

REIT Growth and Income Monitor

Weekly Comments 08/20/2013

REIT stocks tumbled on concern over higher interest rates, now down (3%) year to date for 2013, as negative performance gap expanded to (19%).

Health Care REITs traded down, offering exceptional yield opportunity for investors.

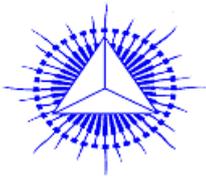
HCP offers investors steady income and rental growth from diversified portfolio of health care and life science properties.

Financial strength and proven track record of acquisitions should enable Ventas to make creative investments as health care industry consolidates.

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

REIT Weekly Comments, as well as REIT Growth and Income Monitor, REITMonitor.net and associated REIT reports, are products of Atlantis Investment. Research involves analysis of fundamental issues and discussion of critical variables that will determine stock price performance. Particular attention is paid to potential negative trends in business or in a company's accounting practices. BUY, SELL, and HOLD recommendations are provided with a ranking system of 1 to 5. Assignment of a 1 rank indicates expected stock price appreciation of 50% within 18 months, a 2 indicates expected stock price appreciation of more than 25%, a 3 indicates stock price performance in line with the market, a 4 indicates an expected stock price decline of more than 15%, and a 5 indicates expected stock price decline of more than 25%.

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**Weekly REIT Comments**
08/20/2013

REIT stocks tumbled lower, trading down (6%) for the week ended August 16, 2013. REIT stocks are now down (3%) year to date for 2013, far behind performance of the S&P 500 Index, up 16%, as negative performance gap expanded to (19%) year to date for 2013. This dramatic underperformance gap is the worst 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 now only 3% for 2013, trailing 16% gain for the S&P 500 Index.

Tenants of Health Care REITs will be impacted by Medicare sequestration during 2013, pending positive impact of the Affordable Care Act in later years. Hotel REITs trade inversely to gasoline prices, while better than expected FFO growth restores confidence. Industrial REITs are gaining occupancy, while their stocks trade in line with economic indicators. Residential REITs expect exceptional FFO growth to continue through 2013, driven by tight occupancy and rental rate increases. Specialty Timber REITs, with portfolios of timberlands and sawlog mills, benefit from improving environment for homebuilders. Performance of Retail REITs is impacted by slowing tenant sales growth, although rental rate increase sustains long term FFO growth. Investors are leery of 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, to be debated during 4Q 2013. 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 14 REITs in the S&P 500 Index are actually invested in financial assets. Dividends continue to move higher during 2013. As dividend payers, REITs may be viewed as income stocks, attracting investors in need of both consistent income and growth.

Health Care REITs Offer High Yields as Investors Ponder Impact of Continued Medicare Sequestration

Investors have reacted to the threat of continued Medicare sequestration by allowing Health Care REITs to trade down to a point where higher yields make these stocks exceptionally attractive. Since April, 2013, CMS has instructed payment processors to withhold 2% of all Medicare reimbursement "across the board", impacting all medical procedures, office visits, home care, hospital and pharmacy charges. As Congress has failed to pass a budget for FY 2014, a short term extension of current spending appears most probable, including continued sequestration for Medicare and other federal programs. This Medicare funding reduction is not expected to be recouped at a later time, preempting any further action by CMS. Tenants of Health Care REITs must struggle to control their expenses in line with this Medicare revenue reduction. Investors should note that Health Care REITs should see no interruption of rental payments as a result of Medicare sequestration, although coverage ratios for tenant payments will decline. Longer term trends for Health Care REITs remain favorable, due to powerful demographic trends, as well as pending provisions of the Affordable Care Act, expected to add significantly to the insured population from 2014 to 2017.

Investors should act now to add positions in Health Care REITs for both growth and income purposes. Large cap Health Care REITs include **HCP**, **Health Care REIT**, and **Ventas** (all 3 included in the S&P 500 Index). Smaller cap Health Care REITs with positive growth outlook include **Healthcare Realty Trust** (with portfolio concentrated in medical office buildings), **Medical Properties Trust** (with a portfolio of specialty hospitals), and **Omega Healthcare Investors** (with a portfolio of skilled nursing and senior housing properties). Other Health Care REITs that may attract value oriented investors include **LTC Properties**, **National Health Investors** and **Senior Housing Properties Trust**.

Trading Opportunities

HCP Inc., with market cap of \$18 billion, underperformed other Health Care REITs, trading down (13%) year to date for 2013, following gain of 17% for 2012. A well diversified Health Care REIT, **HCP** owns senior living and assisted living properties, as well as hospitals, medical office buildings and life science research facilities. FFO for 2Q 2013 increased 4%. Guidance for FFO for 2013 indicates 6%-9% growth. **HCP** increased dividends 6% during 2013 (for the third year of dividend increase), now providing 5.3% yield for income investors, with 24% of total dividends for 2012 untaxed as return of capital.

Ventas, with market cap of \$17 billion, also underperformed with other Health Care REITs, trading down (8%) year to date for 2013, following increase of 9% for 2012. **Ventas** owns senior living and assisted living properties in US and Canada, as well as specialty and acute care hospitals, skilled nursing properties, and medical office buildings. **Ventas** has also invested in financial assets, including mortgages on health care facilities. Portfolio expansion for **Ventas** has been driven by acquisition. Normalized FFO increased 6% for 2Q 2013, exceeding expectations. Guidance for normalized FFO for 2013 indicates potential for 7%-8% FFO growth. **Ventas** increased dividends 8% for 2013 (for the fourth year of higher dividends), now providing 4.5% yield for income investors.

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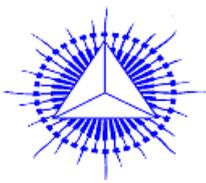
Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITS:		Price	Price	Price	Price	Price	Weekly	2013
		12/31/2012	07/26/2013	08/02/2013	08/09/2013	08/16/2013	Price Change	Price Change
American Tower Corp	AMT	\$77	\$73	\$71	\$70	\$69	-2%	-11%
Apartment Investment and Management	AIM	\$27	\$31	\$29	\$29	\$28	-5%	2%
AvalonBay Communities	AVB	\$136	\$139	\$134	\$133	\$123	-8%	-9%
Boston Properties	BXP	\$106	\$110	\$104	\$105	\$99	-5%	-6%
Equity Residential	EQR	\$57	\$58	\$55	\$54	\$51	-7%	-11%
HCP Inc.	HCP	\$45	\$45	\$43	\$42	\$39	-7%	-13%
Health Care REIT	HCN	\$61	\$66	\$63	\$64	\$59	-8%	-4%
Host Hotels & Resorts	HST	\$16	\$18	\$19	\$18	\$17	-7%	5%
Kimco Realty	KIM	\$19	\$23	\$23	\$22	\$21	-7%	6%
Macerich	MAC	\$58	\$64	\$62	\$62	\$57	-8%	-3%
Plum Creek Timber	PCL	\$44	\$49	\$48	\$48	\$45	-7%	0%
Prologis, Inc	PLD	\$36	\$40	\$38	\$38	\$35	-8%	-4%
Public Storage	PSA	\$145	\$161	\$161	\$163	\$154	-6%	6%
Simon Property Group	SPG	\$158	\$165	\$158	\$158	\$145	-8%	-8%
Ventas	VTR	\$65	\$68	\$65	\$65	\$60	-8%	-8%
Vornado Realty Trust	VNO	\$80	\$88	\$83	\$85	\$81	-4%	2%
Weyerhaeuser	WY	\$28	\$29	\$28	\$28	\$27	-3%	-2%
S&P 500 Index	S&P 500	\$1,426	\$1,692	\$1,710	\$1,697	\$1,656	-2%	16%
Average for S&P 500 Index REITs							-6%	-3%

