



Performance Benchmarking

Presentation 25 January 2006

Pacific Rim Real Estate Society

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IPD

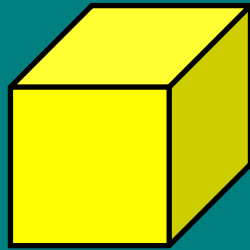
Performance ?



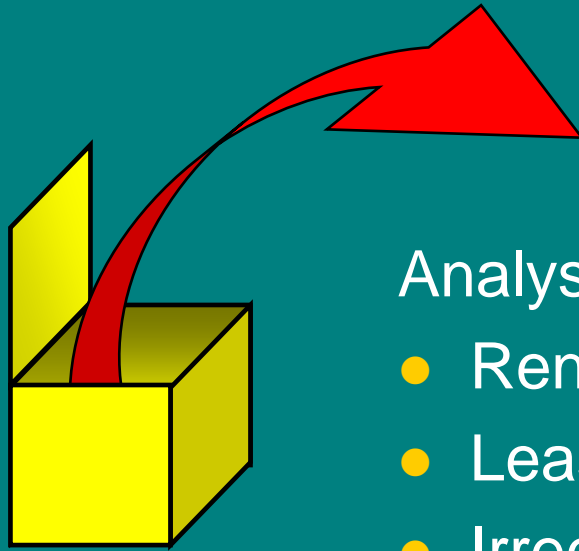
Real Estate Performance

- Variety of attributes to assess and a number of tools to choose from.
- Walk through some of the methodologies IPD applies
- Techniques shown provide for the analysis of;
 - The performance attributes of Direct Real Estate Investments
 - The performance attributes of Real Estate Funds
 - The application of these for multinational investors.
- NOTE. Returns quoted are not those of the respective markets identified

Australian
Direct
Property



Australian
Direct
Property

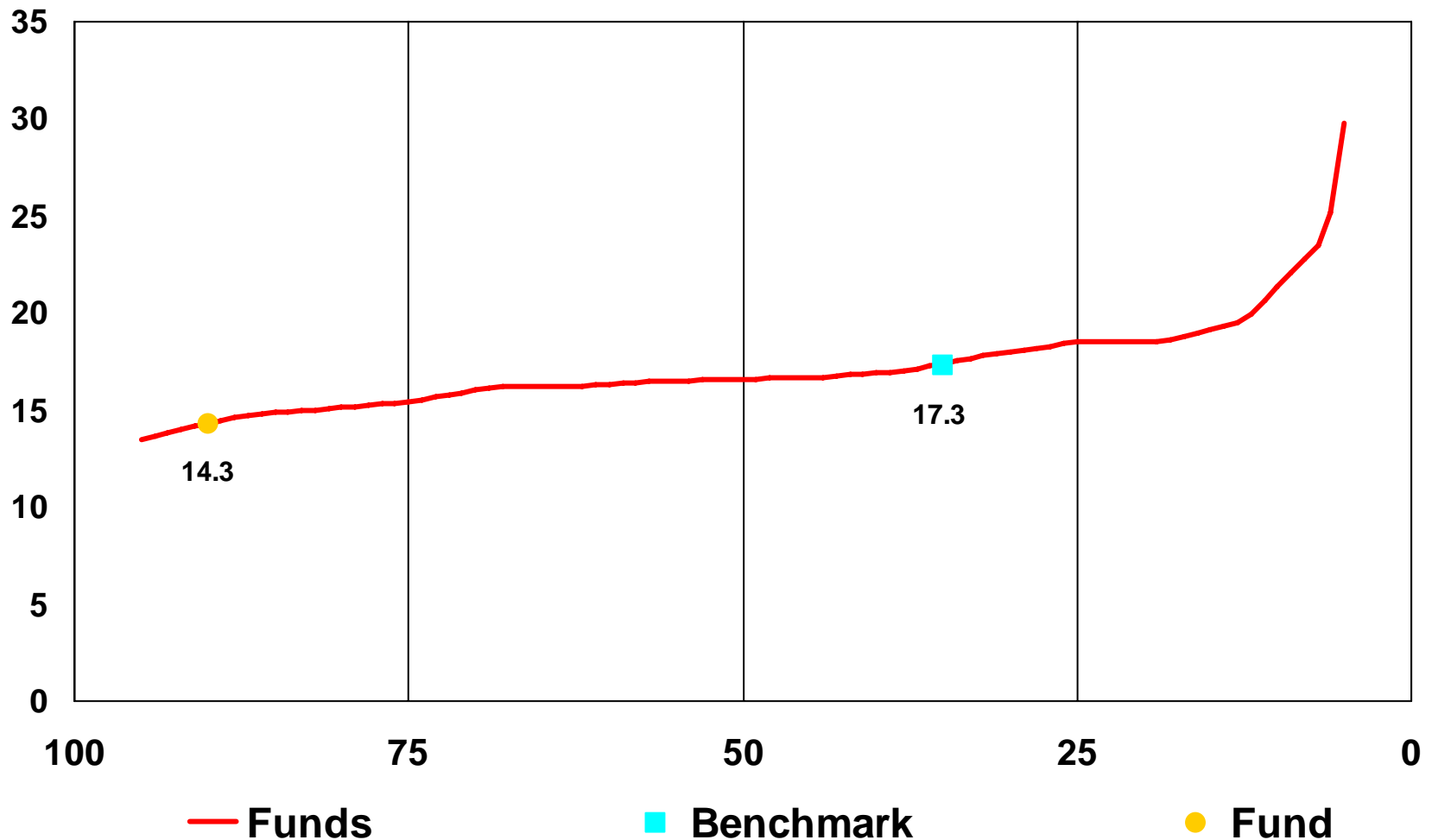


Analysis of :

- Rents and yields
- Lease length to expiry
- Irrecoverable management costs
- Tenant covenant strength
- Vacancies and voids

