



REIT Growth and Income Monitor

Weekly Comments 02/05/2013

REIT stocks traded slightly lower, lagging performance of the S&P 500 Index, with gain of 4% year to date for 2013.

Elimination of "qualified dividends" after 2012 favors REITs over other high yielding stock groups.

Demand for new homes drives recovery for US housing sector and for Specialty Timber REITs.

Plum Creek Timber provides investors attractive yield with a growth vehicle participating in US housing sector recovery, as well as expanding export market.

Potlatch deferred harvest during 2012 to increase earnings potential for 2013.

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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**
02/05/2013

REIT stocks traded down (1%) for the last week of trading in January, the week ended February 1, 2013. REITs rallied up 4% year to date for 2013, trailing performance of the S&P 500 Index, up 6%, for negative performance gap of (2%) as of the end of the first month of 2013. REITs included in the S&P 500 Index increased 12% during 2012, slightly lagging performance of the S&P 500 Index, up 13% for 2012. Negative performance gap for 2012 ended the year at (1%). Average gain for all REITs followed by REIT Growth and Income Monitor was 18% for 2012 and 7% for 2013, exceeding 13% gain for the S&P 500 Index for 2012 and 6% for 2013.

Investors should renew their interest in REITs during 2013, compared to other high yielding stock groups. An important change is the elimination of "qualified dividends" as a category for lower taxation at the end of 2012. Corporate distributions that were taxed as "qualified dividends" now have no tax advantage over REITs, as most REIT dividends have always been taxed at the same rate as ordinary income. A portion of REIT dividends is taxed at a lower rate as capital gains, and a portion may be classified as "return of capital", where no tax is paid when dividends are received, but an adjustment is made to investor tax basis.

The most important risk for all US investors is still the delayed "fiscal cliff". Delay of automatic spending cuts set up another deadline to deter optimistic investors. Debate of the federal debt ceiling has now been delayed until May 16, 2013. The reporting season for 4Q 2012 appears unlikely to upset REIT investors. Outlook for Retail REITs is impacted by higher payroll taxes that reduce consumer income growth for 2013. 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. Specialty REITs with portfolios of self-storage properties report significant profitability improvement. Health Care REITs may be impacted by Medicare sequestration during 2013, pending positive impact of the Affordable Care Act in later years. Investors remain skittish over Office REITs, due to exposure to financial industry layoffs and continued rent roll-downs, lagging economic recovery. Trading of Hotel REITs is impacted by concern over 4Q 2012 cancellations due to bad weather.

Financial Mortgage REITs face significant fundamental change, although timing of the change has been delayed, preserving the status quo for Financial Mortgage REITs with portfolios of agency guaranteed Residential MBS. Fannie Mae reform is to be proposed by the new Congress convening this week. Reform of Fannie Mae may ultimately impact the housing sector starting in 2013 and 2014, changing the outlook for Financial Mortgage REITs and certain Specialty REITs subject to demand fluctuations from home construction. Meanwhile, renewed investor interest in CMBS provides a lift for Financial Commercial REITs.

REIT stocks normally perform like interest rate sensitive stocks, although none of the 14 REITs in the S&P 500 Index are actually invested in financial assets. Dividends should move higher during 2013, as required payouts are set above current levels. As dividend payers, REITs may be viewed as income stocks, attracting investors in need of both consistent income and growth.

Specialty Timber REITs Rally as Homebuilders Build to Meet Demand

Specialty Timber REITs with portfolios of timberlands and sawlog mills should benefit from higher demand and improved prices as US housing sector continues to strengthen. Key indicators clearly support continued rally for the Specialty Timber REIT sector. Both homebuilder confidence index and new home starts reported by industry group NAHB (National Association of Homebuilders) indicates positive momentum for new home demand. Homebuilder confidence index held steady at 47% for December 2012, the highest since April 2006. Construction accelerated, as Commerce Department reported new home starts increased 12% to a seasonally adjusted annual rate of 954,000 units for December 2012, with single family home starts up 8% to 616,000 units for December, 2012, and multifamily starts up 23% to 338,000 units. Construction permits issued for single family home construction held steady at 903,000 pace for December, 2012. NAHB forecasts 949,000 total housing starts for 2013, up more than 20% from 2012. This news was supported by a much better than expected earnings report from key homebuilder Lennar, reporting total new home deliveries increased 32% for 4Q 2012, with average new home prices up 7%. To meet demand for new homes, homebuilders must invest in inventory, as few buyers are willing to wait more than 90 days for home completion. Prices for sawlogs and lumber should move higher, enabling **Plum Creek Timber**, as well as other Specialty Timber REITs **Potlatch**, **Rayonier** and **Weyerhaeuser**, to earn higher FFO.

Trading Opportunities

Plum Creek Timber, with a market cap of \$8 billion as a Specialty Timber REIT with a portfolio of timberlands and sawlog mills should see stock price appreciation on continuing recovery in US housing sector. **Plum Creek Timber** stock traded up 9% year to date for 2013, following increase of 21% for 2012, significantly outperforming the S&P 500 Index. **Plum Creek Timber** reported EPS for 4Q 2012 up 29%, due to improved harvest in southern states. Demand for lumber from strengthening US housing sector, as well as renewed growth of lumber exports, should drive higher profits for **Plum Creek Timber** during 2013. Dividends were maintained at \$1.68 per share during the past 4 years, despite fluctuations in EPS, indicating management's determination to maintain shareholder value through asset sales to fund dividend distributions and share repurchases. **Plum Creek Timber** currently offers income investors annual dividend yield of 3.5%.

Potlatch, with a market cap of \$1.8 billion, is another Specialty Timber REIT with a portfolio invested in timberlands and a business mix similar to **Plum Creek Timber**. **Potlatch** stock increased 12% year to date for 2013, following 26% increase for 2012. **Potlatch** converted to REIT status during 2006, later spinning off pulp operations into publicly traded Clearwater Paper in 2008. EPS for 2012 increased 5%, with prices for sawlogs up 6% and harvest volume down (24%) due to management decision to defer harvest pending higher sawlog prices. Guidance for EPS for 2013 has not been provided, but management indicated harvest volume for 2013 may be up 6%. **Potlatch** reduced dividends during 4Q 2011 due to the lower harvest volume, while indicating commitment to maintain long term cash shareholder returns. Current yield of 2.8% should move higher as profitability improves.

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Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Price	Price	Price	Price	Price	Weekly	2013
		12/31/2012	01/04/2013	01/11/2013	01/18/2013	01/25/2013	02/01/2013	Price Change	Price Change
Apartment Investment and Management	AIV	\$27	\$27	\$27	\$28	\$28	\$27	-2%	1%
AvalonBay Communities	AVB	\$136	\$136	\$136	\$139	\$139	\$126	-9%	-7%
Boston Properties	BXP	\$106	\$107	\$107	\$108	\$109	\$105	-4%	-1%
Equity Residential	EQR	\$57	\$57	\$58	\$58	\$58	\$55	-6%	-3%
HCP Inc.	HCP	\$45	\$46	\$46	\$46	\$47	\$47	-1%	3%
Health Care REIT	HCN	\$61	\$62	\$62	\$62	\$63	\$62	-1%	2%
Host Hotels & Resorts	HST	\$16	\$17	\$17	\$17	\$17	\$17	-3%	7%
Kimco Realty	KIM	\$19	\$20	\$20	\$20	\$21	\$21	2%	9%
Plum Creek Timber	PCL	\$44	\$46	\$46	\$47	\$47	\$48	2%	9%
Prologis, Inc	PLD	\$36	\$38	\$38	\$40	\$41	\$40	-0%	11%
Public Storage	PSA	\$145	\$146	\$147	\$150	\$153	\$156	2%	7%
Simon Property Group	SPG	\$158	\$159	\$160	\$160	\$162	\$162	-0%	2%
Ventas	VTR	\$65	\$65	\$65	\$66	\$67	\$67	1%	4%
Vornado Realty Trust	VNO	\$80	\$82	\$81	\$85	\$85	\$85	-0%	7%
S&P 500 Index	S&P 500	\$1,426	\$1,466	\$1,472	\$1,486	\$1,503	\$1,513	1%	6%
Average for S&P 500 Index REITs								-1%	4%

REIT stocks traded down (1%) for the last week of January, the week ended February 01, 2013. REITs lagged performance of the S&P 500 Index, up 1% for the week. REITs rallied up 4% year to date for 2013, trailing performance of the S&P 500 Index, up 6%. The S&P 500 Index increased 13% for 2012, slightly exceeding REIT performance, up 12%. Negative performance gap for S&P 500 Index REITs narrowed to (1%) for 2012.

