



hazelview  
INVESTMENTS

# Opportunities and Risks in Real Estate Today

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# Summary

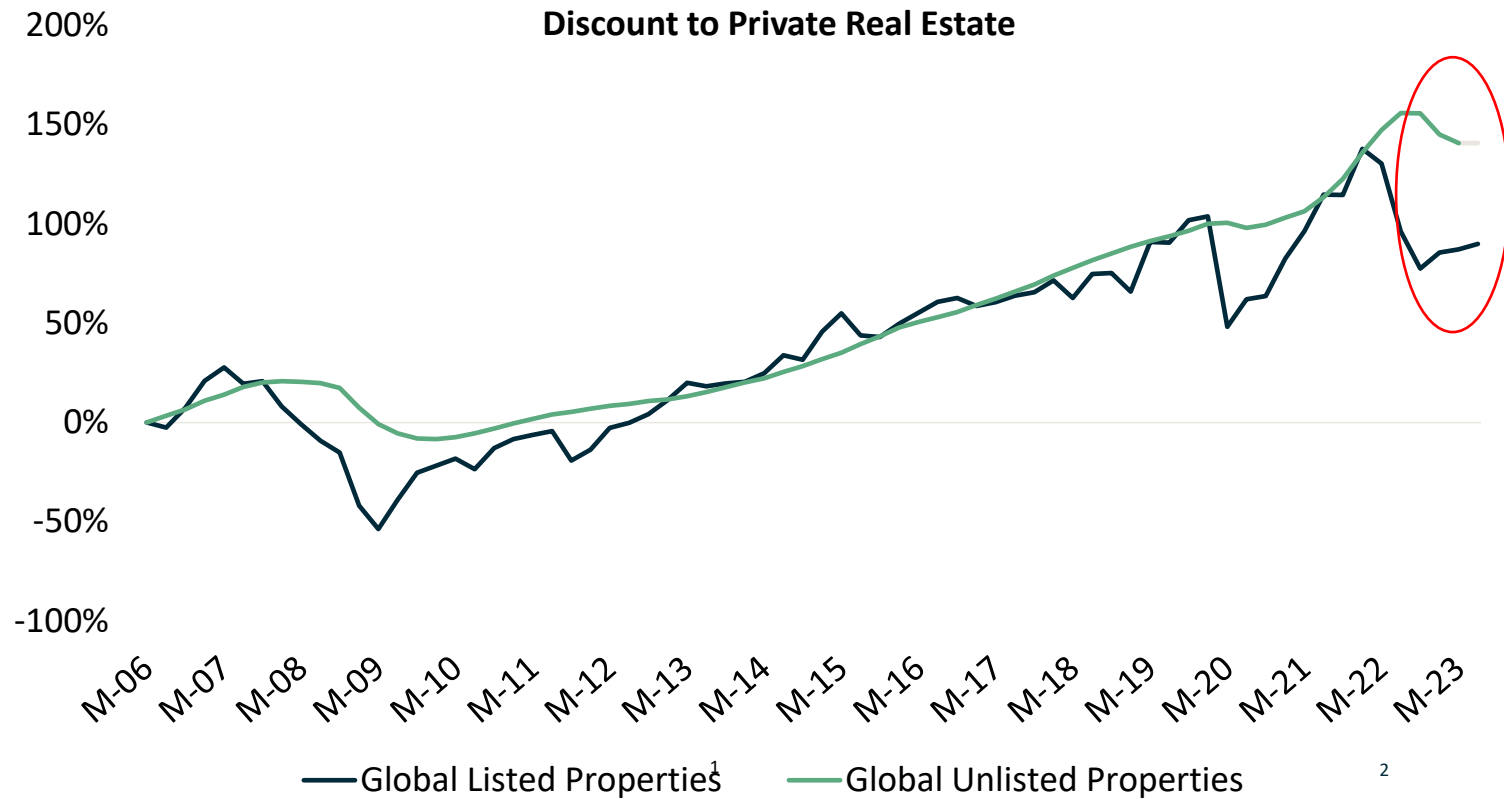
## Opportunities and risks in real estate today

Private market values remain resilient so far, implying publics are a generational buying opportunity.

Who's right?



# Historical Dislocations Between Private & Public Real Estate



1. FTSE EPRA/NAREIT Global Local Return Index as of Q2 2006 to June 30, 2023. 2. GREFI All Funds Local Return Index, data as of Q2 2006 to March 31, 2023.



