



REIT Growth and Income Monitor

Weekly Comments 10/22/2013

REIT stocks rallied for 3% gain as investors reacted positively to end of 16 day federal government shutdown, maintaining negative performance gap at (16%).

Earnings reports for 3Q 2013 from Industrial REITs signal demand growth, driven by need for inventory investment.

Prologis Inc participates in growth of global economy, while growth in US retail sales and industrial activity supports occupancy in US.

EastGroup Properties benefits from portfolio acquisitions and new developments.

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

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**Weekly REIT Comments**
10/22/2013

REIT stocks continued to rally for 3% gain for the week ended October 18, 2013. REIT stocks are now up 6% year to date for 2013, far behind performance of the S&P 500 Index, now up 22%, as negative performance gap was maintained at (16%) year to date for 2013. During 3Q 2013, REITs showed the worst underperformance seen since 3Q 2009, when fears of collapsing US economy dominated the news. Average gain for all REITs followed by REIT Growth and Income Monitor is now 11% for 2013, trailing 22% gain for the S&P 500 Index.

Investors appear willing to react optimistically to REIT earnings reports for 3Q 2013, with conference calls to be presented between now and the middle of November, 2013. Tenants of Health Care REITs will be impacted by Medicare sequestration during 2013, pending positive impact of the Affordable Care Act in later years. Hotel REITs trade inversely to gasoline prices, while better than expected FFO growth restores confidence. Industrial REITs are gaining occupancy, while their stocks trade in line with economic indicators. Residential REITs expect exceptional FFO growth to continue through 2013, driven by tight occupancy and rental rate increases. Specialty Timber REITs, with portfolios of timberlands and sawlog mills, benefit from improving environment for homebuilders. Performance of Retail REITs is impacted by slowing tenant sales growth, although rental rate increase sustains long term FFO growth. Investors are leery of Office REITs, due to exposure to financial industry layoffs and continued rent roll downs lagging economic recovery.

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

REIT stocks normally perform like interest rate sensitive stocks, although none of the 17 REITs in the S&P 500 Index are actually invested in financial assets. Dividends continue to move higher during 2013. As dividend payers, REITs may be viewed as income stocks, attracting investors in need of both consistent income and growth.

Earnings Reports from Industrial REITs Signal Demand Growth

Occupancy for Industrial REITs continues to increase, as manufacturers see need for inventory investment. Deliveries to retail customers require the use of additional space to meet demand during 3Q and 4Q 2013. Industrial REITs have indicated that retail tenants are preparing for another strong holiday season, with higher orders and fully stocked inventories. This environment should create an opportunity for Industrial REITs to raise rents on lease turnover, providing incremental FFO growth for 2014 due to higher profitability. US based Industrial REITs should also benefit from the growth of international economies, as exports from international economies rise to meet demand from US consumers. Small cap Industrial REITs with properties near air ports and shipping terminals in US markets include **DCT Industrial Trust**, **Duke Realty** and **East Group Properties** (all stocks ranked BUY at this time), as well as **First Industrial** (currently ranked HOLD).

International growth in demand for bulk distribution space directly benefits **Prologis Inc**, with a portfolio of wholly owned international properties supplemented by managed institutional development funds. **Prologis Inc** has a well established presence in Japan and in Europe, while in China incremental investment will provide future growth.

Trading Opportunities

Prologis Inc offers investors a large cap vehicle to participate in the rebound of occupancy and rental rates for Industrial REITs. Market cap is \$20 billion, while total valuation including debt, preferred stock and minority interest is \$33 billion. **Prologis Inc** stock now shows gain of 9% year to date for 2013, following decisive gain of 28% during 2012. **Prologis Inc** now controls 554 million square feet of distribution space in 22 countries, serving more than 4,500 customers, following completion of the merger of **ProLogis Trust** with **AMB Property** in July, 2011. **Prologis Inc** also manages \$22 billion of institutional development funds, positioned to add more than 10% to existing capacity. **Prologis Inc** reported Core FFO for 2Q 2013 down (5%), while guidance for Core FFO for 2013 indicates decline of as much as (6%) due to divestitures to institutional funds. Dividends have been stable since 2009, now providing income investors with current yield of 2.8%.

EastGroup Properties is a small cap Industrial REIT with market cap of less than \$2 billion and a diverse portfolio of 33 million square feet of distribution warehouses and light industrial properties. **EastGroup Properties** stock outperformed Industrial REITs, trading up 20% year to date for 2013, following exceptional gain of 24% for 2012. Acquisitions and new developments added 6% to capacity for **EastGroup Properties** during 2012. Occupancy at 96.3% as of 3Q 2013 shows strengthening demand during 2013. FFO for 3Q 2013 increased 9%, ahead of expectations, enabling increased guidance for FFO for 2013, now indicating 5% growth. Dividends increased 4% during 2013, now providing income investors with current yield of 3.4%.

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Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITS:		Price	Price	Price	Price	Price	Weekly	2013
		12/31/2012	09/27/2013	10/04/2013	10/11/2013	10/18/2013	Price Change	Price Change
American Tower Corp	AMT	\$77	\$75	\$73	\$74	\$79	6%	2%
Apartment Investment and Management	AIM	\$27	\$28	\$28	\$29	\$29	2%	8%
AvalonBay Communities	AVB	\$136	\$129	\$125	\$129	\$133	3%	-2%
Boston Properties	BXP	\$106	\$107	\$106	\$107	\$109	1%	3%
Equity Residential	EQR	\$57	\$55	\$53	\$54	\$55	3%	-3%
HCP Inc.	HCP	\$45	\$42	\$39	\$42	\$43	2%	-6%
Health Care REIT	HCN	\$61	\$63	\$62	\$64	\$65	2%	6%
Host Hotels & Resorts	HST	\$16	\$18	\$18	\$18	\$19	4%	19%
Kimco Realty	KIM	\$19	\$20	\$20	\$20	\$21	2%	8%
Macerich	MAC	\$58	\$57	\$56	\$56	\$59	5%	1%
Plum Creek Timber	PCL	\$44	\$47	\$46	\$48	\$49	3%	10%
Prologis, Inc	PLD	\$36	\$38	\$38	\$39	\$40	2%	9%
Public Storage	PSA	\$145	\$163	\$163	\$168	\$172	2%	19%
Simon Property Group	SPG	\$158	\$150	\$149	\$154	\$158	3%	-0%
Ventas	VTR	\$65	\$63	\$62	\$64	\$66	2%	1%
Vornado Realty Trust	VNO	\$80	\$84	\$85	\$87	\$89	2%	11%
Weyerhaeuser	WY	\$28	\$29	\$29	\$29	\$30	3%	9%
S&P 500 Index	S&P 500	\$1,426	\$1,692	\$1,691	\$1,698	\$1,745	3%	22%
Average for S&P 500 Index REITs							3%	6%

