

## **REIT Growth and Income Monitor**

**Weekly Comments 09/02/2014**

**Positive performance gap for REITs was maintained at 9% year to date for 2014, compared to S&P 500 Index.**

**Financial Mortgage REITs face challenge from lower mortgage volume and competition for new issues of agency RMBS.**

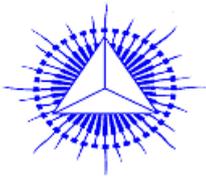
**Annaly Capital Management investment in fixed rate agency RMBS provides opportunity for capital gains supporting book value.**

**Hatteras Financial cautious investment in adjustable rate mortgage securities modulates portfolio performance.**

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**Weekly REIT Comments**  
**09/02/2014**

REIT stocks in the S&P 500 Index traded unchanged on average for the week ended August 29, 2014, as positive performance gap was maintained at 9% year to date for 2014. Average gain for all REITs followed by REIT Growth and Income Monitor is 12% year to date for 2014, exceeding 8% gain for the S&P 500 Index. REIT stocks trailed the S&P 500 Index during 2013, with average gain of 8%.

Investors recognized shifting momentum in REIT earnings reports for 2Q 2014. Health Care REITs and Industrial REITs increased guidance, while other REIT sectors affirmed conservative guidance indicating modest growth for 2014. Health Care REITs continue to rally as Affordable Care Act is implemented, bringing more patient volume for tenants of Health Care REITs. Industrial REITs are gaining occupancy, allowing FFO guidance to increase. Hotel REITs demonstrate positive revenue and margin trends, with stock price performance aided by price decline for oil and gasoline. Most Residential REITs expect strong FFO growth to continue through 2014, driven by tight occupancy and rental rate increases, although a few have seen operating expenses increase enough to offset positive momentum. Performance of Retail REITs should respond to rental rate increases, as well as portfolio expansion and portfolio restructuring sustaining long term FFO growth. Certain Specialty REIT segments, such as Specialty Self-Storage REITs, Specialty Cell Tower REITs and Specialty Data Center REITs, have exceeded earnings expectations, while Specialty Timber REITs, with portfolios of timberlands and sawlog mills, traded lower on news of variable home sales. Investors take a cautious stance for Office REITs, due to exposure to financial industry layoffs and continued rent roll-downs.

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

REIT stocks normally perform like interest rate sensitive stocks, although none of the 20 REITs in the S&P 500 Index are actually invested in financial assets. Dividend increases for 2013 and 2014 indicate management confidence in continued FFO growth. As dividend payers, REITs may be viewed as income stocks, attracting investors in need of both consistent income and growth.

**Financial Mortgage REITs Challenged by Lower Mortgage Application Volume and Competition for New Issues**

Lower mortgage application volume during 2014 presents a challenge for Financial Mortgage REITs to find reinvestment opportunities for portfolio maturities. According to weekly reports issued by MBA (Mortgage Bankers Association), mortgage applications to purchase a home decreased (12%) from the previous year during the month of August, 2014 (showing improvement from decline down (18%) as of June, 2014), while mortgage applications for refinance decreased (73%) from the previous year during the first 6 months of 2014, according to the quarterly report issued by FHFA (Federal Home Finance Agency). Current total mortgage application volume is at the lowest level seen since 2010. Quarterly disclosure from large bank mortgage lenders is even more discouraging, possibly indicating a permanent strategic reduction in mortgage lending. Mortgage origination volume for JP Morgan decreased (66%), while mortgage originations for Citi decreased (64%), Bank of America decreased (49%) and Wells Fargo decreased (48%) during 2Q 2014. As large banks lay off mortgage employees and sharply reduce commitment to mortgage lending, homeowners must turn to US savings banks, thrifts and credit unions. This drastic decline in mortgage origination volume raises the question whether capital constraints for these alternative lenders prevent adequate liquidity to support continued growth of the US housing sector.

Scarcity of new issues of agency guaranteed Residential MBS is compounded by continued support for monetary ease by the Federal Reserve through investment in agency bonds and Residential MBS. Financial Mortgage REITs report that the Federal Reserve has been acquiring as much as 70% of all new agency issues. Tight supply of agency guaranteed securitizations creates challenging conditions for portfolio managers, as competition for new issues drives up prices, lowering yield to maturity and limiting opportunities for portfolio reinvestment. Gradual withdrawal of the Federal Reserve from purchase of agency mortgage bonds is an outcome viewed favorably by Financial Mortgage REITs, despite the threat of renewed bond market volatility when Federal Reserve investment is reduced.

**Trading Opportunities**

**Annaly Capital Management** is the strongest of the publicly traded Financial Mortgage REITs, with market cap of \$11 billion supporting \$82 billion portfolio of fixed rate agency guaranteed Residential MBS. Stock price increased 19% year to date for 2014, now reflecting discount of (10%) to latest book value. Since completing acquisition of related **Crexus Investment** in March, 2013, **Annaly Capital Management** directly participates in the market for non-agency guaranteed Residential MBS and for Commercial MBS. GAAP EPS showed loss of (\$0.37) per share for 2Q 2014, including realized and unrealized gains and losses on sale of portfolio securities, while core EPS (excluding net portfolio unrealized gains and losses) of \$0.30 per share matched current quarterly dividend of \$0.30 per share. NIM (net interest margin) increased 0.36% to 1.26%, while book value increased 8% during 2Q 2014. Quarterly variability in **Annaly Capital Management** dividend distributions is a result of fluctuation in portfolio investment, repayments, portfolio yield and net interest income. Dividends decreased (24%) during 2013, with a further (14%) reduction announced for 2014, reflecting latest portfolio income. **Annaly Capital Management** provides income investors with current dividend yield of 10.1%, near the midpoint of the range for Financial Mortgage REITs.

**Hatteras Financial**, a small cap REIT with a market cap of \$2 billion, offers consistent high yield as portfolio run-off is offset by new investments. Portfolio of \$20 billion agency guaranteed securities is invested in ARMs, where yields adjust to reflect current mortgage market conditions. Stock price increased 21% year to date for 2014, now reflecting discount of (11%) to latest book value. **Hatteras Financial** reduced portfolio risk during 2Q 2014, with book value increasing 2% on unrealized portfolio gains. GAAP EPS was a loss of (\$0.19) per share for 2Q 2014, as **Hatteras Financial** reduced portfolio positions to limit risk. Core EPS of \$0.63 per share decreased (2%) from the previous year on slightly lower NIM (net interest margin) and higher expense ratio. **Hatteras Financial** reduced dividends by (24%) during 2013 and (9%) for 2014, providing income investors with current dividend yield of 10.1%.



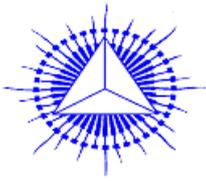
Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Price	Price	Price	Price	Price	Weekly	2014
		12/31/2013	08/01/2014	08/08/2014	08/15/2014	08/22/2014	08/29/2014	Price Change	Price Change
American Tower	AMT	\$80	\$94	\$98	\$98	\$98	\$99	1%	24%
Apartment Investment	AIV	\$26	\$34	\$33	\$33	\$34	\$34	0%	32%
AvalonBay Communities	AVB	\$118	\$149	\$150	\$151	\$154	\$153	-1%	29%
Boston Properties	BXP	\$100	\$119	\$120	\$121	\$122	\$121	-1%	21%
Crown Castle	CCI	\$73	\$73	\$77	\$78	\$79	\$80	0%	9%
Equity Residential	EQR	\$52	\$64	\$65	\$66	\$66	\$66	-0%	28%
Essex Property Trust	ESS	\$144	\$190	\$188	\$190	\$192	\$192	0%	34%
General Growth Properties	GGP	\$20	\$23	\$23	\$24	\$24	\$24	0%	21%
HCP	HCP	\$36	\$42	\$41	\$42	\$42	\$43	2%	19%
Health Care REIT	HCN	\$54	\$65	\$63	\$65	\$66	\$67	1%	25%
Host Hotels & Resorts	HST	\$19	\$22	\$22	\$22	\$23	\$23	0%	16%
Kimco Realty	KIM	\$20	\$22	\$22	\$23	\$23	\$23	-0%	18%
Macerich	MAC	\$59	\$65	\$65	\$65	\$65	\$65	0%	10%
Plum Creek Timber	PCL	\$47	\$41	\$41	\$40	\$41	\$41	-1%	-12%
Prologis	PLD	\$37	\$41	\$40	\$41	\$41	\$41	-0%	10%
Public Storage	PSA	\$151	\$173	\$173	\$175	\$175	\$174	-1%	15%
Simon Property Group	SPG	\$152	\$168	\$166	\$169	\$169	\$169	-0%	11%
Ventas	VTR	\$57	\$64	\$63	\$65	\$66	\$66	0%	15%
Vornado Realty Trust	VNO	\$89	\$105	\$105	\$106	\$106	\$105	-0%	19%
Weyerhaeuser	WY	\$32	\$31	\$32	\$33	\$34	\$34	-1%	8%
S&P 500 Index	S&P 500	\$1,848	\$1,925	\$1,932	\$1,955	\$1,988	\$2,003	2%	8%
Average for S&P 500 Index REITs								0%	17%

