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The Impact of Real Estate Investment Trusts (Reits) on Global Real Estate Markets

Renze Liang *

Guangdong Experimental High School, Guangzhou, China

* Corresponding Author Email: larry@ldy.edu.rs

Abstract. Real estate investment trusts (REITs) affect global real estate markets, with this research focusing on the complex financial procedures and investment strategies that determine these consequences. This study examines how market capitalization, P/E ratios, and revenue growth affect REIT performance in the US and worldwide. Regression is used to analyze data from FTSE Russell, Nareit, and S&P Global. According to studies, income-seeking investors can first find high dividend yields appealing. However, they can indicate financial concerns, which can lower market performance. The results show that significant revenue growth indicates operational and organizational health and is tied to market performance. Additionally, the article examines the interconnection of global REIT markets, highlighting the huge volatility spillovers and unequal integration of these markets. To mitigate this partial integration, investors should diversify and manage risk. The report also examines how REITs in developed and emerging nations are changing to promote stability, growth, and fundraising. This study concludes that adaptive skills and structural flaws of REITs should be understood to illuminate risk management and investment strategy in the context of global economic instability.

Keywords: WREITs; Global Real Estate Markets; Investment Performance; Financial Risk Management.

1. Introduction

Real Estate Investment Trusts (REITs) make up a large part of the global real estate sector, which allow individuals to invest in revenue-generating assets in a unique way. Real estate investment trusts allow investors to own or finance high-income properties. REITs must meet US Tax Code criteria. A maximum of 75% of assets must be maintained, 75% of gross revenue must derive from real estate, and 90% of taxable income must be given as dividends, thus allowing investors to generate rental income and perhaps increase their profits.

When examining REITs over the past sixty years, it becomes clear that these companies have had a huge impact on global real estate markets and economic growth. After its US market launch, REITs drove investment and economic activity in the UK, Japan, and Australia. Emerging countries are increasingly using commercial REITs, which are common in wealthier countries, for economic and environmental growth. Compared to traditional marketplaces, REITs are growing more popular worldwide as an accessible, transparent, and industry-standard real estate investing option in emerging countries [1].

REITs are expanding globally, moving from flexible finance vehicles to critical urban and economic development components. Residents of underdeveloped countries are increasingly using REITs to enter formerly inaccessible and expensive real estate markets, and have helped local real estate sectors thrive by promoting openness, stability, and complexity. The ability of REITs to rebound from economic crises like the 2008 financial crisis can boost global financial stability by being optimized for several markets and governments to maximize their appeal [2]. These investments allow funding to be directed toward specific social and economic needs, such as cheap and efficient housing or infrastructure improvements. In the next few years, REITs will revolutionize urban development planning and global investment due to their diversity and durability.

International financial crises and regional economic events affect REIT sector ties and global dynamics. Begiazi et al. confirmed their prior REIT market relationship findings that despite no significant linkages between the US and European real estate markets, the Asia-Pacific area and Europe did have significant ties [3]. The phenomenon shows that global integration is prejudiced. REIT investors must reassess their portfolio allocations due to regional correlations and volatility. Joyeux and Milunovich found price bubbles and convergence oscillations in fourteen national real estate investment trust marketplaces [4]. Their analysis found that these markets follow a pattern amid banking sector upheaval. Instead of proactive preparation, Okoro et al. changed their investing strategies as needed and highlighted rapid and chaotic events like the 2007–2009 financial crisis [5]. Haghani Rizi found consistent co-integration between real estate investment trusts and commercial real estate at the aggregate and property levels by studying the two markets' connections [6]. This shows the strong association between REITs and commercial real estate market changes. Co-integration and strong cyclical swings often resolve imbalances in REIT markets through price movements. Liow and Huang examine how significant economic crises affect REIT markets in Europe, the US, Canada, and Australia [7]. They use a macro-level strategy. The findings highlight the need for regulatory measures to reduce the impact of global financial crises on global real estate investment trust market volatility. Santillán-Salgado and Valencia-Herrera state REIT sectors are more susceptible to economic fluctuations and found that systemic economic shocks can increase the volatility of residual yields of REITs amid economic uncertainty, demonstrating their structural fragility [8].

