



REIT outlook

Macro outlook calling for sub 2.0% GDP growth and continued low yields

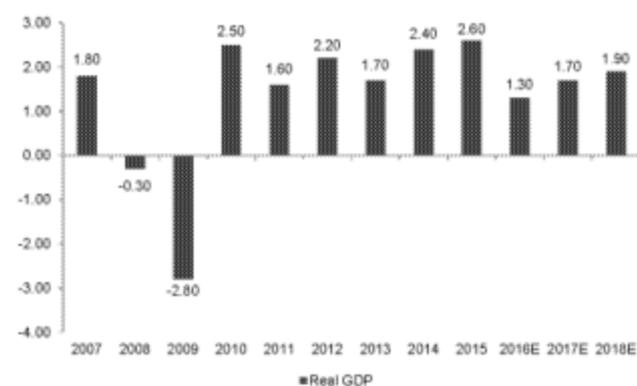
The DB House View now calls for GDP growth of 1.3% in 2016, down modestly from 1.5% back in July, but the outlook for 2017 was pulled to +1.7% from +2.2%. DB has also adjusted its outlook for the 10-year which is expected to end 2016 at 1.75%, up 50bps from the July forecast, and is expected to increase 25bps finishing 2017 at 2.0%.

Figure 6: House view Estimates

Indicator	Unit	Estimates		
		2016E	2017E	2018E
Real GDP Growth	% yoy	1.30	1.70	1.90
Unemployment rate	%	4.9	4.6	4.6
Compensation per empl.	% yoy	2.50	4.50	4.50
U.S. 10Y yield	%	1.75	2.00	N/A
U.S. Key official interest rate	%	0.625	1.125	1.625
Energy - WTI	USD/bbl	43.27	53.00	65.00
Energy - Brent	USD/bbl	45.00	55.00	70.00

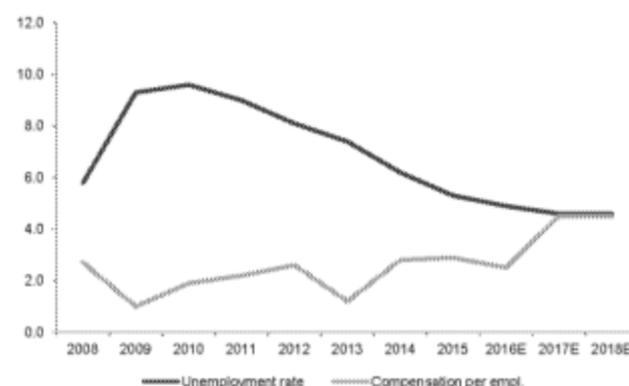
Source: Deutsche Bank

Figure 7: Real GDP growth



Source: Deutsche Bank, Bloomberg Finance LP

Figure 8: Employment and wages



Source: Deutsche Bank, Bloomberg Finance LP