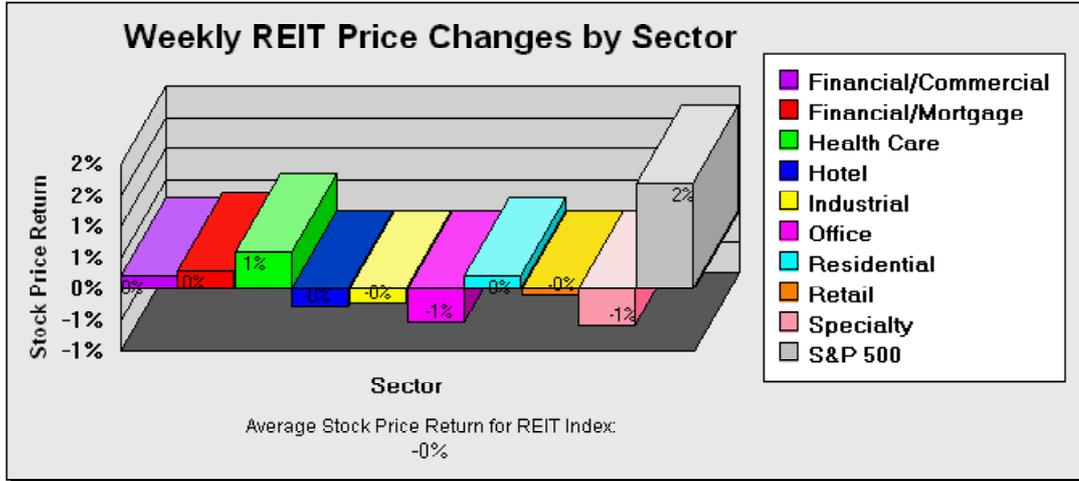
REIT stocks traded unchanged for the week ended August 29, 2014. REITs underperformed the S&P 500 Index, trading up 2% for the week, now showing 8% gain year to date for 2014. Positive performance gap for REITs was maintained at 9% year to date for 2014. REIT stocks trailed the S&P 500 Index during 2013, with average gain of 8%. Outperformance of REIT stocks reflects investor interest in equity yield alternatives to low bond market returns.

Almost all of the 20 S&P 500 Index REITs outperformed the S&P 500 Index year to date for 2014, with 18 of the 20 S&P 500 Index REITs trading up more than 8% gain for the S&P 500 Index during 2014. Only 1 of the S&P 500 Index REITs traded down year to date for 2014. Rally for Residential REITs now includes **Apartment Investment and Management** up 32%, **AvalonBay Communities** up 29%, **Equity Residential** up 28% and **Essex Property Trust** up 34%, all reporting strong earnings results. Office REITs also demonstrated strong performance, with **Boston Properties** up 21% and **Vornado Realty Trust** up 19% year to date for 2014. **Public Storage**, up 15%, and **Prologis**, up 10%, still show solid gains for 2014. Health Care REITs enjoy sustainable rally, buoyed by news of individual health enrollment under Affordable Care Act, with **Health Care REIT** up 25%, while **HCP** shows 19% gain and **Ventas** shows 15% gain. Retail REITs also show good gains, now lead by **General Growth Properties** up 21% and **Kimco Realty** up 18%, while **Macerich** shows 10% gain. **Simon Property Group** gave up a portion of its year to date gain due to recent spin-off of **Washington Prime Group**, leaving the parent company up 11% year to date for 2014. **Host Hotels & Resorts**, now up 16%, recently announced higher group bookings during 2014. **American Tower** now shows 24% gain year to date for 2014, with pending REIT conversion **Crown Castle** trading up 9% for 2014. In contrast, Specialty Timber REITs traded down on news of variable sales of new and existing homes, with Specialty Timber REIT **Plum Creek Timber** now down (12%) and **Weyerhaeuser** up 8% year to date for 2014.

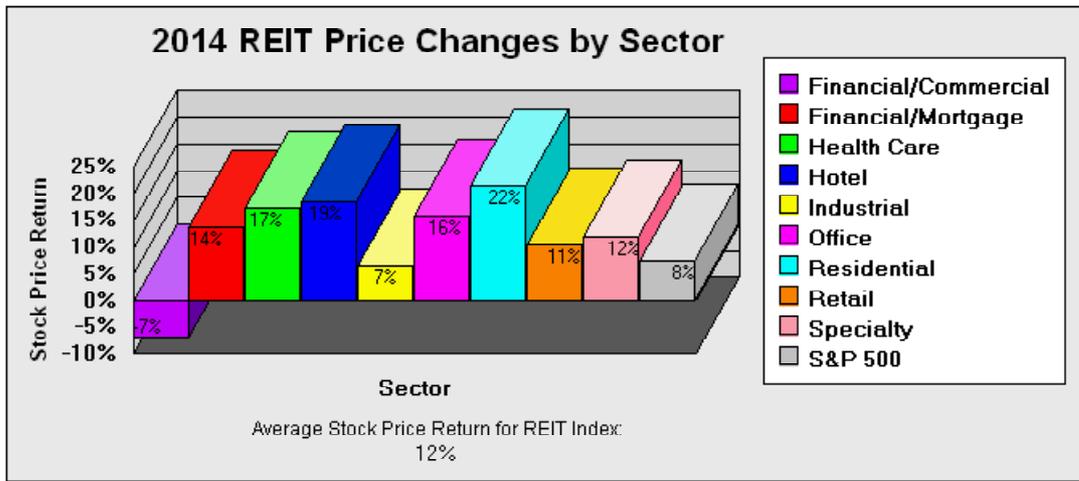
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Weekly REIT Price Changes by Sector



Most REIT sectors traded unchanged in quiet trading for the week ended August 29, 2014. Best performance was shown by Health Care REITs, trading up 1% for the week. Financial Commercial REITs, Financial Mortgage REITs and Residential REITs traded up less than 1%, while Hotel REITs, Office REITs and Retail REITs all traded down less than (1%) for the week. Lagging REIT sectors were Office REITs and Specialty REITs, down (1%) for the week. On average, stock prices for REIT Growth and Income Monitor traded unchanged for the week ended August 29, 2014.



Stock prices for REITs followed by REIT Growth and Income Monitor traded up 12% on average year to date for 2014, outperforming the S&P 500 Index, now up 8% year to date for 2014. Investors are attracted by dividend income, and REITs have demonstrated ability both to pay and to increase dividends. REITs offer higher yields than S&P 500 stocks, with REIT dividends taxed at the same rate as ordinary income. REIT funds flow demonstrates moderate growth, at a time when other market sectors face adjusted revenue expectations due to currency exposure and variable international economies.

Almost all REIT sectors outperformed the S&P 500 Index. Leading REIT sectors for 2014 include Residential REITs, up 22%, and Hotel REITs up 19% year to date. Health Care REITs are up 17% as the Affordable Care Act is implemented, bringing more patient volume to tenants of Health Care REITs. Office REITs show gain of 16%. Financial Mortgage REITs show gain of 14%, as investors respond positively to appointment of Janet Yellen as new Federal Reserve Chairman, justifying expectations for continued low interest rates. Specialty REITs traded up 12% year to date for 2014, supported by investor interest in Cell Tower REITs, Data Center REITs and Self-Storage REITs, offset by underperformance of Specialty Timber REITs. Retail REITs show gain of 11%, while Industrial REITs show 7% gain for 2014. Lagging Financial Commercial REITs traded down (7%) year to date for 2014, reflecting investor concern over lower volume of new issues of commercial securitizations, as well as impact of spin-offs on stock prices of Financial Commercial REITs.

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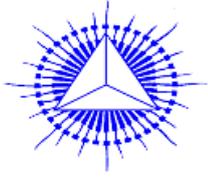


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REIT Comment



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Company:	American Tower
Price:	\$98
Recommendation:	BUY
Ranking:	2
Market Cap:	\$39,166
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  
08/25/2014  
AMT \$98

American Tower AMT large pending sales of Africa cell towers provides opportunity for incremental international expansion

AMT Bharti Airtel planning to sell 15,000 towers, accepting bids of \$2.0-\$2.5 billion from AMT, IHS (partially owned by Wendell), Helios Towers and Eaton Towers Ltd

AMT Orange (French telecom company) is seeking to sell towers in Egypt and Saharan regions while Sonatel (operator with equity investment by Orange) to sell 3,000 towers in Senegal, Mali, Guinea Bissau and Guinea Conakry

AMT MTN Group plans to sell 8,600 towers in Nigeria, while MobiNil to sell 2,500-3,00 cell towers in Egypt

AMT can offer cash deals for sale-leasebacks that leave sellers in control of cell tower operations a transaction that pleases both sellers and government regulatory agencies as operations remain with local management

AMT Africa now represents 7% of AMT rental revenue, with existing tower portfolio concentrated in Ghana, South Africa and Uganda

AMT investors attracted to AMT for global expansion and long term cash flow growth

AMT total revenues concentrated 64% in US, 34% international and 2% network services, with fastest growth in international markets

AMT technology upgrade to LTE driving incremental investment as well as higher rents for existing customer base of wireless carriers

AMT reported AFFO growth for 2Q 2014 UP +29% due to acquisitions

AMT guidance for AFFO for 2014 indicates growth UP +24%

AMT provides current annual dividend yield of 1.4%

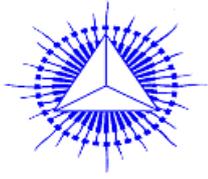
AMT a Specialty REIT with a portfolio of wireless and broadcast communications real estate with towers in US, Europe, South America, Africa and India

AMT we rank 2 BUY

AMT market cap \$39.2 billion

AMT an S&P 500 Index REIT

REIT Comment



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Company:	Crown Castle
Price:	\$79
Recommendation:	BUY
Ranking:	2
Market Cap:	\$26,467
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:  
08/25/2014  
CCI \$79

Crown Castle CCI investors seeking growth through investment in Specialty Cell Tower REITs see contrast between largest market cap American Tower AMT compared to Crown Castle CCI

