

REIT Growth and Income Monitor

Weekly Comments 06/24/2014

Positive performance gap for REITs narrowed to 8% year to date for 2014, as REITs outpace rally for the S&P 500 Index.

S&P 500 Index now includes 20 REITs, with addition of Crown Castle to Specialty REITs with portfolios of wireless and broadcast towers.

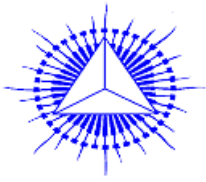
Crown Castle owns dominant market share in US cell towers, with pending REIT conversion to be finalized by 4Q 2014.

American Tower sees rapid growth on expansion of wireless coverage in emerging markets, with more than 50% of portfolio cell towers in international locations.

For information, call Anne Anderson CFA, Atlantis Investment
(973) 263-2333
aanderson@atlantisinvestment.com

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**Weekly REIT Comments**
06/24/2014

REIT stocks in the S&P 500 Index traded up 1% on average for the week ended June 20, 2014, as positive performance gap was maintained at 8% year to date for 2014. Average gain for all REITs followed by REIT Growth and Income Monitor is 12% year to date for 2014, showing twice the 6% gain for the S&P 500 Index. REIT stocks trailed the S&P 500 Index during 2013, with average gain of 8%.

Investors saw some REIT sectors increasing guidance, particularly Residential and Health Care REITs, while other REIT sectors affirmed conservative guidance indicating modest growth for 2014. Residential REITs expect strong FFO growth to continue through 2014, driven by tight occupancy and rental rate increases. Health Care REITs rally as Affordable Care Act is implemented, bringing more patient volume for tenants of Health Care REITs. Industrial REITs are gaining occupancy, allowing FFO guidance to increase. Performance of Retail REITs should respond to rental rate increases and portfolio expansion sustaining long term FFO growth. Certain Specialty REIT segments, such as Specialty Self-Storage REITs, have exceeded earnings expectations, while Specialty Timber REITs, with portfolios of timberlands and sawlog mills, traded lower on news of variable home sales. Hotel REITs demonstrate positive revenue and margin trends, with stock price performance aided by price decline for oil and gasoline. Investors take a cautious stance for Office REITs, due to exposure to financial industry layoffs and continued rent roll-downs.

Investor acceptance of eventual Federal Reserve tapering supports outlook for Financial Mortgage REITs, as bond market volatility moderates. Financial Mortgage REITs face significant fundamental change, with debate of Fannie Mae reform legislation likely to be delayed by interim elections. Proposals to liquidate Fannie Mae within 5 years face stiff opposition from Democratic Congressmen and Senators, as industry experts and lobbyists warn recession would follow removal of government support from the housing sector. Profits paid by Fannie Mae and Freddie Mac support the Treasury at a time of fiscal austerity, increasing probability that status quo for Fannie Mae will be maintained through the 2016 Presidential election.

REIT stocks normally perform like interest rate sensitive stocks, although none of the 20 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.

Specialty Cell Tower REITs See FFO Growth Driven by New Demand and Margin Expansion

REIT conversions have added 2 large cap Specialty REITs with portfolios positioned to benefit from the growth of Internet mobility in US and global markets. Including **Crown Castle** and **American Tower**, Specialty REITs with portfolios of cell phone and wireless towers have combined \$60 billion market cap. **Crown Castle** has been reporting as a REIT since January 2014, with final REIT conversion expected to take place during 4Q 2014. **American Tower** completed REIT conversion in January, 2012, by merger with American Tower REIT. Managements of these REITs view REIT status as contributing to total shareholder return, since cash flow from real estate assets is more than sufficient to maintain asset base, while maximizing distributions to shareholders. Real estate assets are held by the parent REIT companies, while TRS (taxable REIT subsidiaries) operate diverse businesses dependant on the real estate assets, contributing after tax income to the REIT. Both of these REIT conversions expect to increase dividends in order to maintain REIT status as FFO grows. Both of the Specialty Cell Tower REITs were included in the S&P 500 Index prior to REIT conversion.

Technology change forces existing customers to continue to invest in tower equipment, adding to returns for **American Tower** and **Crown Castle**. Subscriber population continues to increase in the US, now driven by adoption of tablets, as well as by upgrades to smartphone technology. While LTE coverage has been almost completed in the US, expansion of 4G coverage to international markets is still in early years of development. More leases on existing cell towers drives higher profitability. Wireless carrier mergers, now much in the news, are generally not of concern to cell tower owners, as combination of subscriber bases always requires new investment to expand coverage to merged areas. Rationalization of merged coverage is still years away. Addition of new content and services by wireless carriers, such as AT&T's pending acquisition of Direct TV and Verizon's investment in digital media distribution through XLTE, should keep revenues growing for Specialty Cell Tower REITs for many years to come.

Trading Opportunities

American Tower offers large cap investors a growth vehicle driven by demand for wireless and Internet services from mobile Internet devices worldwide. With market cap of \$30 billion, **American Tower** operates a global portfolio of wireless towers, broadcast towers, and distributed antenna systems. **American Tower** owns and operates 27,000 wireless cell towers and 11,500 other broadcast and antenna assets in the US, as well as 29,500 wireless cell towers in Europe, South America, Africa and India. Stock price increased 12% during 2014. Technology change drives customer investment in equipment mounted on wireless towers, enabling **American Tower** to increase returns from existing assets. US portfolio of wireless assets provides 64% of revenue, while rapidly growing international contribution is now 36% of revenues. Recently completed \$4.8 billion acquisition of Global Tower Partners added 25% to total US capacity. Construction of additional towers in US and international markets provides portfolio expansion. FFO increased 10% for 1Q 2014, while guidance for FFO for 2014 indicates growth of 18%-23%. Dividends were increased 22% during 2013 and another 10% year to date for 2014. Investors should expect 50% dividend growth over the next 12 months for **American Tower** to maintain REIT status. **American Tower** now provides income investors with 1.5% yield.

Pending REIT conversion **Crown Castle** sees growth in US revenues to be driven by dynamic demand for digital media, as well as by new Internet mobile devices and services. With market cap of \$25 billion, **Crown Castle** operates more than 40,000 US wireless cell towers, with international market participation limited to 1,800 towers in Australia. Stock price increased only 1% for 2014, underperforming both the S&P 500 Index and competitor **American Tower**. Rents increase 3%-6% annually, while new carrier investment adds 3%-6% to tower rents due to new and expanded leases. FFO increased 16% for 1Q 2014, while guidance for FFO for 2014 indicates growth of 10%-11%. **Crown Castle** paid its first cash dividend in March 2014, reflecting unconfirmed REIT status as of January, 2014. **Crown Castle** now provides income investors with 1.9% yield.



Weekly Price Change for S&P 500 Index REITs

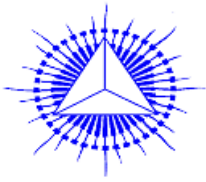
S&P 500 Index REITs:		Price	Price	Price	Price	Price	Weekly	2014
		12/31/2013	05/30/2014	06/06/2014	06/13/2014	06/20/2014	Price Change	Price Change
American Tower	AMT	\$80	\$90	\$90	\$88	\$89	1%	12%
Apartment Investment	AIV	\$26	\$31	\$32	\$32	\$32	-0%	24%
AvalonBay Communities	AVB	\$118	\$142	\$143	\$140	\$141	1%	20%
Boston Properties	BXP	\$100	\$121	\$122	\$117	\$118	1%	18%
Crown Castle	CCI	\$73	\$77	\$76	\$74	\$74	0%	1%
Equity Residential	EQR	\$52	\$62	\$63	\$62	\$62	1%	20%
Essex Property Trust	ESS	\$144	\$181	\$185	\$179	\$184	2%	28%
General Growth Properties	GGP	\$20	\$24	\$24	\$24	\$24	2%	19%
HCP	HCP	\$36	\$42	\$42	\$41	\$41	-1%	13%
Health Care REIT	HCN	\$54	\$63	\$64	\$63	\$63	0%	18%
Host Hotels & Resorts	HST	\$19	\$22	\$23	\$22	\$22	1%	15%
Kimco Realty	KIM	\$20	\$23	\$23	\$23	\$24	4%	19%
Macerich	MAC	\$59	\$66	\$68	\$65	\$67	3%	14%
Plum Creek Timber	PCL	\$47	\$45	\$45	\$44	\$45	1%	-4%
Prologis	PLD	\$37	\$42	\$42	\$41	\$41	1%	12%
Public Storage	PSA	\$151	\$172	\$173	\$170	\$172	2%	14%
Simon Property Group	SPG	\$152	\$166	\$170	\$164	\$167	2%	10%
Ventas	VTR	\$57	\$67	\$65	\$64	\$65	2%	13%
Vornado Realty Trust	VNO	\$89	\$107	\$108	\$105	\$107	2%	20%
Weyerhaeuser	WY	\$32	\$31	\$31	\$31	\$31	1%	-2%
S&P 500 Index	S&P 500	\$1,848	\$1,924	\$1,949	\$1,936	\$1,963	1%	6%
Average for S&P 500 Index REITs							1%	14%

REIT stocks traded up 1% for the third week of June, the week ended June 20, 2014. REITs matched performance of the S&P 500 Index, also trading up 1% for the week, now showing 6% gain year to date for 2014. Positive performance gap for REITs was maintained at 8% year to date for 2014. REIT stocks trailed the S&P 500 Index during 2013, with average gain of 8%. REIT stocks should continue to rally, maintaining positive performance gap.

