

REIT Growth and Income Monitor

Weekly Comments 12/10/2013

REIT stock prices slightly increased, still dramatically underperforming the S&P 500 Index, as negative performance gap narrowed to (27%).

Residential REITs rallied on takeover speculation, as investors respond to low valuations.

Home Properties may attract interest of private equity firms due to low valuation and consistent FFO growth.

Camden Property Trust would be a logical acquiror as a midcap Residential REIT with ambitions for nationwide expansion.

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Weekly REIT Comments 12/10/2013

REIT stocks traded slightly higher, up 1% for the week ended December 6, 2013. REIT stocks are now unchanged year to date for 2013, far behind performance of the S&P 500 Index, up 27%, as negative performance gap narrowed to (27%) year to date for 2013. REITs now show the worst underperformance seen since 3Q 2009, when fears of collapsing US economy dominated the news. Average gain for all REITs followed by REIT Growth and Income Monitor is 6% for 2013, trailing 27% gain for the S&P 500 Index.

Investors are reacting to cautious REIT guidance on earnings reports for 3Q 2013, although certain REIT segments, such as Specialty Self-Storage REITs, have exceeded expectations. Specialty Timber REITs, with portfolios of timberlands and sawlog mills, benefit from improving environment for homebuilders. Industrial REITs are gaining occupancy and increasing guidance. Hotel REITs rallied on lower oil prices, as better than expected FFO growth restores confidence. Residential REITs expect exceptional FFO growth to continue through 2013, driven by tight occupancy and rental rate increases. Health Care REITs should rebound as threat to Affordable Care Act has been averted. Performance of Retail REITs is impacted by slowing tenant sales growth, although rental rate increases sustain long term FFO growth. Investors take a cautious stance for Office REITs, due to exposure to financial industry layoffs and continued rent roll-downs, lagging economic recovery.

Financial Mortgage REITs face significant fundamental change, as recently proposed reform legislation was introduced to Congress during 3Q 2013, with debate delayed by ongoing need for federal budget negotiations and efforts to control the debt ceiling. Proposals to liquidate Fannie Mae within 5 years face stiff opposition from liberal Congressmen and Senators, as industry experts and lobbyists warn another recession could follow removal of government support from the housing sector. Reform of Fannie Mae may ultimately impact the housing sector starting in 2014 and 2015, changing the outlook for Financial Mortgage REITs and certain Specialty REITs subject to demand fluctuations from home construction. Meanwhile, renewed investor interest in CMBS and non-agency securities provides a lift for Financial Commercial REITs, although fears of higher interest rates cause all Financial Mortgage REITs to underperform due to impact of bond market volatility on portfolio valuations and book value.

REIT stocks normally perform like interest rate sensitive stocks, although none of the 17 REITs in the S&P 500 Index are actually invested in financial assets. Dividend increases for 2013 and 2014 indicate management confidence in continued FFO growth. As dividend payers, REITs may be viewed as income stocks, attracting investors in need of both consistent income and growth.

Takeover Talk Attracts Investors to Residential REITs

Investors are suddenly focusing on potential takeovers among Residential REITs, as **BRE Properties** is pressed to respond to a proxy filing seeking more independent directors to oversee a previously rebuffed merger with **Essex Property Trust**. Merger of **BRE Properties** with **Essex Property Trust** would be the second merger among midcap Residential REITs during 2013. During the summer of 2013, **MidAmerica Apartment Communities** (now known as **MAA**) merged with **Colonial Properties Trust** in an \$8.3 billion stock-for-stock transaction. **Essex Property Trust** is seeking a \$5.0-\$6.0 billion deal to acquire **BRE Properties**, combining 2 west coast apartment portfolios for market dominance as well as stable growth. Investors may now wish to consider other potential combinations among Residential REITs.

Even without takeovers, lagging stock market performance at a time of exceptional FFO growth promises unusual returns for investors. Results for 3Q 2013 were solid, with many Residential REITs maintaining FFO guidance for 2013 indicating growth of more than 10%. Apartment shortage keeps occupancy high in urban areas, while rental rate increases add to profitability. New supply of apartments is expected to impact occupancy no sooner than late 2014, providing another year of exceptional profitability. Those Residential REITs with active development pipelines are expecting to extend unusually high FFO growth beyond 2013 into 2014-2015, as new communities add to earnings potential. Factors that could derail this positive growth scenario include sharply higher unemployment, or a sudden change in the desire for home ownership. Neither of these appear likely to occur, causing us to view Residential REITs as providing an exceptional opportunity for investors. Investors should consider not only the 3 Residential REITs included in the S&P 500 Index (**Equity Residential**, **AvalonBay Communities** and **Apartment Investment and Management**), but also midcap and small cap Residential REITs, including **Associates Estates Realty**, **Camden Property Trust**, **Home Properties**, **Post Properties** and **UDR**.

Trading Opportunities

We view mid-cap Residential REIT **Camden Property Trust**, with market cap of \$5.4 billion, as a possible acquirer of other Residential REITs in a quest to become a nationwide company. Stock traded down (12%) year to date for 2013, underperforming Residential REITs, now down (4%) on average. **Camden Property Trust's** portfolio of 62,600 apartments is geographically diversified, with significant markets including 20% of the portfolio located in TX, 20% in FL, 9% in metropolitan DC and 6% in CA. Innovative marketing programs support lease-up of new properties. **Camden Property Trust** is investing \$552 million in new developments to support 4% portfolio capacity expansion over the next 2 years. FFO increased 12% for 3Q 2013, with occupancy of 95% and average monthly rents of \$1,157 increasing 4.9%. Guidance for FFO for 2013 indicates 12% growth. Dividends increased 13% during 2013, now providing income investors with 4.2% current yield.

Home Properties may seek a merger as part of a strategy to limit exposure to the DC metropolitan area. **Home Properties** has seen poor stock price performance for 2013, with the stock trading down (9%) year to date, underperforming (4%) decline on average for Residential REITs. **Home Properties** has a market cap of \$3.7 billion, supporting a portfolio of 117 communities with a total of 41,600 apartment units. DC metropolitan area now represents 34% of NOI and 30% of total units. Management plans to reduce DC exposure to less than 25% of portfolio through acquisitions and divestitures. **Home Properties** portfolio is 95% occupied as of 3Q 2013, with average monthly rents of \$1,306 up 3.2%, driving same property NOI up 3.2%. Guidance for FFO for 2013 indicates 5% growth. Dividends increased 6% during 2013, now providing income investors with current yield of 5.0%.



Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price 12/31/2012	Price 11/29/2013	Price 12/06/2013	Weekly Price Change	2013 Price Change
American Tower Corp	AMT	\$77	\$78	\$78	0%	1%
Apartment Investment and Management	AIV	\$27	\$25	\$26	3%	-4%
AvalonBay Communities	AVB	\$136	\$119	\$122	3%	-10%
Boston Properties	BXP	\$106	\$99	\$101	1%	-5%
Equity Residential	EQR	\$57	\$52	\$53	3%	-6%
HCP Inc.	HCP	\$45	\$37	\$37	-1%	-19%
Health Care REIT	HCN	\$61	\$56	\$55	-1%	-10%
Host Hotels & Resorts	HST	\$16	\$18	\$18	0%	18%
Kimco Realty	KIM	\$19	\$21	\$21	2%	9%
Macerich	MAC	\$58	\$57	\$60	6%	4%
Plum Creek Timber	PCL	\$44	\$44	\$45	2%	1%
Prologis, Inc	PLD	\$36	\$38	\$38	-0%	4%
Public Storage	PSA	\$145	\$153	\$154	1%	6%
Simon Property Group	SPG	\$158	\$150	\$153	2%	-3%
Ventas	VTR	\$65	\$57	\$56	-1%	-13%
Vornado Realty Trust	VNO	\$80	\$88	\$91	3%	13%
Weyerhaeuser	WY	\$28	\$30	\$30	-1%	8%
S&P 500 Index	S&P 500	\$1,426	\$1,806	\$1,805	-0%	27%
Average for S&P 500 Index REITs					1%	-0%

