



November 2007

FTSE EPRA/NAREIT Global Real Estate Index

The FTSE EPRA/NAREIT Global Real Estate Index fell heavily (-9%) in November after holding up for the previous three months. Global equity markets (+70bps) headed up, while the bond market added 70bps. All three real estate regions fell back. Asia-Pacific real estate fell 7.4%, Europe lost 9.5% and North America ended 10.6% in the red. Year to date the Asia-Pacific region remains ahead (+9.2%). Both North American (-19.5%) and European (-28.9%) real estate stocks are firmly behind in 2007. 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 18.8% annually, Global equities advanced 12.8% in comparison, and Global bonds added 3.4%. As a result, over the total five-year period, Global real estate returned 113%, Global equities gained 66% and Global bonds advanced 20%.

Asset Classes (EUR)	Nov-07 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Global Real Estate	-9.0	-11.8	113.0	18.8
Global Equities	0.7	8.5	66.1	12.8
Global Bonds	0.7	3.7	20.1	3.4
Europe Real Estate	-9.5	-28.9	124.6	22.4
N. America Real Estate	-10.6	-19.5	73.5	14.1
Asia Real Estate	-7.4	9.2	167.8	23.5

Source: EPRA/FTSE/JP Morgan

Asia-Pacific

In the Asia-Pacific region, the performance of the countries was, on the whole, poor during the month. Performance ranged from a climb of 70bps for EPRA/NAREIT Hong Kong (HK\$), to a fall of 12.2% for EPRA/NAREIT Singapore (SG\$). EPRA/NAREIT New Zealand (NZ\$) lost 5.5%, EPRA/NAREIT Australia (A\$) fell 6.2% and EPRA/NAREIT Japan (JPY) ended the month 10.5% down. Asia-Pacific 36 months rolling volatility is 12%, the lowest of the three regions.

Country	Nov-07 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Asia (EUR)	-7.4	9.2	167.8	23.5
Australia (AUD)	-6.2	-1.2	123.5	20.0
Hong Kong (HKD)	0.7	61.5	349.1	35.3
Japan (JPY)	-10.5	-3.4	236.3	27.9
Singapore (SGD)	-12.2	8.5	345.7	39.0
New Zealand (NZD)	-5.5	-8.1	-NA-	-NA-

Source: EPRA

Not surprisingly, Hong Kong heads up the top performers. On top of the Asian performers in November was Sino Land (+15%). Sino Land's Chairman, Robert Ng forecasts that property prices will rise 30% in 2008 according to local paper the Standard. In addition, the paper reported that Sino plans to double its land bank in mainland China. Sun Hung Kai Properties jumped 11%, followed by New World Development (+8%) and Kerry Properties (+5%). ORIX J-REIT (+4%) of Japan completed the top five Asian performers. Goldcrest, the Japanese residential player held up the Asian performers in November, ending the month 24% down.

Developer Multiplex received a takeover offer by Canadian based Brookfield Asset Management at A\$5.05 per share in June. The Multiplex board recommended the offer in July, with only a limited chance of a superior offer emerging. Multiplex was deleted from the FTSE EPRA/NAREIT Global Real Estate Index effective 2 November.

Property prices in Hong Kong, one of the world's most expensive cities for luxury homes, are advancing as record stock prices and a four year economic expansion boost buying power. In addition, mainland Chinese businessmen looking across the border for property

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investments are also feeding demand. In China, property prices in 70 of China's largest cities jumped 8.2 percent on average compared against 12 months ago, according to the National Development and Reform Commission. Prices for Shenzhen, which borders Hong Kong, increased at more than twice that pace.

Property managers believe that J-REITs may be ripe for takeovers in a report by Bloomberg. Share prices have fallen and stricter guidelines have raised costs. Regulations to boost investor protection went into effect on 30 September, raising compliance costs which make it difficult for smaller real estate managers to survive. REITs trading at less than their net asset value are likely takeover targets according to the report. Thirty out of the 40 REITs listed on the TSE trade below their net fixed asset value according to Bloomberg calculations.

Mapletree Investments plans to list a Singapore based REIT with up to US\$2.4 billion of properties in the next six months according to CEO Hiew Yoon Khong. Properties may include VivoCity, Singapore's largest mall and St. James Power Station, an entertainment and nightclub complex.

Lippo-Mapletree Indonesia Retail Trust plans to raise as much as SG\$516.4 million in an IPO in Singapore to invest in Indonesian malls. Lippo-Mapletree, controlled by the Lippo Group, wants to add shopping centres after Indonesia's consumer confidence index rose to an 11 month high in October on optimism wages will increase. The economy is expected to grow 6.3% this year.

Rounding up the corporate actions in the Asia-Pacific region for November, Wing Tai Holdings paid a special dividend of SG\$0.30 and issued rights on the terms 1 for 10 at SG\$2.05.

