

# Market Update

A Monthly Performance Report

September 2023

## Listed real estate sector still facing headwinds

### GPR 250 Index ends Q3 2023 with a 4.1% loss

- The GPR 250 Index's 5.1% decline in September 2023 brought the total return performance for the third quarter to -4.1% and to -2.1% year-to-date. Europe (6.0%) and Asia (1.4%) stood out in the third quarter, while there were losses for Africa (-2.9%), Oceania (-5.6%) and Americas (-7.1%). At national level, Germany (27.4%), Mexico (18.8%) and Austria (15.0%) recorded double-digit wins in the July-September period, while China (-13.3%) and Hong Kong (-11.9%) were on the negative side of the spectrum.

GPR 250 Index	EUR	LOC	USD
Africa	0.3%	-2.9%	-2.6%
Americas	-4.4%	-7.1%	-7.2%
Asia	2.1%	1.4%	-0.9%
Europe	6.0%	6.0%	2.9%
Oceania	-5.7%	-5.6%	-8.5%
<b>World</b>	<b>-2.1%</b>	<b>-4.1%</b>	<b>-5.0%</b>

### W.P. Carey Inc. to exit office sector

- W.P. Carey Inc. unanimously approved a plan to exit the office sector and divest the office properties within its portfolio and focus on its warehouse and industrial properties.

### Ediston Property Investment Company agrees sale

- Following a strategic review, Ediston Property Investment Company is selling its entire property portfolio to Realty Income, Inc. for around GBP 200.8m, prior to agreed deductions of approximately GBP 4.0m.

### Some relief for China's real estate sector

- Chinese real estate developers Sunac China Holdings Limited and Country Garden Holdings Company Limited brought some relief to the crisis-hit real estate sector by forging debt deals with creditors. Country Garden Holdings Company Limited won approval from creditors to extend repayment on another on-shore bond, the last of eight bonds it had been seeking extensions for.



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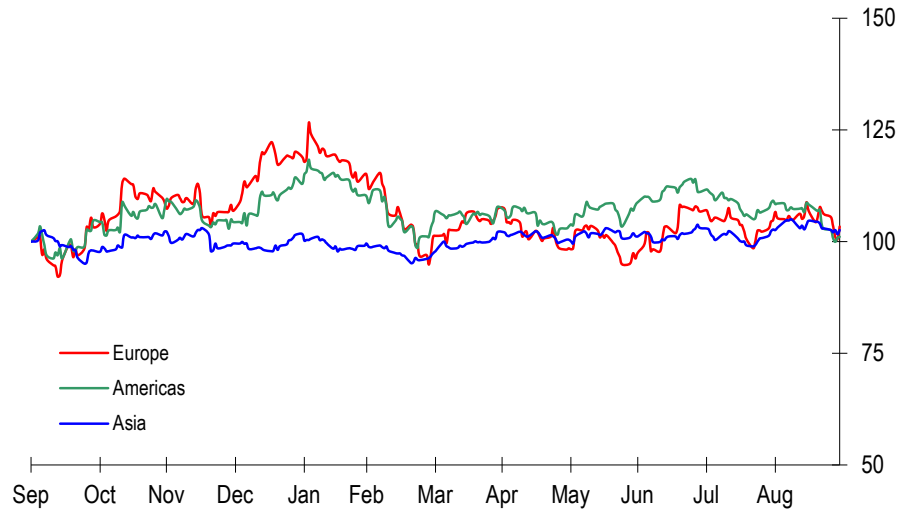
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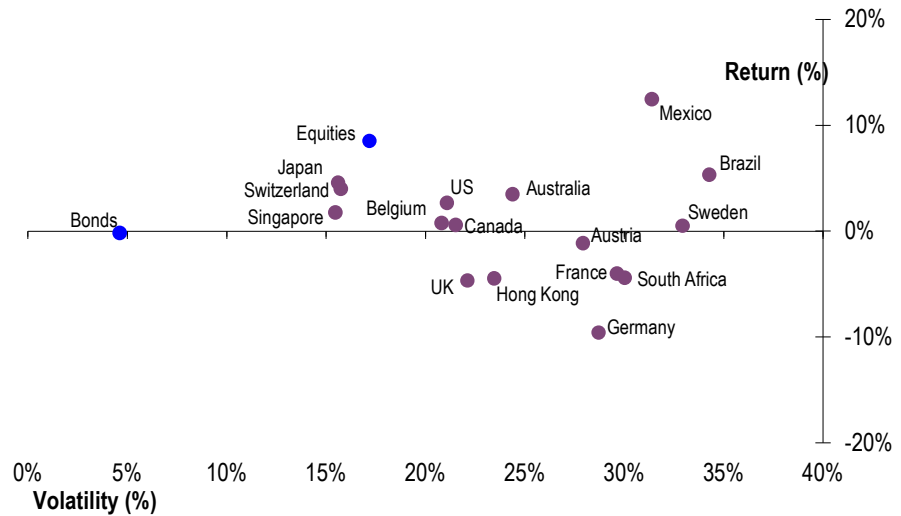
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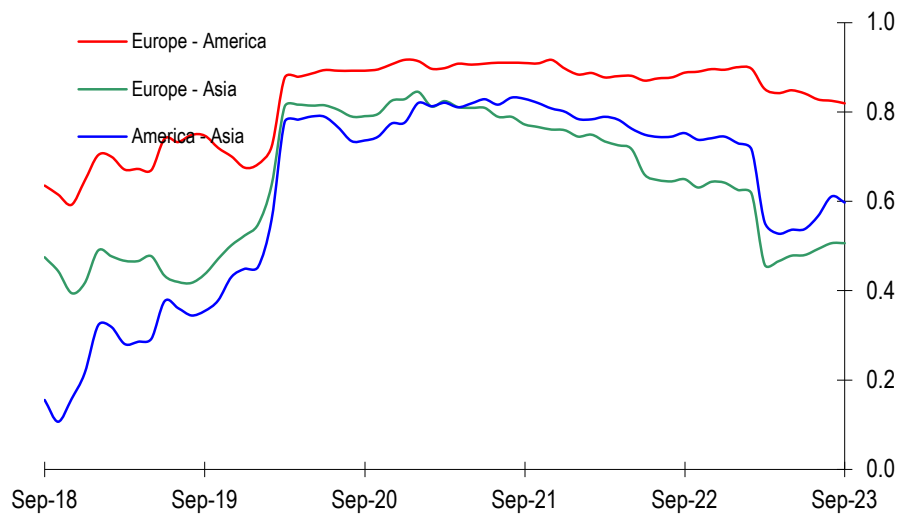
Graph 1:  
Continental performance of GPR 250 Index (local returns)



