Intelligent Investment

2022 Asia Pacific Hotels & Hospitality

REPORT

A ROADMAP TO RECOVERY

CBRE RESEARCH
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Foreword

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Welcome to the 2022 Asia Pacific Hotels & Hospitality – A Roadmap to Recovery.

Confidence continues to grow as borders reopen and operating performance recovers to pre pandemic levels, confirming that when people can travel, they will travel!

The recovery continues to be largely driven by domestic demand, with international arrivals accelerating in markets within the Pacific and Southeast Asia, which have loosened entry and quarantine restrictions and are now open to all arrivals.

Given the daily pricing structure and flexibility of rate changes in an evolving economic climate, hotels can provide an inflationary hedge. CBRE is therefore forecasting increased investor appetite for operational real estate, such as hotels, as a strategy to enhance and/or maintain portfolio returns.

We hope you will find this report informative and insightful.

Executive Summary

Tourism

International arrivals continue to grow in Asia Pacific as border restrictions ease.

Domestic travel continues to drive tourism particularly in North Asia and the Pacific. Tourism Economics forecasts domestic overnights in accommodation globally to surpass 2019 levels by year's end.

Uncertainty remains around the removal of quarantine in mainland China/Hong Kong SAR, which may delay the tourism recovery within Asia Pacific.

Hotel Performance

Average Daily Rate (ADR), Occupancy and Revenue per Available Room (RevPAR) is trending upwards in all Asia Pacific markets, with a regional recovery expected by 2024.

With the supply pipeline remaining limited in most Asia Pacific markets, the risk of new competition saturating the market will be low, exerting weaker downward pressure on room rates and revenue.

Operating expenses have increased significantly across all revenue streams, particularly for labour costs and utilities.

Investment

Asia Pacific hotel transaction volume rose to US$10.1 billion as of August 2022 y-t-d, an increase of 17% y-o-y.

Cross-border capital flows into Asia Pacific for hotel assets have experienced minimal disruption, with net inflows of US$932 million since the beginning of 2021 driven predominantly by institutional investors.

Debt markets, except for those in Japan and mainland China, are significantly affecting investment decisions, with increases in borrowing rates now the most significant factor for investment decisions globally.

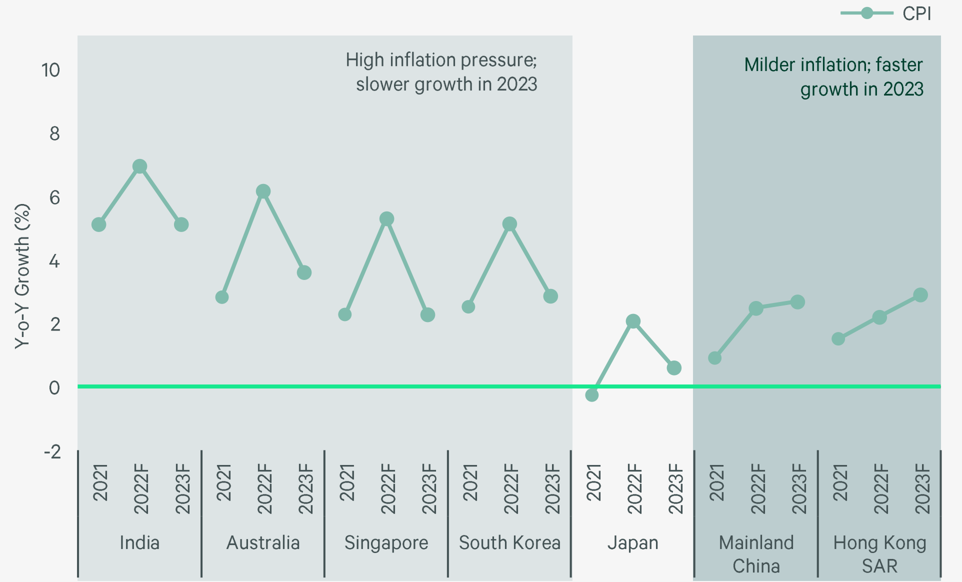
01

Economy/Tourism

- Inflationary pressure intensified globally in H1 2022, replacing the prospect of a prolonged pandemic as the major challenge to economic growth.
- Since the beginning of this year, the Russia-Ukraine war has hindered global supply chains and caused volatility in the commodities markets, while a prolonged lockdown in mainland China has provided inflation with additional tailwinds.
- Inflation is expected to peak in most Asia Pacific markets in H2 2022, with economies that are traditionally dependent on goods-driven imports, such as Australia, Korea and Singapore, likely to see higher inflation than elsewhere. However, inflation in these markets is some way below that currently seen in the U.S. and Europe. Inflation in mainland China, Japan and Hong Kong SAR is still within a comfortable range.

Asia Pacific faces higher inflationary pressure

CPI (% growth y-o-y)



Source: CBRE House View, CBRE Research, September 2022

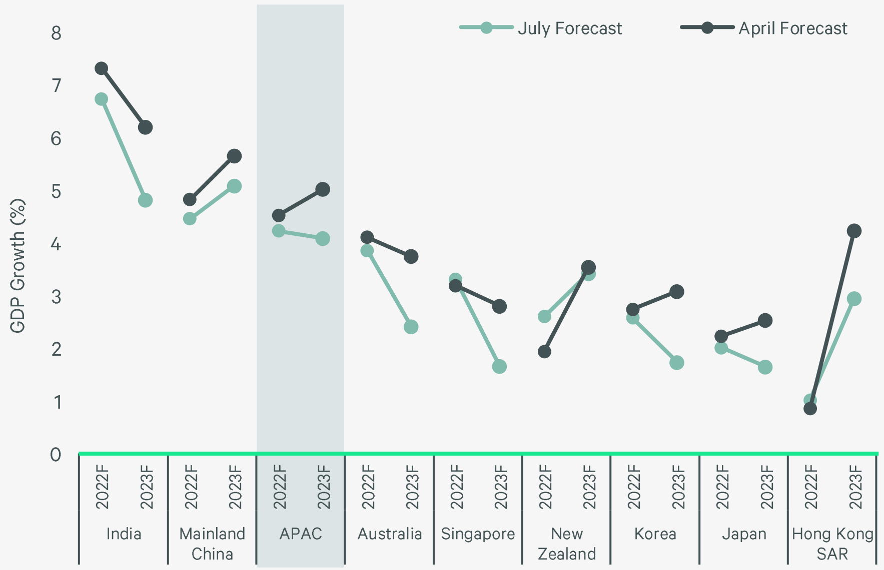
- The ongoing lack of clarity around the full re-opening of the mainland China, Hong Kong SAR and Japan economies and borders continues to cloud the regional economic outlook.

Combined with a slowdown in global economic growth as a result of the current inflationary environment, this has prompted CBRE to downgrade its global and regional GDP forecasts for 2022.

- CBRE expects several markets to experience a technical recession, particularly the U.S. and the UK. Asia Pacific will continue to experience headwinds in the period through to mid-2023, with a recovery in mainland China and Hong Kong SAR expected to commence in the second half of next year.

