

Singapore REITs Monthly: Oct24

Fewer rate cuts expected



StocksBnB.com

SINGAPORE | REAL ESTATE (REIT) | UPDATE

25 November 2024

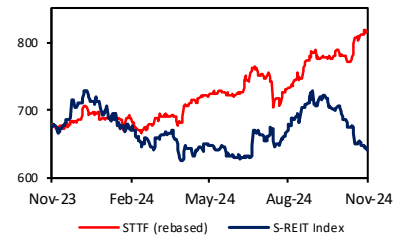
OVERWEIGHT (Maintained)

INDEX RETURN (%)

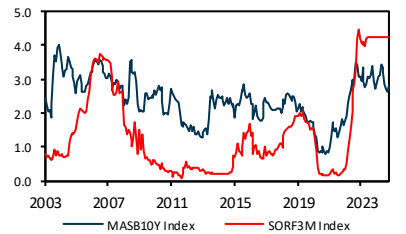
	1MTH	3MTH	YTD	1YR
S-REIT Index	(5.5)	1.9	(7.1)	8.0
STTF RETURN	(0.8)	2.2	9.2	15.5

- The S-REITs Index slumped 5.5% in October, reversing the 3.5% gain in September. The top performer for the month was Keppel DC REIT (KDCREIT SP, NEUTRAL, TP S\$2.16), gaining 5.5% after it reported above 40% positive rent reversion for its major Singapore contract renewal. Acrophyte Hospitality Trust (ARAUS SP, non-rated) was the worst performer, falling 14%. The industrial sub-sector was the top performer in September, declining 3.8%, while the worst-performing sub-sector was overseas diversified, dropping 9.3%
- 3Q24 results were within expectations. Given the high percentage of loans on fixed rates, it will take time for S-REITs to benefit from interest rate cuts. We expect a turnaround in 2025 as S-REITs begin to benefit from lower rates with the gradual expiration of interest rate hedges. S-REITs are now trading at a forward dividend yield spread of c.3.3% (-1.1x s.d.) and a P/NAV of 0.9x (-1.4x s.d.).
- We remain OVERWEIGHT on S-REITs, preferring those with a healthy balance sheet, strong sponsors, and improving operating metrics, particularly those with potential for higher rental reversions. We also favour REITs with a lower interest rate hedging ratio, as they benefit the most from interest rate cuts. We prefer the retail sub-sector as rental reversions remain strong. Catalysts for growth include asset recycling and accelerated interest rate cuts. Cromwell European REIT (CERT SP, BUY, TP €1.95), OUE REIT (OUEREIT SP, BUY, TP S\$0.40), and CapitaLand Ascott Trust (CLAS SP, BUY, TP S\$1.04) are our top picks.

S-REIT Index VS. STTF



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



Source: Bloomberg, PSR

SECTOR ROUND-UP

The Fed cut its benchmark rate by 25 bps to a target range of 4.5%-4.75% on 7 November. With Trump elected as president, the trajectory of future rate cuts has become more uncertain due to the potential inflationary impact of his policies. We expect three additional rate cuts by the end of 2025, down from our previous expectation of five. Most REITs have already repriced their debt to the current level of interest rates, and we expect interest costs to start trending down in 2025. Transactions volumes have also picked up - the most notable being Keppel DC REIT's billion-dollar acquisition of KDC SGP 7 and 8.

Retail

Rental reversions continue to be strong in 3Q24. Frasers Centrepoint Trust (FCT SP, ACCUMULATE, TP S\$2.44) and CapitaLand Integrated Commercial Trust (CICT SP, non-rated) had suburban mall rental reversions of c.+7.7% and +9.0%, respectively. Downtown malls reported even higher rental reversions, with Suntec REIT's (SUN SP, BUY, TP S\$1.36) Suntec City Mall and OUE REIT's (OUEREIT SP, BUY, TP S\$0.40) Mandarin Gallery achieving rental reversions of 21.2% and 16%, respectively. Despite tenant sales slowing across all REITs with some even reporting YoY declines, landlords noted that tenants are still willing to pay higher rents that are supported by the low occupancy cost. The demand from overseas retailers, new F&B concepts, and the shift to entertainment and wellness will support rental growth. We expect a positive rent reversion of high-single digit to low-teens in FY25, supported by the limited supply of new retail space.

Hospitality

3Q24 RevPAR continued to improve for REITs under our coverage despite the high base in 2023. CapitaLand Ascott Trust (CLAS SP, BUY, TP S\$1.04) had portfolio RevPAR growth of 3% YoY, reaching 105% pre-COVID RevPAR. Far East Hospitality Trust (FEHT SP, BUY, S\$0.75) had a hotel RevPAR increase of 2.8% YoY. Average daily room rate (ADR) growth has moderated from the high growth in 2023, and any growth in RevPAR in 2025 will likely come from higher occupancy.

Darren Chan (+65 6212 1849)
Senior Research Analyst
darrenchanrx@phillip.com.sg

Liu Miaomiao (+65 6212 1849)
Research Analyst
liumm@phillip.com.sg

Singapore's international visitor arrivals grew 17% YoY in October 24 to 1.31mn, reaching 86% of pre-COVID levels (Figure 8). Visitor arrivals from China grew 91% YoY in October 24 and are now 9% below pre-COVID levels. RevPAR in Singapore was flat in September 24, after rising 1% YoY in August. Despite the increasing number of international visitor arrivals, we noted that the average length of stay has fallen to 3 days from 3.5 days YoY. Furthermore, tourists are becoming more price sensitive. FEHT benefits from this downtrading with its balanced mid-to-upper scale hotel offerings. 1Q25 will likely be challenging, with the absence of major concerts (Coldplay, Taylor Swift). We are expecting low single-digit RevPAR growth in 2025 in Singapore.

Office

Rental reversions for 3Q24 remained resilient as most office REITs have passing rents below market rents. Keppel REIT (KREIT SP, non-rated) and Suntec REIT's (SUN SP, BUY, TP S\$1.36) Singapore office portfolio had positive reversions of 10.2% and 12.9%, respectively. Flight to quality remains, and demand is mainly from smaller tenants. The new supply from IOI Central Boulevard Towers is well absorbed, with 60% pre-committed, and is expected to be filled to 70-80% by the end of the year. They are also targeting a higher market segment, with rents upwards of S\$13 psfpm. Despite this, we expect core CBD Grade A office rents at \$11.95 psf pm in 3Q24 (unchanged QoQ) to come under pressure as supply (+614k sq ft from Keppel South Central in 2025) outstrips demand and vacancies increase (7.8% in 3Q24).

