

## UK Commercial Property Funds Warm In Summer Sun

**London – 20 July, 2015** – MSCI Inc. (NYSE: MSCI), a leading provider of research-based indexes and analytics, announced today the latest results of the **AREF/IPD UK Quarterly Property Fund Index**.

According to the index, unlisted real estate funds returned 3.3% in the three months to June 2015, compared with the 2.5% achieved in the first quarter of 2015.

In comparison, returns for bonds and equities for the 3-month period were -2.9% and -2.8%, respectively (JP Morgan 7-10 year/MSCI), while returns for direct commercial property, as measured by the IPD UK Monthly Property Index, stood at 3.6%.

At 14.2% year-on-year, funds in the **AREF/IPD UK Quarterly Property Fund Index** are trending below the IPD UK Monthly Property Index, which measured a total return of 16.7% in the year to June 2015.

Colm Lauder, Senior Associate, MSCI, commented, “The commercial property market in the UK had cooled slightly during the first quarter of the year, but the boost in returns in the run up to the summer holiday – 3.3% in the three months to the end of June 2015 – shows that the market is still gathering pace.

“The direct property market, as measured by the UK Monthly Property Index, saw similar growth with a second quarter return of 3.6%, leading to a 12-month rolling return of 16.7%, as the recovery widens across the UK.”

John Cartwright, Chief Executive, AREF, added, “Looking back over previous quarters, the 3.3% achieved in Q2 of 2015 marks an increase on the previous quarter’s figures, and is well above the post-crash average of 0.8%, but below the 4.9% seen in Q2 of 2014 – the highest level seen since 2010.

“The spread of returns across the sub-indexes is really quite tight at present, with only long income property funds standing out at 2.6%. All the other fund types are varying only by 20 basis points between 3.3-3.5%, showing that spreads are more contracted than they have been since June 2012.”

The **AREF/IPD UK Quarterly Property Fund Index**, sponsored by the Association of Real Estate Funds (AREF) and PropertyMatch, provides an independent view of current market performance and the performance of the funds active within it. The index is based on a sample of 46 funds with a total net asset value of GBP 41.3 bn as at June 2015.

-Ends-

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