

# WEEKLY S-REITS TRACKER

Andy Wong Teck Ching, CFA • (65) 6531 9817 • andywong@ocbc.com

**20 November 2017**

## Weekly top gainers (%)

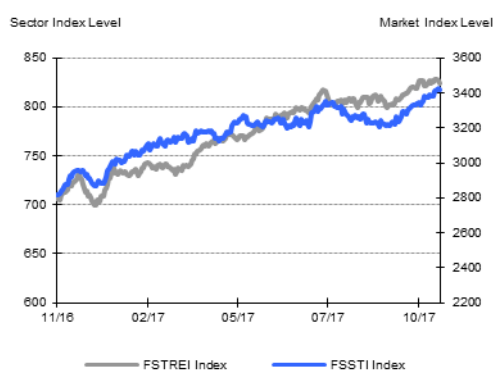
ESR-REIT	+2.7
Suntec REIT	+2.3
Viva Industrial Trust	+2.1

## Weekly top laggards (%)

Frasers Logistics & Ind Trust	-3.5
Sabana REIT	-2.2
Fortune REIT	-2.2

## Weekly sector performance (%)

Office	+1.9
Data Centre	+1.5
Retail	+0.8
Hospitality	-0.2
Industrial	-0.2
Healthcare	-1.7
<b>Overall</b>	<b>+0.6</b>



The FTSE ST REIT Index was up 0.3% WoW while the STI dipped 1.1% 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

- Looking ahead to 2018, we believe outlook for the data centre industry remains largely sanguine, especially for the APAC region. **Keppel DC REIT (KDCREIT)** is poised to be a beneficiary of this trend, in our view. According to Frost & Sullivan, revenue for the APAC data centre market is projected to double from US\$16b this year to US\$32b by 2022. KDCREIT's most recent acquisition was the B10 Data Centre in Dublin, Ireland. Including this acquisition and its maincubes data centre in Germany which is currently under construction, we estimate that KDCREIT's AUM is now ~S\$1.7b, which is on track to meet management's S\$2b AUM target by 2018. Our back-of-the-envelope calculation suggests that should KDCREIT finance S\$300m worth of acquisitions in FY18 using a debt-to-equity mix of 25%/75%, our annualised DPU accretion works out to be 2.9%. We maintain **BUY** as we bump up our fair value estimate from S\$1.39 to S\$1.50 on higher DPU forecasts and a lower discount rate assumption. **(20 Nov)**
- Core CPI in the U.S. rose 1.8% YoY (+0.2% MoM) for the month of Oct, beating the street's expectations for a 1.7% increase. This was also the highest level since Apr this year. Thereafter, the probability of a rate hike during the Dec FOMC meeting moved from 92.3% to 97.1%. However, we believe this recent development would be a non-event for the S-REITs sector, as investors have largely factored in a third rate hike in Dec prior to this data point release. Furthermore, the S-REITs under our coverage have on average hedged 74.2% of their borrowings, as at 30 Sep 2017, while average gearing ratio is at a comfortable 34.0% level. Maintain **NEUTRAL** on the **S-REITs sector** given stretched valuations, with the FTSE ST REIT Index trading at a forward yield spread of 378 bps against the Singapore Government 10-year bond yield, or 1.2 standard deviations below the 5-year mean. **(17 Nov)**

## RECENT DEVELOPMENTS

- Cromwell European REIT has lodged an amended prospectus with MAS, with a total offering of 428.535m units at EUR0.55 per unit. The projected distribution yields for FY18 and FY19 are 7.8% and 8.0%, respectively, based on information from the prospectus. **(15 Nov)**
- RHT Health Trust announced that it has received a proposal from Fortis Healthcare to acquire its entire asset portfolio. The aggregate consideration for the proposed disposal is INR46.5b, subject to certain adjustments **(15 Nov)**
- Lippo Malls Indonesia Retail Trust announced that it has obtained a S\$80m unsecured uncommitted revolving credit facility, which will be used towards future acquisitions, refinancing of maturing debts and working capital requirements. **(13 Nov)**

