



EPRA/NAREIT Global Real Estate Index

Slow start to 2005 for Global Real Estate

The EPRA/NAREIT Global Real Estate Index posted a loss of 49bps in January. It is worth recapping that over the course of 2004, Global Real Estate recorded a very impressive performance of +28%. In January, Global Equity market added 1.9% and Global Bonds added 96bps. The three regions had a mixed start to the year. Asia added 3.9% and Europe pushed forward 2.2%, however North America fell 3.8%. 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 10.3% annually, Global Equities declined 6.8% comparison, and Global Bonds added 6.8% per annum. As a result, over the total five-year period, Global Real Estate returned 63.4%, Global Equities lost 29.8% and Global Bonds added 38.6%.

Asset Classes (EUR)	Jan 2005 Return %	2004 Return %	Rolling 5 Yrs Return %	Average Annual Return % [*]
Global Real Estate	- 0.49	+ 28.0	+ 63.4	+ 10.3
Global Equities	+ 1.9	+ 6.9	- 29.8	- 6.8
Global Bonds	+ 0.96	+ 5.5	+ 38.6	+ 6.8
Europe Real Estate	+ 2.2	+ 41.7	+ 113.9	+ 16.4
N. America Real Estate	- 3.8	+ 23.9	+ 93.8	+ 14.1
Asia Real Estate	+ 3.9	+ 27.0	+ 25.4	+ 4.6

Source: EPRA/MSCI/JP Morgan

Asia / Pacific

In the Asia/Pacific region, the EPRA/NAREIT Japan Index headed the country performers, gaining 5.7% in January. Residential developer Daikyo will be taken over by Orix Corp. The sale of Tokyo-based Daikyo was organised by Industrial Revitalisation Corp of Japan, which has managed the company for the past four months after creditors rejected a debt restructuring. Daikyo shares jumped 28.4% in January.

The Japanese developers all started the year well. Tokyu Land ended the month + 11.5%, achieving number two slot in the Japanese performers. Tokyo Tatemono jumped 9.8% and Mitsubishi Estate finished + 9.1% up. The growth of the J-REIT market in the past couple of years means the Japanese market is now the second largest in the Asian region (after Australia – EUR 43 Bn) with a market capitalisation size of EUR 35 billion.

Country	Jan 2005 Return %	2004 Return %	Rolling 5 Yrs Return %	Average Annual Return % [*]
Asia (EUR)	+ 3.9	+ 27.0	+ 25.4	+ 4.6
Australia (AUD)	+ 0.4	+ 34.4	+ 100.0	+ 14.8
Hong Kong (HKD)	-7.2	+ 35.2	+ 28.7	+ 5.7
Japan (JPY)	+ 5.7	+ 31.2	+ 55.3	+ 9.2
Singapore (SGD)	+ 1.5	+ 32.4	+ 13.1	+ 2.5

Source: EPRA

The USD 2.7 billion IPO of the Link REIT was cancelled in December following a legal challenge by the tenant. The tenant, named Lo Siu Lan, must submit her appeal to the High Court of Justice by 24 February. Her application for legal aid is still being considered. The Chairman of the Hong Kong Housing Authority, Michael Suen, stated that the Housing Authority intended to re-launch the trust 'as soon as possible'. Bryan Yip of Standard Life

^{*} Compounded average annual returns for the 5 years period 1999-2004.



Investments in Hong Kong said, "the courts decision seemed to extend the timetable for the listing indefinitely, pushing the sale out of investors minds."

The EPRA/NAREIT Australia (AUD) finished January ahead, 44 bps. Retail investor Westfield Group, headed the Australian stocks for the month, 3.7% ahead. General Property Trust tucked into second spot (+ 3.5%).

Merger and acquisitions continue in the Australian market. Macquarie Bank had its proposed merger with Macquarie Goodman Management and Macquarie Industrial Trust approved. The merged group will 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. The merged group will begin trading on 16 February 2005.

GPT shareholders were advised to reject the takeover offer by Stockland by the independent directors in December. The directors stated that the offer does not represent fair value for GPT shareholders. The bid valued GPT at AUD 7.3 billion. Stockland has now extended its offer until 4 March, in the light of little interest from other potential bidders. Analysts now expect the board of GPT to come up with an alternative proposal. GPT ended January with a gain of 3.5%.

The number of listed property trusts has halved in the last years. During 2004, there were 15 big takeovers in the sector. Analysts attribute the consolidation to a lack of available property. Trusts own the top properties such as retail outlets and office blocks.

