

August 2010

Japan Real Estate Second Quarter 2010

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Summary

The past two years have seen Japan through an unusually volatile business cycle. The economy posted an unprecedented steep decline in economic activity in 2009 of 5.2%, only to come roaring back to life in the first quarter of 2010 with an economic growth rate of 4.2%. The bounce was largely credited to an increase in external demand as well as positive effects of government stimulus spending. The Tankan Survey conducted by the Bank of Japan corresponded with the economic improvement, showing five consecutive quarterly upticks in its index. But this economic bounce will be followed by a plateau of milder growth in 2011 due to the expected end of the stimulus effect. Further uncertainties for the economy include an elevated level of unemployment as well as the export-related impact of the yen's appreciation against major currencies.

This quarterly review of Japan's property markets begins with the 'Second Quarter Market Outlook 2010'. This section explains the latest fundamentals of each property sector and illustrates trends affecting the finance market, transaction volumes, cap rates, returns and leasing markets. It also provides a short-term outlook for each of the major property sectors. Over the past six months, credit conditions in Japan have gradually improved. Cap rates in prime locations like the Tokyo CBD have stabilised, if not compressed. More commercial properties traded in Tokyo in the first quarter of 2010 than any other city worldwide. Interest in the market, however, has been driven more by wide yield spreads (among the highest of major global markets) than by strong property fundamentals. Office leasing remains stagnant and the vacancy rate continues to rise. Retail indicators appear more hopeful in the near term, with consumer confidence improving and high street rents beginning to pick up.

The 'Research Topic' section provides each quarter a brief analysis of a topic that is timely and relevant to Japanese real estate markets. In the previous edition, we pointed out that based on modern portfolio theory Japanese pensions in general should increase real estate allocations in their portfolios in order to maximise their potential across the risk-return spectrum. In this edition, we add a new component to that discussion. We present an overview of Japan's capital market and contrast its structure and key players with Japan's global peers. The scale of the country's capital market is massive. It ranks second only to the US in overall size, and Japan's Government Pension Investment Fund, or GPIF, is the largest of its kind in the world. As we show in our analysis, Japan's investors—both households and institutions—deploy their assets in exceedingly risk-averse ways and this has historically limited the potential for long-term returns. Compared to global peers, we find that the long-term returns of Japan's institutional investors fall short of their overall potential.

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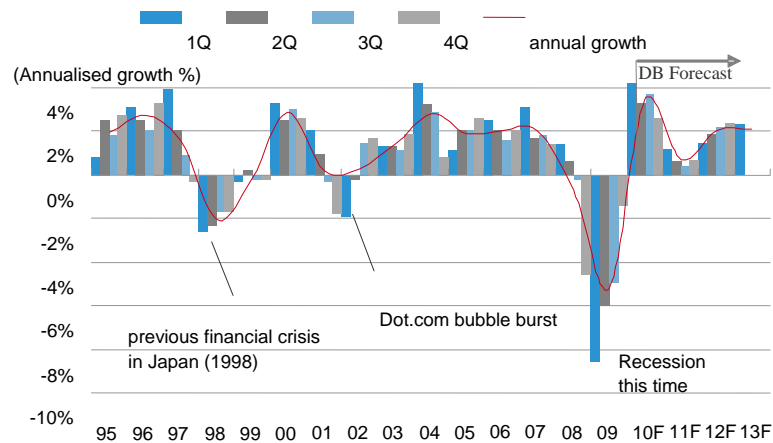
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Second Quarter 2010 Market Outlook

Macro Economy

After posting an unprecedented steep decline in economic activity in 2009 with a contraction of 5.2%, the growth rate in Japan turned positive, rising 4.2% in the first quarter of 2010, thanks to the increase in external demand and positive effects from the government's stimulus package. Deutsche Bank economists expect healthy 3.5% growth in GDP in 2010 to be followed by a milder plateau of economic growth in 2011, due to the expected end of the stimulus effect and further uncertainties for the economy given a still high level of unemployment. The yen's appreciation against major currencies is also a big concern for the export-led economy.

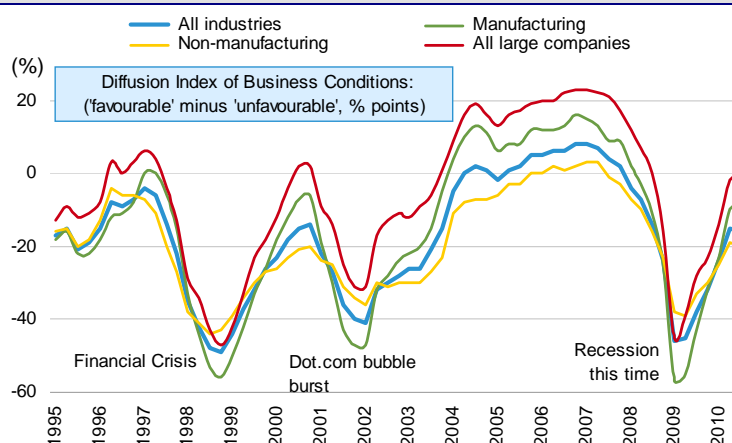
Exhibit 1: GDP growth outlook for Japan



Source: Deutsche Bank, Data as of August 2010 (f= forecast by Deutsche Bank economists)

The Tankan Survey conducted by the Bank of Japan corresponds with the current improvement in the economy. The diffusion index (DI) of business conditions for all industries rose across five consecutive quarters for the period ending in June 2010. This represents a 9-point gain over the previous quarter, and a 31-point improvement from the economic trough 15 months ago. The index for large companies continued to post a robust recovery due to increases in exports.