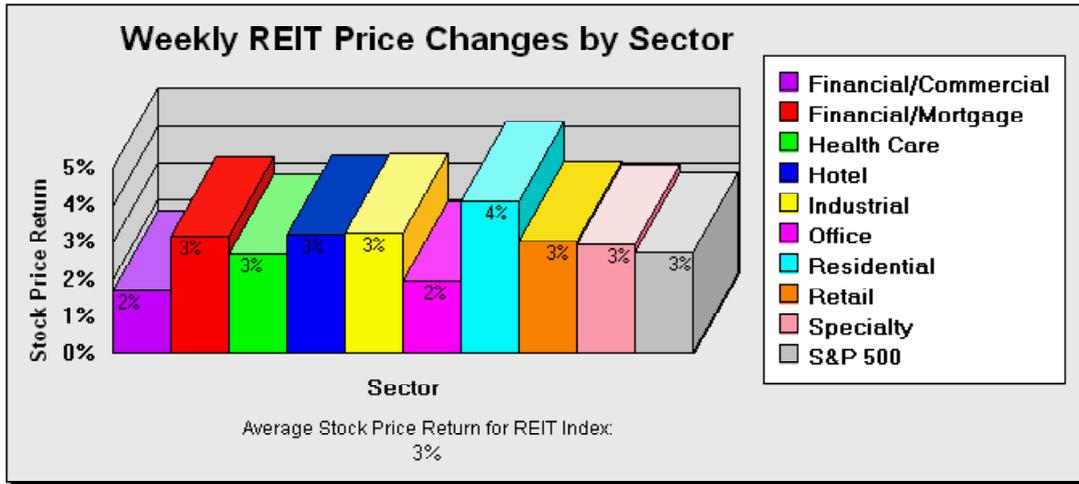
REIT stocks continued to rally, trading up 3% during the third week of October, the week ended October 18, 2013, as investors reacted positively to the end of the 16 day federal government shutdown. REITs matched performance of the S&P 500 Index, also up 3% for the week. REITs now show gain of 6% year to date for 2013, still trailing performance of the S&P 500 Index, up 22% for 2013. Negative performance gap was maintained at (16%), as REIT underperformance continues. During 3Q 2013, REITs showed the worst underperformance since 3Q 2009, when fears of collapsing US economy dominated the news.

None of the 17 REITs included in the S&P 500 Index is up the same or more than 22% gain for the S&P 500 Index, while 13 REITs are up less than the S&P 500 Index. A total of 4 of the S&P 500 REITs traded down year to date for 2013. Leading performers among REITs are **Public Storage** and **Host Hotels & Resorts**, both up 19%, underperforming the S&P 500 Index. Specialty Timber REITs **Plum Creek Timber**, up 10%, and **Weyerhaeuser**, up 9%, indicate renewed optimism over strength of US housing sector, despite negative impact of higher mortgage interest rates. Office REITs show disappointing performance, with **Boston Properties** up 3%, and **Vornado Realty Trust** up 11%, as rental rates decline in many urban areas. Economically sensitive Industrial REIT **Prologis Inc** now shows gain of 9% for 2013. Retail REITs **Kimco Realty**, up 8% for 2013, **Macerich**, up 1%, and **Simon Property Group**, now unchanged for 2013, demonstrate disappointment over lower tenant sales trends, although rental rate increases still support long term FFO growth. Gains previously achieved by Health Care REITs eroded, due to efforts to defund or delay Affordable Care Act, with **HCP** now down (6%), while **Health Care REIT** is up 6% and **Ventas** is up 1% for 2013. Residential REITs also underperform, including **Apartment Investment and Management**, up 8%, **AvalonBay Communities** down (2%), and **Equity Residential**, down (3%), as investors consider eventual impact of multifamily housing starts on occupancy for Residential REITs. **American Tower**, newcomer to REIT status, rallied to show gain of 2% year to date for 2013.

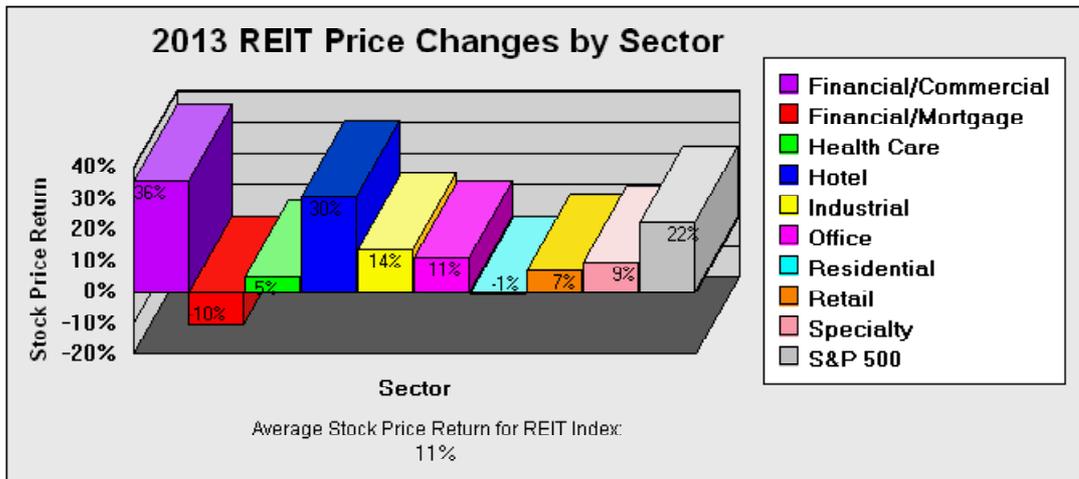
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Weekly REIT Price Changes by Sector



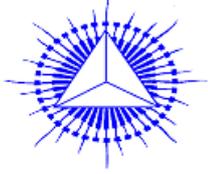
Almost all REIT sectors traded higher during the third week of October, the week ended October 18, 2013, as investors reacted positively to end of 16 day federal government shutdown. Best performance was demonstrated by Residential REITs, up 4%, while Financial Mortgage REITs, Health Care REITs, Hotel REITs, Industrial REITs, Retail REITs and Specialty REITs all rallied for 3% gain. Lagging REIT sectors were Financial Mortgage REITs and Office REITs, both up 2%. On average, stock prices for REIT Growth and Income Monitor traded up 3% for the week ended October 18, 2013.



