

## **REIT Growth and Income Monitor**

### **Weekly Comments 12/03/2013**

**REIT stocks continued to retreat, still dramatically underperforming the S&P 500 Index, as negative performance gap expanded to (29%).**

**Extended period of REIT stock underperformance sets up potential for massive recovery when investors accept inevitable Federal Reserve tapering.**

**Ventas offers unusual buying opportunity among large cap Health Care REITs, due to expected retenanting of properties previously leased to key tenant Kindred Healthcare.**

**Underperformance by Residential REIT AvalonBay Communities offers investors upside on FFO growth from \$2.7 billion development pipeline.**

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

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### Weekly REIT Comments 12/03/2013

REIT stocks retreated, trading down (1%) for the week ended November 29, 2013. REIT stocks are now down (2%) year to date for 2013, far behind performance of the S&P 500 Index, up 27%, as negative performance gap expanded to (29%) year to date for 2013. REITs now show the worst underperformance seen since 3Q 2009, when fears of collapsing US economy dominated the news. Average gain for all REITs followed by REIT Growth and Income Monitor is 6% for 2013, trailing 27% gain for the S&P 500 Index.

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

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

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

#### REIT Stock Underperformance Sets Up Potential for Massive Recovery

Extended period of REIT stock underperformance sets up potential for sudden massive recovery as investors come to accept Fed tapering. Our confidence is based on long experience that stock market anticipation of a negative event is almost always worse than the actual event. In the case of Federal Reserve tapering, such an action has been long discussed, with the commitment of Janet Yellen, recently appointed candidate for Federal Reserve chairman, to continue accommodative monetary policy for an extended period, reassuring thoughtful investors. Actual Federal Reserve tapering should have more of a negative impact on bond prices than on stock prices. Interest rates are just a single component impacting income for REITs, while rental rate increases and occupancy are far more relevant factors affecting portfolio net income growth. REIT balance sheets are strong, with many REITs having raised equity during 2013, enabling acquisitions to support FFO growth. This appears to be an excellent time to consider new positions in REIT stocks, particularly the largest cap REITs that have traded down more than their REIT sectors on company specific issues.

Large cap REITs experiencing such disappointments are easily visible in the chart on the next page showing relative performance of the S&P 500 Index REITs. In particular, we highlight **AvalonBay Communities** down (13%), **Equity Residential** down (9%), **HCP Inc** down (19%), **Health Care REIT** down (9%) and **Ventas** down (12%) year to date for 2013, all offering the potential for significant gains on recovery. Residential REITs **AvalonBay Communities** and **Equity Residential** are digesting their joint acquisition of the Archstone apartment portfolio during 1Q 2013, an event that forced significant divestitures, while setting up strategic advantages in key markets. Health Care REITs **HCP Inc**, **Health Care REIT** and **Ventas** started trading lower as Affordable Care Act was attacked by Congress during October, 2013, followed by well publicized failure of the HealthCare.gov website in November, 2013. Company specific disappointment centered on departure of former CEO James Flaherty from the board of **HCP Inc**, while **Ventas** is reassuring investors over re-tenanting of properties previously included in a master lease with key tenant Kindred Healthcare. All of the issues should prove transitory, while all of these S&P 500 Index REITs demonstrate portfolio strength and resilience.

#### Trading Opportunities

**AvalonBay Communities**, with market cap of \$15 billion, saw stock price decline of (13%) year to date for 2013, underperforming other Residential REITs, down (8%) on average for 2013. **AvalonBay Communities** expects recent \$6.9 billion acquisition of 40% of Archstone portfolio to add 40% to NOI for 2013. With a pipeline of \$2.7 billion projects now under development to provide portfolio capacity increment of 10%, **AvalonBay Communities** appears well positioned to capture market share, using a proven formula of owning and developing upscale apartment communities in east and west coast suburban locations. **AvalonBay Communities** enjoys occupancy of 96% for its portfolio of 82,584 apartments as of 3Q 2013, with average monthly rents up more than 4%. FFO increased 13% for 3Q 2013, while guidance for FFO for 2013 indicates 17% growth. Dividends increased 14% for 2013, now providing income investors with current yield of 3.6%.

**Ventas**, with market cap of \$17 billion, underperformed other Health Care REITs, trading down (12%) year to date for 2013, compared to average (2%) decline for Health Care REITs. **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 8% for 3Q 2013, exceeding expectations. Guidance for normalized FFO for 2013 indicates potential for 8%-9% FFO growth. **Ventas** increased dividends 8% for 2013 (for the fourth year of higher dividends), now providing 4.7% 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	Price	Weekly	2013
		12/31/2012	11/01/2013	11/08/2013	11/15/2013	11/22/2013	11/29/2013	Price Change	Price Change
American Tower Corp	AMT	\$77	\$79	\$78	\$79	\$77	\$78	1%	1%
Apartment Investment and Management	AIV	\$27	\$28	\$27	\$26	\$26	\$25	-2%	-7%
AvalonBay Communities	AVB	\$136	\$126	\$122	\$120	\$118	\$119	1%	-13%
Boston Properties	BXP	\$106	\$104	\$100	\$103	\$102	\$99	-2%	-6%
Equity Residential	EQR	\$57	\$53	\$52	\$51	\$51	\$52	1%	-9%
HCP Inc.	HCP	\$45	\$42	\$40	\$40	\$38	\$37	-4%	-19%
Health Care REIT	HCN	\$61	\$65	\$60	\$61	\$58	\$56	-3%	-9%
Host Hotels & Resorts	HST	\$16	\$19	\$19	\$19	\$19	\$18	-1%	17%
Kimco Realty	KIM	\$19	\$22	\$21	\$21	\$21	\$21	-1%	7%
Macerich	MAC	\$58	\$60	\$57	\$59	\$58	\$57	-1%	-2%
Plum Creek Timber	PCL	\$44	\$46	\$45	\$44	\$43	\$44	1%	-1%
Prologis, Inc	PLD	\$36	\$41	\$39	\$39	\$38	\$38	-1%	4%
Public Storage	PSA	\$145	\$169	\$160	\$162	\$155	\$153	-1%	5%
Simon Property Group	SPG	\$158	\$157	\$153	\$154	\$150	\$150	0%	-5%
Ventas	VTR	\$65	\$66	\$62	\$61	\$59	\$57	-4%	-12%
Vornado Realty Trust	VNO	\$80	\$90	\$88	\$90	\$90	\$88	-2%	10%
Weyerhaeuser	WY	\$28	\$30	\$29	\$30	\$30	\$30	2%	9%
S&P 500 Index	S&P 500	\$1,426	\$1,762	\$1,771	\$1,798	\$1,805	\$1,806	0%	27%
Average for S&P 500 Index REITs								-1%	-2%