## How do Discounts Compare in Different Geographies and Sectors?

Market	Prem/(Disc) to NAV	Net Debt to EV	Est. Cumu. EPS Growth (23 & 24)
Australia	-19%	25%	6.6%
Hong Kong	-25%	30%	9.5%
Japan	-11%	42%	4.6%
Singapore	-11%	39%	4.5%
Continental Europe	-23%	45%	6.4%
United Kingdom	-25%	36%	6.7%
Canada	-22%	42%	2.6%
United States	-15%	28%	8.6%
<b>Global</b>	<b>-16%</b>	<b>32%</b>	<b>7.7%</b>

Sector	Prem/(Disc) to NAV	Net Debt to EV	Est. Cumu. EPS Growth (23 & 24)
Office	-26%	42%	2.2%
Retail	-21%	36%	2.8%
Industrial	-15%	30%	10.4%
Multifamily	-23%	25%	3.4%
Hotel	-22%	27%	9.6%
Cell Towers	-37%	29%	6.1%
Data Centers	-13%	22%	7.0%
Self-Storage	-22%	20%	6.7%
<b>Global</b>	<b>-16%</b>	<b>32%</b>	<b>7.7%</b>

Source: Hazelview's underwriting, as of July 2023.



## What Publics Are Implying as at Private Values

Sector (US Only)	Implied Cap Rate	Spot Cap Rate	Delta
Multifamily	5.5%	3.7%	1.8%
Single Family Rentals	4.9%	4.6%	0.4%
Manufactured Homes	4.6%	3.9%	0.7%
Storage	5.7%	4.0%	1.7%
Triple Net Lease	6.1%	6.2%	-0.1%
Shopping Centres	6.7%	5.6%	1.1%
Regional Malls	7.9%	6.3%	1.6%
Industrial	4.0%	3.4%	0.6%
Life Science	6.8%	4.7%	2.1%
Office	8.7%	5.2%	3.5%
Technology	6.0%	4.3%	1.8%
Healthcare	5.6%	5.6%	0.0%
Hotels	10.8%	6.7%	4.1%
<b>US Average</b>	<b>6.0%</b>	<b>4.6%</b>	<b>1.4%</b>

Source: Hazelview Securities Inc. As of July 2023.



# Sensitivity Analysis

<b>Sector (US Only)</b>	<b>Cap Rate<sup>1</sup></b>	<b>Rents</b>	<b>Occupancy</b>	<b>Price Change Since YE21<sup>2</sup></b>
Office	326	-20.0%	-2000	-43.7%
Retail	116	-11.0%	-1100	-15.0%
Multi-family	182	-25.0%	-2350	-32.4%
Industrial	63	5.0%	-500	-25.5%

1. Hazelview Securities Internal estimates. 2.Data sourced from Bloomberg.



# Sensitivity Analysis

2021

Sector (US Only)	Implied Cap <sup>3</sup>	L-T Growth <sup>1</sup>	Required Return
Multifamily	3.7%	2.3%	6.0%
Single Family Rentals	4.6%	3.5%	8.1%
Manufactured Homes	3.9%	3.3%	7.2%
Storage	4.0%	3.1%	7.1%
Triple Net Lease	6.2%	1.5%	7.7%
Shopping Centres	5.6%	2.3%	7.9%
Regional Malls	6.3%	2.0%	8.3%
Industrial	3.4%	4.2%	7.5%
Life Science	4.7%	4.0%	8.7%
Office	5.2%	2.3%	7.5%
Technology	4.3%	3.3%	7.5%
Healthcare	5.6%	2.3%	7.9%
<b>US Average</b>	<b>4.6%</b>	<b>2.9%</b>	<b>7.5%</b>
<b>3-Mo T-Bill Yield<sup>2</sup></b>			<b>0.0%</b>
<b>5 Year USG Yield<sup>2</sup></b>			<b>1.3%</b>
<b>10 Year USG Yield<sup>2</sup></b>			<b>1.5%</b>

