

# Market Update

A Monthly Performance Report

June 2022

## Listed property stocks plummet in Q2 2022 (-15.0%)

### GPR 250 Index posts third consecutive monthly loss

- The GPR 250 Index retained its negative momentum, declining 7.1% in June 2022 following 4.0% and 4.6% losses in April 2022 and May 2022 respectively. As a result, the GPR 250 Index ended the second quarter 15.0% lower. Asia (0.8%) was the positive exception as other continents recorded double-digit losses ranging from -12.3% for Africa to -24.1% for Europe.

GPR 250 Index	EUR	LOC	USD
Africa	-16.8%	-12.3%	-21.8%
Americas	-12.1%	-17.3%	-17.4%
Asia	-0.7%	0.8%	-6.7%
Europe	-24.7%	-24.1%	-29.3%
Oceania	-16.5%	-14.3%	-21.5%
<b>World</b>	<b>-11.9%</b>	<b>-15.0%</b>	<b>-17.2%</b>

### Duke Realty Corp. to be bought by Prologis Inc.

- Duke Realty Corp. agreed to be bought by Prologis Inc. with the companies stating that their respective management boards have approved the USD 26bn transaction for Prologis Inc. to acquire Duke Realty Corp. in an all-share transaction, including the assumption of debt.

### Capco and Shaftesbury Plc have agreed to merge

- Capital & Counties Properties PLC and Shaftesbury Plc have agreed to a merger whereby Shaftesbury Plc shareholders are being offered 3.356 newly issued Capco shares for each (1) share owned. Shaftesbury Plc shareholders are being offered 3.356 newly issued Capco shares for each (1) share owned.

### Frasers Hospitality Trust gets privatized

- Frasers Property Limited is privatizing subsidiary Frasers Hospitality Trust with a bid of SGD 0.70 per unit, which reportedly exceeds the current trading multiples of other listed Singapore hospitality trusts and other previous Singapore REIT privatizations.



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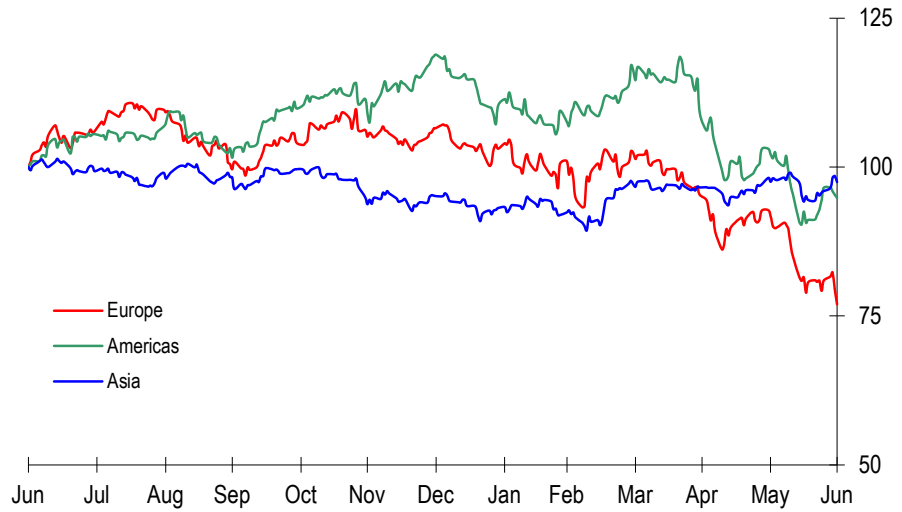
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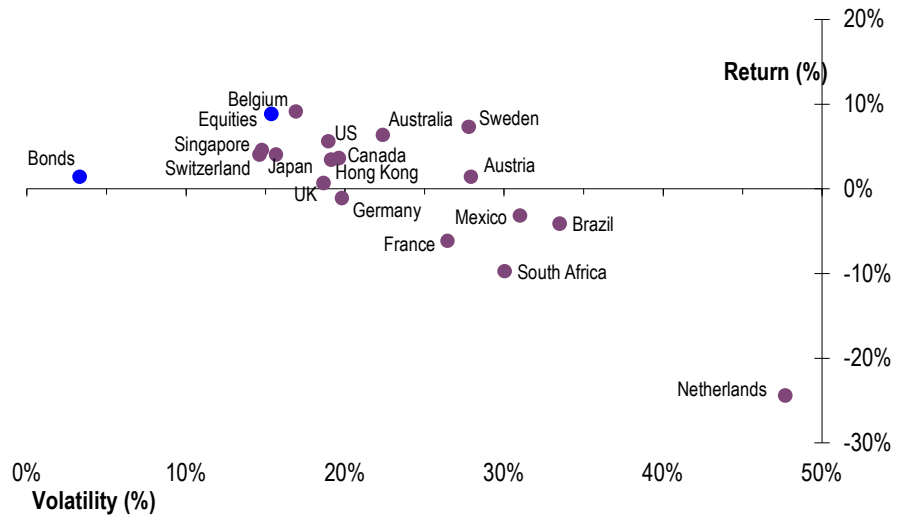
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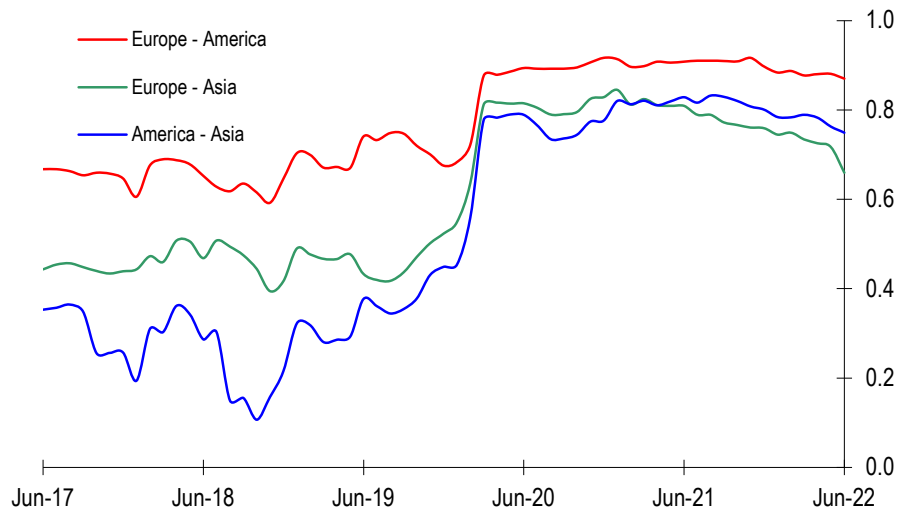
Graph 1:  
Continental performance of GPR 250 Index (local returns)



