REITs

S-REITs Monthly Update (Jul 26)

OVERWEIGHT
(Maintained)

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Highlights

- S-REITs are actively recycling assets, supported by advantageously low domestic interest rates. The sector is defensive and provides an attractive yield spread of 3.2%, which is in line with the long-term mean.
- **Maintain OVERWEIGHT.** The S-REIT sector is a major laggard. BUY blue-chips that are catching up with the broader market: CICT (Target: S$3.06), FLT (Target: S$1.33), MPACT (Target: S$1.75), NTTDCR (Target: US$1.43) and UIBREIT (Target: S$1.16).

Analysis

- **The FSTREI rose 3.0% in Jul 26, underperforming the STI's gain of 8.9%.** Yield for 10-year Singapore government bonds rose 31bp mom to 2.31%. US core PCE inflation eased 0.1ppt mom to 3.3% yoy in Jun 26.
- **CLAR has agreed to divest Kim Chuan Telecommunications Complex,** a 10-storey data centre located at 38 Kim Chuan Road, for S$200m to an unrelated third party. The sale price is double CLAR's original acquisition cost of S$100m in 2005 and represents a 32% premium to independent valuation of S$151.8m as of Jun 26. The divestment reflects CLAR's disciplined capital recycling strategy, enhancing financial flexibility and enabling reinvestment into higher-yielding opportunities. The estimated net proceeds of S$180m could be used to fund investments, repay debt, support working capital or potential distributions. It reduces pro forma aggregate leverage from 42.0% to 41.4%. The transaction is expected to complete in 2Q26.
- **Celine Tang was appointed Chairman and Non-Executive Director** of Suntec Trust Management, the manager of SUN, with effect from 10 Jul 26, following the completion of the Tang family's acquisition of the REIT manager through Acrophyte Asset Management. The board stated that her appointment would strengthen leadership and enhance the board's effectiveness given her extensive real estate experience. Celine previously served as Group Managing Director of SingHaiyi Group, Non-Executive Chairman of Chip Eng Seng Corporation (now Tang Organisation) and OKH Global. Her appointment is a significant milestone in the Tang family's stewardship of SUN and is expected to bring strategic direction and a stronger sponsor alignment.

Segmental Rating

S-REITs	OVERWEIGHT
Healthcare REITs	OVERWEIGHT
Hospitality REITs	OVERWEIGHT
Industrial REITs	OVERWEIGHT
Office REITs	OVERWEIGHT
Retail REITs	OVERWEIGHT

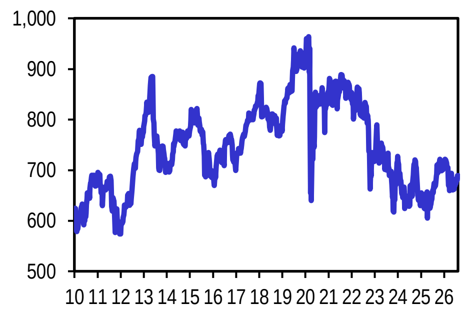
Source: UOB Kay Hian

Top S-REIT Picks

Company	Rec	Share Price (S$)	Target Price (S$)
CICT	BUY	2.49	3.06
FLT	BUY	0.99	1.33
MPACT	BUY	1.33	1.75
NTTDCR (US$)	BUY	0.92	1.43
UIBREIT	BUY	0.80	1.16

Source: UOB Kay Hian

FTSE ST All-Share REITS Index (FSTREI)