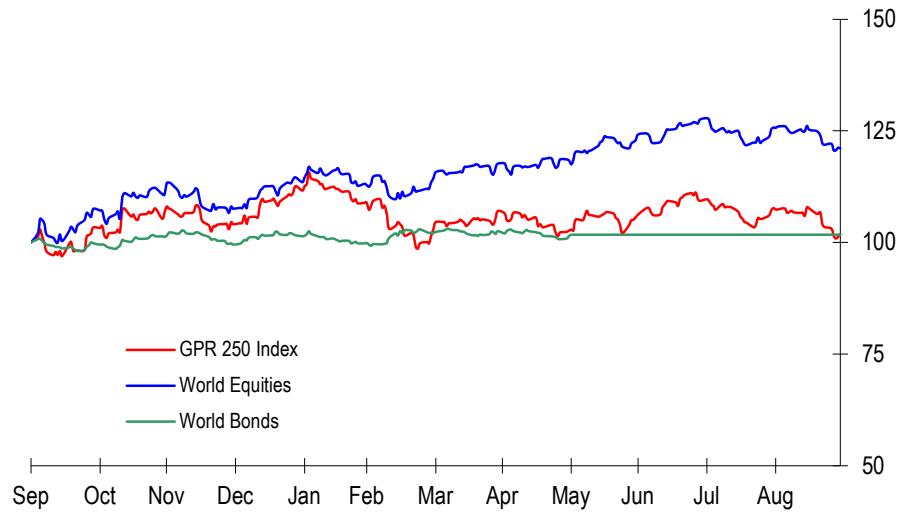
Graph 2:  
Return and volatility of the major countries in the GPR 250 Index based on 5 year figures (local currency)



Graph 3:  
Rolling 36-month correlation on continental level of the GPR 250 Index (local currency)



Graph 4:  
Performance of property shares  
to other asset classes (local  
returns)



Graph 5:  
Rolling 36-months correlation  
between different asset classes  
(local returns)

