EPRA RESEARCH

European Public Real Estate Association

Monthly Market Review

January 2010

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FTSE EPRA/NAREIT Developed (Global) Index January 2010

The FTSE EPRA/NAREIT Developed (Global) Index ended January by returning -2.7%. Global equity markets slipped -1.2% compared to global bonds market gaining a monthly return of 0.8%. Real estate markets in Europe slipped -.17% this month compared to a loss of -2.0% in North America. Asia real estate is down 3.8% for the month.

Global real estate total returns from the five-year rolling period now stand at 2.3%. Global equities returned 11.9%, while global bonds added 22%. Annual average returns based on the five-year period from real estate investments is 0.5%. This compares against 2.3% and 4.1% for equities and bonds, respectively.

Global Developed Real Estate 36-month volatility equals 27.13%.

All figures are expressed in EUR.

Asset Classes (EUR)	Jan-10 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Global Real Estate	-2.7	-2.7	2.3	0.5
Global Equities	-1.2	-1.2	11.9	2.3
Global Bonds	0.8	0.8	22.0	4.1
Europe Real Estate	-1.7	-1.7	-13.8	-2.9
N. America Real Estate	-2.0	-2.0	-0.5	-0.1
Asia Real Estate	-3.8	-3.8	15.5	2.9

Source: **EPRA**

EPRA / Nabarro event in London starts the property year.

Moderated by Quentin Freeman, the panel brought together the UK's largest property company CEOs:, Francis Salway (British Land), Chris Grigg (Land Securities) and Ian Coull (SEGRO)

The EPRA gathering kicked off 2010 last week with the CEOs of the largest three UK REITs to consider the outlook for the UK commercial property market for 2010.

REITs received a vote of confidence from Chris Grigg, faring remarkably well against other investment vehicles through the recent troubled times. The floor heard London office market with rental moving ahead well – in double-digits according to Francis Salway. Ian Coull said that only pre-let development had continued during the recession, but in his view speculative development would pick up soon.

The key themes of the evening were:

UK property investment market remains strong but scope for an increase in asset supply and a slight reduction in demand.

Rental markets are improving for London offices, but things remain tough for almost everything else – retail is bumping along the bottom and industrial typically lags the recovery of the other sectors anyway.

Asia-Pacific

The FTSE EPRA/NAREIT Developed Asia slipped -3.8%. FTSE EPRA/NAREIT Japan (JPY) returned -0.5% in January. FTSE EPRA/NAREIT Hong Kong (HKD) ended the month by retreating -13.4% while FTSE EPRA/NAREIT Singapore (SGD) Index dropped -7.1%. FTSE EPRA/NAREIT Australia Index (AUD) Index lost -2.8% compared to a return of -2.9% for the FTSE EPRA/NAREIT New Zealand (NZD).

36-months rolling volatility for Asia-Pacific is 26.61%.

Country	Jan-10 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Asia (EUR)	-3.8	-3.8	15.5	2.9
Australia (AUD)	-2.8	-2.8	-36.4	-8.6
Hong Kong (HKD)	-13.4	-13.4	81.2	12.6
Japan (JPY)	-0.5	-0.5	3.2	0.6
Singapore (SGD)	-7.1	-7.1	70.5	11.3
New Zealand (NZD)	-2.9	-2.9	24.6	4.5

Source: **EPRA**

Ascendas REIT reported SGD 81 million of net property income for the third quarter which is amounts to a rise of 9.7%, compared to a year earlier. The Singapore-based developer said that while distribution per share growth was 13.5% year-on-year, a sluggish recovery in demand in the advanced economies may moderate Singapore's growth prospects in 2010. Occupancy rate eased slightly to 96.5% from 96.8% in the second quarter, which the company labelled as 'healthy' and higher than the market average. The company added that lease renewals will depend on the strength of the economic recovery and noted that the fiscal stimulus was a major contributor to the results achieved in 2009. 15.3% of the revenues are up for renewal in the next financial year. Ascendas REIT slipped 12.6% for the month.

CapitaLand, largest Singapore stock, stated that it plans to double its assets in China as it agreed to take over Orient Overseas Development for USD 2.2 billion. "We had prepared the company's financial strength well in advance to take advantage of such rare opportunities" company chairman, Richard Hu commented. Proceeds from the IPO of CapitaMall Asia, last year, will be used to finance the deal. CapitaLand said the sites comprise a mix of residential, prime serviced residences and sites with development potential. "Iet also fits into our strategy of growing assets in China from 28% to 45% over the next five years", the Chairman added. The property Developer end-of-month returns stand at -8.1%.