GDP forecasts downgraded slightly

CBRE House View (July 2022 vs April 2022, % growth y-o-y)



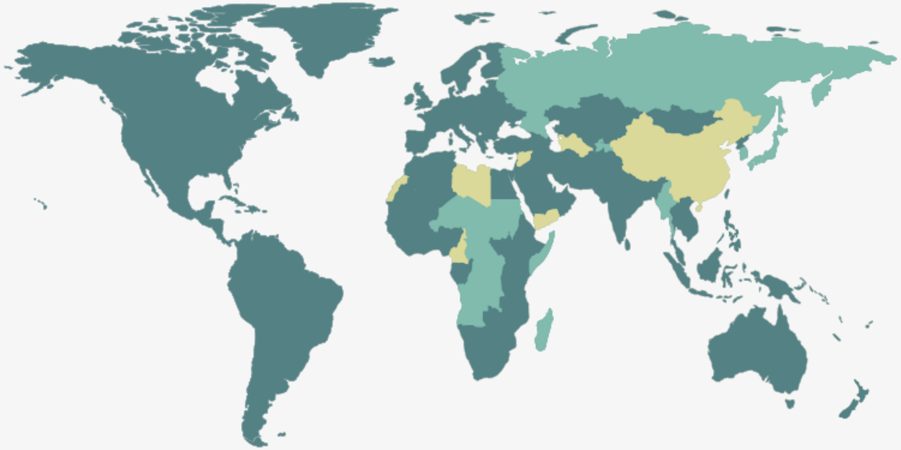
Source: CBRE House View, CBRE Research, September 2022

- Most countries have opened borders and removed mandatory quarantine periods for vaccinated travelers. However, the re-opening in Asia Pacific has been segmented, with the ongoing lack of clarity around the opening of the mainland China, Hong Kong SAR and Japan borders somewhat weighing on tourism sentiment in the region.

- Much of the tourism recovery in the region will depend on the opening of mainland China. According to CEIC, in 2019 approximately 24.5% of all international arrivals in top tourist destinations in Asia Pacific were mainland Chinese. The extended period of mandated quarantine upon re-entry to the country, repeated lockdowns of major hubs and subsequent unwillingness of mainland Chinese residents to travel abroad have seen the country's market share of arrivals drop significantly to around 4.2% as of June 2022 y-t-d.

Most global economies have re-opened but Asia Pacific lags

Border restrictions in major global markets (September 2022)



Open to vaccinated travellers

Polymerase Chain Reaction (PCR) test required before entry

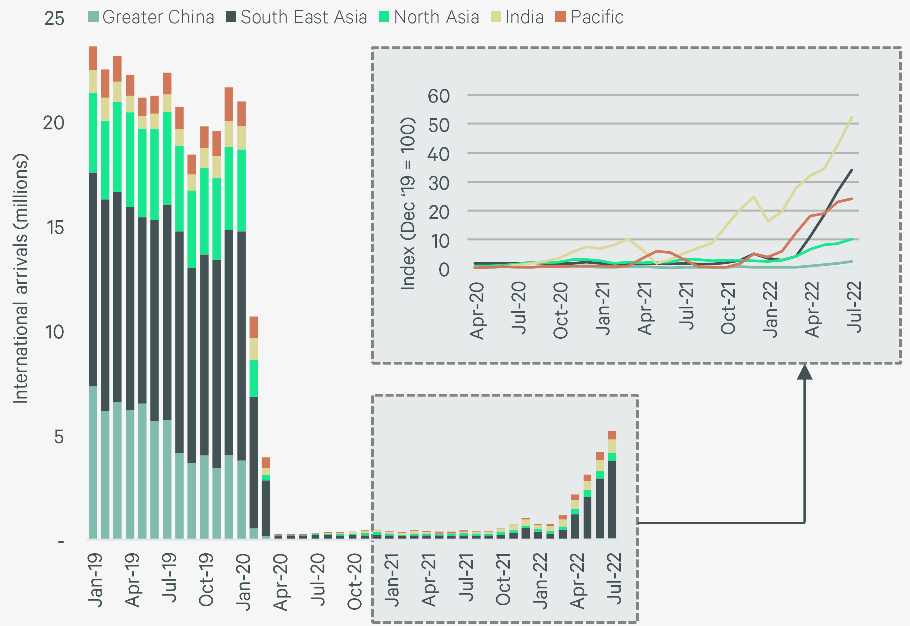
Quarantine required

Source: UNWTO, CBRE Research, September 2022

- After an extended period of very low international arrivals, the re-opening of some markets within the region at the end of 2021/start of 2022 saw a gradual uptick in international travel in the first half of this year.
- Markets that were quicker in loosening restrictions for vaccinated tourists upon entry (such as Australia, Singapore, India and Thailand) are seeing a much more pronounced return of tourists than those that continue to employ more stringent entry or testing policies (such as Korea and Indonesia) or those that cap tourist entry numbers or are still requiring mandated quarantine periods upon entry (such as Japan, mainland China, Hong Kong SAR and Taiwan).
- However, a lack of airline capacity through staff and carrier shortages and airline ticket pricing is impacting the overall international recovery, with available seat kilometres (ASKs) for major airlines in Asia Pacific still approximately 25% below pre-pandemic levels, according to their latest financial statements.

International arrivals rise but remain well below pre-pandemic levels

Total international arrivals per country, (ex. mainland China, as of July 2022)

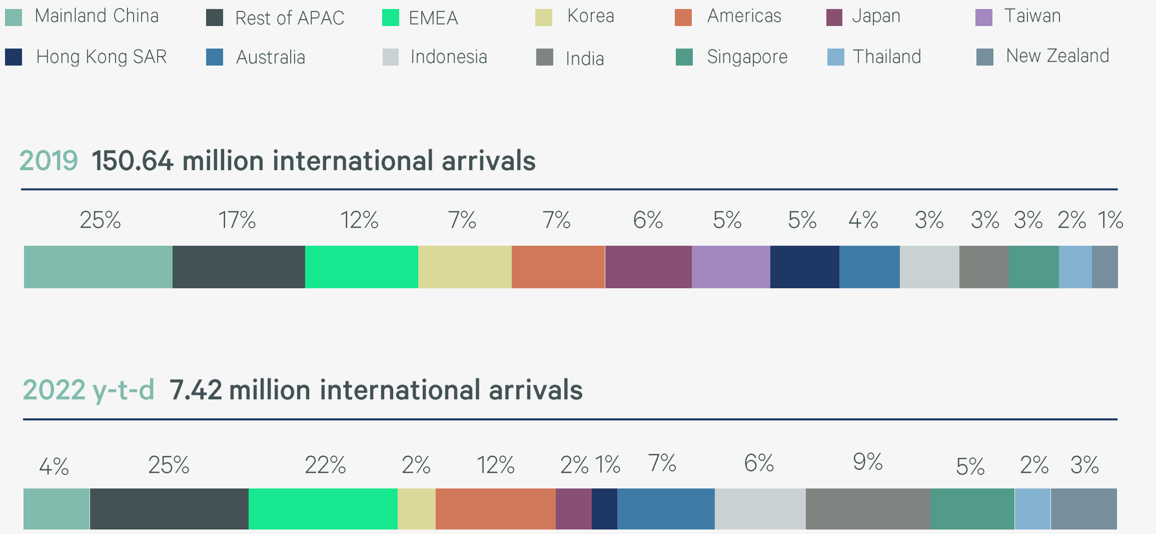


Source: CEIC, CBRE Research, September 2022

Geographical segmentation of international tourists has shifted significantly

- Source markets for international tourists in Asia Pacific have changed considerably as a result of the staggered opening of borders and uncertainty regarding entry into some markets.
- The most prominent change is the volume of mainland Chinese tourists travelling within the region. After comprising ~25% of all international arrivals for key Asia Pacific markets in 2019, mainland Chinese amounted to just ~4% of international travellers as of July 2022 y-t-d.
- The U.S, European and UK markets have seen a substantial increase in their share of visitor arrivals to Asia Pacific, with many northern hemisphere travellers willing to book longer haul travel than previously, as they look to take extended trips.
- Whilst uncertainty still remains on the actual date the mainland China border will fully open, when it does it is expected that North Asia, in particular Hong Kong SAR, Korea and Japan (the markets most preferred by mainland Chinese tourists) will see the biggest boost in overall tourism demand.

