

# Market Update

A Monthly Performance Report

June 2021

## Listed property sector continues its run

### GPR 250 Index adds 2.2% in June 2021

- The GPR 250 Index continued its run through April, May, and June, completing a significantly positive first half of the year. The listed property sector added 2.2% in June 2021 in local currency terms, following 5.7% and 1.4% wins in April 2021 and May 2021 respectively. As a result, the GPR 250 Index ended the second quarter 9.7% higher. The quarterly gains ranged from 4.1% for Asia to 13.6% for Africa. There was outperformance versus equities (9.7% versus 7.7%) as well as versus bonds (9.7% versus 0.9%).

GPR 250 Index	EUR	LOC	USD
Africa	16.4%	13.6%	17.5%
Americas	11.1%	11.9%	12.1%
Asia	2.9%	4.1%	3.8%
Europe	9.8%	9.9%	10.8%
Oceania	3.8%	6.3%	4.8%
<b>World</b>	<b>8.8%</b>	<b>9.7%</b>	<b>9.8%</b>

### Private equity giant to buy QTS Realty Trust Inc.

- The Blackstone Group Inc.'s infrastructure unit, Blackstone Infrastructure Partners, together with Blackstone Real Estate Income Trust and other unnamed funds managed by The Blackstone Group Inc., struck a deal to pay USD 78.00 per share for QTS Realty Trust Inc. in cash and take the data centre operator private.

### Immofinanz Group abandons S IMMO AG bid

- Further to shareholders in S IMMO AG having rejected the elimination of maximum voting rights, which was a condition for rival Immofinanz Group's EUR 22.25 per share takeover offer, the latter company announced that it definitively abandoned its bid.

### Soho China Limited to be bought

- The Blackstone Group Inc. offered to take over Soho China Limited for as much as HKD 23.7bn, its biggest bet yet on the property market in Asia's largest economy.



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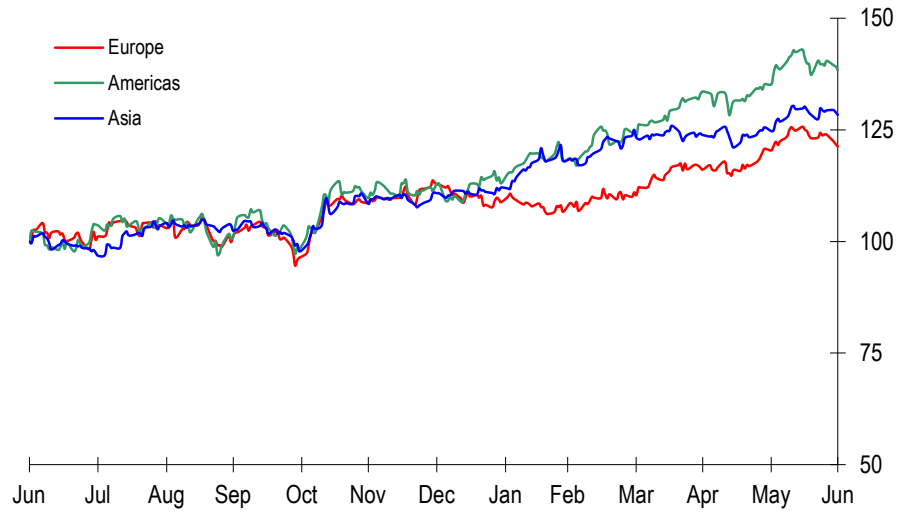
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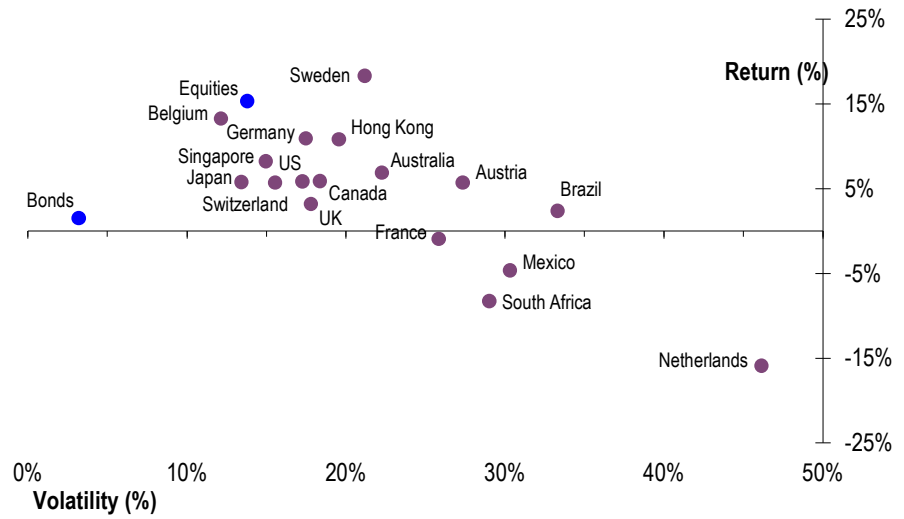
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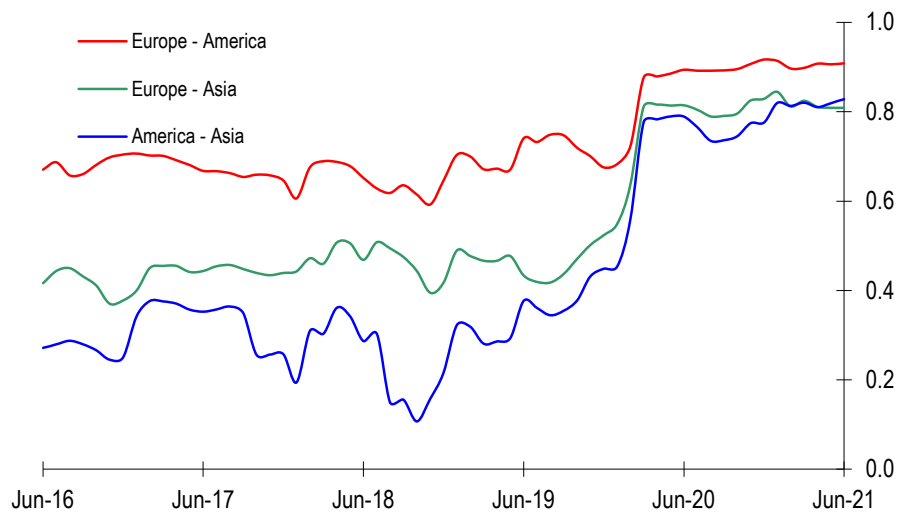
Graph 1:  
Continental performance of GPR 250 Index (local returns)



