



Real Estate Share Initiative 3rd Conference

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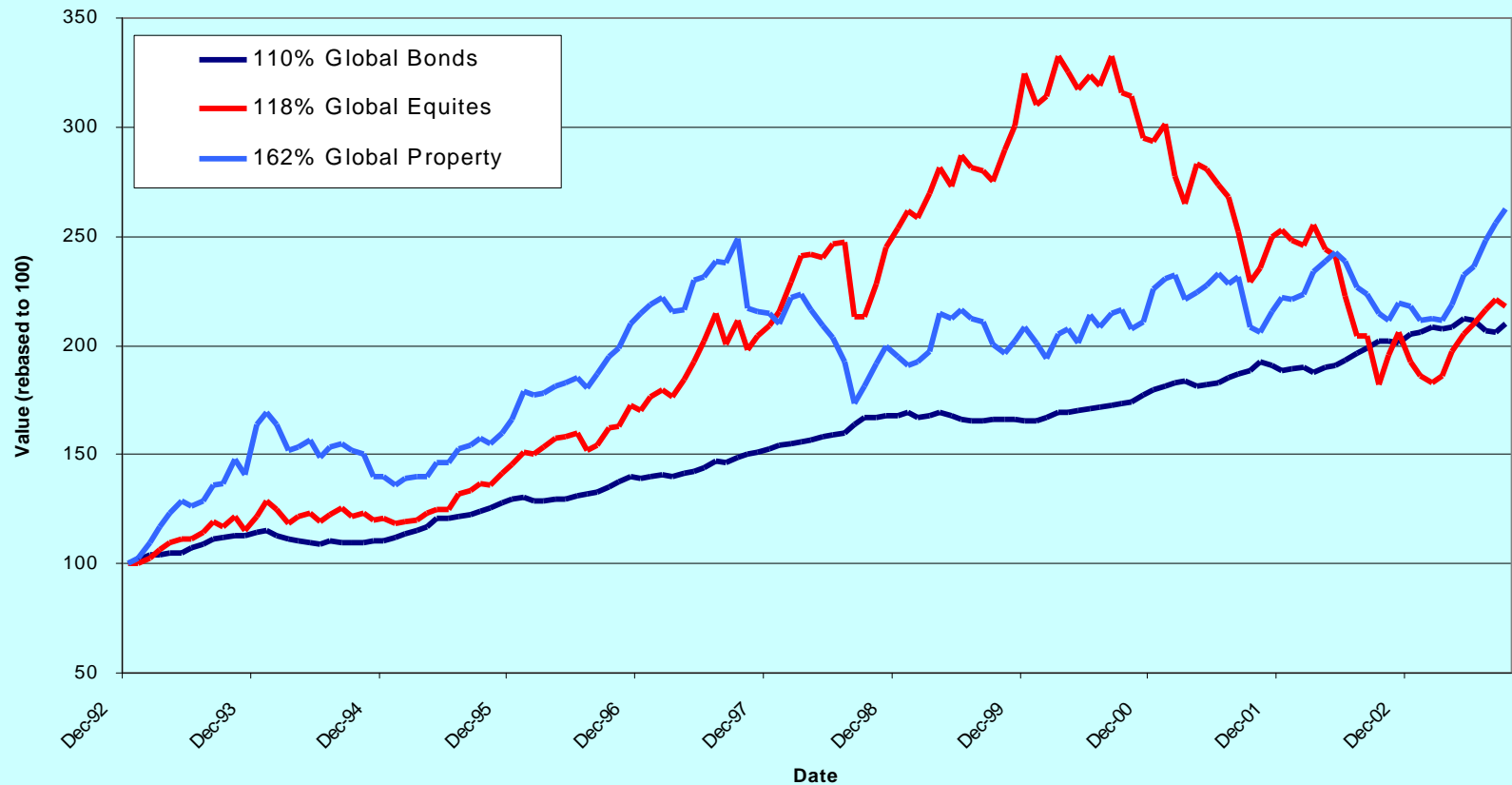
Presentation Contents

- Listed Real Estate Performance and Drivers
- REIT Background and Comparison
- REIT v Non-REIT Structures
- Summary

Asset Class Performance



Global Property v Global Bonds & Equities (Local)
31 December 1992 to 30 September 2003



Source: EPRA, MSCI & JP Morgan

Asset Class Risk/Return Profiles



	Global Property			Global Equities			Global Bonds		
Average	Rtn %	Vol %	Ratio	Rtn %	Vol %	Ratio	Rtn %	Vol %	Ratio
13 Yrs	7.6	14.3	0.53	7.8	14.4	0.54	7.9	3.2	2.47 ★
10 Yrs	7.5	13.8	0.54	7.1	14.9	0.48	6.4	3.2	1.97 ★
8 Yrs	7.5	13.1	0.57	7.3	15.7	0.46	6.7	3.1	2.18 ★
5 Yrs	8.9	12.2	0.73	1.7	16.2	0.11	5.0	3.2	1.56 ★
3 Yrs	7.2	12.0	0.60	-12.2	17.1	-0.71	6.4	3.4	1.90 ★
1 Yr	15.4	10.5	1.46 ★	7.5	18.6	0.41	4.8	4.0	1.21