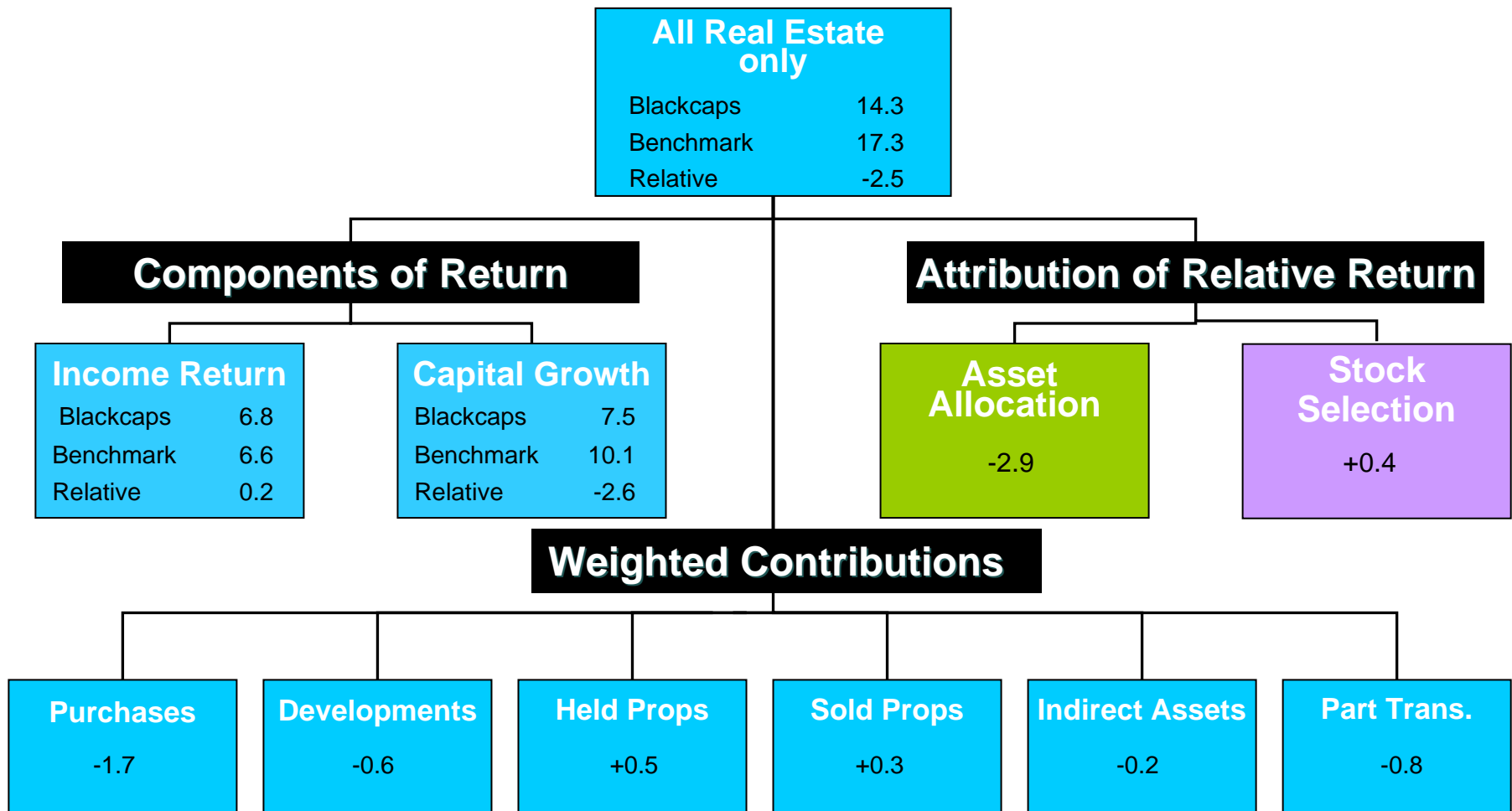
Range of benchmark returns over last year

Funds ranked between 5th and 95th percentiles



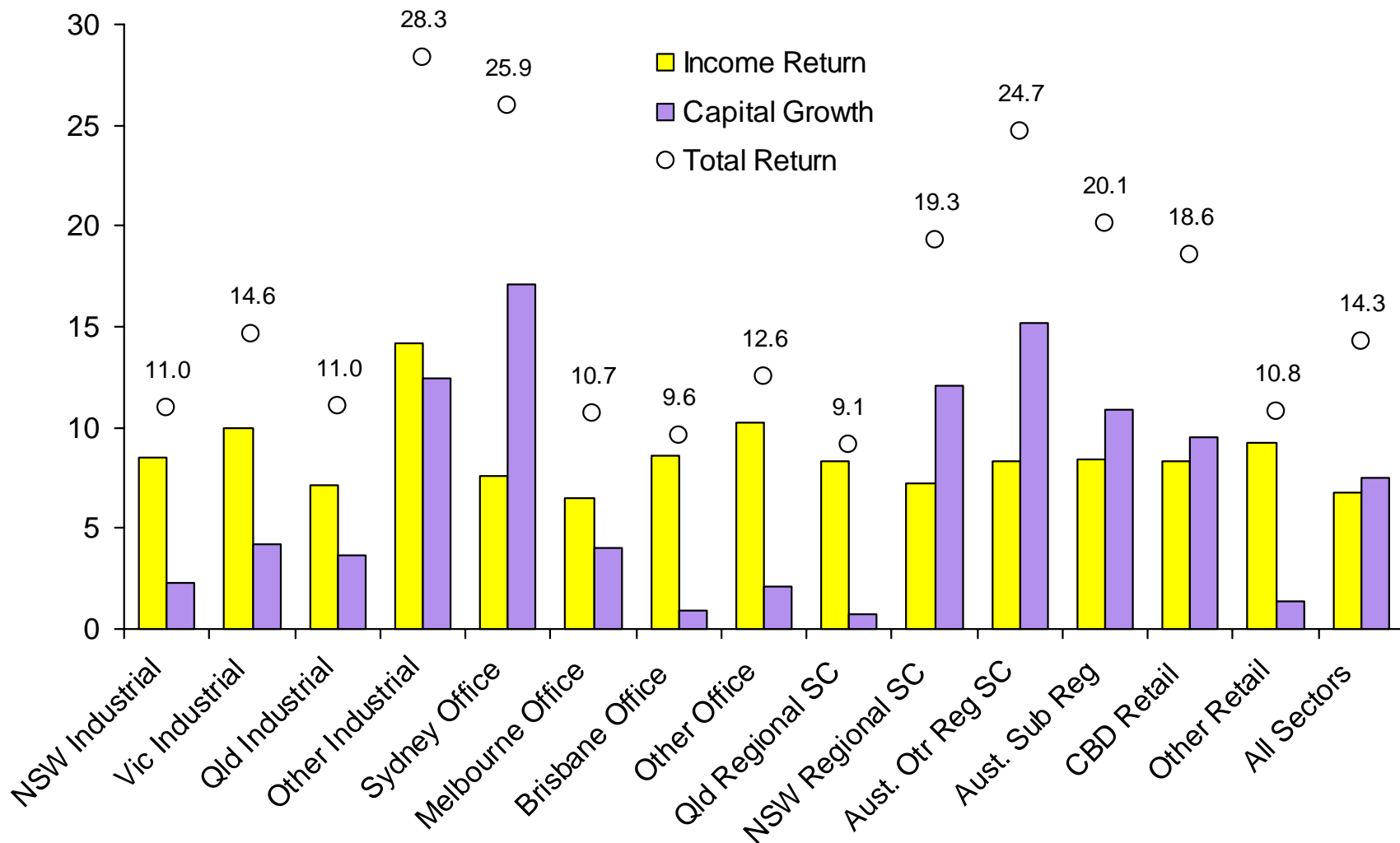
IPD Summary Performance Tree

...year ending September 200?