Industrial

Rents have begun to moderate from the double-digit positive rental reversions seen in the industrial sector over the past few years. Major 3PLs and e-commerce firms continue to consolidate. At the same time, island-wide vacancy for business parks remains elevated at 21.4%, driven by cost-saving measures and a lack of demand drivers, which will weigh on rental reversions. With an increase in prime logistics supply expected in 2025, landlords prioritize occupancy rates and temper their rental growth expectations, which have risen by 42.7% since the trough in 1Q20, according to CBRE. Given the bleak economic outlook and the anticipated slowdown in manufacturing, demand for industrial properties is likely to weaken. Consequently, we expect mid-single-digit positive rental reversions for this sector.

Weakness in the China logistics market is expected to continue for the next few quarters due to 1) new supply entering the market, 2) increased tenant incentives, and 3) subdued economic activity. In the near term, double-digit negative rent reversion is expected for logistic assets in China.

INVESTMENT RECOMMENDATION

OVERWEIGHT on SREITs (Maintained)

S-REITs are now trading a forward dividend yield of c.6.1%, 0.1x s.d. above the mean (Figure 5), and a P/NAV of 0.9x, 1.4x s.d. below the mean of 1.03x (Figure 4) after the S-REITs Index fell 5% in October 24. Interest rates have peaked as most REITs have already repriced their loans. Therefore, we think this is a good time for investors to reposition into SREITs to capture future growth in DPU from lower interest expenses.

The dividend yield spread has risen from 3.1% to 3.3% MoM and is now 1.1x s.d. below the mean of 4% (Figure 2). With more rate cuts on the horizon, we expect the dividend yield spread to widen as the SG10Y yield declines, making SREITs an increasingly attractive investment proposition.

Sub-sector preference: Retail

The return of international visitor arrivals could boost tenant sales and sentiment. Retail tenants are willing to pay higher rents due to the still below-average occupancy cost. We expect high single-digit positive rent reversion for suburban malls and double-digit positive rent reversion for downtown malls, supported by the limited supply of new retail space.

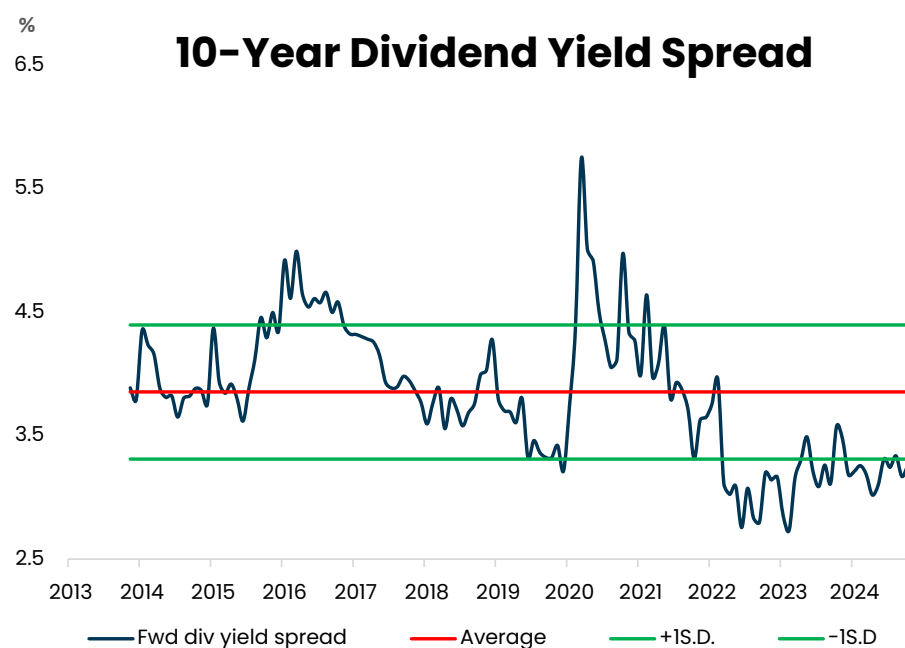
Figure 1: Our stock recommendations

	3M Daily Average Volume (mn)	Share Price S\$	P/NAV (x)	PSR Rating	Target Price S\$	FY21 DPU cents	FY22 DPU cents	FY23 DPU cents	FY24e DPU cents	FY25e DPU cents	FY24e DPU Yield	Total return
CapitaLand Ascott Trust	6.5	0.88	0.76	BUY	1.04	4.32	5.67	6.57	5.96	6.39	6.8%	25.7%
Cromwell European REIT	0.5	1.60	0.76	BUY	€1.95	16.96	17.19	15.69	14.20	13.41	8.9%	30.8%
Elite UK REIT	0.2	0.30	0.73	BUY	£0.34	5.35	4.74	3.07	2.80	3.28	9.5%	24.7%
Far East Hospitality Trust	0.9	0.61	0.66	BUY	0.75	2.63	3.27	4.09	4.09	4.13	6.7%	29.7%
First REIT	1.4	0.26	0.90	BUY	0.30	2.61	2.64	2.48	2.36	2.51	9.3%	26.9%
Frasers Centrepoint Trust	4.8	2.11	0.92	ACCUMULATE	2.44	12.23	12.15	12.04	12.25	12.74	5.8%	21.4%
Keppel DC REIT	6.5	2.22	1.61	NEUTRAL	2.16	9.85	10.21	9.38	9.49	10.54	4.3%	1.6%
Lendlease Global Commercial	5.6	0.55	0.59	BUY	0.80	4.68	4.85	4.70	4.16	4.33	7.6%	53.0%
OUE REIT	3.7	0.29	0.47	BUY	0.40	2.60	2.12	2.09	1.81	2.25	6.4%	46.7%
Prime US REIT	6.4	0.17	0.30	BUY	US\$0.2	6.16	5.95	2.46	0.33	0.33	2.0%	33.7%
Sasseur REIT	1.4	0.70	0.82	BUY	0.84	7.10	6.55	6.25	6.27	6.34	9.0%	29.0%
Suntec REIT	10.4	1.14	0.54	BUY	1.36	8.67	8.88	7.14	6.20	6.96	5.4%	24.7%

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: 24 November 2024), Company Results/Prospectuses, PSR

Figure 2: Dividend Yield Spread at 3.3% and -1.1x s.d.



Source: Bloomberg, Phillip Securities Research

Due to the recent share price performance, the dividend yield spread rose from 3.1% to 3.3% MoM and is now trading at -1.1x s.d. from the mean.