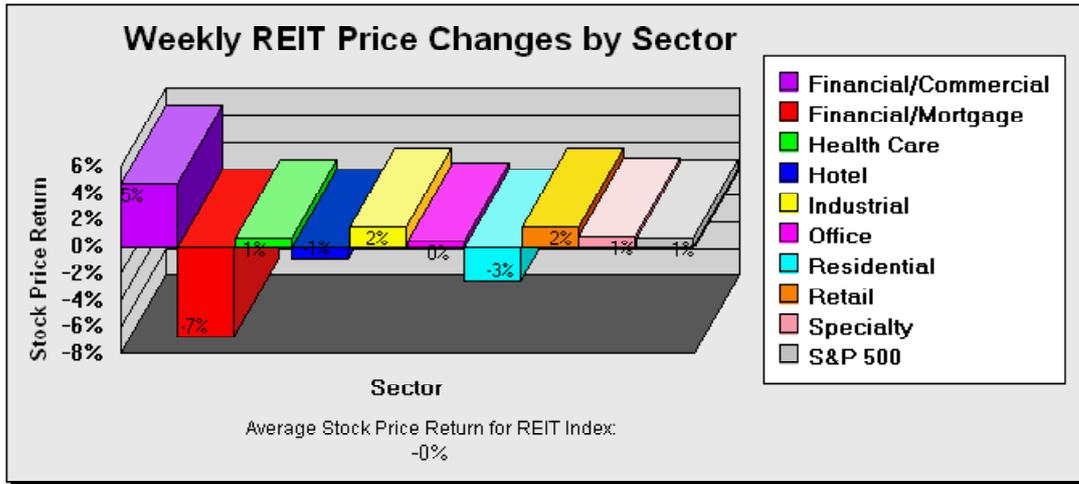
Price changes for 2013 indicate no clear trend as of yet, with 6 of the 14 REITs included in the S&P 500 Index up more than the 6% gain for the S&P 500 Index and 5 REITs up less than the S&P 500 Index, while 3 REITs are down year to date for 2013. Greatest gain so far is shown by **Prologis Inc**, up 11%, followed by **Kimco Realty** and **Plum Creek Timber**, both up 9%. Declines were posted by **AvalonBay Communities**, down (7%), **Equity Residential**, down (3%) and **Boston Properties**, down (1%).

Top performer by far among S&P 500 Index REITs for 2012 was **Prologis Inc**, showing 28% gain for 2012. Retail REITs also outperformed, with **Simon Property Group** up 23% and **Kimco Realty** up 19%. Specialty Timber REIT **Plum Creek Timber** showed gain of 21% for 2012, as investors considered news of higher home prices indicating US housing sector recovery. Health Care REITs maintained gains after Supreme Court approval of the Affordable Care Act, with **HCP Inc** up 9%, **Health Care REIT** up 12% and **Ventas** up 17% during 2012. Residential REITs held their gains, with **Apartment Investment and Management** up 18%, **AvalonBay Communities** up 4% and **Equity Residential** down (1%) during 2012. **Public Storage** showed gain of 8% year to date for 2012, while volatile **Host Hotels & Resorts** showed gain of 6% year to date for 2012, as investors pondered negative impact of bad weather on 4Q 2012 with cancelled room nights, as well as closures due to power outages and water damages to east coast hotels. Lagging Office REITs showed disappointing performance, with **Boston Properties** up 6% and **Vornado Realty Trust** up only 4% for 2012.

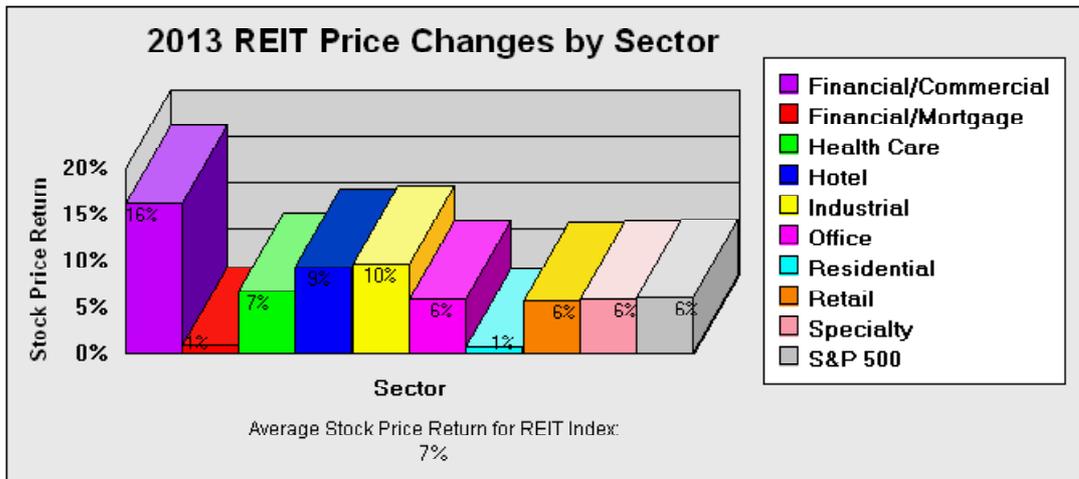
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Weekly REIT Price Changes by Sector

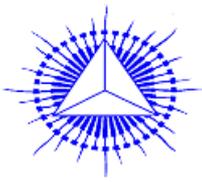


Most REIT sectors traded higher for the last week of January, the week ended February 1, 2013. Strongest sector was Financial Mortgage REITs, trading up 5%. Industrial REITs and Retail REITs traded up 2%. Health Care REITs, and Specialty REITs increased 1%, while Hotel REITs and Office REITs were unchanged. Lagging sectors included Financial Mortgage REITs, down (7%), and Residential REITs, down (3%). On average, stock prices for REIT Growth and Income Monitor were unchanged for the last week of trading in January, the period ended February 1, 2013.



Stock prices for REITs followed by REIT Growth and Income Monitor traded up 7% on average year to date for 2013, exceeding performance of the S&P 500 Index, up 5% year to date for 2013. REITs outperform as investors seek dividend income, especially now that "qualified dividends" have been eliminated as a category for lower taxation at the end of 2012. REITs offer higher yields than S&P 500 stocks, with REIT dividends taxed at the same rate as ordinary income. Investors expect positive news from earnings announcements for 4Q 2012, to be announced during February, 2013. REIT funds flow remains consistent, at a time when other market sectors face adjusted expectations due to currency exposure and variable international economies. Leading sectors for 2013 are Financial Commercial REITs, up 16%, as investor interest in non-agency securities revives. Industrial REITs rallied up 10%, due to positive news on China exports and US industrial production. Hotel REITs also lead, up 9% year to date for 2013. Health Care REITs are up 7%, on relief over "doctor fix" legislation and hopes for positive impact of the Affordable Care Act. Office REITs, Retail REITs and Specialty REITs show 6% year to date gain for 2013. Lagging Residential REITs are up only 1%, the only REIT sector to underperform the S&P 500 Index year to date for 2013. We expect improved performance for Residential REITs as positive results for 4Q 2012 are reported and guidance indicates continued rapid growth through 2013.

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REIT Comment



Company:	Annaly Capital Management
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$14,806
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
01/28/2013
NLY \$15

Annaly Capital Management NLY lower index of pending home sales may indicate tighter supply of homes available for sale

NLY report from NAR (National Association of Realtors) found index of pending home sales DOWN (4.3%) to 101.7 for December 2012

NLY index of pending home sales UP +6.9% from previous year

NLY last week NAR reported inventory of unsold homes DOWN to 1.82 million, lowest level since 2000

NLY forecast from NAR predicts home sales to increase UP +9% for 2013

NLY trading in Financial Mortgage REITs buoyed by higher mortgage application volume

NLY most mortgage applications (normally 80-85% of total applications) are for refinance, not for home purchase

NLY proposals for reform of Fannie Mae expected from new Congress

NLY stock price supported by current annual dividend yield of 12.1%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$14.8 billion

REIT Comment



Company:	Prologis Inc
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,386
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/28/2013
PLD \$41

Prologis Inc PLD news of higher durable goods orders supports positive outlook for Industrial REITs

PLD report from Commerce Department found orders for durable goods UP +4.6% for December 2012, accelerating from previous increase UP +0.8% for November 2012

PLD durable goods orders, like retail sales and manufacturing production, are good coincident indicators of demand for Industrial REITs

PLD to discuss results for 4Q 2012 on February 6, 2013, with a conference call for investors scheduled at 12:00 PM

PLD guidance for FFO for 2012 indicates growth UP +10%

PLD provides current yield of 2.8%

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

PLD we rank 2 BUY

PLD market cap \$19.4 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Plum Creek Timber
Price:	\$47
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,655
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/28/2013
PCL \$47

Plum Creek Timber PCL earnings report for 4Q 2012 after the close of trading today to indicate trends for sawlog prices and harvest volume

PCL results reported last week by Rayonier indicated improving US housing market during 2013, with prices also supported by higher Asian exports

PCL homebuilder confidence index and new home starts reported by industry group NAHB (National Association of Homebuilders) indicating positive momentum for new home demand

PCL to discuss results for 4Q 2012 next week on January 28, 2013 with a conference call for investors scheduled at 5:00 PM

PCL stock price supported by current annual dividend yield of 3.4%

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:	Digital Realty Trust
Price:	\$72
Recommendation:	BUY
Ranking:	1
Market Cap:	\$9,933
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/28/2013
DLR \$72

