

Useful Aspects of US Real Estate Investment Trusts for China

ASPECTS UTILES DU REITS DES ETATS-UNIS POUR LA CHINE

Wang Jinzhao¹

Abstract: Real estate has long been a popular form of investment in many countries. With recent years seeing an increased level of global interest in indirect investment in this asset class through real estate investment trusts (REITs), opportunities in China markets are now grabbing much attention. China is being tipped as the area likely to offer the best returns over the coming years. This article traces the development and growth of REITs in US, where there are lessons to be learnt, so that subsequent efforts to introduce REITS' status, requirements, types and advantages. Further more, benefits, key evaluating elements, risks and obstacles were discussed respectively in order to promote practice and application of REITs in China and avoid risks in applying process to create a reasonable framework and structure.

Key Words: REIT, Development, Benefit, Evaluation, Risk, Obstacle

Résumé: L'immobilier est depuis longtemps une forme d'investissement populaire dans beaucoup de pays. Dans les dernières années avec le constat d'un niveau élevé de l'intérêt global des investissements directs dans cette industrie à travers le REITs(Real Estate Investment Trusts), les opportunités sur le marché chinois tirent maintenant beaucoup plus d'attention. La Chine est considérée comme la région susceptible de rapporter le plus dans les prochaines années. L'article présent décrit le développement du REITs aux Etats-Unis qui nous donne des leçons et indique des efforts à faire pour introduire le REITs en ce qui concerne son statut, ses conditions, ses types et ses avantages. De plus, les bénéfices, éléments clés d'évaluation, risques et obstacle seront étudiés respectivement dans le but de promouvoir la pratique et l'application du REITs en Chine et d'éviter les risques dans le processus d'application afin de créer un cadre raisonnable.

Mots-Clés: REIT, développement, bénéfice, évaluation, risque, obstacle

1. THE DEVELOPMENT OF REAL ESTATE INVESTMENT TRUST IN US

1.1 Background

The origins of the real estate investment trust, or REIT date back to the 1880s. At that time, investors could avoid double taxation because trusts were not taxed at the corporate level if income was distributed to beneficiaries. This tax advantage, however, was reversed in the 1930s, and all passive investments were taxed first at the corporate level and later taxed as a part of individual incomes. Unlike stock and bond investment companies, REITs were unable to secure legislation to overturn the 1930 decision until 30 years later. Following WWII, the demand for real estate funds

skyrocketed and President Eisenhower signed the 1960 real estate investment trust tax provision which reestablished the special tax considerations qualifying REITs as pass through entities (thus eliminating the double taxation). This law has remained relatively intact with minor improvements since its inception.

1.2 Development

Real Estate Investment Trusts (REIT) have been available since 1960, but it has only been in the last decade that they have become a major powerhouse on the exchange. While there were already roughly 50 REITs companies by the mid-1970s, their market capitalization was very small(less than USD 500m). The breakthrough did not come until the 1990s. Many investors only became aware of REITs in the 1990s.

¹Phd at Wuhan University of Technology, Shenyang University, China.

*Received 23 December 2006 ; accepted 19 March 2007

REITs helped to recapitalize property businesses following the global downturn that began in the late 80's. Today, the 143 equity Reits alone have a market cap of nearly USD 370 bn (the market development is illustrated in the Annex). Since 2001, REITs have outperformed most other major market benchmarks including the Dow Jones Industrials, S&P 500 and the NASDAQ Composite. REIT investment increased throughout the 1980s with the elimination of certain real estate tax shelters. Investments in real estate provided investors with income and appreciation. The Tax Reform Act of 1986 allowed REITs to manage their properties directly, and in 1993 REIT investment barriers to pension funds were eliminated. This trend of reforms continued to increase the interest in and value of REIT investment. Today, there are more than 193 publicly traded REITs operating in the United States their assets total over \$500 billion. Approximately two-thirds of these trade on the national stock exchanges.

1.3 Protection by Securities Law in US

A distinctive feature of REIT in the US is a protection provided by Securities Law. These are described below.

Protection by federal securities law—REIT offering by IPO :IPO requires registration with SEC under Securities Act of 1933 (Form S-11) rather than S-1 for typical IPO.

Form S-4 may be required in case of rollup offering.

It mandates registration under Securities Exchange Act of 1934.

S-11 is similar to S-1, but has more disclosure requirements (Items 12, 13, 14, 15, 16, 24 and Regulation S-X).