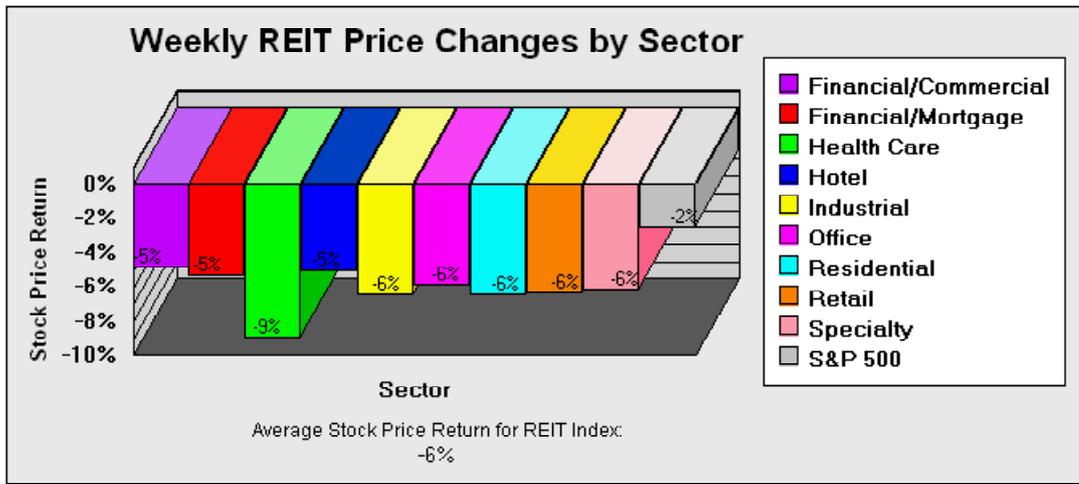
REIT stocks experienced a dramatic drop, trading down (6%) for the second full trading week of August, the week ended August 16, 2013. REITs underperformed the S&P 500 Index, trading down (2%) for the week. REITs now show decline of (3%) year to date for 2013, trailing performance of the S&P 500 Index, now up 16% for 2013. Negative performance gap expanded to (19%), as REIT underperformance continues. This dramatic performance gap represents the worst underperformance for REITs 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 16% gain for the S&P 500 Index, while 6 REITs are up less than the S&P 500 Index. A total of 11 of the S&P 500 REITs REIT traded down year to date for 2013. Leading performers among REITs are **Kimco Realty** and **Public Storage**, both up 6%, followed by **Host Hotels & Resorts**, up 5% for 2013, all underperforming the S&P 500 Index. Specialty Timber REITs **Plum Creek Timber**, now unchanged, and **Weyerhaeuser**, now down (2%), indicate uncertainty over further improvement for US housing sector, due to negative impact of higher mortgage interest rates. Gains previously achieved by Health Care REITs eroded, with **HCP** now down (13%), while **Health Care REIT** is down (4%) and **Ventas** is down (8%) for 2013. Retail REITs **Macerich**, down (3%), and **Simon Property Group**, now down (8%) for 2013, demonstrate disappointment over lower tenant sales trends, although rental rate increases still support long term FFO growth. Lagging Residential REITs include **Apartment Investment and Management**, now up only 2%, **AvalonBay Communities** down (9%), and **Equity Residential**, down (11%) as investors consider eventual impact of multifamily housing starts on occupancy for Residential REITs. Office REITs also lag, with **Boston Properties**, down (6%), and **Vornado Realty Trust**, up 2%, as rental rates decline in most urban areas. Economically sensitive Industrial REIT **Prologis Inc** now shows decline of (4%) for 2013. **American Tower Corp**, a newcomer to REIT status, traded down (11%) year to date for 2013.

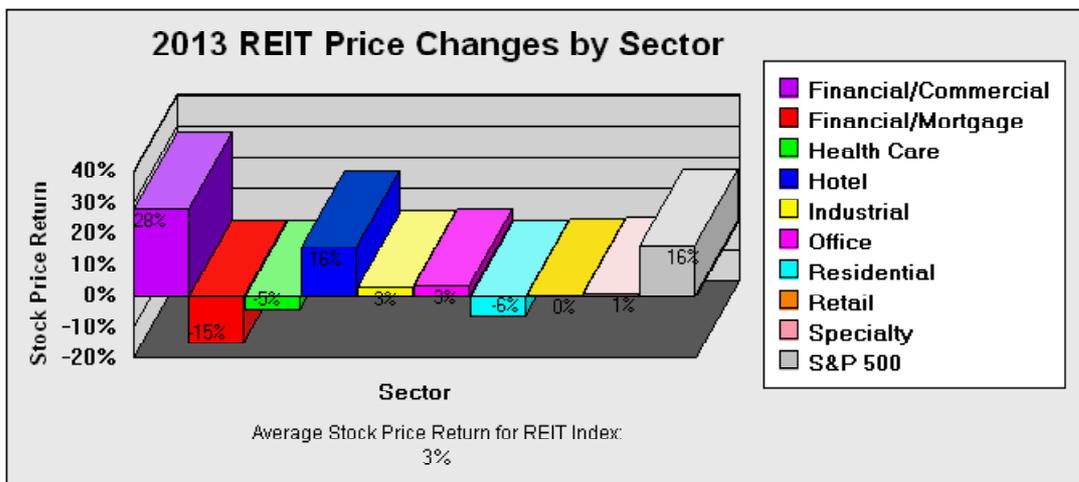
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Weekly REIT Price Changes by Sector

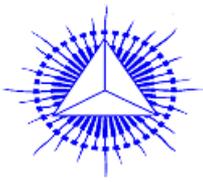


All REIT sectors showed sudden and sustained decline during the second full trading week of August, the week ended August 16, 2013. Best performance was demonstrated by Financial Commercial REITs, Financial Mortgage REITs and Hotel REITs, all down (5%). Industrial REITs and Office REITs decreased (6%), as did Residential REITs, Retail REITs and Specialty REITs. Worst sector performance was shown by Health Care REITs, trading down (9%) On average, stock prices for REIT Growth and Income Monitor traded down (6%) during the week ended August 16, 2013.



Stock market correction caused prices for REITs followed by REIT Growth and Income Monitor to show gain of only 3% on average year to date for 2013, far behind performance of the S&P 500 Index, now up 16% 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 expectations due to currency exposure and variable international economies. Leading sector for 2013 is Financial Commercial REITs, up 28%, as investor interest in non-agency securities revives. Hotel REITs show 16% gain, as investors see better than expected FFO growth during 2013, offset by concerns over volatile oil prices. Industrial REITs show 3% year to date gain for 2013, together with Office REITs, also up 3%. Specialty REITs are up only 1%, while Retail REITs are unchanged. Health Care REITs now show decline of (5%), with expectation for positive impact of the Affordable Care Act partially offset by fear of Medicare sequestration. Residential REITs now show decline of (6%) year to date for 2013, although guidance indicates continued rapid FFO growth through 2013 and into 2014. Lagging Financial Mortgage REITs show loss of (15%), as investors prepare for pending Fannie Mae reform to be considered by Congress

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REIT Comment



Company:	Prologis Inc
Price:	\$38
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,276
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
08/12/2013
PLD \$38

Prologis Inc PLD exposure to Japan and other Asian markets should be viewed as positive by investors, despite news of slower GDP growth for Japan

PLD report from Cabinet Office in Tokyo found Japan GDP increased UP+2.6% for 2Q 2013, showing deceleration from revised increase UP +3.8% for 1Q 2013

PLD noted on 2Q 2013 conference call that strong consumer spending trends in Japan support positive returns on investment in bulk distribution vehicles

PLD following \$800 million secondary offering of PLD J-REIT during 2013, PLD positioned to invest new funds in development projects in Japan

PLD Japan remains a strong market for bulk distribution facilities, with highest increments in rents among all global markets

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 \$22.8 billion assets under management in institutional funds enables PLD to increase market share in international markets

PLD expects to maintain development spending at \$2.5 billion annually through global institutional funds

PLD reported FFO down (4%) for 2Q 2013 due to divestitures of properties to investment funds

PLD guidance for FFO for 2013 indicates decrease DOWN as much as (6%)

PLD provides current yield of 2.9%

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

PLD we rank 2 BUY

PLD market cap \$18.3 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Simon Property Group
Price:	\$158
Recommendation:	BUY
Ranking:	2
Market Cap:	\$57,133
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/12/2013
SPG \$160

Simon Property Group SPG investors may see lower REIT stock prices as an opportunity to take or add to positions in best positioned Retail REITs

SPG stock price showing no gain year to date for 2013, underperforming Retail REITs, trading UP +7% for 2013

SPG although trailing 12 month tenant sales growth now only UP+4% (compared to more than 10% tenant sales gains during all of 2012), rental rates on turnover of mall leases UP +14%, as retail tenants seek to take advantage of market share shifts

SPG average mall base rents UP +3.6% for 2Q 2013, supporting FFO growth

SPG results for 2Q 2013 better than expected, with FFO growth UP +12%

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

SPG provides current annual dividend yield of 2.9%

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 \$57.1 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Prologis Inc
Price:	\$38
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,276
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/12/2013
PLD \$38

Prologis Inc PLD debt tender offers indicate management moving to take advantage of bond market volatility

PLD tender offers for debt seek to repurchase up to \$1.4 billion of various PLD notes at fixed spread to US Treasury notes of similar duration

PLD also added to \$1.65 billion global credit facility, with expanding accordion feature enabling PLC to draw down as much as \$3.0 billion

PLD August 2013 debt tender offers likely to generate significant non-cash gains on debt extinguishment, to be reported during 3Q 2013

PLD provides current yield of 2.9%

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

PLD we rank 2 BUY

PLD market cap \$18.3 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	General Growth Properties
Price:	\$21
Recommendation:	BUY
Ranking:	2
Market Cap:	\$21,162
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/12/2013
GGP \$21

General Growth Properties GGP stock price underperforming Retail REIT sector, offering astute investors opportunity to buy GGP stock for high returns

GGP stock traded UP +4% year to date for 2013, underperforming Retail REITs trading UP +7% for 2013

GGP trailing 12 month tenant sales gains now UP +5%, with average rents on turnover of mall leases UP +11%

GGP reported 2Q 2013 FFO growth UP +17%

GGP also increased low end of guidance range for FFO for 2013 to indicate growth UP +13%-+16%

GGP investing \$900 million to redevelop 24 retail properties

GGP to sell equity in Brazilian Aliance Shopping Centers for \$690 million, with proceeds to be invested in US retail properties

GGP increased dividend distribution by 8% for 4Q 2013, now providing current yield of 2.5%