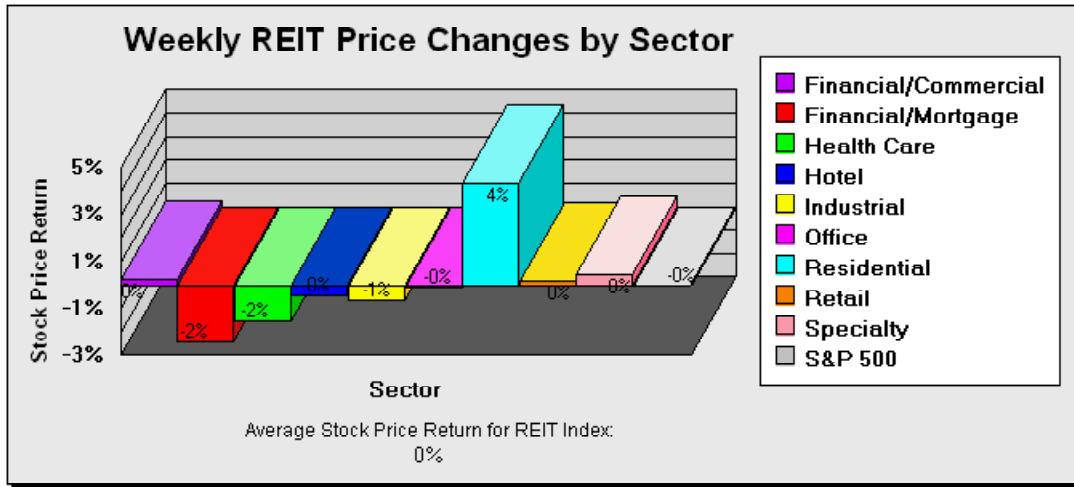
REIT stocks lifted slightly higher, trading up 1% for the first week of December, the week ended December 6, 2013, as investors traded lower volume during the Holiday 2013 spending season. REITs outperformed the S&P 500 Index, trading unchanged for the week. REITs are now unchanged year to date for 2013, trailing performance of the S&P 500 Index, up 27% for 2013. Negative performance gap narrowed slightly to (27%). REITs now show the worst underperformance since 3Q 2009, when fears of collapsing US economy dominated the news.

None of the 17 REITs included in the S&P 500 Index is up the same or more than 27% gain for the S&P 500 Index, while 9 REITs are up less than the S&P 500 Index. A total of 8 of the S&P 500 REITs traded down year to date for 2013. Leading performers among REITs include **Host Hotels & Resorts**, up 18%, and **Public Storage** up 6%, both underperforming the S&P 500 Index by a wide margin. Specialty Timber REITs **Plum Creek Timber**, up 1%, and **Weyerhaeuser**, up 8%, indicate continued optimism over strength of US housing sector, despite negative impact of higher mortgage interest rates. Office REITs show disappointing performance, with **Boston Properties** down (5%) and **Vornado Realty Trust** up 13%, as rental rates decline in many urban areas. Economically sensitive Industrial REIT **Prologis Inc** shows gain of 4% for 2013. Retail REITs **Kimco Realty**, up 9% for 2013, as well as **Macerich**, up 4%, and **Simon Property Group**, down (3%) for 2013, demonstrate disappointment over lower tenant sales trends, although rental rate increases still support long term FFO growth. Gains previously achieved by Health Care REITs eroded, although efforts to defund or delay Affordable Care Act have been averted, with **HCP** down (19%), impacted by investor caution over management transition, while **Health Care REIT** is down (10%) and **Ventas** is down (13%) for 2013. Residential REITs also underperform, including **Apartment Investment and Management**, down (4%), **AvalonBay Communities** down (10%), and **Equity Residential**, down (6%), as investors consider eventual impact of multifamily housing starts on occupancy for Residential REITs. **American Tower**, newcomer to REIT status, traded up 1% year to date for 2013.

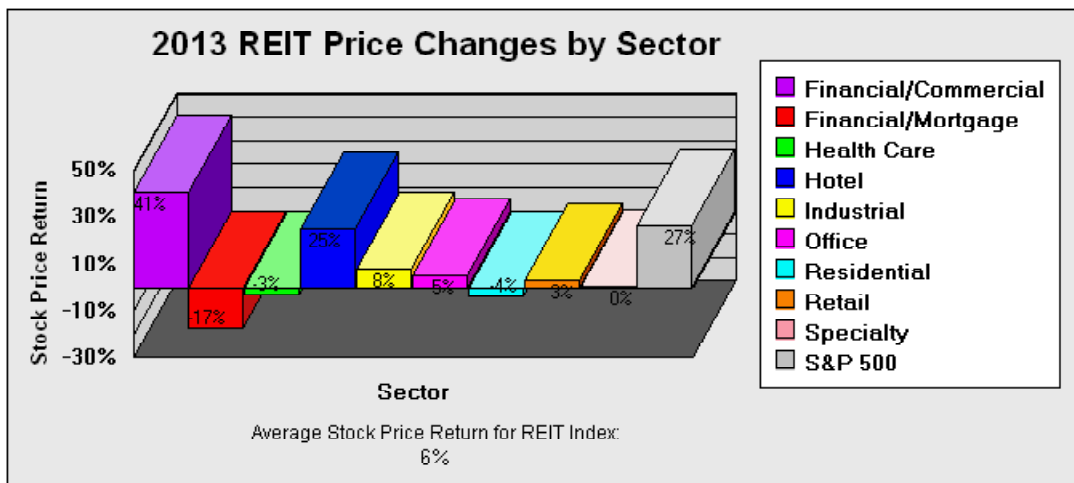
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Weekly REIT Price Changes by Sector



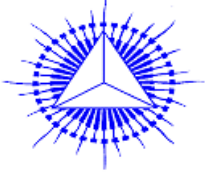
Most REIT sectors traded flat for the first week of December, the week ended December 6, 2013, as quiet trading accompanied the start of the Holiday 2013 season. Best performance was demonstrated by Residential REITs, up 4% on takeover speculation. Financial Commercial REITs, Hotel REITs, Office REITs, Retail REITs and Specialty REITs all traded unchanged, while Industrial REITs traded down (1%). Lagging REIT sectors were Financial Mortgage REITs and Health Care REITs, both down (2%). On average, stock prices for REIT Growth and Income Monitor were unchanged for the week ended December 6, 2013.



Prices for REITs followed by REIT Growth and Income Monitor show gain of 6% on average year to date for 2013, far behind performance of the S&P 500 Index, still up 27% year to date for 2013. REITs previously outperformed, as investors sought dividend income. REITs offer higher yields than S&P 500 stocks, with REIT dividends taxed at the same rate as ordinary income. REIT funds flow demonstrates moderate growth, at a time when other market sectors face adjusted revenue expectations due to currency exposure and variable international economies. Leading sector for 2013 is Financial Commercial REITs, up 41%, as investor interest in commercial and non-agency securitizations indicates frustration with low interest rates on agency securities. Hotel REITs show 25% gain, due to decline in oil prices. Industrial REITs are up 8%, while Office REITs show 5% gain. Retail REITs are up 3%, while Specialty REITs are unchanged, as investors express concern over consumer confidence. Health Care REITs are down (3%) year to date for 2013, following unsuccessful efforts by Congress to defund and to delay Affordable Care Act. Residential REITs show decrease of (4%) year to date for 2013, although guidance indicates rapid FFO growth through the middle of 2014. Lagging Financial Mortgage REITs show loss of (17%), as investors consider impact of Federal Reserve tapering on the bond market during 2014.

