



Asia Pacific Real Estate Association

May 2018

GPR/APREA AsiaPac Performance Snapshot

...your guide to listed real estate returns in AsiaPac



What is the GPR/APREA snapshot?

The **GPR/APREA AsiaPac Performance Snapshot** tracks the dynamics of listed real estate securities (including REITs) across 12 AsiaPac countries/regions and eight sectors, over multiple time horizons.

The following asset classes are covered:

- Listed real estate (including REITs): GPR/APREA Composite Index
- REITs: GPR/APREA Composite REIT Index
- Equities: MSCI Asia Pacific Equities Index
- Bonds: JPM Govt Bonds – Asia Pacific

Overview – May 2018

The **GPR/APREA AsiaPac Performance Snapshot** reports on the comparative performance of asset classes, sectors and regions. The May edition reveals the following results:

All Asset Classes: Asian REITs most resilient in May

- Asian REITs registered the only positive total return of 1.1%, in May, with the remaining asset classes in negative territory.
- Listed real estate, bonds and equities posted negative returns of -0.4%, -0.6% and -0.9% respectively.

Listed Real Estate: The Philippines and the retail sector outperform

- The Philippines and New Zealand recorded the highest total returns at 4.5% and 3.3% in May, respectively.
- Retail and office were the top-performing listed real estate sectors in May, posting the same total return of 1.3%.

REITs: Malaysia scored highest total return

- Malaysian REITs posted the highest total return at 5.7%, followed by Australian REITs at 2.8% in May.
- REITs in the diversified sector recorded the highest total returns at 1.5% in May, followed by office at 1.3%.

Asia versus the World: Asian REITs remain most resilient and least volatile

The **GPR 250 REIT Index** provides a benchmark for comparing global performance based on larger cap stocks.

- Asian REITs remain most resilient recording a total return of 2.5% YTD May, compared to -2.6% in the USA and -0.3% in Europe.
- Asia remain the least volatile region with a 36-month volatility of 8.0%, compared to the global average of 11.0%.

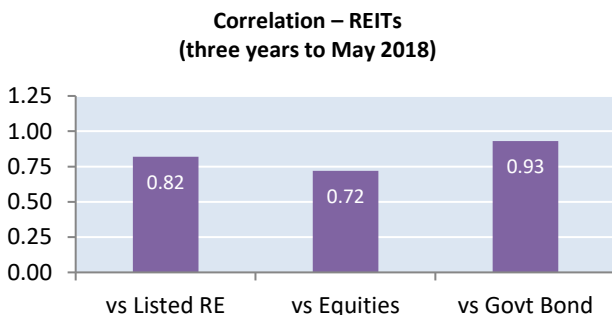
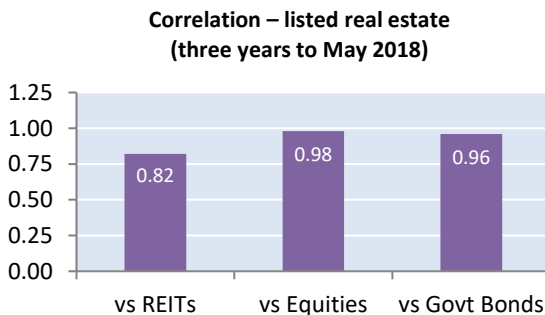
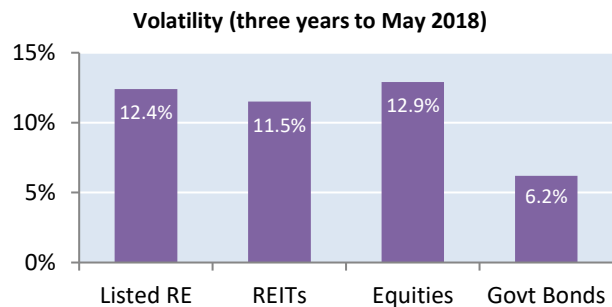
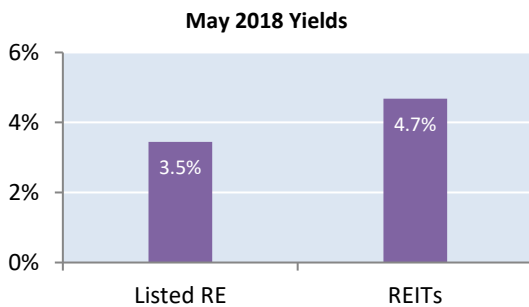
May 2018 Results – total returns

% Total Returns (USD)	May-18	1yr	3yrs*	5yrs*	10yrs*
GPR/APREA Listed Real Estate	-0.41	14.27	6.71	5.80	4.89
GPR/APREA REITs	1.14	7.97	7.63	6.89	5.84
MSCI Asia Pacific Equities	-0.88	15.75	7.22	7.84	4.15
JPM Govt Bonds – Asia Pacific	-0.59	3.86	2.83	1.49	3.85

