



FTSE EPRA/NAREIT Global Real Estate Index

The FTSE EPRA/NAREIT Global Real Estate Index was up 1.80% in July. Global equity markets fell -1.40% and the global bond market added 110bps. European real estate markets finished positive (0.6%) for the month. Asia-Pacific added 0.7% in July and the North America market gained 3.4%. Year-to-date, all three regions are on negative territory. The Asia-Pacific (-28%), European (-18%) and North American (-8%) real estate markets paint a rather overcast picture for global real estate in 2008.

Over a five-year holding period, global real estate returned 59.3% to investors. Global equities added 32% and global bonds gained 19%. Global real estate significantly outperformed global equities and global bonds, based on five-year compounded annual returns. On average, global real estate returned 10% per annum compared against 6% and 3.6% for global equities and global bonds, respectively. All returns are expressed in €

Asset Classes (EUR)	Jul-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Global Real Estate	1.8	-18.5	59.3	9.8
Global Equities	-1.4	-18.3	32.5	5.8
Global Bonds	1.1	1.8	19.4	3.6
Europe Real Estate	0.6	-17.5	70.9	11.3
N. America Real Estate	3.4	-8.3	41.4	7.2
Asia Real Estate	0.7	-27.9	90.4	13.7

Source: EPRA/FTSE/JP Morgan

FTSE EPRA/NAREIT Global Index – Top 5 Performers

Company	Sector	Total Return
Risanamento	Diversified	54.91
Minerva	Diversified	50.43
Associated Estates Realty *	Residential	33.71
Development Securities	Retail	32.84
Agree Realty Corp. *	Retail	30.98

FTSE EPRA/NAREIT Global – Bottom 3 Performers

Company	Sector	Total Return
Capital & Regional Props	Retail	-34.47
Macquarie DDR *	Retail	-37.50
Australand Property Group	Diversified	-44.54

ASIA-PACIFIC

The Asia index added 0.7% in July. At a country level, returns were mixed for the month. EPRA/NAREIT Australia slipped 5.2%, and EPRA/NAREIT New Zealand fell 6.6%. On the positive side, EPRA/NAREIT Singapore (+1.6%), EPRA/NAREIT Japan (+3.5%), and EPRA/NAREIT Hong Kong (+3.4%) all gained ground. The 36-months rolling volatility for the region is currently 20%, significantly higher than 12 months ago.



Country	Jul-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Asia (EUR)	0.7	-27.9	90.4	13.7
Australia (AUD)	-5.2	-34.0	30.3	5.4
Hong Kong (HKD)	3.4	-30.2	227.7	26.8
Japan (JPY)	3.5	-12.8	169.6	21.9
Singapore (SGD)	1.6	-16.4	193.0	24.0
New Zealand (NZD)	-6.6	-12.5	-NA-	-NA-

Source: EPRA

Hang Lung Properties said that rental income from China will surpass that from Hong Kong in three years time. The company has increased its exposure to retail sites in China, already purchasing eight out of the planned 18 sites by the end of 2009. Hang Lung Chairman said in an interview: "The growth rate in mainland China is just so much faster; why should I waste my time in Hong Kong?" Hang Lung ended July -0.6%.

Capitaland Ltd, Southeast Asia's biggest developer, set up a US\$1 billion private equity fund to invest in commercial property projects in China as retail sales and demand for office space surge. According to a Bloomberg survey, China's economy may grow 10% this year, on the back of 11.9% in 2007. Lim Ming Yan, CEO of Capitaland's operations in China said in a statement: "As China's urbanisation gathers pace and its middle-class grow in tandem with the improving economy, demand for integrated developments will continue to rise." Capitaland was 0.0% in July.

Chinese mainland developer Glorious Property Holdings decided to postpone its July IPO. The company hoped to raise as much as US\$1.1 billion in a Hong Kong IPO according to an e-mail distributed in June. The company was gauging a 30% sale. The company develops apartments, townhouses, retail properties, offices and hotels in nine Chinese cities.