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REIT Comment



Company:	Host Hotels & Resorts
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$14,275
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/02/2013
HST \$18

Host Hotels & Resorts HST news of Hilton Worldwide IPO highlights investor appeal of Hotel REITs compared to hotel operating companies

HST Hilton Worldwide announced pending \$2.4 billion IPO, to capitalize company at \$19.2 billion

HST Blackstone Group, acquiror of Hilton for \$26 billion during 2007, to sell 48.7 million shares of Hilton Worldwide on IPO to raise as much as \$1.0 billion

HST Hilton Worldwide filing makes it clear Hilton Worldwide will not have REIT status, given IRS dispute over \$695 million prior period items

HST shareholders of Hilton Worldwide will not receive dividends, while Hotel REITs such as HST are once again showing track record of dividend increases

HST concentration of portfolio in Marriott hotels provides contrast showing superior portfolio metrics to Hilton, with higher ADR (average daily rate) at \$192 compared to Hilton at \$136 and higher RevPAR (revenue per available room) at \$150 compared to \$99 for Hilton

HST guidance for FFO for 2013 indicates growth UP +16% - +18%

HST provides current annual dividend yield of 2.4%

HST a Hotel REIT with a portfolio of upscale hotels and resorts in US, Mexico, Europe and Pacific

HST we rank 3 HOLD

HST market cap \$14.3 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	Ashford Hospitality Trust
Price:	\$8
Recommendation:	BUY
Ranking:	2
Market Cap:	\$718
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/02/2013
AHT \$8

Ashford Hospitality Trust AHT pending \$2.4 billion IPO of Hilton Worldwide strengthens financial resources for a key tenant

AHT Hilton represents 30% of AHT portfolio hotel brand exposure

AHT Hilton Worldwide IPO filing clarifies intent to invest in global portfolio expansion and to strengthen brands and commercial services platform

AHT remaining portfolio of 115 hotels following spin-off of Ashford Hospitality Prime AHP comparable to Hilton Worldwide in hotel metrics, with ADR (average daily rate) at \$134 and RevPAR (revenue per available room) at \$97 as of 3Q 2013

AHT stock stabilizing in \$8-\$9 per share range, after gapping DOWN (\$4) per share to reflect transfer of value to spin-off Ashford Hospitality Prime AHP

AHT 2013 pro forma EBITDA growth expected from renovations and rebranding of hotels

AHT November 2013 spin-off of Ashford Hospitality Prime AHP to common shareholders of AHT will not impede continuity of AHT dividend at \$0.12 per share per quarter, while Ashford Hospitality Prime AHP expected to pay annual dividend of \$0.04 per share

AHT provides current dividend yield of 5.9%

AHT a Hotel REIT

AHT we rank 2 BUY

AHT market cap \$700 million

REIT Comment



Company:	Simon Property Group
Price:	\$150
Recommendation:	BUY
Ranking:	2
Market Cap:	\$54,314
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/02/2013
SPG \$150

Simon Property Group SPG news of slower than expected gain in Black Friday sales may exclude earlier spending not counted in weekend sales

SPG ShopperTrak reported Black Friday weekend sales totaled \$12.3 billion UP +2.3%, including sales on Friday DOWN (13.2%) due to earlier store openings and offers of Black Friday specials sooner during the week

SPG "foot traffic" increased UP +2.8% to more than 1.07 billion store visits for the full weekend, although foot traffic on Friday DOWN (11.4%)

SPG store openings on Thanksgiving Day Thursday evening proved popular with consumers resistant to 5:00 AM store openings on Friday

SPG forecast from ShopperTrak indicates total Holiday 2013 sales to increase UP +2.4%

SPG during 2013 increased guidance for FFO each quarter, now indicating FFO growth UP +10%

SPG increased dividend by 4%, bringing current annual dividend yield to 3.2%

SPG a Retail REIT with a portfolio of regional malls and brand name outlet centers in US Europe and Asia

SPG we rank 2 BUY

SPG market cap \$54.3 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,904
Link:	https://m.youtube.com/watch?v=98BIu9dpwHU http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/02/2013
DFT \$23

DuPont Fabros Technology DFT today's Cyber Monday online shopping spree expected to generate new records

DFT forecast from Shop.org (online shopping division of NRF, National Retail Federation) projects online sales for Holiday 2013 to total \$82 billion UP +15%

DFT survey by CEA (Consumer Electronics Association) found 55% of shoppers buying consumer electronics items made their purchase online

DFT tablets were the most popular purchase, representing 29% of all consumer electronics items sold online, followed by headphones 24%, videogames 21%, smartphones 19% and laptop/notebook computers 17%

DFT key tenant Amazon AMZN breaking new ground for online shoppers with promise to deliver orders within "half an hour" after purchase using drones as novel air shipping technique, see this link:

<https://m.youtube.com/watch?v=98BIu9dpwHU>

DFT key tenants include the largest Internet websites and online service providers including Facebook, Google, Microsoft and Yahoo!, as well as managed hosting services such as Rackspace and AboveNet (providing Amazon cloud web service)

DFT latest guidance for FFO for 2013 indicates growth UP +32%

DFT provided guidance range for FFO for 2014 indicating growth UP +18% next year

DFT provides current annual dividend yield of 4.3%

DFT an Office REIT with a portfolio of wholesale data centers leased to key Internet portals and service providers

DFT we rank 2 BUY

DFT market cap \$1.9 billion

REIT Comment



Company:	Prologis Inc
Price:	\$38
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,092
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/02/2013
PLD \$38

Prologis Inc PLD improvement in manufacturing activity in US, China and Europe underscores management's recent comments indicating leases for bulk distribution space lagging growth needed to satisfy inventory investment

PLD report from ISM (Institute for Supply Management) showed US factory activity index UP +0.9% to 57.3% for November 2013 from prior month to highest level since April 2011

PLD Markit Economics reported Eurozone PMI (Purchase Managers Index) UP +0.3% to 51.6% during November 2013 for 5th sequential monthly improvement

PLD in China report from National Bureau of Statistics showed PMI (Purchase Managers Index) at 51.4% for October 2013, while PMI for large companies increased UP +0.9% to 52.4%

PLD separate report from Markit Economics indicated China PMI (Purchase Managers Index) at 50.8% for November 2013

PLD portfolio concentration now 69% US, EU 25% and Asia 6%, while focus of development spending overweights Asia at 39% of total investment

PLD total \$23.4 billion assets under management in institutional funds enables PLD to increase market share in international markets

PLD reported 3Q 2013 core FFO FLAT excluding unusual items

PLD guidance for core FFO for 2013 indicates decline DOWN (6%), reflecting property divestitures to institutional joint venture funds

PLD provides current yield of 3.0%

PLD an Industrial REIT with a portfolio of bulk distribution facilities in US, Europe and Asia

PLD we rank 2 BUY

PLD market cap \$19.1 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Duke Realty
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,010
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/02/2013
DRE \$15

Duke Realty DRE news of higher US manufacturing activity in November 2013 indicates businesses investing to replenish inventories

DRE report from ISM (Institute for Supply Management) showed US factory activity index UP +0.9% to 57.3% for November 2013 from prior month

DRE Industrial REITs benefit from higher manufacturing activity as bulk distribution facilities may be in higher demand to receive manufactured goods

DRE following divestitures of office properties, DRE now focused on portfolio expansion