2. Methodology

2.1. Research Design and Analytical Techniques

SPSS regression models are used in this paper to assess the market impact of REITs. The initial regression research focuses on the US market from 2019 to 2023, examining the relationship between the FTSE Nareit All REITs index and yearly percentage change, dividend yields, total returns, price-to-equity (P/E) ratios, and other metrics. The paper uses non-REIT variables like the 10-year US government note and S&P 500 percentage fluctuations to investigate domestic factors that affect REIT performance.

In the second regression study, data from 84 REITs in Japan, Singapore, Hong Kong, the UK, France, Belgium, Australia, Canada, and the Netherlands as of April 10, 2024 is included. This regression examines the one-year return rate of the FTSE EPRA/Nareit Index in connection to market capitalization, PE ratio, sales, EBITDA Margin (TTM), return on investment (five years), and dividend yield. This method reveals global real estate investment dynamics by examining how major financial health indicators and market sizes affect REIT performance in various international settings.

2.2. Data Collection

Data for this comprehensive study is meticulously gathered from renowned financial and economic databases including FTSE Russell, Nareit, S&P Global, and Simply Wall St, with additional statistics extracted from Statista. The data compares publicly listed market capitalizations, price-to-earnings ratios, revenue, EBITDA margins, and ROI of REITs, backed by genuine empirical evidence due to the massive dataset's availability.

2.3. Criteria for Data Inclusion

Data inclusion criteria in both regressions were carefully specified to ensure correctness and relevance. For our US regression investigation, we used readily available and relevant data from 2019 to 2023, including the whole economic cycle and various market conditions. To understand how REITs perform in the US market, we combine REIT-specific indicators with economic factors that affect real estate markets.

To undertake worldwide research, data inclusion criteria were expanded to encompass several international marketplaces. Industrialized countries with strong REIT activity and financial reporting were prioritized and were performed on April 10, 2024, using data from that day to compare several markets. The paper uses key financial measurements like market capitalization and EBITDA margins to identify the main trends and drivers that affect global real estate investment conditions. These measures can reveal business performance and market attitudes, and strengthen the study and give insights into real-world investment and policymaking.

3. Trends and Performance Analysis of REITs and Financial Indicators in the U.S. (2019-2023)

3.1. Descriptive Analysis

Figure 1 and Table 1 show the performance dynamics of US REITs. The graph shows that the FTSE Nareit index is volatile during the five-year period due to its mean change of 9.6940% and extremely high standard deviation of 26.00294. The index rose 39.88% in 2021 and fell 25.10% in 2022, showing how macroeconomic facts and investor emotions affect the market. The average price-to-equity (P/E) ratio of 33.9283 suggests that REIT investors can be paying more due to expected future earnings. REITs should make money in the future. Dividend yields were 4.8918% with reduced volatility, which will please investors seeking stable income. These signals demonstrate that REITs are still enticing due to their growth and financial return potential, notwithstanding market volatility.

The interconnection of global finance often causes REIT performance fluctuations that are replicated across international markets. As a result, REIT market trends can reflect global economic tendencies. Global market fluctuations can affect real estate investments worldwide. The graph shows that US financial indexes like the S&P 500 and the 10-year Treasury note vary greatly. Thus, US REITs affect investment strategies and regulatory limitations worldwide, providing insights into US and global real estate markets. US REITs play a major role in global real estate financing.