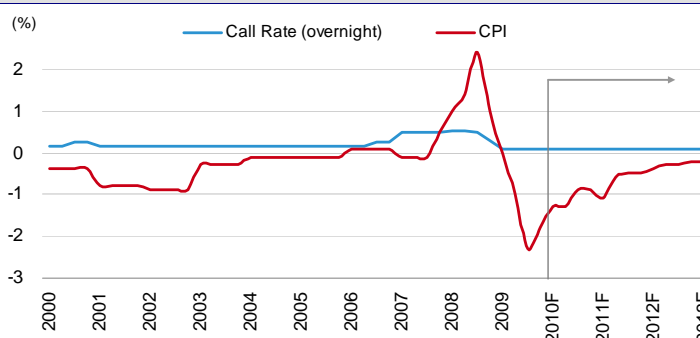
Exhibit 2: Tankan Survey: Diffusion index of business conditions



Source: The Bank of Japan, Data as of August 2010

Japan's consumer price index (CPI) fell by 2.3% during the third quarter of 2009, Japan's worst deflation rate on record. The latest change in CPI is still negative 1.3% and a milder deflationary period is expected to last into 2012 or 2013. Stagnant domestic demand and declining household incomes are playing key roles in pushing prices down in the period. Deutsche Bank economists do not expect any further interest rate cuts from 2010 onward.

Exhibit 3: Forecast of short-term interest rate and CPI

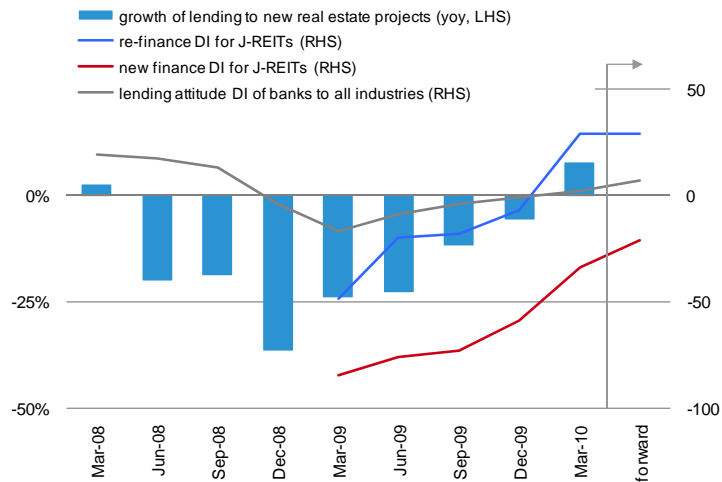


Source: Deutsche Bank, Data as of August 2010 (F = forecast by Deutsche Bank economists)

Capital Market and Pricing

Previously tight credit conditions are gradually easing. The aggregate amount of bank borrowings in the real estate industry in Japan was JPY60.4 trillion in the first quarter of 2010, relatively unchanged from the previous quarter. New lending for real estate increased 7.6% in the quarter from the same period in the previous year, and it is the first increase in eight quarters according to the Bank of Japan. The new finance diffusion index (DI) for J-REITs (red in Exhibit 4) is still negative in the period, but it has been making continuous improvement for four quarters running.

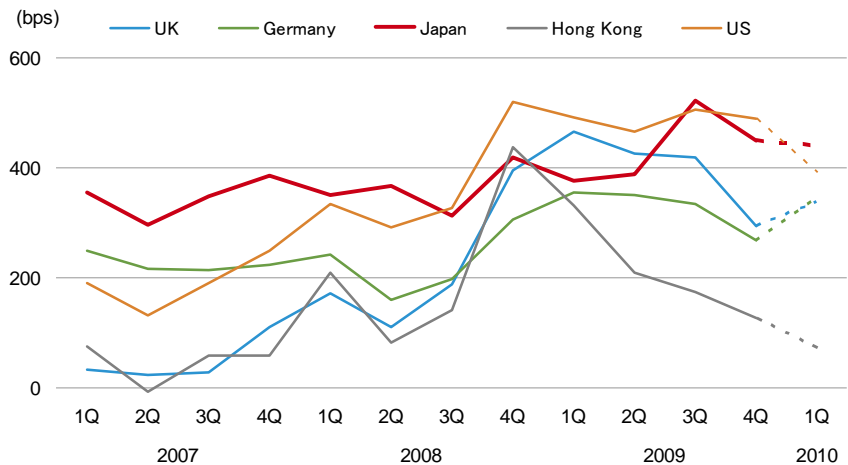
Exhibit 4: Real estate lending by Japanese banks



Source: RREEF Research based on Bank of Japan, ARES, Data as of August 2010

Cap rates for prime offices in Tokyo’s CBD¹ have stabilised since mid-2009, and some compression is now evident. The average yield spread of all reported commercial real estate transactions in Japan seems to have peaked in 2009. The average yield spread in the first quarter 2010 was 4.4% (RREEF Research’s preliminary number), suggesting an average cap rate of 5.7% on reported transactions, or about 80 basis points (bps) lower than the peak in the third quarter of 2009. Japan’s yield spread is currently the highest among selected major property markets (Exhibit 5).

Exhibit 5: Average yield spreads of transactions in selected countries



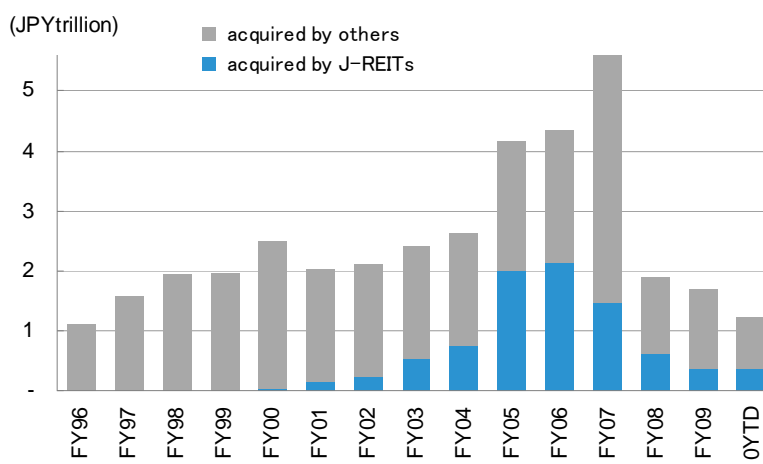
Note: Figures for the first quarter 2010 are preliminary numbers by RREEF Research

Source: RREEF Research, Real Capital Analytics, Data as of August 2010

The number of real estate transactions started to increase gradually in the fourth quarter of 2009, fuelled by a series of successful public offerings by J-REITs as they started to acquire real estate assets. The volume of real estate assets transacted in Japan in 2010 YTD amounted to JPY1.2 trillion by June 2010, compared to JPY 1.7 trillion in FY2009.

