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Singapore REITs Monthly: Dec23

Rate cut expectations fuelled rally

SINGAPORE | REAL ESTATE (REIT) | UPDATE

22 January 2024

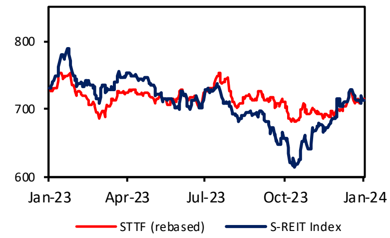
OVERWEIGHT (Maintained)

- The S-REITs Index continued to rally 8.9% in December after gaining 6.7% in November, on expectations of interest rate cuts in 2024. The top performer for the month was Prime US REIT (PRIME SP, BUY, TP US$0.37) - it gained 95.1%, while the worst performer was Lippo Malls Indonesia Retail Trust (LMRT SP, non-rated) - it fell 10.5%. The overseas commercial sub-sector was the outperformer in December, gaining 39.7%, lifted by Manulife US REIT's recapitalisation plan. The worst performing sub-sector was overseas retail – it gained 2.1%, dragged by LMRT after Fitch downgraded its long-term issuer default rating to a 'C'.
- S-REITs are now trading at a forward dividend yield of c.5.8%, 0.4x s.d. below the mean of 6.1% and a P/NAV of 0.93x, 1.1x s.d. below the mean of 1.03x. Despite the recent rally, we are overweight S-REITs as we enter a monetary easing cycle.
- We remain OVERWEIGHT on S-REITs. We continue to favour REITs with a healthy balance sheet, strong sponsors, and improving operating metrics such as REITs in the hospitality and retail sub-sector. Catalysts are expected from a pick-up in the economy, asset recycling and interest rate cuts. Top picks are CapitaLand Ascott Trust (CLAS SP, BUY, TP S$1.04) and Frasers Centrepoint Trust (FCT SP, ACCUMULATE, TP S$2.29).

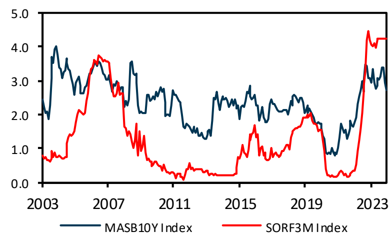
INDEX RETURN (%)

	1MTH	3MTH	YTD	1YR
S-REIT Index	8.9	8.2	0.3	0.3
STTF RETURN	5.2	1.0	0.0	0.0

S-REIT Index VS. STTF



10-year SGS (%) & 3-month SOR (%)



Source: Bloomberg, PSR

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SECTOR ROUND-UP

The FOMC held the federal funds rate unchanged at 5.25-5.5% for the third straight meeting on 13 Dec 2023 and is now signalling that it expects to make three 25bps rate cuts in 2024. This helped to drive a rally in S-REITs share prices – the S-REITs index gained 8.9% in December. With lower interest rates, S-REITs will experience 1) lower financing costs; 2) higher dividend yield spreads over bonds; and 3) higher property valuations as cap rates compress. Furthermore, with interest rates peaking, we expect deal-making to return in full swing. Therefore, we expect a sector recovery in 2024-2025.

We compiled the list of S-REITs with perpetual bonds and their respective call dates (Figure 3). Given the high interest rate environment, we think some S-REITs which have perpetual bonds with 2024 next call dates may redeem the bonds to save on interest costs, instead of resetting the coupon rate at a higher level.

Elite Commercial REIT (ELITE SP, BUY, TP £0.38) issued 103,354,690 new units through a non-renounceable and fully underwritten Preferential Offering to raise £28.0mn, with 214 units offered for every 1,000 existing units at an issue price of £0.27. £27.0mn (96.4% of gross proceeds) will be used for debt repayment, reducing overall leverage to 43.5% (Dec23: 49.6%), translating to an increase in debt headroom of £55m (50% cap). £1.0mn (c. 3.6% of gross proceeds) will be used to cover fees and expenses. Following the preferential offering, the share base is projected to increase by 21.4%, dragging NAV per share to 0.4 pence (Dec23: 0.43 pence). This strategy was expected to result in pro forma interest expense savings of £1.1mn and an increase in distributable income for 9M23 from £13.6mn to £14.7mn. However, Distribution Per Unit (DPU) was forecast to decrease by 11.3% to 2.5 pence due to the enlarged share base. The overall subscription rate for the Preferential Offering was c.121.2%, and Sunway RE Capital Pte. Ltd increased its unitholding from 5.8% to 11.2%.

We initiated coverage on Far East Hospitality Trust (FEHT SP, BUY, TP S$0.79). With the increase in flight capacity and the anticipated return of Chinese tourism, we believe FEHT's RevPAR is poised for continued growth. Mega events like the upcoming concerts of Taylor Swift, Coldplay, and Ed Sheeran, along with a packed MICE schedule, including the Singapore Airshow, are expected to significantly contribute to this positive trajectory. We forecast a 4.2% DPU growth in FY24e for FEHT. To counter the impact of high-interest rates, FEHT plans to cushion distributions with the S$18.0mn incentive fee, targeting a FY23e dividend yield of c.6%. FEHT stands out as one of the least leveraged S-REITs, with a 32% leverage ratio and a 3.2% cost of debt. Looking ahead, FEHT is actively pursuing overseas opportunities, particularly in Japan. Focusing on smaller assets averaging S$70mn-80mn each with an expected positive carry of c.2%, this strategic expansion leverages FEHT's strong debt headroom of around S$900 million (50% gearing).

Retail

Nov 23 retail sales index (excluding motor vehicles) grew 1.3% YoY, compared to the 1% decline in Oct 23. Food and Alcohol recorded the highest growth of 13.6%, while watches and jewellery rose 12.9% due to greater demand for jewellery. We think the latter will lead to better tenant sales for downtown malls.

The F&B services index grew 1.4% YoY in Nov 23, extending the 2.4% growth in Oct 23, with food caterers (+12%) experiencing the largest growth. We think retail sales could be strong for Dec 23 as the increase in GST in 2024 might cause consumers to frontload some of their discretionary spending to avoid paying that additional 1% tax.

Hospitality

Singapore's international visitor arrivals grew 35% YoY in Nov 23 to 1.1mn, but it is still at 28% below pre-COVID Nov 19. The return of Chinese travellers has been slower than expected, and it is at only 42% of pre-Covid levels. We are expecting this to pick up in 2024, supported by the 30-day visa-free entry for Chinese citizens.