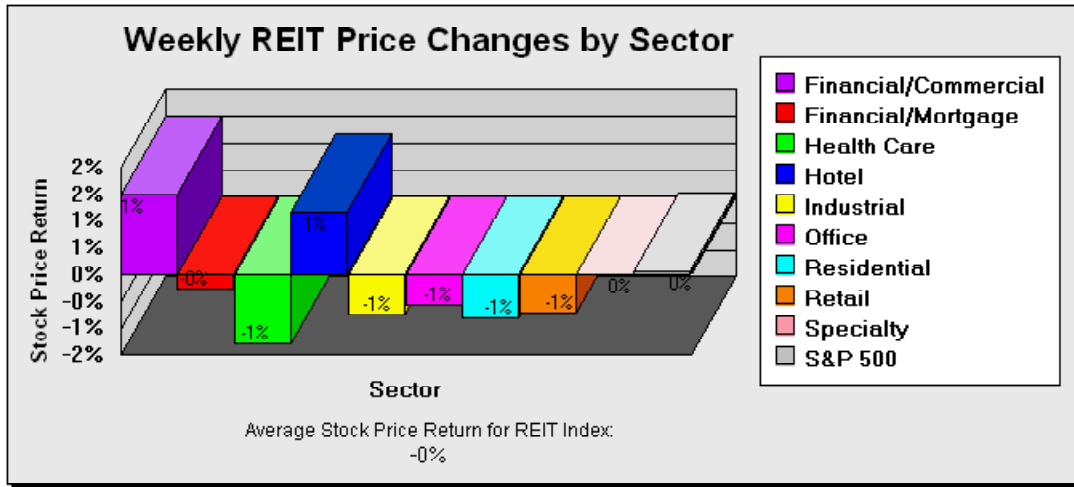
REIT stocks continued to drift, trading down (1%) for the last week of November, the week ended November 29, 2013, as investors turned their attention to news of the Holiday 2013 spending season. REITs underperformed the S&P 500 Index, trading unchanged for the week. REITs now show decline of (2%) year to date for 2013, trailing performance of the S&P 500 Index, up 27% for 2013. Negative performance gap expanded to (29%). REITs now show the worst underperformance since 3Q 2009, when fears of collapsing US economy dominated the news.

None of the 17 REITs included in the S&P 500 Index is up the same or more than 27% gain for the S&P 500 Index, while 7 REITs are up less than the S&P 500 Index. A total of 10 of the S&P 500 REITs traded down year to date for 2013. Leading performers among REITs include **Host Hotels & Resorts**, up 17%, and **Public Storage** up 5%, both underperforming the S&P 500 Index. Specialty Timber REITs **Plum Creek Timber**, down (1%), and **Weyerhaeuser**, now up 9%, indicate continued optimism over strength of US housing sector, despite negative impact of higher mortgage interest rates. Office REITs show disappointing performance, with **Boston Properties** down (6%) and **Vornado Realty Trust** up 10%, as rental rates decline in many urban areas. Economically sensitive Industrial REIT **Prologis Inc** shows gain of 4% for 2013. Retail REITs **Kimco Realty**, up 7% for 2013, as well as **Macerich**, down (2%), and **Simon Property Group**, down (5%) for 2013, demonstrate disappointment over lower tenant sales trends, although rental rate increases still support long term FFO growth. Gains previously achieved by Health Care REITs eroded, although efforts to defund or delay Affordable Care Act have been averted, with **HCP** down (19%), impacted by investor caution over management transition, while **Health Care REIT** is down (9%) and **Ventas** is down (12%) for 2013. Residential REITs also underperform, including **Apartment Investment and Management**, down (7%), **AvalonBay Communities** down (13%), and **Equity Residential**, down (9%), as investors consider eventual impact of multifamily housing starts on occupancy for Residential REITs. **American Tower**, newcomer to REIT status, traded up 1% year to date for 2013.

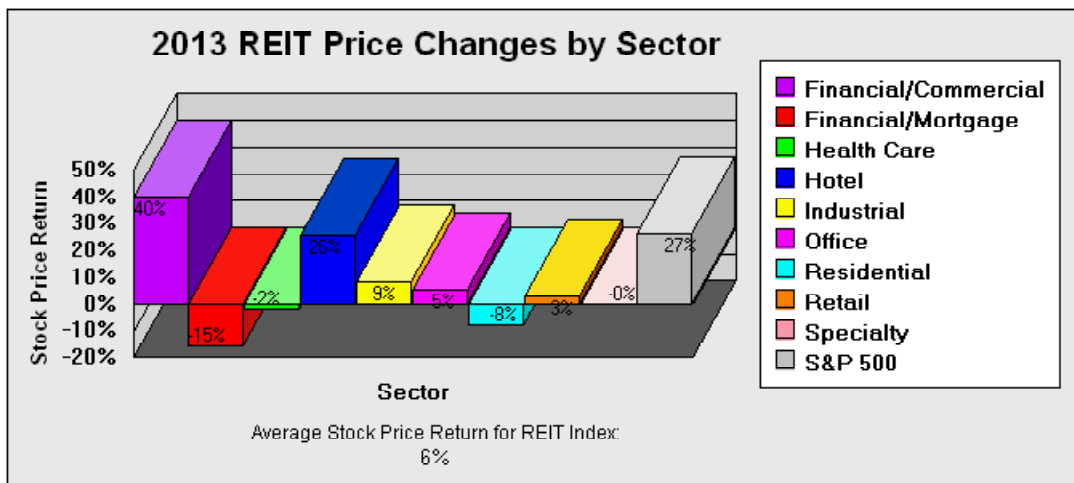
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Weekly REIT Price Changes by Sector



