

# WEEKLY S-REITS TRACKER

Andy Wong Teck Ching, CFA • (65) 6818 4808 • andywong@ocbc.com

**16 Jul 2018**

## Weekly top gainers (%)

Far East Hospitality Trust	+6.5
Sasseur REIT	+6.0
Suntec REIT	+5.1

## Weekly top laggards (%)

Cromwell European REIT	-2.5
EC World REIT	-1.4
BHG Retail REIT	-1.4

## Weekly sector performance (%)

Hospitality	+3.1
Office	+2.6
Retail	+1.4
Industrial	+0.8
Healthcare	+0.7
Data Centre	+0.0
Others	-0.1
<b>Overall</b>	<b>+1.6</b>



The FTSE ST REIT Index rose 1.9% WoW while the STI increased by 2.1% over the same period.

Source: Bloomberg, OIR

NOTE: The calculation of the % gains/losses is based on last Friday's closing prices and the preceding week's Friday closing prices.

## KEY TAKEAWAYS

- Frasers Commercial Trust (FCOT)** has entered into a property sale agreement for the divestment of 55 Market Street. The sale consideration of S\$216.8m comes in at a 44.5% premium over the property's valuation of S\$150.0m as at 1 Jul 2018, and translates into an exit NPI yield of 1.7%, based on the property's NPI for the quarter ended 31 Mar 2018. Additionally, the divestment would be DPU-accretive on a pro-forma basis, based on the assumption that all net divestment proceeds are used to repay existing debt to bring aggregate leverage to 26.5% from 34.7%. Maintain **BUY** with a FV of S\$1.53. **(11 Jul)**
- SPH REIT** reported its 3QFY18 results which came in within our expectations. Gross revenue and NPI slipped 2.9% and 3.8% YoY to S\$51.8m and S\$40.6m, respectively, due to lower rental income at Paragon and higher utility rate contracted. DPU was unchanged YoY at 1.37 S cents as management paid out S\$110k of income available for distribution which was retained earlier in 1HFY18. For 9MFY18, SPH REIT's revenue declined slightly by 0.7% to S\$158.8m, while NPI slipped 1.0% to S\$125.0m and this formed 73.8% of our FY18 forecast. DPU of 4.11 S cents was unchanged from 9MFY17 and constituted 73.4% of our full-year projection. Overall portfolio occupancy stood at 99.6%, a mild dip from the full occupancy registered in the previous quarter. Maintain **HOLD** with a FV of S\$1.02. **(11 Jul)**
- Since the start of Jun to 9 Jul's close, hospitality S-REITs under our coverage have each posted a total return ranging from -0.9% (**Ascott Residence Trust**) to -5.3% (**Far East Hospitality Trust**). This compares to -5.8% for the STI, -9.1% for FSTREH, and -0.2% for FSTREI over the same period. Valuations now look more attractive than previously but we believe the key risk remains in investors demanding higher dividend yield from rising interest rates. Visitor arrivals continue to post a decent YoY growth in 2Q, although more tepid than that seen in 1Q. In light of demand-supply dynamics, we believe that Mid-Tier hotels are set to outperform Upscale hotels in terms of YoY growth this year. Given that its hotel assets are concentrated in the Mid-Tier segment, **Far East Hospitality Trust** [**BUY**; FV: S\$0.735] remains our top pick. **(10 Jul)**