DRE investing \$512 million to develop 18 properties, including 13 medical office buildings, adding 2% to total portfolio capacity

DRE guidance for FFO for 2013 indicates growth UP +9%

DRE stock price supported by current annual dividend yield of 4.5%

DRE an Industrial REIT with a diverse portfolio of distribution, industrial, commercial and office properties

DRE we rank 2 BUY

DRE market cap \$5.0 billion

REIT Comment



Company:	Digital Realty Trust
Price:	\$46
Recommendation:	BUY
Ranking:	1
Market Cap:	\$6,329
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/02/2013
DLR \$46

Digital Realty Trust DLR traded DOWN (\$1.31) per share to close DOWN (3%) day

DLR stock traded DOWN (32%) year to date for 2013, dramatically underperforming Office REITs, trading UP +5% for 2013

DLR sell-off in the stock at end of October 2013 offers value entry point for new investors to largest cap Data Center REIT

DLR previous management comments noted "lag in commencement of signed leases", indicating corporate customers may be adding leased capacity in fear of encountering shortage of space in data centers, with no plans for immediate occupancy

DLR guidance for FFO for 2013 indicates growth UP +5%

DLR backlog of contractual obligations indicates 3%-4% NOI growth for 2014 and 2015, assuming no new leases signed

DLR stock price supported by current annual dividend yield of 6.8%

DLR an Office REIT with a portfolio of turnkey data centers and office properties

DLR we rank 1 BUY

DLR market cap \$6.3 billion

REIT Comment



Company:	LTC Properties
Price:	\$37
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,314
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/02/2013
LTC \$37

LTC Properties LTC traded DOWN (\$1.12) per share to close DOWN (3%) day

LTC stock traded UP +6% year to date for 2013, outperforming Health Care REITs, trading DOWN (2%) for 2013

LTC portfolio growth achieved through small acquisitions of operating skilled nursing properties as well as investment in related debt

LTC no guidance provided for FFO for 2013

LTC provides current annual dividend yield of 5.5%

LTC a Health Care REIT with a portfolio concentrated in skilled nursing and assisted living properties and related debt

LTC we rank 3 HOLD

LTC market cap \$1.3 billion

REIT Comment



Company:	CYS Investments
Price:	\$8
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,349
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/02/2013
CYS \$8

CYS Investments CYS traded DOWN (\$0.19) per share to close DOWN (2%) day

CYS stock traded DOWN (34%) year to date for 2013, underperforming Financial Mortgage REITs, trading DOWN (15%) for 2013

CYS Financial Mortgage REITs trading DOWN on fears of Federal Reserve tapering

CYS 3Q 2013 showed no further erosion in book value, assuaging nervous investors

CYS now trading at discount of (23%) to current book value of \$10.10 per share as of September 2013

CYS stock price supported by current annual dividend yield of 17.4%, at the high end of the range for Financial Mortgage REITs

CYS a Financial Mortgage REIT with a portfolio of agency guaranteed Residential MBS

CYS we rank 3 HOLD

CYS market cap \$1.3 billion

REIT Comment



Company:	Washington REIT
Price:	\$23
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,504
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/02/2013
WRE \$23

Washington REIT WRE traded DOWN (\$0.45) per share to close DOWN (2%) day

WRE stock traded DOWN (11%) year to date for 2013, underperforming Office REITs, trading UP +5% for 2013

WRE investors uncertain about long term trend for FFO growth at WRE given divestitures and CEO transition

WRE reduced guidance for FFO for 2013 to indicate decline DOWN (10%) due to divestiture of medical office portfolio

WRE completed first 2 transactions of sale of medical office properties for \$307 million during November 2013, with 2 additional property sales for \$196 million expected to close during January 2014

WRE stock price supported by current annual dividend yield of 5.2%

WRE an Office REIT with a diverse portfolio of office, retail, medical and residential properties concentrated in the metropolitan DC area

WRE we rank 3 HOLD

WRE market cap \$1.5 billion

REIT Comment



Company:	CommonWealth REIT
Price:	\$24
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,966
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/03/2013
CWH \$24

CommonWealth REIT CWH renewed proxy battle with disgruntled shareholders likely to push stock price higher on anticipation of potential takeover

CWH shareholders Corvex and Related reported ownership of 9.6% of CWH shares in proxy filing announcing pending second consent solicitation

CWH shareholders Corvex and Related claim 70% of CWH shareholders voted in favor of previous consent solicitation to remove entire Board of Trustees of CWH

CWH annual meeting to be held on June 13, 2014, with consent solicitation to be completed by March 24, 2014

CWH seeking to sell 47 properties with 8.5 million square feet of space, now accounted for as discontinued operations

CWH 3Q 2013 FFO decreased DOWN (31%), due to deconsolidation of Select Income REIT SIR and transfer of impaired properties to discontinued operations

CWH no guidance provided for FFO for 2013

CWH continues under external management by RMR (Reit Management & Research LLC), a privately held real estate management company that also manages Government Properties Income Trust GOV, Select Income REIT SIR, Hospitality Properties Trust HPT, TravelCenters of America TA and Senior Housing Properties Trust SNH

CWH stock price supported by current annual dividend yield of 4.2%

CWH an Office REIT with a diverse portfolio of office and commercial properties

CWH we rank 3 HOLD

CWH market cap \$3.0 billion

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,869
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/03/2013
DFT \$23

DuPont Fabros Technology DFT additional report on Cyber Monday sales indicates importance of mobile Internet devices to e-commerce

DFT report from IBM found online sales UP +20.6% for Cyber Monday, with orders UP +55% from mobile Internet devices (including smartphones, tablets and e-readers), representing 17% of all online orders

DFT average order size slightly decreased to \$129 DOWN (1%)

DFT new categories of Internet mobile devices such as smartwatches and Google Glass bring innovation to applications

DFT key tenants include the largest Internet websites and online service providers including Facebook, Google, Microsoft and Yahoo!, as well as managed hosting services such as Rackspace and AboveNet (providing Amazon cloud web service)

DFT selling out existing data center capacity in markets recently in oversupply

DFT latest guidance for FFO for 2013 indicates growth UP +32%

DFT provided guidance range for FFO for 2014 indicating growth UP +18% next year

DFT provides current annual dividend yield of 4.3%

DFT an Office REIT with a portfolio of wholesale data centers leased to key Internet portals and service providers

DFT we rank 2 BUY

DFT market cap \$1.9 billion

REIT Comment



Company:	Ventas
Price:	\$56
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,604
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/03/2013
VTR \$56

Ventas VTR investors may take advantage of unusual opportunity to BUY leading Health Care REIT Ventas on short term concerns over tenant Kindred Healthcare KNC

VTR stock traded DOWN (13%) year to date on news last month of lower than expected revenues and earnings for Kindred Healthcare KND, due to downsizing of assets under management

VTR transition for key tenant Kindred Healthcare KND under negotiation for more than 2 years

VTR previously disclosed transition of more than 90 specialty hospital and LTAC properties previously leased to Kindred Healthcare KND to other operators

VTR leases on 48 of remaining 108 leases to be renewed in 2015 have been extended for rental increases, while the rest must be retenantec

VTR if all non-renewed leases with Kindred KND were cancelled but not retenantec impact on VTR would be no more than (\$0.03) per share on FFO for 2015, representing less than 1% of total FFO

VTR Kindred Healthcare KND now contributing 12% of NOI for Ventas, expected to decrease to less than 8% under current contracts