*Annualised compound growth

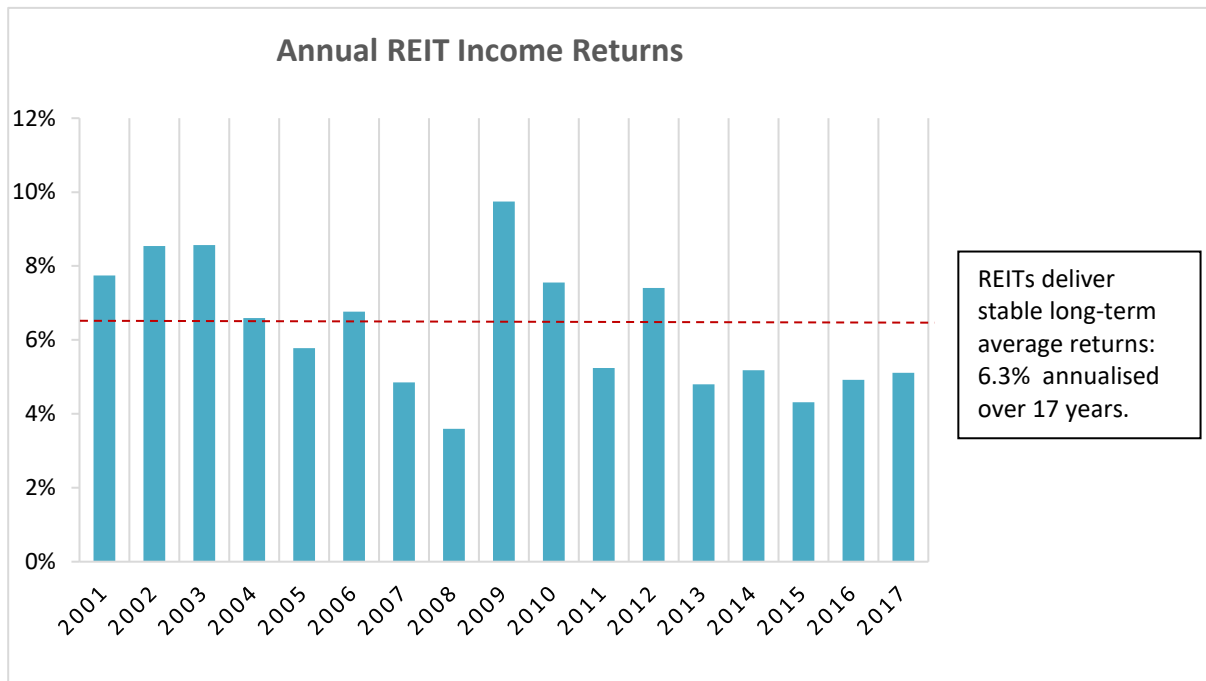
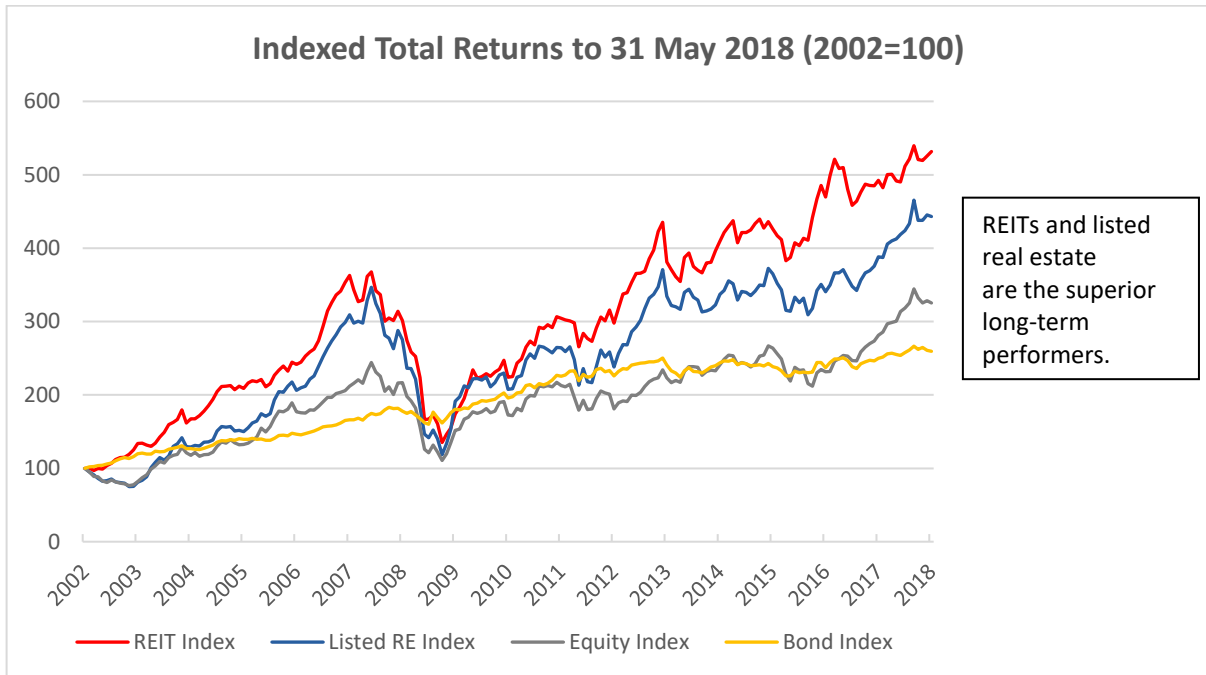
Total Returns - key results

- REITs posted the highest total return in May 2018.
- Equities and listed real estate were the strongest performers over the past five years.
- On a ten-year basis, REITs outpaced rival asset classes, followed by listed real estate.



