



EPRA/NAREIT Global Real Estate Index

Global Overview – US Interest rate fears hit Global Real Estate

Global Real Estate recorded its first monthly loss in 2004. In fact, since April 2003, this is only the third negative monthly performance. The EPRA/NAREIT Global Real Estate Index posted a fall of 8.7% during the course of April. In comparison, the Global Equity market increased 47bps and Global Bonds fell 1.4%. All three regions took a step back in April. North America (- 11.8%) was hardest hit during the month. Asia fell 6.6% and Europe finished the month with a decrease of 2%. All returns are expressed in EUR.

Using annualised returns, over a five years period, Global Real Estate outperformed Global Equities and Global Bonds significantly. On average, Global Real Estate returned 9.1% annually, Global Equities declined 3.8% in comparison, and Global Bonds added 5.6% per annum. As a result, over the total five years period, Global Real Estate returned 45.5%, Global Equities lost 19.2% and Global Bonds added 27.9%.

Asia / Pacific

In Asia, the least volatile country in the Asian/Pacific region Australia, fell 2.4% in April. Volatility in Australia is currently at the 8% mark, reflecting the stable and mature nature of the LPT structure.

Big news in April was the merger proposal of Westfield Holdings, Westfield Trust and Westfield America Trust, which will create the world's largest, listed retail property group. The new entity, to be known as Westfield Group, will be internally managed and based in Australia. The proposal will create a group with AUD 34 billion of property assets and interests in 123 shopping centres with 19,500 retailers in Australia, New Zealand, the United States and the United Kingdom. Westfield chairman, Frank Lowy said at the announcement, "The rationale for the proposal is all about growth – to create a global operating and financial structure to match global opportunities". Westfield Trust, the only Australian stock (in the EPRA/NAREIT Australia Index) to finish on positive ground in April, jumped 10.9%. Westfield Trust also topped the Asian performance rankings in April.

In a reaction to the Westfield proposal, the Sydney Morning Herald reported on 25 April that Lend Lease Corp and General Property Trust could merge to create a group worth AUD 11 billion. General Property fell 2.2% in April.

Two Macquarie trusts slotted into second and third place in the Australian performers list. Office investor Macquarie Office Trust had 83bps knocked off its value, and on the industrial side, Macquarie Goodman Industrial fell 1.2%. At the other end of the performance scale, Mirvac Group ended the month 9.7% down, losing the most ground of the Australian stocks.

EPRA/NAREIT Japan (JPY) reversed 6.5% during April, the second worst country performance in Asia. Office J-REIT, the Nippon Building Fund (+ 3.1%) headed the best performers. Residential developer Goldcrest added 1.4%. The remaining Japanese stocks were down for the month. Biggest loser was Daikyo. The residential developer fell 10.2%. J-REIT Japan Real Estate fell 8.1% and Sumitomo Realty & Development lost 8.4% of its value.

Of the Asian countries, developer dominated Hong Kong headed furthest south. The EPRA/NAREIT Hong Kong Index (HKD) fell 6.8% in April. At a stock level, all Hong Kong stocks lagged behind. Diversified developer Sino Land (- 2.1%) was the only Hong Kong stock in the Asian top 15. In March, Hong Kong property sales almost trebled in March, gaining for the sixth consecutive month. The Land Registry announced that sales of apartments, factories and offices had surged to HKD 40.9 billion in March from HKD 14.3 billion in the same period last year. Hong Kong's economy grew by 3.3% last year, with a government forecast of 6% 2004. Looking at the overall Hong Kong market, Moody's report

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says that the uptrend is due to a variety of factors, including improved performances by the Hong Kong and US economies, a growing Chinese economy, and huge levels of liquidity due to historic low interest rates. Furthermore, the upsurge in Mainland visitors has fuelled a recovery in the retail sector. However, recent fears of a rise in interest rates in China had a negative impact this month.