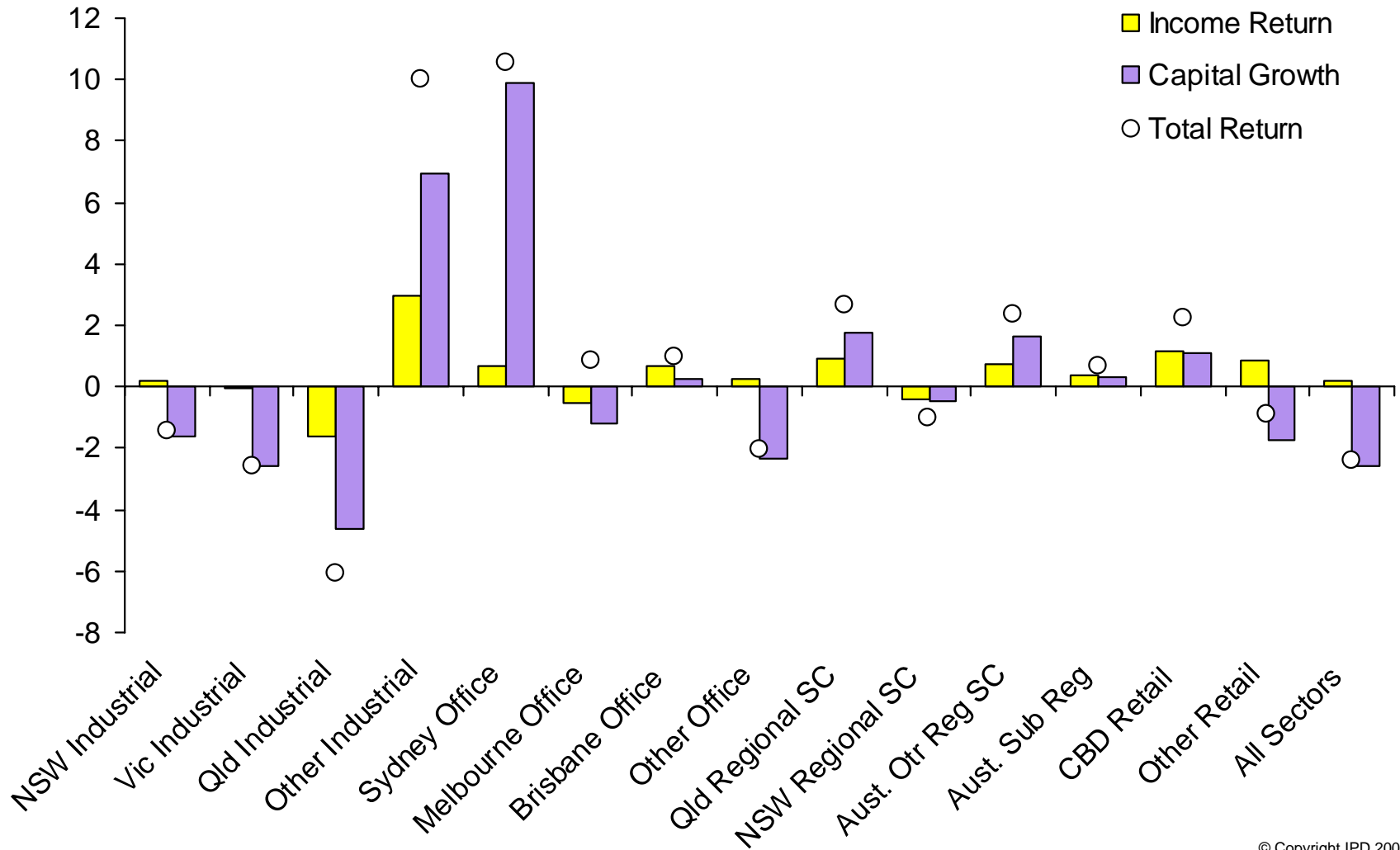
Sources of performance - last 12 months

capital growth and income return by segment (DPSI)



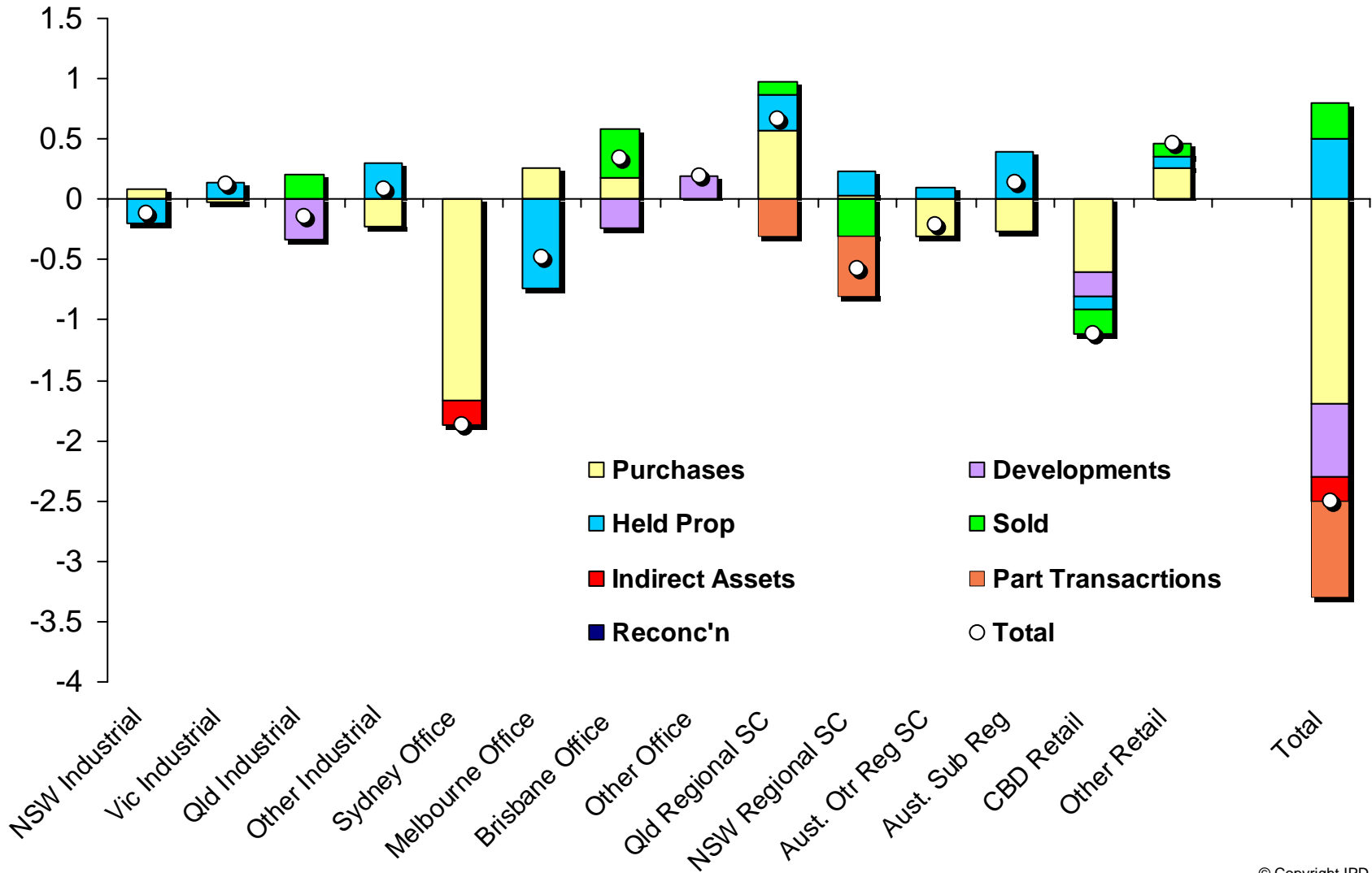
Sources of performance - last 12 months

relative capital growth and income return (DPSI)