CCI the largest owner of US based wireless cell towers while AMT offers rapid portfolio expansion through investment in international cell towers

CCI concentration in US domestic market still offers significant long term growth through continuing build-out of LTE service, as well as margin improvement as incremental tenants are added to existing towers

CCI reported FFO for 2Q 2014 increased UP +13%

CCI guidance for FFO for 2014 indicates growth UP +14%

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

CCI provides current annual dividend yield of 1.8%, with first ever dividend of \$0.35 per share paid in March 2014 on REIT conversion

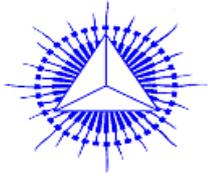
CCI a Specialty Cell Tower REIT with a portfolio of wireless and broadcast communications real estate, with towers in US and Australia

CCI we rank 2 BUY

CCI market cap \$26.5 billion

CCI an S&P 500 Index REIT

REIT Comment



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Company:	Plum Creek Timber
Price:	\$41
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$7,276
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:  
08/25/2014  
PCL \$41

Plum Creek Timber PCL 2Q 2014 news of lower new home sales indicates seasonality but not a change to annual growth trend

PCL report from US Census Bureau and HUD (US Department of Housing and Urban Development) showed new single family homes sales for July DOWN (2.4%) to annual pace of 412,000 from revised number for previous month

PCL new home sales UP +12.3% from previous year

PCL recent report on homebuilder confidence from NAHB (National Association of Home Builders) showed improvement during July 2014, although current inventories of new homes appear to be higher than planned

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

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

PCL stock price supported by current annual dividend yield of 4.3%

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

PCL we rank 3 HOLD

PCL market cap \$7.3 billion

PCL an S&P 500 Index REIT

REIT Comment



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Company:	Gramercy Property Trust
Price:	\$6
Recommendation:	BUY
Ranking:	2
Market Cap:	\$433
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:  
08/25/2014  
GPT \$5

Gramercy Property Trust GPT 2Q 2014 GAAP EPS profit \$0.65 v (\$0.11)  
GPT 2Q 2014 GAAP EPS includes \$72 million gain on re-investment in Bank of America properties and loss of (\$2) million on debt extinguishment

GPT 2Q 2014 FFO loss from continuing operations (\$0.02) v (\$0.04) (adjusted)

GPT 2Q 2014 AFFO profit \$0.06 v \$0.00 (adjusted)  
GPT 2Q 2014 AFFO excludes acquisition cost, stock compensation expense, and other non-cash and non-recurring items

GPT management expects AFFO for 3Q 2014 and 4Q 2014 in range of \$0.09-\$0.11 per share

GPT 2Q 2014 GAAP book value \$5.76 per share UP +55% from March 2014  
GPT stock trading at premium of 40% to latest GAAP book value

GPT 2Q 2014 revenues \$21 million UP +26% due to acquisitions of operating properties and addition of assets under management  
GPT 2Q 2014 revenues of \$21 million include \$7 million management fees and \$10 million rental revenue relating to acquired properties

GPT 2Q 2014 liquidity \$299 million

GPT year to date 2014 completed \$579 million acquisitions, including acquisition of remaining 50% joint venture interest in \$395 million Bank of America portfolio, as well as 8 industrial properties and 3 banking offices

GPT resumed common stock dividends with distribution of \$0.035 per share during April 2014

GPT new annual dividend yield 2.7%

GPT a Financial Commercial REIT

GPT we rank 2 BUY

GPT market cap \$433 million

REIT Comment



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Company:	UMH Properties
Price:	\$10
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$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:  
08/25/2014  
UMH \$10

UMH Properties UMH 2Q 2014 core FFO \$0.15 (adjusted) v \$0.17 (adjusted) DOWN (12%)  
UMH 2Q 2014 core FFO excludes losses of (\$0.04) per share on securities transactions

UMH no guidance provided for FFO for 2014

UMH 2Q 2014 portfolio occupancy 81.7% UP +0.4% year to date for 2014  
UMH 2Q 2014 occupancy for rental homes 92.6% UP +1.5% from March 2014

UMH 2Q 2014 sales of manufactured homes \$2.8 million UP +22%

UMH 2Q 2014 included realized gains of \$0.7 million on REIT portfolio  
UMH 2Q 2014 unrealized gains on REIT portfolio total \$5.5 million

UMH year to date 2014 completed and pending acquisitions \$61 million for 20 manufactured home communities

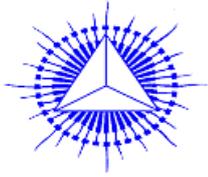
UMH provides current annual dividend yield of 7.1%

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

UMH we rank 3 HOLD

UMH market cap \$216 million

REIT Comment



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Company:	EPR Properties
Price:	\$57
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,995
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:  
08/25/2014  
EPR \$57

EPR Properties EPR traded UP \$0.41 per share to close UP +1%

EPR stock traded UP +16% year to date for 2014, outperforming Specialty REITs, trading UP +13% for 2014

EPR investor concern over lower 2014 theater box office sales, DOWN (7%) year to date for 2014, with industry forecast of (2%) annual revenue decline for 2014

EPR expecting 2015 determination of NY casino license for development of Adelaar casino and resort in Sullivan County NY

EPR guidance for FFO for 2014 indicates growth UP +5%

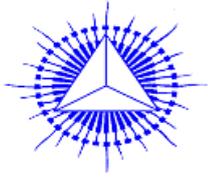
EPR previously increased monthly dividend by 8%, bringing current annual dividend yield to 6.0%

EPR a Specialty REIT with a portfolio of net leased cinemas, entertainment and recreational properties, and public charter schools

EPR we rank 2 BUY

EPR market cap \$3.0 billion

REIT Comment



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Company:	Rayonier
Price:	\$34
Recommendation:	SELL
Ranking:	5
Market Cap:	\$4,408
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:  
08/25/2014  
RYN \$34

Rayonier RYN stock traded UP +\$0.33 per share to close UP +1% day

RYN stock traded DOWN (18%) year to date for 2014, outperforming Specialty REITs, trading UP +13% for 2014

RYN stock price decline during 2014 reflects recent spin-off of Rayonier Advanced Materials RYAM, as well as investor concern over durability of growth for housing sector

RYN combined stock price appreciation for 2014 (including Rayonier Advanced Materials RYAM) UP +8%

RYN pro forma results show EPS decline DOWN (50%) while excluding results for Rayonier Advanced Materials RYAM

RYN expects to reduce dividend to reflect lower EBITDA of remaining portfolio

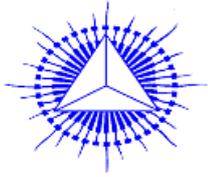
RYN provides current annual dividend yield of 5.7%

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

RYN we rank 5 SELL

RYN remaining market cap \$4.4 billion

REIT Comment



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Company:	Extra Space Storage
Price:	\$53
Recommendation:	BUY
Ranking:	2
Market Cap:	\$8,109
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:  
08/25/2014  
EXR \$53

Extra Space Storage EXR traded DOWN (\$0.78) per share to close DOWN (1%) day

EXR stock traded UP +25% year to date for 2014, outperforming Specialty REITs, trading UP +13% for 2014

EXR Specialty Self-Storage REITs seeing extended period of FFO increases due to high occupancy and rental rates

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

EXR guidance for FFO for 2014 indicates growth UP +20%

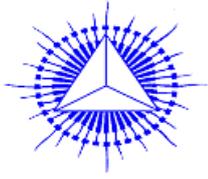
EXR providing annual yield of 3.6%

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

EXR we rank 2 BUY

EXR market cap \$8.1 billion

REIT Comment



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Company:	QTS Realty Trust
Price:	\$31
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,125
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:  
08/25/2014  
QTS \$31

QTS Realty Trust QTS traded DOWN (\$0.47) per share to close DOWN (2%) day

QTS stock traded UP +23% year to date for 2014, outperforming Specialty REITs, trading UP +13% for 2014

QTS investors adding positions in Specialty Data Center REITs for fastest revenue and FFO growth among all REIT sectors

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

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

QTS provides current annual dividend yield of 3.8%

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

QTS we rank 2 BUY

QTS market cap \$1.1 billion

REIT Comment



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Company:	Annaly Capital Management
Price:	\$12
Recommendation:	BUY
Ranking:	1
Market Cap:	\$11,192
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  
08/26/2014  
NLY \$11

Annaly Capital Management NLY prices of US homes increasing at slower pace likely to have no impact on trading in stocks of Financial Mortgage REITs

NLY report from Case-Shiller showed prices of US existing homes UP +8.1% for June 2014 from previous year, showing continued deceleration from UP +12.9% for February 2014

NLY greatest yearly change in prices included Las Vegas UP +15.2%, San Francisco UP +12.9%, Miami UP +11.5%, Los Angeles UP +10.5%, San Diego UP +10.2% and Detroit UP +10.3%

NLY lowest yearly change in prices shown for Cleveland UP +0.8%, Charlotte UP +3.8%, New York UP +4.3%, Washington UP +5.3%, Chicago UP +6.6%, Minneapolis UP +6.7%, Boston UP +7.0% and Denver UP +7.7%

NLY higher prices of US homes support higher appraisal values and LTV ratios enabling more mortgages to be approved, although affordability becoming a concern

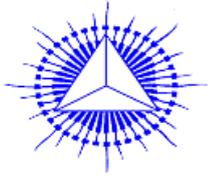
NLY stock price supported by current annual dividend yield of 10.2%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 1 BUY

