

REIT Growth and Income Monitor

Weekly Comments 06/03/2014

Positive performance gap for REITs was maintained at 11% year to date for 2014, as REITs outpace S&P 500 Index.

Spin-offs offer REIT investors opportunity to focus investments on targeted segments.

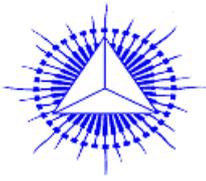
Simon Property Group spin-off of Washington Prime Group should reveal higher profitability of largest regional malls.

Rayonier will transform the company through spin-off of specialty fibers business to Rayonier Advanced Materials.

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**Weekly REIT Comments**
06/03/2014

REIT stocks in the S&P 500 Index traded up 1% on average for the week ended May 30, 2014, maintaining positive performance gap at 11% year to date for 2014. Average gain for all REITs followed by REIT Growth and Income Monitor is 11% year to date for 2014, exceeding 4% gain for the S&P 500 Index. REIT stocks trailed the S&P 500 Index during 2013, with average gain of 8%.

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

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

REIT stocks normally perform like interest rate sensitive stocks, although none of the 19 REITs in the S&P 500 Index are actually invested in financial assets. Dividend increases for 2013 and 2014 indicate management confidence in continued FFO growth. As dividend payers, REITs may be viewed as income stocks, attracting investors in need of both consistent income and growth.

REIT Spin-offs Focus Investment on Targeted Segments

Spin-off strategies are evolving, as investors see REITs using spin-offs as a way to reach additional capital sources, as well as to simplify portfolios and clarify strategic direction. 2013 and 2014 may be remembered as years of the spin-offs, as REITs seek to maximize total shareholder returns by portfolio concentration in strategically highest return vehicles. Last week **Simon Property Group** completed spin-off of **Washington Prime Group**, a new NYSE traded Retail REIT with a portfolio of 54 strip centers (including 16.6 million square feet of retail space) and 44 smaller enclosed malls (including 36.4 million square feet of retail space). This spin-off provides investors a new vehicle promising FFO growth through renovations and new developments, while **Simon Property Group** retains the most profitable 76% of its former retail space, now with 227 properties with 186 million square feet of space in regional malls and brand name outlet centers. **Simon Property Group** expects to maintain existing dividend, while **Washington Prime Group** is expected to contribute an additional 10% to total dividends. **Washington Prime Group** may also provide a merger vehicle to combine with other Retail REITs and divestitures from private equity portfolios, increasing possibilities for total shareholder return.

Rayonier pursues a very different strategy with pending spin-off of **Rayonier Advanced Materials** later this month. Unlike **Simon Property Group's** spin-off of less than 25% of portfolio assets, **Rayonier's** spin-off will separate its largest earnings contributor into a non-REIT publicly traded vehicle. **Rayonier's** cellulose specialties processing business has operated in a TRS (taxable REIT subsidiary) structure, now to become a taxable corporation after spin-off. **Rayonier Advanced Materials** contributed 41% of Rayonier revenues and 60% of EBITDA for 2013. Timing presents a challenge, as **Rayonier Advanced Materials** expects operating income to decline more than (25%) during 2014, as a result of incremental competition and ramp-up of new specialty fibers capacity. Management transition may also prove challenging, as Paul Boynton, currently CEO of **Rayonier**, will become CEO of the spin-off **Rayonier Advanced Materials**, while Hans Vanden Noort, long time CFO, retired last month. Motivation for the transaction may be primarily to reach new sources of capital to support investment for **Rayonier Advanced Materials** at a time when **Rayonier's** timberlands, recently supplemented by acquisition, need to increase harvest volume in order to take advantage of expected growth in demand from homebuilders. **Rayonier Advanced Materials** will carry the burden of \$1.0 billion in debt, the majority of **Rayonier's** total \$1.7 billion debt. REIT investors may be puzzled by the volatile specialty chemical business of **Rayonier Advanced Materials**, previously an exceptionally stable generator of profitable growth for Rayonier. Outlook for dividends at **Rayonier Advanced Materials** is unclear, as is the continuity of Rayonier's dividend after the spin-off.

Trading Opportunities

Simon Property Group, the largest US publicly traded REIT at market cap of \$60 billion, offers investors broad exposure to retail formats, with a remaining portfolio of 186 million square feet of retail space in regional malls and brand name outlet centers in US, Europe and Asia. Stock price increased 9% year to date for 2013, in line with Retail REITs, also up 9%. Recent completion of spin-off of **Washington Prime Group** should reveal higher profitability and growth of remaining portfolio, expected to be evident in results to be reported soon for 2Q 2014. **Simon Property Group** reported 16% FFO growth for 1Q 2014, with occupancy strong at 95.5%, and average rents trending up 20% on lease turnover, despite flat tenant sales. Guidance for FFO growth for 2014 was adjusted to indicate no more than 2% growth, including impact of the spin-off. **Simon Property Group** increased dividends 13% during 2013 and 8% during 2014, now providing income investors with current yield of 3.1%.

Rayonier, a mid-cap Specialty Timber REIT with a portfolio of 2.6 million acres of timberlands, faces a challenging transition with pending divestiture of **Rayonier Advanced Materials** before the end of June, 2014. The stock appreciated 13% year to date for 2014, outperforming all other Specialty Timber REITs, showing year to date decline for 2014. Rayonier reported CAD (cash available for distribution) up 6% for 1Q 2014, despite lower operating income, due to an unusual IRS adjustment for the previous year. Guidance for 2014 earnings assumes operating income contribution from forest resources will increase 30%, with real estate operating income contribution flat, following pending spin-off of **Rayonier Advanced Materials**. Dividends were increased 11% during 2013, now providing income investors with current yield of 4.1%, but no guidance has been provided for dividends after the pending spin-off.



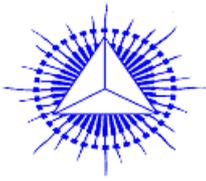
Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITS:		Price	Price	Price	Price	Price	Price	Weekly	2014
		12/31/2013	05/02/2014	05/09/2014	05/16/2014	05/23/2014	05/30/2014	Price Change	Price Change
American Tower	AMT	\$80	\$87	\$89	\$89	\$88	\$90	1%	12%
Apartment Investment	AIM	\$26	\$31	\$32	\$31	\$31	\$31	1%	21%
AvalonBay Communities	AVB	\$118	\$137	\$139	\$141	\$140	\$142	1%	20%
Boston Properties	BXP	\$100	\$118	\$119	\$120	\$119	\$121	1%	20%
Equity Residential	EQR	\$52	\$60	\$62	\$62	\$61	\$62	1%	19%
Essex Property Trust	ESS	\$144	\$176	\$180	\$181	\$180	\$181	1%	26%
General Growth Properties	GGP	\$20	\$23	\$24	\$24	\$24	\$24	1%	19%
HCP	HCP	\$36	\$42	\$42	\$43	\$42	\$42	-1%	15%
Health Care REIT	HCN	\$54	\$63	\$64	\$65	\$65	\$63	-2%	18%
Host Hotels & Resorts	HST	\$19	\$21	\$21	\$22	\$22	\$22	2%	14%
Kimco Realty	KIM	\$20	\$23	\$23	\$23	\$23	\$23	1%	16%
Macerich	MAC	\$59	\$65	\$66	\$66	\$66	\$66	1%	12%
Plum Creek Timber	PCL	\$47	\$44	\$44	\$43	\$44	\$45	3%	-3%
Prologis	PLD	\$37	\$41	\$41	\$41	\$41	\$42	1%	12%
Public Storage	PSA	\$151	\$171	\$172	\$172	\$171	\$172	1%	15%
Simon Property Group	SPG	\$152	\$173	\$176	\$176	\$175	\$166	-5%	9%
Ventas	VTR	\$57	\$67	\$68	\$68	\$67	\$67	-0%	17%
Vornado Realty Trust	VNO	\$89	\$103	\$105	\$106	\$105	\$107	2%	21%
Weyerhaeuser	WY	\$32	\$30	\$30	\$30	\$31	\$31	2%	-0%
S&P 500 Index	S&P 500	\$1,848	\$1,881	\$1,876	\$1,878	\$1,901	\$1,924	1%	4%
Average for S&P 500 Index REITs								1%	15%

