



PRESS RELEASE

J.P. Morgan research points to growing influence of sustainability in real estate

Stockholm, September 4, 2008 – At today’s 9th annual European Public Real Estate Association (EPRA) conference, J.P. Morgan presented research entitled ‘Survival of the Fittest’ highlighting how sustainability can act as a key differentiator for European listed real estate companies in their drive to enhance shareholder value. Drawing on an innovative model of analysis, J.P. Morgan created a ranking based on weighted criteria to measure the sustainability of European listed real estate companies. The ranking takes into account a range of factors, from levels of corporate social responsibility (CSR) disclosure to how successfully firms have originated, developed and measured sustainable initiatives. It found that the UK’s British Land and Land Securities scored highest in its Sustainability rankings.

“Sustainability will be a key differentiator for European listed real estate companies as they face increasingly stringent regulatory standards. On a broader basis, Environmental Social and Governance (ESG) concerns are also gaining momentum with tenants and investors, for example, as they look to reduce energy costs. European real estate companies that are best able to enhance shareholder value from a firm and demonstrable commitment to sustainability initiatives, will increasingly outperform the market,” said Harm Meijer, the co-author of the J.P. Morgan report.

Another finding of the J.P. Morgan research was the relative robustness of tax-efficient REIT (Real Estate Investment Trust) structures in the European market compared with non-REIT property stocks. Building on the findings of the report entitled ‘European REIT development’, that the firm delivered at last year’s EPRA conference in Athens, J.P. Morgan reported how European REITs have capitalised on lower levels of leverage and higher levels of disclosure to outperform non-REITs by more than 11% year-to-date. In the UK, REITs have outperformed their counterparts by 18% year-to-date, according to the report.

In its wider coverage of the European real estate sector, J.P. Morgan forecasted that European real estate share prices were in general unlikely to recover further until the first quarter of 2009, but highlighted the fact that the sector is diversified and companies with high quality assets and strong balance sheets will show value in the longer-term.

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About EPRA

The European Public Real Estate Association - is the voice of the publicly traded European real estate sector. With more than 200 active members, EPRA represents over EUR 300 billion of real estate assets and 85% of the market capitalisation of the FTSE EPRA/NAREIT Europe Index. Through the provision of better information to investors, improvement of the general operating environment, encouragement of best practices and the cohesion and strengthening of the industry, EPRA works to encourage greater investment in listed real estate companies in Europe.