RevPAR fell 9.5% YoY in Nov 23, with average daily room rates and occupancy falling 1.8% and 6.7ppts YoY, respectively. Nov 23 numbers suggest that room rates may have peaked as consumers grow more price-conscious. However, with a solid line-up of concerts along with a packed MICE schedule in Singapore, we think RevPAR will return to growth in 1H24, underpinned by the gradual recovery of international visitor arrivals.

INVESTMENT RECOMMENDATION

OVERWEIGHT on SREITs (Maintained)

After the 8.9% rebound in the S-REITs index in Dec 23, S-REITs are now trading at a forward dividend yield of c.5.8%, 0.4x s.d. below the mean of 6.1% (Figure 5) and a P/NAV of 0.93x, 1.1x s.d. below the mean of 1.03x (Figure 4). Despite the recent rally, we still think it is a good time for investors to reposition into SREITs for the eventual interest rate pause and decline. Although it will remain challenging for S-REITs (apart from the hospitality sub-sector) to grow DPU in 2024, with interest rates peaking and possibly decline, we expect low single-digit DPU growth in FY24.

Due to the recent share price performance, the dividend yield spread has fallen to 3.1%, and it is 1.3x s.d. below the mean of 4% (Figure 2). However, with interest rates expected to fall, the dividend yield spread could widen as the SG10Y yield falls.

Sub-sector preferences: Hospitality and Retail (Unchanged)

We think the hospitality sub-sector will be able to generate the most DPU growth on the back of higher RevPAR and the gradual reopening of China as outbound flight capacity from China increases. Suburban retail offers resilience in a downturn while downtown retail stands to benefit from the recovery of international visitor arrivals, which will in turn lift tenant sales and sentiment.

Retail (OVERWEIGHT). We anticipate tenant sales to rise further due to the increasing number of international visitor arrivals and population growth. The occupancy cost of c.15% for suburban malls and c.25% for downtown malls is lower than historical averages, leaving the potential for more positive rental reversions. There is also very little new supply entering the market. Return to office and a pick-up in major events to be held in Singapore in 2024 should continue to lift tenant sales and give confidence to retailers. Positive rental reversion, ranging from high-single digit to low-teens, is anticipated for downtown malls, supported by the 30-day visa-free entry to Singapore for Chinese citizens. Demand remains robust for catchment areas around suburban malls, and we foresee a healthy mid-single-digit rental reversion continuing into FY24e.

Office (NEUTRAL). We think core CBD Grade A office rents at $11.85 psf pm in 3Q23 will come under pressure as the market absorbs more supply coming in 2024 from IOI Central Boulevard Towers (1.2mn sq ft) and Keppel South Central (600k sq ft). More downsizing could occur as global layoffs among tech firms find their way into Singapore. This could affect office leasing momentum and sentiment, and we therefore anticipate office rents to be muted in FY24. Elsewhere, we expect to see further declines in overseas office property valuations during the FY23 year-end valuations exercise, due to cap rate expansion and weaker operating performance.

Industrial (NEUTRAL). The slowdown in manufacturing and a bleak economic outlook will likely affect industrial property demand. Furthermore, a new supply of 1.9mn sqm is expected to come on stream in 2024, and this is expected to outstrip demand. However, industrial REITs are benefiting from the secular growth of new economy tenants such as tech, life sciences, biomedical, semiconductor and electronics manufacturing, which typically locate themselves in high-spec, science and business parks, and warehouses.

Hospitality (OVERWEIGHT). RevPAR is likely to continue its upward trajectory – but at a slower pace compared to 2023 from the higher base. Also, the increase in MICE and entertainment events in Singapore will further boost this sector. We believe the hospitality sub-sector has the most potential for DPU growth as its increase in revenue can more than offset any rise in interest expenses and operating costs.

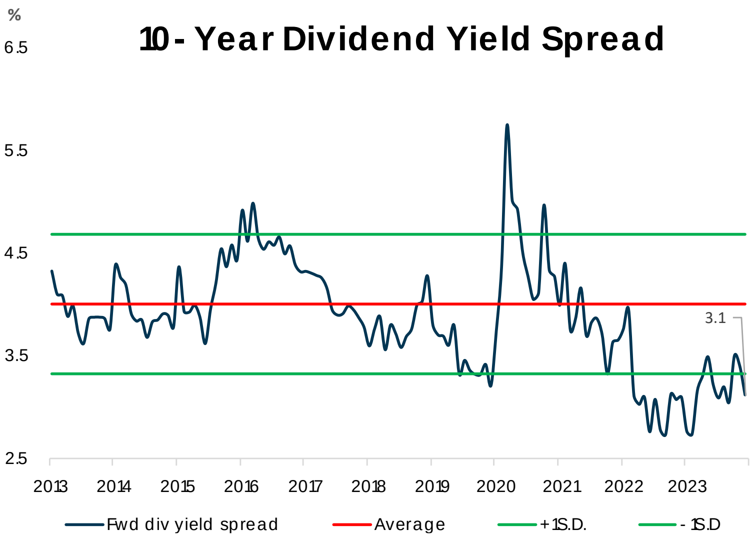
Figure 1: Our stock recommendations

	3M Daily Average Volume (mn)	Share Price S$	P/NAV (x)	PSR Rating	Target Price S$	FY20 DPU cents	FY21 DPU cents	FY22 DPU cents	FY23e DPU cents	FY24e DPU cents	FY23e DPU Yield	Total return
CapitaLand Ascott Trust	7.5	0.97	0.85	BUY	**1.04**	3.03	4.32	5.67	5.88	5.91	6.1%	13.3%
Elite Commercial REIT	0.2	0.28	0.55	BUY	**0.38**	4.37	5.35	4.74	4.20	4.77	15.3%	53.5%
Far East Hospitality Trust	1.6	0.64	0.70	BUY	**0.79**	2.41	2.63	3.27	3.79	3.95	6.0%	30.4%
Frasers Centrepoint Trust	2.5	2.29	0.98	ACCUMULATE	**2.29**	12.09	12.23	12.15	12.07	12.35	5.3%	5.3%
Keppel DC REIT	8.4	1.86	1.34	BUY	**2.26**	9.17	9.85	10.21	9.91	10.29	5.3%	26.8%
Lendlease Global Commercial	6.5	0.63	0.80	BUY	**0.86**	4.68	4.85	4.70	4.38	4.63	7.0%	43.5%
Prime US REIT	6.9	0.21	0.28	BUY	**0.37**	6.94	6.78	6.55	4.92	4.94	23.4%	99.6%
Sasseur REIT	0.7	0.70	0.84	BUY	**0.90**	6.55	7.10	6.55	6.45	6.61	9.3%	38.8%
Suntec REIT	4.9	1.24	0.58	BUY	**1.47**	7.40	8.67	8.88	6.83	7.29	5.5%	24.1%

Note: 3M Daily Average Volume is calculated based on the total volume over the last three trading months divided by the number of trading days within the period

Source: Bloomberg (Updated: 16 January 2024), Company Results/Prospectuses, PSR

Figure 2: Dividend Yield Spread at 3.1% and -1.3x s.d.