Prices for REITs followed by REIT Growth and Income Monitor show gain of 11% on average year to date for 2013, far behind performance of the S&P 500 Index, up 22% year to date for 2013. REITs previously outperformed, as investors sought dividend income. REITs offer higher yields than S&P 500 stocks, with REIT dividends taxed at the same rate as ordinary income. REIT funds flow demonstrates moderate growth, at a time when other market sectors face adjusted revenue expectations due to currency exposure and variable international economies. Leading sector for 2013 is Financial Commercial REITs, up 36%, as investor interest in non-agency securities revives. Hotel REITs show 30% gain, as investors see better than expected FFO growth during 2013, offset by concerns over volatile oil prices. Industrial REITs are up 14%, while Office REITs show 11% gain. Specialty REITs are now up 9%, while Retail REITs are up 7% as investors express concern over slowing economic growth. Health Care REITs are now up 5% year to date for 2013, as investors look beyond Congressional efforts to defund and to delay Affordable Care Act. Residential REITs show decline of (1%) year to date for 2013, although guidance indicates continued rapid FFO growth through 2013 and into 2014. Lagging Financial Mortgage REITs show loss of (10%), as investors prepare for pending Fannie Mae reform to be considered by Congress

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REIT Comment



Company:	Host Hotels & Resorts
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$13,887
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/14/2013
HST \$18

Host Hotels & Resorts HST price of oil tumbled below \$102 per barrel on deflationary fears

HST investors fear that federal government shutdown may cause economic recession

HST like other travel related stocks, Hotel REITs normally trade inversely to oil prices

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

HST guidance range for FFO for 2013 indicates growth UP +20%

HST will not report results for 3Q 2013 until next month, with a conference for investors to be held on Tuesday, November 5, 2013 at 10:00 AM

HST provides current annual dividend yield of 2.5%

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

HST we rank 3 HOLD

HST market cap \$13.9 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$29
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,804
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/14/2013
LHO \$29

LaSalle Hotel Properties LHO despite lower oil prices, LHO stock may be impacted by investor fears over negative impact of federal government shutdown

LHO has greater exposure than most Hotel REITs to federal government shutdown, as 30% of total LHO hotel rooms are concentrated in metropolitan DC area

LHO closure of national monuments, museums and libraries limits tourist traffic to DC area, while business travel impacted by inability to schedule meetings with federal agency contacts

LHO to discuss results for 3Q 2013 this week on Thursday, October 17, 2013, with a conference call for investors scheduled at 10:00 AM

LHO guidance for FFO for 2013 indicates growth UP +7%

LHO provides annual dividend yield of 3.8%

LHO a Hotel REIT

LHO we rank 3 HOLD

LHO market cap \$2.8 billion

REIT Comment



Company:	Ventas
Price:	\$64
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,914
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/14/2013
VTR \$64

Ventas VTR news of delays in treatments for cancer patients and other serious conditions a result of Medicare sequestration since April 2013

VTR health care providers have faced withholding of 2% of Medicare reimbursements since April 2013

VTR as a result of sequestration of Medicare payments, many needed treatments were rescheduled from spring and summer 2013 to the fall of 2013, now only to face additional reimbursement risk due to government shutdown

VTR rental payments to Health Care REITs are not impacted by lower Medicare receipts by health care provider tenants

VTR timing of implementation of Affordable Care Act still unclear as negotiations continue over continuing resolution as stop gap cure for lack of FY 2014 budget, as well as pending federal debt ceiling deadline later this week

VTR guidance for normalized FFO for 2013 indicates growth UP +8%

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

VTR provides current annual dividend yield of 4.2%

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

VTR we rank 2 BUY

VTR market cap \$18.9 billion

VTR an S&P 500 Index REIT

REIT Comment



Company:	Vornado Realty Trust
Price:	\$87
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$17,326
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/14/2013
VNO \$87

Vornado Realty Trust VNO has more exposure than most Office REITs to federal government shutdown

VNO properties in DC metropolitan area represent 20% of EBITDA for VNO as of 2Q 2013

VNO demand for office space previously leased to defense contractor tenants in DC still soft

VNO occupancy for DC properties declined DOWN (2.8%) to 83.6% for 2Q 2013, with cash rents DOWN (1.1%)

VNO continuing strategic restructuring with divestiture of retail properties, to concentrate new investments in portfolio of office properties

VNO recent sale of remaining equity stake in JC Penney JCP raised \$174 million for reinvestment

VNO to discuss results for 3Q 2013 next month, with a conference call for investors scheduled on Tuesday, November 5, 2013 at 10:00 AM

VNO no guidance provided for FFO for 2013

VNO provides current annual dividend yield of 3.4%

VNO an Office REIT with a diverse portfolio of office and retail properties

VNO we rank 3 HOLD

VNO market cap \$17.3 billion

VNO an S&P 500 Index REIT

REIT Comment



Company:	EastGroup Properties
Price:	\$62
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,853
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/14/2013
EGP \$62

EastGroup Properties EGP traded DOWN (\$0.67) per share to close DOWN (1%) day

EGP stock traded UP +15% year to date for 2013, outperforming Industrial REITs, trading UP +10% for 2013

EGP development pipeline totals \$72 million, now 51% leased

EGP to discuss results for 3Q 2013 later this week on Friday, October 18, 2013, with a conference call for investors scheduled at 11:00 AM

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

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

EGP an Industrial REIT with a portfolio of bulk distribution properties

EGP we rank 3 HOLD

EGP market cap \$1.9 billion

REIT Comment



Company:	Duke Realty
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,304
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/14/2013
DRE \$16

Duke Realty DRE traded UP \$0.29 per share to close UP +2% day

DRE stock traded UP +16% year to date for 2013, outperforming Industrial REITs, trading UP +10% for 2013

DRE following divestitures of office properties, DRE now focused on portfolio expansion

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

DRE to discuss results for 3Q 2013 on Thursday, October 31, 2013, with a conference call for investors scheduled at 3:00 PM

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

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

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

DRE we rank 2 BUY

DRE market cap \$5.3 billion

REIT Comment



Company:	Sovran Self Storage
Price:	\$78
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,460
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/14/2013
SSS \$78

Sovran Self-Storage SSS traded UP \$1.11 per share to close UP +1% day

SSS stock traded UP +25% year to date for 2013, outperforming Specialty REITs, trading UP +6% during 2013

SSS Specialty Self Storage REITs seeing rental rate increases on high occupancy

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

SSS increased dividend by 10%, now providing annual yield of 2.7%

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

SSS we rank 2 BUY

SSS market cap \$2.5 billion

REIT Comment



Company:	Parkway Properties
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,220
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/14/2013
PKY \$18

Parkway Properties PKY traded UP \$0.18 per share to close UP +1% day

PKY traded UP +27% year to date for 2013, outperforming Office REITs, trading UP +9% for 2013

PKY pending \$1.2 billion merger with Thomas Group will add 7 office properties in Houston and Austin TX. expanding portfolio capacity by 40%

PKY pending merger to be stock-for-stock transaction, adding 28% to total shares outstanding