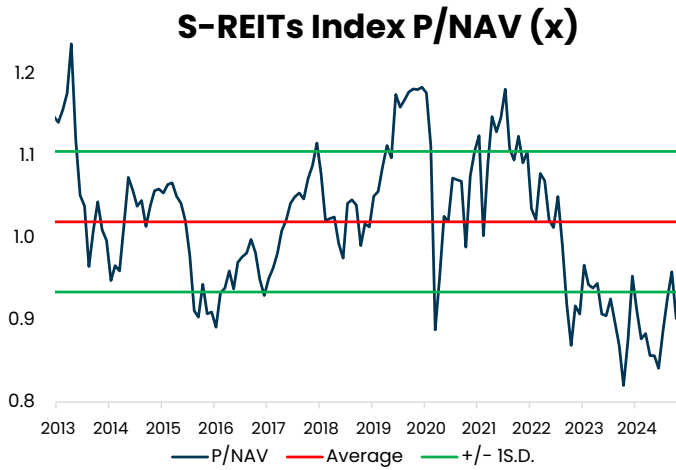
Figure 3: List of S-REITs with perpetual bonds and their respective call dates

Issuer Name	Coupon	Currency	Next Call Date	Amt Issued	Issue Date	Mty Type	Amt Out
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

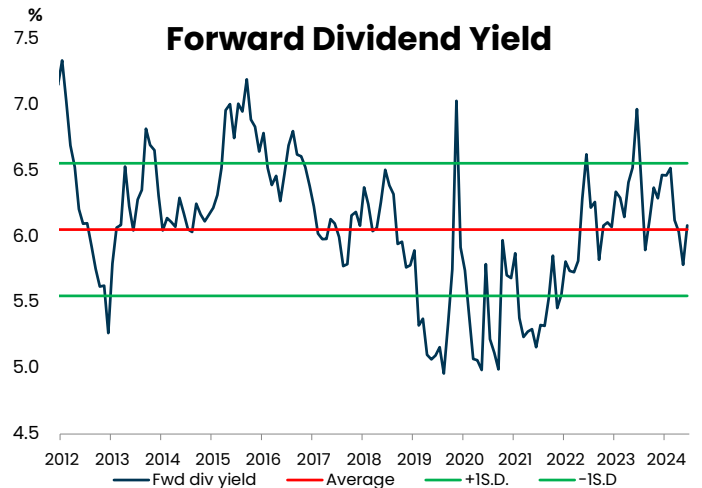
MACROECONOMIC ENVIRONMENT

Figure 4: P/NAV of 0.9x is at -1.4x s.d.



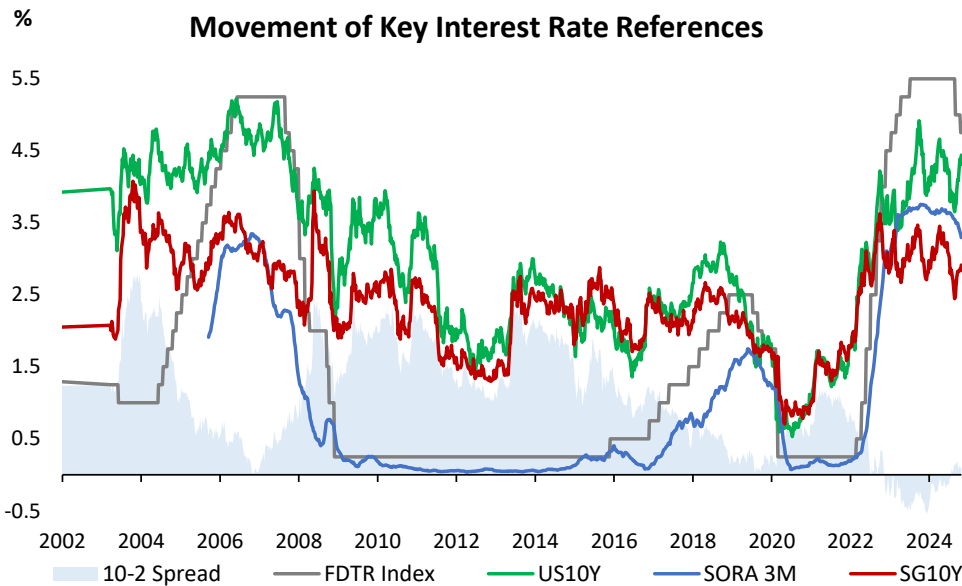
Source: Bloomberg, Phillip Securities, Research

Figure 5: Forward dividend yield of 6.1% is at 0.1x s.d.



Source: Bloomberg, Phillip Securities Research

Figure 6: Fed Funds rates vs Singapore interest rates



Source: Bloomberg, PSR

SG10Y yield gained 11bps MoM and fell 35bps YoY in Oct-24, while 3MSORA fell 12bps MoM and 38bps YoY.

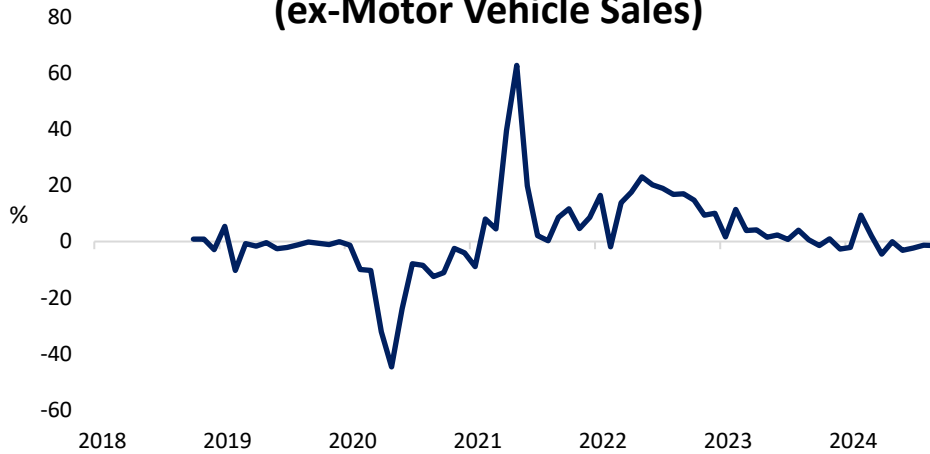
(in %)	SG10Y	3MSORA
1 Nov 2024	2.86	3.38
3Q24 Average	2.80	3.59
2Q24 Average	3.28	3.66
10Y Ave. (2013-2023)	2.23	1.12

