uses published NAV data from the constituents of the UK index over an 18-year period. Average discount over the period is 20%, with current values significantly under the long-term average. A 5% gain in UK property stocks' share prices in the first month of 2008 bucked a steep slide over the previous 12 months, but prices slipped back again in February.



The Dubai Investment Corp (DIC) offered €1.85 for non-FTSE EPRA/NAREIT constituent Inmobiliaria Colonial on February 27. The offer is in the form of cash and bonds. DIC extended the offer period to March 3 for major shareholders Luis Portillo and Grupo Nozar, who own 51 percent of the company. DIC is trying to take advantage of a slump in the Spanish property market that caused Colonial to lose over €4 billion of its value in six months.

North America

Over the Atlantic, US real estate stocks ended down 3.6% in USD terms in February. North of the border EPRA/NAREIT Canada (C\$) fell 2.5%. At an aggregate level, the EPRA/NAREIT North America Index (US\$) ended 3.3% lower over the month. So far this year North America is 4.6% down. 36 months rolling volatility in North America remains the highest of the three regions at 18%.

Country	Feb-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
North America (USD)	-3.3	-4.6	133.4	18.5
United States (USD)	-3.6	-4.5	128.5	18.0
Canada (CAD)	-2.5	-5.7	102.0	15.1

Source: EPRA

GMH Properties (+70%) topped the North American list in February. Cominar REIT (Canada) added 9%, and fellow countrymen Dundee REIT and Canadian Apartments pushed forward 7%. Education Realty (US) finished the month 8% ahead. Maguire Properties fell 18% to shore up the North American constituents.

GMH Communities Trust agreed to be bought in two transactions for a total of US\$787 million. The company will sell its military housing to Balfour Beatty Plc, the UK largest house builder for US\$350 million cash. The remaining portion of GMH will be acquired



by American Campus Communities for US\$437 million in cash and stock. American Campus will also assume US\$963 million in debt.

The Government of Singapore (GIC), manager of more than US\$100 billion of the city's foreign reserves, said it is an "opportune time" to put money into US REITs following price falls. GIC holds around 10% of its total assets in property investments. The investment group announced that it had committed US\$300 million to Rosen Real Estate Securities, and bought a minority stake in the firm. Michael Carp, GIC Real Estate regional head for the Americas said: "With the recent downturn in the US REIT market, we believe this could be an opportune time to invest in selected REIT investment opportunities that may arise in the current environment."

American Financial Realty (AFR) which aimed to become the preferred landlord of leading banks and other financial institutions, announced in November that it was being bought by Gramercy Capital - a New York-based commercial real estate finance company for US\$1.1 billion. Gramercy also agreed to assume US\$2.3 billion of the company's debt. The merger sees AFR shareholders receive US\$5.50 per share, plus 0.12096 shares of Gramercy common stock. AFR shareholders approved the deal on February 13. AFR ended down 6% in February.