S-REIT, Ascendas (+ 7.7%) scored positively in April, preventing the EPRA/NAREIT Singapore Index (SGD) from further losses (- 3.4%). The remaining Singapore companies disappointed during the month. Worst hit was office developer Keppel Land (-14.4%). On a more positive note, the Singapore government announced its decision to sell off development sites in a four-hectare downtown real estate project in a bid to raise funds for infrastructure projects. The site, next to Singapore's financial district, will include apartments and retail outlets. The sale comes as Singapore is projecting its strongest economic expansion in four years, with the government predicting the \$94 billion economy expanding as much as 5.5% in 2004.

Volatility in Hong Kong, Japan and Singapore stands in the 29-32% range. Australia is 8%. All returns are quoted in local currency.

Europe

The EPRA Europe Index (EUR) shed 2% in April, reversing the gains made in March. Nevertheless, Europe had an excellent start to 2004 (year to date + 11.2%). EPRA France, one of the largest countries in Europe, led the slip (- 5.3%). EPRA Spain (- 4.2%) also disappointed investors. The largest country/index by market capitalisation, the EPRA UK Index (GBP) fared in a more robust manner, compared against its peers, cooling -44bps in April. EPRA Netherlands and EPRA Sweden stepped back 1.9% and 3.1% respectively, during the fourth month of the year. EPRA Switzerland (+55bps) and its neighbour, EPRA Germany (+1.1%), were the only European countries to climb in April. Broad European volatility stands at approximately 14%.

The UK was heavily represented in the list of best stock performers in April. UK industrial investor Ashtenne added 8.7% to head the UK stocks. Ashtenne headed the list in March with a strong advance of 15.1%. Birmingham based developer St. Modwen added 3.9% and office investor Derwent Valley was hot on its heels with a gain of 3.5%. Topping the European and Global performers was JM, the Swedish residential developer. JM reacted strongly during difficult month for real estate stocks, with an impressive gain of 11.1%. JM paid its annual dividend of SEK 5 during the month, boosting total return. The only Dutch stock to reach the top 20 performers, Vastned Offices, added 4.7%. The large stocks in the EPRA Europe Index, in general, weakened. Land Securities (+50bps) was the only heavy weight to add value during the month. British Land (-26bps), and Liberty International (-1.8%) both lost ground. On the European mainland, retail investor Rodamco Europe fell 3.5% and Unibail reversed 7.4%.

A diversified mix of country stocks comprised the bottom of the performance ranking during the month. UK stocks Freeport (-10.7%), and Grainger Trust (-8.3%) propped up the European performers. Castellum, the Swedish diversified investor, fell 8.1% and Unibail weakened, as mentioned earlier. In Spain, Inmobiliaria Colonial slipped 7.1%.

Corporate activity in Europe continues. GE Real Estate owns 88.8% of the capital and 96.8% of the voting rights of Sophia (France). Office investor Sophia fell 6.7% in April. The company announced that net profit for 2003 fell 23% to EUR 82 million.

Chelsfield, the UK retail developer was removed from the index, effective 22 April, following the announcement that the bid by Duelguide was declared wholly unconditional.

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Morgan Stanley and Brascan Corp battle for control of Canary Wharf continues. Morgan Stanley raised its bid to 295p per share for the developer. Canary Wharf climbed 86bps to close at 293p on 30 April. Morgan Stanley's bid values Canary Wharf at GBP 1.7 billion.

Diversified investor, Tornet of Sweden, is currently under offer by LRT Acquisition AB, a company 60% controlled by Lehman and 40% by Stockholm based Ratos AB. LRT currently hold approximately 82% of Tornet shares. Directors Mr. Lerheden and Goran Collert informed the Chairman of Tornet, Mark Newman, of their resignations on 30 April. A new board will be proposed at the AGM scheduled for 28 June.

Switzerland's largest real estate company PSP Swiss Property agreed to acquire REG Real Estate Group to create a company with properties valued at USD 3 billion. PSP is proposing to exchange 2.19 shares of REG for each PSP share. A vote will take place on 10 May. PSP and REG gained 2.1% and 1.3 respectively.