Source: Bloomberg, PSR

SUBSECTOR MONTHLY INDICATORS

Figure 7: Sep-24 RSI was down 1.4% YoY

**Retail Sales Index (monthly YoY%)
(ex-Motor Vehicle Sales)**



Source: CEIC, PSR

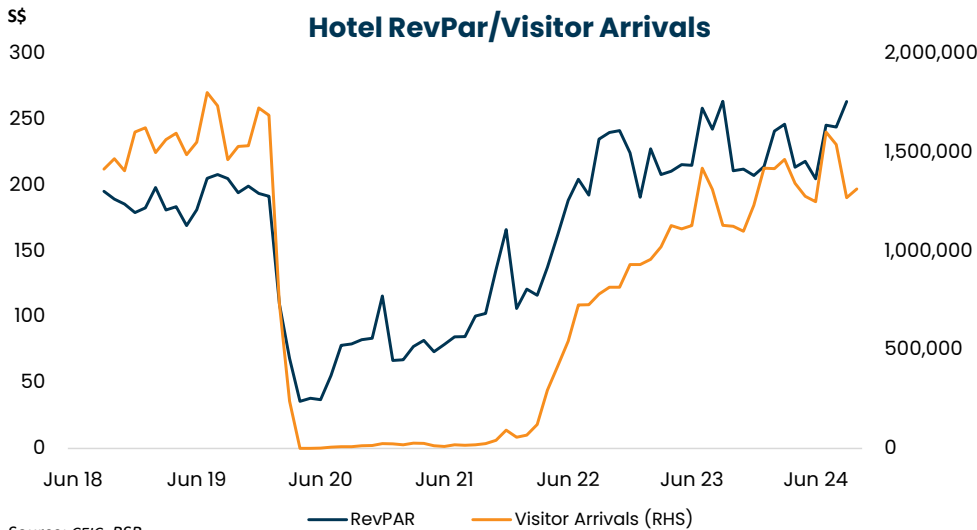
in %	RSI (excl. motor vehicles)	RSI (Dept stores)	RSI (Supermarkets)	RSI (Fashion)	F&B Services Index
Sept-24	-1.4	-6.8	1.7	-9.3	1.6
Sept-23	0.7	0.9	1.1	7.5	6.8

Sep-24 RSI (ex. MV) decreased 1.4% YoY, extending the 1.3% YoY decline in Aug-24.

Most trade sectors recorded YoY sales declines. Department stores and wearing apparel & footwear were the largest decliners at -6.8% and -9.3%, respectively.

In contrast, cosmetics, toiletries & medical goods were the biggest gainer at +2.9%.

Figure 8: Tourist arrivals and hotel RevPAR recovery



Source: CEIC, PSR

Sep-24 RevPAR and Oct-24 international visitor arrivals were +29% and -14% of pre-COVID levels, respectively.

	Visitor Arrivals		Hotel RevPAR (S\$)	Hotel Occupancy (%)	Hotel Average Room Rate (S\$)
Oct-24	1,314,473	Sept-24	264	83.5	316
Oct-23	1,125,964	Sept-23	264	82.9	318
YoY%	16.7%	YoY%	0.0%	0.6 ppts	-0.7%