Europe

In November, the EPRA/NAREIT Europe Index fell back again (-9.5%). The heavily weighted UK market fell 9.4% and France (-7.6%) ended the month not too far behind. The Netherlands (-3.7%) and Sweden (-6.1%) both posted losses. All European countries stand firmly on negative territory year to date. The UK (-35%) is most affected, followed by France (-17%), Sweden (-14%), and the Netherlands (-9%). At a composite level, EPRA/NAREIT Europe Index is down 28.9%. Broad European volatility stands at approximately 14%.

Country	Nov-07 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Europe (EUR)	-9.5	-28.9	124.6	22.4
UK (GBP)	-9.4	-34.9	117.8	21.5
Netherlands (EUR)	-3.7	-9.4	143.5	23.1
France (EUR)	-7.6	-17.0	226.5	32.4
Sweden (SEK)	-6.1	-14.0	214.7	30.8

Source: EPRA

Heading the European performers in November was Dutch retail player VastNed Retail (+13%). Intervest Offices of Belgium moved up 8%, followed by three UK listed companies. UK Commercial Property added 6%, Big Yellow Group and Shaftesbury both advanced 2%. Invesco Property Income Trust ended the month at the bottom of the European performers, down 48%.

Dutch property company VastNed Retail received a hostile takeover bid of €70 per share from IEF Capital in November. IEF Capital is a joint venture between two Dutch investment firms. The bid values VastNed Retail at €1.14 billion or €70 per share. On 26 November, Kempen & Co, acting as the company's adviser issued a letter inviting "indication of interest" asking potential bidders to provide information such as estimate of purchase price and price assumptions.

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Land Securities announced in November that it will demerge its retail, London property and Trillium property management operations. Company CEO, Francis Salway said that the decision to create three new specialist tax-friendly REITs was driven by the desire to improve shareholder returns.

Following the Land Securities announcement, Bloomberg reported that British Land has no plans to split citing CEO Stephen Hester. Despite losing considerable ground in terms of market value so far this year, Hester said that this would not spur the company to separate its office and retail units. "We are very clear that the best way to outperform, to increase real profit and real value over time is to keep the current structure."

Invesco Property Income Trust announced that it plans to sell £100 million worth of properties from its £465 million portfolio to reduce debt and avoid breaching the terms of a bank loan. The fall in the value of properties was announced at the company's half year statement. The value of the properties declined 5.9 percent in the three months to 30 September. The fall pushed the company's £292 million of debt to 63 percent, two percentage points short of the maximum leverage allowed by bank loan agreements.

Bloomberg reports that Nakheel PJSC, the Dubai, United Arab Emirates said that it may buy into the UK REIT market. Chief Financial Officer Kar Tung Quek said that, "UK REITs are trading at a 30-40 percent discount and that's a huge opportunity." He continued, "There is no REIT market in Dubai yet, so we'll be looking to build an international portfolio." Nakheel has US\$30 billion of projects underway in Dubai but is seeking to diversify from domestic construction projects by expanding overseas and into fund management.

German News Digest reports that German postal services group Deutsche Post plans to sell properties worth €1 to €2 billion. According to the report, U.S. investment bank Morgan Stanley will manage the divestment. The package comprises more than 1,000 real estate properties, which are not required for operational purposes, such as administrative buildings and halls. A spokesperson for Deutsche Post declined to comment. Overall, the company owns properties worth €5.2billion.

Italian REITs are expected to begin trading on the Milan stock exchange in spring 2008 according to the exchange. The Italian government recently approved measures for the introduction of REIT legislation, although market players are still waiting for publication in the government's Gazzetta Ufficiale. The exchange believes that there are approximately 50 potential groups that could list as Italian REITs (or SIQs).

French retailer Casino plans to sell stores, warehouses and shopping centres worth approximately €650 million in order to focus on its core business. A partnership which includes BNP Paribas will takeover 255 French shops the company said in a statement. Carrefour is also breaking property from their core operating businesses so they can benefit from tax advantages and show the land's full value on their books. The shops to be transferred to AEW Immocommercial are worth €455 million.

Spain's ruling Socialist party will include a proposal to introduce REITs in its campaign for parliamentary elections in March reported Cinco Dias in November. Inmobiliaria Colonial's CEO Mariano Miguel said, "We expect the next government to approve REIT legislation in 2008, whoever wins the election. It is essential for the sector that Spain has REITs to be able to compete with our European peers."

Rounding up the corporate actions in Europe, Eurobank Properties exercised a 3 for 2 rights issue at €9 per share, and Allreal Holdings offered shareholders a 1 for 6 rights issue at CHF114. Kungsliden had a special dividend of SEK11.50.

