

J-REIT Monthly

November 2020

For your information only



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

In October, the TSE REIT index (with dividends) declined -5.0%MoM.

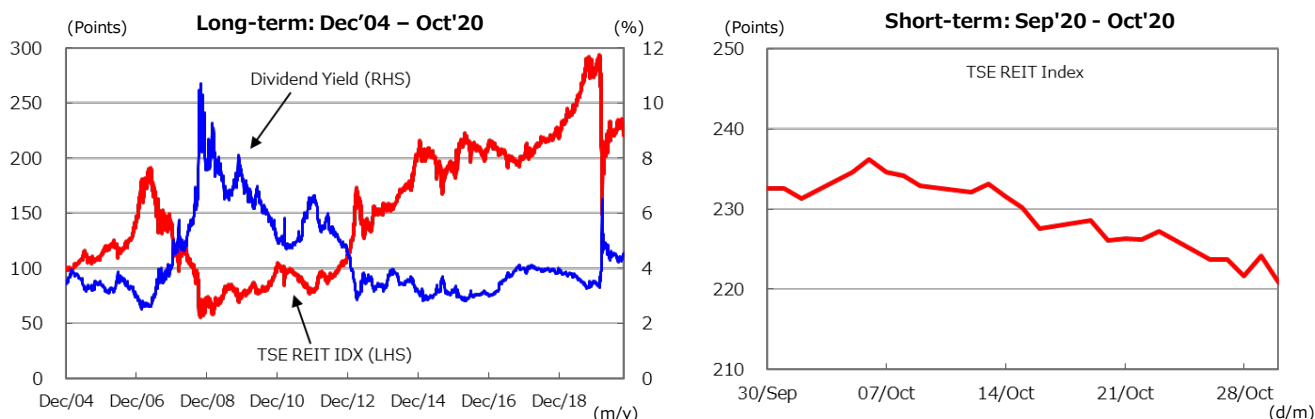
J-REIT market dropped due to rising concern over supply/demand and deterioration in investors' sentiment as one of the largest J-REITs has announced the largest PO in the history of J-REIT market. Hotel REITs showed strength as demand in hotels was expected to increase with "Go to Travel" campaign. However, J-REIT market as a whole declined toward the month end as Covid-19 infections have been re-expanding in US and Europe.

By sector, office sector underperformed. Among the commercial and logistics sector, the performance of retail REITs varied while that of logistics and hotel REITs were relatively strong.

September office vacancy rate in Tokyo five central wards rose for 7 consecutive months at 3.43% affected by 1) offering of large-scaled vacant office space and 2) cancellation of leasing contract due to office space contraction. Average rent has also declined for 2 consecutive months on month-on-month basis.

In October, BoJ purchased J-REIT by six times (total JPY7.2bn 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 Oct 20	23 Oct 20	30 Sep 20	31 Jul 20	30 Apr 20	31 Oct 19	31 Oct 17
Index	3,512.43	3,614.56	3,698.94	3,535.10	3,313.25	4,625.77	3,099.44
% Change	-	-2.8%	-5.0%	-0.6%	6.0%	-24.1%	13.3%

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

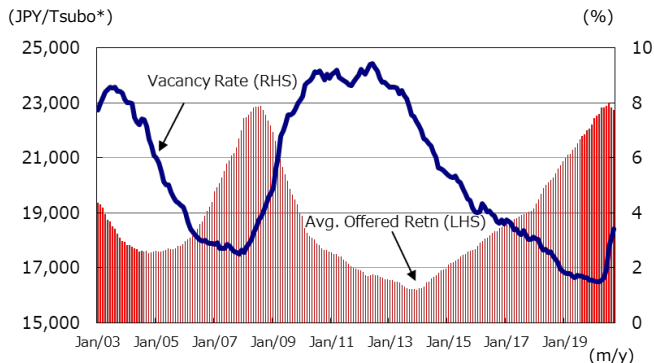
(# of TSE REIT Index Components: 62)

	REIT	Code	Weight
1	NIPPON BUILDING FUND	J8951	6.8%
2	NIPPON PROLOGIS REIT	J3283	6.0%
3	JAPAN REAL ESTATE INV.	J8952	5.9%
4	GLP J-REIT	J3281	5.3%
5	NOMURA RLST.MASTER FUND	J3462	4.6%
6	DAIWA HOUSE REIT INV.	J8984	4.0%
7	ORIX JREIT	J8954	3.4%
8	ADVANCE RESIDENCE INV.	J3269	3.3%
9	JAPAN RET.FD.INV.	J8953	3.2%
10	INDL.& INFR.FUND INV.	J3249	2.9%
	Others		54.5%
	Total		100.0%

Source: SMDAM, based on Datastream data.