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

	Mkt. Cap. (\$5mm)	% of REIT Market Cap	DPU (cents)								DPU Growth								DPU Yield (%)								
			2018A	2019A	2020A	2021A	2022A	2023A	2024F	2025F	2018A	2019A	2020A	2021A	2022A	2023A	2024F	2025F	2018A	2019A	2020A	2021A	2022A	2023A	2024F	2025F	
REIT INDEX	n.a.	n.a.	4854	4470	4248	4390	4466	4223	4108	4213	n.a.	-7.9%	-5.0%	3.4%	1.7%	-5.5%	-2.7%	2.6%	7.6	7.0	6.6	6.9	7.0	6.4	6.6	6.9	
SINGAPORE REITS																											
Healthcare																											
PARKWAYLIFE REAL ESTATE	2,388	2.7%	12.87	13.19	13.79	14.08	14.38	14.77	14.80	15.00	-3.6	2.5	4.5	2.1	2.1	2.7	0.2	1.4	3.5	3.6	3.8	3.8	3.9	4.0	4.0	4.1	
Hospitality																											
CAPITALAND ASCOTT TRUST	3,322	3.7%	7.16	7.61	3.03	4.32	5.67	6.57	6.10	6.30	1.0	6.3	-60.2	42.6	31.3	15.9	-7.2	3.3	8.2	8.7	3.5	4.9	6.5	7.5	7.0	7.2	
CDL HOSPITALITY TRUSTS	1,068	1.2%	9.26	9.02	4.95	4.27	5.63	5.70	5.50	6.10	0.4	-2.6	-45.1	-13.7	31.9	1.2	-3.5	10.9	10.9	10.6	5.8	5.0	6.6	6.7	6.5	7.2	
FRASERS HOSPITALITY TRUST	809	0.9%	4.41	1.40	0.98	1.64	2.44	2.26	2.20	2.20	-7.3	-68.3	-29.7	66.4	49.3	-7.5	-2.6	0.0	10.5	3.3	2.3	3.9	5.8	5.4	5.2	5.2	
FAR EAST HOSPITALITY TRUST	1,229	1.4%	4.00	3.81	2.41	2.63	3.27	4.09	4.10	4.20	2.6	-4.8	-36.7	9.1	24.3	25.1	0.2	2.4	6.6	6.2	4.0	4.3	5.4	6.7	6.7	6.9	
Average		7.2%	6.56	6.34	2.97	3.65	4.80	5.41	5.13	5.35	0.2	-6.7	-49.4	29.8	32.3	12.3	-4.6	4.0	8.6	7.9	3.8	4.7	6.2	7.0	6.6	6.9	
Retail																											
FRASERS CENTREPOINT TRUST	3,835	4.3%	12.04	9.02	12.09	12.23	12.15	12.04	12.10	12.50	0.5	-25.1	34.0	1.2	-0.6	-0.9	0.5	3.3	5.7	4.3	5.7	5.8	5.8	5.7	5.7	5.9	
PARAGON REIT	2,456	2.8%	5.54	5.60	2.72	5.40	n.a.	5.02	4.60	4.40	0.2	1.1	-51.4	98.5	n.a.	n.a.	-8.4	-4.3	6.4	6.5	3.1	6.2	n.a.	5.8	5.3	5.1	
STARHILL GLOBAL REIT	1,134	1.3%	4.48	2.96	3.95	3.80	3.80	3.63	3.80	3.80	-1.5	-39.9	33.4	-3.8	0.0	-4.5	4.7	0.0	9.1	6.0	8.0	7.7	7.7	7.3	7.7	7.7	
Average		8.3%	8.74	6.96	7.75	8.68	6.86	8.43	8.35	8.49	0.1	-17.8	5.6	32.6	-0.3	-1.1	-1.8	0.3	6.4	5.3	5.2	6.2	4.1	6.0	5.9	5.9	
SG Office																											
KEPPEL REIT	3,267	3.7%	5.56	5.58	5.73	5.82	5.92	5.80	5.90	6.00	-2.5	0.4	2.7	1.6	1.7	-2.0	1.7	1.7	6.5	6.6	6.7	6.8	7.0	6.8	6.9	7.1	
Industrial																											
CAPITALAND ASCENDAS REIT	11,256	12.6%	15.68	15.63	14.69	15.26	15.80	15.16	15.00	15.60	1.6	-0.3	-6.0	3.9	3.5	-4.0	-1.1	4.0	6.1	6.1	5.7	6.0	6.2	5.9	5.9	6.1	
MAPLETREE LOGISTICS TRUST	6,318	7.1%	7.93	8.13	8.32	8.79	9.01	9.00	8.10	8.10	4.2	2.5	2.3	5.7	2.5	-0.1	-10.0	0.0	6.3	6.5	6.7	7.0	7.2	7.2	6.5	6.5	
MAPLETREE INDUSTRIAL TRUST	6,456	7.2%	12.12	12.20	12.51	13.80	13.57	13.43	13.40	13.70	3.5	0.7	2.5	10.3	-1.7	-1.0	-0.2	2.2	5.3	5.4	5.5	6.1	6.0	5.9	5.9	6.0	
KEPPEL DC REIT	3,830	4.3%	7.19	7.61	9.17	9.85	10.21	9.38	9.30	10.20	2.8	5.8	20.5	7.4	3.7	-8.1	-0.9	9.7	3.2	3.4	4.1	4.4	4.6	4.2	4.2	4.6	
ESR-LOGOS REIT	2,076	2.3%	3.83	3.99	2.79	2.98	2.99	2.56	2.20	2.10	1.1	4.2	-30.2	7.0	0.4	-14.4	-14.2	-4.5	14.7	15.4	10.7	11.5	11.5	9.9	8.5	8.1	
AIMS APAC REIT	1,009	1.1%	10.23	9.48	8.94	9.44	9.93	9.36	9.30	9.50	-0.5	-7.3	-5.8	5.7	5.1	-5.7	-0.6	2.2	8.3	7.6	7.2	7.6	8.0	7.5	7.5	7.7	
SABANA INDUSTRIAL REAL ESTAT	405	0.5%	3.18	2.92	2.76	3.05	3.05	2.76	n.a.	n.a.	-3.9	8.2	-5.5	10.5	0.0	-9.5	n.a.	n.a.	8.8	8.1	7.7	8.5	8.5	7.7	n.a.	n.a.	
Average		35.2%	11.23	11.30	11.15	11.84	12.09	11.68	11.36	11.75	2.5	-1.2	-0.9	6.3	2.1	-3.9	-3.5	2.8	6.3	6.4	6.1	6.5	6.6	6.3	5.9	6.1	
Diversified																											