GGP a Retail REIT with a portfolio of regional malls

GGP we UPGRADE rank to 2 BUY

GGP market cap \$21.2 billion

REIT Comment



Company:	Starwood Property Trust
Price:	\$25
Recommendation:	BUY
Ranking:	1
Market Cap:	\$3,462
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
08/12/2013
STWD \$27

Starwood Property Trust STWD 2Q 2013 GAAP EPS \$0.38 v \$0.40 DOWN (5%)
STWD 2Q 2013 GAAP EPS includes unrealized fair valuation adjustments of(\$4.0) million to portfolio of loans and securities and includes (\$800,000) loan loss provision

STWD 2Q 2013 core EPS \$0.42 (adjusted) v \$0.45 (adjusted) DOWN (7%)
STWD 2Q 2013 core EPS excludes charges of (\$0.04) per share relating to non-cash stock based compensation expense, foreign currency adjustments, impairments and adjustments to intangibles relating to LNR acquisition

STWD 2Q 2013 GAAP book value \$21.21 per share UP +6% from March 2013
STWD stock trading at premium of 20% to GAAP book value as of June 2013

STWD increased guidance range 2013 core EPS \$2.04-\$2.24 (adjusted) v \$1.99 (adjusted) UP +3% -+13%
STWD previous guidance 2013 core EPS \$1.90-\$1.99 per share
STWD guidance 2013 core EPS (adjusted) excludes charge of (\$0.14) per share for impact of LNR Property acquisition

STWH earnings now drawn slightly more than half from portfolio of commercial loans and investments and the rest from LNR, with net contribution of small loss from single family Residential investments

STWD April 2013 \$843 million acquisition of LNR Property brings expertise as special servicer of commercial loans, as well as mortgage originations, financial servicing, and 50% interest in Auction.com

STWD acquisition of LNR now requires STWD to consolidate LNR assets and liabilities relating to special servicing of commercial loans, inflating STWD balance sheet to \$103 billion assets, including \$97 billion no risk and non-interest earning assets and liabilities unrelated to STWD investments

STWD \$4.4 billion investment portfolio concentrated 29% in first mortgages, 11% subordinated mortgages, 29% mezzanine loans, 7% CMBS, 11% RMBS and 4% other investments

STWD 2Q 2013 \$839 million investments, concentrated in opportunistic commercial first mortgages and mezzanine loans

STWD current investment capacity \$500 million - \$700 million, to be funded by a combination of cash, equity in RMBS and available credit on financing facilities

STWD provides current annual dividend yield of 7.2%

STWD a Financial Commercial REIT

STWD we UPGRADE rank to 2 BUY

STWD market cap \$3.5 billion

REIT Comment



Company:	Starwood Property Trust
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,462
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/12/2013
STWD \$27

Starwood Property Trust STWD announced joint origination of \$285 million loan on portfolio of 123 Red Roof Inns with Fortress Investment Group

STWD acquired initial Fortress interest in previous financing on the properties and invested additional funds for new Senior A note on the properties

STWD following April 2013 \$843 million acquisition of LNR Property, STWD offers investors a unique vehicle with investments in commercial loans and securities as well as portfolio of special servicing on commercial debt

STWD management expects to see many commercial financing opportunities generated by LNR special servicing operations

STWD increased guidance for core EPS for 2013, now expecting growth UP +13% for 2013

STWD provides current annual dividend yield of 7.2%

STWD a Financial Commercial REIT

STWD we UPGRADE rank to 2 BUY

STWD market cap \$3.5 billion

REIT Comment



Company:	Gramercy Property Trust
Price:	\$4
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$262
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
08/12/2012
GPT \$4

Gramercy Property Trust GPT 1Q 2013 GAAP EPS loss (\$0.11) v (\$0.42)
GPT 2Q 2013 GAAP EPS loss includes impairment charge of (\$1.7) million
GPT 2Q 2013 GAAP EPS loss includes net loss of (\$0.02) per share from discontinued operations

GPT 2Q 2013 FFO loss (\$0.06) (adjusted) v (\$0.17) (adjusted)
GPT 2Q 2013 FFO loss (adjusted) excludes net charges of (\$0.06) per share relating to impairments, acquisition costs, non-cash stock based compensation expense, adjustments relating to joint ventures and other items

GPT 2Q 2013 revenues \$16 million UP +69% due to addition of assets under management
GPT 2Q 2013 revenues of \$16 million include \$14 million management fees and \$2 million rental revenue relating to property acquisitions

GPT joint venture with Bank of America BAC expected to generate \$1 million annual fee income, from management of \$140 million portfolio of bank buildings with 1.5 million square feet subject to 10 year lease with single tenant Bank of America

GPT 2Q 2013 acquisitions \$11 million including \$51 million for auto auction facility, \$41 million for industrial properties, \$30 million for truck terminals, and \$2 million for bank branches

GPT renamed from Gramercy Capital [former ticker: GKK] effective April 15, 2013

GPT does not expect to restore common dividends at this time

GPT distributed no common stock or preferred stock dividends since 2008

GPT a Financial Commercial REIT

GPT we rank to 3 HOLD

GPT market cap \$262 million

REIT Comment



Company:	CYS Investments
Price:	\$8
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,426
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/12/2013
CYS \$8

CYS Investments CYS traded UP \$0.19 per share to close UP +2% day

CYS stock traded DOWN (31%) year to date for 2013, underperforming Financial Mortgage REITs, DOWN (10%)

CYS Financial Mortgage REITs establishing new trading range following bond market volatility through June and July 2013

CYS book value decline due to impact of non-cash unrealized portfolio valuation adjustments as a result of fears of higher interest rates

CYS 2Q 2013 book value \$10.20 per share DOWN (29%) from \$14.46 per share as of December 2012

CYS stock now trading at (21%) discount to book value as of June 2013

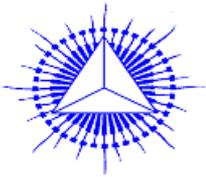
CYS stock price supported by current annual dividend yield of 16.7%, at the high end of the range for Financial Mortgage REITs

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

CYS we rank 3 HOLD

CYS market cap \$1.4 billion

REIT Comment



Company:	Redwood Trust
Price:	\$19
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,652
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/01/2013
RWT \$19

Redwood Trust RWT traded UP \$0.19 per share to close UP +1% day

RWT stock traded UP +12% year to date for 2013, outperforming Financial Mortgage REITs trading DOWN (10%) for 2013

RWT Financial Mortgage REITs with portfolios of non-agency securities may see increased demand from investors as Congress ponders Fannie Mae reform

RWT plans to add agency guaranteed securities should expand investor base for securitizations issued by Sequoia subsidiary

RWT goal of issuing \$8 billion securitizations during 2013 appears achievable, following \$4 billion issued by RWT year to date for 2013

RWT provides current annual dividend yield of 5.9%, 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 \$1.7 billion

REIT Comment



Company:	Mack-Cali Realty
Price:	\$23
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,314
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/12/2013
CLI \$23

Mack-Cali Realty CLI traded DOWN (\$0.48) per share to close DOWN (2%) day

CLI stock traded DOWN (11%) year to date for 2013, underperforming Office REITs, trading UP +10% for 2013

CLI rent rolldowns still impacting FFO growth for Office REITs

CLI recent (35%) dividend reduction reflects management disappointment over lower FFQ due to lagging rental rates for office properties

CLI divesting low return office properties to focus new investment on residential properties

CLI reduced guidance for FFO for 2013 to indicate decline DOWN (13%)

CLI provides current annual dividend yield of 5.1%

CLI dividend reduced (33%) during 2013, now providing current annual dividend yield of 5.1%

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

CLI we rank 3 HOLD

CLI market cap \$2.3 billion

REIT Comment



Company:	UDR, Inc
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,053
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/01/2013
UDR \$24

UDR Inc UDR traded DOWN (\$0.46) per share to close DOWN (2%) day

UDR stock traded UP +2% year to date for 2013, slightly outperforming Residential REITs, trading UP less than +1% for 2013

UDR Residential REITs underperforming other REIT sectors due to investor fears of higher home purchase detracting from demand for apartments

UDR investing \$1.3 billion in development and redevelopment pipeline to expand portfolio capacity by 5%

UDR increased guidance for FFO for 2013 to indicate 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 \$6.1 billion

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$13,081
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/13/2013
HST \$18

Host Hotels & Resorts HST outperformance of Hotel REIT sector may be stopped by rising oil prices

HST Hotel REITs one of the strongest REIT sectors, trading UP +22% year to date for 2013

HST oil prices now up to \$107 per barrel, UP +15% from year ago levels

HST Hotel REITs, like other travel related stocks, including airlines and hotels, normally trade inversely to oil prices

HST higher price of airline fuel and gasoline purchased by motorists impacts travel budgets forcing travelers to defer purchases on discretionary items such as additional room nights and ancillary purchases

HST investors also express concern over lagging group bookings for 2013

HST narrowed guidance range for FFO for 2013 to indicate growth UP +20%

HST increased dividend distribution by 10%, now providing annual yield of 2.5%

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 \$13.1 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$28
Recommendation:	SELL
Ranking:	4
Market Cap:	\$2,618
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/13/2013
LHO \$28