The EPRA/NAREIT Singapore Index (SGD) ended the month up 1.5%. Big performers over the course of January were Capitaland (+ 18.9%), Ascendas REIT (+ 16.6%) and Singapore Land (+15%) and CapitaMall Trust (14.2%).

CapitaCommercial Trust started the year extremely strongly as stated above. The trust announced in January that it plans to double its property assets to approximately USD 2.4 billion by 2007. The trust also plans to expand outside Singapore, boosting overseas assets to around 30% of its total property portfolio within three years, said the trust CEO, Martin Tan.

Hong Kong finished the month as Asia's poorest performer. EPRA/NAREIT Hong Kong (HKD) lost an unimpressive 7.2% during the month. Diversified developer HKR International was the best performing Hong Kong stock in January, adding 3.5%. On the down side, New World Developments (-12.6%) and Great Eagle Holdings (-10.9%) both lost considerable ground.

Hong Kong property sales, mainly of apartments, rose 86% in 2004 to HKD 352 billion, the highest levels since 1997. Property sales, including factories and offices rose from HKD 189 billion in 2003, according to the Hong Kong Land registry. The property rebound started in late 2003 after a six year slump cut prices by more than two thirds from their peak in 1997.

Europe

The EPRA Europe Index (EUR) drove forward strongly in 2004. The EPRA Europe Index leapt almost 42% over the course of the year. In the first month of 2005 the index added 2.2% to continue the good work. Of the major countries in Europe, EPRA France led the way with an increase of 2.9% in January. EPRA Netherlands added 1.9% and EPRA Sweden tiptoed forwards 20bps. EPRA UK fell 1.9%, to hold back Europe as a whole. Broad European volatility stands at approximately 13%.



Country	Jan 2005 Return %	2004 Return %	Rolling 5 Yrs Return %	Average Annual Return %*
Europe (EUR)	+ 2.2	+ 41.7	+ 113.9	+ 16.4
UK (GBP)	- 1.4	+ 46.0	+ 133.6	+ 18.6
Netherlands (EUR)	+ 1.9	+ 29.5	+ 122.5	+ 17.4
France (EUR)	+ 2.9	+ 41.9	+ 140.0	+ 19.1
Sweden (SEK)	+ 0.2	+ 48.8	+ 189.8	+ 23.7

Source: EPRA

The top performer in Europe came from Finland, retail investor Citycon adding 21% in January. Aedes, the Italian diversified investor jumped 19.6% and Marylebone Warwick Balfour pushed forward strongly 15.1%.

Marylebone Warwick Balfour said it had bought a majority stake in City Executive Centres to boost its serviced office stake in January. The London based company took up a 67.5% stake in City Executive for an undisclosed sum, adding 13 sites to its holdings. The company said in a statement, "we will continue to grow this business in the UK and currently we are examining a number of opportunities that will help us expand."

UK office investor Minerva, the company that plans to build the tallest office tower in the city of London, said it had abandoned talks with potential buyers of the company after more than six months. Minerva's Chairman David Garrard said, "the board has decided that the proposals received did not fully reflect the value of the company". Minerva fell 6.6% during January.

UK healthcare company NHP was deleted on 26 January following the takeover bid by TBG CareCo being declared unconditional.

North America

Over the Atlantic, US real estate stocks dropped sharply (8.1%) in USD terms over the course of the January. EPRA/NAREIT Canada (CAD) hit a positive note, with a gain of 2.7%. The EPRA/NAREIT North America Index (USD) pushed back 7.8% during the month.

Country	Jan 2005 Return %	2004 Return %	Rolling 5 Yrs Return %	Average Annual Return %*
North America (USD)	-7.8	+ 33.5	+ 149.6	+ 20.1
United States (USD)	- 8.1	+ 33.8	+ 147.2	+ 19.8
Canada (CAD)	+ 2.7	+ 18.7	+ 167.0	+ 21.8

Source: EPRA

The top eight positions in the best performers list for January were filled by Canadian stocks. Topping the list was O&Y REIT (+ 5.3%), followed by Boardwalk Equities (+5%) , and Riocan Real Estate (4.7%). The top performing US stock was Alexanders, with an increase of 1.8%.

At the bottom end, many of the US REITs were hit hard. Essex Property Trust held up the list of North American performers, with a loss of 14.1%. Equity One lost 14%, Maguire Properties dropped 13.9%, Equity Residential fell 12.8% and Ramco Gerhenson slipped 12.6%.

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.