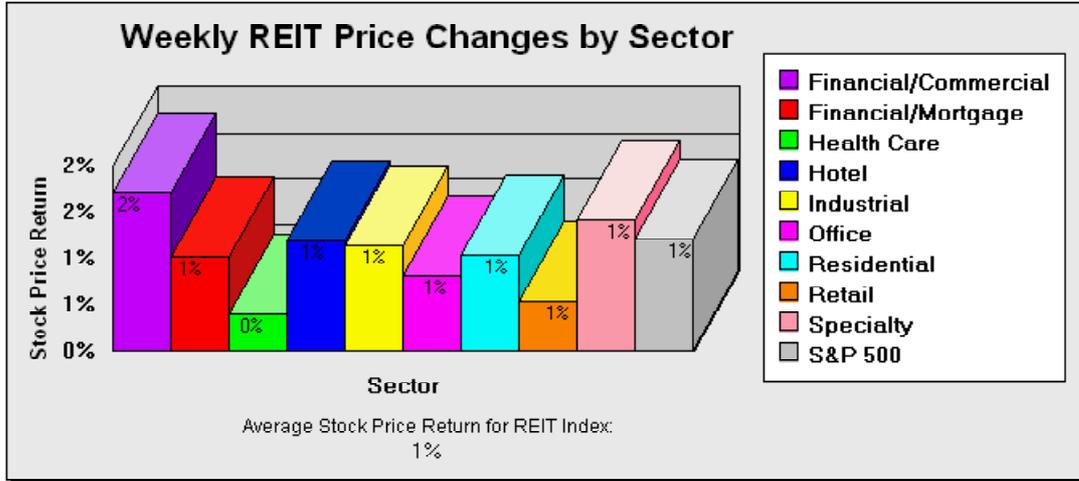
REIT stocks traded up 1% during the last week of May, the week ended May 30, 2014. REITs matched performance of the S&P 500 Index, trading up 1% for the week, now showing 4% gain year to date for 2014. Positive performance gap for REITs was maintained at 11% year to date for 2014. REIT stocks trailed the S&P 500 Index during 2013, with average gain of 8%. REIT stocks should continue to rally, maintaining positive performance gap.

Almost all of the S&P 500 Index REITs outperformed the S&P 500 Index year to date for 2014, with 17 of the S&P 500 Index REITs trading up more than 4% gain for the S&P 500 Index during 2014. Only 2 of the S&P 500 Index REITs traded down year to date for 2014. Rally for Residential REITs now includes **Apartment Investment and Management** up 21%, **AvalonBay Communities** up 20%, **Equity Residential** up 19% and **Essex Property Trust** up 26%, all reporting strong earnings results for 1Q 2014. Office REITs demonstrated strong performance, with **Boston Properties** up 20% and **Vornado Realty Trust** up 21% year to date for 2014. **Public Storage**, up 15%, and **Prologis Inc.**, up 12%, both show solid gains for 2014. Health Care REITs enjoy sustainable rally, buoyed by news of individual health enrollment under Affordable Care Act, with **Health Care REIT** up 18%, while **HCP** shows 15% gain and **Ventas** shows 17% gain. Retail REITs show more moderate gains, now lead by **General Growth Properties** up 19%, with **Kimco Realty** up 16% and **Macerich** up 12%. **Simon Property Group** gave up a portion of its year to date gain due to spin-off of **Washington Prime Group**, leaving the parent company up 9% year to date for 2014. **Host Hotels & Resorts**, now up 14%, announced higher group bookings during 2014. **American Tower** now shows 12% gain year to date 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 (3%) and **Weyerhaeuser** down less than (1%) year to date for 2014.

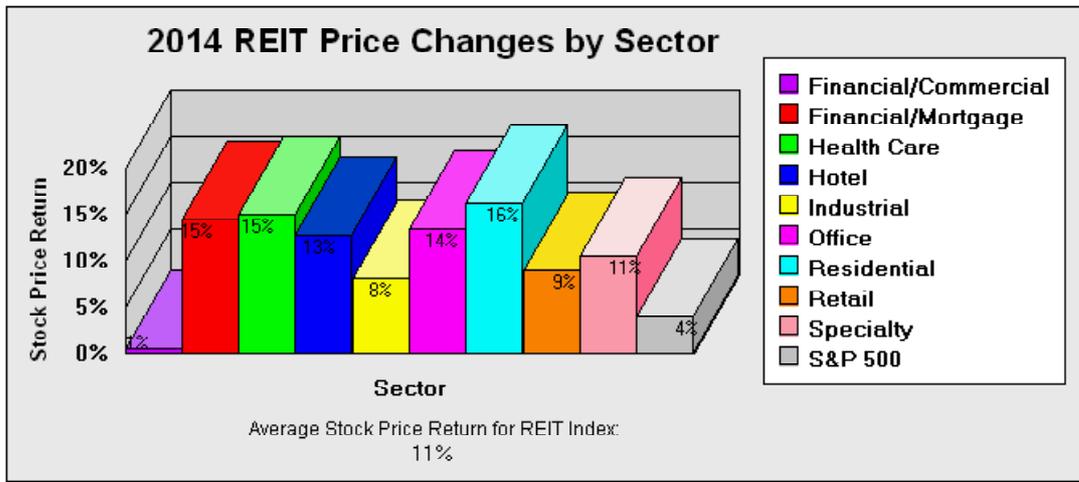
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Weekly REIT Price Changes by Sector



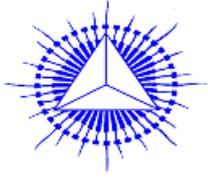
REIT sectors showed variable trends during the third trading week in May, the week ended May 30, 2014. Best performance was shown by Financial Commercial REITs, up 2%, followed by Financial Mortgage REITs, Hotel REITs, Industrial REITs, Office REITs, Residential REITs, Retail REITs and Specialty REITs, all trading up 1% for the week. Lagging REIT sector was Health Care REITs, showing gain of less than 1%. On average, stock prices for REIT Growth and Income Monitor increased 1% for the week ended May 30, 2014.



Stock prices for REITs followed by REIT Growth and Income Monitor achieved gain of 11% on average year to date for 2014, outperforming the S&P 500 Index, now up 4% year to date for 2014. Investors are attracted by dividend income, and REITs have demonstrated ability both to pay and to increase dividends REITs offer higher yields than S&P 500 stocks, with REIT dividends taxed at the same rate as ordinary income. REIT funds flow demonstrates moderate growth, at a time when other market sectors face adjusted revenue expectations due to currency exposure and variable international economies. Leading sectors for 2014 include Residential REITs, up 16%, due to stable employment trends and high occupancy, as well as Health Care REITs, up 15% as the Affordable Care Act is implemented, bringing more patient volume to tenants of Health Care REITs. Financial Mortgage REITs also show gain of 15%, as investors respond positively to appointment of Janet Yellen as new Federal Reserve Chairman Office REITs traded up 14% year to date for 2014, followed by Hotel REITs, now up 13%. Retail REITs traded up 9%, while Specialty REITs show 11% gain for 2014. Industrial REITs show 8% gain for 2014. Lagging Financial Commercial REITs traded unchanged year to date for 2014, reflecting investor concern over lower volume of new issues of commercial securitizations.