Digital Realty Trust DLR pending Analyst Day presentation provides opportunity for DLR to demonstrate growth characteristics of data center operations to investors

DLR Analyst Day to be held in NYC this week on Thursday January 31, 2013

DLR guidance for FFO for 2012 indicates growth UP +9%

DLR to discuss results for 4Q 2012 next month on February 15, 2013 with a conference call for investors scheduled at 1:00 PM

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

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

DLR we rank 1 BUY

DLR market cap \$9.9 billion

REIT Comment



Company:	National Retail Properties
Price:	\$32
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,543
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/28/2013
NNN \$32

National Retail Properties NNN news of Barnes & Noble downsizing not a concern for NNN
NNN Barnes & Noble down from more than 4% of rental revenues for 2005 to less than 1% today
NNN acquisitions expand portfolio and provide diversification
NNN portfolio invested in many types of retail locations, including freestanding and "big box" retail
NNN all leases are triple net, with no exposure to variable tenant sales
NNN guidance for FFO for 2012 indicates growth UP +10%
NNN to discuss results for 4Q 2012 next month on February 7, 2013 with a conference call with investors scheduled for 10:30 AM
NNN providing income investors with current annual dividend yield of 4.9%
NNN a Retail REIT with a portfolio of net leased retail and commercial properties
NNN we rank 2 BUY
NNN market cap \$3.5 billion

REIT Comment



Company:	Simon Property Group
Price:	\$162
Recommendation:	BUY
Ranking:	2
Market Cap:	\$58,873
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/28/2013
SPG \$162

Simon Property Group SPG news of downsizing by Barnes & Noble BKS indicates pressure on book retailers from online sales

SPG Barnes & Noble BKS informally indicated plans to close up to 35% of US bookstores over 10 years

SPG Barnes & Noble BKS less than 1% of rental revenue for SPG, although SPG has more Barnes & Noble stores than other REITs, with a total of 33 Barnes & Noble stores at US regional mall locations

SPG guidance for FFO for 2012 indicates growth UP +14%

SPG to discuss results for 4Q 2012 next week on February 4, 2013 with a conference call for investors scheduled at 11:00 AM

SPG provides current yield of 2.7%

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 \$58.9 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	CBL & Associates
Price:	\$21
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,061
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/28/2013
CBL \$21

CBL & Associates CBL news of gradual reduction of Barnes & Noble BKS total stores in US unlikely to impact CBL

CBL has Barnes & Noble BKS store locations at 27 of 95 regional malls owned by CBL, representing less than 1% of total rental revenue

CBL normal tenant turnover enables higher profitability from rental rate roll-up as expiring leases are replaced with new tenants and lease termination fees are earned

CBL to discuss results for 4Q 2012 on Wednesday, February 6, 2013, with a conference call for investors scheduled at 11:00 AM

CBL guidance for FFO for 2012 indicates growth UP +2%

CBL provides current yield of 4.2%

CBL a Retail REIT with a portfolio of regional malls in southeastern and mid-Atlantic states

CBL we rank 2 BUY

CBL market cap \$4.1 billion

REIT Comment



Company:	Plum Creek Timber
Price:	\$47
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,655
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
01/28/2013
PCL \$47

Plum Creek Timber PCL 4Q 2012 EPS \$0.49 v \$0.38 UP +29%

PCL 2012 EPS \$1.25 v \$1.19 UP +5%
PCL previous guidance 2012 EPS \$1.00-\$1.25 per share
PCL 2012 harvest volume 17.9 million tons

PCL 2012 adjusted EBITDA \$530 million UP +19%

PCL new guidance 2013 EPS \$1.25-\$1.50 v \$1.25 FLAT - UP +20%
PCL new guidance 2013 EPS assumes harvest volume \$17.5-18.0 million tons FLAT - DOWN (2%)

PCL new guidance 1Q 2013 EPS \$0.28-\$0.33 v \$0.18 UP +56%+83%

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

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:	Brookfield Office Properties
Price:	\$17
Recommendation:	SELL
Ranking:	4
Market Cap:	\$8,438
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/28/2013
BPO \$17

Brookfield Office Properties BPO traded DOWN (\$0.41) per share to close DOWN (2%) day

BPO stock traded DOWN (2%) year to date for 2013, following increase UP +9% for 2012
BPO underperformed Office REITs, UP +5% year to date for 2013

BPO providing free use of office space to not-for-profit and small businesses displaced by Hurricane Sandy at 250 Vesey Street, World Financial Center, in downtown Manhattan

BPO to discuss results for 4Q 2012 on Friday February 1, 2013 at 11:00 AM

BPO guidance for FFO for 2012 indicates growth UP +4%

BPO stock price supported by current annual dividend yield of 3.4%

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

BPO we rank 4 SELL

BPO market cap \$8.4 billion

REIT Comment



Company:	Associated Estates Realty
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$813
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/28/2013
AEC \$16

Associated Estates AEC traded DOWN (\$0.14) per share to close DOWN (1%) day

AEC stock traded UP +1% year to date for 2013, following increase UP +1% for 2012
AEC underperformed Residential REITs, UP +3% year to date for 2013

AEC like all Residential REITs seeing improved profitability on high occupancy and rental rate increases

AEC to discuss results for 4Q 2012 next week on Wednesday, February 6, 2013, with a conference call for investors scheduled at 2:00 PM

AEC guidance for FFO for 2012 indicates growth UP +22%

AEC stock price supported by current annual dividend yield of 4.4%

AEC a Residential REIT with a diverse portfolio of apartment communities

AEC we rank 2 BUY

AEC market cap \$813 million

REIT Comment



Company:	Sunstone Hotel Investors
Price:	\$12
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,633
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/28/2013
SHO \$12

Sunstone Hotel Investors SHO traded UP \$0.29 per share to close UP +2% day

SHO stock traded UP +13% year to date for 2013, following increase UP +31% during 2012
SHO outperformed Hotel REITs, UP +10% year to date for 2013

SHO planning stock offering to support balance sheet transition with pending redemption of preferred stock

SHO also plans to divest 4 hotels in Rochester MN for \$230 million

SHO strategic acquisitions provide portfolio expansion

SHO preliminary results for 4Q 2012 indicate FFO exceeded high end of previous guidance range

SHO new guidance for FFO for 2012 indicates growth UP +16%

SHO has not yet restored common stock dividends

SHO a Hotel REIT

SHO we rank 3 HOLD

SHO market cap \$1.6 billion

REIT Comment



Company:	Realty Income
Price:	\$44
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,738
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/28/2013
O \$44

Realty Income O traded UP \$0.66 per share to close UP +2% day

O stock traded UP +9% year to date for 2013, following increase UP +15% during 2012
O stock outperformed Specialty REITs, UP +5% year to date for 2013

O dividend increase of 19% announced for 1Q 2013

O recent \$2.95 billion acquisition of American Realty Capital Trust ARCT to significantly accelerate FFO growth

O exceptional long term record of monthly dividends increases

O stock price supported by current annual dividend yield of 4.9%

O a Specialty REIT with a portfolio of net leased properties to franchised and commercial tenants

O we rank 2 BUY

O market cap \$5.7 billion

REIT Comment



Company:	Sunstone Hotel Investors
Price:	\$12
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,633
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/29/2013
SHO \$12

Sunstone Hotel Investors SHO preliminary announcement of results for 4Q 2012 exceeded high end of previous guidance range

SHO new guidance 2012 FFO \$1.00-\$1.01 v \$0.87 UP +15%+16%
SHO previous guidance 2012 FFO \$0.93-\$0.97 per share
SHO new guidance 2012 FFO assumes 2012 RevPAR (revenue per available room) UP +5.2%+5.4%

SHO preliminary results for 4Q 2012 FFO \$0.30 v \$0.29 UP +3%
SHO previous guidance 4Q 2012 FFO \$0.23-\$0.27 per share

SHO preliminary 4Q 2012 RevPAR (revenue per available room) UP +3.2%+3.4%

SHO planning 17.25 million share offering, with \$200 million proceeds to be applied to redeem preferred stock

SHO a Hotel REIT

SHO we rank 3 HOLD

SHO market cap \$1.6 billion

REIT Comment



Company:	Sunstone Hotel Investors
Price:	\$12
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,633
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/29/2013
SHO \$12

Sunstone Hotel Investors SHO to offer 17.25 million shares in public offering

SHO proceeds of \$200 million to be applied to redeem preferred stock

SHO sole bookrunning manager Citi

SHO January 2013 offering to increase total shares outstanding by 13%

SHO pending \$230 million divestiture of 4 hotel properties to provide \$165 million net proceeds to SHO

SHO strategic acquisitions provide portfolio expansion

SHO a Hotel REIT

SHO we rank 3 HOLD

SHO market cap \$1.6 billion

REIT Comment



Company:	Plum Creek Timber
Price:	\$47
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,655
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
01/28/2013
PCL \$47

Plum Creek Timber PCL 4Q 2012 EPS \$0.49 v \$0.38 UP +29%

PCL 2012 EPS \$1.25 v \$1.19 UP +5%
PCL previous guidance 2012 EPS \$1.00-\$1.25 per share
PCL 2012 harvest volume 17.9 million tons

