

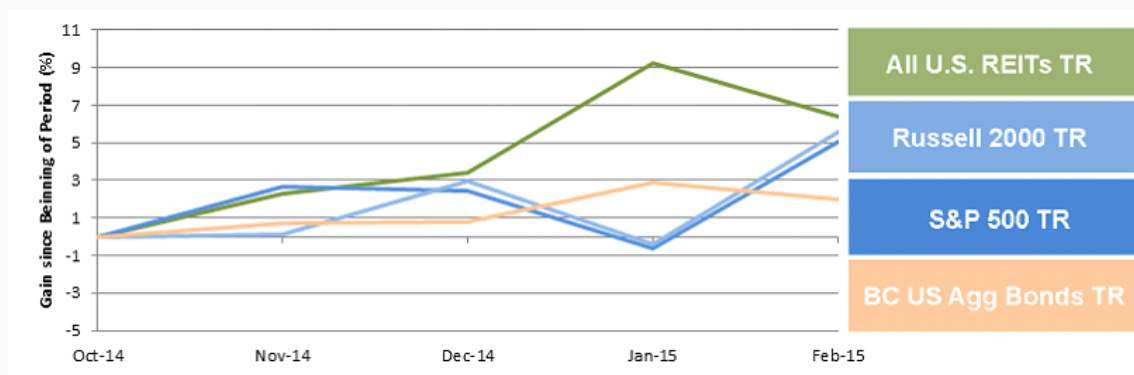


**MEDIA  
BRIEF  
MARCH  
2015**

	FEB TOTAL RETURN	FEB 28 DIVIDEND YIELD	1-YEAR TOTAL RETURN	5-YEAR TOTAL RETURN	10- YEAR TOTAL RETURN
FTSE NAREIT ALL REIT INDEX	(2.58%)	3.78%	20.86%	17.26%	8.45%
FTSE NAREIT ALL EQUITY REIT INDEX	(3.04%)	3.41%	21.88%	17.62%	9.26%
FTSE NAREIT MORTGAGE REIT INDEX	1.83%	10.48%	8.12%	10.51%	(1.86%)
S&P 500 INDEX	5.75%	1.99%	15.51%	16.18%	7.99%

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

**REITS DELIVERED 2.9 PERCENT TOTAL RETURN FOR FIRST TWO MONTHS OF YEAR**



For the first two months of 2015, the [FTSE NAREIT All REITs Index](#), the broadest benchmark of the U.S. REIT industry, containing both equity and mortgage REITs, delivered a total return of 2.87 percent and a dividend yield of 3.78 percent on February 27, the last trading day of the month. U.S. REIT year-to-date performance was slightly above the 2.57 percent total return for the S&P 500 Index, which yielded 1.99 percent at the end of February. The FTSE NAREIT All REITs Index was down 2.58 percent in February following a 5.59 percent increase in January,

while the S&P 500 reversed its January decline of 3.00 percent with a total return of 5.75 percent in February.

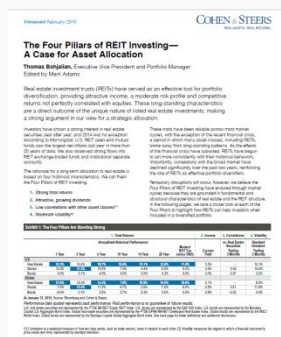
For the 12 months through February 2015, the FTSE NAREIT All REITs Index delivered a total return of 20.86 percent, compared to 15.51 percent for the S&P 500 Index. The FTSE NAREIT All REITs Index includes 220 REITs with a combined equity market capitalization of \$953 billion.

The FTSE EPRA/NAREIT Global Real Estate Index – representing 463 companies from around the world with a combined equity market capitalization of \$1.46 trillion – delivered a total return of 4.28 percent (based in U.S. dollars) for 2015 year-to-date with a dividend yield of 3.22 percent at the end of February. The FTSE EPRA/NAREIT Europe Index delivered the best performance of any region with a total return of 10.81 percent for the first two months of the year. The FTSE EPRA/NAREIT Middle East/Africa Index delivered a 6.76 percent total return for the year, while total returns for Asia/Pacific and Americas were 3.91 percent and 2.60 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](#)

## COHEN & STEERS SAYS “REITS ARE AN ALLOCATION, NOT A TRADE”



In a new white paper, Cohen & Steers Executive Vice President and Portfolio Manager Thomas Bohjalian made a strong argument for including REITs as a continuing, strategic allocation in investment portfolios. The four reasons he gave were REITs' significant total return potential, their potential for attractive and growing dividends, low historical correlations of REIT returns with those of the broader equity market, and moderate historical volatility, which, since the Great Financial Crisis, has returned to pre-2007 levels. Bohjalian's paper noted, "REITs are an allocation, not a trade," and advocated for a 10-15 percent REIT allocation for portfolios concentrated in stocks and bonds.