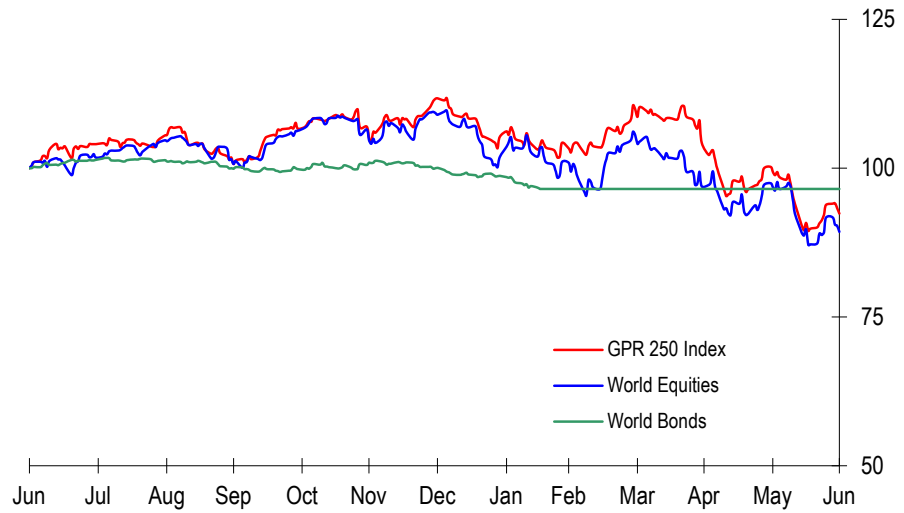
Graph 2:  
Return and volatility of the major countries in the GPR 250 Index based on 5 year figures (local currency)



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)