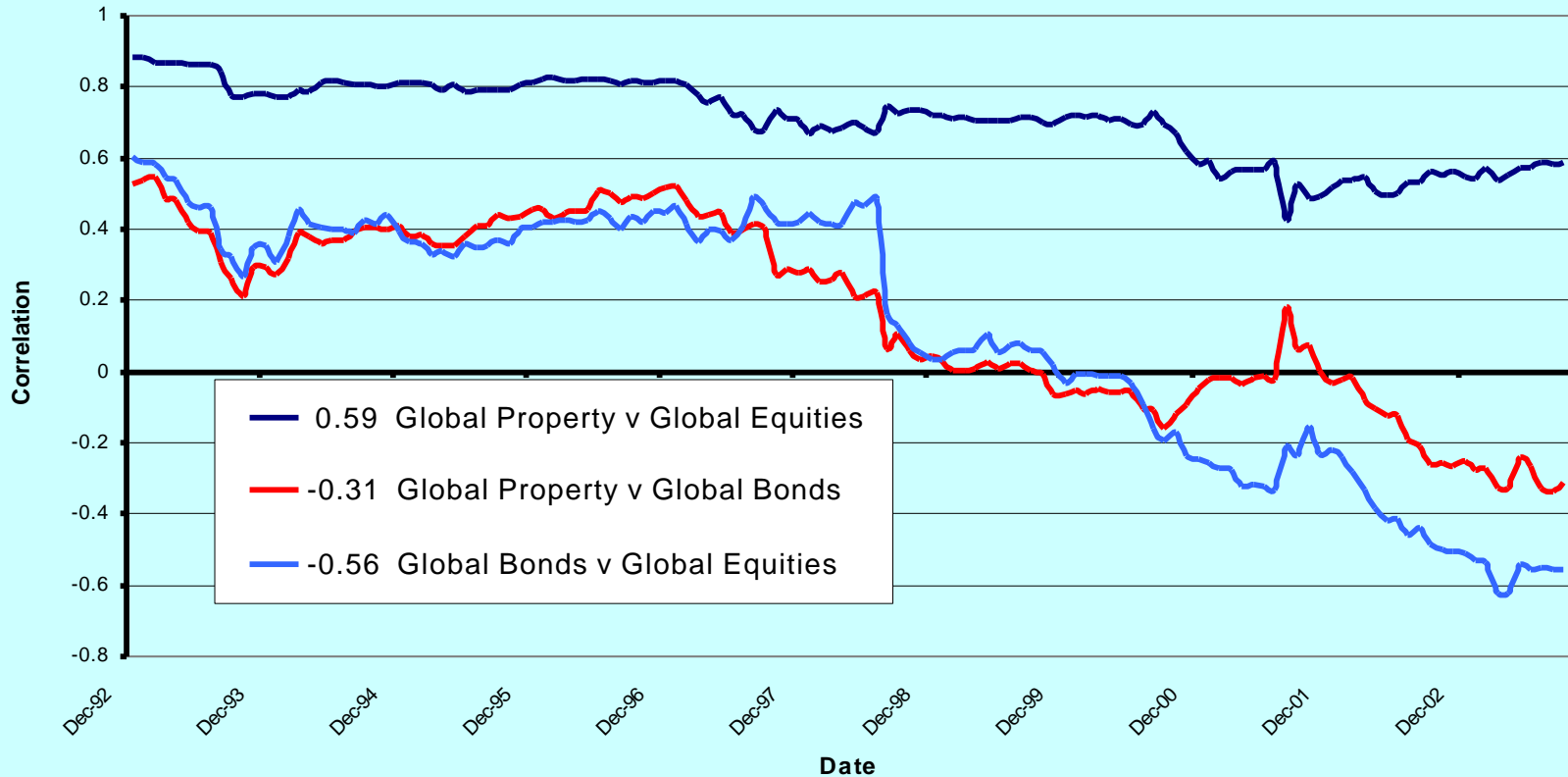
Source: EPRA, MSCI & JP Morgan

★ = most attractive risk / return ratio

Asset Class Correlations



**Global Property, Equities & Bonds Correlations (Local)
December 1992 to September 2003 (36 months Rolling)**

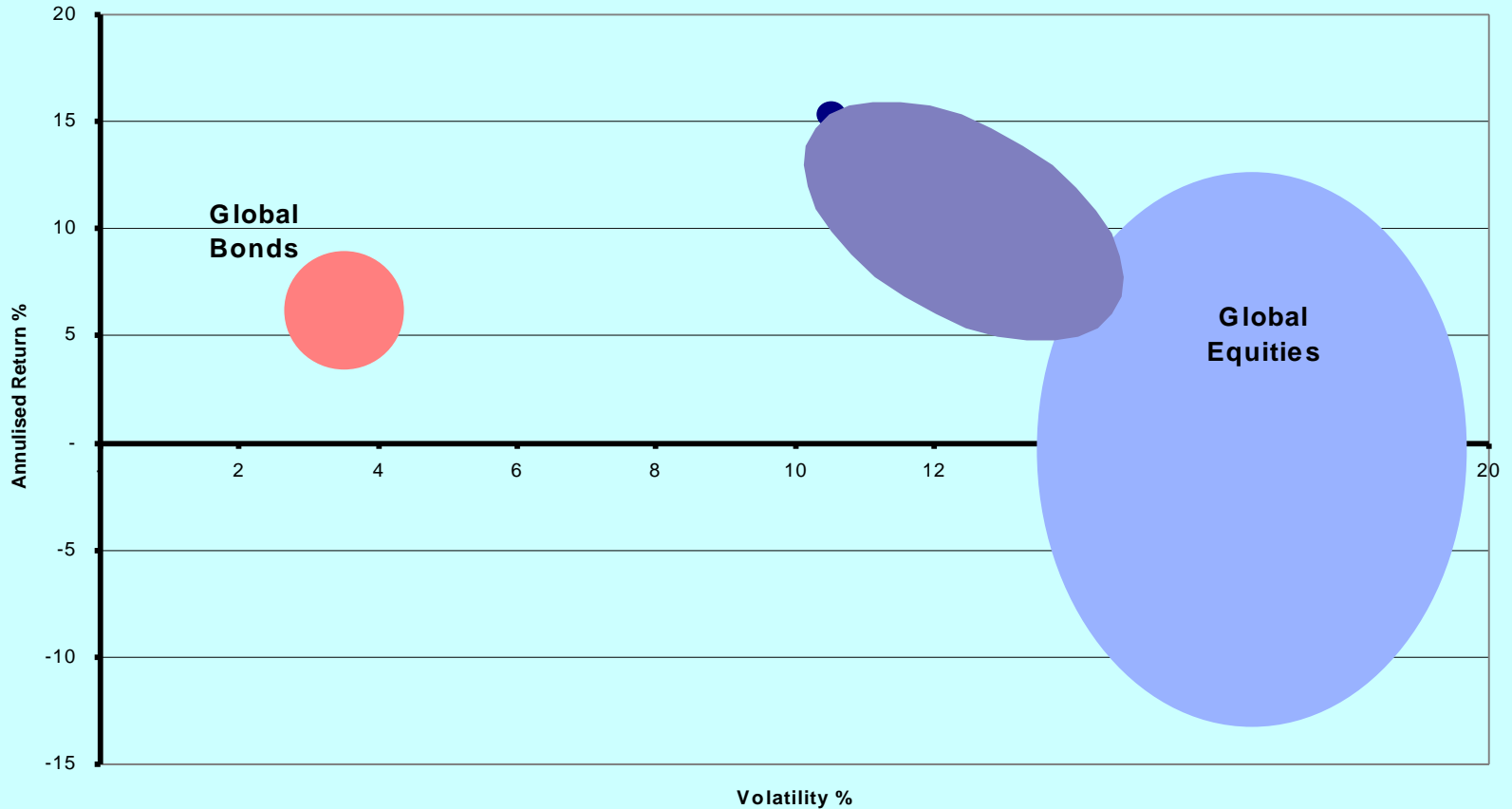


Source: EPRA, MSCI, JP Morgan

Asset Risk / Return Profiles



Asset Class Risk / Return Profiles (Local)
6 Investment Horizons

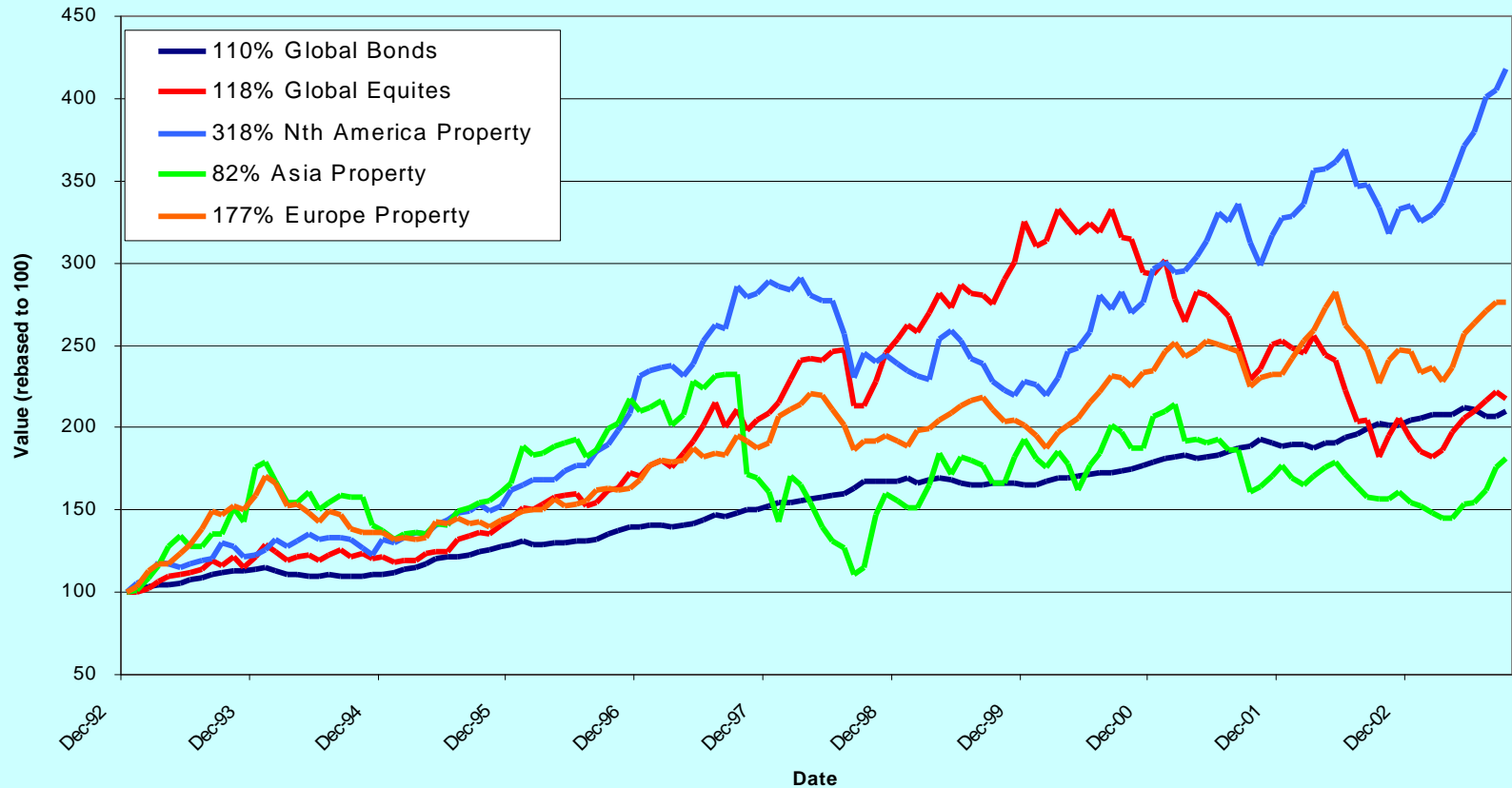


Source: EPRA, MSCI, JP Morgan

The Drivers - Regional Performance



Regional Property v Global Bonds & Equities (Local)
31 December 1992 to 30 September 2003



Source: EPRA, MSCI & JP Morgan

Regional Property Outperforms Equities



	Europe		Asia		Nth America	
