Table of Contents (short)

1	INTRODUCTION			
1.1	RESEARCH PROBLEM AND IMPORTANCE OF THE STUDY			
1.2	PURPOSE OF THE STUDY			
1.3	OUTLINE OF THE STUDY			
2	THEORETICAL FRAMEWORK AND FUNDAMENTALS			
2.1	DEFINITIONS AND CONCEPTS			
2.2	RESEARCH FRAMEWORK			
2.3	FUNDAMENTALS OF REAL ESTATE INVESTMENT TRUSTS			
3	ANALYSIS			
3.1	STATE OF RESEARCH AND HYPOTHESES			
3.2	STUDY SETUP AND DATA SOURCES			
3.3	SPECIFICATION OF VARIABLES			
3.4	SCOPE AND LIMITATIONS OF THE SAMPLE			
3.5	METHODOLOGY			
4	FINDINGS			
4.1	FUNDAMENTAL ANALYSIS OF REAL ESTATE INVESTMENT TRUSTS			
4.2	OPERATING PERFORMANCE AND PRICING OF REAL ESTATE INVESTMENT TRUSTS			
4.3	CHARACTERISTICS AND DEVELOPMENT OF SPACE MARKETS			
4.4	REAL ESTATE INVESTMENT STRATEGIES OF REAL ESTATE INVESTMENT TRUSTS			
4.5	SPACE MARKET PERFORMANCE AND CYCLES OF REAL ESTATE INVESTMENT TRUSTS 204			
4.6	SIGNALING FUNCTION OF SPACE MARKET CYCLES AND EARNINGS OF REITS			
4.7	REGRESSION ANALYSIS OF SPACE MARKET CYCLES AND PERFORMANCE OF REITS			
5	DISCUSSION AND IMPLICATIONS OF FINDINGS			
5.1	REIT-REAL ESTATE SYSTEM OF OFFICE REAL ESTATE INVESTMENT TRUSTS			
5.2	REIT-REAL ESTATE SYSTEM OF INDUSTRIAL REAL ESTATE INVESTMENT TRUSTS			
5.3	REIT-REAL ESTATE SYSTEM OF RETAIL REAL ESTATE INVESTMENT TRUSTS			
5.4	REIT-REAL ESTATE SYSTEM OF APARTMENT REAL ESTATE INVESTMENT TRUSTS			
5.5	REIT-REAL ESTATE SYSTEM OF HOTEL REAL ESTATE INVESTMENT TRUSTS			
5.6	IMPLICATIONS FOR REAL ESTATE INVESTMENT TRUSTS IN EUROPE			
6	CONCLUSION AND OUTLOOK			
6.1	SUMMARY			
6.2	LIMITATIONS OF THE STUDY AND CRITICAL REFLECTION			
6.3	RESEARCH PERSPECTIVES AND OUTLOOK			
Ref	REFERENCES			



Table of Contents (long)