Keppel Land reported a 56% increase in its fourth quarter earnings compared to year earlier. Sales revenues were up 52% for the same period. The XXX REIT identified stronger residential sales as a the source of the growth, as market sentiment improved on economic recovery. The company increased sales revenue to SGD 301 million, a 52% hike in one quarter, and 10% for the year. Full-year results are also bolstered by a net fair value gain of SGD 19 million on investment properties. The fourth quarter performance has contributed in raising full year net profits to SGD 280 million, equalling SGD 24.2 cents EPS. The company added that it plans to acquire assets in Singapore and emerging markets and has a sales forecast of 5,500 residential units in 2010. Keppel Land rounded up the month by shedding 6.3%.

Hang Lung second half earnings soared due a combination of higher residential sales and a surge its investment property values. The company reported a six-month profit of HKD 18.2 billion compared to the figure of HKD 1.84 billion a year earlier, as turnover from operation jumped to HKD 9.7 billion from HKD 2.1 billion. The fair value gain on its portfolio includes a HKD 7.3 billion increase from the first-time valuation of development projects in China. Excluding gains on property value and the effect of taxes, net profit from operation quadrupled to HKD 6.9 billon from HKD 1.6 billion. The company generated a pre-tax profit of HKD 1.83 billion from the leasing business in Hong Kong and China. Hang Lung is down 13.4% for the month.

Lend Lease (Non-constituent), largest Australian developer, is under pressure to raise additional equity of AUD 500 million to strengthen its balance sheet in order to avoid analysts' downgrades according to *The Sydney Morning* Herald. Moody's and S&P reportedly warned the company of possible downgrades. The warning came after the property developer said that it is among the preferred bidders for the ING Retail Fund's asset. Paul Draffin at S&P said that the company has already utilised most of its debt capacity by acquiring Lend Lease Primelife. Moody's added that it will also focus its review on the company's funding structure for the acquisition and the resultant effect on its financial profile.

FTSE EPRA/NAREIT Asia Index – Top 5 Performers

Company	Sector	Total Return
Nippon Building Fund *	Office	13.03%
Japan Real Estate *	Office	10.67%
NTT Urban Development	Office	7.95%
Wing Tai Holdings	Diversified	7.65%
Mori Trust Sogo REIT *	Office	6.94%

FTSE EPRA/NAREIT Asia Index – Bottom 3 Performers

Company	Sector	Total Return
New World Development	Diversified	-19.8%
China Resources Land	Residential	-20.18%
KWG Property Holdings	Diversified	-21.2%

EUROPE

The FTSE EPRA/NAREIT Developed Europe Index slipped -1.7% at the end of the month. Regional heavy weight UK lost -7.0% in January while France was up 0.7%. The Netherlands lost -3.0% in one month compared to a loss of 1.6% for Sweden.

European Real Estate 36-month volatility stands at 26.3%, the lowest of the three regions.

Country	Jan-10 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Europe (EUR)	-1.7	-1.7	-13.8	-2.9
UK (GBP)	-7.0	-7.0	-34.3	-8.1
Netherlands (EUR)	-3.0	-3.0	28.3	5.1
France (EUR)	0.7	0.7	69.5	11.1
Sweden (SEK)	-1.6	-1.6	48.6	8.2

Source: **EPRA**

Land Securities, the UK's biggest REIT, presented its 3rd quarter interim management statements and announced that the decision was taken to start three London development projects in 2010 with a total development cost, including land and finance, of around GBP 655 million. Average debt maturity rose to 12.0 years (11.1 at 30 Sept. '09). CEO Francis Salway said: *"The business continues to perform well against our operational targets and we are pleased that our portfolio is proving its appeal to occupiers with ongoing lettings, while our financial strength allows us to be first off the block with our London development programme."* Land Securities ended the month down 6.5%.