Almost REIT sectors traded down during the last week of November, the week ended November 29, 2013, as anticipation of the holiday season took attention of investors away from stable REITs to more volatile stocks in technology and specialty retailing. Best performance was demonstrated by Financial Commercial REITs and Hotel REITs, both up 1%. Financial Mortgage REITs and Specialty REITs were unchanged. Lagging REIT sectors included Health Care REITs, Industrial REITs, Office REITs, Residential REITs, and Retail REITs, all down (1%). On average, stock prices for REIT Growth and Income Monitor were unchanged for the week ended November 29, 2013.

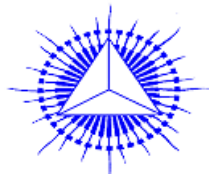


Prices for REITs followed by REIT Growth and Income Monitor show gain of 6% on average year to date for 2013, far behind performance of the S&P 500 Index, now up 27% year to date for 2013. REITs previously outperformed, as investors sought dividend income. REITs offer higher yields than S&P 500 stocks, with REIT dividends taxed at the same rate as ordinary income. REIT funds flow demonstrates moderate growth, at a time when other market sectors face adjusted revenue expectations due to currency exposure and variable international economies. Leading sector for 2013 is Financial Commercial REITs, up 40%, as investor interest in commercial and non-agency securitizations indicates frustration with low interest rates on agency securities. Hotel REITs show 26% gain, due to decline in oil prices. Industrial REITs are up 9%, while Office REITs show 6% gain. Retail REITs are up 3%, while Specialty REITs are unchanged, as investors express concern over consumer confidence. Health Care REITs are down (2%) year to date for 2013, following unsuccessful efforts by Congress to defund and to delay Affordable Care Act. Residential REITs show decrease of (8%) year to date for 2013, although guidance indicates rapid FFO growth through the middle of 2014. Lagging Financial Mortgage REITs show loss of (15%), as investors consider impact of Federal Reserve tapering on the bond market during 2014.

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REIT Comment



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Company:	Agree Realty
Price:	\$29
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$391
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/25/2013  
ADC \$29

Agree Capital ADC priced 1.65 million shares in public offering at \$29.80 per share

ADC offering priced at discount of (2%) to previous closing price

ADC expected proceeds of \$49 million to be applied to repay debt and fund acquisitions and developments

ADC sole underwriter Citi

ADC stock price supported by current annual dividend yield of 5.6%

ADC a Retail REIT with a portfolio of net leased retail properties

ADC we rank 3 HOLD

ADC market cap \$390 million

REIT Comment



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Company:	Host Hotels & Resorts
Price:	\$19
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$14,407
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/25/2013  
HST \$19

Host Hotels & Resorts HST news of easing of Iran sanctions likely to push oil prices lower supporting trading in Hotel REIT stocks

HST Hotel REITs, like airlines and other travel related stocks, normally trade inversely to price changes for oil and gasoline

HST lower price of airline fuel and gasoline purchased by motorists eases restrictions on travel budgets, enabling travelers to make purchases on discretionary items such as additional room nights and ancillary purchases

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

HST provides current annual dividend yield of 2.4%

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

HST we rank 3 HOLD

HST market cap \$14.4 billion

HST an S&P 500 Index REIT

REIT Comment



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Company:	Simon Property Group
Price:	\$150
Recommendation:	BUY
Ranking:	2
Market Cap:	\$54,216
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/25/2013  
SPG \$150

Simon Property Group SPG decision to open SPG malls early for Black Friday shopping may please more consumers than retail employees

SPG anchor stores planning to open Thanksgiving Day as early as 8:00 PM and stay open all night for Black Friday shoppers

SPG sales forecast from NRF (National Retail Federation) projects Holiday 2013 sales to increase UP +3.9% from previous year

SPG recent bullish comments by key tenant Macys M supports positive outlook for Holiday 2013

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

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

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

SPG we rank 2 BUY

SPG market cap \$54.2 billion

SPG an S&P 500 Index REIT



REIT Comment



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Company:	DuPont Fabros Technology
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,890
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/25/2013  
DFT \$23

DuPont Fabros Technology DFT outlook for strong Cyber Monday sales highlights role of Data Center REITs

DFT availability of online promotions of consumer electronics items including TVs and new videogame platforms, as well as smartphones, tablets, smartwatches and e-readers draws shoppers to e-commerce

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

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

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

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

DFT provides current annual dividend yield of 4.3%

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

DFT we rank 2 BUY

DFT market cap \$1.9 billion

REIT Comment



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Company:	Digital Realty Trust
Price:	\$47
Recommendation:	BUY
Ranking:	1
Market Cap:	\$6,465
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/25/2013  
DLR \$47

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

DLR investor disappointment related to one-time prior period adjustment, as well as trimmed guidance for FFO for 2013

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

DLR guidance for FFO for 2013 indicates growth UP +4%-+5%

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

DLR stock price supported by current annual dividend yield of 6.7%

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

DLR we rank 1 BUY

DLR market cap \$6.5 billion

REIT Comment



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Company:	Hatteras Financial
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,657
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/25/2013  
HTS \$17