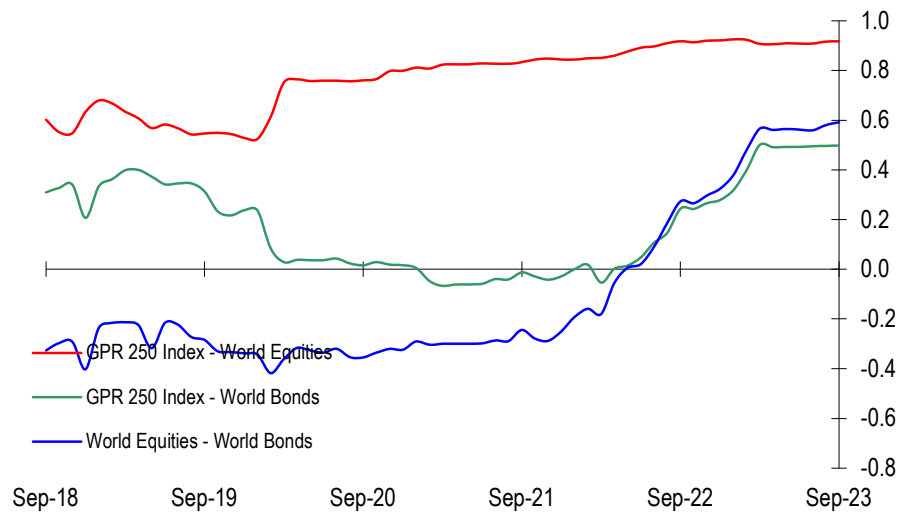


Table 1: Performance of property  
shares and other asset classes

	1 month	6 months	y-t-d	1 year	3 year	5 year	volatility
GPR 250 Index	-5.1%	-2.6%	-2.1%	1.9%	3.9%	1.2%	0.17
GPR 250 Africa Index	-5.7%	-2.8%	-7.0%	18.9%	15.8%	-4.4%	0.27
GPR 250 Americas Index	-6.8%	-5.4%	-3.2%	1.0%	5.9%	2.6%	0.20
GPR 250 Asia Index	0.0%	4.8%	3.0%	2.6%	6.1%	2.4%	0.11
GPR 250 Europe Index	-3.1%	2.1%	-3.3%	3.4%	-7.3%	-6.2%	0.24
GPR 250 Oceania Index	-8.1%	-4.0%	-5.1%	6.9%	5.3%	3.5%	0.20
Global Bonds (JP Morgan)	0.0%	-0.6%	2.2%	1.8%	-4.7%	-0.2%	0.05
Global Equities (MSCI)	-3.7%	4.6%	12.5%	21.1%	10.0%	8.5%	0.16

Note: Volatility is the 36-month standard deviation of returns. 3 and 5 year returns are annualized

## Ediston Property Investment Company Agrees Sale

The European listed real estate sector finished 3.1% lower, with Germany (2.8%) and Austria (2.7%) being the only countries in positive territory. Belgium lost most at -11.0%. The GPR 250 Europe Index did end the third quarter 6.0% up, which was attributable to the 9.7% gain realized in July 2023.

*Following a strategic review, Ediston Property Investment Company is selling its entire property portfolio to Realty Income, Inc. for around GBP 200.8m, prior to agreed deductions of approximately GBP 4.0m*

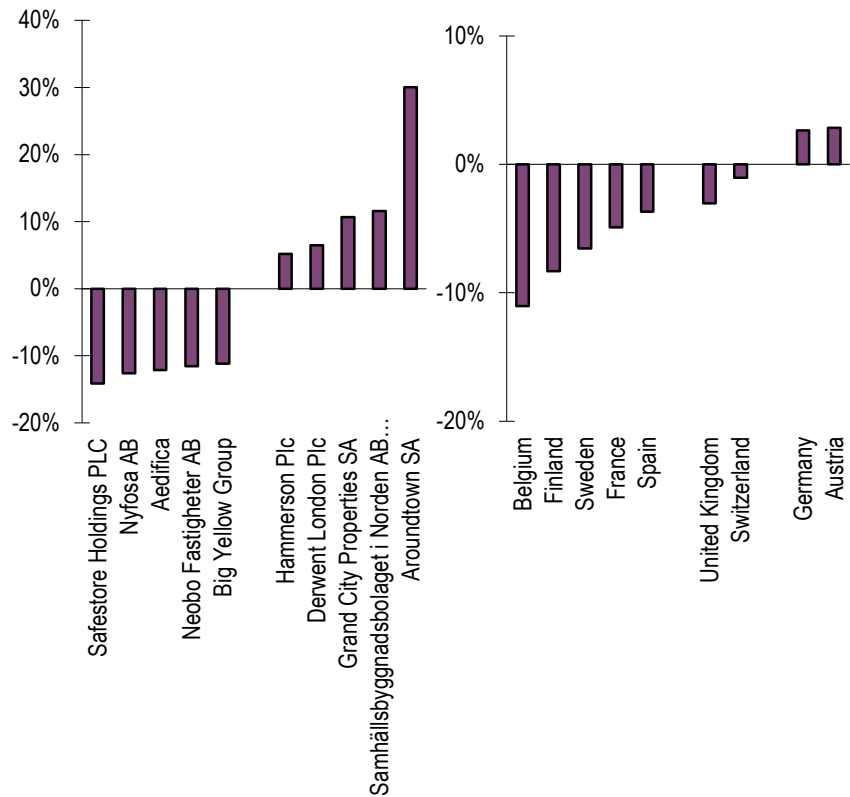
Following a strategic review, Ediston Property Investment Company is selling its entire property portfolio to Realty Income, Corp. for around GBP 200.8m, prior to agreed deductions of approximately GBP 4.0m. Back in March 2023, the company, which focuses on the retail warehouse sector, announced the strategic review in response to “several challenges that had been facing the company for some time”. At the time, Ediston Property Investment Company said the challenges included low levels of liquidity in the shares; constraints on the company’s ability to diversify across larger schemes in the retail warehouse market due to the relatively small size of the company; and cost inefficiencies from operating a subscale company. The company said it had agreed to sell its entire portfolio comprising 11 retail warehouse assets located across the United Kingdom to the RI UK 1 Limited subsidiary of Realty Income, Corp. and also received shareholder approval for the voluntary liquidation of the company if the disposal becomes unconditional. The company’s management board intends to maintain the current level of dividend, with monthly dividend payments, until the return of capital to shareholders by the end of this calendar year.

