

WEEKLY S-REITS TRACKER

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Weekly top gainers (%)

Keppel DC REIT	+6.4
ParkwayLife REIT	+1.6
Cache Logistics Trust	+1.1

Weekly top losers (%)

Frasers Centrepoint Trust	-25.8
ESR-REIT	-21.9
Mapletree Commercial Trust	-20.6

Weekly sector performance (%)

Data Centre	+6.4
Healthcare	-0.6
Hospitality	-8.4
Industrial	-8.4
Office	-11.0
Others	-13.8
Retail	-15.2
Overall	-10.3

Key Takeaways

Singapore's Ministry of Law (MinLaw) published a press release on 1 Apr, stating that it intends to introduce a COVID-19 (Temporary Measures) Bill in Parliament. This is aimed at providing temporary relief to businesses and individuals who are not able to fulfil their contractual obligations due to COVID-19. From our understanding, tenants with leases at non-residential immovable property are allowed to defer their rental payments for six months, without fear of legal action. This is only a deferral, and hence any rents which are deferred will be accrued and payable in six months' time. Given that there is no clarity on how many tenants would take this option, we believe earnings visibility for the sector has been clouded by a large extent now. We believe the risk of equity fund raising exercises has increased, although REIT Managers may seek to mitigate the near-term cash flow constraints by first drawing down on undrawn credit facilities, cutting operating expenses and capex, and seeking support from sponsors. In terms of positioning, investors would i) have to take a long-term view on the S-REITS sector now, ii) understand that DPU in the near-term may dip substantially (especially hospitality and retail sub-sectors), and iii) have bullets on hand and be prepared for a potential cash call such as a rights issue exercise. We will be reviewing our DPU forecasts and fair value estimates of the retail REITs under our coverage. Names which we believe would be less impacted would be **Keppel DC REIT (KDCREIT SP)** [HOLD; FV: S\$2.26] and **NetLink NBN Trust (NETLINK SP)** [BUY; FV: S\$1.10]. The latter is a business trust but it has a near-recession proof business model, in our view. Alternatively, investors can look at overseas exposed REITs in more resilient sub-sectors such as logistics. An example would be **Frasers Logistics & Industrial Trust (FLT SP)** [BUY; FV: S\$1.37]. **(2 Apr)**



The FTSE ST REIT Index was down 10.7% WoW while the STI was down 5.5% over the same period.

Source: Bloomberg, internal estimates

NOTE: The calculation of the % gains/losses is based on last Friday's closing prices and the preceding week's Friday closing prices.

- SPH REIT's** 2QFY20 results came in below Bloomberg's consensus and our expectations. Gross revenue grew by S\$15.1m or 26.1% YoY to S\$73.3m and net property income (NPI) increased by 23.3% YoY to S\$56.5. Despite the growth in 2QFY20, DPU fell significantly by 78.7% to 0.3 S cent as compared to 1.68 S cents in the same period last year. SPH REIT retained 80% of income available for distribution this quarter to prepare itself for the challenging operating environment ahead and also the provisions of rental rebates to its tenants till end of this year. As the situation of COVID-19 is still evolving with significant impact on retail business, cash conservation will be SPH REIT's priority in 2020. We see that SPH REIT is taking a more prudent approach this year to conserve cash in order to help its tenants tide over COVID-19. In view of the challenging retail outlook, we pare our DPU forecast for FY20 and FY21 by 25% and 4% YoY respectively. After increasing our COE from 6.7% to 8.8% while decreasing our risk-free rate from 2.0% to 1.55%, our fair value estimate hence decreases from S\$1.13 to S\$0.77. **HOLD. (2 Apr)**