Benchmark granted GE Real Estate a period of exclusivity, expiring on 8 April 2004, in which to complete due diligence, with a view to making an offer of approximately 280p for the ordinary shares and GBP 103 per GBP 100 of 5.75% Conv. Uns. Ln. Stk 2013. On 30 April, GE Real Estate increased the offer for the CULS to GBP 105. The offer will lapse if a third party bids 308p, or higher, for the ordinary shares, or in excess of GBP 105 for the CULS.

North America

Over the Atlantic, US real estate stocks fell heavily (-13.9%) in USD terms, during the course of the month. EPRA/NAREIT Canada (CAD) where also hit hard with a decline of 10.2%. The EPRA/NAREIT North America Index (USD) lost 14%. The US economy added 308,000 jobs in March, nearly three times economists' expectations and the biggest gain since April 2000. Investors expect the Fed to raise interest rates to prevent job increases from triggering a surge in inflation. Of course, when interest rates move up, the spread between the 10 year Treasury and REIT yields narrows. The effect this month is obvious.

Only two of the 124 North American constituents ended on positive ground in April. Hotel stocks headed the North American sectors in April, for the second consecutive month. Extended Stay America added 62bps to last months leap of 24.7% Extended Stay America announced its acquisition by Blackstone Group of USD 19.63 per share on 5 March. The expected completion date of the deal is in the second quarter. Starwood Hotels fell 1.8% but still achieved third spot in the North America performance table. In fact, of the top 13 performers, seven came from the hotel sector. Corrections Corporation of US proved to be the most profitable stock (+ 2.4%), some would argue a hotel stock in itself! Volatility in US stocks rose significantly from 12% to 15% in April following the sell off. The Canadian figure moved up to 12%.

The United States healthcare and retail sectors saw the heaviest selling during the month, with Universal Health Realty and Mills Corporation both getting crushed 22.7%. Retail investors Taubman Centers, The Macerich Company and General Growth all lost more than 22%. Nationwide Health Investors dived 22.2% during the month. It was a sorry month all round for North American stocks, with the bottom 20 performers list in the red, ranging between 18.6 – 22.7%.

Great Lakes REIT announced on 28 April the completion of its merger with Transwestern Investment Company, who agreed to pay USD 15.65 per share. In the merger, each issued and outstanding Great Lakes share will be cancelled and converted automatically into the right to receive USD 15.65 in cash. Great Lakes was deleted from the index effective 29 April.

Canadian Apartment Properties REIT agreed to buy Residential Equities REIT for as much as CAD 511 million in cash and stock. The deal would almost double Canadian Apartment Properties rental units. Canadian Apartment will gain properties in Edmonton and Vancouver

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for the first time and boost the number of its residential units by 81% to 24,328. CEO Thomas Schwartz said, "I believe we're the only Canadian company where you can see both oceans from our apartment buildings". Canadian Apartment Properties REIT fell 14.6% in April and Residential Equities REIT fared only slightly better (-11.6%) during the same period.