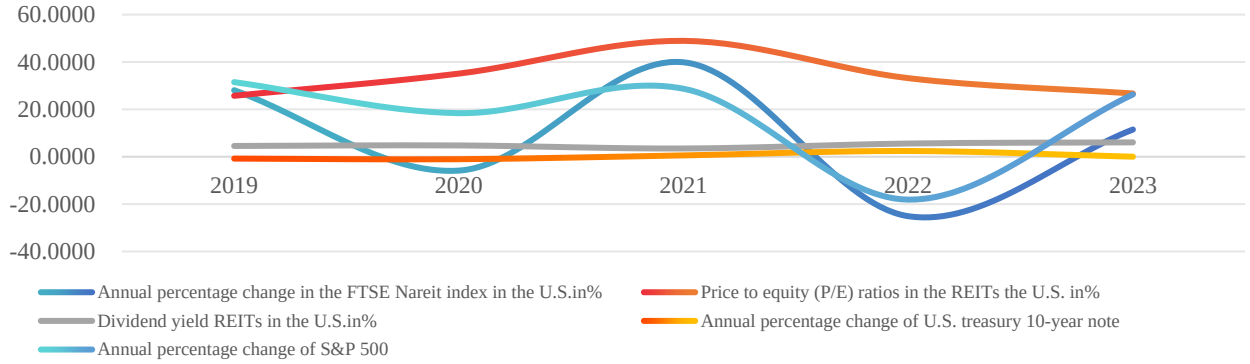

Figure 1. Trends and Performance Analysis of REITs and Key Financial Indicators in the U.S. (2019-2023)

Table 1. Descriptive Statistics of Financial Metrics for REITs in the U.S

Descriptive Statistics			
	Mean	Std. Deviation	N
FTSE_Nareit	9.694	26.00294	5
REITs_PE	33.9283	9.30389	5
REITs_Dividend_yield	4.8918	0.99634	5
Treasury_10year_note	0.24	1.38132	5
SP_500	17.356	20.41707	5

3.2. Correlation Analysis

Table 2 shows how the FTSE Nareit index affects various financial indices. REIT price-to-earnings ratios, dividend yields, and market indices like the S&P 500 and the 10-year Treasury note are among these indicators. Pearson correlation coefficients assess the magnitude and orientation of these linkages numerically. Levels of significance underline the findings' statistical importance. Since the FTSE Nareit index and the S&P 500 have a significant positive correlation of 0.865, US real estate investment trust prices tend to follow the stock market. This correlation shows that REITs are not independent from the general market. Investor mood and economic variables that affect the S&P 500 are likely to affect REITs. Higher index values can be associated with lower REIT dividend yields, as the FTSE Nareit index is negatively correlated (-0.663). This discovery is significant. Increased stock prices can compress yield percentages, causing this scenario. REIT price-to-earnings (P/E) ratios and the FTSE Nareit index are slightly positively correlated (0.307), whereas dividend yields are strongly negatively correlated (-0.742). These data suggest that dividend payouts will fall when price-to-earnings ratios grow. This phenomenon can be linked to market periods when prices rise due to growth expectations, which affects yield computations.

Table 1. Correlation Matrix and Significance Levels of Financial Metrics for REITs in the U.S.

Correlations						
		FTSE_Nareit	REITs_PE	REITs_Dividend_yield	Treasury_10year_note	SP_500
Pearson Correlation	FTSE_Nareit	1	0.307	-0.663	-0.456	0.865
	REITs_PE	0.307	1	-0.742	0.228	0.024
	REITs_Dividend_yield	-0.663	-0.742	1	0.231	-0.427
	Treasury_10year_note	-0.456	0.228	0.231	1	-0.812
	SP_500	0.865	0.024	-0.427	-0.812	1
Sig. (1-tailed)	FTSE_Nareit	.	0.307	0.111	0.22	0.029
	REITs_PE	0.307	.	0.075	0.356	0.485
	REITs_Dividend_yield	0.111	0.075	.	0.354	0.237
	Treasury_10year_note	0.22	0.356	0.354	.	0.047
	SP_500	0.029	0.485	0.237	0.047	.

These correlations show the incredible interconnectedness between US REITs and global financial markets, which provide vital insight into market performance. The S&P 500 and Nareit index show that American REITs affect foreign real estate markets in the same way as US stocks. Global investors must monitor the US market due to its synchronicity. Market changes can affect global real estate assets.

