

PRESS RELEASE



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REITS PROVIDING GOOD RETURNS AND GOOD GOVERNANCE

Real Estate Tops ISS' Industry Governance Rankings

Washington, D.C. -- Investors eyeing the impressive returns of REIT stocks may not also realize that a fifth consecutive year of strong performance coincides with data showing that real estate industry corporate governance is now second to none.

Through Sept. 15, the NAREIT Equity REIT Index posted a year-to-date total return of 12.6 percent. The impressive performance of real estate stocks coincides with data provided by Institutional Shareholder Services (ISS) which show that real estate had the best average corporate governance ranking of any U.S. industry as of Sept. 15, as measured by ISS' Corporate Governance Quotient (CGQ) database (see Chart 1).

Chart 1

Industry Group	Average Index CGQ
Real Estate	65.2
Utilities	62.6
Banks	60.7
Pharmaceuticals & Biotechnology	56.1
Energy	55.7
AVERAGE	51.8

Source: Institutional Shareholder Services' Corporate
Governance Quotient Rankings as of Sept. 15, 2004

ISS is the world's leading provider of proxy voting and corporate governance services. CGQ is a ranking system designed to assist institutional investors in evaluating the quality of corporate boards and the impact its governance practices may have on performance.

"REITs are providing good governance along with good returns," according to NAREIT President and CEO Steven A. Wechsler. "Investors increasingly are interested in building dividends and diversification into their portfolios through the inclusion of real estate stocks. Now they can do so in the knowledge that the industry's governance is as good as, if not better than, that of the rest of corporate America."

(more)

REIT stocks have posted a cumulative total return of 134 percent since the beginning of 2000, well ahead of other major market benchmarks. In fact, the NAREIT Equity REIT Index has outpaced the Dow Jones Industrial Average, S&P 500, Russell 2000 and Nasdaq Composite for most time periods over the course of three decades (see Chart 2).

Chart 2

Historical compound annual total returns of the NAREIT Equity REIT Index versus other leading U.S. equity benchmarks

	NAREIT Equity	S&P 500	Russell 2000	Nasdaq Composite ¹	Dow Jones Industrials ¹
1-Year	29.9	11.5	11.4	1.5	8.1
3-Year	17.9	0.8	6.7	0.6	0.8
5-Year	17.4	-2.1	6.4	-7.7	-1.2
10-Year	13.0	10.7	9.3	9.2	10.0
15-Year	11.9	10.3	9.4	9.5	9.2
20-Year	12.6	12.8	10.4	10.4	11.2
25-Year	13.2	13.1	11.8	10.5	10.3
30-Year	15.5	13.3	NA	11.9	9.4

¹ Price only returns. Highest total return for each period in bold. Total returns expressed in percent. Data for periods ending Aug. 31, 2004.

In a column written for the July/August edition of *Real Estate Portfolio* magazine, <http://www.nareit.com/portfoliomag/04julaug/bestpractises.shtml>, ISS analysts noted that, “Research has established that companies with a higher degree of board independence, especially in conjunction with a certain level of stock ownership, are more likely to outperform their peers.”

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