Lis	t of A	ABBRE VIATIONSVI	I
Lis	t of T	TABLESIX	(
Lis	t of F	IGURESX	I
LIS	t of F	ORMULASXV	7
1	INTR	ODUCTION	l
1.1	R	SEARCH PROBLEM AND IMPORTANCE OF THE STUDY	1
1.2	Pu	RPOSE OF THE STUDY	5
1.3	Οι	TLINE OF THE STUDY	7
2	THE	DRETICAL FRAMEWORK AND FUNDAMENTALS11	l
2.1	DE	FINITIONS AND CONCEPTS1	
	2.1.1	Physical and Financial Real Estate Market Cycles1	1
	2.1.2	Diversification and Investment Strategy	б
2.2	R	SEARCH FRAMEWORK1	
	2.2.1	Assumptions and Premises	9
	2.2.2	Real Estate Investment Trust-Real Estate System	1
	2.2.3	Theoretical Frame of Reference2	4
	2.2.4	Construct Definition Physical Market Cycle	1
	2.2.5	Research Questions	3
2.3	5 Fi	NDAMENTALS OF REAL ESTATE INVESTMENT TRUSTS	8
	2.3.1	Structure, Parallel Asset Markets, and Specialization of Real Estate Investment Trusts3	8
	2.3.2	Regulatory Framework and Funds from Operation of Real Estate Investment Trusts4	1
	2.3.3	Classification of Real Estate Investment Trust Property Sectors	4
3	ANA	LYSIS	0
3.1	ST	ATE OF RESEARCH AND HYPOTHESES	8
	3.1.1	Importance of Real Estate Cycles for Real Estate Investment Trusts	3
	3.1.2	The Role of Property Type and Metro-area Factors for Real Estate Investment Trusts5	9
	3.1.3	Performance of Real Estate Investment Trusts Property Sectors	7
3.2	2 51	UDY SETUP AND DATA SOURCES	4
	3.2.1	Period of Investigation	4
	3.2.2	Data Sources	5
3.3	3 Sf	ECIFICATION OF VARIABLES	7
	3.3.1	Space Market Data on Property Types and Individual Metro Areas	9
	3.3.2	Property Holdings of Real Estate Investment Trusts	2
3.4	t Sc	OPE AND LIMITATIONS OF THE SAMPLE	6

	3.4.1	Office Real Estate Investment Trust Sample	., 86
	3.4.2	Industrial Real Estate Investment Trust Sample	87
	3.4.3	Retail Real Estate Investment Trust Sample	88
	3.4.4	Hotel Real Estate Investment Trust Sample	90
	3.4.5	Exclusions and Sample Specifications	91
3.5	5 Me	THODOLOGY	93
	3.5.1	Descriptive Statistics	93
	3.5.2	Herfindahl Index	94
	3.5.3	Box-Jenkins Cross-correlations	95
	3.5.4	Multivariate Regression Analysis	99
4	Findi	NGS	103
4.1	FU	NDAMENTAL ANALYSIS OF REAL ESTATE INVESTMENT TRUSTS	103
	4.1.1	Market Capitalization of Real Estate Investment Trusts	103
	4.1.2	Total Debt to Total Market Capitalization of Real Estate Investment Trusts	105
	4.1.3	Gross Real Estate Investments to Assets of Real Estate Investment Trusts	107
	4.1.4	Real Estate Investment Growth of Real Estate Investment Trusts	109
	4.1.5	Funds from Operation Growth of Real Estate Investment Trusts	111
	4.1.6	Funds from Operation to Revenue of Real Estate Investment Trusts	114
	4.1.7	Section Summary	115
4.2	Ор	ERATING PERFORMANCE AND PRICING OF REAL ESTATE INVESTMENT TRUSTS	117
	4.2.1	Funds from Operation and Pricing of Real Estate Investment Trusts - Sector Level	117
	4.2.2	Funds from Operation and Pricing of Real Estate Investment Trusts - Office REITs	119
	4.2.3	Funds from Operation and Pricing of Real Estate Investment Trusts - Industrial REITs.	122
	4.2.4	Funds from Operation and Pricing of Real Estate Investment Trusts - Retail REITs	124
	4.2.5	Funds from Operation and Pricing of Real Estate Investment Trusts - Apartment REITs	125
	4.2.6	Funds from Operation and Pricing of Real Estate Investment Trusts – Hotel REITs	127
	4.2.7	Section Summary	129
4.3	Сн	ARACTERISTICS AND DEVELOPMENT OF SPACE MARKETS	131
	4.3.1	Size, Structure, and Change of Space Markets	131
	4.3.1	.1 Characteristics and Development of the Office Real Estate Market	.132
	4.3.1	2 Characteristics and Development of the Industrial Real Estate Market	.134
	4.3.1	.3 Characteristics and Development of the Retail Real Estate Market	136
	4.3.1	4 Characteristics and Development of the Apartment Properties Market	.139
	4.3.1	.5 Characteristics and Development of the Hotel Properties Market	.142
	4.3.2	Absorption and Demand	145
	4.3.2	.1 Net Change of Occupied Office, Industrial and Retail Space	.146
	4.3.2	.2 Net Change of Occupied Hotel- and Apartment-Space	.147