Source: Bloomberg, Phillip Securities Research

Dividend yield spread has fallen from 3.4% to 3.1% MoM and is now trading at -1.3x s.d. from the mean due to the recent share price performance.

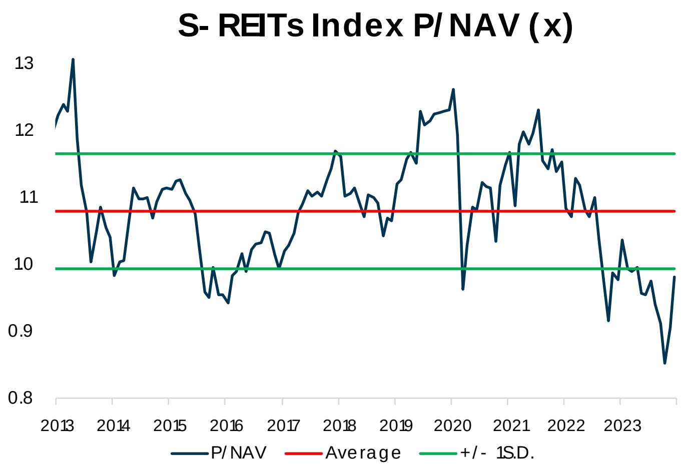
Figure 3: List of S-REITs with perpetual bonds and their respective call dates

Issuer Name	Coupon	Currency	Next Call Date	Amt Issued	Issue Date	Mty Type	Amt Out
Lippo Malls Indonesia Retail Trust	6.4751	SGD	27/3/2024	140,000,000	27/9/2016	PERP/CALL	140,000,000
Soilbuild Business Space REIT	4.645	SGD	27/3/2024	65,000,000	27/9/2018	PERP/CALL	65,000,000
Mapletree Logistics Trust	5.2074	SGD	28/3/2024	180,000,000	28/9/2017	PERP/CALL	180,000,000
ESR-LOGOS REIT	6.632	SGD	3/5/2024	150,000,000	3/11/2017	PERP/CALL	150,000,000
Lippo Malls Indonesia Retail Trust	8.096	SGD	19/6/2024	120,000,000	19/6/2017	PERP/CALL	120,000,000
CapitaLand Ascott Trust	3.07	SGD	30/6/2024	250,000,000	30/6/2015	PERP/CALL	250,000,000
First Real Estate Investment Trust	4.9817	SGD	8/7/2024	60,000,000	8/7/2016	PERP/CALL	33,250,000
PARAGON REIT	4.1	SGD	30/8/2024	300,000,000	30/8/2019	PERP/CALL	300,000,000
CapitaLand Ascott Trust	3.88	SGD	4/9/2024	150,000,000	4/9/2019	PERP/CALL	150,000,000
Lendlease Global Commercial REIT	5.25	SGD	11/4/2025	200,000,000	11/4/2022	PERP/CALL	200,000,000
AIMS APAC REIT	5.65	SGD	14/8/2025	125,000,000	14/8/2020	PERP/CALL	125,000,000
Keppel REIT	3.15	SGD	11/9/2025	300,000,000	11/9/2020	PERP/CALL	300,000,000
CapitaLand Ascendas REIT	3	SGD	17/9/2025	300,000,000	17/9/2020	PERP/CALL	300,000,000
Suntec Real Estate Investment Trust	3.8	SGD	27/10/2025	200,000,000	27/10/2020	PERP/CALL	200,000,000
CapitaLand China Trust	3.375	SGD	27/10/2025	100,000,000	27/10/2020	PERP/CALL	100,000,000
Starhill Global REIT	3.85	SGD	15/12/2025	100,000,000	15/12/2020	PERP/CALL	100,000,000
Mapletree Industrial Trust	3.15	SGD	11/5/2026	300,000,000	11/5/2021	PERP/CALL	300,000,000
Lendlease Global Commercial REIT	4.2	SGD	4/6/2026	200,000,000	4/6/2021	PERP/CALL	200,000,000
Mapletree North Asia Commercial Trust	3.5	SGD	8/6/2026	250,000,000	8/6/2021	PERP/CALL	250,000,000
Suntec Real Estate Investment Trust	4.25	SGD	15/6/2026	150,000,000	15/6/2021	PERP/CALL	150,000,000
AIMS APAC REIT	5.375	SGD	1/9/2026	250,000,000	1/9/2021	PERP/CALL	250,000,000
Mapletree Logistics Trust	3.725	SGD	2/11/2026	400,000,000	2/11/2021	PERP/CALL	400,000,000
Cromwell European Real Estate Investment Trust	5	SGD	24/11/2026	100,000,000	24/11/2021	PERP/CALL	100,000,000
ESR-LOGOS REIT	5.5	SGD	9/6/2027	150,000,000	9/6/2022	PERP/CALL	150,000,000

Source: Bloomberg, Phillip Securities Research

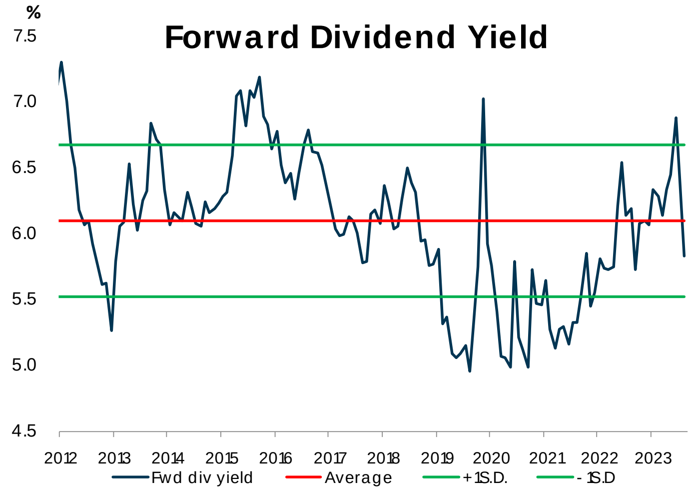
MACROECONOMIC ENVIRONMENT

Figure 4: P/NAV of 0.93x is at -1.1x s.d.