Yields, Volatility and Correlation - key results

- REIT yields in May were higher than listed real estate yields by around 120 basis points.
- Listed real estate was more volatile than REITs by around 90 basis points over the past three years.
- REITs displayed a much lower correlation with equities than listed real estate and are more correlated with bonds.



GPR/APREA Composite Listed Real Estate Index – May 2018

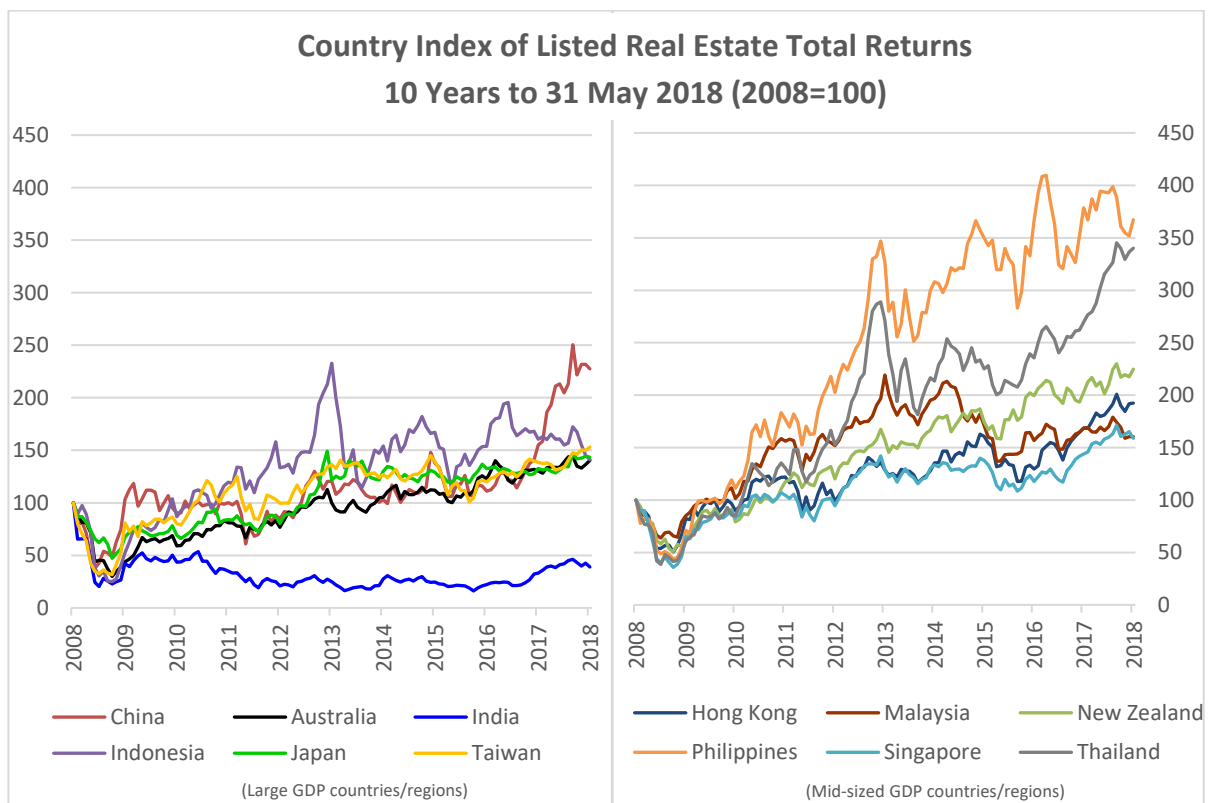
% Total Returns (USD)	May-18	1yr	3yrs*	5yrs*	10yrs*
Australia	2.92	7.78	7.76	7.05	3.45
China	-1.91	46.64	18.10	13.52	8.56
Hong Kong	0.43	14.12	6.21	8.41	6.77
India	-8.31	17.97	16.72	9.51	-8.97
Indonesia	-2.97	-12.22	-5.54	-9.55	3.49
Japan	-0.72	8.11	3.57	3.39	3.67
Malaysia	0.12	-4.92	-2.13	-6.05	4.84
New Zealand	3.34	10.84	8.84	7.41	8.44
Philippines	4.46	-2.97	1.64	2.35	13.90
Singapore	-3.96	10.24	4.86	4.20	4.73
Taiwan	2.27	10.41	3.15	2.34	4.35
Thailand	1.08	26.09	14.78	4.63	13.02

*Annualised compound growth

Listed Real Estate – key results by country/region

- May pace setters were the Philippines and New Zealand.
- The top-performing listed real estate markets for the past 12 months were China, followed by Thailand.
- India and China stood out on three-year and five-year basis respectively.
- The Philippines posted the best performance over a 10-year horizon.