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



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Weekly S-REITs Tracker

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>													
CapitaLand Commercial Trust	SGD	1.850	6,783.3	72.7	Dec	Semi-Anl	8.80	8.80	4.8	4.8	38.4	33.9	1.01
Frasers Commercial Trust	SGD	1.420	1,152.3	73.0	Sep	Quarter	9.50	9.60	6.7	6.8	22.0	34.7	0.89
IREIT Global	SGD	0.760	475.2	32.6	Dec	Semi-Anl	5.90	5.90	7.8	7.8	15.1	41.7	1.14
Keppel REIT	SGD	1.170	4,003.1	55.9	Dec	Quarter	6.00	6.00	5.1	5.1	22.9	38.8	0.82
Manulife US REIT	USD	0.895	928.7	94.5	Dec	Semi-Anl	5.50	6.20	6.1	6.9	27.3	33.1	1.04
OUE Commercial REIT	SGD	0.710	1,096.2	17.1	Dec	Semi-Anl	4.80	4.80	6.8	6.8	9.5	36.9	0.83
Suntec REIT	SGD	1.970	5,251.8	78.5	Dec	Quarter	10.00	9.80	5.1	5.0	26.7	36.8	0.93
Keppel-KBS US REIT	USD	0.910	572.0	36.3	Dec	Semi-Anl	5.97	6.32	6.6	6.9	N.A.	36.0	1.09
			<b>Total:</b>	<b>20,797.9</b>				<b>Average:</b>	<b>6.1</b>	<b>6.3</b>	<b>23.1</b>	<b>36.5</b>	<b>0.97</b>
<b>RETAIL (10)</b>													
BHG Retail REIT	SGD	0.745	371.6	67.5	Dec	Semi-Anl	N.A.	N.A.	N.A.	N.A.	22.5	32.5	0.90
CapitaLand Mall Trust	SGD	2.060	7,341.1	63.3	Dec	Quarter	11.00	11.00	5.3	5.3	16.1	34.7	1.06
CapitaLand Retail China Trust	SGD	1.660	1,497.0	60.4	Dec	Semi-Anl	10.30	10.90	6.2	6.6	29.4	35.4	1.02
Fortune REIT	HKD	9.390	17,946.9	72.0	Dec	Semi-Anl	51.50	52.50	5.5	5.6	15.1	28.4	0.70
Frasers Centrepoint Trust	SGD	2.200	2,026.3	58.0	Sep	Quarter	12.30	12.80	5.6	5.8	22.0	29.0	1.08
Lippo Malls Indo Retail Trust	SGD	0.435	1,228.4	63.1	Dec	Quarter	3.80	3.70	8.7	8.5	27.8	28.7	1.23
Mapletree Commercial Trust	SGD	1.550	4,491.1	65.9	Mar	Quarter	8.90	8.90	5.7	5.7	18.5	36.4	1.13
Mapletree Greater China Com	SGD	1.160	3,262.1	65.9	Mar	Semi-Anl	7.40	7.40	6.4	6.4	30.4	38.5	0.96
SPH REIT	SGD	1.030	2,668.3	25.2	Aug	Quarter	5.70	5.80	5.5	5.6	15.7	25.4	1.09
Starhill Global REIT	SGD	0.760	1,657.7	62.9	Jun	Quarter	5.00	5.00	6.6	6.6	9.4	35.4	0.82
			<b>Total:</b>	<b>27,659.3</b>				<b>Average:</b>	<b>6.2</b>	<b>6.2</b>	<b>20.7</b>	<b>32.4</b>	<b>1.00</b>
<b>INDUSTRIAL (11)</b>													
AIMS AMP Capital Ind REIT	SGD	1.410	896.0	79.6	Mar	Quarter	10.70	11.00	7.6	7.8	15.3	37.3	1.03
Ascendas REIT	SGD	2.650	7,618.4	79.7	Mar	Semi-Anl	16.00	16.50	6.0	6.2	23.7	33.1	1.25
Cache Logistics Trust	SGD	0.860	912.4	99.5	Dec	Quarter	6.80	6.40	7.9	7.4	19.0	43.6	1.12
EC World REIT	SGD	0.765	599.2	50.8	Dec	Semi-Anl	N.A.	N.A.	N.A.	N.A.	8.7	29.2	0.77
ESR-REIT	SGD	0.570	745.7	69.3	Dec	Quarter	3.90	4.10	6.8	7.2	13.0	36.7	0.90
Frasers Logistics & Ind Trust	SGD	1.090	1,655.9	70.9	Sep	Semi-Anl	7.10	7.20	6.5	6.6	25.9	29.3	1.21
Mapletree Industrial Trust	SGD	1.980	3,751.1	68.3	Mar	Quarter	11.90	12.60	6.0	6.4	29.6	30.0	1.41
Mapletree Logistics Trust	SGD	1.280	3,877.2	63.6	Mar	Quarter	7.70	7.90	6.0	6.2	33.4	33.7	1.24
Sabana REIT	SGD	0.440	452.8	78.3	Dec	Quarter	N.A.	N.A.	N.A.	N.A.	22.2	36.0	0.77
Soilbuild REIT	SGD	0.645	677.3	64.5	Dec	Quarter	5.60	4.80	8.7	7.4	9.9	37.9	0.90
Viva Industrial Trust	SGD	0.975	945.8	38.9	Dec	Quarter	7.40	7.60	7.6	7.8	39.4	39.6	1.24
