

# J-REIT Monthly

May 2019

For your information only



Sumitomo Mitsui DS Asset Management

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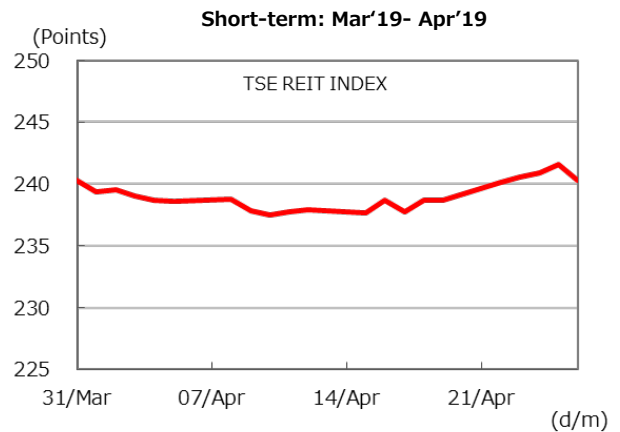
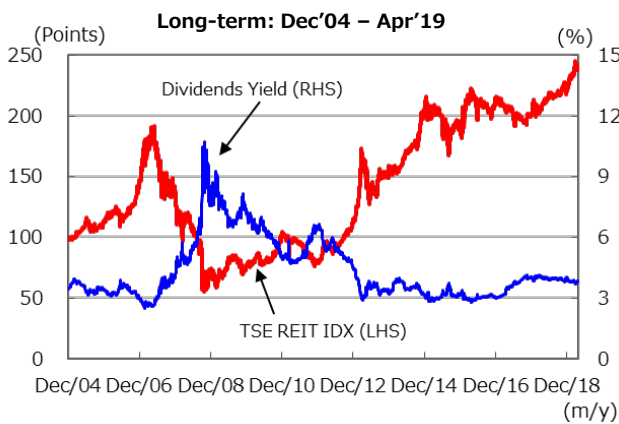
## 1. J-REIT Market Monthly Review (for April 2019)

In April, the TSE REIT Index (with dividends) dropped 0.7% from the previous month. J-REIT market weakened due to investor's profit-taking in the first half of the month. However the correction seemed to be limited considering the surge during Jan-Mar. The market also confirmed robust demand with investors' buybacks from the middle of the month. J-REITs continue to enjoy a favorable environment as BoJ lowered price outlook and clarified its stance to continue monetary easing in the Monetary Policy Meeting held on October 25.

By sector of TSE REIT Index, commercial and logistic sectors outperformed.

March office vacancy rate in Tokyo five central wards maintained 1.78% (the record low) with rent continuously increasing. In February, BoJ purchased J-REIT by eight times (JPY 9.6bn).

## 2. TSE REIT Index (with dividends)



TSE REIT Index	As of	1 week ago	1 month ago	3 months ago	6 months ago	1 year ago	3 years ago
	26 Apr 19	19 Apr 19	31 Mar 19	31 Jan 19	31 Oct 18	30 Apr 18	30 Apr 16
Index	3,822.76	3,796.63	3,851.10	3,709.11	3,459.73	3,358.59	3,465.54
% Change	-	0.7%	-0.7%	3.1%	10.5%	13.8%	10.3%

Note: (1) TSE REIT Index (w/ dividends) of the last trading day of a month. 12/31/04 = 100  
(2) % chg: changes for each period.

Source: SMDAM, based on Datastream data.

## 3. Top 10 REIT Constituents in J-REIT

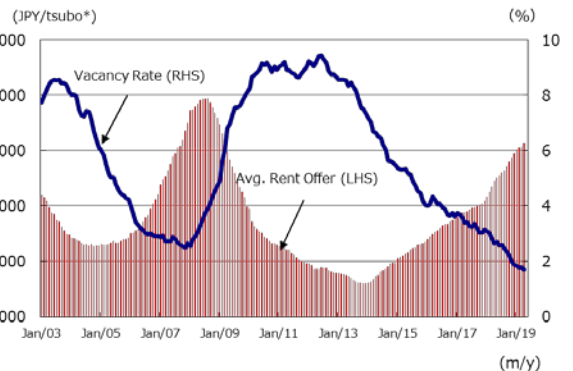
(# of TSE REIT Index Components:63)

	REIT	CODE	Weight
1	NIPPON BUILDING FUND	J8951	7.4%
2	JAPAN REAL ESTATE INV.	J8952	6.6%
3	NOMURA RLST.MASTER FUND	J3462	5.4%
4	JAPAN RET.FD.INV.	J8953	4.3%
5	UNITED URB.INV.	J8960	4.2%
6	ORIX JREIT	J8954	4.2%
7	DAIWA HOUSE REIT INV.	J8984	3.7%
8	NIPPON PROLOGIS REIT	J3283	3.4%
9	ADVANCE RESIDENCE INV.	J3269	3.2%
10	GLP J-REIT	J3281	3.2%
	Others		54.5%
	Total		100.0%

Source: SMDAM, based on Datastream data.

(As of the end of Apr 2019)

## 4. Tokyo Office Rent and Vacancy Rate



Notes: (1) Covering a period from January 2003 to Mar 2019(monthly basis).  
(2) Tokyo 5 wards: Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, and Shibuya-ku.  
(3) Tsubo is a Japanese traditional unit of measuring area. One tsubo represents approx. 10.76 square feet or 3.3 square meters

Source: SMDAM, based on Datastream data.