NLY market cap \$11.2 billion

REIT Comment



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Company:	Kimco Realty
Price:	\$23
Recommendation:	BUY
Ranking:	1
Market Cap:	\$9,586
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:  
08/26/2014  
KIM \$23

Kimco Realty KIM lower sales for tenant Best Buy BBY a sign of sputtering momentum for consumer electronics sales during 2014

KIM Best Buy BBY reported total revenues DOWN (4%) for 2Q FY 2015 (ended August 2, 2014), due to lower sales of all categories of consumer electronics, including computers and mobile phones

KIM Best BUY BBY comp store sales declined DOWN (2.0%) for domestic stores and DOWN (6.7%) for international locations

KIM anchor tenant Best Buy BBY represents only 1.5% of total rents for KIM

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

KIM provides current annual dividend yield of 3.9%

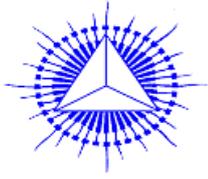
KIM a Retail REIT with a diverse portfolio of retail properties, including neighborhood and community shopping centers and big box retail, as well as grocery anchored shopping centers

KIM we rank 1 BUY

KIM market cap \$9.6 billion

KIM an S&P 500 Index REIT

REIT Comment



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Company:	National Retail Properties
Price:	\$37
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,538
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:  
08/26/2014  
NNN \$37

National Retail Properties NNN lower consumer electronics sales evident in declining sales for key anchor tenant Best Buy BBY

NNN Best Buy BBY comp store sales declined DOWN (2.0%) for domestic stores for 2Q FY 2015 (ended August 2, 2014)

NNN Best Buy BBY management comments noted new products including much anticipated new iPhone and 4K TVs and home theaters from Sony and Samsung expected to drive sales recovery in time for holiday selling season

NNN key tenant Best Buy BBY represents 3% of total rents for NNN

NNN tenant decisions to downsize retail operations represent normal transition for Retail REITs providing opportunities to increase rents on lease turnover

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

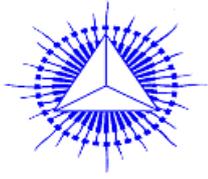
NNN provides current annual dividend yield of 4.5%

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

NNN we rank 2 BUY

NNN market cap \$4.5 billion

REIT Comment



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Company:	DuPont Fabros Technology
Price:	\$28
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,248
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:  
08/26/2014  
DFT \$28

DuPont Fabros Technology DFT today's earnings report from Best Buy BBY demonstrates continuing shift to online sales

DFT Best Buy BBY reported online sales (including online purchase with local delivery in-store) increased UP +22% for 2Q FY 2015 (ended August 2, 2014), while US comp store sales declined DOWN (2.0%)

DFT Best Buy BBY management comments noted improving outlook for rest of 2014 due to new product introductions for key consumer electronics categories, including much anticipated new iPhone and 4K TVs and home theaters from Sony and Samsung

DFT demand for wholesale data centers driven by proliferation of mobile Internet devices offering easy access to social networking, email and on-line shopping

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

DFT latest guidance for FFO for 2014 indicates growth UP +24%

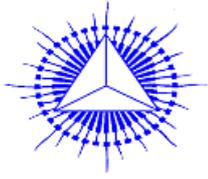
DFT now providing current annual dividend yield of 5.1%

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

DFT we rank 2 BUY

DFT market cap \$2.2 billion

REIT Comment



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Company:	General Growth Properties
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$20,646
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:  
08/26/2014  
GGP \$24

General Growth Properties GGP news of higher consumer confidence should support trading in stocks of Retail REITs

GGP report from Conference Board found US consumer confidence index UP+2.1% to 92.4% for August 2014, highest level since October 2007

GGP consumer assessment of job market also improved with 18.2% of consumers surveyed commenting "jobs are plentiful"

GGP reported FFO for 2Q 2014 increased UP +15%, with mall rents on lease turnover UP more than UP +14%

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

GGP investing \$2.2 billion in development and redevelopment pipeline, including \$1.1 billion now under construction

GGP provides current yield of 2.5%

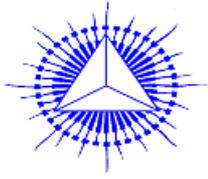
GGP a Retail REIT with a portfolio of regional malls

GGP we rank 2 BUY

GGP market cap \$20.6 billion

GGP an S&P 500 Index REIT

REIT Comment



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Company:	Corporate Office Properties Trust
Price:	\$28
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,578
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:  
08/26/2014  
OFC \$\$28

Corporate Office Properties Trust OFC traded UP \$0.28 per share to close UP +1% day

OFC stock traded UP +19% year to date for 2014, outperforming Office REITs, trading UP +16% for 2014

OFC defense oriented stocks continue to rally on news of expanded US military efforts in Iraq

OFC exposure to government agency and related tenants(particularly defense and intelligence agencies) now 73% of total rents

OFC announced divestiture of 8 properties in suburban Baltimore MD for \$29 million

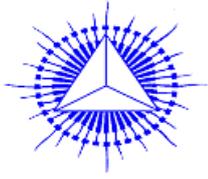
OFC stock price supported by current annual dividend yield of 3.9%

OFC an Office REIT with a portfolio of office properties concentrated in metropolitan DC area

OFC we rank 3 HOLD

OFC market cap \$2.6 billion

REIT Comment



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Company:	PREIT
Price:	\$20
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,426
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  
08/26/2014  
PEI \$20

PREIT PEI traded UP \$0.20 per share to close UP +1% day

PEI stock traded UP +7% year to date for 2014, underperforming Retail REITs, trading UP +11% for 2014

PEI today's news of higher consumer confidence indicates probability of higher consumer spending during last 6 months of 2014

PEI regional malls normally see strong upswing in sales for back-to-school items during 3Q 2014

PEI management upbeat on new retail developments in downtown Philadelphia and pending \$465 million acquisition of new Springfield Town Center regional mall in VA

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

PEI guidance for FFO for 2014 indicates growth UP +5%

PEI provides current annual dividend yield of 4.0%

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

PEI we rank 2 BUY

PEI market cap \$1.4 billion

REIT Comment



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Company:	Equinix
Price:	\$217
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,598
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  
08/26/2014  
EQIX \$217

Equinix EQIX traded DOWN (\$4.44) per share to close DOWN (4%) day

EQIX traded UP +22% year to date for 2014, outperforming Specialty REITs, trading UP +13% for 2014

EQIX announcement of 2 new customers highlights important trends driving cloud services

EQIX Liquid Holdings Group offers single cloud based platform for rapid trading adding scale to exploit EQIX established relationships with financial industry customers

EQIX CloudSigma offers IaaS (Infrastructure as a Service) using EQIX Cloud Exchange providing access to hybrid-cloud IT applications

EQIX made transition to free cash flow following completion of aggressive capital expenditure program, enabling conversion to REIT as dividend paying stock

EQIX pending REIT conversion will enable REIT investors to participate in cash flow generation of a leading Data Center company recognized as providing exceptional interconnection capabilities by corporate clients

EQIX conversion to REIT structure will require payment of 90% of pretax income as dividends to shareholders

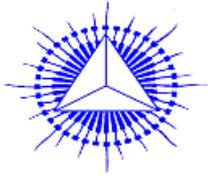
EQIX no dividends paid during 2013 nor 2014

EQIX pending REIT conversion to Specialty Data Center REIT with a portfolio of 75 data centers in global locations

EQIX we rank 2 BUY

EQIX market cap \$11.6 billion

REIT Comment



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Company:	Macerich
Price:	\$65
Recommendation:	BUY
Ranking:	2
Market Cap:	\$9,861
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:  
08/26/2014  
MAC \$65

Macerich MAC traded UP \$0.60 per share to close UP +1% day

MAC stock traded UP +11% year to date for 2014, matching performance of Retail REITs, also trading UP +11% for 2014

MAC news of improved consumer confidence supports trading in Retail REIT stocks

MAC driving FFO growth by investing in redevelopments of older malls while diversifying portfolio with new developments for significant portfolio expansion

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

MAC guidance for FFO for 2014 indicates growth UP +2%

MAC supported by current annual dividend yield to 3.8%

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

MAC we rank 2 BUY

MAC market cap \$9.9 billion

MAC an S&P 500 Index REIT

REIT Comment



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Company:	Annaly Capital Management
Price:	\$12
Recommendation:	BUY
Ranking:	1
Market Cap:	\$11,240
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:  
08/27/2014  
NLY \$12

Annaly Capital Management NLY weekly mortgage application volume increased slightly but still not enough to offset year to date decline

NLY report from MBA (Mortgage Bankers Association) found mortgage applications increased UP +2.8% for week ended August 22, 2014 from previous week

NLY mortgage applications for refinance increased UP +3%, while mortgage applications for home purchase also increased UP +3%

NLY mortgage applications for home purchase decreased DOWN (11%) from previous year

NLY mortgage refinance applications 56% of total mortgage application volume last week

NLY report from MBA (Mortgage Bankers Association) found average interest rate on 30 year fixed rate conforming mortgage decreased slightly DOWN (0.01%) to 4.28%

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

NLY stock price supported by current annual dividend yield of 10.1%, near the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 1 BUY

NLY market cap \$11.2 billion

REIT Comment



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Company:	Capstead Mortgage
Price:	\$13
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,262
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:  
08/27/2014  
CMO \$13

Capstead Mortgage CMO mortgage volume continues to decline for most banks signaling plans for permanent reduction in commitment to US housing sector

CMO mortgage volume for Wells Fargo DOWN (58%) from previous year for 2Q 2014, while JP Morgan DOWN (66%), Citi DOWN (64%) and Bank of America DOWN (49%)

