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PRESS RELEASE

MAJORITY OF IFAS CONTINUE TO RECOMMEND REITS INVESTMENT TO CLIENTS

Despite ongoing turbulence across international stock markets, and particularly within the property sector, the majority of IFAs are still expecting to incorporate REITs investments into their client portfolios.

The results came from the latest wave of independent research, commissioned for **Reita** (www.reita.org), the educational and awareness campaign for REITs and quoted property investment. Over 240 UK based financial advisers took part in the study which was conducted by NMG Research throughout October 2007.

52% of IFAs (compared to 54% in June 2007) confirmed that they would expect to include REITs in their client portfolios, either via a collective investment scheme (48%) or directly (4%). The volume of incoming client enquiries about REITs has also remained level, with 19% of IFAs saying they had received calls about REITs and property investment during October, the same number as in June.

Whilst appetite for REITs investment remained consistent, there was a general reduction in the percentage of portfolios which advisers recommended clients to invest in property as a whole. In June, almost 30% of IFAs recommended an allocation to property of 16-25% of their clients' portfolios, but this figure more than halved to just 14% in October. Similarly, 60% of advisers recommended a property investment weighting of 15% or less in client portfolios in June which has risen to 82% of advisers in June.

AXA Real Estate IM	Derwent London PLC	Investment Property Forum	PRUPIM/M&G Investments
Blackrock	DLA Piper	Invista Real Estate IM	Scottish Widows Investment
The British Land plc	Ernst & Young	Jones Lang LaSalle Corporate Finance	Partnership (SWIP)
British Property Federation	Fidelity International	J P Morgan Cazenove	SEGRO
Brixton plc	Goldman Sachs International	KPMG	Standard Life Investments
Capital & Regional plc	Grainger Trust plc	Land Securities plc	St Modwen Properties plc
Citigroup	Hammerson plc	Lehman Bros	UBS Investment Bank
Cordea Savills LLP	Henderson Global Investors	London Stock Exchange	
Credit Suisse	ING Real Estate IM	Morgan Stanley	
Deloitte		Primary Health Properties PLC	

Other highlights of the **Reita** research included:

Funds switch with direct investment

43% of IFAs said they ranked funds investing in the UK as their number one preferred property investment in the October survey - compared to 36% in June. In contrast, support for direct investment in commercial property dropped to 26%, compared to 32% in the June survey.

Preference for global property increases

When asked which geographical areas they would be most likely to recommend for property investment, 34% of IFAs showed an increased preference for global funds and a concern about UK investment – 35% admitted they would be less likely to recommend UK investment than they were three months ago, but only 9% ruled out the UK altogether.

Half of IFAs would not recommend US property investment

This compares starkly with the US – where 21% of advisers said they would be less likely to recommend it now than three months ago and a significant 50% said they would not recommend investing in the US at all.

Growing confusion over sector specific investments

61% of advisers (compared to 52% in June) are now unsure as to which specific sectors would be in demand for collective investment schemes. Whilst 'offices' and 'retail property' remain the most popular sectors, as in the June survey, there has been a significant fall in demand for residential investment schemes (down from 28% to 17%).

Dave Butler, Reita programme coordinator, explains:

“The survey highlights the challenges facing advisers as they guide their clients through today’s difficult investment environment. A general reduction in allocation to property is to be expected, but the survey also shows a recognition that the asset class has to be a core part of every portfolio. Preferences for funds over direct investment, the growth in global funds and the sustained intention to include REITs in clients portfolios, all show positive responses to turbulent conditions”.

Reita now includes 11 of the biggest quoted property companies (some of which have already converted to REIT status and others that are likely to maintain their current structure), 11 of the leading fund managers, the London Stock Exchange, ten merchant banks and advisers, legal firm DLA Piper, the British Property Federation and the Investment Property Forum.

The **reita.org** portal provides expert knowledge, education and tools for professional financial advisers, other financial specialists and private investors, and is the UK's first dedicated educational resource for information on REITs and property investment.

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Notes to Editors

2. The current members of Reita are:

<p>Quoted property companies The British Land plc Brixton plc Capital & Regional plc Derwent London Grainger Trust plc Hammerson plc Land Securities plc Primary Health Properties PLC SEGRO St Modwen Properties plc</p>	<p>Fund managers AXA Real Estate Investment Management Blackrock Cordea Savills LLP Fidelity International Henderson Global Investors ING Real Estate Investment Management Invista REIM Holdings plc PRUPIM/M&G Investments Scottish Widows Investment Partnership (SWIP) Standard Life Investments</p>
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<p>Investment banks/advisers Citigroup Credit Suisse Deloitte Ernst & Young Goldman Sachs International Jones Lang LaSalle Corporate Finance JP Morgan Cazenove KPMG Lehman Brothers Morgan Stanley UBS Investment Bank</p>	<p>Industry bodies British Property Federation (BPF) Investment Property Forum (IPF)</p> <p>Other organisations London Stock Exchange</p> <p>Legal firms DLA Piper</p>
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2. Reita executive committee members are:

- Patrick Sumner, Head of Property Equities, Henderson Global Investors (Chairman)
- Richard Cotton, Managing Director, Corporate Finance, JP Morgan Cazenove
- Peter Couch, Director, Equity Release, Grainger Trust
- Edmund Craston, Managing Director, European Head of Real Estate Investment Banking, Lehman Brothers
- Peter Hicks, Head of IFA Affairs, Fidelity International
- Nick Jacobson, Managing Director, Head of European Real Estate and Lodging Investment Banking, Citigroup
- Liz Peace, Chief Executive, British Property Federation
- Nick Ritblat, Immediate Past President, British Property Federation
- Francis Salway, Group Chief Executive, Land Securities
- Sue Forster, Executive Director, IPF