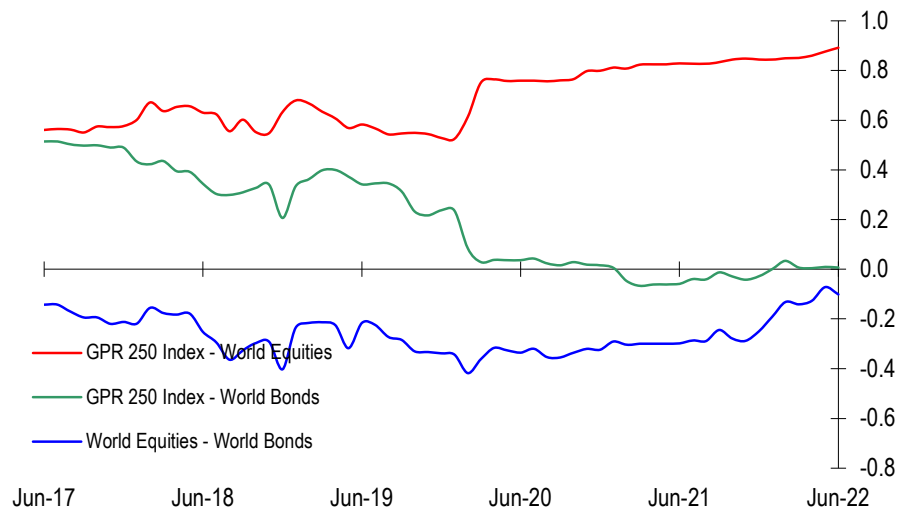


Table 1: Performance of property  
shares and other asset classes

	1 month	6 months	y-t-d	1 year	3 year	5 year	volatility
GPR 250 Index	-7.1%	-17.3%	-17.3%	-7.7%	1.7%	4.0%	0.20
GPR 250 Africa Index	-12.5%	-15.2%	-15.2%	-7.4%	-12.5%	-9.7%	0.36
GPR 250 Americas Index	-7.2%	-20.3%	-20.3%	-5.2%	3.8%	5.4%	0.22
GPR 250 Asia Index	0.0%	2.5%	2.5%	-2.5%	1.9%	4.1%	0.16
GPR 250 Europe Index	-16.2%	-27.8%	-27.8%	-23.1%	-4.9%	-1.6%	0.21
GPR 250 Oceania Index	-9.3%	-15.8%	-15.8%	-8.4%	-0.9%	6.4%	0.28
Global Bonds (JP Morgan)	0.0%	-3.5%	-3.5%	-3.5%	0.1%	1.4%	0.04
Global Equities (MSCI)	-7.7%	-18.0%	-18.0%	-10.7%	8.4%	8.8%	0.17

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

## Capco And Shaftesbury Plc Have Agreed To Merge

The GPR 250 Europe Index posted a double-digit (-16.2%) loss to close a poor second quarter 24.1% lower, following subsequent losses in April (-5.9%), May (-3.7%) and June (-16.2%).

*Capital & Counties Properties PLC and Shaftesbury Plc have agreed to a merger whereby Shaftesbury Plc shareholders are being offered 3.356 newly issued Capco shares for each (1) share owned*

Capital & Counties Properties PLC (Capco) and Shaftesbury Plc have agreed to merge to create a mixed-use central London REIT with a GBP 5.0bn portfolio. Following an announcement last month confirming "advanced discussions regarding a possible all-share merger", the two companies said to have now agreed to a merger whereby Shaftesbury Plc shareholders are being offered 3.356 newly issued Capco shares for each (1) share owned. Capco already holds approximately 25.2% of Shaftesbury Plc's issued share capital. Subject to approvals, Shaftesbury Plc and Capco shareholders will own 53% and 47% respectively of the combined company, which will be called Shaftesbury Capital. The companies said the merger is supported by Norges Bank, which holds a 26% stake in Shaftesbury Plc and a 15% stake in Capco. Madison International Realty Holdings, LLC - a 4.1% shareholder of Capco - has also agreed to vote in favour of the merger.

*Deutsche EuroShop AG said that the company's management board and supervisory board have decided to recommend shareholders to accept the EUR 21.50 per share takeover offer*

Deutsche EuroShop AG said that the company's management board and supervisory board have decided to recommend shareholders to accept the EUR 21.50 per share takeover offer launched last month by Oaktree Capital Group Holdings GP, LLC, and Kommanditgesellschaft CURA Vermögensverwaltung G.m.b.H. & Co., ultimately controlled by Mr Alexander Otto and parent company of ECE Group.

