



FTSE EPRA/NAREIT Global Real Estate Index

Small gain in February for Global Real Estate

The FTSE EPRA/NAREIT Global Real Estate Index posted a gain of 31bps in February. It is worth recapping that over the course of 2004, Global Real Estate recorded a very impressive performance of +28%. In February, Global Equity market added 1.4% and Global Bonds lost 58bps. The three regions had a mixed month. Asia lost 1.6% while Europe and North America pushed forward 1.2% and 1% respectively. 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 11.1% annually, Global Equities declined 6.9% comparison, and Global Bonds added 6.5% per annum. As a result, over the total five-year period, Global Real Estate returned 69.6%, Global Equities lost 30.2% and Global Bonds added 36.4%.

Asset Classes (EUR)	Feb 2005 Return %	2004 Return %	Rolling 5 Yrs Return %	Average Annual Return % [*]
Global Real Estate	+ 0.31	+ 28.0	+ 69.6	+ 11.1
Global Equities	+ 1.4	+ 6.9	- 30.2	- 6.9
Global Bonds	- 0.58	+ 5.5	+ 36.4	+ 6.5
Europe Real Estate	+ 1.2	+ 41.7	+ 125.5	+ 17.6
N. America Real Estate	+ 1.0	+ 23.9	+ 101.4	+ 15.0
Asia Real Estate	- 1.6	+ 27.0	+ 28.3	+ 5.1

Source: EPRA/MSCI/JP Morgan

Asia / Pacific

In the Asia/Pacific region, the EPRA/NAREIT Singapore Index (SGD) headed the country performers, gaining 7.1% in February. Developers provided the big performers over the course of the month. Office developer Keppel Land (+ 8.7%) and residential focused Capitaland (+ 8.3%) topped the Singapore performers list. Office developer Singapore Land and residential player Allgreen Properties added 4.6% and 2.8% respectively. On the investor side, CapitaCommercial Trust (Offices) pushed forward 2.7%

Keppel Land, Singapore's third largest developer by assets said in a stock exchange statement in February that it will partner Harrah's Entertainment Asian subsidiary to submit a proposal for integrated resorts in Sentosa and the Marina Bayfront. Singapore's government is inviting bids for two sites earmarked for developments that may include a casino.

Capitaland expects China to be its biggest market in three years, it said in a statement. Capitaland bought a site in Beijing for USD 66 million to build high rise apartments, offices and shopping areas. It will be the company's first project in Beijing. CEO of Capitaland China, Lim Ming Yan said, "we see strong growth ahead for Beijing as China opens up its market under the World Trade Organisation agreements and as the city prepares for the 2008 Olympic Games – we are confident of continued strong demand for homes".

In February, Hong Kong regained some of the ground lost (- 7.2%) in January. EPRA/NAREIT Hong Kong (HKD) posted a 2.3% gain during the month. Diversified developer Kerry Properties was the best performing Hong Kong and Asian stock in February, adding 13.4%. HongKong Land added 12.3% and Hysan Development gained 9.7%.

Sino Land paid USD 233 million in Hong Kong's first auction of a commercial site in more than three years. Sino Land edged out developers such as Kerry Properties which has a four tower office project in the area. Sino Land was flat for the month. Some investors felt that Sino Land had bid too much in the auction.

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



Hong Kong's high court approved a bid by public housing tenant Lo Siu Lan to extend the time she has to appeal the court's decision to dismiss her lawsuit against the USD 2.7 billion sale of the Link REIT.

The EPRA/NAREIT Australia (AUD) finished February behind 1.4%. On the positive side, diversified developer FKP Property Group jumped 8.1% during the month. Retail investor Westfield Group, achieved second spot in the Australian performers for the month, 1.9% up.

On the negative side, Macquarie Countrywide fell 6.7% in February. Macquarie Countrywide Trust and Regency Centers agreed to purchase 101 shopping centres from CAPERS for approximately USD 2.7 billion. Macquarie Countrywide will own 65% of the venture that will cover shopping malls in California and 18 other US states. The deal means Macquarie Countrywide will have 75% of its assets in the US. Macquarie Countrywide plans to raise USD 662 billion selling new stock to help the funding of the project. The stock will be sold for AUD 1.85.

Macquarie Bank completed its merger with Macquarie Goodman Management and Macquarie Industrial Trust in February. The merged group created an AUD 4.5 billion listed property trust. The merged entity is 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.

GPT shareholders were advised to reject the takeover offer by Stockland by the independent directors in December. The directors stated that the offer did not represent fair value for GPT shareholders. The bid valued GPT at AUD 7.3 billion. However, on 23 February Stockland announced that it would abandon its acquisition of GPT. Stockland fell 1.9% and GPT lost 4% during the month.

The EPRA/NAREIT Japan Index ended the month down 2.5%. Japan Prime Realty headed the Japanese stocks in February at + 2.44%. The developers were heavily hit during the month, with Goldcrest hit hardest, losing 11.1%.

