



EPRA/NAREIT Global Real Estate Index

Global Overview – Global Real Estate impressive performance in November

Global Real Estate added an impressive month to its performance year to date (+ 24.1%). The EPRA/NAREIT Global Real Estate Index posted a gain of 6.2% in November. In comparison, the Global Equity market added 78 bps and Global Bonds added 34 bps. The three regions were ahead. Asia added 4.5%, Europe jumped 6.2%, North America pushed forward 11 bps. 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 11.3% annually, Global Equities declined 6.6% in comparison, and Global Bonds added 6.3% per annum. As a result, over the total five-year period, Global Real Estate returned 70.7%, Global Equities lost 28.9% and Global Bonds added 35.8%.

Asia / Pacific

In the Asia/Pacific region, the EPRA/NAREIT Australia (AUD) added 3.1% in November. Merger and acquisition news continues to flow from the Australian market. Macquarie Bank is proposing a merger of Macquarie Goodman Management and Macquarie Industrial Trust to create an AUD 4.5 billion listed property trust. The merged entity will create the largest industrial trust, and the fourth largest trust in Australia. The bank stated that the merged trust will be better positioned to undertake offshore expansion. MGM and MGI shareholders will vote on the proposal in January 2005, with the proposed merger date being early February 2005. Macquarie Industrial Trust added 4.2% in November.

On 26 November, Multiplex had received acceptances of approximately 91% for their AUD 1.3 Bn offer for Ronin Property Group. Multiplex announced that it intended to exercise its right to compulsory acquire the remaining shares in Ronin. The offer closed on 26 November. Ronin was deleted from the EPRA/NAREIT Global Real Estate Index on 30 November. The deal makes Multiplex Australia's fourth largest property trust. Ronin's rental income from its office activities would reduce Multiplex's reliance on earnings from new developments.

On 17 November, investors voted against the AUD 7.3 billion bid proposal by Lend Lease at a special shareholder meeting in Sydney. Of the shareholders who voted, only 68.5% backed the proposal, which required 75% support. Now that Lend Lease's offer has been rejected, GPT shareholders will be asked to consider Stockland's all share proposal. The bid valued GPT at AUD 3.57 per share, 15 cents below the Lend Lease cash and stock offer. GPT ended the month propping up the Asian stocks with a loss of 2.2%.

The EPRA/NAREIT Singapore Index (SGD) ended the month (+ 6.9%) ahead. Ascendas REIT jumped 17%, followed by Keppel Land (+ 14.4%) and CapitaLand (+ 11.9%). Ascendas REIT, Singapore's second largest property trust announced that it is raising USD 400 m, by issuing 180 m new units at SGD 1.55 to fund its acquisition of 13 properties. Half of the offer comes in the form of a 1 for 10 'entitlement' issue, another 38 m will be offered to the public and the remainder sold to investors. The new units are expected to trade as from 1 December

EPRA/NAREIT Hong Kong (HKD) added an impressive 13.9% during the month. Diversified investor Silver Grant (+ 59.8%) headed the Hong Kong stocks, followed by diversified developer New World Development (+ 28.7%) and office investor Hongkong Land (+ 23.8%). Hang Lung announced at 29 November that it is offering 335 million shares at HKD 12 a piece to fund acquisitions of properties. Hang Lung was up 5.2% during the month.

Capitaland CEO, Liew Mun Leong said that the company, which has two of Singapore four REITs, could decide to set up similar REITs in China, Japan, Malaysia and Thailand. The Singapore developer is expanding its business in Asia, looking to an expected surge in investment into the Asian real estate market in the next few years. The company entered

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into an agreement with The Link Management to create the 'The Link REIT' in August. The Link REIT will begin trading on 16 December in the range HKD 10.51 – HKD 10.83. The price will be set on 11 December. The Link REIT is likely to enter the EPRA/NAREIT Global Real Estate Index as at 17 December under the 'fast track' rule. The issue will prove to be the largest Global sale of a property trust. The issue will be backed by eight large investors including AIG, Fidelity, Henderson and ING Clarion, who will buy HKD 4.45 bn of the shares.

The EPRA/NAREIT Japan Index was up 5%. The Japanese development companies headed the performers, with Tokyu Land and Tokyu Tatemono hitting + 14.5% and + 13.4% respectively. NTT Urban Development entered the EPRA/NAREIT Global Real Estate Index on Friday 5 November under the index 'fast track' rule. The sale is part of NTT's efforts to dispose of assets unrelated to its phone businesses as it confronts increased competition from new entrants led by Softbank Corp. NTT Urban Development lost 44 bps since its IPO.

Europe

The EPRA Europe Index (EUR) added 6.2% in November. EPRA Sweden (SEK) led the advance (+ 12%). EPRA Netherlands (+ 5.8%) and EPRA France (+ 4.8%) also responded well. The EPRA UK Index (GBP), the largest country in Europe, added another impressive month, pushing forward 7.0% in November. Of the smaller countries, EPRA Italy and EPRA Denmark recorded gains of 7% and 8% respectively. Broad European volatility stands at approximately 13%.