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REIT Comment



Company:	Anworth Mortgage Asset
Price:	\$5
Recommendation:	BUY
Ranking:	2
Market Cap:	\$768
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2014
ANH \$5

Anworth Mortgage Asset ANH announced election of all director nominees at annual meeting

ANH proxy challenge from activist hedge fund investor Western Investment LLC (claiming ownership of only 4% of ANH shares) sought to replace 5 board nominees of ANH

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

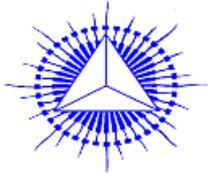
ANH stock price now supported by current annual dividend yield of 10.5%, above the midpoint of the range for Financial Mortgage REITs

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

ANH we rank 2 BUY

ANH market cap \$768 million

REIT Comment



Company:	CommonWealth REIT
Price:	\$25
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,155
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2014
CWH \$25

CommonWealth REIT CWH announced annual meeting of shareholders to be delayed to enable consideration of shareholder proposals from new management

CWH announced annual meeting of shareholders to be delayed until end of July 2014 as new management under Sam Zell takes control

CWH record date for shareholder vote at annual meeting to be June 23, 2014

CWH dissident shareholders succeeded in proxy challenge to replace entire board of directors with 85% of the vote

CWH election of new board members last week at special meeting of shareholders included Sam Zell as CEO and David Helfand as CFO, as well as James Corl, Edward Glickman, Peter Linneman, Jim Lozier and Kenneth Shea

CWH external management contract with RMR soon to be canceled or replaced

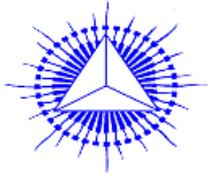
CWH stock price supported by current annual dividend yield of 4.0%

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

CWH we rank 3 HOLD

CWH market cap \$3.2 billion

REIT Comment



Company:	Prologis
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$20,453
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2014
PLD \$41

Prologis Inc PLD news of lower orders for nondefense capital goods consistent with slow growth economy

PLD today's report from US Census Bureau (Manufacturing and Construction Division of US Department of Commerce) showed that although total new orders for manufactured durable goods increased UP +0.8% for April 2014 from revised number for previous month, nondefense durable goods orders decreased DOWN (1.0%)

PLD nondefense durable goods orders still show year over year growth UP +4.7% for April 2014 from April of prior year

PLD best coincident indicators for Industrial REITs include retail sales and international freight shipments, while industrial production may be a leading indicator of demand for bulk distribution space

PLD reported FFO for 1Q 2014 increased UP +8%, exceeding expectations

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

PLD increased dividend distribution by 18% for 2014, bringing current yield to 3.3%

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

PLD we rank 2 BUY

PLD market cap \$20.5 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Brookfield Office Properties
Price:	\$20
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$10,625
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:

05/27/2014

BPO \$20

Brookfield Office Properties BPO news of lower asking rents for new property One World Trade Center a signal of expected pressure from rental rate declines on other downtown NYC properties

BPO as the property is still only 55% pre-leased, annualized rents for One World Trade Center were reduced by (9%) to \$69 per square foot from previous level of \$75 per square foot

BPO new 3.1 million square foot glass skyscraper, previously named Freedom Tower, expected to open by December 2014

BPO local press reports indicate no new private leases for the property have been signed for several years, with vacancies remaining for mid-level floors

BPO although BPO retains no direct interest in One World Trade Center, success of nearby BPO office and retail development known as Brookfield Place, to serve as a transit hub for World Trade Center and World Financial Center properties, may depend on strong occupancy for One World Trade Center

BPO recent 4 World Financial Center lease termination by Merrill Lynch, subsidiary of Bank of America BAC, impacted 2014 results for BPO

BPO Brookfield Property Partners LP BPY acquired 220 million shares of BPO during April 2014, bringing ownership to 98% of BPO

BPO remainder of publicly traded shares of BPO to be acquired by BPY in "second stage transaction" under Canadian law

BPO Brookfield Property Partners BPY a non-REIT owner of office, retail, industrial and residential assets trading on NYSE under ticker [BPY]

BPO stock price supported by dividend yield of 2.8%, with prorated dividends to be paid through completion of final stage of acquisition

BPO an Office REIT with a portfolio of upscale office properties in US, Canada, UK and Australia

BPO rank 3 HOLD, pending takeover

BPO market cap \$10.6 billion

REIT Comment



Company:	CommonWealth REIT
Price:	\$25
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,155
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:

05/27/2014

CWH \$25

CommonWealth REIT CWH new management faces challenge to improve results as lagging rental rates and occupancy decline impacts same property NOI at portfolio of US office properties

CWH new CEO Sam Zell brings support from previous team at Equity Office Properties [former ticker EOP], including new CFO David Helfand, co-president of Equity Group International

CWH reported lower FFO since 2Q 2013 due to divestitures and deconsolidation of Select Income REIT SIR (now 44% owned by CWH, with income accounted for by CWH as equity contributor)

CWH during proxy battle, former management of CWH questioned whether Sam Zells interest in CWH related to desire for lower rents for certain Hawaii properties held by SIR, presenting conflict of interest with other Sam Zell investments

CWH results for 1Q 2014 showed same property NOI on cash basis for CBD (central business district) properties DOWN (6.2%) and suburban properties DOWN (4.3%)

CWH current contribution from CBD (central business district) properties 63% of cash NOI

CWH occupancy for CBD (central business district) properties 85.1% as of 1Q 2014, with suburban properties occupancy now 87.9%

CWH seeking to divest 14 properties with total 2.8 million square feet of space, now accounted for as discontinued operations

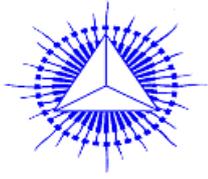
CWH stock price supported by current annual dividend yield of 4.0%

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

CWH we rank 3 HOLD

CWH market cap \$3.2 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$12
Recommendation:	BUY
Ranking:	1
Market Cap:	\$11,679
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2014
NLY \$12

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

NLY report from Case-Shiller showed prices of US existing homes UP +12.4% for March 2014 from previous year, showing slight decline from UP +12.9% for February 2014

NLY greatest yearly change in prices included Las Vegas UP +21.2%, San Francisco UP +20.9%, San Diego UP +18.9%, Los Angeles UP +16.9%, Miami UP +16.2%, Atlanta UP +15.7% and Detroit UP +15.7%

NLY lowest yearly change in prices shown for Cleveland UP +3.9%, Charlotte UP +4.9%, New York UP +6.6%, Boston UP +8.2%, Washington UP +8.5% and Denver UP +9.1%

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

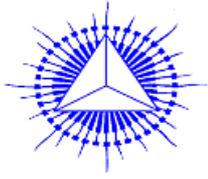
NLY stock price supported by current annual dividend yield of 10.2%, near the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 1 BUY