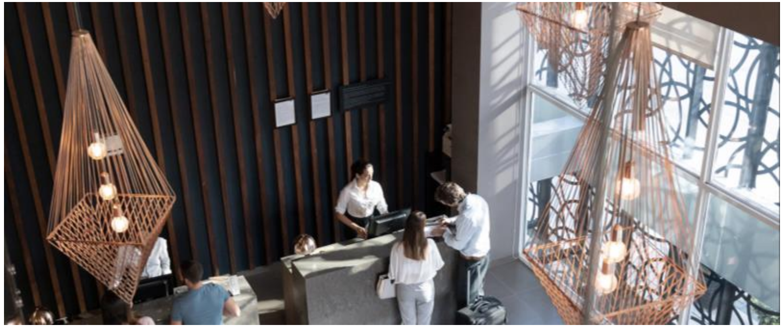
International Arrivals (Top 11 Asia Pacific tourist destinations) – Country of Residence 2019 vs 2022 y-t-d (As of July 2022)



Note: Top 11 Asia Pacific markets include Mainland China, Korea, Japan, Taiwan, Australia, Indonesia, India, Singapore, Hong Kong SAR, Thailand and New Zealand. Rest of Asia Pacific refers to all markets that are not included in the 11 analysed (e.g. Cambodia, Vietnam, Laos, etc.)

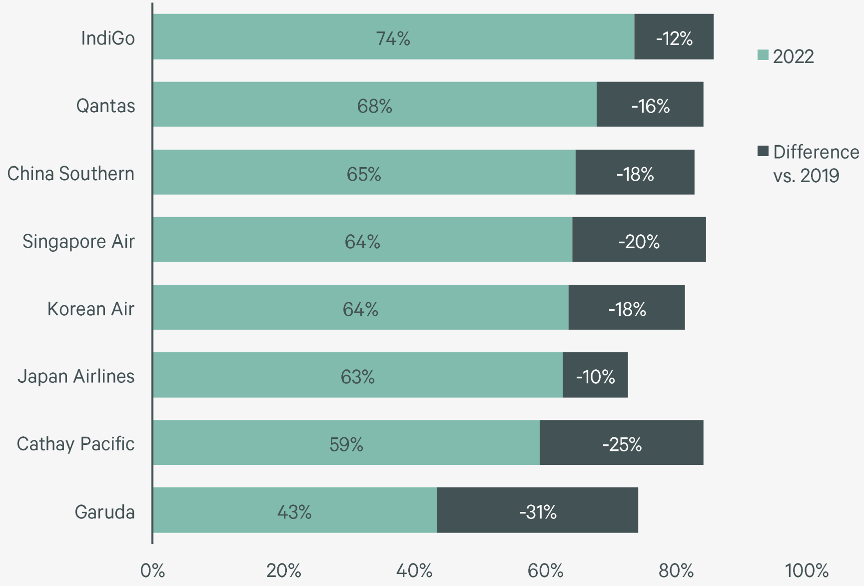
Source: CEIC, CBRE Research, September 2022

- The staggered re-opening of Asia Pacific markets, combined with shortages of planes and crew, has seen airlines within the region continue to operate below pre-pandemic capacity.
- When comparing the performance of major airlines in Asia Pacific in H1 2019 and H1 2022, all airlines are seeing passenger load levels between 10-30% below pre-pandemic levels. Available seat kilometres (ASKs) for these airlines are down 25% when comparing the two periods, with revenue passenger kilometres (RPKs) down 40%.
- According to the International Air Transport Association's (IATA) March 2022 forecast, passenger throughflow for airports globally is expected to surpass pre-pandemic levels by late 2023 and in Asia Pacific by 2024, driven predominantly by demand for domestic travel.



Airlines in Asia Pacific still operating below pre-pandemic capacity

H1 2022 vs H1 2019 passenger load factor (%), Asia Pacific airlines



Source: Capital IQ (financial statements), CBRE Research, September 2022

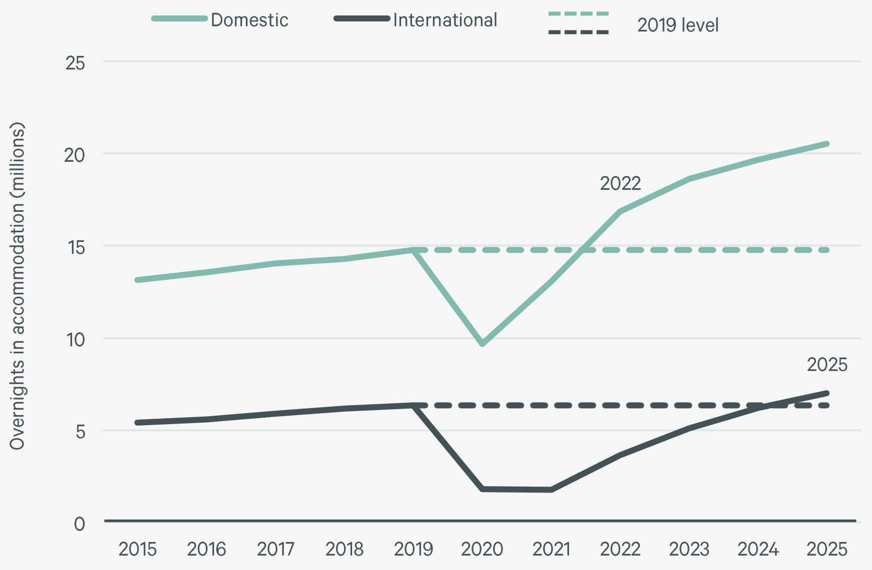
The IATA expects global international travel to return to pre-pandemic levels by 2025, with the U.S. and EU set to see a swifter recovery than other regions. In the interim, the tourism recovery will be fueled by mostly domestic consumers, with domestic overnights already surpassing pre-pandemic levels in most Asia Pacific markets.

- Markets with limited restrictions are experiencing minimal domestic disruption (e.g. Australia reported a 75.6% travel load for May 2022 vs May 2019, while India registered 81.8%). However, there is still evident appetite for domestic travel in markets which retain limits on international entry (Japan is at 56.9% of pre-pandemic levels, mainland China is at 59.1%).