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

Total Return			Div	Total	Total	Total	Total	Total	Total	
Index Description	Curr	Close Valur	Yld (%)	Rtn (%)	Rtn (%)	Rtn (%)	Rtn (%)	Rtn (%)	Rtn (%)	36 Mths
		30-Apr-04	30-Apr-04	- 5 Yrs	- 3 Yrs	- 1 Yr	- 6 Mths	30-Apr-04	YTD	Vity (%)
Global	EUR	1391.83	4.73	9.07	2.57	29.37	6.48	-8.67	6.39	14.79
Asia	EUR	1046.26	3.75	4.31	-0.48	48.04	10.55	-6.66	14.02	19.25
Europe	EUR	1605.78	3.68	12.57	9.83	44.56	18.80	-2.04	11.19	14.18
North America	EUR	1699.53	5.58	12.03	4.24	17.36	0.83	-11.84	1.60	16.36
Global Ex-Asia	EUR	1649.05	5.06	11.93	5.42	23.93	5.31	-9.32	4.08	14.32
Global Ex-Europe	EUR	1323.06	5.00	7.85	1.69	25.90	3.65	-10.27	5.21	16.28
Global Ex-North America	EUR	1271.49	3.72	8.20	4.67	46.28	13.88	-4.63	12.63	16.30
Asia	EUR	1046.26	3.75	4.31	-0.48	48.04	10.55	-6.66	14.02	19.25
Japan	JPY	1625.21	1.36	4.35	4.17	87.67	22.04	-6.51	26.47	29.38
Hong Kong	HKD	978.23	2.37	4.29	2.37	87.31	9.33	-6.78	5.39	31.26
Australia	AUD	1497.22	7.47	10.37	10.89	8.95	7.80	-2.37	3.90	7.73
Singapore	SGD	658.49	4.17	-6.53	2.98	60.69	-1.73	-3.44	2.34	32.13
Europe	EUR	1605.78	3.68	12.57	9.83	44.56	18.80	-2.04	11.19	14.18
Euro Zone	EUR	1646.73	4.88	14.11	14.22	27.81	15.31	-2.96	8.99	12.29
Europe Ex UK	EUR	1694.63	4.66	15.10	13.82	29.95	14.71	-2.62	8.13	12.20
Europe Liquid 40	EUR	1563.95	3.67	11.72	9.14	44.01	18.81	-2.17	10.87	14.32
Europe Liquid 40 Ex UK	EUR	1749.41	4.64	13.58	16.69	30.73	15.39	-2.95	8.25	12.79
Netherlands	EUR	1774.29	6.95	13.89	17.26	25.12	18.25	-1.86	12.78	12.55
France	EUR	1645.11	3.64	17.31	15.06	33.85	14.67	-5.33	6.02	13.93
Spain	EUR	2233.27	3.44	17.94	26.08	47.39	28.32	-4.23	14.69	22.10
Germany	EUR	651.52	5.37	-3.74	-12.48	7.97	-1.88	1.09	1.20	30.61
Italy	EUR	2072.27	2.80	22.61	11.53	36.10	24.61	-2.95	16.02	19.64
Austria	EUR	1270.80	0.00	5.42	9.35	8.68	4.34	0.00	3.02	3.57
Belgium	EUR	1430.30	6.13	6.46	15.27	12.35	6.00	-2.02	4.07	6.29
Finland	EUR	2252.57	5.49	18.56	22.76	44.79	10.87	-5.33	0.98	18.36
Greece	EUR	979.54	1.57	-0.41	-0.68	-2.05	-2.05	-2.05	-2.05	1.19
UK	GBP	1684.31	2.77	11.05	10.33	55.61	21.16	-0.44	9.50	17.28
Switzerland	CHF	1177.35	2.09	4.47	6.05	17.19	13.25	0.55	6.56	6.68
Sweden	SEK	1977.20	4.61	24.96	15.19	50.93	12.03	-3.12	4.47	18.15
Nth America	EUR	1699.53	5.58	12.03	4.24	17.36	0.83	-11.84	1.60	16.36
Nth America	USD	1944.65	5.58	14.88	15.46	26.06	3.97	-14.00	-3.44	15.54
United States	USD	1941.73	5.60	14.90	15.14	25.94	4.08	-13.99	-3.18	15.67
Canada	CAD	1996.92	5.19	13.39	18.19	23.38	6.70	-10.18	-2.02	12.63

Source: EPRA

The EPRA Monthly Statistical Bulletin is available from www.epra.com.

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Notes:

The 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 April, there were a total of 245 stocks in the index.

The EPRA/NAREIT Global RE Index is free float weighted. Full details of the free float weightings for each company are downloadable from the www.epra.com website. The ground rules are also available from the website.

Free downloads are available upon request to the members of the association on a daily basis. Downloads are sent via e-mail at the close of business. The information contained in downloads enables users to accurately benchmark/track against the EPRA/NAREIT Global RE Index series. Contact: info@epra.com.

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