What The Recovery In REITs Looks Like

View from the Observation Deck

1. The FTSE NAREIT All Equity REITs (Real Estate Investment Trusts) Total Return Index closed 7.48% below its all-time high on 8/14/15, according to Bloomberg.

2. The index’s all-time high was set on 1/26/15, an indication that equity REITs had fully recovered from the previous bear market, which ended in March 2009.

3. Prior to the bear market, the all-time high had been set on 2/7/07. From 2/7/07 through 3/6/09, the FTSE NAREIT All Equity REITs Total Return Index plunged 73.18%, according to Bloomberg.

4. The one niche of the REIT market that has yet to fully recover is mortgage REITs. On 8/14/15, the FTSE NAREIT Mortgage REITs Total Return Index closed 23.6% below its 2/7/07 mark, according to Bloomberg.

5. One of the most common concerns about investing in equity REITs is how they might perform in a rising interest rate climate. Research from The Street.com addressed that point.

6. It found that, from 1972 to 2013, equity REITs returned 16.77% annually in those periods when the Federal Reserve was lowering interest rates, compared to 9.77% annually when it was increasing interest rates.

Source: Bloomberg. The 3/6/09 date marked the bear market low for the FTSE NAREIT All Equity REITs Index. Past performance is no guarantee of future results.