Prices for office buildings located in non-prime areas in major Japanese cities, as well as homes and suburban retail properties have fallen as much as 20% according to CB Richard Ellis. The decline means more companies will have to book losses on property portfolios. Year-to-date the FTSE EPRA/NAREIT Japan Index fell 15.53%.

Mirvac Group is expected to slash its 2009 dividend by almost 40% according to preliminary results. The company wrote down around AU\$400 million from its total assets, valuing them at AU\$7.5 billion as at end June 2008. Australian real estate investors including Mirvac, Valad Property and GPT Group cut earnings and dividend forecasts the past month as property values come under pressure globally in the wake of the credit crisis. The world's biggest financial institutions have lost or written down more than US\$450 billion since the beginning of 2007. Mirvac fell 13.85% in the month.

The Australian newspaper reported in July that LPTs may have to sell much of the AU\$70 billion in overseas property assets they have accumulated in recent times, as the global slowdown forces them to pay down debt. Australian LPTs have approximately 40% of their AU\$172 billion assets abroad. Some 30% of assets are located in the US, 6% in Europe, 2.5% in New Zealand and 2% in Asia. Year-to-date, the FTSE EPRA/NAREIT Australia Index has fallen 33.72%.

To round-up the corporate actions in the region for July, Mapletree Logistics Trust had a 3 for 4 rights issue at SG\$0.73.

FTSE EPRA/NAREIT Asia Index – Top 5 Performers

Company	Sector	Total Return
ING Office Fund *	Office	25.22
Mapletree Logistics Trust *	Industrial	19.52

European Public Real Estate Association

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Macquarie Office Trust *	Office	16.67
Suntec REIT*	Diversified	13.97
China Overseas Land	Diversified	13.47

FTSE EPRA/NAREIT Asia Index – Bottom 3 Performers

Company	Sector	Total Return
GPT Group *	Diversified	-31.53
Macquarie DDR *	Retail	-37.50
Australand Property Group	Diversified	-44.54

EUROPE

EPRA/NAREIT Europe Index ended slightly positive (+0.6%). EPRA/NAREIT France was the heaviest hit of the major countries (-1.8%). European heavy-weight EPRA/NAREIT UK added 3.7% and The Netherlands added 0.5%. EPRA/NAREIT Sweden gained 3.2%. Year-to-date, all European major countries are behind. The UK market is 21% in the red, and Sweden is 17.7% behind. France and the Netherlands are now behind -7.4% and -8.64% respectively. Europe's 36-month volatility is 16%, the lowest of the three regions.

Country	Jul-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Europe (EUR)	0.6	-17.5	70.9	11.3
UK (GBP)	3.7	-18.8	56.7	9.4
Netherlands (EUR)	0.5	-8.6	97.5	14.6
France (EUR)	-1.8	-7.4	170.6	22.0
Sweden (SEK)	3.2	-17.8	131.5	18.3

