

# Market Update

A Monthly Performance Report

October 2020

## Listed property sector slips to 3.4% loss

### GPR 250 Index 21.4% down in 2020 year-to-date

- The listed property sector, as represented by the GPR 250 Index, lost 3.4% in October 2020 as fears over the coronavirus pandemic continued to hang over markets. Total return performances ranged from -2.0% (Oceania) to -15.2% (Africa).. There was underperformance versus equities (-3.4% versus -3.0%) as well as versus bonds (-3.4% versus -0.3%). The GPR 250 Index is now 21.4% down in 2020 year-to-date.

### Unibail-Rodamco-Westfield shareholder activism

- Unibail-Rodamco-Westfield shot down proposals from an investor consortium led by Aermont Capital LLP's Mr Léon Bressler and NJJ Holding's Mr Xavier Niel urging the company to sell its United States mall portfolio, which could be worth up to EUR 14bn. The shareholder group aims to vote against the company's planned EUR 3.5bn rights issue at an EGM scheduled for 10 November 2020. The activist investors reportedly think the United States mall portfolio sale is a better option and would effectively reverse Unibail-Rodamco-Westfield's previous takeover of the Westfield portfolio.

### Activist investor makes case against Aimco split

- Proxy advisory firm Institutional Shareholder Services Inc. (ISS) supported activist shareholder Land & Buildings Investment Management LLC's call for an EGM to vote on the company's planned reverse spin-off. ISS argued that the proposed separation of the company's business into two publicly traded companies, Apartment Income REIT and Aimco, warrants an EGM since there are several corporate governance concerns, particularly regarding shareholder rights.

### Third Blackstone Group Inc.-backed REIT in India?

- According to newspaper articles, The Blackstone Group Inc. and Panchshil Realty and Developers Pvt. Ltd. started discussions on the potential monetization of their joint venture assets in India through a REIT. If pursued, the REIT will be the third backed by The Blackstone Group Inc. in India after earlier tie-ups with Embassy Group and K Raheja Corp. Pvt. Ltd.



## Analysts

### Jeroen Vreeker

[j.vreeker@gpr.nl](mailto:j.vreeker@gpr.nl)

### Floris van Dorp

[f.van.dorp@gpr.nl](mailto:f.van.dorp@gpr.nl)