European Public Real Estate Association



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

Total Return								
Index Description	Curr	Close Value 31-Jan	Div Yld (%) 31-Jan	Total Rtn (%) - 5 Yrs	Total Rtn (%) - 3 Yrs	Total Rtn (%) - 1 Yr	Total Rtn (%) Jan-05	36 Mths Vlty (%)
Global	EUR	1,666.73	3.96	10.32	8.27	19.98	-0.49	12.65
Asia	EUR	1,211.31	2.67	4.62	8.32	19.15	3.94	15.90
Europe	EUR	2,092.26	3.40	16.42	19.56	41.45	2.22	13.04
North America	EUR	1,993.41	4.90	14.15	4.52	12.77	-3.82	14.81
Global Ex-Asia	EUR	1,991.59	4.47	14.49	8.31	19.94	-2.15	12.83
Global Ex-Europe	EUR	1,551.46	4.10	9.31	5.68	15.14	-1.17	13.81
Global Ex-North America	EUR	1,550.48	2.98	9.82	13.08	28.54	3.21	12.95
Asia	EUR	1,211.31	2.67	4.62	8.32	19.15	3.94	15.90
Pure Asia	EUR	1,204.37	3.36	4.50	8.11	18.47	3.38	15.87
Japan	JPY	1,782.52	1.23	9.20	21.26	25.75	5.71	25.00
Australia	AUD	1,945.37	3.98	14.75	15.06	35.21	0.44	8.30
Pure Australia	AUD	1,928.35	6.50	14.55	14.73	34.03	-1.70	8.62
Hong Kong	HKD	1,164.85	2.26	5.17	12.03	6.37	-7.18	28.65
Singapore	SGD	864.83	2.88	2.50	5.23	28.53	1.52	23.73
Europe	EUR	2,092.26	3.40	16.42	19.56	41.45	2.22	13.04
Europe Net Index	EUR	1,324.90	2.55	-NA-	-NA-	-NA-	2.19	-NA-
Euro Zone	EUR	2,169.00	4.49	17.10	23.54	39.63	4.06	11.17
Euro Zone Net Index	EUR	1,330.61	3.36	-NA-	-NA-	-NA-	4.01	-NA-
Europe Ex UK	EUR	2,235.77	4.33	17.79	22.82	39.88	3.42	10.68
Europe Ex UK Net Index	EUR	2,234.45	3.25	16.43	21.34	38.15	3.39	10.64
Europe Liquid 40	EUR	2,052.81	3.32	16.13	19.60	42.86	1.73	13.20
Europe Liquid 40 Net Index	EUR	2,035.17	2.49	-NA-	-NA-	-NA-	1.70	-NA-
Europe Liquid 40 Ex UK	EUR	2,343.15	4.13	19.14	26.26	42.12	3.16	11.09
Europe Liquid 40 Ex UK Net Index	EUR	2,305.09	3.10	-NA-	-NA-	-NA-	3.12	-NA-
UK	GBP	2,214.69	2.46	18.60	21.85	44.52	-1.38	16.96
Netherlands	EUR	2,213.17	5.89	17.35	21.94	36.14	1.92	12.18
France	EUR	2,393.60	4.47	19.14	29.08	52.45	2.97	13.03
Sweden	SEK	2,821.37	3.63	23.71	25.34	50.90	0.18	16.90
Spain	EUR	3,346.96	2.72	29.79	42.86	54.76	13.17	21.06
Switzerland	CHF	1,364.86	3.54	6.33	11.40	21.37	2.51	6.39
Germany	EUR	872.38	3.90	-1.63	1.03	33.91	10.48	30.51
Belgium	EUR	1,643.45	5.92	11.90	14.68	15.65	2.97	5.57
Austria	EUR	1,390.25	0.00	-NA-	9.12	11.81	0.85	3.73
Italy	EUR	2,870.56	1.69	21.00	18.34	55.86	8.67	18.79
Finland	EUR	2,918.78	4.21	22.80	27.98	33.06	11.46	17.62
Greece	EUR	804.88	2.61	-NA-	-NA-	-NA-	-1.88	-NA-
Denmark	EUR	200.63	2.99	-28.93	-45.51	29.33	4.93	62.41
North America	USD	2,480.25	4.90	20.07	20.08	18.33	-7.76	15.48
United States	USD	2,465.87	4.87	19.84	19.64	17.91	-8.12	15.74
Canada	CAD	2,486.69	5.56	21.77	19.03	17.81	2.77	10.92

Source: EPRA/MSCI/JP Morgan

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 31 January, there were a total of 247 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.

European Public Real Estate Association

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