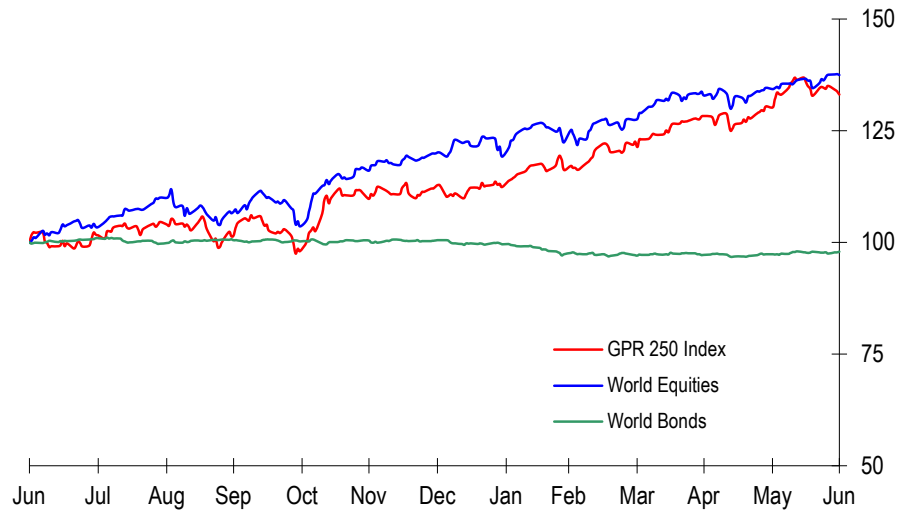
Graph 2:  
Return and volatility of the major countries in the GPR 250 Index based on 5 year figures (local currency)



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)