CAPITALAND INTEGRATED COMMERCIAL	14,063	15.8%	11.47	11.94	8.67	10.37	10.55	10.72	10.90	11.20	3.0	4.1	-27.4	19.7	1.7	1.6	1.7	2.8	5.9	6.2	4.5	5.4	5.5	5.6	5.6	5.8	
SUNTEC REIT	3,330	3.7%	9.99	9.51	7.40	8.67	8.88	7.14	6.30	6.70	-0.2	-4.8	-22.1	17.1	2.5	-19.7	-11.7	6.3	8.8	8.3	6.5	7.6	7.8	6.3	5.5	5.9	
OUE REAL ESTATE INVESTMENT TRUST	1,565	1.8%	3.48	3.31	2.43	2.60	2.12	2.09	2.00	2.20	-15.3	-4.9	-26.6	7.0	-18.5	-1.4	-4.3	10.0	12.2	11.6	8.5	9.1	7.4	7.3	7.0	7.7	
LENDLEASE GLOBAL COMMERCIAL	1,333	1.5%	n.a.	n.a.	0.00	4.68	4.85	4.70	3.90	3.90	n.a.	n.a.	n.a.	n.a.	3.6	-3.1	-17.0	0.0	n.a.	n.a.	0.0	8.5	8.8	8.5	7.1	7.1	
Average		22.8%	9.86	10.09	7.41	9.12	9.25	9.07	9.00	9.29	0.9	1.7	-24.7	17.0	0.4	-2.4	-2.2	3.7	6.5	6.6	4.8	6.2	6.2	6.0	5.8	6.0	
OFFSHORE SREITS																											
Overseas Retail																											
SASSEUR REAL ESTATE INVESTMENT	876	1.0%	5.13	6.53	6.55	7.10	6.55	6.25	6.20	6.50	n.a.	27.4	0.2	8.5	-7.8	-4.6	-0.8	4.8	7.3	9.3	9.4	10.1	9.4	8.9	8.9	9.3	
LIPPO MALLS INDONESIA RETAIL	139	0.2%	1.83	1.99	0.34	0.35	0.31	0.00	n.a.	n.a.	-40.4	8.8	-82.9	2.9	-11.4	-100.0	n.a.	n.a.	101.4	110.3	18.9	19.4	17.2	0.0	n.a.	n.a.	
DASIN RETAIL TRUST	27	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.	217.0	218.8	206.7	119.4	158.2	0.0	n.a.	n.a.	
BHG RETAIL REIT	239	0.3%	5.16	3.87	1.95	2.17	1.17	1.40	n.a.	n.a.	-5.7	-25.0	-49.6	11.3	-46.1	19.7	n.a.	n.a.	11.2	8.4	4.2	4.7	2.5	3.0	n.a.	n.a.	
UNITED HAMPSHIRE US REIT	265	0.3%	n.a.	n.a.	4.81	8.40	5.88	4.79	4.10	4.40	n.a.	n.a.	n.a.	74.6	-30.0	-18.5	-14.4	7.3	n.a.	n.a.	10.6	18.5	12.9	10.5	9.0	9.7	
Average		1.7%	3.99	4.60	4.98	5.90	5.02	4.58	4.22	4.44	-4.5	12.5	-15.1	18.9	-17.2	-13.4	-2.9	4.0	18.7	20.2	13.0	13.4	12.2	7.3	6.6	6.9	
Overseas Commercial																											
MANULIFE US REAL ESTATE INVESTMENT	179	0.2%	5.55	5.96	5.64	5.33	4.97	0.00	3.50	3.70	-2.5	7.4	-5.4	-5.5	-6.8	-100.0	n.a.	5.7	54.9	59.0	55.8	52.8	49.2	0.0	34.7	36.6	
PRIME US REIT	218	0.2%	n.a.	n.a.	6.31	6.16	5.95	2.46	0.30	0.30	n.a.	n.a.	n.a.	-2.3	-3.4	-58.6	-87.8	0.0	n.a.	n.a.	37.8	36.9	35.7	14.8	1.8	1.8	
KEPPEL PACIFIC OAK US REIT	230	0.3%	n.a.	6.01	6.23	6.34	5.80	2.50	0.00	0.00	n.a.	n.a.	3.7	1.8	-8.5	-56.9	-100.0	n.a.	n.a.	27.3	28.3	28.8	26.4	11.4	0.0	0.0	
IREIT GLOBAL	383	0.4%	3.16	3.14	2.56	2.90	2.66	1.87	n.a.	n.a.	-3.5	-0.6	-18.3	12.9	-8.2	-29.7	n.a.	n.a.	11.1	11.0	9.0	10.2	9.3	6.6	n.a.	n.a.	
ELITE UK REIT	173	0.2%	n.a.	n.a.	4.37	5.35	4.74	3.07	2.90	3.00	n.a.	n.a.	n.a.	22.3	-11.4	-35.2	-5.5	3.4	n.a.	n.a.	14.8	18.1	16.1	10.4	9.8	10.2	
Average		1.3%	1.86	3.09	4.70	4.89	4.53	1.99	1.01	1.05	-1.5	0.9	-6.0	6.5	-7.6	-51.8	-36.4	1.4	11.9	17.8	26.0	26.3	24.5	8.6	7.0	7.4	
Overseas Industrial																											
DIGITAL CORE REIT MANAGEMENT	784	0.9%	n.a.	0.00	n.a.	n.a.	n.a.	3.70	3.60	3.90	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2.7	8.3	n.a.	0.0	n.a.	n.a.	n.a.	6.1	6.0	6.4	
EC WORLD REIT	-	-	6.18	6.05	5.36	6.26	4.76	3.66	n.a.	n.a.	2.6	-2.1	-11.4	16.9	-24.0	-23.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
DAIWA HOUSE LOGISTICS TRUST	405	0.5%	n.a.	0.00	n.a.	n.a.	n.a.	5.70	5.00	5.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-12.3	0.0	n.a.	0.0	n.a.	n.a.	n.a.	9.8	8.6	8.6	
CAPITALAND INDIA TRUST	1,424	1.6%	7.23	0.00	8.32	7.74	8.13	6.45	7.50	7.90	27.9	-100.0	n.a.	-6.9	5.0	-20.7	16.3	5.3	6.8	0.0	7.8	7.3	7.7	6.1	7.1	7.5	
Average		2.9%	3.94	0.00	4.53	4.22	4.43	5.51	5.94	6.25	15.23	-54.51	0.00	-3.79	2.73	-11.26	6.16	5.41	3.72	0.00	4.						