*Samhällsbyggnadsbolaget i Norden AB divested 1.16% of SBB EduCo AB to Brookfield Super-Core Infrastructure Partners for approximately SEK 242m and became a minority-owner*

Samhällsbyggnadsbolaget i Norden AB divested 1.16% of SBB EduCo AB to Brookfield Super-Core Infrastructure Partners for approximately SEK 242m and became a minority-owner. SBB EduCo AB will repay part of its inter-company loan from Samhällsbyggnadsbolaget i Norden AB, resulting in the latter company receiving approximately SEK 7.8bn in cash. Samhällsbyggnadsbolaget i Norden AB intends to use the cash to address near-term financial commitments, including agreed investments, dividends, and debt maturities. After the completion of the divestment 1.16% of SBB EduCo AB, Samhällsbyggnadsbolaget i Norden AB will hold approximately 49.84%, as a result of which, SBB EduCo AB will cease to be a subsidiary to Samhällsbyggnadsbolaget i Norden AB and will not be consolidated with its accounts. Samhällsbyggnadsbolaget i Norden AB also decided on a decentralised group structure that enhances transparency and funding options.

Primary Health Properties plc announced that it was in the process of applying for a secondary inward listing on the Johannesburg Stock Exchange (JSE) by way of an introduction.

Graph 6:  
Top and bottom performing  
European companies (local  
returns)



Graph 7:  
Top and bottom performing  
European countries (local  
returns)

Table 2:  
Long and short-term returns of  
European countries (local returns)

TABLE 2. Local Total Returns of European Countries (GPR 250 Index)

	1 month	6 months	y-t-d	1 year	3 year	5 year	volatility
Europe	-3.1%	2.1%	-3.3%	3.4%	-7.3%	-6.2%	0.24
Austria	2.8%	34.6%	25.1%	16.6%	14.7%	-1.1%	0.28
Belgium	-11.0%	-12.5%	-12.3%	-12.5%	-11.3%	0.8%	0.24
Finland	-8.3%	-16.2%	-32.5%	-29.9%	-19.1%	N/A	0.26
France	-4.9%	-1.2%	0.7%	16.9%	5.7%	-4.0%	0.31
Germany	2.7%	36.7%	8.5%	5.7%	-19.0%	-9.6%	0.33
Spain	-3.7%	0.0%	-6.1%	9.5%	3.7%	-4.1%	0.30
Sweden	-6.5%	-4.7%	-11.1%	4.5%	-10.3%	0.5%	0.36
Switzerland	-1.0%	7.8%	6.1%	11.9%	1.9%	4.0%	0.15
United Kingdom	-3.0%	-6.5%	-7.1%	-0.4%	-2.4%	-4.7%	0.22
Europe Bonds	0.0%	0.2%	2.2%	-0.8%	-6.3%	-2.4%	0.07
Europe Equities	-1.3%	0.1%	8.9%	20.3%	10.9%	6.1%	0.15

Note: Volatility is the 36-month standard deviation of returns. 3 and 5 year returns are annualized

## W.P. Carey Inc. To Exit Office Sector

Pessimism amid renewed inflation concerns coupled with worries about the Fed's hawkish guidance saw the GPR 250 Americas Index falling 6.8% in September 2023, due to losses for Brazil (-0.4%), Canada (-5.5%) and United States (-7.0%). Mexico (Fibra Uno Administracio SA), on the contrary and like in the preceding month, gained 16.9%. Americas slumped to a 7.1% loss for the third quarter.

*W.P. Carey Inc. unanimously approved a plan to exit the office sector and divest the office properties within its portfolio and focus on its warehouse and industrial properties*