CMO Wells Fargo now the largest US mortgage lender, already 3.4X larger than Bank of America, once the largest US mortgage lender, as well as 2.8X larger than JP Morgan

CMO as large banks sharply reduce commitment to mortgage lending US savings banks, thrifts and credit unions offer more diverse mortgage products, although capital constraints prevent adequate support for continued growth of US housing sector

CMO Congressional proposals to liquidate or reduce Fannie Mae FNMA and Freddie Mac FMCC commitment to mortgages threatens permanent disruption to housing sector

CMO Financial Mortgage Mortgage REITs rely on new issues of agency guaranteed Residential MBS to reinvest portfolio maturities

CMO book value increase for 2Q 2014 reassures investors that fears of bond market volatility are unwarranted

CMO stock now trading at premium of 4% to book value of \$12.69 per share as of June 2014

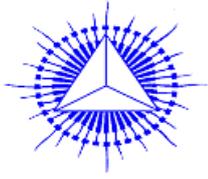
CMO current annual dividend yield of 10.3%, above the midpoint of the range for Financial Mortgage REITs

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

CMO we rank 1 BUY

CMO market cap \$1.3 billion

REIT Comment



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Company:	Hospitality Properties Trust
Price:	\$29
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,360
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:  
08/27/2014  
HPT \$29

Hospitality Properties Trust HPT weekend travel for Labor Day expected to show large increase benefitting Hotel REITs with portfolios of highway hotels as well as big city hotels near tourist destinations

HPT forecast from AAA Travel indicates 34.7 million US consumers may travel more than 50 miles this weekend, representing highest volume since 2008

HPT lowest gasoline prices in 2 years lowers cost of highway travel leaving more consumer funds available for extra room nights at hotels and extra spending on food and ancillary charges

HPT portfolio of highway hotels with low ADR (average daily rate) well positioned to benefit from travel on east coast and mid-Atlantic states

HPT no guidance provided for normalized FFO for 2014

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

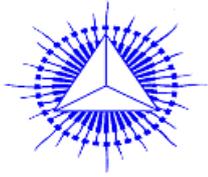
HPT current annual dividend yield 6.8%

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

HPT we rank 2 BUY

HPT market cap \$4.4 billion

REIT Comment



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Company:	Getty Realty
Price:	\$19
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$627
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:  
08/27/2014  
GTY \$19

Getty Realty GTY Labor Day driving to benefit tenants of GTY

GTY expected growth in holiday driving supported by lower gasoline prices and by growth in consumer incomes due to positive employment trends

GTY will see no impact on rents for tenant operators of portfolio of gasoline stations and convenience stores

GTY still divesting properties previously operated by bankrupt tenant Lukoil(previously Getty Petroleum Marketing), with remaining 66 properties classified as "held for sale" in discontinued operations

GTY no guidance provided for FFO for 2014

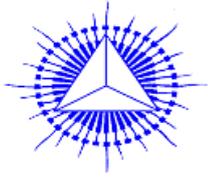
GTY now providing current annual dividend yield of 4.3%

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

GTY we rank 3 HOLD

GTY market cap \$627 million

REIT Comment



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Company:	Hersha Hospitality Trust
Price:	\$7
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,433
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:  
08/27/2014  
HT \$7

Hersha Hospitality Trust HT 2Q 2014 AFFO \$0.17 v \$0.13 UP +31%

HT 2Q 2014 adjusted EBITDA \$46 million UP +12%

HT provided guidance 2014 AFFO \$0.46-\$0.48 v \$0.41 UP +12%+17%

HT guidance 2014 AFFO assumes RevPAR UP +6.5%+8.0% with hotel EBITDA margin UP +1.0%+1.5%

HT 2Q 2014 RevPAR (revenue per available room) \$169 UP +8.2%

HT 2Q 2014 ADR (average daily rate) \$195 UP +4.0%

HT 2Q 2014 occupancy 96.5%

HT management comments noted Boston market showed strongest demand growth for 2Q 2014, followed by NYC, west coast, and southern FL

HT completed acquisition of Parrot Key Hotel & Resort in Key West FL for \$100 million

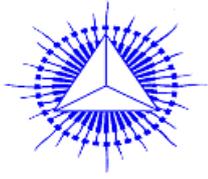
HT stock price supported by current annual dividend yield of 3.5%

HT a Hotel REIT with a portfolio concentrated in New York and DC

HT we rank 3 HOLD

HT market cap \$1.4 billion

REIT Comment



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Company:	Sunstone Hotel Investors
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,647
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  
08/27/2014  
SHO \$15

Sunstone Hotel Investors SHO 2Q 2014 AFFO \$0.39 v \$0.30 UP +30%

SHO 2Q 2014 adjusted EBITDA \$95 million UP +34%

SHO narrowed guidance range 2014 AFFO \$1.09-\$1.14 v \$0.93 UP +17%-+23%  
SHO previous guidance range 2014 AFFO \$1.07-\$1.16 per share  
SHO guidance range 2014 AFFO assumes RevPAR (revenue per available room) UP +4.5%-+6.5%

SHO guidance 3Q 2014 AFFO \$0.30-\$0.32 v \$0.30 (adjusted) FLAT-UP +7%

SHO 2Q 2014 RevPAR (revenue per available room) \$172 UP +6.2%  
SHO 2Q 2014 ADR (average daily rate) \$198 UP +3.5%  
SHO 2Q 2014 portfolio occupancy 86.6% UP +2.2%  
SHO 2Q 2014 hotel EBITDA margin 34.0% UP +1.3%

SHO acquired Marriott Wailea for \$326 million, with plans to invest \$60 million in renovations  
SHO acquired land adjacent to Fairmont Newport Beach for \$11 million

SHO completed renovation of all rooms at Hyatt Regency San Francisco with plans to start renovation of public areas during 4Q 2014

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

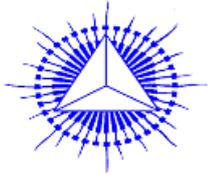
SHO current annual dividend yield 1.4%

SHO a Hotel REIT

SHO rank 2 BUY

SHO market cap \$2.6 billion

REIT Comment



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Company:	First Industrial
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,084
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:  
08/27/2014  
FR \$18

First Industrial FR traded UP \$0.19 per share to close UP +1% day

FR stock traded UP +5% year to date for 2014, underperforming Industrial REITs, trading UP +7% for 2014

FR Industrial REITs report higher demand supporting positive occupancy trends

FR rental rate increases contributing to FFO growth

FR guidance for FFO for 2014 indicates growth UP in range UP +3%-+12%

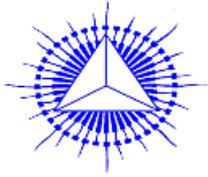
FR current annual dividend yield to 2.3%

FR an Industrial REIT with a diverse portfolio including bulk distribution, light industrial and manufacturing facilities

FR we rank 3 HOLD

FR market cap \$2.1 billion

REIT Comment



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Company:	Lexington Realty Trust
Price:	\$11
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,632
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:  
08/27/2014  
LXP \$11

Lexington Realty Trust LXP traded DOWN (\$0.10) per share to close DOWN (1%) day

LXP stock traded UP +6% year to date for 2014, underperforming Office REITs, trading UP +16% for 2014

LXP focusing investment on new build-to-suit projects, as demand for multi-tenant office space dwindles

LXP investor concern over corporate investment in new buildings utilizing less space per employee with more intensive use of services, making it more difficult to release older office properties

LXP investing \$313 million in 4 new build-to-suit projects to add 1.2 million square feet of space, representing 3% portfolio capacity increment

LXP guidance for FFO for 2014 indicates growth as much as UP +13%

LXP increased quarterly dividend by 3% for 3Q 2014, bringing current annual dividend yield to 6.2%

LXP an Office REIT with a portfolio of properties net leased to single tenants

LXP we rank 3 HOLD

LXP market cap \$2.6 billion

REIT Comment



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Company:	Ashford Hospitality Trust
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,173
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:  
08/27/2014  
AHT \$12

Ashford Hospitality Trust AHT traded DOWN (\$0.09) per share to close DOWN (1%) day

AHT stock traded UP +39% year to date for 2014, outperforming Hotel REITs, trading UP +19% for 2014

AHT projections for increased travel for Labor Day holiday a positive signal for Hotel REITs

AHT news of low gasoline prices, at lowest level for month of August over past 4 years, indicates consumers likely to have more money to spend on extra room nights and ancillary charges

AHT stocks of Hotel REITs, like all travel related stocks, trade inversely to oil prices

AHT no guidance provided for FFO for 2014

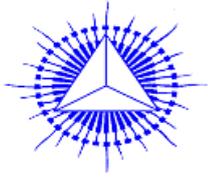
AHT provides current dividend yield of 4.2%

AHT a Hotel REIT

AHT we rank 2 BUY

AHT market cap \$1.2 billion

REIT Comment



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Company:	Equity Commonwealth
Price:	\$27
Recommendation:	SELL
Ranking:	4
Market Cap:	\$3,418
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:  
08/27/2014  
EQC \$27

Equity Commonwealth EQC traded DOWN (\$0.16) per share to close DOWN (1%) day

EQC stock traded UP +16% year to date for 2014, in line with Office REITs, also trading UP +16% for 2014

EQC divestitures and restructuring charges impacting results for 2014

EQC no guidance provided for FFO for 2014

EQC has not paid cash dividends on common stock since change in corporate control

EQC expects to reduce common stock dividend due to portfolio restructuring

EQC changed name from previous CommonWeath REIT [ticker: CWH], following successful proxy battle won by dissident shareholders