The next round of FTSE EPRA/NAREIT Global Real Estate Index quarterly reviews will be held on Wednesday, March 12. 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 on: 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 February 31, there were a total of 295 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 29-Feb	Div		Total		36 Mths Vity (%)
			Yld (%) 29-Feb	Rtn (%) QTD	Total Rtn (%) Feb-08	Total Rtn (%) YTD	
Global	EUR	2,153.70	4.15	- 9.47	- 4.24	- 9.47	14.97
Asia	EUR	1,771.45	3.43	- 15.40	- 5.48	- 15.40	15.93
Europe	EUR	2,661.87	3.69	1.40	1.07	1.40	15.81
North America	EUR	2,323.73	5.16	- 8.11	- 5.67	- 8.11	18.23
Global Ex-Asia	EUR	2,391.58	4.64	- 4.96	- 3.39	- 4.96	16.28
Global Ex-Europe	EUR	2,014.04	4.28	- 11.99	- 5.57	- 11.99	15.84
Global Ex-North America	EUR	2,154.25	3.52	- 10.30	- 3.33	- 10.30	14.28
Asia	EUR	1,771.45	3.43	- 15.40	- 5.48	- 15.40	15.93
Pure Asia	EUR	1,830.05	2.85	- 15.45	- 6.18	- 15.45	16.37
Japan	JPY	2,804.80	1.60	- 14.61	- 9.28	- 14.61	26.59
Australia	AUD	2,242.45	7.52	- 18.47	- 4.72	- 18.47	15.61
Pure Australia	AUD	2,197.11	7.85	- 19.55	- 6.22	- 19.55	16.59
Hong Kong	HKD	2,574.85	1.84	- 15.65	- 3.49	- 15.65	19.40
Singapore	SGD	1,856.13	2.98	- 8.30	4.73	- 8.30	22.27
New Zealand	NZD	1,334.02	6.85	- 7.46	- 4.62	- 7.46	15.20
Europe	EUR	2,661.87	3.69	1.40	1.07	1.40	15.81
Europe	EUR	2,007.48	-	1.12	1.02	1.12	15.90
Euro Zone	EUR	3,135.84	4.04	2.99	4.94	2.99	15.96
Euro Zone	EUR	2,219.85	-	2.66	4.91	2.66	16.13
Europe Ex UK	EUR	3,291.69	4.06	2.98	5.12	2.98	15.92
Europe Ex UK	EUR	2,359.93	-	2.71	5.09	2.71	16.05
Europe Liquid 40	EUR	2,619.71	3.59	2.40	1.00	2.40	16.60
Europe Liquid 40	EUR	1,928.29	-	2.10	0.99	2.10	16.72
Europe Liquid 40 Ex UK	EUR	3,598.07	3.99	5.51	6.06	5.51	16.54
Europe Liquid 40 Ex UK	EUR	2,474.17	-	5.15	6.06	5.15	16.75
UK	EUR	2,110.88	3.15	- 0.86	- 4.37	- 0.86	18.92
UK	EUR	1,666.13	-	- 1.14	- 4.45	- 1.14	19.00
Netherlands	EUR	3,390.39	5.28	6.10	6.77	6.10	15.92
France	EUR	4,212.26	3.86	5.15	4.23	5.15	19.29
Austria	EUR	1,307.66	2.62	- 1.95	8.06	- 1.95	16.41
Sweden	EUR	4,237.35	6.55	7.50	9.82	7.50	24.51
Germany	EUR	1,049.95	3.93	- 0.10	1.72	- 0.10	22.90
Switzerland	EUR	1,860.16	1.96	14.32	5.66	14.32	13.78
Belgium	EUR	2,125.41	5.68	3.73	3.32	3.73	10.69
Italy	EUR	2,747.99	3.12	- 10.45	4.86	- 10.45	25.90
Denmark	EUR	485.62	-	- 10.27	3.23	- 10.27	45.63
Finland	EUR	4,422.54	3.89	3.56	6.72	3.56	22.32
Poland	EUR	1,838.12	-	- 22.81	- 4.33	- 22.81	-NA-
UK	GBP	2,603.22	3.15	3.01	- 2.01	3.01	18.06
UK	GBP	2,054.91	-	2.72	- 2.09	2.72	18.15
Switzerland	CHF	1,846.86	1.96	9.44	4.27	9.44	14.06
Sweden	SEK	4,660.73	6.55	6.55	8.56	6.55	24.86
Denmark	DKK	486.97	-	- 10.35	3.17	- 10.35	45.67
Poland	PLN	2,000.60	-	- 24.47	- 6.66	- 24.47	-NA-
Nth America	USD	3,367.15	5.16	- 4.59	- 3.28	- 4.59	15.90
United States	USD	3,292.46	5.06	- 4.55	- 3.62	- 4.55	16.28
Canada	USD	4,729.84	6.13	- 5.02	0.37	- 5.02	14.50

Source: EPRA