Global Property Research

Beethovenstraat 300

P.O. Box 75666

1070 AR Amsterdam

The Netherlands

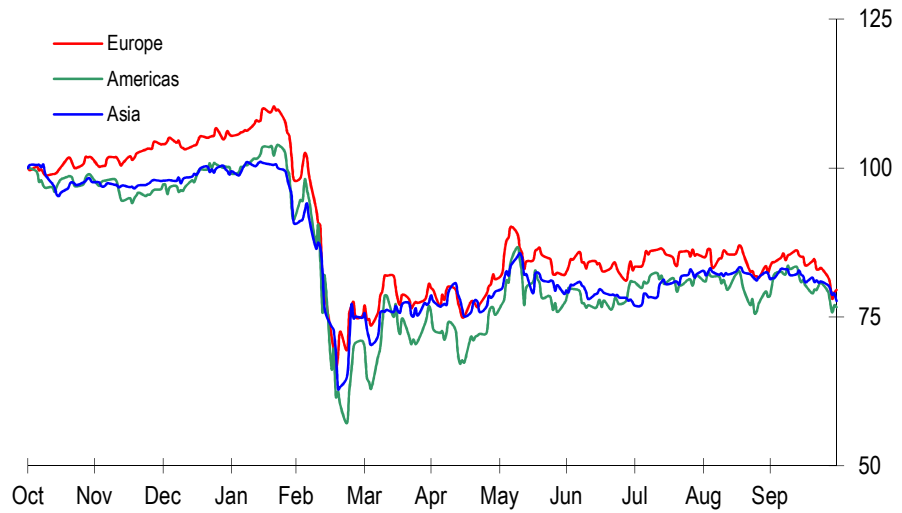
Phone: +31 20 3488 451/452

Fax: +31 20 3488 962

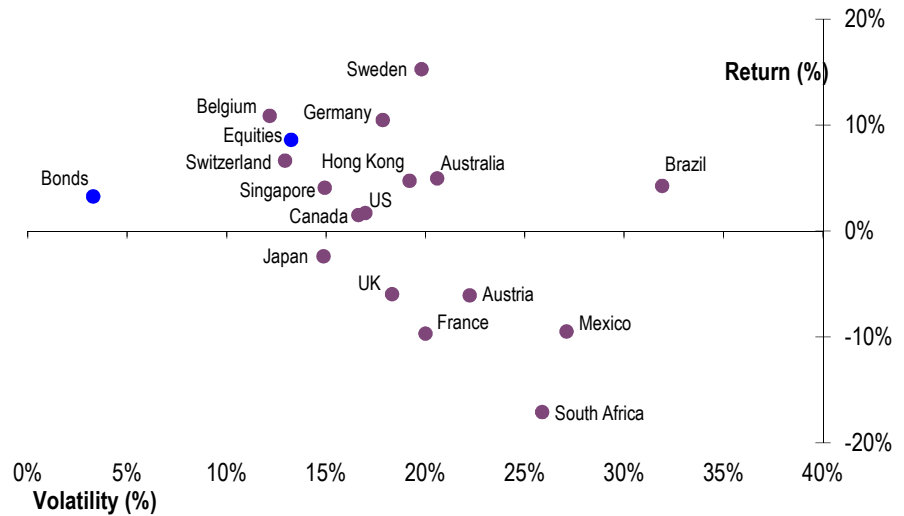
Email: [info@gpr.nl](mailto:info@gpr.nl)

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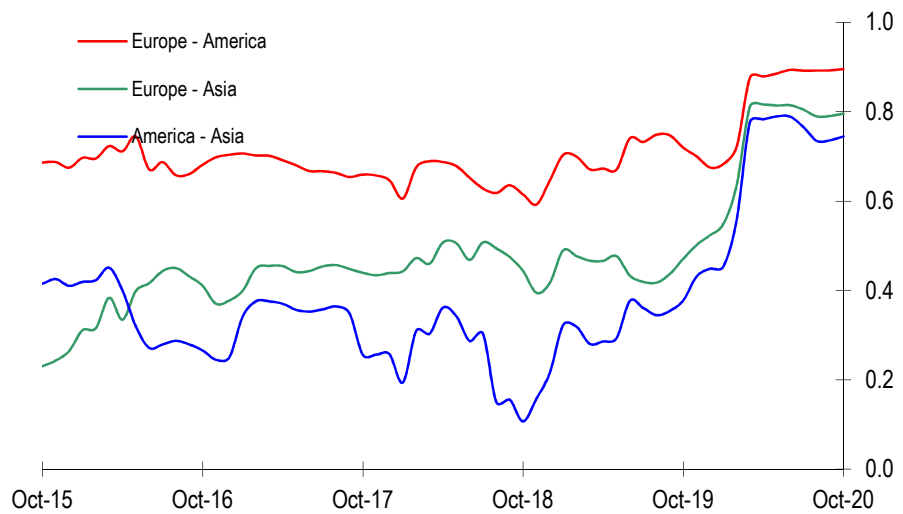
Graph 1:  
Continental performance of GPR 250 Index (local returns)



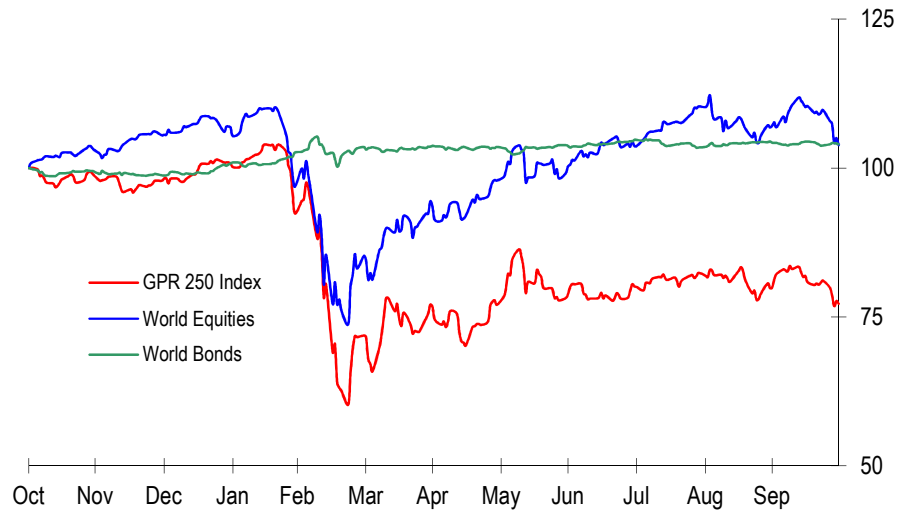
Graph 2:  
Return and volatility of the major countries in the GPR 250 Index based on 5 year figures (local currency)



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)