PKY to report results for 3Q 2013 next month, on Thursday, November 5, 2013, with a conference call for investors scheduled at 11:00 AM

PKY making opportunistic acquisitions of office properties in urban locations, with almost \$400 million invested year to date for 2013

PKY guidance for FFO for 2013 indicates decline DOWN (20%) due to recent share issuance on March 2013 offering

PKY provides current dividend yield of 3.4%

PKY an Office REIT

PKY we rank 3 HOLD

PKY market cap \$1.2 billion

REIT Comment



Company:	Health Care REIT
Price:	\$63
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,523
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/15/2013
HCN \$63

Health Care REIT HCN House Republicans continue efforts to delay or defund Affordable Care Act even as Senate negotiators attempt to get continuing resolution passed while incorporating federal debt ceiling increase

HCN delay creates confusion for investors in Health Care REITs, seeking to maintain income through positions in well diversified Health Care REITs with portfolios delivering consistent FFO growth

HCN new House proposal would delay for 2 years the 2.3% medical device tax mandated by Affordable Care Act

HCN state and federally funded health care exchanges began during October 2013, although press reports indicate many problems with online enrollment software

HCN expansion of Medicaid program to include young adults already determined by state decisions on Medicaid programs

HCN expects Affordable Care Act to drive incremental investment in health care facilities, both by Health Care REITs and health care providers, increasing total renovated and new properties available for acquisition

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

HCN stock price supported by current yield of 4.8%

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

HCN we rank 2 BUY

HCN market cap \$17.5 billion

HCN an S&P 500 Index REIT

REIT Comment



Company:	HCP Inc
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,126
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/15/2013
HCP \$41

HCP Inc HCP stock has been unusually volatile due to recent announcement of departure of former CEO James F Flaherty from active management of HCP

HCP former CEO Flaherty replaced by outsider with experience as CFO and COO at another REIT and at various real estate finance companies

HCP Health Care REITs sensitive to government shutdown due to exposure of Health Care REIT tenants to federal reimbursement through Medicare, as well as to start-up problems with healthcare exchanges and exposure to efforts to delay Affordable Care Act

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

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 2 BUY

HCP market cap \$19.1 billion

HCP an S&P 500 Index REIT

REIT Comment



Company:	CYS Investments
Price:	\$8
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,394
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/15/2013
CYS \$8

CYS Investments CYS pending report of results for 3Q 2013 may demonstrate benefit of bond market rally during 3Q 2013

CYS to discuss results for 3Q 2013 this week on Thursday, October 17, 2013, with a conference call for investors scheduled for 9:00 AM

CYS Financial Mortgage REITs saw unrealized portfolio losses impact net book value during 2Q 2013

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

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

CYS stock price supported by current annual dividend yield of 16.9%, at the high end of the range for Financial Mortgage REITs

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

CYS we rank 3 HOLD

CYS market cap \$1.4 billion

REIT Comment



Company:	EastGroup Properties
Price:	\$62
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,853
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/15/2013
EGP \$62

EastGroup Properties EGP the first Industrial REIT to report results for 3Q 2013 later this week

EGP to discuss results for 3Q 2013 on Friday, October 18, 2013, with a conference call for investors scheduled at 11:00 AM

EGP Industrial REITs seeing higher occupancy on improved manufacturing activity and sustained retail sales gains

EGP development pipeline totals \$72 million, now 51% leased

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

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

EGP an Industrial REIT with a portfolio of bulk distribution properties

EGP we rank 3 HOLD

EGP market cap \$1.9 billion

REIT Comment



Company:	Anworth Mortgage Asset
Price:	\$4
Recommendation:	BUY
Ranking:	2
Market Cap:	\$650
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
10/15/2013
ANH \$4

Anworth Mortgage Asset ANH traded DOWN (\$0.09) per share to close DOWN (2%) day

ANH stock traded DOWN (24%) year to date for 2013, underperforming Financial Mortgage REITs, trading DOWN (13%) for 2013

ANH bond market rally during 3Q 2013 may have helped to improve net book value for Financial Mortgage REITs

AMH Financial Mortgage REITs saw unrealized portfolio losses impact net book value during 2Q 2013

ANH (20%) dividend reduction reflects lower GAAP EPS due to net unrealized portfolio losses impacting book value, DOWN (15%) during 2Q 2013

ANH stock now valued at discount of (27%) to latest book value of \$6.01 per share as of June 30, 2013

ANH stock price supported by current annual dividend yield of 10.9%, below 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 \$650 million

REIT Comment



Company:	Weyerhaeuser
Price:	\$29
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,631
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
10/15/2013
WY \$29

Weyerhaeuser WY traded DOWN (\$0.52) per share to close DOWN (2%) day

WY stock traded UP +4% year to date for 2013, underperforming Specialty REITs, trading UP +6% for 2013

WY homebuilders and housing sector may suffer if federal government shutdown continues as bottlenecks in mortgage application processing may impede pending home sales

WY expansion of timberlands portfolio should enable significant FFO gains

WY recently completed accretive \$2.7 billion acquisition of Longview Timber LLC

WY acquisition added 10% to WY total timberlands, while increasing northwestern timber holdings by 33%

WY pending sale of WRECO homebuilding operations could enable distribution of special dividend of \$3-\$4 per share to WY shareholders

WY to discuss results for 3Q 2013 on Friday, October 25, 2013, with a conference call for investors scheduled at 10:00 AM

WY provides current annual dividend yield of 3.1%

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

WY we rank 2 BUY

WY market cap \$16.6 billion

WY an S&P 500 Index REIT

REIT Comment



Company:	DDR Corp
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,237
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/15/2013
DDR \$16

DDR Corp DDR traded UP \$0.14 per share to close UP +1% day

DDR stock traded UP +4% year to date for 2013, in line with Retail REITs, also trading UP +4% for 2013

DDR Retail REITs seeing continued FFO growth on rental rate increases despite slower same store growth for retail tenants

DDR prioritizing investment in retail power centers with 10-20 anchor tenants

DDR to discuss results for 3Q 2013 next month, with a conference call scheduled for investors on Tuesday, November 5, 2013, at 10:00 AM

DDR guidance for FFO for 2013 indicates growth UP +7%

DDR provides current annual dividend yield of 3.3%

DDR a Retail REIT with a diverse portfolio of retail properties in US, Puerto Rico and Brazil

DDR we rank 2 BUY

DDR market cap \$5.2 billion

REIT Comment



Company:	National Retail Properties
Price:	\$32
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,922
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/15/2013
NNN \$32

National Retail Properties NNN traded DOWN (\$0.45) per share to close DOWN (1%) day

NNN stock traded UP +4% year to date for 2013, in line with Retail REITs, also trading UP +4% for 2013

NNN stable portfolio of triple net leased properties appears well insulated from strategic change for retail tenants