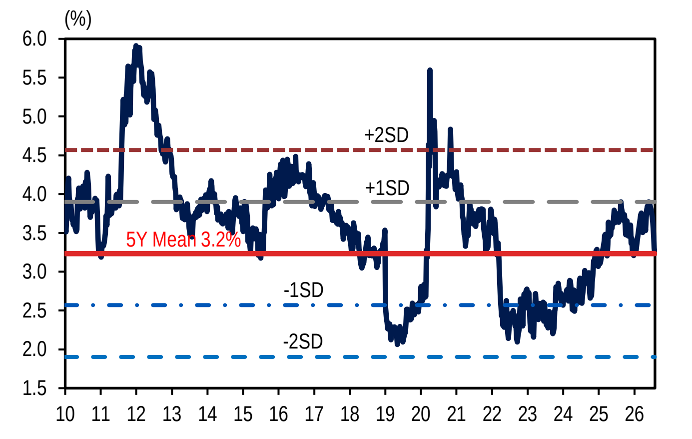
Source: Bloomberg

Top 20 S-REITS Ranked By Market Capitalisation – Vital Statistics

Name	Ticker	Rec	Curncy	Price 31 Jul 26	Target Price	Mkt Cap (US$m)	--- DPU (▯) --- Curr	Fwd	--- Yield (%) --- Curr	Fwd	---- Yield Spread* (%) ---- Curr	Fwd	Interest Coverage (x)	Aggregate Leverage (%)	WALE (years)
CapLand Int Comm Trust	CICT SP	BUY	S$	2.49	3.06	15,435	11.7	12.6	4.7	5.1	2.3	2.6	3.8	38.5	3.0
CapLand Ascendas	CLAR SP	BUY	S$	2.57	3.78	10,004	14.9	16.3	5.8	6.4	3.4	3.9	3.5	42.0	3.8
Mapletree Pan Asia	MPACT SP	BUY	S$	1.33	1.75	5,477	8.0	8.1	6.0	6.1	3.6	3.7	3.3	37.7	2.3
Mapletree Log Trust	MLT SP	HOLD	S$	1.24	1.29	4,948	6.9	6.9	5.6	5.6	3.1	3.2	2.9	40.5	2.5
Mapletree Ind Trust	MINT SP	HOLD	S$	1.93	2.07	4,294	11.5	11.7	5.9	6.1	3.5	3.7	4.0	37.5	4.5
Keppel DC REIT	KDCREIT SP	BUY	S$	2.23	2.95	4,251	11.3	11.3	5.1	5.1	2.6	2.7	6.9	34.0	6.7
Frasers Centrepoint	FCT SP	BUY	S$	2.27	2.99	3,608	12.7	13.2	5.6	5.8	3.2	3.4	3.7	40.4	1.7
Keppel REIT	KREIT SP	BUY	S$	0.92	1.13	3,561	5.4	5.3	5.9	5.8	3.5	3.4	2.7	40.0	4.5
Suntec REIT	SUN SP	BUY	S$	1.48	1.75	3,416	7.6	7.9	5.1	5.3	2.7	2.9	2.2	43.0	2.4
Frasers L&C Trust	FLT SP	BUY	S$	0.99	1.33	2,933	6.0	5.9	6.0	6.0	3.6	3.5	4.6	35.4	4.9
CapLand Ascott	CLAS SP	BUY	S$	0.905	1.42	2,716	6.2	6.3	6.8	7.0	4.4	4.6	2.9	37.7	n.a.
PLife REIT	PREIT SP	BUY	S$	4.22	5.45	2,146	17.9	18.3	4.2	4.3	1.8	1.9	8.4	34.2	15.0
ESR-REIT	EREIT SP	NR	S$	2.62	n.a.	1,650	22.0	22.0	8.4	8.4	6.0	6.0	2.6	41.4	4.8
OUE REIT	OUEREIT SP	NR	S$	0.355	n.a.	1,531	2.4	2.5	6.8	7.0	4.4	4.6	2.8	41.5	2.2
Lendlease REIT	LREIT SP	BUY	S$	0.59	0.78	1,454	3.7	3.7	6.3	6.2	3.9	3.8	1.8	38.7	4.7
AIMS APAC REIT	AAREIT SP	NR	S$	1.60	n.a.	1,027	10.0	10.7	6.2	6.7	3.8	4.2	2.7	24.9	3.6
Stoneweg EU Trust EUR	SERT SP	NR	€	1.59	n.a.	1,016	13.3	13.7	8.4	8.6	5.2	5.5	3.1	42.7	5.0
Starhill Global	SGREIT SP	NR	S$	0.555	n.a.	1,004	3.8	3.8	6.8	6.9	4.4	4.5	3.1	35.8	7.2
NTT DC REIT USD	NTTDCR SP	BUY	US$	0.92	1.43	951	7.9	8.2	8.6	8.9	3.9	4.2	4.2	29.2	4.5
Far East HTrust	FEHT SP	BUY	S$	0.575	0.81	923	3.5	3.7	6.1	6.5	3.7	4.0	4.3	32.8	n.a.