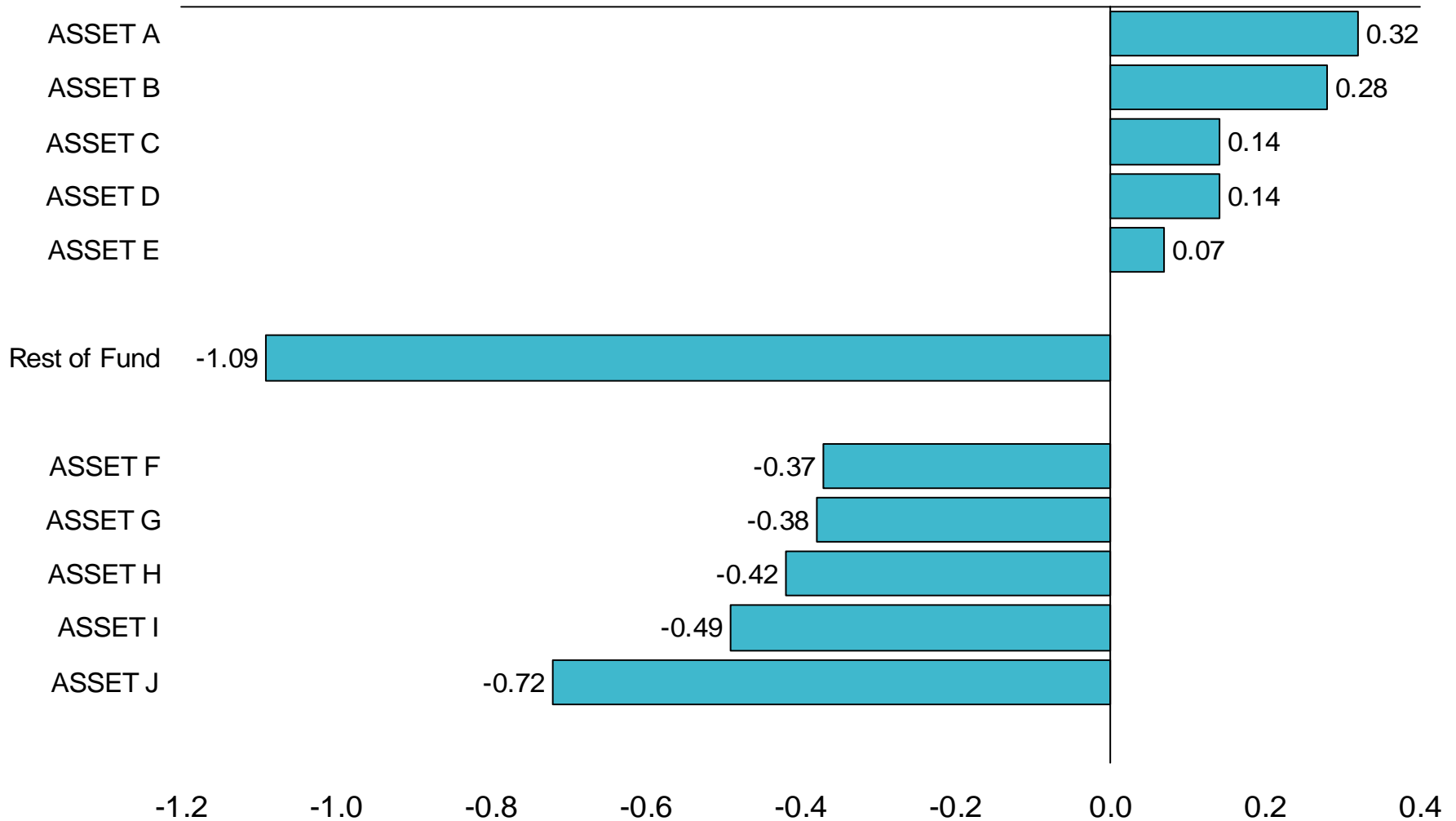
Weighted contributions to relative return