¹ The CBD is defined as the Marunouchi and Otemachi areas near Tokyo Station in Chiyoda-ku.

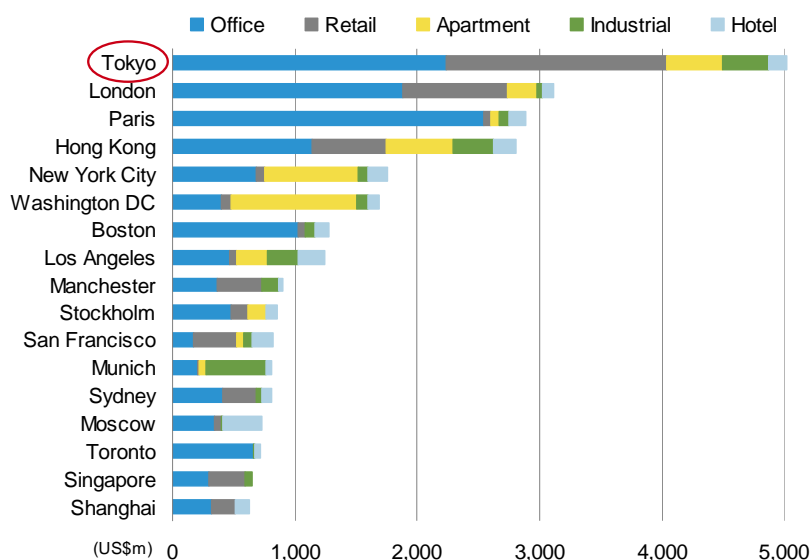
Exhibit 6: Real estate transaction volume in Japan



Note: 10YTD is the preliminary number for January through June 2010.
 The fiscal year starts in April and ends in March in Japan.
 Source: Real Capital Analytics, Urban Research Institute, Deutsche Securities Inc, RREEF Research, Data as of August 2010

Within the global investment market, Tokyo maintains a leading position in terms of the volume of commercial real estate transactions. Tokyo led all cities worldwide—and by a wide margin—in overall commercial real estate transactions during the first quarter of 2010, according to Real Capital Analytics. It ranked No.1 in the retail sector while No.2 in the office sector, although we expect some slowdown in the second quarter of 2010.

Exhibit 7: Commercial real estate transaction volumes² by city in 1Q 2010



Note: Commercial real estate transactions exclude non-income producing asset transactions, such as development site transactions
 Source: Real Capital Analytics, RREEF Research, Data as of August 2010

² Commercial real estate transactions exclude non-income-producing assets such as development site transactions which do not produce cash flows.

Below is the list of selected real estate transactions either completed or announced in the second quarter 2010. J-REITs dominated major acquisitions in the first quarter but foreign investors and managers (yellow in Exhibit 8) became more active in the second quarter, especially Asian investors, although the sizes of some transactions were small. This is believed to be because asset prices in Hong Kong and other major Asian countries rose sharply in 2009, and real estate prices in Japan became relatively cheap (see also Exhibit 5). During the period, the US-based Fortress Investment Group acquired JPY20.5 billion in daVinci Holdings debt owned by BNP Paribas, as well as the subscription rights to new shares, leaving Fortress the de facto owner of Japan-based daVinci.

Exhibit 8: Major real estate transactions in Japan in YTD 2010

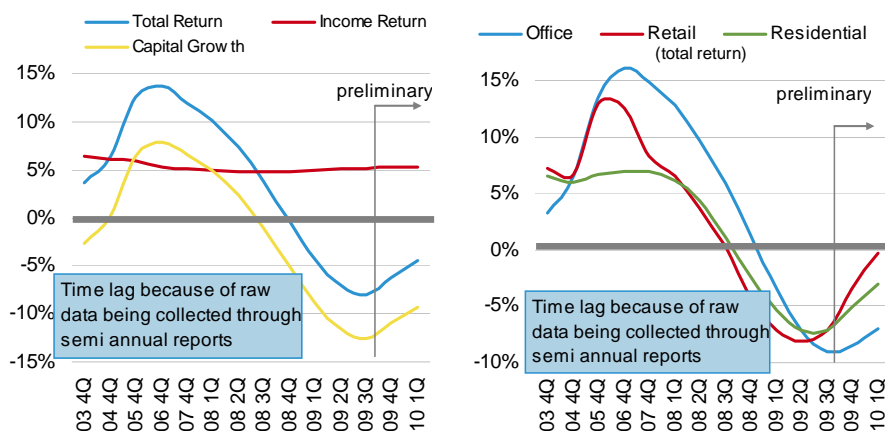
JPY1 billion = US\$11 million

Month	Type	Asset	Price (JPY billion)	Price (JPY m/sqm)	Cap rates	Pre-ference	Acquired by	Investor origin
Mar-10	retail	Gucci Ginza Building	15	4.8	-	Tokyo	Sanko Kigyo	Japan
Mar-10	residential	Founder's house	21	-	-	Tokyo	Seiko Holdings	Japan
Mar-10	office	Yanagibashi First Building	not disclosed			Tokyo	CLSA	Hong Kong
Apr-10	office	Aoyama Rise Square	38	1.8	-	Tokyo	Daibiru	Japan
Apr-10	office	Tokyo Shiodome Bldg (50%)	110	1.2	4.5%	Tokyo	Mori Trust REIT	Japan
Apr-10	office	Akasaka Mitsuke MT	27	1.6	4.7%	Tokyo	Mori Trust	Japan
Apr-10	office	Glass City Shibuya	not disclosed			Tokyo	Lasalle Investment	USA
Apr-10	office	two office buildings				Tokyo	Lasalle Investment	USA
May-10	office	Storia Shinagawa	7	0.3	-	Tokyo	unspecified group	Hong Kong
Jun-10	hotel	Hyatt Regency Hakone	4-5	0.3-0.4	-	Kanagawa	unspecified investor	Hong Kong
Jun-10	senior home	six senior houses	4	0.2	8.1%	Fukuoka	Parkway Life	Singapore
Jun-10	logistic	logistic asset in Sendai	2	0.3	-	Miyagi	Mapletree Logistics	Singapore

Note: This table is prepared solely for information purposes and not intended to recommend or endorse any specific company's shares or other products.
Source: Real Capital Analytics, Nikkei Real Estate Market Report, RREEF Research, Data as of August 2010

Based on IPD Japan's monthly indicator, the average annual total return for direct real estate investment on an unlevered basis in Japan peaked in 2006 and had since been pulled downward. However, the preliminary total return has improved steadily since the second half of 2009. The 12-month rolling index for capital growth was still negative 9.3% in March 2010. Accordingly, the total return index was negative 4.4%, but it was a 3.0 point improvement from August 2009 and was the seventh consecutive month of improvement. Within the three main property sectors, the recovery of total returns was most evident in the retail sector while the recovery lags most in the office sector.

