UOBKayHian

Sector – Update | Singapore

Monday, 02 November 2026

REITs

S-REITs Monthly Update (Oct 26)

Highlights

- An influx of safe-haven liquidity and low domestic interest rates have led to a record volume of transaction for commercial properties. Thus, S-REITs are supported by firm asset valuation and relatively low cost of debt.
- Maintain OVERWEIGHT. The S-REIT sector is a major laggard, and is thus likely to be more resilient and defensive. BUY CICT (Target: S$3.11), LREIT (Target: S$0.80), NTTDCR (Target: US$1.29) and UIBREIT (Target: S$1.16).

Analysis

- The FSTREI eased 1.1% in Oct 26, outperforming the STI's steep correction of 5.3%. Yield for 10-year Singapore government bonds dipped 23bp to 2.24%. US core PCE inflation rose 0.1ppt mom to 3.1% yoy in Sep 26.
- **KREIT has agreed to acquire a 51% interest in Keppel South Central** from its sponsor, Keppel Ltd, for S$626.2m, equivalent to S$2,350psf, and 3-4% below independent valuations. The acquisition provides an initial net property yield of 4.3% and is accretive to DPU by 2%. Sponsor Keppel Ltd will provide a guaranteed monthly income of S$2.23m for a period of five years. The guaranteed amount is based on 95% stabilised occupancy, average rent of S$11.15psf and an operating margin of 79%.
- **KORE's spec-suite strategy** continues to support leasing momentum, with three of the six suites at The Post within The Plaza Buildings at Bellevue, Washington leased before completion and strong interest reported in the remaining units. The 15,400sf development follows three earlier full-floor spec-suite projects that achieved full occupancy, demonstrating demand for high-quality, move-in-ready offices among small and mid-sized occupiers. More than 35,000sf of additional spec suites are under development, providing further opportunities to improve occupancy.
- **PREIT is acquiring three freehold nursing homes** in Marseille and Velaux, France, from DomusVi for €38.8m (S$56.5m), with completion expected by Dec 26. Comprising 265 beds, the properties will be leased back to DomusVi under new 12-year leases with indexed rental escalations, strengthening income visibility and supporting organic rental growth. The acquisition will expand its French portfolio to 14 properties valued at S$234.3m, deepening its presence in its third key market. Management expects the transaction to be DPU-accretive. The total outlay of €43.4m (S$63.3m) will be fully debt-funded, lifting aggregate leverage from 33.8% to 35.3%.

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OVERWEIGHT (Maintained)

Segmental Rating

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

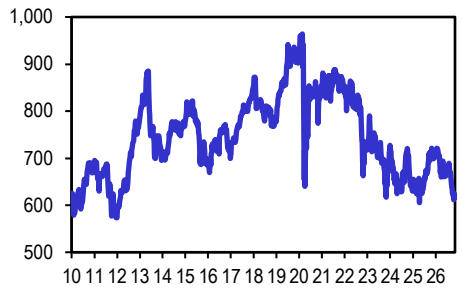
Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (S$)	Target Price (S$)
CICT	CICT SP	BUY	2.28	3.11
LREIT	LREIT SP	BUY	0.545	0.80
NTTDCR USD	NTTDCR SP	BUY	0.895	1.29
UIBREIT	UIBREIT SP	BUY	0.795	1.16

Source: UOB Kay Hian

FTSE ST All-Share REITS Index (FSTREI)