market segments vs summary status - last 12 months

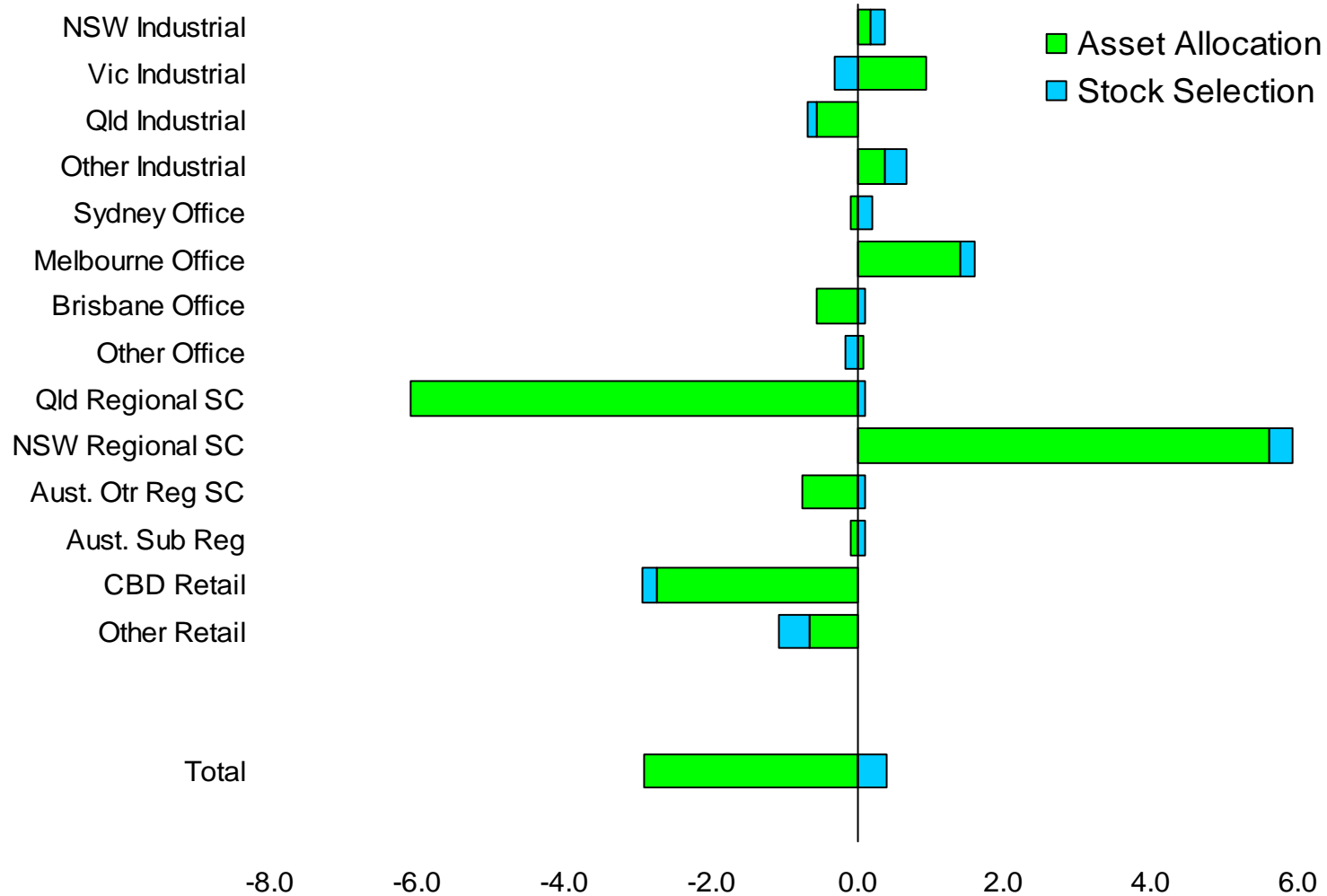


Major contributions to relative return

last 12 months



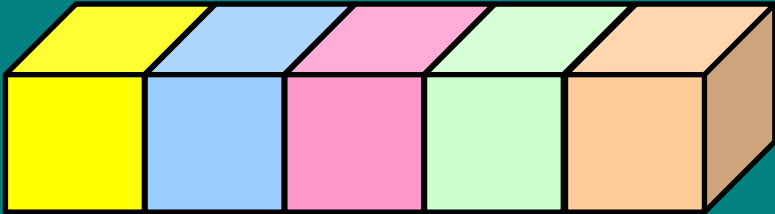
Attribution of relative return - last 12 months



Global Service



Direct Property



Australia

France

Germany

Japan

United States

Year to end December 2003 - Sources of performance

All Benchmarked Assets

Total Returns Weighted Contributions to Relative Returns analysed by Market Segment and Summary Status Attribution of Relative Returns Percent of Average Capital Employed

Attribution of relative return

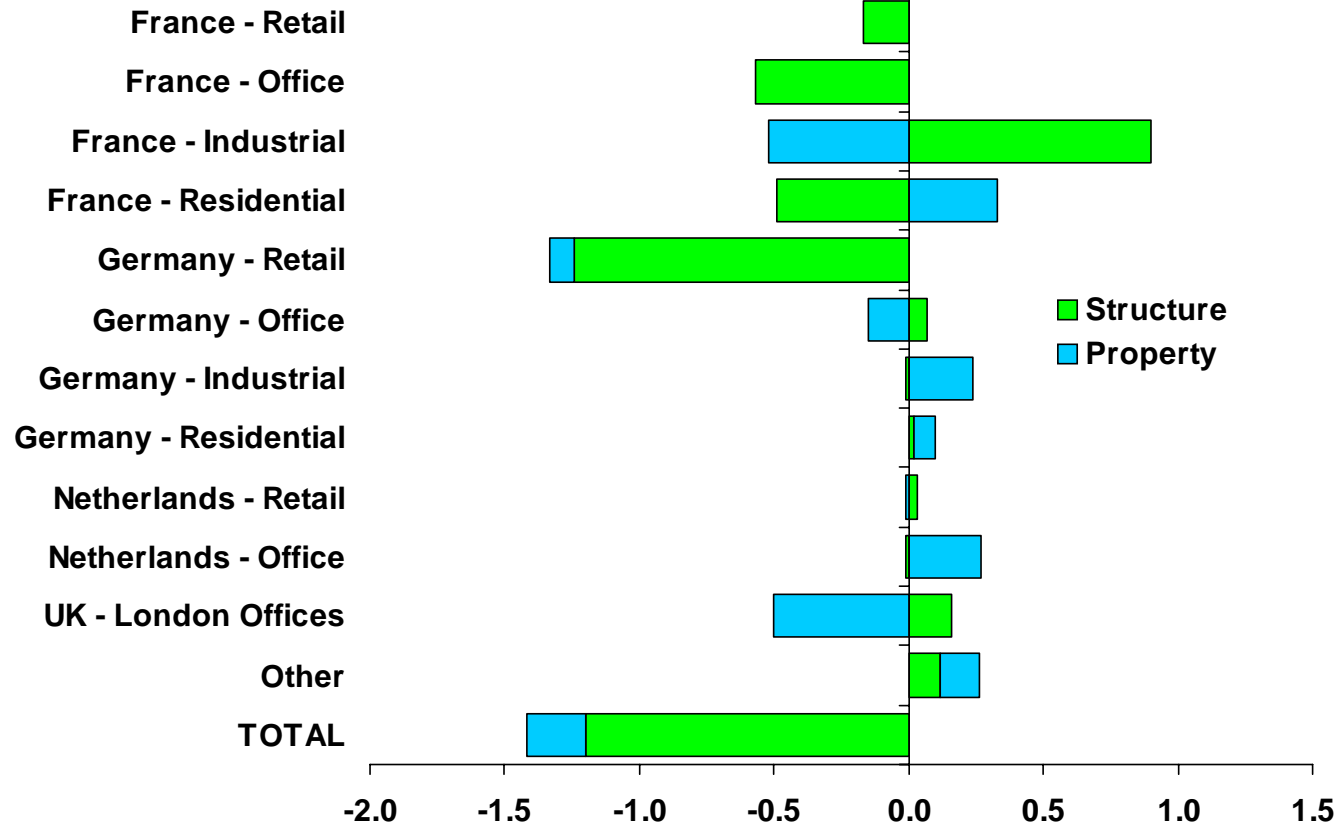


The tables on this page use the following convention: a property with a single over the year. For instance, a property classified as a Sale. See Technical

Net investment during the year to 23.5% of year-end capital benchmark rate of -4.2%. G 24.2% of year-end value. Im