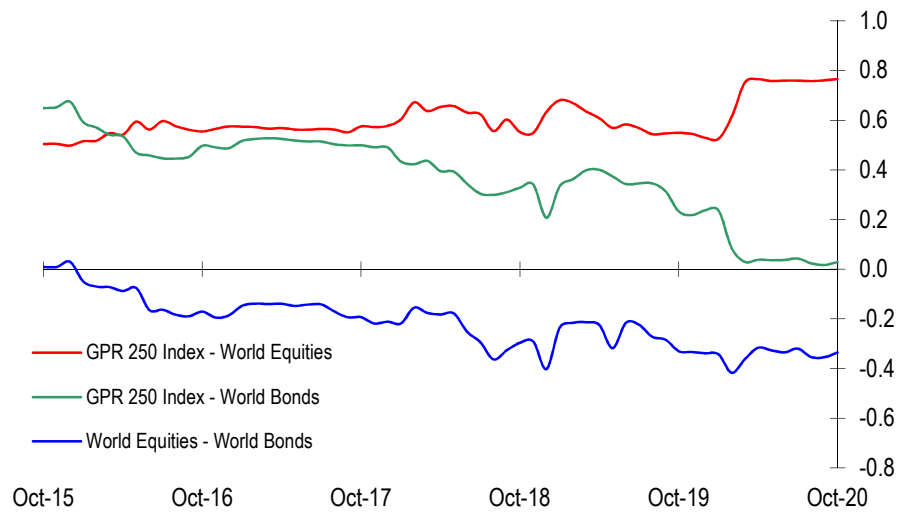


Table 1: Performance of property  
shares and other asset classes

	1 month	6 months	y-t-d	1 year	3 year	5 year	volatility
GPR 250 Index	-3.4%	0.7%	-21.4%	-22.8%	-1.3%	1.0%	0.17
GPR 250 Africa Index	-15.2%	-21.2%	-55.9%	-56.4%	-29.7%	-17.1%	0.31
GPR 250 Americas Index	-2.5%	1.3%	-21.2%	-23.4%	-0.6%	1.7%	0.19
GPR 250 Asia Index	-4.5%	-1.2%	-20.6%	-22.3%	-2.4%	0.1%	0.16
GPR 250 Europe Index	-4.7%	-0.4%	-23.5%	-20.5%	-2.5%	-1.0%	0.17
GPR 250 Oceania Index	-2.0%	10.5%	-16.1%	-18.1%	3.6%	5.0%	0.25
Global Bonds (JP Morgan)	-0.3%	0.2%	5.3%	4.0%	4.1%	3.3%	0.03
Global Equities (MSCI)	-3.0%	11.2%	-1.7%	3.8%	6.4%	8.6%	0.16

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

## Unibail-Rodamco-Westfield Shareholder Activism

*Unibail-Rodamco-Westfield shot down proposals from an investor consortium led by Aermont Capital LLP's Mr Léon Bressler and NJJ Holding's Mr Xavier Niel urging the company to sell its United States mall portfolio*

The European listed property sector lost 4.7% in October 2020, with Netherlands (10.2%) being the only positive contribution.

Unibail-Rodamco-Westfield shot down proposals from an investor consortium led by Aermont Capital LLP's Mr Léon Bressler and NJJ Holding's Mr Xavier Niel urging the company to sell its United States mall portfolio, which could be worth up to EUR 14bn. The shareholder group aims to vote against the company's planned EUR 3.5bn rights issue at an EGM scheduled for 10 November 2020. The activist investors reportedly think the United States mall portfolio sale is a better option and would effectively reverse Unibail-Rodamco-Westfield's previous takeover of the Westfield portfolio. In response, Unibail-Rodamco-Westfield said it "always welcomes views from its shareholders," but added that it "expresses its strong disagreement with these proposals, which add significant uncertainty and risk in the current complex environment." The investor consortium recently said its stake crossed the 5% threshold. The share purchase was made through Flagship Retail Investment Sàrl, an investment vehicle of Aermont Capital Real Estate Fund IV SCSp managed by Aermont Capital Management Sàrl and by a 100%-owned unit of NJJ Holding. Unibail-Rodamco-Westfield said independent proxy advisory firm Proxinvest, Glass Lewis & Co. LLC and Institutional Shareholder Services Inc. have all recommended that shareholders vote in favor of the company's plan for a EUR 3.5bn capital increase.