PCL 2012 adjusted EBITDA \$530 million UP +19%

PCL new guidance 2013 EPS \$1.25-\$1.50 v \$1.25 FLAT - UP +20%
PCL new guidance 2013 EPS assumes harvest volume \$17.5-18.0 million tons FLAT - DOWN (2%)

PCL new guidance 1Q 2013 EPS \$0.28-\$0.33 v \$0.18 UP +56%+83%
PCL new guidance 1Q 2013 EPS assumes average sawlog prices UP +\$5 per ton
PCL expects significant real estate transaction during 1Q 2013

PCL 4Q 2012 northern resource segment operating income \$5 million, DOWN (29%)
PCL 4Q 2012 northern resource segment harvest volume DOWN (11%)
PCL 4Q 2012 northern resource segment sawlog and pulpwood prices slightly higher

PCL 4Q 2012 southern resource segment operating income \$24 million UP +26%
PCL 4Q 2012 southern resource segment harvest volume UP, with sawlog harvest UP +5% and pulpwood UP +10%
PCL 4Q 2012 southern resource segment sawlog prices FLAT, while pulpwood prices UP +16%

PCL 4Q 2012 real estate segment operating income \$74 million UP +21%

PCL 4Q 2012 manufacturing segment operating income \$7 million UP +133%
PCL 4Q 2012 manufacturing segment plywood volume UP +9%, while MDF volume UP +25%
PCL 4Q 2012 manufacturing segment plywood prices UP +19%, while MDF prices UP +4%
PCL 4Q 2012 manufacturing segment lumber volume FLAT while average lumber prices UP +1%

PCL management comments noted export market for sawlogs saw increased demand to highest level for past year
PCL during 4Q 2012 sold 60,000 tons of sawlogs for export
PCL also expects higher demand for 2013 from US housing market

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

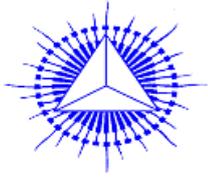
PCL a Specialty Timber REIT with a portfolio of timberlands and sawlog mills

PCL we rank 2 BUY

PCL market cap \$7.7 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	Realty Income
Price:	\$44
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,738
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/29/2013
O \$44

Realty Income O announced monthly dividend distribution to increase UP+19% to \$0.1809167 per share for February 2013

O new annual dividend \$2.17 per share

O new yield 4.9%

O a Specialty REIT with a portfolio of net leased properties to franchised and commercial tenants

O we rank 2 BUY

O market cap \$5.7 billion

REIT Comment



Company:	Equity Lifestyle Properties
Price:	\$72
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,269
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/29/2013
ELS \$72

Equity Lifestyle Properties ELS4Q 2012 FFO \$1.11 v \$0.99 UP +12%

ELS 2012 FFO \$4.62 v \$3.66 UP +26%
ELS previous guidance 2012 FFO \$4.54-\$4.64 per share

ELS increased guidance 2013 FFO \$4.94-\$5.15 v \$4.64 UP +6%+11%
ELS previous guidance 2013 FFO \$4.90-\$5.10 per share

ELS 1Q 2013 FFO \$1.35-\$1.45 v \$1.29 UP +5%+12%

ELS 4Q 2012 same property NOI UP +1.4%
ELS 4Q 2012 portfolio occupancy 89.5%

ELS 4Q 2012 core portfolio average monthly base rent\$570 UP +2%

ELS 4Q 2012 manufactured home sales 564 UP +22%, including 15 new homes, 349 used homes, and 200 broker resales

ELS provides current dividend yield of 2.8%

ELS a Specialty REIT with a portfolio of manufactured home communities

ELS we rank 3 HOLD

ELS market cap \$3.3 billion

REIT Comment



Company:	Potlatch
Price:	\$44
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,774
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
01/29/2013
PCH \$44

Potlatch PCH 4Q 2012 EPS \$0.34 v (\$0.04)
PCH 4Q 2012 EBITDA \$36 million

PCH 2012 EPS \$1.05 v \$1.00 UP +5%
PCH 2012 EBITDA \$114 million

PCH 2012 harvest volume 3.6 million tons DOWN (12%)
PCH previous guidance 2012 harvest volume 3.5 million tons

PCH new guidance 2013 harvest 3.8 million tons UP +6%

PCH 4Q 2012 resource segment operating profit \$10.5 million DOWN (17%)
PCH 4Q 2012 wood products segment operating profit \$13.5 million v loss
PCH 4Q 2012 real estate segment operating profit \$13.8 million, UP +393%

PCH 4Q 2012 northern resource harvest volume DOWN (9%)
PCH 4Q 2012 northern sawlog volume UP +3%, with prices UP +6%
PCH 4Q 2012 northern pulpwood volume DOWN (67%), with prices DOWN (13%)% due to oversupply of chips

PCH 4Q 2012 southern resource segment harvest volume DOWN (24%) due to harvest deferral
PCH 4Q 2012 southern sawlog volume DOWN (31%), with prices UP +6%
PCH 4Q 2012 southern pulpwood volume DOWN (18%), with prices UP +8%

PCH 4Q 2012 lumber prices UP +23%, with lumber shipments UP +5%

PCH management comments notes lumber demand expected to increase UP+10% for 2013

PCH provides current dividend yield of 2.8%

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

PCH we rank 2 BUY

PCH market cap \$1.8 billion

REIT Comment



Company:	Duke Realty
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,239
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/29/2013
DRE \$15

Duke Realty DRE completed 41.4 million share offering priced at \$14.25 per share

DRE offering size increased from previous 30 million shares

DRE proceeds of \$570 million to be applied to portfolio acquisitions and to repay debt

DRE joint bookrunning managers MS and UBS
DRE co-managers Wells Fargo, Credit Suisse, and Evercore

DRE to discuss results for 4Q 2012 this week on Thursday, January 31, 2013 with a conference call for investors scheduled at 3:00 PM

DRE stock price supported by current annual dividend yield of 4.5%

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

DRE we rank 2 BUY

DRE market cap \$4.2 billion

REIT Comment



Company:	Hatteras Financial
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,652
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/29/2013
HTS \$27

Hatteras Financial HTS news of higher home prices supports positive outlook for US housing sector

HTS report from Case Shiller found average home prices UP +5.5% for November 2012 from previous year

HTS price increases reported for 19 of 20 metropolitan areas surveyed, with only decline reported for New York, DOWN (1.2%), with Chicago UP +0.8%

HTS largest increases reported for Phoenix UP +23%, San Francisco UP +13%, Detroit UP +12%, Minneapolis UP +11% and Las Vegas UP +10%

HTS Financial Mortgage REITs benefit from higher home prices, as higher home appraisals justify greater mortgage application volume

HTS proposals for reform of Fannie Mae expected from new Congress convened in January 2013

HTS current annual dividend yield 11.9%, above 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 \$2.7 billion

REIT Comment



Company:	Kimco Realty
Price:	\$21
Recommendation:	BUY
Ranking:	1
Market Cap:	\$8,512
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/29/2013
KIM \$21

Kimco Realty KIM news of decline in consumer confidence demonstrates negative impact of payroll tax increase and fear of pending "fiscal cliff"

KIM report from Conference Board found consumer confidence DOWN (8.1%) for January 2013 to 58.6%

KIM delay of debt ceiling discussions to May 13, 2013 and pending sequestration of federal spending if no budget agreement is reached by April 15, 2013 sets up deadlines likely to deter optimistic investors, despite clear signs of economic growth

KIM to discuss results for 4Q 2012 next week on February 6, 2013 with a conference call for investors scheduled for 10:00 AM

KIM guidance for FFO for 2012 indicates growth UP +5%, with guidance for FFO for 2013 indicating growth UP +6%

KIM provides current 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 \$8.5 billion

KIM an S&P 500 index REIT

REIT Comment



Company:	Plum Creek Timber
Price:	\$47
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,655
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/29/2013
PCL \$47

Plum Creek Timber PCL traded UP \$1.59 per share to close UP +3% day

PCL stock traded UP +6% year to date for 2013, following increase UP +11% during 2012
PCL outperformed Specialty REITs, UP +5% year to date for 2013

PCL last night's earnings announcement for 4Q 2012 ahead of expectations on harvest volume and lumber prices

PCL management comments indicated recovery in export market for sawlogs as well as higher demand due to recovery in US home building sector

PCL today's news of higher home prices another positive signal for Specialty Timber REITs

PCL new guidance 2013 EPS \$1.25-\$1.50 v \$1.25 FLAT - UP +20%
PCL new guidance 2013 EPS assumes harvest volume \$17.5-18.0 million tons FLAT - DOWN (2%)

PCL provides current yield of 3.8%

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:	CubeSmart
Price:	\$15
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,859
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/29/2013
CUBE \$15

CubeSmart CUBE traded UP \$0.19 per share to close UP +1% day

CUBE stock traded UP +4% year to date for 2013, following increase UP +4% during 2012
CUBE underperformed Specialty REITs, UP +5% year to date for 2013