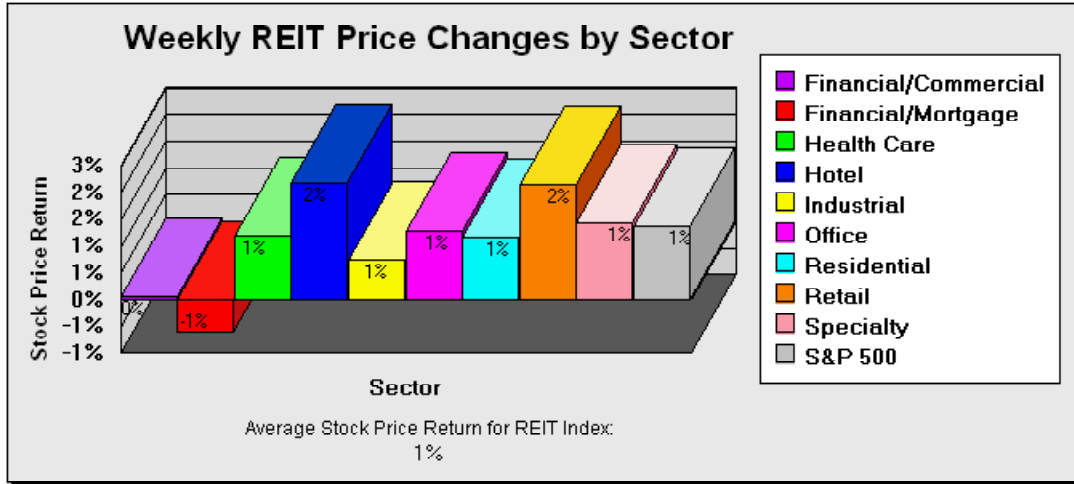
Almost all of the 20 S&P 500 Index REITs outperformed the S&P 500 Index year to date for 2014, with 17 of the S&P 500 Index REITs trading up more than 6% gain for the S&P 500 Index during 2014. Only 2 of the S&P 500 Index REITs traded down year to date for 2014. Rally for Residential REITs now includes **Apartment Investment and Management** up 24%, **AvalonBay Communities** and **Equity Residential** both up 20% and **Essex Property Trust** up 28%, all reporting strong earnings results. Office REITs also demonstrated strong performance, with **Boston Properties** up 18% and **Vornado Realty Trust** up 20% year to date for 2014. **Public Storage**, up 14%, and **Prologis Inc**, up 12%, both show solid gains for 2014. Health Care REITs enjoy sustainable rally, buoyed by news of individual health enrollment under Affordable Care Act, with **Health Care REIT** up 18%, while **HCP** shows 13% gain and **Ventas** shows 13% gain. Retail REITs also show good gains, now lead by **General Growth Properties** and **Kimco Realty**, both up 19%, while **Macerich** shows 14% gain. **Simon Property Group** gave up a portion of its year to date gain due to recent spin-off of **Washington Prime Group**, leaving the parent company up 10% year to date for 2014. **Host Hotels & Resorts**, now up 15%, recently announced higher group bookings during 2014. **American Tower** now shows 12% gain year to date for 2014, with pending REIT conversion **Crown Castle** now up 1% for 2014. In contrast, Specialty Timber REITs traded down on news of variable sales of new and existing homes, with Specialty Timber REIT **Plum Creek Timber** now down (4%) and **Weyerhaeuser** down (2%) year to date for 2014.

Note that pending REIT conversion of **Crown Castle** brings total REITs included in Standard & Poors 500 Index to 20 stocks. Including **Crown Castle** and **American Tower**, Specialty REITs with portfolios of wireless cell phone and broadcast towers have combined \$60 billion market cap.

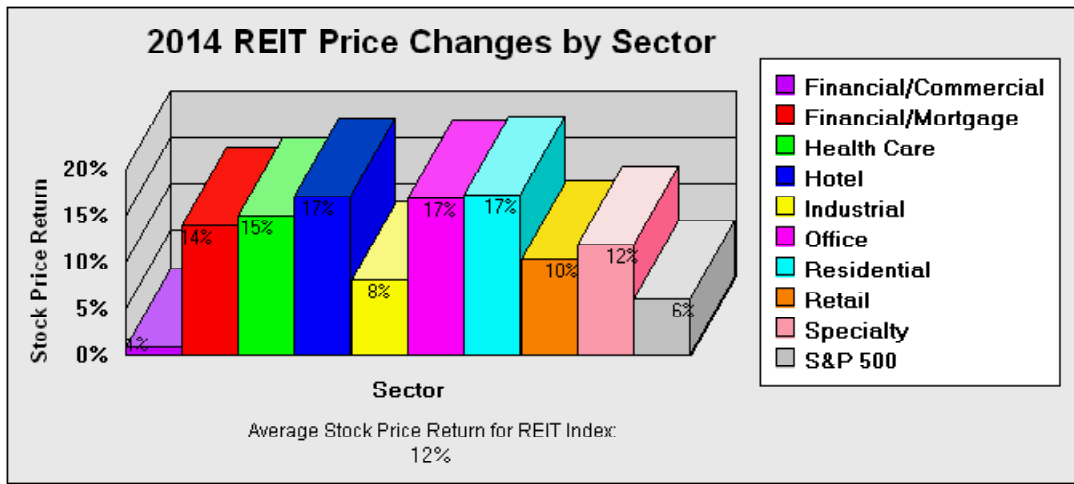
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Weekly REIT Price Changes by Sector

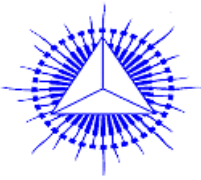


Almost all REIT sectors traded higher for the third week of June, the week ended June 20, 2014. Best performance was shown by Hotel REITs and Retail REITs, both up 2% for the week. Health Care REITs, Industrial REITs, Office REITs, Residential REITs and Specialty REITs all traded up 1%. Lagging REIT sectors were Financial Commercial REITs, unchanged, while Financial Mortgage REITs traded down (1%). On average, stock prices for REIT Growth and Income Monitor increased 1% for the week ended June 20, 2014.



Stock prices for REITs followed by REIT Growth and Income Monitor increased to show gain of 12% on average year to date for 2014, now showing twice the gain for the S&P 500 Index, now up 6% year to date for 2014. Investors are attracted by dividend income, and REITs have demonstrated ability both to pay and to increase dividends. 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 sectors for 2014 include Hotel REITs, Office REITs and Residential REITs, all up 17% year to date. Health Care REITs are up 15% as the Affordable Care Act is implemented, bringing more patient volume to tenants of Health Care REITs. Financial Mortgage REITs show gain of 14%, as investors respond positively to appointment of Janet Yellen as new Federal Reserve Chairman, justifying expectations for continued low interest rates. Specialty REITs traded up 12% year to date for 2014, supported by investor interest in Data Center REITs and Self-Storage REITs, offset by decline for Specialty Timber REITs. Retail REITs show gain of 10%, while Industrial REITs show 8% gain for 2014. Lagging Financial Commercial REITs traded up 1%, almost unchanged year to date for 2014, reflecting investor concern over lower volume of new issues of commercial securitizations.

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INDEX TO DAILY REIT COMMENTS
Week from 06/14/2014 to 06/20/2014

American Tower	AMT	page 6
Taubman Centers	TCO	page 7
Parkway Properties	PKY	page 8
Crown Castle	CCI	page 9
Mack-Cali Realty	CLI	page 10
Newcastle Investment	NCT	page 11
Rayonier	RYN	page 12
Digital Realty Trust	DLR	page 13
Plum Creek Timber	PCL	page 14
Duke Realty	DRE	page 15
Prologis Inc	PLD	page 16
Weingarten Realty	WRI	page 17
Realty Income	O	page 18
Ventas	VTR	page 19
Select Income REIT	SIR	page 20
American Tower	AMT	page 21
New Residential Investment Corp	NRZ	page 22
HCP	HCP	page 23
CYS Investments	CYS	page 24
LaSalle Hotel Properties	LHO	page 25
Sunstone Hotel Investors	SHO	page 26
AvalonBay Communities	AVB	page 27
Public Storage	PSA	page 28
Extra Space Storage	EXR	page 29
Highwoods Properties	HIW	page 30
Annaly Capital Management	NLY	page 31
Hatteras Financial	HTS	page 32
DuPont Fabros Technology	DFT	page 33
PREIT	PEI	page 34
Taubman Centers	TCO	page 35
Boston Properties	BXP	page 36
Equity Residential	EQR	page 37
EdR	EDR	page 38
Simon Property Group	SPG	page 39
Washington Prime Group	WPG	page 40
DuPont Fabros Technology	DFT	page 41
Health Care REIT	HCN	page 42
Ventas	VTR	page 43
QTS Realty Trust	QTS	page 44
EdR	EDR	page 45
Digital Realty Trust	DLR	page 46
Annaly Capital Management	NLY	page 47
Hospitality Properties Trust	HPT	page 48
EdR	EDR	page 49
PREIT	PEI	page 50
Newcastle Investment	NCT	page 51
Medical Properties Trust	MPW	page 52
Strategic Hotels & Resorts	BEE	page 53
CyrusOne	CONE	page 54

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REIT Comment



Company:	American Tower
Price:	\$88
Recommendation:	BUY
Ranking:	2
Market Cap:	\$35,253
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/16/2014
AMT \$88

American Tower AMT announced pending \$978 million acquisition of BR Towers SA in Brazil

AMT portfolio to be acquired includes 2,530 towers and exclusive rights for 2,110 additional towers in Brazil

AMT portfolio valued at 8.3X cap rate

AMT pending acquisition to add \$131 million to international revenues, expected to be immediately accretive to FFO