(As of the end of Oct 2020)

4. Tokyo Office Rent and Vacancy Rate



Notes: (1) Covering a period from Jan 2003 to Sep 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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1. Global REIT Market Monthly Review (for October 2020)

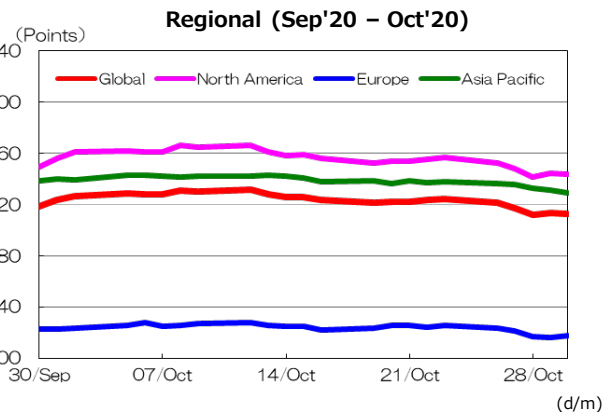
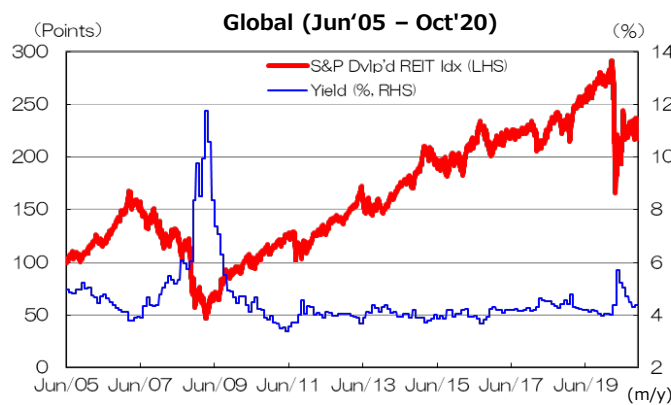
In October, the S&P Developed REIT Index (ex-Japan, with dividends, USD base) dropped -2.9%. On a local currency basis, both REIT return and Forex declined -2.7% and -0.2%, respectively.

The US REIT market declined mainly in shopping centers and offices due to cautiousness towards US presidential election and re-expansion of Covid-19 infections. Also in the European REIT market, many countries including France and Germany sank negatively affected by tightened restriction on activities as virus infections re-expanded. The British REIT market declined due to re-expanding infections and concern over possible confusion in economy due to Brexit.

The Australian REIT market declined along with deteriorating global markets, in spite of the positive government budget draft including income tax reduction. The Singaporean REIT market dropped with shift of investors' interest from REITs to equities as long-term interest rates rose and concern over supply/demand situation due to PO. The Hong Kong REIT market was almost flat with slow recovery in the consumptions.

Regarding the Forex, GBP, CAD and SGP maintained flat while AUD and EUR weakened against USD.

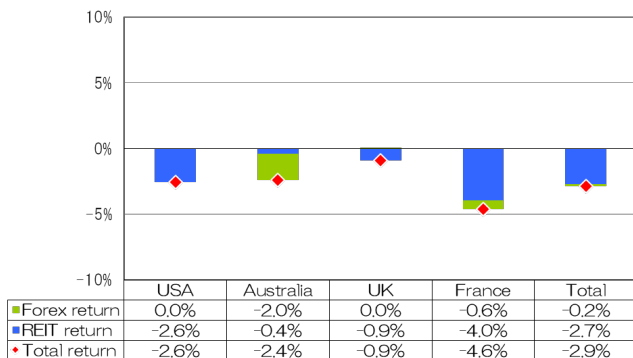
2. Global REIT Index (in USD)



As of 30 Oct 2020	1 week ago	1 month ago	3 months ago	6 months ago	1 year ago	3 years ago
	23 Oct 20	30 Sep 20	31 Jul 20	30 Apr 20	31 Oct 19	31 Oct 17
Global	-5.3%	-2.9%	-4.8%	2.3%	-21.7%	-3.4%
North America	-5.3%	-2.5%	-4.9%	2.1%	-21.1%	-0.8%
Europe	-6.1%	-4.0%	-9.7%	-5.9%	-33.0%	-28.4%
Asia Pacific	-4.7%	-3.9%	0.1%	10.5%	-15.4%	7.0%

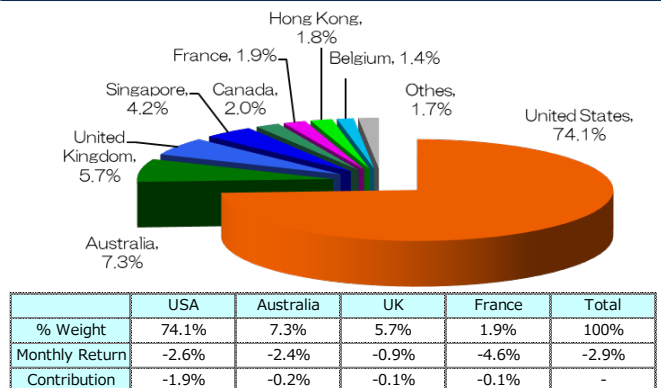
Note:
(1) Global index: S&P Developed REIT Index (ex-Japan, in USD)
Regional indexes are components of S&P Developed REIT Index.
(2) 6/1/05=100 for both charts
(3) % figures in the table indicate returns for each period
Source: SMDAM, based on FactSet data.

3. Return Analysis by Country (Oct'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 (Oct'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.

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