			<b>Total:</b>	<b>22,131.8</b>				<b>Average:</b>	<b>7.0</b>	<b>7.0</b>	<b>21.8</b>	<b>35.1</b>	<b>1.08</b>
<b>HOSPITALITY (6)</b>													
Ascendas Hospitality Trust	SGD	0.870	976.3	64.7	Mar	Semi-Anl	5.80	6.10	6.7	7.0	31.6	32.6	0.98
Ascott Residence Trust	SGD	1.190	2,558.1	58.9	Dec	Semi-Anl	6.90	7.30	5.8	6.1	17.3	31.9	0.96
CDL Hospitality Trusts	SGD	1.640	1,978.1	62.9	Dec	Semi-Anl	9.10	9.70	5.5	5.9	36.6	33.3	1.11
Far East Hospitality Trust	SGD	0.700	1,298.3	40.8	Dec	Quarter	4.00	4.10	5.7	5.9	24.3	32.1	0.78
Frasers Hospitality Trust	SGD	0.775	1,442.4	38.6	Sep	Semi-Anl	5.20	5.20	6.7	6.7	27.6	32.1	0.95
OUE Hospitality Trust	SGD	0.810	1,463.3	51.8	Dec	Quarter	5.10	5.00	6.3	6.2	31.7	38.1	1.07
			<b>Total:</b>	<b>9,716.5</b>				<b>Average:</b>	<b>6.1</b>	<b>6.3</b>	<b>28.2</b>	<b>33.4</b>	<b>0.97</b>
<b>HEALTHCARE (2)</b>													
First REIT	SGD	1.370	1,068.5	67.3	Dec	Quarter	8.60	8.70	6.3	6.4	15.4	32.5	1.37
ParkwayLife REIT	SGD	2.830	1,712.2	54.3	Dec	Quarter	13.50	12.50	4.8	4.4	26.0	37.3	1.65
			<b>Total:</b>	<b>2,780.7</b>				<b>Average:</b>	<b>5.5</b>	<b>5.4</b>	<b>20.7</b>	<b>34.9</b>	<b>1.51</b>
<b>DATA CENTRE (1)</b>													
Keppel DC REIT	SGD	1.40	1,566.8	64.6	Dec	Semi-Anl	7.30	7.60	5.2	5.4	23.4	32.1	1.45
			<b>Total:</b>	<b>1,566.8</b>				<b>Average:</b>	<b>5.2</b>	<b>5.4</b>	<b>23.4</b>	<b>32.1</b>	<b>1.45</b>
<b>38 S-REITS</b>		<b>GRAND TOTAL:</b>		<b>84,653.0</b>				<b>AVERAGE:</b>	<b>6.3</b>	<b>6.4</b>	<b>22.8</b>	<b>34.3</b>	<b>1.05</b>
<b>Business Trusts</b>													
<b>REAL ESTATE (3)</b>													
Accordia Golf Trust	SGD	0.705	769.4	71.1	Mar	Semi-Anl	5.27	5.19	7.5	7.4	16.8	24.6	0.79
Ascendas India Trust	SGD	1.140	1,065.5	74.4	Mar	Semi-Anl	6.10	6.50	5.4	5.7	18.1	30.0	1.45
Dasin Retail Trust	SGD	0.820	442.4	30.6	Dec	Semi-Anl	N.A.	N.A.	N.A.	N.A.	N.A.	31.5	0.54
			<b>Total:</b>	<b>2,277.3</b>				<b>Average:</b>	<b>6.4</b>	<b>6.5</b>	<b>17.4</b>	<b>28.7</b>	<b>0.93</b>
<b>INFRASTRUCTURE (3)</b>													
Asian Pay Television Trust	SGD	0.595	854.9	99.9	Dec	Quarter	6.50	6.30	10.9	10.6	74.7	49.4	0.72
Keppel Infrastructure Trust	SGD	0.560	2,179.4	56.0	Mar	Quarter	3.90	3.90	7.0	7.0	27.6	39.7	1.84
NetLink NBN Trust	SGD	0.820	3,215.0	75.2	Mar	Semi-Anl	3.00	4.80	3.7	5.9	N.A.	11.9	1.02
			<b>Total:</b>	<b>6,249.3</b>				<b>Average:</b>	<b>7.2</b>	<b>7.8</b>	<b>51.1</b>	<b>33.7</b>	<b>1.19</b>
<b>PORT AND SHIPPING (2)</b>													
First Ship Lease Trust	SGD	0.081	51.6	74.7	Dec	Irreg	N.A.	N.A.	N.A.	N.A.	-49.1	44.7	0.18
Hutchison Port Holdings	USD	0.420	3,615.1	72.3	Dec	Semi-Anl	2.64	2.73	6.3	6.5	3.4	30.0	0.72
			<b>Total:</b>	<b>4,955.9</b>				<b>Average:</b>	<b>6.3</b>	<b>6.5</b>	<b>-22.8</b>	<b>37.4</b>	<b>0.45</b>
<b>HEALTHCARE (1)</b>													
RHT Health Trust	SGD	0.855	690.7	67.0	Mar	Semi-Anl	5.20	5.60	6.1	6.5	-4.1	28.1	1.02
			<b>Total:</b>	<b>690.7</b>				<b>Average:</b>	<b>6.1</b>	<b>6.5</b>	<b>-4.1</b>	<b>28.1</b>	<b>1.02</b>
<b>9 BUSINESS TRUSTS</b>		<b>GRAND TOTAL:</b>		<b>14,173.2</b>				<b>AVERAGE:</b>	<b>6.7</b>	<b>7.1</b>	<b>12.5</b>	<b>32.2</b>	<b>0.92</b>

