

CITY UNIVERSITY OF HONG KONG

香港城市大學

**Key Determinants of the Debt Decisions of
Equity REITs — An Exploratory Analysis of
Asia Pacific REITs Debt Structures with a
Focus on Sponsors, External Management, and
the Impact of the Financial Crisis: Evidence
from Japan, Singapore, and Australia**

有關股權類房地產信託基金的債務決定
關鍵因素研究-

基於日本、新加坡和澳大利亞的實例，
側重對信託保薦人、外部管理，以及金
融危機影響的亞太區房地產信託基金債
務結構的探索性分析

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Abstract

This thesis explores capital structure decision making in the Asian-Pacific Real Estate Investment Trusts (REITs). In particular, I focus on two distinctive features of these REITs, the presence of sponsor and external management, and how they affect the leverage and debt maturity decisions. Utilizing data from Australia, Japan and Singapore over the sample period of 2005-2011, empirical results indicate sponsored REITs opt for higher levels of leverage and loans with longer maturity. On the contrary, externally managed REITs are associated with lower leverage and they can only pursue loans of shorter maturity. Results are robust to the inclusion of other variables and to alternative specification which model leverage and debt maturity as joint simultaneous decisions. I also find that subsequent to the financial crisis, the impact of sponsor on debt financing decisions has diminished, while borrowing of externally managed REITs is substantially constrained.