GPR/APREA Composite Listed Real Estate Country Index over the Long-Term



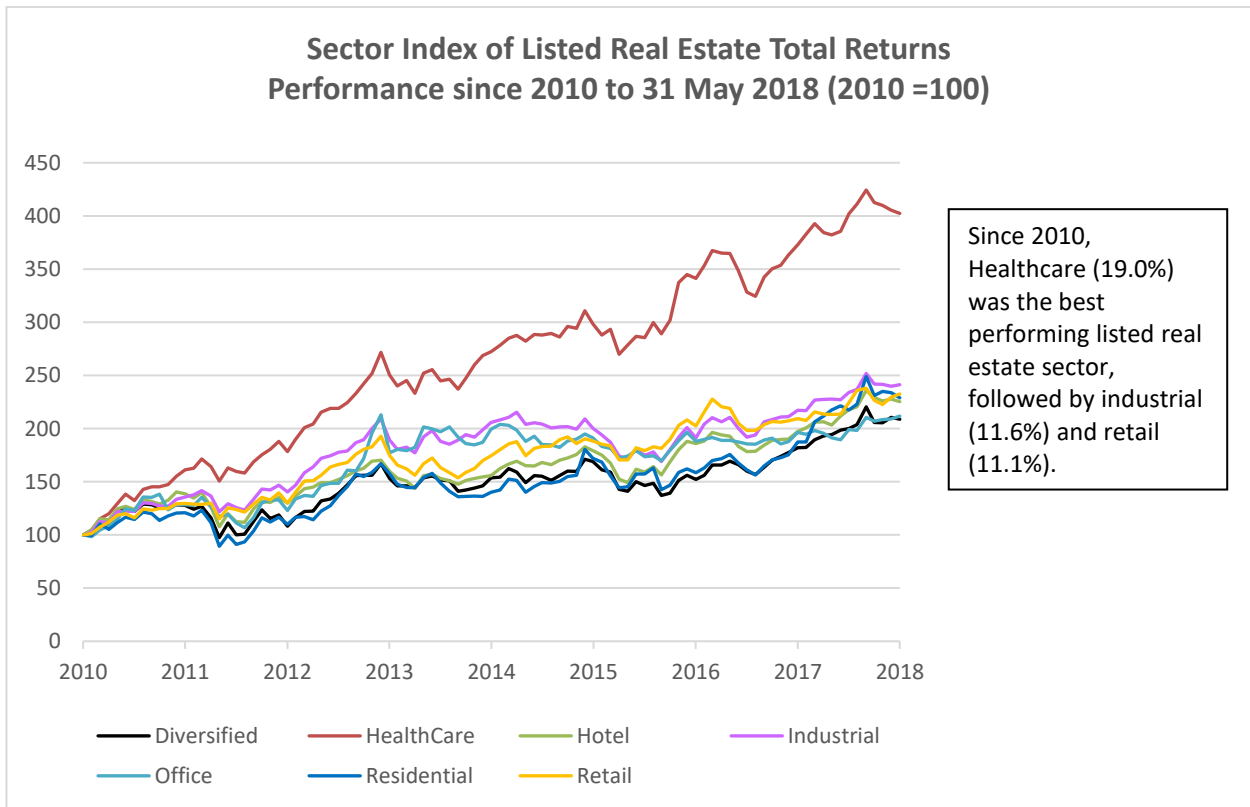
GPR/APREA Composite Listed Real Estate Sector Index – May 2018

% Total Returns (USD)	May-18	1yr	3yrs*	5yrs*	10yrs*
Diversified	-0.76	14.72	7.29	6.41	4.51
Office	1.30	7.82	3.46	3.64	4.84
Residential	-1.94	22.34	10.01	7.77	4.72
Retail	1.30	11.12	7.31	5.88	7.42
Industrial	0.58	11.06	6.36	4.97	8.01
Hotel	-1.10	14.16	7.92	7.14	7.59
Healthcare	-0.71	7.90	10.48	9.95	11.72
Other	-0.24	9.90	9.99	-	2.68

*Annualised compound growth

Listed Real Estate –key results by sector

- Retail and office were the top-performing listed real estate sectors in May.
- The residential and diversified sectors were the top-performers over the past 12 months.
- Healthcare stood out on a three-year and five-year basis and was also the best performing sector over a 10-year horizon.