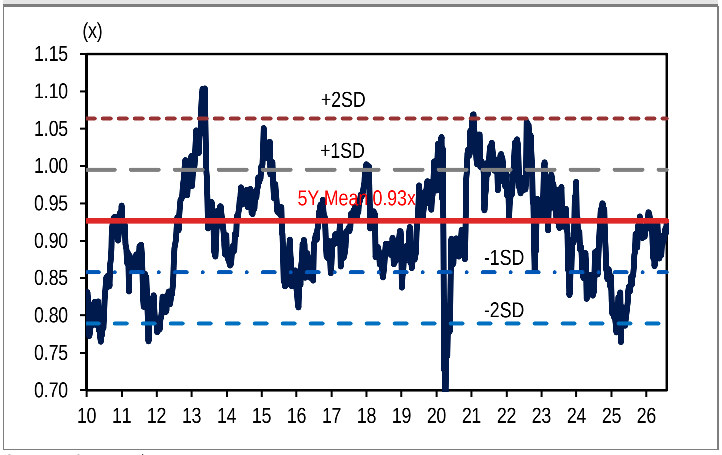
** Yield spread above 10-year government bond yield*
Source: Bloomberg, UOB Kay Hian

S-REIT Yield Spread



Source: UOB Kay Hian

S-REIT P/NAV



Source: UOB Kay Hian

Peer Comparison

Name	BBG Ticker	Trading Code	Rec	Curr	Price 31 Jul 26	Target Price	Mkt Cap (US$m)	Yield (%) Hist	Yield (%) Curr	Yield (%) Fwd 1Y	Yield (%) Fwd 2Y	Debt to Equity (%)	Debt to Assets (%)	P/NAV (x)
HEALTHCARE														
First REIT	FIRT SP	AW9U	NR	S$	0.23	n.a.	380	9.4	9.1	8.7	n.a.	96.3	45.7	1.00
PLife REIT	PREIT SP	C2PU	BUY	S$	4.22	5.45	2,146	3.6	4.2	4.3	4.4	52.9	33.3	1.65
HOSPITALITY														
CapLand Ascott	CLAS SP	HMN	BUY	S$	0.905	1.42	2,716	6.7	6.8	7.0	7.0	71.4	37.7	0.79
CDL HTrust	CDREIT SP	J85	BUY	S$	0.795	1.11	793	6.0	7.0	6.9	7.0	66.4	35.3	0.58
Far East HTrust	FEHT SP	Q5T	BUY	S$	0.575	0.81	923	6.4	6.1	6.5	6.6	42.6	32.8	0.66
INDUSTRIAL														
AIMS APAC REIT	AAREIT SP	O5RU	NR	S$	1.60	n.a.	1,027	6.2	6.2	6.7	6.9	54.5	24.9	1.25
CapLand Ascendas	CLAR SP	A17U	BUY	S$	2.57	3.78	10,004	5.8	5.8	6.4	6.7	71.7	42.0	1.12
Daiwa Hse Log Trust	DHLT SP	DHLU	NR	S$	0.485	n.a.	265	8.9	8.7	8.7	8.7	79.7	40.6	0.77
Digi Core REIT USD	DCREIT SP	DCRU	BUY	US$	0.49	0.93	635	7.3	7.0	8.3	8.4	67.9	39.2	0.62
ESR-REIT	EREIT SP	9A4U	NR	S$	2.62	n.a.	1,650	8.4	8.4	8.4	8.6	99.2	41.4	1.05
Keppel DC REIT	KDCREIT SP	AJBU	BUY	S$	2.23	2.95	4,251	4.7	5.1	5.1	5.2	54.3	34.0	1.29
Mapletree Ind Trust	MINT SP	ME8U	HOLD	S$	1.93	2.07	4,294	6.6	5.9	6.1	6.4	66.3	37.5	1.19
Mapletree Log Trust	MLT SP	M44U	HOLD	S$	1.24	1.29	4,948	5.9	5.6	5.6	5.6	85.2	40.5	0.98
NTT DC REIT USD	NTTDCR SP	NTDU	BUY	US$	0.92	1.43	951	8.5	8.6	8.9	9.1	43.8	29.2	0.81
UIBREIT	UIBREIT SP	UIBU	BUY	S$	0.80	1.16	853	n.a.	8.8	8.6	9.0	65.9	36.4	0.94
OFFICE														
Keppel REIT	KREIT SP	K71U	BUY	S$	0.92	1.13	3,561	5.7	5.9	5.8	5.7	78.2	40.0	0.74
RETAIL														
Frasers Centrepoint	FCT SP	J69U	BUY	S$	2.27	2.99	3,608	5.3	5.6	5.8	5.9	58.3	40.4	1.01
Lendlease REIT	LREIT SP	JYEU	BUY	S$	0.59	0.78	1,454	6.1	6.3	6.2	6.3	82.7	38.7	0.83
Starhill Global	SGREIT SP	P40U	NR	S$	0.555	n.a.	1,004	6.6	6.8	6.9	7.0	61.6	35.8	0.78
DIVERSIFIED														
CapLand China Trust	CLCT SP	AU8U	NR	S$	0.66	n.a.	904	7.3	7.0	7.2	7.3	96.7	41.4	0.64
CapLand Int Comm Trust	CICT SP	C38U	BUY	S$	2.49	3.06	15,435	4.7	4.7	5.1	5.2	66.0	38.5	1.16
Frasers L&C Trust	FLT SP	BUOU	BUY	S$	0.99	1.33	2,933	6.0	6.0	6.0	6.0	58.7	35.4	0.88
Mapletree Pan Asia	MPACT SP	N2IU	BUY	S$	1.33	1.75	5,477	6.0	6.0	6.1	6.1	63.8	37.7	0.77
OUE REIT	OUEREIT SP	TS0U	NR	S$	0.355	n.a.	1,531	6.3	6.8	7.0	7.2	79.1	41.5	0.64
Suntec REIT	SUN SP	T82U	BUY	S$	1.48	1.75	3,416	4.8	5.1	5.3	5.3	70.8	43.0	0.73
INTERNATIONAL (US / EUROPE)														
Stoneweg EU Trust EUR	SERT SP	SEB	NR	€	1.59	n.a.	1,016	8.4	8.4	8.6	9.2	90.7	44.8	0.80
Elite UK REIT GBP	ELITE SP	MXNU	BUY	£	0.31	0.39	262	9.8	9.7	9.6	10.1	62.9	37.7	0.69
IREIT Global	IREIT SP	UD1U	NR	S$	0.184	n.a.	193	8.7	8.0	8.0	16.1	91.1	44.7	0.37
KORE REIT USD	KORE SP	CMOU	BUY	US$	0.179	0.25	187	1.4	4.0	7.8	10.8	82.9	43.3	0.26
Prime US REIT USD	PRIME SP	OXMU	BUY	US$	0.157	0.21	226	3.9	10.5	11.7	11.4	87.0	45.2	0.30
Utd Hampshire REIT USD	UHU SP	ODBU	BUY	US$	0.525	0.72	319	8.4	9.3	9.8	9.9	68.9	41.1	0.72