NLY market cap \$11.7 billion

REIT Comment



Company:	Kimco Realty
Price:	\$23
Recommendation:	BUY
Ranking:	1
Market Cap:	\$9,305
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
05/27/2014
KIM \$23

Kimco Realty KIM report of new nondurable manufacturing orders indicates continued soft demand for computers and related items, supporting expectation for negative sales trends for consumer electronics retailers

KIM report from US Census Bureau (Manufacturing and Construction Division of US Department of Commerce) showed computer shipments decreased DOWN (1.5%) year to date for 2014, while computer orders decreased DOWN (6.9%)

KIM stronger demand shown for electrical equipment, appliances and components, as shipments DOWN (0.9%) year to date for 2014, with new orders UP +1.5%

KIM manufacturing orders may be a leading indicator of sales for key consumer electronics and appliance retailer tenants including Best Buy BBY and Sears SHLD

KIM key tenant Best Buy BBY represents 2% of total base rents for KIM, while Sears/Kmart SHLD also represents 2%

KIM portfolio expansion and restructuring expected to result in FFO growth UP+2%-+5% for 2014

KIM provides current annual dividend yield of 4.0%

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 \$9.3 billion

KIM an S&P 500 Index REIT

REIT Comment



Company:	Federal Realty Investment Trust
Price:	\$119
Recommendation:	BUY
Ranking:	2
Market Cap:	\$10,272
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2014
FRT \$119

Federal Realty Investment Trust FRT last weeks Best Buy BBY comments indicates sluggish demand for consumer electronics, supported by latest news of decline in new orders for computers and related products from durable goods manufacturers

FRT Best BUY BBY reported same store sales DOWN (0.9%) for quarter ended May 3, 2014, with US stores DOWN (1.3%)

FRT management cautioned that sales of mobile phones are soft as consumers await new models causing guidance for lower same store sales DOWN (1%)-(3%) for the next 2 quarters

FRT discussion by Best Buy BBY indicates total tablet sales were DOWN for the first time since consumers adopted the technology, indicating market penetration and maturation of tablet offerings

FRT many families already own more than one tablet responding now to upgrade offers on similar schedule to cell phone offerings

FRT portfolio of urban retail centers provide the type of exposure sought by Best Buy BBY for new smaller stores focused on high turnover consumer electronics items

FRT key tenant Best Buy BBY represents 1% of total rents

FRT investing \$455 million in 2 mixed use projects in MA and MD with opening of first retail phase expected during 2014, to be followed by office openings during 2015

FRT guidance for FFO for 2014 indicates growth UP +5% - +7%

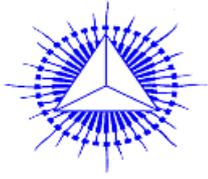
FRT providing annual yield of 2.6%

FRT a Retail REIT with a diverse portfolio of retail, commercial and residential properties

FRT we rank 2 BUY

FRT market cap \$10.3 billion

REIT Comment



Company:	General Growth Properties
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$22,630
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2014
GGP \$23

General Growth Properties GGP news of improved consumer confidence supports trading in Retail REITs

GGP latest report from Conference Board showed consumer confidence index at 83.0% for May 2014, showing improvement from revised 81.7% for April 2014

GGP report noted that more consumers polled thought jobs were "plentiful", while fewer intended to purchase a home

GGP guidance for FFO for 2014 indicates growth UP +12%-+14%

GGP increased dividend distribution by 8% for 1Q 2014, now providing current yield of 2.6%

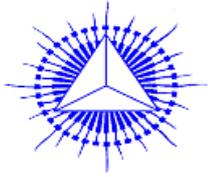
GGP a Retail REIT with a portfolio of regional malls

GGP we rank 2 BUY

GGP market cap \$22.6 billion

GGP an S&P 500 Index REIT

REIT Comment



Company:	Gramercy Property Trust
Price:	\$6
Recommendation:	BUY
Ranking:	2
Market Cap:	\$408
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2014
GPT \$6

Gramercy Property Trust GPT stock traded UP \$0.29 per share to close UP +5% day

GPT stock traded UP +2% year to date for 2014, outperforming Financial Commercial REITs, trading DOWN (1%) for 2014
GPT stock traded UP +96% during 2013

GPT completed acquisition of 3 industrial properties for \$40 million during May 2014

GPT pending acquisition of remaining 50% joint venture interest in \$395 million Bank of America BAC portfolio to add to revenues and expenses compared to existing 50% owned equity contribution accounting

GPT recent share offering raised net proceeds of \$218 million to fund pending Bank of America BAC acquisition

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

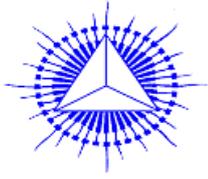
GPT new annual dividend yield 2.4%

GPT a Financial Commercial REIT

GPT we rank 2 BUY

GPT market cap \$408 million

REIT Comment



Company:	Washington REIT
Price:	\$26
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,728
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2014
WRE \$26

Washington REIT WRE traded UP \$0.96 per share to close UP +4% day

WRE stock traded UP +11% year to date for 2014, underperforming Office REITs, trading UP +13% for 2014

WRE stock traded DOWN (11%) during 2013

WRE news of higher than expected growth in orders of defense durable capital equipment a positive signal that federal DOD agency spending renewed

WRE investors now see potential for renewed economic growth of metropolitan DC area

WRE still in management transition from hire of new CEO in late 2013 and new COO added in April 2014

WRE working on strategic review of portfolio, having completed divestiture of medical office properties portfolio to focus on office, residential and retail properties in DC metropolitan area

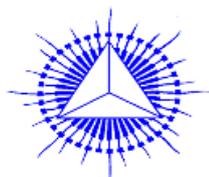
WRE stock price supported by current annual dividend yield of 4.6%

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

WRE we rank 3 HOLD

WRE market cap \$1.7 billion

REIT Comment



Company:	CyrusOne
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,468
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2014
CONE \$23

CyrusOne CONE traded UP \$0.79 per share to close UP +4% day

CONE stock traded UP +2% year to date for 2014, underperforming Specialty REITs, trading UP +9% for 2014
CONE stock traded UP +5% for 2014

CONE announced pending retirement of Jack Cassidy as Chairman of the Board effective June30, 2014

CONE Mr Cassidy was instrumental in transformation of CONE over the past4 years, completing acquisition of Cyrus Networks by Cincinnati Bell CBB in2010, strategic entry into colocation business in 2011-2012 and IPO of CONE in 2013

CONE current board member Alex Shumate to be named Non-Executive Chairman of the Board and Lead Independent Director

CONE former parent Cincinnati Bell CBB retains 66% equity interest in CONE with intention of liquidating holdings over a period of years

CONE Cincinnati Bell CBB now represents 9% of total annualized CONE revenue

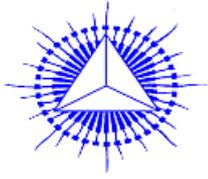
CONE recently increased dividend by 31% for 2014, bringing current annual dividend yield to 3.7%

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 \$1.5 billion

REIT Comment



Company:	NorthStar Realty Finance
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,177
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2014
NRF \$16

NorthStar Realty Finance NRF traded UP \$0.43 per share to close UP +3% day

NRF stock traded UP +20% year to date for 2014, outperforming Financial Commercial REITs, trading DOWN (1%) for 2014
NRF stock traded UP +91% during 2013

