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Real Estate Centre
MONTHLY REIT FACTOR ANALYSIS

June 2026

Introduction and Rationale

As part of our academic research (see References in the Appendix) into i) Global Listed Real Estate ("LRE") performance over the cycle, ii) optimal LRE asset allocations and iii) real estate investment strategies for both public and private asset allocators, we monitor the factors affecting the monthly performance of our proprietary database of >370 Global REITs. We focus purely on REITs in these studies for simplicity and ease of comparison.

It has been well documented by Hoesli (2012) that LRE is influenced by equity markets in the short term and the underlying real estate market in the longer (three years) term. It is also well known that certain style factors affect performance regardless of equity sector (Fama and French 2102). Our area of enquiry is to identify both the *real estate* and the specific *non real estate factors* that are driving LRE performance and identify the trends which will shape future performance. We therefore apply both real estate and general equity style factors to our REIT universe. Generalist asset allocators often struggle to incorporate real estate equities into their process but by applying general equity factors it is easier to incorporate the unique characteristics of LRE with the other 10 equity sectors (Moss 2025). Given that generalist investors are the key price setters for LRE we believe that this practitioner focussed work has significance.

Each month we provide an overview of how LRE performed relative to other assets in a Multi Asset Portfolio and provide a summary of the key factors driving performance. We then provide more detailed analysis on each of the factors. We are acutely conscious of two features in particularly: Firstly, regarding time, market sentiment drivers very rarely compartmentalise into neat monthly frameworks , so the full impact is not always captured, and secondly, regarding factors there are occasions when there is a single driving factor (e.g. size or leverage) for performance in a month, but more often, there are several factors which contribute (e.g. sector and size) .est performing factors are highlighted in green throughout this document

We use information from these monthly figures for our academic papers as well as incorporating them into the Real Estate Capital Market modules we teach here at Bayes for Finance, Management and Accounting Undergraduates, Real Estate, Real Estate Investment, and Global Finance Postgraduates, and Global MBA students.

Section1 provides an overview of this month's performance whilst Section 2 provides an insight into the detailed factor analysis.

The source for all tables and charts is Authors, LSEG Workspace.

All returns and figures (e.g. Market Capitalisation) are shown in GBP).

1) Overview of this month’s performance

Within a multi-asset context listed real estate had a reasonable month (second only to Euro Equities_), with the sell off of non-income producing alternative assets such as Gold, Commodities and Cryptocurrencies gathering momentum from May’s decline. For comparison we show our Equal Weighted database performance relative to a Global RE ETF benchmarked against the EPAR NAREIT Developed (i.e. Global) Index. Performance between free float market cap weighted and Equal weighted can vary but often is broadly similar, unless there is a significant sentiment change (e.g. February) when the most liquid stocks (for ease of execution reasons) will take a disproportionate gain/loss.

Table 1 Global Listed RE in a Multi Asset Context – 2026 Month by Month

FUND	Jan 26 TR	Feb 26 TR	Mar 26 TR	April 26 TR	May 26 TR	June 26 TR
Commodities	9.47%	0.26%	5.78%	3.28%	-0.57%	-7.88%
EuroBonds	0.75%	1.15%	-2.21%	0.19%	0.90%	0.57%
Euro Equities	3.31%	3.85%	-7.65%	5.40%	3.05%	2.77%
US Equities	1.47%	-0.86%	-4.93%	10.51%	5.26%	-1.03%
Gold	12.36%	8.63%	-11.01%	-1.49%	-1.57%	-11.67%
Cryptocurrency(Bitcoin)	-4.61%	-21.83%	2.91%	12.53%	-4.16%	-20.24%
Global RE ETF	1.54%	8.72%	-7.05%	6.21%	0.11%	0.96%
Our database (E/W)	1.70%	3.46%	-6.63%	6.36%	0.77%	2.16%

Table 2 Performance by Property Type exposure – 2026 Month by Month

At the sector level the yellow leader’s jersey passed from Data Centres to the more cyclical Hotels and Resorts REITs, whilst it was noticeable that Telecom Towers (which are in the US Indices but not the European ones) had their second monthly double-digit decline in the first half of 2026.

