

January REITview

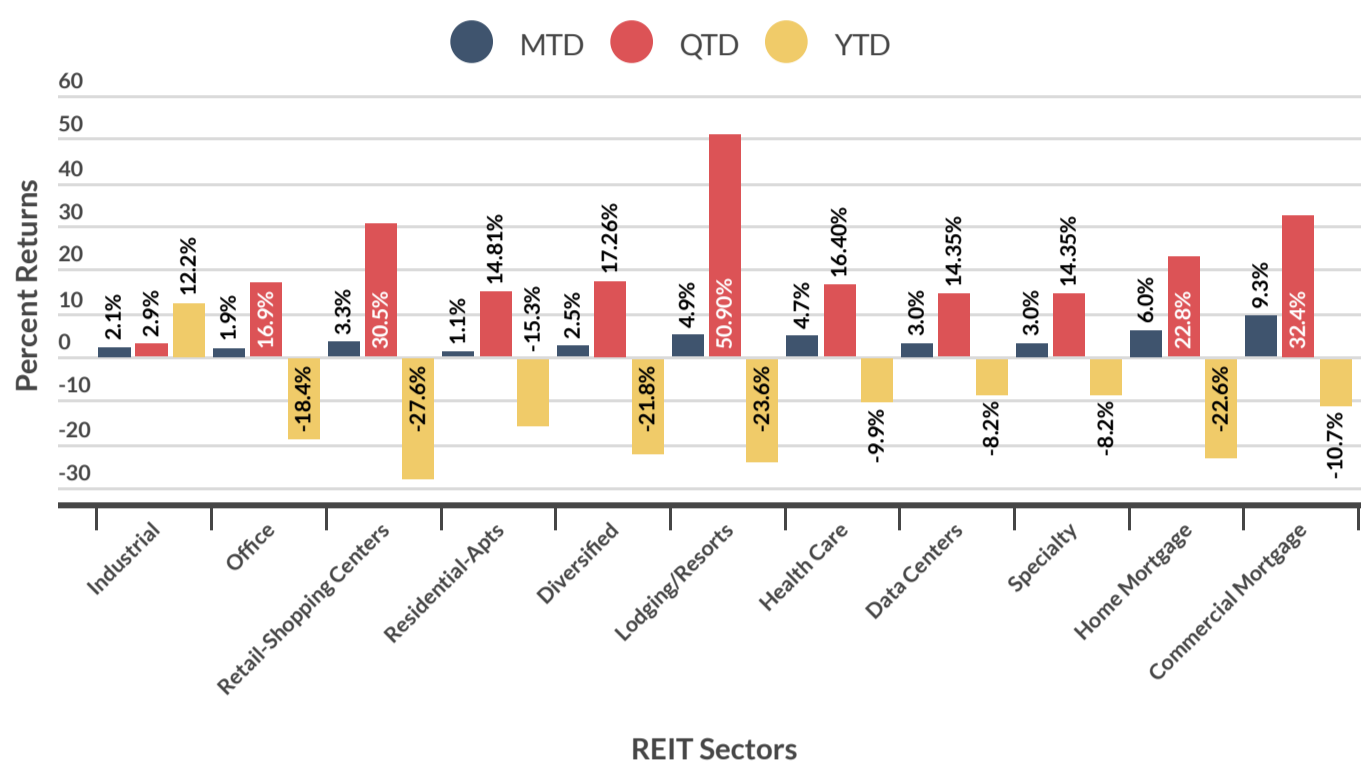
Welcome to our monthly REITview newsletter – where we analyze the latest national trends in real estate investment trusts (REITs) and their implications for investors and the Nevada real estate market. REITs own and often operate a pool of income-producing real estate assets. Investors can purchase a 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 162 Financial Times Stock Exchange (FTSE) REITs currently being traded. It is important to examine both short-term and long-term returns to determine trends.

On the whole, REITs had a very positive December, though not as remarkable as November--which would have been nearly impossible. Data Centers, which returned some of their earlier gains last month, and Industrial REITs both improved upon their November performance, while all but one the other sectors plateaued. The only sector with negative returns for December was Infrastructure. The Lodging/Resorts, Shopping Center, and Office REIT sectors all continued their recoveries through December, topping 50, 30, and 16 percent returns for the quarter, respectively.