GPR/APREA Composite REIT Index – May 2018

% Total Returns (USD)	May-18	1yr	3yrs*	5yrs*	10yrs*
Australia	2.81	7.03	7.43	6.69	3.07
China**	1.43	15.92	-	-	-
Hong Kong	1.48	11.24	14.76	13.50	16.87
Japan	1.35	5.25	6.11	7.12	5.99
Malaysia	5.73	5.62	3.50	-0.14	8.52
Singapore	-3.37	12.73	7.03	5.34	7.32
Taiwan	1.09	2.07	-1.25	-1.16	6.07

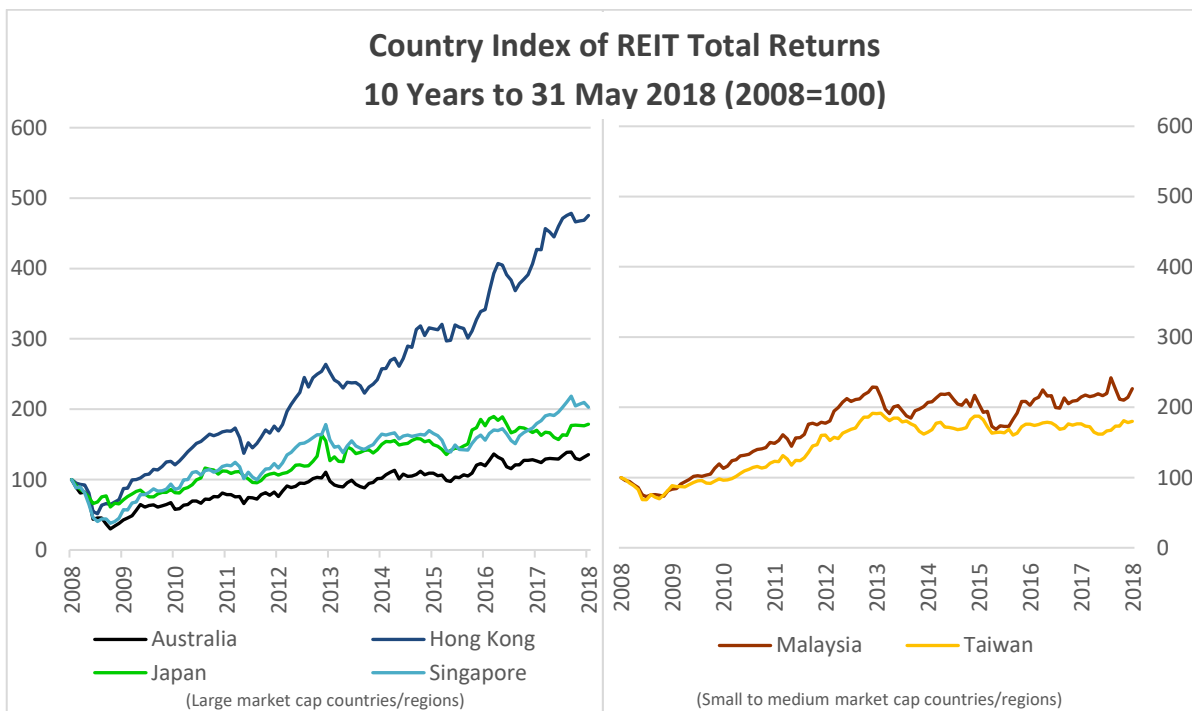
*Annualised compound growth

**The China REIT index is an experimental addition to the series. It tracks seven REITs that hold income-generating assets that are entirely located in China— four of which are listed in Hong Kong and three in Singapore. The total free float market capitalisation of these seven REITs is US\$4.49 billion. At present, no entities listed on Mainland China bourses are included in the China REIT series as there is no mandated REIT code in the People’s Republic.

REITs - key results by country/region

- The top-performing REIT market in May was Malaysia.
- The experimental China REIT index was the top-performing REIT series in terms of 12 months results.
- Hong Kong REITs stood out on a three-year, five-year and 10-year basis.