- Whilst domestic travel comprises approximately two-thirds of all travel in Asia Pacific according to the Centre for Aviation, this is predominantly driven through large domestic markets in North Asia and the Pacific. The tourism industry in many Southeast Asian markets relies solely on international arrivals, meaning that some of these markets may see slower growth than others.

Domestic tourism to carry the load in the medium-term

Total overnights in accommodation, domestic vs international (world)



Source: Tourism Economics, IATA, CBRE Research, September 2022

02

Hotel Performance

- As tourism and travel sentiment in Asia Pacific gradually strengthened in H1 2022, this resulted in continued growth in the Average Daily Rate (ADR), Occupancy and Revenue per Average Room (RevPAR).
- Whilst overall ADR and RevPAR levels decreased steadily over the past decade (2010-2019), occupancy levels remained stable at 68-71% over the same period.
- Most markets registered a strong rebound in hotel performance due to their early relaxation of pandemic-related restrictions and border re-openings combined with extensive government support for the tourism sector.
- As of July 2022, ADR is only 6% below July 2019 levels, with occupancy (62% vs 73%) and RevPAR (US$ 69/room vs US$ 55/room) closing in on pre-pandemic levels when comparing time periods.

Occupancy levels in APAC have historically remained stable at

68-71%

when looking at the 10 years between 2010-2019.

Hotel key performance indicators stage gradual recovery

Asia Pacific hotel performance KPIs (yearly/YTD as of July 2022, USD)

	RevPAR (USD)	ADR (USD)	Occupancy (%)
2012	87	128	68%
2013	82	120	68%
2014	78	115	68%
2015	72	106	68%
2016	70	102	69%
2017	72	102	71%
2018	72	103	70%
2019	69	99	70%
2020	33	74	44%
2021	38	78	48%
2022 YTD	43	84	51%

Source: STR, CBRE Research, September 2022.

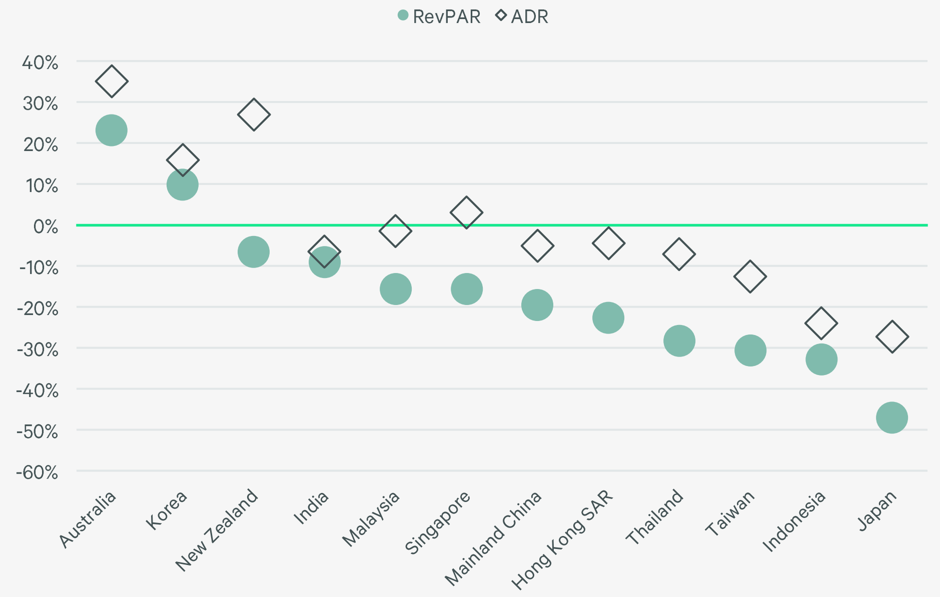
- Pent-up demand and increased operational confidence has helped drive up hotel room rates, which is stimulating growth as operators look to counter lower than average occupancy caused by low international arrivals.

- Demand-based pricing has allowed operators to drive ADR to combat rising inflation in the region, with the flexibility of changing rates allowing owners of hotel assets a more rapid response to counteract the increase in underlying operating costs and continued labour shortage. This flexibility in ADR change can also be attributed to the increased market share of FIT/transient occupants, with corporate group stays usually incorporated at a fixed corporate cost and less influenced by daily rate changes.

- Expectations are that whilst growth in re-opened markets will lose momentum, ADRs and RevPARs should continue to rise alongside demand for normalised travel post-pandemic, particularly in markets with less restrictions and larger domestic markets, such as Australia, Korea and India.

Average Daily Rate (ADR) rises in most markets, RevPAR follows

ADR & RevPAR (USD) in major Asia Pacific markets (July 2019 vs July 2022)

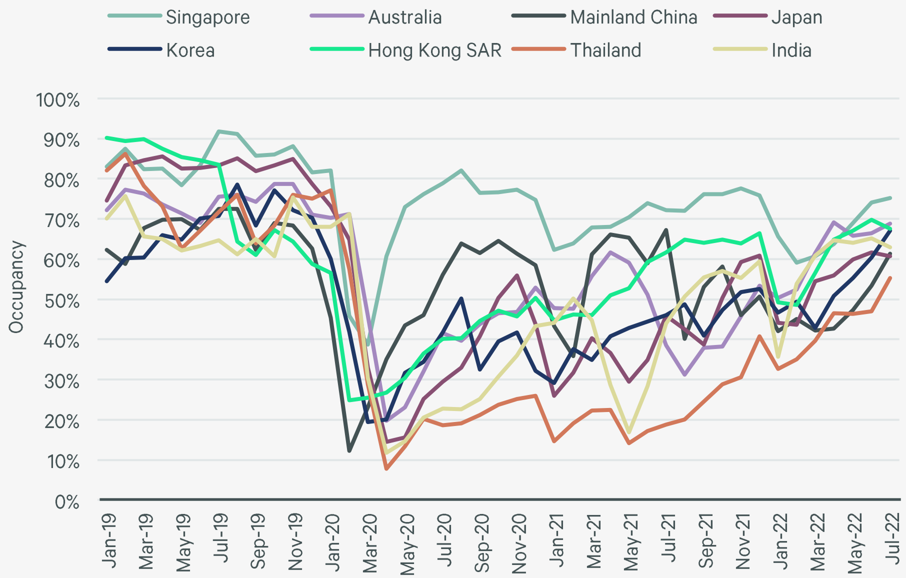


Source: STR, CBRE Research, September 2022.

- After seeing occupancy for hotels in Asia Pacific drop to between 20-40% at the height of the pandemic, occupancy in all major markets (ex. Thailand) was above 60% as of July 2022.
- Standout markets are Singapore (75%), Australia (67%) and Korea (67%). mainland China and Hong Kong SAR are also seeing occupancy levels above 60%, albeit with many hotels still being used as quarantine facilities as a result of current border measures.
- For existing hotels, many operators and investors have taken advantage of the pandemic-induced lull in occupancy to upgrade and refurbish in preparation for the full return of guests. Some are investing CapEx to implement new technologies such as smart systems as key points of differentiation. However, operators are advised to stay conscious of the increase in construction and fitout costs when implementing such measures, particularly in markets such as Japan, Singapore and Korea, where costs have risen especially sharply.