Table of Contents

	4.3.3	Com	pletions and Supply	. 148
	4.3.3	.1	Net Change in Office, Industrial, and Retail Stock	148
	4.3.3	.2	Net Change in Apartment and Hotel Stock	150
	4.3.4	Supp	oly and Demand Discrepancies	. 151
	4.3.5	Vac	ancy Levels of MSAs	152
	4.3.6	Ren	t Levels	. 159
	4.3.7	Sect	ion Summary	. 164
4.4	RE		TATE INVESTMENT STRATEGIES OF REAL ESTATE INVESTMENT TRUSTS	
	4.4.1	Rea	l Estate Investment Strategies – Sector-level Results	166
	4.4.1	.1	Office Real Estate Investment Trust Sector	166
	4.4.1	.2	Industrial Real Estate Investment Trusts Sector	170
	4.4.1	1.3	Retail Real Estate Investment Trusts Sector	174
	4.4.	1.4	Apartment Real Estate Investment Trusts Sector	177
	4.4.1	1.5	Hotel Real Estate Investment Trusts Sector	180
	4.4.2	Rea	l Estate Investment Strategies – Industry Examples	183
	4.4.2		Real Estate Investment Strategies of Office Real Estate Investment Trust Companies	
	4.4.2	2.2	Real Estate Investment Strategies of Industrial Real Estate Investment Trust Companies	188
	4.4.	2.3	Real Estate Investment Strategies of Retail Real Estate Investment Trust Companies	192
	4.4.	2.4	Real Estate Investment Strategies of Apartment Real Estate Investment Trust Companies	196
	4.4.	2.5	Real Estate Investment Strategies of Hotel Real Estate Investment Trust Companies	199
	4.4.3	Sec	tion Summary	202
4.5	5 Sp.	ACE N	ARKET PERFORMANCE AND CYCLES OF REAL ESTATE INVESTMENT TRUSTS	204
	4.5.1	Spa	ce Market Performance of Real Estate Investment Trusts – Sector Level	204
	4.5.	1.1	Space Market Performance of the Office Real Estate Investment Trust Sector	204
	4.5.	1.2	Space Market Performance of the Industrial Real Estate Investment Trust Sector	207
	4.5.	1.3	Space Market Performance of the Retail REITs	208
	4.5.	1.4	Space Market Performance of Apartment Real Estate Investment Trust s	210
	4.5.	1.5	Space Market Performance of the Hotel Real Estate Investment Trust Sector	212
	4.5.2	Spa	nce Market Performance of Real Estate Investment Trusts – Company Level	213
	4.5.	2.1	Space Market Performance of Office Real Estate Investment Trust Companies	214
	4.5.	2.2	Space Market Performance of Industrial Real Estate Investment Trust Companies	216
	4.5.	2.3	Space Market Performance of Retail Real Estate Investment Trust Companies	217
	4.5	.2.4	Space Market Performance of Apartment Real Estate Investment Trust Companies	220
	4.5	2.5	Space Market Performance of Hotel Real Estate Investment Trust Companies	222
	4.5.3	Sec	tion Summary	223
4.	6 SI	GNAL	ING FUNCTION OF SPACE MARKET CYCLES AND EARNINGS OF REITS	225
	4.6.1	Tin	ne Lags and Association between Space Market Factors of REITs	226
	4.6	1.1	Sector-level Results for Space Market Factors	226

