

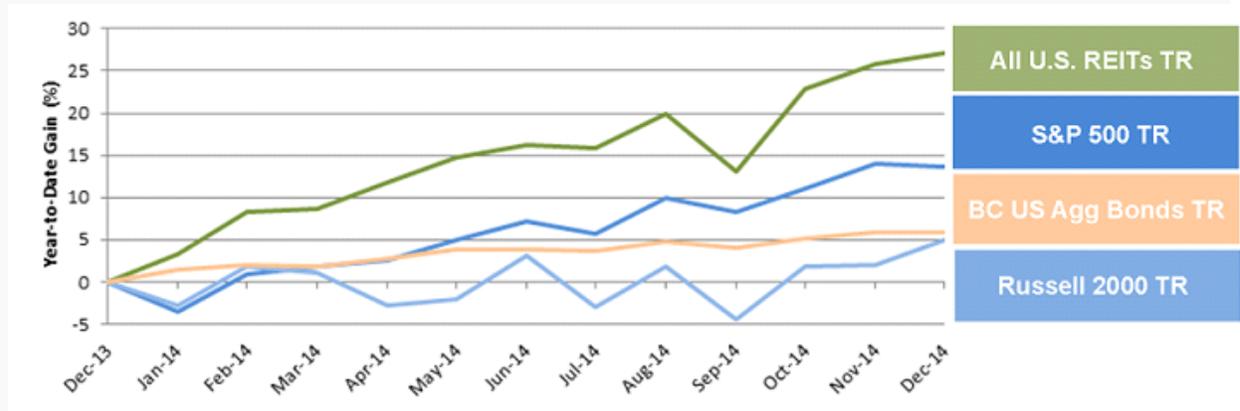


**MEDIA
BRIEF
JANUARY
2015**

	DEC TOTAL RETURN	DEC 30 DIVIDEND YIELD	2014 TOTAL RETURN	5-YEAR TOTAL RETURN	10-YEAR TOTAL RETURN
FTSE NAREIT ALL REIT INDEX	1.09%	4.00%	27.15%	16.63%	7.50%
FTSE NAREIT ALL EQUITY REIT INDEX	1.26%	3.56%	28.03%	16.91%	8.32%
FTSE NAREIT MORTGAGE REIT INDEX	(2.66%)	10.66%	17.88%	10.64%	(2.84%)
S&P 500 INDEX	(0.25%)	2.00%	13.69%	15.45%	7.67%

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

U.S. REITs DOUBLED THE TOTAL RETURN AND DIVIDEND YIELD OF THE S&P 500 IN 2014



The FTSE-NAREIT All REITs Index, the broadest benchmark of the U.S. REIT industry, containing both equity and mortgage REITs, finished strong in 2014 with a total return of 27.15 percent for the year and a dividend yield of 4.00 percent at December 31. U.S. REIT performance was double the 13.69 percent total return and 2.00 percent dividend yield for the S&P 500 Index for the year to December 31. REITs also performed well compared to the broader stock market on a five-year basis: the FTSE NAREIT All REITs Index delivered a compound annual total return

of 16.63 percent for the five-year period ending December 31, 2014, compared to 15.45 percent for the S&P 500 Index.

At the end of 2014, the FTSE NAREIT All REITs Index included 216 REITs with a combined equity market capitalization of \$907 billion.

The FTSE EPRA/NAREIT Global Real Estate Index – representing 464 companies from around the world with a combined equity market capitalization of \$1.8 trillion – delivered a total return of 14.73 percent in 2014 with a dividend yield of 3.40 percent at December 31. The FTSE EPRA/NAREIT Americas Index delivered the best performance of any region with a total return of 26.19 percent for the year. The FTSE EPRA/NAREIT Middle East/Africa Index delivered a 14.96 percent total return for the year despite a 10.65 percent decline in December as regional equity markets were impacted by global oil price volatility, while 2014 total returns for Europe and Asia/Pacific were 9.47 percent and 2.08 percent respectively.

Thirty countries in addition to the United States have now enacted REIT legislation to foster the development of commercial real estate markets and facilitate investment in real estate securities.

[See all REIT market data](#)

VIDEO: NAREIT ECONOMIST BRAD CASE REVIEWS 2014 REIT MARKET PERFORMANCE



NAREIT Senior Vice President of Research and Industry Information Brad Case says that construction levels still are below normal in all segments of the commercial property market, creating favorable supply and demand conditions for landlords. Case also says that the current REIT market cycle may have much longer to run. He says the REIT market cycle is longer than the standard business cycle, historically lasting approximately 17 years, and we are now eight years into the current cycle.

[Watch the Video](#)

[See all REIT market data](#)

SECTOR RESULTS: RESIDENTIAL AND HEALTH CARE REITS WERE TOP PERFORMING SECTORS FOR 2014 AS A WHOLE; DECEMBER WAS GOOD FOR SHOPPING MALLS AND HOTELS

REITs benefited from positive economic trends, job growth and consumer spending in 2014. Residential REITs were the top performing major REIT market sector for 2014, with Manufactured Homes and Apartment REITs delivering total returns of 46.20 percent and 39.62 percent respectively. Results for Apartment sector REITs were driven by a continuing imbalance in the supply of apartment space and rising demand, fueled by the gradually improving economy.

Among other major equity REIT market sectors, Health Care REITs delivered the second best

performance of 2014 with total returns of 33.32 percent. Holiday spending trends boosted retailers, with Regional Malls recording a 2.08 percent increase for December and a 32.64 percent total return for 2014 as a whole. Rising demand for business and leisure travel also supported growth for Lodging and Resort REITs, which rose 2.98 percent in December to finish the year with a total return of 32.50 percent.

Self-Storage REIT total returns were up 31.44 percent in 2014; Diversified REITs were up 27.18 percent; Office REITs were up 25.86 percent; and Industrial REITs were up 21.00 percent.

The FTSE NAREIT Mortgage REITs Index was up 17.88 percent for the year, with the Home Financing subsector up 19.38 percent and the Commercial Financing subsector up 14.46 percent.

[See all REIT sector data](#)

REIT BALANCE SHEETS REMAIN STRONG, WITH MODERATE LEVERAGE

Stock exchange-listed U.S. REITs raised \$63.64 billion in new capital in 2014 to deploy as part of their value creation strategies, compared to \$76.96 billion in 2013. The total amount of public capital raised in 2014 was the third-largest annual amount raised in the industry's history.

Listed REITs raised \$32.71 billion of common and preferred equity, including \$3.98 billion in five IPOs, as well as \$30.93 billion of unsecured debt.

The U.S. REIT industry maintained conservative leverage in the first three quarters 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 42.7 percent, and the debt ratio of the FTSE NAREIT All Equity REITs Index was 31.6 percent at September 30, 2014.

[See all REIT capital markets data](#)

UNDERSTANDING REITs: THE POWER BEHIND THE REIT TOTAL RETURN

REITs pay out all of their taxable income to their shareholders annually as dividends. As a result, substantial REIT dividends historically have been a strong contributor to REIT total returns (the total return is the share price return plus the dividend income return). In fact, over long holding periods, REIT dividend income has accounted for approximately 60 percent of total returns. In the 40-year period ended Dec. 31, 2014, the FTSE NAREIT All Equity REITs Index delivered a compound annual total return of 14.14 percent with a share price return of 6.24 percent (the income component was 56 percent of the total return). For the same period, the compound annual total return of the S&P 500 was 12.20 percent with a share price return of 8.88 percent (the income component was 27 percent of the total return).

[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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