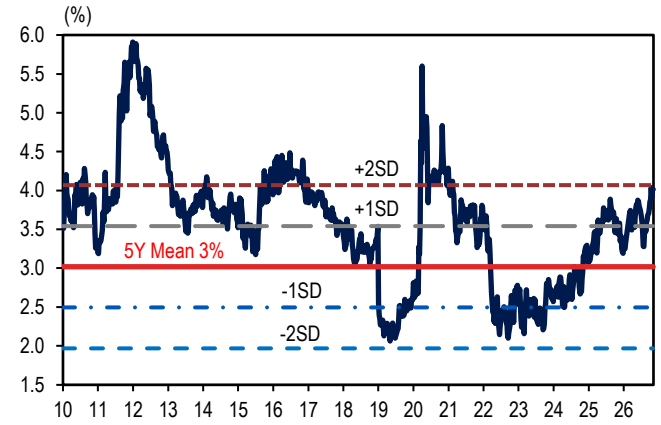
Source: UOB Kay Hian

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

Name	Ticker	Rec	Currcy	Price 30 Oct 26	Target Price	Mkt Cap (US$m)	--- DPU (¢) --- Curr	Fwd	--- Yield (%) --- Curr	Fwd	-- Yield Spread* (%) -- Curr	Fwd	Interest Coverage (x)	Aggregate Leverage (%)	WALE (years)
CapLand Int Comm Trust	CICT SP	BUY	S$	2.28	3.11	14,230	11.8	12.8	5.2	5.6	2.9	3.3	3.8	39.7	3.1
CapLand Ascendas	CLAR SP	BUY	S$	2.21	3.25	8,641	14.9	16.3	6.8	7.4	4.5	5.1	3.4	41.8	4.1
Mapletree Pan Asia	MPACT SP	BUY	S$	1.15	1.67	4,760	8.0	8.1	6.9	7.0	4.6	4.8	3.3	38.1	2.3
Keppel DC REIT	KDCREIT SP	BUY	S$	2.11	2.83	4,534	11.3	11.5	5.4	5.5	3.1	3.2	6.5	36.2	6.5
Mapletree Log Trust	MLT SP	HOLD	S$	1.10	1.13	4,425	6.9	6.9	6.3	6.3	4.0	4.0	2.9	37.5	2.5
Mapletree Ind Trust	MINT SP	HOLD	S$	1.73	1.72	3,867	11.5	11.7	6.6	6.8	4.4	4.5	4.0	37.7	4.4
Frasers Centrepoint	FCT SP	BUY	S$	2.10	2.92	3,363	12.5	12.9	5.9	6.1	3.7	3.9	4.4	38.7	1.8
Keppel REIT	KREIT SP	BUY	S$	0.815	1.06	3,177	5.3	5.4	6.6	6.7	4.3	4.4	2.8	40.5	4.5
Suntec REIT	SUN SP	BUY	S$	1.35	1.67	3,133	7.6	7.9	5.6	5.8	3.3	3.6	2.3	43.0	2.5
Frasers L&C Trust	FLT SP	BUY	S$	0.895	0.96	2,668	6.0	5.9	6.7	6.6	4.4	4.3	4.6	35.4	4.9
CapLand Ascott	CLAS SP	BUY	S$	0.825	1.00	2,490	6.2	6.3	7.5	7.7	5.2	5.4	3.0	37.1	n.a.
PLife REIT	PREIT SP	BUY	S$	3.98	5.02	2,033	17.9	18.3	4.5	4.6	2.2	2.3	8.2	33.8	14.6
OUE REIT	OUEREIT SP	NR	S$	0.335	n.a.	1,453	2.4	2.5	7.3	7.6	5.0	5.3	2.9	42.1	2.1
Centurion Acc REIT	CAREIT SP	BUY	S$	1.05	1.39	1,420	7.2	8.2	6.8	7.8	4.5	5.6	5.9	29.9	n.a.
Lendlease REIT	LREIT SP	BUY	S$	0.545	0.80	1,350	3.7	3.7	6.7	6.8	4.5	4.5	2.1	38.9	4.7
ESR-REIT	EREIT SP	NR	S$	1.98	n.a.	1,255	22.0	21.4	11.1	10.8	8.8	8.5	2.6	44.1	4.8
NTT DC REIT USD	NTTDCR SP	BUY	US$	0.895	1.29	932	8.1	8.3	9.1	9.3	4.1	4.4	4.7	31.0	4.3
Starhill Global	SGREIT SP	NR	S$	0.50	n.a.	910	3.8	3.9	7.6	7.8	5.3	5.5	3.2	36.0	7.1
Stoneweg EU Trust EUR	SERT SP	NR	€	1.43	n.a.	889	13.3	13.7	9.3	9.6	6.0	6.2	2.5	41.9	4.9
AIMS APAC REIT	AAREIT SP	NR	S$	1.37	n.a.	884	10.0	10.7	7.3	7.8	5.0	5.5	2.8	37.4	3.6