*Aedifica raised nearly EUR 460m of fresh equity through a 1 per 5 rights issue priced at EUR 83.50 per share*

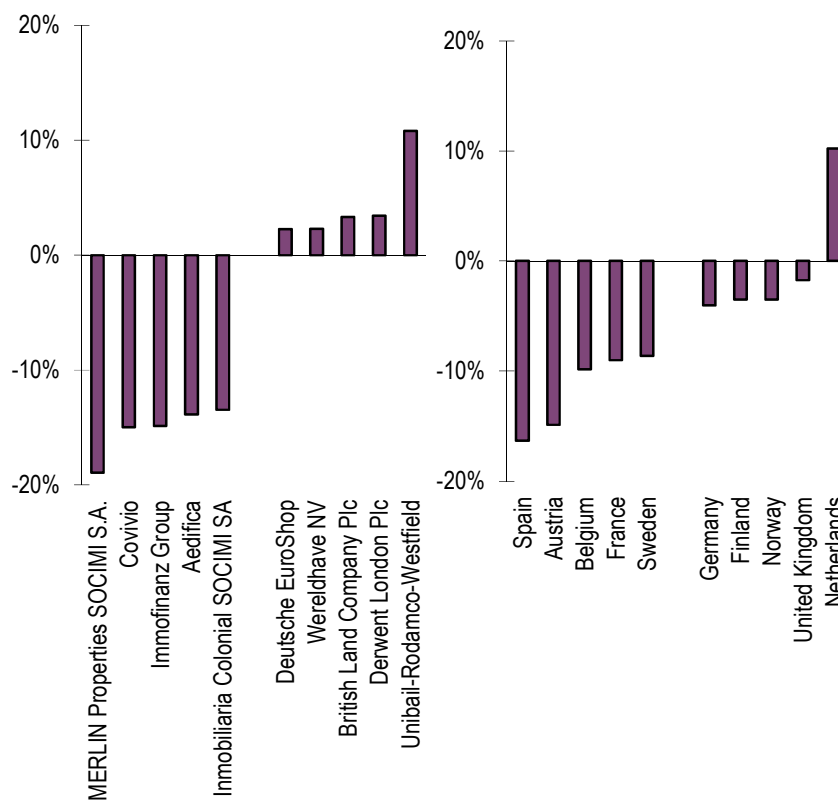
Aedifica raised nearly EUR 460m of fresh equity through a 1 per 5 rights issue priced at EUR 83.50 per share. The 5,499,373 newly issued shares were included in the index calculations on 28 October 2020. Proceeds from the rights issue, which was not fully underwritten, will be used to repay EUR 97m of a bridge facility established to finance the acquisition of Finnish company Hoivatilat Oyj earlier this calendar year as well as to fund the existing development pipeline and to strengthen its balance sheet structure in order to pursue its growth strategy through new developments and acquisitions in the European healthcare property market.

Land Securities Plc is poised to sell about one-third of its GBP 12.8bn property holdings in the next few years as it aims to become a net seller amid strong demand and target office and mixed-use property development, media reported. The company will sell approximately GBP 1.6bn of properties such as retail parks and hotels that are not in line with its new strategy, the new CEO Mr Mark Allan reportedly said, adding that the company will also sell some existing London (United Kingdom) offices it already owns. Land Securities Plc will reimagine its retail portfolio, with its suburban malls likely to be redeveloped.

# EUROPE – DATA

October 2020

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



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

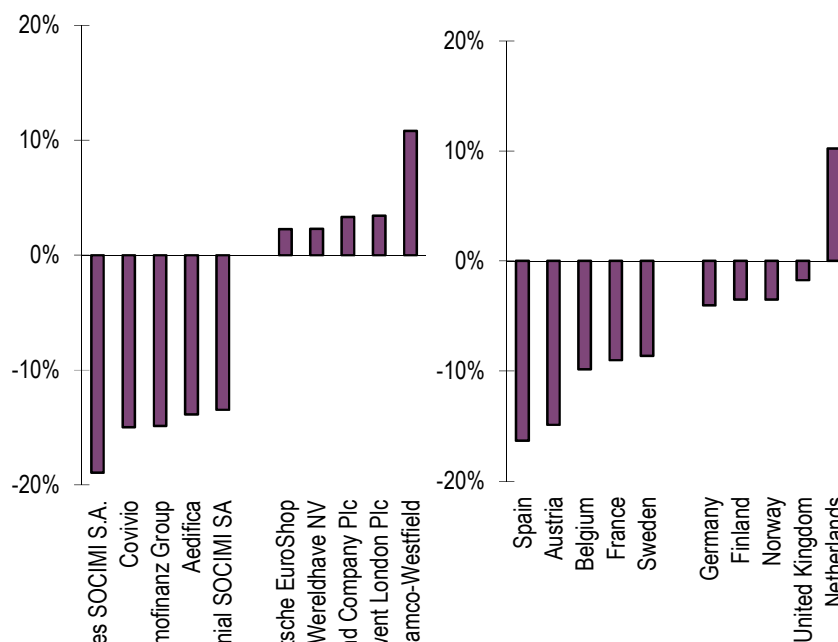


Table 2:  
Long and short-term returns of  
European countries (local returns)