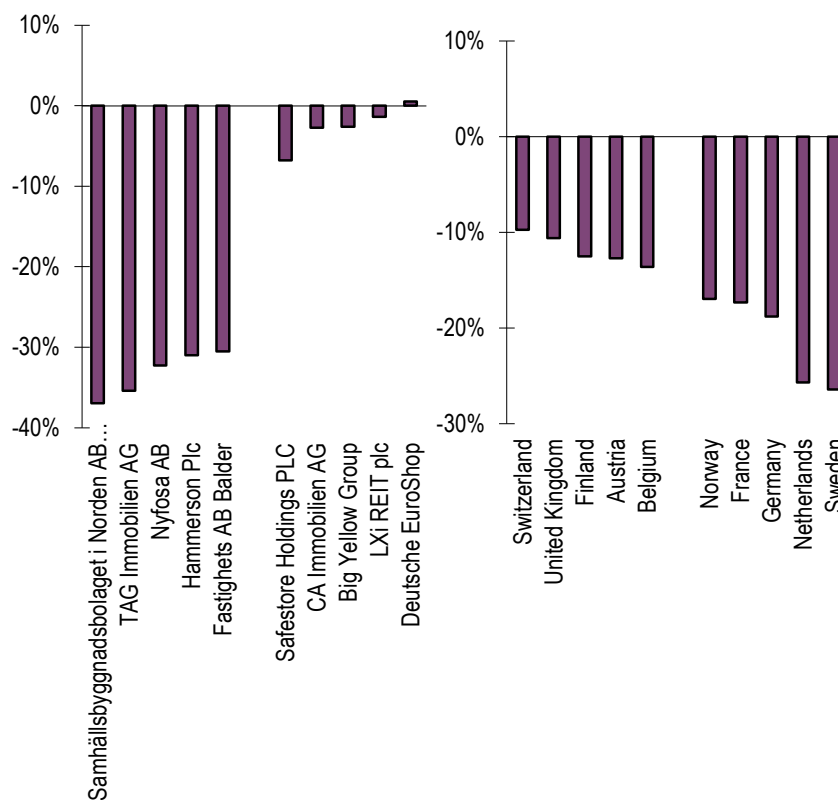
S IMMO AG shareholders voted in favour of the abolition of the maximum voting rights, pursuant to which CPI Property Group S.A. decided to make a mandatory takeover offer at EUR 23.50 per share (cum dividend).

Retail Estates successfully completed a EUR 55m secondary offering via an accelerated private placement of 859,375 newly issued shares priced at EUR 64.00 apiece. The secondary offering allows the company to increase its financial fire power and strengthen its shareholders' equity in order to finance the investment pipeline and to be able to benefit from additional investment opportunities in the out-of-town retail property markets.

The EPH European Property Holdings PLC shares listed on the SIX Swiss Exchange commenced trading in EUR (from USD) with effect from 10 June 2022.

Standard Life Investments Property Income Trust Limited changed its company name to abrdn Property Income Trust Limited with effect from 16 June 2022.

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	-16.2%	-27.8%	-27.8%	-23.1%	-4.9%	-1.6%	0.21
Austria	-12.7%	-15.9%	-15.9%	-4.4%	-7.5%	1.4%	0.33
Belgium	-13.6%	-23.0%	-23.0%	-11.3%	9.5%	9.2%	0.20
Finland	-12.5%	-22.8%	-22.8%	-14.9%	N/A	N/A	N/A
France	-17.3%	-19.2%	-19.2%	-22.5%	-9.2%	-6.1%	0.32
Germany	-18.8%	-36.3%	-36.3%	-39.9%	-7.8%	-1.1%	0.21
Netherlands	-25.7%	-21.0%	-21.0%	-33.3%	-25.2%	-24.4%	0.58
Norway	-16.9%	-36.7%	-36.7%	-35.3%	N/A	N/A	N/A
Spain	-15.7%	-12.7%	-12.7%	-7.9%	-9.0%	-0.8%	0.34
Sweden	-26.4%	-47.8%	-47.8%	-34.4%	-3.0%	7.3%	0.34
Switzerland	-9.7%	-6.0%	-6.0%	-6.6%	1.2%	4.1%	0.17
United Kingdom	-10.6%	-20.2%	-20.2%	-5.4%	0.2%	0.7%	0.21
Europe Bonds	0.0%	-3.3%	-3.3%	-3.2%	-1.4%	0.6%	0.04
Europe Equities	-7.7%	-13.1%	-13.1%	-6.8%	4.0%	4.4%	0.16

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

## Duke Realty Corp. To Be Bought By Prologis Inc.

The GPR 250 Americas Index dropped another 7.2% in June 2022 as inflation concerns, Fed rate hikes and slowing economic growth weighed on markets. At country level Canada (-10.5%) fared worst, while Brazil (-9.9%), United States (-7.1%) and Mexico (-3.6%) contracted as well.