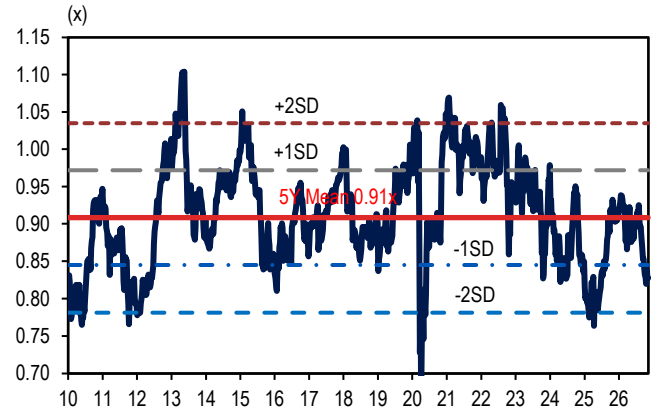
**Yield spread above 10-year government bond yield*
Source: Bloomberg, UOB Kay Hian

S-REIT Yield Spread



Source: UOB Kay Hian

S-REIT P/NAV



Source: UOB Kay Hian

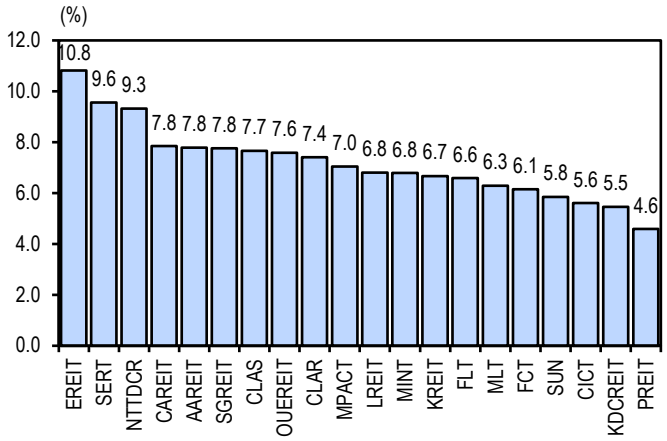
- **NTTDCR has proposed to tie performance fee to DPU growth**, effective from FY27: a) No performance fee would be payable if DPU growth is 3% or less; b) growth above 3% but below 5% would attract a fee of 0.1% of deposited property, and c) increase to 0.2% for growth of at least 5%. It has also proposed to issue new units used to pay management fees at the higher of NAV per unit or market price, effective from 1 Oct 26. The change would reduce the number of units issued and avoid dilution to existing unitholders. The proposed amendments incentivise focus on DPU growth and increase the alignment of interest between the REIT manager and unitholders.
- **SGREIT has completed the divestment of Ebisu Fort**, its last remaining property in Japan, on 9 Oct 26 for JPY6.2b (S$50.2m), representing a 53.8% premium to its latest valuation and a transaction yield of 2.4%. The seven-storey retail and office building in Tokyo contributed just 0.8% of portfolio NPI, allowing SGREIT to realise value and exit Japan with no material impact expected on DPU or NAV per unit. The sale supports its portfolio rebalancing and capital recycling strategy, with gearing expected to decline from 35.8% to 34.5% if net proceeds are substantially used to repay JPY and SGD borrowings, providing greater financial flexibility.
- **Top outperformers.** Retail REITs CICT and FCT made modest gains of 2.2% and 0.5% respectively in Oct 26, while LREIT was flat. Logistics REITs FLT, DHLT and MLT gained 1.7%, 1.2% and 0.9% respectively.
- **Top underperformers.** US office REITs KORE and PRIME dropped 13.1% and 12.1% respectively. REITs with exposure to Europe, such as IREIT and ELITE, also dropped 8.9% and 4.7% respectively. MINT corrected 7% due to broad-market concern on whether AI could provide adequate returns.