NNN key tenant Best Buy BBY represents 3% of total rental revenue, with no sign of pending store closings

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

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

NNN provides current annual dividend yield of 5.0%

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

NNN we rank 2 BUY

NNN market cap \$3.9 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,555
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/16/2013
NLY \$12

Annaly Capital Management NLY incremental income from recently completed acquisition of commercial assets could drive higher stock price for NLY

NLY in May 2013 NLY completed acquisition of publicly traded NLY subsidiary CreXus Investment CXS, as part of strategic decision to invest up to 25% of equity in non-agency real estate assets

NLY CreXus renamed as Annaly Commercial Real Estate Group

NLY commercial mortgage loans and CMBS at significantly higher yields than Residential mortgages and RMBS, potentially contributing as much as 40% of NLY net interest income

NLY improved liquidity of CMBS during 2013 a result of revival of market for non-agency securitizations

NLY stock price supported by current annual dividend yield of 12.1%, 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 2 BUY

NLY market cap \$11.6 billion

REIT Comment



Company:	Hatteras Financial
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,766
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
10/16/2013
HTS \$18

Hatteras Financial HTS report of slight increase to total mortgage application volume masks decline in mortgage applications to purchase homes

HTS report from MBA (Mortgage Bankers Association) found mortgage applications UP +0.3% for week ended October 11, 2013

HTS mortgage applications for refinance UP +3%, while mortgage applications for home purchase DOWN (5.0%)

HTS report from MBA (Mortgage Bankers Association) found average interest rate on 30 year fixed rate conforming mortgage UP 0.04% to 4.46%

HTS federal government shutdown may prevent processing of mortgage applications for home purchase, due to need for income tax verification by IRS and social security number check by SSA

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

HTS stock near 52 week low, now trading at discount of (19%) to current book value of \$22.18 per share as of June 2013

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

HTS yield 12.3%, near the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 2 BUY

HTS market cap \$1.8 billion

REIT Comment



Company:	Plum Creek Timber
Price:	\$47
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,747
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
10/16/2013
PCL \$47

Plum Creek Timber PCL news of slight decrease in homebuilder sentiment indicates little change in housing sector dynamics

PCL report from NAHB (National Association of Homebuilders) found index of homebuilder sentiment decreased slightly DOWN (2%) to 55% for October 2013 from revised number for previous month

PCL Specialty Timber REITs benefit from higher demand for lumber and wood products from housing sector

PCL sawlog prices expected to strengthen in all markets during the rest of 2013

PCL manufacturing business expected to show higher profitability as lumber demand increases

PCL to discuss results for 3Q 2013 on Monday, October 28, 2013, with a conference call for investors scheduled at 5:00 PM

PCL recently confirmed guidance for 3Q 2013 EPS \$0.38-\$0.43 v \$0.36 UP +6% - +19%, despite negative impact of (\$0.02) per share from fires in western timberlands

PCL guidance for EPS for 2013 indicates growth UP +16%

PCL stock price supported by current annual dividend yield of 3.7%

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

PCL we rank 2 BUY

PCL market cap \$7.7 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	Potlatch
Price:	\$42
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,700
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/16/2013
PCH \$42

Potlatch PCH estimate of new housing starts published by NAHB(National Association of Home Builders) to replace normal report from US Census Bureau during federal government shutdown

PCH NAHB estimates new homes starts totaled 875,000-900,000 for September 2013, including 620,000-630,000 single family home starts and 255,000-270,000 multi-family starts

PCH estimate of new home starts from NAHB indicates little change from pace of 891,000 new home starts reported by US Census Bureau for August 2013

PCH Specialty Timber REITs benefit from higher home starts through demand for lumber and wood products to complete new homes

PCH expecting higher prices on lumber and sawlogs during 4Q 2013

PCH to discuss results for 3Q 2013 on Tuesday, October 22, 2013, with a conference call for investors scheduled at noon

PCH provides current dividend yield of 3.1%

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

PCH we rank 2 BUY

PCH market cap \$1.7 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,555
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/16/2013
NLY \$12

Annaly Capital Management NLY unusual risk premium on Treasury bonds due to fears of government default, may cause new money to switch to Fannie Mae agency securities

NLY 10 year Treasury bond trading at 2.74% yield, UP from yield of 1.86% at beginning of 2013, with current price at \$97.30 per bond

NLY concentration of Financial Mortgage REIT portfolios in Fannie Mae agency securities may result in improved book values for 3Q 2013, compared to large unrealized losses negatively impacting book value during 2Q 2013

NLY government shutdown likely to prevent further action on Fannie Mae reform until all continuing resolution and debt ceiling issues have been resolved

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

NLY stock price supported by current annual dividend yield of 12.1%, 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 2 BUY

NLY market cap \$11.6 billion

REIT Comment



Company:	Macerich
Price:	\$58
Recommendation:	BUY
Ranking:	2
Market Cap:	\$8,638
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
10/16/2013
MAC \$58

Macerich MAC traded UP \$1.91 per share to close UP +3% day

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

MAC contribution of recently opened Fashion Outlets of Chicago supports FFO growth for the rest of 2013

MAC recent \$1.25 billion acquisition of 2 high volume retail properties in NY from Vornado Realty Trust VNO provides significant portfolio expansion

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

MAC to discuss results for 3Q 2013 on Tuesday, October 29, 2013, with a conference call for investors scheduled at 10:00 AM

MAC guidance for FFO from continuing operations for 2013 indicates growth UP +9%

MAC provides current annual dividend yield of 4.0%

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

MAC we rank 2 BUY

MAC market cap \$8.6 billion

MAC an S&P 500 Index REIT

REIT Comment



Company:	American Tower
Price:	\$77
Recommendation:	BUY
Ranking:	2
Market Cap:	\$30,806
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/16/2013
AMT \$77

American Tower AMT traded UP \$2.39 per share to close UP +3% day

AMT stock traded unchanged year to date for 2013, underperforming Specialty REITs, trading UP +6% for 2013

AMT recently announced accretive acquisition of Global Tower Partners for \$4.8 billion, to add 25% to total US capacity for AMT

AMT to discuss results for 3Q 2013 on Wednesday, October 30, 2013 with a conference call for investors scheduled at 8:30 AM

AMT guidance for FFO for 2013 indicates growth UP +25%

AMT provides current annual dividend yield of 1.4%

AMT converted to REIT status on merger with American Tower REIT in January 2012

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 \$30.8 billion

AMT an S&P 500 Index REIT

REIT Comment



Company:	Regency Centers
Price:	\$51
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,702
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/16/2013
REG \$51

Regency Centers REG traded UP \$1.48 per share to close UP +3% day

REG stock traded UP +9% year to date for 2013, outperforming Retail REITs, trading UP +4% for 2013

