

Case Study

**Creation of Proprietary Indices Focused on the UK
Real Estate Market**



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Creation of Proprietary Indices Focused on the UK Real Estate Market



About the Client



- The client is a UK-based private bank that invests in alternative assets, including real estate

Client Objectives / Goals



- The client wanted to assess, track and benchmark the performance of real estate sub-sectors with its investment returns, on an ongoing basis

Approach and Methodology



- Understood client's decision context, strategic requirements and sub-sector focus – retail, data centres, self storage, hotel and property
- Brainstormed and proposed to build and maintain a market-cap weighted sub-sector index to assess, track and benchmark performance
- Identified relevant companies / REITs in each sub-sector for the purpose of analysis. Developed customised indices and back-tested data analysis with the client to receive their inputs, and to ensure better alignment with the end goal
- Prepared a dynamic dashboard to view and benchmark performance; and implemented a mechanism to periodically update the indices and provide qualitative insights to substantiate any major changes

Sample Output



| Address | Date | Size (sq ft) | Price | Capital Value P1P | Yield P1P | Yield P2P | Yield P3P | Yield P4P | Yield P5P | Yield P6P | Yield P7P | Yield P8P | Yield P9P | Yield P10P | Yield P11P | Yield P12P | Yield P13P | Yield P14P | Yield P15P | Yield P16P | Yield P17P | Yield P18P | Yield P19P | Yield P20P |
|--|------------|--------------|-------------|-------------------|-----------|-----------|-----------|------------------------|---------------------------|-------------------------|-----------------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 87-89 Oxford Street London W1D 2JY | 28/06/2011 | 38,800 | 45,300,000 | 61402 | 123.47 | 25 | 671 | 4.0% | Boo Group Plc | Private Equity | Partly let | | | | | | | | | | | | | |
| 75-80 Abchurch Lane London EC4A 3DF | 01/08/2011 | 48,075 | 42,200,000 | 6582 | 116.46 | 204 | 4776 | 4.7% | Hyphen Group Ltd | Large & General Manager | Scottish Widows | | | | | | | | | | | | | |
| 10-12 Colindale Avenue London NW9 1DF | 01/08/2011 | 476 | 146,000,000 | 3354 | 139.287 | 641 | 438% | Edi Ltd | Scottish Widows | Private Equity | | | | | | | | | | | | | | |
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