AMT existing interest in Brazil includes 6,771 cell phone and broadcast sites serving Nextel International, Telefonica, America Movil and Oi, representing 15% of total international sites for AMT

AMT latest guidance for FFO for 2014 indicates growth UP +20%

AMT increased dividend by 6%, bringing current annual dividend yield to 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 \$35.3 billion

AMT an S&P 500 Index REIT

REIT Comment



Company:	Taubman Centers
Price:	\$73
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,412
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/16/2014
TCO \$73

Taubman Center TCO management comments at NAREIT investor forum highlighted international portfolio expansion

TCO slower growth in US stimulating interest in international retail investments

TCO initial expectation of US GDP growth UP +3.0% for 2014 now appears optimistic, indicating that 2.0%-2.5% US GDP growth may be achievable

TCO in this slow growth environment, luxury retailers showing tenant sales growth while value segment showing sales FLAT

TCO new high end malls to open in Puerto Rico in spring2015 and in Waikiki HI in spring 2016, expected to achieve tenant sales at high end of the range for TCO portfolio

TCO plans to open 2 new malls in China in late 2015, each of 1.0 million square feet, to be topped by new development outside Seoul, South Korea with 1.7 million square feet, planned to open late 2016

TCO next new regional mall opening scheduled for Sarasota FL in October2014

TCO investing \$3.0 billion in development pipeline to develop 6 properties in US, Puerto Rico and Asia, to add 5.6 million square feet of retail space, representing 16% portfolio capacity increment

TCO guidance for FFO for 2014 indicates growth UP +2%-+5%, impacted by (\$0.12) per share from divestitures of Arizona Mills in Tampa FL and International Plaza in Tempe AZ

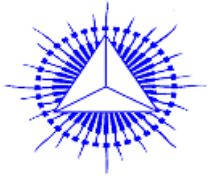
TCO provides current annual dividend yield of 2.9%

TCO a Retail REIT with a portfolio of upscale regional malls

TCO we rank 2 BUY

TCO market cap \$11.4 billion

REIT Comment



Company:	Parkway Properties
Price:	\$21
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,168
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/16/2014
PKY \$21

Parkway Properties PKY targeted investments provide high returns from "undermanaged properties"

PKY management comments at NAREIT investor forum noted growth characteristics of target markets for office property acquisitions

PKY target markets include Atlanta, 4 largest cities in FL, as well as Houston, Austin and Phoenix

PKY each of these markets offer faster population and employment growth than national average

PKY announced first acquisition in Miami FL in April 2014, \$468 million for Courvoisier Centre in Brickell submarket, now 84.3% occupied following \$10 million renovation during 2013

PKY may increase exposure to Atlanta with acquisition of additional properties in downtown Atlanta to supplement existing property holdings in Buckhead and Central Perimeter areas of Atlanta

PKY new developments are atypical for PKY, but decision to develop \$69 million Hayden Ferry III, a new 10 story office tower in Tempe AZ driven by exceptional opportunity to capture additional leases with technology tenants including Microsoft, Citrix and Amazon

PKY seeking to add to unsecured debt with line of credit commitments with strategy of unencumbering assets

PKY increased guidance for FFO for 2014 to indicate growth UP +14%

PKY total shares outstanding almost UP +40% year to date including merger with Thomas Properties Group TPGI in stock-for-stock transaction during December 2013, adding 28% to total shares outstanding, followed by January 2014 offering adding 12% to total year end shares

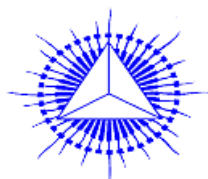
PKY provides current yield of 3.6%

PKY an Office REIT

PKY we rank 3 HOLD

PKY market cap \$2.2 billion

REIT Comment



Company:	Crown Castle
Price:	\$74
Recommendation:	BUY
Ranking:	2
Market Cap:	\$24,660
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:

06/16/2014

CCI \$74

Crown Castle CCI REIT conversion adds largest US cell tower owner to Specialty REIT sector adding \$24 billion market cap to American Tower AMT \$35 billion market cap for total \$59 billion subsector of Specialty REITs with portfolios concentrated in wireless towers and broadcasting nodes

CCI following recent \$4.9 billion acquisition of 9,700 cell towers from AT&T, CCI now has largest market share for US cell towers, with more than 40,00 cell towers in US and 1,800 in Australia, compared to AMT 27,000 in US and 29,500 in international locations (following \$4.8 billion merger with Global Tower Partners late 2013)

CCI annualized revenues \$3.5 billion, (10%) below AMT current annualized revenues \$3.9 billion

CCI has lower debt than AMT at \$11.6 billion, compared to current \$14.3 billion debt for AMT

CCI sees opportunity to increase revenues through greater utilization of existing portfolio of cell towers, with only 30% of total theoretical capacity now leased

CCI 72% of portfolio cell towers are less than 10 years old, indicating underlying trend to improved profitability, as oldest towers yield average 15% on invested capital, compared to 7% for newest towers

CCI annual rent escalators provide rental growth UP +3%-6% in most years

CCI US carriers expect more than UP +50% compound growth rate in wireless data transmission over next 5 years to 2018, with mobile video traffic expected to increase UP +69% annually and mobile cloud-based applications UP 12X over next 5 years

CCI US carriers to increase capital expenditures on cell transmission nodes by 6% to \$34.3 billion for 2014

CCI tenants include AT&T at 29% of total rents, Sprint 23%, T-mobile 22% and Verizon 14%

CCI offer by AT&T to acquire DirectTV DTV for \$48.5 billion (\$68 billion including debt) may increase spending on cell phone infrastructure, if deal is approved by regulators, with AT&T expected to offer bundled service of wireless Internet and DirectTV DTV for US and international markets

CCI views EchoStar DISH and FirstNet as potential incremental customers with a need for wireless transmission to supplement satellite digital TV service (DISH) and emergency communications for first responders (FirstNet)

CCI guidance 2014 AFFO \$4.04-\$4.08 v \$3.67 UP +10%+11%

CCI conversion to REIT status assumed effective January 1, 2014, although no IRS opinion received to date on eligibility for REIT status

CCI announced pending merger with newly formed wholly owned subsidiary Crown Castle REIT with pending shareholder vote in December 2014 to formalize REIT status as of January 2014

CCI provides current annual dividend yield of 1.9%, with first ever dividend of \$0.35 per share paid in March 2014 on REIT conversion

CCI a Specialty REIT with a portfolio of wireless and broadcast communications real estate with towers in US and Australia

CCI we rank 2 BUY

CCI market cap \$24.7 billion

CCI an S&P 500 Index REIT, added to index in March 2012, prior to 2014 REIT conversion

REIT Comment



Company:	Mack-Cali Realty
Price:	\$22
Recommendation:	SELL
Ranking:	4
Market Cap:	\$2,152
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/16/2014
CLI \$22

Mack-Cali Realty CLI traded DOWN (\$0.44) per share to close DOWN (2%) day

CLI stock traded unchanged year to date for 2014, underperforming Office REITs, trading UP +15% for 2014
CLI stock traded DOWN (18%) during 2013

CLI portfolio restructuring follows management strategy to divest low return office properties while investing in residential properties in target markets

CLI impact of new office capacity with recently constructed buildings in downtown NYC negative for CLI Harborside rents

CLI guidance for FFO for 2014 indicates (30%) decline

CLI recently announced (50%) dividend reduction to "improve balance sheet and maintain flexibility"

CLI dividend reduction will enable additional capital to be applied to portfolio restructuring by divesting low return office properties, while investing in residential properties in target markets

CLI current annual dividend yield 2.8%, below midpoint of the range for Office REITs

CLI an Office REIT with a portfolio of office properties concentrated in NY and NJ

CLI we rank 4 SELL

CLI market cap \$2.2 billion

REIT Comment



Company:	Newcastle Investment
Price:	\$5
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,651
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/16/2014
NCT \$5

Newcastle Investment NCT stock traded UP \$0.18 per share to close UP +4% day

NCT stock traded DOWN (12%) year to date for 2014, underperforming Financial Commercial REITs, trading unchanged for 2014
NCT stock traded UP +47% during 2013 (adjusted for spin-off of New Residential NRZ)

NCT 2014 stock price decline reflects transfer of value in February 2014 spin-off of New Media Investment Group NEWM to shareholders of NCT

NCT announced pending spin-off of senior housing investments to new publicly traded REIT with NYSE listing, to be known as New Senior Investment Group SNR

NCT New Senior Investment Group will be externally managed by an affiliate of Fortress Investment Group LLC

NCT as of March 2014 portfolio included \$1.6 billion senior living investments

NCT targets \$400 million senior housing investments for 2014, with acquisitions under direction of James Flaherty, former CEO of HCP Inc HCP

NCT senior housing portfolio now 67% independent living, with the rest characterized as assisted living

NCT visibility of James Flaherty involvement with a new publicly traded Health Care REIT likely to generate high investor interest post-spin-off

NCT no guidance provided for GAAP EPS or core EPS for 2014

NCT provides current dividend yield of 7.9%

NCT a Financial Commercial REIT

NCT we rank 2 BUY

NCT market cap \$1.7 billion

REIT Comment



Company:	Rayonier
Price:	\$48
Recommendation:	SELL
Ranking:	5
Market Cap:	\$6,230
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/16/2014
RYN \$48

Rayonier RYN traded UP \$0.69 per share to close UP +1% day

RYN stock traded UP +15% year to date for 2014, outperforming Specialty REITs, trading UP +11% for 2014

RYN stock traded DOWN (19%) during 2013

RYN local press reports indicate leasing of new office space in Jacksonville FL will underline full separation of Rayonier RYN into 2 publicly traded companies

