

# J-REIT Monthly

May 2020

For your information only



Sumitomo Mitsui DS Asset Management

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## 1. J-REIT Market Monthly Review (for April 2020)

In April, the TSE REIT index (with dividends) declined -0.9% MoM.

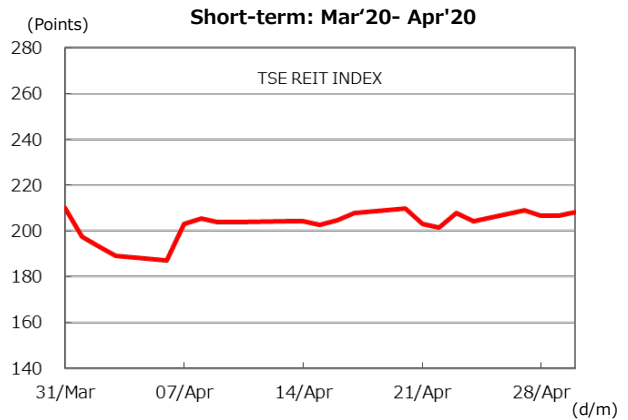
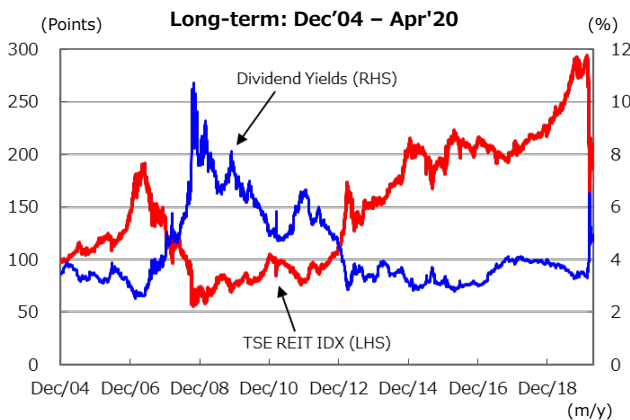
J-REIT market rebounded from the sharp fall due to global spread of COVID-19 and loss-cutting. However, the rebound was weak and the market moved almost flat in April with uncertainty of future due to the prolonged soft lockdown.

By sector, only office sector had significantly underperformed. Commercial logistics sector rebounded and showed the highest outperformance mainly lead by hotel REITs.

March office vacancy rate in Tokyo five central wards maintained almost the same level as the previous month at 1.50% while average rent has risen for 75 consecutive months.

In April, BoJ purchased J-REIT by ten times (total 20bn worth).

## 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
Index	30 Apr 20	23 Apr 20	31 Mar 20	31 Jan 20	31 Oct 19	30 Apr 19	30 Apr 17
% Change	-	0.1%	-0.9%	-28.1%	-28.4%	-13.3%	2.4%

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.

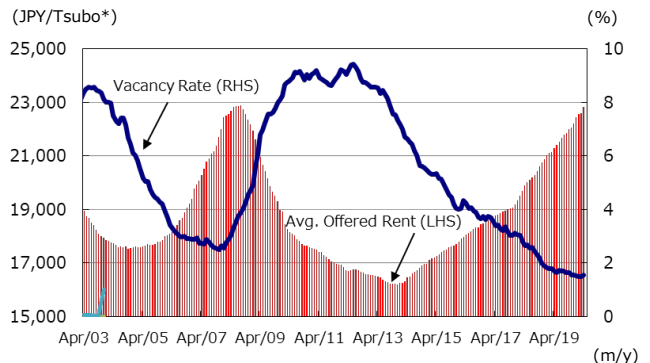
## 3. Top 10 REIT Constituents in J-REIT

(# of TSE REIT Index Components:63)

	REIT	Code	Weight
1	NIPPON BUILDING FUND	J8951	7.6%
2	JAPAN REAL ESTATE INV.	J8952	7.2%
3	NIPPON PROLOGIS REIT	J3283	5.5%
4	NOMURA RLST.MASTER FUND	J3462	4.9%
5	DAIWA HOUSE REIT INV.	J8984	4.6%
6	GLP J-REIT	J3281	4.2%
7	ADVANCE RESIDENCE INV.	J3269	3.8%
8	ORIX JREIT	J8954	3.2%
9	UNITED URB. INV.	J8960	3.0%
10	JAPAN RET. FD. INV.	J8953	2.7%
	Others		53.3%
	Total		100.0%

Source: SMDAM, based on Datastream data. (As of the end of Apr 2020)