VTR increased guidance for FFO for 2013 to indicate growth UP +9%

VTR provides current annual dividend yield of 4.8%

VTR a Health Care REIT with a diverse portfolio of health care properties

VTR we rank 2 BUY

VTR market cap \$16.6 billion

VTR an S&P 500 Index REIT

REIT Comment



Company:	Extended Stay America
Price:	\$25
Recommendation:	NONE
Ranking:	NONE
Market Cap:	\$5,000
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/03/2013
STAY \$25

Extended Stay America STAY came public at \$20 per share in November 2013 in an unusual vehicle of a "C Corp" owning a REIT

STAY stock appreciated 25% since IPO

STAY each share of "C Corp" Extended Stay America STAY coupled with ESH Hospitality (ESH REIT), with Extended Stay America Inc STAY owning 55% of ESH REIT

STAY 55% ownership of ESH REIT generates cash flow from required REIT distributions but also carries risk, with ESH REIT owing \$3.1 billion debt, repaid only \$500 million from IPO proceeds

STAY remaining 45% ownership of ESH REIT held by predecessor Homestead Village and sponsors Centerbridge Partners, Blackstone and Paulson, acquirors of Extended Stay Hotels in bankruptcy auction for \$4.0 billion during 2010

STAY portfolio of 682 hotels positioned in mid-priced extended stay lodging segment with ADR (average daily rate) of \$52 and RevPAR (revenue per available room) of \$38

STAY current CEO James L McDonald previously President and CEO of Starbucks from 2005 to 2008

STAY McDonald to serve as CEO of both Extended Stay America STAY and ESH REIT

STAY expected to pay annual dividend of \$0.60 per share, providing current yield of 2.4%

STAY dividend dependent on payment of distributions from ESH REIT, but dividends for STAY shareholders not mandated by REIT status

STAY a Hotel operating company coupled with 55% owned Hotel REIT

STAY we carry no recommendation or ranking

STAY market cap \$5.0 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$10
Recommendation:	BUY
Ranking:	2
Market Cap:	\$9,962
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/03/2013
NLY \$10

Annaly Capital Management NLY insider buying should attract notice of investors in Financial Mortgage REITs

NLY like other Financial Mortgage REITs traded lower during November 2013 on investor fears of Federal Reserve tapering

NLY pending Senate vote to confirm Janet Yellen appointment as Federal Reserve Chairman should be taken as positive signal for continued accommodative monetary policy

NLY has room to increase profitability by adding commercial assets as loans acquired from CreXus CXS now represent only 11% of equity, compared to target 25% of equity

NLY results for 3Q 2013 in line with expectations, with NIM (net interest margin) stable and book value DOWN only (3%)

NLY stock price supported by current annual dividend yield of 14.0%, above the midpoint of the range for Financial Mortgage REITs

NLY a Financial Mortgage REIT with a portfolio of agency guaranteed Residential MBS

NLY we rank 2 BUY

NLY market cap \$10.0 billion

REIT Comment



Company:	Essex Property Trust
Price:	\$154
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,096
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/03/2013
ESS \$154

Essex Property Trust ESS traded UP \$1.75 per share to close UP +1% day

ESS stock traded UP +5% year to date for 2013, outperforming Residential REITs, trading DOWN (8%) for 2013

ESS oversold Residential REITs starting to rebound without news updates just higher yields due to share price

ESS rapid employment growth of technology sector in western states of CA, WA and OR directly benefits ESS through apartment demand

ESS reported FFO for 3Q 2013 increased UP +12%

ESS guidance for FFO for 2013 indicates growth UP +12%

ESS providing annual dividend yield of 3.1%

ESS a Residential REIT with a diverse portfolio of apartment communities in west coast states

ESS we rank 2 BUY

ESS market cap \$6.1 billion

REIT Comment



Company:	Regency Centers
Price:	\$48
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,374
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/03/2013
REG \$48

Regency Centers REG traded UP \$0.74 per share to close UP +2% day

REG stock traded UP +1% year to date for 2013, underperforming Retail REITs, trading UP +3% for 2013

REG attractive yields for REITs a result of stock market underperformance

REG reported FFO for 3Q 2013 increased UP +8%, while guidance for FFO for 2013 was increased to indicate growth UP +3%

REG stock price supported by current annual dividend yield of 3.9%

REG a Retail REIT with a portfolio of grocery anchored shopping centers

REG we rank 2 BUY

REG market cap \$4.4 billion

REIT Comment



Company:	BRE Properties
Price:	\$53
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,123
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/03/2013
BRE \$53

BRE Properties BRE traded UP \$2.01 per share to close UP +4% day

BRE stock traded UP +5% for 2013, outperforming Residential REITs, trading DOWN (8%) for 2013

BRE a Residential REIT with an apartment concentrated in western states like Essex Property Trust, ESS, suddenly trading higher due to increasing yield

BRE guidance for FFO for 2013 indicates growth UP +6%

BRE investing \$725 million to develop 4 new apartment communities, representing 6% portfolio capacity increment

BRE stock price supported by current annual dividend yield of 3.0%

BRE a Residential REIT with a diverse portfolio of apartment communities concentrated in western states

BRE we rank 2 BUY

BRE market cap \$4.1 billion

REIT Comment



Company:	CubeSmart
Price:	\$15
Recommendation:	BUY
Ranking:	1
Market Cap:	\$2,093
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/03/2013
CUBE \$15

CubeSmart CUBE traded DOWN (\$0.49) per share to close DOWN (3%) day

CUBE stock traded UP +5% year to date for 2013, outperforming Specialty REITs, trading unchanged for 2013

CUBE investors starting to respond to depressed REIT stock prices

CUBE Specialty Self-Storage REITs seeing strong occupancy gains drive improved profitability

CUBE same property NOI UP +10% for 3Q 2013, with occupancy UP +4.8%

CUBE reported better than expected FFO for 3Q 2013, UP +32%

CUBE increased guidance for FFO for 2013 to indicate growth UP +23%

CUBE stock price supported by current annual dividend yield of 2.9%

CUBE a Specialty REIT with a portfolio of self-storage properties

CUBE we rank 1 BUY

CUBE market cap \$2.1 billion

REIT Comment



Company:	Equity Residential
Price:	\$52
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,551
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/04/2013
EQR \$52

Equity Residential EQR today's strong jobs report should support trading in Residential REITs, as seasonal jobs add to underlying trend

EQR report from ADP (Automatic Data Processing) found private payrolls added 215,000 new jobs for November 2013, UP +31,000 from revised 184,000 for October 2013

EQR report expected on Friday this week from Labor Department may conflict with ADP report due to inclusion of shrinking government jobs

EQR Residential REITs normally benefit from employment growth as most new jobs are taken by 25-34 year old age group, target market for apartment dwellers

EQR impact of Archstone acquisition positive for margins, but creates need for divestitures to repay debt

EQR guidance for FFO for 2013 indicates growth UP +3%

EQR stock supported by current annual dividend yield of 3.4%

EQR the largest publicly traded Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$20.0 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	Annaly Capital Management
Price:	\$10
Recommendation:	BUY
Ranking:	2
Market Cap:	\$10,012
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/04/2013
NLY \$11

Annaly Capital Management NLY declining mortgage application volume reflects seasonality as holiday season takes precedence over home decisions

NLY report from MBA (Mortgage Bankers Association) found mortgage applications DOWN (12.8%) for week ended November 29, 2013

NLY mortgage applications for refinance DOWN (17.5%), while mortgage applications for home purchase DOWN (4.1%)

NLY report from MBA (Mortgage Bankers Association) found average interest rate on 30 year fixed rate conforming mortgage UP +0.03% to 4.51%

NLY improved profitability of both Fannie Mae FNMA and Freddie Mac FMCC provides important support for US Treasury at time of fiscal austerity, providing additional reason to delay previously planned liquidation of Fannie Mae FNMA and Freddie Mac FMCC