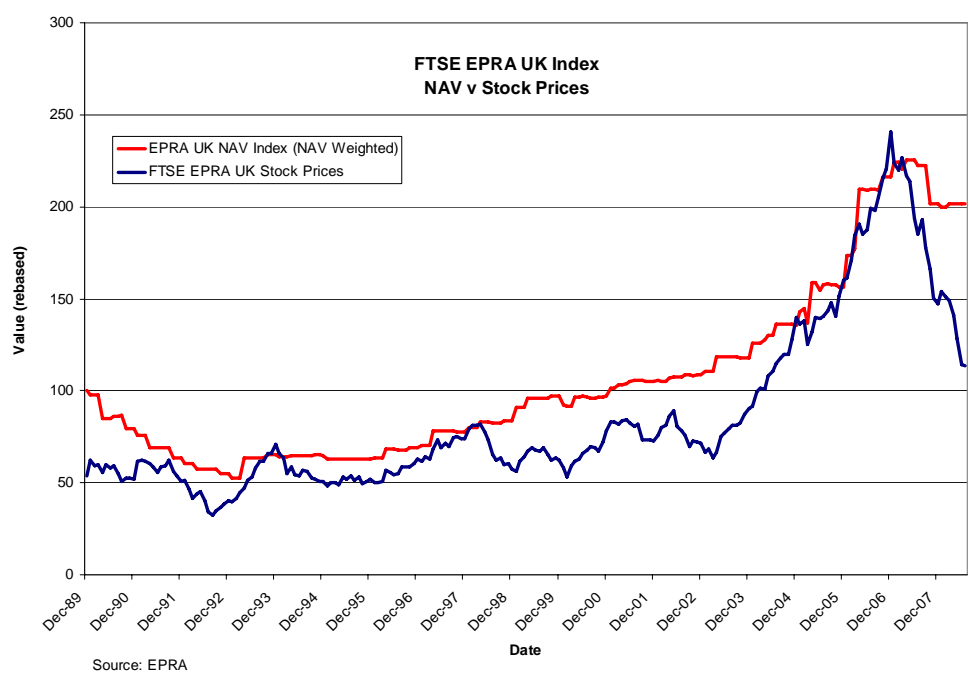
Source: EPRA

Land Securities has narrowed the list of bidders to two: a consortium of Middle Eastern investors advised by PCP Capital and the William Pears Group. The FT reported that Land Securities has given both parties brief extensions so that their bids are as close to the asking price of £1.4 billion, and so that they are able to provide guarantees regarding the strength of their finance. PCP Capitals' consortium has offered £1.2 billion for all of the assets, and William Pears has bid £900 million for the majority of the assets. Land Securities ended July up 4.87%.

On 4 July, the Takeover Panel ruled that, unless the Panel Executive consents otherwise, Regis must, by 17:00 GMT on 19 August 2008, either announce a firm intention to make an offer for Grainger Trust under rule 2.5 of the Code, or announce that it does not intend to make an offer for Grainger. If Regis does not make an offer, it will be restricted from making an offer for six months from the date of such announcement. Grainger's shares finished the month down 6.63%.

Capital & Regional plans to change its focus to smaller funds and joint ventures according to CEO Hugh Scott-Barrett. The company will also change its fee-charging structure so that it will be based on relative rather than absolute performance according to *Property Week*. The magazine stated that the company intends to change its fee-charging structure so that it will be based on relative rather than absolute performance. Capital & Regional was down 34.47% in July.

Minerva, the UK property developer, received a £258 million takeover offer from Dubai's state-owned developer Limitless. Limitless bid 160p per share after making a preliminary bid in June. Minerva stated that settlement talks are ongoing and Limitless could change its bid. Limitless, a unit of Dubai-World, has more than US\$100 billion of projects under way in seven countries, according to a statement by the company. Minerva jumped 50.43% in July.



The graph above displays the FTSE EPRA/NAREIT UK Real Estate Price Index vs. the published Net Asset Values of the constituents of the index. Over the period 1989 to date, the UK market has traded at approximately 20% discount to NAV. Currently, the index trades at over 40% discount to published NAV.

Klepierre and ABP announced that they are buying a €2.7 billion retail portfolio from Steen & Strom. Klepierre will take a 56.1% stake, with ABP picking up the remaining 43.9%. The portfolio consists of 30 shopping centres in Norway, Sweden and Denmark. The portfolio has approximately €1 billion of development potential, which is mainly refurbishments and extensions to existing centres. The acquisition yield is 6% and the deal is expected to complete in October. Klepierre finished the month down 18.28%.

Fonciere des Regions (FDR) announced that profit had fallen considerably in the first half of 2008. Net income declined to €206 million from €607 million, a year earlier. Real estate values appreciated €5 million compared against €418 million 12 months earlier. NAV was little changed at €108 per share. The company controls approximately €18 billion of real estate in France, Italy and Germany through its stakes in other real estate vehicles. FDR added 3.87% during the month.