GPR/APREA Composite REIT Country Index over the Long-term



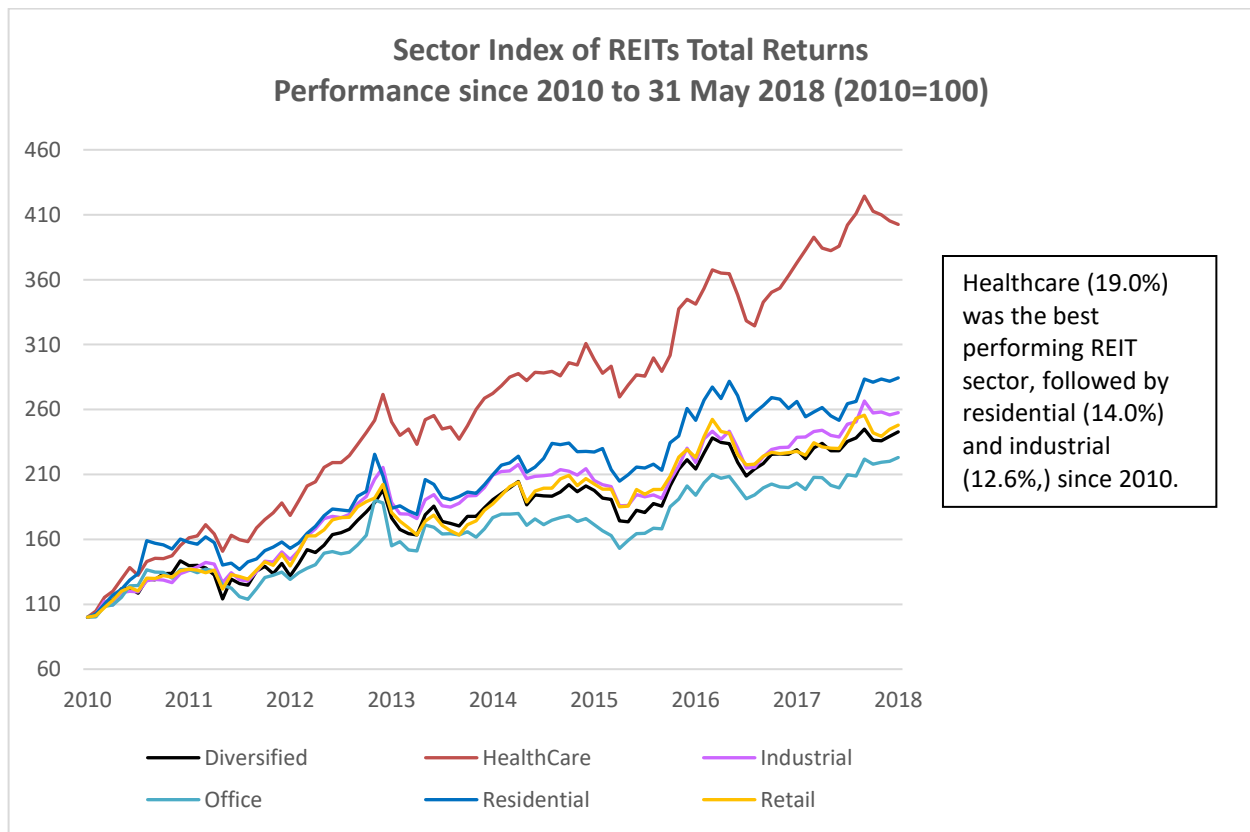
GPR/APREA Composite REIT Sector Index – May 2018

% Total Returns (USD)	May-18	1yr	3yrs*	5yrs*	10yrs*
Diversified	1.46	6.02	7.08	6.59	3.27
Office	1.33	9.73	9.19	7.55	5.52
Residential	0.94	6.82	7.77	9.12	11.54
Retail	1.27	8.88	6.96	6.55	8.09
Industrial	0.66	7.99	7.84	6.46	9.59
Hotel	-1.72	11.68	4.81	6.15	-
Healthcare	-0.71	7.90	10.48	9.95	11.72
Other	-0.98	10.66	-	-	-

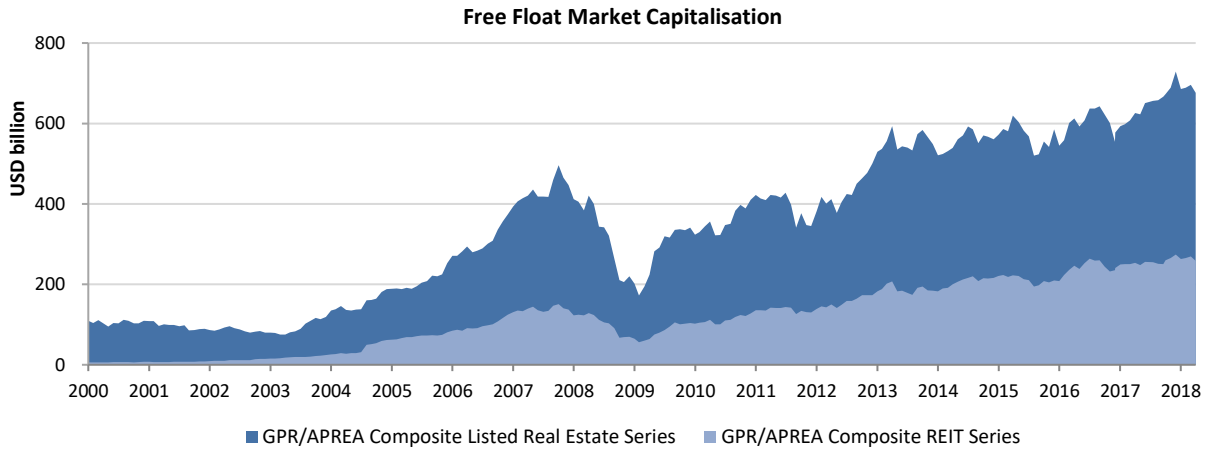
*Annualised compound growth

REIT – key results by sector

- REITs in the diversified sector recorded the highest total returns in May.
- Hotel and REITs in emerging sectors, including data centres, storage etc were the top-performers over the past 12 months.
- Healthcare also stood out on 3-year, 5-year and 10-year basis.