NRF continues rapid portfolio expansion, with 2014 year to date investments \$1.7 billion, including \$1.1 billion health care assets, \$213 million Innkeepers joint venture acquisition with Chatham Lodging Trust CLDT, \$167 million equity in portfolio of net leased industrial assets, \$176 million commercial loans and \$70 million for minority interest in Aerium Group

NRF recent share offering raised \$460 million to be invested in previously announced acquisitions

NRF pending spin-off of NorthStar Asset Management NSAM to separate publicly traded vehicle with NYSE listing expected to be completed during 2Q 2014

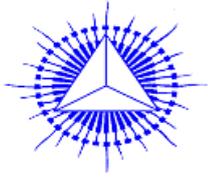
NRF increased quarterly dividend distribution by 19%, now providing current annual dividend yield of 6.2%

NRF a Financial Commercial REIT

NRF we rank 2 BUY

NRF market cap \$4.2 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$12
Recommendation:	BUY
Ranking:	1
Market Cap:	\$11,699
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/28/2014
NLY \$12

Annaly Capital Management NLY week before Memorial Day Holiday saw slight decrease in mortgage application volume

NLY report from MBA (Mortgage Bankers Association) found mortgage applications decreased DOWN (1.2%) for week ended May 23, 2014

NLY mortgage applications for refinance decreased DOWN (2%), while mortgage applications for home purchase also decreased DOWN (1%)

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

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

NLY report from MBA (Mortgage Bankers Association) found average interest rate on 30 year fixed rate conforming mortgage DOWN (0.02%) to 4.31%

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

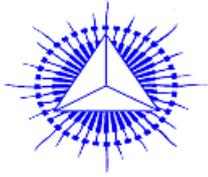
NLY stock price supported by current annual dividend yield of 10.2%, at the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 1 BUY

NLY market cap \$11.7 billion

REIT Comment



Company:	Duke Realty
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,892
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/28/2014
DRE \$18

Duke Realty DRE forecast for commercial market for industrial space indicates occupancy rates to continue to improve

DRE quarterly report Commercial Real Estate Outlook from NAR (National Association of Realtors) projects current vacancy rate for commercial industrial properties of 9.0% for 2Q 2014 to decrease to 8.7% for 2Q 2015

DRE NAR predicts rents for industrial space to increase UP +2.4% for 2014 and UP +2.6% for 2015

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

DRE investing \$607 million in new developments and new build-to-suit projects, now 86% preleased, to add 2% to capacity of bulk distribution portfolio

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

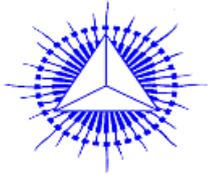
DRE stock price supported by current annual dividend yield of 3.9%

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

DRE we rank 2 BUY

DRE market cap \$5.9 billion

REIT Comment



Company:	Apartment Investment and Management
Price:	\$31
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,572
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/28/2014
AIV \$31

Apartment Investment and Management AIV higher rental rates continue to drive FFO growth for Residential REITs, despite slight increase in apartment supply

AIV quarterly report Commercial Real Estate Outlook from NAR (National Association of Realtors) projects current apartment vacancy rate of 4.0% for 2Q 2014 to increase slightly to 4.1% for 2Q 2015

AIV NAR predicts average apartment rental rates to increase UP +4.0% for 2014 and UP +4.0% for 2015

AIV Commercial Real Estate Outlook projects supply increase of 221,400 apartment units for 2014 and 173,100 for 2015

AIV expecting faster rental rate growth for remainder of 2014, particularly on west coast, with new leases now UP +2.6% and renewed leases UP +5.3%

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

AIV investing \$802 million to develop 4 new properties, including 3 in CA and 1 in Boston MA

AIV provides current annual dividend yield of 3.3%

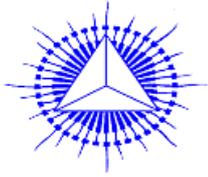
AIV a Residential REIT with a diverse portfolio of conventional and affordable apartment communities

AIV we rank 2 BUY

AIV market cap \$4.6 billion

AIV an S&P 500 Index REIT

REIT Comment



Company:	Highwoods Properties
Price:	\$41
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,782
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/28/2014
HIW \$41

Highwoods Properties HIW outlook for office vacancy rates projects gradual improvement with occupancy still too low to drive rents higher than expense growth

HIW quarterly report Commercial Real Estate Outlook from NAR (National Association of Realtors) projects current vacancy rate for office properties of 15.8% for 2Q 2014 to decrease to 15.6% for 2Q 2015

HIW NAR predicts rents for office space to increase UP +2.5% for 2014 and UP +3.2% for 2015

HIW reported rental rates DOWN (2%) on cash basis for 1Q 2014

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

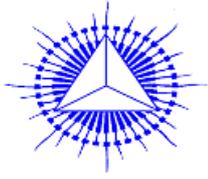
HIW stock price supported by current annual dividend yield of 4.2%

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

HIW we rank 3 HOLD

HIW market cap \$3.8 billion

REIT Comment



Company:	Hatteras Financial
Price:	\$20
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,983
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/28/2014
HTS \$20

Hatteras Financial HTS refinance volume for 1Q 2014 declined to lowest level of 2008

HTS report from FHFA (Federal Housing Finance Agency) found total refinances of agency conforming loans at 370,000 for 1Q 2014, representing decline by March 2014 to lowest level of refinance volume seen since 2008

HTS reasons for lower refinance volume may be tighter "reps and warranties" requirements on lenders and bank layoffs, as well as higher mortgage rates than current level

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

HTS status quo for Fannie Mae FNMA and Freddie Mac FMCC now appears likely to continue through 2016 elections

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

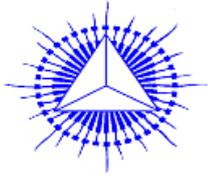
HTS stock price supported by current annual dividend yield of 9.8%, below the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 1 BUY

HTS market cap \$2.0 billion

REIT Comment



Company:	Weyerhaeuser
Price:	\$31
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$18,200
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
05/28/2014
WY \$31

Weyerhaeuser WY news of stronger than expected earnings report from luxury new home builder Toll Brothers TOL provides support for stocks of Specialty Timber REITs

WY Toll Brothers TOL reported total new homes delivered UP +36% for 2Q FY 2014 ended April 30, 2014, with backlog of new homes to be built UP +18%

WY Toll Brothers TOL reported signed contracts FLAT with previous year while average new home price increased UP +7.5% to \$729,000

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

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

WY pending spin-out of WRECO to simultaneous merger with Tri-Pointe Homes TPH, a 2013 homebuilder IPO backed by Starwood Capital Group enables merged companies to gain scale, with WRECO bringing operations in CA, AZ, NV, WA, TX, VA and MD to Tri-Pointe Homes TPH existing homebuilder operations in CA and CO

WY retained portfolio to earn 32% of EBITDA from timberlands, 31% from wood products and 20% from cellulose fibers

WY no guidance provided for FFO for 2014

WY provides current annual dividend yield of 2.9%

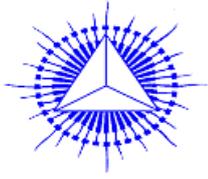
WY a Specialty Timber REIT with a portfolio of timberlands, wood and cellulose fiber manufacturing plants, and homebuilding operations

WY we rank 3 HOLD

WY market cap \$18.2 billion

WY an S&P 500 Index REIT

REIT Comment



Company:	Health Care REIT
Price:	\$64
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,665
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/28/2014
HCN \$64

Health Care REIT HCN priced offering of 12 million common shares at \$62.35 per share