Hatteras Financial HTS news of sequential decline in pending sales of existing homes indicates seasonality and restrictive credit

HTS report from NAR (National Association of Realtors) found pending sales of existing home sales DOWN (0.6%) for October 2013

HTS latest report on existing home sales showed increase UP+6.2% from previous year, with prices UP +11.0%

HTS economist for NAR projects existing home sales UP +10% for 2013 to 5.1 million homes, with average prices UP +11%

HTS report highlights negative impact of restrictive credit on total number of transactions

HTS Financial Mortgage REITs benefit from home sales, providing mortgage volume for agency guaranteed securitizations

HTS provides yield of 13.1%, near 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 2 BUY

HTS market cap \$1.7 billion

REIT Comment



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Company:	Washington REIT
Price:	\$24
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,518
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
11/25/2013  
WRE \$24

Washington REIT WRE traded DOWN (\$0.49) per share to close DOWN (2%) day

WRE stock traded DOWN (10%) year to date for 2013, underperforming Office REITs, trading UP +6% for 2013

WRE recent management comments noted office leasing challenging in DC market, made worse by 16 day federal government shutdown during October 2013

WRE completed first 2 transactions of sale of medical office properties for total of \$307 million during November 2013

WRE 2 additional medical office property sales for \$196 million expected to close during January 2014

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

WRE in CEO transition as of October 2013

WRE stock price supported by current annual dividend yield of 5.1%

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

WRE we rank 3 HOLD

WRE market cap \$1.5 billion

REIT Comment



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Company:	Ventas
Price:	\$58
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,161
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
11/25/2013  
VTR \$58

Ventas VTR traded DOWN (\$1.00) per share to close DOWN (2%) day

VTR stock traded DOWN (10%) year to date for 2013, underperforming Health Care REITs, trading unchanged for 2013

VTR stock has not yet recovered from last week's major earnings disappointment at key tenant Kindred Healthcare KND

VTR key tenant Kindred Healthcare KND downsizing number of properties under management, causing lower than expected revenues and earnings

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

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

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

VTR provides current annual dividend yield of 4.6%

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

VTR we rank 2 BUY

VTR market cap \$17.2 billion

VTR an S&P 500 Index REIT

REIT Comment



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Company:	Ashford Hospitality Trust
Price:	\$8
Recommendation:	BUY
Ranking:	2
Market Cap:	\$729
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/25/2013  
AHT \$8

Ashford Hospitality Trust AHT traded UP \$0.11 per share to close UP +1% day

AHT stock traded DOWN (21%) year to date, underperforming Hotel REITs, trading UP +24% for 2013, due to November 2013 taxable spin-off of Ashford Hospitality Prime AHP

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

AHT retained 115 hotels with EBITDA growth expected from renovations and rebranding

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

AHT provides current dividend yield of 5.8%

AHT a Hotel REIT

AHT we rank 2 BUY

AHT market cap \$700 million

REIT Comment



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Company:	Getty Realty
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$617
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/21/2013  
GTY \$18

Getty Realty GTY traded UP\$0.21 per share to close UP +1% day

GTY stock traded UP +2% year to date for 2013, outperforming Specialty REITs, trading unchanged for 2013

GTY lower gasoline prices may alter margins for GTY tenants but will not impact rents paid to GTY

GTY updated guidance for FFO for 2013 to indicate growth UP +55%, reflecting gain on accrued benefit of Lukoil settlement

GTY divestitures year to date for 2013 total \$74 million, with 105 remaining assets listed for sale

GTY litigation continues with sub-tenants of Lukoil at 42 properties

GTY now providing current annual dividend yield of 4.3%

GTY a Specialty REIT with a portfolio of net leased gasoline stations and convenience stores

GTY we rank 3 HOLD

GTY market cap \$600 million

REIT Comment



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Company:	Annaly Capital Management
Price:	\$10
Recommendation:	BUY
Ranking:	2
Market Cap:	\$10,151
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
11/26/2013  
NLY \$10

Annaly Capital Management NLY news today of continued price increases for US homes supports trading of Financial Mortgage REITs

NLY report from Case-Shiller showed prices of US existing homes UP +13.3% for September 2013 from previous year

NLY greatest yearly change in prices included Las Vegas UP +29.1%, San Francisco UP +25.7%, Los Angeles UP +21.8%, San Diego UP +20.9%, Atlanta UP +18.7%, Phoenix UP +18.6%, and Detroit UP +17.2%

NLY lowest yearly change in prices shown for New York UP +4.3%, Cleveland UP +5.0%, Washington UP +7.0%, Boston UP +7.5%, Charlotte UP +7.8% and Chicago UP +9.7%

NLY proposals for Fannie Mae reform delayed by Congressional focus on federal budget and debt ceiling issues

NLY efforts to privatize Fannie Mae and Freddie Mac aided by hedge fund positions in preferred and common stock of Fannie Mae FNMA and Freddie Mac FMCC

NLY profitability to be aided by investment of up to 25% of equity in non-agency real estate assets, with recent \$720 million acquisition of publicly traded NLY subsidiary CreXus Investment CXS now operating as Annaly Commercial Real Estate Group

NLY stock price supported by current annual dividend yield of 13.7%, below the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$10.2 billion



REIT Comment



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Company:	Plum Creek Timber
Price:	\$43
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,054
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/26/2013  
PCL \$43

Plum Creek Timber PCL news of higher US building permits provides important trading support for Specialty Timber REITs

PCL report from Census Bureau found US building permits UP +6.2% for October 2013 to annualized rate of 974,000

PCL building permits UP +13.9% from October 2012

PCL report of new single family home starts to be released on December 18, 2013, delayed by October 2013 federal government shutdown