Exhibit 9: Return of unlevered direct investment



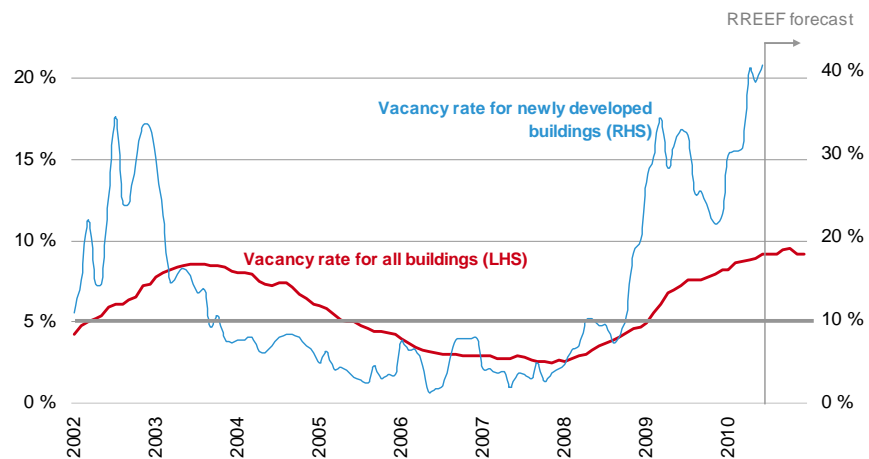
Source: RREEF Research based on IPD Japan Monthly Indicator, Data as of August 2010

Market Fundamentals: Office

The leasing market tends to lag behind the economic recovery. In fact signs of recovery for office fundamentals are not evident yet in Japan. The average office vacancy rate in Central Tokyo³ has been rising for 30 consecutive months, and it went up to 9.1% in June 2010, breaking all-time worst records for five consecutive months.

The vacancy rate for newly developed buildings⁴ in Tokyo (blue in Exhibit 10) has now jumped to 40%. In the Shinjuku submarket, the vacancy rate for newly developed buildings skyrocketed to 89% in June 2010. Historically, the vacancy rate for overall buildings has lagged the vacancy trend for newly completed buildings. Based on this leading indicator, therefore, the overall office vacancy in Tokyo is expected to increase a little further, to be followed by a slow and gradual recovery starting in late 2010.

Exhibit 10: Office vacancy rate in Central Tokyo (5 wards)



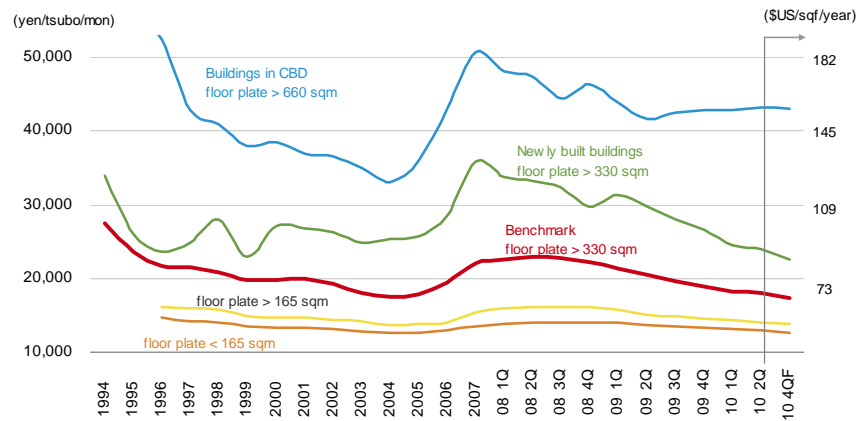
Source: RREEF Research, Miki Shoji, July 2010 (Forecast by RREEF Research) Data as of August 2010

Office rents are still declining in Tokyo (Exhibit 11). The average asking rents for newly built offices—the market niche most volatile and vulnerable to the recession—have dropped by as much as 33% to date since the peak in 2007. The benchmark average asking rents have been declining for 22 consecutive months, and have dropped 21% from peak as of the end of June 2010. On the other hand, average asking rents for buildings in the CBD have shown resilience since the third quarter of 2009.

³ Central Tokyo is defined here as the central five wards (or “ku”) of Chiyoda, Chuo, Minato, Shinjuku, and Shibuya.

⁴ Newly developed buildings are those completed within the last 12 months. Therefore, the stock of newly developed buildings gradually changes from month to month.

Exhibit 11: Office asking rents in Central Tokyo by building floor plate size

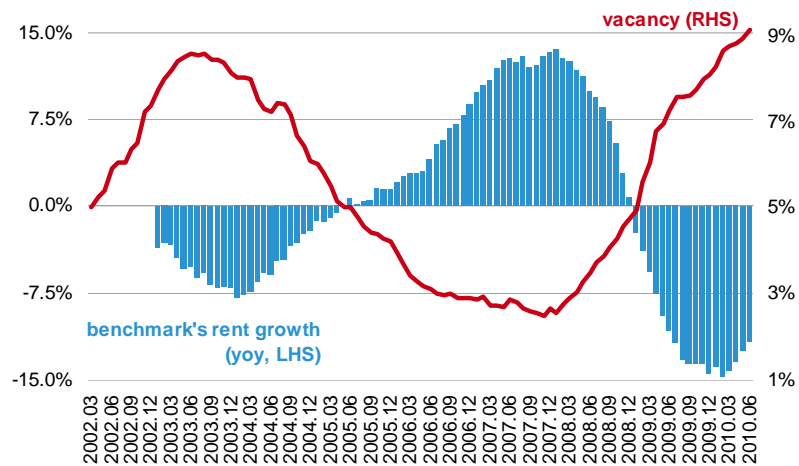


Note: 1 tsubo = 3.3 sqm or 35.6 sf

Source: RREEF Research, Miki Shoji, Sanko Estate, (F = forecast by RREEF Research), Data as of August 2010

Office rental growth rates correlate inversely to the vacancy rate in Tokyo. Historically, rents start to decline when the vacancy rate exceeds 5% and to increase when the vacancy rate falls below 5%. In other words, office rents in Tokyo are expected to bottom out only when the vacancy rate reaches the 5% level. Since the vacancy rate is already 9.1% and showing signs of further increase, it is expected to take more than a year until the benchmark rents start to increase in Central Tokyo (although rents for quality buildings in good locations could lead this trend).

