



November 2006

FTSE EPRA/NAREIT Global Real Estate Index

The FTSE EPRA/NAREIT Global Real Estate Index performed strongly (+1.1%) for the fifth consecutive month in November. Year to date the index is well ahead 23.3%. In November, the Global Equity market dropped -0.9% and Global Bonds added 60bps. All three real estate regions gained ground during the month. Europe led the group (+2.4%), North America and Asia both pushed forward 0.8%. 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 17.1% annually, Global Equities advanced 2.9% in comparison, and Global Bonds added 4.5%. As a result, over the total five-year period, Global Real Estate returned 119%, Global Equities gained 15.3% and Global Bonds both advanced 25%.

Asset Classes (EUR)	Nov-06 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Global Real Estate	1.1	23.3	119.9	17.1
Global Equities	-0.9	6.3	15.3	2.9
Global Bonds	0.6	1.8	24.8	4.5
Europe Real Estate	2.4	37.3	207.5	25.2
N. America Real Estate	0.8	23.3	106.2	15.6
Asia Real Estate	0.8	15.1	100.0	14.9

Source: EPRA/FTSE/JP Morgan

Asia / Pacific

In the Asia/Pacific region, the performance of the countries was on the whole positive. Performance ranged from -1% for EPRA/NAREIT Japan (JPY), to a very strong 10.5% for EPRA/NAREIT Singapore (SGD). EPRA/NAREIT Hong Kong (HKD) added 6.4%, EPRA/NAREIT Australia (AUD) gained 5.2% and EPRA/NAREIT New Zealand (NZD) ended the month up 0.7%. Asia/Pacific 36 months rolling volatility is 15%.

Country	Nov-06 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Asia (EUR)	0.8	15.1	100.0	14.9
Australia (AUD)	5.2	24.3	124.9	17.6
Hong Kong (HKD)	6.4	31.0	128.2	17.9
Japan (JPY)	-1.0	17.8	174.4	22.4
Singapore (SGD)	10.5	56.3	212.6	25.6
New Zealand (NZD)	0.7	12.9	-NA-	-NA-

Source: EPRA

Hong Kong headed Asia-Pacific performers in November. New World China (+27%) topped the list, followed by China Resources Land (+27%) and China Overseas Land (+20%). Two Singapore companies filled the fourth and fifth slots: Keppel Land (+20%) and CapitaCommercial Trust (+17.5%). Japanese developer Heiwa Real Estate held up the Asia-Pacific region with a loss of 11%.

Wheelock and Wharf Holdings plan to list Diamond REIT it was reported in October. The Diamond REIT aims to raise HK\$5 billion and will comprise of six properties valued at approximately HK\$10 billion. UBS will arrange the sale of the REIT. Staying in Hong Kong, Hang Lung Properties HK\$6.68 billion of shares to fund projects in China. The company experienced its largest one day fall (8%) on 8 November. The share issue was reflected in the FTSE EPRA/NAREIT Global Real Estate Index in November. Hang Lung added 2% during the month.

CapitaLand announced in October that it has set up a private trust, CapitaRetail China Trust (CRCT). The trust will be the first pure-play China retail REIT in Singapore, when listed. The initial portfolio will consist of seven retail malls which are strategically located in five cities

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Schiphol Boulevard 283 1118 BH Schiphol Airport The Netherlands
 T +31 (0)20 405 3830 F +31 (0)20 405 3840 E info@epra.com
 W www.epra.com



across China. The portfolio is valued at SG\$690 million. CapitalLand will initially sell 193.3 million shares at SG\$1.13 which is the top end of the pricing range. Investor interest has exceeded the number of shares available. Subsequently, the company said that it may increase the shares available to 222.1 million to meet investor demand. In addition, CapitalLand announced during the month that third quarter profits were 38% lower than last year when it sold Raffles Holdings. CapitalLand added 14.68% in November.

Continuing in Singapore, Suntec REIT issued new shares in November resulting in a free float change to the FTSE EPRA/NAREIT Global Real Estate Index. The free float of the company changed from 75% to 100%. Suntec added 10% in November.