HCN offering priced at discount of (3%) to last night's closing price

HCN offering size increased from previous 10 million shares

HCN expected gross proceeds of \$833 million to be applied to complete \$414 million pipeline of pending acquisitions and investments for 2Q 2014

HCN joint bookrunning managers BofA Merrill Lynch, Goldman Sachs, JP Morgan, Morgan Stanley, KeyBanc, RBC and UBS

HCN May 2014 offering to increase total shares outstanding by 4%

HCN providing current annual dividend yield of 4.9%

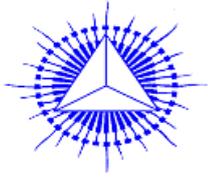
HCN a Health Care REIT with a diverse portfolio of health care and life science properties

HCN we rank 2 BUY

HCN market cap \$18.7 billion

HCN an S&P 500 Index REIT

REIT Comment



Company:	Strategic Hotels & Resorts
Price:	\$11
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,325
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/28/2014
BEE \$11

Strategic Hotels & Resorts BEE priced offering of 36 million shares at \$10.50 per share

BEE offering priced at discount of (5%) from last night's closing price

BEE offering size increased from previous 34 million shares

BEE expected net proceeds of \$362 million to be applied to fund acquisition of remaining 64% joint venture interest in Hotel del Coronado and to redeem preferred shares

BEE joint bookrunning managers JP Morgan, Deutsche Bank, BofA Merrill Lynch and Wells Fargo
BEE lead manager Raymond James
BEE co-managers BMO, Capital One, Evercore, JMP and MLV

BEE May 2014 offering to increase total shares outstanding by 17%

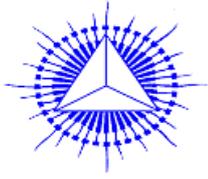
BEE has not yet restored common stock dividends

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

BEE we rank 2 BUY

BEE market cap \$2.3 billion

REIT Comment



Company:	Plum Creek Timber
Price:	\$45
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$7,682
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/28/2014
PCL \$45

Plum Creek Timber PCL traded UP \$0.42 per share to close UP +1% day

PCL stock traded DOWN (3%) year to date for 2014, underperforming Specialty REITs, trading UP +9% for 2014
PCL stock traded UP +5% during 2013

PCL better than expected sales for luxury homebuilder Toll Brothers TOL supported trading in stocks of Specialty Timber REITs

PCL last week's report of renewed growth in sales of new homes also supporting Specialty Timber REIT stocks

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 3.9%

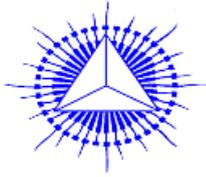
PCL a Specialty Timber REIT with a portfolio of timberlands and sawlog mills

PCL we rank 3 HOLD

PCL market cap \$7.7 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	Rayonier
Price:	\$47
Recommendation:	SELL
Ranking:	5
Market Cap:	\$6,049
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/28/2014
RYN \$47

Rayonier RYN traded UP \$0.73 per share to close UP 2% day

RYN stock traded UP +11% year to date for 2014, outperforming Specialty REITs, trading UP +9% for 2014

RYN stock traded DOWN (19%) during 2013

RYN better than expected sales for luxury homebuilder Toll Brothers TOL supported trading in stocks of Specialty Timber REITs

RYN board approved dates for pending spin-off of Rayonier Advanced Materials RYAM as special dividend distribution during 2Q 2014

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

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

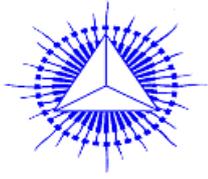
RYN provides current annual dividend yield of 4.3%

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

RYN we rank 5 SELL

RYN market cap \$6.0 billion

REIT Comment



Company:	National Retail Properties
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,240
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/28/2014
NNN \$35

National Retail Properties NNN traded UP \$0.38 per share to close UP +1% day

NNN stock traded UP +15% year to date for 2014, outperforming Retail REITs, trading UP +8% for 2014

NNN stock traded DOWN (3%) for 2013

NNN investor interest in portfolios of net leased retail properties supports trading in Retail REIT NNN

NNN increased guidance for FFO for 2014 to indicate growth UP +4%

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

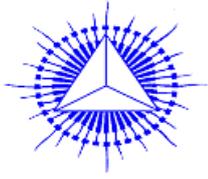
NNN provides current annual dividend yield of 4.6%

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

NNN we rank 2 BUY

NNN market cap \$4.2 billion

REIT Comment



Company:	Simon Property Group
Price:	\$176
Recommendation:	BUY
Ranking:	2
Market Cap:	\$63,770
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/29/2014
SPG \$176

Simon Property Group SPG spin-off of Washington Prime Group WPG completed last night in a tax free transaction for SPG shareholders

SPG shareholders received 1 new share of Washington Prime Group WPG for 2 shares held of SPG

SPG new separate publicly traded REIT entity Washington Prime Group WPG to begin trading today on NYSE

SPG Washington Prime Group WPG holds a portfolio of 98 retail assets. including 54 strip shopping centers and 44 smaller regional malls

SPG spin-off should reveal higher profitability of remaining mall assets

SPG provided guidance for FFO for 2014 for Washington Prime Group WPG of \$1.08 per share (previously contributing \$0.54 per share to SPG annual FFO)

SPG expects to maintain dividend at current rate after the spin-off

SPG recent 4% quarterly dividend increase brings current annual dividend yield to 3.0%

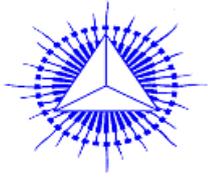
SPG a Retail REIT with a portfolio of regional malls and brand name outlet centers in US Europe and Asia

SPG we rank 2 BUY

SPG market cap \$63.8 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Simon Property Group
Price:	\$176
Recommendation:	BUY
Ranking:	2
Market Cap:	\$63,770
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/29/2014
SPG \$176

Simon Property Group SPG stock trading this morning to reflect transfer of value to spin-off Washington Prime Group WPG, now trading on NYSE as separate publicly traded entity

SPG adjusted guidance for FFO for 2014 to reflect new status excluding assets transferred to Washington Prime Group WPG

SPG new guidance 2014 FFO \$8.96-\$9.06 v \$8.85 UP +1%+2%
SPG previous guidance 2014 FFO \$9.50-\$9.60 per share

SPG new guidance 2Q 2014 FFO \$2.10-\$2.12 v \$2.11 FLAT
SPG new guidance 2Q 2014 FFO includes estimated cost of (\$0.10) per share relating to distribution of Washington Prime Group WPG

SPG spin-off should reveal higher profitability of remaining mall assets

SPG expects to maintain dividend at current rate after the spin-off

SPG recent 4% quarterly dividend increase brings current annual dividend yield to 3.0%

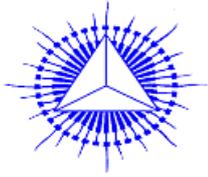
SPG a Retail REIT with a portfolio of regional malls and brand name outlet centers in US Europe and Asia

SPG we rank 2 BUY

SPG market cap \$63.8 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Kimco Realty
Price:	\$23
Recommendation:	BUY
Ranking:	1
Market Cap:	\$9,375
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/29/2014
KIM \$23

Kimco Realty KIM better than expected sales results for Costco Wholesale COST indicates trading support for Retail REITs

KIM retail tenant Costco Wholesale COST reported US same store sales UP+6.0% for quarter ended May 11, 2014 (excluding negative impact of gas price deflation and foreign currency conversion)