Average	RE %	Eqs %	RE %	Eqs %	RE %	Eqs %
13 Yrs	5.6	9.8 ★	6.9 ★	-0.2	16.0 ★	11.9
10 Yrs	6.8 ★	8.7	5.8 ★	-1.1	13.3 ★	10.7
8 Yrs	8.9 ★	8.8	5.1 ★	-0.9	13.7 ★	10.2
5 Yrs	8.4 ★	-0.3	12.0 ★	1.6	12.6 ★	3.5
3 Yrs	6.8 ★	-14.8	2.1 ★	-9.7	14.9 ★	-11.2
2002	11.4 ★	0.7	14.0 ★	7.5	17.9 ★	11.4

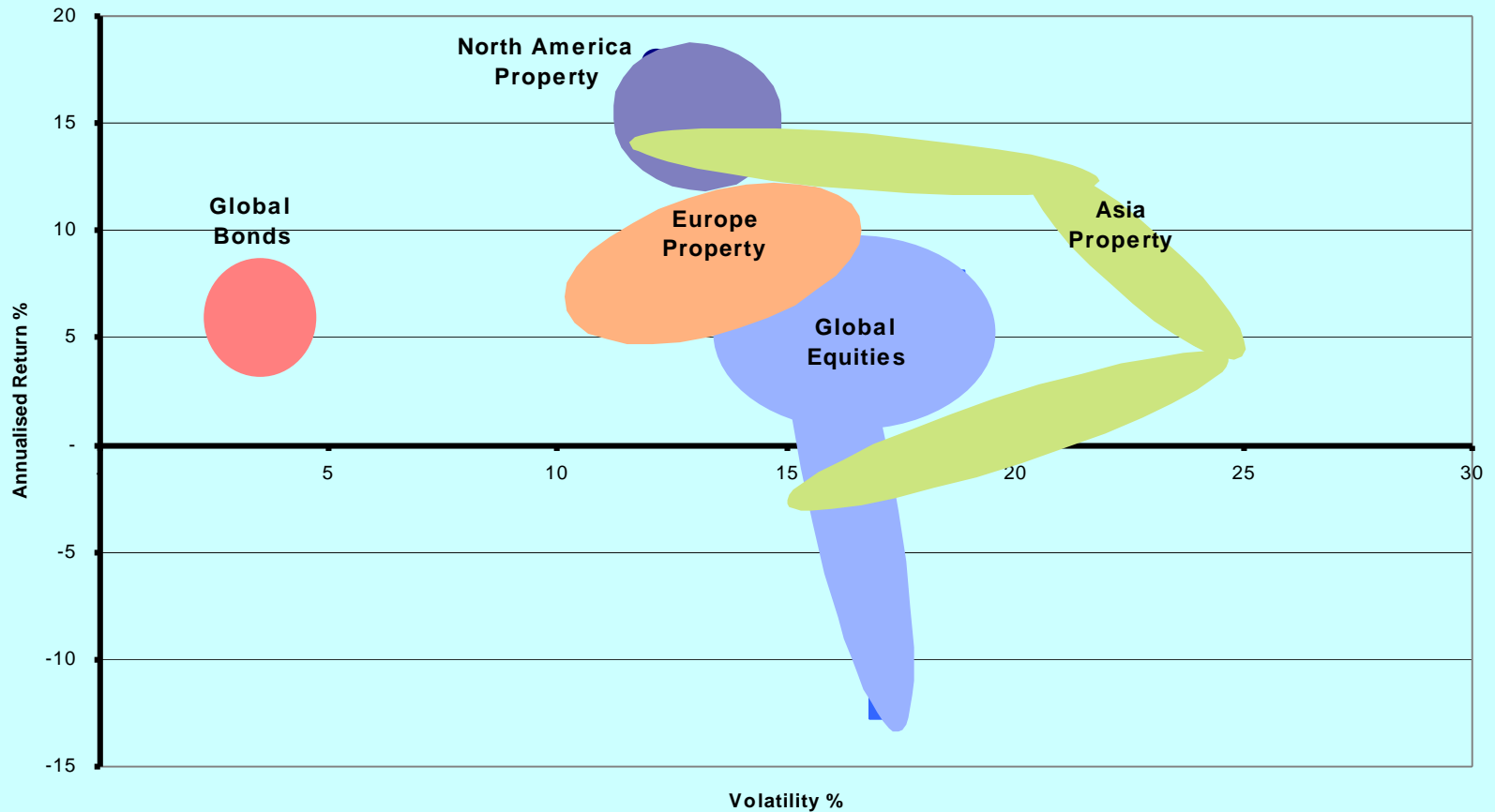
Source: EPRA, MSCI & JP Morgan

★ = most attractive risk / return ratio

Regional Risk / Return Profiles



Regional Risk / Return Profiles (Local)
6 Investment Horizons



Source: EPRA, MSCI & JP Morgan



REIT Structure Overview

- Exemption from Corporate Tax
- Tax paid at individual level
- Shareholder Distributions of 80 – 100%
- Focused on Real Estate Investment
- Limited or no Development

