

REIT Growth and Income Monitor

Weekly Comments 04/16/2013

REIT stocks exceeded performance of the S&P 500 Index, with gain of 12% year to date for 2013, for positive performance gap of 1%.

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

Office REITs see FFO growth impacted by lagging rental rates, as outlook for employment growth becomes a critical factor.

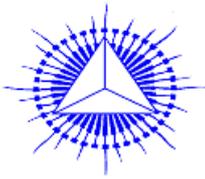
Highwoods Properties may adjust guidance to indicate flat FFO at best for 2013.

Mack-Cali Realty reduces dividend due to continued FFO decline, as strategy of diversification takes time to improve returns.

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**Weekly REIT Comments**
04/16/2013

REIT stocks traded up 2% during the second week of April, the week ended April 12, 2013. REITs rallied up 12% year to date for 2013, exceeding performance of the S&P 500 Index, up 11%, as performance gap holds at positive 1% year to date for 2013. Average gain for all REITs followed by REIT Growth and Income Monitor is 17% for 2013, exceeding 11% gain for the S&P 500 Index.

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.

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. Industrial REITs are gaining occupancy, while their stocks trade in line with economic indicators. Tenants of Health Care REITs will be impacted by Medicare sequestration during 2013, pending positive impact of the Affordable Care Act in later years. Outlook for Retail REITs is impacted by higher payroll taxes that reduce consumer income growth for 2013. 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 improves due to low gasoline prices, although cautious investors ponder impact of federal sequestration on demand for hotel rooms in DC.

Financial Mortgage REITs face significant fundamental change, as reform legislation is to be introduced to Congress during 2Q 2013. FHFA (Federal Housing Finance Agency) has proposed a new joint venture securitization platform, enabling standard fees and financing terms, while removing federal loan guarantees from the balance sheets of Fannie Mae and Freddie Mac. 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 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.

Office REITs See Lagging FFO Growth, as Outlook for Employment Becomes a Critical Factor

Although investors have viewed the Residential REITs as the group most immediately impacted by employment growth, it now appears that slow economic growth may impact Office REITs to a greater extent than previously perceived. Large employers have increased spending on investment over the last 2 years, while continuing to reduce total employment. This trend appears unlikely to be reversed, in light of pressure on large corporations to reduce retirement costs. Meanwhile, small and medium business, previously supportive of economic growth, now appears less confident. A March, 2013 survey by NFIB (National Federation of Independent Business, spokesmen for small and medium sized businesses) found confidence decreased **(1.4%)** for March, 2013 to 89.5%, at low end of the range for the last 6 months. NFIB reported significant change in hiring plans, with almost all businesses showing no plans to hire, compared to 4% planning to hire as of February, 2013. This troubling outlook for small and medium business adds to investor concern over financial industry tenants, important tenants for Office REITs in urban areas, particularly in New York, Boston and San Francisco. Capital constraints forced bank employment reduction starting in 2011 and 2012, while regulatory change for banks due to Dodd Frank provisions adds pressure for additional bank layoffs from 2013 -2017. Office REITs with properties located in metropolitan DC area expect federal spending reductions to limit growth in rents for an extended period. Long term outlook for rental rates for Office REITs appears depressed, except for the newest office properties in attractive urban areas.

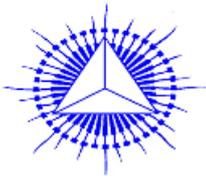
Guidance for FFO for 2013 for many Office REITs is likely to be reduced in light of current employment trends, reflected in lagging rental rates. Large cap Office REITs, including **Brookfield Office Properties, Vornado Realty Trust, Boston Properties** and **SL Green Realty**, face greater exposure to financial industry tenants, while smaller cap Office REITs should be more concerned about trends for small and medium businesses. We highlight **Brandywine Realty Trust, Commonwealth REIT, Cousins Properties, Highwoods Properties** and **Mack-Cali Realty** as susceptible to slowing demand from small and medium businesses.