Risanamento announced a plan to sell 660 Madison Ave and a complex in Milan's Santa Giulia commercial area in June. Italian news agency Radiocor reported, on 23 July, that Tishman Speyer was in talks with the company to buy 660 Madison Ave for US\$400 million, US\$25 million more than Risanamento paid for the building in August 2007. Italian financial newspaper MF reported that Starwood Hotel & Resorts and Limitless of Dubai are interested in Santa Giulia. Risanamento added 54.91% in July.

Aedes confirmed in July that it had entered talks with Dubai Investment Group regarding asset sales. Aedes announced on June 30 that it received an offer from Los Angeles-based private equity firm Colony Capital for stakes in two joint ventures. Sabrina Ragone, a spokeswoman for Aedes said: "Contacts with Dubai Investment Group are at a preliminary stage – a potential deal might range from signing a joint venture, selling them some portfolios or something else." She continued, "Colony Capital's offer is the only one that has been made so far, and the US company will receive a response by the end of the summer." Aedes ended the month up 9.33%



Immofinanz and Immoeast shareholders approved the acquisition of 40% of Constantia Privatbank's real estate division for €440 million. In addition, Immofinanz and Immoeast may merge before the end of 2008, according to company CEO Karl Petriokovics. Immofinanz owns 54% of Immoeast. Immofinanz was down 11.15% in July.

FTSE EPRA/NAREIT Europe Index – Top 5 performers

Company	Sector	Total Return
Risanamento	Diversified	54.91
Minerva	Diversified	50.43
Development Securities	Retail	32.84
Vivacon AG	Residential	28.10
Invesco Property Income Trust	Diversified	20.22

FTSE EPRA/NAREIT Europe Index – Bottom 3 performers

Company	Sector	Total Return
Citycon OYJ	Retail	-23.36
Mucklow <A&J>	Diversified	-28.67
Capital & Regional Props	Retail	-34.47

There were no corporate actions in the European region in July.

NORTH AMERICA

The EPRA/NAREIT North America Index gained 3.4% in US\$. Where the US added 2.7%, July proved another rather quiet month for the Canadian (+0.4%) index. North America real estate market (-2.1%) has remained in the red for the first seven months of 2008. 36-month volatility remains at 19%.

Country	Jul-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
North America (USD)	2.4	-2.1	96.0	14.4
United States (USD)	2.7	-1.6	92.6	14.0
Canada (CAD)	0.4	-4.3	83.1	12.9