CUBE investors expecting good growth to be reported for 4Q 2012 by Specialty Storage REITs

CUBE guidance for FFO for 2012 indicates growth UP +12%

CUBE stock price supported by current annual dividend yield of 2.9%

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

CUBE we rank 1 BUY

CUBE market cap \$1.9 billion

REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$28
Recommendation:	SELL
Ranking:	4
Market Cap:	\$2,397
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/29/2013
LHO \$28

LaSalle Hotel Properties LHO traded DOWN (\$0.28) per share to close DOWN (1%) day

LHO stock traded UP +9% year to date for 2013, following increase UP +9% during 2012
LHO stock underperformed Hotel REITs, UP +10% year to date for 2012

LHO recent \$170 million hotel acquisition in Boston adds portfolio diversification

LHO hotel portfolio concentrated in metropolitan DC area, representing more than 30% of NOI

LHO previously reduced high end of previous guidance for FFO for 2012 to indicate growth UP +33%

LHO to discuss results for 4Q 2012 next month on February 21, 2013, with a conference call for investors scheduled for 8:30 AM

LHO provides annual dividend yield of 2.9%

LHO a Hotel REIT

LHO we rank 4 SELL

LHO market cap \$2.4 billion

REIT Comment



Company:	Equity Lifestyle Properties
Price:	\$72
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,269
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/29/2013
ELS \$72

Equity Lifestyle Properties ELS traded UP\$0.83 per share to close UP +1% day

ELS stock traded UP +9% year to date for 2013, following increase UP +9% during 2012
ELS outperformed Specialty REITs, trading UP +5% year to date for 2013

ELS reported FFO for 2012 UP +26% and increased guidance for FFO for 2013 to indicate growth
UP +11%

ELS completion of major acquisition drives revenue and profit growth with total portfolio capacity UP
+28%

ELS stock price supported by current dividend yield of 2.7%

ELS a Specialty REIT with a portfolio of manufactured home communities

ELS we rank 3 HOLD

ELS market cap \$3.3 billion

REIT Comment



Company:	Boston Properties
Price:	\$109
Recommendation:	SELL
Ranking:	4
Market Cap:	\$16,685
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/30/2013
BXP \$109

Boston Properties BXP 4Q 2012 FFO \$1.27 v \$1.21 UP +5%

BXP 2012 FFO \$4.90 v \$4.84 UP +1%
BXP previous guidance 2012 FFO \$4.84-\$4.91 per share

BXP increased guidance 2013 FFO \$5.06-\$5.18 v \$4.90 UP +3%+6%
BXP previous guidance 2013 FFO \$5.00-\$5.15 per share
BXP guidance 2013 FFO assumes same property NOI UP +1.5%+2.5% on GAAP basis and UP +5.5%-6.5% on cash basis

BXP 1Q 2013 guidance \$1.19-\$1.21 v \$1.12 UP +6%+8%

BXP new DC office building, 500 N Capitol Street NW, now 82% leased

BXP management comments indicated leasing demand steady although metropolitan DC market may be subject to concern over federal spending decline
BXP leasing "velocity" slower for most expensive office properties in all markets
BXP investing \$2.1 billion in new office developments to be delivered from 2013-2015

BXP dividend increase of +18% for 1Q 2013 brings current annual dividend yield to 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 \$16.7 billion

BXP an S&P 500 Index REIT

REIT Comment



Company:	Boston Properties
Price:	\$109
Recommendation:	SELL
Ranking:	4
Market Cap:	\$16,685
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/30/2013
BXP \$109

Boston Properties BXP increased quarterly dividend distribution UP+18% to \$0.65 per share for 1Q 2013

BXP new annual dividend \$0.65 per share

BXP new yield 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 \$16.7 billion

BXP an S&P 500 Index REIT

REIT Comment



Company:	Equity Residential
Price:	\$58
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,537
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/30/2013
EQR \$58

Equity Residential EQR rebound in job creation supports growth for Residential REITs

EQR National Employment report from ADP (Automatic Data Processing) found private sector added 192,000 new jobs for January 2013, UP +7,000 from revised 185,000 for December 2012

EQR Labor Department employment report expected later this week, to include government jobs, may contradict ADP report

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

EQR pending \$9.4 billion acquisition of 60% of Archstone portfolio expected to close during 1Q 2013

EQR guidance for FFO for 2012 indicates growth UP +14%

EQR to discuss results for 4Q 2012 next week on February 6, 2013 with a conference call for investors scheduled at 10:00 AM

EQR stock supported by current annual dividend yield of 3.1%

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

EQR we rank 2 BUY

EQR market cap \$18.5 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	AvalonBay Communities
Price:	\$138
Recommendation:	BUY
Ranking:	2
Market Cap:	\$13,426
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/30/2013
AVB \$138

AvalonBay Communities AVB news of better than expected new jobs report supports rally for Residential REITs

AVB National Employment report from ADP (Automatic Data Processing) found private sector added 192,000 new jobs for January 2013, UP +7,000 from revised 185,000 for December 2012

AVB pending \$6.9 billion Archstone acquisition to close 1Q 2013, with funding from recent \$1.8 billion equity offering

AVB guidance for FFO for 2012 and for 2013 indicates growth of UP +20%

AVB to discuss results for 4Q 2012 tomorrow on Thursday, January 31, 2013 with a conference call for investors scheduled at 1:00 PM

AVB expects to increase shareholder dividends by UP+8%--12% for 2013 following completion of Archstone acquisition

AVB stock price supported by current annual dividend yield of 2.8%

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 \$13.4 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	Prologis Inc
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,525
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/30/2013
PLD \$41

Prologis Inc PLD news of lower GDP for 4Q 2012 takes momentum away from cyclically oriented REITs, including Industrial REITs

PLD report from Commerce Department found US GDP DOWN (0.1%) for 4Q 2012, compared to growth UP +3.1% for 3Q 2012

PLD lower government spending and slower inventory building compressed US GDP growth by (2.6%) for 4Q 2012

PLD full year 2012 US GDP growth reported UP +2.2%

PLD US GDP growth is normally a 2-4 month lagging indicator for Industrial REITs

PLD retail sales are most important coincident indicator for Industrial REITs with portfolios of bulk distribution facilities, as well as industrial production, exports and freight volume

PLD guidance for FFO for 2012 indicates growth UP +10%

PLD to discuss results for 4Q 2012 on February 6, 2013, with a conference call for investors scheduled at 12:00 PM

PLD provides current yield of 2.7%

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

PLD we rank 2 BUY

PLD market cap \$19.5 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Strategic Hotels & Resorts
Price:	\$7
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,560
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/30/2013
BEE \$7

Strategic Hotels & Resorts BEE traded DOWN (\$0.18) per share to close DOWN (2%) day

BEE stock traded UP +12% year to date for 2013, following increase UP +19% during 2012
BEE outperformed Hotel REITs, UP +10% year to date for 2013

BEE news of pending refinance of Hotel del Coronado supports positive outlook for availability of
CMBS finance for previously troubled assets

BEE Blackstone Group (with 60% joint venture interest in Hotel del Coronado) seeking to borrow
\$450 million to repay CMBS maturity due March 2013

BEE owns 34% joint venture interest in Hotel del Coronado

BEE guidance for FFO for 2012 indicates growth UP more than +50%

BEE has yet to restore common stock dividends

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

BEE we rank 3 HOLD

BEE market cap \$1.6 billion

REIT Comment



Company:	Sun Communities
Price:	\$43
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,299
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/30/2013
SUI \$43

Sun Communities SUI traded DOWN (\$0.95) per share to close DOWN (2%) day

SUI stock traded UP +7% year to date for 2013, following increase UP +9% during 2012
SUI outperformed Specialty REITs, UP +5% year to date for 2013

SUI earnings report this week from manufactured home Specialty REIT Equity Lifestyle ELS
presented positive outlook for other Specialty REITs with portfolios of manufactured homes

SUI recently completed acquisition of 2 properties for \$103 million

SUI guidance for FFO for 2012 indicates growth UP +17%

SUI to discuss results for 4Q 2012 next month on February 21, 2013 at 11:00 AM

SUI stock price supported by current dividend yield of 5.9%

SUI a Specialty REIT with a portfolio of manufactured home communities

SUI we rank 2 BUY

SUI market cap \$1.3 billion

REIT Comment



Company:	Newcastle Investment
Price:	\$10
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,736
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/30/2013
NCT \$10

Newcastle Investment NCT traded UP +\$0.18 per share to close UP +2% day

NCT stock traded UP +20% year to date for 2013, following increase UP +87% during 2012
NCT outperformed Financial Commercial REITs, UP +11% year to date for 2013

NCT pending spin off residential assets in new publicly traded REIT to be known as New Residential Investment Corp during 1Q 2013

NCT to continue as a publicly traded REIT with portfolio concentrated in commercial MBS corporate debt, and investments in senior housing properties

NCT provides current yield of 8.4%, at the top end of the range for Financial Commercial REITs

NCT a Financial Commercial REIT

NCT we rank 2 BUY

NCT market cap \$1.7 billion

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$17
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$12,306
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/30/2013
HST \$17