Trading Opportunities

Highwoods Properties, a small cap Office REIT with market cap of \$3 billion, owns a diverse portfolio of office, industrial and retail properties concentrated in southeastern states. The stock outperformed Office REITs, trading up 22% year to date for 2013 on news of \$56 million investment in a build-to-suit office project for International Paper. **Highwoods Properties** exposure to government tenants at 9% of total base rents may cause investor concern at a time of federal spending decline. FFO for 2012 increased 6%, while current guidance for FFO for 2013 indicates less confidence, indicated in a range of down **(2%)** to up no more than 3%. Guidance may be reduced if rental rates continue to lag, as they did during 4Q 2012, when rents on renewed leases decreased **(4%)**. Dividends have been stable since 2003, now providing income investors with yield of 4.2%.

Mack-Cali Realty, another small cap Office REIT with market cap of \$3 billion, owns a portfolio of office properties concentrated in New York and New Jersey. The stock underperformed Office REITs, trading up 11% year to date for 2013. Management sees a challenging environment for office leasing, causing strategic decision to diversify office property portfolio with recent acquisitions of residential properties in MA and MD, as well as new joint venture residential developments in New Jersey. **Mack-Cali Realty** reported FFO down **(5%)** for 2012, in line with expectations, but indicated FFO may decline as much as **(10%)** for 2013, on occupancy decline and lower office rental rates. Rents on lease renewals decreased more than **(4%)** for 4Q 2012. **Mack-Cali Realty** management today announced plans to request dividend reduction of **(33%)** for 2Q 2013 (the second dividend reduction since 2009), with the board to consider the dividend reduction request in May, 2013. Yield is now expected to decline to 4.0% from current yield of 6.2%.

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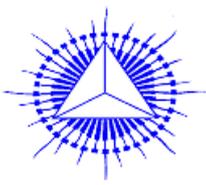
Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Price	Price	Price	Weekly	2013
		12/31/2012	03/28/2013	04/05/2013	04/12/2013	Price Change	Price Change
Apartment Investment and Management	AIV	\$27	\$31	\$32	\$32	0%	17%
AvalonBay Communities	AVB	\$136	\$127	\$133	\$136	2%	-0%
Boston Properties	BXP	\$106	\$101	\$106	\$110	4%	4%
Equity Residential	EQR	\$57	\$55	\$57	\$59	3%	4%
HCP Inc.	HCP	\$45	\$50	\$51	\$52	2%	15%
Health Care REIT	HCN	\$61	\$68	\$70	\$71	1%	16%
Host Hotels & Resorts	HST	\$16	\$17	\$17	\$18	3%	14%
Kimco Realty	KIM	\$19	\$22	\$23	\$23	2%	20%
Plum Creek Timber	PCL	\$44	\$52	\$51	\$52	1%	17%
Prologis, Inc	PLD	\$36	\$40	\$40	\$41	4%	13%
Public Storage	PSA	\$145	\$152	\$156	\$159	2%	9%
Simon Property Group	SPG	\$158	\$159	\$169	\$174	3%	10%
Ventas	VTR	\$65	\$73	\$75	\$77	3%	19%
Vornado Realty Trust	VNO	\$80	\$84	\$87	\$87	0%	9%
S&P 500 Index	S&P 500	\$1,426	\$1,569	\$1,553	\$1,589	2%	11%
Average for S&P 500 Index REITs						2%	12%

