

# **TECHNICAL ANALYSIS OF REAL ESTATE INVESTMENT TRUSTS AND RELATED REAL ESTATE SECURITIES**

**Presented by**

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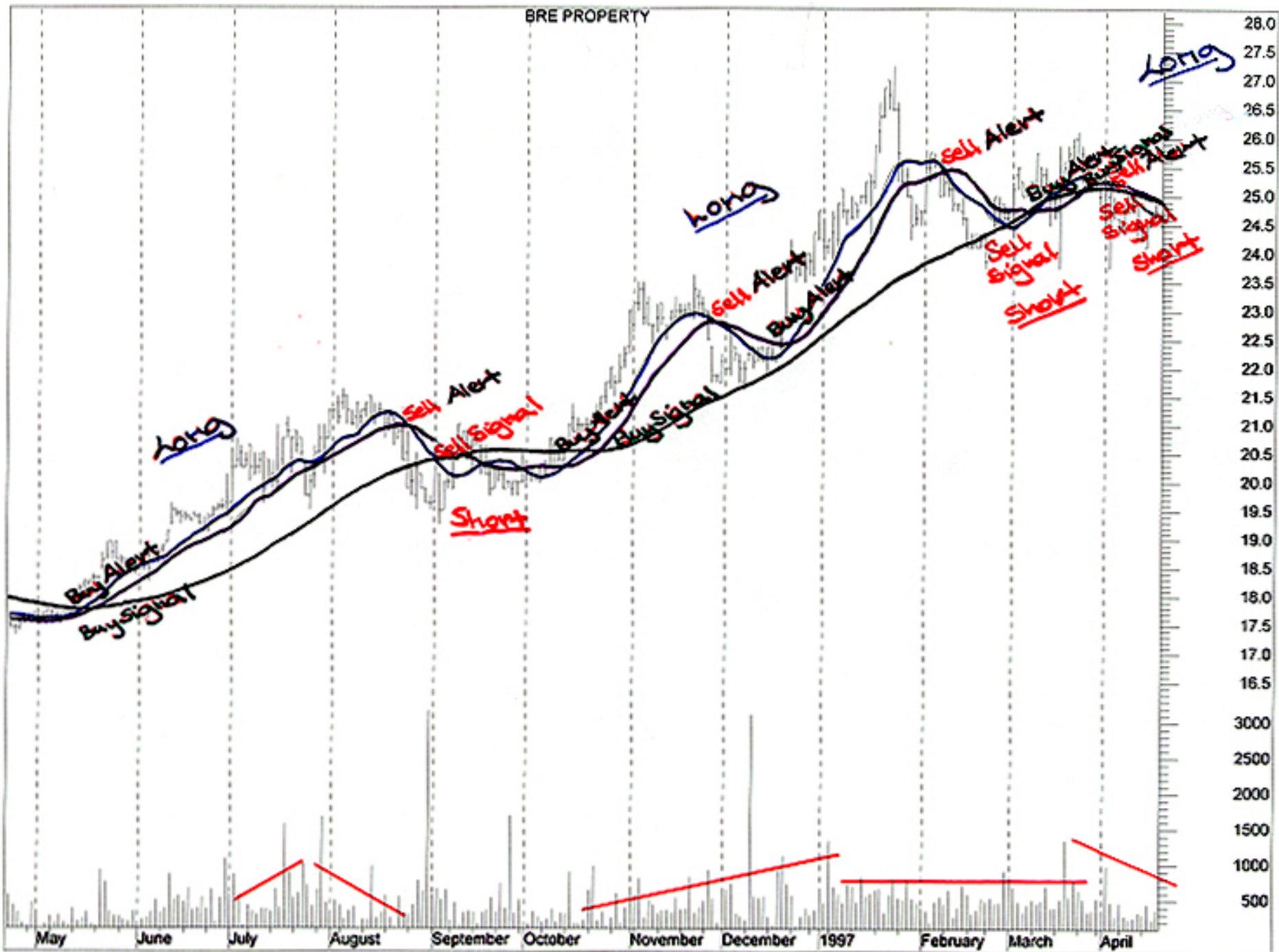
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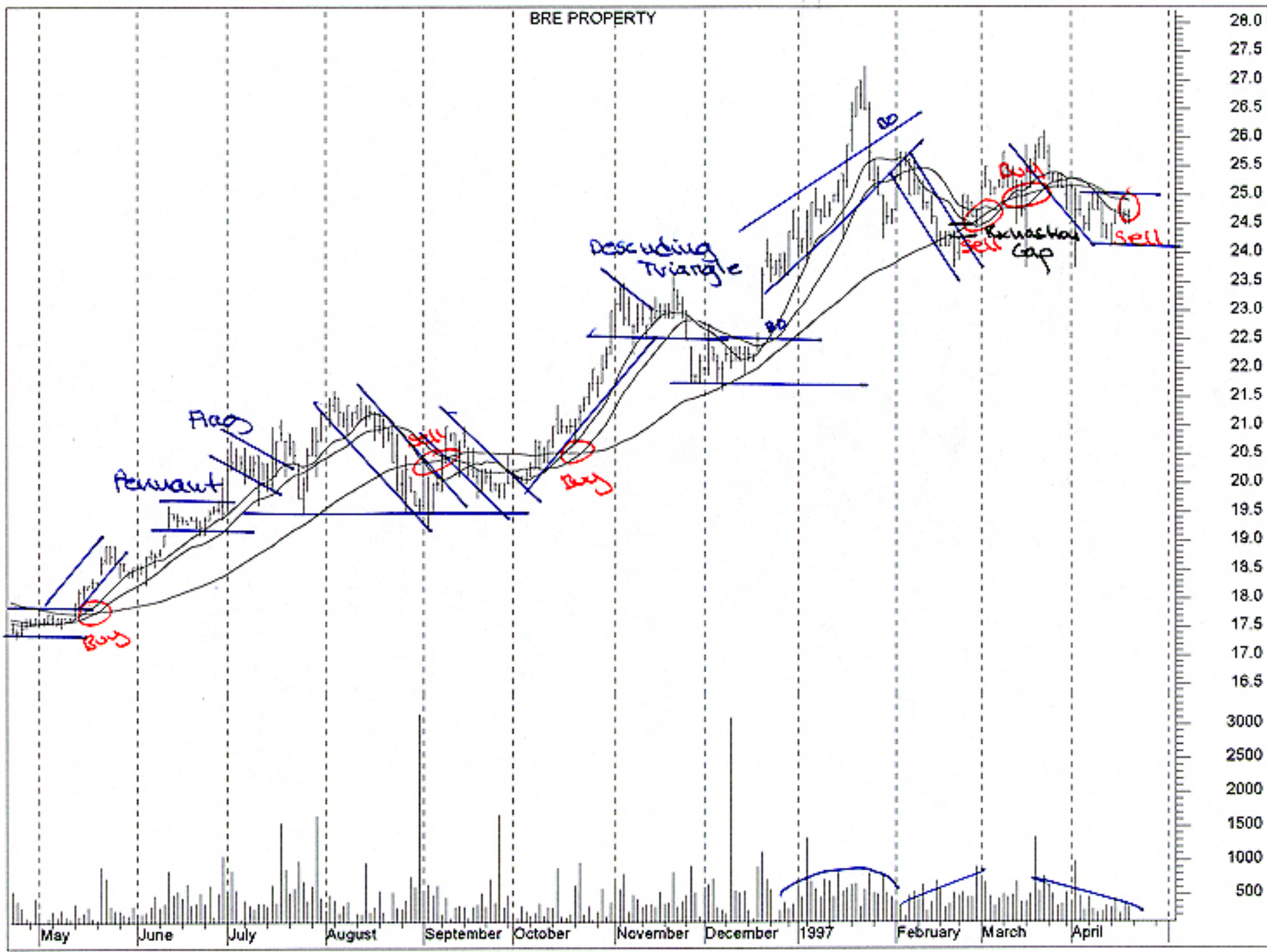
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# Real Estate in a Social/Cultural/Economic Context

## Introduction

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### Interdisciplinary/Cross-Sectional Approach:

- Philosophical Systems (Ethics/Morality)
- Legal Systems (Rule of Law and Contract Enforcement)
- Political Systems (Democratic/Authoritarian)
- Economic Systems (Capitalism/Socialism)
- Financial Systems (Capital Markets)

# Real Estate in an Economic and Financial Context

## Introduction

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The Research Directors Role as a  
Real Estate and Financial Economist:

- **Fundamental Analysis**
  - Economic/Demographic Analysis and Forecasting
  - Real Estate Market Analysis and Forecasting
- **Technical Analysis**
  - Financial Market Analysis and Forecasting
  - Financial Engineering (Risk Management) and Innovation

# An Integrated Approach to Real Estate Research

## Introduction

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### The Research Director as a Professional, Teacher and Student:

- **Professional**
  - Improve quality of information provided to management and Board of Directors for decision making purposes.
- **Teacher**
  - Articulation and presentation of applied real estate research.
- **Student**
  - Commitment to an ongoing educational program in statistics, computer science, economics, corporate finance and tax, geography, land-use planning and law.

# Strategic Planning and Organizational Structure

## BRE Properties Research Program

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### Mission Statement:

**The mission of the Research Department is**

**“to identify local and Western regional economic, demographic and apartment market trends for investment opportunities and portfolio diversification”**

# Strategic Planning and Organizational Structure

## BRE Properties Research Program

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### Goals of the Research Department:

- **Create Value through Management and Stockholder Satisfaction**
  - Improve the degree of accuracy in economic, demographic and apartment market forecasts.
  - Commitment to improve the productivity, quality and diversity of research services provided.
  - Improve investment and portfolio diversification and yield enhancement through risk mitigating strategies.
- **Information Systems**
  - Assure the quality of information by maintaining a state-of-the-art computer hardware, software, database and reporting system.



# Strategic Planning and Organizational Structure

## BRE Properties Research Program

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### Role and Responsibilities of the Research Director:

- **Role**
  - **Act as an independent agent within management, representing the long-term interest of the shareholders through objective and unbiased research.**
  - Report directly to President and Board of Directors.
  - Conduct ongoing economic and apartment market research, providing timely guidance for the acquisitions and development, and property and portfolio management programs.

# Strategic Planning and Organizational Structure

## BRE Properties Research Program

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### Role and Responsibilities of the Research Director:

- **Responsibilities:**
  - Provide research assistance to President, Board of Directors, Chief Financial Officer, Chief Operating Officer, and other staff members in Property Management, Acquisitions and Development and Investor Relations.
  - Analyze portfolio for over/under concentration in economic and geographic risks, and conduct portfolio optimization.
  - Target markets for future acquisition and development based on fundamental economic and demographic demand, and apartment market dynamics (supply constraints).
  - Maintain databases, and generate and write market research reports.

# Top Down/Bottom Up Approach to Real Estate Research

## BRE Properties Research Program

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### Research Projects:

- **Western Markets Research Report:** analyze and prioritize target markets for future acquisition and development.
- **Economic and Geographic Base Diversification:** measures geographic and industry concentrations, and correlations between employment trends across markets in the portfolio.
- **Portfolio Optimization:** *Passive Strategy*; measures portfolio diversification against the Western index, *Active Strategy*; measures portfolio diversification based on required return, risk tolerance and market constraints.
- **Future Market Expansion:** analyzing and prioritizing foreign and domestic apartment markets and/or companies for future expansion.

# Top Down/Bottom Up Approach to Real Estate Research

## BRE Properties Research Program

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### Report and Services Production:

- **Corporate Management/Strategic Planning**
  - Capital market research (WACC) and securities analysis.
  - Market/economic analysis.
  - Product market research and business development.
- **Portfolio Management**
  - Economic base diversification.
  - Fundamental and technical stock and real estate market research.
  - Market monitoring and reporting.
- **Acquisitions/Dispositions/Development**
  - Due Diligence reporting
  - Economic and real estate market analysis
  - Market timing (cycle) strategies and analysis.
- **Investor and Client Relations**
  - Public relations (Professional Organizations)
  - Investor relations.