



**THE RESPONSE OF REITs RETURNS TO  
INFLATION AND MONEY SUPPLY IN  
SINGAPORE**

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<b>TABLE OF CONTENTS</b>		<b>PAGE</b>
<b>DECLARATION OF ORIGINAL WORK</b>		ii
<b>LETTER OF SUBMISSION</b>		iii
<b>ACKNOWLEDGEMENT</b>		iv
<b>LIST OF ABBREVIATION</b>		vi
<b>ABSTRACT</b>		vii
<b>CHAPTERS</b>		
<b>1.</b>	<b>INTRODUCTION</b>	
	1.0 Background of REITs return in Singapore	1
	1.1 Background of the study	4
	1.2 Problem Statement	6
	1.3 Objective of the study	8
	1.4 Significant of the study	8
	1.5 Scope of the research	10
	1.6 Definition/term	11
	1.7 Limitation of study	12
<b>2.</b>	<b>LITERATURE REVIEW</b>	
	2.0 Introduction	14
	2.1 About real estate investment trust	14
	2.2 REITs investment hedging inflation	16
	2.3 Money supply towards REITs returns	25
<b>3.</b>	<b>METHODS OF DATA COLLECTION AND ANALYSIS</b>	
	3.0 Introduction	29
	3.1 Purpose of this study	29
	3.2 Population and sample	30
	3.3 Source of data	30
	3.4 Variables	32
	3.5 Research methodology	32
	3.6 Hypothesis	34
<b>4.</b>	<b>ANALYSIS AND INTERPRETATION OF DATA</b>	
	4.0 Introduction	36
	4.1 Relationship between inflation and money supply towards REIT	36
	4.1.1 Coefficient of determination (R-Square)	36
	4.1.2 F-Test	37
	4.1.3 Multiple linear regression	38
<b>5.</b>	<b>CONCLUSION</b>	
	5.0 Conclusion	40
	5.1 Recommendation	41
<b>BIBLIOGRAPHY</b>		43
<b>APPENDICES</b>		
	Appendix 1 - Multiple Regression Approach	46
	Appendix 2 - Raw data	47

## **LIST OF ABBREVIATIONS**

<b>SES</b>	<b>Stock Exchange of Singapore</b>
<b>REIT</b>	<b>Real Estate Investment Trust</b>
<b>GDP</b>	<b>Gross Domestic Product</b>
<b>CPI</b>	<b>Consumer Price Index</b>
<b>M2</b>	<b>Money supply measurement</b>
<b>T-Bill</b>	<b>3-months Treasury Bill</b>
<b>Ho</b>	<b>Null Hypothesis</b>
<b>H<sub>1</sub></b>	<b>Alternate Hypothesis</b>



## **ABSTRACT**

The objective or purpose of this study is to determine whether there is significant relationship between inflation rate and money supply towards REIT returns. REIT is attractive to investors due to their unique characteristics such as high dividend yields, low correlation with common stocks, and a potential hedge against inflation and money supply. From the previous research indicate that the regression result for REIT returns is negatively correlated with the component rate of inflation. Therefore, equity and mortgage REIT investment may not offer a safe during inflationary period. From the previous research for money supply indicate that the regression result for REIT returns is positively correlated with the component rate of money supply. To analyze the REIT return this studies using 14 companies which have been listed in Stock Exchange of Singapore and involved in real estate investment. The time horizon is during 1996 to 2006 which is eleventh years and focused in Singapore case. Multiple regression analysis has been used in order to test the variables. The data that included in this study are REIT returns, inflation rate and money supply. The data was collected in monthly basis. This study found that there is a significant relationship between the inflation rate and money supply towards REIT returns.