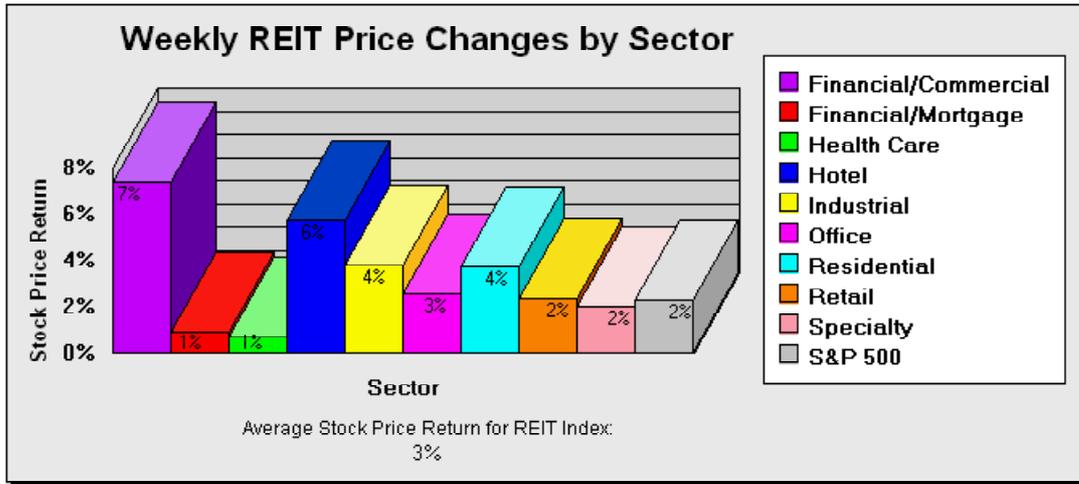
REIT stocks traded up 2% for the second week of April, the week ended April 12, 2013. REITs matched performance of the S&P 500 Index, also trading up 2% for the week. REITs rallied up 12% year to date for 2013, leading performance of the S&P 500 Index, up 11%. Performance gap remains at positive 1% year to date for 2013.

Price changes for 2013 indicate renewed momentum, with 8 of the 14 REITs included in the S&P 500 Index up the same or more than the 11% gain for the S&P 500 Index and 5 REITs up less than the S&P 500 Index, while only 1 REIT traded down year to date for 2013. Greatest gain so far is shown by **Kimco Realty**, up 20%, on joint venture equity investment in SUPERVALU grocery chain properties, while **Plum Creek Timber** traded up 17% on further improvement for US housing sector. Health Care REITs show strong gains, with **HCP** up 15%, **Health Care REIT** up 16% and **Ventas** up 19%. Other REITs demonstrating outperformance include **Apartment Investment and Management**, up 17%, **Host Hotels & Resorts**, up 14%, and **Prologis Inc**, up 13%. **Simon Property Group**, largest Retail REIT, continues to rally, now showing gain of 10% year to date for 2013. Smaller gains were achieved by **Equity Residential** up 4%, **Public Storage** up 9% and **Vornado Realty Trust**, up 9%. **Boston Properties** rallied, trading up 4% for the week for the first significant gain year to date during 2013, as investors mull over exposure to metropolitan DC area. The only REIT in the S&P 500 Index to trade down year to date is **AvalonBay Communities**, down less than (1%), as investors consider the eventual impact of multifamily housing starts on occupancy for Residential REITs.

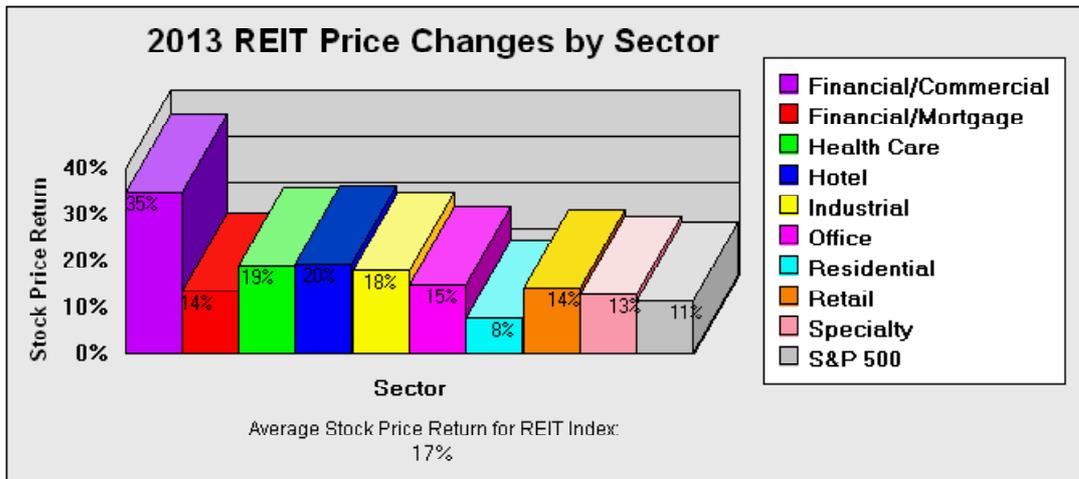
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Weekly REIT Price Changes by Sector