1.4 What Can We Learn from US REITs

Around the world, the integration of the real estate and capital market is growing at an impressive pace. More and more countries are taking the US approach and paving the way to tax-transparent real estate stock corporations, known as real estate investment trusts, or REITs for short. What can we learn from US REITs can be illustrated as follows:

The growth of the REIT market has accelerated with every amendment of the law because it is evident that the rules for REITs were improved gradually. This suggests that the Chinese REITs laws structure will also need to be amended over time in order to cater to the demand of emergent REITs markets.

The consolidation in the REITs sector continues. This is happening not only through mergers, but partly also through market delisting. The combination of government and private sector will always be the

correcting force for the REITs markets.

Equity REITs dominate activity in the US, accounting for more than 90% of the REIT market cap while mortgage REITs have lost importance, they remained established vehicles. Nevertheless, it is right that China is keeping its sights focused on equity REITs.²

Changing tax policies and reduced marginal tax rates "levelled the playing field". Real estate owners enjoyed generous tax benefits, and the "best bidders" were non-corporate—because personal income tax was much higher than corporate rates. Elimination of many tax benefits and near equalization of top marginal personal and corporate taxes made REITs a competitive ownership vehicle.

REIT formation was further encouraged by the operating partnership structure which allows some capital gains deferral (transferring assets into a REIT is often deemed a "sale" attracting capital gains taxes)

2. INTRODUCTION OF REITs

2.1 Definition

A REIT can be illustrated that a company that buys, develops, manages and sells real estate assets. Through a REIT, you can invest in a professionally-managed portfolio of real estate properties. For tax purposes, REITs qualify as pass-through entities. This means that a REIT is allowed to distribute the majority of its cash flows to investors without being taxed at the corporate level (providing that certain conditions are met). As a pass-through entity whose main function is to pass profits on to investors, the business activities of a REIT are generally restricted to generating property rental income. Specifically, a REIT must have at least 75 percent of its total investment assets in real estate and derive at least 75 percent of gross income from rents or mortgage interest.

2.2 Status

To qualify as a REIT with the IRS, a real estate company must agree to pay out in dividends at least 90% of its taxable profit (and fulfill additional but less important requirements). By having REIT status, a company avoids corporate income tax. A regular corporation makes a profit and pays taxes on the entire profits, and then decides how to allocate its after-tax profits between dividends and reinvestment; but a REIT simply distributes all or almost all of its profits and gets to skip

² Tobias Just, *What can Europe learn from US REITs*, Deutsche Bank Research, 2006

the taxation.

2.3 Requirements for REIT Status

In order for a corporation to qualify as a REIT and gain the advantages of being a pass-through entity free from taxation at the corporate level, it must comply with the following Internal Revenue Code provisions:

The REIT must distribute at least 90 percent of its annual taxable income, excluding

capital gains, as dividends to its shareholders.

The REIT must have at least 75 percent of its assets invested in real estate, mortgage

loans, shares in other REITs, cash, or government securities.

The REIT must derive at least 75 percent of its gross income from rents, mortgage interest, or gains from the sale of real property. And at least 95 percent must come from these sources, together with dividends, interest and gains from securities sales.

The REIT must have at least 100 shareholders and must have less than 50 percent of the outstanding shares concentrated in the hands of five or fewer shareholders during the last half of each taxable year.

Structured as Corporation, business trust, or similar association

Managed by a board of directors or trustees.

Shares need to be fully transferable

Have no more than 20 percent of its assets consist of stocks in taxable REIT subsidiaries

2.4 Types of REITs

Types of REITs can be described into following categories:

Equity REITs are by far the most common REIT and invest in and own properties (thus responsible for the equity or value of their real estate assets). Their revenues come principally from their properties rents.

Mortgage REITs

Mortgage REITs dealing investment and ownership of property mortgages. These REITs loan money for mortgages to owners of real estate, or invest in (purchase) existing mortgages or mortgage backed securities. Their revenues are generated primarily by the interest that they earn on the mortgage loans. A mortgage REIT is a company that specializes in underwriting, acquiring and holding debt obligations guaranteed by real estate properties. Mortgage REITs are essentially loan portfolios as opposed to ownership of the asset, as is the case with their equity counterparts.

Hybrid REITs

Hybrid REITs combine the investment strategies of Equity REITs and Mortgage REITs by investing in both properties and mortgages. A REIT is referred to as a hybrid when it has both equity and mortgage components. Although not as heavily favored by investment advisors as pure equity REITs, they are still attractive investment alternatives.