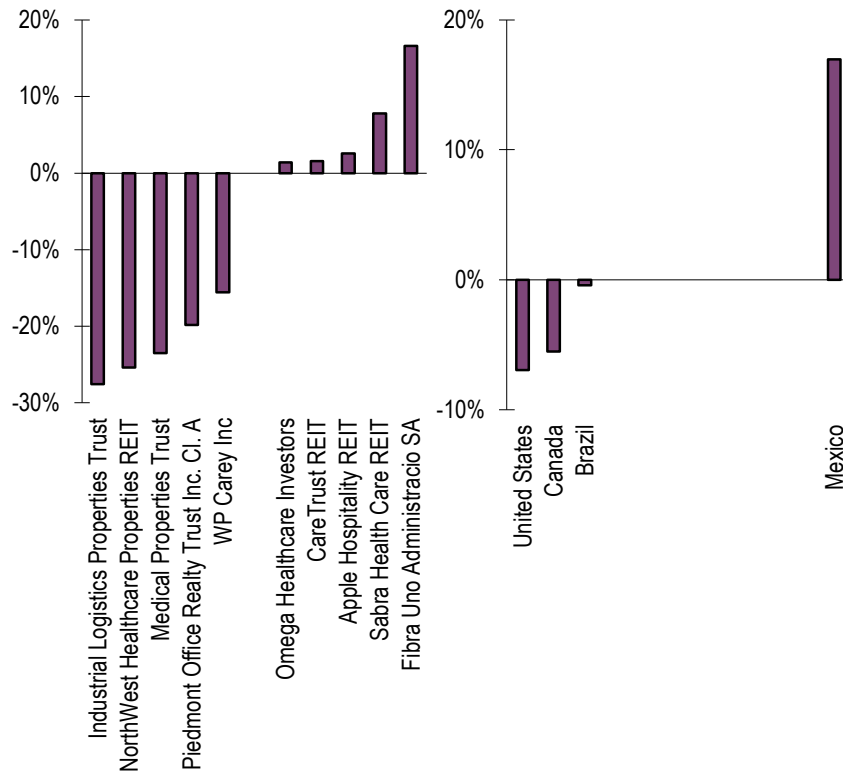
W.P. Carey Inc. unanimously approved a plan to exit the office sector and divest the office properties within its portfolio and focus on its warehouse and industrial properties. The company plans to spin off 59 office properties into a separate publicly traded REIT, Net Lease Office Properties Inc. Also, the company will implement an asset sale programme to dispose of 87 office properties retained by W. P. Carey Inc. The spin-off is expected to close on or around 1 November 2023, subject to the satisfaction of certain conditions, and all sales under the office sale programme are targeted to be completed by January 2024. The vast majority of the office properties that will be owned by Net Lease Office Properties Inc. are located in the United States, with the balance in Europe. As a separate company, Net Lease Office Properties Inc. will pursue a business plan focused on realizing value for its shareholders primarily through the strategic asset management and disposition of its real estate portfolio over time.

*The strategic review committee, formed by Northwest Healthcare Properties REIT and following consultation with its financial and legal advisors, has determined to explore, among other strategic initiatives, transactions involving the potential sale of all or part of the company's United States and/or Brazil real estate portfolios*

As was announced on 8 August 2023, Northwest Healthcare Properties REIT formed a strategic review committee to undertake a broad-based strategic review. The strategic review committee and its advisors said to have received a broad range of enquiries from third parties, including expressions of interest and non-binding proposals regarding certain potential asset dispositions. The strategic review committee, following consultation with its financial and legal advisors, has determined to explore, among other strategic initiatives, transactions involving the potential sale of all or part of the company's United States and/or Brazil real estate portfolios. There is no certainty regarding the results of the strategic review committee's strategic review or that any particular transaction will be agreed upon or consummated. Northwest Healthcare Properties REIT does not intend to comment further on the strategic review until it determines that additional disclosure is appropriate or required.

Shareholders of The Necessity Retail REIT Inc. approved three proposals that will allow Global Net Lease Inc. to acquire the company in a move that internalizes Global Net Lease's management. Global Net Lease Inc. shareholders also passed the proposals needed to allow the transaction. The merger of the two companies closed on 12 September 2023.

Graph 8:  
Top and bottom performing  
American companies (local  
returns)



Graph 9:  
Top and bottom performing  
American countries (local  
returns)

Table 3:  
Long and short-term returns of  
American countries (local  
returns)

**TABLE 3.** Local Total Returns of American Countries (GPR 250 Index)

	1 month	6 months	y-t-d	1 year	3 year	5 year	volatility
Americas	-6.8%	-5.4%	-3.2%	1.0%	5.9%	2.6%	0.20
Brazil	-0.4%	17.8%	26.5%	13.9%	9.7%	5.4%	0.30
Canada	-5.5%	-8.4%	-3.9%	4.5%	6.2%	0.6%	0.19
Mexico	16.9%	19.9%	37.3%	55.7%	29.2%	12.5%	0.27
United States	-7.0%	-5.5%	-3.5%	0.6%	5.8%	2.7%	0.20
North American Bonds	0.0%	-0.7%	2.5%	3.1%	-4.6%	0.9%	0.05
North American Equities	-4.6%	5.1%	13.1%	21.1%	9.6%	9.8%	0.18

*Note: Volatility is the 36-month standard deviation of returns. 3 and 5 year returns are annualized*

## Some Relief For China's Real Estate Sector

Asia (0.0%/1.4%) was positive in September 2023 and in the third quarter, something not applicable to Africa (-5.7%/-2.9%) and Oceania (-8.1%/-5.6%).