Marylebone Warwick Balfour Group topped the ranking in Europe with a gain of 23.6%. At 4th October the company announced the acquisition of the award-winning lifestyle hotel brand, Hotel du Vin. Richard Balfour-Lynn, Chief Executive of MWB, said: "This is a fantastic marriage of the two most exciting hotel brands in the UK. There are natural synergies between the two businesses as they are both strong design led brands that place huge emphasis on superior hospitality within funky and unusual buildings in next generation locations that makes each hotel visit an exciting and enjoyable experience".

The boards of TBG CareCo and NHP announced that they have reached agreement on the terms of a recommended cash offer for the entire issued and to be issued share capital of NHP. TBG CareCo is a new company established at the request of the Blackstone Funds specifically for the purpose of making the offer. The terms of the offer enable all NHP shareholders to receive GBP 260 in cash for each NHP Share, valuing the entire issued and to be issued share capital of NHP at approximately GBP 564m. NHP moved forward 6.9% in November.

"Minerva confirms that it is continuing discussions with interested parties", the company said in a Regulatory News Service statement dated 25th Nov. Earlier this year, the Financial Times reported that Minerva could receive bids from as many as 20 interested parties. It is rumoured that Tishman Speyer Properties, Hines, and the Westfield Group, may be among the bidders. The FT reported (without stated the source of the information) that bidders could pay more than GBP 3.00 per share. Lehman Brothers and HSBC Holdings are advising Minerva. The company plans to build the city of London's tallest office tower, towering 712 ft, or 50 floors. Minerva added 2.8% in November.

Helical Bar proposed to return up to GBP 111 m to shareholders and reorganise its shares (5 for 8) in an announcement posted on 25 November. Helical Bar cited the sale of over GBP 150 m of investment properties taking net gearing levels below 15%; which the company believes is an inappropriate level. Helical has traditionally enhanced returns on shareholder's equity by the judicious use of gearing. Helical Bar was up 1.4% during the month.

The family De Pauw, which held 50% of Belgian diversified investor Warehouses de Pauw, announced that it had sold 20% of its shares in a private placement. The placement represented 1.5 million shares at EUR 31.75 per share. The family retains 30% of the company, which it considers strategic. The free float weight of WDP was adjusted to 70% as at 4 November. WDP added 1.5% in November.

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North America

Over the Atlantic, US real estate stocks were ahead 4.6% in USD terms. EPRA/NAREIT Canada (CAD) also hit a positive note, with a gain of 5.4%. The EPRA/NAREIT North America Index (USD) improved 4.6%.

Hotel investor Meristar Hospitality topped the performance rankings in North America with a gain of 16.4% closely followed by Corrections Corp of America (+ 13.7%) and Crescent Real Estate (+ 13.1%). Retail investors were also attractive in November with Ramco Gerhenson (+ 12.7%), Weingarten Realty (+ 12.7%), Saul Centers (+ 12.2%) and CBL & Associates Props (+ 11.8%) all adding 2 digit returns.

At 29th November Tanger Factory Outlet Centers announced that its Board of Directors declared a 2-for-1 split of the Company's common shares. Stanley K. Tanger, Chairman and Chief Executive Officer, said, "As part of our ongoing effort to enhance shareholder value, this split is intended to make the market price of our stock more affordable to a broader group of investors." The ex date of the split is 29th December 2004. Tanger Factory Outlets was positive in November with a gain of 6.1%.

Hotel developer, Boca Resorts leapt forward 1% in November. Blackstone Group agreed to buy the company in November, for approximately USD 1.25 billion. Blackstone, manager of the world's largest buyout fund, will pay USD 24 per share. Boca Resorts owns five resorts in Florida that include hotels, conference facilities, golf courses, spas, marinas and private clubs. The purchase is estimated to be completed late this year/early next year.

Camden Property Trust agreed to buy residential investor Summit Properties for approximately USD 1.9 billion. Under the offer, Summit shareholders can choose to receive either USD 31.20 per share cash, or 0.6687 of a Camden share. Camden Properties (+ 8%) and Summit Properties (+ 5%) both advanced in November.

General Growth Properties' purchase of Rouse Co for approximately USD 7.2 billion in cash was completed in November. Shareholders received USD 67.50 a share. The company also assumed about USD 5.4 billion of debt, in what will be the largest purchase ever of a real estate investment trust. "We are making five years worth of acquisitions in one fell swoop" said John Bucksbaum, Chief Executive at General Growth Property. Rouse was deleted from the EPRA/NAREIT Global Real Estate Index as at 12th November. General Growth Properties added 4%.

At 17 November Realty Income announced the Board of Directors had approved a 2-for-1 stock split. Shareholders of record as of December 2, 2004 will receive one additional share of common stock for each share they own. The ex date of the split is 3rd January 2005. Realty Income improved 4.3% in November.