Source: Bloomberg, UOB Kay Hian

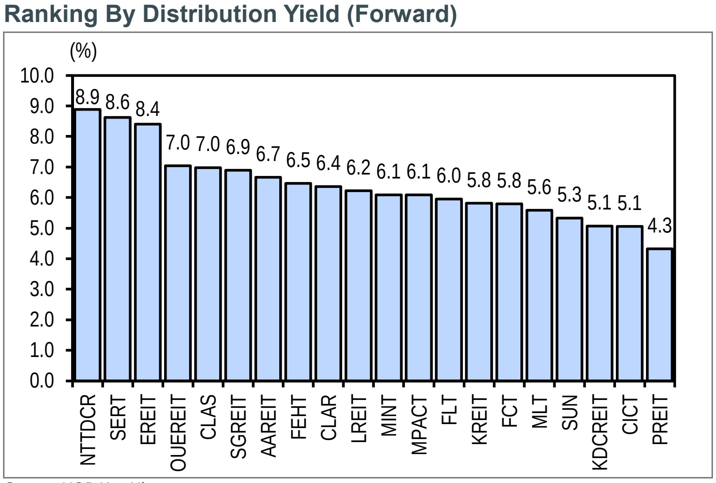
Top 10 Outperformers And Top 10 Underperformers Ranked By Monthly Share Price Performance