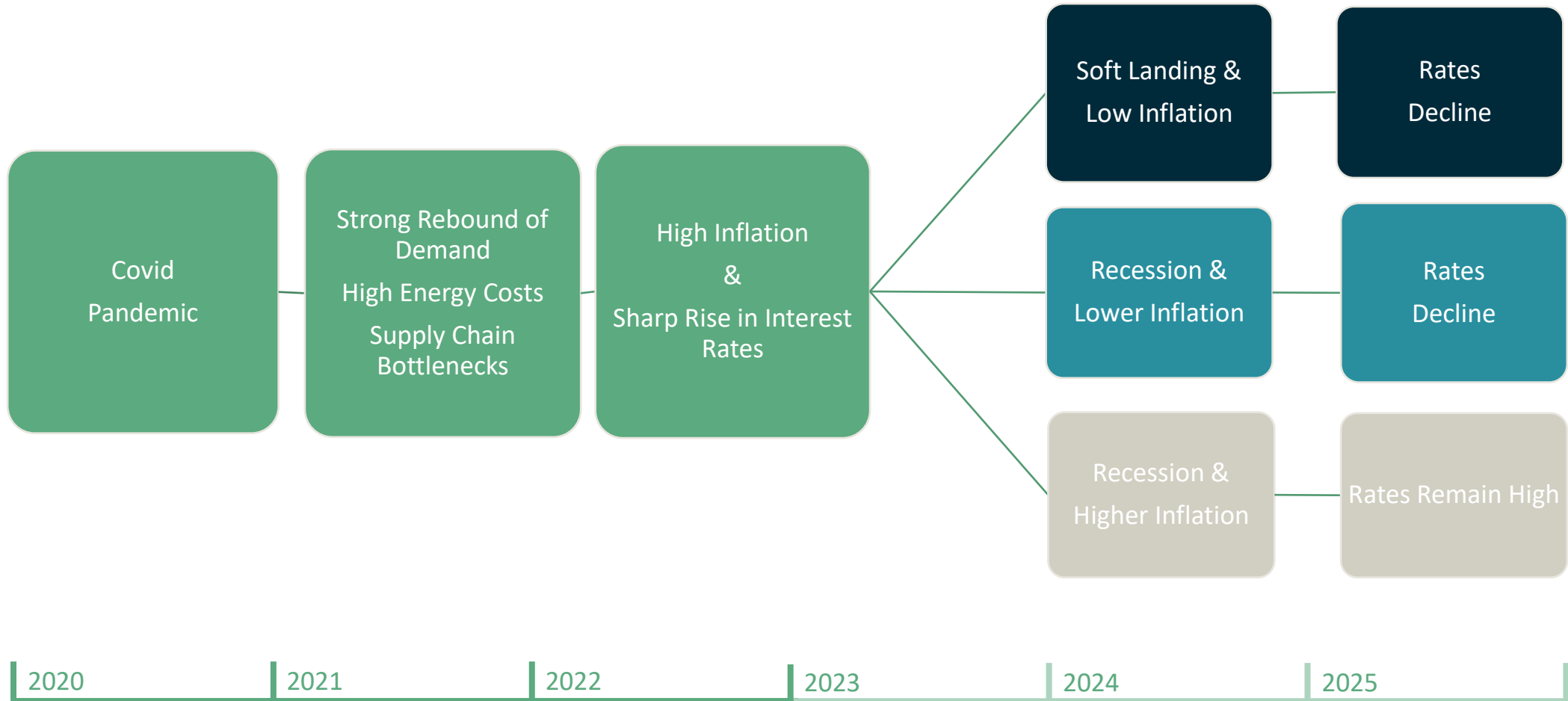
Current

Implied Cap <sup>1</sup>	L-T Growth <sup>1</sup>	Required Return	Delta
5.5%	2.9%	8.4%	2.5%
4.9%	4.2%	9.1%	1.0%
4.6%	4.5%	9.1%	2.0%
5.7%	4.4%	10.2%	3.1%
6.1%	1.8%	7.9%	0.2%
6.7%	3.0%	9.7%	1.8%
7.9%	2.4%	10.3%	2.0%
4.0%	8.4%	12.5%	4.9%
6.8%	4.3%	11.1%	2.4%
8.7%	1.7%	10.4%	2.9%
6.0%	4.1%	10.1%	2.6%
5.6%	3.3%	8.9%	1.0%
<b>6.0%</b>	<b>4.2%</b>	<b>10.2%</b>	<b>2.8%</b>
		<b>5.4%</b>	<b>5.4%</b>
		<b>4.1%</b>	<b>2.8%</b>
		<b>4.0%</b>	<b>2.5%</b>