Sources: Reuters, Bloomberg, News agencies, Company announcements, OIR



OCBC Investment Research
Weekly S-REITs Tracker

Exhibit 1: Peer comparison
Singapore REITs

		Price (\$)	Mkt Cap (\$ m)	Float (%)	FYE (mth)	DPU (freq)	Curr DPU (cents)	Fwd DPU (cents)	Curr Yield (%)	Fwd Yield (%)	YTD Return (%)	D/A (%)	P/B (x)
OFFICE (10)													
CapitalLand Commercial Trust	SGD	1.330	5,136.3	70.5	Dec	Semi-Anl	8.80	9.30	6.6	7.0	-31.9	35.1	0.71
Frasers Commercial Trust	SGD	1.100	1,006.4	73.9	Sep	Quarter	9.90	10.00	9.0	9.1	-32.8	29.0	0.67
IREIT Global	SGD	0.540	344.7	45.9	Dec	Semi-Anl	5.89	6.05	10.9	11.2	-31.2	39.3	0.63
Keppel REIT	SGD	0.885	2,991.1	55.3	Dec	Quarter	5.70	5.90	6.4	6.7	-27.8	35.8	0.65
Manulife US REIT	USD	0.665	1,045.5	92.6	Dec	Semi-Anl	6.10	6.40	9.2	9.6	-32.6	37.7	0.83
OUE Commercial REIT	SGD	0.320	1,725.6	27.2	Dec	Semi-Anl	3.20	3.40	10.0	10.6	-42.2	40.3	0.52
Suntec REIT	SGD	1.140	3,204.7	63.1	Dec	Quarter	9.20	9.50	8.1	8.3	-37.3	37.7	0.54
Keppel Pacific Oak US REIT	USD	0.455	425.8	80.9	Dec	Semi-Anl	6.20	6.20	13.6	13.6	-40.9	36.9	0.57
Prime US REIT	USD	0.575	604.8	75.3	Dec	Semi-Anl	6.60	6.90	11.5	12.0	-38.1	33.7	0.64
Elite Commercial REIT	GBP	0.585	194.3	71.5	Dec	Semi-Anl	N.A.	0.00	N.A.	0.0	N.A.	33.6	0.99
	SGD	Total:	17,730.1					Average:	9.5	8.8	-35.0	35.9	0.68
RETAIL (12)													
BHG Retail REIT	SGD	0.500	254.7	67.5	Dec	Semi-Anl	N.A.	N.A.	N.A.	N.A.	-24.8	35.7	0.60
CapitalLand Mall Trust	SGD	1.520	5,609.0	65.3	Dec	Quarter	11.60	12.70	7.6	8.4	-37.4	32.9	0.72
CapitalLand Retail China Trust	SGD	1.060	1,296.2	64.5	Dec	Semi-Anl	9.00	10.20	8.5	9.6	-32.6	36.7	0.68
Frasers Centrepoint Trust	SGD	1.640	1,835.9	63.5	Sep	Quarter	12.00	13.10	7.3	8.0	-41.0	33.2	0.74
Lendlease Global Comm. REIT	SGD	0.465	543.8	72.0	Jun	Semi-Anl	4.30	5.30	9.2	11.4	-49.3	34.9	0.57
Lippo Malls Indo Retail Trust	SGD	0.105	307.3	61.9	Dec	Quarter	2.40	2.30	22.9	21.9	-52.2	35.9	0.37
Mapletree Commercial Trust	SGD	1.500	4,961.3	67.6	Mar	Quarter	9.20	9.40	6.1	6.3	-36.7	33.4	0.85
Mapletree North Asia Com	SGD	0.765	2,462.7	62.3	Mar	Quarter	7.10	7.40	9.3	9.7	-32.5	37.1	0.54
SPH REIT	SGD	0.680	1,875.3	29.1	Aug	Quarter	4.20	5.30	6.2	7.8	-36.4	29.3	0.72
Starhill Global REIT	SGD	0.395	863.8	54.5	Jun	Quarter	4.20	4.50	10.6	11.4	-44.7	36.3	0.45
Sasseur REIT	SGD	0.535	641.3	20.5	Dec	Semi-Anl	6.10	6.50	11.4	12.1	-38.3	27.8	0.60
United Hampshire US REIT	USD	0.490	241.7	79.2	Dec	Semi-Anl	N.A.	N.A.	N.A.	N.A.	N.A.	37.0	0.65
	SGD	Total:	20,998.3					Average:	9.9	10.7	-38.7	34.2	0.62
INDUSTRIAL (10)													
AIMS APAC REIT	SGD	0.985	696.1	67.8	Mar	Quarter	10.30	10.50	10.5	10.7	-29.9	35.2	0.72
Ascendas REIT	SGD	2.520	9,117.8	80.3	Mar	Semi-Anl	15.90	16.60	6.3	6.6	-14.2	35.1	1.17
Cache Logistics Trust	SGD	0.460	498.7	99.6	Dec	Quarter	5.70	5.80	12.4	12.6	-34.4	38.3	0.78
EC World REIT	SGD	0.520	417.5	51.9	Dec	Quarter	6.20	6.30	11.9	12.1	-28.4	38.7	0.61
ESR-REIT	SGD	0.250	876.5	63.3	Dec	Quarter	3.90	4.00	15.6	16.0	-52.1	41.5	0.58