Shareholders of Daikyo the struggling residential developer approved the company's plan to cut its capital by 99 percent in a bid to turn around the business. The plan is part of a reconstruction program the company has worked out to receive assistance from the state-backed Industrial Revitalisation Corp of Japan. Orix Corp has been selected to sponsor Daikyo's reconstruction and become its largest shareholder by purchasing 44% of the shares. Daikyo lost 6.8% in February.

Country	Feb 2005 Return %	2004 Return %	Rolling 5 Yrs Return %	Average Annual Return %*
Asia (EUR)	- 1.6	+ 27.0	+ 28.3	+ 5.1
Australia (AUD)	- 1.4	+ 34.4	+ 83.4	+ 12.9
Hong Kong (HKD)	+ 2.3	+ 35.2	+ 37.7	+ 6.6
Japan (JPY)	- 2.5	+ 31.2	+ 66.1	+ 10.7
Singapore (SGD)	+ 7.1	+ 32.4	+ 37.8	+ 6.8

Source: EPRA

Europe

In the second month of 2005 the EPRA Europe Index added 1.2% to continue the good work year to date. Of the major countries in Europe, EPRA Sweden led the way with an increase of 6.2% in SEK terms in February. EPRA France added 2.8% and EPRA UK tip-toed ahead 47bps. EPRA Netherlands lost 1.1% Broad European volatility stands at approximately 13%.

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Country	Feb 2005 Return %	2004 Return %	Rolling 5 Yrs Return %	Average Annual Return %*
Europe (EUR)	+ 1.2	+ 41.7	+ 125.5	+ 17.7
UK (GBP)	+ 0.5	+ 46.0	+ 154.9	+ 20.6
Netherlands (EUR)	- 1.1	+ 29.5	+ 127.0	+ 17.8
France (EUR)	+ 2.8	+ 41.9	+ 151.9	+ 20.3
Sweden (SEK)	+ 6.2	+ 48.8	+ 197.3	+ 24.4

Source: EPRA

The top performer in Europe came from Sweden, residential developer JM adding 17.4% in February. Nordicom (Denmark) jumped 11.6% during the month, followed by CLS Holdings (+ 11%). At the bottom end of the scale, Citycon (Finland) last month's best performer, propped up the list (- 10.5%). Office developer Helical Bar of the UK, lost 8.1% and Corio, the Dutch Retail investor (- 6.3%) lost ground.

Immobiliare Grande Distribuzione, the Italian retail owner started trading mid-February. The stock leapt 19% on its first day of trading. The company was just too small in market capitalisation terms to enter the FTSE EPRA/NAREIT Global Real Estate Index on the 'fast track' ruling. CEO Filippo Carbonari told reporters back in December that the money raised from the share sale would be used for acquisitions. A spokesman for the company said the company's retail holdings are worth approximately EUR 550 million.

North America

Over the Atlantic, US real estate stocks posted a positive month (2.8%) in USD terms following a disappointing start to the year. EPRA/NAREIT Canada (CAD) hit a positive note, with a gain of 3.1%. The EPRA/NAREIT North America Index (USD) pushed forward 2.9% during the month.

Country	Feb 2005 Return %	2004 Return %	Rolling 5 Yrs Return %	Average Annual Return %*
North America (USD)	+ 2.9	+ 33.5	+ 165.4	+ 21.6
United States (USD)	+ 2.8	+ 33.8	+ 162.9	+ 21.3
Canada (CAD)	+ 3.1	+ 18.7	+ 178.7	+ 22.8

Source: EPRA

Office developer Maguire Properties (+ 10.6%) topped the North American performers list in February. In February, CSFB announced that it had arranged a USD 580 million financing package for the Los Angeles based REIT. The package consists of a USD 100 million four year revolving credit and a USD 480 million, five year term loan that will be sold to investors. The loans will be used for acquisition financing. Retail investor General Growth Properties added 9.9% during the month, followed by Forest City Enterprises (+ 9.5%).

At the bottom end, hotel investor Felcor Lodging Trust held up the list of North American performers, with a loss of 10.2%. Cousins Properties lost 9.2% and Corrections Corporation of US dropped 8.4%.

Camden Property Trust announced on 28 February that it had completed its merger with Summit Properties, creating a combined company with a market capitalisation of approximately USD 5.8 billion. The company's portfolio consists of nearly 69,000 apartment homes in 199 multi-family properties across the United States. Summit Properties is deleted effective 1 March from the FTSE EPRA/NAREIT Global Real Estate Index.

