

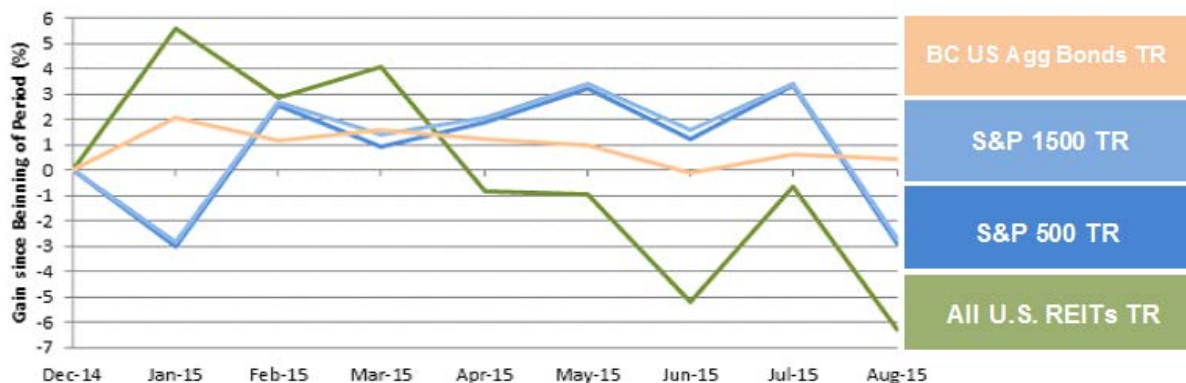


**MEDIA
BRIEF
SEPTEMBER
2015**

	YTD TOTAL RETURN	AUG 31 DIV YIELD	1-YEAR TOTAL ANNUALIZED RETURN	5-YEAR TOTAL ANNUALIZED RETURN	10-YEAR TOTAL ANNUALIZED RETURN
FTSE NAREIT ALL REITS INDEX	(6.28%)	4.43%	(0.56%)	12.26%	6.08%
FTSE NAREIT COMPOSITE INDEX	(6.46%)	4.48%	(0.92%)	11.97%	5.85%
FTSE NAREIT ALL EQUITY REITS INDEX					
	(6.50%)	3.96%	(0.33%)	12.36%	6.59%
FTSE NAREIT MORTGAGE REITS INDEX					
	(5.66%)	11.60%	(7.47%)	7.91%	(1.64%)
S&P 500 INDEX	(2.88%)	2.24%	0.48%	15.87%	7.15%

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

REITS FARE BETTER THAN MAJOR INDICES DURING AUGUST DECLINE



REITs did not avoid August's broad market correction but fared somewhat better than other major indices for the month. The FTSE NAREIT All REITs Index, the broadest benchmark of the stock exchange-traded U.S. REIT industry containing both Equity and Mortgage REITs, lost 5.68 percent in

August on a total return basis. The FTSE NAREIT All Equity REITs Index fell 5.82 percent in the month, and the FTSE NAREIT Mortgage REITs Index was down 3.52 percent. In comparison, the S&P 500's total return fell 6.03 percent in August, and the S&P Composite 1500, which, like the REIT market, includes large-, mid- and small-cap stocks, was down 5.97 percent.

For the year through August 31, the total return of the [FTSE NAREIT All REITs Index](#) decreased 6.28 percent, the FTSE NAREIT All Equity REITs Index fell 6.50 percent and the FTSE NAREIT Mortgage REITs Index fell 5.66 percent. The total return of the S&P 500 was down 2.88 percent for the year through August and the S&P Composite 1500 was off 2.74 percent.

At the end of August, the FTSE NAREIT All REITs Index included 225 REITs with a combined equity market capitalization of \$878 billion.

The [FTSE EPRA/NAREIT Global Real Estate Index](#) total return decreased by 5.89 percent (based in U.S. dollars) for 2015 through August, and produced a dividend yield of 3.75 percent at the end of the month. The global index includes 479 companies from around the world with a combined equity market capitalization of \$1.3 trillion, nearly three-quarters of which is from REITs. The FTSE EPRA/NAREIT Europe Index delivered the best performance of any region, with a total return of 6.14 percent for the year through August, while Middle East/Africa delivered gains of 0.24 percent. The FTSE EPRA/NAREIT Americas Index declined 8.06 percent for the year to date and the Asia/Pacific index is down 8.31 percent.

Thirty-two 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](#)

VIDEO: REAL ESTATE FUNDAMENTALS LIKELY TO REMAIN POSITIVE, CASE SAYS



Real estate is a long-term investment that provides significant portfolio diversification benefits, despite the 5.68% drop in total returns of the FTSE NAREIT All REITs Index seen during August's market volatility, says Brad Case, NAREIT's senior vice president for research and industry information. The industry will continue to benefit from supply constraints, strong occupancy rates and rent growth, he says.

[Watch the Video](#)

SECTOR RESULTS: SELF-STORAGE AND MANUFACTURED HOMES LEAD YEAR-TO-DATE

Self-Storage and Manufactured Homes have been the best performing sectors year-to-date. The Self-Storage sector led gains with a 13.44 percent total return. The Manufactured Homes segment was second with a total return of 9.49 percent. The Apartment sector was third, up 1.96 percent for the year-to-date.

The Self-Storage and Manufactured Homes sectors also have significantly outperformed the Equity REIT market on a trailing 1-, 3- and 5-year basis. The Self-Storage sector delivered a 24.33 percent compound annual total return over the past year ended August 31; 19.12 percent annually over the past three year period; and 22.98 percent annually over the past five years.

The Manufactured Home sector delivered a 24.77 percent compound annual total return over the past year; 19.37 percent annually over the past three years; and 20.56 percent annually over the past five years.

By comparison, the FTSE NAREIT All Equity REITs Index fell 0.33 percent on a trailing 12-month basis and produced 7.83 percent and 12.36 percent compound annual total returns over trailing 3- and 5-year periods, respectively.

[See all REIT sector data](#)

STOCK EXCHANGE-LISTED REITs HAVE RAISED \$45 BILLION IN 2015 YTD

Stock exchange-listed REITs raised a total of \$45.35 billion in public capital through the end of August 2015 to deploy as part of their value creation strategies, compared with \$41.29 billion raised in the same period of 2014.

Listed REITs raised \$23.78 billion of common and preferred equity for the year to date, including \$1.37 billion in six IPOs, as well as \$21.57 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 REIT DIVIDEND PAYOUT REQUIREMENT?

Congress patterned REITs on mutual funds. REITs and mutual funds are required to pay out their taxable income to their shareholders in the form of dividends and receive a tax deduction, called a dividends paid deduction, for each dollar they pay out. REITs and mutual funds cannot pass through losses or tax credits to their shareholders.

REITs must pay at least 90 percent of their taxable income to their shareholders annually. Since REITs must pay standard corporate tax on any taxable income they elect to retain under the REIT rules, most REITs pay out not just 90 percent, but all of their taxable income to their shareholders in dividends.

The shareholders are fully taxed on the dividend income they receive – and they are taxed primarily at

the ordinary income tax rate.

CONTACT INFORMATION

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

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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 individuals who serve, study and invest in those businesses.

More than 70 million Americans own REITs through their retirement savings and other investment funds. In 2014, SEC-registered REITs paid out more than \$46 billion in dividends to their shareholders. REITs also contribute to the U.S. economy, providing 1.2 million full-time jobs and \$71.1 billion in labor income in 2014.

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