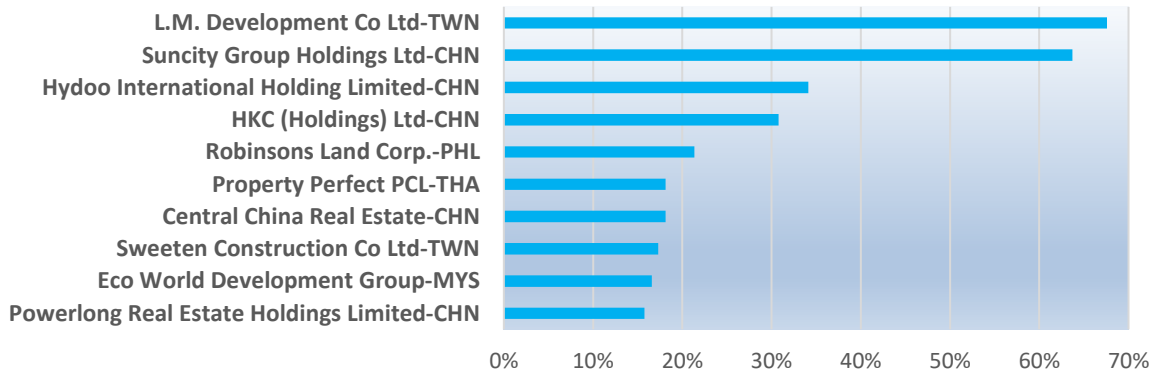
What's covered by the GPR/APREA Index



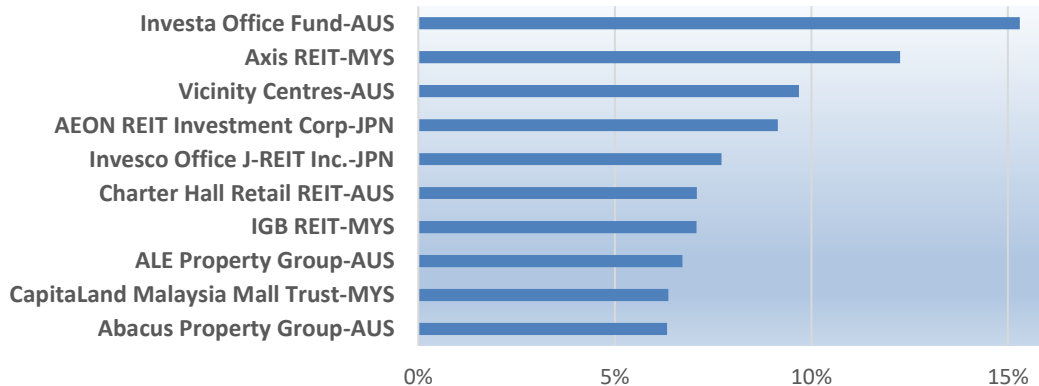
Market Cap in Numbers	Constituents	Free float in USD billion	Free float change (m-o-m)	Free float change (y-o-y)
Listed real estate index	417	676	-2.87%	8.02%
REIT index	160	258	-4.09%	1.67%

Top performers in May 2018 – listed property companies and REITs

10 Top Performing Listed Property Companies (USD - May 2018)



10 Top Performing REITs (USD - May 2018)



Methodology Q&A

Q. What sources of information underpin this report?

A. There are multiple sources, including GPR, APREA Research and Bloomberg.

Q. Which geographical markets are covered?

A. Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, Taiwan and Thailand. Allocations are based on country of operation.

Q. Which sectors are covered and what comprises “other”?

A. Diversified, office, residential, retail, industrial, hotel, healthcare and other. Other can include, data centres, storage etc.

Q. What sort of companies are included in the listed composite index and why are REITs part of the series?

A. The listed composite index is representative of the AsiaPac property stock market and includes developers, landlords and REITs listed on one or more of the regional stock exchanges. REITs are included in the composite index as they comprise around 40% of the listed real estate landscape. The basic inclusion rules for stocks are:

- \$50mn minimum free float market capitalisation for two consecutive months
- 15% minimum free float factor
- at least 60% of operational turnover derived from investment activities and/or development activities

Q. What does the REIT index cover and what is a REIT for the purposes of this index?

A. The REIT index includes companies that comply with REIT legislation in their country of primary listing. Singapore business trusts are included in the REIT index only if they comply with both the following criteria:

1. the business trust derives at least 90% of operational turnover from investment activities; and
2. the business trust must formally commit to distribute at least 90% of income as dividends.

Q. How is a “total return” defined in this index?

A. Total return includes both the total of dividends received and the change in unit price over a period. This figure is expressed as a percentage over the beginning period price.

Q. What is the difference between “free float” and “value” or market capitalisation”?

A. Free-float market capitalisation is calculated by taking an equity's price and multiplying it by the number of shares available in the market. Instead of using the total of active and inactive shares, as with the full-market capitalisation method, the free-float method excludes locked-in shares such as those held by insiders, promoters and governments.

Q. Are the indices weighted? How?

A. Yes, the property stocks included in all indices are assigned a base weighting derived from their free float market capitalisation on a quarterly date of periodic adjustment. The country weights are the sum of weighting factors of eligible individual constituents in each country.

Q. How often are the weightings and selection of the component countries and property stocks adjusted?

A. The adjustments to the base weightings and selection of stocks and countries in the listed composite index occur quarterly in March, June, September and December.

Q. From where is the information on individual company performance sourced?

A. Bloomberg

Q. Why were the MSCI Asia Pacific Equities Index series and JPM Govt Bonds-Asia Pacific series chosen to represent equity and bond performance?