NLY status quo for Financial Mortgage REITs now appears likely to be maintained through 2016 elections

NLY continuity of existing structure for conforming loans expected to continue under new federal agency, if not through Fannie Mae FNMA

NLY stock price supported by current annual dividend yield of 13.9%, near the midpoint of the range for Financial Mortgage REITs

NLY a Financial Mortgage REIT with a portfolio of agency guaranteed Residential MBS

NLY we rank 2 BUY

NLY market cap \$10.0 billion

REIT Comment



Company:	BRE Properties
Price:	\$60
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,464
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/04/2013
BRE \$60

BRE Properties BRE today's sudden levitation in stock price may indicate renewal of takeover rumors

BRE has not released any information over unsolicited takeover offer of \$60 per share from Land & Buildings, received during August 2013

BRE additional investor discussion has focused on potential acquisition interest from Essex Property Trust ESS

BRE Essex Property Trust ESS viewed as a logical bidder, as both Residential REITs enjoy concentration of apartment portfolios in western states

BRE total debt of \$1.8 billion brings total enterprise valuation of BRE to \$6.3 billion at today's price of \$60 per share

BRE latest guidance for FFO for 2013 indicates growth UP +6%

BRE stock price supported by current annual dividend yield of 3.0%

BRE a Residential REIT with a diverse portfolio of apartment communities concentrated in western states

BRE we rank 2 BUY

BRE market cap \$4.5 billion

REIT Comment



Company:	NorthStar Realty Finance
Price:	\$10
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,018
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/04/2013
NRF \$10

NorthStar Realty Finance NRF lower commercial and multifamily delinquencies indicate gradual improvement in commercial credit quality continues

NRF report from MBA (Mortgage Bankers Association) found delinquency rate (over 60 days) of commercial and multifamily mortgages DOWN (0.02%) to (0.06%) for 3Q 2013

NRF report also found over 30 day delinquency for CMBS DOWN (0.3%) to 7.51%

NRF securitization opportunities for Financial Commercial REITs with portfolios of CMBS improved by renewed investor interest

NRF completed more than \$500 million securitization of commercial real estate loans during 3Q 2013

NRF as of 3Q 2013 portfolio includes no loans on non-performing status

NRF increased quarterly dividend distribution by 5%, now providing current annual dividend yield of 8.7%

NRF increased quarterly dividend distributions for 9 consecutive quarters, including 4Q 2013

NRF a Financial Commercial REIT

NRF we rank 2 BUY

NRF market cap \$2.0 billion

REIT Comment



Company:	BRE Properties
Price:	\$59
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,566
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/04/2013
BRE \$59

BRE Properties BRE traded UP \$5.74 per share to close UP +11% day

BRE stock traded UP +16% year to date for 2013, outperforming Residential REITs, trading DOWN (8%) for 2013

BRE takeover speculation driving stock, as investors hope for deal with Essex Property Trust ESS to be announced

BRE hints at previous discussion with ESS not disclosed by management may indicate concern over unfriendly offer of \$60 per share from Land & Buildings, received during August 2013, could force a deal with ESS

BRE Essex Property Trust ESS viewed as a logical bidder, as both Residential REITs enjoy concentration of apartment portfolios in western states

BRE total debt of \$1.8 billion brings total enterprise valuation of BRE to \$6.3 billion at this morning's price of \$60 per share

BRE latest guidance for FFO for 2013 indicates growth UP +6%

BRE stock price supported by current annual dividend yield of 3.0%

BRE a Residential REIT with a diverse portfolio of apartment communities concentrated in western states

BRE we rank 2 BUY

BRE market cap \$4.6 billion

REIT Comment



Company:	Essex Property Trust
Price:	\$151
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,962
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/04/2013
ESS \$151

Essex Property Trust ESS traded DOWN (\$3.38) per share to close DOWN (2%) day

ESS stock traded UP +3% year to date for 2013, outperforming Residential REITs, trading DOWN (8%) for 2013

ESS rumors of pending merger or acquisition of BRE Properties BRE causing speculators to go short ESS in anticipation of announcement

ESS hints at previous discussion with BRE were unconfirmed by ESS management

ESS viewed as a logical bidder for BRE, as both Residential REITs benefit from concentration of apartment portfolios in western states

ESS reported FFO for 3Q 2013 increased UP +12%

ESS guidance for FFO for 2013 indicates growth UP +12%

ESS providing annual dividend yield of 3.2%

ESS a Residential REIT with a diverse portfolio of apartment communities in west coast states

ESS we rank 2 BUY

ESS market cap \$6.0 billion

REIT Comment



Company:	RAIT Financial Trust
Price:	\$9
Recommendation:	BUY
Ranking:	2
Market Cap:	\$594
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/04/2013
RAS \$9

RAIT Financial Trust RAS traded UP \$0.38 per share to close UP +5% day

RAS stock traded UP +51% year to date, outperforming Financial Commercial REITs, trading UP +40% for 2013

RAS news today of lower commercial and multifamily delinquencies indicates positive trend for credit quality

RAS renewed investor interest in CMBS enables Financial Commercial REITs to securitize portfolio investments

RAS completed August 2013 IPO of 60% owned Independence Realty Trust IRT, a NYSE listed Residential REIT, still consolidated on RAS income statement and balance sheet

RAS increased quarterly dividend distribution by 15%, now providing current yield of 7.1%

RAS has made steady sequential increases in quarterly dividends since April 2012, with total dividends now UP +61% for 2013

RAS a Financial Commercial REIT

RAS we rank 2 BUY

RAS market cap \$600 million

REIT Comment



Company:	Home Properties
Price:	\$55
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,514
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/04/2013
HME \$55

Home Properties HME traded UP \$2.46 per share to close UP +5% day

HME stock traded DOWN (9%) year to date for 2013, underperforming Residential REITs, trading DOWN (8%) for 2013

HME midcap and small cap Residential REITs trading higher on takeover speculation surrounding BRE Properties BRE

HME plans to divest properties in DC area to reduce portfolio weighting to 25%

HME guidance for FFO for 2013 indicates growth UP +6%

HME current annual dividend yield to 5.1%

HME a Residential REIT with a diverse portfolio of apartment communities

HME we rank 2 BUY

HME market cap \$3.5 billion

REIT Comment



Company:	Equity Residential
Price:	\$53
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,897
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/05/2013
EQR \$53

Equity Residential EQR another week of better than expected new unemployment claims supports evidence of strengthening employment metrics

EQR Labor Department reported new claims for unemployment DOWN(23,000) to 298,000 for week ended November 30, 2013 from revised number for previous week

EQR more stable 4 week moving average of new unemployment claims decreased DOWN (10,750) to 322,250 from revised number for previous week

EQR tomorrow Labor Department expected to release latest jobs report providing additional evidence for employment trends

EQR Residential REITs benefit from positive employment trends, as most new jobs are taken by 25-34 year old age group, target market for apartment dwellers

EQR top end of guidance range for FFO for 2013 indicates growth UP +3%, while guidance for FFO for 2014 indicates growth UP +4% next year

EQR stock supported by current annual dividend yield of 3.4%

EQR the largest publicly traded Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$19.9 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	Weyerhaeuser
Price:	\$29
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,995
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/05/2013
WY \$29

Weyerhaeuser WY news of higher new home sales supports positive outlook for Specialty Timber REITs

WY report from US Census Bureau found new home sales for October 2013 at annual rate of 444,000 UP +22% from the previous year

WY median sales price for new home at \$245,800

WY supply of new homes available for sale at 4.9 months

WY investor meeting scheduled on December 17, 2013 provides opportunity to present strategy for growth of timber and wood products manufacturing businesses