## RECENT DEVELOPMENTS

- Suntec REIT** has issued S\$150.0m, 3.0% notes due 2021. **(9 Jul)**

Sources: Reuters, Bloomberg, News agencies, Company announcements, OIR



**Exhibit 1: Peer comparison**  
**Singapore REITs**

		Price (\$)	Mkt Cap (\$ m)	Float (%)	FYE (mth)	DPU (freq)	Curr DPU (cents)	Fwd DPU (cents)	Curr Yield (%)	Fwd Yield (%)	YTD Return (%)	D/A (%)	P/B (x)
<b>OFFICE (8)</b>													
CapitalLand Commercial Trust	SGD	1.750	6,512.3	69.9	Dec	Semi-Anl	9.00	9.00	5.1	5.1	-6.0	37.9	0.99
Frasers Commercial Trust	SGD	1.440	1,272.0	74.9	Sep	Quarter	9.70	9.70	6.7	6.7	-0.1	35.3	0.94
IREIT Global	SGD	0.785	494.0	34.4	Dec	Semi-Anl	N.A.	N.A.	N.A.	N.A.	5.1	40.5	1.15
Keppel REIT	SGD	1.150	3,919.1	53.4	Dec	Quarter	5.90	5.90	5.1	5.1	-6.6	38.6	0.81
Manulife US REIT	USD	0.860	1,092.1	92.6	Dec	Semi-Anl	5.80	6.10	6.7	7.1	-1.3	34.1	1.06
OUE Commercial REIT	SGD	0.690	1,067.3	16.9	Dec	Semi-Anl	4.50	4.40	6.5	6.4	-1.1	40.5	0.76
Suntec REIT	SGD	1.840	4,901.9	79.7	Dec	Quarter	10.00	10.00	5.4	5.4	-12.3	36.6	0.87
Keppel-KBS US REIT	USD	0.865	545.1	85.8	Dec	Semi-Anl	5.97	6.32	6.9	7.3	-4.4	33.6	0.98
	SGD	Total:	20,401.0					Average:	6.1	6.2	-3.3	37.1	0.95
<b>RETAIL (11)</b>													
BHG Retail REIT	SGD	0.720	361.3	67.5	Dec	Semi-Anl	N.A.	N.A.	N.A.	N.A.	0.6	33.0	0.85
CapitalLand Mall Trust	SGD	2.120	7,522.9	65.5	Dec	Quarter	11.00	11.30	5.2	5.3	2.3	33.5	1.08
CapitalLand Retail China Trust	SGD	1.490	1,445.2	62.8	Dec	Semi-Anl	10.30	10.70	6.9	7.2	-7.5	32.5	0.89
Fortune REIT	HKD	9.270	17,773.3	72.3	Dec	Semi-Anl	51.90	53.30	5.6	5.7	-0.9	27.4	0.66
Frasers Centrepoint Trust	SGD	2.200	2,046.7	58.0	Sep	Quarter	12.10	12.90	5.5	5.9	1.4	29.2	1.08
Lippo Malls Indo Retail Trust	SGD	0.320	912.4	63.5	Dec	Quarter	2.60	2.60	8.1	8.1	-16.6	35.0	1.06
Mapletree Commercial Trust	SGD	1.610	4,646.1	65.8	Mar	Quarter	9.00	9.20	5.6	5.7	2.2	34.5	1.08
Mapletree North Asia Com	SGD	1.160	3,649.4	69.0	Mar	Semi-Anl	7.70	7.80	6.6	6.7	-2.0	39.1	0.86
SPH REIT	SGD	1.000	2,544.0	25.2	Aug	Quarter	5.60	5.80	5.6	5.8	-1.8	25.4	1.06
Starhill Global REIT	SGD	0.655	1,439.6	62.9	Jun	Quarter	4.80	4.90	7.3	7.5	-12.2	35.3	0.71
Sasseur REIT	SGD	0.705	832.1	23.2	Dec	Semi-Anl	6.00	6.24	8.5	8.9	N.A.	34.4	0.90
	SGD	Total:	28,490.5					Average:	6.5	6.7	-3.5	32.7	0.93
<b>INDUSTRIAL (11)</b>													
AIMS AMP Capital Ind REIT	SGD	1.390	952.9	86.5	Mar	Quarter	10.80	11.00	7.8	7.9	4.7	33.5	1.01
Ascendas REIT	SGD	2.710	7,941.5	80.0	Mar	Semi-Anl	16.30	17.00	6.0	6.3	2.6	34.4	1.28
Cache Logistics Trust	SGD	0.780	835.6	99.5	Dec	Quarter	6.20	6.30	7.9	8.1	-5.4	38.5	1.11
EC World REIT	SGD	0.705	555.9	41.9	Dec	Semi-Anl	6.10	6.50	8.7	9.2	-3.5	28.9	0.70
ESR-REIT	SGD	0.525	831.4	71.8	Dec	Quarter	3.90	4.10	7.4	7.8	-3.1	30.0	0.90
Frasers Logistics & Ind Trust	SGD	1.060	2,147.4	78.6	Sep	Semi-Anl	7.00	7.10	6.6	6.7	-3.2	30.5	1.17
Mapletree Industrial Trust	SGD	1.980	3,733.5	68.3	Mar	Quarter	12.60	12.90	6.4	6.5	-0.2	33.1	1.34
Mapletree Logistics Trust	SGD	1.270	4,086.8	66.0	Mar	Quarter	7.90	8.00	6.2	6.3	-0.4	37.7	1.15
Sabana REIT	SGD	0.435	458.1	72.3	Dec	Quarter	N.A.	N.A.	N.A.	N.A.	14.7	38.1	0.80
Soilbuild REIT	SGD	0.660	695.9	64.3	Dec	Quarter	5.10	5.00	7.7	7.6	2.5	40.2	1.04
Viva Industrial Trust	SGD	0.895	871.0	42.3	Dec	Quarter	6.90	6.70	7.7	7.5	-0.4	40.6	1.18
	SGD	Total:	23,110.0					Average:	7.2	7.4	0.8	35.0	1.06
<b>HOSPITALITY (6)</b>													
Ascendas Hospitality Trust	SGD	0.795	899.6	64.3	Mar	Semi-Anl	5.80	6.00	7.3	7.5	-3.9	30.8	0.87
Ascott Residence Trust	SGD	1.120	2,418.7	55.3	Dec	Semi-Anl	7.00	7.30	6.3	6.5	-5.4	36.1	0.92
CDL Hospitality Trusts	SGD	1.620	1,950.0	62.7	Dec	Semi-Anl	9.90	10.30	6.1	6.4	-1.4	33.2	1.08
Far East Hospitality Trust	SGD	0.660	1,231.8	40.7	Dec	Quarter	4.20	4.50	6.4	6.8	-5.8	35.1	0.76
Frasers Hospitality Trust	SGD	0.690	1,289.7	38.9	Sep	Semi-Anl	5.00	5.10	7.2	7.4	-9.2	33.1	0.87
OUE Hospitality Trust	SGD	0.785	1,427.6	51.6	Dec	Quarter	5.10	5.40	6.5	6.9	-4.8	38.7	1.03
	SGD	Total:	9,217.4					Average:	6.6	6.9	-5.1	34.5	0.92
<b>HEALTHCARE (2)</b>													
First REIT	SGD	1.320	1,036.2	67.1	Dec	Quarter	8.80	9.00	6.7	6.8	-2.1	34.1	1.30
ParkwayLife REIT	SGD	2.740	1,657.7	54.3	Dec	Quarter	12.80	12.80	4.7	4.7	-6.3	38.0	1.56
	SGD	Total:	2,693.9					Average:	5.7	5.7	-4.2	36.1	1.43
<b>DATA CENTRE (1)</b>													
Keppel DC REIT	SGD	1.36	1,837.8	70.5	Dec	Semi-Anl	7.70	8.00	5.7	5.9	-0.6	37.4	1.42
	SGD	Total:	1,837.8					Average:	5.7	5.9	-0.6	37.4	1.42
<b>OTHERS (1)</b>													
Cromwell European REIT	EUR	0.585	920.8	27.9	Dec	Semi-Anl	4.30	4.40	7.4	7.5	5.4	35.1	1.05
	SGD	Total:	1,468.3					Average:	7.4	7.5	5.4	35.1	1.05
<b>40 S-REITS</b>		<b>GRAND TOTAL:</b>	<b>87,218.9</b>					<b>AVERAGE:</b>	<b>6.6</b>	<b>6.8</b>	<b>-2.2</b>	<b>34.8</b>	<b>1.01</b>