EQC new name Equity Commonwealth [ticker: EQC] in keeping with ownership of new CEO Sam Zell of Equity Group International

EQC previously provided annual dividend yield of 3.7%

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

EQC we rank 4 SELL

EQC market cap \$3.4 billion

REIT Comment



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Company:	Equity Residential
Price:	\$66
Recommendation:	BUY
Ranking:	2
Market Cap:	\$24,924
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:  
08/28/2014  
EQR \$66

Equity Residential EQR another slight decrease in new unemployment claims indicates steadily improving employment environment, supporting trading in Residential REITs

EQR Labor Department reported new claims for unemployment decreased DOWN(1,000) to 298,000 for week ended August 23, 2014 from revised number for previous week

EQR more stable 4 week moving average of new unemployment claims also decreased slightly, DOWN (1,250) to 299,750 from revised average for previous week

EQR insured unemployment rate of 1.9% at lowest level since June 16, 2007

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

EQR guidance for FFO for 2014 indicates growth UP +8%-+9% for 2014

EQR provides current annual dividend yield of 3.0%

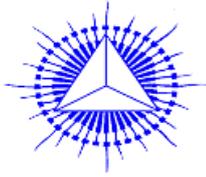
EQR the largest publicly traded Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$24.9 billion

EQR an S&P 500 Index REIT

REIT Comment



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Company:	Prologis
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$20,578
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:  
08/28/2014  
PLD \$41

Prologis PLD upward adjustment to US GDP growth supports positive outlook for Industrial REITs

PLD report from BEA (Bureau of Economic Analysis of US Department of Commerce) found US GDP increased UP +4.2% for 2Q 2014, exceeding previous estimate UP +4.0% and showing sharp rebound from decline DOWN (2.1%) for 1Q 2014

PLD increase in US GDP for 2Q 2014 a result of growth in personal consumption expenditures private inventory investment, exports, fixed investment and state and local government spending

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

PLD increased guidance for FFO for 2014 to indicate growth UP +10%-+13%

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

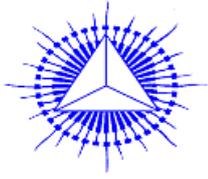
PLD an Industrial REIT with a portfolio of bulk distribution facilities in US, Europe and Asia

PLD we rank 2 BUY

PLD market cap \$20.6 billion

PLD an S&P 500 Index REIT

REIT Comment



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Company:	Annaly Capital Management
Price:	\$12
Recommendation:	BUY
Ranking:	1
Market Cap:	\$11,240
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:  
08/28/2014  
NLY \$12

Annaly Capital Management NLY report of higher pending home sales should support trading in stocks of Financial Mortgage REITs

NLY report from NAR (National Association of Realtors) found index of pending home sales UP +3.3% to 105.9% for July 2014 from previous month

NLY index of pending home sales now DOWN (2.1%) from previous year

NLY NAR economist slightly increased forecast for 2014 sales of existing homes, now forecasting 4.98 million DOWN (2.1%) from previous year

NLY inventory of existing homes available for sale now 2.37 million, representing 5.7 months of supply

NLY NAR economist forecasts average price of existing homes UP +5%-6% for 2014, indicating no further home price appreciation during last 6 months of 2014

NLY Financial Mortgage REITs benefit from sales of existing homes through volume of securitizations of new mortgage originations, providing opportunities for portfolio repositioning

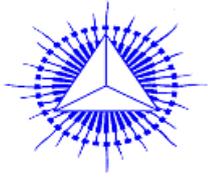
NLY stock price supported by current annual dividend yield of 10.1%, near the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 1 BUY

NLY market cap \$11.2 billion

REIT Comment



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Company:	FelCor Lodging Trust
Price:	\$10
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,282
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:  
08/28/2014  
FCH \$10

FelCor Lodging Trust FCH traded DOWN (\$0.30) per share to close DOWN (3%) day

FCH stock traded UP +25% year to date for 2014, outperforming Financial Mortgage REITs, trading UP +13% for 2014

FCH lower gasoline prices support trading in Hotel REITs, enabling more spending on Labor Day holiday travel

FCH reported strong growth for 2Q 2014, with FFO UP +24%, due to higher ADR (average daily rate) and higher occupancy on remaining hotel portfolio following divestitures

FCH guidance for FFO for 2014 indicates growth UP more than +40%

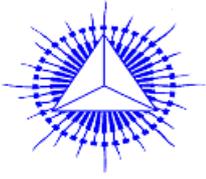
FCH provides current annual dividend yield of 0.8%

FCH a Hotel REIT

FCH we rank 2 BUY

FCH market cap \$1.3 billion

REIT Comment



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Company:	Redwood Trust
Price:	\$19
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,649
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:  
08/28/2014  
RWT \$19

Redwood Trust RWT traded DOWN (\$0.20) per share to close DOWN (1%) day

RWT stock traded unchanged year to date for 2014, underperforming Financial Mortgage REITs, trading UP +13% for 2014

RWT investing almost exclusively in jumbo loans, as Financial Mortgage REITs facing higher amortization charges due to high prices for Residential MBS

RWT management concerned over lower mortgage originations, seeing lack of new supply impacting ability to reinvest portfolio maturities

RWT seeking to raise capital through equity or debt offerings, as current investment capacity limited to less than \$100 million

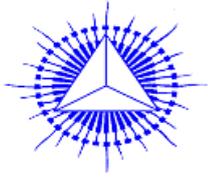
RWT provides current annual dividend yield of 5.8%, at the low end of the range for Financial Mortgage REITs

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

RWT we rank 4 SELL

RWT market cap \$1.6 billion

REIT Comment



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Company:	HCP
Price:	\$43
Recommendation:	BUY
Ranking:	1
Market Cap:	\$19,984
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:  
08/28/2014  
HCP \$43

HCP Inc HCP traded UP \$0.28 per share to close UP +1% day

HCP stock traded UP +19% year to date for 2014, outperforming Health Care REITs, trading UP +17% for 2014

HCP continuing to rally on anticipation of benefit to tenants of Health Care REITs from Affordable Care Act

HCP new \$1.2 billion CCRC (continuing care retirement community) joint venture with Brookdale expected to demonstrate strong returns on long term investment

HCP latest guidance for FFO for 2014 indicates a FLAT year

HCP provides current annual dividend yield of 5.1%

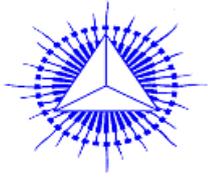
HCP a Health Care REIT with a diverse portfolio of health care and life science properties

HCP we rank 1 BUY

HCP market cap \$20.0 billion

HCP an S&P 500 Index REIT

REIT Comment



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Company:	Hersha Hospitality Trust
Price:	\$7
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,418
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:  
08/28/2014  
HT \$7

Hersha Hospitality Trust HT traded DOWN (\$0.11) per share to close DOWN (2%) day

HT stock traded UP +22% year to date for 2014, outperforming Hotel REITs, trading UP +19% for 2014

HT expectation of increased travel for Labor Day holiday a positive signal for Hotel REITs with portfolios of highway hotels, as well as big city hotels near tourist destinations

HT news of low gasoline prices, at lowest level for month of August over past 4 years, indicates consumers likely to have more money to spend on extra room nights and ancillary charges

HT guidance for FFO for 2014 indicates growth UP +17%

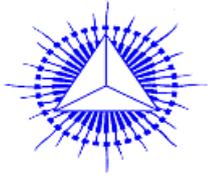
HT stock price supported by current annual dividend yield of 3.5%

HT a Hotel REIT with a portfolio concentrated in New York and DC

HT we rank 3 HOLD

HT market cap \$1.4 billion

REIT Comment



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Company:	General Growth Properties
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$20,698
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:  
08/29/2014  
GGP \$24

General Growth Properties GGP consumer consumption expenditures lagging income growth signaling potential for higher retail sales in time for back-to-school shopping season

GGP report from BEA (Bureau of Economic Analysis of US Department of Commerce) showed DPI (disposable personal income) UP +0.1% for July 2014, at slower growth pace than previous months while personal consumption expenditure decreased DOWN (0.1%) for July 2014

GGP recent management comments noted consumers are cautious reacting to news of latest events in Ukraine and Iraq

GGP most recent survey of consumer confidence released earlier this week showed marked improvement for August 2014, bringing consumer confidence index to 92.4%, highest level since October 2007

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

GGP provides current yield of 2.6%

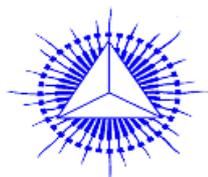
GGP a Retail REIT with a portfolio of regional malls

GGP we rank 2 BUY

GGP market cap \$20.7 billion

GGP an S&P 500 Index REIT

REIT Comment



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Company:	CYS Investments
Price:	\$9
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,512
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:  
08/29/2014  
CYS \$9

CYS Investments CYR rally for US Treasuries provides opportunity for portfolio gains for certain Financial Mortgage REITs

CYS yields on US Treasury bonds DOWN (0.21%) for August 2014 as investors seek safety due to events in Ukraine, Iraq and Syria

CYS added to position in Treasury securities during 2Q 2014, now 14% of portfolio, highlighting risk averse posture

CYS like most Financial Mortgage REITs, CYR taking advantage of high prices to realize portfolio gains, bolstering book value

CYS stock now trading at (4%) discount to book value of \$9.68 per share as of June 2014

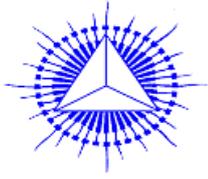
CYS stock price supported by current annual dividend yield of 13.7%, at the high end of the range for Financial Mortgage REITs