LaSalle Hotel Properties LHO concerns over federal spending decline should impact Hotel REITs with exposure to DC metropolitan area

LHO Congress adjourned for 5 weeks without passing budget for FY 2014, leaving only three weeks to the end of September 2013 to vote on the most difficult issue faced by Congress during this administration

LHO failure to pass a federal budget for FY 2014 will force additional sequestration of federal agency funds

LHO Park Central renovation to be completed during 2013 for (\$9)-(\$12) million negative EBITDA impact during 2013 and total capital cost of \$60-\$70 million

LHO guidance for FFO for 2013 indicates growth in range UP +2%--7%

LHO previously announced dividend increase of 40%, now providing current annual dividend yield of 4.1%

LHO a Hotel REIT with a portfolio 30% concentrated in metropolitan DC area

LHO we rank 4 SELL

LHO market cap \$2.6 billion

REIT Comment



Company:	Healthcare Realty Trust
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,175
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/13/2013
HR \$25

Healthcare Realty Trust HR 1 year delay of employer health insurance mandate may enable Health Care REITs with portfolios concentrated in medical office buildings to meet gradual increase in demand for medical office space from physician practices

HR sudden expansion of Medicaid population will help to stimulate demand for 2014, while 1 year delay of employer health care insurance mandate should provide incremental patient traffic from 2015-2017

HR tenants of medical office buildings may require expansion space to meet patient demand due to expansion of insured population under Affordable Care Act

HR indicated same property NOI expected UP +2.0%-+4.0% for multi-tenant properties with re-leasing spreads UP +0.5%-+3.0%

HR no guidance provided for FFO for 2013

HR Health Care REITs underperformed other REIT sectors, trading UP +5% year to date for 2013

HR stock price supported by current dividend yield of 4.6%

HR a Health Care REIT with a portfolio concentrated in medical office properties

HR we rank 2 BUY

HR market cap \$2.2 billion

REIT Comment



Company:	Ventas
Price:	\$64
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,938
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/13/2013
VTR \$64

Ventas VTR Health Care REITs expect to benefit from consolidation of health care providers

VTR management comments indicated Affordable Care Act to provide more traffic for health care providers, incentivizing industry consolidation that would provide opportunities for Health Care REITs to gain market share

VTR Affordable Care Act may force hospitals to prioritize investment to coordination of care, forcing more assets to sale/leaseback in order to free up capital, providing opportunity for best capitalized Health Care REITs to gain market share

VTR increased guidance for normalized FFO for 2013 to indicate growth UP +8%

VTR Health Care REITs underperformed other REIT sectors, trading UP +5% year to date for 2013

VTR dividend growth exceptional, with 10 year CAGR of 10%

VTR provides current annual dividend yield of 4.2%

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

VTR we rank 2 BUY

VTR market cap \$18.9 billion

VTR an S&P 500 Index REIT

REIT Comment



Company:	Macerich
Price:	\$61
Recommendation:	BUY
Ranking:	2
Market Cap:	\$9,090
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/13/2013
MAC \$61

Macerich MAC news of higher US retail sales should support rally for Retail REITs

MAC report from Commerce Department found US retail sales UP +0.2% for July 2013, compared to revised growth UP +0.6% for June 2013

MAC excluding autos, gasoline and building materials, US retail sales UP +0.5% for July 2013, accelerating from UP +0.1% for June 2013

MAC spending UP +0.9% at clothing stores, with department stores UP +0.6% and general merchandise UP +0.4%

MAC regional malls showing good performance, with trailing 12 month tenant sales UP +6% and rents on lease turnover UP +14% for 2Q 2013

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

MAC provides current annual dividend yield of 3.8%

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

MAC we rank 2 BUY

MAC market cap \$9.1 billion

MAC an S&P 500 Index REIT

REIT Comment



Company:	Prologis Inc
Price:	\$38
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,976
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/13/2013
PLD \$38

Prologis Inc PLD strong rally for dollar against the yen may support US exports to Asia

PLD higher manufacturing output for European economies another positive signal indicating increasing returns on global investment

PLD report from Eurostat found EU industrial production UP +0.7% for June 2013 from the previous month

PLD EU production of consumer durables UP +4.9% for June 2013, while output of capital goods UP +2.5%

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 \$22.8 billion assets under management in institutional funds enables PLD to increase market share in international markets

PLD reported FFO down (4%) for 2Q 2013 due to divestitures of properties to investment funds

PLD guidance for FFO for 2013 indicates decrease DOWN as much as (6%)

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 \$18.0 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Acadia Realty Trust
Price:	\$26
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,375
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/13/2013
AKR \$26

Acadia Realty Trust AKR 2Q 2013 FFO \$0.31 v \$0.27 UP +15%

AKR made no change to guidance 2013 FFO \$1.17-\$1.25 v \$1.04 UP +13%+20%

AKR 2Q 2013 same property NOI UP +7.4%
AKR 2Q 2013 core portfolio occupancy 93.7%

AKR 2Q 2013 average rents on lease turnover UP +13.4%

AKR 2013 year to date acquisitions \$121 million

AKR providing current dividend yield of 3.3%

AKR a Retail REIT with a portfolio of grocery and value-anchored retail shopping centers

AKR we UPGRADE Rank to 2 BUY

AKR market cap \$1.4 billion

REIT Comment



Company:	Inland Real Estate
Price:	\$11
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$954
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
08/13/2013
IRC \$11

Inland Real Estate IRC 2Q 2013 FFO \$0.25 (adjusted) v \$0.22 (adjusted) UP +14%
IRC 2Q 2013 FFO (adjusted) excludes net gain of \$0.03 per share relating to lease termination fees

IRC increased guidance 2013 FFO \$0.89-\$0.93 (adjusted) v \$0.85 (adjusted) UP +5%+9%
IRC previous guidance 2013 FFO \$0.88-\$0.92 (adjusted) per share
IRC guidance 2013 FFO (adjusted) assumes same property NOI UP +2.0%+3.0% with leased occupancy 89%-90%

IRC 2Q 2013 same property NOI UP +2.8% excluding lease termination fees
IRC 2Q 2013 portfolio leased occupancy 94.4% UP +1.5%

IRC 2Q 2013 average base rents on new leases UP +26% with rents on renewed leases UP +5%

IRC 2Q 2013 acquisitions \$132 million including \$121 million to acquire 50% ownership interest in IN Retail Fund from institutional partner

IRC 2Q 2013 divestitures \$12 million, including 3 owned properties for \$10 million and \$2 million for joint venture property

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

IRC a Retail REIT with a diverse portfolio of neighborhood and community shopping centers

IRC we rank 3 HOLD

IRC market cap \$1.0 billion

REIT Comment



Company:	Blackstone Mortgage Trust
Price:	\$26
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$743
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
08/13/2013
BXMT \$26

Blackstone Mortgage Trust BXMT 2Q 2013 GAAP EPS \$0.22 v \$1.08 DOWN (80%)
BXMT 2Q 2013 GAAP EPS includes \$3.4 million management fee paid to Blackstone and charge of (\$6.0) million for impairments and valuation adjustments
BXMT profit for previous year a result of reversal of previous negative equity(resulting from reserve for unrealized losses) on merger of CTIMCO money management platform with Blackstone in December 2012

BXMT 2Q 2013 GAAP book value \$24.67 per share
BXMT stock now trading at 1% premium to GAAP book value as of June 30, 2013

BXMT 2Q 2013 portfolio \$757 million floating rate commercial loans

BXMT 2Q 2013 originated \$765 million senior mortgage loans, secured by office, multi-family, hotel and land properties
BXMT 3Q 2013 to date originated \$665 million loans

BXMT raised \$660 million from offering of 26 million Class A common shares to recapitalize company, enabling investment in as much as \$4.5 billion portfolio of commercial real estate debt

BXMT available liquidity \$900 million, including \$60 million unrestricted cash and \$835 million undrawn line of credit

BXMT guidance for dividends not provided, but long term status as a REIT indicates dividend yield should eventually be similar to other Financial Commercial REITs

BXMT a Financial Commercial REIT

BXMT we UPGRADE to 3 HOLD

BXMT market cap \$743 million

REIT Comment



Company:	Annaly Capital Management
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,560
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/13/2013
NLY \$12

Annaly Capital Management NLY traded DOWN(\$0.35) per share to close DOWN (3%) day

NLY stock traded DOWN (17%) year to date for 2013, underperforming Financial Mortgage REITs, trading DOWN (11%) for 2013

NLY investors relieved by management focus on maintaining portfolio stability through bond market volatility

NLY bond market volatility forced (14%) book value decline during 2Q 2013 due to non-cash mark-to-market portfolio valuations

NLY 2Q 2013 GAAP book value \$13.03 per share, DOWN (14%) from March 2013

NLY stock now trading at discount of (11%) to current book value

NLY expanding mix of commercial assets unlikely to increase portfolio risk due to management's use of cautious valuations and lower portfolio leverage

NLY stock price supported by current annual dividend yield of 13.8%, 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 \$11.6 billion

REIT Comment



Company:	HCP Inc
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,947
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/13/2013
HCP \$41