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

PCL manufacturing business expected to continue to improve as lumber demand increases

PCL guidance for EPS for 2013 indicates growth UP +11%

PCL pending \$1.1 billion acquisition of timberlands and other assets from MeadWestvaco to close during 4Q 2013, with deal expected to be accretive during first year

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

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

PCL we rank 2 BUY

PCL market cap \$7.1 billion

PCL an S&P 500 Index REIT

REIT Comment



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Company:	Kimco Realty
Price:	\$21
Recommendation:	BUY
Ranking:	1
Market Cap:	\$8,585
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/26/2013  
KIM \$21

Kimco Realty KIM new CEO at Wal-Mart WMT challenged to change in-store dynamics while growing online and international sales

KIM Doug McMillon, named yesterday as new CEO of Wal-Mart WMT, likely to rally employees to regain same store sales momentum

KIM Doug McMillon, age 47, known for accessibility and commitment to Sam Walton vision of every day low price

KIM key tenant Wal-Mart WMT reported same store sales DOWN (0.3%) for quarter ended October 2013, for third consecutive quarterly sales decline

KIM key tenant Wal-Mart WMT represents 3% of annual base rents for KIM

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

KIM increased dividend by 7%, bringing current dividend yield to 4.2%

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 \$8.6 billion

KIM an S&P 500 Index REIT

REIT Comment



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Company:	Ashford Hospitality Trust
Price:	\$8
Recommendation:	BUY
Ranking:	2
Market Cap:	\$729
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/26/2013  
AHT \$8

Ashford Hospitality Trust AHT bad weather expected from Thanksgiving week storm may stimulate transient room nights in AHT airport hotels

AHT while Thanksgiving normally a slow week for Hotel REITs AHT airport hotels may benefit from weather delays

AHT higher than normal Thanksgiving week room nights would offset slow start to 4Q 2013 for DC area hotels

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

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

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

AHT provides current dividend yield of 5.8%

AHT a Hotel REIT

AHT we rank 2 BUY

AHT market cap \$700 million

REIT Comment



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Company:	Annaly Capital Management
Price:	\$10
Recommendation:	BUY
Ranking:	2
Market Cap:	\$9,813
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/26/2013  
NLY \$10

Annaly Capital Management NLY traded DOWN(\$0.34) per share to close DOWN (3%) day

NLY stock traded DOWN (30%) year to date for 2013, underperforming Financial Mortgage REITs, trading DOWN (15%) for 2013

NLY Financial Mortgage REITs trading DOWN due to fears of Federal Reserve tapering

NLY pending approval of Janet Yellen appointment as Federal Reserve Board Chairman by majority vote of full Senate should to be taken as a positive signal by investors in Financial Mortgage REITs as Yellen viewed as likely to continue to pursue accomodative policies

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

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

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

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

NLY stock price supported by current annual dividend yield of 14.2%, 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 \$9.8 billion

REIT Comment



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Company:	Potlatch
Price:	\$39
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,596
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/26/2013  
PCH \$39

Potlatch PCH traded UP \$0.47 per share to close UP +1% day

PCH stock traded unchanged year to date for 2013, in line with Specialty REITs, also trading unchanged year to date for 2013

PCH news today of higher US building permits should support trading in stocks of Specialty Timber REITs

PCH Specialty Timber REITs benefit from demand for lumber and home improvement items, driving prices up for timber and sawlogs

PCH expects higher prices for sawlogs and lumber during 2014

PCH provides current dividend yield of 3.2%

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

PCH we rank 2 BUY

PCH market cap \$1.6 billion

REIT Comment



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Company:	Weyerhaeuser
Price:	\$30
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,099
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/26/2013  
WY \$30

Weyerhaeuser WY traded UP \$0.04 per share to close FLAT day

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

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

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

WY to present strategy for growth of timber and wood products manufacturing businesses at Investor Meeting on December 17, 2013

WY provides current annual dividend yield of 3.0%

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

WY we rank 2 BUY

WY market cap \$17.1 billion

WY an S&P 500 Index REIT

REIT Comment



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Company:	Taubman Centers
Price:	\$67
Recommendation:	BUY
Ranking:	2
Market Cap:	\$10,247
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/26/2013  
TCO \$67

Taubman Centers TCO traded UP \$0.73 per share to close UP +1% day

TCO stock traded DOWN (15%) year to date for 2013, underperforming Retail REITs, trading UP +4% for 2013

TCO promotions for Black Friday make this an early Holiday 2013 selling season

TCO previously traded down after conference call for 3Q 2013, as investors expressed disappointment over delays and higher than expected development cost for new Mall of Puerto Rico

TCO guidance for FFO for 2013 indicates growth UP +10%

TCO during 3Q 2013 invested \$21 million to repurchase shares, with \$179 million remaining share repurchase authorization

TCO providing current yield of 3.0%

TCO a Retail REIT with a portfolio of upscale regional malls

TCO we rank 2 BUY

TCO market cap \$10.2 billion

REIT Comment



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Company:	Equity Residential
Price:	\$51
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,130
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/27/2013  
EQR \$51

Equity Residential EQR another week of better than expected new unemployment claims may indicate seasonal factors, due to temporary hiring of retail help for Holiday2013

EQR Labor Department reported new claims for unemployment DOWN(10,000) to 316,000 for week ended November 23, 2013 from revised number for previous week

EQR more stable 4 week moving average of new unemployment claims also decreased DOWN (7,500) to 331,750 from revised number for previous week

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

EQR top end of guidance range for FFO for 2013 indicates growth UP +3%

EQR stock supported by current annual dividend yield of 3.5%

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

EQR we rank 2 BUY

EQR market cap \$19.1 billion

EQR an S&P 500 Index REIT



REIT Comment



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Company:	Prologis Inc
Price:	\$38
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,157
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/27/2013  
PLD \$38