*Duke Realty Corp. shareholders are expected to receive 0.475 Prologis Inc. shares for each (1) Duke Realty Corp. share they own*

Duke Realty Corp. agreed to be bought by Prologis Inc. with the companies stating that their respective management boards have approved the USD 26bn transaction for Prologis Inc. to acquire Duke Realty Corp. in an all-share transaction, including the assumption of debt. Duke Realty Corp. shareholders are expected to receive 0.475 Prologis Inc. shares for each (1) Duke Realty Corp. share they own. Previously, Prologis Inc. proposed to buy Duke Realty Corp. in a USD 24bn deal, or 0.466 Prologis Inc. shares for each (1) Duke Realty Corp. owned. The takeover offer followed an initial proposal Prologis Inc. made in November 2021 and a subsequent increase to the bid in early May 2022, which was rejected. The transaction is slated to close in the fourth quarter.

Activist investor Mr Jonathan Litt plans to vote against Healthcare Realty Trust Inc.'s proposed takeover of Healthcare Trust of America Inc., arguing that the process that led to the deal was flawed. Mr Litt's Land & Buildings Investment Management, LLC owns a stake in Healthcare Realty Trust Inc. and said that he believed Healthcare Realty Trust Inc. would have fared better by accepting a USD 4.8bn buyout offer from Welltower Inc. Healthcare Realty Trust Inc. responded that it remained focused on executing the combination with Healthcare Trust of America, Inc. Shareholders will be able to vote on the transaction with Healthcare Trust of America Inc. at the EGM on 15 July 2022. The transaction is expected to close on or around 20 July 2022, subject to customary closing conditions, including the approval of both Healthcare Realty Trust Inc. and Healthcare Trust of America Inc. shareholders.

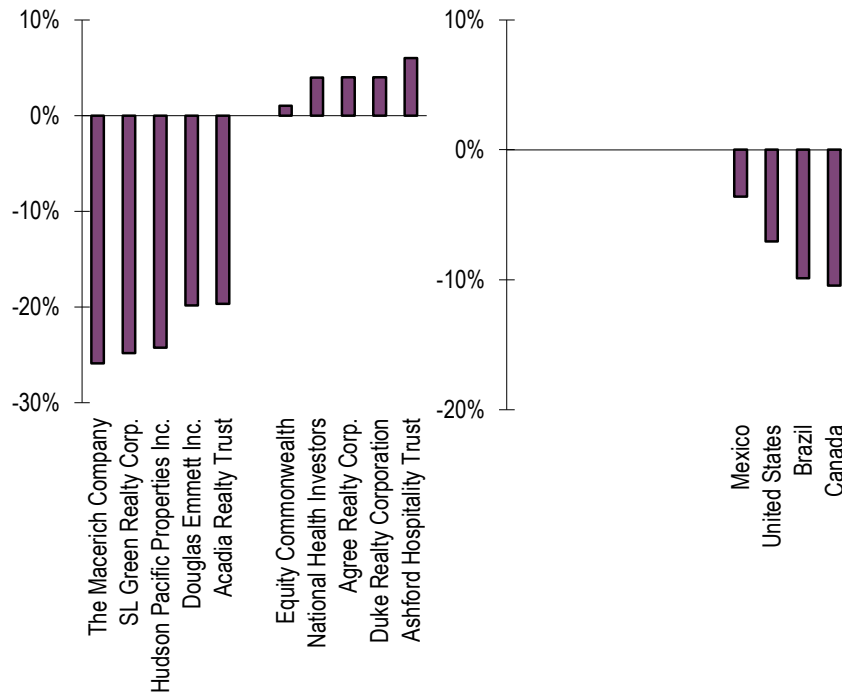
*Aliansce Sonae Shopping Centers S.A. and BR Malls Participações S.A. informed that the shareholders of BR Malls Participações S.A., Aliansce Sonae Shopping Centers S.A. and Dolunay Empreendimentos e Participações S/A approved the combination of their businesses*

Aliansce Sonae Shopping Centers S.A. and BR Malls Participações S.A. informed that the shareholders of BR Malls Participações S.A., Aliansce Sonae Shopping Centers S.A. and Dolunay Empreendimentos e Participações S/A approved the combination of their businesses. The consummation of the transaction is subject to the verification (or waiver, as the case may be) of the suspensive conditions provided for in the protocol and justification of the merger of shares Issued by BR Malls Participações S.A. into Dolunay Empreendimentos e Participações S/A, followed by the merger of Dolunay Empreendimentos e Participações S/A into Aliansce Sonae Shopping Centers S.A." executed between the companies, including the approval of the transaction by the Brazilian Administrative Council for Economic Defense (CADE).