Nomura Real Estate Capital Management estimate that assets under management of J-REITs has pieced the JPY 5 trillion mark (approx €33 billion). Since the J-REIT structure was introduced in 2001 there has been 39 IPOs. The office sector accounts for around 50% of the market, followed by retail (28%), residential (17%), hotels (3%) and logistics (1%).

Two Australian fund managers are currently looking at retail funds in Germany. Multiplex capital announced its intention to set-up a fund of €356 million, while Babcock & Brown are looking to list a €1.5 billion portfolio with assets in Germany and Switzerland on Euronext Amsterdam. The fund will be named the European Retail Real estate Fund.

Europe

In November, the EPRA/NAREIT Europe Index continued to move in the right direction (+2.4%) after a strong month in September (+4.9%). All major countries in Europe were ahead. EPRA/NAREIT UK (GBP) gained 2.3%, but EPRA/NAREIT Netherlands lost 0.3%, EPRA France continued its excellent run (+3.8%) and EPRA/NAREIT Sweden continued its rebound (+2.0%) following poor results in August. Broad European volatility stands at approximately 10%, the lowest of the three regions.

Country	Nov-06 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Europe (EUR)	2.4	37.3	207.5	25.2
UK (GBP)	2.3	35.0	207.0	25.2
Netherlands (EUR)	-0.3	29.6	194.1	24.1
France (EUR)	3.8	54.9	319.4	33.2
Sweden (SEK)	2.0	25.3	255.2	28.9

Source: EPRA

Heading the European performers in November was Globe Trade Centre. The Polish player rebounded 22% in November. IGD (Italy) added 19%, followed by Norgani Hotels (+19%), Beni Stabili (+18%) and Colonia Real Estate (+17%). At the bottom, the UK propped up the European performers list with Freeport pulling back 20% after a jump of 4% and 5% in September and October.

Norwegian Property sold 96 million shares at NOK53.50 in November. The company entered the FTSE EPRA/NAREIT Global Real Estate Index with a 75% free float on 16 November under the 'fast track' rule. The company owns office buildings in Oslo, Bergen and Stavanger. The vast majority of shares were taken by institutional investors. Norwegian Property advanced 8.5% since its listing date.

Derwent Valley agreed to buy London Merchant Securities for approximately £1 billion in November. The deal will create one of the largest office landlords in London's West End. Derwent Valley offered 298p per share in stock and cash. The total value of Derwent's bid is about £2 billion. Derwent Valley finished November down 4.08% and London Merchant closed virtually unchanged.

Construcciones Reyal, a closely-held Spanish builder, currently has a €3.3 billion, or €26 per share, takeover bid on the table for Inmobiliaria Urbis, the Spanish real estate developer. Actividades de Construcción & Services, Spain largest builder, said that it had agreed to sell a 25% stake in the company and book a gain of €507 million. Urbis is not a member if the

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FTSE EPRA/NAREIT Global Real Estate Index. Urbis finished November at €25.96, or 4 cents short of the offer price.

Fonciere des Regions and Bail Investissement, two French real estate companies completed their merger to create France's fourth largest real estate company. The merged company has a market value of €3 billion. Bail Investissement shareholders received one new Fonciere des Regions share for every two shares held. Fonciere des Regions paid shareholders an extraordinary dividend of €2 per share. Fonciere des Regions issued new shares and its free float weighting in the index changes to 50% effective 2 November. Fonciere des Regions moved 1.8%.

To round up the corporate actions in Europe, Medical Property Investment Fund changed its name to Assura on 1 November and Belgium real estate player Leasinvest Real Estate issued new shares during the month. The free float of Leasinvest was changed from 50% to 75% on 13 November in the FTSE EPRA/NAREIT Global Real Estate Index.

German REIT legislation became a little clearer in November. The German Cabinet approved the introduction of the G-REIT, however before the legislation is finalized it must be discussed in Parliament. There is a chance that Parliament may change some aspects of the exact composition of the structure in these discussions. Residential REITs will not be allowed under the current proposal.

North America

Over the Atlantic, US real estate stocks gained 4.7% in USD terms in November. EPRA/NAREIT Canada (CAD) also hit a positive during the month, adding 5.7%. At an aggregate level, the EPRA/NAREIT North America Index (USD) was up 4.7% during the month. 36 months rolling volatility in North America is the highest of the three regions, currently standing at 16%.