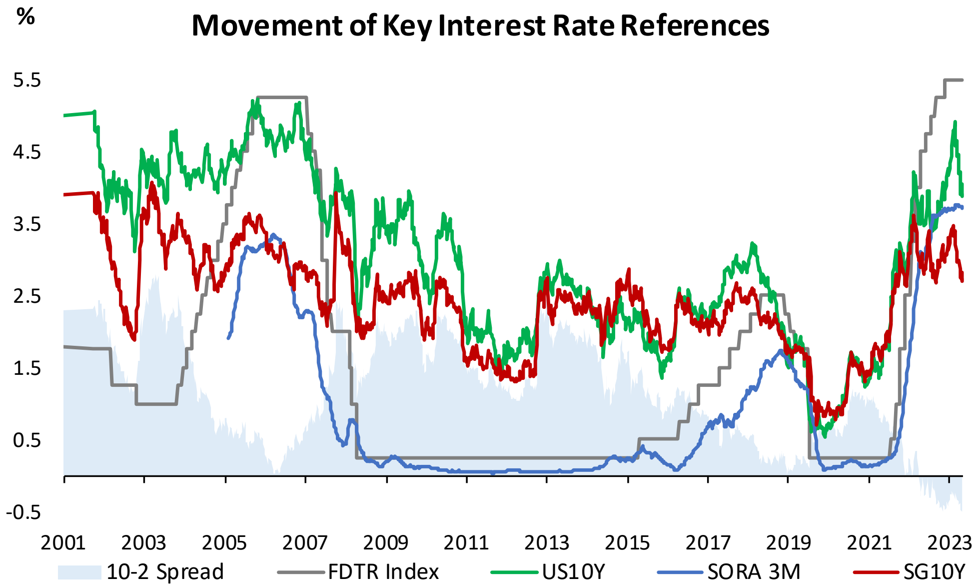
Source: Bloomberg, Phillip Securities, Research

Figure 5: Forward dividend yield of 5.8% is at -0.4x s.d.



Source: Bloomberg, Phillip Securities Research

Figure 6: Fed Funds rates vs Singapore interest rates



Source: Bloomberg, PSR

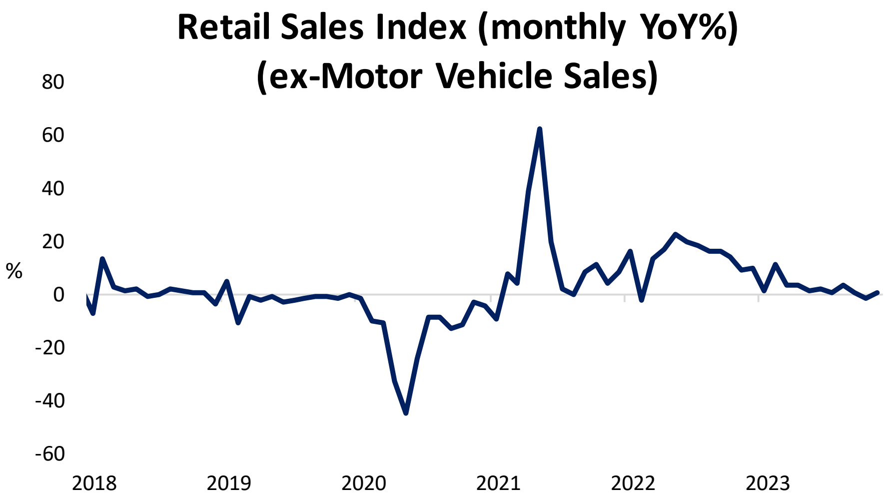
SG10Y yield fell 16bps MoM and 38bps YoY in Dec23 while 3MSORA was down 4bps MoM and up 61bps YoY.

(in %)	SG10Y	3MSORA
29 Dec 2023	2.71	3.71
4Q23 Average	3.07	3.74
3Q23 Average	3.19	3.69
10Y Ave. (2013-2023)	2.17	0.83

Source: Bloomberg, PSR

SUBSECTOR MONTHLY INDICATORS

Figure 7: Nov 23 RSI grew 1.4% YoY

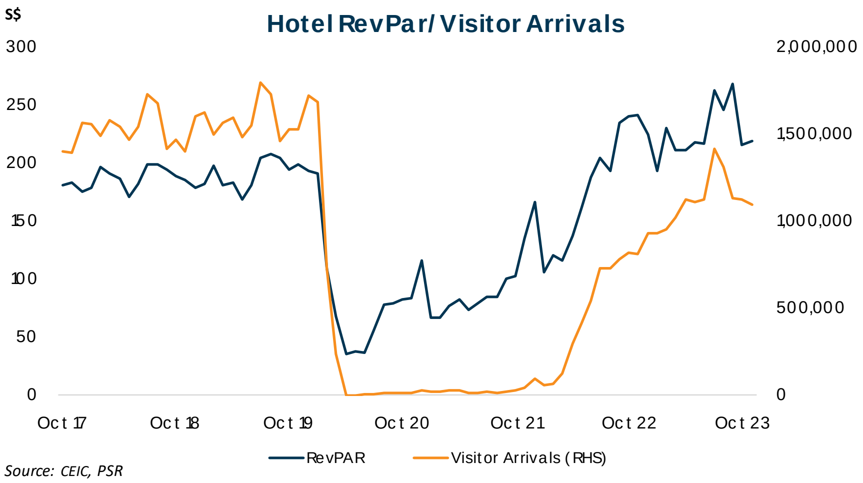


Source: CEIC, PSR

in %	RSI (excl. motor vehicles)	RSI (Dept stores)	RSI (Supermarkets)	RSI (Fashion)	F&B Services Index
Nov-23	1.4	1.2	-2.0	3.2	1.4
Nov-22	9.5	22.0	-5.4	34.5	25.4

Nov-23 RSI (ex. MV) grew 1.4% YoY, after falling 1% YoY in Oct-23. Food & alcohol recorded the largest growth of 13.6% YoY, while watches & jewellery rose 12.9% YoY due to higher demand for jewellery. Recreational goods and furniture & household equipment were the biggest decliners at 10.6%, and 5.6%, respectively.

Figure 8: Tourist arrivals and hotel RevPAR recovery



Source: CEIC, PSR

	Visitor Arrivals		Hotel RevPAR (S$)	Hotel Occupancy (%)	Hotel Average Room Rate (S$)
Nov-23	1,100,459	Nov-23	219	79.0	277
Nov-22	816,340	Nov-22	242	85.7	283
YoY%	*34.8%*	*YoY%*	*-9.5%*	-6.7 ppts	*-1.8%*

Nov-23 RevPAR and international visitor arrivals are +10% and -28% of pre-COVID 2019 levels, respectively.