Prologis Inc PLD index of leading indicators increased during October 2013 for fourth consecutive monthly gain

PLD report from Conference Board found index of US leading indicators UP +0.2% for October 2013, following gain UP +0.9% for September 2013

PLD despite impact of 16 day federal government shutdown during October 2013, index of leading indicators supported by higher stock prices, improvement in home prices and access to credit cards providing short term liquidity

PLD Industrial REITs with portfolios of bulk distribution facilities seeing higher occupancy, as businesses invest in inventory to support rising demand

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

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 \$19.2 billion

PLD an S&P 500 Index REIT

REIT Comment



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Company:	Hatteras Financial
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,639
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/27/2013  
HTS \$17

Hatteras Financial HTS indications of continued investment by FHFA(Federal Housing Finance Administration) in new securitization platform indicate gradual attempt to merge Fannie Mae and Freddie Mac moving slowly

HTS Fannie Mae and Freddie Mac reducing portfolio size at measured pace as required by Congressional oversight committees

HTS rapid reduction of portfolio size at Fannie Mae and Freddie Mac would limit profitability holding back ability to support US Treasury with required payments

HTS Financial Mortgage REITs with portfolios of agency securities appear to be finding a new status quo, despite uncertainty over eventual Fannie Mae reform

HTS most important factor impacting day to day trading in Financial Mortgage REITs is still the threat of Federal Reserve tapering

HTS Financial Mortgage REITs expect calmer bond markets as a result of Janet Yellen appointment

HTS stock still near 52 week low, now trading at discount of (21%) to current book value of \$21.31 per share as of September 2013

HTS reduced quarterly dividend distribution by(29%) to \$0.55 per share for 4Q 2013

HTS provides yield of 13.1%, near 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 2 BUY

HTS market cap \$1.6 billion

REIT Comment



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Company:	Capstead Mortgage
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,146
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/27/2013  
CMO \$12

Capstead Mortgage CMO volatility in mortgage application volume may reflect normal seasonality as holidays take priority over home decisions, and as lenders catch up on mortgage volume delayed by October 2013 federal government shutdown

CMO report from MBA (Mortgage Bankers Association) found mortgage applications UP +9% for week ended November 22, 2013

CMO mortgage applications for refinance UP +0.1%, while mortgage applications for home purchase UP +6.0%

CMO report from MBA (Mortgage Bankers Association) found average interest rate on 30 year fixed rate conforming mortgage UP 0.02% to 4.48%

CMO Financial Mortgage REITs depend on volume of new mortgage securitizations to provide portfolio reinvestment opportunities

CMO investors still concerned over bond market direction, despite rally starting October 2013

CMO decline DOWN (3%) in book value for 3Q 2013 due to portfolio price decline

CMO stock trading at discount of (3%) to book value of \$12.35 per share as of September 2013

CMO provides current annual dividend yield of 10.3%, below the midpoint of the range for Financial Mortgage REITs

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

CMO we rank 2 BUY

CMO market cap \$1.1 billion

REIT Comment



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Company:	Weyerhaeuser
Price:	\$30
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,099
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/27/2013  
WY \$31

Weyerhaeuser WY traded UP \$1.00 per share to close UP +3% day

WY stock traded UP +11% year to date for 2013, outperforming Specialty REITs, trading unchanged year to date for 2013

WY next month's Investor Meeting on December 17, 2013 provides opportunity to present strategy for growth of timber and wood products manufacturing businesses

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

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

WY provides current annual dividend yield of 2.9%

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

WY we rank 2 BUY

WY market cap \$17.1 billion

WY an S&P 500 Index REIT

REIT Comment



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Company:	Ashford Hospitality Trust
Price:	\$8
Recommendation:	BUY
Ranking:	2
Market Cap:	\$719
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
11/27/2013  
AHT \$8

Ashford Hospitality Trust AHT traded DOWN (\$0.12) per share to close DOWN (1%) day

AHT stock traded DOWN (23%) year to date for 2013, underperforming Hotel REITs, trading UP +24% for 2013

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

AHT bad weather expected from Thanksgiving week storm may stimulate transient room nights in AHT airport hotels, offsetting slow start to 4Q 2013 for DC area hotels

AHT Hotel REITs normally benefit from lower gasoline prices

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

AHT provides current dividend yield of 5.8%

AHT a Hotel REIT

AHT we rank 2 BUY

AHT market cap \$700 million

REIT Comment



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Company:	Annaly Capital Management
Price:	\$10
Recommendation:	BUY
Ranking:	2
Market Cap:	\$9,813
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/27/2013  
NLY \$10

Annaly Capital Management NLY traded UP\$0.32 per share to close UP +3% day

NLY stock traded DOWN (27%) year to date for 2013, underperforming Financial Mortgage REITs, trading DOWN (15%) for 2013

NLY news of insider stock purchases attracting investors to the stock

NLY investors in Financial Mortgage REITs reassessing upside based on portfolio and dividend growth in environment of lower bond market volatility

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

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

NLY stock price supported by current annual dividend yield of 13.8%, near the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$9.8 billion

REIT Comment



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Company:	Mack-Cali Realty
Price:	\$21
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,023
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/27/2013  
CLI \$21

Mack-Cali Realty CLI traded UP \$0.35 per share to close UP +2% day

CLI stock traded DOWN (21%) year to date for 2013, underperforming Office REITs, trading UP +6% for 2013

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

CLI pending expiration of Morgan Stanley lease at Harborside in NJ representing 2% of total base rent for CLI, with vacancy expected by the end of 2013, challenges leasing outlook for 2014

CLI guidance for FFO for 2013 indicates decline DOWN (12%)

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

CLI provides current annual dividend yield of 5.8%

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

CLI we rank 3 HOLD

CLI market cap \$2.0 billion

REIT Comment



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Company:	Simon Property Group
Price:	\$150
Recommendation:	BUY
Ranking:	2
Market Cap:	\$54,415
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/29/2013  
SPG \$150