HCP Inc HCP traded DOWN (\$1.08) per share to close DOWN (3%) day

HCP stock traded DOWN (9%) year to date for 2013, underperforming Health Care REITs, trading UP +5% for 2013

HCP Health Care REIT reports for 2Q 2013 indicate stable portfolio returns, with long term rental agreements driving same property NOI growth of 3%-4% annually

HCP reported FFO for 2Q 2013 UP +4%

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

HCP recently increased dividend by 6%, bringing current yield to 4.9%

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

HCP we rank 2 BUY

HCP market cap \$18.9 billion

HCP an S&P 500 Index REIT

REIT Comment



Company:	AvalonBay Communities
Price:	\$130
Recommendation:	BUY
Ranking:	2
Market Cap:	\$15,580
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/13/2013
AVB \$130

AvalonBay Communities AVB traded DOWN (\$2.06) per share to close DOWN (2%) day

AVB stock traded DOWN (4%) year to date for 2013, underperforming Residential REITs, trading UP +1% for 2013

AVB Residential REITs face investor concern over potential for lower FFO growth on new apartment supply and faster apartment turnover by homebuyers

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 \$15.6 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	Home Properties
Price:	\$59
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,718
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/13/2013
HME \$59

Home Properties HME traded DOWN (\$1.08) per share to close DOWN (2%) day

HME stock traded DOWN (3%) year to date for 2013, underperforming Residential REITs, trading UP +1% for 2013

HME despite investor concern over potential for lower FFO growth on new apartment supply and faster apartment turnover by homebuyers, Residential REITs see exceptional FFO growth potential as employment stays in stable range

HME acquiring "C" and "B" apartment properties, followed by investment in renovations with goal of achieving 10% cash on cash return

HME current annual dividend yield to 4.5%

HME a Residential REIT with a diverse portfolio of apartment communities

HME we rank 2 BUY

HME market cap \$3.7 billion

REIT Comment



Company:	Prologis Inc
Price:	\$37
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,718
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
08/14/2013
PLD \$37

Prologis Inc PLD growth of European economies indicates positive returns pending on portfolio of European assets under management

PLD report from Eurostat found EU GDP growth UP +0.3% for 2Q 2013, with Germany UP +0.7%, France UP +0.5%, and Spain recovering to DOWN (0.1%)

PLD GDP growth for UK reported UP +0.6% for 2Q 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 \$22.8 billion assets under management in institutional funds enables PLD to increase market share in international markets

PLD reported FFO down (4%) for 2Q 2013 due to divestitures of properties to investment funds

PLD guidance for FFO for 2013 indicates decrease DOWN as much as (6%)

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 \$17.7 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$17
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$12,918
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/14/2013
HST \$17

Host Hotels & Resorts HST news of economic growth in EU may support trading in Hotel REITs with European hotel properties

HST report from Eurostat found EU GDP growth UP +0.3% for 2Q 2013, with Germany UP +0.7%, France UP +0.5%, and Spain recovering to DOWN (0.1%)

HST exposure to Europe through minority joint venture interest in 19 hotels, including 5 located in Paris, France

HST narrowed guidance range for FFO for 2013 to indicate growth UP +20%

HST increased dividend distribution by 10%, now providing annual yield of 2.5%

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 \$12.9 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	Strategic Hotels & Resorts
Price:	\$9
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,916
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/14/2013
BEE \$9

Strategic Hotels & Resorts BEE Hotel REITs with European hotel properties may see rally on news of EU GDP growth UP +0.3% for 2Q 2013

BEE strong economic recovery demonstrated by Germany with GDP UP+0.7% and UK UP +0.6% for 2Q 2013

BEE seeking to divest Marriott Grosvenor Square London

BEE remaining international properties include Four Seasons Resort in Punta Mita Mexico and Marriott Hamburg, Germany

BEE European hotels had negative EBITDA contribution for 2012 and year to date for 2013

BEE profitability improving for US hotels in key urban areas

BEE reported FFO growth UP +27% for 2Q 2013, with guidance for FFO for 2013 indicating growth UP +50%

BEE has not yet restored common stock dividends

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

BEE we rank 3 HOLD

BEE market cap \$1.9 billion

REIT Comment



Company:	First Potomac Realty Trust
Price:	\$13
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$649
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/14/2013
FPO \$13

First Potomac Realty Trust FPO seeking residential development partners to develop 1005 First Street NE in DC

FPO invested \$47 million during 2011 to acquire the site, formerly a Greyhound bus terminal

FPO redevelopment plans include office property for commercial and federal agency tenants, apartments and 65,000 square feet of retail space

FPO to focus new investment on office sector, following divestiture of industrial portfolio

FPO recent management comments noted that DC showed negative absorption of office and commercial space year to date for 2013, but modest employment growth supports rental rate growth

FPO guidance for FFO for 2013 indicates decrease DOWN (17%)

FPO guidance reduction caused by divestiture of industrial properties

FPO provides current annual dividend yield of 4.7%

FPO an Industrial REIT with a portfolio of commercial business park and office properties concentrated in metropolitan DC area

FPO we rank 3 HOLD

FPO market cap \$649 million

REIT Comment



Company:	Simon Property Group
Price:	\$155
Recommendation:	BUY
Ranking:	2
Market Cap:	\$56,138
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/14/2013
SPG \$155

Simon Property Group SPG news of disappointing results from Macys M unlikely to deter FFO growth for Retail REITs with portfolios of regional malls

SPG report of 2Q 2013 results for Macy's M showed comparable store sales DOWN (0.8%), including online sales for macys.com and bloomingdales.com

SPG anchor tenant Macys represents only 1% of total rents for SPG, far exceeded by key mall tenants such as Gap, representing 3% of total rents, or Limited Brands and Abercrombie at 2% of total rents

SPG results for 2Q 2013 better than expected, with FFO growth UP +12%

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

SPG provides current annual dividend yield of 3.0%

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 \$56.1 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Highwoods Properties
Price:	\$35
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,988
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/14/2013
HIW \$35

Highwoods Properties HIW completed offering of 4.3 million shares at \$35.50 per share

HIW offering size increased from previous 3.75 million shares

HIW net proceeds of \$157 million to be used to repay debt and to fund acquisitions

HIW underwriters Wells Fargo and Jefferies

HIW August 2013 offering increased total shares outstanding by 5%

HIW stock price supported by current annual dividend yield of 4.8%

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 \$3.0 billion

REIT Comment



Company:	Highwoods Properties
Price:	\$35
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,988
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/14/2013
HIW \$35

Highwoods Properties HIW 2Q 2013 FFO \$0.70 v \$0.70 (adjusted) FLAT

HIW increased guidance 2013 FFO \$2.76-\$2.84 v \$2.73 UP +1%+4%
HIW previous guidance 2013 FFO \$2.68-\$2.81 per share

HIW 2Q 2013 same property NOI UP +2.8%
HIW 2Q 2013 portfolio occupancy 90.0% DOWN (0.7%)

HIW 2Q 2013 average in-place cash rents UP +7.9%

HIW year to date 2013 acquisitions \$350 million office properties
HIW year to date divestitures \$68 million non-core properties

HIW stock price supported by current annual dividend yield of 4.8%

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 \$3.0 billion

REIT Comment



Company:	Gladstone Commercial
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$207
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/14/2013
GOOD \$18

Gladstone Commercial GOOD 3Q 2013 FFO \$0.36 v \$0.37 DOWN (3%)

GOOD no guidance provided for FFO for 2013

GOOD FFO per share impacted by recent stock offering, with proceeds not yet fully investec

GOOD 2Q 2013 revenue \$14 million UP +15% due to acquisitions during 2012
GOOD 2Q 2013 operating income \$7 million UP +8%

GOOD 2Q 2013 occupancy 96.0 UP +0.2% from March 2013

GOOD acquired 2 properties for \$28 million during 2013, and is seeking to acquire additional net leased properties

GOOD pays monthly dividends for current yield of 8.2%

GOOD 100% of dividends represented non-taxable return of capital during 2012

GOOD an Industrial REIT with a portfolio of net leased industrial and commercial properties

GOOD we rank 2 BUY

GOOD market cap \$207 million

REIT Comment



Company:	Entertainment Properties Trust
Price:	\$52
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,431
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/14/2013
EPR \$52

EPR Properties EPR 2Q 2013 FFO \$0.98 (adjusted) v \$0.92 UP +7%
EPR 2Q 2013 FFO (adjusted) excludes net gain of \$0.13 per share relating to debt extinguishment

EPR narrowed guidance range 2013 FFO \$3.83-\$3.93 v \$3.69 UP +4% - +7%
EPR previous guidance range 2103 FFO \$3.79-\$3.94 per share
EPR guidance 2013 FFO assumes new investments of \$300-\$350 million

EPR 2Q 2013 portfolio occupancy 98%

EPR year to date 2013 investments \$123 million for entertainment, education and recreation assets
EPR 2Q 2013 mortgage loan portfolio now totals \$482 million
EPR 2003 investment goal \$300-\$350 million

EPR almost no remaining vineyard and winery assets to be divested

EPR announced transition to monthly dividend distributions still providing current annual dividend yield of 6.1%