Liberty International, the UK REIT, and owner of Capital Shopping Centers, advanced a new 7-year, GBP 525 million loan facility to refinance the Lakeside Shopping Centre, Thurrock. Lakeside is owned and managed by CSC. The proceeds of the loan are being used together with the group's cash resources to redeem in full the current total outstanding loans of GBP 545.8 million. Liberty International's Finance Director, Ian Durant, commented: *"Liberty International is pleased to have agreed a significant long term bank financing and this speaks well of the quality of Lakeside and the strong support that the group enjoys from its banking relationships. This 7 year loan substantially improves the group's overall debt maturity profile and refinances one of the group's largest debt maturities, leaving 2015 as the next significant date for repayment of CMBS related debt."* Liberty ended the month down 11.3%

British Land, the UK's second biggest REIT, announced the refinancing of its Tesco / British Land JV retail portfolio with a new GBP 315 million five-year term loan. The funds were used to repay Tesco BL Properties' existing bank loan on its scheduled maturity date. The loan was provided by a club of five lenders. British Land ended the month down 8.7%.

Great Portland Estates, the London focused office REIT, announced their 3rd quarter interim management statements. EPRA NAV increased 11.6% over the three months period to 31 December 2009. Portfolio value increased 8.7% outperforming IPD all property which increased 7.4%. Three development projects are due to start in the first half of 2010. CEO Toby Courtauld said: *"London's investment markets have continued to strengthen since we reported in November with a significant surfeit of buyers over sellers… We continue to see a number of interesting opportunities, however we expect the second half of 2010 to present a deeper pool [of properties] as the deleveraging process gathers pace."* GPE ended the month down 2.0%.

ProLogis European Properties, the industrial REIT, announced that it has finalised three new four-year secured financings and received funding totaling EUR 440.9 million. The three facilities have a blended coupon of 4.93%. Net proceeds will be used to refinance outstanding debt. David Doyle, CFO of PEPR said: *"…These transactions demonstrate our continued access to the capital markets, having completed over EUR 802 million of new or extended debt facilities in the past year. Net proceeds combined with our other deleveraging initiatives finalised in 2009 will enable us to reduce outstanding debt substantially. Our unrelenting focus on addressing 2010 debt maturities and the absence of debt maturing until the end of 2012 leaves PEPR well positioned for the future."* PEPR ended the month up 8.7%.

Deutsche EuroShop, the German retail focused property company, acquired the A10 Center, Greater Berlin (120 retail units, fully let). DES is investing a total of EUR 265 million in the centre, comprising the acquisition and planned refurbishment of A10, as well as an intended extension (A10 Triangle). The owner of A10 went into administration late 2009. DES is financing the deal through a EUR 150 million loan provided by a German mortgage bank. Claus-Matthias Böge, Executive Board Spokesman commented: *"After three years of restrained investment, we again saw an opportunity to acquire an attractive and profitable center for our portfolio"*. Subsequently, DES announced a EUR 123 million rights issue from which the net proceeds would be used to further finance the deal. Deutsche EuroShop ended the month down 3.7%.

Corporate Actions

Prologis European Properties remained in the index with an increased free-float of 100%, while the free-float for Hufvudstaden was raised to 75% for the FTSE EPRA/NAREIT Europe Index

FTSE EPRA/NAREIT Europe Index – Top 5 Performers

Company	Sector	Total Return
Deutsche Wohnen	Residential	9.87%
DIC Asset	Diversified	9.19%
Alstria Office *	Office	8.73%
ProLogis European Properties	Industrial	8.65%
Invista Foundation Prop	Diversified	7.5%

FTSE EPRA/NAREIT Europe Index – Bottom 3 Performers

Company	Sector	Total Return
Eurobank Properties *	Diversified	-12.05%
ISIS Property Trust Ld	Diversified	-12.68%
Development Securities	Retail	-18.07%

NORTH AMERICA

The EPRA/NAREIT North America Index lost -5.0% in USD. The US returned -5.6% (USD) for the month, compared to an increase of 1.9% for the Canada Index in CAD, at the end of January.

The 36-months rolling volatility for North America is 36.4%, the highest of the three regions.

Country	Jan-10 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
North America (USD)	-5.0	-5.0	6.1	1.2
United States (USD)	-5.6	-5.6	2.6	0.5
Canada (CAD)	1.9	1.9	29.5	5.3

Source: **EPRA**

Boston Properties reported its results for the final quarter of 2009 with FFO of USD 146 million, compared to a loss of USD 640 thousand in the year before. This makes the full year FFO USD 606 million compared to USD 404 million in 2008. The fourth quarter FFO comes down to USD 1.04 per share, similar to the Q1 FFO guidance issued by the company which it said should fall in the range of USD 1.02 to USD 1.04 per share. In the fourth quarter, the company paid USD 13 million for the termination of a lease in its 250 W. 55th St, project in New York, while it acquired land parcel at 17 Cambridge Centre in Cambridge Mass for USD 6 million. At the end of 2009 the company's portfolio consisted of 146 properties, having 51 million square feet and a development site of 2 million square feet in addition to a hotel property. Boston properties end of month figure stand at -3.3%.

