



NEWS RELEASE

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U.S. REITs DELIVER FOUR TIMES THE S&P 500's FIRST QUARTER RETURN

Self-Storage and Residential Sectors Lead the Market

Stock-Exchange Listed REITs Raise \$22 Billion of Capital

Global Investors Also Reap Gains

WASHINGTON, DC, April 6—The total return of the full, stock-exchange listed U.S. REIT market, as well as the total return of U.S. Equity REITs, was four times the total return of the S&P 500 in the first quarter of 2015, the National Association of Real Estate Investment Trusts (NAREIT) reported.

The [FTSE NAREIT All REITs Index](#), the broadest benchmark of the listed U.S. REIT industry including both equity and mortgage REITs, finished the quarter with a total return of 4.05 percent. The [FTSE NAREIT All Equity REITs Index](#) delivered a 3.98 percent total return for the quarter, and the FTSE NAREIT Mortgage REITs index produced a 2.35 percent total return. In comparison, the S&P 500 delivered a 0.95 percent total return.

U.S. REITs' dividend yields also outpaced the dividend yield of the S&P 500. At March 31, the dividend yield of the FTSE NAREIT All REITs Index was 3.80 percent, the yield of the FTSE NAREIT All Equity REITs Index was 3.37 percent, and the [FTSE NAREIT Mortgage REITs Index](#) yielded 10.56 percent. The dividend yield of the S&P 500 at the end of the quarter was 2.02 percent.

A Track Record of Providing Shareholder Value

As of March 31, the compound annual total returns of the FTSE NAREIT All Equity REITs Index had outperformed those of the S&P 500 for the past 1-, 5-, 10-, 15-, 20-, 25-, 35-, and 40-year periods.

“REITs have a well-established track record of delivering competitive total return performance to their shareholders,” said NAREIT President and CEO Steven A. Wechsler. “Their strong dividends are an important component of their total return performance,” he added. “REIT dividend income has accounted for approximately 60 percent of total returns over longer holding periods.”

In 2014, REITs paid out \$46 billion in dividends to their shareholders (\$42 billion from stock-exchange listed REITs and \$4 billion from public non-listed REITs), up 35 percent from \$34 billion paid out in 2013.

As of March 31, 2014, the equity market capitalization of the FTSE NAREIT All REITs Index representing 220 REITs was \$966 billion, and the equity market capitalization of the FTSE NAREIT All Equity REITs Index with 161 REIT constituents was \$900 billion.

Self-Storage Sector Leads the Way

Self-Storage REITs led all [U.S. REIT market sectors](#) in the first quarter with total returns of 9.16 percent. The Residential REIT sector continued its strong performance with a gain of 7.87 percent for the quarter. Manufactured Homes led the sector with an 8.92 percent gain, and Apartments were up 7.80 percent.

Office REITs delivered a 6.71 percent total return in the first quarter of 2015 as rising demand for office space and limited supply provided support for the sector. Economic trends also benefited the Retail sector, which delivered a 5.84 percent total return. Free Standing Retail led the sector, delivering a 7.40 percent return for the first quarter. Regional Malls were up 5.78 percent and Shopping Centers were up 5.14 percent.

Among other major equity REIT sectors, Diversified REITs delivered a 3.97 percent total return in the first quarter, Health Care REITs were up 2.97 percent, and Infrastructure, Timber, and Lodging and Resorts REITs trailed, decreasing 0.41 percent, 3.85 percent and 4.42 percent respectively on a total return basis.

The FTSE NAREIT Mortgage REITs Index delivered a total return of 2.35 percent for the first three months of 2015 and a dividend yield of 10.56 percent at March 31. The Home Financing subsector was up 1.65 percent and the Commercial Financing subsector delivered 4.71 percent on a total return basis.

Capital Raised by Stock-Exchange Listed REITs is Double 1Q 2014 Amount

Stock exchange listed [REITs raised a total of \\$22.09 billion](#) in public capital in the first quarter of 2015 to deploy as part of their value creation strategies, compared to \$11.16 billion in the same period of 2014.

Listed REITs raised \$13.49 billion of common and preferred equity in the first quarter of this year, including \$932 million in four IPOs, as well as \$8.60 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 40.2 percent, and the debt ratio of the FTSE NAREIT All Equity REITs Index was 33.5 percent.

Global Markets Also Deliver Gains

The [FTSE EPRA/NAREIT Global Real Estate Index](#) delivered a total return of 4.04 percent (based in U.S. dollars) for 2015's first quarter, with a dividend yield of 3.21 percent at March 31. The index represents 472 stock-exchange listed REITs and other real estate companies from around the world with a combined equity market capitalization of \$1.46 trillion. The FTSE EPRA/NAREIT Europe Index delivered the best performance of any region with a total return of 6.01 percent for the first quarter. The FTSE EPRA/NAREIT Americas Index delivered a 3.93 percent total return for the quarter, while total returns for the Asia/Pacific and Middle East/Africa regions were both 3.41 percent.

Thirty countries in addition to the United States have now established REITs, based primarily on the U.S. model.

[CLICK HERE FOR A DETAILED REIT INDUSTRY DATA SUMMARY](#)

***Editors' Note:** NAREIT provides media resources on [REIT Basics](#), a [Glossary of REIT Terms](#), as well as other industry data and information on the value that REITs provide to investors, the economy and our communities on [REIT.com](#). NAREIT also makes economists and other industry experts available for commentary on industry trends and research.*



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