

## **IFAs slam poor Reits performance**

The performance of real estate investment trusts has been blasted by IFAs, as the vehicles celebrate their first year anniversary.

The trusts, which have seen their share prices plummet 37 per cent on average since last January, have failed to attract significant inflows, as retail investors turn away from the beleaguered asset class.

Three quarters of the UK's major listed property funds converted to Reit status, with all 17 UK Reits dropping in value throughout the year.

Keith Churchouse, director of Guildford-based IFA firm Churchouse Financial Planning, said: "Reits have been a bit of a non-event. There was great fanfare a year ago when they first launched, but their share prices have fallen during the year and died a death."

Gavin Haynes, investment director at Bristol-based IFA Whitechurch securities, agreed. "The climate for Reits certainly has not been good and we are still nervous in the area," he said. "We have mostly avoided investing in them last year and we remain cautious as more bad news may be on the way."

However, trade association Reita dismissed concerns over the trusts' performances as temporary. Dave Butler, programme coordinator at Reita, said: "In the short term, performance might not look great, but they have been overshadowed by market volatility and property performance. Reits and property have to be looked at over the long term."

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