EPR recently changed name to EPR Properties from Entertainment Properties Trust with no change to ticker symbol EPR

EPR a Specialty REIT with a portfolio of net leased cinemas, entertainment, restaurant and retail venues and public charter schools

EPR we rank 2 BUY

EPR market cap \$2.4 billion

REIT Comment



Company:	HCP Inc
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,748
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/14/2013
HCP \$41

HCP Inc HCP traded DOWN (\$0.46) per share to close DOWN (1%) day

HCP stock traded DOWN (10%) year to date for 2013, underperforming Health Care REITs, trading UP +5% for 2013

HCP Health Care REIT reports for 2Q 2013 indicate stable portfolio returns

HCP management expects same property NOI growth of 3%-4% annually, driven by long term rental rate agreements

HCP guidance for FFO for 2013 indicate growths UP +9%

HCP recently increased dividend by 5%, bringing current yield to 5.2%

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

HCP we rank 2 BUY

HCP market cap \$18.7 billion

HCP an S&P 500 Index REIT

REIT Comment



Company:	Government Properties Income Trust
Price:	\$24
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,334
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/14/2013
GOV \$24

Government Properties Income Trust GOV traded DOWN (\$0.26) per share to close DOWN (1%) day

GOV stock traded UP +2% year to date for 2013, underperforming Specialty REITs, trading UP +7% for 2013

GOV Congress adjourned in August 2013 without voting a budget for FY 2014, to begin October 1, 2013

GOV 5 week recess puts a short timeframe on ability to address needed issues, potentially forcing another round of automatic spending cuts for FY 2014 only 2 months from now

GOV portfolio of office properties 83% leased to government agencies and 17% leased to state and local agencies

GOV following recent secondary stock offering of all remaining shares held by Commonwealth REIT CWH during March 2013, GOV is now fully independent and no longer treated as a subsidiary of a closely held Office REIT

GOV provides current annual dividend yield of 7.0%

GOV a Specialty REIT with a portfolio of office properties net leased to federal and state agencies

GOV we rank 3 HOLD

GOV market cap \$1.3 billion

REIT Comment



Company:	Weyerhaeuser
Price:	\$28
Recommendation:	BUY
Ranking:	2
Market Cap:	\$15,306
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/14/2013
WY \$28

Weyerhaeuser WY traded UP \$0.80 per share to close UP +3% day

WY stock traded only UP +1% year to date for 2013, underperforming Specialty REITs, trading UP +7% for 2013

WY reported to be considering buyout offers for homebuilding operations instead of proceeding with previously announced spin-off

WY seeking \$3.0 billion valuation for taxable subsidiary Weyerhaeuser Real Estate Company WRECO, with homebuilding operations and master planned communities in 7 states

WY reported 2Q 2013 EPS UP more than +100% from previous year

WY recently increased dividend by 10% for 3Q 2013, bringing current annual yield to 3.2%

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 \$15.3 billion

WY an S&P 500 Index REIT

REIT Comment



Company:	CubeSmart
Price:	\$18
Recommendation:	BUY
Ranking:	1
Market Cap:	\$2,456
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/14/2013
CUBE \$18

CubeSmart CUBE traded UP \$0.24 per share to close UP +1% day

CUBE stock traded UP +22% year to date for 2013, outperforming Specialty REITs, trading UP +7% for 2013

CUBE continued consolidation of assets to largest operators should lead to more rental rate increases

CUBE reported better than expected results for 2Q 2013, with FFO UP +28%

CUBE increased guidance for FFO for 2013, indicating growth UP +22%

CUBE stock price supported by current annual dividend yield of 2.5%

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

CUBE we rank 1 BUY

CUBE market cap \$2.5 billion

REIT Comment



Company:	Equity Residential
Price:	\$53
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,676
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/15/2013
EQR \$53

Equity Residential EQR this morning's news of another decline in new unemployment claims maintains stable outlook for Residential REITs

EQR Labor Department reported new claims for unemployment DOWN(15,000) to 320,000 for week ended August 10, 2013 from revised number for previous week

EQR more stable 4 week moving average of new unemployment claims also decreased slightly, DOWN (4,000) to 332,000 from revised number for previous week

EQR lower federal spending for the rest of 2013 appears likely to negatively impact US economy, with surge in new unemployment claims probable

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 reported FFO growth UP +4% for 2Q 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 \$19.7 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	Weyerhaeuser
Price:	\$28
Recommendation:	BUY
Ranking:	2
Market Cap:	\$15,306
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
08/15/2013
WY \$28

Weyerhaeuser WY speculation over potential \$3.0 billion sale of homebuilding operations excites investors

WY although previously spin-off seemed most probable disposition, news of interest from large homebuilders indicates WY may realize greatest value for shareholders through sale of homebuilding operations

WY taxable subsidiary Weyerhaeuser Real Estate Company WRECO owns homebuilding operations and master planned communities in 7 states

WY WRECO operating under local brand names Quadrant Homes in WA and PardeeHomes in CA, NV and AZ, as well as Maracay Homes in AZ, Trendmaker Homes in TX, Camberly Homes in VA and Winchester Homes in DC and MD

WY WRECO planning to accelerate growth by addition of more than 40 new communities, representing 20-25% growth

WY land holdings include 27,000 lots for single family homes in 6 states and 67,000 lots under option in NV

WY sale of WRECO might enable payment of a special dividend to shareholders

WY recently increased dividend by 10% for 3Q 2013, bringing current annual yield to 3.2%

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 \$15.3 billion

WY an S&P 500 Index REIT

REIT Comment



Company:	Kimco Realty
Price:	\$22
Recommendation:	BUY
Ranking:	1
Market Cap:	\$8,928
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
08/15/2013
KIM \$22

Kimco Realty KIM latest retailer earnings reports indicate slower than expected tenant sales gains

KIM report from Wal-Mart WMT found same store sales DOWN (0.3%) for 2Q 2013, while number of customer visits also decreased DOWN (0.5%)

KIM retailer Kohl's KSS reported same store sales UP +0.9% for 2Q 2013, less than expected, although guidance indicated an improving outlook with same store sales in range of UP +0%-+2% for 2013

KIM key tenant Wal-Mart WMT represents 3% of total rental revenue, while Kohl's KSS represents 2%

KIM rental rate increases enable FFO growth with 2Q 2013 rents on lease turnover UP +16.7%

KIM management focused on improving portfolio mix through acquisitions of properties to benefit from investment, as well as divestitures of lower income properties

KIM providing current annual dividend yield of 3.8%

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 \$8.9 billion

KIM an S&P 500 Index REIT

REIT Comment



Company:	Annaly Capital Management
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,689
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
08/15/2013
NLY \$12

Annaly Capital Management NLY lower mortgage application volume reflects seasonality as well as homeowner resistance to mortgage interest rates

NLY report from MBA (Mortgage Bankers Association) found mortgage applications DOWN (4.7%) for week ended August 9, 2013

NLY mortgage applications for refinance DOWN (4.0%), while mortgage applications for home purchase DOWN (5%)

NLY refinance applications represented 63% of all applications, a low level, reflecting consumer concern over higher mortgage interest rates

NLY report from MBA (Mortgage Bankers Association) found average interest rate on 30 year fixed rate conforming mortgage decreased slightly DOWN (0.05%) to 4.56%, still UP +1.00% since May 2013

NLY proposals for Fannie Mae reform to be debated by Congress during 3Q 2013 with votes unlikely before 4Q 2013

NLY proposed liquidation of Fannie Mae and Freddie Mac arousing opposition from liberal Senators and Congressmen, while industry experts unanimously oppose, indicating serious disruption of housing sector would result

NLY completed acquisition of publicly traded NLY subsidiary CreXus Investment CXS as part of strategic decision to invest up to 25% of equity in non-agency real estate assets

NLY stock price supported by current annual dividend yield of 13.6%, at the high end 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 \$11.7 billion

REIT Comment



Company:	Digital Realty Trust
Price:	\$54
Recommendation:	BUY
Ranking:	1
Market Cap:	\$7,469
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/15/2013
DLR \$54

Digital Realty Trust DLR size of Interior Department contracts for cloud computing indicate enormous potential for online services, supporting demand for data centers

DLR Interior Department awarded total \$10.0 billion contracts, including \$1.0 billion service contract to Lockheed and \$1.0 billion to IBM, with undisclosed amounts also awarded to carriers AT&T and Verizon, as well as Unisys, CGI Group of Montreal, Acquilent, Autonomic Resources, Global Technology Resources and Smartronix

DLR Interior Department expects to save \$100 million annually through investment in cloud computing

DLR current tenants include IBM, AT&T and Verizon

DLR prior to Interior Department awards, largest federal government cloud services contract was \$600 million, awarded by CIA to Amazon

DLR most market forecasts for cloud computing based only on corporate demand

DLR investing to expand capacity by 2.8 million square feet, representing 12% capacity expansion

DLR guidance for FFO for 2013 indicates growth UP +8%

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

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

DLR we rank 1 BUY

DLR market cap \$7.5 billion

REIT Comment



Company:	Liberty Property Trust
Price:	\$36
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,480
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/15/2013
LRY \$36