Figure 9: Historical and consensus forecasts for DPU growth and yields

	Mkt. Cap. (S$mn)	% of REIT Market Cap	DPU (cents)								DPU Growth								DPU Yield (%)							
			2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F
REIT INDEX	n.a	n.a.	n.a.	n.a.	n.a.	n.a.	875	4,240	4,323	4,455	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.9%	3.1%	n.a.	n.a.	n.a.	n.a.	1.2	5.8	5.9	6.1
SINGAPORE REITS																										
Healthcare																										
PARKWAYLIFE REAL ESTATE	2,220	2.2%	13.35	12.87	13.19	13.79	14.08	14.38	15.00	15.00	10.1	-3.6	2.5	4.5	2.1	2.1	4.3	0.0	3.6	3.5	3.6	3.8	3.8	3.9	4.1	4.1
Hospitality																										
CAPITALAND ASCOTT TRUST	3,726	3.8%	7.09	7.16	7.61	3.03	4.32	5.67	5.70	6.10	-10.6	1.0	6.3	-60.2	42.6	31.3	0.5	7.0	7.2	7.2	7.7	3.1	4.4	5.7	5.8	6.2
CDL HOSPITALITY TRUSTS	1,383	1.4%	9.22	9.26	9.02	4.95	4.27	5.63	6.20	6.80	-4.2	0.4	-2.6	-45.1	-13.7	31.9	10.1	9.7	8.3	8.3	8.1	4.5	3.8	5.1	5.6	6.1
FRASERS HOSPITALITY TRUST	953	1.0%	4.76	4.41	1.40	0.98	1.64	2.44	2.60	2.70	-5.6	-7.3	-68.3	-29.7	66.4	49.3	6.4	3.8	9.6	8.9	2.8	2.0	3.3	4.9	5.3	5.5
FAR EAST HOSPITALITY TRUST	1,332	1.3%	3.90	4.00	3.81	2.41	2.63	3.27	3.90	4.30	-9.9	2.6	-4.8	-36.7	9.1	24.3	19.3	10.3	5.9	6.0	5.7	3.6	4.0	4.9	5.9	6.5
Average		**7.5%**	6.61	6.63	6.39	3.01	3.66	4.81	5.07	5.47	-8.6	0.1	-7.0	-49.2	29.1	32.5	6.5	7.7	7.5	7.4	6.8	3.3	4.1	5.4	5.7	6.1
Retail																										
FRASERS CENTREPOINT TRUST	3,869	3.9%	11.98	12.04	9.02	12.09	12.23	12.15	11.90	12.10	1.0	0.5	-25.1	34.0	1.2	-0.6	-2.1	1.7	5.3	5.3	4.0	5.3	5.4	5.4	5.3	5.4
PARAGON REIT	2,510	2.5%	5.53	5.54	5.60	2.72	5.40	n.a.	4.60	5.10	0.5	0.2	1.1	-51.4	n.a.	n.a.	n.a.	10.9	6.2	6.3	6.3	3.1	6.1	n.a.	5.2	5.8
STARHILL GLOBAL REIT	1,185	1.2%	4.55	4.48	2.96	3.95	3.80	3.80	3.90	3.90	-7.5	-1.5	-33.9	33.4	-3.8	0.0	2.6	0.0	8.7	8.5	5.6	7.5	7.2	7.2	7.4	7.4
Average		**7.7%**	8.67	8.70	6.94	7.70	8.64	6.81	8.22	8.49	-0.5	0.1	-17.8	5.6	0.0	-0.3	-0.6	4.5	6.1	6.1	5.0	4.9	5.9	3.9	5.6	5.8
SG Office																										
KEPPEL REIT	3,518	3.6%	5.70	5.56	5.58	5.73	5.82	5.92	5.80	5.80	-10.5	-2.5	0.4	2.7	1.6	1.7	-2.0	0.0	6.1	6.0	6.0	6.2	6.3	6.4	6.2	6.2
Industrial																										
CAPITALAND ASCENDAS REIT	13,313	13.5%	15.44	15.68	15.63	14.69	15.26	15.80	15.40	15.80	2.5	1.6	-0.3	-6.0	3.9	3.5	-2.5	2.6	5.1	5.2	5.2	4.8	5.0	5.2	5.1	5.2
MAPLETREE LOGISTICS TRUST	8,668	8.8%	7.61	7.93	8.13	8.32	8.79	9.01	8.80	8.70	2.9	4.2	2.5	2.3	5.7	2.5	-2.3	-1.1	4.4	4.6	4.7	4.8	5.1	5.2	5.1	5.0
MAPLETREE INDUSTRIAL TRUST	7,112	7.2%	11.71	12.12	12.20	12.51	13.80	13.57	13.20	13.50	3.2	3.5	0.7	2.5	10.3	-1.7	-2.7	2.3	4.7	4.8	4.9	5.0	5.5	5.4	5.3	5.4
KEPPEL DC REIT	3,357	3.4%	7.00	7.19	7.61	9.17	9.85	10.21	9.90	9.80	16.0	2.8	5.8	20.5	7.4	3.7	-3.1	-1.0	3.6	3.7	3.9	4.7	5.1	5.2	5.1	5.0
ESR-LOGOS REIT	2,461	2.5%	3.79	3.83	3.99	2.79	2.98	2.99	2.70	2.40	-7.7	1.1	4.2	-30.2	7.0	0.4	-9.8	-11.1	11.8	12.0	12.5	8.7	9.3	9.4	8.4	7.5
AIMS APAC REIT	1,053	1.1%	10.28	10.23	9.48	8.94	9.44	9.93	9.70	9.80	-6.8	-0.5	-7.3	-5.8	5.7	5.1	-2.3	1.0	7.9	7.9	7.3	6.9	7.3	7.6	7.5	7.5
SABANA INDUSTRIAL REAL ESTAT	450	0.5%	3.31	3.18	2.92	2.76	3.05	3.05	3.00	3.00	-20.6	-3.9	-8.2	-5.5	10.5	0.0	-1.6	0.0	8.2	7.9	7.2	6.8	7.5	7.5	7.4	7.4
Average		**36.8%**	10.98	11.25	11.32	11.12	11.79	12.04	11.72	11.87	2.7	2.5	1.1	-1.6	6.2	2.1	-3.0	0.3	5.3	5.4	5.5	5.2	5.5	5.6	5.4	5.4
Diversified																										
CAPITALAND INTEGRATED COMMER	13,715	13.9%	11.16	11.50	11.97	8.69	10.40	10.58	11.00	11.00	0.3	3.0	4.1	-27.4	19.7	1.7	4.0	0.0	5.4	5.6	5.8	4.2	5.0	5.1	5.3	5.3
SUNTEC REIT	3,564	3.6%	10.01	9.99	9.51	7.40	8.67	8.88	7.00	6.60	0.0	-0.2	-4.8	-22.1	17.1	2.5	-21.2	-5.7	8.1	8.1	7.7	6.0	7.0	7.2	5.7	5.4
OUE COMMERCIAL REAL ESTATE I	1,563	1.6%	4.11	3.48	3.31	2.43	2.60	2.12	2.10	2.00	-9.8	-15.3	-4.9	-26.6	7.0	-18.5	-0.9	-4.8	14.4	12.2	11.6	8.5	9.1	7.4	7.4	7.0
LENDLEASE GLOBAL COMMERCIAL	1,518	1.5%	n.a.	n.a.	n.a.	4.68	4.85	4.70	4.40	4.50	n.a.	n.a.	n.a.	n.a.	3.6	-3.1	-6.4	2.3	n.a.	n.a.	n.a.	7.3	7.5	7.3	6.8	7.0
Average		**20.6%**	9.58	9.76	9.98	7.68	9.08	9.20	9.12	9.05	-0.6	0.8	1.5	-24.4	17.1	0.0	-1.6	-1.2	6.2	6.1	6.2	5.1	5.9	5.8	5.7	5.6