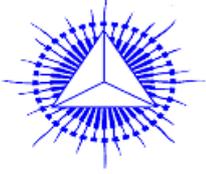
All REIT sectors traded higher for the second week of April, the week ended April 12, 2013. Strongest gain was shown by Financial Commercial REITs, up 7%, followed by Hotel REITs, up 6%. Also showing strong gains were Industrial REITs and Residential REITs, both up 4%. Office REITs rallied up 3%, leading Retail REITs and Specialty REITs, both up 2%. Lagging sectors included Financial Mortgage REITs and Health Care REITs, both up 1%. On average, stock prices for REIT Growth and Income Monitor increased 3% for the second week of April, ended April 12, 2013.



Stock prices for REITs followed by REIT Growth and Income Monitor traded up 17% on average year to date for 2013, exceeding performance of the S&P 500 Index, up 11% 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. REIT funds flow remains consistent, at a time when other market sectors face adjusted expectations due to currency exposure and variable international economies. Leading sector for 2013 is Financial Commercial REITs, up 35%, as investor interest in non-agency securities revives. Hotel REITs show 20% gain, benefitting from depressed gasoline price. Health Care REITs are up 19%, on hopes for positive impact of the Affordable Care Act. Industrial REITs rallied up 18%, due to positive news on US industrial production. Financial Mortgage REITs show gain of 14%, as investors prepare for pending Fannie Mae reform to be considered by Congress. Office REITs traded up 15%, while Retail REITs traded up 14%. Specialty REITs show 13% year to date gain for 2013, still exceeding performance of the S&P 500 Index. Lagging Residential REITs are now up 8%. We expect improved performance for Residential REITs, as guidance indicates continued rapid growth through 2013.

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REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$25
Recommendation:	SELL
Ranking:	4
Market Cap:	\$2,190
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/08/2013
LHO \$25

LaSalle Hotel Properties LHO federal sequestration now in effect likely to cause reduction in travel to DC

LHO hotels in metropolitan DC area may be impacted by federal sequestration through lower business and consumer travel during the rest of fiscal 2013 (ending September, 2013)

LHO furloughs for civilian employees of DOD to start this week, with civilian employees required to take 3 weeks unpaid leave before end of September, 2013

LHO reported lower than expected results reported for 4Q 2012, as well as conservative guidance for FFO for 2013, indicating range DOWN (2%) - UP +7%

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

LHO provides annual dividend yield of 3.2%

LHO a Hotel REIT

LHO we rank 4 SELL

LHO market cap \$2.2 billion

REIT Comment



Company:	Corporate Office Properties Trust
Price:	\$28
Recommendation:	SELL
Ranking:	5
Market Cap:	\$2,091
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/08/2013
OFC \$28

Corporate Office Properties Trust OFC pending proposals to reform federal pension plans may further impinge on growth of local economy in DC

OFC Obama expected to propose increase in federal employee contribution to retirement by 1.2% over 3 years, expected to generate \$35 billion reduction to federal contributions over same period

OFC higher employee contributions will mean lower paychecks reducing disposable income for federal employees

OFC continuing resolution signed by Obama in March 2013 eliminated 0.5% increase to federal employee salaries expected to take effect during April, 2013

OFC exposure to metropolitan DC economy a risk for certain Office REITs, impacting lease decisions by local tenants

