

Asian real estate funds post losses

By Steve Johnson

Real estate securities funds investing in Asia swung into losses in the fourth quarter of 2007, extinguishing the last remaining bright spot for the global industry, according to data from AME Capital, a research outfit.

European fund management groups have increasingly been turning their attention to Asian property in the past year as developed world real estate markets have slumped.

The AMEC analysis, which covers 685 funds valued at \$169bn (£87bn, €116bn), suggests that even the Asian property sector has now turned negative, if the equity prices of companies in the region are a guide. According to AMEC, the average Asian property securities fund fell 7 per cent in the fourth quarter, slicing the calendar year 2007 return to a meagre plus 0.25 per cent, a far cry from the 24.3 per cent in 2006.

However, all other regions fared far worse, with the typical European fund losing 12.3 per cent in the fourth quarter, or 23.4 per cent in the year, and the average US fund losing 13.3 per cent and 20.1 per cent respectively.