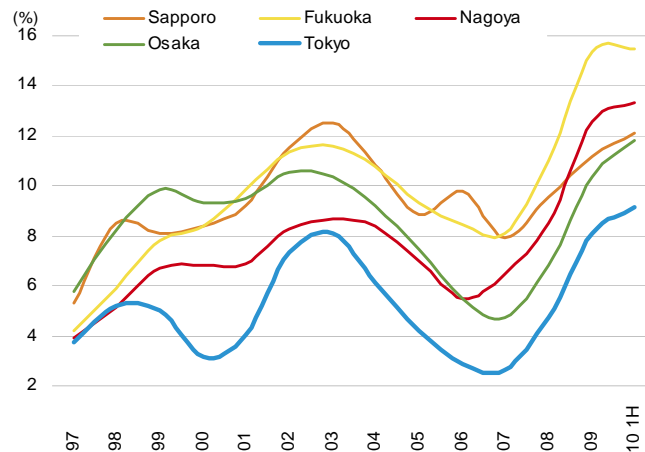
Exhibit 12: Inverse correlation between rents and vacancy in Central Tokyo



Source: RREEF Research, Miki Shoji, (F = forecast by RREEF Research) Data as of August 2010

The vacancy rates in second tier cities have risen above 10%. In June 2010, the office vacancy rate rose to 15.5% in Fukuoka, 13.4% in Nagoya, 12.1% in Sapporo and 11.8% in Osaka. Although the increase in vacancy rates in these regional cities is slowing down, demand is still weak in these markets and the vacant space is not likely to be absorbed in the near future.

Exhibit 13: Office vacancy rates in major cities in Japan (all grades)

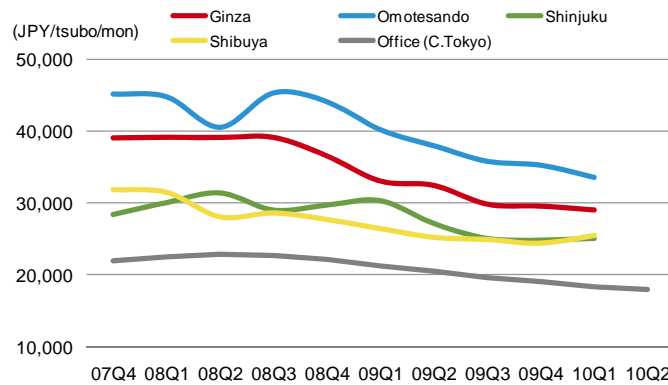


Source: RREEF Research, Miki Shoji, Data as of August 2010

Market Fundamentals: Retail

The average asking retail rents for major high streets in Tokyo are showing signs of levelling off, which is in contrast to the still struggling office leasing market. The average high street retail rents posted marginal growth in the Shinjuku and Shibuya submarkets in the first quarter 2010. In Ginza, the prime rents increased for the first time in seven quarters while the average rents dropped marginally in the same period.

Exhibit 14: Average high street retail asking rents in Tokyo

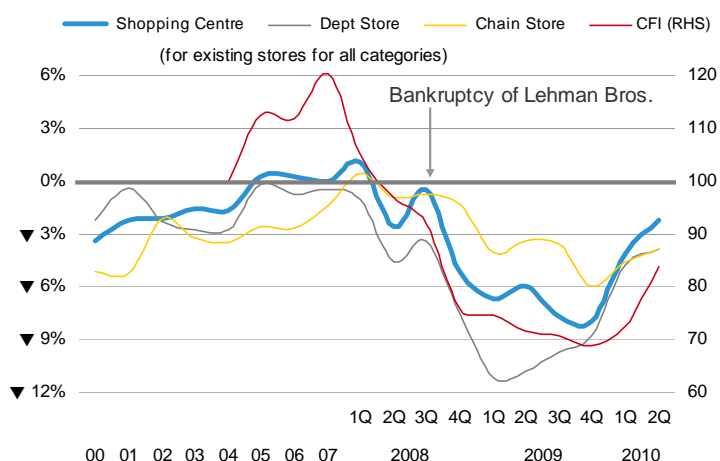


Source: RREEF Research based on data from Attractors Lab and Miki Shoji, Data as of August 2010

The recovery of sales at shopping centres and department stores has lagged high streets. Sales at shopping centres in April and May 2010 (existing store basis) fell 2.6% from the same period last year, but the speed of deterioration has been slowing. Sales at department stores declined 2.9% while chain stores declined 5.1% in the same period.

Nikkei RIM's consumption forecasting indicator (CFI), a survey that predicts future consumption trends six months in advance, also indicates recovery of consumer confidence, recapturing 80 points for the first time since the Lehman Brothers bankruptcy of 2008. Restrictions on visas for Chinese tourists to Japan were eased in July 2010, and Japanese high street retailers expect the number of Mainland Chinese shoppers to increase over the coming months.