REG Retail REITs rebounding on hopes for end to government shutdown helping to restore consumer confidence

REG investing \$241 million to develop 6 properties (now 91% pre-leased), representing 2% portfolio capacity expansion

REG to discuss results for 3Q 2013 on Thursday, October 31, 2013 with a conference call for investors scheduled at 11:00 AM

REG guidance for core FFO for 2013 indicates growth UP +9%

REG stock price supported by current annual dividend yield of 3.6%

REG a Retail REIT with a portfolio of grocery anchored shopping centers

REG we rank 2 BUY

REG market cap \$4.7 billion

REIT Comment



Company:	General Growth Properties
Price:	\$21
Recommendation:	BUY
Ranking:	2
Market Cap:	\$20,585
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/16/2013
GGP \$21

General Growth Properties GGP traded UP\$0.53 per share to close UP +3% day

GGP stock traded UP +4% year to date for 2013, in line with Retail REITs, also trading UP +4% for 2013

GGP investors in Retail REITs likely to be pleased with pending FFO reports for3Q 2013

GGP to discuss results for 3Q 2013 on Tuesday, October 29, 2013, with a conference call for investors scheduled at 10:00 AM

GGP guidance for FFO for 2013 indicates growth UP +16%

GGP renovations of older mall properties expected to add to profitability

GGP increased dividend distribution by8% for 4Q 2013, now providing current yield of2.5%

GGP a Retail REIT with a portfolio of regional malls

GGP we rank 2 BUY

GGP market cap \$20.6 billion

REIT Comment



Company:	Equity Residential
Price:	\$55
Recommendation:	BUY
Ranking:	2
Market Cap:	\$20,589
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/17/2013
EQR \$55

Equity Residential EQR news of lower new unemployment claims a positive surprise due to expected impact of 16 day federal government shutdown, now concluded

EQR Labor Department reported new claims for unemployment DOWN (15,000) to 358,000 for week ended October 12, 2013 from revised number for previous week

EQR more stable 4 week moving average of new unemployment claims increased UF +11,750 to 336,500 from revised number for previous week

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

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

EQR stock supported by current annual dividend yield of 3.3%

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

EQR we rank 2 BUY

EQR market cap \$20.6 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$29
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,785
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
10/17/2013
LHO \$29

LaSalle Hotel Properties LHO 3Q 2013 FFO \$0.76 (adjusted) v \$0.68 (adjusted) UP +12%
LHO 3Q 2013 FFO (adjusted) excludes net charges of (\$0.04) per share relating to acquisition transaction costs, pre-opening expenses and other items

LHO 3Q 2013 adjusted EBITDA \$94 million UP +15%

LHO increased guidance 2013 FFO \$2.28-\$2.31 (adjusted) v \$2.08 (adjusted) UP +10%+11%
LHO updated guidance 2013 FFO (adjusted) excludes net charges of (\$0.05) per share relating to acquisition transaction costs, pre-opening expenses and other items
LHO updated guidance 2013 FFO (adjusted) assumes same property RevPAR (revenue per available room) UP +5%-+6%, with hotel EBITDA margins UP +0.8%-+0.9%

LHO new guidance 4Q 2013 FFO \$0.52-\$0.56 v \$0.47 UP +11%+19%

LHO 3Q 2013 RevPAR (revenue per available room) \$186 UP +5.1% (excluding Park Central Hotel under renovation)

LHO 3Q 2013 ADR (average daily rate) \$213 UP +2.6%

LHO 3Q 2013 occupancy 87.5% UP +2.5%

LHO 3Q 2013 hotel EBITDA margin 36.0% UP +0.4%

LHO 3Q 2013 total portfolio occupancy 86.9%

LHO recently completed acquisition of 4 hotels for \$304 million

LHO management comments noted relief over end to 16 day federal government shutdown
LHO DC area hotels hit by (\$1) million cancellations during 4Q 2013
LHO excluding impact of government shutdown, management expects a positive environment for hotels during 4Q 2013, due to steady demand and limited supply

LHO provides annual dividend yield of 3.9%

LHO a Hotel REIT

LHO we rank 3 HOLD

LHO market cap \$2.8 billion

REIT Comment



Company:	CYS Investments
Price:	\$8
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,429
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
10/17/2013
CYS \$8

CYS Investments CYS 3Q 2013 GAAP EPS profit \$0.14 v loss (\$2.32)
CYS 3Q 2013 GAAP EPS loss includes net realized loss of (\$408) million on portfolio transactions and \$423 million positive valuation adjustment for unrealized losses on portfolio positions

CYS 3Q 2013 core EPS \$0.36 v \$0.48 DOWN (25%)
CYS 3Q 2013 core EPS excludes gains and losses on portfolio investments and swap contracts and excludes unrealized gains and losses on mark-to-market adjustments

CYS no guidance provided for GAAP EPS or core EPS for 2013

CYS 3Q 2013 book value \$10.10 per share, almost FLAT with 2Q 2013 but DOWN (24%) from December 2012
CYS stock now trading at (18%) discount to book value as of September 2013

CYS 3Q 2013 portfolio \$14 billion, including 43% 15 year fixed rate mortgage bonds, 42% 30 year fixed rate mortgage bonds, 1% 20 year fixed rate mortgage bonds and 14% hybrid ARMs
CYS 3Q 2013 portfolio concentrated 87% in originations from 2012 and 2013, with 100% of holdings originated since 2009

CYS 3Q 2013 NIM (net interest margin) 1.25%, UP 0.39% from previous quarter
CYS 3Q 2013 operating expenses 1.13% of average net assets, UP +0.15% from previous quarter

CYS 3Q 2013 portfolio leverage 6.5X, DOWN (1.0X) from previous quarter
CYS 3Q 2013 CPR (constant prepayment rate) 9.8%

CYS management comments noted positive impact of Janet Yellen appointment as Federal Reserve Chairman for 2014, with bond market volatility immediately lessened
CYS management reduced portfolio holdings by (\$2.8) billion during 3Q 2013 in order to reduce leverage and lower reinvestment risk

CYS invested \$46 million to repurchase 5.9 million shares during 3Q 2013

CYS management indicated pending board discussion of dividend may seek to reduce payout

CYS stock price supported by current annual dividend yield of 16.4%, at the high end of the range for Financial Mortgage REITs

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

CYS we rank 3 HOLD

CYS market cap \$1.4 billion

REIT Comment



Company:	Corporate Office Properties Trust
Price:	\$24
Recommendation:	SELL
Ranking:	5
Market Cap:	\$2,139
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/17/2013
OFC \$24

Corporate Office Properties Trust OFC news of end to government shutdown ends crisis for government contractor tenants, but long term pressure to reduce federal spending continues