Frasers Logistics & Ind Trust	SGD	0.805	1,821.0	68.8	Sep	Semi-Anl	7.60	7.60	9.4	9.4	-35.1	35.5	0.93
Mapletree Industrial Trust	SGD	2.120	4,666.1	70.4	Mar	Quarter	12.60	12.90	5.9	6.1	-17.5	34.1	1.34
Mapletree Logistics Trust	SGD	1.500	5,700.4	69.3	Mar	Quarter	8.10	8.40	5.4	5.6	-13.1	37.5	1.28
Sabana REIT	SGD	0.260	273.8	72.4	Dec	Quarter	2.90	3.00	11.2	11.5	-42.5	31.1	0.46
Soilbuild REIT	SGD	0.305	385.5	68.7	Dec	Quarter	4.50	4.60	14.8	15.1	-40.3	38.2	0.52
	SGD	Total:	24,453.4					Average:	10.3	10.6	-30.8	36.5	0.84
HOSPITALITY (6)													
ARA US Hospitality Trust	USD	0.315	178.7	43.2	Dec	Semi-Anl	7.50	7.70	23.8	24.4	-61.9	32.1	0.36
Ascott Residence Trust	SGD	0.735	2,271.1	60.0	Dec	Semi-Anl	6.60	7.60	9.0	10.3	-43.0	33.6	0.59
CDL Hospitality Trusts	SGD	0.710	861.6	62.2	Dec	Semi-Anl	7.60	8.30	10.7	11.7	-54.8	35.4	0.47
Eagle Hospitality Trust	USD	0.137	119.6	54.6	Dec	Semi-Anl	6.00	5.90	N.M.	N.M.	-73.0	37.2	0.15
Far East Hospitality Trust	SGD	0.380	739.4	40.5	Dec	Quarter	3.30	3.80	8.7	10.0	-47.9	39.2	0.44
Frasers Hospitality Trust	SGD	0.355	677.9	37.7	Sep	Semi-Anl	4.30	4.60	12.1	13.0	-50.0	35.5	0.49
	SGD	Total:	4,978.0					Average:	12.9	13.9	-55.1	35.5	0.42
HEALTHCARE (2)													
First REIT	SGD	0.670	536.0	73.0	Dec	Quarter	8.50	8.40	12.7	12.5	-31.2	34.5	0.67
ParkwayLife REIT	SGD	3.090	1,869.5	64.2	Dec	Quarter	13.80	14.00	4.5	4.5	-6.1	37.1	1.58
	SGD	Total:	2,405.5					Average:	8.6	8.5	-18.6	35.8	1.13
DATA CENTRE (1)													
Keppel DC REIT	SGD	2.32	3,788.1	76.5	Dec	Semi-Anl	9.00	9.80	3.9	4.2	12.5	30.7	2.03
	SGD	Total:	3,788.1					Average:	3.9	4.2	12.5	30.7	2.03
OTHERS (1)													
Cromwell European REIT	EUR	0.32	817.9	50.3	Dec	Semi-Anl	3.80	4.00	11.9	12.5	-38.5	36.8	0.62
	SGD	Total:	1,268.1					Average:	11.9	12.5	-38.5	36.8	0.62
42 S-REITS		GRAND TOTAL:	75,621.5					AVERAGE:	10.1	10.3	-36.1	35.4	0.72
Business Trusts													
REAL ESTATE (3)													
Accordia Golf Trust	SGD	0.500	549.6	71.1	Mar	Semi-Anl	5.65	5.90	11.3	11.8	-25.4	25.3	0.63
Ascendas India Trust	SGD	1.050	1,202.8	94.8	Mar	Semi-Anl	8.10	9.00	7.7	8.6	-32.0	28.8	0.96
Dasin Retail Trust	SGD	0.815	528.6	27.3	Dec	Semi-Anl	6.20	6.30	7.6	7.7	0.1	36.5	0.60
	SGD	Total:	2,281.0					Average:	8.9	9.4	-19.1	30.2	0.73
INFRASTRUCTURE (3)													
Asian Pay Television Trust	SGD	0.117	169.7	98.9	Dec	Quarter	1.20	1.20	10.3	10.3	-28.9	53.8	0.16
Keppel Infrastructure Trust	SGD	0.400	1,996.9	71.1	Dec	Quarter	3.90	3.90	9.8	9.8	-24.6	42.2	1.17
NetLink NBN Trust	SGD	0.900	3,507.3	75.1	Mar	Semi-Anl	5.00	5.20	5.6	5.8	-4.8	15.2	1.21
	SGD	Total:	5,673.8					Average:	8.5	8.6	-19.4	37.1	0.84
PORT AND SHIPPING (2)													
First Ship Lease Trust	SGD	0.060	106.1	26.6	Dec	Irreg	N.A.	N.A.	N.A.	N.A.	5.9	25.5	0.36
Hutchison Port Holdings	USD	0.101	879.8	72.3	Dec	Semi-Anl	1.26	1.37	12.5	13.5	-38.9	33.0	0.26
	SGD	Total:	1,368.6					Average:	12.5	13.5	-16.5	29.2	0.31
8 BUSINESS TRUSTS		GRAND TOTAL:	9,323.4					AVERAGE:	9.2	9.6	-18.6	32.5	0.67