International arrivals rise but remain well below pre-pandemic levels

Total international arrivals per country, (ex. mainland China, as of July 2022)



Source: STR, CBRE Research, September 2022.

- The luxury market has been resilient throughout the pandemic and continues to display greater strength in many key countries in Asia Pacific, with ADR growth/recovery outperforming the overall market.

The strength of the luxury segment has been underlined by the performance of resort destinations, with the Maldives registering a y-t-d luxury ADR almost 1.5x higher than 2019 levels.

- Many markets are still seeing luxury rates at affordable prices. This, in combination with elevated household savings in most advanced economies, should see the luxury market continue to lead from the front as travellers look to spend savings on destinations and hotel offerings which would normally be out of reach to the average consumer.

Luxury market performs resiliently

RevPAR in major Asian markets (% growth compared to 2019, as of July 2022 y-t-d)

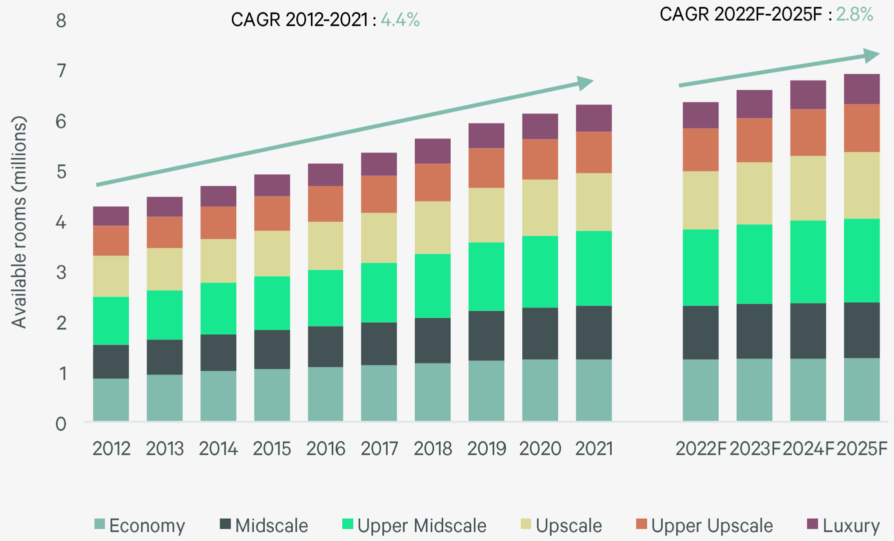
	Market	Luxury
Maldives	116%	146%
Hong Kong SAR	83%	85%
Singapore	80%	89%
Beijing	78%	53%
Shanghai	76%	83%
Bangkok	72%	53%
Tokyo	54%	69%

Source: STR, CBRE Research, September 2022.

- Limited demand and increased construction costs due to supply chain issues and material/labour price increases will weigh on Asia Pacific hotel supply in the medium term.
- Developers in the region are looking to capitalise on growing demand for high-end hospitality, with most of the supply coming into the market comprising upscale and upper upscale developments.
- According to STR AM:PM, supply CAGR for all major Asia Pacific markets will slow from 2022-2025 compared to their historical averages. In terms of total room supply, over half of the supply pipeline in Asia Pacific between 2022-2025 is due to come on stream in mainland China (~382,000 rooms or 11% of the current supply). This is followed by Indonesia (~34,000, 8%), India (~33,000, 9%), Thailand (~31,000, 12%) and Australia (~28,000, 9%).

Hotel supply growth slows

Historical supply levels of hotels in Asia Pacific, by tier as of September 2022 y-t-d



Source: STR AMPM, CBRE Research, September 2022.

- Luxury hotel signings have remained strong despite the pandemic, although have been conducted at a slightly lower level vs. pre-COVID. Between 2017-2022 y-t-d, when looking at luxury signings globally, there has been approximately 203 luxury signings across the 13* largest luxury brand globally. EMEA (40%) has seen the most activity in the luxury signing space in that period, followed by Asia Pacific (33%) and the Americas (27%).
- Over the past five years there has been a stronger focus on developing resorts rather than urban offerings, particularly in the luxury market globally. Approximately 47% of all luxury signings globally from 2017-2022 y-t-d have been new resort signings, much higher than the 35% of current luxury resort offerings. This will continue to be the trend in the coming years, with barriers to entry in tier I urban markets much higher than tier I resort markets globally.

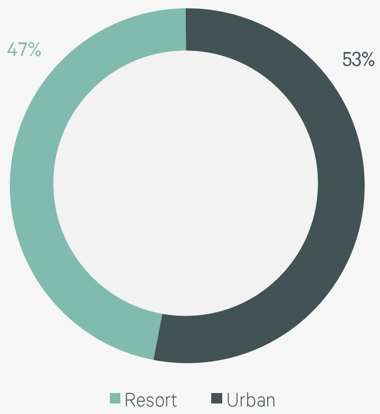
40%	33%	27%
EMEA	Asia Pacific	Americas

Share of Luxury signings globally between 2017-2022 y-t-d.

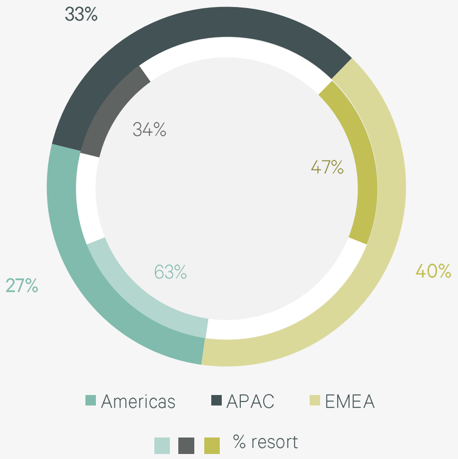
Luxury resorts gain market share over urban offerings

Upper luxury hotel signings – key trends (Global)

Urban vs. Resorts
(2017 – YTD Jun'22)



Signings by Region
(2017 – YTD Jun'22)



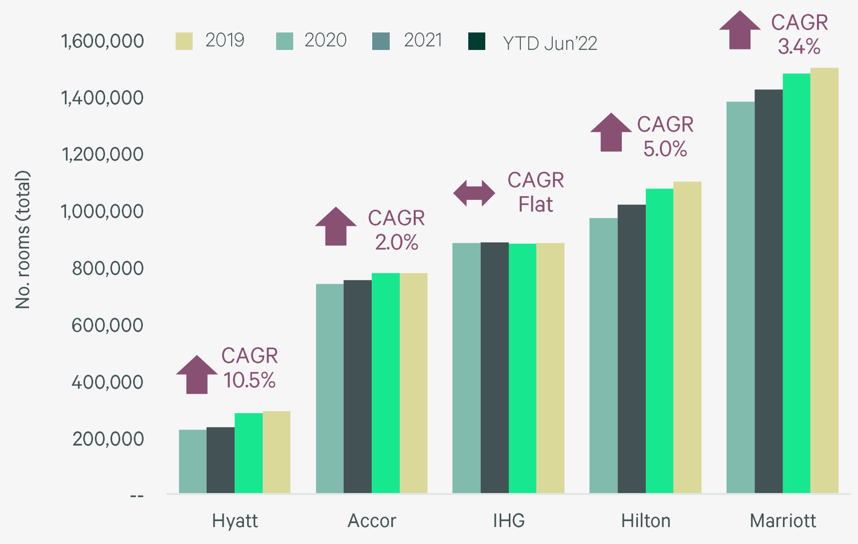
*The 13 (thirteen) brands analysed include Rosewood, Six Senses, Four Seasons, Mandarin Oriental, Waldorf Astora, The Ritz Carlton, St. Regis, Raffles, Park Hyatt, One&Only, Aman, Capella and Regent.