Liberty Property Trust LRY pending acquisition adds significant expansion to industrial segment of portfolio

LRY to acquire operating partnership of Cabot Industrial Value Fund III for \$1.5 billion

LRY transaction expected to close during October 2013

LRY transaction includes 177 properties with 23 million square feet of space, adding 28% total portfolio capacity

LRY \$1.5 billion portfolio to be acquired now 93.3% leased

LRY funded a portion of the purchase price with 21 million share offering during August 2013, raising \$860 million

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

LRY an Office REIT with a diverse portfolio of office, industrial and flex properties

LRY we rank 2 BUY

LRY market cap \$4.5 billion

REIT Comment



Company:	Liberty Property Trust
Price:	\$36
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,480
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/15/2013
LRY \$36

Liberty Property Trust LRY 2Q 2013 FFO \$0.66 v \$0.63 UP +5%

LRY made no change to guidance 2013 FFO \$2.60-\$2.70 v \$2.58 UP +1%--5%

LRY 2Q 2013 same property NOI UP +1.7% on cash basis
LRY 2Q 2013 same property occupancy 93.2% UP +1.3%
LRY 2Q 2013 portfolio occupancy 92.8%

LRY 2Q 2013 acquisitions \$134 million
LRY 2Q 2013 dispositions \$51 million

LRY development pipeline \$411 million, with \$170 million in 5 projects to be completed during the rest of 2013

LRY divested one third of suburban office properties, with goal of shifting portfolio investment to 65% industrial

LRY previously signaled probable dividend cut for 2013 due to need for capital expenditures

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

LRY an Office REIT with a diverse portfolio of office, industrial and flex properties

LRY we rank 2 BUY

LRY market cap \$4.5 billion

REIT Comment



Company:	Saul Centers
Price:	\$46
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,234
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/15/2013
BFS \$46

Saul Centers BFS 2Q 2013 FFO \$0.63 v \$0.59 UP +7%

BFS no guidance provided for FFO for 2013

BFS 2Q 2013 same property NOI UP +3.0%, with same property NOI for shopping centers UP +2.1% and mixed use properties UP +5.7%
BFS 2Q 2013 same property occupancy 93.8%

BFS bearing expenses of redevelopment for Van Ness Square currently vacant
BFS to redevelop the property to include apartments as well as street level retail space
BFS timing of recognition of capitalized predevelopment expenses and costs of lease termination not yet clear, due to amortization

BFS provides current yield of 3.2%

BFS a Retail REIT with a diverse portfolio of retail and commercial assets located in metropolitan DC area

BFS we rank 3 HOLD

BFS market cap \$1.2 billion

REIT Comment



Company:	Franklin Street Properties
Price:	\$13
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,066
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/15/2013
FSP \$13

Franklin Street Properties FSP 2Q 2013 \$0.24 v \$0.23 UP +4%

FSP no guidance provided for FFO For 2013

FSP 2Q 2013 portfolio occupancy 94.4% FLAT with 1Q 2013

FSP investing \$231 million raised from equity offering to fund acquisitions
FSP 2013 acquisitions to exceed \$500 million
FSP invested \$341 million to acquire 2 office properties in Denver and Atlanta
FSP pending acquisition \$217 million for additional property in Denver

FSP considering sales of properties held by related single-asset REITs

FSP stock price supported by current annual dividend yield of 5.9%

FSP an Office REIT with a portfolio of suburban office properties, related debt, and commercial leases

FSP we rank 3 HOLD

FSP market cap \$1.1 billion

REIT Comment



Company:	Liberty Property Trust
Price:	\$36
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,480
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/15/2013
LRY \$36

Liberty Property Trust LRY completed 24 million share offering at \$36 per share

LRY offering size increased from previous 21 million shares

LRY to invest proceeds in pending \$1.5 billion acquisition of industrial properties from Cabot Industrial Value Fund III

LRY joint bookrunning managers Citi, Goldman Sachs, BofA Merrill Lynch and JP Morgan

LRY August 2013 offering increased total shares outstanding by 19%

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

LRY an Office REIT with a diverse portfolio of office, industrial and flex properties

LRY we rank 2 BUY

LRY market cap \$4.5 billion

REIT Comment



Company:	Medical Properties Trust
Price:	\$13
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,797
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/15/2013
MPW \$13

Medical Properties Trust MPW traded DOWN (\$0.89) per share to close DOWN (7%) day

MPW stock traded UP +6% year to date for 2013, outperforming Health Care REITs, trading UP +5% for 2013

MPW proposed 1 year delay of employer health insurance mandate will not prevent pending expansion of Medicaid insured population, to be of greatest benefit to hospital tenants of MPW

MPW pending acquisition \$283 million for 3 hospitals

MPW guidance for FFO for 2013 indicates growth UP +11%-+13%

MPW portfolio of health care properties concentrated in hospitals, rather than outpatient or senior living facilities

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 \$1.8 billion

REIT Comment



Company:	CBL & Associates
Price:	\$21
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,938
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/15/2013
CBL \$21

CBL & Associates CBL traded DOWN (\$0.80) per share to close DOWN (4%) day

CBL stock traded DOWN (3%) year to date for 2013, underperforming Retail REITs, trading UP +7% for 2013

CBL growth of FFO driven by portfolio expansion and by increasing rents

CBL during 2Q 2013 average rent per square foot on lease turnover UP +12.1%

CBL guidance for FFO for 2013 indicating growth UP +4%

CBL provides current yield of 4.5%

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

CBL we rank 2 BUY

CBL market cap \$3.9 billion

REIT Comment



Company:	Potlatch
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,661
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/15/2013
PCH \$41

Potlatch PCH traded DOWN (\$1.56) per share to close DOWN (4%) day

PCH stock traded UP +4% year to date for 2013, underperforming Specialty REITs, trading UP +7% for 2013

PCH investors anticipating stronger results for 2013 on news of strong demand for new homes

PCH higher new home sales a positive signal for Specialty Timber REITs to benefit from higher sawlog and lumber prices through end of 2013

PCH reported FFO UP +26% for 2Q 2013

PCH provides current dividend yield of 3.0%

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

PCH we rank 2 BUY

PCH market cap \$1.7 billion

REIT Comment



Company:	First Industrial
Price:	\$16
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,579
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/15/2013
FR \$16

First Industrial FR traded DOWN (\$0.50) per share to close DOWN (3%) day

FR stock traded UP +11% year to date for 2013, outperforming Industrial REITs. trading UP +10% for 2013

FR investing \$88 million to develop 2 projects, adding 2% to portfolio capacity

FR guidance for FFO for 2013 indicates potential for growth UP +10%

FR provides current annual dividend yield of 2.2%

FR an Industrial REIT

FR we rank 3 HOLD

FR market cap \$1.6 billion

REIT Comment



Company:	Simon Property Group
Price:	\$150
Recommendation:	BUY
Ranking:	2
Market Cap:	\$54,145
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/16/2013
SPG \$150

Simon Property Group SPG news of fluctuation in consumer sentiment should not disturb positive outlook for Retail REITs

SPG report from University of Michigan found consumer sentiment at 80.0% for August 2013, DOWN from 85.1% for the previous month

SPG together with disappointing same store sales reports from Macys, this news may be taken as confirmation of slightly lower consumer spending

SPG long term FFO growth for Retail REITs a result of higher rents, not tenant sales gains

SPG although trailing 12 month tenant sales growth now only UP+4% (compared to more than 10% tenant sales gains during all of 2012), rental rates on turnover of mall leases UP +14%, as retail tenants seek to take advantage of market share shifts

SPG results for 2Q 2013 better than expected, with FFO growth UP +12%

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

SPG provides current annual dividend yield of 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 \$54.1 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Plum Creek Timber
Price:	\$45
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,310
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
08/16/2013
PCL \$45

Plum Creek Timber PCL higher US housing starts and building permits indicates positive trend for Specialty Timber REITs maintained

PCL report from Census Bureau found new US home starts UP+5.9% for July 2013 to annualized pace of 896,000, with multi-family homes starts UP +26% and single family starts DOWN (2%) on seasonality

PCL new single family home starts UP +24% year to date for 2013 from previous year

PCL building permits UP +2.7% for July 2013 to annualized rate of 943,000

PCL number of building permits higher than number of home starts signaling higher rate of construction likely to commence in 1-2 months

PCL increased demand for lumber for home construction supports higher prices for sawlogs and timber, driving improved demand for Specialty Timber REITs

PCL management expects higher sawlog prices through the rest of 2013, with higher harvest due to seasonality

PCL reported results for 2Q 2013 after the close this evening, showing EPS for 2Q 2013 UP +27%

PCL narrowed guidance range for EPS for 2013 to indicate growth UP +16%

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

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

PCL we rank 2 BUY

PCL market cap \$7.3 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	Potlatch
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,661
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/16/2013
PCH \$41

Potlatch PCH report of improved homebuilder sentiment another positive signal for Specialty Timber REITs

PCH report from NAHB (National Association of Homebuilders) found homebuilder confidence increased UP +5% to 59% for August 2013 from revised number for previous month

PCH additional positive news in higher building permits reported by Census Bureau signaling pending increase in construction activity