REIT Structure Comparison



	Intro	Distribution	Gearing	Develop ?
United States	1960	> 90%	No Limit	Restricted
Canada	1994	85 – 100%	< 50%	Restricted
Belgium	1995	> 80%	< 50%	No
Netherlands	1970	> 80%	< 60%	No
France	2003	> 85%	No Limit	No
Japan	2000	> 90%	< 25%	No
Singapore	1999	0 – 100%	< 35%	No
Australia	1970	100%	< 60%	Restricted



REIT Advantages

- Stable Dividend Income
- High Yields
- Liquidity
- Portfolio Diversification
- Attract a broad range of investors
- Increased Transparency
- Strict guidelines limit investor risk



REIT Disadvantages

- Guidelines may limit opportunities, i.e., Development Opportunities

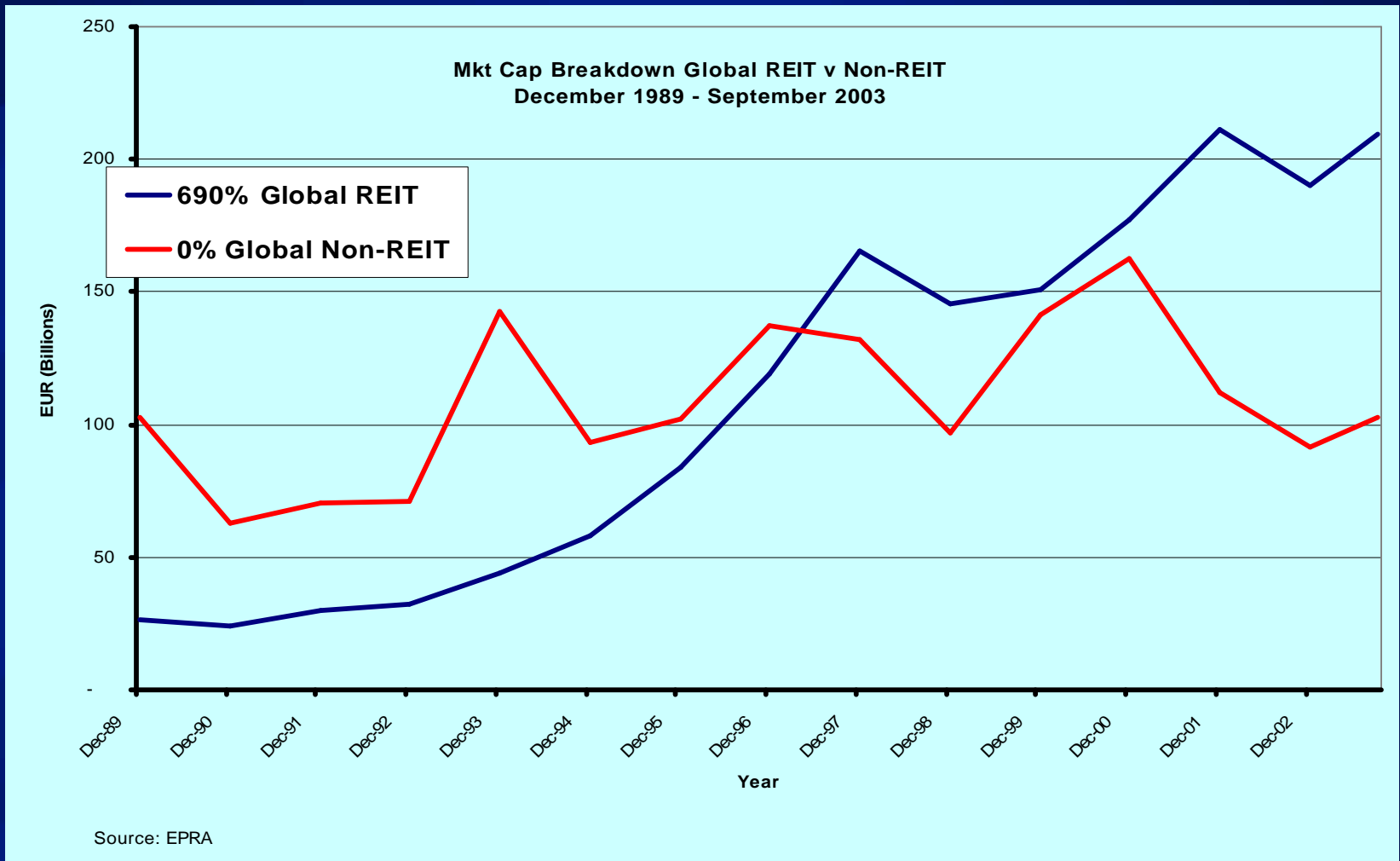


The French Perspective

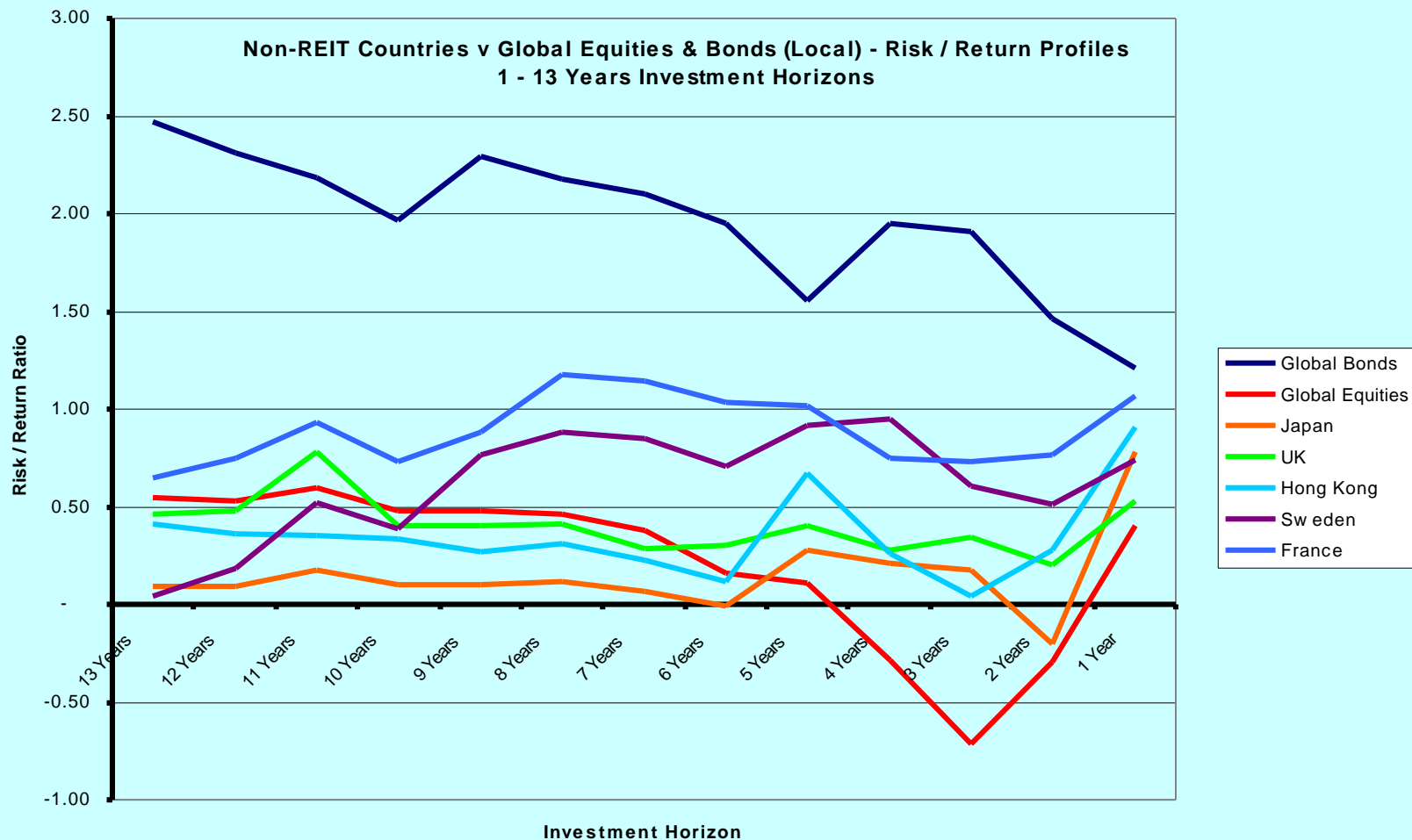
“The change will put us on a par with Euro-zone investors, alongside the Dutch BI’s, Belgium SICAF’s and German Open-ended funds. We are not ahead, we are late. It does not create a competitive advantage but eliminates a competitive disadvantage.”