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
CapLand Int Comm Trust	2.2	-8.4	-3.4	-3.8	-4.6	KORE REIT USD	-13.1	-22.3	-30.5	-39.6	-40.9
Frasers L&C Trust	1.7	-9.6	-6.8	-6.3	-10.1	Prime US REIT USD	-12.1	-35.0	-44.3	-48.0	-48.2
Suntec REIT	1.5	-8.8	-9.4	0.7	-6.2	First REIT	-10.7	-20.4	-23.8	-34.6	-33.5
Daiwa Hse Log Trust	1.2	-15.5	-17.2	-28.7	-27.4	IREIT Global	-8.9	-10.9	-30.2	-43.4	-43.4
Centurion Acc REIT	1.0	-7.1	-4.5	-0.9	-5.4	Utd Hampshire REIT USD	-7.5	-18.1	-18.9	-12.2	-16.5
Mapletree Log Trust	0.9	-11.3	-9.8	-17.9	-16.7	Mapletree Ind Trust	-7.0	-10.4	-12.2	-18.8	-16.8
Frasers Centrepoint	0.5	-7.5	-10.3	-10.3	-9.9	Mapletree Pan Asia	-5.7	-13.5	-10.9	-20.1	-21.8
CapLand Ascott	0.0	-8.8	-7.8	-12.7	-13.6	ESR-REIT	-4.8	-24.4	-18.2	-30.8	-26.9
Keppel DC REIT	0.0	-5.4	-10.2	-11.7	-6.2	Elite UK REIT GBP	-4.7	-1.6	-10.3	-15.3	-15.3
Lendlease REIT	0.0	-7.6	-4.4	-14.6	-11.8	AIMS APAC REIT	-4.2	-14.4	-9.3	-0.7	-8.7

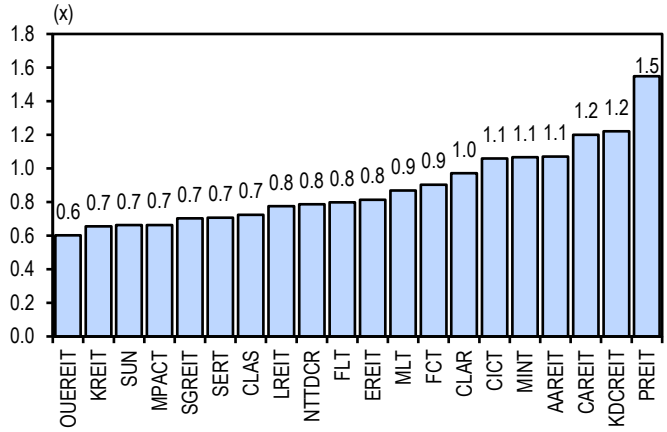
Source: Bloomberg, UOB Kay Hian

Ranking By Distribution Yield (Forward)



Source: UOB Kay Hian

Ranking By P/NAV (Current)