3.3. Collinearity Diagnostics

Table 3 describes a regression model using the FTSE Nareit index as the dependent variable. This table also includes collinearity diagnostics. Multicollinearity occurs when independent variables are highly correlated. This method is essential for determining if multicollinearity affects regression coefficient reliability and consistency. The result points are the eigenvalues and condition indices calculated across dimensions. When the eigenvalue of a dimension is higher, the independent variable variability is better explained. This applies to other dimensions. To quantify multicollinearity, the condition index is calculated by taking the square root of the ratio between the largest eigenvalue and each consecutive eigenvalue. The regression analysis can be unreliable due to multicollinearity caused by a condition index in dimension 5 greater than 30, as shown by 40.707.

The variation of each independent variable can be described by the proportions of variance, which show how much of the observed volatility is due to the collinear link. Percentages represent these proportions. This dimension 5 change is 95% due to REIT dividend yields, while 4% is due to the stock market index (SP 500). It is probable that macroeconomic difficulties reciprocally affect both the stock market and REIT payouts, indicating a substantial link between the two factors.

Table 3. Collinearity Diagnostics on Financial Metrics for REITs in the U.S.

Collinearity Diagnostics[a]								
Model	Dimension	Eigenvalue	Condition Index	Variance Proportions				
				(Constant)	REITs_PE	REITs_Dividend_yield	Treasury_10year_note	SP_500
1	1	3.465	1	0	0	0	0	0.01
	2	1.351	1.601	0	0	0	0.13	0.03
	3	0.127	5.224	0	0.01	0.02	0.41	0.45
	4	0.055	7.937	0	0.16	0.03	0.39	0.47
	5	0.002	40.707	1	0.83	0.95	0.07	0.04
a Dependent Variable: FTSE_Nareit								

3.4. Regression Analysis

Table 4 and Table 5 analyze the FTSE Nareit index's relationships with market factors: the price-to-earnings ratio of REITs, dividend yield, ten-year Treasury note yield, and S&P 500 index. Analyzing multicollinearity diagnostics, significance levels, and coefficients will help you understand how these factors affect the Nareit index. After analyzing the association between the FTSE Nareit index and two independent variables (the SP_500 and REITs_PE), an ANOVA Table with an F-statistic of 676.153 shows that the model fit was statistically significant, as shown in Table 6.

Table 4. Coefficients on Financial Metrics for REITs in the U.S.

Coefficients[a]												
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
(Constant)	61.54	0		.	.	61.54	61.54					
REITs_PE	-0.679	0	-0.243	.	.	-0.679	-0.679	0.307	-1	-0.128	0.28	3.576
REITs_Dividend_yield	-12.325	0	-0.472	.	.	-12.325	-12.325	-0.663	-1	-0.244	0.266	3.761
Treasury_10year_note	13.97	0	0.742	.	.	13.97	13.97	-0.456	1	0.381	0.263	3.799
SP_500	1.62	0	1.272	.	.	1.62	1.62	0.865	1	0.672	0.28	3.577
a Dependent Variable: FTSE_Nareit												

Table 5. Coefficient Correlations on Financial Metrics for REITs in the U.S.

Coefficient Correlations[a]					
Model		SP_500	REITs_PE	REITs_Dividend_yield	Treasury_10year_note
Correlations	SP_500	1	-0.031	0.221	0.744
	REITs_PE	-0.031	1	0.812	-0.432
	REITs_Dividend_yield	0.221	0.812	1	-0.236
	Treasury_10year_note	0.744	-0.432	-0.236	1
Covariances	SP_500	0	0	0	0
	REITs_PE	0	0	0	0
	REITs_Dividend_yield	0	0	0	0
	Treasury_10year_note	0	0	0	0
a Dependent Variable: FTSE_Nareit					

Table 6. ANOVA of Financial Metrics for REITs in the U.S.