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

Index Description	Curr	Div	Total	Total	Total	Total	Total	Total	36 Mths Vity (%)
		Yld (%)	Rtn (%)	Rtn (%)	Rtn (%)	Rtn (%)	Rtn (%)	Rtn (%)	
		30-Nov-04	- 5 Yrs	- 3 Yrs	- 1 Yr	- 6 Mths	Oct-04	YTD	
Global	EUR	3.86	11.29	9.16	23.65	12.95	2.43	24.14	12.67
Asia	EUR	2.61	4.46	6.32	25.87	9.90	4.49	24.83	15.90
Europe	EUR	3.56	14.12	18.84	37.04	17.32	6.17	33.93	12.90
North America	EUR	4.62	15.99	7.63	18.17	12.64	0.11	20.46	14.80
Global Ex-Asia	EUR	4.34	15.03	10.45	22.94	13.90	1.67	23.94	12.83
Global Ex-Europe	EUR	3.93	10.30	6.94	20.53	11.89	1.56	21.81	13.87
Global Ex-North America	EUR	3.00	8.93	11.48	30.56	13.11	5.18	28.66	12.83
Asia	EUR	2.61	4.46	6.32	25.87	9.90	4.49	24.83	15.90
Pure Asia	EUR	3.27	4.51	6.39	26.13	10.13	4.56	25.10	15.91
Japan	JPY	1.32	7.64	8.42	31.46	0.51	4.97	26.72	27.08
Australia	AUD	3.89	13.60	14.20	30.25	16.09	3.06	27.72	8.06
Pure Australia	AUD	6.26	13.74	14.43	31.07	16.81	1.83	28.52	8.10
Hong Kong	HKD	2.08	7.66	16.26	42.39	29.62	13.86	34.06	28.77
Singapore	SGD	3.16	- 3.25	13.47	31.04	26.61	6.94	29.83	26.11
Europe	EUR	3.56	14.12	18.84	37.04	17.32	6.17	33.93	12.90
Europe Net	EUR	2.67	-NA-	-NA-	-NA-	17.09	6.15	-NA-	-NA-
Euro Zone	EUR	4.65	14.94	22.32	34.49	20.58	4.93	32.88	11.15
Euro Zone Net	EUR	3.49	-NA-	-NA-	-NA-	20.29	4.88	-NA-	-NA-
Europe Ex UK	EUR	4.49	16.20	22.09	35.43	21.37	5.54	33.49	10.72
Europe Liquid 40	EUR	3.47	13.76	18.90	38.31	18.29	6.44	34.99	13.10
Europe Liquid 40 Net	EUR	2.60	-NA-	-NA-	-NA-	18.01	6.42	-NA-	-NA-
Europe Liquid 40 Ex UK	EUR	4.27	17.25	25.52	37.98	23.54	5.83	35.82	11.15
Europe Liquid 40 Ex UK Net	EUR	3.20	-NA-	-NA-	-NA-	22.80	5.79	-NA-	-NA-
UK	GBP	2.63	14.35	19.99	38.03	18.55	6.97	32.35	16.23
UK Net Index	GBP	1.97	-NA-	-NA-	-NA-	12.52	6.81	-NA-	-NA-
Netherlands	EUR	6.23	17.02	22.47	33.70	19.16	5.79	32.54	12.39
France	EUR	4.29	16.74	25.80	41.96	28.01	4.77	41.16	12.87
Spain	EUR	3.76	22.30	28.14	51.82	35.78	13.27	46.94	17.86
Germany	EUR	4.46	- 5.54	- 4.17	15.91	14.21	3.91	18.62	29.92
Belgium	EUR	5.95	9.31	13.85	17.11	10.19	2.85	14.72	5.52
Austria	EUR	-	6.26	9.26	10.19	6.95	2.37	9.84	3.89
Italy	EUR	1.86	19.45	15.57	45.59	20.13	7.02	40.94	18.60
Finland	EUR	4.70	21.87	28.84	20.76	18.38	5.45	17.84	17.49
Greece	EUR	2.44	- 4.23	- 6.95	- 19.43	- 23.35	0.67	- 19.43	10.18
Denmark	EUR	3.45	- 29.57	- 48.09	48.60	14.86	7.97	46.10	61.85
Switzerland	CHF	3.68	4.97	10.04	18.38	9.34	0.02	18.59	6.33
Sweden	SEK	3.76	23.34	25.31	49.91	33.42	11.96	44.80	16.96
Nth America	EUR	4.62	15.99	7.63	18.17	12.64	0.11	20.46	14.80
Nth America	USD	4.62	21.59	22.74	31.01	22.85	4.60	26.92	14.36
United States	USD	4.59	21.49	22.40	31.06	22.55	4.55	27.10	14.55
Canada	USD	5.12	25.02	30.02	30.07	27.95	5.43	23.78	13.42

Source: EPRA

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

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 November, there were a total of 244 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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