

March REITview

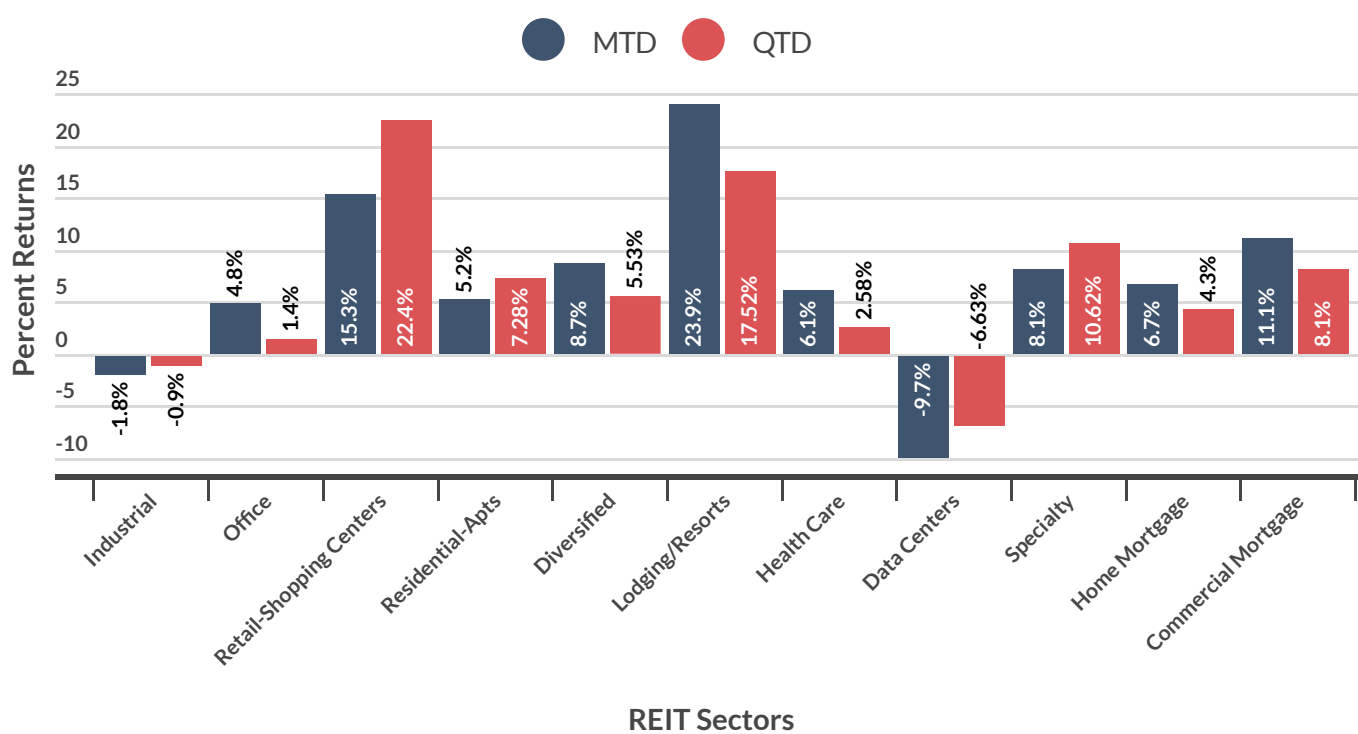
Welcome to our monthly REITview newsletter – where we analyze the latest national trends in real estate investment trusts (REITs) and their implications for investors and the Nevada real estate market. REITs own and often operate a pool of income-producing real estate assets. Investors can purchase a liquid stake in these portfolios – think of them as mutual funds for real estate.

While REITs are not the biggest players in Nevada’s commercial real estate landscape, secondary markets like Las Vegas with above-average population and job growth are likely to attract REITs looking for value and growth opportunities.

The sectors listed below were selected because they include at least 10 REITs each (except for Data Centers, which includes five). They represent more than 95 percent of the 160 Financial Times Stock Exchange (FTSE) REITs currently being traded. It is important to examine both short-term and long-term returns to determine trends.

The REIT story of February is Lodging/Resorts. Posting an astounding **23.91 percent** monthly return, the beleaguered leisure and travel sector is now up **4.38 percent** over the five-year horizon, surpassing Office REITs and all but the Free Standing properties in the Retail sector over that timeframe. It has also catapulted into the lead over the trailing 12 months among the sectors RCG tracks. In anticipation of an end to the pandemic economy, it seems, Data Centers was the sector that took it on the chin in February, down over 13 percentage points from its January returns.