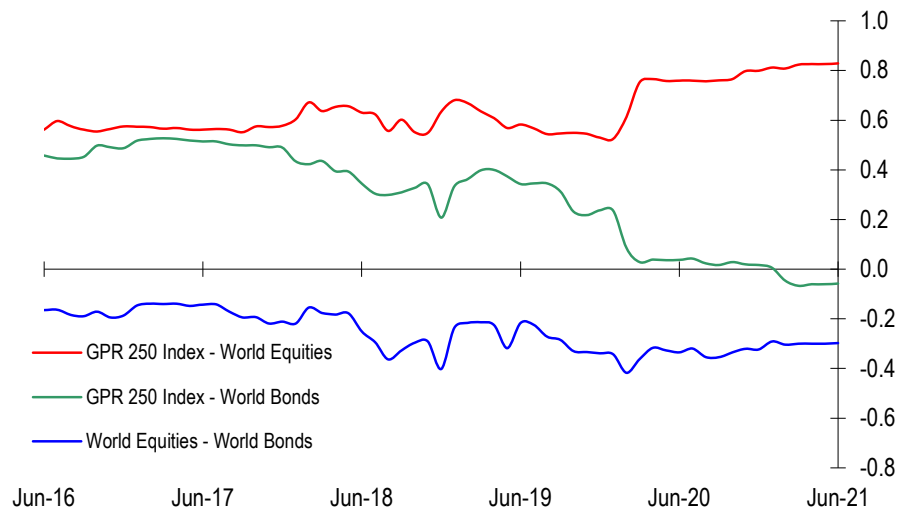


Table 1: Performance of property  
shares and other asset classes

	1 month	6 months	y-t-d	1 year	3 year	5 year	volatility
GPR 250 Index	2.2%	18.0%	18.0%	33.1%	7.7%	5.8%	0.19
GPR 250 Africa Index	4.0%	19.7%	19.7%	22.9%	-9.4%	-8.3%	0.35
GPR 250 Americas Index	2.3%	22.4%	22.4%	38.3%	9.9%	5.8%	0.20
GPR 250 Asia Index	2.9%	15.9%	15.9%	28.4%	5.6%	7.2%	0.17
GPR 250 Europe Index	0.7%	7.5%	7.5%	21.2%	2.4%	4.9%	0.19
GPR 250 Oceania Index	3.6%	8.7%	8.7%	35.4%	9.5%	6.9%	0.27
Global Bonds (JP Morgan)	0.6%	-2.6%	-2.6%	-2.1%	3.3%	1.5%	0.04
Global Equities (MSCI)	2.4%	14.5%	14.5%	37.5%	15.3%	15.3%	0.17

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

## Immofinanz Group Abandons S IMMO AG Bid

The GPR 250 Europe Index added 0.7% in June 2021, with the gains led by Austria (3.3%), Belgium (3.1%) and Finland (2.9%). As a result, the second quarter total return performance for the European listed property sector came out at 9.9%.

*Further to shareholders in S IMMO AG having rejected the elimination of maximum voting rights, which was a condition for rival Immofinanz Group's EUR 22.25 per share takeover offer, the latter company announced that it definitively abandoned its bid*

Further to shareholders in S IMMO AG having rejected the elimination of maximum voting rights, which was a condition for rival Immofinanz Group's EUR 22.25 per share takeover offer, the latter company announced that it definitively abandoned its bid. The maximum voting rights rule, introduced in 2006, stipulates that no shareholder can hold more than 15% of voting rights even if they own a higher percentage of shares. Immofinanz Group currently holds a 26.5% stake in S IMMO AG. Immofinanz Group underlined that it would not amend its takeover offer further, planning instead to continue on its current growth path. The management board and supervisory board of S IMMO AG had clearly expressed their opposition to the takeover offer as it was considered unattractive as it did neither take into account the current net asset value, nor the expected increase in the intrinsic value of S IMMO AG.

*Vonovia SE got the green light for its EUR 52.00 per share Deutsche Wohnen SE takeover offer from Germany's Federal Cartel Office, clearing the way for a merger that will create Europe's largest housing group with more than 500,000 apartments*

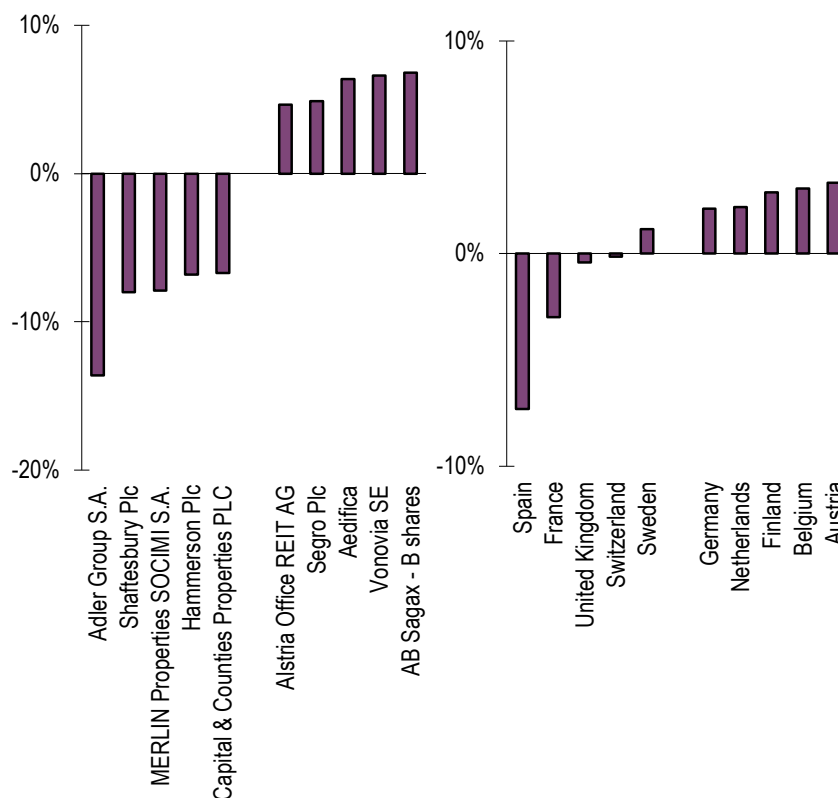
Vonovia SE got the green light for its EUR 52.00 per share Deutsche Wohnen SE takeover offer from Germany's Federal Cartel Office, clearing the way for a merger that will create Europe's largest housing group with more than 500,000 apartments. Vonovia SE stated that 'an essential closing condition of the takeover offer has been fulfilled'. Vonovia formally launched its voluntary public takeover offer to the shareholders of Deutsche Wohnen SE in mid-June 2021, while shareholders of the targeted company now have until 21 July 2021 to accept the bid. Provided that the remaining closing conditions are met, the takeover offer is expected to be completed at the end of August 2021.