Source: Public filings and news releases, CBRE Research, September 2022.

- The five major global multi-brand hotel companies (Hyatt, Accor, IHG, Hilton and Marriott) have seen system size (number of rooms open) grow significantly since 2019 despite the pandemic. Overall, the groups have brought on a combined 348,419 rooms between 2019-H1 2022, an increase of 8.3% in total rooms available globally in that period.
- Over H1 2022, the big five operators saw a combined 53,939 rooms come to the market, which equated to 1.2% growth in available rooms for the operators globally.
- Moving forward, the big five operators have a reported 1.51 million rooms (33% of the current supply) of executed management and franchise agreements combined in the global pipeline. However, high construction material prices, including lumber, steel, and labour, will make the development of new projects too expensive in some cases and will most likely cap the development output of the major hotel operators globally and in APAC.

Big 5 operators were still expanding throughout the pandemic

Global net systems size (no. rooms), major 5 hotel operators (2019-2022 y-t-d)



Source: Public filings (Capital IQ), CBRE Research, September 2022.

- As of H1 2022, average RevPAR for the five major global multi-brand hotel companies has recovered to 86% of 2019 levels, with all companies breaching the 80+% RevPAR recovery barrier.
- As reported by the groups, this RevPAR recovery has been driven by leisure stays, the return of business and group travel demand continued to build over the period, and increased pricing power due to the strength of each groups' loyalty program and technology platforms which have been revamped and upgraded to remain flexible in the event of any further economic shocks.

Whilst it is worth noting that the brisk pace of demand recovery has begun to slow, record setting ADR levels for all groups in H1 2022 and rising occupancy levels, particularly in the APAC region, should supplement the recovery story for the groups moving into 2023/2024.

Big 5 operators all seeing RevPAR levels close to pre-pandemic marks

RevPAR as a % of 2019 levels, major 5 hotel operators (as of H1 2022)

2019 PevPAR

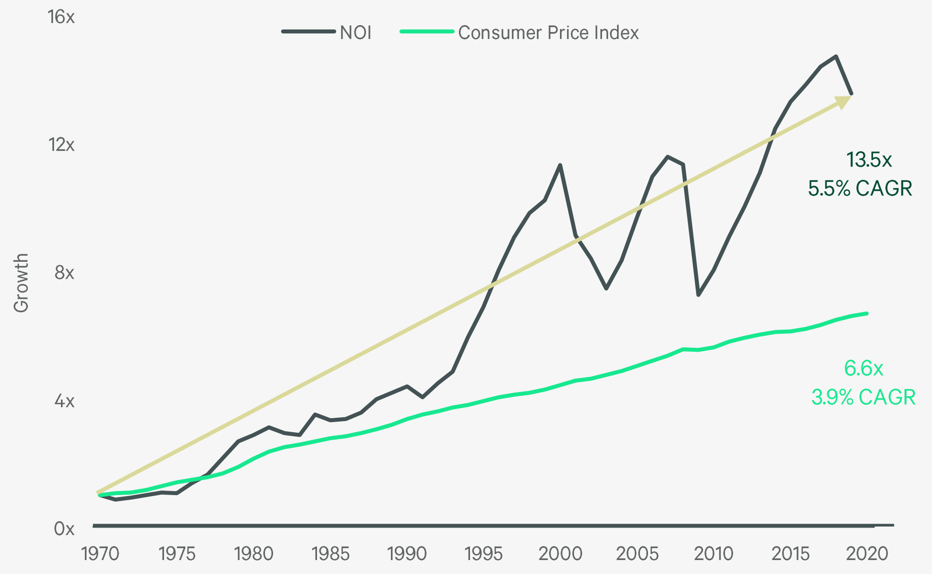
82% Accor	82% Hyatt	85% IHG
87% Hilton	89% Marriott	86% Average

Source: Public filings (Capital IQ), CBRE Research, September 2022.

- Hotels have gained appeal as a potential inflation hedge due to the sector's uniquely short lease period measured in days rather than months or years as with other property types.
- Looking at Net Operating Income (NOI) data vs CPI between 1970-2020 in the U.S. hotels market, during periods of low or medium inflation most hotels see neither benefit nor harm from inflation, with the returns following the real economy. However, this is exacerbated in high inflationary environments, with evidence showing that between 1972-1982 when CPI was in the double digits, hotel NOI outpaced inflation by 1.4x.
- The inflation effect is mostly prominent in the luxury hotel segment, which seem to benefit directly from inflation, which is sometimes used as an excuse to raise prices for a less price-sensitive clientele. Upper midscale and upscale hotels have also experienced a substantial positive effects during inflationary periods.

Hotels traditionally see higher incomes during inflationary periods

Hotel NOI vs CPI 1970-2020 (U.S. market)



Source: CBRE US Hotels, CBRE Research, September 2022.

- Due to the increase in business volume in the U.S. hotels market, expenses in the operated (+40.0%) and undistributed (+24.7%) departments both increased on a dollar-per-available room (PAR) basis.
- This increase in expenses has been driven by significant increase in salaries across all departments (+38.4% y-o-y), property operations and maintenance costs (+20.5%) and utilities cost increases (+20.1%).
- However, when evaluated on a dollar-per-occupied room (POR) basis, operated department expenses declined by 8.1% while undistributed costs dropped by 18.2%. The increase in occupancy/length of stay for hotels globally has outpaced the increase in operating expenses as a result of the spike in utilities and labour costs.

+40.0%

Expenses in the operated departments y-o-y

+24.7%

Expenses in undistributed departments y-o-y

Operating expenses are up PAR, however OpEx increased also

Operating Revenue, Expenses & EBITDA PAR of US Hotels Market (2021 & 2020, USD)

*Data is sourced from 177 different hotel operators in the US, constituting 7,700 separate P+Ls
Source: CBRE US Hotels, CBRE Research, September 2022.