**Business Trusts**

**REAL ESTATE (3)**

Accordia Golf Trust	SGD	0.600	659.5	71.1	Mar	Semi-Anl	4.51	4.94	7.5	8.2	-9.2	24.7	0.68
Ascendas India Trust	SGD	1.070	1,119.1	71.7	Mar	Semi-Anl	6.60	7.20	6.2	6.7	-3.1	26.4	1.18
Dasin Retail Trust	SGD	0.875	485.7	29.6	Dec	Semi-Anl	0.09	0.09	0.1	0.1	4.2	30.4	0.56
	SGD	Total:	2,264.3					Average:	4.6	5.0	-2.7	27.2	0.81

**INFRASTRUCTURE (3)**

Asian Pay Television Trust	SGD	0.425	610.6	99.9	Dec	Quarter	6.50	6.50	15.3	15.3	-23.0	50.8	0.53
Keppel Infrastructure Trust	SGD	0.525	2,025.6	56.0	Mar	Quarter	3.90	3.90	7.4	7.4	-5.6	40.1	1.77
NetLink NBN Trust	SGD	0.770	3,000.7	75.0	Mar	Semi-Anl	4.90	5.00	6.4	6.5	-4.0	13.5	0.95
	SGD	Total:	5,636.9					Average:	9.7	9.7	-10.9	34.8	1.08