Source: UOB Kay Hian

Peer Comparison

Name	BBG Ticker	Trading Code	Rec	Curr	Price 30 Oct 26	Target Price	Mkt Cap (US$m)	Yield (%) Hist	Yield (%) Curr	Yield (%) Fwd 1Y	Yield (%) Fwd 2Y	Debt to Equity (%)	Debt to Assets (%)	P/NAV (x)
HEALTHCARE														
First REIT	FIRT SP	AW9U	NR	S$	0.183	n.a.	304	11.9	10.1	6.0	n.a.	43.8	27.5	0.87
PLife REIT	PREIT SP	C2PU	BUY	S$	3.98	5.02	2,033	3.8	4.5	4.6	4.6	53.4	33.7	1.55
HOSPITALITY														
CapLand Ascott	CLAS SP	HMN	BUY	S$	0.825	1.00	2,490	7.4	7.5	7.7	7.7	71.4	37.1	0.72
CDL HTrust	CDREIT SP	J85	BUY	S$	0.70	1.11	703	6.9	7.9	7.8	7.7	66.8	35.6	0.51
Cent Accom REIT	CAREIT SP	8C8U	BUY	S$	1.05	1.39	1,420	6.2	6.8	7.8	7.8	43.8	29.9	1.20
Far East HTrust	FEHT SP	Q5T	BUY	S$	0.505	0.80	815	7.3	6.9	7.4	7.6	43.3	33.2	0.58
INDUSTRIAL														
AIMS APAC REIT	AAREIT SP	O5RU	NR	S$	1.37	n.a.	884	7.2	7.3	7.8	8.3	78.0	37.4	1.07
CapLand Ascendas	CLAR SP	A17U	BUY	S$	2.21	3.25	8,641	6.8	6.8	7.4	7.8	72.8	41.8	0.97
Daiwa Hse Log Trust	DHLT SP	DHLU	NR	S$	0.41	n.a.	225	10.6	n.a.	n.a.	n.a.	78.9	40.1	0.66
Digi Core REIT USD	DCREIT SP	DCRU	BUY	US$	0.44	0.93	562	8.2	7.8	9.3	9.3	80.7	37.6	0.57
ESR-REIT	EREIT SP	9A4U	NR	S$	1.98	n.a.	1,255	11.1	11.1	10.8	11.0	110.2	44.1	0.81
Keppel DC REIT	KDCREIT SP	AJBU	BUY	S$	2.11	2.83	4,534	4.9	5.4	5.5	5.5	54.3	36.2	1.22
Mapletree Ind Trust	MINT SP	ME8U	HOLD	S$	1.73	1.72	3,867	7.3	6.6	6.8	7.1	67.0	37.7	1.07
Mapletree Log Trust	MLT SP	M44U	HOLD	S$	1.10	1.13	4,425	6.6	6.3	6.3	6.3	78.6	37.5	0.87
NTT DC REIT USD	NTTDCR SP	NTDU	BUY	US$	0.895	1.29	932	8.7	9.1	9.3	9.5	45.5	31.0	0.79
UIBREIT	UIBREIT SP	UIBU	BUY	S$	0.795	1.16	852	n.a.	8.9	8.7	9.1	62.9	35.8	0.90
OFFICE														
Keppel REIT	KREIT SP	K71U	BUY	S$	0.815	1.06	3,177	6.4	6.6	6.7	6.5	78.2	40.0	0.66
RETAIL														
Frasers Centrepoint	FCT SP	J69U	BUY	S$	2.10	2.92	3,363	5.9	5.9	6.1	6.2	54.2	38.7	0.90
Lendlease REIT	LREIT SP	JYEU	BUY	S$	0.545	0.80	1,350	6.8	6.7	6.8	6.9	73.0	38.9	0.78
Starhill Global	SGREIT SP	P40U	NR	S$	0.50	n.a.	910	7.4	7.6	7.8	7.9	61.5	36.0	0.70
DIVERSIFIED														
CapLand China Trust	CLCT SP	AU8U	NR	S$	0.595	n.a.	818	8.1	8.0	8.1	8.5	97.2	41.1	0.57
CapLand Int Comm Trust	CICT SP	C38U	BUY	S$	2.28	3.11	14,230	5.1	5.2	5.6	5.7	57.8	39.7	1.06
Frasers L&C Trust	FLT SP	BUOU	BUY	S$	0.895	0.96	2,668	6.6	6.7	6.6	6.6	58.7	35.4	0.80
Mapletree Pan Asia	MPACT SP	N2IU	BUY	S$	1.15	1.67	4,760	6.9	6.9	7.0	7.1	64.5	38.1	0.66
OUE REIT	OUEREIT SP	TS0U	NR	S$	0.335	n.a.	1,453	6.7	7.3	7.6	7.7	80.7	42.1	0.60
Suntec REIT	SUN SP	T82U	BUY	S$	1.35	1.67	3,133	5.2	5.6	5.8	5.8	70.6	43.0	0.66
INTERNATIONAL (US / EUROPE)														
Stoneweg EU Trust EUR	SERT SP	SEB	NR	€	1.43	n.a.	889	9.4	9.3	9.6	10.1	93.2	43.6	0.71
Elite UK REIT GBP	ELITE SP	MXNU	NR	£	0.305	n.a.	271	9.9	10.0	10.4	10.1	58.1	34.8	0.69
IREIT Global	IREIT SP	UD1U	NR	S$	0.164	n.a.	173	9.5	8.7	8.7	8.7	94.9	45.5	0.36
KORE REIT USD	KORE SP	CMOU	BUY	US$	0.139	0.25	145	1.8	6.1	10.9	16.4	82.9	43.3	0.20
Prime US REIT USD	PRIME SP	OXMU	NR	US$	0.102	n.a.	147	6.0	9.8	12.7	n.a.	87.5	44.9	0.19
Utd Hampshire REIT USD	UHU SP	ODBU	BUY	US$	0.43	0.63	262	10.2	10.7	11.4	11.5	73.8	40.4	0.59

Source: Bloomberg, UOB Kay Hian

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