WY pending \$2.7 billion WRECO homebuilder subsidiary transaction with TRI Pointe Homes TPH combines features of a merger and a spin-off to WY shareholders

WY to receive \$700 million cash payment from TRI Pointe Homes TPH following merger, possibly enabling payment of special dividend during 2014

WY provides current annual dividend yield of 3.0%

WY a Specialty Timber REIT with a portfolio of timberlands, wood and cellulose fiber manufacturing plants, and homebuilding operations

WY we rank 2 BUY

WY market cap \$17.0 billion

WY an S&P 500 Index REIT

REIT Comment



Company:	BRE Properties
Price:	\$59
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,566
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/05/2013
BRE \$59

BRE Properties BRE shareholder urges management to "maximize shareholder value by exploring a sale of the company"

BRE this morning's press release from Land and Buildings calls on BRE management to discuss a sale of BRE to Essex Property Trust ESS, a rumored transaction highlighted by press articles yesterday

BRE press release from Land and Buildings also indicates intent to nominate 6 experienced real estate professionals to board of BRE, so that independent directors would constitute a majority of the board

BRE board nominees have experience with many institutional real estate ventures and companies including Citigroup, Wellington, NorthStar Realty Finance NRF, SL Green Realty SLG, Fortress Investment Group, Equity Inns, and Waypoint Residential (soon to merge with residential portfolio of Starwood Property Trust STWD)

BRE management has not yet issued a public response to Land and Buildings nor filed an 8-K indicating any discussion with Essex Property Trust ESS

BRE Essex Property Trust ESS viewed as a logical merger partner for BRE with apartment portfolio concentration in western states similar to BRE

BRE total debt of \$1.8 billion brings total enterprise valuation of BRE to \$6.3 billion

BRE latest guidance for FFO for 2013 indicates growth UP +6%

BRE stock price supported by current annual dividend yield of 2.7%

BRE a Residential REIT with a diverse portfolio of apartment communities concentrated in western states

BRE we rank 2 BUY

BRE market cap \$4.6 billion

REIT Comment



Company:	American Tower
Price:	\$77
Recommendation:	BUY
Ranking:	2
Market Cap:	\$30,930
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/05/2013
AMT \$78

American Tower AMT increased quarterly dividend distribution by 4% to \$0.29 per share for 4Q 2013

AMT new annual dividend \$1.16 per share

AMT new yield 1.5%

AMT a Specialty REIT with a portfolio of wireless and broadcast communications real estate with towers in US, Europe, South America, Africa and India

AMT we rank 2 BUY

AMT market cap \$30.9 billion

AMT an S&P 500 Index REIT

REIT Comment



Company:	Redwood Trust
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,531
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/05/2013
RWT \$18

Redwood Trust RWT traded DOWN (\$0.29) per share to close DOWN (2%) day

RWT stock traded UP +7% year to date for 2013, outperforming Financial Mortgage REITs, trading DOWN (15%) for 2013

RWT investor participation in recent non-agency securitizations by Invesco and PenneyMac below expectations, causing higher yield on the unsold issues

RWT management previously indicated fewer non-agency securitizations expected during 4Q 2013, as investors shy away due to pending Federal Reserve tapering

RWT stock trading at premium of 24% to latest book value of \$14.65 per share

RWT provides current annual dividend yield of 6.1%, at the low end of the range for Financial Mortgage REITs

RWT a Financial Mortgage REIT with a portfolio of non-agency residential loans and securities

RWT we rank 3 HOLD

RWT market cap \$1.5 billion

REIT Comment



Company:	Digital Realty Trust
Price:	\$46
Recommendation:	BUY
Ranking:	1
Market Cap:	\$6,381
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/05/2013
DLR \$46

Digital Realty Trust DLR traded UP \$1.29 per share to close UP +3% day

DLR stock traded DOWN (32%) year to date for 2013, underperforming Office REITs, trading UP +5% for 2013

DLR stock was oversold on sell-off at end of October 2013, due to prior period adjustment and trim to FFO guidance

DLR latest guidance for FFO for 2013 indicates growth UP +5%

DLR backlog of contractual obligations indicates 3%-4% NOI growth for 2014 and 2015, assuming no new leases signed

DLR stock price supported by current annual dividend yield of 6.9%

DLR an Office REIT with a portfolio of turnkey data centers and office properties

DLR we rank 1 BUY

DLR market cap \$6.4 billion

REIT Comment



Company:	Macerich
Price:	\$59
Recommendation:	BUY
Ranking:	2
Market Cap:	\$8,915
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/05/2013
MAC \$59

Macerich MAC traded UP \$0.92 per share to close UP +2% day

MAC stock traded UP +2% year to date for 2013, underperforming Retail REITs, trading UP +3% for 2013

MAC expanding portfolio with \$800 million development projects, including 3 retail properties in Tysons Corner, Chicago and Niagara Falls

MAC recent \$1.25 billion acquisition of 2 high volume retail properties in NY from Vornado Realty Trust VNO marks east coast expansion

MAC increased guidance for FFO for 2013 to indicate growth UP +11%

MAC increased dividend by 7%, bringing current annual dividend yield to 4.3%

MAC a Retail REIT with a portfolio of regional malls concentrated in western states

MAC we rank 2 BUY

MAC market cap \$8.9 billion

MAC an S&P 500 Index REIT

REIT Comment



Company:	National Health Investors
Price:	\$57
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,593
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/05/2013
NHI \$57

National Health Investors NHI traded DOWN (\$0.48) per share to close DOWN (1%) day

NHI stock traded UP +1% year to date for 2013, outperforming Health Care REITs, trading DOWN (2%) for 2013

NHI expansion of Medicaid population to benefit operators of skilled nursing homes, important tenants for Health Care REITs

NHI reported better than expected results for 3Q 2013, with FFO growth UP +17%

NHI increased guidance for FFO for 2013 to indicate growth UP +12%

NHI increased dividend distribution by 6% during 2013, now providing yield of 5.1%

NHI a Health Care REIT with a portfolio concentrated in skilled nursing and assisted living properties

NHI we rank 2 BUY

NHI market cap \$1.6 billion

REIT Comment



Company:	Equity Residential
Price:	\$53
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,779
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/06/2013
EQR \$53

Equity Residential EQR better than expected pace of new job creation may support trading in Residential REITs

EQR report from Labor Department found US economy added +203,000 jobs for November 2013, compared to revised +200,000 new jobs added for October 2013

EQR Labor Department reported private sector added 196,000 jobs, while government jobs increased UP +7,000, including federal DOWN (7,000), state UP +8,000 and local UP +6,000

EQR previously issued report from ADP (Automatic Data Processing) found private sector added 215,000 new jobs for November 2013

EQR Residential REITs normally benefit from employment growth as most new jobs are taken by 25-34 year old age group, target market for apartment dwellers

EQR impact of Archstone acquisition positive for margins, but creates need for divestitures to repay debt

EQR reported FFO growth UP +4% for 3Q 2013, while slightly reducing top end of guidance range for FFO for 2013 to indicate growth UP +3%

EQR stock supported by current annual dividend yield of 3.4%

EQR the largest publicly traded Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$19.8 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	BRE Properties
Price:	\$59
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,587
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/06/2013
BRE \$59

BRE Properties BRE shareholder filed proxy seeking to nominate 6 independent directors

BRE in addition to nominating independent directors proxy filed by Land and Buildings attaches press release calling on management to discuss a sale of the company to Essex Property Trust ESS

BRE proxy discloses beneficial ownership of only 0.25% of common stock of BRE by Land and Buildings CEO Jonathan Litt

BRE management has still made no comment on filing nor made its own SEC filing in response to the proxy