Individual REITs

Individual REITs are able to distinguish themselves by specialization. REITs may focus their investments geographically (by region, state, or metropolitan area), or in property types (such as retail properties, industrial facilities, office buildings, apartments or healthcare facilities). Certain REITs choose a broader focus, investing in a variety of types of property and mortgage assets across a wider spectrum of locations.

Residential REITs

This type of REIT specializes in apartment buildings and / or other residential properties leased to individuals. The biggest danger for residential REITs is over construction within a particular geographic area during a declining economic environment. In such cases where supply is increasing as demand is decreasing, the management team is forced to reduce rents to keep occupancy rates stable.

Retail REITs

There are a number of specialties in the field of retail REITs, including malls and shopping centers. The particular benefit for the former is that construction costs are significant; measured in the tens or hundreds of millions of dollars. This high barrier-of-entry cost helps keep control expansion, making excess supply a lesser concern.

Office and Industrial REITs

The office sector of the real estate investment trust market has historically been the largest. The primary drawback is the fact that office rents normally have much longer lease terms meaning that in times of declining rent and lower occupancy, those tenants that do sign leases will have lower, less-profitable rates locked in for many years. This can also be a blessing, however, if a property is filled during a time of short supply and high demand. Office REITs are, as can be imagined, highly cyclical. Industrial REITs, on the other hand, tend to generate steady, predictable cash flow thanks to high lease renewal rates and low capital expenditure and maintenance requirements

Health Care REITs

Health care REITs build, acquire and lease specialty buildings such as hospitals, nursing homes, medical buildings and assisted-living facilities. This REIT sector is fairly immune to recession, although they are largely dependent upon the financial health of the lessee which, in turn, rely on the medical reimbursements provided by the U.S. Government. Federal changing in health policy would obviously have a significant affect on health care

REITs.

Self Storage REITs

The self storage REIT sector is somewhat recession resistant. More surprisingly is the fact that corporate customers make up a significant portion of storage rentals. Barriers of entry are significantly lower than other types of REITs due to the smaller amount of capital necessary to construct a storage facility.

Hotel and Resort REITs

In the world of real estate investing, the hotel and resort sector is the one most closely tied to the overall economy. When times are bad, people travel less for business and pleasure, cutting right to the heart of these company's bottom-lines. As a result, investors in hotel REITs have to concern themselves not only with overbuilding, but the economic outlook of both the geographic area in which the hotel or resort is located, as well as that of the entire country as well.

REITs are also classified by DownREIT and UPREIT (NAREIT) by the structure of partnership.

UPREIT

In the typical UPREIT, the partners of the Existing Partnerships and a newly-formed REIT become partners in a new partnership termed the Operating Partnership. For their respective interests in the Operating Partnership ("Units"), the partners contribute the properties from the Existing Partnership and the REIT contributes the cash proceeds from its public offering. The REIT typically is the general partner and the majority owner of the Operating Partnership Units.

After a period of time (often one year), the partners may enjoy the same liquidity of the REIT shareholders by tendering their Units for either cash or REIT shares (at the option of the REIT or Operating Partnership). This conversion may result in the partners incurring the tax deferred at the UPREIT's formation. The Unit holders may tender their Units over a period of time, thereby spreading out such tax. In addition, when a partner holds the Units until death, the estate tax rules operate in a such a way as to provide that the beneficiaries may tender the Units for cash or REIT shares without paying income taxes

DownREIT

A DownREIT is structured much like an UPREIT, but the REIT owns and operates properties other than its interest in a controlled partnership that owns and operates separate properties

2.5 Advantages of REITs

Above all, we can state the advantages of Real Estate Investing through REITs as following:

Double taxation avoided, allowing more of the investor's capital to compound.

Professional, dedicated management team responsible for the day-to-day operation of the business, providing the investor with expertise beyond his or her own knowledge base.

Unlike real estate directly held by the investor, REITs are a liquid asset that can be sold fairly quickly to raise cash or take advantage of other investment opportunities.

Using REITs, investors with only a few thousand dollars available can diversify their holdings between various geographic areas and property specializations. In the case of direct property ownership, this would not be financial feasible unless the investor took on excessive leverage or business partners.

REITs can tap the debt and equity markets and raise funds to take advantage of opportunities when they arise.

REITs have a lower correlation to equities than many other asset classes, providing portfolio stability for those with an active asset allocation strategy.

High cash dividends relative to the market tend to establish phantom bottoms to REIT share prices, often keeping them from falling as far as common stock in bear markets.