Asset Group	Jan 26 TR	Feb 26 TR	Mar 26 TR	April 26 TR	May 26 TR	June 26 TR
Data Center REITs	3.39%	2.94%	-10.56%	10.10%	5.68%	2.09%
Diversified REITs	0.57%	2.90%	-6.54%	5.04%	-1.55%	1.01%
Health Care REITs	4.70%	7.59%	-7.62%	5.61%	3.07%	3.19%
Hotel & Resort REITs	1.05%	4.84%	-6.14%	7.27%	5.45%	8.08%
Industrial REITs	1.84%	3.43%	-7.54%	6.58%	1.26%	0.31%
Multi-Family Residential RE	1.32%	0.88%	-7.45%	4.12%	-0.44%	1.40%
Office REITs	0.73%	-1.10%	-6.59%	8.67%	0.57%	2.59%
Other Specialized REITs	3.50%	7.63%	-7.40%	7.09%	-1.14%	0.34%
Retail REITs	1.89%	5.86%	-4.82%	6.29%	0.63%	2.32%
Self Storage REITs	4.74%	3.68%	-9.17%	7.19%	-1.57%	2.09%
Single-Family Residential RI	-0.19%	1.11%	-5.56%	5.48%	-1.04%	2.75%
Telecom Tower REITs	-1.67%	6.47%	-10.67%	10.05%	-0.74%	-13.69%
Timber REITs	6.93%	-5.17%	-1.18%	3.05%	-0.77%	0.81%
AVERAGE	**1.70%**	**3.46%**	**-6.63%**	**6.36%**	**0.55%**	**1.88%**

Table 3 Performance by Primary Listing Country -2026 Month by Month

Through end June the US LRE market posted the strongest monthly return globally and has shown relatively steady monthly performance through the first half of 2026 in a global context. The weakest performing markets included Greece, Japan and Mainland China, all posting significantly negative returns in the period. Many leading REITs have global portfolios (e.g. Prologis, Unibail Rodamco Westfield) and many have pan-country exposure. This can mean single country identification diverges from the corresponding direct real estate returns. In our database we categorise the REITs by their listing country, which with a few exceptions, represents the largest portfolio weighting of real estate assets. The Prologis offer for Segro made an impact on the largest UK REITs but not our E/W database with the US winning the REIT World Cup in June.

Country	Jan 26 TR	Feb 26 TR	Mar 26 TR	April 26 TR	May-26	June 26 TR
Australia	-4.08%	-0.53%	-9.28%	5.08%	-0.24%	3.43%
Belgium	2.63%	7.90%	-10.33%	5.65%	2.46%	-1.37%
Brazil	1.44%	3.46%	0.90%	2.53%	-0.47%	-1.36%
Canada	3.62%	0.94%	-5.18%	7.25%	1.41%	2.01%
China (Mainland)	3.24%	-0.76%	-4.47%	-0.39%	-6.25%	-6.04%
France	-1.64%	7.95%	-8.01%	15.20%	1.44%	0.23%
Greece	-0.85%	-5.13%	2.70%	1.75%	-1.74%	-23.49%
Hong Kong	1.72%	9.65%	-12.05%	4.27%	2.00%	0.35%
India	2.50%	1.33%	-5.14%	2.85%	0.59%	-9.26%
Ireland	7.68%	8.87%	-5.77%	2.96%	4.10%	2.40%
Israel	-2.29%	-11.65%	1.00%	6.19%	-8.12%	4.48%
Italy	2.88%	22.27%	-9.39%	8.60%	10.82%	-2.73%
Japan	-0.87%	1.46%	-7.31%	2.75%	-4.01%	-7.36%
Malaysia	7.56%	0.76%	-6.31%	4.34%	-2.34%	-0.45%
Mexico	2.14%	7.97%	-3.16%	3.07%	3.03%	-0.62%
Netherlands	3.15%	13.12%	-8.53%	6.64%	2.80%	-4.36%
New Zealand	-3.68%	-0.78%	-4.90%	1.61%	1.29%	-3.62%
Philippines	-4.49%	2.77%	-6.74%	2.65%	0.76%	1.60%
Saudi Arabia	1.53%	4.06%	-2.07%	1.77%	1.08%	0.04%
Singapore	1.11%	-0.24%	-5.91%	4.81%	-0.68%	-1.96%
South Africa	1.51%	7.31%	-11.87%	5.22%	1.18%	-0.45%
South Korea	6.67%	7.03%	-0.14%	14.12%	-16.71%	4.49%
Spain	0.71%	4.59%	2.40%	1.30%	1.81%	-4.75%
Taiwan	0.56%	0.13%	-1.08%	-0.18%	1.51%	0.92%
Thailand	-0.57%	5.97%	-5.97%	4.74%	-0.46%	-0.85%
Turkey	10.14%	4.38%	3.11%	12.39%	-4.50%	3.18%
United Arab Emirates	5.65%	6.87%	-18.63%	7.27%	5.13%	4.54%
United Kingdom	6.12%	1.37%	-14.92%	7.83%	2.44%	1.63%
United States	2.76%	5.74%	-6.61%	8.51%	3.21%	4.61%

2) Detailed Factor Analysis

Size and Liquidity Factors

Over the longer term it is assumed that equities with a smaller market capitalisation will, in general, outperform those with a larger market capitalisation. The rationale is that the smaller stocks are riskier, attracting lower valuations, but have greater growth prospects. This may be true over the longer term but clearly at times of market turbulence their performance will be very different. We monitor factors: Size (Market Capitalisation), Liquidity (Daily value traded) and Market awareness (Number of analysts following the company).