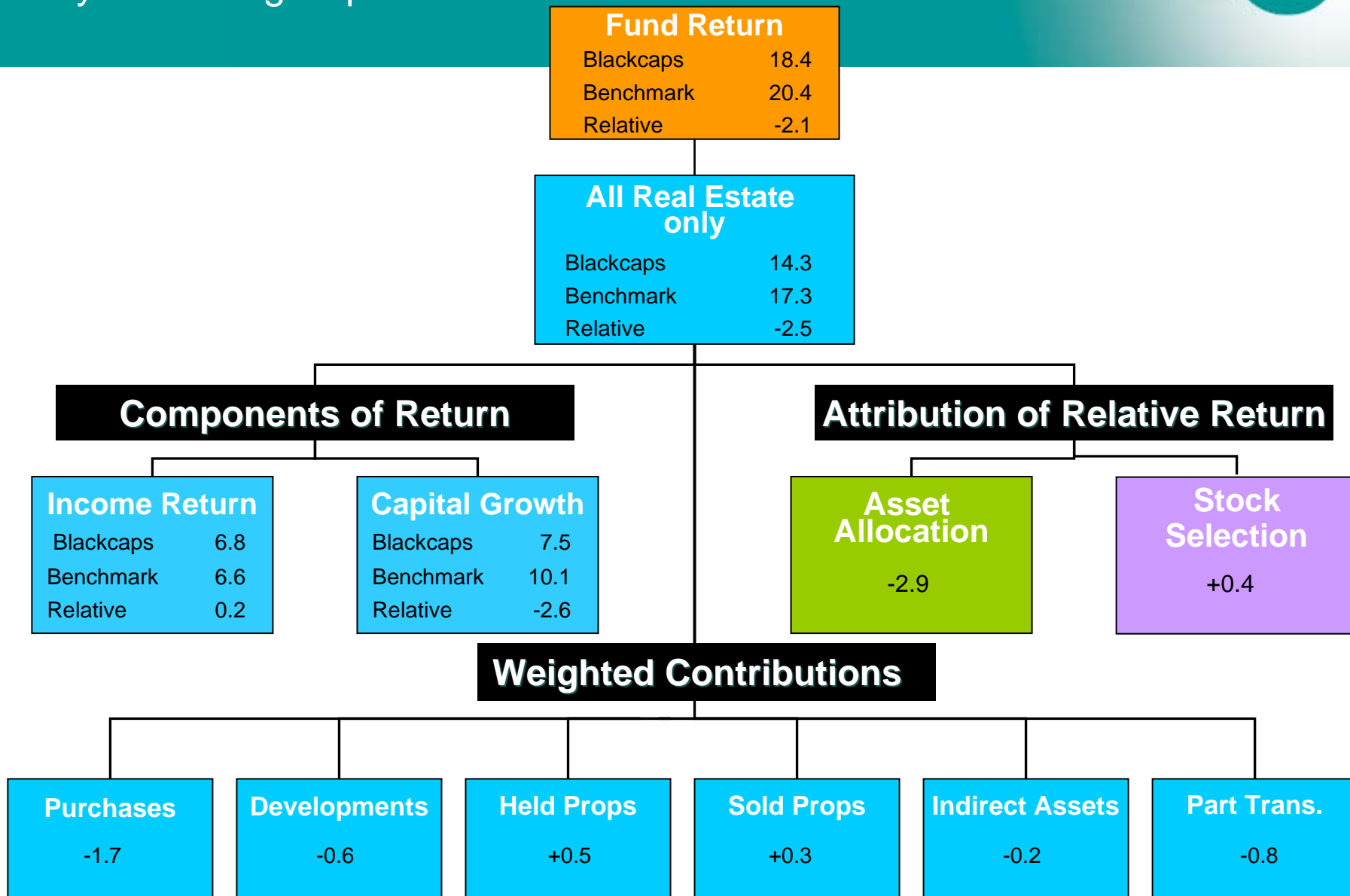
The fund has benefited from held throughout the year. It London purchased during the year were held throughout the year

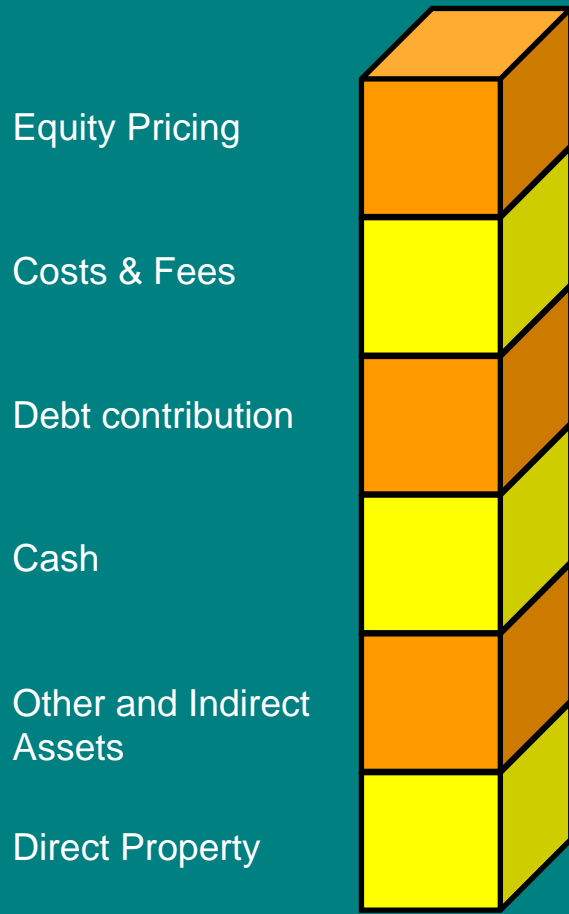
The fund has been disadvantaged held throughout the year and residential properties in Germany year.