**PORT AND SHIPPING (2)**

First Ship Lease Trust	SGD	0.082	52.3	74.7	Dec	Irreg	N.A.	N.A.	N.A.	N.A.	-8.9	40.9	0.22
Hutchison Port Holdings	USD	0.280	2,395.6	72.3	Dec	Semi-Anl	2.56	2.62	9.1	9.4	-31.0	29.5	0.48
	SGD	Total:	3,321.7					Average:	9.1	9.4	-19.9	35.2	0.35

**HEALTHCARE (1)**

RHT Health Trust	SGD	0.775	632.2	62.7	Mar	Irreg	5.10	5.90	6.6	7.6	-1.6	29.3	0.95
	SGD	Total:	632.2					Average:	6.6	7.6	-1.6	29.3	0.95

**9 BUSINESS TRUSTS**

<b>GRAND TOTAL:</b>		<b>11,855.2</b>						<b>AVERAGE:</b>	<b>7.3</b>	<b>7.7</b>	<b>-9.1</b>	<b>31.7</b>	<b>0.81</b>
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Source: Managers, Bloomberg, OIR estimates (16 Jul 2018)

**NOTES:**

- 1) SGD/JPY = 0.012134; SGD/USD = 1.3648; SGD/HKD = 0.1739; USD/HKD = 0.12741; SGD/EUR = 1.5946; SGD/AUD = 1.0139; CNY/SGD = 4.8976
- 2) Curr/Fwd DPU and yield are based on Bloomberg consensus forecasts for the current/next financial year
- 3) D/A (Debt-to-Asset) and P/B (Price-to-Book) are based on figures reported in latest available financial results
- 4) YTD return includes dividends distributed
- 5) Mapletree Greater China Commercial Trust has changed its name to Mapletree North Asia Commercial Trust with effect from 25 May 2018
- 6) Keppel-KBS US REIT's Curr DPU and Fwd DPU are based on its prospectus' FY18 and FY19 forecasted figures, respectively.
- 7) Cromwell European REIT's Curr DPU and Fwd DPU are based on its prospectus' FY18 and FY19 forecasted figures, respectively.
- 8) Sasseur REIT's Curr DPU is for FY18, based on the annualised DPU for the Forecast Period 2018 (with Entrusted Management Agreements) as stated in the prospectus. Fwd DPU is calculated from the prospectus' FY19 forecasted yield. D/A and P/B calculations are based on pro forma figures as at listing date.

**Exhibit 2: OIR coverage**

	BBRG Ticker		Price	Fair Value	Rating
Ascendas REIT	AREIT SP	SGD	2.710	2.71	HOLD
Ascott Residence Trust	ART SP	SGD	1.120	1.14	HOLD
Cache Logistics Trust	CACHE SP	SGD	0.780	0.83	HOLD
CapitalLand Commercial Trust	CCT SP	SGD	1.750	1.84	HOLD
CapitalLand Mall Trust	CT SP	SGD	2.120	2.26	BUY
CapitalLand Retail China Trust	CRCT SP	SGD	1.490	1.64	BUY
CDL Hospitality Trusts	CDREIT SP	SGD	1.620	1.60	HOLD
Far East Hospitality Trust	FEHT SP	SGD	0.660	0.735	BUY
First REIT	FIRT SP	SGD	1.320	1.48	BUY
Frasers Centrepoint Trust	FCT SP	SGD	2.200	2.49	BUY
Frasers Commercial Trust	FCOT SP	SGD	1.440	1.53	BUY
Frasers Logistics & Ind Trust	FLT SP	SGD	1.060	1.21	BUY
Keppel DC REIT	KDCREIT SP	SGD	1.360	1.54	BUY
Mapletree North Asia Com	MAGIC SP	SGD	1.160	1.42	BUY
Mapletree Industrial Trust	MINT SP	SGD	1.980	2.06	HOLD
Mapletree Logistics Trust	MLT SP	SGD	1.270	1.34	BUY
OUE Commercial REIT	OUECT SP	SGD	0.690	0.68	HOLD
OUE Hospitality Trust	OUEHT SP	SGD	0.785	0.84	HOLD
Soilbuild REIT	SBREIT SP	SGD	0.660	0.71	BUY
SPH REIT	SPHREIT SP	SGD	1.000	1.02	HOLD
Starhill Global REIT	SGREIT SP	SGD	0.655	0.65	HOLD
Suntec REIT	SUN SP	SGD	1.840	1.84	HOLD
Viva Industrial Trust	VIT SP	SGD	0.895	0.90	ACCEPT OFFER