Exhibit 15: Retail sales growth in Japan (year on year %) and CFI

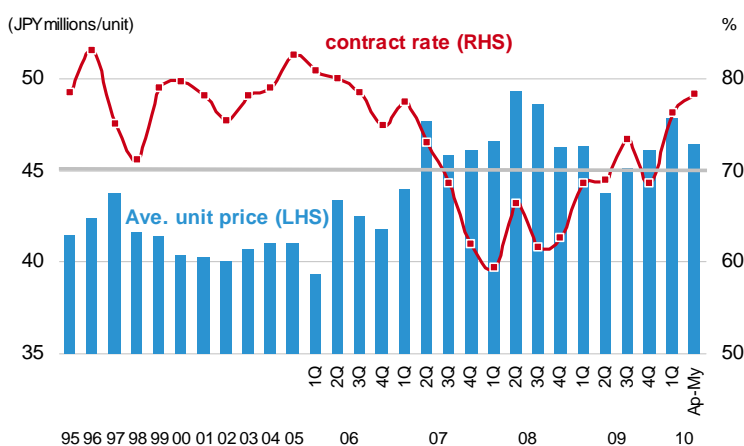


Source: RREEF Research, JCSC, JDSA, JCSA, Nikkei RIM, Data as of August 2010

Market Fundamentals: Residential

The Japanese built-for-sale condominium (condo) contract rate⁵ (red in Exhibit 16) has been improving for two years, and it was 78% in April and May 2010, the highest rate in almost four years, due to an enhanced mortgage tax break and pent-up demand carried over from the recessionary period. The average sales price per unit was JPY 46 million, slightly lower than the previous quarter but higher than the same period last year. The number of units sold increased for four consecutive months through May 2010.

Exhibit 16: Condominium unit price and contract rate in Greater Tokyo



Source: RREEF Research based on REEI, Data as of August 2010

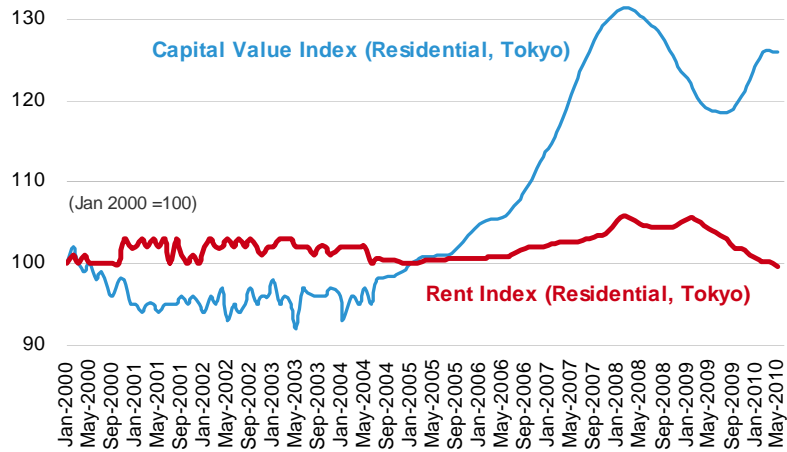
The capital value index of existing condos (i.e., the re-sale price index) hit

⁵ The contract rate is the ratio of units contracted (sold) to the number of units delivered for sale.

bottom in August 2009. The price gradually recovered through March 2010, but has since stabilised.

Residential rents, which have been relatively stable⁶, started to weaken in February 2009 and have declined by 5.8% to date. Privately granting new tenants a free-rent period for a month or two has become a popular incentive, although it is not reflected in the statistics.

Exhibit 17: Residential capital value and rent index in Tokyo



Source: IPD RECRUIT Residential Index, RREEF Research, Data as of August 2010

⁶ This relative stability for residential rents exists because without legitimate reasons, the landlord can neither reject the leasing contract renewal nor significantly increase existing in-place rents even when the market is tight.

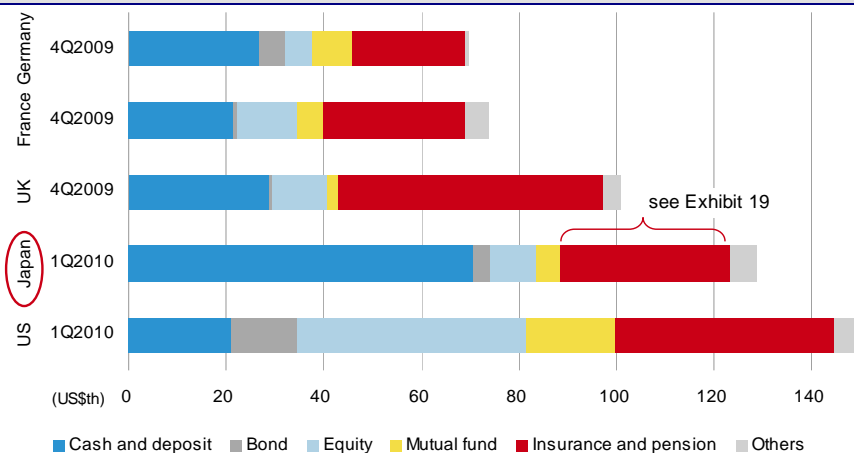
Research Topic: Japan's capital market in a global context

The Japanese capital market is the second largest in the world after the US, and Japan is also home to the world's largest pension fund. Yet even in the global financial market, the scale of Japan's capital resources frequently escapes notice. In this analysis, we present an overview of Japan's capital market in a relative context. We compare the characteristics of the Japanese capital market (especially the institutional market) and the funds domiciled in Japan with global peers.

We begin with a comparison of national household financial assets (shown in Exhibit 18 on a per capita basis). This exhibit shows how household financial assets are allocated in selected major countries. Japan's household financial assets average US\$129,000 on a per capita basis, ranking it second only to the US as of the first quarter in 2010 (or year-end 2009 for European countries).

Japan's households allocate more than half (55%) of their financial assets to cash and bank deposits (blue in Exhibit 18), reflecting the risk-averse character of the average Japanese household⁷. The Japanese government has been trying to stimulate equity and mutual fund investment among retail investors but any significant shift in household investment patterns now seems to be on hold due to the latest financial crisis.

Exhibit 18: Household financial assets per capita in selected countries



Note: Population based on the World Bank statistics 2009

Source: RREEF Research based on FRB, BoJ, UK National Statistics, Banque de France, Deutsche Bundesbank, World Bank, Data as of August 2010

Exhibit 19 illustrates the circulation of pension and insurance capital in Japan from initial investor all the way through to asset deployment. The chart traces the scale of capital entering the market from original sources (i.e., households and public pensions), then follows this capital through a complex path of pass-throughs and investment relationships to show which institutional players ultimately deploy these assets. The aggregate asset size held by households in Japan was JPY1,453 trillion (tn) as of the end of the first quarter 2010, with 27% of that total held as life insurance or in private pensions (red in Exhibit 19). This proportion (27%) is exactly the same as the one shown in Exhibit 18 above.