Simon Property Group SPG Black Friday bargains packing shopping malls throughout US

SPG best prices for consumers available both early and late in Holiday2013 shopping season

SPG bullish comments by key tenant Macy's M supports positive outlook for Holiday2013

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

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

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

SPG we rank 2 BUY

SPG market cap \$54.4 billion

SPG an S&P 500 Index REIT



REIT Comment



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Company:	DuPont Fabros Technology
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,899
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/29/2013  
DFT \$23

DuPont Fabros Technology DFT outlook for strong Cyber Monday online sales with many values on consumer electronics items

DFT new tablets offering WIFI and LTE Internet access available for less than \$400 from Apple, Nokia, Google, Amazon, HP, Dell, Acer and Asus

DFT timely availability of new videogame platforms Sony Playstation4 and Microsoft Xbox One should drive sales of gaming products

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

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

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

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

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

DFT provides current annual dividend yield of 4.3%

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

DFT we rank 2 BUY

DFT market cap \$1.9 billion

REIT Comment



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Company:	General Growth Properties
Price:	\$21
Recommendation:	BUY
Ranking:	2
Market Cap:	\$20,804
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/29/2013  
GGP \$21

General Growth Properties GGP cold and stormy weather adds volume to Holiday2013 retail sales volume

GGP consumers buying cold weather apparel and footwear to stay warm despite low temperatures with latest forecasts showing cold weather expected to continue throughout northeastern and northwestern US

GGP key tenant Macy's CEO upbeat about positive impact of cold weather apparel sales

GGP mall tenant sales benefit from completion of renovation projects in many locations

GGP reported better than expected results for 3Q 2013, with FFO growth UP +12%

GGP increased guidance for FFO for 2013 to indicate growth UP +18%

GGP share repurchase supports stock price, with investment of \$567 million during 3Q 2013 to repurchase 28.3 million shares at \$20 per share

GGP increased dividend distribution by 8% for 1Q 2014, now providing current yield of 2.7%

GGP a Retail REIT with a portfolio of regional malls

GGP we rank 2 BUY

GGP market cap \$20.8 billion

REIT Comment



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Company:	Sun Communities
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,592
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/29/2013  
SUI \$41

Sun Communities SUI 3Q 2013 FFO \$0.82 (adjusted) v \$0.71 (adjusted) UP +15%  
SUI 3Q 2013 FFO (adjusted) excludes net charges of (\$0.02) per share relating to acquisition transaction costs

SUI reduced high end of guidance range 2013 FFO \$3.19-\$3.32 v \$3.19 FLAT-UP +1%  
SUI previous guidance range 2013 FFO \$3.19-\$3.29 per share

SUI new guidance 4Q 2013 FFO (adjusted) \$0.75-\$0.79 v \$0.81 DOWN (2%)-(7%)

SUI 3Q 2013 same property NOI UP +5.1%  
SUI 3Q 2013 portfolio occupancy 89.6% UP +2.8%  
SUI 3Q 2013 average monthly rent per site \$795 UP +2.8%

SUI 3Q 2013 completed 487 home sales for \$14 million UP +35%

SUI acquisition pipeline totals \$160 million

SUI stock price supported by current dividend yield of 6.2%

SUI a Specialty REIT with a portfolio of manufactured home communities

SUI we rank 2 BUY

SUI market cap \$1.6 billion

REIT Comment



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Company:	Universal Health Realty Income Trust
Price:	\$42
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$536
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/29/2013  
UHT \$42

Universal Health Realty Income Trust UHT 3Q 2013 FFO \$0.69 (adjusted) v \$0.71 DOWN (3%)  
UHT 3Q 2013 FFO (adjusted) excludes net charges of (\$0.01) per share relating to transaction costs

UHT no guidance provided for FFO for 2013

UHT 3Q 2013 revenues \$13 million DOWN (1%)  
UHT 3Q 2013 operating income \$5 million UP +10% before transaction costs

UHT 3Q 2013 acquisitions \$5 million for 2 properties

UHT provides current annual dividend yield of 5.9%

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 \$536 million

REIT Comment



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Company:	UMH Properties
Price:	\$10
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$173
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/29/2013  
UMH \$10

UMH Properties UMH 3Q 2013 core FFO \$0.10 v \$0.16 (adjusted) DOWN (38%)  
UMH 3Q 2013 core FFO excluding gains on securities transactions \$0.10 v \$0.08 UP +25%

UMH no guidance provided for FFO for 2013

UMH 3Q 2013 portfolio occupancy 82% UP +2%

UMH 3Q 2013 included realized gains of \$113,000 on REIT portfolio  
UMH 3Q 2013 REIT portfolio diminished by (\$2.7) million unrealized losses due to stock market decline

UMH November 2013 completed \$12 million acquisition of 5 manufactured home communities with 519 developed sites  
UMH 2013 year to date acquisitions \$87 million for 16 manufactured home communities

UMH provides current annual dividend yield of 7.6%

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

UMH we rank 3 HOLD

UMH market cap \$170 million

REIT Comment



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Company:	Starwood Property Trust
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,581
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
11/29/2013  
STWD \$27

Starwood Property Trust STWD 3Q 2013 GAAP EPS \$0.52 v \$0.43 UP +21%  
STWD 3Q 2013 GAAP EPS includes unrealized fair valuation adjustments of \$21.7 million to portfolio of loans and securities and includes (\$1.2) million loan loss provision

STWD 3Q 2013 core EPS \$0.61 (adjusted) v \$0.50 (adjusted) UP +22%  
STWD 3Q 2013 core EPS excludes charges of (\$0.09) per share relating to non-cash stock based compensation expense, foreign currency adjustments, impairments and adjustments including intangibles relating to LNR acquisition