Host Hotels & Resorts HST traded DOWN (\$0.38) per share to close DOWN (2%) day

HST stock traded UP +7% year to date for 2013, following increase UP +6% during 2012
HST underperformed Hotel REITs, UP +10% year to date for 2013

HST results for 4Q 2012 may prove disappointing due to higher than normal cancellations related to bad weather, including Hurricane Sandy

HST guidance for FFO for 2012 indicates growth UP +15%--18%

HST to discuss results for 4Q 2012 next month on February 21, 2013, with a conference call for investors scheduled at 11:00 AM

HST stock price supported by new annual dividend yield of 2.2%

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

HST we rank 3 HOLD

HST market cap \$12.3 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	Capstead Mortgage
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,218
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/31/2013
CMO \$12

Capstead Mortgage CMO 4Q 2012 EPS \$0.31 v \$0.35 DOWN (11%)

CMO 2012 EPS \$1.50 v \$1.75 DOWN (14%)

CMO 4Q 2012 book value \$13.58 per share, UP +5% from previous year

CMO 4Q 2012 portfolio \$13.1 billion agency guaranteed Residential MBS, 53% concentrated in ARMs to reset within 18 months

CMO 4Q 2012 portfolio average yield 1.76%

CMO 4Q 2012 portfolio average cost \$105.58, DOWN (\$0.21) from September 2012

CMO 4Q 2012 CPR (constant prepayment rate) 19.6% UP +0.9% from September 2012

CMO 4Q 2012 portfolio leverage 8.0X, unchanged

CMO 4Q 2012 NIM (net interest margin) 1.13% DOWN (0.17%) from September 2012

CMO 4Q 2012 operating expenses 0.79% DOWN (0.09%) from September 2012

CMO to discuss results for 4Q 2012 this morning with a conference call for investors scheduled at 9:00 AM

CMO stock price supported by current annual dividend yield of 9.7%, below the midpoint of the range for Financial Mortgage REITs

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

CMO we rank 2 BUY

CMO market cap \$1.2 billion

REIT Comment



Company:	SL Green Realty
Price:	\$80
Recommendation:	SELL
Ranking:	4
Market Cap:	\$7,541
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/31/2013
SLG \$80

SL Green Realty SLG 4Q 2012 FFO \$1.16 (adjusted) v \$1.04 (adjusted) UP +12%

SLG exceeded previous guidance 2012 FFO \$4.62 (adjusted) v \$4.88 (adjusted) DOWN (5%)
SLG 2012 FFO excludes net charges of (\$0.07) per share and unusual gain of \$0.73 per share during 2Q 2012
SLG previous guidance 2012 FFO \$4.50-\$4.60 per share

SLG previous guidance 2013 FFO \$4.95-\$5.00 v \$4.62 UP +7%+8%

SLG 4Q 2012 same property combined NOI UP +3.8%

SLG 4Q 2012 occupancy for Manhattan portfolio 93.8% UP +0.8%
SLG 4Q 2012 occupancy for suburban portfolio 81.3% DOWN (1.3%)

SLG to discuss results for 4Q 2012 this afternoon with a conference call for investors scheduled for 2:00 PM

SLG current dividend yield of 1.6%

SLG an Office REIT with a portfolio of office properties concentrated in NYC

SLG we rank 4 SELL

SLG market cap \$7.5 billion

REIT Comment



Company:	Regency Centers
Price:	\$50
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,529
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/31/2013
REG \$50

Regency Centers REG 4Q 2012 core FFO \$0.63 (adjusted) v \$0.63 FLAT
REG 4Q 2012 core FFO excludes net non-recurring gains of \$0.02 per share relating to sale of out-parcel

REG 2012 core FFO \$2.56 (adjusted) v \$2.40 (adjusted) UP +7%
REG 2012 core FFO excludes net non-recurring charges of (\$0.09) per share relating to impairments and preferred stock redemption, partially offset by non-recurring gains
REG 2012 core FFO exceeded previous guidance of \$2.48-\$2.52 per share

REG increased guidance 2013 core FFO \$2.48-\$2.56 v \$2.56 FLAT - DOWN (3%)
REG previous guidance 2013 core FFO \$2.45-\$2.53 per share

REG 4Q 2012 same property NOI UP +3.7% excluding lease termination fees
REG 4Q 2012 portfolio occupancy 94.4%

REG 4Q 2012 increase in rents on turnover UP +3.4%

REG guidance for FFO for 2012 indicates growth UP +5%

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

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

REG we rank 2 BUY

REG market cap \$4.5 billion

REIT Comment



Company:	Duke Realty
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,206
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/31/2013
DRE \$15

Duke Realty DRE 4Q 2012 core FFO \$0.27 (adjusted) v \$0.30 (adjusted) DOWN (10%)
DRE 4Q 2012 core FFO impacted by portfolio divestitures during 2012

DRE 2012 FFO core FFO \$1.02 (adjusted) v \$1.15 (adjusted) DOWN (11%)
DRE previous guidance 2012 core FFO \$1.00-\$1.04 per share
DRE 2012 core FFO impacted by portfolio divestitures during 2012

DRE new guidance 2013 core FFO \$1.03-\$1.11 v \$1.02 UP +1% - +9%

DRE 4Q 2012 same property NOI UP +1.6%
DRE 4Q 2012 portfolio occupancy 93.0% UP +2.3%

DRE 4Q 2012 tenant retention 85%

DRE portfolio mix 54% industrial, 30% office, 13% medical office buildings, 3% retail

DRE 2012 acquisitions \$800 million
DRE 2012 dispositions \$153 million

DRE 4Q 2012 investment in new developments \$147 million

DRE to discuss results for 4Q 2012 this afternoon with a conference call for investors scheduled at 3:00 PM

DRE stock price supported by current annual dividend yield of 4.5%

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

DRE we rank 2 BUY

DRE market cap \$4.2 billion

REIT Comment



Company:	Equity Residential
Price:	\$57
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,192
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/31/2013
EQR \$57

Equity Residential EQR news of higher new unemployment claims indicates little change to unemployment trends during January, 2013

EQR Labor Department reported new claims for unemployment UP+38,000 to 368,000 for week ended January 26, 2013

EQR 4 week moving average of new unemployment claims practically unchanged, UP +250 to 352,000

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 2012 indicates growth UP +14%

EQR pending \$9.4 billion acquisition of 60% of Archstone portfolio expected to close during 1Q 2013

EQR stock supported by current annual dividend yield of 3.1%

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

EQR we rank 2 BUY

EQR market cap \$18.2 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	Digital Realty Trust
Price:	\$68
Recommendation:	BUY
Ranking:	1
Market Cap:	\$9,324
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/31/2013
DLR \$68

Digital Realty Trust DLR traded DOWN (\$2.19) per share to close DOWN (3%) day

DLR stock traded unchanged year to date for 2013, following increase UP +2% during 2012
DLR underperformed Office REITs, trading UP +5% year to date for 2013

DLR slight narrowing of guidance for core FFO for 2012 impacted trading in DLR today, as investors pondered information presented at Analyst Day today

DLR adjusted guidance 2012 core FFO \$4.44-\$4.46 (adjusted) v \$4.09 +8%+9%
DLR previous guidance 2012 core FFO \$4.40-\$4.44 per share

DLR adjusted guidance 4Q 2012 core FFO \$1.18-\$1.20 v \$1.03 (adjusted) UP +15%+17%

DLR new guidance 2013 core FFO \$4.70-\$4.85 v \$4.44-\$4.46 UP +5%+9%

DLR expects 2012 EBITDA \$757 million UP +22%, with 2013 EBITDA expected in range of \$881-\$902 million

DLR to discuss results for 4Q 2012 next month on February 15, 2013 with a conference call for investors scheduled at 1:00 PM

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

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

DLR we rank 1 BUY

DLR market cap \$9.3 billion

REIT Comment



Company:	AvalonBay Communities
Price:	\$130
Recommendation:	BUY
Ranking:	2
Market Cap:	\$12,667
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/31/2013
AVB \$130

AvalonBay Communities AVB traded DOWN (\$5.85) per share to close DOWN (4%) day

AVB traded DOWN (4%) year to date for 2013, following increase UP +4% during 2012
AVB underperformed Residential REITs, UP +3% year to date for 2013

AVB reported results for 4Q 2012 slightly below range of previous estimate

AVB guidance for FFO for 2013 (adjusted to exclude unusual items relating to Archstone acquisition) expected UP +13%

AVB increased dividend by 10% for 1Q 2013, now providing yield of 3.3%

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

AVB we rank 2 BUY

AVB market cap \$12.7 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	Duke Realty
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,284
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/31/2013
DRE \$15

Duke Realty DRE traded UP \$0.28 per share to close UP +2% day

DRE traded UP +11% year to date for 2013, following increase UP +15% during 2012
DRE outperformed Industrial REITs, UP +8% year to date for 2013

DRE reported core FFO for 4Q 2012 and core FFO for 2012 in line with previous guidance

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

DRE repositioning portfolio through divestiture of suburban office properties and investment in medical office buildings