BRE Essex Property Trust ESS viewed as a logical merger partner for BRE with apartment portfolio concentration in western states similar to BRE

BRE total debt of \$1.8 billion brings total enterprise valuation of BRE to \$6.3 billion

BRE latest guidance for FFO for 2013 indicates growth UP +6%

BRE stock price supported by current annual dividend yield of 2.7%

BRE a Residential REIT with a diverse portfolio of apartment communities concentrated in western states

BRE we rank 2 BUY

BRE market cap \$4.6 billion

REIT Comment



Company:	Kimco Realty
Price:	\$21
Recommendation:	BUY
Ranking:	1
Market Cap:	\$8,540
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/06/2013
KIM \$21

Kimco Realty KIM investor presentation next week provides opportunity to highlight strategic restructuring through acquisitions and divestitures

KIM to present strategic outlook to investors next week on Thursday afternoon, December 12, 2013

KIM update on Holiday 2013 should indicate modest year over year growth in tenant sales with occupancy for small mall tenants an important focus for profitability improvement

KIM updated guidance for FFO for 2013 indicates growth UP +6%

KIM increased dividend by 7%, bringing current dividend yield to 4.3%

KIM a Retail REIT with a diverse portfolio of retail properties, including neighborhood and community shopping centers and big box retail, as well as grocery anchored shopping centers

KIM we rank 1 BUY

KIM market cap \$8.5 billion

KIM an S&P 500 Index REIT

REIT Comment



Company:	Simon Property Group
Price:	\$151
Recommendation:	BUY
Ranking:	2
Market Cap:	\$54,658
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/06/2013
SPG \$151

Simon Property Group SPG latest report of disposable personal income explains consumer response to bargains offered on Black Friday week

SPG report from BEA (Bureau of Economic Analysis, US Department of Commerce) found disposable personal income DOWN (0.2%) for October 2013, while personal consumption expenditures increased UP +0.3%

SPG consumers seeking to maximize the value of each dollar by taking advantage of discounts and low price offers

SPG separate report from BEA found US personal consumption expenditures increased UP+1.4% for 3Q 2013, ahead of expectations, supporting retail sales trends

SPG during 2013 increased guidance for FFO each quarter, now indicating FFO growth UP+10%

SPG increased dividend by 4%, bringing current annual dividend yield to 3.2%

SPG a Retail REIT with a portfolio of regional malls and brand name outlet centers in US Europe and Asia

SPG we rank 2 BUY

SPG market cap \$54.7 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Prologis Inc
Price:	\$37
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,792
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/06/2013
PLD \$37

Prologis Inc PLD revised estimate for US GDP indicates faster than expected economic expansion during 3Q 2013

PLD report from BEA (Bureau of Economic Analysis, US Department of Commerce) found US real GDP increased UP +3.6% for 3Q 2013, indicating acceleration compared to growth UP+2.5% for 2Q 2013

PLD last week's news of higher manufacturing activity in US, EU and Asia supports outlook for strong demand growth for bulk distribution facilities

PLD recent management comments noted market conditions improving with tenant investment decisions based on current requirements, without preparation for future growth in inventories

PLD guidance for core FFO for 2013 indicates decline DOWN (6%), reflecting property divestitures to institutional joint venture funds

PLD provides current yield of 3.0%

PLD an Industrial REIT with a portfolio of bulk distribution facilities in US, Europe and Asia

PLD we rank 2 BUY

PLD market cap \$18.8 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	UDR, Inc
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,361
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/06/2013
UDR \$24

UDR Inc UDR announced transactions for 4Q 2013 indicating portfolio enhancement through development and divestitures

UDR investing in 51% owned joint venture with MetLife to develop \$317 million apartment tower in San Francisco

UDR also announced management with option to purchase a \$108 million apartment development in Denver CO

UDR investing \$1.2 billion in development and redevelopment pipeline to expand portfolio capacity by 5%

UDR divested 3 properties for \$132 million during 4Q 2013, including 2 properties in Sacramento CA and 1 in Boston MA area

UDR guidance for FFO for 2013 indicates growth UP +4%

UDR stock price supported by current annual dividend yield of 3.9%

UDR a Residential REIT with a diverse portfolio of apartment communities

UDR we rank 2 BUY

UDR market cap \$6.4 billion

REIT Comment



Company:	Camden Property Trust
Price:	\$60
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,399
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/06/2013
CPT \$60

Camden Property Trust CPT traded DOWN (\$1.01) per share to close DOWN (2%) day

CPT stock traded DOWN (12%) year to date for 2013, underperforming Residential REITs, trading DOWN (8%) for 2013

CPT today's news of stronger than expected employment growth should support trading in Residential REITs

CPT metropolitan DC market, representing 18% of same property portfolio, showed underperformance for 3Q 2013, with slight same property NOI decline, while rest of portfolio showed strong gains for 3Q 2013

CPT increased guidance for FFO for 2013 to indicate growth UP +12%

CPT provides current annual dividend yield of 4.2%

CPT a Residential REIT with a diverse portfolio of apartment communities

CPT we rank 2 BUY

CPT market cap \$5.4 billion

REIT Comment



Company:	CBL & Associates
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,636
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/06/2013
CBL \$18

CBL & Associates CBL traded UP +\$0.40 per share to close UP +2% day

CBL stock traded DOWN (14%) year to date for 2013, underperforming Retail REITs, trading UP +3% for 2013

CBL latest economic news supports positive outlook for Holiday2013 sales

CBL lower stock prices on Retail REITs make this an oversold group with higher than normal yields

CBL guidance for FFO for 2013 indicates growth FLAT - UP +2%

CBL provides current yield of 5.1%

CBL a Retail REIT with a portfolio of regional malls in southeastern and midAtlantic states

CBL we rank 2 BUY

CBL market cap \$3.6 billion

REIT Comment



Company:	Ramco-Gershenson Properties
Price:	\$16
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,112
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/06/2013
RPT \$16

Ramco-Gershenson Properties RPT traded UP \$0.31 per share to close UP +2% day

RPT stock traded UP +18% year to date for 2013, outperforming Retail REITs, trading UP +3% for 2013

RPT provided new guidance for FFO for 2014 indicating growth UP +4%-+8% next year

RPT affirmed guidance for FFO for 2013 indicating growth UP +12%

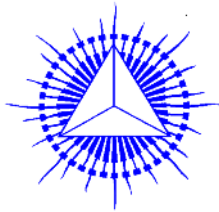
RPT portfolio concentrated 40% in MI and 26% in FL

RPT increased dividend by 10%, bringing current annual dividend yield to 4.8%

RPT a Retail REIT with a portfolio of big box retailers and grocery anchored shopping centers

RPT we rank 3 HOLD

RPT market cap \$1.1 billion



REIT Growth and Income Monitor posted 44 REIT comments for the week ended December 6, 2013. Comments were issued on REITs in the following sectors:

Financial REITs	6
Health Care REITs	3
Hotel REITs	3
Industrial REITs	3
Office REITs	6
Residential REITs	14
Retail REITs	6
Specialty REITs	3

Information on REIT sectors may be found using this link:

http://www.reitmonitor.net/REIT_Resources

Information on **REIT Growth and Income Monitor** ranking methodology may be found using this link:

[http://www.reitmonitor.net/atlantis/reitwebrpt.nsf/All/F2B543B28817460985256EB80001D03A/\\$FILE/REIT%20Methodology%20and%20Ranking%20System.pdf](http://www.reitmonitor.net/atlantis/reitwebrpt.nsf/All/F2B543B28817460985256EB80001D03A/$FILE/REIT%20Methodology%20and%20Ranking%20System.pdf)

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