RYN pending distribution of Rayonier Advanced Materials RYAM to be effective June 27, 2014, with record date of June 18, 2014

RYN shareholders to receive 1 share of Rayonier Advanced Materials RYAM for 3 shares of RYN

RYN pending spin-off will detach majority of FFO from RYN, as Rayonier Asset Management RYAM contributed 41% of revenue and 60% of EBITDA for 2013

RYN pending spin-off of performance fibers business presents challenge of management transition, while enabling RYN shareholders to decide whether to hold or sell a related business facing a period of supply over-capacity

RYN provides current annual dividend yield of 4.1%

RYN a Specialty Timber REIT with a portfolio of timberlands, specialty fiber and wood products operations

RYN we rank 5 SELL

RYN market cap \$6.2 billion

REIT Comment



Company:	Digital Realty Trust
Price:	\$58
Recommendation:	BUY
Ranking:	1
Market Cap:	\$7,944
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/16/2014
DLR \$48

Digital Realty Trust DLR traded UP \$0.95 per share to close UP +2% day

DLR stock traded UP +8% year to date for 2014, underperforming Specialty REITs, trading UP +11% for 2014
DLR stock traded UP +2% during 2013

DLR in management transition, as current Interim CEO also serves as CFO, pending outcome of management search

DLR recent management comments at NAREIT investor conference noted signed leases at slightly improved rents in all locations

DLR guidance for FFO for 2014 indicates growth UP +3%

DLR stock price supported by current annual dividend yield of 5.8%

DLR the largest publicly traded Data Center REIT with a portfolio of turnkey data centers and office properties

DLR we rank 1 BUY

DLR market cap \$7.9 billion

REIT Comment



Company:	Plum Creek Timber
Price:	\$44
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$7,489
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/17/2014
PCL \$44

Plum Creek Timber PCL improvement in homebuilder confidence index indicates expectation that sales will improve during rest of 2014, although index still indicates more pessimism than optimism

PCL report from NAHB (National Association of Home Builders) showed builder confidence increased UP +4.0% to 49.0% for June 2014 from previous month

PCL comment from NAHB notes "consumers are still hesitant, and are waiting for clear signals of full-fledged economic recovery before making a home purchase"

PCL Specialty Timber REITs rely on construction of new homes to drive demand for lumber and building materials

PCL 2014 harvest volume to increase due to recent \$1.1 billion acquisition of timberlands and other assets from MeadWestvaco

PCL stock price supported by current annual dividend yield of 4.0%

PCL a Specialty Timber REIT with a portfolio of timberlands and sawlog mills

PCL we rank 3 HOLD

PCL market cap \$7.5 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	Duke Realty
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,862
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/17/2014
DRE \$18

Duke Realty DRE news of renewed growth in US factory production may support trading in stocks of Industrial REITs

DRE report from Federal Reserve found US factory production increased UP+0.6% for May 2014, improved from revised decline DOWN (0.1%) for April 2014

DRE higher factory output results from manufacturers adding to inventory in anticipation of higher sales

DRE Industrial REITs view manufacturing production as a leading indicator of demand for bulk distribution space, while retail sales and international freight shipments are coincident indicators

DRE guidance for core FFO for 2014 indicates growth UP +2%+7%, with same property NOI expected to increase UP +2.0%+4.0%

DRE continuing divestitures of non-strategic assets, including suburban office properties and medical office buildings

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

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

DRE we rank 2 BUY

DRE market cap \$5.9 billion

REIT Comment



Company:	Prologis Inc
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$20,609
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/17/2014
PLD \$41

Prologis Inc PLD news of lower forecast from IMF for US economy in tune with generally moderating expectations for 2014

PLD IMF reduced forecast of US GDP for 2014 to indicate growth UP +2.0% from previous forecast UP +2.7%

PLD IMF forecast for 2015 indicates US GDP growth to accelerate to UP +3.0%

PLD management sees consistent demand for bulk distribution space driven by growth in global trade, consumption and e-commerce

PLD guidance for FFO for 2014 indicates growth UP +7%--10%

PLD increased dividend distribution by 18% for 2014, bringing current yield to 3.2%

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

PLD we rank 2 BUY

PLD market cap \$20.6 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Weingarten Realty
Price:	\$32
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,919
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/17/2014
WRI \$32

Weingarten Realty WRI news of higher than expected CPI (consumer price index) may increase tenant sales at grocery anchored shopping centers

WRI report from BLS (Bureau of Labor Statistics of US Department of Labor) showed CPI UP +0.4% for May 2014, UP +2.1% from the previous year, while index for food at home increased UP +0.7% for May 2014, now showing increase UP +2.7% from previous year

WRI higher food prices often translate into higher than expected sales for grocery tenants

WRI higher tenant sales should enable more favorable lease negotiations

WRI consumer reaction to higher food costs is usually to prioritize purchases of necessities while limiting non-essential purchases

WRI some consumers react to higher food costs by buying larger sizes for volume discounts and stockpiling frequently purchased items in advance of additional price increases

WRI portfolio includes grocery tenants Kroger, Safeway, Publix and Whole Foods

WRI guidance for FFO for 2014 indicates growth UP +3%

WRI provides current annual dividend yield of 4.1%

WRI a Retail REIT with a diverse portfolio of grocery anchored shopping centers

WRI we rank 2 BUY

WRI market cap \$3.9 billion

REIT Comment



Company:	Realty Income
Price:	\$43
Recommendation:	BUY
Ranking:	2
Market Cap:	\$8,839
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:

06/17/2014

O \$43

O Realty Income O disparity between rate of inflation for food at home and food away from home may indicate consumers see more value to eating out

O report from BLS (Bureau of Labor Statistics of US Department of Labor) showed consumer price index CPI for food at home increased UP +0.7% for May 2014, now showing increase UP +2.7% from previous year, while consumer price index for food away from home increased UP +0.2% for May 2014 to show increase UP +2.2% from previous year

O fast food and restaurant chains are slow to increase menu prices to reflect higher food cost preferring to offer consumers good food value in order to gain market share

O restaurants account for 16% of rental revenue for O

O guidance for FFO for 2014 indicates growth UP +7%

O regular monthly dividends and consistent pattern of slight increases attract investors for total return

O stock price supported by current annual dividend yield of 5.0%

O a Specialty REIT with a portfolio of net leased properties to franchised and commercial tenants

O we rank 2 BUY

O market cap \$8.8 billion

REIT Comment



Company:	Ventas
Price:	\$63
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,728
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/17/2014
VTR \$63

Ventas VTR expects Affordable Care Act to drive health care service companies to divest assets, providing new growth opportunities for Health Care REITs

VTR mandated expansion of population with health care insurance will increase patient volume, requiring more employment and investment in systems

VTR management comments at NAREIT investor forum noted that acute care hospital chains may seek to divest legacy assets through sale-leaseback transactions with Health Care REITs, in order to preserve capital for needed capital spending on medical equipment and patient information systems

VTR acute care hospitals already seeing some increase in Medicaid admissions, while more private care admissions expected before the end of 2014

VTR medical office buildings now viewed as an "investable asset class" by private equity firms, with increasing interest in transactions for high quality medical office properties

VTR projects long term NOI growth UP +4% - +6% for senior housing assets, due to increasing demand from aging population in US and Canada

VTR management expects no major reimbursement adjustments impacting health care tenants in LTACs or other asset classes

VTR pending \$3.8 billion acquisitions of 2 diverse portfolios of health care assets to add \$225-\$230 million to NOI and \$0.10 per share to FFO for VTR

VTR guidance for FFO for 2014 indicates growth UP +6%

VTR provides current annual dividend yield of 4.6%

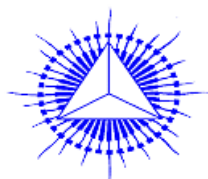
VTR a Health Care REIT with a diverse portfolio of health care properties

VTR we rank 2 BUY

VTR market cap \$18.7 billion

VTR an S&P 500 Index REIT

REIT Comment



Company:	Select Income REIT
Price:	\$29
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,419
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:

06/17/2014

SIR \$29

Select Income REIT SIR concentration of assets in Honolulu HI enables rental rate increases due to capacity shortage

SIR management comments at NAREIT investor forum noted rents on HI leases UP+25%-+50% on lease turnover during 2014

SIR management unwilling to expand HI portfolio via acquisition due to current compressed cap rates, so incremental acquisitions to be focused in continental US markets

SIR May 2014 equity offering raised \$290 million, supplemented by unused line of credit to enable up to \$690 million acquisitions in continental US

SIR potential conflict of interest with Sam Zell of Equity Group International new CEO of CWH, may arise over SIR leases at certain industrial properties in HI

SIR faces shareholder contention over recent management actions arising from proxy battle at CWH

SIR CommonWealth REIT CWH holdings of remaining 44% stake in SIR now reported under equity method of accounting by CWH

SIR decision over further divestiture of CWH holdings of SIR or potential tender for SIR may result from CWH restructuring, to be determined by new CWH management and board of Trustees

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

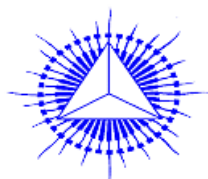
SIR provides current annual dividend yield to 6.7%

SIR an Industrial REIT with a portfolio concentrated in commercial properties in HI

SIR we rank 3 HOLD

SIR market cap \$1.4 billion

REIT Comment



Company:	American Tower
Price:	\$88
Recommendation:	BUY
Ranking:	2
Market Cap:	\$35,050
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:

06/17/2014

AMT \$88

American Tower AMT commitment to long term growth driven by rent escalators and wireless carrier investment to expand data services

AMT management comments at NAREIT investor conference reaffirmed management commitment to double FFO from 2012 to 2017