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

CYS we rank 1 BUY

CYS market cap \$1.5 billion

REIT Comment



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Company:	Kimco Realty
Price:	\$23
Recommendation:	BUY
Ranking:	1
Market Cap:	\$9,594
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:  
08/29/2014  
KIM \$23

Kimco Realty KIM new product introductions may reverse sales decline for consumer electronics category during last 6 months of 2014, benefitting Best Buy BBY

KIM Apple AAPL expected to announce new products September9, 2014, including new iPhone with upgraded features, as well as new smartwatch and other wearable devices

KIM new 4K TVs and home theaters from Sony and Samsung expected to drive sales recovery for home entertainment category for holiday selling season

KIM anchor tenant Best Buy BBY contributes 1.5% of total rents for KIM

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

KIM provides current annual dividend yield of 3.9%

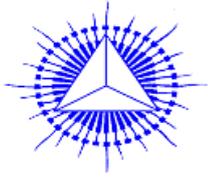
KIM a Retail REIT with a diverse portfolio of retail properties including neighborhood and community shopping centers and big box retail, as well as grocery anchored shopping centers

KIM we rank 1 BUY

KIM market cap \$9.6 billion

KIM an S&P 500 Index REIT

REIT Comment



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Company:	LaSalle Hotel Properties
Price:	\$36
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,769
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:  
08/29/2014  
LHO \$36

LaSalle Hotel Properties LHO low gasoline prices and higher Labor Day travel support Hotel REIT stocks

LHO expectation for more travel over Labor Day holiday weekend expected to offset slow start for 3Q 2014 due to poor weather over July 4th holiday

LHO to see significant FFO contribution during last 6 months of 2014 from completion of renovation of Park Central Hotel in NYC

LHO also completed \$130 million acquisition of Hotel Vitale in San Francisco in April 2014, near redevelopment area in Embarcadero

LHO FFO for 2Q 2014 UP +12%

LHO increased guidance for FFO for 2014 to indicate growth UP +10%

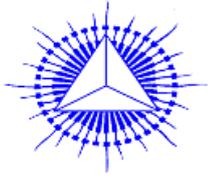
LHO provides current yield of 4.1%, at the upper end of the range for Hotel REITs

LHO a Hotel REIT

LHO we rank 3 HOLD

LHO market cap \$3.8 billion

REIT Comment



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Company:	CyrusOne
Price:	\$26
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,666
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:  
08/29/2014  
CONE \$26

CyrusOne CONE traded UP \$0.51 per share to close UP +2% day

CONE stock traded UP +14% year to date for 2014, outperforming Specialty REITs, trading UP +13% for 2014

CONE adding new data center facilities in Houston, San Antonio, northern VA and Phoenix in response to growing demand from enterprise customers

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

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

CONE guidance for FFO for 2014 indicates growth UP +36%

CONE former parent Cincinnati Bell CBB now owns 43.7% of CONE common stock and limited partnership units after recent secondary offering

CONE key tenant Cincinnati Bell CBB still represents 9% of current rental revenue for CONE

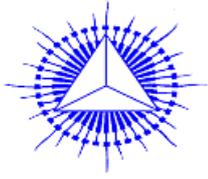
CONE provides current annual dividend yield of 3.3%

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

CONE we rank 2 BUY

CONE market cap \$1.7 billion

REIT Comment



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Company:	Iron Mountain
Price:	\$35
Recommendation:	BUY
Ranking:	1
Market Cap:	\$6,808
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:  
08/29/2014  
IRM \$36

Iron Mountain IRM traded UP \$0.54 per share to close UP +2% day

IRM stock traded UP +17% year to date for 2014, outperforming Specialty REITs, trading UP +13% for 2014

IRM presentation to international investors this week highlighted diversity of customer base recurring revenues and global diversification of portfolio of records management, data management and shredding facilities

IRM REIT conversions attract investors for special distributions and dividend increases as former C-Corps adjust distributions to meet requirements for REIT status

IRM to distribute \$600-\$700 million in special shareholder distribution during 2014, with payment expected to be 20% cash and 80% stock

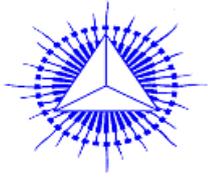
IRM stock provides current yield of 3.1%, expected to increase to 4.5%-5.0% as dividends are reset at required level for REIT status

IRM a Specialty Storage REIT with a portfolio of real estate for enterprise data storage and information management services in US and 35 global markets

IRM we rank 1 BUY

IRM market cap \$6.8 billion

REIT Comment



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Company:	NorthStar Realty Finance
Price:	\$19
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,064
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:  
08/29/2014  
NRF \$19

NorthStar Realty Finance NRF traded DOWN (\$0.48) per share to close DOWN less than (1%) day

NRF stock traded DOWN (31%) year to date for 2014, underperforming Financial Commercial REITs, trading DOWN (7%) for 2014, reflecting value of recent spin-off of NorthStar Asset Management NSAM

NRF performance of Financial Commercial REITs year to date for 2014 impacted by lower than expected volume of CMBS securitizations, as well as by spin-offs of non-strategic assets

NRF pending \$4.0 billion acquisition of Griffin-American Health Care REIT II, to be consolidated with existing NorthStar health care assets, accelerating expansion of health care portion of portfolio

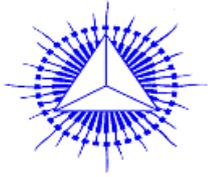
NRF expects to pay quarterly dividend at rate of \$0.40 per share for 4Q 2014 and 1Q 2015, bringing current annual dividend yield to 8.6%

NRF a Financial Commercial REIT

NRF we rank 2 BUY

NRF remaining market cap \$3.1 billion

REIT Comment



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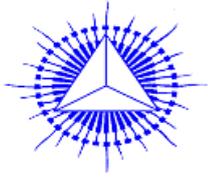
Company:	Equity Commonwealth
Price:	\$27
Recommendation:	SELL
Ranking:	4
Market Cap:	\$3,389
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/29/2014  
EQC \$27

Equity Commonwealth EQC traded DOWN (\$0.08) per share to close DOWN less than (1%) day  
EQC stock traded UP +16% year to date for 2014, in line with Office REITs, also UP +16% for 2014  
EQC divestitures and restructuring charges impacting results for 2014  
EQC no guidance provided for FFO for 2014  
EQC has not paid cash dividends on common stock since change in corporate control with reduction expected due to portfolio restructuring  
EQC changed name from previous CommonWeath REIT [ticker: CWH], following successful proxy battle won by dissident shareholders  
EQC new name Equity Commonwealth [ticker: EQC] in keeping with ownership of new CEO Sam Zell of Equity Group International  
EQC previously provided annual dividend yield of 3.7%  
EQC an Office REIT with a diverse portfolio of office and commercial properties  
EQC we rank 4 SELL  
EQC market cap \$3.4 billion

REIT Comment



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Company:	Universal Health Realty Income Trust
Price:	\$44
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$568
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:  
08/29/2014  
UHT \$43

Universal Health Realty Income Trust UHT 2Q 2014 FFO \$0.69 (adjusted) v \$0.67 (adjusted) UP +3%  
UHT 2Q 2014 FFO (adjusted) excludes net charge of (\$0.01) per share for transaction costs

UHT no guidance provided for FFO for 2014

UHT 2Q 2014 revenues \$14.3 million UP +6%  
UHT 2Q 2014 operating income \$4.7 million before non-operating items UP +8%

UHT 2014 acquisition \$7 million for 1 property

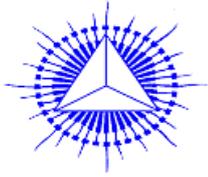
UHT provides current annual dividend yield of 5.7%

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 \$568 million

REIT Comment



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Company:	Anworth Mortgage Asset
Price:	\$5
Recommendation:	BUY
Ranking:	2
Market Cap:	\$727
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:  
08/29/2014  
ANH \$5

Anworth Mortgage Asset ANH 2Q 2014 GAAP EPS \$0.07 v \$0.09 DOWN (22%)

ANH 2Q 2014 book value \$6.26 per share UP +3% from March 2014 due to management decision to repurchase shares

ANH stock now trading at discount of (18%) to latest book value

ANH book value includes 2014 year to date accumulated unrealized loss on portfolio securities of (\$53) million, improved by \$18 million from March 2014

ANH 2Q 2014 portfolio \$8.3 billion DOWN (\$0.3) billion from March 2014

ANH 2Q 2014 average portfolio coupon 2.65% FLAT

ANH 2Q 2014 NIM (net interest margin) 0.58% DOWN (0.04%)

ANH 2Q 2014 portfolio leverage 8.0X DOWN (0.1)X

ANH 2Q 2014 CPR (constant prepayment rate) 14% UP +2%

ANH repurchased 13 million shares, representing 9% of total outstanding shares, in response to proxy battle with activist shareholder

ANH changed dividend determination to exclude cost of hedging leading to dividend increase of 75% to \$0.14 per share for 2Q 2014

ANH previously reduced quarterly dividend distribution by(33%) for 1Q 2014, in second consecutive quarterly dividend reduction

ANH invested \$11 million to acquire 79 single family residential properties in foreclosure

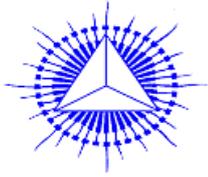
ANH stock price now supported by current annual dividend yield of10.9%, above the midpoint of the range for Financial Mortgage REITs