Globalworth Real Estate Investments Limited referred to the announcement by major shareholder Growthpoint Properties Limited following the publication of the circular by Globalworth Real Estate Investments Limited in connection with the unsolicited cash takeover offer by CPI Property Group S.A. and Aroundtown SA at EUR 7.00 per share. Globalworth Real Estate Investments Limited confirmed that it continues to believe that the bid significantly undervalues the company, its assets and its prospects. Growthpoint Properties Limited does not intend to accept the takeover offer. In the meantime, the acceptance period for the takeover offer by CPI Property Group S.A. and Aroundtown SA, having only received limited acceptances, was being extended and will remain open for acceptance until 9 July 2021.

# EUROPE – DATA

June 2021

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



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

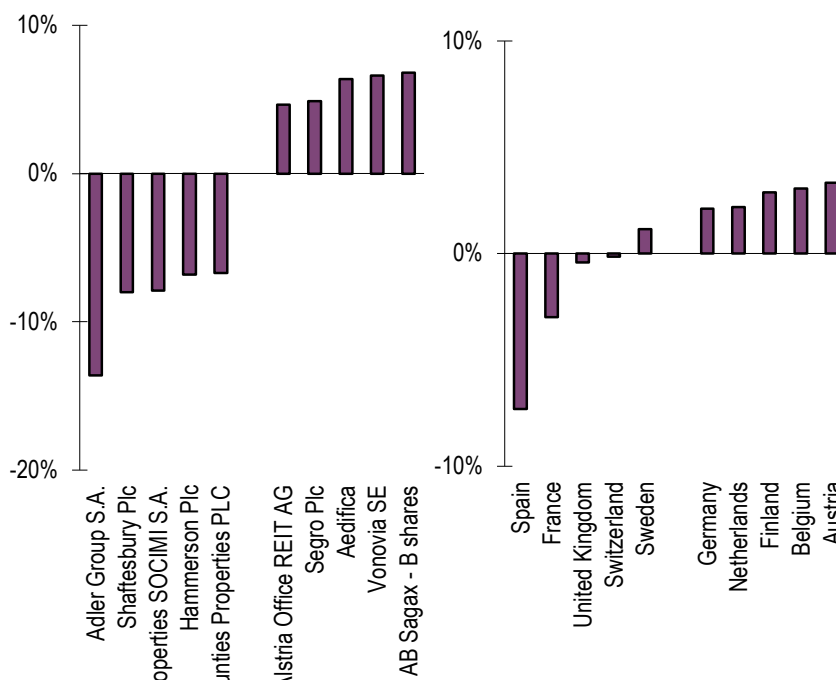


Table 2:  
Long and short-term returns of  
European countries (local returns)

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	0.7%	7.5%	7.5%	21.2%	2.4%	4.9%	0.19
Austria	3.3%	11.7%	11.7%	24.7%	-1.2%	5.7%	0.33
Belgium	3.1%	14.4%	14.4%	25.2%	17.9%	13.3%	0.14
Finland	2.9%	9.0%	9.0%	4.9%	N/A	N/A	N/A
France	-3.0%	10.6%	10.6%	25.6%	-1.9%	-0.9%	0.31
Germany	2.1%	2.5%	2.5%	16.8%	9.0%	11.0%	0.19
Netherlands	2.2%	13.8%	13.8%	46.7%	-23.1%	-15.9%	0.57
Norway	1.4%	2.7%	2.7%	65.4%	N/A	N/A	N/A
Spain	-7.3%	11.2%	11.2%	17.0%	-5.3%	4.8%	0.33
Sweden	1.2%	13.5%	13.5%	38.3%	22.1%	18.3%	0.25
Switzerland	-0.1%	4.4%	4.4%	8.1%	6.5%	5.8%	0.16
United Kingdom	-0.4%	9.4%	9.4%	19.8%	-0.5%	3.2%	0.20
Europe Bonds	0.5%	-2.9%	-2.9%	-2.1%	1.3%	0.3%	0.04
Europe Equities	1.6%	15.0%	15.0%	27.3%	8.2%	9.9%	0.16