OFC Secretary of Defense Check Hagel testified in July 2013 that pending (20%) budget cut will force his staff and top level military officers to permanently reduce Pentagon personnel for FY2014

OFC fewer DOD decision makers will inevitably cause delay on defense funded programs

OFC exposure to DOD and intelligence agencies, as well as contractors serving them, now represents 70% of total rents

OFC guidance for FFO for 2013 indicates decrease DOWN (9%)

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

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

OFC we rank 5 SELL

OFC market cap \$2.1 billion

REIT Comment



Company:	Government Properties Income Trust
Price:	\$25
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,340
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/17/2013
GOV \$25

Government Properties Income Trust GOV news of end to government shutdown ends crisis for Office REITs with government agency tenants, although October 2013 rents have been delayed

GOV previous public comments by GSA indicated October 2013 rents for federal government agency tenants would be paid on November 1, 2013

GOV more exposed than any other publicly traded REIT to federal government spending

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

GOV internal rental growth limited by contract to average 1% revenue growth per year

GOV long term FFO growth provided by portfolio expansion through acquisition or build-to-suit agreements awarded through RFP process

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

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

GOV provides current annual dividend yield of 7.0%

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

GOV we rank 3 HOLD

GOV market cap \$1.3 billion

REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$30
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,921
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/17/2013
LHO \$30

LaSalle Hotel Properties LHO traded UP \$1.42 per share to close UP +5% day

LHO stock traded UP +20% year to date for 2013, underperforming Hotel REITs, trading UP +26% for 2013

LHO rebounding stock value reflects today's FFO guidance increase

LHO increased guidance for FFO for 2013 to indicate growth UP +11%

LHO reported FFO for 3Q 2013 increased UP +12%

LHO management comments noted negative impact of federal shutdown on DC properties during October 2013, to be offset by higher contribution from New York Park Central Hotel due to pending completion of renovation

LHO provides annual dividend yield of 3.7%

LHO a Hotel REIT

LHO we rank 3 HOLD

LHO market cap \$2.9 billion

REIT Comment



Company:	MFA Financial
Price:	\$7
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,686
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
10/17/2013
MFA \$7

MFA Financial MFA traded UP \$0.24 per share to close UP +3% day

MFA stock traded DOWN (8%) year to date for 2013, underperforming Financial Mortgage REITs, trading DOWN (13%) for 2013

MFA rally for Financial REITs follows news of better than expected 3Q 2013 performance for CYS Investments CYS, a conservative Financial Mortgage REIT

MFA results for 3Q 2013 should reflect bond market rally from mid-July through mid-September, 2013

MFA stock now trading at discount of (9%) to net book value of \$8.19 per share as of June 2013

MFA concentration in non-agency securities improves NIM (net interest margin), as well as provides significant gains as non-agency bonds mature from discounted acquisition cost

MFA investment portfolio totals \$12.3 billion as of 2Q 2013, including 43% non-agency securities, generating more than 75% of total net interest income

MFA provides current annual dividend yield of 11.8%, below the midpoint of the range for Financial Mortgage REITs

MFA a Financial Mortgage REIT with a portfolio of agency guaranteed and nonagency guaranteed Residential loans and MBS

MFA we rank 2 BUY

MFA market cap \$2.7 billion

REIT Comment



Company:	CYS Investments
Price:	\$8
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,460
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/17/2013
CYS \$8

CYS Investments CYS traded UP \$0.18 per share to close UP +2% day

CYS stock traded DOWN (28%) year to date for 2013, underperforming Financial Mortgage REITs, trading DOWN (13%) for 2013

CYS today's report of EPS for 3Q 2013 showed no further erosion in book value, assuaging nervous investors

CYS reduced portfolio holdings during 3Q 2013 to limit risk

CYS management expressed confidence in Janet Yellen as likely to maintain a steady course for Federal Reserve, mitigating bond market volatility

CYS hint of impending dividend reduction may limit further upside until next quarterly dividend is announced by the end of October 2013

CYS stock price supported by current annual dividend yield of 16.1%, at the high end of the range for Financial Mortgage REITs

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

CYS we rank 3 HOLD

CYS market cap \$1.5 billion

REIT Comment



Company:	American Tower
Price:	\$79
Recommendation:	BUY
Ranking:	2
Market Cap:	\$31.693
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/17/2013
AMT \$79

American Tower AMT traded UP \$2.22 per share to close UP +3% day

AMT stock traded UP +3% year to date for 2013, underperforming Specialty REITs, trading UP +6% for 2013

AMT strong rally for REIT stocks reflects relief over end to 16 day federal government shutdown

AMT recently announced accretive acquisition of Global Tower Partners for \$4.8 billion, to add 25% to total US capacity for AMT

AMT to discuss results for 3Q 2013 on Wednesday, October 30, 2013 with a conference call for investors scheduled at 8:30 AM

AMT guidance for FFO for 2013 indicates growth UP +25%

AMT provides current annual dividend yield of 1.4%

AMT converted to REIT status on merger with American Tower REIT in January 2012

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 \$31.7 billion

AMT an S&P 500 Index REIT

REIT Comment



Company:	Boston Properties
Price:	\$109
Recommendation:	SELL
Ranking:	4
Market Cap:	\$16,792
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/18/2013
BXP \$109

Boston Properties BXP conclusion of 16 day federal government shutdown ends crisis for Office REITs with federal agency tenants

BXP long term pressure on federal agency spending continues

BXP previous public comments by GSA indicated October 2013 rents for federal government agency tenants would be paid on November 1, 2013

BXP total of 5% of rents directly paid by US government and 22% of total EBITDA drawn from properties located in metropolitan DC area

BXP completed \$684 million divestiture of 45% of Times Square Tower to a joint venture with buyer Norges Bank

BXP recently decreased guidance for FFO for 2013 to indicate a FLAT year, due to higher than expected interest expense and the negative impact of pending divestitures

BXP seeing no incremental FFO from rental rates in most markets

BXP provides current annual dividend yield of 2.4%

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

BXP we rank 4 SELL

BXP market cap \$16.8 billion

BXP an S&P 500 Index REIT

REIT Comment



Company:	NorthStar Realty Finance
Price:	\$10
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,018
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
10/18/2013
NRF \$10

NorthStar Realty Trust NRF like Financial Mortgage REITs, 3Q 2013 results for Financial Commercial REITs should benefit from bond market rally from mid-July through mid-September 2013

NRF rally for 10 year Treasury bond since end of federal government shutdown on Wednesday night restored price discount to less than (\$0.90) to par value, with yield back DOWN (0.16%) to 2.58% during past 2 days

NRF improved performance of Financial Commercial REITs due to revived investor interest in commercial loans as higher yield alternative to agency securities

NRF 2Q 2013 portfolio \$5.9 billion including \$1.9 billion real estate debt, \$2.6 billion operating real estate and \$1.0 billion commercial loan securities