# AMERICAS – DATA

June 2022

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	-7.2%	-20.3%	-20.3%	-5.2%	3.8%	5.4%	0.22
Brazil	-9.9%	-0.7%	-0.7%	-20.6%	-14.2%	-4.1%	0.37
Canada	-10.5%	-18.1%	-18.1%	-10.7%	-0.2%	3.6%	0.24
Mexico	-3.6%	-2.3%	-2.3%	1.5%	-0.5%	-3.2%	0.35
United States	-7.1%	-20.5%	-20.5%	-4.8%	4.2%	5.6%	0.22
North American Bonds	0.0%	-3.6%	-3.6%	-3.5%	1.1%	2.0%	0.05
North American Equities	-8.3%	-20.6%	-20.6%	-12.4%	10.3%	11.0%	0.19

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

### Frasers Hospitality Trust Gets Privatized

Africa (-12.5%), Oceania (-9.3%) and Asia (-0.0%) suffered losses in June 2022. Still, there was refuge to be found in Japan (0.4%), Singapore (0.7%) and China (3.7%).

*Frasers Property Limited is privatizing subsidiary Frasers Hospitality Trust with a bid of SGD 0.70 per unit*

Frasers Property Limited is privatizing subsidiary Frasers Hospitality Trust with a bid of SGD 0.70 per unit, which reportedly exceeds the current trading multiples of other listed Singapore hospitality trusts and other previous Singapore REIT privatizations. Frasers Hospitality Trust owns some SGD 2.0bn worth of hospitality assets such as hotels and service apartments in key cities in Asia, Australia and Europe. The targeted company had considered various options, such as an expansion via mergers or acquisitions, before concluding on the privatization. Both Frasers Property Limited and Frasers Hospitality Trust said the privatization was being done in view of poor market conditions and challenges faced by the hospitality group following more than two years of the Covid-19 pandemic. The strengthening of the Singapore dollar against Frasers Hospitality Trust's operational currencies is considered another key reason why the company was not able to deliver satisfactory earnings growth. Geopolitical tensions, such as the Russia-Ukraine war, and looming recessionary pressures have also added to the uncertain outlook. The proposed privatization will require the necessary regulatory and court approvals. If approvals are met, the privatization is expected to be completed by the fourth quarter of this year. Frasers Property Limited and its related parties own a 63% stake in Frasers Hospitality Trust.

Fortress REIT Limited A agreed to an all-share merger to be implemented through a scheme of arrangement, pursuant to which Fortress REIT Limited B will offer shares to repurchase all issued Fortress REIT Limited A shares (with the exception of 26,861,996 Fortress REIT Limited A shares held as treasury shares, which treasury shares shall be repurchased subject to shareholder approval) in exchange for Fortress REIT Limited B shares at an exchange ratio of 3.01 Fortress REIT Limited B shares per (1) Fortress REIT Limited A share.

*Irongate Group shareholders approved to the bid proposal by Charter Hall PGGM Industrial Partnership No.2 by way of agreed trust scheme of arrangement*