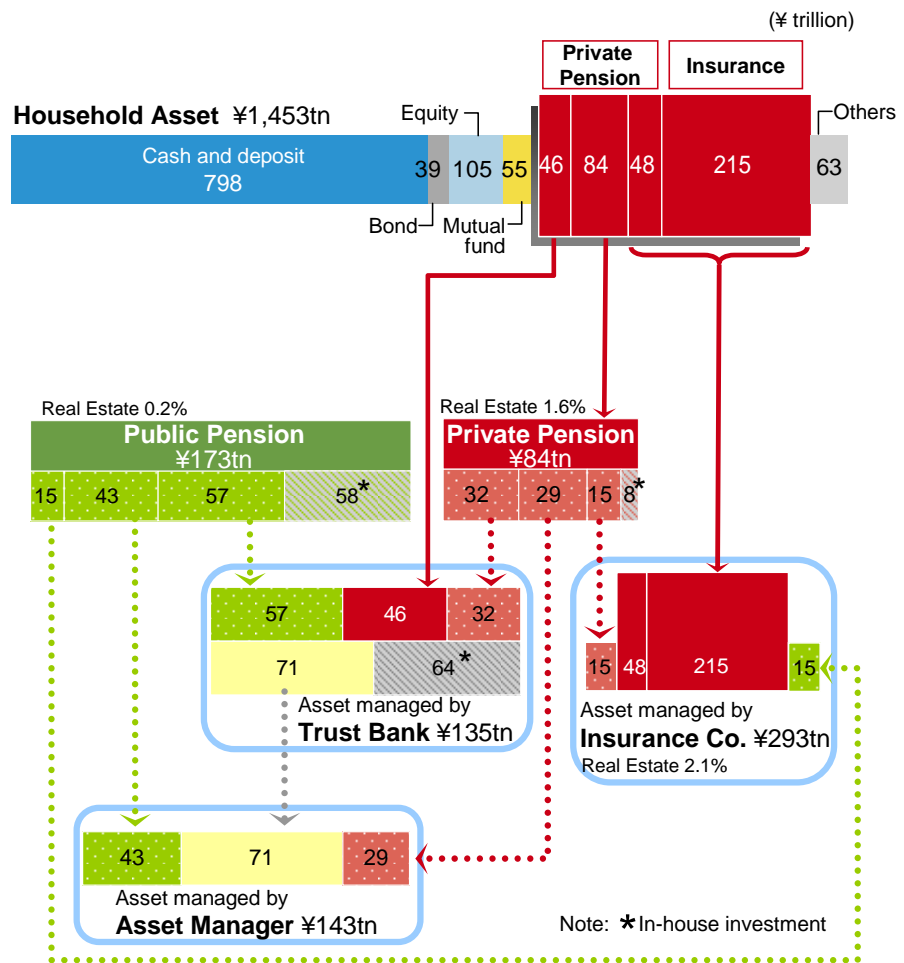
This private pension money, together with public pension money, is either

⁷ This huge scale of household bank deposits underlies the current Japanese financial structure which is characterised by a predominance of indirect financing by commercial banks.

managed by trust banks (JPY135tn), by insurance companies (JPY293tn), and/or by asset managers (JPY143tn) with some portion being managed in-house at each pension fund. Allocations to real estate are generally very low in Japan, about 0.2% at public pensions, 1.6% at private pension funds, and 2.1% at major insurance companies respectively.

Since trust banks manage the largest portion of pension capital directly and they have the closest relationships with pensions, they are regarded as 'gate keepers' of pension funds in Japan, although more than half of their capital (JPY 71tn) is being passed on to asset managers indirectly.

Exhibit 19: Circulation of pension and insurance capital in Japan



Source: RREEF Research based on BOJ, P&I, Trust Companies Association of Japan, Japan Securities Investment Advisers Association, The Life Insurance Association of Japan and publicly available annual reports, Data as of August 2010

Below is the global ranking of large pension funds and sovereign wealth funds (SWFs) by asset size. Japan's Government Pension Investment Fund (GPIF) is by far the world's largest fund with an asset size of well over one trillion dollars, followed next by SWFs of natural resource-producing countries such as the UAE, Saudi Arabia, and Norway, and then by SWFs of Asian countries⁸. Large pensions in Europe, the US, and Asia are ranked as well.

⁸ Japan does not have a sovereign wealth fund. Data as of August 2010

Exhibit 20: Largest pension funds and SWFs by asset size

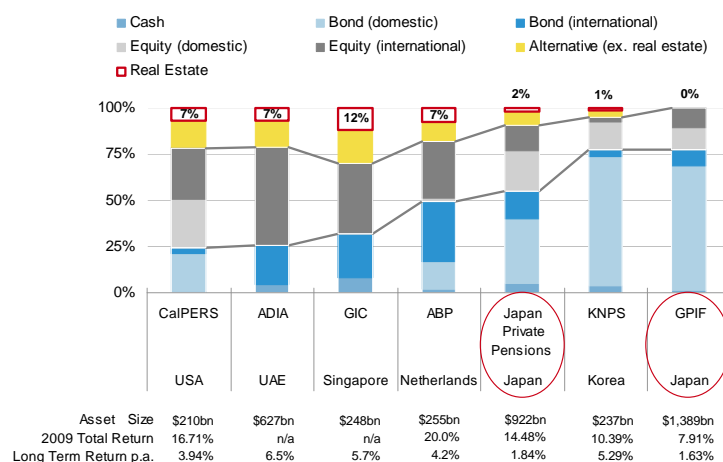
		(US\$bn)	
	Fund name	Country	Total Assets
Pension	GPIF	Japan	1,389
	ABP	Netherlands	255
	KNPS	Korea	237
	CalPERS	US	210
	Local Government Officials Pension Fund Association	Japan	186
	National Social Security Fund (NSSF)	China	147
	California State Teachers' Retirement System (CalSTRS)	US	139
	New York State Common Retirement Fund	US	133
	Postal Savings Fund	Taiwan	129
	PFA	Japan	120
	Florida State Board of Administration	US	116
Employee Provident Fund (EPF)	Malaysia	115	
SWF	Abu Dhabi Investment Authority (ADIA)	UAE	627
	SAMA Foreign Holdings (SAMA)	Saudi Arabia	432
	Norway Government Pension Fund (The Petroleum Fund)	Norway	425
	SAFE Investment Company	China	347
	CIC	China	289
	Hong Kong Monetary Authority Investment Portfolio	Hong Kong	276
	GIC	Singapore	248
	Kuwait Investment Authority (KIA)	Kuwait	203
	National Welfare Fund	Russia	143
	Temasek Holdings	Singapore	121

Note: Details of asset allocations of highlighted funds are shown in Exhibit 21. This table is prepared solely for information purposes and is not intended to recommend or endorse any specific company's shares or other products.