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North America

Over the Atlantic, US real estate stocks ended down 9.4% in USD terms in November. North of the border EPRA/NAREIT Canada (CAD) fell 4.4%. At an aggregate level, the EPRA/NAREIT North America Index (USD) ended 9.3% lower over the month. At the end of November, North America is 10.4% down for the year. 36 months rolling volatility in North America remains the highest of the three regions at 16%.

Country	Nov-07 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
North America (USD)	-9.3	-10.4	156.0	22.7
United States (USD)	-9.4	-11.7	150.2	22.2
Canada (CAD)	-4.4	-9.1	125.4	18.7

Source: EPRA

American Financial Realty (+19.7%) topped the North American list following the offer by Gramercy. Specialist operator Corrections Corporation of the United States added 7.9%. Canada featured heavily in the North American performers list in November - Northern Property REIT (+6%), Cominar REIT (+5%) and Boardwalk REIT (+4%) completed the top five. U-Store-It Trust dropped 22% to shore up the North American constituents.

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.

The United States and Canada have seen plenty of M&A activity in 2007. A total of 22 deals have taken place involving constituents of the FTSE EPRA/NAREIT Global Real Estate Index. The total deal size was US\$104 billion with a weighted average premium on announcement of 19%. The largest deal was the Equity Office takeover by Blackstone, the total value approximately US\$34 billion. Archstone Smith was the next largest at US\$20 billion. Five of the 22 deals occurred in the Canadian market, Retirement Residences being the largest at US\$2.8 billion.

Month	Target	Country	Acquirer	Total Value US\$ (m)	Announced Premium (%)
Jan-07	Global Signal	USA	Crown Castle International	5,669	12.26
Jan-07	CentraCore Properties Trust	USA	Geo Group, Inc.	391	15.75
Jan-07	Retirement Residences REIT	Canada	Public Sector Pension Investment Board	2,751	15.32
Jan-07	Reckson Associates Realty Corp.	USA	SL Green Realty Corp.	5,823	1.06
Feb-07	Equity Office Properties Trust	USA	The Blackstone Group	34,102	30.91
Feb-07	Trustreet Properties	USA	General Electric Corp.	2,866	35.96
Mar-07	Columbia Equity Trust	USA	JP Morgan Chase & Co.	357	13.88
Mar-07	BNP Residential Properties	USA	Babcock and Brown	694	41.35
Apr-07	Mills Corporation	USA	Simon Property Group and FCM Ventures	5,716	26.9
Apr-07	Alexis Nihon	Canada	Homburg Invest Inc.	951	-0.4
Apr-07	New Plan Excel Realty Trust	USA	Centro Properties Group	5,234	-0.21
Apr-07	Sunrise Senior Living REIT	Canada	Ventas Inc.	2,157	-0.18
Jul-07	Innkeepers USA Trust	USA	Grand Prix Acquisition Trust	1,353	6.67
Jul-07	Winston Hotels Inc.	USA	Inland America Real Estate	670	7.26
Jul-07	Highland Hospitality Corp.	USA	JE Roberts Companies	1,807	7.12
Aug-07	Spirit Finance Corp.	USA	Redford Holdco LLC	3,312	11.62
Aug-07	Crescent Real Estate Corporation	USA	Morgan Stanley Real Estate	4,429	11.02
Sep-07	Legacy Hotels REIT	Canada	LGY Acquisition LP	2,368	1.14
Oct-07	Canadian Hotel Trusts	Canada	British Columbia Investment Management	1,177	20.79
Oct-07	Republic Property Trust	USA	Liberty Property Trust	797	22.86
Oct-07	Archstone-Smith	USA	River Holding	19,957	16.65
Oct-07	Equity Inns	USA	Whitehall Street Global Real Estate	1,933	16.18
				104,514	19.04

Source: FTSE EPRA/NAREIT Global Real Estate Index

Hamid Moghadam, CEO of AMB Property said that the company intends investing in China, Singapore, Korea, India and Japan. Moghadam said, "In terms of new activity, Asia represents a very significant focus - we expect the market to be a very significant contributor to our annual activity." The world's second largest industrial REIT plans to

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raise as much as US\$4 billion in Asia next year to invest in the region's growing market for warehouses and shipping sites.