## 4. Tokyo Office Rent and Vacancy Rate



Notes: (1) Covering a period from April 2003 to April 2020.  
(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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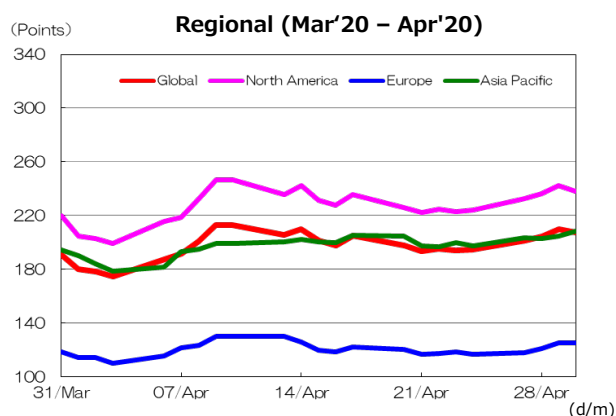
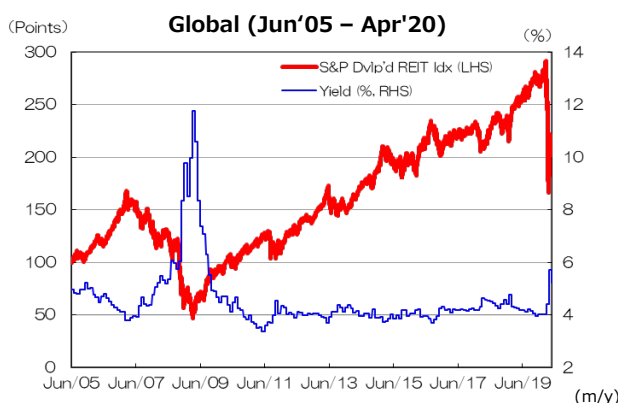
In April, the S&P Developed REIT Index (ex-Japan, with dividends, USD base) rose 8.7%. On a local currency basis, the REIT return increased by 8.1% and Forex increased by 0.6%.

The US REIT market rose as the number of newly infected persons has become stable and the government has announced large scale fiscal and financial measures against COVID-19 in succession.

The European, British, Australian, Canadian, Hong Kong and Singaporean REIT markets also rose on the expectation for slowing down of spread of COVID-19 and restart of economic activities by ending lockdown in some regions.

Regarding the Forex, GBP, CAD, AUD and SGP strengthened against USD. Meanwhile, EUR and HKD were almost flat.

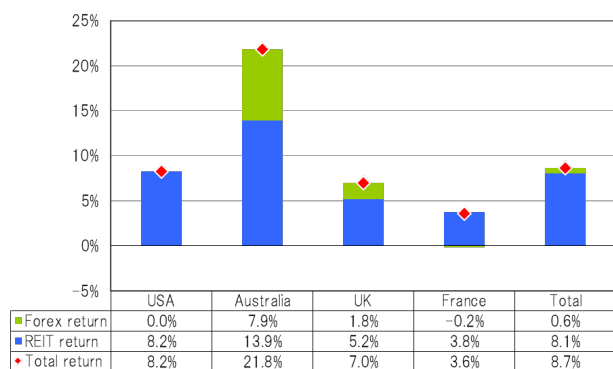
## 2. Global REIT Index (in USD)



As of 30 Apr 2020	1 week ago 23 Apr 20	1 month ago 31 Mar 20	3 months ago 31 Jan 20	6 months ago 31 Oct 19	1 year ago 30 Apr 19	3 years ago 28 Apr 17
Global	6.9%	8.7%	-23.2%	-23.5%	-16.2%	-3.3%
North America	7.0%	8.3%	-22.0%	-22.7%	-14.8%	-1.6%
Europe	5.4%	5.3%	-30.2%	-28.9%	-22.8%	-19.5%
Asia Pacific	7.2%	14.2%	-24.1%	-23.5%	-18.8%	2.4%

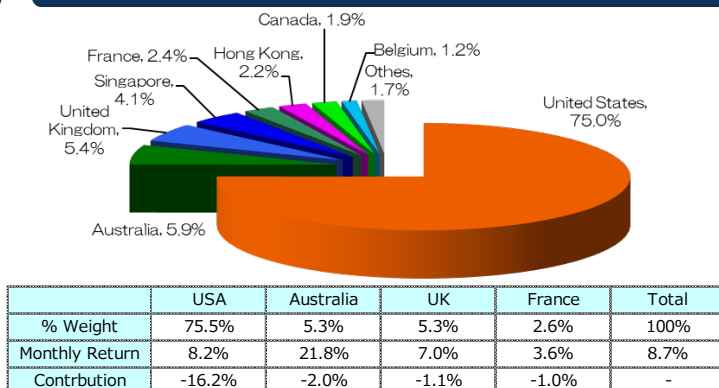
Note:  
(1) Global index: S&P Developed REIT Index (ex-Japan, in USD)  
Regional indexes are components of S&P Developed REIT Index.  
(2) 6/1/05=100 for both charts  
(3) % figures in the table indicate returns for each period  
Source: SMDAM, based on FactSet data.

## 3. Return Analysis by Country (Apr'20)



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. Country Allocation (Apr'20)



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.