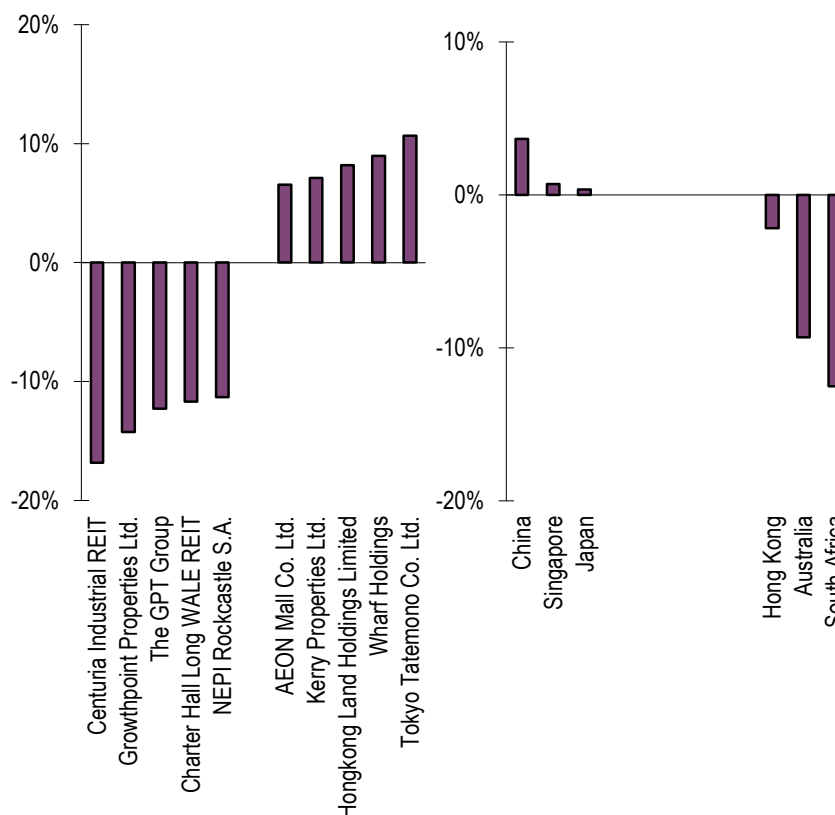
Irongate Group shareholders approved to the bid proposal by Charter Hall PGGM Industrial Partnership No.2 by way of agreed trust scheme of arrangement. The proposal remains subject to receipt of the judicial advice in relation to implementation of the proposal at the second court date, which is scheduled for 5 July 2022 further to which the proposal is expected to be implemented on 15 July 2022.



# AFRICA, ASIA & OCEANIA – DATA

June 2022

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	-12.5%	-15.2%	-15.2%	-7.4%	-12.5%	-9.7%	0.36
Asia	0.0%	2.5%	2.5%	-2.5%	1.9%	4.1%	0.16
Oceania	-9.3%	-15.8%	-15.8%	-8.4%	-0.9%	6.4%	0.28
Australia	-9.3%	-15.8%	-15.8%	-8.4%	-0.9%	6.4%	0.28
China	3.7%	4.2%	4.2%	-29.9%	N/A	N/A	N/A
Hong Kong	-2.2%	0.7%	0.7%	-10.8%	-3.6%	3.4%	0.21
Japan	0.4%	3.6%	3.6%	-1.2%	4.0%	4.1%	0.18
Singapore	0.7%	0.3%	0.3%	3.1%	1.2%	4.6%	0.16
South Africa	-12.5%	-15.2%	-15.2%	-7.4%	-12.5%	-9.7%	0.36
Japan Bonds	0.0%	-3.6%	-3.6%	-3.5%	1.1%	2.0%	0.05
Australia Bonds	0.0%	-3.0%	-3.0%	-4.0%	-0.6%	2.4%	0.05
Asia Pacific Equities	-3.8%	-6.4%	-6.4%	-4.4%	6.6%	5.7%	0.14

