

# Analyzing the relationship between the features of the direct real estate assets and their corresponding Australian - REIT

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## Abstract

This study has investigated the relationship between a sector-specific Australian Real Estate Investment Trust (A-REIT) and the underlying property assets in its property portfolio. Existing studies have assessed the connectedness / correlation amongst the A-REITs market and a variety of other asset markets, including the overall stock, bond, and direct real estate market. This study applies regression analysis methods and discovered that there exists certain degree of linear correlation between the underlying property assets and the return of the subject A-REITs. The most significant variable is the occupancy of the offices. The higher the occupancy are, the better the dividend can be. The features at the A-REIT level are also affecting the dividend outcomes, specifically the total portfolio market value and the capitalization rate. It suggests that the annual valuation outcomes have shown positive relation with the performance of the A-REIT.

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