AMT powerful cash flow driven by 95%-97% recurring revenue from existing leases, with 3.5% annual rent escalators, supplemented by new rents UP +2.0% - +3.0% from tenant investment in carrier equipment

AMT acquisitions drive incremental growth, particularly for international markets

AMT network expansion still driving rapid growth in less developed international markets including Mexico, Brazil, South Africa and India, where large international wireless carriers (including America Movil in Mexico, MTN Group in Africa, Vodafone in India, and Telefonica in Latin America) have exceptional recurring cash flow due to subscriber revenues

AMT although US tower structure is mature, AMT expects wireless carrier outsourcing to make incremental tower acquisitions available in US

AMT discussed new Verizon investment in XLTE as providing potential incremental rents for AMT nodes serving AWS spectrum, where AMT US market share exceeds Crown Castle CC, unlike wireless towers US market share

AMT goal of Verizon XLTE is to broadcast events for wireless customers in dense urban areas without degradation of digital video

AMT key tenants include AT&T (representing 20% of total rents), Sprint 15%, Verizon 11%, T-Mobile 10%, other domestic carriers 10% and international 34%

AMT latest guidance for FFO for 2014 indicates growth UP +20%

AMT increased dividend by 6%, bringing current annual dividend yield to 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 \$35.1 billion

AMT an S&P 500 Index REIT

REIT Comment



Company:	New Residential Investment Corp
Price:	\$6
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,663
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/17/2014
NRZ \$6

New Residential Investment Corp NRZ announced special dividend of \$0.075 per share to be paid in July 2014

NRZ including regular quarterly dividend of \$0.175 per share, NRZ shareholders to receive total of \$0.25 per share for 2Q 2014

NRZ also paid special dividend of \$0.075 per share in January 2014

NRZ since spin-off from Newcastle Investment NCT, total dividend distributions for NRZ now \$0.92 per share, representing 13.3% total yield for trailing 12 months on original cost basis of \$6.89 per share

NRZ providing current annual dividend yield of 10.9% on regular quarterly distribution

NRZ a Financial Mortgage REIT

NRZ we rank 2 BUY

NRZ market cap \$1.7 billion

REIT Comment



Company:	HCP
Price:	\$40
Recommendation:	BUY
Ranking:	1
Market Cap:	\$18,713
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/17/2014
HCP \$40

HCP Inc HCP traded DOWN (\$0.66) per share to close DOWN (2%) day

HCP stock traded UP +11% year to date for 2014 underperforming Health Care REITs, trading UP +14% for 2014

HCP stock traded DOWN (20%) during 2013

HCP management comments at NAREIT conference noted approach to acquisitions more cautious than some others among Health Care REITs

HCP investors still concerned over change in management focus with departure of former CEO James Flaherty from board of directors

HCP guidance for FFO for 2014 indicates a FLAT year

HCP recently increased quarterly dividend by 4%, bringing current annual dividend yield to 5.4%

HCP a Health Care REIT with a diverse portfolio of health care and life science properties

HCP we rank 1 BUY

HCP market cap \$18.7 billion

HCP an S&P 500 Index REIT

REIT Comment



Company:	CYS Investments
Price:	\$9
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,468
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/17/2014
CYS \$9

CYS Investments CYS traded DOWN (\$0.13) per share to close DOWN (1%) day

CYS stock traded UP +23% year to date for 2014, outperforming Financial Mortgage REITs, trading UP +15% for 2014
CYS stock traded DOWN (37%) during 2013

CYS status quo for Fannie Mae FNMA and Freddie Mac FMCC now appears likely to continue through 2016 elections, with significant opposition to proposed reform

CYS stock now trading at discount of (6%) to current book value of \$9.68 per share as of 1Q 2014

CYS reduced portfolio size by (\$2.1) billion during 1Q 2014 to lower risk, while adding \$1.5 billion investment in US Treasury bonds, now representing 12% of total \$11.8 billion investment portfolio

CYS stock price supported by current annual dividend yield of 14.1%, 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 1 BUY

CYS market cap \$1.5 billion

REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$35
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,537
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/17/2014
LHO \$35

LaSalle Hotel Properties LHO traded UP \$0.66 per share to close UP +2% day

LHO stock traded UP +12% year to date for 2014, underperforming Hotel REITs, trading UP +15% for 2014

LHO stock traded UP +22% during 2013

LHO Hotel REITs face potential underperformance as a result of sudden spike in oil prices despite positive operating trends

LHO travel related stocks normally trade inversely to oil and gasoline prices

LHO guidance for FFO for 2014 indicates growth UP +4%

LHO recently increased dividend by 34%, bringing new yield to 4.3%, at the upper end of the range for Hotel REITs

LHO a Hotel REIT

LHO we rank 3 HOLD

LHO market cap \$3.5 billion

REIT Comment



Company:	Sunstone Hotel Investors
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,581
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/17/2014
SHO \$15

Sunstone Hotel Investors SHO traded UP\$0.21 per share to close UP +1% day

SHO stock traded UP +10% year to date for 2014, underperforming Hotel REITs, trading UP +15% for 2014

SHO stock traded UP +25% during 2013

SHO short term spike in oil prices may soon be corrected, ending negative influence on stock prices of Hotel REITs

SHO recent management comments noted group trends improving with total group bookings indicating revenues UP +6.5% for 2014

SHO guidance for FFO for 2014 indicates growth UP +25%

SHO as previously disclosed, SHO expects to increase dividend during 2014, for total distribution of \$0.50-\$0.60 per share, UP +150%+300% from current annual rate of only \$0.20 per share

SHO considering payment of increased dividend in combination of cash and stock

SHO current annual dividend yield 1.4%

SHO a Hotel REIT

SHO rank 2 BUY

SHO market cap \$2.6 billion

REIT Comment



Company:	AvalonBay Communities
Price:	\$140
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,178
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/18/2014
AVB \$140

AvalonBay Communities AVB faster portfolio expansion expected for 2014 and 2015 as a result of 2013 acquisition of Archstone portfolio

AVB management comments at NAREIT conference noted that exceptional long term track record of growth to be exceeded by expected growth for 2014 and 2015

AVB stock delivered more than 14% total return on average for last 15 years, with dividends UP +5.5% annually

AVB tight occupancy and rental growth of more than 4% supported by job growth UP +1.5% for AVB urban markets

AVB portfolio concentrated in east coast from Boston to DC and on west coast from Seattle to San Diego

AVB total apartment construction pipeline (now \$3.0 billion under construction) expected to increase portfolio capacity UP +1.0% for 2014, UP +1.6% for 2015, and less than UP +1.0% for 2016

AVB "shadow pipeline" of additional AVB properties in early stage development now \$3.5 billion, to be delivered from 2017-2020

AVB guidance for FFO for 2014 indicates growth UP +11%

AVB provides current annual dividend yield of 3.3%

AVB a Residential REIT with a portfolio of upscale apartment communities in east coast and west coast locations

AVB we rank 2 BUY

AVB market cap \$18.2 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	Public Storage
Price:	\$170
Recommendation:	BUY
Ranking:	2
Market Cap:	\$29,338
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/18/2014
PSA \$170

Public Storage PSA stability of cash flow supports consistent growth

PSA management comments at NAREIT conference noted focus on new development for portfolio expansion

PSA operates the largest self-storage properties, making few acquisition opportunities relevant for PSA portfolio

PSA targeting \$300-\$400 million new developments annually, for as many as 40 projects, each of \$6-\$8 million, projecting 7.5% stabilized yield after 3 years

PSA some large properties in urban areas achieve much quicker lease-up, with example of Gerard Ave property in Bronx, NY (a converted 12 story industrial building) with 4,000 units, already 73% occupied after less than 12 months

PSA although average length of stay is 38 months, 40% of customers leave within 4 months

PSA rents UP +4.2% for 1Q 2014, with occupancy of 93.2%, UP +1.0% from previous year

PSA funding property developments from \$250 million annual retained cash flow

PSA still prefers to concentrate equity offerings in preferred stock

PSA no guidance provided for FFO for 2014

PSA provides current dividend yield of 3.3% on common shares

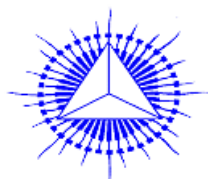
PSA a Specialty REIT with a portfolio of self-storage facilities in US and Europe

PSA we rank 3 HOLD

PSA market cap \$29.3 billion

PSA an S&P 500 Index REIT

REIT Comment



Company:	Extra Space Storage
Price:	\$53
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,057
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/18/2014
EXR \$53

Extra Space Storage EXR exceptional performance and FFO growth by SelfStorage REITs a result of demand growth and market response to Internet marketing

EXR management comments at NAREIT investor forum noted lack of new supply enables occupancy gains, with rental rate increases supported by industry leader Public Storage PS/

EXR FFO growth has exceeded UP +10% every quarter since 4Q 2010

EXR completed more than \$2 billion acquisitions from 2011 to 2014

EXR expects to acquire less than 90 properties during 2014, indicating \$1.0 billion potential 2014 acquisitions, starting with 1Q 2014 acquisitions totaling \$304 million for 26 properties

EXR power of Internet marketing visible in drawing a greater share of customers from more than 10 miles away from self-storage facilities

EXR challenge to fill 40,000 vacancies per month of 600,000 total portfolio units can only be addressed with successful Internet advertising and promotions

EXR Internet inquiries bring almost 100% customers new to EXR, with 52% of new customers as first time renters of self-storage space

EXR spending \$1 million per month on search advertising with Google, supported by live chat and toll free response centers for reservations