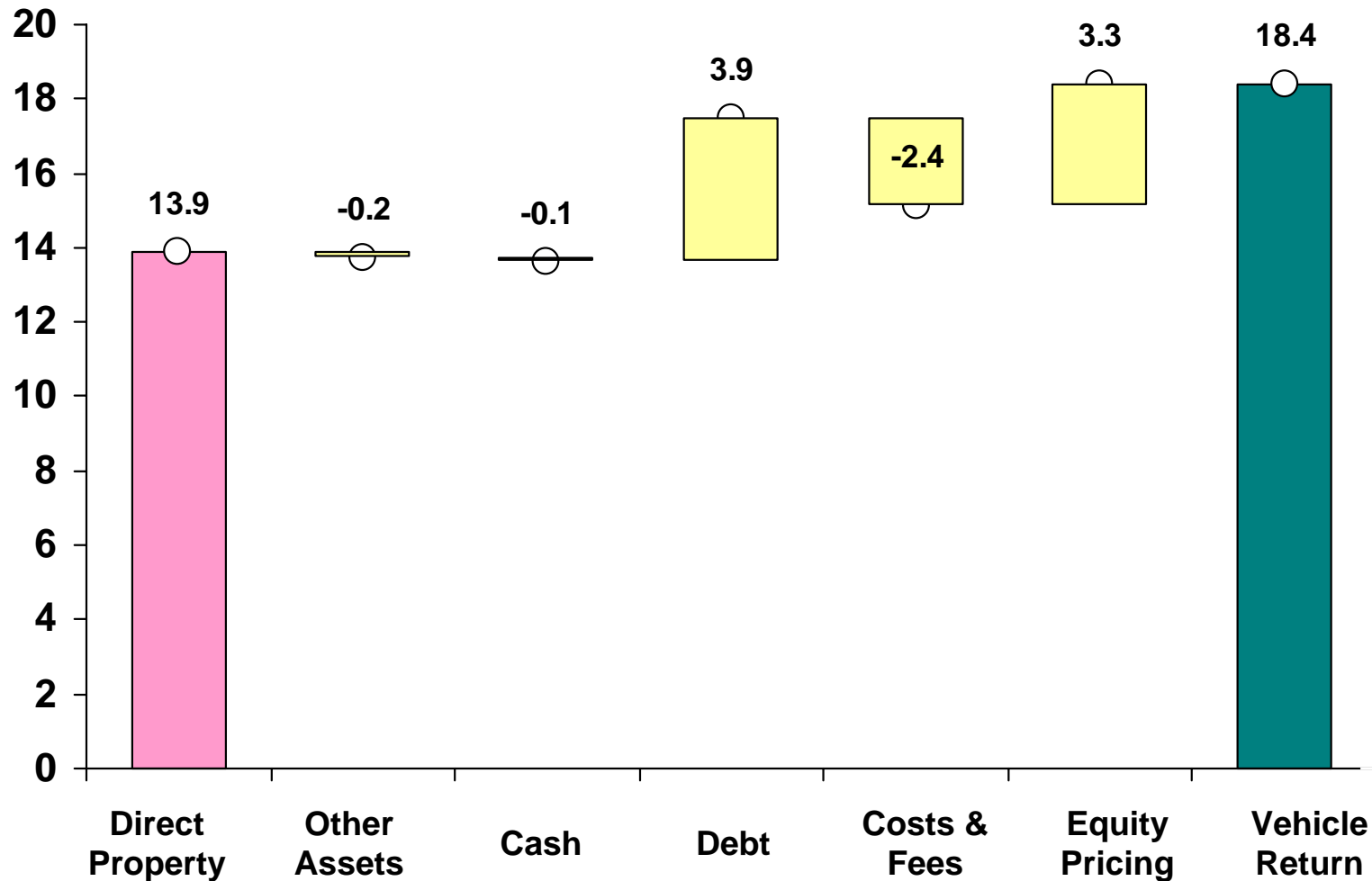
IPD Summary Performance Tree

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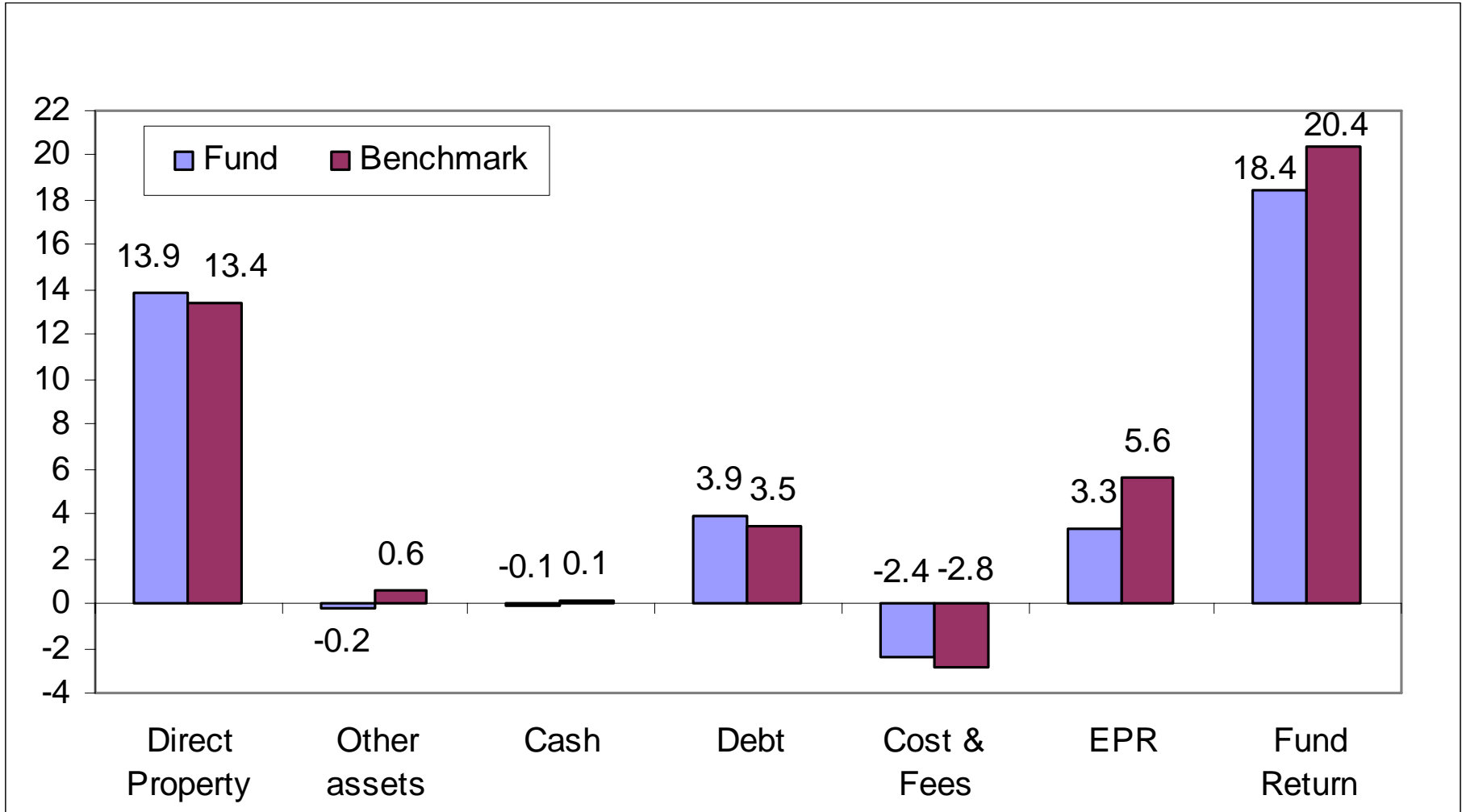




Analysis of different layers built up using 'impacts' to get to the vehicle return