OFC has greatest exposure of any Office REIT to federal agencies (mostly intelligence and defense agencies and contractors), at 66% of total rents

OFC reported FFO for 2012 DOWN (1%), while guidance for FFO for 2013 indicates FFO to decrease DOWN (12%)

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

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:	Boston Properties
Price:	\$106
Recommendation:	SELL
Ranking:	4
Market Cap:	\$16,289
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/08/2013
BXP \$106

Boston Properties BXP exposure to metropolitan DC economy a risk for certain Office REITs including BXP

BXP federal sequestration starting in April 2013 expected to impact tenant decisions on lease renewals and expansion plans

BXP exposure to metropolitan DC area at 22% of total EBITDA, with 5% of rents directly paid by US government

BXP reported FFO UP +1% for 2012, with guidance for FFO for 2013 indicating growth UP +6%

BXP dividend increase of +18% for 1Q 2013 brings current annual dividend yield to 2.5%

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 \$16.3 billion

BXP an S&P 500 Index REIT

REIT Comment



Company:	Annaly Capital Management
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$15,872
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/08/2013
NLY \$16

Annaly Capital Management NLY improved profitability for Fannie Mae may signal easing of constraints on Fannie Mae loan guarantees during 2013 and 2014

NLY issues over problem mortgages now much lessened, as 66% of all Fannie Mae loan guarantees now on loans issued since 2009

NLY Fannie Mae also reported higher weighted average LTV (loan to value ratio), indicating greater lender confidence

NLY proposals for Fannie Mae reform expected from Congress during 2Q 2013, according to Jeb Hensarling, Chairman of House Financial Services Committee

NLY recently 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 11.3%, 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 \$15.9 billion

REIT Comment



Company:	Health Care REIT
Price:	\$70
Recommendation:	BUY
Ranking:	2
Market Cap:	\$15,791
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/08/2013
HCN \$70

Health Care REIT HCN federal sequestration of Medicare funds likely to have short term impact on tenants of Health Care REITs

HCN industry sources report some Medicare providers seeking to delay delivery of services until after 2% Medicare sequestration expires at end of September, 2013

HCN budget bills passed separately by House and Senate must be resolved "in conference", not expected to start before May, 2013

HCN vote on a final unified budget bill unlikely before summer, 2013, leaving little time to adjust current 2% Medicare sequestration

HCN long term demand for health care services assured by positive demographic trends and stimulated by pending implementation of Affordable Care Act from 2014-2017

HCN reported FFO growth UP +3% for 2012, while guidance for FFO for 2013 indicates growth UP +8%

HCN stock price supported by current yield of 4.4%

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

HCN we rank 2 BUY

HCN market cap \$15.8 billion

HCN an S&P 500 Index REIT

REIT Comment



Company:	Vornado Realty Trust
Price:	\$87
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$17,298
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/08/2013
VNO \$87

Vornado Realty Trust VNO exposure to local metropolitan DC economy a concern for certain Office REITs

VNO faces lower FFO on DC occupancy decline, due to reduction in DOD spending

VNO reported 4Q 2012 EBITDA UP +3.5% for NY office properties, but DOWN (19.8%) for DC office properties and DOWN (2.0%) for retail properties

VNO recent \$1.25 billion divestiture of retail properties to Macerich MAC to impact 2013 FFO before funds are re-invested

VNO management transition also raising investor questions, as current President and CEO Michael D. Fascitelli to step down as CEO on April 15, 2013, to be replaced by former CEO Steven Roth, now Chairman of the Board

VNO recently announced dividend increase, for current 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

REIT Comment



Company:	Government Properties Income Trust
Price:	\$26
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,218
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/08/2013
GOV \$26

Government Properties Income Trust GOV federal sequestration taking effect in April 2013 to limit flexibility in federal agency budgets

GOV with the exception of DOD, as well as specific programs of Homeland Security, Agriculture and FDA mentioned as exceptions by the continuing resolution all previous directives for sequestration now in effect through end of fiscal year in September, 2013

