The Study of Influencing Factors of REITs in the United States and Japan - Application of GJR GARCH Model

E-mail: 9806306@ mail.dyu.edu.tw

ABSTRACT

The purpose of this study is to explore the relationship among REITs index, macroeconomic variables, stock market, REITs dividend, and bond in United States and Japan. The empirical results are summarized as follows: The causal feedback relation-ship does exist between REITs index and REITs dividend in United States and Japan. There is positive relationship between REITs index and industrial production index. REITs couldn't resist inflation. The REITs indices in United States and Japan exist the long term equilibrium relationship with the variables. Subprime mortgage crisis enables structural changes in U.S. REITs index. The result of GARCH effect is that we can for-ecast the volatility of REITs in United States and Japan by previous term conditional variances. There are positive relationships between the REITs in United States and Ja-pan in the same term

Keywords: real estate investment trusts vector autoregressive model generalized autoregressive conditional hetero-scedasticity

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