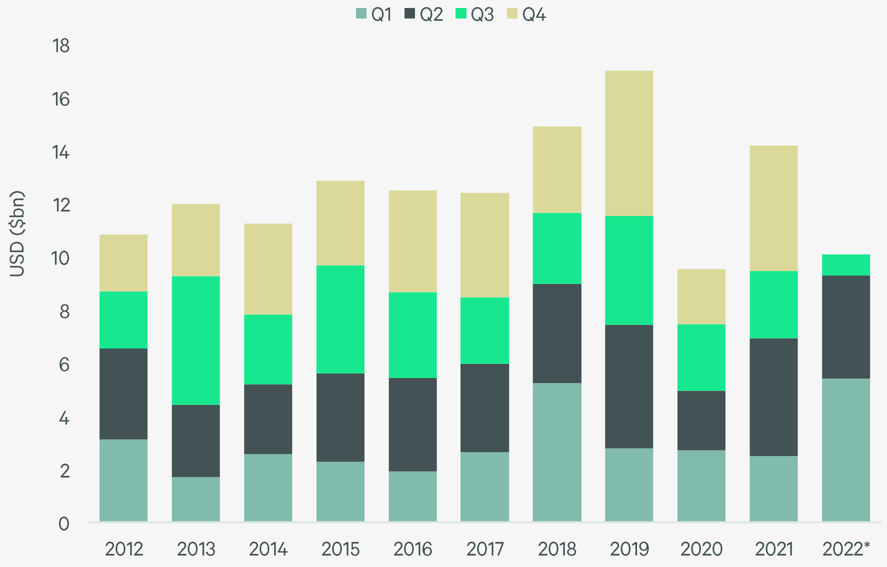
03

Capital Markets

- Faster-than-expected interest rate hikes in some major Asia Pacific economies weighed on commercial real estate investment sentiment in H1 2022. However, this failed to negatively impact hotel transaction volume, which rose to US$10.1 billion as of August 2022 y-t-d, an increase of 17% y-o-y.
- Major deals completed so far this year include Millennium Seoul Hilton (US$912 million), Hyatt on the Bund Shanghai (US$707 million and 30 Bideford Rd Singapore (US$365 million).
- Whilst investment volume is expected to weaken in the back half of 2022, well-located high-quality hotel assets in key markets will remain keenly sought after. CBRE expects loosening border controls, rising tourist sentiment and investors' strong capital reserves to counteract softening investor demand.

Investment registers highest ever first half total

2022 Asia Pacific hotel investment volume (US$ billion, as of August 2022)



*Transaction volume in 2022 as of 31st August

Note: Transactions include deals for hotels assets above US$10 million

Source: RCA, CBRE Research, September 2022.

- Investment activity for August 2022 y-t-d was spread across various Asia Pacific markets, with Korea accounting for the largest share of investment at US$2.8 billion in H1 2022, followed by mainland China, Australia, Japan and Singapore.
- Markets that will continue to attract high levels of investment include Japan, where the cost of finance remains low and there is positive cash on cash yield across all asset classes. In Singapore and Australia, fundamentals remain solid, with both markets demonstrating growth in daily rates and underlying operating profits. Demand remains especially strong for high quality assets in popular gateway locations.
- Private development investors (usually those involving joint venture opportunities with multiple parties) are leveraging the conversion of assets into co-living spaces, particularly in Korea, Hong Kong SAR and Singapore, where there is demand for cost-effective accommodation amid a relatively inflexible rental market.

Korea, mainland China and Australia have attracted the most capital

August 2022 y-t-d Asia Pacific hotel investment volume by sector and market (US$)

US$2.8b	Korea	28%
US$1.7b	Mainland China	17%
US$1.7b	Australia	16%
US$1.1b	Japan	11%
US$978m	Singapore	10%
	Other	10%
	Hong Kong SAR	8%

Source: RCA, CBRE Research, September 2022.

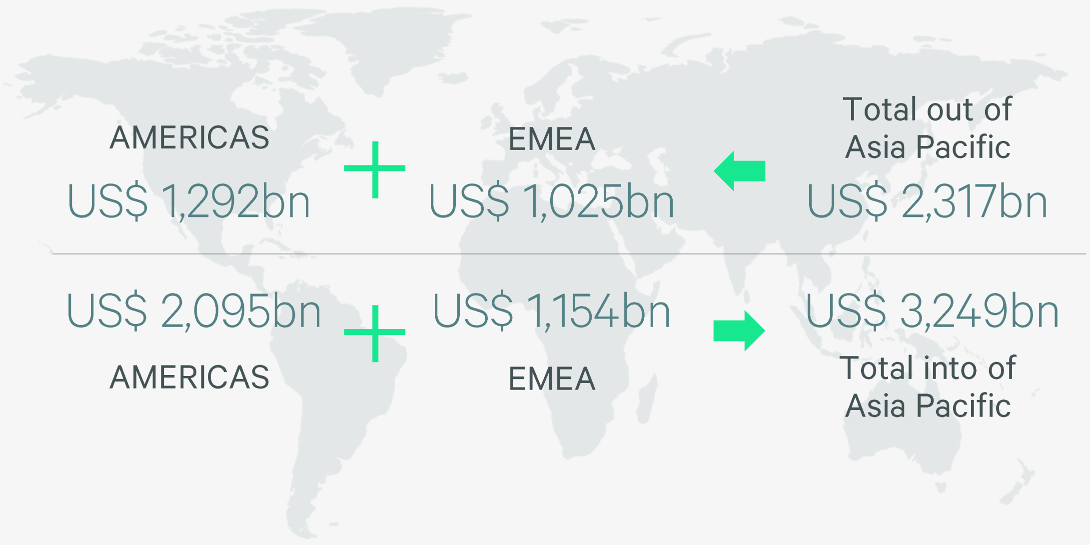
Strong capital flows evident for hotel investment in Asia Pacific over past 18 months

- Inbound investment in Asia Pacific hotels remained healthy between January 2021 – August 2022 y-t-d despite hotel performance in the region lagging that in the Americas/EMEA. Asia Pacific is seen as a strong growth region compared to the Americas/EMEA, with market fundamentals forecasted to be much more stable over the next 18-24 months.

- CBRE has observed lenders in some markets adopting a more optimistic view towards Asia Pacific compared to the Americas/EMEA. Mainstream institutions in Australia and Japan are extending financing to experienced hotel investors, while non-traditional lenders are filling the senior gap to keep LTVs at historical levels.

- Pricing adjustments in Asia Pacific in the short-term are expected to be moderate compared to other regions as a longer runway for international arrivals and hotels revenue growth offsets some of the headwinds expected over the next six to 12 months.

January 2021 –August 2022 y-t-d capital flows in and out (Asia Pacific- Hotels & Hospitality)
USD ($), billions



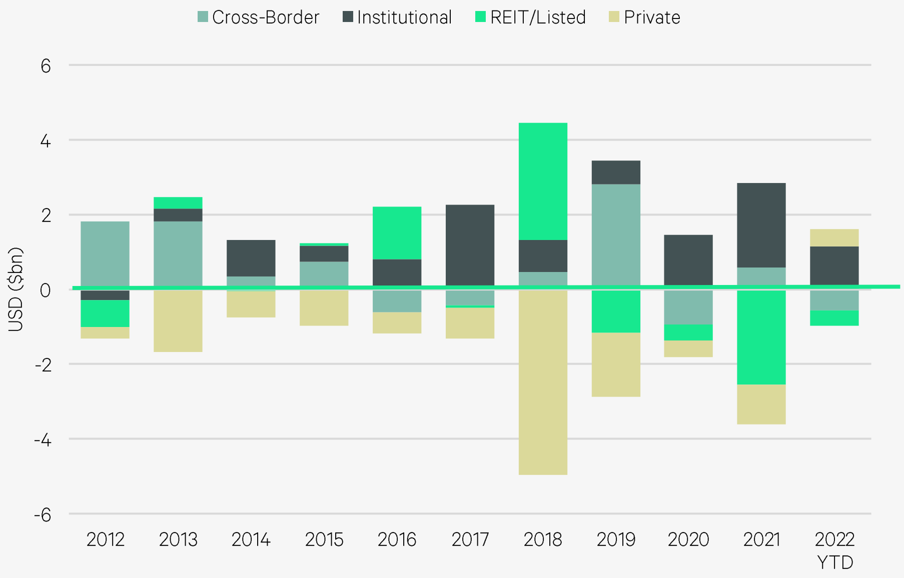
Source: RCA, CBRE Research, September 2022.