GOV federal government tenants include Internal Revenue Service, Department of Agriculture, US Citizenship & Immigration Service, Department of Veteran's Affairs, Centers for Disease Control, Department of Justice, FBI, Drug Enforcement Agency, and more than 20 other US agencies

GOV has greatest exposure of any REIT to federal agency tenants at 83% of total rents

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 provides current annual dividend yield of 6.7%

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 \$1.2 billion

REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$26
Recommendation:	SELL
Ranking:	4
Market Cap:	\$2,280
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/08/2013
LHO \$26

LaSalle Hotel Properties LHO traded UP \$1.04 per share to close UP +4% day

LHO stock traded UP +4% year to date for 2013, underperforming Hotel REITs, trading UP +13%

LHO hotels in metropolitan DC area may be impacted by federal sequestration due to lower business and consumer travel during the rest of fiscal 2013 (ending September, 2013)

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

LHO provides annual dividend yield of 3.0%

LHO a Hotel REIT

LHO we rank 4 SELL

LHO market cap \$2.3 billion

REIT Comment



Company:	CommonWealth REIT
Price:	\$23
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,066
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/08/2013
CWH \$23

CommonWealth REIT CWH traded UP \$0.67 per share to close UP +3% day

CWH traded UP +43% year to date for 2013, outperforming Office REITs, trading UP +12%

CWH lack of news on proxy battle may cause nerves for impatient investors

CWH proxy battle under way for annual meeting normally held in May

CWH disgruntled shareholders seeking to prevent secondary offering of CWH owned shares of Select Income REIT SIR and to remove all 5 members of CWH board of directors

CWH Corvex Management LP and Related Fund Management LLC, owners of 9.8% of CWH shares, reported to be affiliated with Carl Icahn

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

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

CWH we rank 3 HOLD

CWH market cap \$2.1 billion

REIT Comment



Company:	CBL & Associates
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,636
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/08/2013
CBL \$24

CBL & Associates CBL traded UP \$0.70 per share to close UP +3% day

CBL stock traded UP +15% year to date for 2013, outperforming Retail REITs, UP +12%

CBL Retail REITs should benefit from continued growth in consumer income

CBL investment in portfolio expansion drives FFO growth

CBL renovations at 3 regional malls should contribute to improved profitability during 2013

CBL provides current yield of 3.6%

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

CBL we rank 2 BUY

CBL market cap \$4.6 billion

REIT Comment



Company:	Digital Realty Trust
Price:	\$70
Recommendation:	BUY
Ranking:	1
Market Cap:	\$9,591
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/08/2013
DLR \$70

Digital Realty Trust DLR traded UP \$1.50 per share to close UP +2% day

DLR stock traded UP +3% year to date for 2013, underperforming Office REITs, trading UP +12%

DLR released customer survey finding 98% of customers expect to expand their commitment to data centers during 2013 and 2014

DLR cloud computing viewed as "extremely important" reason for data center expansion by 61% of customers

DLR average increase in data center budgets at 7.7% for 2013

DLR investing in international portfolio expansion through acquisition of data centers in UK Europe and Asia

DLR reported core FFO for 2012 in line with expectations, UP +9%

DLR recent guidance for FFO for 2013 indicates growth UP +9%

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

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

DLR we rank 1 BUY

DLR market cap \$9.6 billion

REIT Comment



Company:	Highwoods Properties
Price:	\$40
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,238
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/09/2013
HIW \$40

Highwoods Properties HIW news of lower small business confidence reveals risk to US economic growth

HIW survey by NFIB (National Federation of Independent Business) found confidence decreased DOWN (1.4%) for March, 2013 to 89.5%, at low end of the range of the last 6 months

HIW most significant change reported for hiring plans, with almost all small businesses showing no plans to hire, compared to 4% planning to hire as of February, 2013

HIW exposure to government tenants at 9% of total base rents may cause investor concern at a time of federal spending decline