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

Index Description	Total Return Curr	Close Value 28 Feb	Div	Total	Total	Total	Total	Total	36 Mths Vlty (%)
			Yld (%) 38411	Rtn (%) - 5 Yrs	Rtn (%) - 3 Yrs	Rtn (%) - 1 Yr	Rtn (%) Feb 2004	Rtn (%) YTD	
Global	EUR	1,671.83	4.02	11.15	8.17	16.28	0.31	- 0.19	12.66
Asia	EUR	1,192.25	3.18	5.11	8.85	13.78	- 1.57	2.31	15.80
Europe	EUR	2,117.07	3.35	17.66	18.42	32.78	1.19	3.43	12.95
North America	EUR	2,013.45	4.74	15.03	4.37	11.48	1.01	- 2.85	14.80
Global Ex-Asia	EUR	2,012.67	4.35	15.52	7.92	16.96	1.06	- 1.12	12.81
Global Ex-Europe	EUR	1,552.68	4.19	10.08	5.78	12.48	0.08	- 1.09	13.81
Global Ex-North America	EUR	1,543.95	3.25	10.61	13.05	21.68	- 0.42	2.77	12.95
Asia	EUR	1,192.25	3.18	5.11	8.85	13.78	- 1.57	2.31	15.80
Pure Asia	EUR	1,176.50	3.34	4.84	8.37	12.27	- 2.31	0.99	15.81
Japan	JPY	1,737.19	1.30	10.68	15.25	14.86	- 2.54	3.02	24.14
Australia	AUD	1,917.32	5.20	12.90	15.34	29.21	- 1.44	- 1.01	8.21
Pure Australia	AUD	1,860.39	6.44	12.22	14.19	25.38	- 3.52	- 5.17	8.83
Hong Kong	HKD	1,192.15	2.21	6.60	16.18	7.55	2.34	- 5.01	28.09
Singapore	SGD	926.00	2.83	6.78	10.49	31.95	7.07	8.70	23.50
New Zealand	NZD	1,045.05	7.48	-NA-	-NA-	-NA-	2.66	4.51	-NA-
Europe	EUR	2,117.07	3.35	17.66	18.42	32.78	1.19	3.43	12.95
Europe Net Index	EUR	1,340.60	2.51	-NA-	-NA-	-NA-	1.18	3.41	-NA-
Euro Zone	EUR	2,190.50	4.39	17.21	22.55	33.66	0.99	5.09	11.14
Euro Zone Net Index	EUR	1,343.80	3.29	-NA-	-NA-	-NA-	0.99	5.05	-NA-
Europe Ex UK	EUR	2,271.89	4.24	17.83	22.08	35.34	1.62	5.09	10.64
Europe Ex UK Net Index	EUR	2,270.55	3.18	16.47	20.62	33.66	1.62	5.06	10.58
Europe Liquid 40	EUR	2,077.04	3.28	17.53	18.43	33.20	1.18	2.93	13.11
Europe Liquid 40 Net Index	EUR	2,059.18	2.46	-NA-	-NA-	-NA-	1.18	2.90	-NA-
Europe Liquid 40 Ex UK	EUR	2,386.41	4.04	19.58	25.73	37.27	1.85	5.07	11.07
Europe Liquid 40 Ex UK Net Index	EUR	2,347.65	3.03	-NA-	-NA-	-NA-	1.85	5.02	-NA-
Netherlands	EUR	2,188.32	5.95	17.81	20.37	27.02	- 1.12	0.78	12.27
France	EUR	2,460.81	4.34	20.29	28.64	48.03	2.81	5.86	13.00
Spain	EUR	3,508.43	2.59	29.19	42.36	48.90	4.82	18.63	21.02
Germany	EUR	890.96	3.82	- 1.09	- 0.14	35.08	2.13	12.84	30.36
Belgium	EUR	1,659.08	5.85	13.11	14.89	12.65	0.95	3.95	5.55
Austria	EUR	1,392.20	-	-NA-	8.97	11.97	0.14	0.99	3.74
Italy	EUR	2,904.81	1.60	15.22	18.52	45.10	1.19	9.96	18.78
Finland	EUR	2,778.46	4.43	22.16	25.50	23.80	- 4.81	6.10	18.07
Denmark	EUR	219.90	2.75	- 28.53	- 37.88	35.77	9.60	15.00	61.35
Greece	EUR	883.41	2.38	-NA-	-NA-	-NA-	9.76	7.69	-NA-
UK	GBP	2,225.14	2.45	20.58	19.93	34.02	0.47	- 0.91	16.84
UK Net Index	GBP	-NA-	1.83	-NA-	-NA-	-NA-	-NA-	-NA-	-
Switzerland	CHF	1362.49+	3.58	6.40	11.10	20.78	- 0.17	2.33	6.42
Sweden	SEK	2,996.62	3.53	24.35	25.80	52.86	6.21	6.40	16.99
Nth America	EUR	2,013.45	4.74	15.03	4.37	11.48	1.01	- 2.85	14.80
Nth America	USD	2,550.94	4.74	21.56	20.37	19.09	2.85	- 5.13	15.49
United States	USD	2,534.28	4.74	21.33	19.91	18.70	2.77	- 5.57	15.75
Canada	CAD	2,563.73	4.89	22.75	18.93	15.84	3.10	5.95	10.90

Source: EPRA/MSCI/JP Morgan

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

Notes:

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 28 February, there were a total of 247 stocks in the index.

The FTSE 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 FTSE EPRA/NAREIT Global RE Index series. Contact: info@epra.com or info@ftse.com.

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