ANOVA[a]					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2704.611	4	676.153	.	.b
Residual	0	0	.		
Total	2704.611	4			
a Dependent Variable: FTSE_Nareit					
b Predictors: (Constant), SP_500, REITs_PE, REITs_Dividend_yield, Treasury_10year_note					

The statistical coefficient for each variable shows its effect on the FTSE Nareit index. The coefficient of 1.62 implies a strong positive relationship between the S&P 500 and the FTSE Nareit index. This means the Nareit index rises proportionally when the S&P 500 rises. A beta value of 1.272 and a

zero-order correlation of 0.865 confirm this idea, indicating a strong and direct relationship between the variables. The REITs Dividend Yield coefficient is -12.325, indicating that the Nareit index drops when dividend yields rise. Price variations can be determined by yield dynamics. A 13.97 positive correlation between the 10-year Treasury note and REITs suggests a link between rising interest rates and their success. Investors can expect higher interest rates to raise real estate prices due to inflation or economic expansion. REITs have a negative price-to-earnings ratio (-0.679), suggesting investors can be cautious at high prices, suggesting that greater values can diminish index gains. Multicollinearity diagnostics show serious issues with REIT Dividend Yield and the S&P 500. High VIFs and condition indices cause these issues. This makes coefficient interpretation more challenging, indicating that the independent variables are not independent.

These linkages highlight that REIT investors worldwide should monitor the US economy because prominent economic indexes like the S&P 500 and Treasury rates are strongly correlated with REIT performance. The volatility of the US real estate market affects real estate markets worldwide since it impacts the amount of cash spent in the business.

4. Performance Analysis of Global REITs and Financial Indicators (April 2024)

4.1. Coefficient Analysis

By using standardized coefficients, or Beta values, Table 7 shows the relative impact of numerous elements. Market Cap coefficient of -0.438 suggests that REIT size moderately affects performance. Given this, larger REITs can be less responsive to market movements than their smaller, more agile counterparts. However, the low Beta value of -0.318 shows that more variables are statistically meaningful to the observed inverse correlation. Larger revenue is associated with better REIT index performance, as shown by a positive coefficient of 0.009 and a substantial t-value. Income growth can indicate improved management and operations, which is compatible with logic. Importantly, the EBITDA Margin does not have a statistically significant positive coefficient (0.104), which is used to quantify operational success. Although enhancing operational efficiency is crucial, other factors can have had a greater impact on REIT profitability during the period in question. Although not statistically significant, there is a positive association (coefficient of 0.38) between REITs and their return on investment (ROI) over five years. This shows that long-term investment returns affect market success now. A significant negative correlation (-0.62) of Dividend Yield suggests that higher dividend yields can lower corporate performance. Both connections are remarkable, showing that the market perceives huge payouts as unsustainable or as a sign of the company's limited investment potential.

Table 7. Coefficients of Financial Indicators for Global REITs

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error				Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
Constant	10.757	6.168		1.744	0.088	-1.69	23.204					
Market_Cap	-0.438	0.21	-0.318	-2.085	0.043	-0.862	-0.014	-0.269	-0.306	-0.272	0.73	1.37
PE_Ratio	0	0.006	0.004	0.03	0.976	-0.013	0.013	-0.048	0.005	0.004	0.915	1.093
Revenue	0.009	0.003	0.348	2.626	0.012	0.002	0.016	0.343	0.376	0.342	0.969	1.032
EBITDA_Margin	0.104	0.083	0.175	1.258	0.215	-0.063	0.272	0.223	0.191	0.164	0.883	1.132
ROI_5Year	0.38	0.269	0.201	1.412	0.165	-0.163	0.922	0.129	0.213	0.184	0.839	1.192
Dividend_Yield	-0.62	0.514	-0.184	-1.206	0.234	-1.656	0.417	-0.087	-0.183	-0.157	0.733	1.365
a Dependent Variable: FTSE_Nareit												

Table 8 shows the correlations between main financial measures show that complex relationships affect REIT performance. Price-to-Earnings Ratio has a strong negative link with dividend yield, whereas Market Cap has a modest positive correlation, thus boosting Dividend Yield.