DRE stock price supported by current annual dividend yield of 4.4%

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

DRE we rank 2 BUY

DRE market cap \$4.3 billion

REIT Comment



Company:	Apartment Investment and Management
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,959
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/31/2013
AIV \$27

Apartment Investment and Management AIV increased quarterly dividend distribution by 20% to \$0.24 per share for 1Q 2013

AIV new annual dividend \$0.96 per share

AIV new yield 3.5%

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

AIV we rank 2 BUY

AIV market cap \$4.0 billion

AIV an S&P 500 Index REIT

REIT Comment



Company:	AvalonBay Communities
Price:	\$130
Recommendation:	BUY
Ranking:	2
Market Cap:	\$12,667
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/31/2013
AVB \$130

AvalonBay Communities AVB increased quarterly dividend by 10% to \$1.07 per share for 1Q 2013

AVB new annual dividend \$4.28 per share

AVB new yield 3.3%

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

AVB we rank 2 BUY

AVB market cap \$12.7 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	Apartment Investment and Management
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,959
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/31/2013
AIV \$27

Apartment Investment and Management AIV traded DOWN (\$0.32) per share to close DOWN (1%) day

AIV stock traded UP +1% year to date for 2013, following increase UP +18% during 2012
AIV underperformed Residential REITs, trading UP +3% year to date for 2013

AIV trading down in sympathy with AvalonBay Communities and other Residential REITs

AIV to discuss results for 4Q 2012 next week on February 8, 2013, with a conference call for investors scheduled for 1:00 PM

AIV announced 20% dividend increase, bringing yield to 3.5%

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

AIV we rank 2 BUY

AIV market cap \$4.0 billion

AIV an S&P 500 Index REIT

REIT Comment



Company:	UDR, Inc
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,043
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
02/01/2013
UDR \$24

UDR Inc UDR news of positive employment trends bolsters Residential REITs

UDR Labor Department non-farm payroll report found US economy created 157,000 new jobs for January 2013, DOWN (39,000) from revised 196,000 for December 2012

UDR government sector jobs DOWN (9,000) while private sector jobs UP +166,000 for January 2012

UDR average monthly new job creation revised to 181,000 for 2012, same as for 2011, suggesting overall stability in job market

UDR this news confirms report earlier this week from ADP (Automatic Data Processing) showing private sector added 192,000 new jobs for January 2013

UDR reporting higher profitability on improved occupancy and higher monthly rental rates like all Residential REITs

UDR guidance for FFO for 2012 indicates growth UP +9%

UDR to report results for 4Q 2012 next week with a conference call for investors scheduled at 1:00 PM

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

UDR a Residential REIT with a diverse portfolio of apartment communities

UDR we rank 2 BUY

UDR market cap \$7.0 billion

REIT Comment



Company:	AvalonBay Communities
Price:	\$130
Recommendation:	BUY
Ranking:	2
Market Cap:	\$12,661
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
02/01/2013
AVB \$130

AvalonBay Communities AVB 4Q 2012 FFO \$1.38 (adjusted) v \$1.19 UP +16%
AVB 4Q 2012 FFO (adjusted) excludes net charges of (\$0.11) per share relating to acquisition costs for pending \$6.9 billion Archstone transaction

AVB 2012 FFO \$5.42 (adjusted) v \$4.57 UP +19%
AVB 2012 FFO (adjusted) excludes net charges of (\$0.10) per share relating to acquisition costs for pending \$6.9 billion Archstone transaction, partially offset by other items
AVB previous guidance 2012 FFO \$5.45-\$5.50 per share

AVB new guidance 2013 FFO \$6.15 (adjusted) v \$5.42 (adjusted) UP +13%
AVB guidance 2013 FFO excludes non-recurring items of (\$1.86) per share relating to pending \$6.9 billion Archstone transaction and debt redemption
AVB guidance 2013 FFO assumes same property NOI UP +4.0%-+5.5%

AVB new guidance 1Q 2013 FFO \$1.33 (adjusted) v \$1.19 UP +12%
AVB new guidance 1Q 2013 FFO excludes net charges of (\$1.97) per share relating to pending \$6.9 billion Archstone transaction and debt redemption

AVB 4Q 2012 same property NOI UP +5.9%
AVB 4Q 2012 occupancy 96.3% UP +0.3%
AVB 4Q 2012 average monthly rental rate \$2,127 UP +4.7%

AVB development pipeline includes 23 properties or expected total investment of \$1.4-\$1.6 billion
AVB also investing in 5 redevelopment projects for \$75-\$125 million

AVB management noted that apartment demand moving into balance with new supply indicating absorption likely to continue during 2013
AVB recovery in US housing sector still appears unlikely to dramatically impact demand for apartments

AVB announced 20% dividend increase, bringing yield to 3.3%

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

AVB we rank 2 BUY

AVB market cap \$12.7 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	Digital Realty Trust
Price:	\$68
Recommendation:	BUY
Ranking:	1
Market Cap:	\$9,324
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
02/01/2013
DLR \$68

Digital Realty Trust DLR yesterday's Analyst Day provided opportunity for management to demonstrate depth of data center operations to investors

DLR guidance indicated improving environment for leasing of data centers since June 2012, as demand growth more than offsets new supply

DLR long term demand outlook favorable due to steadily increasing volume of data storage and Internet applications

DLR integration of corporate data into operational decisions forces investment in more efficient data centers

DLR international expansion adds to marketability of existing portfolio to large enterprise tenants

DLR financial guidance indicates 10%-12% yield on investment in new data centers

DLR expects to raise \$280 million equity during 2013 to fund capital investments in new developments totaling \$900 million

DLR target acquisitions \$300-\$400 million for 2013

DLR adjusted guidance for 2012 core FFO indicates growth UP +9%

DLR new guidance for 2013 core FFO indicates growth UP +5%-+9%

DLR expects 2012 EBITDA of \$757 million UP +22%, with 2013 EBITDA expected in range of \$881-\$902 million, UP +16%-+19%

DLR to discuss results for 4Q 2012 next month on February 15, 2013 with a conference call for investors scheduled at 1:00 PM

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

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

DLR we rank 1 BUY

DLR market cap \$9.3 billion

REIT Comment



Company:	Brookfield Office Properties
Price:	\$16
Recommendation:	SELL
Ranking:	4
Market Cap:	\$8,357
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
02/01/2013
BPO \$16

Brookfield Office Properties BPO 4Q 2012 FFO \$0.28 v \$0.26 (adjusted) UP +8%

BPO 2012 FFO \$1.14 v \$1.08 (adjusted) UP +6%
BPO previous guidance 2012 FFO \$1.10-\$1.12 per share

BPO new guidance 2013 FFO \$1.16-\$1.20 v \$1.14 UP +2%+5%
BPO new guidance 2013 FFO assumes same property NOI UP +3% (excluding new Brookfield Place development in downtown New York)
BPO new guidance 2013 FFO assumes occupancy DOWN (1.0%) to 91.0%

BPO 4Q 2012 same property NOI UP +0.3%
BPO 4Q 2012 same property occupancy 92.0%

BPO investing \$1.2 billion to fund development of 11.1 million square feet of new office space worldwide, representing 14% portfolio expansion

BPO quantified impact of pending Merrill Lynch lease expiration for 4Q 2013 at (\$40) million annual rent, representing (\$0.08) per share FFO, to be made up from new tenants for 2014

BPO management comments noted improving tone to leasing discussions since end of 2012

BPO stock price supported by current annual dividend yield of 3.4%

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

BPO we rank 4 SELL

BPO market cap \$8.4 billion

REIT Comment



Company:	Simon Property Group
Price:	\$160
Recommendation:	BUY
Ranking:	2
Market Cap:	\$58,087
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
02/01/2013
SPG \$160

Simon Property Group SPG positive news of growth in disposable personal income supports momentum for Residential REITs

SPG report from Commerce Department found disposable personal income UP+2.7% for December 2012, compared to revised trend UP 1.0% for November 2012

SPG personal consumption expenditures showed slower growth UP+0.2% for December, 2012, showing slowdown from November 2012 trend UP +0.4%

SPG slower growth in personal consumption confirms recent report of lower consumer confidence due to concern over pending federal debt crisis and negative impact of payroll tax increase

SPG guidance for FFO for 2012 indicates growth UP +14%

SPG to discuss results for 4Q 2012 next week on February 4, 2013 with a conference call for investors scheduled at 11:00 AM

SPG provides current yield of 2.8%

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 \$58.1 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Annaly Capital Management
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$14,826
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
02/01/2013
NLY \$15

Annaly Capital Management NLY news of lower mortgage loan application volume indicates little change for Financial Mortgage REITs

NLY report from MBA (Mortgage Bankers Association) found mortgage applications DOWN (8.1%) for week ended January 25, 2013

NLY mortgage applications for refinance DOWN (10%), while mortgage applications for home purchase DOWN (2%) from previous week

NLY average interest rate on 30 year fixed rate mortgage increased UP +0.5% to 3.67%

NLY proposals for reform of Fannie Mae expected from new Congress convened in January 2013