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

ANH we rank 2 BUY

ANH market cap \$727 million

REIT Comment



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Company:	RAIT Financial Trust
Price:	\$8
Recommendation:	BUY
Ranking:	2
Market Cap:	\$641
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  
08/29/2014  
RAS \$8

RAIT Financial Trust RAS 2Q 2014 GAAP EPS loss (\$0.31) v (\$0.94)  
RAS 2Q 2014 GAAP EPS loss includes net charge of (\$25) million for unrealized valuation adjustment to portfolio securities

RAS 2Q 2014 CAD (cash available for distribution) \$0.24 (adjusted) v \$0.17 (adjusted) UP +41%  
RAS 2Q 2014 CAD (cash available for distribution) excludes realized gains and losses as well as valuation adjustments for unrealized gains and losses and other items

RAS no guidance provided for GAAP EPS or CAD for 2014

RAS 2Q 2014 adjusted book value \$6.51 per share FLAT  
RAS stock trading at premium of 23% to adjusted book value as of June 2014

RAS 2Q 2014 portfolio \$3.2 billion including 41% commercial mortgages and loans, 41% owned real estate, 17% securities and 1% cash

RAS property portfolio includes 74 properties with 2.2 million square feet of office space, 1.4 million square feet of retail space and 12,400 multi-family units

RAS 2Q 2014 assets under management \$5.3 billion, generating quarterly fee income of \$7 million

RAS 2Q 2014 non-performing loans \$30 million, net of (\$15) million loan loss reserve

RAS 2Q 2014 invested \$246 million in new loans and securities

RAS 2Q 2014 balance sheet cash \$177 million, including \$102 million restricted cash

RAS completed August 2013 IPO of 60% owned Independence Realty Trust IRT, a NYSE listed Residential REIT with a portfolio of residential investments with 5,000 apartment units  
RAS continues to consolidate IRT results on RAS income statement and balance sheet  
RAS earns management fees and receives dividends from IRT as a separate publicly traded entity  
RAS retains 5.8 million shares of IRT valued at \$59 million

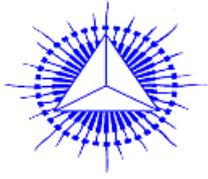
RAS provides current annual dividend yield of 8.5%

RAS a Financial Commercial REIT

RAS we rank 2 BUY

RAS market cap \$641 million

REIT Comment



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Company:	CubeSmart
Price:	\$19
Recommendation:	BUY
Ranking:	1
Market Cap:	\$2,691
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:  
08/29/2014  
CUBE \$19

CubeSmart CUBE 2Q 2014 FFO \$0.27 v \$0.23 UP +8%

CUBE increased guidance range 2014 FFO \$1.03-\$1.06 v \$0.91 (adjusted) UP +13%+16%  
CUBE previous guidance range 2014 FFO \$0.99-\$1.02 per share  
CUBE new guidance 2014 FFO assumes same property NOI UP +6.5%+7.5%

CUBE new guidance 3Q 2014 FFO \$0.26-\$0.27 v \$0.25 (adjusted) UP +4%+8%

CUBE 2Q 2014 same property NOI UP +9.7%  
CUBE 2Q 2014 same property occupancy 92.4% UP +2.3%

CUBE 2Q 2014 realized annual rent per occupied square foot \$13.76 UP +3.8%  
CUBE 2Q 2014 scheduled annual rents per square foot \$15.00 UP +3.0%

CUBE 2014 year to date acquisitions \$330 million  
CUBE target 2014 acquisitions \$350 million

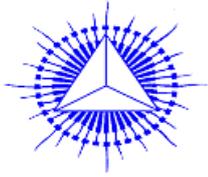
CUBE provides current annual dividend yield of 2.8%

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

CUBE we rank 1 BUY

CUBE market cap \$2.7 billion

REIT Comment



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Company:	Gladstone Commercial
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$290
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:  
08/29/2014  
GOOD \$18

Gladstone Commercial GOOD 2Q 2014 core FFO \$0.39 (adjusted) v \$0.38 UP +3%  
GOOD 2Q 2014 core FFO (adjusted) excludes net charge of (\$0.04) per share relating to acquisition transactions

GOOD no guidance provided for core FFO for 2014

GOOD 2Q 2014 portfolio occupancy 97.0% UP +0.2%

GOOD 2Q 2014 acquired 4 properties for \$65 million  
GOOD 2Q 2014 investing \$5 million in property expansion

GOOD 2Q 2014 divested 1 property for \$11 million

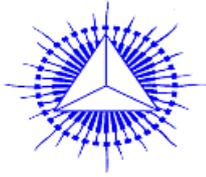
GOOD pays monthly dividends for current yield of 8.3%

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

GOOD we rank 2 BUY

GOOD market cap \$290 million

REIT Comment



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Company:	Inland Real Estate
Price:	\$10
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,010
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:  
08/29/2014  
IRC \$10

Inland Real Estate IRC 2Q 2014 recurring FFO \$0.23 v \$0.21 (adjusted) UP +10%

IRC made no change to guidance range 2014 recurring FFO \$0.93-\$0.97 v \$0.99 DOWN (2%)-(6%)  
IRC guidance 2014 recurring FFO assumes same property NOI UP +2%+4%, with occupancy 91%-92%  
IRC if lease termination income earned during 2013 were excluded, 2014 guidance recurring FFO indicates growth UP +1%+5%

IRC 2Q 2014 same property NOI UP +0.3%  
IRC 2Q 2014 portfolio occupancy 95.8% UP +1.4%

IRC 2Q 2014 average base rent on lease turnover UP +11.4%

IRC year to date 2014 divested 7 properties for \$65 million  
IRC year to date 2014 acquired 1 property for \$14 million in Chicago suburb  
IRC year to date 2014 joint venture investments \$86 million for 6 net leased properties

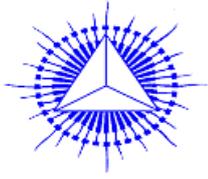
IRC stock price supported by current annual dividend yield of 5.5%

IRC a Retail REIT with a diverse portfolio of neighborhood and community shopping centers concentrated in midwestern states

IRC we rank 3 HOLD

IRC market cap \$1.0 billion

REIT Comment



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Company:	SoTHERLY Hotels
Price:	\$8
Recommendation:	BUY
Ranking:	2
Market Cap:	\$107
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:  
08/29/2014  
SOHO \$8

SoTHERLY Hotels SOHO 2Q 2014 FFO \$0.45 v \$0.30 UP +50%

SOHO 2Q 2014 adjusted EBITDA \$11 million UP +44%

SOHO increased guidance range 2014 FFO \$1.05-\$1.15 (adjusted) v \$0.84 (adjusted) UP +25%+37%

SOHO new guidance range 2014 FFO assumes adjusted EBITDA \$31-\$33 million

SOHO 2Q 2014 RevPAR (revenue per available room) \$104 UP +9.7%

SOHO 2Q 2014 ADR (average daily rate) \$134 UP +4.9%

SOHO 2Q 2014 occupancy 77.1% UP +4.6%

SOHO increased dividend by 30%, bringing current annual dividend yield to 3.2%

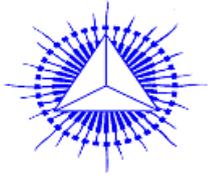
SOHO previously MHI Hospitality [Ticker: MDH], with name change and ticker change to SoTHERLY Hotels SOHO effective April 22, 2013

SOHO a Hotel REIT

SOHO we rank 2 BUY

SOHO market cap \$107 million

REIT Comment



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Company:	SoTHERLY Hotels
Price:	\$8
Recommendation:	BUY
Ranking:	2
Market Cap:	\$107
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:  
08/29/2014  
SOHO \$8

SoTHERLY Hotels SOHO increased quarterly dividend distribution by 30% to \$0.065 per share for 4Q 2014

SOHO new annual dividend \$0.26 per share

SOHO new yield 3.2%

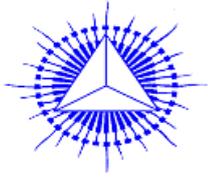
SOHO previously MHI Hospitality [Ticker: MDH], with name change and ticker change to SoTHERLY Hotels SOHO effective April 22, 2013

SOHO a Hotel REIT

SOHO we rank 2 BUY

SOHO market cap \$107 million

REIT Comment



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Company:	Acadia Realty Trust
Price:	\$29
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,681
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:  
08/29/2014  
AKR \$29

Acadia Realty Trust AKR 2Q 2014 FFO \$0.35 v \$0.31 UP +13%

AKR increased low end of guidance range 2014 FFO \$1.35-\$1.40 v \$1.30 UP +4% - +8%  
AKR previous guidance range 2014 FFO \$1.30-\$1.40 per share

AKR 2Q 2014 same property NOI UP +4.9%  
AKR 2Q 2014 core portfolio occupancy 96.6% UP +1.0% from March 2014

AKR year to date 2014 acquisitions \$192 million  
AKR pending acquisitions \$68 million

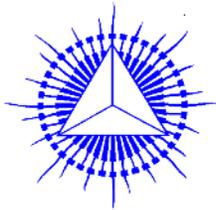
AKR benefits from investment by \$1.5 billion institutional funds under management

AKR current annual dividend yield 3.2%

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

AKR we Rank 2 BUY

AKR market cap \$1.7 billion



**REIT Growth and Income Monitor** posted 52 REIT comments for the week ended August 29, 2014. Comments were issued on REITs in the following sectors:

Financial REITs	10
Health Care REITs	1
Hotel REITs	10
Industrial REITs	3
Office REITs	4
Residential REITs	2
Retail REITs	9
Specialty REITs	13

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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