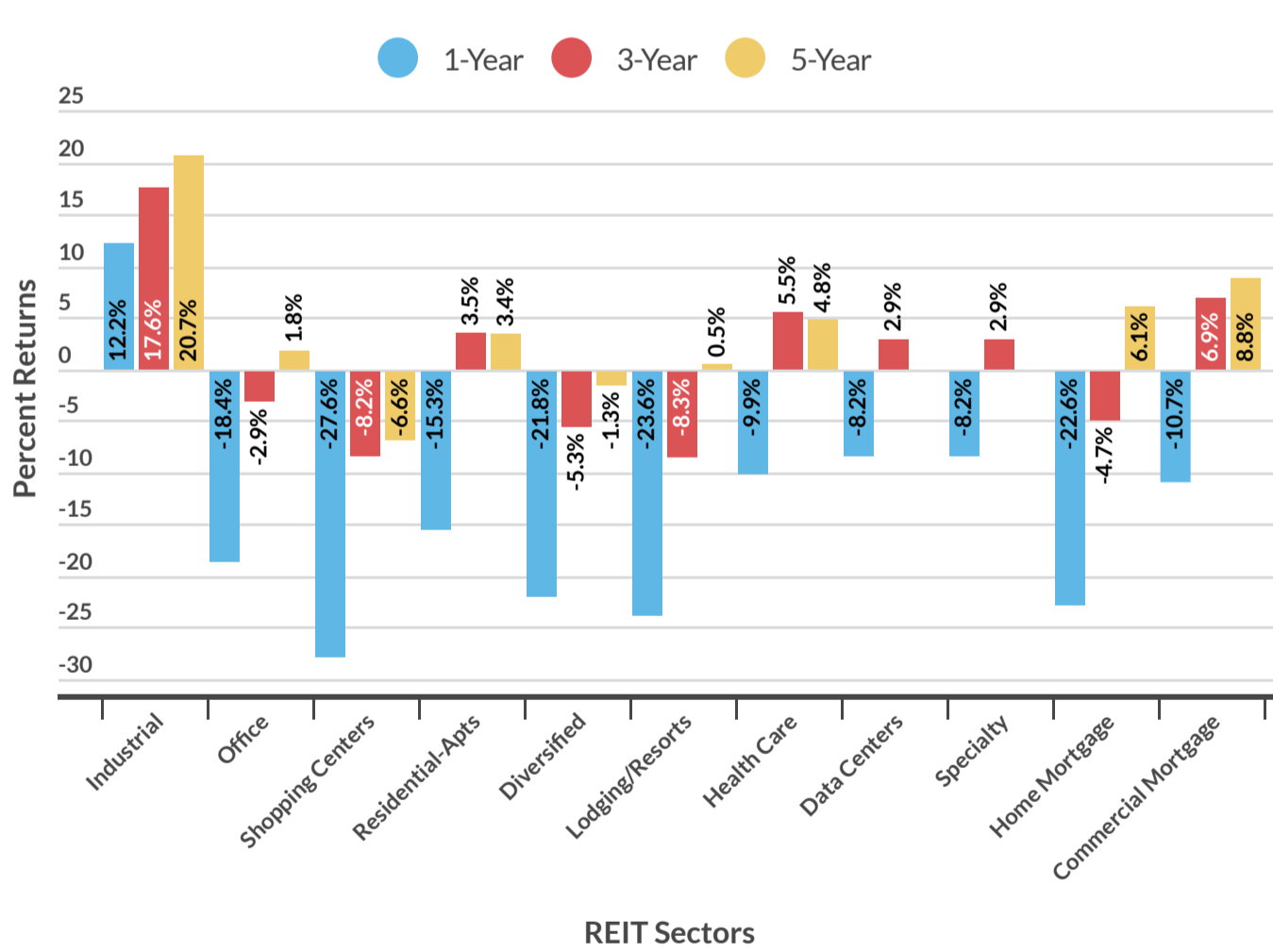
December 2020 REIT Performance (as of December 31, 2020)



What the experts are saying:

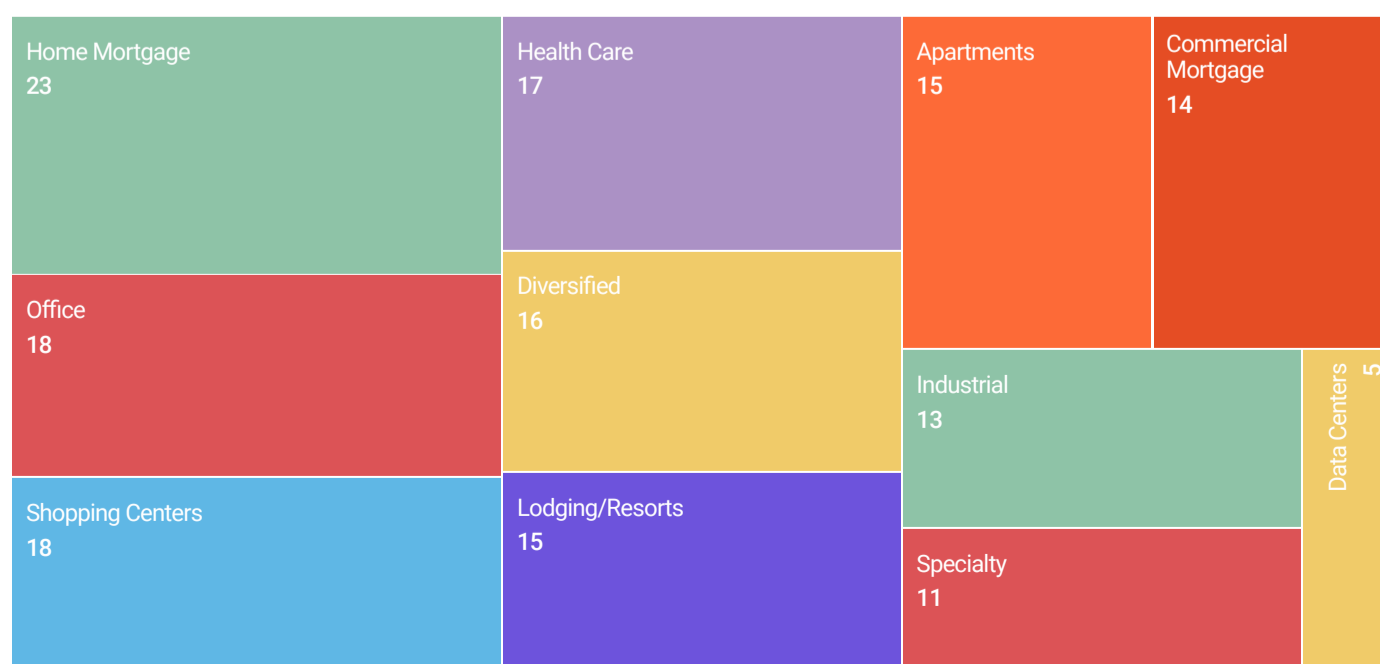
- "REITs lagged the broader market during much of the mid-year recovery from the initial plunge, perhaps reflecting ... longer-term concerns [like the work from home trend]. Markets have rallied since initial vaccine results were released, however, and those REIT sectors that had suffered the largest declines last spring have posted impressive gains—for example, lodging/resorts had a total return of greater than 50% in the fourth quarter of 2020. Should these trends continue in 2021, REITs may outperform the broader market in the months ahead."--Calvin Schnure, Nareit's Senior Economist, "[Past as Prologue: 2020 and REIT Performance in 2021](#)"
- "REITs, CRE markets, and the economy as a whole are bolstered by the solid fundamentals that were in place when the pandemic hit, in sharp contrast to prior recessions. Conditions will be mixed in the first half of the year, strengthen in the second half, and 2022 is likely to see a more complete recovery."--Nareit, "[2021 Outlook for REITs and Commercial Real Estate: Risk and Resilience](#)"

Compound Annual Total Returns (as of December 31, 2020)



- The SPDR Dow Jones REIT ETF (RWR) "fund's price has traded within a horizontal channel since recovering from the March lows. The recent uptick in buying interest has triggered a bullish crossover between the 50-day and 200-day moving averages, known as the golden cross, which is a common long-term buy signal used to mark the beginning of a major uptrend. From a risk-management perspective, followers of technical analysis will most likely maintain a bullish outlook on the fund until the price closes below \$82.38 or \$77.21, depending on risk tolerance and outlook."--[Investopedia.com](#), "[Charts Suggest That REITs Will Be in Focus in Q1 2021](#)"

Number of REITs Tracked



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