Duke Realty Corporation also stated the fourth quarter 2009 FFO of USD 77 million, equalling 33 cents per share down from USD 111 million, or 70 cents, for the same period in 2008. Full year FFO amounts to USD 303 million, USD 1.45 per share, down from USD 384 million, or USD 2.48 per share. Addressing the sharp contrast in the year-on-year Q4 figure, the company pointed out that the variance between the per share result is due to the increase in the number of share following its common equity offering last year in addition to the sale of land and build-for-sale properties in Q4 2008. Fourth-quarter activity of the company includes placing five buildings into service and completing an expansion on an existing industrial property, amounting to a total expansion of 702 thousand square feet. Four medical properties office properties are included in this expansion and these are 84% pre-let. The US REIT lost 7.0% in January.

Developers Diversified lowered its 2009 annual operating FFO and said it should fall in between USD 1.83 and USD 1.85 per share. During the third-quarter earnings call the guidance stood between USD 1.90 and USD 2 per share. The company elaborated by saying the fall is due to the loss on sale of land and increased interest costs in the last quarter of 2009. Including non-operating charges, the FFO is expected to be a loss of between 89 cents and 92 cents a share. Non-operating charges include non-cash loss on equity derivative instruments and impairment charges. The company has had a busy year where it leased 11 million square feet of retail properties, sold more than 2 million square feet of space vacated by bankrupt retailers and increased portfolio leased rate to above 91%. Developers Diversified projected that it will lower its debt-to-equity in the process of reducing its consolidated debt to USD 4.4 billion by the end of the year. The company is down 10.9% for the month.

Colonial Properties Trust reported its Q4 2009 earnings towards the end of the month of USD 18 million, up from the loss of USD 92 million a year earlier. The figure excludes gains on developments; land value gains and gains on bond/preferred stock repurchase. During the last quarter the company reported a non-cash impairment charge of USD 8.4 million; mainly on one retail development and one for-sale residential property. Incorporating the results for the latest quarter, operating FFO for the company comes out at USD 70 million or USD 1.31 per share. Compared to a loss of USD 22 million, or 39 cents per share a year before. The results' announcement included the full-year FFO guidance for 2010, which is forecasted to be in between 92 cents to one 97 cents per share. Colonial Properties Trust slipped 6.1% for the first month of the year.

Medical Properties Trust, that acquires, develops and rents out health care facilities in addition to making loans to health care operators, presented its quarterly results in January. Fourth-quarter FFO for Medical Properties Trust came out at USD 13 million, or 17 cents a share, compared to USD 7 million, or 11 cents a share, for Q4 2008. The guidance for the fourth-quarter FFO of 23 cents a share release earlier did not include USD 1.3 million of property-related expense and 3.8 million in litigations costs. The full year normalised FFO for the company adds up to USD 62 million, or 79 cents a share, down from USD 71 million, or USD 1.13 per share, in 2008. During the last quarter, the company sold its interest in Encino Hospital Medical Centre for USD 15 million to Prime Healthcare. Medical Properties Trust is up 0.1 for the month.