TOP OUTPERFORMERS (%)						TOP UNDERPERFORMERS (%)					
NAME	1MTH	3MTH	6MTH	1Y	YTD	NAME	1MTH	3MTH	6MTH	1Y	YTD
ESR-REIT	12.0	8.3	-4.0	-5.1	-3.3	IREIT Global	-10.2	-21.7	-37.6	-37.6	-36.6
Keppel REIT	7.0	2.8	-6.6	-3.0	-5.6	Digi Core REIT USD	-3.0	-4.9	-9.3	-6.7	-3.9
CapLand Int Comm Trust	5.1	5.5	4.2	13.2	4.2	Prime US REIT USD	-2.5	-14.2	-30.2	-13.7	-20.3
PLife REIT	4.2	5.0	3.4	4.7	3.4	NTT DC REIT USD	-2.1	-6.1	-9.8	-2.1	-9.8
Stoneweg EU Trust EUR	3.9	2.6	0.0	0.6	-2.5	KORE REIT USD	-1.6	-10.5	-26.9	-14.8	-23.8
Lendlease REIT	3.5	3.5	-7.5	7.6	-4.5	Elite UK REIT GBP	-1.6	-8.8	-13.9	-10.1	-13.9
CapLand Ascendas	3.2	3.2	-9.7	-7.8	-9.1	Keppel DC REIT	-0.4	-5.1	-2.2	-5.5	-0.9
Mapletree Pan Asia	3.1	3.1	-8.9	3.1	-9.5	OUE REIT	0.0	-2.7	-5.3	20.3	-1.4
Frasers L&C Trust	2.6	3.1	-2.0	12.5	-0.5	AIMS AMP REIT	0.0	6.0	6.7	15.1	6.7
CDL HTrust	2.6	-1.9	-8.1	-0.6	-4.8	UIBREIT	0.0	-4.8	-9.1	-9.1	-9.1

Source: Bloomberg, UOB Kay Hian

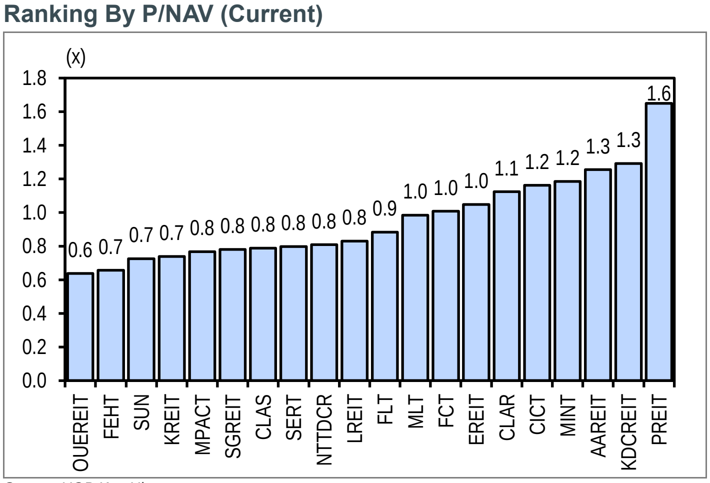
- **AAREIT has agreed to acquire a 9.15-hectare freehold industrial site in Hazelmere, Perth** for A$42.7m (S$38.4m). The property is fully leased to Swan Materials under a 10-year triple-net lease with annual rental escalations of 3.25% and two additional 10-year renewal options, providing strong long-term income visibility. The acquisition offers an attractive first year NPI yield of 5.3% and is expected to be immediately DPU-accretive by 0.3%, rising to an average of 0.6% over the next decade. Strategically located near Perth Airport and key transport corridors, the land-rich asset also presents significant redevelopment potential for logistics facilities or data centres due to its proximity to a major 550MVA power substation.
- **Leadership renewal at AAREIT.** AAREIT has announced that CEO Russell Ng is stepping down on 30 Sep 26 after nearly five years leading the REIT. He will be succeeded by Lim Joo Lee, currently the CFO, who has been appointed CEO-designate and is expected to assume the CEO role on 1 Oct 26, subject to regulatory approval. The board highlighted Ms Lim's extensive involvement in the REIT's financial management, capital markets activities, investor relations and strategic growth initiatives since joining as CFO in 2021, positioning her well to ensure continuity in execution and strategy. Mr Ng is working closely with Ms Lim to facilitate a smooth handover.
- **Top outperformers.** Industrial & logistics REITs EREIT, CLAR and FLT gained 12%, 3.2% and 2.6% respectively. Commercial REITs KREIT, CICT, LREIT and MPACT gained 7%, 5.1%, 3.5% and 3.1% respectively.
- **Top underperformers.** REITs with overseas exposure IREIT, PRIME, KORE and ELITE dropped 10.2%, 2.5%, 1.6% and 1.6% respectively. Data centre REITs DCREIT, NTTDCR and KDCREIT dropped 3.0%, 2.1% and 0.4% respectively.

Ranking By Distribution Yield (Forward)



Source: UOB Kay Hian

Ranking By P/NAV (Current)



Source: UOB Kay Hian