1. Hazelview Securities Internal estimates. 2.Data sourced from Bloomberg. 3.Data sourced from Green Street Advisors.



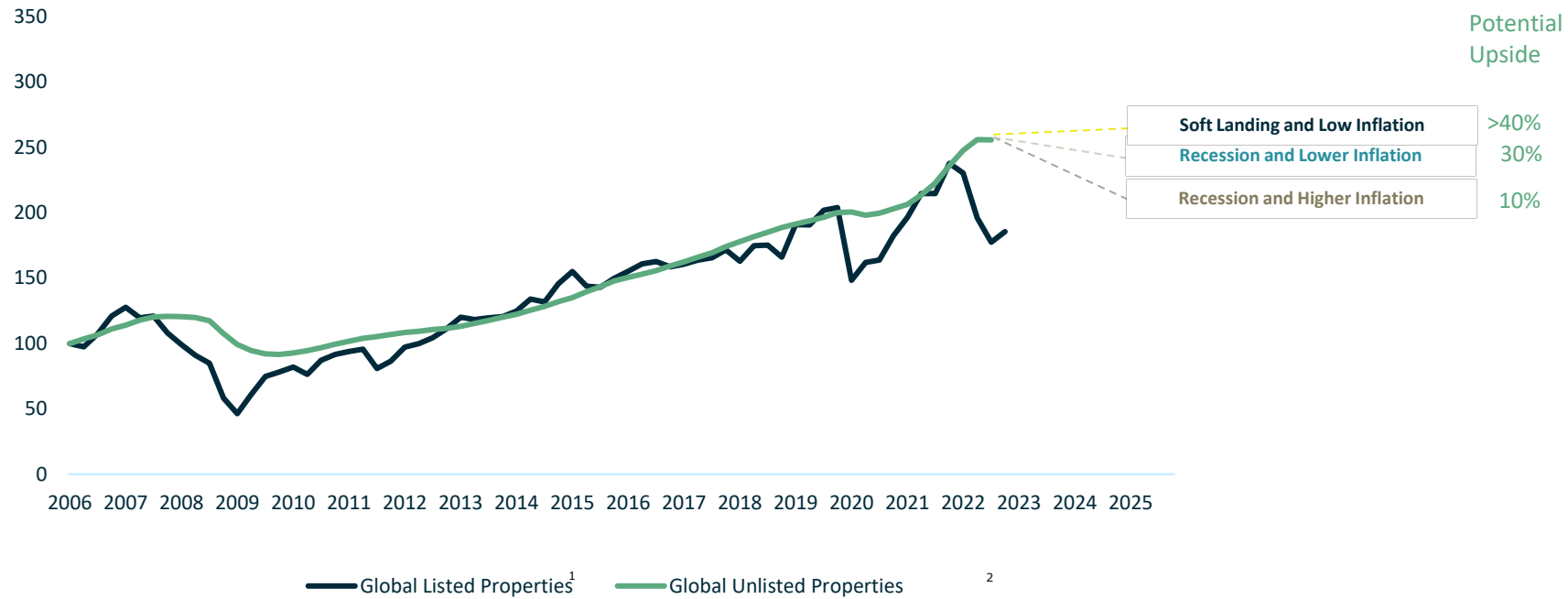
# Scenario Analysis





# What Are We Underwriting?

## Discount to Private Real Estate



1. FTSE EPRA/NAREIT Global Local Return Index as of Q2 2006 to June 30, 2023. 2. GREFI All Funds Local Return Index, data as of Q2 2006 to March 31, 2023.



# Stabilized Expected Returns

REITs by Region	Discount to Intrinsic Value	Potential Upside to Intrinsic Value	Current Dividend Yield	Potential Total Return
United States	-16.2%	19.3%	3.8%	23.0%
Canada	-17.8%	21.7%	4.8%	26.4%
Continental Europe	-30.7%	44.2%	3.0%	47.2%
United Kingdom	-24.7%	32.8%	4.3%	37.1%
Australia	-10.8%	12.1%	4.3%	16.4%
Hong Kong	-32.9%	49.1%	5.6%	54.7%
Japan	-16.2%	19.4%	3.6%	23.0%
Singapore	-11.5%	13.0%	5.0%	18.0%
Global	-19.3%	23.9%	3.9%	27.8%

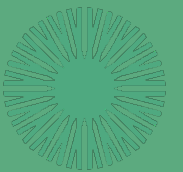
Source: Hazelview's underwriting, as of July 2023. For illustrative purposes only. The above hypothetical data is based on Hazelview Securities Inc. assessment and is not guaranteed. Potential return may be negative.





Q & A

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