Leon Bressler, Unibail

Mkt Cap Breakdown REIT v Non-REIT

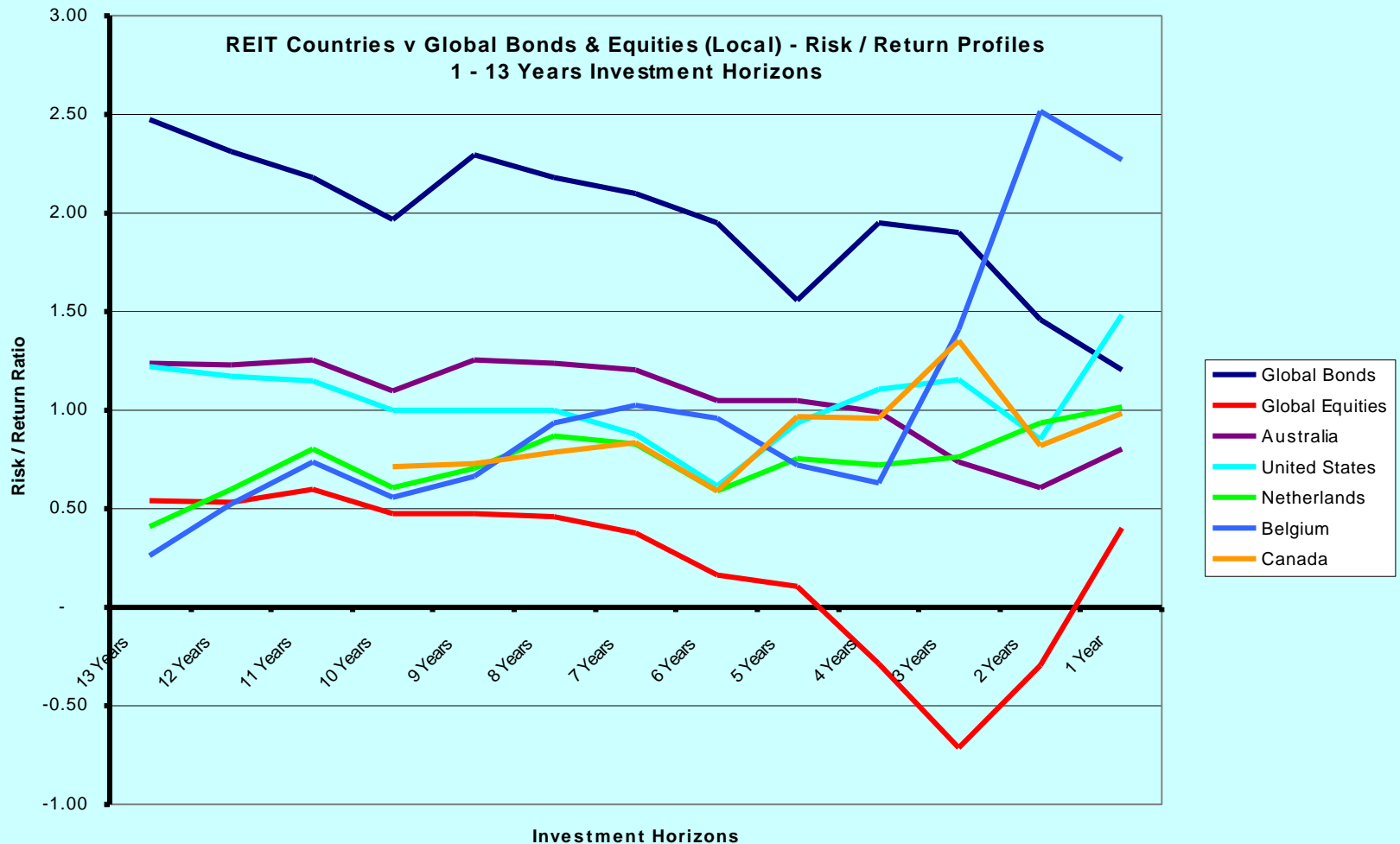


Non-REIT – Risk / Return Profiles: 1-13 Years



Source: EPRA, MSCI & JP Morgan

REIT – Risk / Return Profiles: 1-13 Years

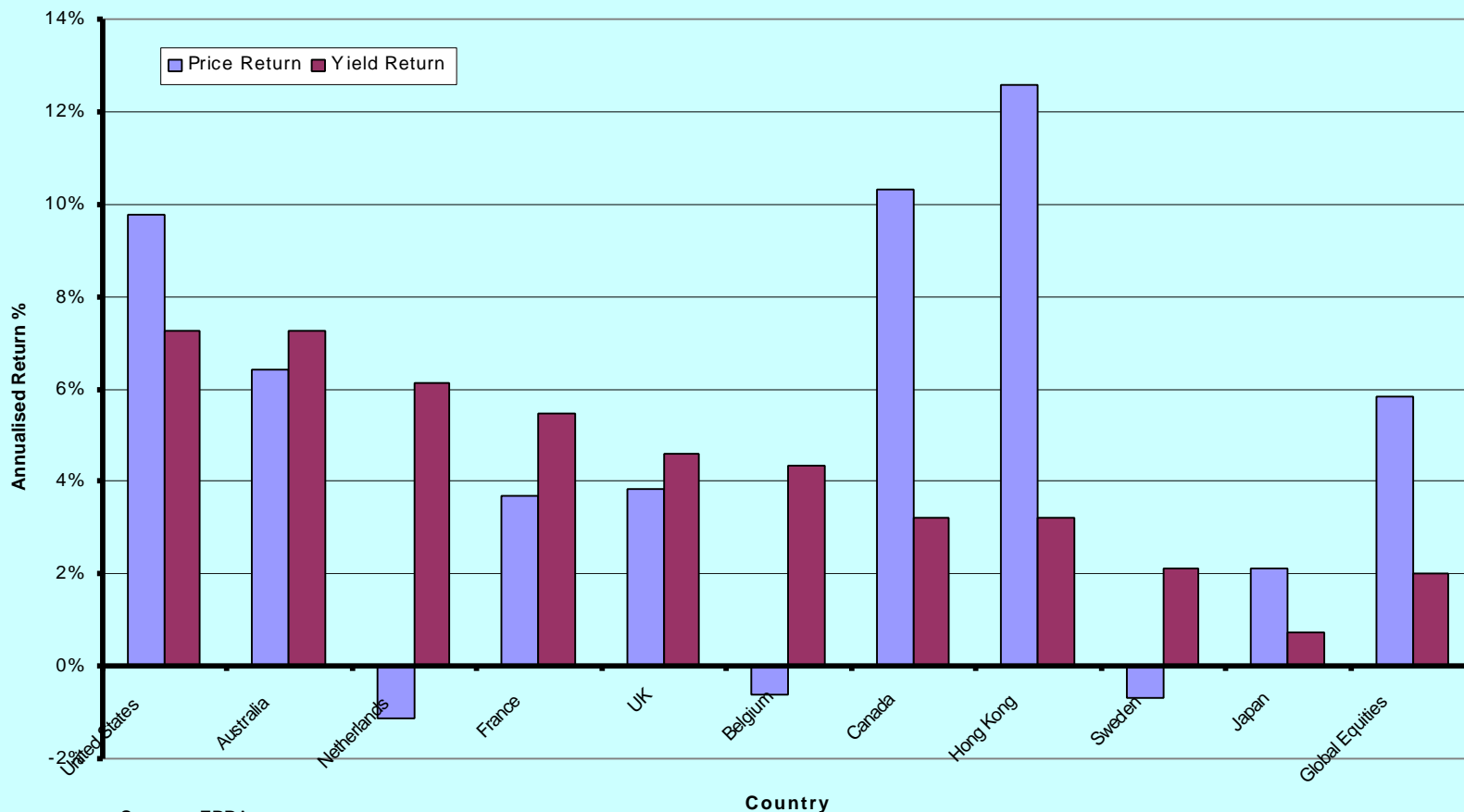


Source: EPRA, MSCI & JP Morgan

Return Breakdown – Capital & Income



Total Return Breakdown - Price & Yield (Local)
