

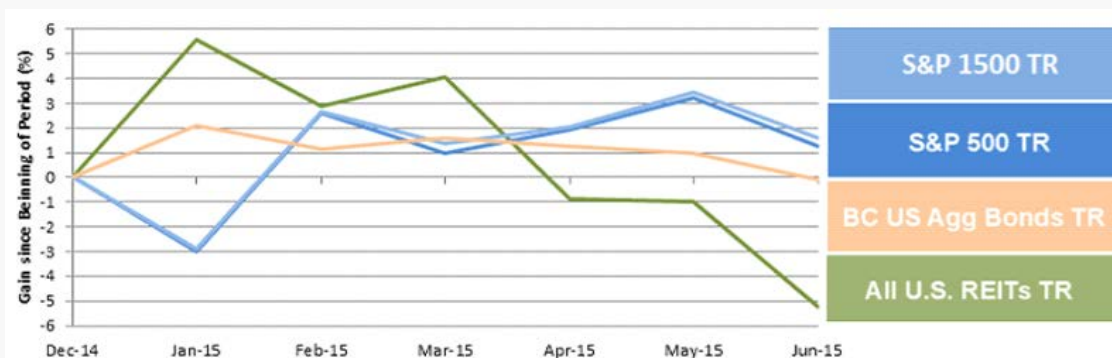


MEDIA BRIEF JULY 2015

	YTD TOTAL RETURN	JUNE 30 DIV YIELD	1-YEAR TOTAL ANNUALIZED RETURN	5-YEAR TOTAL ANNUALIZED RETURN	10-YEAR TOTAL ANNUALIZED RETURN
FTSE NAREIT ALL REIT INDEX	(5.24%)	4.34%	3.75%	14.14%	6.41%
FTSE NAREIT COMPOSITE INDEX	(5.43%)	4.38%	3.37%	13.86%	6.18%
FTSE NAREIT ALL EQUITY REIT INDEX					
	(5.44%)	3.87%	4.14%	14.36%	7.05%
FTSE NAREIT MORTGAGE REIT INDEX					
	(5.09%)	11.46%	(4.97%)	8.67%	(2.60%)
S&P 500 INDEX	1.23%	2.10%	7.42%	17.34%	7.89%

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

INTEREST RATE CONCERNS BUFFET U.S. REITS IN FIRST HALF



REITs continued to have strong underlying operating fundamentals in the first half of the year, with rising rents and occupancy rates supported by limited supply and development of real estate. REIT returns, however, were negatively impacted by investor expectations about the

effect of rising interest rates on real estate and REIT share prices.

The [FTSE NAREIT All REITs Index](#), the broadest benchmark of the stock exchange-listed U.S. REIT industry containing both equity and mortgage REITs, fell 5.24 percent on a total return basis in the first half of 2015. [The FTSE NAREIT All Equity REITs Index](#) fell 5.44 percent in the first half of the year, and the [FTSE NAREIT Mortgage REITs Index](#) was down 5.09 percent. The total return of the S&P 500 Index climbed 1.23 percent in the same period. The S&P Composite 1500, which, like the REIT market, includes large, mid and small-cap stocks, returned 1.56 percent.

At the end of June, the dividend yield of the FTSE NAREIT All REITs Index was 4.34 percent, the yield of the FTSE NAREIT All Equity REITs Index was 3.87 percent, and the yield of the FTSE NAREIT Mortgage REITs Index was 11.46 percent, compared with a dividend yield of 2.10 percent for the S&P 500 and 2.04 percent for the S&P Composite 1500.

At June 30, the FTSE NAREIT All REITs Index included 224 REITs with a combined equity market capitalization of \$890 billion.

The total return of the [FTSE EPRA/NAREIT Global Real Estate Index](#) declined 1.91 percent (based in U.S. dollars) for the first half of 2015 and delivered a dividend yield of 3.60 percent at the end of June. The global index includes 471 companies from around the world with a combined equity market capitalization of \$1.4 trillion, nearly three-quarters of which is from REITs. The FTSE EPRA/NAREIT Middle East/Africa Index delivered the best performance of any region, with a total return of 5.75 percent for the year through June, while Asia/Pacific and Europe delivered gains of 3.27 percent and 2.32 percent, respectively. The total return of the FTSE EPRA/NAREIT Americas region fell 6.44 percent in the year's first half.

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

[See all REIT market data](#)

U.S. SECTOR RESULTS: RESIDENTIAL AND SELF-STORAGE REITS LEAD

The Manufactured Homes segment of the Residential sector delivered a total return of 3.75 percent for the first six months of the year, and the Self-Storage sector continued to show strength with a 3.72 percent gain. Apartments were up 0.82 percent.

Among other major Equity REIT sectors, Office was down 5.25 percent, Retail was down 7.24 percent and Industrial fell 11.33 percent. [See all REIT sector data](#)

STOCK EXCHANGE-LISTED REITs RAISE \$39.71 BILLION OF CAPITAL IN FIRST SIX MONTHS OF 2015

Stock exchange-listed REITs raised a total of \$39.71 billion in public capital in the first six months of 2015 to deploy as part of their value creation strategies, compared to \$35.12 billion raised in the same period of 2014.

Listed REITs raised \$21.09 billion of common and preferred equity in the first six months of this year, including \$1.37 billion in six IPOs, as well as \$18.62 billion of unsecured debt.

The U.S. REIT industry continued to maintain conservative leverage. The debt ratio (total debt divided by total market capitalization) of the FTSE NAREIT All REITs Index was 43.5 percent, and the debt ratio of the FTSE NAREIT All Equity REITs Index was 32.3 percent.

[See all REIT capital markets data](#)

UNDERSTANDING REITs: WHAT IS THE RELATIONSHIP BETWEEN REITs AND INTEREST RATES?

Asset prices often decline and are volatile as the immediate response to a rise in interest rates because higher interest rates reduce the present value of future cash flows, such as stock dividends. Increases in interest rates, however, often reflect economic growth, which is the case today. That growth is benefitting companies in many industries, including REITs. The earnings of listed equity REITs overall have been rising and could continue to rise if the economy continues to strengthen, fueling future dividends that could help support stock valuations over the longer term. History shows that share prices of listed equity REITs have [more often increased than decreased](#) during periods of rising interest rates. There have been 16 periods since 1995 when interest rates rose significantly—and listed equity REIT returns were positive in 12 of them.

CONTACT INFORMATION

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

Ron Kuykendall
(202) 739-9425
rkuykendall@nareit.com

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



NAREIT is the worldwide representative voice for REITs and listed real estate companies with an interest in U.S. real estate and capital markets. Members are REITs and other businesses that own, operate and manage income-producing real estate, as well as those firms and individuals who advise, study and service those

businesses. NAREIT is the exclusive registered trademark of the National Association of Real Estate Investment Trusts, Inc.®, 1875 I St., NW, Suite 600, Washington, DC 20006-5413. Follow us on REIT.com and on Twitter @REITs NAREIT. Copyright© 2015 by the National Association of Real Estate Investment Trusts, Inc.® All rights reserved.

[NAREIT Media Brief Disclaimer Statement](#)

If you would rather not receive future communications from National Association of Real Estate Investment Trusts, let us know by clicking [here](#).
National Association of Real Estate Investment Trusts, 1875 Eye Street, N.W., Suite 600, Washington, DC 20006 United States