# NEWS RELEASE

Contact: Ron Kuykendall
(202) 739-9425
RKuykendall@nareit.com

**REITs OUTPERFORM S&P 500 IN YEAR'S FIRST HALF**

***Data Centers are Top Property Segment with 38% Total Return***

**U.S. REIT Industry Market Cap Tops $1 Trillion in Second Quarter**

**WASHINGTON, DC, July 8—**Stock exchange-listed U.S. REITs further extended their lead in total returns over the broader equity market in June and the first half of 2016, the National Association of Real Estate Investment Trusts (NAREIT) reported. According to NAREIT, the FTSE NAREIT All REITs Index, the broadest benchmark of the listed U.S. REIT industry containing both Equity and Mortgage REITs, delivered a total return of 6.68 percent in June and 13.65 percent in the first six months of 2016. The FTSE NAREIT All Equity REITs Index gained 6.92 percent in June and 13.68 percent in the first six months of the year, and the FTSE NAREIT Mortgage REITs Index gained 3.48 percent in June and 14.43 percent in the first six months. In comparison, the S&P 500 gained 0.26 percent in June and 3.84 percent in the first six months of the year.

On a 12-month basis ended June 30, the FTSE NAREIT All REITs Index was up 22.68 percent, the FTSE NAREIT All Equity REITs Index was up 23.62 percent and the FTSE NAREIT Mortgage REITs Index was up 9.87 percent, while the S&P 500 was up 3.99 percent.

"U.S. REITs' gains relative to the broader U.S. equity market in part reflect the continued strength of Equity REITs' operating results this year as well as growing investor awareness of REITs' strong track record as an investment that has provided steady income as well as long-term capital appreciation," said NAREIT President and CEO Steven A. Wechsler.

Wechsler pointed out that compound total returns of the FTSE NAREIT All Equity REITs Index have outpaced those of the S&P 500 for the past 1-, 3-, 5-, 10-, 15-, 20-, 25-, 30-, 35-, and 40-year periods ending June 30, 2016.

### *Nine Property Segments Beat Equity REITs' Benchmark*

Nine REIT property segments outpaced the FTSE NAREIT All Equity REITs Index's 13.68 percent total return in the first six months of 2016, and six segments delivered total returns greater than 20 percent. Data Centers were the top performing property segment with a 37.82 percent total return for the period. Free Standing Retail, which consists of retail facilities occupied by a single tenant, was the second best performing segment with a 34.46 percent gain. Specialty REITs gained 30.40 percent; the Single Family Home segment gained 25.01 percent; Industrial REITs rose 22.87 percent; and Infrastructure REITs rose 20.36 percent.

The Manufactured Home segment produced an 18.14 percent total return in the first six months of the year, Shopping Centers gained 17.18 percent and Health Care REITs gained 16.28 percent.

The Home Financing sector of the Mortgage REITs marketplace produced a 19.31 percent total return in the first six months of 2016 to beat the FTSE NAREIT Mortgage REITs Index's 14.43 percent total return.

### *REITs Continue to Provide Attractive Dividend Yields*

REITs continued to attract yield-seeking investors in the first half of the year. The FTSE NAREIT All REITs Index provided a dividend yield of 3.97 percent on June 30. The FTSE NAREIT All Equity REITs Index provided a dividend yield of 3.59 percent, and the FTSENAREIT Mortgage REITs Index's dividend yield was 10.87 percent. In comparison, the dividend yield of the S&P 500 was 2.17 percent.

Among Equity REIT property segments, the highest yield on June 30 was the 5.61 percent provided by the Lodging/Resorts sector. The dividend yield of the Specialty sector was 5.50 percent, Health Care REITs yielded 5.14 percent, Diversified REITs yielded 4.27 percent, Timber REITs yielded 4.14 percent, and Free Standing Retail REITs yielded 3.81 percent.

### *Industry Equity Market Cap Breaks $1 Trillion*

The equity market capitalization of the U.S. REIT industry broke the $1 trillion mark in the second quarter of 2016. On June 30, the 222 REITs in the FTSE NAREIT All REITs Index had a combined equity market capitalization of $1.06 trillion, up from a combined $984 billion for the 220 REITs in the same index at the end of the first quarter of the year. The equity market capitalization of the 166 REITs in the FTSE NAREIT All

Equity REITs Index on June 30 was $1.00 trillion, up from $927 billion at the end of the first quarter when the index included 165 REITs.

Stock exchange-listed REITs significantly increased their issuance of both equity and debt securities in the second quarter of this year. In the second quarter, REITs raised a total of $22.69 billion of capital, up from $15.13 billion in the first quarter.

Average daily dollar trading volume of U.S. listed REITs rose to $7.8 billion in June 2016, up from $6.7 billion in March 2016. June 2016's average daily dollar trading volume of REITs was three-and-a-half times its $2.2 billion level ten years earlier in June 2006.

***Middle East/Africa Region Leads Global Gains***

The FTSE EPRA/NAREIT Global Real Estate index, which includes 483 listed property companies from around the world with a combined equity market capitalization of $1.6 trillion (approximately 80 percent of which is from REITs) delivered a 4.08 percent total return in June and a 6.42 percent total return for the first half of 2016.

The Middle East/Africa Region was the top performing region in the index with a 9.33 percent total return in June and a 16.30 percent total return in the first half. The Americas Region produced a total return of 7.17 percent in June and 10.81 percent in the first half; the Asia/Pacific Region gained 3.67 percent in June and 4.48 percent in the first half; and Europe produced a negative total return of 5.90 percent in June and negative 4.97 percent in the first half of the year.

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***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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