FTSE EPRA/NAREIT North America Index – Top 5 Performers

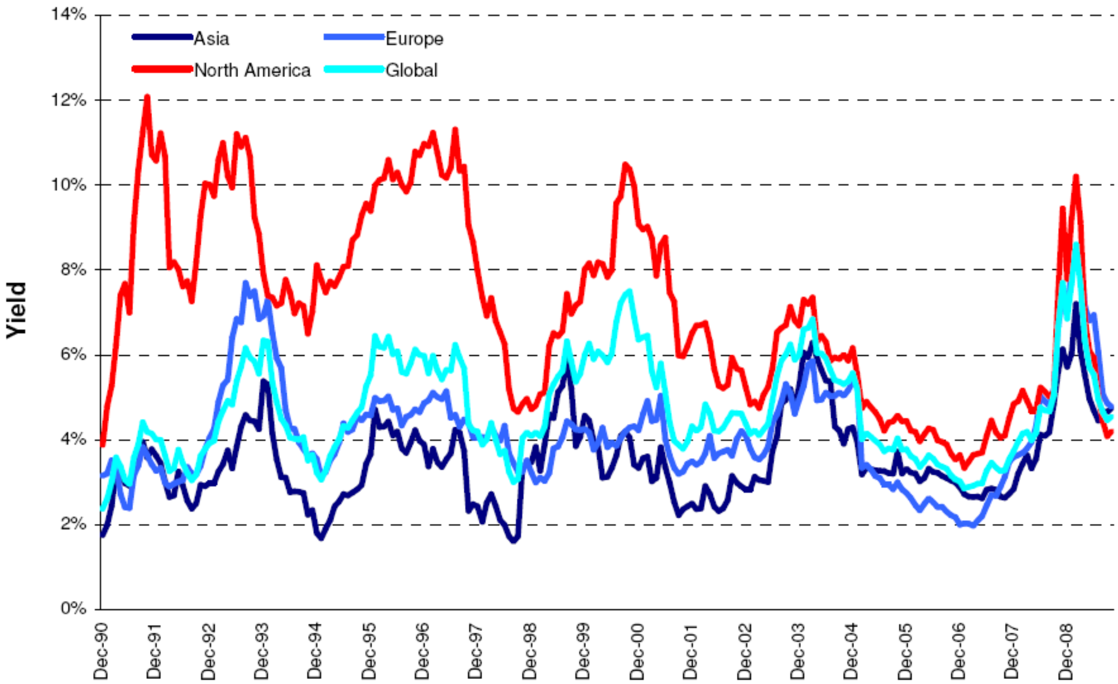
Company	Sector	Total Return
Dundee REIT *	Diversified	19.15%
Hersha Hospitality Trust	Lodging/Resorts	15.92%
Winthrop Realty Trust	Diversified	14.64%
Ashford Hospitality *	Lodging/Resorts	13.58%
Innvest REIT *	Lodging/Resorts	10.18%

FTSE EPRA/NAREIT North America Index – Bottom 3 Performers

Company	Sector	Total Return
The Macerich Company *	Retail	-14.19%
Agree Realty Corp *	Retail	-15.89%
Corrections Corp of America	Specialty	-23.79%

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.