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	-4.7%	-0.4%	-23.5%	-20.5%	-2.5%	-1.0%	0.17
Austria	-14.9%	-31.9%	-51.9%	-55.3%	-13.1%	-6.1%	0.26
Belgium	-9.8%	5.0%	7.2%	6.1%	12.9%	10.9%	0.14
Finland	-3.5%	N/A	N/A	N/A	N/A	N/A	N/A
France	-9.0%	-20.7%	-47.1%	-45.5%	-15.1%	-9.7%	0.23
Germany	-4.0%	14.9%	1.5%	4.4%	8.6%	10.5%	0.19
Netherlands	10.2%	-33.8%	-72.6%	-72.3%	-42.6%	-30.2%	0.40
Norway	-3.5%	0.3%	N/A	N/A	N/A	N/A	N/A
Spain	-16.3%	-29.6%	-49.9%	-51.2%	-12.8%	-6.2%	0.27
Sweden	-8.6%	7.7%	-12.2%	-0.8%	16.8%	15.3%	0.24
Switzerland	-4.4%	-9.6%	-22.4%	-16.9%	5.4%	6.7%	0.15
United Kingdom	-1.7%	-4.9%	-29.9%	-25.8%	-4.5%	-6.0%	0.20
Europe Bonds	0.9%	0.3%	3.6%	1.9%	2.8%	2.2%	0.04
Europe Equities	-5.3%	2.0%	-15.6%	-12.2%	-2.1%	2.6%	0.14

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

### Activist Investor Makes Case Against Aimco Split

The GPR 250 Americas Index suffered a 2.5% loss in October 2020, with Mexico (-8.1%), Brazil (-2.7%), United States (-2.6%) and Canada (-1.0%) all losing.

*Institutional Shareholder Services Inc. (ISS) supported activist shareholder Land & Buildings Investment Management LLC's call for an EGM to vote on the company's planned reverse spin-off*

Apartment Investment & Management Co.'s management board authorized a reverse share split effective 30 November 2020 with the split ratio for the reverse share split to be determined at a later date. Separately, proxy advisory firm Institutional Shareholder Services Inc. (ISS) supported activist shareholder Land & Buildings Investment Management LLC's call for an EGM to vote on the company's planned reverse spin-off. ISS argued that the proposed separation of the company's business into two publicly traded companies, Apartment Income REIT and Aimco, warrants an EGM since there are several corporate governance concerns, particularly regarding shareholder rights. ISS also cited the potential conflicts of interest of Apartment Investment & Management Co. chairman and CEO Mr Terry Considine both as a unit holder and expected chairman of both entities, as well as the company's lackluster performance that raises the question of credibility with investors.

Sandpiper Group Holdings Inc. received backing from Jetport Inc., owner of approximately 13.3% of the issued and outstanding units of Artis REIT. In a letter addressed to Sandpiper Group Holdings Inc.'s CEO Mr Samir Manji, Jetport Inc. said it intends to vote in favor of the action plan proposed by Sandpiper Group Holdings Inc. and against the plan by Artis REIT's management board to spin off its retail assets into a newly established REIT. Sandpiper Group Holdings Inc. is calling on Artis REIT to cancel the proposed EGM to consider the spin-off. Sandpiper Group Holdings Inc. and its affiliates also called on Artis REIT's management board to recognize that unit holders are highly unlikely to approve the planned retail REIT spin-off as the required approval of approximately 66.66% for the proposed spin-off would be impossible to achieve.

BR Malls Participações SA is in the early stage of talks to possibly merge its mall portfolio with rival Brazilian mall operator Ancar Ivanhoe Shopping Centers SA, according to media reports. BR Malls Participações SA has a portfolio of 31 malls, while Ancar Ivanhoe Shopping Centers SA has about 25 malls.