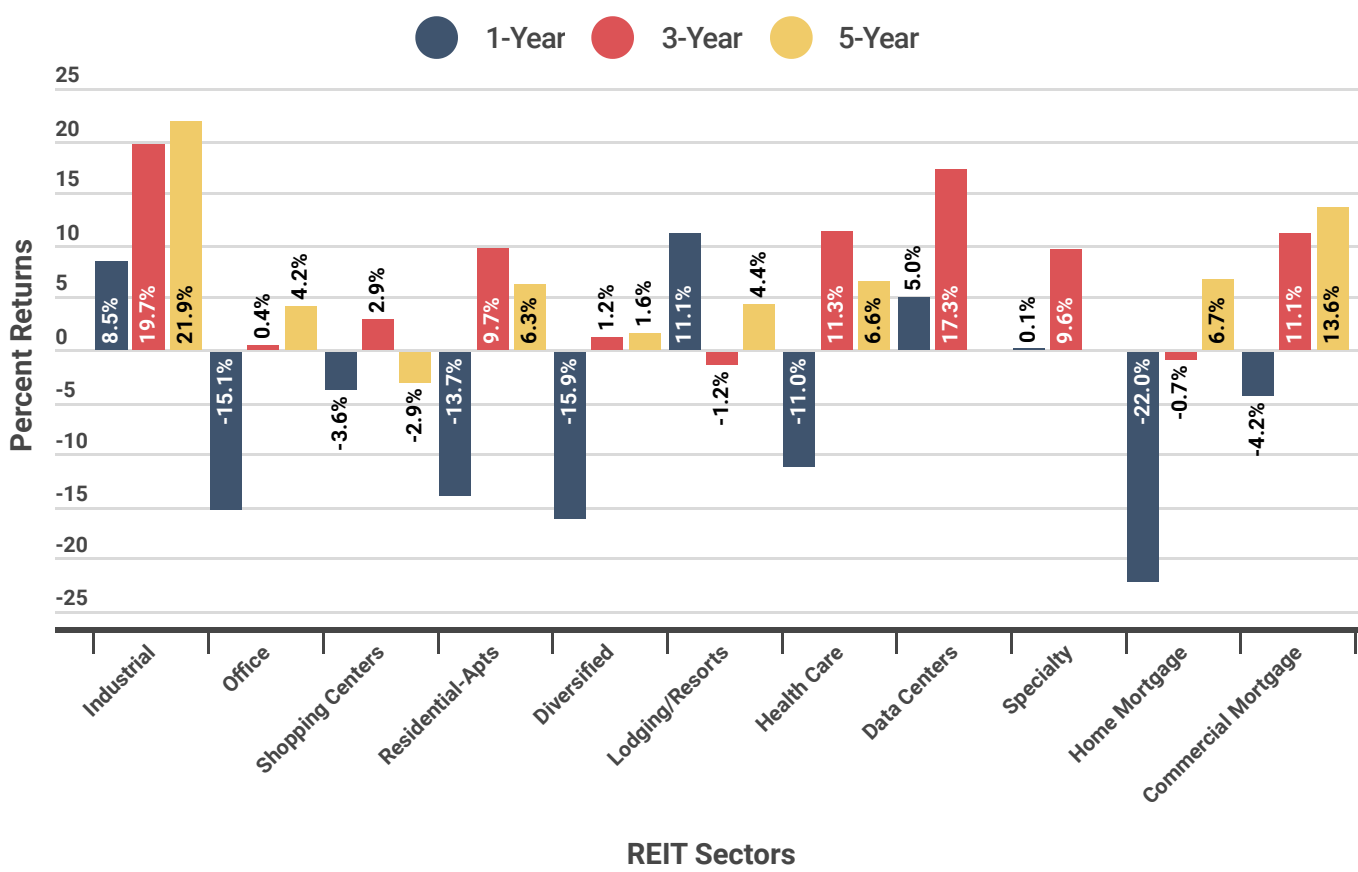
February 2021 REIT Performance (as of February 26, 2021)



What the experts are saying:

