



Stephen Hayes
Managing Director
Perennial Real Estate

Perennial Real Estate sees value in overlooked Australian REITs

“With strong balance sheets, quality assets and an enviable economic backdrop, Australian REITs offer compelling value and warrant a large capital allocation in global listed property securities portfolios.”

This is this message that Stephen Hayes, Managing Director of Perennial Real Estate is offering to his clients.

Australian REITs (A-REITs) are in a desirable position after a period of balance sheet consolidation in recent years. “A-REITs are offering investors high quality assets, low vacancy rates and strong balance sheets with low debt” Hayes contends. “Backed up with a strong payout ratio and great management, it is hard to over look this sector. I understand that Australia’s economic backdrop means that A-REITs have been overlooked due to the interest rate cycle but, on fundamentals, I believe this sector is currently offering great value to investors”.

Hayes maintains that strong performance in the US REITs sector over the past 12 months has not been underpinned by company and economic fundamentals. “The momentum in this market is hard to understand. Economically, the US is very dubious. Perennial Real Estate’s global REITs portfolio has capital allocated only to specific companies with low debt and a strong value proposition in the US”.

Perennial Real Estate currently manages over USD2.5 billion on behalf of institutional clients. The Perennial Global Property Security Fund has returned 7.5% p.a. (net of fees) to 28 February 2011 since its inception in February 2008, outperforming its benchmark, FTSE/EPRA NARIET Developed Index, return by 2.6% p.a. (in GBP).

Perennial Real Estate is one of the boutiques comprising Perennial Investment Partners. Perennial Investment Partners currently manages over USD22 billion across most major asset classes including global, Asian and Australian shares; fixed income; and global and Australian listed property securities. Key Perennial investment professionals own equity in their own investment management business, creating a better alignment with their clients’ interests.

For further information or an interview with Stephen Hayes, Perennial Real Estate please contact Camilla Love on +612 8274 2705 or clove@perennial.net.au

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