Country	Nov-06 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
North America (USD)	4.7	38.5	205.1	25.0
United States (USD)	4.7	39.1	202.1	24.7
Canada (CAD)	5.7	27.1	173.4	22.3

Source: EPRA

Heading the North American performers was Boardwalk REIT (+18%) following strong Q3 results. Completing the movers and shakers in the region, Health Care Properties added 17%, and Saul Centers, The Mills Corporation and Canadian REIT all chalked up 15% in November. On the flip-side, GMH Communities Trust of Canada held up the North America list (-11%).

The big story in the FTSE EPRA/NAREIT Global Real Estate Index was in the United States in November. Sam Zell's Equity Office received \$20 billion buyout offer from Blackstone Group. Blackstone Group offered \$48.50 per share. Chicago based Equity Office owns, or has interests in 580 offices, from New York and Washington to Los Angeles. The FT cited Zell as saying, "the decision to sell the company was the result of an unsolicited offer at a price that the board and I thought required the opportunity to endorse. He continued to add that, "the wave of public to private showed that the REIT market has matured and there is a market for control." Equity Office ended the month 13.4% higher, \$0.30 lower than the actual offer price.

Global Signal and Crown Castle International announced a definitive merger agreement in October. Each Global Signal share can be exchanged for either 1.61 Crown Castle share or US\$55.95 in cash. The deal values Global Signal at US\$3.9 billion. The deal doubles the number of wireless towers owned by Crown Castle to 23,500. The deal is expected to be completed in the first quarter of 2007. Global Signal ended November 2.2% higher.

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Health Care REIT (HCN) and Windrose signed a definitive merger agreement in which HCN will acquire Windrose for approximately \$877 million, including the assumption of Windrose outstanding debt, which totaled approximately \$426 million as of June 30, 2006. The combined company would own more than 550 properties in 37 states. The transaction is expected to be completed by the end of the year and is subject to approval by Windrose shareholders (special meeting on 14 December). Under the terms of the agreement, each outstanding share of Windrose will be exchanged for 0.4509 shares of Health Care REIT common stock. Windrose Medical Properties gained 0.3% in November and Health Care REIT was 1.57% for the month.

Kimco Realty, the largest owner of US community shopping centres, completed its purchase of Pan Pacific Retail Properties for US\$2.9 billion. The deal means Kimco can expand on the west coast of the US. New York based Kimco paid US\$70 per share for San-Diego based Pan-Pacific. Pan-Pacific Retail was deleted from the FTSE EPRA/NAREIT Global Real Estate Index effective 1 November. Kimco moved up 4.3% of the course of the month.

Morguard Corp and Revenue Properties Ltd acquired Sizeler Property Investors for \$324 million, or \$15.10 per share. The Sizeler portfolio consisted of 30 retail and apartment properties. Three separate advisory groups recommended that shareholders accept the Morguard and Revenue Properties offer and subsequently Sizeler shareholders voted overwhelmingly to approve the transaction at a special shareholder meeting on 8 November. Sizeler was deleted from the FTSE EPRA/NAREIT Global Real Estate Index with effect from 13 November. Morguard Corp was 7.7% in November.

Morgan Stanley Real Estate completed its bid for Glenborough Realty in November. Glenborough was deleted from the FTSE EPRA/NAREIT Global Real Estate Index on 30 November. The deal offered Glenborough shareholders US\$26 per share. Shareholders made over 45% in 2006.

The next round of FTSE EPRA/NAREIT Global Real Estate Index quarterly reviews will be held on Wednesday 6th December. 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 November, there were a total of 326 stocks in the index.