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

## GPR 250 REIT INDEX – DATA

June 2022

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

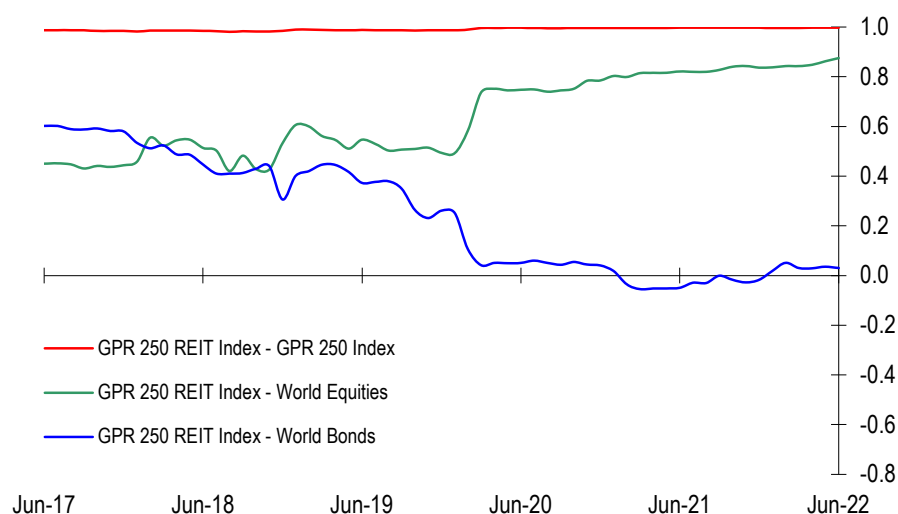


Table 5:  
Long and short-term returns of  
of REITs

**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	-7.1%	-18.1%	-18.1%	-6.0%	2.5%	4.7%	0.21
Africa	-13.3%	-15.2%	-15.2%	-6.2%	-14.4%	-10.8%	0.39
Americas	-7.2%	-20.3%	-20.3%	-5.1%	4.0%	5.5%	0.22
Asia	-2.0%	-2.8%	-2.8%	-4.8%	1.8%	6.9%	0.15
Europe	-13.8%	-20.2%	-20.2%	-11.8%	-5.4%	-4.2%	0.25
Oceania	-9.3%	-15.8%	-15.8%	-8.4%	-0.9%	6.4%	0.28
Australia	-9.3%	-15.8%	-15.8%	-8.4%	-0.9%	6.4%	0.28
Belgium	-13.6%	-23.0%	-23.0%	-11.3%	9.5%	9.2%	0.20
Canada	-10.5%	-18.8%	-18.8%	-10.0%	0.6%	5.2%	0.24
China	-0.9%	-1.9%	-1.9%	-10.2%	N/A	N/A	N/A
France	-17.3%	-19.2%	-19.2%	-22.5%	-9.2%	-6.1%	0.32
Hong Kong	-7.9%	-4.7%	-4.7%	-11.1%	-9.0%	5.5%	0.22
Japan	-1.7%	-3.0%	-3.0%	-5.1%	4.2%	6.7%	0.18
Mexico	-3.6%	-2.3%	-2.3%	1.5%	-0.5%	-3.2%	0.35
Netherlands	-25.7%	-21.0%	-21.0%	-33.3%	-25.2%	-24.4%	0.58
Singapore	-0.1%	-0.9%	-0.9%	-0.1%	1.7%	7.9%	0.16
South Africa	-13.3%	-15.2%	-15.2%	-6.2%	-14.4%	-10.8%	0.39
Spain	-15.7%	-12.7%	-12.7%	-7.9%	-9.0%	-1.3%	0.35
United Kingdom	-10.7%	-20.7%	-20.7%	-5.7%	0.5%	1.1%	0.21
United States	-7.1%	-20.5%	-20.5%	-4.8%	4.2%	5.6%	0.22

*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 around 55% 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 0.98 over the past three years and since inception.

	<i>Country</i>	<i>Company</i>	<i>Weight</i>
1	Belgium	Warehouses De Pauw	5.15%
2	France	Klepierre	4.32%
3	Germany	Aroundtown SA	5.08%
4	Germany	LEG Immobilien AG	6.46%
5	Germany	TAG Immobilien AG	1.47%
6	Germany	Vonovia SE	25.81%
7	Netherlands	Unibail-Rodamco-Westfield	8.29%
8	Sweden	Fastighets AB Balder	3.43%
9	Sweden	Samhällsbyggnadsbolaget i Norden B	1.82%
10	Switzerland	Swiss Prime Site	7.74%
11	United Kingdom	British Land Company Plc	5.08%
12	United Kingdom	Derwent London Plc	3.66%
13	United Kingdom	Land Securities Plc	6.61%
14	United Kingdom	Segro Plc	15.08%

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

- Global Property Research removed Mapletree North Asia Commercial Trust (Singapore) from the GPR 250 Indices and the GPR General Indices as from 9 June 2022 following the closing of the merger with and into Mapletree Commercial Trust (Singapore);

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

- Global Property Research removed Dipula Income Fund A (South Africa) from the GPR General Indices as from 7 June 2022 following the closing of the merger with and into Dipula Income Fund B (South Africa);
- Global Property Research removed Hibernia REIT plc (Ireland) from the GPR General Indices as from 20 June 2022 following the completion of the acquisition by Benedict Real Estate Bidco Limited, a subsidiary of one of Brookfield Asset Management Inc.’s private property funds;
- Global Property Research removed IRSA Propiedades Comerciales SA (Argentina) from the GPR General Indices as from 22 June 2022 following the completion of the merger by absorption with and into IRSA Inversiones y Representaciones SA;
- Global Property Research removed Preferred Apartment Communities, Inc. (United States) from the GPR General Indices as from 24 June 2022 following the completion of the acquisition by Blackstone Real Estate Income Trust, Inc.;

**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 July 2022. Open-ended funds, which are indicated with an asterisk, are not part of the GPR General Quoted Index.

*Inclusions*

*Exclusions*

United States    Pennsylvania REIT

## 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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