OFFSHORE SREITS																										
Overseas Retail																										
SASSEUR REAL ESTATE INVESTME	851	0.9%	0.00	5.13	6.53	6.55	7.10	6.55	6.30	6.60	n.a.	n.a.	27.4	0.2	8.5	-7.8	-3.8	4.8	0.0	7.5	9.5	9.6	10.4	9.6	9.2	9.6
LIPPO MALLS INDONESIA RETAIL	131	0.1%	3.06	1.83	1.99	0.34	0.35	0.31	n.a.	n.a.	0.9	-40.4	8.8	-82.9	2.9	-11.4	n.a.	n.a.	180.2	107.4	116.8	20.0	20.6	18.2	n.a.	n.a.
DASIN RETAIL TRUST	44	0.0%	7.16	7.22	6.82	3.94	5.22	0.00	n.a.	n.a.	n.a.	0.8	-5.5	-42.2	32.5	-100.0	n.a.	n.a.	130.2	131.3	124.0	71.6	94.9	0.0	n.a.	n.a.
BHG RETAIL REIT	242	0.2%	5.47	5.16	3.87	1.95	2.17	1.17	n.a.	n.a.	0.4	-5.7	-25.0	-49.6	11.3	-46.1	n.a.	n.a.	11.8	11.1	8.3	4.2	4.7	2.5	n.a.	n.a.
UNITED HAMPSHIRE US REIT	294	0.3%	n.a.	n.a.	n.a.	4.81	8.40	5.88	5.00	5.00	n.a.	n.a.	n.a.	n.a.	74.6	-30.0	-15.0	0.0	n.a.	n.a.	n.a.	9.5	16.6	11.6	9.9	9.9
Average		**1.6%**	1.31	3.95	4.52	4.91	5.97	4.88	4.37	4.54	0.1	-4.2	11.6	-15.7	21.6	-20.8	-4.9	2.6	20.6	18.5	19.8	11.4	13.9	9.3	6.9	7.1
Overseas Commercial																										
MANULIFE US REAL ESTATE INV	142	0.1%	5.69	5.55	5.96	5.64	5.33	4.97	1.90	2.40	75.9	-2.5	7.4	-5.4	-5.5	-6.8	-61.8	26.3	71.1	69.4	74.5	70.5	66.6	62.1	23.8	30.0
PRIME US REIT	285	0.3%	n.a.	n.a.	n.a.	6.94	6.78	6.55	4.50	4.10	n.a.	n.a.	n.a.	n.a.	-2.3	-3.4	-31.3	-8.9	n.a.	n.a.	n.a.	28.9	28.3	27.3	18.8	17.1
KEPPEL PACIFIC OAK US REIT	392	0.4%	n.a.	n.a.	6.01	6.23	6.34	5.80	5.00	4.90	n.a.	n.a.	n.a.	3.7	1.8	-8.5	-13.8	-2.0	n.a.	n.a.	16.0	16.6	16.9	15.5	13.3	13.1
IREIT GLOBAL	545	0.6%	3.27	3.16	3.14	2.56	2.90	2.66	1.90	2.10	-10.1	-3.5	-0.6	-18.3	12.9	-8.2	-28.5	10.5	8.1	7.8	7.8	6.3	7.2	6.6	6.8	7.6
ELITE COMMERCIAL REIT	135	0.1%	n.a.	n.a.	n.a.	4.37	5.35	4.74	3.70	4.00	n.a.	n.a.	n.a.	n.a.	22.3	-11.4	-21.9	8.1	n.a.	n.a.	n.a.	15.6	19.1	16.9	13.2	14.3
Average		**1.5%**	1.73	1.67	3.28	4.81	4.99	4.63	3.37	3.41	3.5	-1.5	0.5	-6.2	6.2	-7.5	-27.8	4.8	9.7	9.4	14.1	20.2	20.4	19.0	13.0	13.5
Overseas Industrial																										
DIGITAL CORE REIT MANAGEMENT	725	0.7%	n.a.	n.a.	n.a.	n.a.	n.a.	3.98	3.70	3.60	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-7.0	-2.7	n.a.	n.a.	n.a.	n.a.	n.a.	6.2	5.7	5.6
EC WORLD REIT	-	-	6.03	6.18	6.05	5.36	6.26	4.76	n.a.	n.a.	311.8	2.6	-2.1	-11.4	16.9	-24.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
DAIWA HOUSE LOGISTICS TRUST	456	0.5%	n.a.	n.a.	n.a.	n.a.	n.a.	5.70	5.40	5.50	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-5.3	1.9	n.a.	n.a.	n.a.	n.a.	n.a.	8.7	8.2	8.4
CAPITALAND INDIA TRUST	1,521	1.5%	5.65	7.23	8.32	8.76	7.74	8.13	7.70	8.70	3.5	27.9	15.1	5.3	-11.7	5.0	-5.3	13.0	5.0	6.3	7.3	7.7	6.8	7.1	6.8	7.6
Average		**2.7%**	3.18	4.07	4.68	4.93	4.36	6.61	6.24	6.79	1.94	15.73	8.53	3.00	-6.57	2.81	-5.75	6.90	2.79	3.57	4.11	4.33	3.82	7.14	6.73	7.21
Overseas Diversified																										
CAPITALAND CHINA TRUST	1,571	1.6%	10.05	10.17	9.87	6.35	8.73	7.50	7.40	7.60	0.5	1.2	-3.0	-35.7	37.5	-14.1	-1.3	2.7	10.8	10.9	10.6	6.8	9.4	8.1	8.0	8.2
FRASERS LOGISTICS & COMMERCI	4,306	4.4%	7.09	7.00	7.12	7.68	7.62	7.04	6.90	7.20	-3.7	-1.3	1.7	7.9	-0.8	-7.6	-2.0	4.3	6.2	6.1	6.2	6.7	6.6	6.1	6.0	6.3
MAPLETREE NORTH ASIA COMMERC	8,242	8.3%	7.34	7.48	7.69	7.12	6.18	6.82	7.00	7.10	1.3	1.9	2.8	-7.4	-13.3	10.4	2.7	1.4	4.7	4.8	4.9	4.5	3.9	4.3	n.a.	n.a.
CROMWELL REIT EUR	799	0.8%	n.a.	n.a.	20.40	17.42	16.96	17.19	16.00	16.30	n.a.	n.a.	n.a.	-14.6	-2.6	1.3	-6.9	1.9	n.a.	n.a.	14.4	12.3	11.9	12.1	11.3	11.5
Average		**15.1%**	7.16	7.23	8.44	7.75	7.44	7.51	7.50	7.67	-0.32	0.81	1.72	-6.33	-3.78	2.15	0.38	2.43	5.50	5.54	6.38	5.81	5.71	5.66	3.17	3.28
Other Overseas REITs																										
FIRST REAL ESTATE INVT TRUST	550	0.6%	7.91	7.94	7.94	3.83	2.61	2.64	2.70	2.76	1.2	0.4	0.0	-51.7	-31.9	1.1	2.3	2.2	29.9	30.0	30.0	14.5	9.8	10.0	11.7	12.0
ARA US HOSPITALITY TRUST	176	0.2%	n.a.	n.a.	n.a.	n.a.	0.36	3.05	4.10	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	34.3	n.a.	n.a.	n.a.	n.a.	n.a.	1.2	10.0	13.4	n.a.
Average		**0.7%**	5.99	6.01	6.01	2.90	2.06	2.74	3.04	2.09	0.89	0.27	0.00	-39.19	-24.15	0.87	10.03	1.68	22.62	22.70	22.70	10.95	7.74	9.97	12.12	9.09