KIM Costco Wholesale COST operates 464 warehouse stores in US and Puerto Ricc

KIM tenant Costco Wholesale COST contributes 1% of KIM base rent

KIM portfolio expansion and restructuring expected to result in FFO growth UP+2%-+5% for 2014

KIM provides current annual dividend yield of4.0%

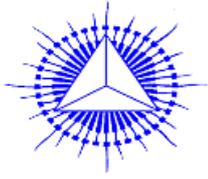
KIM a Retail REIT with a diverse portfolio of retail properties including neighborhood and community shopping centers and big box retail, as well as grocery anchored shopping centers

KIM we rank 1 BUY

KIM market cap \$9.4 billion

KIM an S&P 500 Index REIT

REIT Comment



Company:	Equity Residential
Price:	\$61
Recommendation:	BUY
Ranking:	2
Market Cap:	\$22,670
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/29/2014
EQR \$61

Equity Residential EQR lower new unemployment claims indicates positive employment trend continues

EQR Labor Department reported new claims for unemployment decreased DOWN (27,000) to 300,000 for week ended May 24, 2014 from revised number for previous week

EQR more stable 4 week moving average of new unemployment claims decreased DOWN (11,250) to 311,500 from revised number for previous week

EQR Labor Department report indicates total insured unemployment rate at lowest level since August 11, 2007

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

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

EQR recently increased regular quarterly dividend by 25%, bringing current annual dividend yield to 3.3%

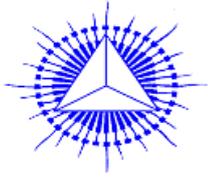
EQR the largest publicly traded Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$22.7 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	Simon Property Group
Price:	\$165
Recommendation:	BUY
Ranking:	2
Market Cap:	\$59,910
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/29/2014
SPG \$165

Simon Property Group SPG gapped DOWN (\$10.65) per share to close DOWN (6%) day

SPG stock traded UP +9% year to date for 2014, outperforming Retail REITs, trading UP +8% for 2014

SPG stock traded DOWN (4%) during 2013

SPG today's stock price correction reflects transfer of value to last night's spin-off Washington Prime Group WPG, now trading on NYSE as separate publicly traded entity

SPG adjusted guidance for FFO for 2014, indicating growth UP +1%--2% for 2014 compared to previous year including assets transferred to spin-off Washington Prime Group WPG

SPG guidance for FFO for 2Q 2012 indicates a FLAT comparison, including cost of (\$0.10) per share for spin-out

SPG expects to maintain dividend at current rate, with current annual dividend yield of 3.0%

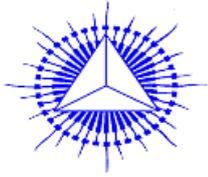
SPG a Retail REIT with a portfolio of regional malls and brand name outlet centers in US Europe and Asia

SPG we rank 2 BUY

SPG market cap \$59.9 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Washington Prime Group
Price:	\$21
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,739
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/29/2014
WPG \$21

Washington Prime Group WPG traded DOWN (\$0.43) per share on first day of trading on NYSE to close DOWN (2%) day

WPG valuation of WPG reflects 1:2 distribution to shareholders of Simon Property Group SPG

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

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

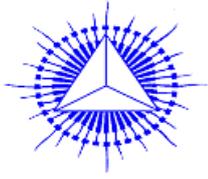
WPG portfolio of strip shopping centers and smaller regional malls appears likely to benefit from new investment

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

WPG we rank 3 HOLD

WPG market cap \$3.7 billion

REIT Comment



Company:	Ashford Hospitality Prime
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$393
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/29/2014
AHP \$16

Ashford Hospitality Prime AHP traded UP \$0.39 per share to close UP +3% day

AHP stock traded DOWN (13%) year to date for 2014, underperforming Hotel REITs, trading UP +12% for 2014

AHP stock traded DOWN (18%) during 2013 from date of spin-off from Ashford Hospitality Trust AHT in November 2013

AHP portfolio expansion through acquisitions provides upside for investors seeking to invest in a quality group of stable hotel properties

AHP underperformance year to date for 2014 may relate to lack of liquidity in the stock

AHP capital raised in 2014 stock offering funded recent acquisitions of Pier House Resort from Ashford Hospitality Trust AHT, as well as \$153 million acquisition of Sofitel Chicago Water Tower

AHP initial quarterly dividend of \$0.05 per share exceeded previous indications

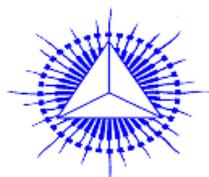
AHP provides current annual dividend yield of 1.3%

AHP a Hotel REIT

AHP we rank 2 BUY

AHP market cap \$393 million

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$26
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,080
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/29/2014
DFT \$26

DuPont Fabros Technology DFT traded UP\$0.43 per share to close UP +2% day

DFT stock traded UP +4% year to date for 2014 , underperforming Specialty REITs, trading UP +9%
DFT stock traded UP +2% during 2013

DFT proliferation of mobile Internet devices driving demand for Internet services delivered from data centers owned by Data Center REITs

DFT temporary investor concern over availability of Yahoo! sublease in Ashton VA sub-market provides astute investors with opportunity to buy the stock when expectations are low

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

DFT now providing current annual dividend yield of 5.5%

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 \$2.1 billion

REIT Comment



Company:	Prologis
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$20,825
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/30/2014
PLD \$41

Prologis Inc PLD news of lower GDP growth in the US for 1Q 2014 indicates weather disruptions greater than previously estimated

PLD report from Bureau of Economic Analysis of US Department of Commerce found US GDP decreased DOWN (1.0%) for 1Q 2014, compared to previous estimate of growth UP +0.1%, reflecting greater than previously estimated decline in private inventory investment

PLD report of (1.0%) decline in US GDP growth for 1Q 2014 shows sharp deceleration from growth UP +2.6% for 4Q 2013

PLD negative trends during 1Q 2014 shown for private inventory investment, exports, nonresidential fixed investment and state and local government spending partially offset by positive trend for personal consumption expenditures and imports

PLD coincident indicators impacting demand for bulk distribution space include retail sales and international freight shipments

PLD reported FFO for 1Q 2014 increased UP +8%, exceeding expectations

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

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

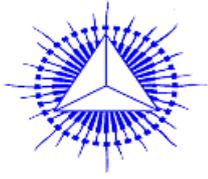
PLD an Industrial REIT with a portfolio of bulk distribution facilities in US, Europe and Asia

PLD we rank 2 BUY

PLD market cap \$20.8 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	General Growth Properties
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$22,872
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/30/2014
GGP \$24

General Growth Properties GGP report of lower consumer spending may indicate impact of higher savings rate

GGP report from Bureau of Economic Analysis of US Department of Commerce found that although personal income increased UP +0.3% for April 2014, personal consumption expenditures decreased DOWN (0.1%) for April 2014, showing deceleration from growth UP +1.0% for March 2014

GGP report showed personal savings rate increased to 4.0% for April 2014, UP from 3.6% for March 2014, possibly due to timing of personal IRA contributions during month of April

GGP private wages and salaries continued to grow during April 2014, supporting ability of consumers to purchase items for personal consumption

GGP outlook for Retail REITs remains positive so long as employment trends support personal income growth

GGP guidance for FFO for 2014 indicates growth UP +12%--14%

GGP increased dividend distribution by 8% for 1Q 2014, now providing current yield of 2.5%