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The following table highlights the performance of regions and countries over a number of time periods:

Index Description	Curr	Close Value 30-Nov	Div Yld (%) 30-Nov	Total Rtn (%) QTD	Total Rtn (%) Nov-06	Total Rtn (%) YTD	36 Mths Vlty (%)
Global	EUR	2,745.19	3.07	6.08	1.15	23.30	11.92
Asia	EUR	1,906.32	2.99	5.10	0.84	15.07	13.06
Europe	EUR	3,543.23	2.17	7.47	2.41	37.28	10.29
North America	EUR	3,333.08	3.53	6.12	0.79	23.27	15.15
Global Ex-Asia	EUR	3,343.42	3.11	6.54	1.28	27.10	12.85
Global Ex-Europe	EUR	2,537.16	3.31	5.71	0.81	20.09	13.18
Global Ex-North America	EUR	2,513.38	2.66	6.04	1.47	23.34	10.53
Asia	EUR	1,906.32	2.99	5.10	0.84	15.07	13.06
Pure Asia	EUR	1,965.21	2.54	5.16	0.58	15.97	13.63
Japan	JPY	3,506.53	1.02	6.08	- 0.98	17.82	23.19
Australia	AUD	2,780.06	5.38	6.18	5.23	24.32	8.42
Pure Australia	AUD	2,947.96	1.02	7.91	5.69	31.16	8.98
Hong Kong	HKD	1,807.24	2.33	7.05	6.36	30.98	20.25
Singapore	SGD	1,787.57	2.59	16.27	10.48	56.34	16.69
New Zealand	NZD	1,374.63	6.29	- 0.03	0.74	12.92	-NA-
Europe	EUR	3,543.23	2.17	7.47	2.41	37.28	10.29
Europe Net Index	EUR	2,224.37	1.63	7.42	2.40	36.77	-NA-
Euro Zone	EUR	3,707.53	2.60	4.77	2.72	38.40	10.68
Euro Zone Net Index	EUR	2,237.47	1.95	4.66	2.69	37.42	-NA-
Europe Ex UK	EUR	3,833.17	2.53	5.84	3.21	36.71	10.68
Europe Ex UK Net Index	EUR	3,768.82	1.90	5.75	3.18	35.72	10.76
Europe Liquid 40	EUR	3,504.12	2.15	7.60	2.30	39.40	10.89
Europe Liquid 40 Net Index	EUR	3,445.77	1.61	7.55	2.29	38.91	-NA-
Europe Liquid 40 Ex UK	EUR	4,045.81	2.63	5.24	3.00	39.34	11.26
Europe Liquid 40 Ex UK Net Index	EUR	3,917.35	1.97	5.13	2.97	38.31	-NA-
UK	EUR	3,322.76	1.80	9.09	1.59	37.66	12.51
UK Net Index	EUR	2,198.50	1.35	9.09	1.59	37.66	-NA-
Netherlands	EUR	3,338.53	4.30	1.31	- 0.26	29.64	12.34
France	EUR	4,614.50	2.36	7.80	3.81	54.91	15.05
Austria	EUR	1,883.76	0.10	4.37	3.15	18.64	5.11
Sweden	EUR	4,645.42	3.53	9.97	3.70	29.69	21.20
Germany	EUR	1,625.85	1.68	2.17	4.34	42.50	18.58
Switzerland	EUR	1,840.14	1.45	3.08	1.73	15.01	10.10
Belgium	EUR	2,143.59	5.48	- 1.46	- 2.81	13.45	8.37
Italy	EUR	4,936.58	1.98	17.57	13.57	42.85	17.27
Denmark	EUR	720.77	0.51	24.63	10.16	14.27	41.41
Finland	EUR	4,774.36	3.62	10.06	4.75	42.39	17.80
Poland	EUR	2,061.18	-	41.82	24.24	137.90	-NA-
UK	GBP	3,618.33	1.80	8.41	2.30	35.01	12.84
UK Net Index	GBP	1,897.06	1.35	8.41	2.30	35.02	-NA-
Switzerland	CHF	1,831.04	1.45	3.06	1.76	17.50	10.29
Sweden	SEK	4,947.22	3.53	7.42	2.03	25.29	21.49
Denmark	DKK	723.23	0.51	24.60	10.19	14.22	41.48
Poland	PLN	2,433.33	-	36.27	22.39	136.30	-NA-
Nth America	USD	4,217.06	3.53	11.04	4.68	38.53	15.38
United States	USD	4,198.37	3.46	11.37	4.75	39.13	15.69
Canada	USD	4,831.80	4.54	6.90	3.68	30.03	13.42

Source: EPRA

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Schiphol Boulevard 283 1118 BH Schiphol Airport The Netherlands
 T +31 (0)20 405 3830 F +31 (0)20 405 3840 E info@epra.com
 W www.epra.com