Table 8. Correlations and Covariances of Financial Indicators for Global REITs

Coefficient Correlations[a]							
Model		Dividend_Yield	Revenue	PE_Ratio	EBITDA_Margin	ROI_5Year	Market_Cap
Correlations	Dividend_Yield	1	0.073	-0.233	-0.126	0.259	0.315
	Revenue	0.073	1	-0.106	0.029	0.109	0.082
	PE_Ratio	-0.233	-0.106	1	-0.011	0.029	-0.21
	EBITDA_Margin	-0.126	0.029	-0.011	1	-0.106	0.261
	ROI_5Year	0.259	0.109	0.029	-0.106	1	-0.184
	Market_Cap	0.315	0.082	-0.21	0.261	-0.184	1
Covariances	Dividend_Yield	0.264	0	-0.001	-0.005	0.036	0.034
	Revenue	0	1.22E-05	-2.33E-06	8.33E-06	0	6.06E-05
	PE_Ratio	-0.001	-2.33E-06	4.00E-05	-5.74E-06	4.90E-05	0
	EBITDA_Margin	-0.005	8.33E-06	-5.74E-06	0.007	-0.002	0.005
	ROI_5Year	0.036	0	4.90E-05	-0.002	0.072	-0.01
	Market_Cap	0.034	6.06E-05	0	0.005	-0.01	0.044
a Dependent Variable: FTSE_Nareit							

4.2. Regression Analysis

Table 9 examines how Market Capitalization, Price-to-Earnings Ratio, Revenue, EBITDA Margin, Return on Investment over 5 Years, and Dividend Yield affect the 1-Year Return Rate of the FTSE EPRA/Nareit Index, the dependent variable.

Table 9. Model Summary of Financial Indicators for Global REITs

Model Summary[b]									
R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
				R Square Change	F Change	df1	df2	Sig. F Change	
.534[a]	0.286	0.184	7.12046	0.286	2.8	6	42	0.022	0.865
a Predictors: (Constant), Dividend_Yield, Revenue, PE_Ratio, EBITDA_Margin, ROI_5Year, Market_Cap									
b Dependent Variable: FTSE_Nareit									

Table 10. ANOVA of Financial Indicators for Global REITs

ANOVA[a]					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	851.639	6	141.94	2.8	.022b
Residual	2129.442	42	50.701		
Total	2981.081	48			
a Dependent Variable: FTSE_Nareit					
b Predictors: (Constant), Dividend_Yield, Revenue, PE_Ratio, EBITDA_Margin, ROI_5Year, Market_Cap					

Table 10 proves that these factors account for a significant portion of the FTSE Nareit index's variability in the model. With an F-statistic of 2.8 and a p-value of 0.022, the regression analysis sum of squares is 851.639 and the residual analysis is 2129.442. The R-square value of 0.286 in Table 9 supports the relevance. The estimated R-squared value for the FTSE Nareit index implies that the predictors account for 28.6% of its variability. The lower corrected R-square value of 0.184, which accounts for the number of predictors, implies that some predictors can not contribute significantly to the model's data explanation. The Durbin-Watson score of 0.865 suggests moderate residual autocorrelation, which can affect regression coefficient reliability.

Table 10 also examines the intricate correlation between REIT performance and other financial indicators to connect to the global real estate market. A real estate investment trust's market capitalization and revenue are key indicators of its size and operations. Financial health and efficiency indicators like ROI and EBITDA margin are also important. The relative importance of these factors can reflect market geography. Some countries value operational efficiency (EBITDA Margin, ROI) more than scale, whereas others value scale more. It also includes REITs from other countries. These

include established real estate markets like Canada and the UK and developing Asian markets. This shows the global range of real estate investing trends. For instance, local market conditions and international economic trends can affect PE Ratio and Dividend Yield.