Figure 101: S-REIT universe

	Mkt. Cap. (\$5mn)	3M Daily Average Volume	Price (\$)	% of REIT Market Cap	PSR RATING	PSR Target Price (\$)	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.	214.2	641	n.a.			0.9	5.7	(5.5)	(7.1)	37.7	n.a.					76.3	11.8	18.4
SINGAPORE REITS																			
Healthcare																			
PARKWAYLIFE REAL ESTATE	2,388	1.1	3.66	2.7%			1.6	1.4	(10.0)	3.0	35.6	2.8	16.3	-	11.3	1.3	90.0	2.0	10.0
Hospitality																			
CAPITALAND ASCOTT TRUST	3,322	6.5	0.88	3.7%	BUY	1.04	0.8	7.5	(7.2)	(8.6)	37.2	5.4			4.0	2.4	81.0	18.0	10.0
CDL HOSPITALITY TRUSTS	1,068	2.1	0.85	1.2%			0.6	6.7	(11.8)	(18.9)	36.7	11.3			2.7	4.2	52.3	30.1	29.5
FRASERS HOSPITALITY TRUST	809	0.8	0.42	0.9%			0.6	2.8	(8.5)	(13.1)	34.5	5.8			3.4	3.3	73.8	21.0	37.0
FAR EAST HOSPITALITY TRUST	1,229	0.9	0.61	1.4%	BUY	0.75	0.7	6.8	(3.1)	(6.8)	31.3	9.9			3.5	3.3	42.6	0.0	21.0
Average				7.2%			0.7	6.6	(7.3)	(10.5)		7.3			3.5	2.9			
Retail																			
FRASERS CENTREPOINT TRUST	3,835	4.8	2.11	4.3%	ACCUMULATE	2.44	0.9	5.7	(2.6)	(0.9)	37.2	5.5	1.9	2.0	3.4	4.3	63.4	20.3	27.4
PARAGON REIT	2,456	2.0	0.87	2.8%			0.8	7.8	(4.9)	(1.1)	30.0	-	3.0	5.1	3.5	4.3	85.0	33.3	28.5
STARHILL GLOBAL REIT	1,134	2.0	0.50	1.3%			0.7	7.3	(6.4)	(2.9)	36.8	4.9	8.3	7.9	3.2	3.8	78.0	18.6	24.3
Average				8.3%			0.8	6.7	(3.9)	(1.3)		3.5			3.4	4.2			
Commercial																			
KEPPEL REIT	3,267	9.0	0.85	3.7%			0.7	6.7	(5.8)	(3.2)	38.9	5.6		5.5	3.4	2.9	75.0	22.0	21.0
Industrial																			
CAPITALAND ASCENDAS REIT	11,256	13.1	2.56	12.6%			1.1	5.9	(5.9)	(11.2)	37.9	7.2	3.9		3.9	3.5	79.1	14.5	23.9
MAPLETREE LOGISTICS TRUST	6,318	23.3	1.25	7.1%			0.9	6.4	(8.9)	(23.6)	38.8	7.6		2.9	3.7	2.5	83.0	7.0	16.0
MAPLETREE INDUSTRIAL TRUST	6,456	5.7	2.27	7.2%			1.2	5.4	(1.2)	(4.4)	38.6	5.0	4.4		4.7	3.1	79.5	11.5	19.1
KEPPEL DC REIT	3,830	6.5	2.22	4.3%	NEUTRAL	2.16	1.6	4.2	5.5	17.4	37.4	9.7		7.6	4.7	3.3	74.0	4.0	7.0
ESR-LOGOS REIT	2,076	14.0	0.26	2.3%			0.9	11.5	(3.4)	(12.5)	35.7	1.8	3.4		2.5	3.9	81.6	0.0	11.8
AIMS APAC REIT	1,009	1.1	1.24	1.1%			1.0	5.7	(3.8)	(2.3)	32.2	9.4	4.6		3.8	4.0	76.0	0.0	17.1
SABANA INDUSTRIAL REAL ESTAT	405	0.6	0.36	0.5%			0.7	6.9	1.4	(11.1)	34.3	6.6	3.0		3.5	3.9	76.3	25.1	22.2
Average				35.2%			1.1	6.1	(3.8)	(8.6)		6.8			4.0	3.2			
Diversified																			
CAPITALAND INTEGRATED COMMER	14,063	32.1	1.93	15.8%			0.9	4.9	(4.7)	(1.7)	39.9	4.9	3.4		3.1	3.4	78.0	16.0	13.0
SUNTEC REIT	3,330	10.4	1.14	3.7%	BUY	1.36	0.5	6.7	(10.5)	(3.3)	42.4	4.5			2.4	2.9	66.0	9.3	15.7
OUÉ REAL ESTATE INVESTMENT T	1,565	3.7	0.29	1.8%	BUY	0.40	0.5	6.9	(9.4)	1.8	38.2	8.3	2.4		2.4	4.3	66.3	0.0	42.6
LENDLEASE GLOBAL COMMERCIAL	1,333	5.6	0.55	1.5%	BUY	0.80	0.6	8.9	(5.0)	(10.9)	40.5	5.5	4.9	7.9	3.8	3.4	61.0	0.0	22.0
Average				22.8%			0.8	5.6	(6.0)	(2.3)		5.1			3.0	3.4			
OFFSHORE REITS																			
Overseas Retail																			
SASSEUR REAL ESTATE INVESTME	876	1.4	0.70	1.0%	BUY	0.84	0.8	9.0	(4.2)	0.7	25.3	5.7	1.2	2.1	4.3	5.6	87.0	0.0	13.0
LIPPO MALLS INDONESIA RETAIL	139	2.3	0.02	0.2%			0.3	-	0.0	35.3	44.3	2.2		2.2	1.9	8.6	30.5	29.5	3.2
DASIN RETAIL TRUST	27	0.1	0.03	0.0%			0.0	-	(5.6)	(38.2)									
BHG RETAIL REIT	239	0.0	0.46	0.3%			0.6	0.7	(8.0)	(1.1)	39.9	0.9	3.3	5.9		5.6	50.0		
UNITED HAMPSHIRE US REIT	265	0.3	0.46	0.3%			0.6	9.1	(2.0)	(5.0)	41.7	5.4	7.1		2.9	4.3	78.8	0.0	0.0
Average				1.7%			0.7	6.8	(4.0)	1.9		2.3			3.1	5.6			
Overseas Commercial																			
MANULIFE US REAL ESTATE INV	179	8.3	0.10	0.2%			0.3	47.1	(9.7)	40.0	56.7	(44.2)		7.6	2.6	4.1	80.2	3.8	13.8
PRIME US REIT	218	6.4	0.17	0.2%	BUY	0.20	0.3	2.4	(4.8)	(18.4)	42.8	(5.9)		3.9	3.4	3.9	80.0	0.0	63.5
KEPPEL PACIFIC OAK US REIT	230	2.1	0.22	0.3%			0.3	27.3	(7.4)	(33.3)	38.4	3.5		3.5	3.4	4.0	77.6	1.7	12.9
IREIT GLOBAL	383	0.5	0.29	0.4%			0.5	9.7	(3.3)	(27.2)	33.1	(5.9)		5.0	7.1	1.9	96.2	0.0	0.0
ELITE UK REIT	173	0.2	0.30	0.2%	BUY	€0.34	0.7	9	(4.8)	7.1	46.0	(10.8)		4.5	3.4	5.2	62.0	0.0	58.8
Average				1.3%			0.4	17.4	(5.5)	(11.6)		(7.5)			4.5	3.5			
Overseas Industrial																			
DIGITAL CORE REIT MANAGEMENT	784	3.4	0.61	0.9%			0.9	3.0	1.6	(3.1)	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	405	0.7	0.58	0.5%			0.8	8.7	(8.5)	(9.9)	35.7	7.8	6.6		11.7	1.0	100.0	0.0	29.4
CAPITALAND INDIA TRUST	1,424	2.1	1.06	1.6%			0.9	6.3	(6.0)	(4.4)	36.0	8.6			2.7	6.3	73.0	37.7	10.9
Average				2.9%			0.9	5.7	(4.1)	(4.9)		6.1			3.3	5.0			
Overseas Diversified																			
CAPITALAND CHINA TRUST	1,221	4.2	0.71	1.4%			0.6	9.0	(11.7)	(18.8)	40.2	4.0	1.8	1.9	3.2	3.5	74.0	0.3	14.8
FRASERS LOGISTICS & COMMERCI	3,424	19.7	0.91	3.8%			0.8	3.6	(7.0)	(7.0)	28.6	11.7	4.4	-	8.0	2.0	75.4	6.4	25.9
MAPLETREE PAN ASIA COM TRUST	6,422	17.6	1.22	7.2%			0.7	7.0	(11.5)	(16.6)	40.7	6.4	2.6	-	3.2	3.2	74.2	6.0	22.0
CROMWELL REIT EUR	900	0.5	1.60	1.0%	BUY	€ 1.95	0.8	10.7	1.3	14.1	39.5	(2.1)	4.4	4.1	2.9	4.1	94.0	0.0	0.0
Average				13.4%			0.7	6.5	(9.3)	(11.7)		7.3			4.6	2.8			
Other Overseas REITS																			
FIRST REAL ESTATE INVNT TRUST	534	1.4	0.26	0.6%	BUY	0.30	0.9	9.4	(5.4)	0.0	38.7	4.7		12.0	4.1	4.9	86.0	0.0	0.0
ACROPHYTE HOSPITALITY TRUST	108	0.3	0.19	0.1%			0.3	14	(14.0)	(29.5)	39.7	1.3			2.5	4.6	75.2	0.0	43.5
Average				0.7%			0.8	10.2	(6.8)	(5.0)		3.8			3.8	4.8			

