

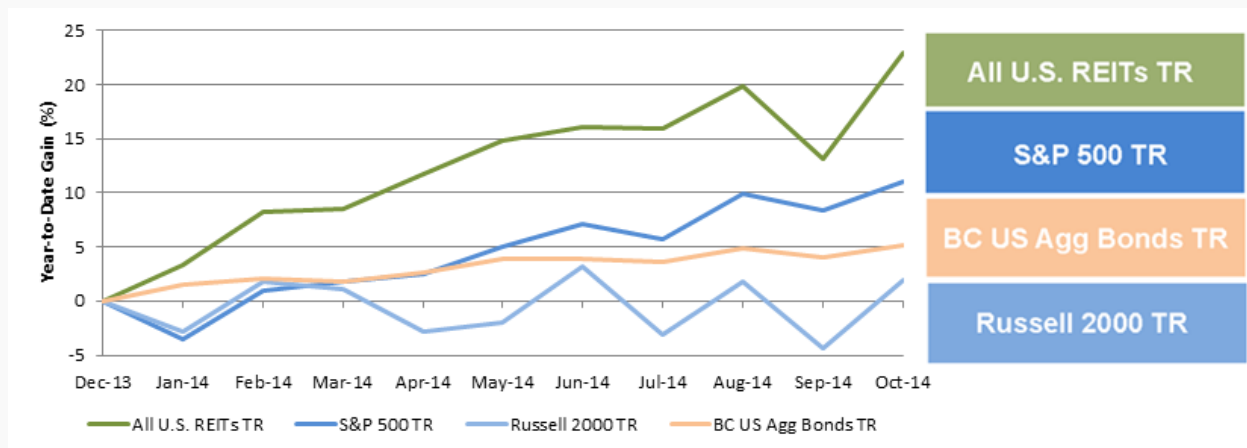


MEDIA BRIEF NOVEMBER 2014

	OCT TOTAL RETURN	YTD TOTAL RETURN	DIV YIELD
FTSE NAREIT ALL REIT INDEX	8.72%	22.95%	3.99%
FTSE NAREIT ALL EQUITY REIT INDEX	8.99%	23.55%	3.45%
FTSE NAREIT MORTGAGE REIT INDEX	5.14%	18.48%	10.48%
S&P 500 INDEX	2.44%	10.99%	2.01%

[REIT Market Data](#) | [REIT Basics](#) | [REIT Glossary](#) | [REIT FAQs](#)

U.S. REITs DELIVER 23 PERCENT TOTAL RETURN FOR THE YEAR TO DATE THROUGH OCTOBER



Buoyed by an 8.72 percent total return for the month of October, U.S. REITs delivered total returns of 23 percent for the 2014 year to date, or more than double those of the S&P 500 Index. The FTSE NAREIT All REITs Index, the broadest benchmark of the U.S. REIT industry, containing both equity and mortgage REITs, was up 22.95 percent with a dividend yield of 3.99 percent at October 31. The FTSE NAREIT All Equity REITs Index was up 23.55 percent with a dividend yield of 3.45 percent, and the FTSE NAREIT Mortgage REITs Index was up 18.48 percent with a dividend yield of 10.48 percent. By comparison, the S&P 500's total return was 2.44 percent for the month of October and 10.99 percent for the year to date, and the index delivered a dividend yield of 2.01 percent at

October 31.

The FTSE EPRA/NAREIT Global Real Estate Index – representing 462 companies from around the world with a combined market capitalization of \$1.8 trillion – delivered a total return of 6.21 percent for the month of October and 13.84 percent for the year to date with a dividend yield of 3.43 percent at October 31.

[See all REIT market data](#)

REAL ESTATE TO BECOME A SEPARATE GICS SECTOR, SAY S&P, MSCI

Real estate will become a separate industry sector in the Global Industry Classification Standard structure (GICS), moving from the financial sector, said S&P Dow Jones Indices and MSCI, which manage the industry classification system. The move is set for August 2016, with comments requested by February 2015. The creation of an additional sector under the GICS structure is a first for the classification system since its creation in 1999.

“Real estate is now viewed as a distinct asset class and is increasingly being incorporated separately into the strategic asset allocation of asset owners,” said Remy Briand, managing director and global head of equity research at MSCI.

[Read the news release](#)

NAREIT ECONOMIST BRAD CASE DISCUSSES OCTOBER MARKET RESULTS



NAREIT Senior Vice President of Research and Industry Information Brad Case said that the major factor driving returns in the REIT market and broader stock market is the recovery in macroeconomic conditions. However, supply and demand conditions also are supporting returns.

“In every property type nationwide, you’re seeing new construction that is way below normal levels,” he said.

[Watch the Video](#)

[See all REIT market data](#)

FUNDAMENTALLY SPEAKING: MARKET CONDITIONS CONTINUE TO SUPPORT REITs



Calvin Schnure, NAREIT’s vice president of research and industry information, discusses resilient economic trends for commercial real estate, including October jobs report numbers and third quarter corporate profits. “This is all saying that market fears that the U.S. economy could

stumble were really overblown,” he notes.

[Watch the Video](#)

SECTOR RESULTS: APARTMENT REITS LEAD FOR YTD 2014

Apartment REITs were the top performing major REIT market sector in year to date through the end of October, delivering a 34.08 percent total return. The sector’s results were driven by a continuing imbalance in the supply of apartment space and demand for apartments.

“Apartment construction was at record lows in the 2008 through 2011 period,” said NAREIT Vice President of Research and Industry Information Calvin Schnure. “Demand for apartments, though, is increasing as the economy gradually improves and people who were potential apartment tenants move out of shared living situations and seek apartments of their own. This is creating a favorable market for landlords who can increase rents, which translate into increased earnings.”

Among other equity REIT market sectors, Manufactured Homes were up 38.94 percent, Self-Storage REITs were up 29.38 percent, Healthcare REITs were up 27.67 percent, Lodging/Resort REITs were up 26.45 percent and Retail and Office REITs delivered total returns of more than 22 percent for the year to date through October 31.

The FTSE NAREIT Mortgage REITs Index was up 18.48 percent for the year to date, with the Home Financing subsector up 20.51 percent and the Commercial Financing subsector up 13.37 percent.

[See all REIT sector data](#)

REIT BALANCE SHEETS REMAIN STRONG, WITH MODERATE LEVERAGE

Stock exchange-listed U.S. REITs raised \$55.03 billion in new capital in the year to date through October 31, 2014 to deploy as part of their value creation strategies, compared to \$68.14 billion for the same period last year. Listed REITs raised \$26.22 billion of common and preferred equity, including three IPOs that raised a total of \$763 million, and \$28.81 billion of unsecured debt for the year to date.

The U.S. REIT industry maintained conservative leverage in the first half of the year, the latest period for which data are available. The debt ratio (total debt divided by total market capitalization) of the FTSE NAREIT All REITs Index was 45.9 percent, and the debt ratio of the FTSE NAREIT All Equity REITs Index was 33.2 percent at June 30, 2014.

[See all REIT capital markets data](#)

UNDERSTANDING REITs: WHAT IS THE ORIGIN OF REITs?

REITs were created by Congress in 1960 – patterned after mutual funds – to enable Americans from all walks of life to gain the benefits of real estate investment. Those benefits include continuing income, portfolio diversification to reduce risk, competitive total returns and inflation protection.

Previously, only the wealthy were able to gain these benefits by buying real estate directly.

[Learn more](#)

CONTACT INFORMATION

To speak to our economists and other industry experts about economic and industry trends, and investment issues, contact:

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