Source: Managers, Bloomberg, OIR estimates (03 Apr 2020)

NOTES:

- 1) SGD/JPY = 0.013221; SGD/USD = 1.435; SGD/HKD = 0.1851; USD/HKD = 0.12897; SGD/EUR = 1.5504; SGD/AUD = 0.8604; CNY/SGD = 4.943; SGD/GBP = 1.7606
- 2) Curr/Fwd DPU and yield are based on Bloomberg consensus forecasts for the current/next financial year
- 3) D/A (Debt-to-Asset) and P/B (Price-to-Book) are based on figures reported in latest available financial results
- 4) YTD return includes dividends distributed
- 5) Keppel-KBS US REIT has changed its name to Keppel Pacific Oak US REIT with effect from 5 Sep 2019
- 6) Elite Commercial REIT and United Hampshire US REIT's D/A and NAV/share (used in P/B calculation) are as per their prospectuses

OCBC Investment Research
Weekly S-REITs Tracker

Exhibit 2: OIR coverage

	BBRG Ticker		Price	Fair Value	Rating
Ascendas REIT	AREIT SP	SGD	2.52	3.59	BUY
Ascott Residence Trust	ART SP	SGD	0.74	1.11	BUY
Cache Logistics Trust	CACHE SP	SGD	0.460	0.740	HOLD
CapitaLand Commercial Trust	CCT SP	SGD	1.33	1.95	ACCEPT OFFER
CapitaLand Mall Trust	CT SP	SGD	1.52	2.90	BUY
CapitaLand Retail China Trust	CRCT SP	SGD	1.06	1.57	HOLD
CDL Hospitality Trusts	CDREIT SP	SGD	0.71	1.09	HOLD
ESR-REIT	EREIT SP	SGD	0.250	0.60	BUY
Far East Hospitality Trust	FEHT SP	SGD	0.380	0.52	HOLD
Frasers Centrepoint Trust	FCT SP	SGD	1.64	3.07	BUY
Frasers Commercial Trust	FCOT SP	SGD	1.10	1.76	BUY
Frasers Logistics & Ind Trust	FLT SP	SGD	0.81	1.37	BUY
Keppel DC REIT	KDCREIT SP	SGD	2.32	2.26	HOLD
Mapletree Commercial Trust	MCT SP	SGD	1.50	2.44	HOLD
Mapletree North Asia Com	MAGIC SP	SGD	0.77	1.37	BUY
Mapletree Industrial Trust	MINT SP	SGD	2.12	2.87	HOLD
Mapletree Logistics Trust	MLT SP	SGD	1.50	1.59	SELL
OUÉ Commercial REIT	OUECT SP	SGD	0.320	0.550	HOLD
Soilbuild REIT	SBREIT SP	SGD	0.305	0.52	HOLD
SPH REIT	SPHREIT SP	SGD	0.68	0.77	HOLD
Starhill Global REIT	SGREIT SP	SGD	0.395	0.81	BUY
Suntec REIT	SUN SP	SGD	1.14	2.05	BUY

Source: Bloomberg, OIR estimates (03 Apr 2020)

Exhibit 3: Distribution details

	DPU (\$ cents)	Date announced	Ex-date	Record date	Pay date	Annualised yield (%)
SPH REIT	0.300	1 Apr 2020	8 Apr 2020	9 Apr 2020	13 May 2020	1.8

Source: Managers, Bloomberg, OIR estimates (03 Apr 2020)

Exhibit 4: Results release dates

	Financial quarter	Release date	Remarks
Soilbuild REIT	1QFY20	16 Apr 2020	After market close
ParkwayLife REIT	1QFY20	22 Apr 2020	Before market open
Mapletree Commercial Trust	4QFY20	22 Apr 2020	After market close
Keppel REIT	1QFY20	22 Apr 2020	Not disclosed
Mapletree North Asia Com	3QFY20	29 Apr 2020	After market close

Source: Managers, Bloomberg

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