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

### Private Equity Giant To Buy QTS Realty Trust Inc.

The GPR 250 Americas Index went up 2.3% in June 2021, as a result of which the second quarter ended 11.9% higher. The monthly performances were mixed with Canada (3.7%) and United States (2.3%) up and Brazil (-7.6%) and Mexico (-8.9%) down.

*The Blackstone Group Inc. struck a deal to buy QTS Realty Trust Inc. and take the data centre operator private*

The Blackstone Group Inc. struck a deal to buy QTS Realty Trust Inc. and take the data centre operator private. The private giant's infrastructure unit, Blackstone Infrastructure Partners, together with Blackstone Real Estate Income Trust and other unnamed funds managed by The Blackstone Group Inc., have agreed to pay USD 78.00 per share for QTS Realty Trust Inc. in cash. Including the assumption of the targeted company's existing debt, the transaction is valued at about USD 10bn. The transaction was unanimously approved by the QTS Realty Trust Inc. management board and is expected to close in the second half of the year. QTS Realty Trust Inc. disclosed the termination provisions outlined in The Blackstone Group Inc.'s deal. The deal may be terminated by either party under certain circumstances, including if a government authority has issued a final and non-appealable judgment or taken other action prohibiting the consummation of the merger. Both parties may also terminate the transaction if it is not approved by QTS Realty Trust Inc. shareholders.

The Blackstone Group Inc. and Starwood Capital Group's takeover offer for Extended Stay America Inc. and its paired share REIT ESH Hospitality Inc. has been approved by the hotel chain's shareholders. Both private equity companies agreed to buy Extended Stay America Inc. in March 2021 for USD 19.50 a share, boosting their bid by USD 1.00 per share after opposition from six shareholders, including Tarsadia Capital LLC, which campaigned to block the deal. Tarsadia Capital LLC and some other investors continued to oppose the deal despite the price increase, arguing the sales process was flawed, the timing was wrong, and the standalone prospects for the company were better than the value being offered.

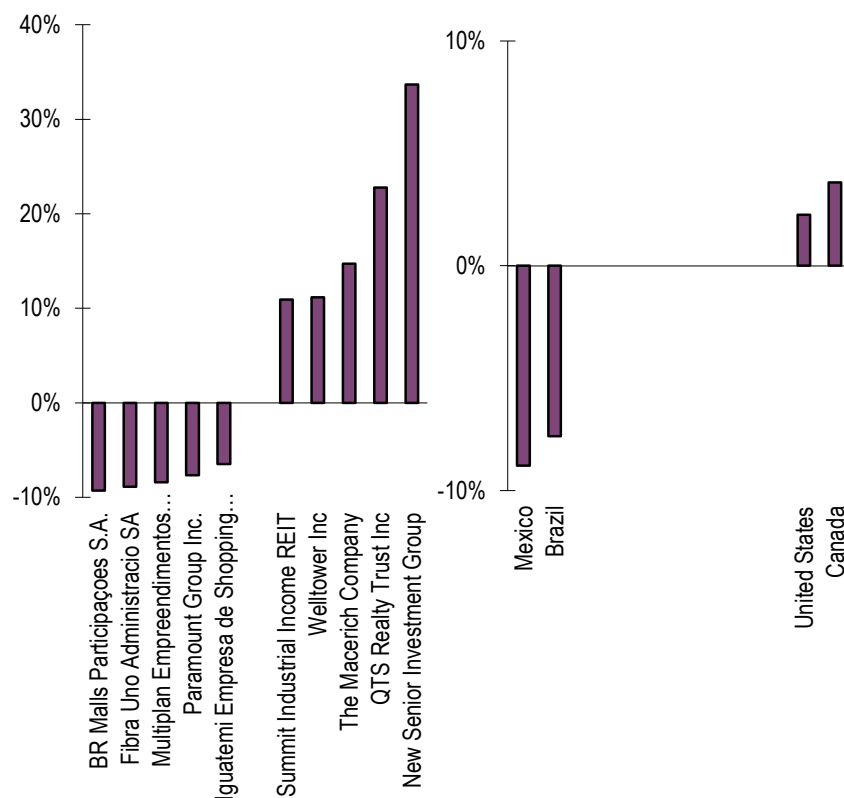
*Ventas Inc. announced that it had entered into a definitive merger agreement to acquire New Senior Investment Group in an all-share transaction*

Ventas Inc. announced that it had entered into a definitive merger agreement to acquire New Senior Investment Group in an all-share transaction. Under the terms of the agreement, New Senior Investment Group shareholders are slated to get 0.1561 Ventas Inc. shares per (1) New Senior Investment Group share. The announcement came one week after the news that New Senior Investment Group's two primary operating partners — Atria Senior Living and Holiday Retirement — are combining. The deal has received unanimous approval from the management boards of both companies. Completion is expected to occur during the second half of 2021, subject to customary closing conditions, including approval by the shareholders of New Senior Investment Group.