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## 1. Global REIT Market Monthly Review (for April 2019)

In April, the S&P Developed REIT Index (ex-Japan, with dividends, USD base) rose 0.2%. On a local currency basis, the REIT return declined 0.3% and Forex increased 0.5%.

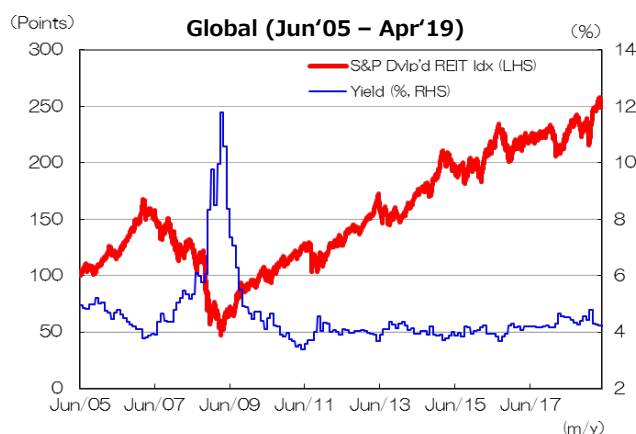
The US REIT market slightly declined reacted to US long term interest rates hike with reducing fear of global recession as Chinese economic indicators including Manufacturing PMI exceeded market expectations.

Meanwhile, the European REIT market rose in favor of (1) widened view of US-China trade conflicts to be resolved after senior US officials indicated progress in trade talks and (2) expectation for monetary easing to continue as ECB president, Mario Draghi referred to downside risks of European economy.

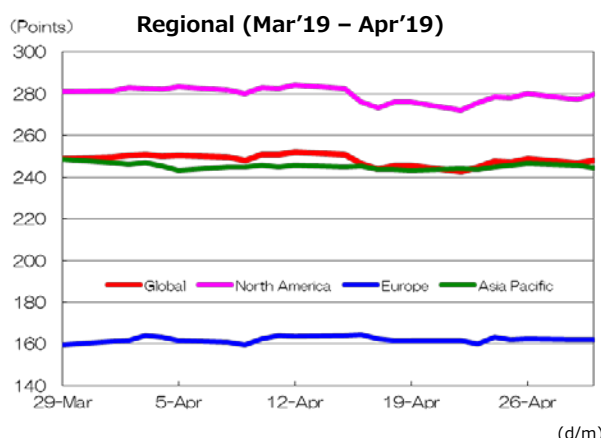
The Australian REIT market declined due to long-term interest rates hike in US and Europe, as favorable economic indicators of Australia eased concerns over recession.

Regarding the Forex factor, USD, EUR and GBP slightly strengthened and AUD slightly weakened against JPY.

## 2. Global REIT Index (in USD)

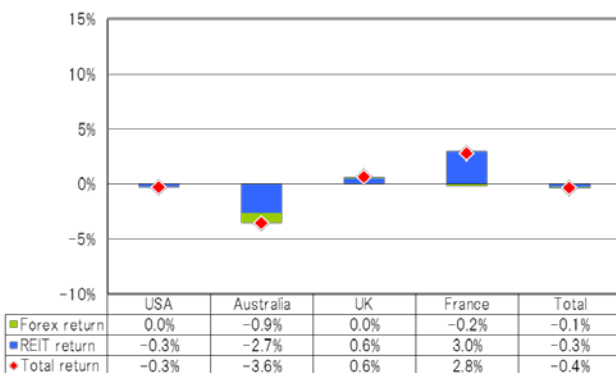


As of 30 Apr 2019	1 week ago 23 Apr 19	1 month ago 29 Mar 19	3 months ago 31 Jan 19	6 months ago 31 Oct 18	1 year ago 30 Apr 18	3 years ago 29 Apr 16
Global	1.2%	-0.4%	3.1%	11.1%	14.1%	20.0%
North America	1.4%	-0.4%	3.2%	11.1%	18.9%	21.4%
Europe	1.3%	1.4%	1.9%	4.3%	-10.4%	-2.0%
Asia Pacific	0.2%	-1.9%	3.2%	18.2%	15.0%	34.6%



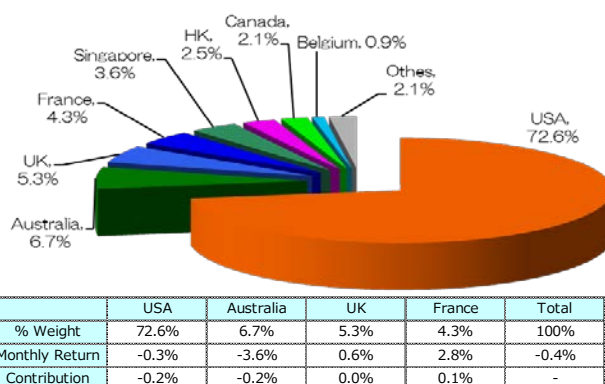
Note:  
(1) Global index: S&P Developed REIT Index (ex-Japan, in USD)  
Regional indexes are components of S&P Developed REIT Index.  
(2) 6/1/05=100 for both charts  
(3) % figures in the table indicate returns for each period  
Source: SMDAM, based on FactSet data.

## 3. Return Contribution by Factors (Apr'19)



Note: Total-return breakdown of S&P Developed REIT Index (in USD) by forex and market factors, by countries.  
Source: SMDAM, based on FactSet data.

## 4. Global % Weight by Markets (Apr'19)



Note: (1) S&P Developed REIT Index breakdown by country (ex-Japan, in USD).  
(2) Contribution is calculated by multiplying each country's % weight by Monthly Return  
Source: SMDAM, based on FactSet data.