*Chinese real estate developers Sunac China Holdings Limited and Country Garden Holdings Company Limited brought some relief to the crisis-hit real estate sector by forging debt deals with creditors*

Chinese real estate developers Sunac China Holdings Limited and Country Garden Holdings Company Limited brought some relief to the crisis-hit real estate sector by forging debt deals with creditors. The shares in Sunac China Holdings Limited surged in mid-September 2023 after creditors approved its USD 9.0bn off-shore debt restructuring plan, the first green light of such a debt overhaul by a major Chinese real estate developer. However, the shares gave up part of the gains after reports, citing court documents, showed Sunac China Holdings Limited had filed for United States bankruptcy protection under Chapter 15. Under the United States bankruptcy code, the move shields non-United States companies which are undergoing restructurings from creditors that hope to sue them or tie up assets in the United States. The step is seen as procedural in large off-shore debt restructuring processes. Separately, cash-starved Country Garden Holdings Company Limited won approval from creditors to extend repayment on another on-shore bond, the last of eight bonds it had been seeking extensions for. China Evergrande Group, which is seeking to restructure a total of USD 31.7bn in one of the largest such exercises in the world, also sought protection under Chapter 15 in August 2023.

*Shareholders of Liberty Two Degrees Limited are advised that the special resolutions necessary in order to approve and implement the scheme of arrangement and tabled at the EGMs held on 22 September 2023, were passed by the requisite majority of votes of Liberty Two Degrees Limited shareholders present and entitled to vote thereon*

Shareholders of Liberty Two Degrees Limited are advised that the special resolutions necessary in order to approve and implement the scheme of arrangement and tabled at the EGM held on 22 September 2023, were passed by the requisite majority of votes of Liberty Two Degrees Limited shareholders present and entitled to vote thereon. Notwithstanding the approval of the scheme of arrangement, shareholders should note that the scheme of arrangement remains subject to the fulfilment or waiver, as applicable, of the remaining conditions, as set out in the combined circular. Shareholders will be provided with a further update regarding the fulfilment or waiver, as the case may be, of all of the conditions, as well as an update of the finalization details in respect of the clean-out distribution in due course.

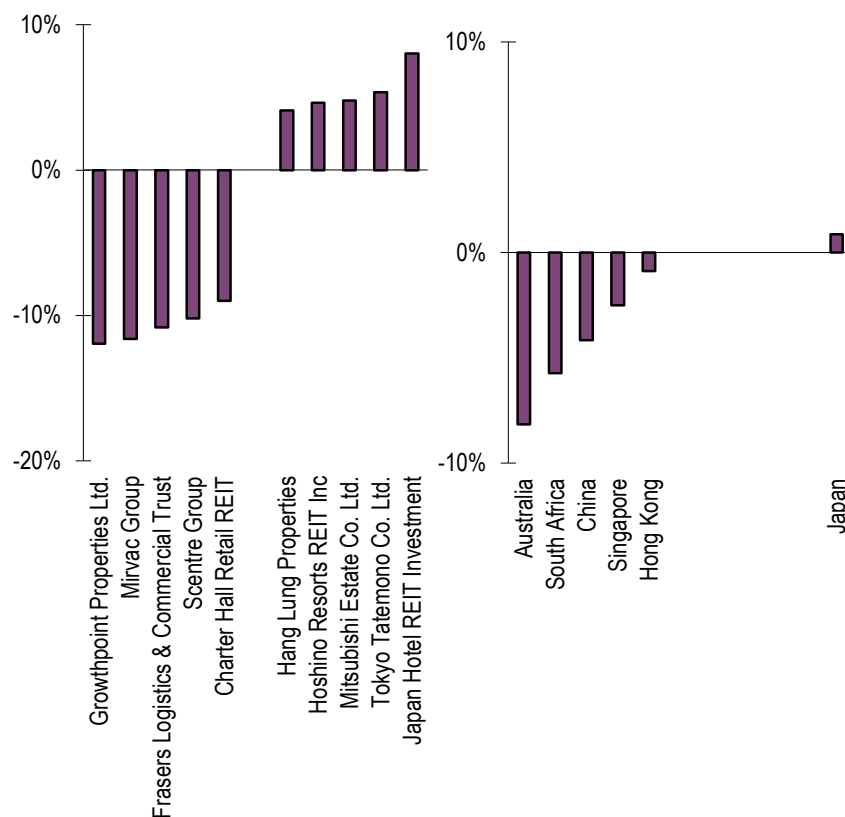
Japan Hotel REIT Investment Corporation sold 170,000 investment units in a secondary offering priced at JPY 72,030 apiece with the newly issued investment units having been included in the index calculations on 22 September 2023. The proceeds from the secondary offering will be allocated to part of the funds for the acquisition of the *La'gent Stay Sapporo Odori*, *Oriental Hotel Kyoto Rokujyo* and *Hotel Oriental Express Fukuoka Nakasukawabata* properties. The residual funds of the proceeds from the secondary offering, if any, will be retained as cash on hand.