A. The two series are considered representative of regional equity and bond performance.

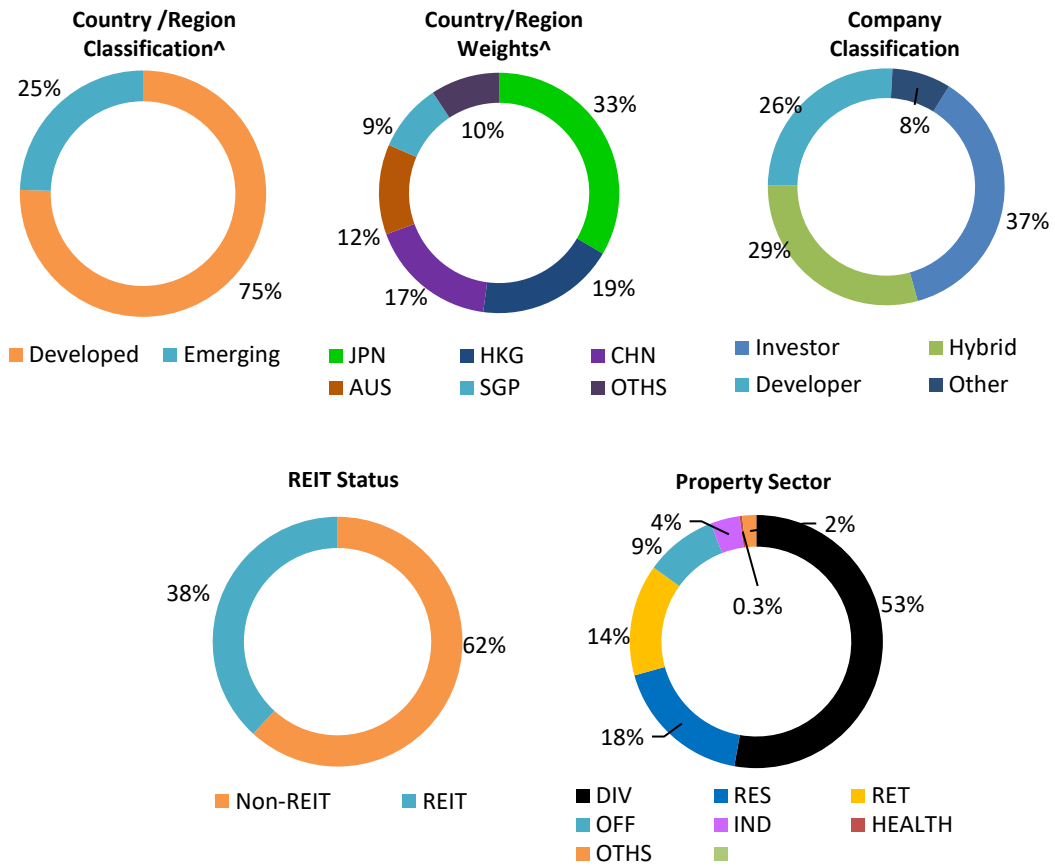
Q. What is GPR?

A. Global Property Research (GPR) provides services for leading financial institutions with top of-the-line benchmarks. All index products are based on an extensive and unique proprietary database of global listed property and infrastructure companies. GPR has a proven track record since 1995. For more on GPR, please contact Jeroen Vreeker at j.vreeker@gpr.nl or Floris van Dorp at f.van.dorp@gpr.nl

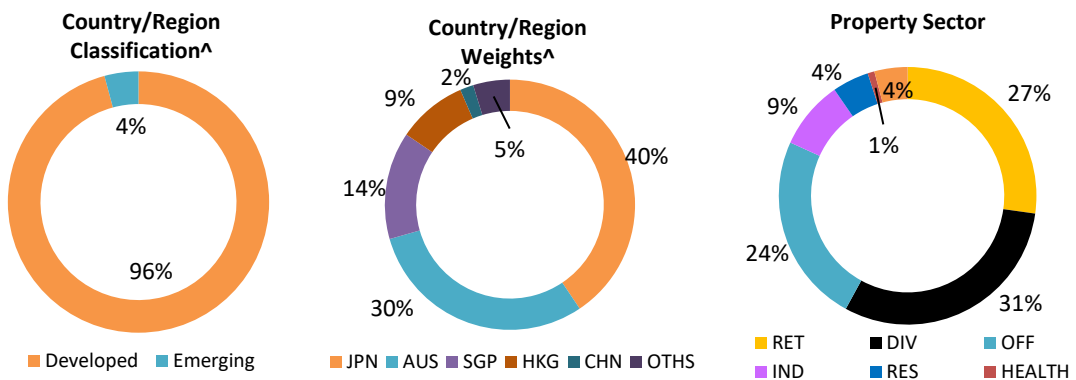
Q. How can I learn more about this index or APREA?

A. Please contact **Sian Howe Chua** at sianhowe.chua@aprea.asia, or visit APREA's website www.aprea.asia

Listed Real Estate - index constituents and profile



REITs - index constituents and profile



^Based on country of operations



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