3 BENEFITS OF REITs

3.1 General Benefits

Both foreign and domestic sources provide investment in the REIT market. REITs are owned by thousands of individuals, as well as large institutional investors including pension funds, endowment funds, insurance companies, bank trust departments and mutual funds. Investment goals for REIT share ownership are much the same as investment in other stocks--current income distributions and long-term appreciation potential. Compared to traditional private real estate ownership which take substantial time to liquidate, a REIT investment is remarkably liquid (converts easily into cash). This is primarily due to the fact that REIT shares are typically traded on major exchanges, making it easier to buy and sell REIT assets/shares than to buy and sell properties in private markets.

In general, REITs and their performance have some common characteristics with small-cap stocks and bond-like investments. The market capitalization of the average REIT on the Wilshire Real Estate Securities Index is \$340 million. REITs comprise 6% of the small-cap index, the Russell 2000. However, REITs have advantages over stocks and bonds in terms of dividends: between 1995 and 2000, the average dividend yield on REITs (7.3%) is six times that of the Russell 2000 average dividend. Furthermore, all REITs

pay dividends, whereas less than half of the Russell 2000 stocks pay dividends.

The long term performance of an individual REIT is determined by the value of its real estate assets at any given time. One of the primary incentives for REIT investment is the low correlation of its value to that of other financial assets. Because of this, REITs possess low relative historical volatility and provide some degree of inflation protection. In addition to the advantages of an investment which avoids double taxation and requires no minimum investment, REITs offer investors current income that is usually stable and often provides an attractive return. Another factor attractive to the investor is that a REIT's performance is monitored on a regular basis, by independent directors of the REIT, analysts, auditors, and the business and financial media.

The majority of REIT shares can be purchased on the major stock exchanges, and orders can be placed through stockbrokers. Financial planners and investment advisors can help to match an investor's objectives with individual REIT investment. REITs also provide an annual report, prospectus and other financial information directly to an investor. Recently, mutual funds have emerged specializing in REIT investment and diversification.

3.2 Competitive Benefits

In addition to the prevention of double-taxation, REITs offer numerous other benefits which include:

Professional Management

REITs allow the investor the opportunity to have her properties managed by a professional real estate team that knows the industry, understands the business and can take advantage of opportunities thanks to its ability to raise funds from the capital markets. The benefits are not limited to the financial prowess of the management team. Through REITs, an investor can benefit from a management's real estate expertise in creating and maintaining portfolio value. Real estate is still a market where information can be locked up by "insiders," and its complexities not readily apparent or understood. An investor can leverage the REIT structure by taking advantage of a company's experienced management team's ability to profitably operate a collection of real estate assets.

Liquidity

Unlike direct property ownership, a REIT offers liquidity and daily price quotations. After the average real estate investor has acquired a house, apartment building or storage unit, he becomes primarily interested in the future rental income prospects, not the potential sale value of the asset if he put it back on the market. Indeed, if the investor holds the property for twenty years, he is likely to have lived through

significant boom and busts in the real estate cycle. In most cases, it is safe to assume that because of the lack of daily quoted resale value, the investor has never stopped to consider that his real estate fluctuates just as would any common stock (albeit to a much smaller degree.) In this case, the lack of quoted price is mistaken for stability.

Low Correlation to Broader Equity Markets

REITs provide meaningful portfolio diversification and can optimize risk-adjusted returns. The investment community largely dismissed this idea in recent times; the great supernova called the tech sector burned so brilliantly in 1999 and early 2000 that most investors turned a blind eye towards the benefits of portfolio diversification. Nevertheless, when we examine recent events, it appears that the REIT-supporters' position did have some merit. In the latter part of the first quarter of 2000, the tech sector entered its violent correction phase. REITs, not so coincidentally, began to rally, as investors returned to assets with real cash flows and higher current return.

Portfolio Diversification

A study conducted by Ibbotson, Associates, concludes that investment in REITs is a strong means of portfolio diversification. Their study demonstrates that the correlation between return on REIT and return on other investments is low. Under these circumstances, if investors combine REIT and other investments, they can reduce risk in portfolio management (NAREIT).

They also calculated return and risk of sample portfolios consisting of bond, stock, Treasury-Bills and REITs between 1972 and 2000.

The first portfolio—40% bonds, 50% stocks, 10% Treasury-Bills yielded 11.8% average annual return and 11.2% risk level.

The second portfolio—35% bonds, 45% stocks, 10% Treasury-Bills and 10% REITs yielded 12% average annual return and 10.9% risk level.

The third portfolio—30% bonds, 40% stock, 10% Treasury-Bills and 20% REITs yielded 12.2 % average annual return and 10.8 % risk level.