	4.6.1	2 Company-level Results for Space Market Factors	234
4	4.6.2	Space Market Factors with Funds from Operation	235
	4.6.2	.1 Space Market Factors with Funds from Operation – Sector-level Results	236
	4.6.2	.2 Space Market Factors with Funds from Operation - Company-level Results	237
4	4.6.3	Space Markets with FFO Multiples – Sector- and Company-level Results	239
4	4.6.4	Funds from Operation with Pricing – Sector- and Company-level Results	240
4	4.6.5	Section Summary	242
4.7	REG	RESSION ANALYSIS OF SPACE MARKET CYCLES AND PERFORMANCE OF REITS	245
4	4.7.1	Regression Model Apartment REIT Sector	246
4	4.7.2	Regression Model Office REIT Sector	248
4	4.7.3	Regression Model Retail REIT Sector	250
4	4.7.4	Regression Model Hotel REIT Sector	251
4	4.7.5	Regression Model Industrial REIT Sector	253
4	1.7.6	Section Summary	254
5 1	Discu	SSION AND IMPLICATIONS OF FINDINGS	256
5.1	RE	IT-REAL ESTATE SYSTEM OF OFFICE REAL ESTATE INVESTMENT TRUSTS	256
5	5.1.1	Investment Considerations for Office Real Estate Investment Trusts	256
5	5.1.2	Risk Factors of Office Real Estate Investment Trusts	259
5	5.1.3	Real Estate Investment Strategies and Market Cycles of Office REITs	260
5	5.1.4	Links and Time Lags between Space Markets, FFO, and Pricing of Office REITs	261
5.2	RE	T-REAL ESTATE SYSTEM OF INDUSTRIAL REAL ESTATE INVESTMENT TRUSTS	263
5	5.2.1	Investment Considerations for Industrial Real Estate Investment Trusts	263
5	5.2.2	Risk Factors of Industrial Real Estate Investment Trusts	265
5	5.2.3	Real Estate Investment Strategies and Space Market Cycles of Industrial REITs	267
5	5.2.4	Links and Time Lags between Space Markets, FFO, and Pricing of Industrial REITs	268
5.3	REI	T-REAL ESTATE SYSTEM OF RETAIL REAL ESTATE INVESTMENT TRUSTS	270
5	5.3.1	Investment Considerations for Retail Real Estate Investment Trusts	270
5	5.3.2	Risk Factors of Retail Real Estate Investment Trusts	272
5	5.3.3	Real Estate Investment Strategies and Space Market Cycles of Retail REITs	273
5	5.3.4	Links and Time Lags between Space Markets, FFO, and Pricing of Retail REITs	274
5.4	RE	IT-REAL ESTATE SYSTEM OF APARTMENT REAL ESTATE INVESTMENT TRUSTS	275
5	5.4.1	Investment Considerations for Apartment Real Estate Investment Trusts	275
5	5.4.2	Risk Factors of Apartment Real Estate Investment Trusts	277
5	5.4.3	Real Estate Investment Strategies and Market Cycles of Apartment REITs	278
-	.4.4	Links and Time Lags between Space Markets, FFO, and Pricing of Apartment REITs	
5.5	REI	T-REAL ESTATE SYSTEM OF HOTEL REAL ESTATE INVESTMENT TRUSTS	
5	5.5.1	Investment Considerations for Hotel Real Estate Investment Trusts	281

Table of Contents

	5.5.2	Risk Factors of Hotel Real Estate Investment Trusts	284
	5.5.3	Real Estate Investment Strategies and Space Market Cycles of Hotel REITs	285
	5.5.4	Links and Time Lags between Space Markets, FFO, and Pricing of Hotel REITs	288
5.6	Ім	PLICATIONS FOR REAL ESTATE INVESTMENT TRUSTS IN EUROPE	290
	5.6.1	Comparability of Property Type and Metro Market Cycles	290
	5.6.2	Transferability of the FFO Concept to REITs in the European Union	292
	5.6.3	Comparability of REIT Capital Markets Environment	293
	5.6.4	Section Summary	294
6	Cond	CLUSION AND OUTLOOK	296
6.1	SU	MMARY	
6.2	LP	IITATIONS OF THE STUDY AND CRITICAL REFLECTION	308
6.3	RE	SEARCH PERSPECTIVES AND OUTLOOK	310
Ref	EREN	CES	312