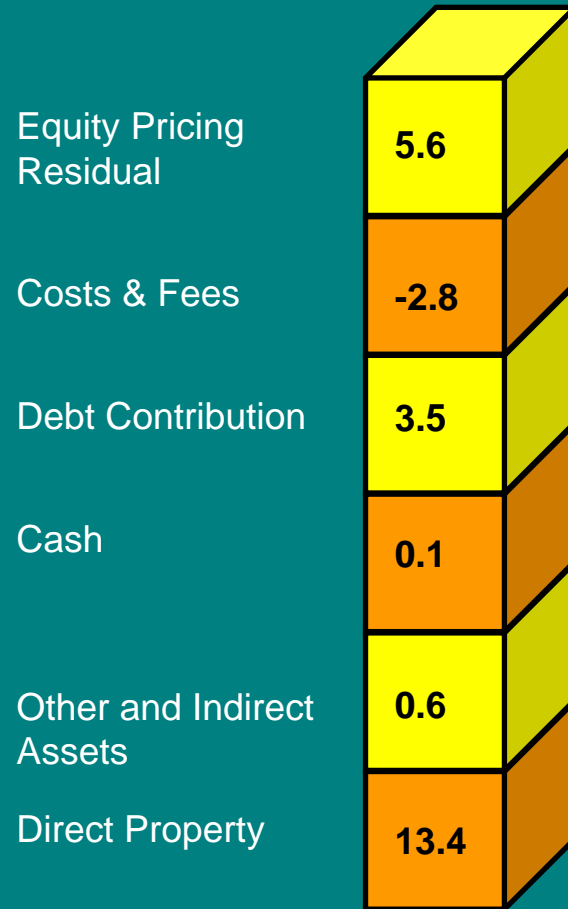
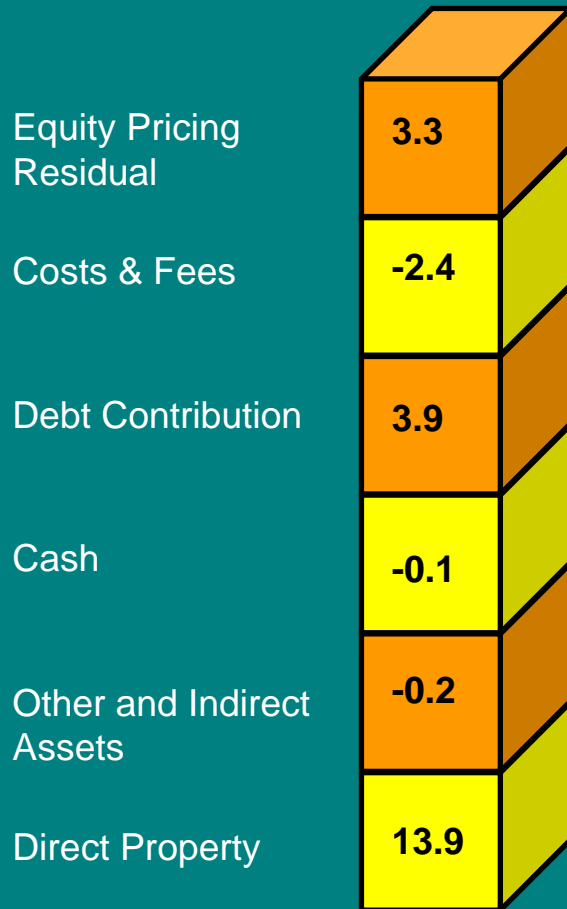


Benchmarking Vehicle Level Returns

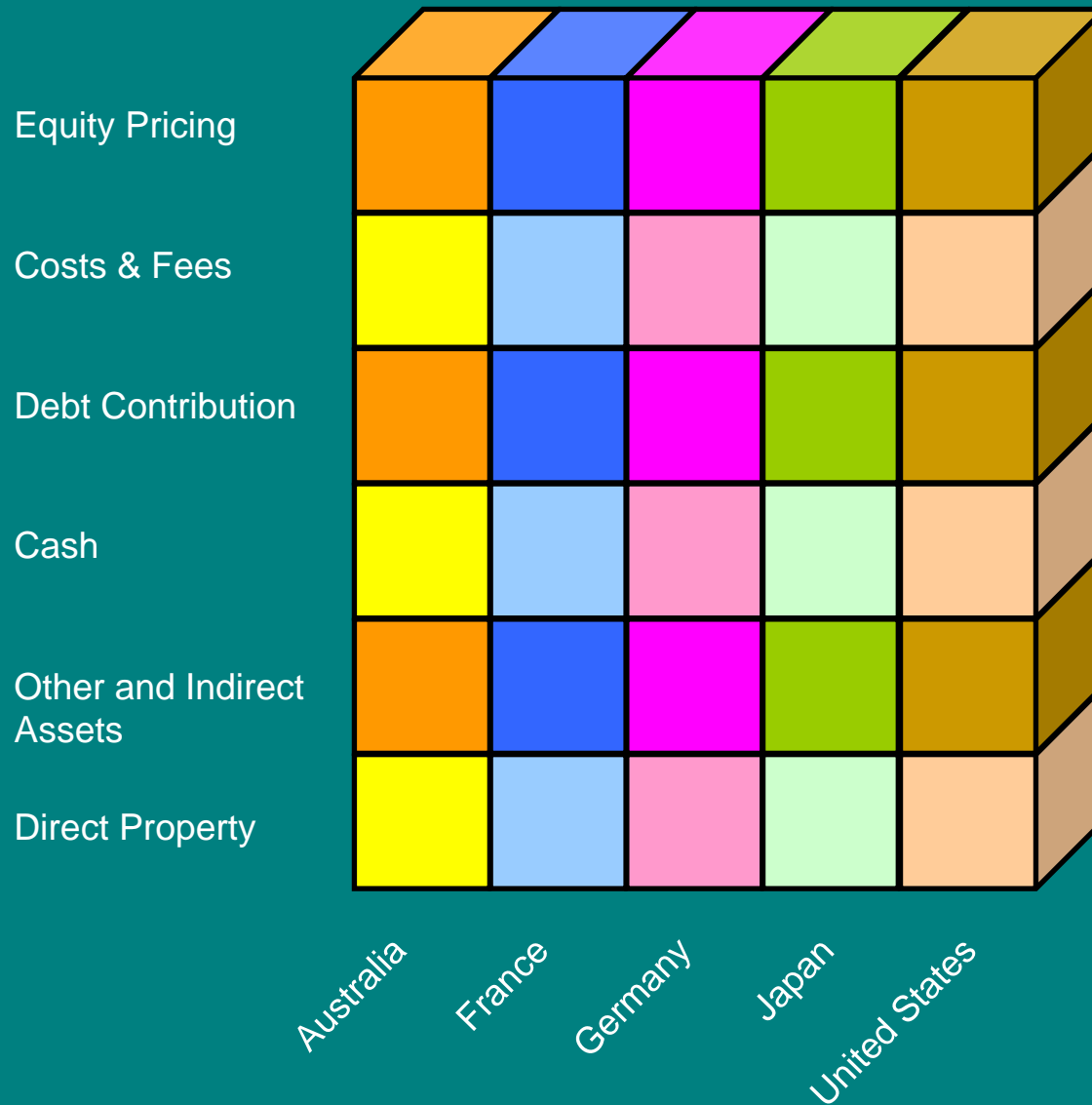


Fund
18.4%

Benchmark
20.4%



A full matrix of assets and markets



Conclusions

- There are a range of attributes that make up performance in the Real Estate Sector. Spend time identifying those you want to manage and benchmark.
 - Risk Profiles
 - Cashflow Credit Ratings
 - Occupier Requirements
- Exercise care in your selection of a benchmark.
- Assess performance in the correct context.



Thanks for your time
and attention

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