EXR now seeing more than 50% of Internet inquiries from mobile Internet devices, requiring new systems to tailor call center response to mobile device used

EXR increased guidance for FFO for 2014 to indicate growth UP +19%

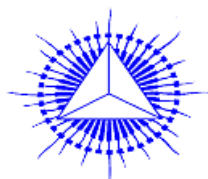
EXR providing annual yield of 3.6%

EXR a Specialty REIT with a portfolio of self-storage properties concentrated in east coast states

EXR we rank 2 BUY

EXR market cap \$6.1 billion

REIT Comment



Company:	Highwoods Properties
Price:	\$41
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,853
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/18/2014
HIW \$41

Highwoods Properties HIW sees positive outlook for rental rates with tight supply of Class A office space in southern growth markets

HIW management comments at NAREIT investor forum highlighted potential for stronger FFO growth for 2015, due to new developments and recent acquisitions

HIW rents on lease turnover for rest of 2014 should begin to show mark-to-market increase (compared to negative comparison for 1Q 2014), while 2015 may see rents UP +2%-+5% on cash basis

HIW new developments include \$110 million build-to-suit for Metlife in Raleigh NC, \$56 million build-to-suit for IP headquarters expansion in Memphis TN, and new \$36 million multi-tenant property in Raleigh NC

HIW recent acquisitions in Buckhead district of Atlanta GA showing strong lease-up, while property in Tampa FL now only 52% leased

HIW divested 90% of Winston Salem portfolio, while still adding to medical office and industrial properties in Greensboro NC

HIW government agencies now represent 7.7% of HIW rents, UP +28% from previous year

HIW guidance for FFO for 2014 indicates growth UP +4%, following FFO decline for 1Q 2014

HIW stock price supported by current annual dividend yield of 4.1%

HIW an Office REIT with a diverse portfolio of office, industrial and retail properties concentrated in southeastern states

HIW we rank 3 HOLD

HIW market cap \$3.9 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$11
Recommendation:	BUY
Ranking:	1
Market Cap:	\$11,430
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/18/2014
NLY \$11

Annaly Capital Management NLY lower mortgage application volume a disappointing signal for home sales

NLY report from MBA (Mortgage Bankers Association) found mortgage applications decreased DOWN (9.2%) for week ended June 13, 2014 from previous week

NLY mortgage applications for refinance decreased DOWN (13%), while mortgage applications for home purchase decreased DOWN (5%)

NLY mortgage applications for home purchase now DOWN (15%) from previous year

NLY mortgage refinance applications 52% of total mortgage application volume last week

NLY report from MBA (Mortgage Bankers Association) found average interest rate on 30 year fixed rate conforming mortgage UP +0.02% to 4.36%

NLY Financial Mortgage REITs benefit from higher mortgage volume, providing opportunities for portfolio repositioning

NLY stock price supported by current annual dividend yield of 10.5%, 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 1 BUY

NLY market cap \$11.4 billion

REIT Comment



Company:	Hatteras Financial
Price:	\$20
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,973
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/18/2014
HTS \$20

Hatteras Financial HTS Federal Reserve policy meeting to conclude today may cause flurry of activity in trading of Financial Mortgage REIT stocks

HTS Federal Reserve expected to announce no change to discount rate while reducing bond market purchases by (\$10) billion per month

HTS Federal Reserve prediction of US GDP growth at 3.0% for 2014 now appears optimistic, compared to World Bank projection of UP +2.1% growth and IMF forecast of UP +2.0% growth

HTS more important than GDP growth or bond repurchases will be Federal Reserve decision on disposition of Treasury bonds and agency RMBS already purchased now assumed to be held until maturity

HTS portfolios of agency RMBS held by Financial Mortgage REITs may see near term gains or losses determined by actions of Federal Reserve, while Federal Reserve "signals" likely to have greatest impact on stock prices of Financial Mortgage REITs

HTS stock now trading at discount of (7%) to current book value of \$21.81 per share as of March 2014

HTS stock price supported by current annual dividend yield of 9.9%, below the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 1 BUY

HTS market cap \$2.0 billion

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$26
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,150
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/18/2014
DFT \$26

DuPont Fabros Technology DFT traded DOWN (\$0.30) per share to close DOWN (1%) day

DFT stock traded UP +7% year to date for 2014, outperforming Specialty REITs, trading UP +11% for 2014

DFT stock traded UP +2% for 2013

DFT rally for technology stocks restores interest in Data Center REITs

DFT like other Data Center REITs seeing strong investor interest in rapid growth potential for mobile Internet connectivity, cloud services and big data applications

DFT 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 guidance for FFO for 2014 to indicate growth UP +28%

DFT now providing current annual dividend yield of 5.3%

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

DFT we rank 2 BUY

DFT market cap \$2.2 billion

REIT Comment



Company:	PREIT
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,253
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/18/2014
PEI \$18

PREIT PEI traded UP +\$0.56 per share to close UP +3% day

PEI stock traded DOWN (6%) year to date for 2014, underperforming Retail REITs, trading UP +8% for 2014

PEI stock traded UP +8% during 2013

PEI lower investor expectations for retail sales growth impacts trading in Retail REITs

PEI management expects FFO growth from pending acquisition of mall in VA as well as development of The Gallery in downtown Philadelphia

PEI provides current annual dividend yield of 4.5%

PEI a Retail REIT with a portfolio of regional malls in mid-Atlantic states

PEI we rank 2 BUY

PEI market cap \$1.3 billion

REIT Comment



Company:	Taubman Centers
Price:	\$76
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,570
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/18/2014
TCO \$76

Taubman Centers TCO traded UP \$1.83 per share to close UP +2% day

TCO stock traded UP +18% year to date for 2014, outperforming Retail REITs, trading UP +8% for 2014

TCO stock traded DOWN (19%) during 2013

TCO announced pending \$1.4 billion divestiture of 7 regional malls to Starwood Capital Group

TCO transaction expected to close during 4Q 2014

TCO regional malls to be divested include MacArthur Center in Norfolk VA, Stony Point Fashion Park in Richmond VA, Northlake Mall in Charlotte NC, The Mall at Wellington Green in Wellington FL, The Shops at Willow Bend in Plano TX, The Mall at Partridge Creek in Clinton Township MI and Fairlane Town Center in Dearborn MI

TCO expects to apply net cash proceeds of \$785 million to pay down debt

TCO expects divestiture to increase annualized tenant sales reported by remaining portfolio malls by more than \$100 from last year's level of \$721 per square foot, as well as increase rate of growth in net operating income

TCO prioritizing investment in new malls with greatest potential for sales growth

TCO investing \$3.0 billion in development pipeline to develop 6 properties in US, Puerto Rico and Asia, to add 5.6 million square feet of retail space, representing 16% portfolio capacity increment

TCO guidance for FFO for 2014 indicates growth UP +2%-+5%, impacted by (\$0.12) per share from divestitures of Arizona Mills in Tampa FL and International Plaza in Tempe AZ

TCO provides current annual dividend yield of 2.9%

TCO a Retail REIT with a portfolio of upscale regional malls

TCO we rank 2 BUY

TCO market cap \$11.6 billion

REIT Comment



Company:	Boston Properties
Price:	\$117
Recommendation:	SELL
Ranking:	4
Market Cap:	\$17,897
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/18/2014
BXP \$117

Boston Properties BXP traded UP \$1.96 per share to close UP +2% day

BXP stock traded UP +17% year to date for 2014, outperforming Office REITs, trading UP +15% for 2014

BXP stock traded DOWN (5%) during 2013

BXP embattled Office REITs face investor questions over layoffs among financial industry tenants as well as long term trend to use of less space per employee

BXP emphasizing new development, investing \$3.2 in development pipeline for 7 projects

BXP guidance range for FFO for 2014 indicates growth UP +7%-+9%

BXP provides current annual dividend yield of 2.2%

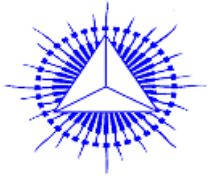
BXP an Office REIT with a portfolio of upscale office properties in NY, Boston, DC and San Francisco

BXP we rank 4 SELL

BXP market cap \$17.9 billion

BXP an S&P 500 Index REIT

REIT Comment



Company:	Equity Residential
Price:	\$62
Recommendation:	BUY
Ranking:	2
Market Cap:	\$23,264
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/19/2014
EQR \$62

Equity Residential EQR decline for new unemployment claims signals positive employment trends supporting Residential REITs

EQR Labor Department reported new claims for unemployment decreased DOWN(6,000) to 312,000 for week ended June 14, 2014 from revised number for previous week

EQR more stable 4 week moving average of new unemployment claims also decreased DOWN (3,750) to 311,750 from revised number for previous week

EQR Labor Department report indicates total insured unemployment rate at lowest level since November 3, 2007

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 guidance for FFO for 2014 indicates growth UP +6%--+10% for 2014

EQR provides current annual dividend yield of 3.2%

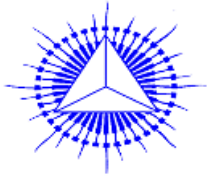
EQR the largest publicly traded Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$23.3 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	EdR
Price:	\$10
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,208
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/19/2014
EDR \$10

EdR EDR priced offering of 21.3 million shares at \$10.20 per share

EDR offering priced at discount of (2%) to last night's closing price

EDR offering size increased from previous 19.8 million shares

EDR expected net proceeds of \$208 million to be applied to fund acquisitions and to repay debt

EDR joint bookrunning managers BofA Merrill Lynch, KeyBanc and RBC
EDR senior co-managers Baird, JP Morgan and PNC
EDR co-managers Sandler O'Neill and Piper Jaffray