# AMERICAS – DATA

June 2021

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	2.3%	22.4%	22.4%	38.3%	9.9%	5.8%	0.20
Brazil	-7.6%	1.8%	1.8%	7.4%	6.1%	2.4%	0.39
Canada	3.7%	23.6%	23.6%	39.9%	7.3%	5.9%	0.23
Mexico	-8.9%	-1.8%	-1.8%	25.2%	-2.2%	-4.6%	0.36
United States	2.3%	22.6%	22.6%	38.4%	10.1%	5.9%	0.20
North American Bonds	0.8%	-2.8%	-2.8%	-3.5%	4.8%	2.2%	0.05
North American Equities	2.8%	15.0%	15.0%	42.1%	19.0%	17.8%	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)

### Soho China Limited To Be Bought

*The Blackstone Group Inc. offered to take over Soho China Limited for as much as HKD 23.7bn, its biggest bet yet on the property market in Asia's largest economy*

Africa (4.0%), Oceania (3.6%) and Asia (2.9%) recorded gains in June 2021, as a result of which the quarterly wins were 13.6%, 6.3% and 4.1% respectively.

The Blackstone Group Inc. offered to take over Soho China Limited for as much as HKD 23.7bn, its biggest bet yet on the property market in Asia's largest economy. Blackstone Real Estate Partners Asia II and Blackstone Real Estate Partners (Offshore) IX will offer HKD 5.00 in cash for each (1) Soho China Limited share. Soho China Limited chairman Mr Pan Shiyi and CEO Mr Zhang Xin, who own an approximate 54.93% stake in the company via Boyce Limited and Capevale Limited, have agreed to sell most of their shares to The Blackstone Group Inc. They plan to keep a 9% stake after the deal closes. The Blackstone Group Inc. intends to keep Soho China Limited listed on the Hong Kong stock exchange. Blackstone Real Estate Partners Asia II and Blackstone Real Estate Partners (Offshore) IX are the two key funds buying Soho China Limited's stake. Soho China Limited has been seen as a takeover target since early 2020, as a lack of new assets in its pipeline and declining office rents in key Chinese cities put mounting pressure on its profits. The Beijing-based developer said in March 2020 it was in talks on a potential deal with overseas financial investors that could lead to a bid for the company. The Blackstone Group Inc. was in discussions about a deal for Soho China Limited, though negotiations stalled due to concerns about financing and the impact of the coronavirus pandemic. Soho China Limited said in August 2020 that all previous talks with potential investors had been terminated.

*MREIT Inc. is seeking regulatory approval for the Philippines' largest REIT IPO, to sell up to 1.4 billion shares, including an over-allotment option, at a maximum subscription price of PHP 22.00 apiece*

Philippines' Megaworld Corp is launching an up to PHP 27.3bn share sale for its REIT unit. MREIT Inc. is seeking regulatory approval for the country's largest REIT IPO, to sell up to 1.4 billion shares, including an over-allotment option, at a maximum subscription price of PHP 22.00 apiece. Without the greenshoe option, the IPO will raise up to PHP 23.7bn, with the stock exchange listing targeted for September 2021. MREIT Inc. will own 10 office buildings catering to outsourcing firms and a hotel. Proceeds from the share sale will be used to fund Megaworld Corp's construction of office buildings, malls, and hotels. MREIT Inc. would be the largest REIT in the Philippines thus far, topping the up to PHP 26.7bn IPO planned by Robinsons Land Corp for its subsidiary. To date, there are two REITs (AREIT Inc. listed in August 2020 and DDMP REIT Inc. listed March 2021) listed in the Philippines.

