



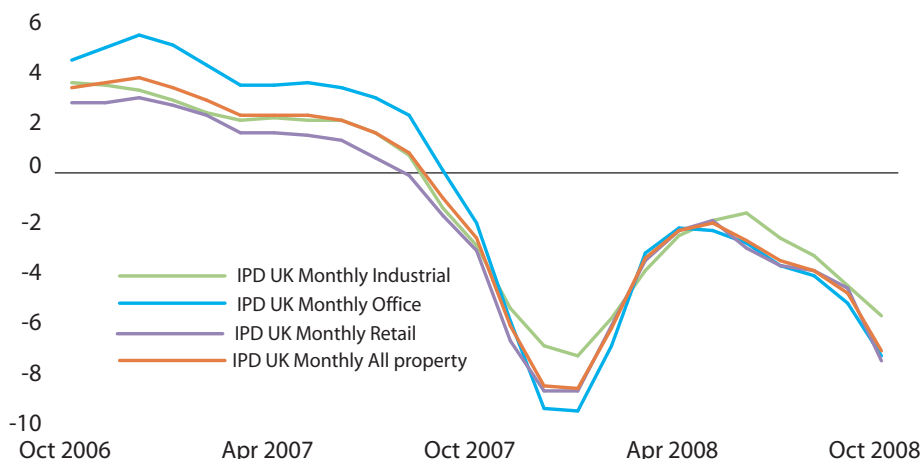
IPD UK Monthly Property Index

Results for October 2008

On the pulse of
the property world



Historical sector performance - 3 month total returns %



The IPD UK Monthly Property Index measures ungeared monthly returns to direct property investments, and in October 2008 delivered -3.8%

Property & Other Assets – IPD UK Monthly Property Index Total Returns %

	Total return index Dec 1986=100	Total return	Income return	Capital growth	Longer period total returns		
					3 mth	6 mth	12 mth
IPD UK Monthly Property Indices							
IPD UK All Property	734.9	-3.8	0.5	-4.3	-7.1	-10.4	-20.0
IPD UK Retail	700.4	-4.2	0.5	-4.7	-7.5	-11.0	-20.6
IPD UK Office	625.7	-3.7	0.5	-4.3	-7.3	-10.7	-21.1
IPD UK Industrial	1121.8	-2.7	0.6	-3.2	-5.7	-8.2	-17.0
Other Asset Classes							
Equities ⁽¹⁾	582.6	-11.9	-	-12.1	-19.7	-28.2	-34.4
Property equities ⁽²⁾	376.6	-22.3	-	-22.5	-22.2	-34.6	-44.2
Bonds ⁽³⁾	632.4	0.1	-	0.1	3.6	3.6	8.0

Other Asset Class Indices : 1. FTSE All-Share Index, 2. FTSE All-Share Real Estate Index, 3. FTSE UK Gilts Index 5-15 yrs

Where available, residential property data is reported as an IPD property sector index. At present however there is minimal residential property exposure in the IPD UK Monthly Property Index.

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Index Characteristics

IPD UK Monthly Property Index Income and Occupancy October 2008

	Tenancies as % of total			Reversions as % of income on:		Unsecured income % income on:		Rental value in voids as % of:		Reversionary potential	
	Revers-ionary	Over-rented	Void	All tenancies	Reversionary tenancies	All tenancies	Over-rented tenancies	Total income	Total rental value	Inc voids	Excl. voids
All Retail	71.7	17.0	11.3	7.1	8.5	1.5	9.2	6.4	5.7	112.0	105.6
All Office	60.3	22.5	17.2	10.1	15.3	3.8	11.2	11.0	9.4	117.3	106.2
All Industrial	67.3	19.0	13.7	4.4	5.7	2.2	9.3	13.0	11.3	115.2	102.2
All Property	68.6	18.4	13.0	7.6	9.9	2.4	10.1	9.0	7.9	114.2	105.2

Monthly estimates for both the Annual and Quarterly indices can now be found in the Indices for Derivatives section of the IPD website at: <http://www.ipd.com/Estimates>

Variable definitions

Total return is overall return on capital employed, and on a monthly basis is the sum of income return and capital growth. Income return is income receivable net of property management and ground rent divided by capital employed through the month. Capital growth is change in capital value from one valuation to the next net of any capital expenditure, divided by capital employed. Capital employed is capital value at the start of the month plus any capital expenditure.

Rental value growth is synonymous with estimated rental value growth and open market rental value growth. It is the percentage change in the rental value used in the valuation from one month end to the next.

Yield levels are given at the month-end for properties held as standing investments through the month. Initial yield is current net income divided by gross capital value. Equivalent yield is the rate which discounts the projected cash flow (taking into account all adjustments to rental value through review or expiry) to the capital value. Yield impact indicates the effect of yield movements on capital growth, it is calculated on a consistent set of properties held as standing investments through the month. It is different from changes in end-month equivalent yield, which also reflect changes in the composition of the standing investment samples.

Reversion is the excess of rental value over current income in occupied tenancies where the former exceeds the latter. Unsecured income is current income minus rental value in occupied tenancies where the former exceeds the latter. Reversionary potential is the ratio of rental value to current income, a figure of 100 indicates rack-renting.

Index construction

The IPD UK Monthly Property Index measures returns to direct investment in commercial property. It is compiled from valuation and management records for individual buildings in complete portfolios, collected direct from investors by IPD. All valuations used in the Monthly Index are conducted by qualified valuers, independent of the property owners or managers, working to RICS guidelines.

The IPD UK Monthly Property Index shows total return on capital employed in market standing investments. Standing investments are properties held from one monthly valuation to the next. The market results exclude any properties bought, sold, under development, or subject to major refurbishment in the course of the month.

The monthly results are chain-linked into a continuous, time-weighted, index series.

IPD UK Monthly Property Index	Number of properties	Total capital value £m	Total % capital value
All Retail	1,475	17,591	47.1
Std Retails - South East	384	1,952	5.2
Std Retails - Rest of UK	506	2,600	7.0
Shopping centres	120	4,566	12.2
Retail warehouse	465	8,473	22.7
All Office	951	12,212	32.7
City	86	1,932	5.2
West End	175	3,738	10.0
Rest of South East	442	4,297	11.5
Rest of UK	248	2,244	6.0
All Industrial	942	6,358	17.0
South Eastern	449	3,437	9.2
Rest of UK	493	2,921	7.8
Other Property	209	1,157	3.1
All Property	3,577	37,318	100.0
Total of portfolios covered:		72	
Number of valuers:		16	
Max valued by any one valuer:		41.7	
Proportion valued by top four valuers:		70.9	
Number of management houses:		28	
Max contribution by one house:		26.2	
Proportion from top four houses:		60.8	

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