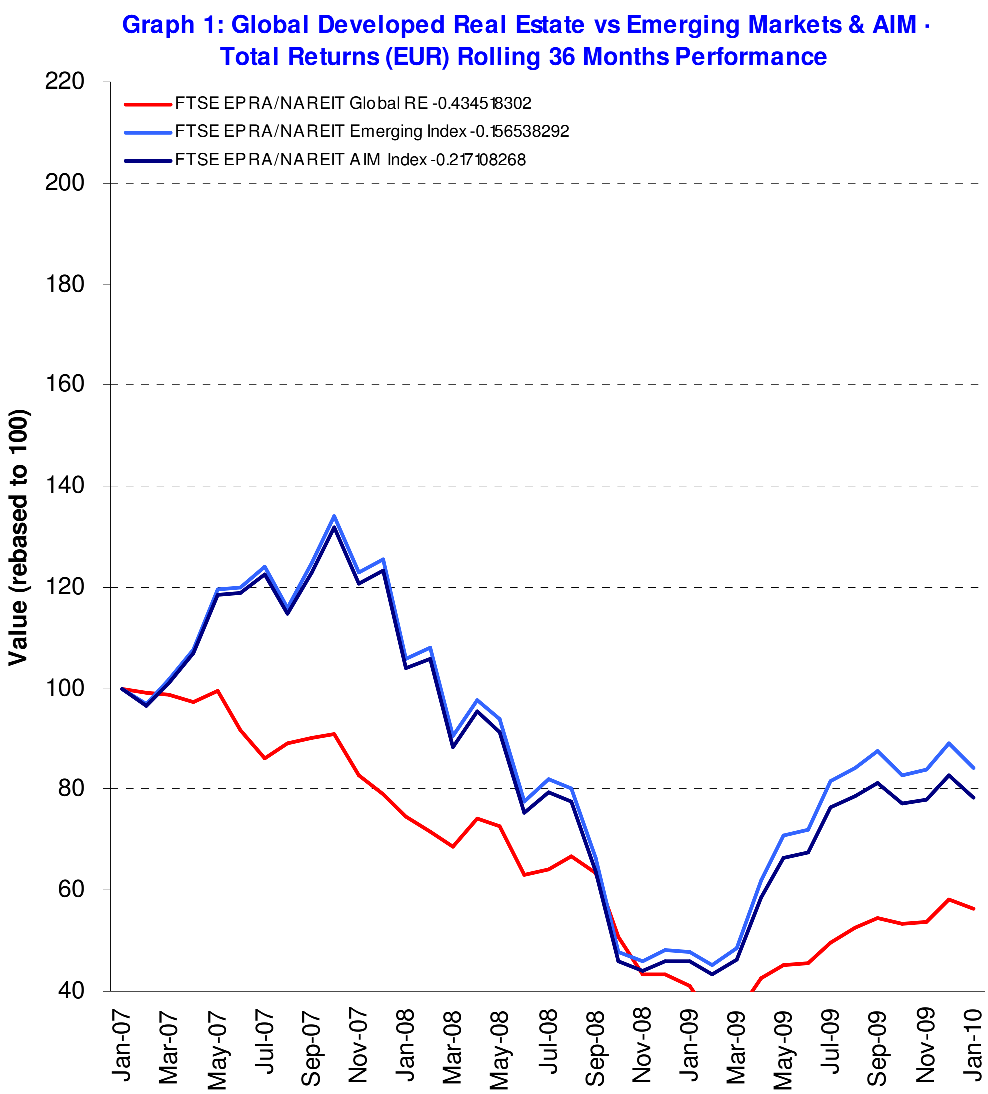


The FTSE EPRA/NAREIT Developed (Global) Real Estate Index consists of the largest and most heavily traded real estate stocks in Asia, Europe and North America. As of January 31, there were a total of 273 stocks in the index.

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 returning -5.32%. The Emerging Asia-Pacific region, which includes China and India, slipped -4.32% in January. Real estate markets from the Emerging Europe, Middle East & Africa Region added 0.57%. The Emerging Americas retreated -10.20% for its investors. All figures are in EUR.



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) 29-Jan	Free Float Emerging (%) Weight 29-Jan
DLF	IDA	Non-rental	Diversified	2,666.67	16.93
Cyrela Brazil Realty S/A Empreendimentose e Participacoes Or	BRAZ	Non-rental	Diversified	2,635.36	22.18
Unitech	IDA	Non-rental	Diversified	2,075.69	13.18
Growthpoint Prop Ltd	SAF	Rental	Diversified	2,020.14	28.65
Redefine Income Find	SAF	Rental	Diversified	1,812.36	25.70
Gafisa	BRAZ	Non-rental	Residential	1,246.89	10.49
BR Malls Participacoes S/A Ord	BRAZ	Rental	Retail	1,192.77	10.04
MRV Engenharia e Participacoes SA	BRAZ	Non-rental	Residential	1,124.31	9.46
Guangzhou R&F Properties (H)	CHN	Non-rental	Diversified	988.72	6.28
Shenzhen Vanke (B)	CHN	Non-rental	Residential	961.19	6.10
Desarrolladora Homex SA de CV	MEX	Non-rental	Residential	934.67	7.87
Land & Houses	THAI	Non-rental	Residential	888.18	5.64
SP Setia	MAL	Non-rental	Diversified	859.13	5.45
Ayala Land	PHIL	Non-rental	Diversified	840.44	5.34
Geo B	MEX	Non-rental	Residential	784.49	6.60
Urbi Desarrollos Urbanos	MEX	Non-rental	Residential	740.33	6.23
Pangbourne Prop Ltd	SAF	Rental	Diversified	716.74	10.16
Brascan Residential Properties SA	BRAZ	Non-rental	Residential	695.66	5.86
Shanghai Lujiazui Fin & Trade Dev (B)	CHN	Non-rental	Diversified	654.44	4.16
Globe Trade Centre	POL	Non-rental	Diversified	653.18	74.40

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 January 31, there were a total of 65 stocks in the index.