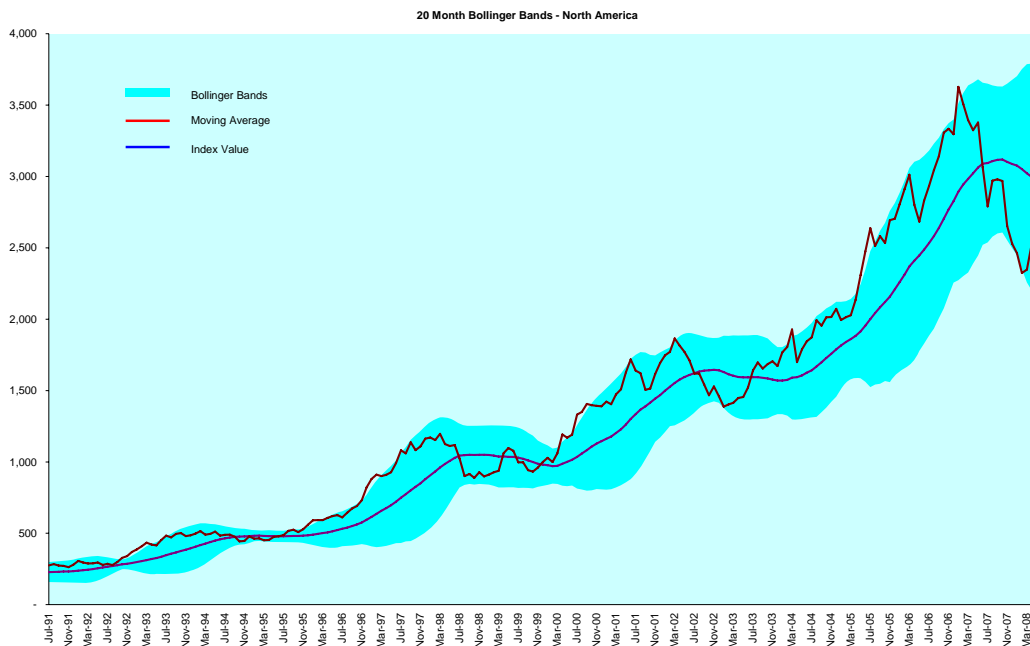
Source: EPRA

Office specialist, Maguire Properties, ousted their CEO and founder Robert Maguire III in May and hired Nelson Rising, a founder employee of Maguire. In June, JMB Capital Partners stated that it had amassed an 8.3% stake in Maguire, the largest landlord in downtown Los Angeles, and may seek seats on its board according to JMB. Shareholder Daniel Loeb's Third Point LLC hedge fund, which owns 8.8%, said Maguire had received an unsolicited buyout bid of about US\$20 a share, or US\$940 million. Maguire ended July down 11.34%.

Host Hotel & Resorts announced that second quarter profit rose 28% after the company increased the price of rooms to counter a declined occupancy rate. Host owns properties operated and managed by Marriott international, Starwood Hotels and Hilton Hotels. The assets are concentrated in largely urban, high barrier markets with top-quality real estate. Host also stated that it intends paying a special dividend of 15 to 20 cents per share in the fourth quarter of 2008, bringing total payout for the year to as much as US\$1 per share, giving a yield in the 8-9% range. Host was down 3.96% in July.



The graph below shows the Bollinger bands for North America. A set of Bollinger Bands is a measure of volatility. The Bollinger Bands consist of three lines: a middle band showing a simple moving average, an upper band located at twice the standard deviation above the middle band, and a lower band located at twice the standard deviation below the middle band. When we look at the Bollinger Bands for the North American index, the picture is quite clear. During the 2003-2006 run, the index continuously traded along the upper band, pushing it higher and higher. The 2007 market correction saw the index dropping to near the lower band. Up to 2003 all three bands were parallel, but after that we see a widening of the bands, which indicates that the market has become increasingly volatile.



Rounding up the corporate actions for North America, Apartment Investment & Management paid a US\$2.40 special dividend to shareholders.

FTSE EPRA/NAREIT North America Index – Top 5 performers

Company	Sector	Total Return
Associated Estates Realty	Residential	33.71
Agree Realty Corp. *	Retail	30.98
Getty Realty *	Retail	29.84
Healthcare Realty Trust *	Health Care	22.04
Nationwide Health Props *	Residential	17.85

FTSE EPRA/NAREIT North America Index – Bottom 3 performers

Company	Sector	Total Return
Felcor Lodging Trust *	Lodging/Resorts	-20.57
Sunstone Hotel Investors *	Lodging/Resorts	-22.05
Orient Express Hotels *	Lodging/Resorts	-23.31