Source: RREEF Research based on SWF Institute, Funds Europe, and publicly available annual reports, Data as of August 2010

The following chart shows a comparison of portfolio allocations among major pensions and sovereign funds, based on publicly available data. Again, Japanese funds are weighted toward lower risk assets such as government bonds while the allocations to alternative assets are limited, especially at GPIF which has no guidelines for allocating to alternative assets. Japanese private pensions allocate more capital to riskier assets than public funds, but these private pensions are still relatively more conservative than their global peers. As a result, returns tend to be low at Japanese funds. Leading global pensions and sovereign funds have higher allocations to equity and alternative assets and have generated higher returns than Japanese funds.

Exhibit 21: Asset allocations of major pension and sovereign funds



Note: An average of returns for individual Japanese private pension funds is used as a proxy for Japanese private pensions overall. Long term average returns are shown as follows: 5 years (CalPERS, Japan Private Pensions, KNPS and GPIF), 10 years (ABP), and 20 years (ADIA and GIC).

Source: RREEF Research based on publicly available annual reports, PFA and P&I, Data as of August 2010

Exhibit 22 shows the largest real estate acquisitions by either pension funds or sovereign wealth funds since 2009. Some funds which used to have limited exposure to real estate have become active in the market, purchasing trophy assets across the world. On the other hand, large Japanese pensions are behind some Asian peers and still keep a low profile in the real estate world.

Exhibit 22: Largest acquisitions by pensions or SWFs since 2009

Date	Country	City	Property	Type	Value (\$mn)	Buyer (Pensions/SWFs)
Feb-09	UK	Sheffield	Meadowhall	Retail	1,716	Abu Dhabi Investment Council (ADIC) with London & Stamford
May-10	US	Houston	Houston Galleria	Retail	1,650	CalPERS with Simon Property Group
Feb-09	Jpn&China	-	ProLogis assets	Indus'l	1,300	GIC Real Estate
Nov-09	UK	London	HSBC HQ	Office	1,283	KNPS
May-10	US	New York	McGraw-Hill HQ	Office	1,280	Canada Pension Plan (CPP)
Sep-09	UK	Birmingham	Bullring	Retail	1,027	Australian Government Future Fund
May-10	Germany	Berlin	Sony Center	Office	759	KNPS with Hines Interests
May-09	UK	London	1 Bishops Square	Office	657	Oman Investment Fund (OIF)
Dec-09	Australia	Sydney	Aurora Place	Office	626	KNPS
Dec-09	UK	Glasgow	Silverburn	Retail	490	Canada Pension Plan (CPP) with Hammerson
Dec-09	Australia	Perth	Westfield Whitford City	Retail	475	GIC Real Estate
May-10	Sweeden	Uppsala	Apartments	Resid'l	463	Fourth Swedish National Pension (AP4)
Nov-09	Australia	Perth	Lakeside Joondalup SC	Retail	420	Australian Government Future Fund
Jun-09	Japan	Tokyo	KDX Toyozu Grandsq.	Office	367	KNPS with Carlyle Group

Note: This table is prepared solely for information purposes and not intended to recommend or endorse any specific company's shares or other products.

Source: RREEF Research based on Real Capital Analytics, Data as of August 2010

Based on our analysis and peer review of national capital markets, we draw the following conclusions from this edition of 'Research Topic' about the key market players in Japan. First, **Japanese households** are exceedingly risk averse and show a strong preference to allocate financial assets to cash rather than capital market products such as equity or mutual funds. These preferences may eventually change, but a significant cultural shift is unlikely to happen soon. While retail investment in the equity and mutual fund markets still has potential to grow in Japan, the momentum is currently on hold because of the latest financial crisis.

Second, **Japanese institutional investors** in general have characteristics similar to households such as limited exposure to riskier assets. The Japanese GPIF, for example, has minimal exposure to alternative assets, but Japanese private pensions allocate more capital to riskier assets. Nevertheless, Japan's private pensions still lag their global peers in portfolio diversification. In fact, Japanese pensions are behind not only western funds, but also some Asian rivals, in diversifying allocations to alternative assets. Because of their limited exposure to higher risk assets, the long-term return of Japanese funds tends to be lower than the comparable returns of global peers.

Finally, we recommend that this quarter's 'Research Topic' be read along with the previous edition (Japan Real Estate First Quarter 2010) which focused on portfolio optimisation in April 2010. In the previous edition of 'Research Topic' we pointed out that based on modern portfolio theory Japanese pensions in general should increase real estate allocations in their portfolios in order to maximise their potential across the risk-return spectrum.

Previous Research Topics Covered in RREEF Japan Quarterly

Vol	Year	Publication		Research Topic
1	2008	Second Quarter	Jun-08	Making sense of the rental market in Japan
2		Third Quarter	Sep-08	Impact of the Credit Crunch
3		Fourth Quarter	Dec-08	Revitalisation of Ailing J-REITs
4	2009	First Quarter	Mar-09	Tokyo Office Market in its Global Context
5		Second Quarter	Jul-09	Japan Residential Market
6		Third Quarter	Oct-09	History repeats itself? A Comparison of the 'Year 2003 Problem' with 2009
7		Fourth Quarter	Jan-10	Introducing unit pricing analysis in Japan
8	2010	First Quarter	Apr-10	Portfolio Optimisation Analysis in Japan
9		Second Quarter	Jul-10	Japan's Capital Market in a Global Context

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