PCH new home starts and building permits a positive signal for Specialty Timber REITs to benefit from higher sawlog and lumber prices through end of 2013

PCH reported FFO UP +26% for 2Q 2013

PCH provides current dividend yield of 3.0%

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

PCH we rank 2 BUY

PCH market cap \$1.7 billion

REIT Comment



Company:	One Liberty Properties
Price:	\$22
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$339
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/16/2013
OLP \$22

One Liberty Properties OLP 2Q 2013 FFO \$0.39 v \$0.42 DOWN (7%)

OLP no guidance provided for FFO for 2013

OLP 2Q 2013 revenue \$12 million UP +10% due to 2012 acquisitions
OLP 2Q 2013 operating income \$6 million UP +7% due to 2012 acquisitions

OLP 2Q 2013 portfolio occupancy 99.5%

OLP 3Q 2013 to date acquisitions \$43 million for 4 properties
OLP 2Q 2013 divestiture of joint venture property for \$14 million, generating gain of \$2 million

OLP stock price supported by current annual dividend yield of 6.3%

OLP a Retail REIT with a diversified portfolio of net leased retail, office and industrial properties

OLP we rank 3 HOLD

OLP market cap \$339 million

REIT Comment



Company:	Cedar Shopping Centers
Price:	\$5
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$360
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/16/2013
CDR \$5

Cedar Shopping Centers CDR 2Q 2013 operating FFO \$0.12 (adjusted) v \$0.16 (adjusted) DOWN (25%)
CDR 2Q 2013 operating FFO includes net gain of \$0.02 per share on debt extinguishment

CDR increased low end of guidance range 2013 operating FFO \$0.47-\$0.49 v \$0.50 DOWN (2%)-(6%)
CDR previous guidance 2013 FFO \$0.46-\$0.49 per share

CDR 2Q 2013 same property NOI UP +2.4%
CDR 2Q 2013 same property occupancy 93.4%
CDR 2Q 2013 portfolio occupancy 92.7%

CDR 2Q 2013 rents on lease turnover UP +10.3% with new leases UP +17.8% and renewed leases UP +9.7%

CDR stock price supported by current dividend yield of 3.1%

CDR a Retail REIT with a portfolio of neighborhood and community shopping centers concentrated in northeastern states

CDR we rank 3 HOLD

CDR market cap \$360 million

REIT Comment



Company:	Kite Realty Group
Price:	\$6
Recommendation:	BUY
Ranking:	2
Market Cap:	\$487
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/16/2013
KRG \$6

Kite Realty Group KRG 2Q 2013 FFO \$0.10 v \$0.11 (adjusted) DOWN (9%)

KRG increased low end of guidance range 2013 FFO \$0.45-\$0.48 (adjusted) v \$0.43 (adjusted) UP +5% - +12%

KRG previous guidance 2013 FFO \$0.44-\$0.48 per share

KRG guidance 2013 FFO excludes net gain of \$0.02 per share on debt extinguishment

KRG 2Q 2013 same property NOI UP +4.4%

KRG 2Q 2013 portfolio occupancy 95.4% UP +2.4%

KRG 2Q 2013 rents on lease turnover UP +19.7%

KRG year to date acquisitions \$156 million

KRG investing \$264 million in development pipeline, with properties now 76.6% pre-leased

KRG concentration of retail properties in midwest, with 45% of total retail space located in IN and IL, differentiates KRG from other Retail REITs

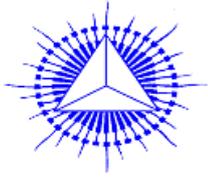
KRG stock price supported by current annual dividend yield of 4.2%

KRG a Retail REIT with a portfolio of neighborhood and community shopping centers

KRG we rank 2 BUY

KRG market cap \$487 million

REIT Comment



Company:	Universal Health Realty Income Trust
Price:	\$41
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$524
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/16/2013
UHT \$54

Universal Health Realty Income Trust UHT increased quarterly dividend distribution by 1% to \$0.625 per share for 2Q 2013

UHT new annual dividend \$2.50 per share

UHT new yield 6.1%

UHT a Health Care REIT with a portfolio of investments in acute care, psychiatric and specialty care hospitals, many operated by key related tenant Universal Health Services UHS

UHT we rank 3 HOLD

UHT market cap \$524 million

REIT Comment



Company:	UMH Properties
Price:	\$10
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$152
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/16/2013
UMH \$10

UMH Properties UMH 2Q 2013 core FFO \$0.17 (adjusted) v \$0.19 (adjusted) DOWN (11%)
UMH 2Q 2013 FFO (adjusted) excludes net charges of (\$0.02) per share relating to acquisition costs

UMH no guidance provided for FFO for 2013

UMH 2Q 2013 portfolio occupancy 82% UP +1%

UMH 2Q 2013 included realized gains of \$371,000 on REIT portfolio
UMH 2Q 2013 REIT portfolio diminished by (\$2.6) million unrealized losses due to stock market decline

UMH 2013 year to date acquisitions \$75 million for 11 manufactured home communities

UMH provides current annual dividend yield of 7.3%

UMH a Specialty REIT with a portfolio of manufactured home communities and investments in REIT securities

UMH we rank 3 HOLD

UMH market cap \$152 million

REIT Comment



Company:	Universal Health Realty Income Trust
Price:	\$41
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$524
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/16/2013
UHT \$54

Universal Health Realty Income Trust UHT 2Q 2013 FFO \$0.67 (adjusted) v \$0.66 (adjusted) UP +2%
UHT 2Q 2013 FFO (adjusted) excludes net charges of (\$0.01) per share relating to transaction costs

UHT no guidance provided for FFO for 2013

UHT 2Q 2013 revenues \$14 million DOWN (1%)
UHT 2Q 2013 operating income \$9 million DOWN (8%) before transaction costs

UHT 2Q 2013 new medical office building opened in Forney TX owned by limited partnership with 95% con-controlling interest held by UHT

UHT increased dividend by 1%, now providing current annual dividend yield of 6.1%

UHT a Health Care REIT with a portfolio of investments in acute care, psychiatric and specialty care hospitals, many operated by key related tenant Universal Health Services UHS

UHT we rank 3 HOLD

UHT market cap \$524 million

REIT Comment



Company:	Sovran Self Storage
Price:	\$68
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,078
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/16/2013
SSS \$68

Sovran Self Storage SSS traded DOWN (\$3.88) per share to close DOWN (5%) day

SSS stock traded UP +9% year to date for 2013, outperforming Specialty REITs, trading UP +7% for 2013

SSS higher occupancy and rental rate gains driving improved profitability for Specialty REITs with portfolios of self-storage properties

SSS guidance for FFO for 2013 indicates growth UP +14%

SSS increased dividend by 10%, now providing annual yield of 3.1%

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

SSS we rank 2 BUY

SSS market cap \$2.1 billion

REIT Comment



Company:	Duke Realty
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,675
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/16/2013
DRE \$15

Duke Realty DRE traded DOWN (\$0.62) per share to close DOWN (4%) day

DRE stock traded DOWN (23%) year to date for 2013, underperforming Industrial REITs, trading UP +10% for 2013

DRE Industrial REITs see improved occupancy driving FFO growth

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

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

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

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

DRE we rank 2 BUY

DRE market cap \$4.7 billion

REIT Comment



Company:	National Retail Properties
Price:	\$32
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,655
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/16/2013
NNN \$32

National Retail Properties NNN stock traded DOWN (\$1.20) per share to close DOWN (4%) day

NNN stock traded UP +1% year to date for 2013, underperforming Retail REITs, trading UP +7% for 2013

NNN changes to consumer sentiment have no impact on portfolio profitability

NNN all leases are triple net, with no exposure to variable tenant sales

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

NNN recently increased quarterly dividend by 2.5%, bringing current yield to 5.1%

NNN a Retail REIT with a portfolio of net leased retail and commercial properties

NNN we rank 2 BUY

NNN market cap \$3.7 billion

REIT Comment



Company:	Cousins Properties
Price:	\$10
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,038
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
08/16/2013
CUZ \$10

Cousins Properties CUZ traded UP \$0.13 per share to close UP +1% day

CUZ stock traded UP +19% year to date for 2013, outperforming Office REITs, trading UP +10% for 2013

CUZ pending \$1.1 billion acquisition of 4.4 million square foot office portfolio in Houston and Fort Worth TX significantly adds to office portfolio, providing 62% capacity expansion

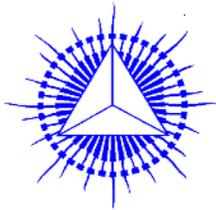
CUZ funding of pending acquisition required \$660 million equity offering, completed during August, 2013, adding 58% to total shares outstanding

CUZ providing current annual dividend yield of 1.8%

CUZ an Office REIT with a portfolio of office and retail properties in southern states

CUZ we rank 4 SELL

CUZ market cap \$1.0 billion



REIT Growth and Income Monitor posted 64 REIT comments for the week ended August 20, 2013. Comments were issued on REITs in the following sectors:

Financial REITs	8
Health Care REITs	7
Hotel REITs	4
Industrial REITs	8
Office REITs	9
Residential REITs	4
Retail REITs	14
Specialty REITs	10

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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