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 July 31, there were a total of 286 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 31-Jul	Div		Total		36 Mths Vity (%)
			Yld (%) 31-Jul	Rtn (%) QTD	Total Rtn (%) Jul-08	Total Rtn (%) YTD	
Global	EUR	1,939.31	4.69	1.81	1.81	- 18.48	16.76
Asia	EUR	1,510.33	4.09	0.68	0.68	- 27.87	20.46
Europe	EUR	2,164.89	4.91	0.58	0.58	- 17.53	17.10
North America	EUR	2,318.85	5.14	3.39	3.39	- 8.31	18.50
Global Ex-Asia	EUR	2,231.23	5.07	2.53	2.53	- 11.33	16.67
Global Ex-Europe	EUR	1,860.10	4.64	2.09	2.09	- 18.72	17.87
Global Ex-North America	EUR	1,807.78	4.36	0.64	0.64	- 24.73	17.58
Asia	EUR	1,510.33	4.09	0.68	0.68	- 27.87	20.46
Pure Asia	EUR	1,550.74	3.51	0.95	0.95	- 28.35	21.34
Japan	JPY	2,864.72	1.76	3.54	3.54	- 12.79	30.61
Australia	AUD	1,815.69	9.25	- 5.21	- 5.21	- 33.98	17.73
Pure Australia	AUD	1,575.11	11.13	- 10.99	- 10.99	- 42.32	20.28
Hong Kong	HKD	2,129.95	2.52	3.39	3.39	- 30.22	23.74
Singapore	SGD	1,692.23	3.99	1.56	1.56	- 16.39	22.57
New Zealand	NZD	1,260.70	7.96	- 6.61	- 6.61	- 12.55	15.62
Europe	EUR	2,164.89	4.91	0.58	0.58	- 17.53	17.10
Europe (Price)	EUR	1,586.80	-	0.27	0.27	- 20.07	17.35
Euro Zone	EUR	2,649.02	5.09	- 2.34	- 2.34	- 13.00	17.13
Euro Zone (Price)	EUR	1,820.19	-	- 2.73	- 2.73	- 15.83	17.41
Europe Ex UK	EUR	2,785.54	5.19	- 1.55	- 1.55	- 12.85	16.96
Europe Ex UK (Price)	EUR	1,931.93	-	- 1.87	- 1.87	- 15.92	17.26
Europe Liquid 40	EUR	2,122.57	4.83	0.71	0.71	- 17.03	17.80
Europe Liquid 40 (Price)	EUR	1,519.24	-	0.34	0.34	- 19.56	18.05
Europe Liquid 40 Ex UK	EUR	3,031.66	5.15	- 2.01	- 2.01	- 11.10	17.69
Europe Liquid 40 Ex UK (Price)	EUR	2,016.01	-	- 2.41	- 2.41	- 14.32	18.01
UK	EUR	1,612.87	4.45	4.23	4.23	- 24.25	20.68
UK (Price)	EUR	1,246.63	-	3.94	3.94	- 26.03	20.85
Netherlands	EUR	2,919.30	6.43	0.47	0.47	- 8.64	17.53
France	EUR	3,709.27	5.08	- 1.79	- 1.79	- 7.40	20.56
Austria	EUR	1,075.54	3.08	- 11.85	- 11.85	- 19.36	19.20
Sweden	EUR	3,243.54	8.15	3.56	3.56	- 17.72	25.70
Germany	EUR	691.24	5.48	- 3.24	- 3.24	- 34.23	24.59
Switzerland	EUR	1,884.25	4.17	4.47	4.47	15.80	14.70
Belgium	EUR	1,982.04	6.59	3.61	3.61	- 3.27	11.49
Italy	EUR	2,169.96	3.06	15.25	15.25	- 29.29	28.29
Denmark	EUR	417.81	-	- 9.71	- 9.71	- 22.80	37.68
Finland	EUR	3,377.87	4.68	- 6.36	- 6.36	- 20.91	23.66
Poland	EUR	1,761.46	-	0.97	0.97	- 26.03	-NA-
UK	GBP	2,052.81	4.45	3.70	3.70	- 18.77	19.73
UK (Price)	GBP	1,586.85	-	3.41	3.41	- 20.68	19.91
Switzerland	CHF	1,930.44	4.17	6.44	6.44	14.40	14.69
Sweden	SEK	3,597.48	8.15	3.17	3.17	- 17.76	25.45
Denmark	DKK	419.54	-	- 9.68	- 9.68	- 22.76	37.65
PLN	PLN	1,748.81	-	- 3.29	- 3.29	- 33.98	-NA-
Nth America	USD	3,453.52	5.14	2.39	2.39	- 2.14	16.86
United States	USD	3,395.07	5.04	2.69	2.69	- 1.57	17.33
Canada	USD	4,585.85	6.14	- 0.72	- 0.72	- 7.91	15.16

Source: EPRA