The next round of FTSE EPRA/NAREIT Global Real Estate Index quarterly reviews will be held on Wednesday 12th 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 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 31 November, 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 30-Nov	Div		Total		Total Rtn (%) Nov-07 YTD	36 Mths Vlty (%)
			Yld (%) 30-Nov	Rtn (%) QTD	Rtn (%) Nov-07	Rtn (%) YTD		
Global	EUR	2,499.31	3.55	- 8.28	- 9.04	- 11.84	13.81	
Asia	EUR	2,209.09	2.73	- 4.42	- 7.36	9.23	13.29	
Europe	EUR	2,742.65	3.48	- 11.31	- 9.55	- 28.86	15.79	
North America	EUR	2,652.06	4.51	- 10.97	- 10.65	- 19.53	17.70	
Global Ex-Asia	EUR	2,635.58	4.17	- 11.05	- 10.28	- 22.69	15.92	
Global Ex-Europe	EUR	2,407.33	3.57	- 7.56	- 8.93	- 6.78	14.31	
Global Ex-North America	EUR	2,526.09	2.96	- 6.61	- 8.03	- 6.22	12.73	
Asia	EUR	2,209.09	2.73	- 4.42	- 7.36	9.23	13.29	
Pure Asia	EUR	2,295.61	2.26	- 3.69	- 6.59	10.27	13.74	
Japan	JPY	3,616.04	1.21	- 10.42	- 10.52	- 3.40	24.72	
Australia	AUD	2,943.90	5.75	- 6.45	- 6.24	- 1.17	11.85	
Pure Australia	AUD	3,061.83	5.68	- 6.84	- 6.03	- 3.47	12.15	
Hong Kong	HKD	3,101.10	1.53	12.53	0.71	61.46	17.70	
Singapore	SGD	2,032.66	2.49	- 15.58	- 12.19	8.53	20.58	
New Zealand	NZD	1,436.22	6.16	- 4.83	- 5.48	- 8.11	-NA-	
Europe	EUR	2,742.65	3.48	- 11.31	- 9.55	- 28.86	15.79	
Europe	EUR	2,077.07	-	- 11.74	- 9.67	- 30.77	15.90	
Euro Zone	EUR	3,169.05	3.89	- 9.40	- 8.01	- 21.13	15.58	
Euro Zone	EUR	2,251.47	-	- 10.04	- 8.16	- 23.46	15.77	
Europe Ex UK	EUR	3,324.98	3.92	- 8.80	- 8.01	- 19.69	15.45	
Europe Ex UK	EUR	2,390.97	-	- 9.34	- 8.13	- 22.09	15.60	
Europe Liquid 40	EUR	2,686.11	3.38	- 11.10	- 9.49	- 30.09	16.54	
Europe Liquid 40	EUR	1,985.96	-	- 11.55	- 9.60	- 31.97	16.68	
Europe Liquid 40 Ex UK	EUR	3,578.22	3.94	- 8.63	- 7.80	- 18.95	15.96	
Europe Liquid 40 Ex UK	EUR	2,468.93	-	- 9.29	- 7.93	- 21.50	16.21	
UK	EUR	2,238.22	2.86	- 14.56	- 11.59	- 38.55	18.91	
UK	EUR	1,776.81	-	- 14.84	- 11.73	- 40.00	18.97	
Netherlands	EUR	3,298.21	5.41	- 2.64	- 3.66	- 9.45	15.50	
France	EUR	4,138.44	3.68	- 11.27	- 7.59	- 17.01	19.20	
Austria	EUR	1,361.79	2.51	- 13.00	- 11.67	- 31.59	14.74	
Sweden	EUR	4,189.31	6.62	- 6.02	- 7.87	- 17.24	23.77	
Germany	EUR	1,164.27	3.52	- 9.19	- 11.93	- 33.53	22.70	
Switzerland	EUR	1,651.33	2.11	- 6.08	- 5.63	- 15.09	12.73	
Belgium	EUR	2,056.25	5.98	1.09	- 0.55	- 7.34	10.65	
Italy	EUR	3,490.95	2.46	- 13.12	- 11.22	- 37.75	23.62	
Denmark	EUR	608.37	-	- 18.12	- 16.45	- 7.60	44.01	
Finland	EUR	4,348.11	3.97	- 13.97	- 13.98	- 21.32	22.96	
Poland	EUR	2,476.92	-	2.23	- 9.33	22.62	-NA-	
UK	GBP	2,581.92	2.86	- 12.62	- 9.38	- 34.89	18.64	
UK	GBP	2,049.92	-	- 12.91	- 9.52	- 36.42	18.70	
Switzerland	CHF	1,714.72	2.11	- 6.31	- 6.73	- 12.58	13.69	
Sweden	SEK	4,613.15	6.62	- 4.21	- 6.13	- 14.00	24.29	
Denmark	DKK	610.59	-	- 18.09	- 16.41	- 7.57	44.05	
Poland	PLN	2,767.86	-	- 2.02	- 9.71	15.67	-NA-	
North America	USD	3,715.64	4.51	- 8.11	- 9.34	- 10.42	16.29	
United States	USD	3,641.78	4.42	- 8.06	- 9.36	- 11.73	16.70	
Canada	USD	5,092.85	5.45	- 8.69	- 9.16	5.77	13.92	

Source: EPRA