Source: Managers, Bloomberg, OIR estimates (20 Nov 2017)

NOTES:

1) SGD/JPY = 0.012099; SGD/USD = 1.3566; SGD/HKD = 0.1736; USD/HKD = 0.128; SGD/EUR = 1.5936; SGD/AUD = 1.0255; CNY/SGD = 4.8877

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) Cambridge Industrial Trust has been renamed as ESR-REIT with effect from 23 Jun 2017

6) Keppel-KBS US REIT's Curr DPU and Fwd DPU are based on FY18 and FY19 forecasted figures, respectively. D/A and P/B calculations are based on pro forma figures as at 30 Jun 2017

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Weekly S-REITs Tracker

**Exhibit 2: OIR coverage**

	BBRG Ticker		Price	Fair Value	Rating
Ascendas REIT	AREIT SP	SGD	2.650	2.67	HOLD
Ascott Residence Trust	ART SP	SGD	1.190	1.11	HOLD
Cache Logistics Trust	CACHE SP	SGD	0.860	0.81	HOLD
CapitaLand Commercial Trust	CCT SP	SGD	1.850	1.66	HOLD
CapitaLand Mall Trust	CT SP	SGD	2.060	2.20	BUY
CapitaLand Retail China Trust	CRCT SP	SGD	1.660	1.61	HOLD
CDL Hospitality Trusts	CDREIT SP	SGD	1.640	1.555	HOLD
Far East Hospitality Trust	FEHT SP	SGD	0.700	0.65	HOLD
First REIT	FIRT SP	SGD	1.370	1.44	BUY
Frasers Centrepoint Trust	FCT SP	SGD	2.200	2.40	BUY
Frasers Commercial Trust	FCOT SP	SGD	1.420	1.42	HOLD
Frasers Logistics & Ind Trust	FLT SP	SGD	1.090	1.25	BUY
Keppel DC REIT	KDCREIT SP	SGD	1.400	1.50	BUY
Lippo Malls Indo Retail Trust	LMRT SP	SGD	0.435	0.460	BUY
Mapletree Greater China Com	MAGIC SP	SGD	1.160	1.28	BUY
Mapletree Industrial Trust	MINT SP	SGD	1.980	1.92	HOLD
Mapletree Logistics Trust	MLT SP	SGD	1.280	1.35	BUY
OUE Commercial REIT	OUECT SP	SGD	0.710	0.67	HOLD
OUE Hospitality Trust	OUEHT SP	SGD	0.810	0.82	HOLD
Soilbuild REIT	SBREIT SP	SGD	0.645	0.66	HOLD
SPH REIT	SPHREIT SP	SGD	1.030	1.08	BUY
Starhill Global REIT	SGREIT SP	SGD	0.760	0.77	HOLD
Suntec REIT	SUN SP	SGD	1.970	1.80	HOLD
Viva Industrial Trust	VIT SP	SGD	0.98	0.90	HOLD