Over June, monthly performance was clearly strongest for the above median-cap companies, with the smallest quartile lagging, as it has done so through 2026 to date. A similar result has been seen for the across liquidity quartiles, with the least traded LRE securities posting the weakest performance in June and through 2026 to date.

Table 4 Size Factor Impact on Performance

SIZE	Ave Mkt Cap	Jan 26 TR	Feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26
1st Quartile (Largest)	18,420,058,551	1.55%	5.16%	-7.89%	6.54%	1.26%	2.39%
2nd Quartile	3,015,637,732	2.34%	2.88%	-7.70%	6.11%	0.70%	2.89%
3rd Quartile	1,344,516,557	1.33%	2.30%	-4.92%	7.42%	0.24%	1.62%
4th Quartile (Smallest)	653,809,617	1.63%	3.71%	-6.18%	5.06%	-0.05%	0.46%

Chart 1 Impact of size on performance June 2026

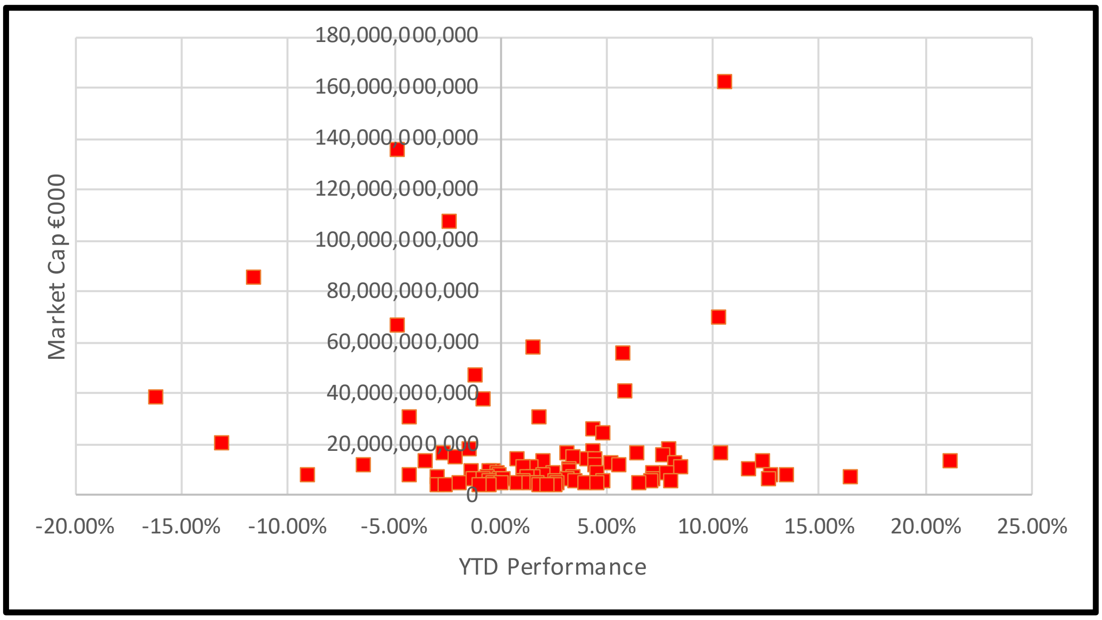

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Table 5 Liquidity Factor Impact on Performance

Allied to gross market capitalisation we also monitor liquidity, as measured by average daily value traded over the month. This can differ from both gross and free float market capitalisation, although so far this year performance has been similar.

LIQUIDITY	Ave Daily Liquidity	Jan 26 TR	feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26
1st Quartile (Most liquid)	41,259,217	1.71%	5.37%	-7.99%	6.64%	1.52%	2.44%
2nd Quartile	7,704,207	2.30%	2.66%	-7.45%	6.05%	0.48%	3.03%
3rd Quartile	3,131,283	1.43%	2.91%	-4.95%	7.27%	0.37%	1.83%
4th Quartile (Least liquid)	1,165,409	1.37%	3.00%	-6.23%	5.50%	-0.13%	0.24%

Table 6 Coverage Factor Impact on Performance

One of the impacts of MiFid II has been the reduction analyst coverage of smaller, less liquid stocks. We therefore group our database according to the number of analysts following each REIT. The aim is to provide another insight into liquidity.