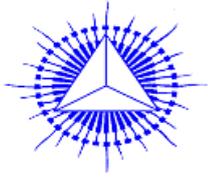
GGP a Retail REIT with a portfolio of regional malls

GGP we rank 2 BUY

GGP market cap \$22.9 billion

GGP an S&P 500 Index REIT

REIT Comment



Company:	Annaly Capital Management
Price:	\$12
Recommendation:	BUY
Ranking:	1
Market Cap:	\$11,649
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/30/2014
NLY \$12

Annaly Capital Management NLY news of higher pending home sales may indicate normal seasonal increase in home purchase season near the end of spring

NLY report from NAR (National Association of Realtors) showed index of pending sales of existing homes UP +0.4% to 97.8% for April 2014 from previous month

NLY index of pending sales of new homes DOWN (9.2%) from previous year

NLY NAR economist cites more inventory coming to market and slight decline in mortgage interest rates as reason for April 2014 improvement

NLY higher contracts for home purchase may reduce decline in mortgage applications year to date for 2014

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

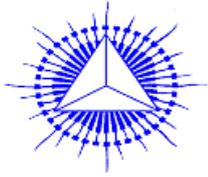
NLY stock price supported by current annual dividend yield of 10.3%, near the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 1 BUY

NLY market cap \$11.6 billion

REIT Comment



Company:	Macerich
Price:	\$66
Recommendation:	BUY
Ranking:	2
Market Cap:	\$9,883
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/30/2014
MAC \$66

Macerich MAC variable consumer sentiment may indicate slow months for sales growth during 2Q 2014

MAC consumer survey by University of Michigan showed index of consumer sentiment DOWN (2.2%) for May 2014 from previous month

MAC gauge of consumer expectations and view of personal finances also decreased for May 2014

MAC variable consumer mood indicates summer months may be a time of lackluster tenant sales growth for Retail REITs

MAC rental rate increases strong on lease turnover during 1Q 2014, supporting long term FFO growth

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

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

MAC supported by current annual dividend yield to 3.8%

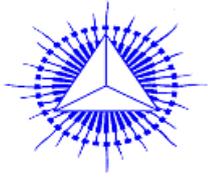
MAC a Retail REIT with a portfolio of regional malls concentrated in western states

MAC we rank 2 BUY

MAC market cap \$9.9 billion

MAC an S&P 500 Index REIT

REIT Comment



Company:	Hospitality Properties Trust
Price:	\$29
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,205
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/30/2014
HPT \$29

Hospitality Properties Trust HPT news of higher gasoline prices likely a result of higher seasonal demand

HPT report from AAA showed gasoline prices at average of \$3.66 per gallon for May 2014, UP +12% over past 3 months since February 2014

HPT gasoline prices normally increase during summer months due to higher demand as motorists plan long vacation trips

HPT price of gasoline has no impact on profitability of contract with key tenant TA (TravelCenters of America), representing 33% of total HPT rental revenue

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

HPT no guidance provided for normalized FFO for 2014

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

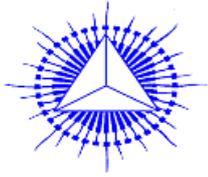
HPT stock price supported by current annual dividend yield of 6.8%

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

HPT we rank 2 BUY

HPT market cap \$4.2 billion

REIT Comment



Company:	FelCor Lodging Trust
Price:	\$10
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,233
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/30/2014
FCH \$10

FelCor Lodging Trust FCH traded DOWN (\$0.28) per share to close DOWN (3%) day

FCH stock traded UP +21% year to date for 2014, outperforming Hotel REITs, trading UP +12%
FCH stock traded UP +75% during 2013

FCH Hotel REITs seeing improved profitability on higher occupancy

FCH investing \$240 million to renovate Knickerbocker Hotel in NYC for planned fall 2014 opening

FCH guidance for FFO for 2014 indicates growth UP as much as +50%

FCH restored common stock dividends 1Q 2014, first distribution on common shares since 2008

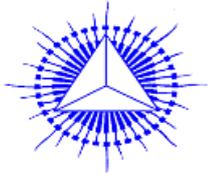
FCH current annual dividend yield 0.8%

FCH a Hotel REIT

FCH we rank 3 HOLD

FCH market cap \$1.2 billion

REIT Comment



Company:	Public Storage
Price:	\$172
Recommendation:	BUY
Ranking:	2
Market Cap:	\$29,787
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/30/2014
PSA \$172

Public Storage PSA traded UP \$2.39 per share to close UP +1%

PSA stock traded UP +15% year to date for 2014, outperforming Specialty REITs, trading UP +9% for 2014

PSA stock traded UP +4% during 2013

PSA Specialty REITs demonstrating exceptional FFO growth during 2013 and 2014

PSA higher same property NOI and increased occupancy drove FFO UP+9% for 1Q 2014

PSA no guidance provided for FFO for 2014

PSA provides current dividend yield of 3.3% on common shares

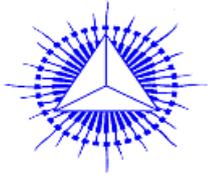
PSA a Specialty REIT with a portfolio of self-storage facilities in US and Europe

PSA we rank 3 HOLD

PSA market cap \$29.8 billion

PSA an S&P 500 Index REIT

REIT Comment



Company:	AvalonBay Communities
Price:	\$142
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,384
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/30/2014
AVB \$142

AvalonBay Communities AVB traded UP +1.48 per share to close UP +1% day

AVB stock traded UP +20% year to date for 2014, outperforming Residential REITs, trading UP +15% for 2014
AVB stock traded DOWN (13%) during 2014

AVB continued employment growth supports positive occupancy and rental rate trends for Residential REITs

AVB investing \$3.0 billion in development pipeline, representing 11% portfolio capacity expansion

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

AVB provides current annual dividend yield of 3.4%

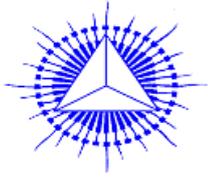
AVB a Residential REIT with a portfolio of upscale apartment communities in east coast and west coast locations

AVB we rank 2 BUY

AVB market cap \$18.4 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	Kite Realty Group
Price:	\$6
Recommendation:	BUY
Ranking:	2
Market Cap:	\$748
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/30/2014
KRG \$6

Kite Realty Group KRG traded DOWN (\$0.07) per share to close DOWN (1%) day

KRG stock traded DOWN (5%) year to date for 2014, underperforming Retail REITs, trading UP +8% for 2014
KRG stock traded UP +18% for 2013

KRG variable consumer sentiment impacting mood of investors in Retail REITs

KRG pending \$2.1 billion merger with non-traded REIT Inland Diversified Real Estate Trust, to add scale in community shopping centers

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

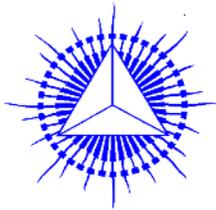
KRG guidance for FFO for 2014 indicates growth UP +8%

KRG increased quarterly dividend by 42%, bringing current annual dividend yield to 5.5%

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

KRG we rank 2 BUY

KRG market cap \$748 million



REIT Growth and Income Monitor posted 41 REIT comments for the week ended May 30, 2014. Comments were issued on REITs in the following sectors:

Financial REITs	7
Health Care REITs	1
Hotel REITs	4
Industrial REITs	3
Office REITs	5
Residential REITs	4
Retail REITs	11
Specialty REITs	6

Information on REIT sectors may be found using this link:

http://www.reitmonitor.net/REIT_Resources

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

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

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