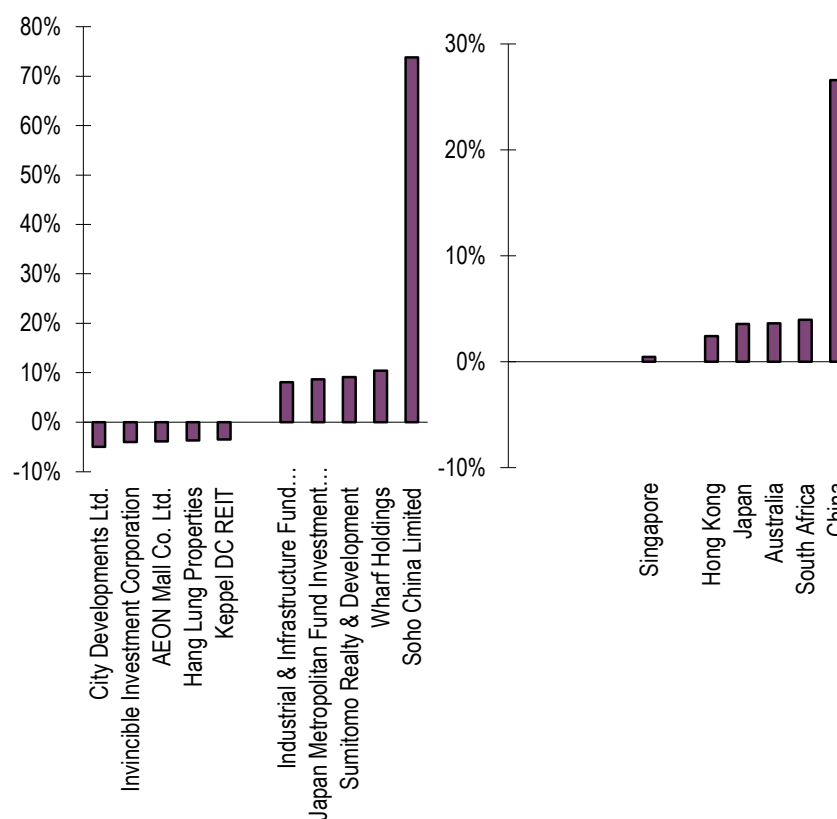
Fairvest Property Holdings Limited is progressing with the approval processes required to fulfil conditions to the company has concluded to acquire Arrowhead Properties Limited B shares in exchange for Fairvest Property Holdings Limited shares.



# AFRICA, ASIA & OCEANIA – DATA

June 2021

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)

**TABLE 4.** Local Total Returns of African, Asian and Oceanian Countries (GPR 250 Index)

	1 month	6 months	y-t-d	1 year	3 year	5 year	volatility
Africa	4.0%	19.7%	19.7%	22.9%	-9.4%	-8.3%	0.35
Asia	2.9%	15.9%	15.9%	28.4%	5.6%	7.2%	0.17
Oceania	3.6%	8.7%	8.7%	35.4%	9.5%	6.9%	0.27
Australia	3.6%	8.7%	8.7%	35.4%	9.5%	6.9%	0.27
China	26.6%	N/A	N/A	N/A	N/A	N/A	N/A
Hong Kong	2.4%	14.3%	14.3%	31.0%	5.4%	10.8%	0.23
Japan	3.5%	19.3%	19.3%	32.2%	5.7%	5.7%	0.18
Singapore	0.4%	4.0%	4.0%	11.6%	5.4%	8.2%	0.17
South Africa	4.0%	19.7%	19.7%	22.9%	-9.4%	-8.3%	0.35
Japan Bonds	0.8%	-2.8%	-2.8%	-3.5%	4.8%	2.2%	0.05
Australia Bonds	1.0%	-2.3%	-2.3%	-2.0%	4.5%	3.1%	0.05
Asia Pacific Equities	1.0%	10.0%	10.0%	28.3%	7.9%	11.8%	0.15