HIW reported FFO growth for 2012 UP +6%, while recent guidance for FFO for 2013 indicates growth UP +3%

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

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

HIW we rank 3 HOLD

HIW market cap \$3.2 billion

REIT Comment



Company:	Mack-Cali Realty
Price:	\$29
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,880
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/09/2013
CLI \$28

Mack-Cali CLI news of lower confidence among small businesses highlights risk of lower demand for Office REITs

CLI latest survey from NFIB (National Federation of Independent Business) found few small businesses planning to hire, showing significant change from previous 5 months

CLI sees a challenging environment for office leasing, causing strategic decision to diversify portfolio with acquisitions of residential properties

CLI reported FFO in line with expectations for 2012, but indicated FFO to decline as much as (10%) for 2013, on occupancy decline and lower office rental rates

CLI stock price supported by current annual dividend yield of 6.3%

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

CLI we rank 3 HOLD

CLI market cap \$2.9 billion

REIT Comment



Company:	Simon Property Group
Price:	\$169
Recommendation:	BUY
Ranking:	2
Market Cap:	\$61,321
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/09/2013
SPG \$169

Simon Property Group SPG news of management transition at JC Penney JCP may revive sales for moribund anchor tenant

SPG news of immediate departure of JC Penney JCP CEO Ron Johnson to be replaced by former CEO, Myron Ullman, may cause unhappy customers to return to JC Penney as normal advertising regular seasonal sales and store operations are restored

SPG troubled tenant JC Penney JCP represents only 1% of total rental revenue

SPG reported FFO for 2012 UP +16%, while providing guidance for FFO for 2013 indicating growth UP +7%

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 \$61.3 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Pennsylvania REIT
Price:	\$19
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,110
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/09/2013
PEI \$19

Pennsylvania REIT PEI sales decline at key tenant JC Penney JCP may be reversed through management transition

PEI JC Penney JCP announced immediate departure of JC Penney CEO Ron Johnson to be replaced by former CEO, Myron Ullman

PEI restoration of normal advertising, regular seasonal sales and renovated store operations may cause unhappy customers to return to JC Penney JCP

PEI key tenant JC Penney JCP represents 3% of total rental revenue

PEI guidance for FFO for 2013 indicates growth UP +7% - +12%

PEI draws 30% of NOI from Philadelphia PA region

PEI increased quarterly dividend distribution by 12% to bring current annual dividend yield to 3.8%

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

PEI we rank 2 BUY

PEI market cap \$1.1 billion

REIT Comment



Company:	CommonWealth REIT
Price:	\$23
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,066
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/09/2013
CWH \$23

CommonWealth REIT CWH new letter from disgruntled shareholders Corvex Management LP and Related Fund Management LLC highlights failure of CWH attempt to force amended legislation in MD

CWH according to letter from Corvex Management LP and Related Fund Management Portnoy family (management of CWH) attempted to amend legislation in MD state legislature to eliminate right of shareholders to replace full board of directors, as part of amendment to MD Unsolicited Takeover Act

CWH management letter to shareholders says amendment was intended to clarify the law preventing need for court decision to halt unsolicited takeover actions

CWH notes no funding for takeover offer at \$24.50 per share yet announced by Corvex Management LP and Related Fund Management holders of 9.8% of CWH shares, according to latest filings

CWH disgruntled shareholders seeking to prevent secondary offering of CWH owned shares of Select Income REIT SIR and to remove all 5 members of CWH board of directors

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

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

CWH we rank 3 HOLD

CWH market cap \$2.1 billion

REIT Comment



Company:	DCT Industrial Trust
Price:	\$7
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,012
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/09/2013
DCT \$7

DCT Industrial Trust DCT traded DOWN (\$0.12) per share to close DOWN (2%) day

DCT stock traded UP +11% year to date for 2013, underperforming Industrial REITs, trading UP +14% for 2013

DCT Industrial REITs benefit from higher manufacturing activity to support retail sales