# AFRICA, ASIA & OCEANIA – DATA

September 2023

Graph 10:  
Top and bottom performing  
Asian and Oceanian  
companies (local returns)



Graph 11:  
Top and bottom performing  
Asian and Oceanian countries  
(local returns)

Table 4:  
Long and short-term  
performance of African, Asian  
and Oceanian countries (local  
returns)

	1 month	6 months	y-t-d	1 year	3 year	5 year	volatility
Africa	-5.7%	-2.8%	-7.0%	18.9%	15.8%	-4.4%	0.27
Asia	0.0%	4.8%	3.0%	2.6%	6.1%	2.4%	0.11
Oceania	-8.1%	-4.0%	-5.1%	6.9%	5.3%	3.5%	0.20
Australia	-8.1%	-4.0%	-5.1%	6.9%	5.3%	3.5%	0.20
China	-4.2%	-24.0%	-15.2%	-5.6%	N/A	N/A	N/A
Hong Kong	-0.9%	-20.8%	-24.3%	-14.6%	-3.6%	-4.5%	0.23
Japan	0.9%	16.1%	12.9%	8.4%	10.3%	4.6%	0.12
Singapore	-2.5%	-6.5%	-2.6%	-1.1%	1.2%	1.8%	0.14
South Africa	-5.7%	-2.8%	-7.0%	18.9%	15.8%	-4.4%	0.27
Japan Bonds	0.0%	-0.7%	2.5%	3.1%	-4.6%	0.9%	0.05
Australia Bonds	0.0%	-1.4%	3.6%	3.8%	-3.8%	0.8%	0.07
Asia Pacific Equities	-0.6%	9.8%	16.1%	22.9%	12.6%	6.6%	0.12

*Note: Volatility is the 36-month standard deviation of returns. 3 and 5 year returns are annualized*

# GPR 250 REIT INDEX – DATA

September 2023

Graph 12:  
Rolling 36-months correlation  
between different asset classes  
(local returns)

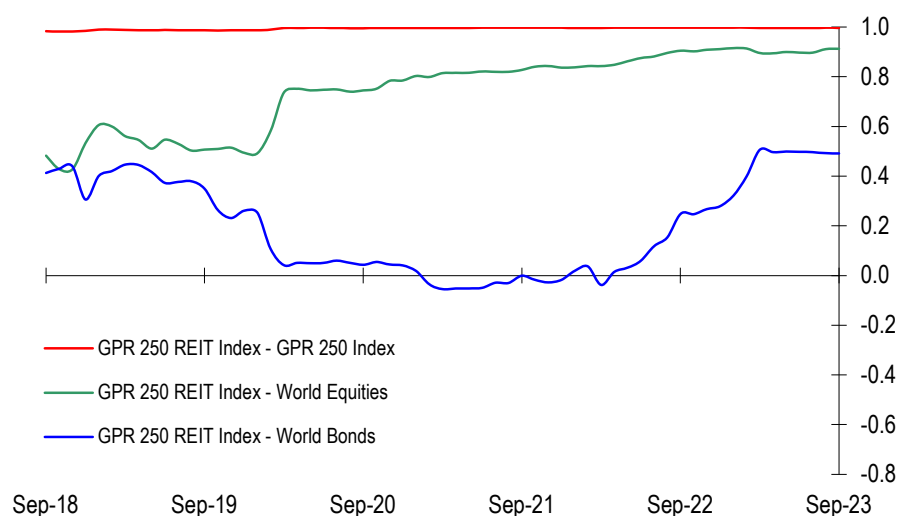


Table 5:  
Long and short-term returns of  
of REITs

**TABLE 5.** Local Total Returns of REITs (GPR 250 REIT Index)

	1 month	6 months	y-t-d	1 year	3 year	5 year	volatility
Global	-6.1%	-4.8%	-3.6%	0.8%	4.8%	1.7%	0.18
Africa	-7.7%	-10.0%	-20.1%	2.4%	9.6%	-8.6%	0.29
Americas	-6.8%	-5.5%	-3.4%	1.0%	5.9%	2.7%	0.20
Asia	-1.9%	0.1%	-2.5%	-3.0%	2.8%	2.9%	0.11
Europe	-4.6%	-6.2%	-6.3%	1.8%	-0.4%	-7.3%	0.24
Oceania	-8.1%	-4.0%	-5.1%	6.9%	5.3%	3.5%	0.20
Australia	-8.1%	-4.0%	-5.1%	6.9%	5.3%	3.5%	0.20
Belgium	-11.4%	-15.0%	-15.4%	-14.6%	-11.7%	0.5%	0.24
Canada	-5.9%	-9.7%	-5.2%	3.8%	6.0%	1.3%	0.20
China	-2.2%	-18.0%	-15.7%	-9.2%	N/A	N/A	N/A
France	-4.9%	-1.2%	0.7%	16.9%	5.7%	-4.0%	0.31
Hong Kong	-1.3%	-22.0%	-29.2%	-24.0%	-10.3%	-8.8%	0.26
Japan	-1.6%	6.4%	1.4%	-0.8%	6.3%	4.7%	0.11
Mexico	16.9%	19.9%	37.3%	55.7%	29.2%	12.5%	0.27
Singapore	-2.9%	-5.0%	0.8%	1.4%	-0.7%	4.0%	0.14
South Africa	-7.7%	-10.0%	-20.1%	2.4%	9.6%	-8.6%	0.29
Spain	-3.7%	0.0%	-6.1%	9.5%	0.6%	-4.1%	0.32
United Kingdom	-3.1%	-6.8%	-7.1%	-0.6%	-2.2%	-4.4%	0.23
United States	-6.9%	-5.5%	-3.5%	0.6%	5.8%	2.7%	0.20