Source: Bloomberg, OIR estimates (20 Nov 2017)

**Exhibit 3: Distribution details**

	DPU (S cents)	Date announced	Ex-date	Record date	Pay date	Annualised yield (%)
Soilbuild REIT	1.374	13/10/2017	20/10/2017	24/10/2017	20/11/2017	8.5
Mapletree Greater China Com	3.714	20/10/2017	26/10/2017	30/10/2017	20/11/2017	6.4
ESR-REIT	0.964	17/10/2017	24/10/2017	26/10/2017	24/11/2017	6.7
Keppel REIT	1.400	17/10/2017	24/10/2017	26/10/2017	28/11/2017	4.7
Cache Logistics Trust	1.541	24/10/2017	30/10/2017	1/11/2017	28/11/2017	7.1
Mapletree Industrial Trust	3.990	24/10/2017	30/10/2017	1/11/2017	28/11/2017	8.0
Viva Industrial Trust	1.900	27/10/2017	2/11/2017	6/11/2017	28/11/2017	7.7
Sabana REIT	0.790	23/10/2017	27/10/2017	31/10/2017	28/11/2017	7.1
First REIT	2.140	23/10/2017	27/10/2017	31/10/2017	29/11/2017	6.2
CapitaLand Mall Trust	2.780	20/10/2017	26/10/2017	30/10/2017	29/11/2017	5.4
Frasers Commercial Trust	2.407	20/10/2017	27/10/2017	31/10/2017	29/11/2017	6.7
Frasers Centrepoint Trust	2.970	25/10/2017	31/10/2017	2/11/2017	29/11/2017	5.4
Suntec REIT	2.483	27/10/2017	2/11/2017	6/11/2017	29/11/2017	5.0
Mapletree Commercial Trust	2.240	25/10/2017	31/10/2017	2/11/2017	29/11/2017	5.7
Starhill Global REIT	1.200	27/10/2017	2/11/2017	6/11/2017	29/11/2017	6.3
Lippo Malls Indo Retail Trust	0.860	2/11/2017	9/11/2017	13/11/2017	29/11/2017	7.8
Ascendas REIT	8.108	30/10/2017	3/11/2017	7/11/2017	29/11/2017	6.1
OUE Hospitality Trust	1.360	1/11/2017	7/11/2017	9/11/2017	1/12/2017	6.7
ParkwayLife REIT	3.370	9/11/2017	15/11/2017	17/11/2017	8/12/2017	4.7
Ascendas Hospitality Trust	2.730	6/11/2017	10/11/2017	14/11/2017	12/12/2017	6.3
Far East Hospitality Trust	1.030	1/11/2017	8/11/2017	10/11/2017	15/12/2017	5.8
Frasers Logistics & Ind Trust	1.680	2/11/2017	8/11/2017	10/11/2017	19/12/2017	6.4
AIMS AMP Capital Ind REIT	2.550	26/10/2017	2/11/2017	6/11/2017	21/12/2017	7.2
EC World REIT	1.440	8/11/2017	14/11/2017	16/11/2017	28/12/2017	7.5
Frasers Hospitality Trust	2.514	27/10/2017	2/11/2017	6/11/2017	29/12/2017	6.5

Source: Managers, Bloomberg, OIR estimates (20 Nov 2017)

Note: Frasers Logistics & Ind Trust's annualised yield includes an advanced distribution of 1.84 S cents for the period from 1 Apr 2017 to 5 Jul 2017.

SHAREHOLDING DECLARATION:

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

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- 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  
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