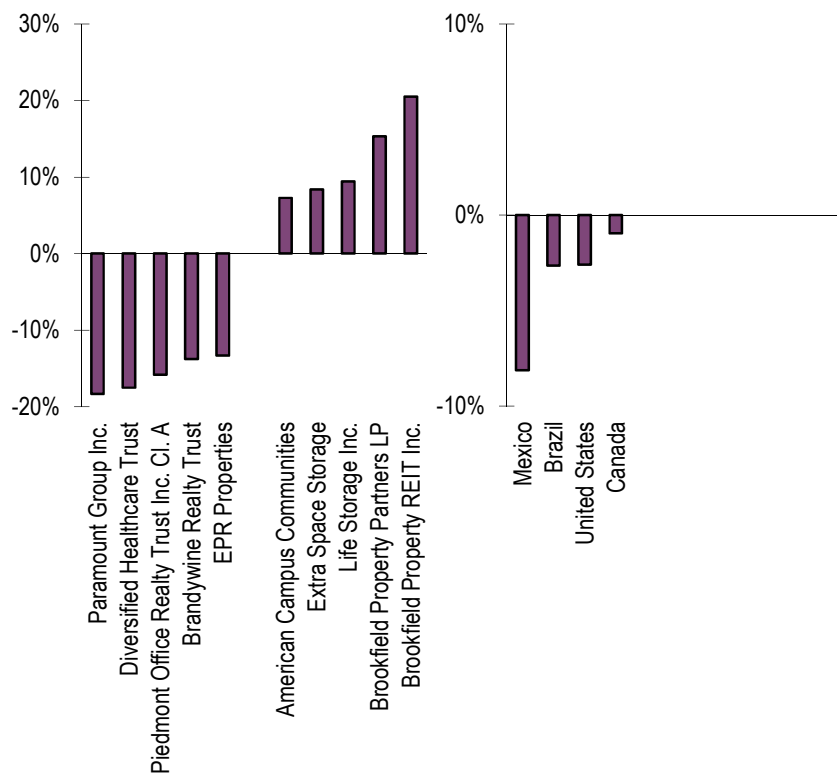
*Inovalis REIT moved to undertake a review of strategic alternatives after weighing the consequences of the coronavirus pandemic in its core markets*

Inovalis REIT moved to undertake a review of strategic alternatives after weighing the consequences of the coronavirus pandemic in its core markets. In connection with the move, the company established a special committee that will review and study the strategic alternatives available in the best interest of Inovalis REIT and the unit holders.

# AMERICAS – DATA

October 2020

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



Graph 9:  
Top and bottom performing  
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	-2.5%	1.3%	-21.2%	-23.4%	-0.6%	1.7%	0.19
Brazil	-2.7%	-14.3%	-49.8%	-42.2%	-9.2%	4.3%	0.34
Canada	-1.0%	1.4%	-24.7%	-25.5%	-2.1%	1.5%	0.20
Mexico	-8.1%	-16.2%	-42.4%	-41.1%	-12.8%	-9.5%	0.33
United States	-2.6%	1.5%	-20.7%	-23.1%	-0.4%	1.7%	0.19
North American Bonds	-1.0%	-1.1%	8.3%	7.2%	5.4%	3.8%	0.05
North American Equities	-2.6%	14.5%	3.9%	10.8%	10.5%	11.7%	0.18

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

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

### Third Blackstone Group Inc.-Backed REIT In India?

Africa (-15.2%) suffered the worst of all recorded continental losses in October 2020, with Asia (-4.5%) and Oceania (-2.0%) posting negatives too.

*Mapletree Logistics Trust is buying SGD 1.5bn worth of properties in China, Malaysia and Vietnam*

Mapletree Logistics Trust is buying SGD 1.5bn worth of properties in China, Malaysia and Vietnam from its sponsor Mapletree Investments Pte. Ltd. for a sum of SGD 1.07bn. Mapletree Logistics Trust expects to spend SGD 1.09bn in total for the transactions and plans to finance the acquisitions using a combination of equity and debt. The company sold 246,670,000 shares in a private placement priced at SGD 2.027 apiece, which were included in the index calculations on 30 October 2020 and also started to sell shares in a 19 per 1,000 rights issue priced at SGD 1.99 apiece that is not fully underwritten.

*According to newspaper articles, The Blackstone Group Inc. and Panchshil Realty and Developers Pvt. Ltd. started discussions on the potential monetization of their joint venture assets in India through a REIT*

According to newspaper articles, The Blackstone Group Inc. and Panchshil Realty and Developers Pvt. Ltd. started discussions on the potential monetization of their joint venture assets in India through a REIT. If pursued, the REIT will be the third backed by The Blackstone Group Inc. in India after earlier tie-ups with Embassy Group and K Raheja Corp. Pvt. Ltd. Sources noted that structuring and reorganization of the portfolio will be needed to prepare the properties for the REIT. Furthermore, the issue size is yet to be finalized and the partners are still considering which assets will be added to the REIT.

Shimao Services Holdings Limited kicked off its IPO on the Hong Kong bourse, seeking to gross up to HKD 10.12bn from the share sale. Shimao Services Holdings Limited is being spun off from Chinese property developer Shimao Group Holdings Limited. The property management company and value-added services provider is offering 588,236,000 shares in the IPO, of which 58,824,000 shares are to be offered locally and 529,412,000 shares will be offered offshore. The IPO comprises 352,942,000 new shares and 235,294,000 sale shares, or shares offered by Shimao Group Holdings Limited through its Best Cosmos subsidiary. Shimao Services Holdings Limited shares debuted on the bourse on 30 October 2020. The company plans to use such proceeds to fund its expansion, diversify its services, improve its IT system, grow its workforce and for working capital and other expenditures.