NRF stock trading at premium of 45% to adjusted book value of \$6.68 per share as of June 2013

NRF to discuss results for 3Q 2013 on Friday, November 1, 2013, with a conference call for investors scheduled at 10:00 AM

NRF recently increased quarterly dividend distribution by 5%, now providing current annual dividend yield of 8.3%

NRF increased quarterly dividend distributions for 8 consecutive quarters, including 3Q 2013

NRF a Financial Commercial REIT

NRF we rank 2 BUY

NRF market cap \$2.0 billion

REIT Comment



Company:	Ventas
Price:	\$66
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,425
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/18/2013
VTR \$66

Ventas VTR end to federal government shutdown should reassure tenants of Health Care REIT: over reimbursement for Medicare procedures

VTR rental payments to Health Care REITs are not impacted by lower Medicare receipts by health care provider tenants since April 2013

VTR timing of implementation of Affordable Care Act may still be adjusted as part of ongoing efforts to agree on federal budget for FY2014, with next deadline on US debt ceiling postponed until February 2014

VTR guidance for normalized FFO for 2013 indicates growth UP +8%

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

VTR provides current annual dividend yield of 4.1%

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

VTR we rank 2 BUY

VTR market cap \$19.4 billion

VTR an S&P 500 Index REIT

REIT Comment



Company:	EastGroup Properties
Price:	\$64
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,907
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/18/2014
EGP \$64

EastGroup Properties EGP 3Q 2013 FFO \$0.83 v \$0.76 UP +9%

EGP increased guidance 2013 FFO \$3.22-\$3.24 v \$3.08 UP +5%
EGP previous guidance 2013 FFO \$3.17-\$3.20 per share
EGP guidance 2013 FFO assumes same property NOI UP +1.7%, with occupancy 95%

EGP new guidance 4Q 2013 FFO \$0.82-\$0.84 v \$0.78 UP +5%+8%

EGP 3Q 2013 same property NOI UP +1.7% on cash basis
EGP 3Q 2013 leased occupancy 96.3%
EGP 3Q 2013 rents on lease turnover DOWN (4.3%) on cash basis

EGP development pipeline totals 14 buildings with 1.3 million square feet, representing 4% portfolio expansion
EGP development properties now 55% leased

EGP recent 2% dividend increase brings current annual dividend yield to 3.4%

EGP an Industrial REIT with a portfolio of bulk distribution properties

EGP we rank 3 HOLD

EGP market cap \$1.9 billion

REIT Comment



Company:	EastGroup Properties
Price:	\$64
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,907
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/18/2013
EGP \$64

EastGroup Properties EGP first earnings report for 3Q 2013 from an Industrial REIT indicates good demand for new commercial space

EGP strong leasing for 3Q 2013 indicates improving demand, with 86% tenant retention, including renewed and new leases

EGP development pipeline totals 14 buildings with 1.3 million square feet, representing 4% portfolio expansion

EGP increased guidance for FFO for 2013 now indicates growth UP +5%, with FFO growth for 4Q 2013 expected UP +5%-+8%

EGP recent 2% dividend increase brings current annual dividend yield to 3.4%

EGP an Industrial REIT with a portfolio of bulk distribution properties

EGP we rank 3 HOLD

EGP market cap \$1.9 billion

REIT Comment



Company:	Hatteras Financial
Price:	\$19
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,850
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/18/2013
HTS \$19

Hatteras Financial HTS traded UP \$0.37 per share to close UP +2% day

HTS stock traded DOWN (25%) year to date for 2013, underperforming Financial Mortgage REITs, trading DOWN (13%) for 2013

HTS Financial Mortgage REITs rebounding on relief over end to 16 day federal government shutdown

HTS results for 3Q 2013 should reflect bond market rally from mid-July through mid-September, 2013

HTS now trading at discount of (16%) to current book value of \$22.18 per share as of June 2013

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

HTS provides current annual dividend yield 11.8%, near the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 2 BUY

HTS market cap \$1.9 billion

REIT Comment



Company:	Gramercy Property Trust
Price:	\$5
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$271
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/18/2013
GPT \$5

Gramercy Property Trust GPT traded UP \$0.06 per share to close UP +1% day

GPT traded UP +59% year to date for 2013, outperforming Financial Commercial REITs, trading UP +33% for 2013

GPT implementing strategy to divest CDOs while investing in net leased properties

GPT previous portfolio ownership of bank branches and bank office buildings transferred to joint venture with Bank of America BAC

GPT invested \$47 million proceeds of recent private placement in \$130 million pipeline of commercial investments

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

GPT plans to restore dividends on preferred stock for 4Q 2013

GPT does not expect to restore common dividends at this time

GPT distributed no common stock or preferred stock dividends since 2008

GPT a Financial Commercial REIT

GPT we rank 3 HOLD

GPT market cap \$271 million

REIT Comment



Company:	Pennsylvania REIT
Price:	\$19
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,271
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/18/2013
PEI \$19

Pennsylvania REIT PEI traded UP \$0.19 per share to close UP +1% day

PEI stock traded UP +9% year to date for 2013, outperforming Retail REITs, trading UP +4% for 2013

PEI Retail REITs trading UP as consumers experience improved outlook following end to federal government shutdown

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

PEI to discuss results for 3Q 2013 on Tuesday, October 29, 2013, with a conference call for investors scheduled at 11:00 AM

PEI provides current annual dividend yield of 3.7%

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

PEI we rank 2 BUY

PEI market cap \$1.3 billion

REIT Comment



Company:	Cousins Properties
Price:	\$11
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,317
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
10/18/2013
CUZ \$11

Cousins Properties CUZ traded UP \$0.11 per share to close UP +1% day

CUZ stock traded UP +34% year to date for 2013, outperforming Office REITs, trading UP +9% for 2013

CUZ repositioning portfolio to concentrate investments in upscale office properties while participating in growth of retail segment of portfolio

CUZ funding of pending \$1.1 billion acquisition office portfolio in Houston and Fort Worth TX required \$660 million equity offering, completed during August, 2013, adding 58% to total shares outstanding

CUZ acquisition to expand total portfolio capacity by 62%

CUZ no guidance provided for FFO for 2013

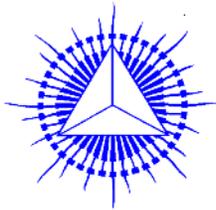
CUZ to discuss results for 3Q 2013 on Thursday, October 31, 2013 with a conference call for investors scheduled at 11:00 AM

CUZ providing current annual dividend yield of 1.6%

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

CUZ we rank 4 SELL

CUZ market cap \$1.3 billion



REIT Growth and Income Monitor posted 43 REIT comments for the week ended October 18, 2013. Comments were issued on REITs in the following sectors:

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

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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