Source: Bloomberg (Updated: 19 January 2024), PSR

Figure 101: S-REIT universe

	Mkt. Cap. (S$mn)	3M Daily Average Volume	Price (S$)	% of REIT Market Cap	PSR RATING	PSR Target Price (S$)	P/NAV	Trailing yield (%)	Returns 1M (%)	Returns YTD (%)	Gearing (%)	ROE (%)	WALE by GRI (years)	WALE by NLA (years)	Adjusted Interest Coverage Ratio (x)	Cost of Debt (%)	% of debt on fixed rate	% debt expiring in current FY	% debt expiring in next FY
REIT INDEX	n.a.	177.9	727	n.a.			0.9	5.1	8.9	0.3	37.4	n.a.					75.9	6.1	16.9
SINGAPORE REITS																			
Healthcare																			
PARKWAYLIFE REAL ESTATE	2,220	0.4	3.67	2.2%			1.6	4.0	7.9	(2.4)	36.4	2.8	16.7	-	13.8	1.2	77.0	7.0	20.4
Hospitality																			
CAPITALAND ASCOTT TRUST	3,726	8.0	0.99	3.8%	BUY	1.04	0.9	4.4	7.0	(5.7)	39.2	5.4			4.3	2.3	80.0	13.0	19.0
CDL HOSPITALITY TRUSTS	1,383	2.2	1.11	1.4%			0.8	5.5	9.9	(11.2)	39.1	11.3			3.2	4.1	47.9	7.6	32.4
FRASERS HOSPITALITY TRUST	953	1.7	0.50	1.0%			0.7	4.9	(2.0)	11.2	36.4	5.8			3.6	3.0	73.8	0.0	30.0
FAR EAST HOSPITALITY TRUST	1,332	1.5	0.67	1.3%	BUY	0.79	0.7	5.5	3.1	7.3	28.9	9.9			3.6	3.2	47.2	17.0	21.0
Average				**7.5%**			0.8	4.8	5.7	(2.2)		7.3			3.8	2.8			
Retail																			
FRASERS CENTREPOINT TRUST	3,869	2.7	2.26	3.9%	ACCUMULATE	2.29	1.0	5.3	3.7	7.6	40.2	5.5	1.9	2.0	3.9	3.7	63.0	17.1	22.8
PARAGON REIT	2,510	0.7	0.89	2.5%			0.9	5.5	9.3	(1.7)	29.9	-	3.0	5.3	3.4	4.1	85.0	7.3	18.0
STARHILL GLOBAL REIT	1,185	1.4	0.53	1.2%			0.7	7.2	8.2	(2.8)	36.6	4.9	4.3	6.5	3.1	3.7	84.0	0.2	20.4
Average				**7.7%**			0.9	5.7	6.2	2.9		3.5			3.6	3.8			
Commercial																			
KEPPEL REIT	3,518	11.0	0.93	3.6%			0.7	6.3	7.5	2.2	39.2	5.6		5.7	3.0	2.8	76.0	2.0	22.0
Industrial																			
CAPITALAND ASCENDAS REIT	13,313	14.1	3.03	13.5%			1.3	5.2	6.7	10.6	38.0	7.2	3.9	-	4.1	3.3	81.5	13.5	13.3
MAPLETREE LOGISTICS TRUST	8,668	13.4	1.74	8.8%			1.2	4.6	8.1	9.4	37.0	7.6		3.1	3.3	2.5	82.0	5.0	13.0
MAPLETREE INDUSTRIAL TRUST	7,112	4.9	2.51	7.2%			1.3	4.9	10.1	13.1	33.7	5.0	3.9	-	4.4	3.5	78.0	3.3	14.0
KEPPEL DC REIT	3,357	7.9	1.95	3.4%	BUY	2.26	1.4	5.1	6.0	10.2	35.9	9.7	4.7	8.0	6.0	3.3	73.0	0.0	4.1
ESR-LOGOS REIT	2,461	12.6	0.32	2.5%			0.9	9.4	8.5	(13.4)	39.4	1.8	3.1	-	2.5	4.0	74.8	0.0	26.2
AIMS APAC REIT	1,053	1.2	1.30	1.1%			1.0	5.6	2.4	5.0	38.1	9.4	4.3	-	2.2	3.9	87.0	0.0	20.7
SABANA INDUSTRIAL REAL ESTAT	450	0.2	0.41	0.5%			0.8	7.6	5.2	(6.9)	37.2	6.6	2.8	-	3.5	3.9	82.2	0.0	0.0
Average				36.8%			1.2	5.3	7.6	8.8		6.8			4.0	3.2			
Diversified																			
CAPITALAND INTEGRATED COMMER	13,715	17.2	2.06	13.9%			1.0	4.6	13.2	1.0	39.0	4.9	3.6	-	3.3	3.2	78.0	1.0	15.0
SUNTEC REIT	3,564	4.9	1.23	3.6%	BUY	1.47	0.6	6.2	7.0	(10.9)	41.4	4.5		-	2.1	3.6	58.0	2.3	20.8
OUE COMMERCIAL REAL ESTATE I	1,563	3.3	0.29	1.6%			0.5	7.3	11.8	(14.9)	39.1	8.3	3.1	-	2.3	4.1	68.2	0.0	0.0