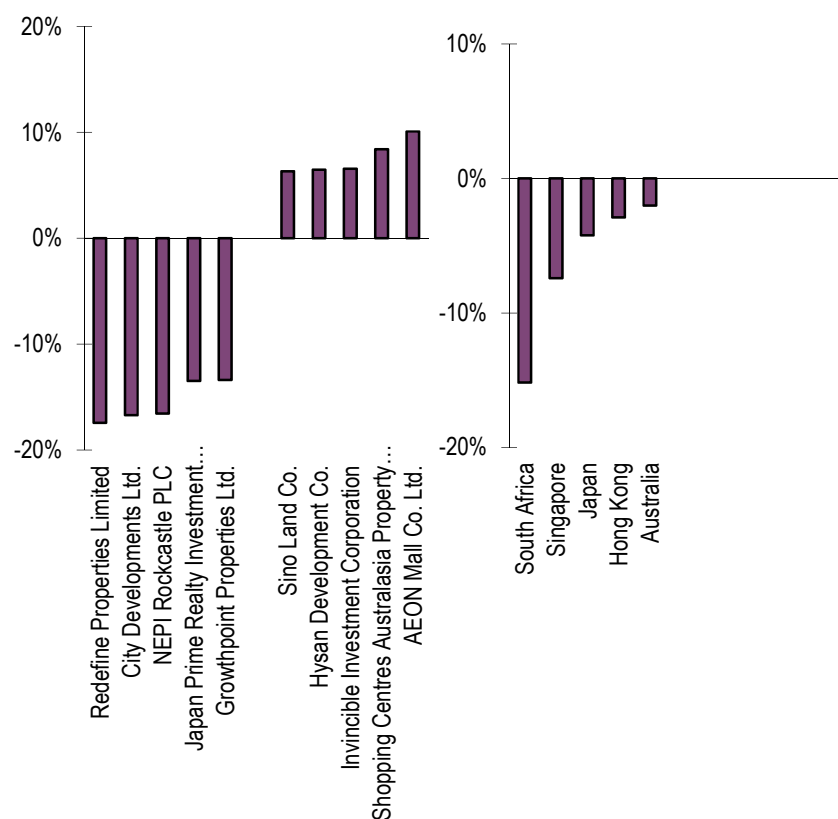
Home Consortium, or HomeCo, filed with the Australian Securities and Investments Commission the product disclosure statement for the IPO of HomeCo Daily Needs REIT. HomeCo aims to raise AUD 300m and will retain a 27% stake in the convenience store REIT, which will be managed by an unnamed subsidiary. HomeCo Daily Needs REIT is expected to debut on the Australian stock exchange on 23 November 2020, subject to the approval of the company's management board, relevant third parties, regulators and security holders during the AGM scheduled for 18 November 2020.



# AFRICA, ASIA & OCEANIA – DATA

October 2020

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	-15.2%	-21.2%	-55.9%	-56.4%	-29.7%	-17.1%	0.31
Asia	-4.5%	-1.2%	-20.6%	-22.3%	-2.4%	0.1%	0.16
Oceania	-2.0%	10.5%	-16.1%	-18.1%	3.6%	5.0%	0.25
Australia	-2.0%	10.5%	-16.1%	-18.1%	3.6%	5.0%	0.25
Hong Kong	-2.9%	-5.0%	-17.4%	-17.2%	-2.9%	4.8%	0.21
Japan	-4.2%	0.2%	-22.6%	-25.2%	-2.5%	-2.4%	0.18
Singapore	-7.4%	-2.1%	-15.8%	-15.2%	-1.5%	4.1%	0.16
South Africa	-15.2%	-21.2%	-55.9%	-56.4%	-29.7%	-17.1%	0.31
Japan Bonds	-1.0%	-1.1%	8.3%	7.2%	5.4%	3.8%	0.05
Australia Bonds	0.2%	1.3%	5.2%	3.5%	6.3%	4.8%	0.04
Asia Pacific Equities	-1.6%	7.6%	-7.4%	-5.0%	0.2%	3.6%	0.14