13 Years Annualised Average

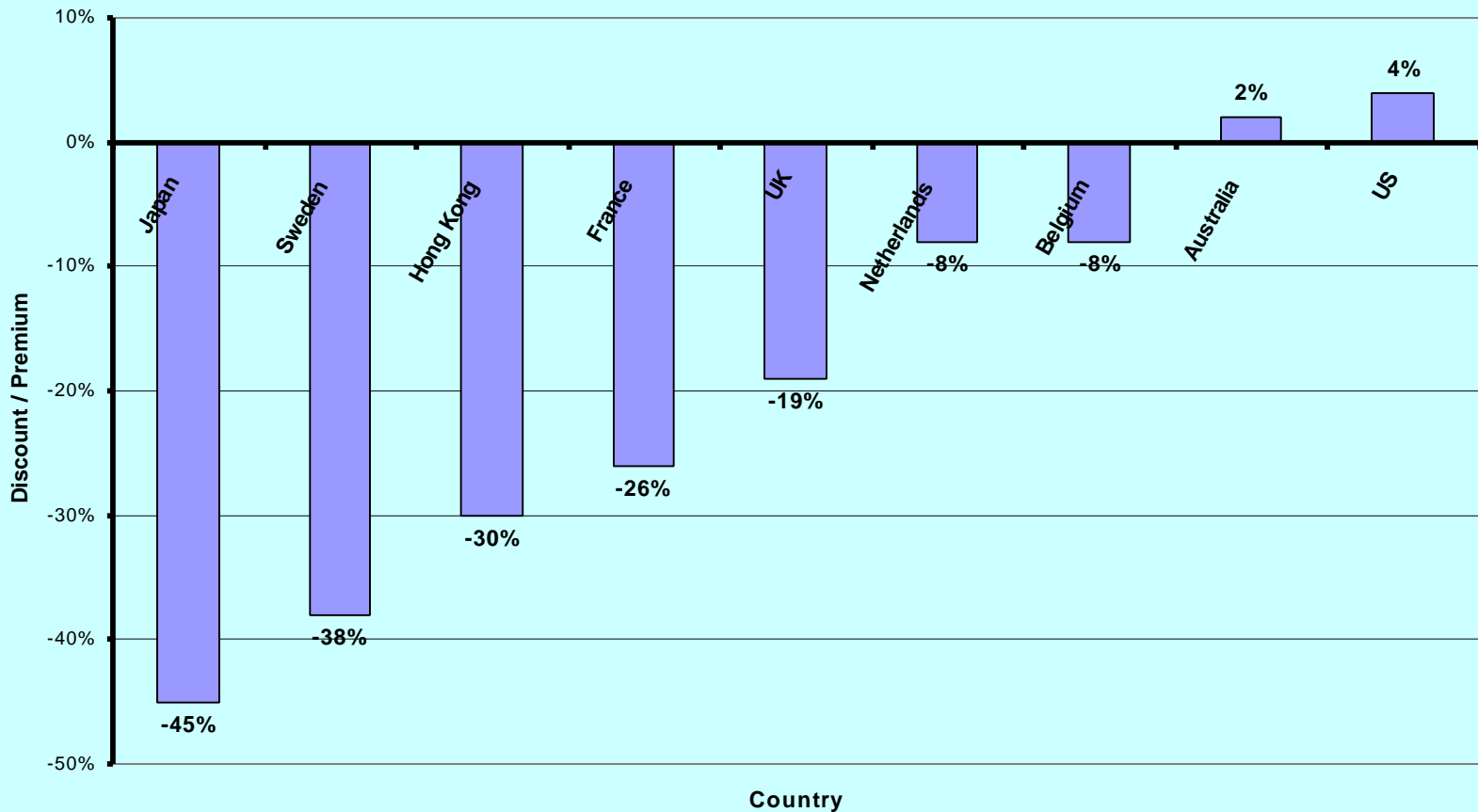


Source: EPRA

NAV Discount / Premium History



NAV Discount / Premium - 13 Years Average

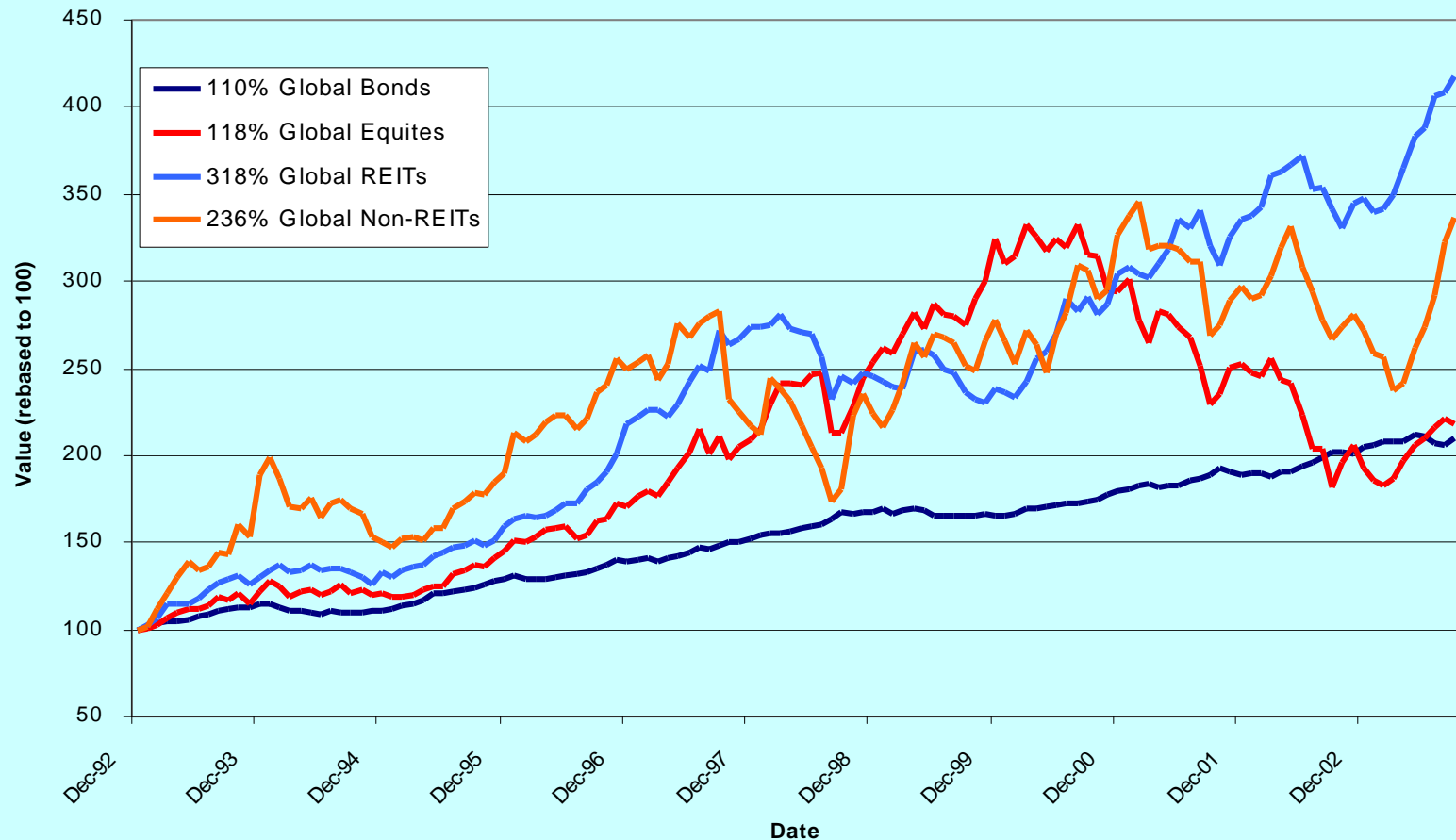


Source: UBS Warburg / Merrill Lynch Estimates

REIT v Non-REIT Performance



Global REITs & Non-REITs v Global Bonds & Equities (Local)
31 December 1992 to 30 September 2003