STWD 3Q 2013 GAAP book value \$21.78 per share UP +3% from June 2013  
STWD stock trading at premium of 28% to GAAP book value as of September 2013

STWD increased low end of guidance range 2013 core EPS \$1.95-\$2.10 v \$1.99 (adjusted) DOWN (2%)-UP +5%  
STWD previous guidance 2013 core EPS \$1.90-2.10 (adjusted) per share

STWD earnings drawn 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 to divest single family home investments through spin-off to shareholders

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 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 \$4.5 billion investment portfolio concentrated 29% in first mortgages, 11% subordinated mortgages, 29% mezzanine loans, 7% CMBS, 11% RMBS and 4% other investments

STWD 3Q 2013 \$1.1 billion, concentrated in opportunistic commercial first mortgages and mezzanine loans  
STWD current investment capacity \$400 million - \$750 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 6.6%

STWD a Financial Commercial REIT

STWD we rank 2 BUY

STWD market cap \$4.6 billion

REIT Comment



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Company:	Starwood Property Trust
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,581
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/29/2013  
STWD \$27

Starwood Property Trust STWD Board of Directors approved plan to divest single family home investments through spin-off to shareholders

STWD spin-off to merge with Waypoint Real Estate Group to form new publicly traded REIT Starwood Waypoint Residential Trust, to list on NYSE with ticker symbol SWAY

STWD Starwood Waypoint Residential Trust SWAY expected to be valued at market cap of \$4.9 billion

STWD shareholders to receive 1 share of Starwood Waypoint Residential Trust SWAY for every 5 shares of STWD in taxable distribution expected to take effect during 1Q 2014

STWD combined company Starwood Waypoint Residential Trust SWAY to own and manage more than 8,000 homes in 8 states, including CA, AZ, NV, TX, CO, IL, FL and AL

STWD to be managed by SWAY Management, affiliate of Starwood Capital Group

STWD to contribute \$100 million cash and commit line of credit for \$400 million to SWAY

STWD combination of STWD capital and deal flow with rental management expertise of Waypoint Real Estate Group expected to provide a unique Residential REIT vehicle

STWD dividend will not be impaired by distribution of Starwood Waypoint Residential Trust SWAY

STWD provides current annual dividend yield of 6.6%

STWD a Financial Commercial REIT

STWD we rank 2 BUY

STWD market cap \$4.6 billion

REIT Comment



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Company:	Taubman Centers
Price:	\$65
Recommendation:	BUY
Ranking:	2
Market Cap:	\$10,059
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/29/2013  
TCO \$65

Taubman Centers TCO traded DOWN (\$1.42) per share to close DOWN (2%) day

TCO stock traded DOWN (17%) year to date for 2013, underperforming Retail REITs, trading UP +4% for 2013

TCO positive comments from Macy's M highlight potential for positive tenant sales momentum during Holiday 2013 selling season

TCO largest anchor tenant exposure is Macy's M, representing 20% of total retail space

TCO previously traded down after conference call for 3Q 2013, as investors expressed disappointment over delays and higher than expected development cost for new Mall of Puerto Rico

TCO guidance for FFO for 2013 indicates growth UP +10%

TCO during 3Q 2013 invested \$21 million to repurchase shares, with \$179 million remaining share repurchase authorization

TCO providing current yield of 3.1%

TCO a Retail REIT with a portfolio of upscale regional malls

TCO we rank 2 BUY

TCO market cap \$10.1 billion



REIT Comment



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Company:	HCP Inc
Price:	\$37
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,967
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/29/2013  
HCP \$37

HCP Inc HCP traded DOWN (\$0.60) per share to close DOWN (2%) day

HCP stock traded DOWN (19%) year to date for 2013, underperforming Health Care REITs, trading unchanged for 2013

HCP investors express concern over sudden departure of former CEO James Flaherty from Board of Directors during November 2013, appearing to signal change in strategic direction

HCP Health Care REITs expect long term FFO growth at 3%-4% rate, assured by in-place rental contracts

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

HCP provides current annual dividend yield of 5.7%

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

HCP we rank 2 BUY

HCP market cap \$17.0 billion

HCP an S&P 500 Index REIT

REIT Comment



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Company:	Weyerhaeuser
Price:	\$30
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,411
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
11/29/2013  
WY \$30

Weyerhaeuser WY traded DOWN (\$0.46) per share to close DOWN (2%) day

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

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

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

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

WY provides current annual dividend yield of 2.9%

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

WY we rank 2 BUY

WY market cap \$17.4 billion

WY an S&P 500 Index REIT

REIT Comment



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Company:	UDR, Inc
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,138
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
11/29/2013  
UDR \$23

UDR Inc UDR traded DOWN (\$0.43) per share to close DOWN (2%) day

UDR stock traded DOWN (2%) year to date for 2013, outperforming Residential REITs, trading DOWN (7%) for 2013

UDR Residential REITs reporting FFO growth due to high occupancy and rental rate increases

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

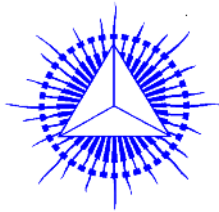
UDR guidance for FFO for 2013 indicates growth UP +4%

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

UDR a Residential REIT with a diverse portfolio of apartment communities

UDR we rank 2 BUY

UDR market cap \$6.1 billion



**REIT Growth and Income Monitor** posted 38 REIT comments for the week ended November 29, 2013. Comments were issued on REITs in the following sectors:

Financial REITs	8
Health Care REITs	3
Hotel REITs	4
Industrial REITs	1
Office REITs	5
Residential REITs	2
Retail REITs	7
Specialty REITs	8

Information on REIT sectors may be found using this link:

[http://www.reitmonitor.net/REIT\\_Resources](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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