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

# GPR 250 REIT INDEX – DATA

October 2020

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

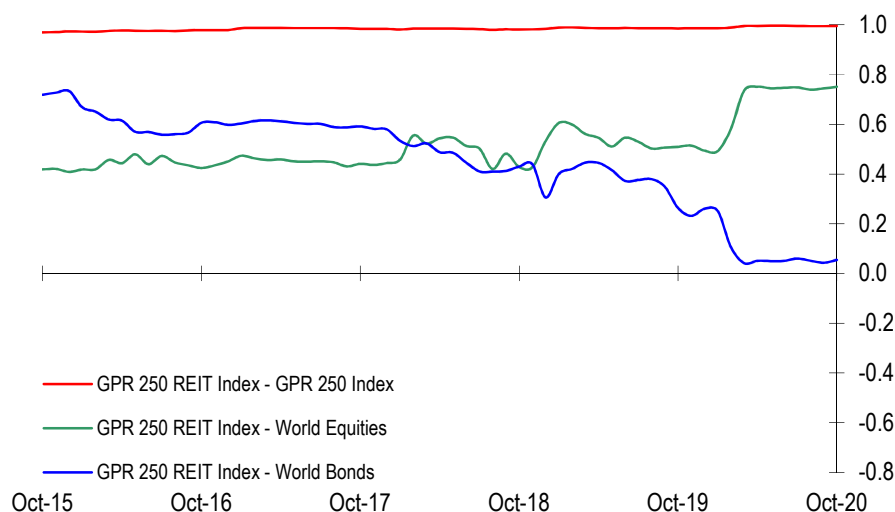


Table 5:  
Long and short-term returns of  
of REITs

**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	-3.3%	0.6%	-22.4%	-24.3%	-1.0%	1.0%	0.18
Africa	-14.4%	-19.0%	-57.6%	-57.5%	-29.9%	-17.5%	0.33
Americas	-2.6%	1.2%	-21.0%	-23.3%	-0.4%	1.7%	0.19
Asia	-5.9%	2.4%	-19.1%	-21.8%	4.4%	4.5%	0.15
Europe	-4.4%	-12.4%	-40.4%	-38.6%	-12.9%	-9.5%	0.21
Oceania	-2.0%	10.5%	-16.1%	-18.1%	3.6%	5.0%	0.25
Australia	-2.0%	10.5%	-16.1%	-18.1%	3.6%	5.0%	0.25
Belgium	-9.8%	5.0%	7.2%	6.1%	12.9%	10.9%	0.14
Canada	-2.8%	-3.8%	-25.6%	-26.0%	-0.2%	2.8%	0.19
France	-9.0%	-20.7%	-47.1%	-45.5%	-15.1%	-9.7%	0.23
Germany	-7.8%	-16.5%	-31.8%	-32.0%	0.7%	N/A	0.19
Hong Kong	-6.3%	-13.3%	-26.9%	-28.2%	0.1%	9.0%	0.21
Japan	-5.2%	5.5%	-20.9%	-24.3%	3.9%	2.5%	0.16
Mexico	-8.1%	-16.2%	-42.4%	-41.1%	-12.8%	-9.5%	0.33
Netherlands	10.2%	-33.8%	-72.6%	-72.3%	-42.6%	-30.2%	0.40
Singapore	-7.8%	2.4%	-7.3%	-8.2%	7.3%	9.4%	0.16
South Africa	-14.4%	-19.0%	-57.6%	-57.5%	-29.9%	-17.5%	0.33
Spain	-23.6%	-29.6%	-49.9%	-51.2%	-12.8%	-7.4%	0.28
United Kingdom	-1.5%	-4.6%	-29.7%	-25.4%	-4.2%	-5.5%	0.19
United States	-2.6%	1.5%	-20.7%	-23.1%	-0.4%	1.7%	0.19

*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 70% 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	3.72%
2	France	Klepierre	2.10%
3	Germany	Alstria Office REIT AG	1.82%
4	Germany	Aroundtown SA	5.56%
5	Germany	Deutsche Wohnen SE	14.35%
6	Germany	LEG Immobilien AG	7.63%
7	Germany	TAG Immobilien AG	2.74%
8	Germany	Vonovia SE	28.35%
9	Netherlands	Unibail-Rodamco-Westfield	4.78%
10	Spain	MERLIN Properties SOCIMI S.A.	1.85%
11	Sweden	Fastighets AB Balder	3.92%
12	Switzerland	Swiss Prime Site	5.33%
13	United Kingdom	British Land Company Plc	2.85%
14	United Kingdom	Land Securities Plc	3.91%
15	United Kingdom	Segro Plc	11.09%

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

- Global Property Research removed CapitaLand Commercial Trust (Singapore) from the GPR 250 Indices and the GPR General Indices as from 22 October 2020 following the merger with and into CapitaLand Mall Trust (Singapore),.

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

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**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 November 2020. Open-ended funds, which are indicated with an asterisk, are not part of the GPR General Quoted Index.

*Inclusions*

Australia

Eureka Group Holdings Ltd

*Exclusions*

## 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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