EDR June 2014 offering to increase total shares outstanding by 18%

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

EDR a Specialty REIT with a portfolio of educational housing communities

EDR we rank 3 HOLD

EDR market cap \$1.2 billion

REIT Comment



Company:	Simon Property Group
Price:	\$167
Recommendation:	BUY
Ranking:	2
Market Cap:	\$60,349
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/19/2014
SPG \$167

Simon Property Group SPG management transition continues with appointment of new CFO

SPG current CFO Stephen E Sterrett to retire in early 2015, to be replaced by Andrew Juster, 62, currently Treasurer of SPG

SPG separation of Washington Prime Group WPG in May 2014 spin-off brought additional responsibilities for Richard S Sokolov, serving as Chairman of the Board of Washington Prime Group WPG, as well as Chief Operating Officer of SPG

SPG current CEO David Simon also serves on the board of Washington Prime Group WPG

SPG recent spin-off of Washington Prime Group WPG will reveal both higher tenant sales and improved sales trends for remaining regional malls in SPG portfolio

SPG expects to maintain dividend at current rate following recent spin-off of Washington Prime Group WPG

SPG recent 4% quarterly dividend increase brings current annual dividend yield to 3.1%

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 \$60.3 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Washington Prime Group
Price:	\$20
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,574
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/19/2014
WPG \$20

Washington Prime Group WPG announced \$246 million acquisition of joint venture interests, with closings expected to be completed during 2Q 2014, immediately accelerating FFO

WPG to increase ownership of 7 properties from 42% to 100% of 4 shopping centers and 88.3% of remaining shopping centers

WPG also announced acquisition of 50% interest in Clay Terrace in Carmel IN for \$80 million, including debt

WPG transactions for joint venture interests to be immediately accretive to FFO

WPG initial guidance for FFO for 2014 indicates current annual FFO rate of \$1.08 per share

WPG status as separate publicly traded Retail REIT enables WPG to find new sources of capital and address portfolio expansion through developments renovations and acquisitions

WPG portfolio of strip shopping centers and smaller regional malls to benefit from higher investment than under previous management at SPG

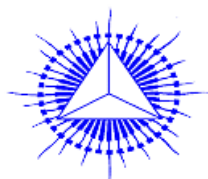
WPG dividend policy has not yet been confirmed by board of directors although expectation of initial \$0.50 per share annual dividend indicates current annual dividend yield of 2.5%

WPG a Retail REIT with a portfolio of strip shopping centers and smaller regional malls

WPG we rank 3 HOLD

WPG market cap \$3.6 billion

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$26
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,150
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:

06/19/2014

DFT \$26

DuPont Fabros Technology DFT new Fire Phone smartphone introduced by Amazon.com AMZN heats up competition for consumer attention for mobile Internet devices

view the Fire Phone video demo with this link

http://www.amazon.com/dp/product/B00EOE0WKQ/ref=km_al528zFARjipy8BylKWckQ==?tag=googhydr-20&kw=%2Bamazon%20%2Bfire%20%2Bphone

visit the Jeff Bezos presentation of Fire Phone with this link

(best section on Firefly app starts at minute 26 of 51 minute video)

<http://www.endgadget.com/2014.06/18/amazon-fire-phone-reveal-video/>

DFT Amazon.com AMZN seeking to lock in relationships with Amazon Prime customers (frequent shoppers who pay a flat annual fee of \$99 for 2 day shipping) and dedicated users of Amazon Kindle e-readers

DFT new Fire Phone smartphone offers easy browsing and unique features including dynamic perspective with holographic 3-D views similar to video game consoles, free unlimited photo storage on Amazon cloud, video streaming and innovative Firefly app to match users photos and recordings of desired products with comparable product offerings on Amazon.com

DFT choice of AT&T as exclusive vendor of Fire Phone continues exclusive wireless carrier status for Amazon Kindle e-readers and Fire tablets

DFT pricing of Amazon Fire Phone is comparable to Apple iPhone also offered by AT&T

DFT Amazon.com AMZN already important to DFT as a vendor of cloud services through wholesale data center tenant AboveNet

DFT increased guidance for FFO for 2014 indicates growth UP +28%

DFT now providing current annual dividend yield of 5.3%

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

DFT we rank 2 BUY

DFT market cap \$2.2 billion

REIT Comment



Company:	Health Care REIT
Price:	\$62
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,063
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/19/2014
HCN \$63

Health Care REIT HCN traded UP \$0.94 per share to close UP +2% day

HCN stock traded UP +16% year to date for 2014, outperforming Health Care REITs, trading UP +14% for 2014
HCN stock traded DOWN (13%) during 2013

HCN importance of international focus increased by appointment of John Goodey as SVP-International, to be based in London office, seeking new UK acquisitions for HCN

HCN portfolio now includes international exposure, with US representing 88% of portfolio, UK 7% and Canada 5%

HCN recently increased guidance for FFO for 2014 to indicate growth UP +8%

HCN providing current annual dividend yield of 5.1%

HCN a Health Care REIT with a diverse portfolio of health care and life science properties

HCN we rank 2 BUY

HCN market cap \$18.1 billion

HCN an S&P 500 Index REIT

REIT Comment



Company:	Ventas
Price:	\$63
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,646
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/19/2014
VTR \$63

Ventas VTR traded UP \$1.19 per share to close UP +2% day

VTR stock traded UP +10% year to date for 2014, underperforming Health Care REITs, trading UP +14% for 2014

VTR stock traded DOWN (11%) during 2013

VTR recent management comments highlight importance of Affordable Care Act driving health care service companies to divest assets, providing new growth opportunities for Health Care REITs

VTR pending \$3.8 billion acquisitions of 2 diverse portfolios of health care assets to add \$225-\$230 million to NOI and \$0.10 per share to FFO for VTR

VTR guidance for FFO for 2014 indicates growth UP +6%

VTR provides current annual dividend yield of 4.6%

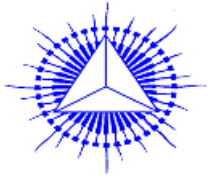
VTR a Health Care REIT with a diverse portfolio of health care properties

VTR we rank 2 BUY

VTR market cap \$18.6 billion

VTR an S&P 500 Index REIT

REIT Comment



Company:	QTS Realty Trust
Price:	\$28
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,044
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/19/2014
QTS \$29

QTS Realty Trust QTS traded UP \$0.73 per share to close UP +3% day

QTS stock traded UP +14% year to date for 2014, outperforming Specialty REITs, trading UP +11% for 2014

QTS stock traded UP +8% for 2013

QTS like other Data Center REITs seeing strong investor interest in rapid growth potential for mobile Internet connectivity, cloud services and big data applications

QTS opportunity to provide cloud services to federal agency tenants may provide significant long term growth

QTS guidance for FFO for 2014 indicates growth UP +40%

QTS increased dividend distribution by 21%, now providing annual dividend yield of 4.1%

QTS a Specialty Data Center REIT with a portfolio of data centers leased to corporate telecom and government tenants

QTS we rank 2 BUY

QTS market cap \$1.0 billion

REIT Comment



Company:	EdR
Price:	\$10
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,208
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/19/2014
EDR !11

EdR EDR traded UP \$0.23 per share to close UP +2% day

EDR stock traded UP +18% year to date for 2014, outperforming Specialty REITs, trading UP +11% for 2014

EDR stock traded DOWN (17%) during 2013

EDR pre-leasing for 2014/2015 academic year progressing, now at 80%

EDR construction of new near campus student housing projects to add 5% annually to portfolio capacity

EDR management making bullish comments on potential for on-campus housing, not a traditional market for Specialty Educational REITs

EDR guidance for FFO for 2014 indicates growth in broad range UP +13%-+24%

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

EDR a Specialty Educational REIT with a portfolio of educational housing communities

EDR we rank 3 HOLD

EDR market cap \$1.2 billion

REIT Comment



Company:	Digital Realty Trust
Price:	\$58
Recommendation:	BUY
Ranking:	1
Market Cap:	\$7,973
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/20/2014
DLR \$58

Digital Realty Trust DLR news of higher cloud software sales from Oracle ORCL highlights increased corporate spending on cloud software and cloud services

DLR Oracle ORCL reported total cloud software and service sales now at annual rate of \$2.0 billion

DLR growth in ClaaS (Cloud as a Service) and PaaS (Platform as a Service) UP +25% and ClaaS (Cloud Infrastructure as a Service) UP 13% (compared to 0% growth for Oracle new software licenses for 4Q FY 2014, ended May 2014) indicates shifting corporate preference to purchase cloud services provided through data centers, instead of purchasing software license for in-house cloud applications development

DLR Data Center REITs compete with cloud software and service vendors including Oracle, IBM and SAP, to deliver cloud applications through data centers to corporate and government customers

DLR recent management comments noted now "sold out of inventory" in key markets including northern VA, Phoenix and Silicon Valley CA, while international locations in Singapore and Hong Kong will need new capacity soon

DLR guidance for FFO for 2014 indicates growth UP +3%

DLR stock price supported by current annual dividend yield of 5.8%

DLR the largest publicly traded Data Center REIT with a portfolio of turnkey data centers and office properties

DLR we rank 1 BUY

DLR market cap \$8.0 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$12
Recommendation:	BUY
Ranking:	1
Market Cap:	\$10,917
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/20/2014
NLY \$12

Annaly Capital Management NLY reduction to forecasts for US home sales indicates lower confidence in housing sector

NLY forecast from MBA (Mortgage Bankers Association) for total new and existing home sales reduced by (4.1%) to 5.38 million for 2014, indicating expectation for annual decline in total home sales

NLY similar forecast from Freddie Mac FRE this week indicated total US home sales expected to decline by (1.8%) from previous year to 5.4 million homes for 2014