[Download the Cohen & Steers white paper](#)

## QUICK STUDY: STILL IN “EARLY GAME” OF REIT MARKET CYCLE



Brad Case, NAREIT's senior vice president for research and industry information, discussed a down month for REITs in relation to long-term real estate market cycles. "It's very normal to have negative months during a bull market," he said. "Only about two out of every three months during a bull market cycle are positive months." Case cautioned against assessing market performance in terms of months or years, rather than market cycles.

"The real estate market cycle has tended to be a quite long one, close to 18 years, and that's something that we've seen since the 1930s," he said. "If this market cycle is like previous ones, we're still in the early game."

[Watch the Video](#)

## FUNDAMENTALLY SPEAKING: ECONOMIC GROWTH AND JOB CREATION SUGGEST CONTINUED GROWTH FOR COMMERCIAL REAL ESTATE



Calvin Schnure, NAREIT's senior vice president for research and economic analysis, concludes that the United States economy continues to recover despite a mixed bag of recent data. Looking ahead, Schnure said he will be closely watching four factors that could impact the U.S. economy. Those factors include growth in the rest of the world, the stronger dollar, lower oil prices and higher interest rates. Regarding the real estate market, Schnure pointed out that in a healing economy, "rising rents are going to beat rising interest rates every time." While there will be volatility as the market adjusts to the Federal Reserve's timing for an interest rate increase, "it's not something that's going to derail the long-term picture of a healthy recovery for commercial real estate," he said.

[Watch the Video](#)

[See all REIT market data](#)

## SECTOR RESULTS: SELF-STORAGE, MANUFACTURED HOMES, FREE-STANDING RETAIL AND OFFICE LED FOR THE FIRST TWO MONTHS OF 2015

The [FTSE NAREIT All Equity REITs Index](#) delivered a total return of 2.94 percent in 2015 through the end of February. Self-Storage REITs led the gains for the first two months with total returns of 7.41 percent, followed by Free-Standing Retail, up 5.52 percent. Office REITs delivered total returns of 4.36 percent. Residential REITs were up 4.05 percent, with a 3.82 percent total return for Apartments and 7.33 percent for Manufactured Homes.

Among other major equity REIT sectors, Infrastructure REITs were up 4.06 percent, Retail REITs delivered a 3.55 percent total return, Diversified REITs increased 2.71 percent and Health Care REITs were up 2.50 percent for the year-to-date. Timber, and Lodging and Resorts REITs trailed, decreasing 0.54 percent and 3.41 percent respectively on a total return basis.

The [FTSE NAREIT Mortgage REITs Index](#) was slightly up with a total return of 1.36 percent for the first two months of 2015, with the Home Financing subsector up 0.72 percent and the Commercial Financing subsector up 3.54 percent on a total return basis.

[See all REIT sector data](#)

## LISTED REITS OFF TO STRONG START IN PUBLIC CAPITAL MARKETS IN FIRST TWO MONTHS OF 2015

Listed REITs delivered a strong performance in the public capital markets in the first two months of 2015, significantly outpacing their capital raising in the same period last year.

REITs raised a total of \$15.76 billion in public capital in January and February 2015 to deploy as

part of their value creation strategies, compared to \$6.53 billion in the same period of 2014.

Listed REITs raised \$10.56 billion of common and preferred equity in the first two months of this year, including \$817 million in three IPOs, as well as \$5.20 billion of unsecured debt. In comparison, in the same period of 2014, listed REITs raised \$2.26 billion in common and preferred equity, and \$4.24 billion in 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.

[See all REIT capital markets data](#)

## UNDERSTANDING REITs: WHAT WAS THE MODEL FOR THE REIT?

REITs, created by Congress in 1960, were modeled after mutual funds. Just as mutual funds allow investors of all sizes to own “pieces” of hundreds of companies by buying the stock of funds that own the companies, REITs enable all investors to own an interest in either the equity or debt of hundreds, or thousands, of properties by buying the stock of equity or mortgage REITs. Today, more than 225,000 401(k) plans offer REIT investments, which have enabled ordinary investors, from firefighters to factory workers, to benefit from investments in shopping centers, apartment buildings, hospitals, communications towers and many other commercial real estate properties.

[Learn more](#)

## CONTACT INFORMATION

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