- Enticed by attractive risk-adjusted yields and repositioning opportunities, institutional investors and private equity continue to acquire Asia Pacific hotels to upgrade guest offerings to capitalise on pent-up tourist demand.
- Much of this institutional investment is coming through diversified fund structures with high levels of exposure to other asset classes in order to mitigate potential loss in demand.

According to RCA, as of Q2 2022, REITs/Listed Funds still comprise the bulk of hotel and hospitality ownership in the region, owning 53% of the total volume of hotels. Institutional/equity funds account for 15% of the market.

Institutional investors continue to increase hotel exposure in APAC

Net acquisitions by buyer type, Asia Pacific hotels (As of August 2022 y-t-d)

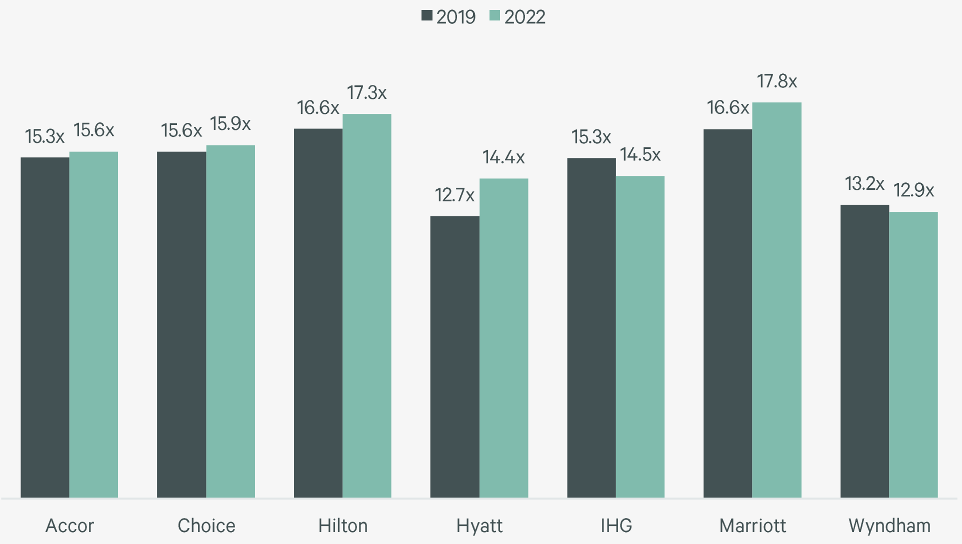


Source: RCA, CBRE Research, September 2022.

- Valuation multiples for select leading global hotel brands/operators have generally recovered to 2019 levels as EBITDA expectations have fallen in line with share prices, yet leverage levels are higher which has resulted in multiples recovering. This reflects confidence in the earnings recovery and future industry growth.
- According to H1 2022 earnings reports, as of the end of June 2022, the seven major hotel groups were sitting on US$7.3 billion in cash and short-term investments. Looking ahead, the focus will be on how these groups will move with increased liquidity, and whether they use it for long-term value (invest back into the business) or short-term value (enhance shareholders position via share buy backs and increased dividends).

Valuation multiples for leading hotel operators recover

EV/EBITDA Multiples for top seven global operators (as of July 31, 2022)

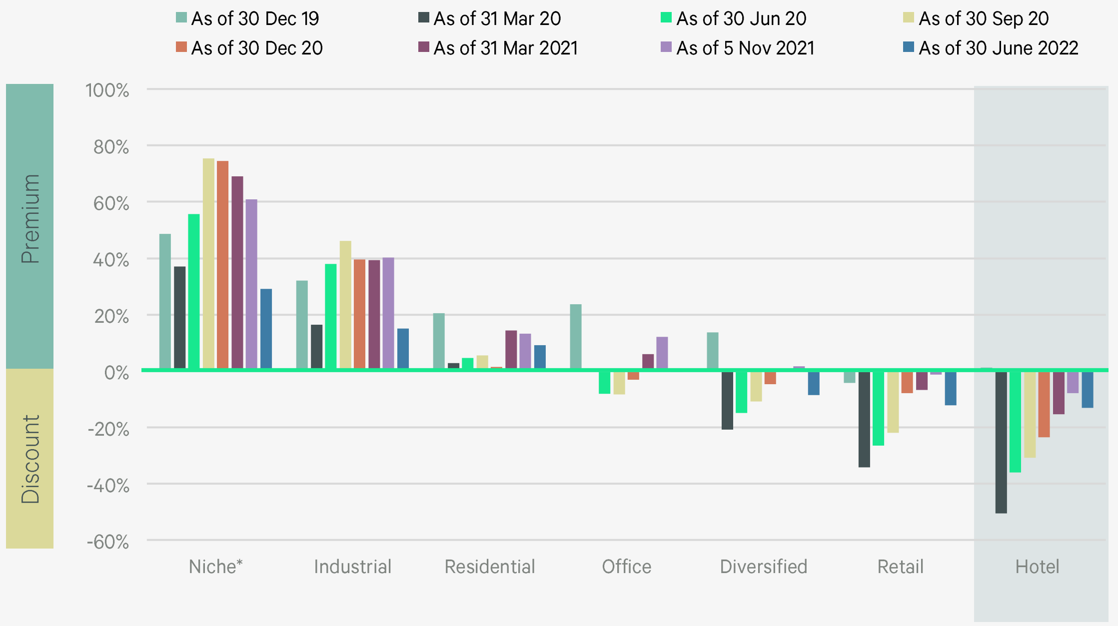


Source: Capital IQ, CBRE Research, September 2022.

Listed hotel REITS in Asia Pacific trade below Net Asset Value, presenting upside investment opportunities

- CBRE's analysis of the weighted average of premium/discount to Net Asset Value (NAV) for 143 REITs across different asset classes in Asia Pacific shows that hotel REITs are trading below their NAV and are undervalued.
- Investors are advised to consider buying REITs trading below their NAV and other listed vehicles to access value discounts. Target markets should be liquid, transparent and offer easy access to investors.
- As debt investment tends to become more attractive during periods of economic uncertainty and rising interest rates, CBRE expects to see stronger interest in senior and junior loans in Australia and Japan. Other opportunities could potentially include distressed acquisitions in mainland China.

Weighted average NAV premium/discount of Asia Pacific listed REITs^ by sector



* Niche includes data centres, healthcare, senior housing, self-storage, agricultural and pubs.
^ The study covers REITs listed in Australia, New Zealand, Japan, Hong Kong SAR and Singapore

Source: Capital IQ, CBRE Research, September 2022.

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