Affordability for Small Investors

There is no minimum investment requirement for a REIT shareholder. However, the rules governing shareholder diversification affect the size of investments by individuals. To examine the extent to which average citizen can afford to invest in REIT, a hypothetical calculation of average investment is made below.

If we divide the market capitalization (MC) by total number of REITs (NR), we obtain average market capitalization for a REIT (AMC).

$$AMC=MC/NR$$

Then, by dividing AMC by a number of shareholders per a REIT (NS), we can calculate an

average amount of investment per a shareholder (AI).

$$AI=AMC/NS=MC/NR/NS$$

Using the 2001 composite market capitalization data and an assumption of minimum number of shareholders of 100 for NS, we get \$8.51 million of AI. An assumption of 1000 NS yields AI of \$85,1000. This hypothetical calculation suggests that only quite wealthy people can afford to invest in REITs and receive the benefits—the benefits coming from public subsidy in a form of tax relief. An agenda for future research is an empirical analysis of affordability on the size distribution of investment of all shareholders.

4. SOME OF THE KEY ELEMENTS IN EVALUATING A REIT

4.1 Management

As with any business, a key to successful performance lies with the expertise of management. However difficult for the individual investor, a couple of indicators used to assess a REITs value are its management's amount of experience as well as the length of time the management team has worked together. If a REIT has recently booked a new source of funds, it can be inferred that the institution providing the capital feels comfortable with the strengths and strategies of the REIT's management.

4.2 Capital Sources

Because REITs are, by definition, obligated to distribute 90% of their taxable income to investors, they must rely upon external funding as their key source of capital. Investors must consider a REITs potential for future success, assessing whether individual REITs have the access to debt or equity capital sufficient to fund their future growth plans. REITs that have the ability to properly leverage themselves usually will deliver superior returns.

4.3 Earnings

Net income under generally accepted accounting principals assumes that the value of assets diminishes predictably over time. However, real estate values tend to rise and fall with current market conditions. Funds From Operations (FFO) was adopted to address the problems with valuation and performance by excluding historical depreciation costs from the net income figure.

FFO has become the industrywide performance standard for REIT operating performance, but other factors should be considered when evaluating a REIT's

overall performance. For instance, if a REIT has a portfolio which includes older properties, its higher capital expenditure needs make its FFO value misleading to investors. Many professional REIT investors calculate cash flow after capital items (known as Cash Available for Distribution or CAD) as another measure of a REIT's performance. In addition, investors must also be familiar with the REIT dividend payout ratio as a measure of sustainability of dividends.

4.4 The Growth Strategy

Some ways property managers can improve the growth potential of the portfolio is by actively managing lease, managing rental arrears as well as expense of the underlying assets. Especially for retail properties, decanting and maximising of space, increasing "rentable" areas are ways to improve the profits for the malls. Having a well-executed financing strategy for the properties are also ways to improve profitability

4.5 Occupancy Rates / Rental Levels

Especially for retail REIT, you can smell whether there is a growth story by understanding the occupancy rates of the malls. If the mall is under-rented, there may be upside potential. However, you will need to understand the reasons behind it. If location is the problem, there may not be any potential after all. However, if it is a new mall, the story would be different. If on the other hand, the mall is over-rented, the chances of having upside potential are very small.

4.6 Renewal of Lease

Sometimes, you may enter a REIT at the point where many leases are expiring. You need to evaluate whether it is good time to enter. If these leases are not renewed, you are heading for trouble.

4.7 Operating History

Last and definitely not least, understanding the operating history of the underlying assets can reveal a lot of things. If the assets were resilient during challenging times, or it has good lease renewal pattern, you probably are in for a good investment.

5. RISKS OF REITS

The Appraisal Institute of Canada (AIC) identifies the components that may be evaluated for purposes of

determining the equity risk premium for a specified investment to be: Market risk; Financial risk; Capital market risk; Inflation risk; Liquidity risk; Environmental risk; Legislative risk and Management risk. These are defined by the AIC as follows:

5.1 Market Risk

Market risk is a reflection of changes in market conditions such as shifts in the demand and supply of accommodations. This is usually influenced by the type and location of the property and its stage in the business cycle.

5.2 Financial Risk

Financial risk relates to the use of debt to finance an investment (e.g. financial leverage, financing terms).

5.3 Capital Market Risk

Risk that relates to how changes in capital markets affect market value. This is influenced by changes in interest rate levels, availability of capital and rate of return for alternative investment opportunities.