Source: Bloomberg (Updated: 24 November 2024), Company Results/Prospectuses, PSR

Contact Information (Singapore Research Team)

Head of Research

Paul Chew – paulchewkl@phillip.com.sg

Research Admin

Qystina Azli - qystina@phillip.com.sg

Technical Analyst

Zane Aw – zaneawyx@phillip.com.sg

Property | REITs

Darren Chan – darrenchanrx@phillip.com.sg

Property | REITs

Liu Miaomiao – liumm@phillip.com.sg

Banking & Finance

Glenn Thum – glenthumjc@phillip.com.sg

Construction

Yik Ban Chong (Ben) – chongyb@phillip.com.sg

US Tech Analyst (Software/Services)

Ambrish Shah – amshah@phillipventuresifsc.in

US Tech Analyst (Hardware/E-commerce/ETF)

Helena Wang – helenawang@phillip.com.sg

Contact Information (Regional Member Companies)

SINGAPORE

Phillip Securities Pte Ltd

Raffles City Tower
250, North Bridge Road #06-00
Singapore 179101
Tel +65 6533 6001
Fax +65 6535 6631
Website: www.poems.com.sg

JAPAN

Phillip Securities Japan, Ltd.

4-2 Nihonbashi Kabuto-cho Chuo-ku,
Tokyo 103-0026
Tel +81-3 3666 2101
Fax +81-3 3666 6090
Website: www.phillip.co.jp

THAILAND

Phillip Securities (Thailand) Public Co. Ltd

15th Floor, Vorawat Building,
849 Silom Road, Silom, Bangrak,
Bangkok 10500 Thailand
Tel +66-2 6351700 / 22680999
Fax +66-2 22680921
Website www.phillip.co.th

UNITED STATES

Phillip Capital Inc

141 W Jackson Blvd Ste 3050
The Chicago Board of Trade Building
Chicago, IL 60604 USA
Tel +1-312 356 9000
Fax +1-312 356 9005
Website: www.phillipusa.com

INDIA

PhillipCapital (India) Private Limited

No.1, 18th Floor, Urmi Estate
95, Ganpatrao Kadam Marg
Lower Parel West, Mumbai 400-013
Maharashtra, India
Tel: +91-22-2300 2999 / Fax: +91-22-2300 2969
Website: www.phillipcapital.in

MALAYSIA

Phillip Capital Management Sdn Bhd

B-3-6 Block B Level 3 Megan Avenue II,
No. 12, Jalan Yap Kwan Seng, 50450
Kuala Lumpur
Tel +603 2162 8841
Fax +603 2166 5099
Website: www.poems.com.my

INDONESIA

PT Phillip Securities Indonesia

ANZ Tower Level 23B,
Jl Jend Sudirman Kav 33A
Jakarta 10220 – Indonesia
Tel +62-21 5790 0800
Fax +62-21 5790 0809
Website: www.phillip.co.id

FRANCE

King & Shaxson Capital Limited

3rd Floor, 35 Rue de la Bienfaisance 75008
Paris France
Tel +33-1 45633100
Fax +33-1 45636017
Website: www.kingandshaxson.com

AUSTRALIA

Phillip Capital Limited

Level 10, 330 Collins Street
Melbourne, Victoria 3000, Australia
Tel +61-03 8633 9803
Fax +61-03 8633 9899
Website: www.phillipcapital.com.au

TURKEY

PhillipCapital Menkul Degerler

Esentepe Mah. Harman 1 Sk.
Nida Kule Kat 3-12 Levent-Şişli
34394, İstanbul Turkey
Tel: +90 (212) 239 10 00
Fax: 0212 233 69 29
Website: www.phillipcapital.com.tr

HONG KONG

Phillip Securities (HK) Ltd

11/F United Centre 95 Queensway
Hong Kong
Tel +852 2277 6600
Fax +852 2868 5307
Websites: www.phillip.com.hk

CHINA

Phillip Financial Advisory (Shanghai) Co Ltd

No 550 Yan An East Road,
Ocean Tower Unit 2318,
Postal code 200001
Tel +86-21 5169 9200
Fax +86-21 6351 2940
Website: www.phillip.com.cn

UNITED KINGDOM

King & Shaxson Capital Limited

6th Floor, Candlewick House,
120 Cannon Street,
London, EC4N 6AS
Tel +44-20 7426 5950
Fax +44-20 7626 1757
Website: www.kingandshaxson.com

CAMBODIA

Phillip Bank Plc

Ground Floor of B-Office Centre, #61-64,
Norodom Blvd Corner Street 306, Sangkat
Boeung Keng Kang 1, Khan Chamkamorn,
Phnom Penh, Cambodia
Tel: 855 (0) 7796 6151/855 (0) 1620 0769
Website: www.phillipbank.com.kh

DUBAI

Phillip Futures DMCC

Member of the Dubai Gold and
Commodities Exchange (DGCX)
Unit No 601, Plot No 58, White Crown Bldg,
Sheikh Zayed Road, P.O.Box 212291
Dubai-UAE
Tel: +971-4-3325052 / Fax: + 971-4-3328895

Important Information

This report is prepared and/or distributed by Phillip Securities Research Pte Ltd ("Phillip Securities Research"), which is a holder of a financial adviser's license under the Financial Advisers Act, Chapter 110 in Singapore.

By receiving or reading this report, you agree to be bound by the terms and limitations set out below. Any failure to comply with these terms and limitations may constitute a violation of law. This report has been provided to you for personal use only and shall not be reproduced, distributed or published by you in whole or in part, for any purpose. If you have received this report by mistake, please delete or destroy it, and notify the sender immediately.

The information and any analysis, forecasts, projections, expectations and opinions (collectively, the "Research") contained in this report has been obtained from public sources which Phillip Securities Research believes to be reliable. However, Phillip Securities Research does not make any representation or warranty, express or implied that such information or Research is accurate, complete or appropriate or should be relied upon as such. Any such information or Research contained in this report is subject to change, and Phillip Securities Research shall not have any responsibility to maintain or update the information or Research made available or to supply any corrections, updates or releases in connection therewith.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this report are as of the date indicated and are subject to change at any time without prior notice. Past performance of any product referred to in this report is not indicative of future results.

This report does not constitute, and should not be used as a substitute for, tax, legal or investment advice. This report should not be relied upon exclusively or as authoritative, without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this report has been made available constitutes neither a recommendation to enter into a particular transaction, nor a representation that any product described in this report is suitable or appropriate for the recipient. Recipients should be aware that many of the products, which may be described in this report involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made, unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of any product. Any decision to purchase any product mentioned in this report should take into account existing public information, including any registered prospectus in respect of such product.

Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may provide an array of financial services to a large number of corporations in Singapore and worldwide, including but not limited to commercial / investment banking activities (including sponsorship, financial advisory or underwriting activities), brokerage or securities trading activities. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have participated in or invested in transactions with the issuer(s) of the securities mentioned in this report, and may have performed services for or solicited business from such issuers. Additionally, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have provided advice or investment services to such companies and investments or related investments, as may be mentioned in this report.

Phillip Securities Research or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report may, from time to time maintain a long or short position in securities referred to herein, or in related futures or options, purchase or sell, make a market in, or engage in any other transaction involving such securities, and earn brokerage or other compensation in respect of the foregoing. Investments will be denominated in various currencies including US dollars and Euro and thus will be subject to any fluctuation in exchange rates between US dollars and Euro or foreign currencies and the currency of your own jurisdiction. Such fluctuations may have an adverse effect on the value, price or income return of the investment.

To the extent permitted by law, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may at any time engage in any of the above activities as set out above or otherwise hold an interest, whether material or not, in respect of companies and investments or related investments, which may be mentioned in this report. Accordingly, information may be available to Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, which is not reflected in this report, and Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may, to the extent permitted by law, have acted upon or used the information prior to or immediately following its publication. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited its officers, directors, employees or persons involved in the issuance of this report, may have issued other material that is inconsistent with, or reach different conclusions from, the contents of this report.

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities Research to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

This report is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this report may not be suitable for all investors and a person receiving or reading this report should seek advice from a professional and financial adviser regarding the legal, business, financial, tax and other aspects including the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.

This report is not intended for distribution, publication to or use by any person in any jurisdiction outside of Singapore or any other jurisdiction as Phillip Securities Research may determine in its absolute discretion.

IMPORTANT DISCLOSURES FOR INCLUDED RESEARCH ANALYSES OR REPORTS OF FOREIGN RESEARCH HOUSES

Where the report contains research analyses or reports from a foreign research house, please note:

- (i) recipients of the analyses or reports are to contact Phillip Securities Research (and not the relevant foreign research house) in Singapore at 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101, telephone number +65 6533 6001, in respect of any matters arising from, or in connection with, the analyses or reports; and
- (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, Phillip Securities Research accepts legal responsibility for the contents of the analyses or reports.