5. Discussion and Suggestions

5.1. Influence of REIT Performance on Global Markets

Regression analysis allows the FTSE EPRA/Nareit Index to reveal how performance metrics affect REIT performance worldwide. Contrary to original estimates, dividend yield negatively affects REIT performance. Higher-than-average dividend yields can attract income-seeking investors. The analysis found that high REIT returns can be unsustainable or a sign of financial constraints. These conditions can affect performance. High dividend yields can attract income investors, but they can also imply a stock price decline [9]. If earnings don't support dividends, investors can worry about the high yield's long-term durability. REITs that consistently pay high dividends despite stagnant or declining revenue can be risking their long-term asset quality and revenue generation potential by allocating cash rather than reinvesting it in their property portfolio or performing essential maintenance. This is because REITs assign cash instead of reinvesting it in property. The extremely high payouts can also show management's desire for short-term financial gains above long-term expansion. If the economy fluctuates, interest rates rise, or rental incomes fall, these actions can incur financial responsibilities [10]. Because the REIT can struggle to pay dividends, high yields should be viewed as a warning indicator rather than an investment opportunity. This is because the REIT can struggle to pay dividends. This relationship shows the necessity for balanced dividend programs that attract income-focused investors without implying a financial disaster. Due to economies of scale and financial market access, larger REITs outperform their smaller counterparts.

Corporations and investors must take steps to offset the detrimental impact of high dividend yields on REIT profitability. REITs must assess their financial liquidity and profitability before distributing dividends. Despite the economy's uncertainty, this method has long-term benefits. REITs have maintained investor confidence over numerous market cycles by linking dividend payments to cash flows from operations. Because of this, they maintained market dominance. REITs must make their financial reporting and dividend practices more transparent. Because dividend decisions are tied to profitability, operational performance, and capital expenditures, solid returns do not hurt growth or asset preservation. A viable approach that invests in residential, commercial, or industrial buildings across several real estate sectors can achieve this goal. Due to its broad property in desired urban and suburban regions, the firm can sustain a consistent revenue and dividend cash flow [11]. These tactics can help REITs attract investors without compromising their long-term performance or financial stability, and thus maintaining high and sustainable dividend rates.

5.2. Risk Factors and Market Sensitivity

Regression analysis can help understand the myriad economic factors that affect the global REIT market. These include PE Ratio and Revenue. The fact that REIT performance is not statistically correlated with PE Ratio is one of their most notable traits. REITs require a lot of money and value their assets rather than financial indicators. Due to geographical, economic, and managerial factors affecting property pricing and income-generating capacity, the profitability of REITs cannot reflect its true value or future revenue. The rationale is that REIT money cannot be enough to compensate for the asset's perceived worth. PE ratios are misleading since industrial earnings are more directly tied to manufacturer performance and prospects [12]. This is because PE ratios exclude interest and taxes. This is a commercial differentiation. Operational management must produce value since income deteriorates REITs. Property management, asset acquisition, and financial management are the most critical elements affecting REIT revenue. A rise in occupancy rates, asset leases, and operational efficiency are two key characteristics of a successful REIT. Revenue is a key statistic for REIT success since it shows their ability to generate revenues and run their companies.

Revenue drives REIT performance in price-to-earnings ratios. Thus, REIT investors and management can use a variety of methods to mitigate risk. Increasing operational process efficiency is crucial. REITs should buy cutting-edge property management software and technology to improve asset management, energy efficiency, and renter communication. Such modifications can increase occupancy and rental revenue. The organization can enhance space use and operational efficiency using these technologies. Maintaining a diverse property portfolio also reduces the risk of economic upheaval in the region deteriorating rental revenue and property values [13]. REITs can spread their assets across many regions to weather market downturns. Equity Residential distributes its properties across several US metropolitan and suburban areas using this strategy. This strategy ensures rental revenue constancy, therefore we implemented it. Finally, investors must grasp how to evaluate REITs. Since REITs are highly dependent on their assets, management must clearly communicate the impact these assets have on the trust's value and the limits that standard valuation metrics, such as PE ratios, have in reflecting these assets. REITs can be able to show their financial health and long-term viability by prioritizing revenue growth and efficiency. Regular investor briefings and open reporting requirements are crucial to minimize risk and increase performance for global REITs.

6. Conclusion

International research on REITs found that some financial variables are complicated markers of their performance. REITs with high dividend yields can be tempting, but research suggests they can be financially unhealthy. The study shows that REITs are complicated. Strong revenue growth is the best indicator of REIT operational efficiency and market performance. It helps governments and investors create more effective global real estate investment strategies by emphasizing strategic financial management.

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