*Note: Volatility is the 36-month standard deviation of returns. 3 and 5 year returns are annualized*

### **GPR 15 Index serves as a representative benchmark for the European market**

As of 30 June 2000, Global Property Research has launched the GPR 15 Index. The index tracks the performances of the 15 most liquid European property companies taking into account the country weight of the GPR 250 Europe Index. It covers more than 50% of the European market in terms of market capitalization. The number of stocks per company is fixed, so it is easy for investors to hedge the portfolio. The correlation between the GPR 15 Index and the GPR 250 Europe Index is about 0.99 over the past three years and since inception.

	<i>Country</i>	<i>Company</i>	<i>Weight</i>
1	Belgium	Warehouses De Pauw	4.83%
2	France	Klepierre	5.79%
3	France	Unibail-Rodamco-Westfield	8.45%
4	Germany	LEG Immobilien AG	5.81%
5	Germany	Vonovia SE	21.71%
6	Spain	MERLIN Properties SOCIMI S.A.	3.35%
7	Sweden	Castellum AB	4.82%
8	Sweden	Samhällsbyggnadsbolaget i Norden B	0.49%
9	Switzerland	PSP Swiss Property	6.55%
10	Switzerland	Swiss Prime Site	8.49%
11	United Kingdom	British Land Company Plc	3.78%
12	United Kingdom	Land Securities Plc	6.20%
13	United Kingdom	Segro Plc	11.85%
14	United Kingdom	The UNITE Group plc	4.11%
15	United Kingdom	Tritax Big Box REIT plc	3.76%

## Global Property Research has observed the following changes in the GPR 250

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Global Property Research will adjust the constituents of the GPR 250 Index and the GPR 250 REIT Index on a quarterly basis. The table below summarizes the inclusions and exclusions of the GPR 250 Index and the GPR 250 REIT Index (indicated with an asterisk), which have become effective as of 18 September 2023.

<i>Inclusions</i>		<i>Exclusions</i>	
Japan	MORI TRUST REIT Inc. *	Canada	Primaris REIT *
Japan	Star Asia Investment Corporation *		

## Global Property Research has observed the following changes in the GPR General

- Global Property Research removed The Necessity Retail REIT, Inc. (United States (United States) from the GPR General Indices as from 13 September 2023 following the closing of the merger with and into Global Net Lease, Inc. (United States).

## Global Property Research has observed the following changes in the GPR General

Global Property Research will adjust the constituents of the GPR General Index on a monthly basis, further to chapter 7 of the GPR Index Construction & Maintenance Procedures. The table below summarizes the inclusions and exclusions of the GPR General Index and the GPR General Quoted Index, which have become effective as of 1 October 2023. Open-ended funds, which are indicated with an asterisk, are not part of the GPR General Quoted Index.

<i>Inclusions</i>		<i>Exclusions</i>	
		United States	Invesque Inc

## GPR Indices on Data Systems

**Bloomberg:** GPRI <GO>

**DeltaOne Solutions:** Search for “GPR”

**EcoWin:** Graphics: Select Country → Stock Market  
Pro: Financial Database → Select Country → Equity Indices → GPR  
Graphics and Pro: text search “GPR”

**FactSet Research Systems, Inc.:** Structured as: GPCC# , where  
CC is country code  
# is currency (*LOC* for local; *EUR* for euro; *USD* for US dollar)

**Financial Express:** Search for “GPR”

**Fininfo:** Search for “GPR”

**Macrobond Financial** Search for “GPR”

**Morningstar, Inc.:** Search for “GPR”

**Reuters:** NXT/Indices9 (in quote browser window)  
0#.GPR (in quote browser window)

**Rimes Technologies Ltd.:** Search for “Global Property Research”

**StatPro** Search for “GPR”

**ThomsonReuters/Datastream:** Mnemonics structured as: GPRXCC# , where  
X is 2 for GPR 250 or G for GPR General  
CC is country code  
# is currency (*L* for local; *E* for euro; *\$* for US dollar)

**ThomsonReuters/Vestek:** Search for “GPR”

**ThomsonReuters/EIKON:** Search for “GPR”

**Wilshire Associates, Inc.:** Search for “GPR”

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