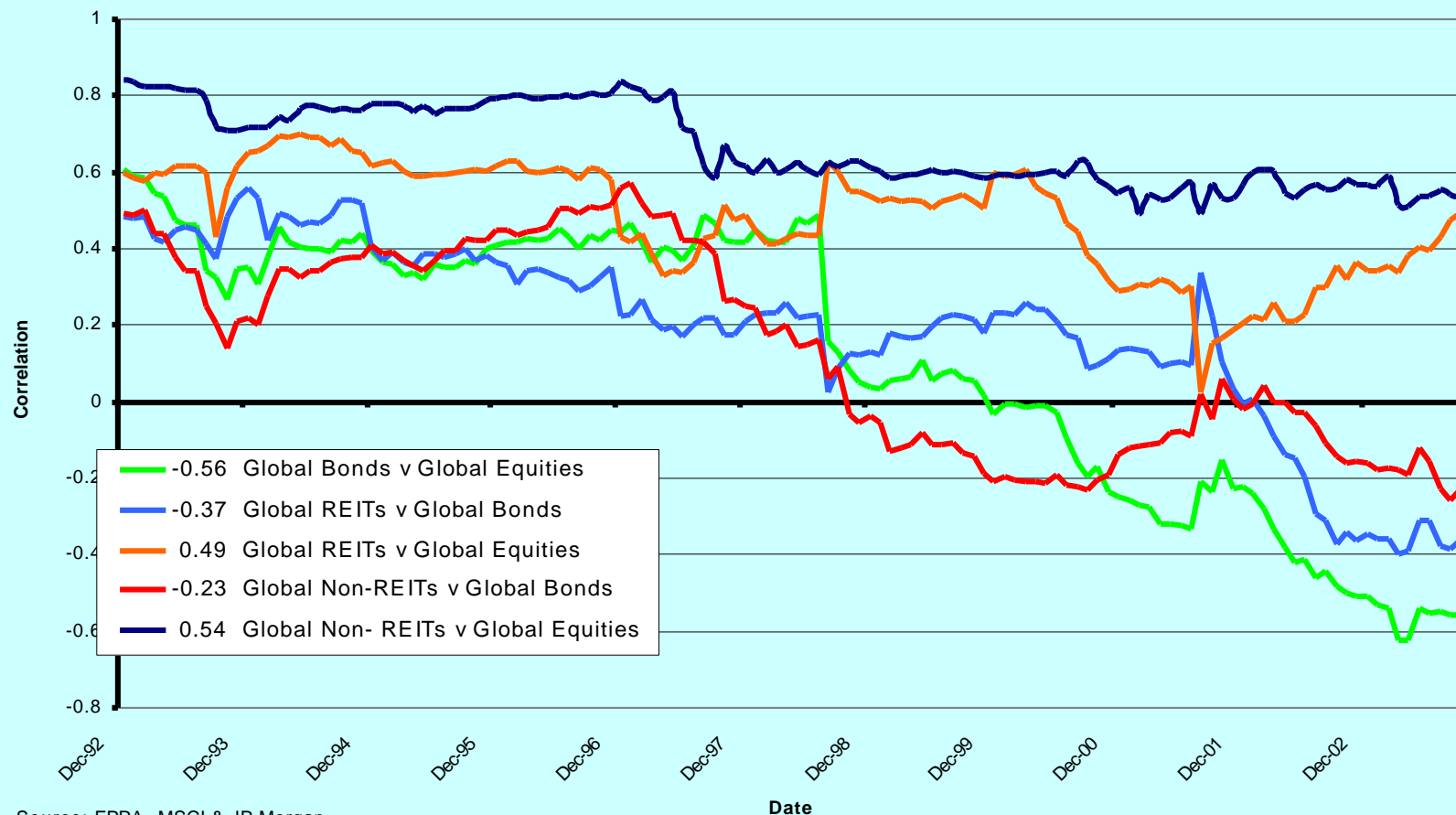


Source: EPRA, MSCI & JP Morgan

REIT v Non-REIT Asset Class Correlations

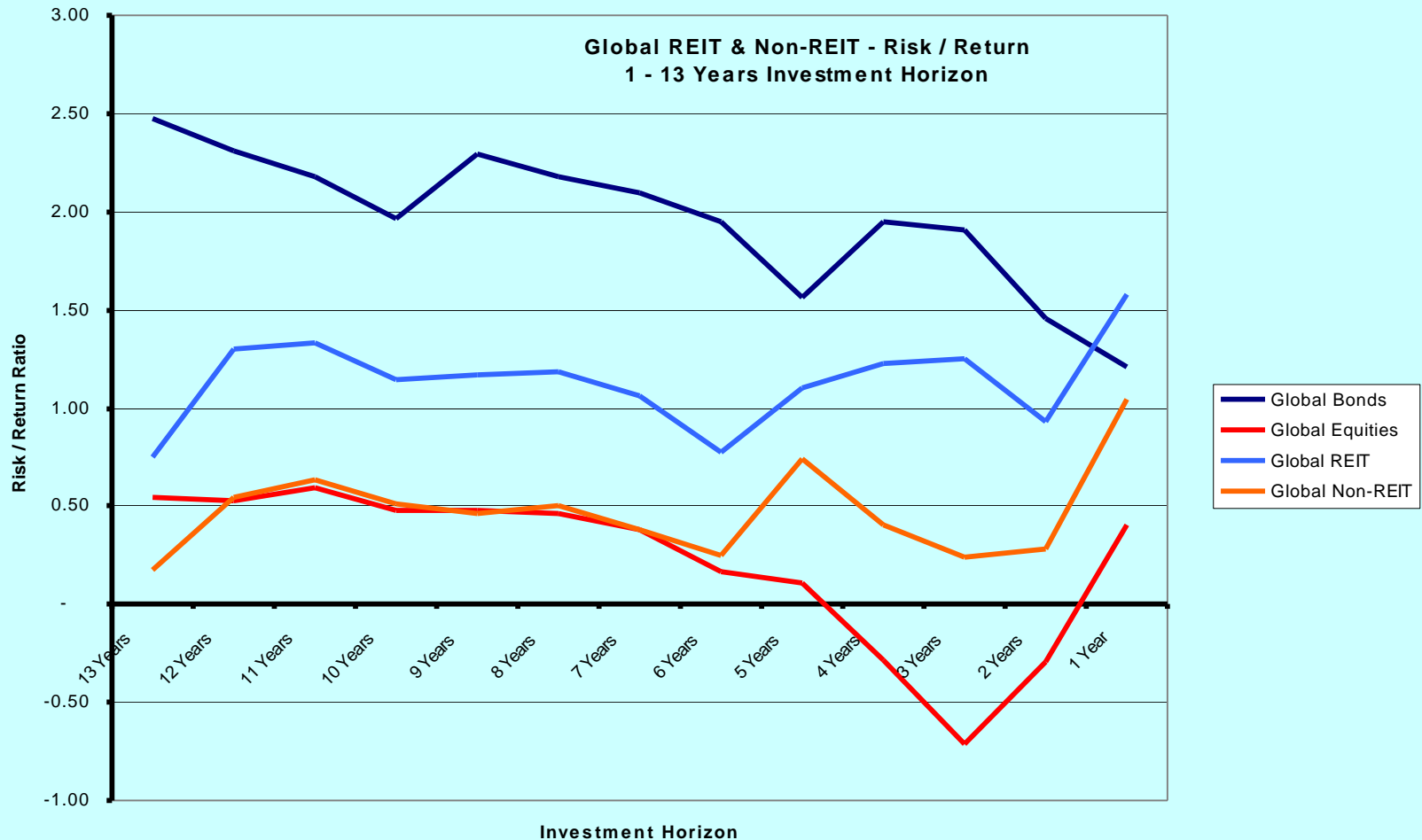


Global REIT & Non-REIT Asset Correlations (Local)
December 1992 to September 2003 (36 months Rolling)



Source: EPRA, MSCI & JP Morgan

REIT & Non-REIT – Risk / Return Profiles: 1-13 Years



Source: EPRA, MSCI & JP Morgan

Asset Class Returns Profiles



	REITs		Non-REITs		Global Eqs		Global Bonds	
Average	Rtn %	R/R	Rtn %	R/R	Rtn %	R/R	Rtn %	R/R
13 Yrs	13.2	1.25	10.9	0.52	7.8	0.54	7.9	2.47★
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8 Yrs	13.5	1.18	10.4	0.50	7.3	0.46	6.7	2.18★