NLY lower confidence in housing sector may result from higher home prices presenting affordability challenge to home buyers, as well as slight increase in interest rates and higher inventory of homes available for sale delaying purchase decisions

NLY lower home sales already visible in lower mortgage application volume with mortgage applications for home purchase now DOWN (15%) from previous year, according to MBA

NLY Financial Mortgage REITs benefit from higher mortgage volume, providing opportunities for portfolio repositioning

NLY status quo for Fannie Mae and Freddie Mac now appears likely to continue beyond 2016 Presidential election

NLY continued quarterly dividend distribution at \$0.30 per share for 2Q 2014

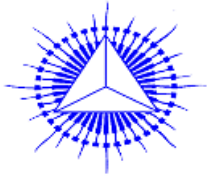
NLY stock price supported by current annual dividend yield of 10.4%, slightly above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 1 BUY

NLY market cap \$10.9 billion

REIT Comment



Company:	Hospitality Properties Trust
Price:	\$30
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,431
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/20/2014
HPT \$30

Hospitality Properties Trust HPT nearing completion of renovation program expected to deliver improved profitability

HPT portfolio of 292 hotels and 197 travel centers concentrated at higher end of highway hotel segment

HPT portfolio hotel brands include Marriott International, InterContinental, Hyatt, Wyndham, Carlson and Morgans hotels, while all travel centers operated by TravelCenters of America TA (contributing 33% of total HPT rental revenue)

HPT portfolio of highway hotels and travel centers normally sees higher occupancy and ancillary sales during summer months due to motorist vacations

HPT contracts with hotel brands require minimum rents and provide HPT with upside when performance targets are reached

HPT investment in hotel renovations to peak at \$130 million for 2014, with 30 hotels to complete renovations during 3Q 2014, while only \$35 million renovations budgeted for 2015, when remaining 15 hotels to be completed

HPT expects significant improvement on renovation of Sonesta hotels with Sonesta Resort hotel at Hilton Head Island showing good occupancy gain after completion of renovation

HPT now seeing CMBS financing available for hotels at 4.0%-4.25% interest with 75% LTV ratio

HPT no guidance provided for normalized FFO for 2014

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

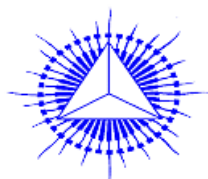
HPT stock price supported by current annual dividend yield of 6.6%

HPT a Hotel REIT with a portfolio concentrated in highway hotels and travel centers

HPT we rank 2 BUY

HPT market cap \$4.4 billion

REIT Comment



Company:	EdR
Price:	\$10
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,208
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/20/2014
EDR \$10

Edr EDR long term demand for student housing supports growth for Specialty Educational REITs

EDR management comments at NAREIT investor conference highlighted balance of supply and demand for student housing

EDR forecasts total student housing unit supply to increase UP+1.8% for 2014 and UP +1.4% for 2015, with total college and university enrollment projected to increase UF +1.4% for 2014 and 2015

EDR management projects same property revenues to increase UP+3%-+4% for academic year 2014-2015, compared to UP +5% for previous academic year

EDR currently expects to deliver newly constructed student housing of\$300 million for 2014, \$120 million for 2015 and \$100 million for 2016

EDR sees significant long term potential for on-campus housing, not a traditional market for Specialty Educational REITs, as universities address need to update legacy on-campus housing

EDR expects to own 8,000 on-campus beds by 2016, most at University of KY

EDR guidance for FFO for 2014 indicates growth in broad range UP +13%-+24%

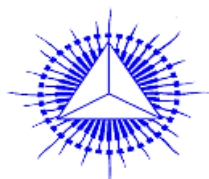
EDR stock price supported by current annual dividend yield of4.2%

EDR a Specialty Educational REIT with a portfolio of educational housing communities

EDR we rank 3 HOLD

EDR market cap \$1.2 billion

REIT Comment



Company:	PREIT
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,253
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/20/2014
PEI \$18

PREIT PEI portfolio restructuring to drive FFO growth

PEI management comments at recent NAREIT investor forum noted potential impact of new upscale retail developments to improve profitability and rate of NOI growth

PEI seeking to maximize shareholder value by divesting renovating and remerchandising less productive retail centers, while concentrating investment in regional malls offering highest potential for tenant sales

PEI expects to divest 3 malls during 2014, including South Mall in Allentown PA, expected to close during June 2014

PEI pending \$465 million acquisition of Springfield Town Center in VA from Vornado Realty Trust VNO adds a new upscale regional mall to PEI portfolio, expected to generate more than \$525 in tenant sales per square foot in first year after September 2014 opening

PEI Vornado Realty Trust VNO to be paid additional consideration of 50% of stabilized value over purchase price after 3 years, using 5.5X cap rate

PEI Springfield Town Center now 75% leased, triggering timing of pending purchase

PEI management also excited about potential for The Gallery in downtown Philadelphia with opening of anchor tenant Century 21 scheduled for October 2014

PEI seeking to close gap between current stock price of \$18 per share and consensus NAV (net asset value) of \$25-\$26 per share

PEI announced lower FFO for 1Q 2014, down (9%) due to lower same property NOI and dilution from recent share offering

PEI guidance for FFO for 2014 indicates growth UP +6%

PEI provides current annual dividend yield of 4.5%

PEI a Retail REIT with a portfolio of regional malls in mid-Atlantic states

PEI we rank 2 BUY

PEI market cap \$1.3 billion

REIT Comment



Company:	Newcastle Investment
Price:	\$5
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,710
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/20/2014
NCT \$5

Newcastle Investment NCT traded DOWN (\$0.13) per share to close DOWN (3%) day

NCT stock traded DOWN (18%) year to date for 2014, underperforming Financial Commercial REITs, trading unchanged for 2014
NCT stock traded UP +47% during 2014

NCT 2014 stock price decline reflects transfer of value in February 2014 spin-off of New Media Investment Group NEWM to shareholders of NCT

NCT announced pending spin-off of senior housing investments to new publicly traded REIT with NYSE listing, to be known as New Senior Investment Group SNR

NCT senior housing portfolio now 67% independent living, with the rest characterized as assisted living

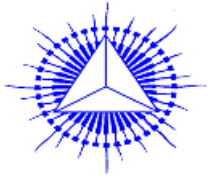
NCT provides current dividend yield of 8.5%

NCT a Financial Commercial REIT

NCT we rank 2 BUY

NCT market cap \$1.7 billion

REIT Comment



Company:	Medical Properties Trust
Price:	\$13
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,190
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/20/2014
MPW \$13

Medical Properties Trust MPW traded UP \$0.37 per share to close UP +3% day

MPW stock traded UP +9% during 2014, underperforming Health Care REITs, trading UP +14%
MPW stock traded UP +2% during 2013

MPW Health Care REITs positioned to acquire legacy assets, to be divested by health care service providers and network operators in bid to invest in expansion to meet higher patient demand under Affordable Care Act

MPW portfolio driven by significant acquisitions, with target of \$500 million acquisitions during 2014

MPW guidance for FFO for 2014 indicates growth UP +15%

MPW stock price supported by current yield of 6.3%

MPW a Health Care REIT with a portfolio of acute care and specialty hospitals

MPW we rank 2 BUY

MPW market cap \$2.2 billion

REIT Comment



Company:	Strategic Hotels & Resorts
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,481
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/20/2014
BEE \$12

Strategic Hotels & Resorts BEE traded UP \$0.28 per share to close UP +2% day

BEE stock traded UP +25% year to date for 2014, outperforming Hotel REITs, trading UP +15% for 2014

BEE stock traded UP +48% during 2013

BEE acquisition of joint venture interest in Fairmont Scottsdale Princess appears particularly well timed in light of growth in group bookings, particularly in western US

BEE management indicated group nights UP +5.8% year to date for 2014, with group average room rates UP +2.5%

BEE has not yet restored common stock dividends

BEE a Hotel REIT with a portfolio of upscale and resort hotels in US Europe and Mexico

BEE we recently UPGRADED rank to 2 BUY

BEE market cap \$2.5 billion

REIT Comment



Company:	CyrusOne
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,573
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/20/2014
CONE \$24

CyrusOne CONE traded UP \$0.60 per share to close UP +3% day

CONE stock traded UP +8% year to date for 2014, underperforming Specialty REITs, trading UP +11% for 2014

CONE stock traded UP +5% for 2013, as investors await disposition of Cincinnati Bell 67% ownership stake

CONE results reported by Oracle ORCL show importance of shift to purchase of CLaaS(Cloud as a Service) as corporations seek to rely on data center operators instead of in-house development of cloud applications

CONE strategy focused on taking over entire data center investment and applications for Fortune 1000 companies on outsourced basis, while most other Data Center REITs focus on colocation and cloud services limited to only a few applications

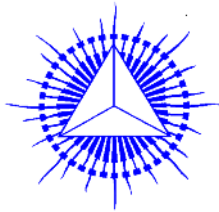
CONE concentration of one third of rental revenue in oil service customers another differentiating factor

CONE recently increased dividend by 31% for 2014, bringing current annual dividend yield to 3.5%

CONE a Specialty Data Center REIT with a portfolio of data centers primarily providing colocation services to corporate customers

CONE we rank 2 BUY

CONE market cap \$1.6 billion



REIT Growth and Income Monitor posted 49 REIT comments for the week ended June 20, 2014. Comments were issued on REITs in the following sectors:

Financial REITs	7
Health Care REITs	5
Hotel REITs	4
Industrial REITs	3
Office REITs	4
Residential REITs	2
Retail REITs	7
Specialty REITs	17

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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