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

## GPR 250 REIT INDEX – DATA

June 2021

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

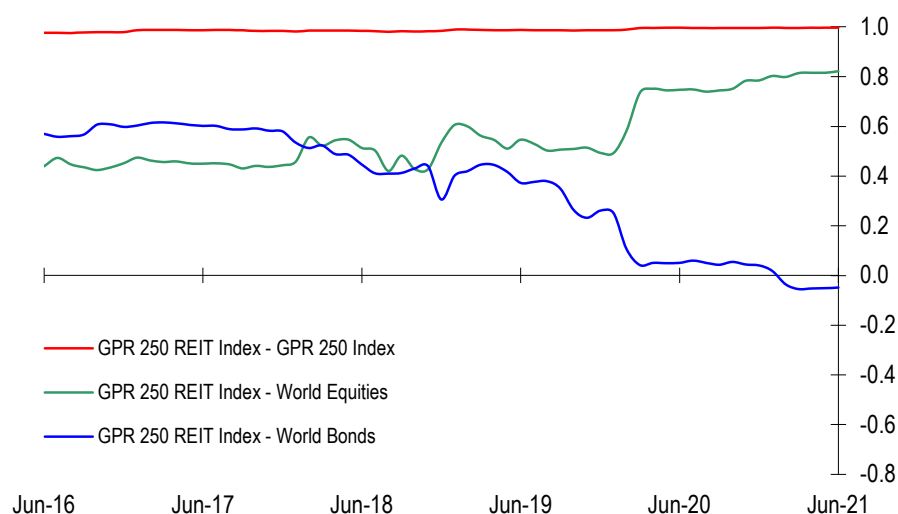


Table 5:  
Long and short-term returns of  
of REITs

**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	2.3%	19.9%	19.9%	35.1%	8.4%	5.4%	0.19
Africa	3.2%	24.9%	24.9%	22.8%	-12.5%	-9.7%	0.38
Americas	2.3%	22.5%	22.5%	38.2%	10.0%	5.8%	0.20
Asia	3.2%	15.9%	15.9%	27.1%	10.2%	7.7%	0.15
Europe	-0.4%	11.1%	11.1%	23.8%	-4.7%	-0.8%	0.24
Oceania	3.6%	8.7%	8.7%	35.4%	9.5%	6.9%	0.27
Australia	3.6%	8.7%	8.7%	35.4%	9.5%	6.9%	0.27
Belgium	3.1%	14.4%	14.4%	25.2%	17.9%	13.3%	0.14
Canada	3.6%	22.8%	22.8%	34.7%	8.5%	7.0%	0.22
China	0.7%	N/A	N/A	N/A	N/A	N/A	N/A
France	-3.0%	10.6%	10.6%	25.6%	-1.9%	-0.9%	0.31
Germany	4.6%	9.2%	9.2%	27.3%	10.8%	9.3%	0.24
Hong Kong	3.8%	8.7%	8.7%	23.6%	5.5%	11.4%	0.23
Japan	3.9%	22.4%	22.4%	34.1%	10.8%	6.6%	0.17
Mexico	-8.9%	-1.8%	-1.8%	25.2%	-2.2%	-4.6%	0.36
Netherlands	2.2%	13.8%	13.8%	46.7%	-23.1%	-15.9%	0.57
Singapore	1.0%	1.1%	1.1%	9.0%	11.2%	9.9%	0.16
South Africa	3.2%	24.9%	24.9%	22.8%	-12.5%	-9.7%	0.38
Spain	-7.3%	11.2%	11.2%	17.0%	-5.3%	4.4%	0.34
United Kingdom	-0.4%	9.8%	9.8%	21.4%	0.2%	3.8%	0.20
United States	2.3%	22.6%	22.6%	38.4%	10.1%	5.8%	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 around 60% 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	3.52%
2	France	Klepierre	3.26%
3	Germany	Alstria Office REIT AG	2.08%
4	Germany	Aroundtown SA	7.12%
5	Germany	Deutsche Wohnen SE	13.69%
6	Germany	LEG Immobilien AG	6.40%
7	Germany	TAG Immobilien AG	2.33%
8	Germany	Vonovia SE	22.97%
9	Netherlands	Unibail-Rodamco-Westfield	8.02%
10	Spain	MERLIN Properties SOCIMI S.A.	2.24%
11	Sweden	Fastighets AB Balder	4.27%
12	Switzerland	Swiss Prime Site	4.95%
13	United Kingdom	British Land Company Plc	3.40%
14	United Kingdom	Land Securities Plc	4.37%
15	United Kingdom	Segro Plc	11.39%

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

- Global Property Research removed Extended Stay America, Inc. (United States) from the GPR 250 Indices and GPR General Indices as from 17 June 2021 following the closing of the acquisition by funds managed by Blackstone Real Estate Partners and Starwood Capital.
- Global Property Research removed Klöver AB - B shares (Sweden) from and included Corem Property Group - B shares (Sweden) in the GPR 250 Indices and GPR General Indices as from 30 June 2021 following the merger of Klöver AB - B shares. Corem Property Group - B shares is classified as a Non-REIT.

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 21 June 2021.

<i>Inclusions</i>		<i>Exclusions</i>	
Sweden	AB Sagax - B shares	Netherlands	Wereldhave NV *
United Kingdom	Safestore Holdings PLC *	United States	Diversified Healthcare Trust *
United States	Essential Properties Realty Trust Inc. *		

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

- Global Property Research removed Klöver AB - A shares (Sweden) from and included Corem Property Group - A shares (Sweden) in the GPR General Indices as from 30 June 2021 following the merger of Klöver AB - A shares.

## 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 2021. Open-ended funds, which are indicated with an asterisk, are not part of the GPR General Quoted Index.

<i>Inclusions</i>		<i>Exclusions</i>	
India	Brookfield India Real Estate Trust	Hong Kong	Zhongchang International Holdings Group Ltd
Netherlands	CTP NV		
United States	New York City REIT 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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