5 Yrs	12.2	1.10	15.2	0.74	1.7	0.11	5.0	1.56★
3 Yrs	13.3	1.25	4.4	0.24	-12.2	-0.71	6.4	1.90★
2002	15.9	1.58★	19.4	1.04	7.5	0.41	4.8	1.21

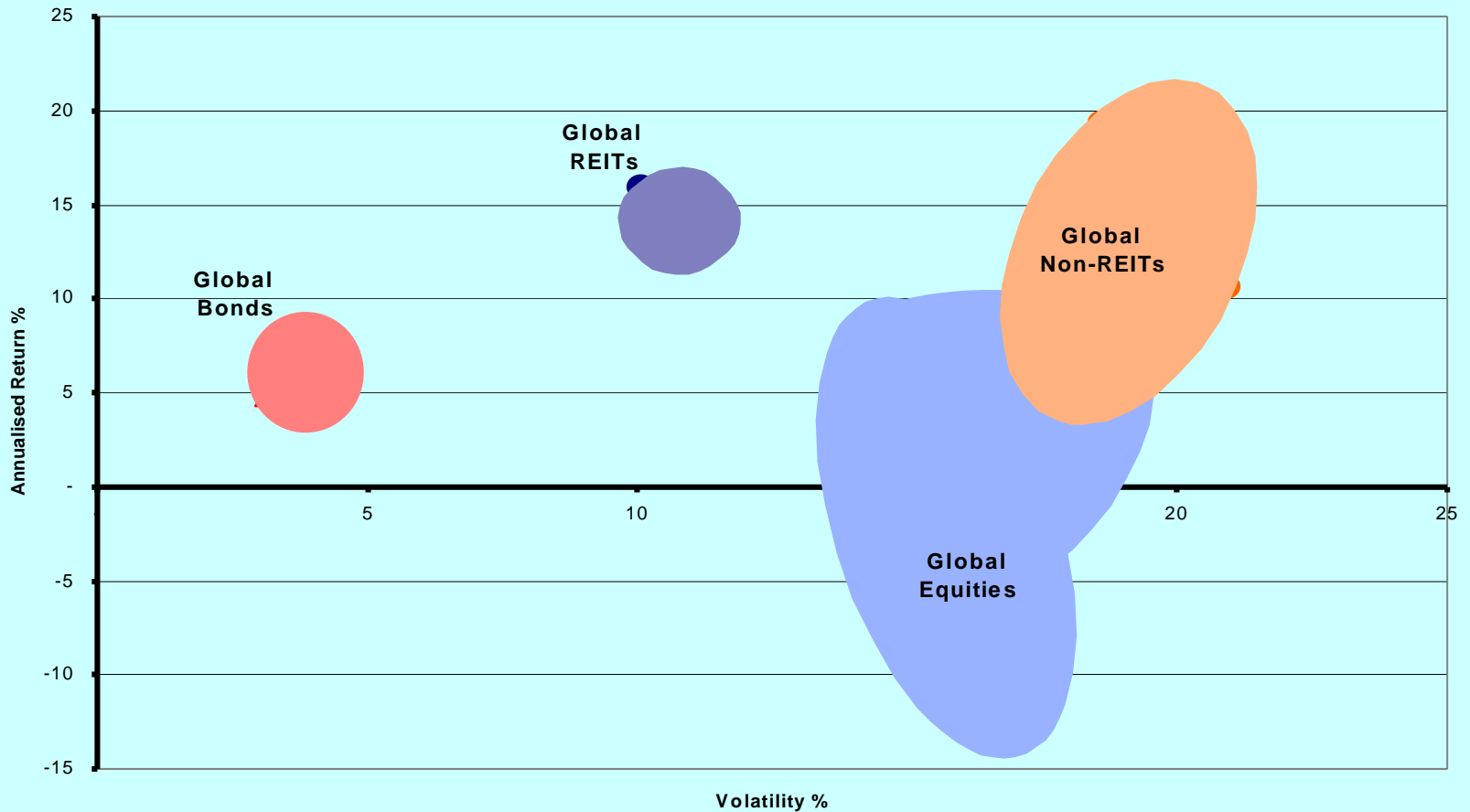
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Asset Class Risk / Return Profiles



Asset Class Risk / Return Profiles (Local)
6 Investment Horizons



Source: EPRA, MSCI & JP Morgan



Summary

- Global listed property is attractive
- REIT structures drive performance
- The trend is towards REITs: France, Singapore, Japan, Hong Kong
- Is there a future for non-REIT countries?