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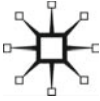
Anomalies in the European REITs Market

Evidence from Calendar Effects

Gianluca Mattarocci

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To my wife

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Foreword

The calendar anomalies have attracted the attention of practitioners and academics because they create the possibility of predicting, at least in part, the dynamics of financial markets and the prices of securities. The presence of periods of the year with a particularly strong performance removes the hypothesis of market efficiency, since all the information is not reflected in prices and this allows investment strategies to achieve abnormal returns.

The relevance of these anomalies depends on the characteristics of the market in which the security is traded. Real estate markets cannot be considered perfect and the degree of efficiency and liquidity highlights the opportunities and the importance of analysing the presence and role of calendar effects.

Indirect real estate investment is generally characterized by a low correlation with other asset types, with a lower risk profile relative to more risky investments. The role of calendar anomalies in real estate investment strategies could increase due to the flight to quality that has characterized investors' behaviour in recent years.

This book considers the role of weekly, monthly and yearly calendar anomalies for the European REITs market. It takes into account buy and hold strategies corrected for effects exerted by the day of the week, turn of the month, holidays and other relevant calendar anomalies.

The purpose of the book is to guide the reader towards a comprehension of the consequences of these anomalies on the returns and risks of an investment, also comparing, when possible, the magnitude of the results in the European real estate market with evidence provided from other real estate markets.

The book contributes to the debate within the real estate finance literature, by considering the possibility of obtaining abnormal returns in the European REIT market, through an asset allocation strategy corrected for calendar anomalies.

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