LENDLEASE GLOBAL COMMERCIAL	1,518	7.7	0.65	1.5%	BUY	0.86	0.8	7.6	6.6	(8.5)	40.6	5.5	5.5	8.2	2.0	2.7	61.0	0.0	26.1
Average				20.6%			0.9	5.3	11.5	(3.0)		5.1			2.9	3.3			
OFFSHORE SREITs																			
Overseas Retail																			
SASSEUR REAL ESTATE INVESTME	851	0.7	0.69	0.9%	BUY	0.90	0.8	9.0	0.0	(9.3)	27.6	5.7	0.8	2.1	4.0	5.8	77.0	0.0	12.9
LIPPO MALLS INDONESIA RETAIL	131	2.8	0.02	0.1%			0.2	7.6	(10.5)	(43.3)	42.1	2.2		2.9	2.1	8.7	39.2	16.8	49.1
DASIN RETAIL TRUST	44	0.0	0.06	0.0%			0.1	-	(1.8)	(80.7)	46.5	(54.6)		-	n.a	n.a	n.a	100.0	0.0
BHG RETAIL REIT	242	0.0	0.47	0.2%			0.6	1.6	(5.1)	(7.0)	39.3	0.9	3.3	5.4	2.1	5.7	50.0	5.0	0.0
UNITED HAMPSHIRE US REIT	294	0.4	0.51	0.3%			0.7	11.1	20.2	8.6	42.8	5.4		7.2	2.8	3.6	80.9	0.0	6.6
Average				1.6%			0.7	7.9	2.1	(10.4)		2.3			3.2	5.4			
Overseas Commercial																			
MANULIFE US REAL ESTATE INV	142	20.2	0.08	0.1%			0.2	59.4	53.8	(73.3)	56.7	(44.2)		7.6	2.6	4.1	80.2	3.8	13.8
PRIME US REIT	285	6.8	0.24	0.3%	BUY	0.37	0.3	22.9	95.1	(40.7)	42.8	(5.9)		3.9	3.4	3.9	80.0	0.0	63.5
KEPPEL PACIFIC OAK US REIT	392	2.5	0.38	0.4%			0.5	16.0	47.1	(18.5)	38.4	3.5		3.5	3.4	4.0	77.6	1.7	12.9
IREIT GLOBAL	545	0.4	0.41	0.6%			0.5	7.9	12.5	(18.9)	33.1	(5.9)		5.0	7.1	1.9	96.2	0.0	0.0
ELITE COMMERCIAL REIT	135	0.2	0.28	0.1%	BUY	0.38	0.6	14	(3.6)	(39.5)	46.0	(10.8)		4.5	3.4	5.2	62.0	0.0	58.8
Average				1.5%			0.4	18.3	39.7	(30.0)		(7.5)			4.7	3.3			
Overseas Industrial																			
DIGITAL CORE REIT MANAGEMENT	725	2.5	0.65	0.7%			0.8	6.0	4.9	17.3	34.2	-1.2	3.9		n.a.	4.7	72.0	0.0	0.0
EC WORLD REIT	-	-	-	-			-	-	-	-	36.2	7.1	1.2	1.0	2.4	6.2	n.a	81.7	0.0
DAIWA HOUSE LOGISTICS TRUST	456	0.6	0.66	0.5%			0.8	8.0	12.9	3.1	35.7	7.8	6.6		11.7	1.0	100.0	0.0	29.4
CAPITALAND INDIA TRUST	1,521	3.0	1.14	1.5%			1.1	6.4	10.7	1.6	36.0	8.6			2.7	6.3	73.0	37.7	10.9
Average				2.7%			0.9	6.5	9.5	6.1		6.1			3.5	5.0			
Overseas Diversified																			
CAPITALAND CHINA TRUST	1,571	3.0	0.93	1.6%			0.7	6.9	14.8	(17.0)	40.2	4.0	1.8	1.9	3.2	3.5	74.0	0.3	14.8
FRASERS LOGISTICS & COMMERCI	4,306	9.7	1.15	4.4%			1.0	6.8	3.6	(0.9)	28.6	11.7	4.4	-	8.0	2.0	75.4	6.4	25.9
MAPLETREE PAN ASIA COM TRUST	8,242	9.4	1.57	8.3%			0.9	5.6	14.6	(6.0)	40.7	6.4	2.6	-	3.2	3.2	74.2	6.0	22.0
CROMWELL REIT EUR	799	0.8	1.42	0.8%			0.6	12.0	10.1	(5.3)	39.5	(2.1)	4.4		4.1	2.9	94.0	0.0	0.0
Average				15.1%			0.9	6.4	11.2	(5.6)		7.3			4.6	2.9			
Other Overseas REITs																			
FIRST REAL ESTATE INVT TRUST	550	1.2	0.27	0.6%			0.9	9.5	10.4	1.9	38.7	4.7		12.0	4.1	4.9	86.0	0.0	0.0
ARA US HOSPITALITY TRUST	176	0.2	0.31	0.2%			0.4	10	8.9	(12.9)	39.7	1.3			2.5	4.6	75.2	0.0	43.5
Average				0.7%			0.7	9.7	10.1	(1.7)		3.8			3.7	4.8			

Source: Bloomberg (Updated: 19 January 2024), Company Results/Prospectuses, PSR

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