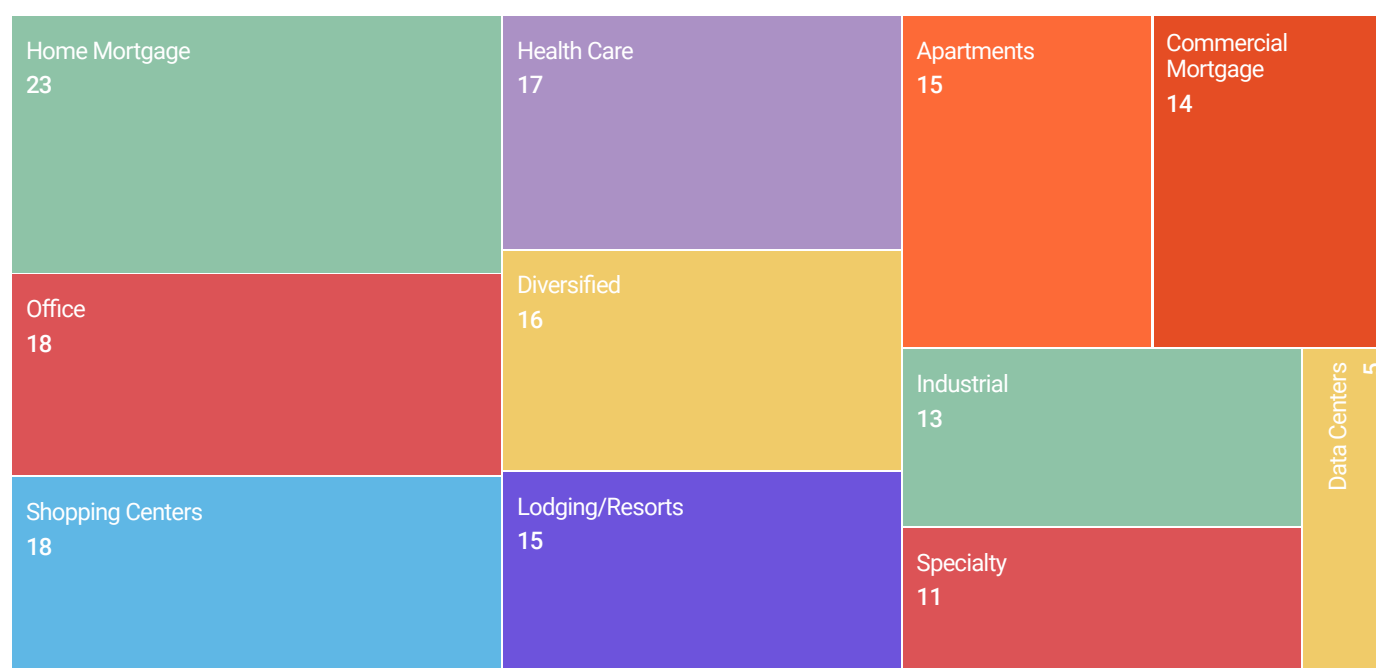
- "Despite the temporary closure of many gaming properties across the country, rent collection [by Casino REITs] has remained essentially spotless since the start of the pandemic. Rent collection from VICI and MGP [for example] has remained a perfect 100% throughout the pandemic This compares quite favorably to other highly-impacted property sectors such retail REITs as well as hotel REITs, which continue to see occupancy rates that are 50% below last year's levels."--"[Casino REITs: Rolling the Dice,](#) *Hoya Capital Real Estate, Seeking Alpha, 2/9/2021*
- "As of February 28, 2021, there is a renewed ability to purchase high quality growing REITs at 'discounted' valuations, thus creating an extremely attractive risk-reward scenario. The biggest opportunities we see today are in cell towers, single family rental homes, self storage, industrial, and data centers. We see some opportunities in vaccine REITs such as healthcare, student housing, high quality retail/mixed use, and Sunbelt office and apartments."--"[Rotation Creates Long-Term REIT Buying Opportunity,](#) *Chilton Capital Management, Seeking Alpha, 3/2/2021*

Compound Annual Total Returns (as of February 26, 2021)



- ""Typically higher interest rates are a headwind for REITs as folks can get more reliable income elsewhere. But interestingly enough prior to [March 1], REITs were actually beating the S&P' ... Michael Arone, chief investment strategist at State Street Global Advisors, ... says two factors are driving those gains – the first is the reopening trade. Expectations that consumers will return to the malls and workers back to the office this year are high. 'The second thing is inflation--so values of rental property rents and the value of real estate increases as prices increase, and this provides reliable income above inflation, right now more than double both the S&P dividend yield and 10-year Treasury yields.'""--"[Real estate stocks have held up even as yields soar. One ETF manager explains why,](#) *CNBC, 3/1/2021*

Number of REITs Tracked



Data Source: National Association of Real Estate Investment Trusts (NAREIT)