Source: Bloomberg, OIR estimates (16 Jul 2018)

**Exhibit 3: Distribution details**

	DPU (S cents)	Date announced	Ex-date	Record date	Pay date	Annualised yield (%)
Keppel DC REIT	2.770	7 May 2018	11 May 2018	15 May 2018	8 Aug 2018	5.5
CapitalLand Commercial Trust	3.490	16 May 2018	23 May 2018	25 May 2018	18 Jul 2018	5.0
Mapletree Logistics Trust	1.398	24 May 2018	31 May 2018	4 Jun 2018	31 Aug 2018	6.2
SPH REIT	1.370	10 Jul 2018	16 Jul 2018	18 Jul 2018	17 Aug 2018	5.4

Source: Managers, Bloomberg, OIR estimates (16 Jul 2018)

NOTES:

- 1) Keppel DC REIT's DPU of 2.77 S cents is an advanced distribution for the period of 1 Jan 2018 to 15 May 2018.
- 2) CapitalLand Commercial Trust's DPU of 3.49 S cents is an advanced distribution for the period of 1 Jan 2018 to 27 May 2018.
- 3) Mapletree Logistics Trust's DPU of 1.398 S cents is an advanced distribution for the period of 1 Apr 2018 to 4 Jun 2018.

**Exhibit 4: Results release dates**

	Financial quarter	Release date	Remarks
Keppel REIT	2QFY18	16 Jul 2018	After market close
Soilbuild REIT	2QFY18	16 Jul 2018	After market close
First REIT	2QFY18	17 Jul 2018	After market close
Keppel DC REIT	2QFY18	17 Jul 2018	After market close
CapitalLand Commercial Trust	2QFY18	19 Jul 2018	Before market open
CapitalLand Mall Trust	2QFY18	20 Jul 2018	Before market open
Hutchison Port Holdings Trust	2QFY18	23 Jul 2018	After market close
Mapletree Logistics Trust	1QFY19	23 Jul 2018	After market close
Mapletree Industrial Trust	1QFY19	24 Jul 2018	After market close
Ascott Residence Trust	2QFY18	24 Jul 2018	Before market open
Frasers Centrepoint Trust	3QFY18	24 Jul 2018	After market close
Suntec REIT	2QFY18	25 Jul 2018	Before market open
Ascendas India Trust	1QFY18	25 Jul 2018	After market close
Frasers Commercial Trust	3QFY18	25 Jul 2018	After market close
Sabana REIT	2QFY18	25 Jul 2018	After market close
ParkwayLife REIT	2QFY18	26 Jul 2018	Before market open
Mapletree Commercial Trust	1QFY19	26 Jul 2018	After market close
Frasers Hospitality Trust	3QFY18	26 Jul 2018	After market close
CDL Hospitality Trusts	2QFY18	27 Jul 2018	Before market open
CapitalLand Retail China Trust	2QFY18	27 Jul 2018	Before market open
OUE Hospitality Trust	2QFY18	27 Jul 2018	After market close
Starhill Global REIT	4QFY18	27 Jul 2018	After market close
Mapletree North Asia Com	1QFY19	30 Jul 2018	After market close
Cache Logistics Trust	2QFY18	31 Jul 2018	Before market open
Far East Hospitality Trust	2QFY18	31 Jul 2018	Before market open
Accordia Golf Trust	1QFY18	13 Aug 2018	After market close

Source: Managers, Bloomberg

ANALYST DECLARATION:

For analysts' shareholding disclosure on individual companies, please refer to the latest reports of these companies.

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- As a guide, OIR's BUY rating indicates a total expected return in excess of 10% based on the current price; a HOLD rating indicates total expected returns within +10% and -5%; a SELL rating indicates total expected returns less than -5%.
- For companies with market capitalisation of S\$150m and below, OIR's BUY rating indicates a total expected return in excess of 30%; a HOLD rating indicates total expected returns within a +/-30% range; a SELL rating indicates total expected returns less than -30%.

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Carmen Lee  
Head of Research  
For OCBC Investment Research Private Limited

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