5.4 Inflation Risk

Inflation risk is the risk associated with fluctuations in inflation rates, which cause changes in purchasing power.

5.5 Liquidity Risk

Liquidity risk relates to the ability of the property to be converted into cash at market value in a timely manner.

5.6 Environmental risk

Environmental risk is related to how the market value of a property is affected by its physical environment. This is influenced by such things as perceived health hazards, potential environmental problems and acts of nature.

5.7 Legislative Risk

This is the risk associated with the potential for the introduction of new legislation or legal factors that would curb the ability of the business to generate revenues, or result in significant operating cost increases.

5.8 Management Risk

Risk that management is unable to execute the defined goals of the property. Each of these types of risk can apply to a property separately or in combination. Although the risk evaluation process is subjective, individuals with significant expertise are able to reasonably determine the equity risk premium, and hence the capitalization rate to be utilized in circumstances where comparable sales transactions are not available.

6. OBSTACLES TO THE DEVELOPMENT OF A NEW REIT MARKET

There are a number of obstacles they must face before a vibrant REIT sector could be developed in a new market. The main obstacle is getting the critical support from the governing authority for a less restrictive REIT regime.

6.1 Legislative Framework

The first and most important obstacle for REITs is to gain the support of local authorities in the formulation of a positive REIT legislative framework. Once the legislative framework is cleared, prospective sponsors still have to grapple with the challenges of structuring a REIT they can offer the attractive yields demanded by investors.

6.2 Tax Transparency

The success of REITs in the U.S. mainly depends on its tax transparency. REITs in the U.S. can obtain a tax-exempt status if they satisfy a set of stringent requirements such as disbursing 90% of their free cash flows. The absence of preferential tax treatment was a key reason for the slow development of REITs in China.

6.3 Managing Skills

As a new real estate investment product, REITs face a challenging task of differentiating against existing real estate stocks that are more diversified and have established track records. There is a need to educate investors on the similarities and differences between REITs stocks and real estate stocks. Other aspects of managing REIT include more transparency and disclosure as well as better governance.

7. CONCLUSIONS

According to the analysis above, we can draw a conclusion that the establishment of REITs will promote a healthy development of real estate industry. REITs can reduce the debt burden of real estate industry and promote regularization and structure optimization. REIT can accumulate massive amount of fund investing in real estate, increase the investment demand of real estate market, lead to a quite huge market intensity and scale market. REITs are a better real estate investment channel for common investors. REITs have a higher investment rewards and a relative lower investment risk, are going to be one kind of quite ideal investment capital market tool.

China is melting into the world economic globalization, Chinese real estate investments guarantee the value increment ability and will have a stronger attraction to the foreign capital investors. Along with a series of reforms and improvement such as China monetary system reforms, the land use system reforms, housing system reforms, improvement of legal industrial investment fundamental law, the domestic real estate appraised and the financial system reforms, the real estate trust will be able to become leading sector of China economy. After the analysis as above, it is clear that more useful aspects could be learnt from US and which will help China to build a reasonable system structure and a sound legal and investment environment.

REFERENCES

- Arndt, Michael., 'REITs Can Be a Roof Over Your Head:They offer outsize dividends even in a recession'. *Business Week*, Iss. 3764; Industrial/technology edition; December 31, 2001.
- Gill-Chin Lim, 'A Comparison of REITs In Three Countries: What Japan and Korea Learn from US?' [NT]
- Joseph T. L. Ooi, Graeme Newell and Tien-Foo Sing, 'The Growth of REIT Markets in Asia', *Journal of Real Estate literatures*, Volume 14, Number 2, 2006
- Kevin Brass, 'REITS Spread in Europe, Putting Property in Play', *International Herald Tribune*, Published: October 10, 2006
- Richard Newell, Asian REITS look to Sustain Growth Rates [NT]
- Tim Blue, John Sullivan, Hayden Flinn, Simon Cowan, 'Lessons from Australia as Asian REITs thrive', *International Financial Law Review (IFLR)*, March 2006.
- Tobias Just, 'what can Europe learn from US REITs', *Deutsche Bank Research*, November 8, 2006

THE AUTHOR

Wang Jinzhao, Phd at Wuhan University of Technology, Associated Professor of Shenyang University, Master of Business Administration from University of Hull in UK, visitor scholar of Roosevelt University in US.

Fields of study: Tourism Economy, Human Resource Management, Merger and Acquisition, Finance.

Shenyang University, Shenyang, Liaoning, 110044, P. R. China.