ANALYST COVERAGE	Ave No of Analyst	Jan 26 TR	feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26
Most analysts following	12	1.71%	2.91%	-9.00%	6.33%	0.83%	2.07%
2nd Quartile	7	1.06%	4.60%	-7.67%	6.26%	1.76%	2.90%
3rd Quartile	3	2.03%	4.83%	-7.20%	6.75%	0.24%	1.64%
Least analysts following	1	2.01%	1.82%	-3.32%	6.18%	-0.51%	1.02%

Table 7 Analysts Rating Factor Impact on Performance

In addition to liquidity and coverage are monitoring the relationship between analysts' recommendations and performance, In Table 7 we show the consensus recommendation, where 5 – Strong Buy and 1 = Strong Sell.

ANALYST RATING	Consensus rating	Jan 26 TR	feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26
Highest analyst rating (BUY)	3.0	1.39%	3.52%	-6.10%	6.99%	0.74%	2.36%
2nd Quartile	2.6	1.47%	2.19%	-8.08%	6.20%	1.53%	2.92%
3rd Quartile	2.2	1.60%	4.03%	-7.74%	6.84%	0.54%	1.26%
Lowest analyst rating (SELL)	1.8	2.14%	4.90%	-8.02%	6.75%	0.29%	2.13%

Valuation Factors

Table 8 NAV Valuation Factor Impact on Performance

Since US REITs do not mark to market assets under US GAAP, and they comprise a significant percentage pf the global market this metric is less meaningful than for example in a Europe only study. Those stocks trading at the strongest premium to NAV have materially outperformed in June and over the second quarter.

DISCOUNT/PREM to NAV	Ave Prem/(Discou	Jan 26 TR	feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26
Largest Premium	294.33%	2.63%	6.50%	-5.55%	8.66%	-0.02%	4.11%
2nd Quartile	38.48%	1.28%	3.38%	-6.91%	5.92%	-0.63%	1.23%
3rd Quartile	-4.15%	0.95%	3.03%	-7.03%	5.79%	-0.24%	1.39%
Largest Discount	-85.30%	1.84%	1.75%	-7.34%	5.58%	2.51%	1.90%

Table 9 Dividend Valuation Factor Impact on Performance

The highest yielding LRE securities have materially outperformed during the second quarter of 2026 with paid income being a key driver of performance through this recent phase of market volatility. The converse was true during the first quarter of 2026 with growth orientated LRE securities showing robust performance.

DIVIDEND YIELD	Ave Dividend Yiel	Jan 26 TR	feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26
Lowest Yield	2.88	2.70%	6.89%	-7.33%	7.73%	-0.02%	2.02%
2nd Quartile	4.74	1.71%	2.38%	-7.11%	6.84%	-0.63%	2.21%
3rd Quartile	5.90	1.21%	2.23%	-8.22%	6.53%	-0.24%	0.89%
Highest Yield	8.08	1.20%	2.72%	-7.62%	9.04%	2.51%	2.14%

Table10 FFO Multiple Valuation Factor Impact on Performance

There is significant debate within the European sector as to whether NAV valuation metrics which have been dominant for so long should be supplemented more with earnings based (AFFO equivalent) metrics. As with the two previous samples we take a high FFO Multiple as a sign of quality and vice versa. Again, there is clear performance persistence throughout the year for companies who clearly have sound high quality cash flows.

FFO MULTIPLE	Ave FFO Multiple	Jan 26 TR	feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26
Highest Multiple	31.65	2.34%	5.36%	-5.38%	6.76%	0.54%	2.36%
2nd Quartile	16.04	1.64%	3.18%	-7.15%	6.23%	0.37%	2.17%
3rd Quartile	13.48	2.40%	5.36%	-7.49%	5.32%	-0.39%	2.59%
Lowest Multiple	9.75	0.70%	3.09%	-6.44%	7.13%	1.63%	5.14%

Leverage Factors

Table 11 Capital Leverage Factor Impact on Performance

There has been clear outperformance of the least levered companies during 2026 so far, with this period of meaningful market volatility favouring securities with relatively conservative capital structures. This has come at a time of rising rate expectations and markets discounting higher future rates with commensurately less accretive future benefits from utilising higher levels of debt financing.

CAPITAL LEVERAGE	DEBT to EV	Jan 26 TR	feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26
Lowest Leverage	22	2.13%	4.54%	-6.10%	6.99%	0.74%	2.84%
2nd Quartile	37	1.27%	4.28%	-8.08%	6.20%	1.53%	1.74%
3rd Quartile	46	1.84%	3.33%	-7.74%	6.84%	0.54%	1.06%
Highest Leverage	59	1.60%	1.84%	-8.02%	6.75%	0.29%	1.94%

Appendix

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