NLY plans to invest up to 25% of equity in non-agency real estate assets, including pending acquisition of publicly traded NLY subsidiary CreXus Investment CXS

NLY stock price supported by current annual dividend yield of 12.1%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$14.8 billion

REIT Comment



Company:	Camden Property Trust
Price:	\$69
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,142
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
02/01/2013
CPT \$69

Camden Property Trust CPT increased quarterly dividend distribution UP+13% to \$0.63 per share for 1Q 2013

CPT new annual dividend \$2.52 per share

CPT new yield 3.6%

CPT a Residential REIT with a diverse portfolio of apartment communities

CPT we rank 2 BUY

CPT market cap \$6.1 billion

REIT Comment



Company:	Camden Property Trust
Price:	\$69
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,142
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
02/01/2013
CPT \$69

Camden Property Trust CPT 4Q 2012 FFO \$0.97 v \$0.80 (adjusted) UP +21%

CPT 2012 FFO \$3.64 (adjusted) v \$3.03 (adjusted) UP +20%
CPT 2012 FFO (adjusted) excludes net charge of (\$0.02) per share relating to preferred redemption
CPT previous guidance 2012 FFO \$3.51-\$3.63 per share

CPT new guidance 2013 FFO \$3.80-\$4.05 v \$3.64 UP +4%-+11%
CPT new guidance 2013 FFO assumes same property NOI UP +5.5%-+7.5%

CPT new guidance 1Q 2013 FFO \$0.92-\$0.98 v \$0.83 UP +11%-+18%

CPT 4Q 2012 same property NOI UP +8.0%
CPT 4Q 2012 same property occupancy 95.1%
CPT 4Q 2013 same property average monthly rent \$1,107 UP +5.7%

CPT 4Q 2012 acquisitions \$161 million
CPT 4Q 2012 dispositions \$178 million

CPT management comments noted rapid lease-up of new properties in DC, despite concerns over government spending, although growth in DC may be at slower rate than for 2012
CPT indicated moveouts for home purchase were 13.3% of all moveouts for 4Q 2012

CPT now has 9 properties under construction to add 4% to total capacity

CPT announced 13% dividend increase, bringing new yield to 3.6%

CPT a Residential REIT with a diverse portfolio of apartment communities

CPT we rank 2 BUY

CPT market cap \$6.1 billion

REIT Comment



Company:	Essex Property Trust
Price:	\$154
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,839
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
02/01/2013
ESS \$154

Essex Property Trust ESS 4Q 2012 FFO \$1.81 (adjusted) v \$1.51 (adjusted) UP +20%
ESS 4Q 2012 FFO (adjusted) excludes net charges of (\$0.09) per share relating to acquisition cost and debt retirement

ESS 2012 FFO \$6.82 (adjusted) v \$5.64 (adjusted) UP +21%
ESS 2012 FFO (adjusted) excludes net charges of (\$0.11) per share relating to acquisition cost and debt retirement
ESS previous guidance 2012 FFO \$6.72-\$6.84 per share

ESS new guidance 2013 FFO \$7.40-\$7.70 v \$6.82 UP +9%+13%
ESS guidance 2013 FFO assumes same property NOI UP +6.0%+8.0%

ESS 4Q 2012 same property NOI UP +6.9%
ESS 4Q 2012 same property occupancy 96.1% DOWN (0.5%)
ESS 4Q 2012 average monthly rent \$1,514 UP +6.4%

ESS 4Q 2012 acquisitions included 6 properties for \$450 million
ESS 4Q 2012 dispositions included 7 properties for \$413 million

ESS has 2 consolidated development projects and 7 joint venture properties under development for total investment of \$928 million, representing 8% portfolio capacity expansion

ESS stock price supported by current annual dividend yield of 2.9%

ESS a Residential REIT with a diverse portfolio of apartment communities in west coast states

ESS we rank 2 BUY

ESS market cap \$5.8 billion

REIT Comment



Company:	Kilroy Realty
Price:	\$50
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,802
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
02/01/2013
KRC \$50

Kilroy Realty KRC 4Q 2012 FFO from continuing operations \$0.66 v \$0.66 DOWN (5%)

KRC 2012 FFO from continuing operations \$2.25 v \$2.29 DOWN (2%)
KRC previous guidance 2012 FFO \$2.21-\$2.31 per share

KRC new guidance 2013 FFO \$2.43-\$2.63 v \$2.25 UP +8%+17%
KRC new guidance 2013 FFO assumes same property NOI UP +3.5%, with occupancy UP +0.2% to 93.0%

KRC 4Q 2012 same property NOI DOWN (0.7%) on cash basis
KRC 4Q 2012 portfolio occupancy 92.8%

KRC 4Q 2012 rental rates on lease turnover UP +1.6% on cash basis
KRC 4Q 2012 tenant retention 77%

KRC has 4 build-to-suit projects under construction in San Francisco for total investment of \$800 million

KRC 2012 acquisitions \$674 million for 14 office properties
KRC 2012 divestitures \$500 million, including Orange County industrial portfolio

KRC provides current yield of 2.8%

KRC an Office REIT with a portfolio of properties concentrated in southern and northern CA with new investment in Seattle

KRC we rank 2 BUY

KRC market cap \$3.8 billion

REIT Comment



Company:	Post Properties
Price:	\$48
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,623
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
02/01/2013
PPS \$48

Post Properties PPS traded DOWN (\$0.52) per share to close DOWN (1%) day

PPS stock traded DOWN (4%) year to date for 2013, following increase UP +14% during 2012
PPS underperformed Residential REITs, trading UP +3% year to date for 2013

PPS reports of results for 4Q 2012 from other Residential REITs this week indicates exceptional FFO growth continues, driven by apartment shortage in key urban areas

PPS to discuss results for 4Q 2012 next week on Tuesday, February 5, 2013, with a conference call for investors scheduled at 10:00 AM

PPS provides income investors with current dividend yield of 2.1%

PPS a Residential REIT with a diverse portfolio of apartment communities concentrated in southeastern states

PPS we rank 2 BUY

PPS market cap \$2.6 billion

REIT Comment



Company:	Brookfield Office Properties
Price:	\$17
Recommendation:	SELL
Ranking:	4
Market Cap:	\$8,885
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
02/01/2013
BPO \$17

Brookfield Office Properties BPO traded UP \$1.04 per share to close UP +6% day

BPO stock traded UP +3% year to date for 2013, following increase UP +9% during 2012
BPO underperformed Office REITs, trading UP +5% year to date for 2013

BPO earnings for 4Q 2012 reported earlier today slightly exceeded previous guidance

BPO new guidance for FFO for 2013 indicates growth UP +5%

BPO management indicated confidence that revenue from expiring Merrill Lynch lease to be effective 4Q 2013, will be replaced by new tenants during 2014

BPO stock price supported by current annual dividend yield of 3.2%

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

BPO we rank 4 SELL

BPO market cap \$8.9 billion

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,038
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
02/01/2013
DFT \$25

DuPont Fabros Technology DFT traded UP\$1.00 per share to close UP +4% day

DFT stock traded UP +2% year to date for 2013, while stock was unchanged during 2012
DFT stock underperformed Office REITs, trading UP +5% year to date for 2013

DFT guidance for FFO for 2012 indicates decline DOWN (6%)-(8%), while 4Q 2012 to show FFO growth for the first time during 2012

DFT expects FFO growth to be restored during 2013, as properties in lease-up gain occupancy

DFT to discuss results for 4Q 2012 next week on February 6, 2013, with a conference call for investors scheduled for 1:00 PM

DFT stock price supported by current annual dividend yield of 3.3%

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

DFT we rank 2 BUY

DFT market cap \$2.0 billion

REIT Comment



Company:	Brandywine Realty Trust
Price:	\$13
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,920
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
02/01/2013
BDN \$13

Brandywine Realty Trust BDN traded UP\$0.35 per share to close UP +3% day

BDN stock traded UP +7% year to date from 2012, following increase UP +28% during 2012
BDN outperformed Office REITs, trading UP +5% year to date for 2012

BDN announced pending \$121 million divestiture for 1Q 2013

BDN completed \$69 million acquisitions during 4Q 2012

BDN most recent guidance for FFO for 2012 indicated decline DOWN (4%), with outlook for 2013 indicating growth UP +7%

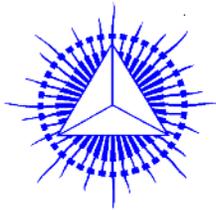
BDN to discuss results for 4Q 2012 next week on February 7, 2013, with a conference call for investors scheduled at 9:00 AM

BDN stock price supported by current dividend yield of 4.6%

BDN an Office REIT with a portfolio of office properties in mid-Atlantic states

BDN we rank 3 HOLD

BDN market cap \$1.9 billion



REIT Growth and Income Monitor posted 59 REIT comments for the week ended February 1, 2013. Comments were issued on REITs in the following sectors:

Financial REITs	5
Health Care REITs	0
Hotel REITs	6
Industrial REITs	6
Office REITs	12
Residential REITs	15
Retail REITs	6
Specialty REITs	9

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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