Bloomberg Ticker: FENEI **Thomson Reuters: .FTENEI**

Total Return Index Description	Curr	Close Value 29-Jan	Div Yld (%) 29-Jan	Total Rtn (%) QTD	Total Rtn (%) Jan-10	Total Rtn (%) YTD	36 Mths Vlty (%)
Global	EUR	1,705.08	4.19	- 2.69	- 2.69	- 2.69	26.78
Asia	EUR	1,399.47	4.01	- 3.77	- 3.77	- 3.77	26.38
Europe	EUR	1,804.34	4.57	- 1.74	- 1.74	- 1.74	26.29
North America	EUR	1,983.06	4.22	- 1.97	- 1.97	- 1.97	35.83
Global Ex Asia	EUR	1,893.11	4.32	- 1.91	- 1.91	- 1.91	32.07
Global Ex Europe	EUR	1,654.31	4.11	- 2.89	- 2.89	- 2.89	27.77
Global Ex North America	EUR	1,622.16	4.18	- 3.17	- 3.17	- 3.17	23.79
Asia	EUR	1,399.47	4.01	- 3.77	- 3.77	- 3.77	26.38
Pure Asia	EUR	1,473.44	3.56	- 4.16	- 4.16	- 4.16	27.28
Japan	JPY	1,839.41	2.82	- 0.48	- 0.48	- 0.48	32.56
Australia	AUD	1,237.65	8.46	- 2.77	- 2.77	- 2.77	27.45
Pure Australia	AUD	923.96	8.74	- 5.31	- 5.31	- 5.31	35.06
Hong Kong	HKD	2,110.85	2.40	- 13.45	- 13.45	- 13.45	39.54
Singapore	SGD	1,474.31	2.85	- 7.05	- 7.05	- 7.05	36.55
New Zealand	NZD	1,268.21	7.67	- 2.88	- 2.88	- 2.88	14.58
Europe	EUR	1,804.34	4.57	- 1.74	- 1.74	- 1.74	26.29
Europe (Price Return)	EUR	1,233.39	-	- 1.84	- 1.84	- 1.84	25.72
Euro Zone	EUR	2,482.86	5.23	- 0.35	- 0.35	- 0.35	25.52
Euro Zone (Price Return)	EUR	1,582.04	-	- 0.35	- 0.35	- 0.35	24.77
Europe Ex UK	EUR	2,631.33	4.84	0.01	0.01	0.01	24.98
Europe Ex UK (Price Return)	EUR	1,700.27	-	0.01	0.01	0.01	24.32
Europe Liquid 40	EUR	1,747.44	4.57	- 2.02	- 2.02	- 2.02	26.77
Europe Liquid 40 (Price Return)	EUR	1,168.49	-	- 2.13	- 2.13	- 2.13	26.16
Europe Liquid 40 Ex UK	EUR	2,908.60	4.88	- 0.19	- 0.19	- 0.19	24.99
Europe Liquid 40 Ex UK (Price Return)	EUR	1,807.43	-	- 0.19	- 0.19	- 0.19	24.29
UK	EUR	1,038.05	4.07	- 4.76	- 4.76	- 4.76	33.76
UK (Price Return)	EUR	748.12	-	- 5.03	- 5.03	- 5.03	33.81
Netherlands	EUR	2,840.59	6.23	- 3.05	- 3.05	- 3.05	22.90
France	EUR	4,057.70	5.22	0.67	0.67	0.67	25.85
Austria	EUR	417.79	-	- 2.80	- 2.80	- 2.80	60.39
Sweden	EUR	3,498.34	4.18	- 1.18	- 1.18	- 1.18	35.91
Germany	EUR	610.93	4.70	2.56	2.56	2.56	39.96
Switzerland	EUR	2,019.12	2.38	4.52	4.52	4.52	17.25
Belgium	EUR	1,938.29	7.91	- 1.81	- 1.81	- 1.81	19.37
Italy	EUR	1,528.08	1.98	- 0.05	- 0.05	- 0.05	41.40
Finland	EUR	3,031.26	1.09	0.40	0.40	0.40	38.98
UK	GBP	1,455.23	4.07	- 7.02	- 7.02	- 7.02	32.48
UK (Price Return)	GBP	1,048.73	-	- 7.28	- 7.28	- 7.28	32.50
Switzerland	CHF	1,853.45	2.38	3.25	3.25	3.25	17.76
Sweden	SEK	4,193.60	4.18	- 1.57	- 1.57	- 1.57	35.73
North America	USD	2,630.95	4.22	- 5.04	- 5.04	- 5.04	39.07
United States	USD	2,531.06	3.99	- 5.60	- 5.60	- 5.60	40.34
Canada	USD	4,372.21	6.27	0.30	0.30	0.30	31.96