DCT 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

DCT reported FFO growth for 2012 UP +5%, and provided guidance for FFO for 2013 indicating growth UP +7%

DCT investing to expand portfolio in coastal regions, while divesting assets in midwest

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

DCT an Industrial REIT

DCT we rank 2 BUY

DCT market cap \$2.0 billion

REIT Comment



Company:	LTC Properties, Inc.
Price:	\$44
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,418
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/09/2013
LTC \$44

LTC Properties LTC traded UP \$0.63 per share to close UP +1% day

LTC stock traded UP +24% year to date for 2013, outperforming Health Care REITs, trading UP +18% for 2013

LTC tenants of portfolio of skilled nursing and assisted living properties may benefit from expanded insurance coverage as Affordable Care Act takes effect from 2014-2017

LTC reported FFO for 2012 increased UP +5%

LTC no guidance provided for FFO for 2013

LTC provides current annual dividend yield of 4.3%

LTC a Health Care REIT with a portfolio concentrated in skilled nursing and assisted living properties and related debt

LTC we rank 3 HOLD

LTC market cap \$1.4 billion

REIT Comment



Company:	Vornado Realty Trust
Price:	\$87
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$17,266
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/09/2013
VNO \$87

Vornado Realty Trust VNO traded DOWN (\$1.12) per share to close DOWN (1%) day

VNO traded UP +8% year to date for 2013, underperforming Office REITs, trading UP +12% for 2013

VNO recovery for JC Penney JCP stock on news of management transition should benefit VNO

VNO after open market sale of 40% of holdings of JC Penney JCP common stock during 2013, VNO retains more than 5% ownership of JC Penney JCP

VNO accounting for JC Penney JCP investment on equity method, showing losses since 2012

VNO also receives 1% of total rental revenue from JC Penney JCP through retail portion of property portfolio

VNO divesting retail properties to concentrate investments in office sector

VNO also subject to investor concern over exposure to DC properties, representing 18% of total EBITDA for 4Q 2012

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

REIT Comment



Company:	Extra Space Storage
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,408
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/09/2013
EXR \$41

Extra Space Storage EXR stock traded UP \$0.41 per share to close UP +1% day

EXR stock traded UP +11% year to date for 2013, slightly outperforming Specialty REITs, UP +10%

EXR recent large acquisition driving revenues and profitability

EXR reported better than expected results for 4Q 2012, with FFO for 2012 UP +33%, as profitability improved on higher rental rates

EXR recent guidance for FFO for 2013 increased UP +19%

EXR stock price supported by current annual dividend yield of 2.5%

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

EXR we rank 2 BUY

EXR market cap \$4.4 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$15,823
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
04/10/2013
NLY \$16

Annaly Capital Management NLY news of lower mortgage applications indicates slight increase in pace of new home purchases

NLY report from MBA (Mortgage Bankers Association) found mortgage applications DOWN (4%) for week ended March 29, 2013

NLY mortgage applications for refinance DOWN (6%), while mortgage applications for home purchase UP +1% from previous week

NLY average interest rate on 30 year fixed rate mortgage DOWN (0.3%) to 3.76%

NLY proposals for Fannie Mae reform expected from Congress during 2Q 2013, according to Jeb Hensarling, Chairman of House Financial Services Committee

NLY recently 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 11.3%, 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 \$15.8 billion

REIT Comment



Company:	Capstead Mortgage Corporation
Price:	\$13
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,281
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/10/2013
CMO \$13

Capstead Mortgage CMO importance of HARP loans appears to have diminished as refinance program expiration nears in December, 2013

CMO report from FHFA indicated 97,600 HARP loans originated through Fannie Mae for January, 2013, representing 21% of total refinance volume

CMO HARP program originated 2.3 million mortgage loans refinanced to date

CMO may chose to diversify portfolio through addition of non-agency guaranteed loans in order to enhance returns

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

CMO stock price supported by current annual dividend yield of 9.2%, 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 \$1.3 billion

REIT Comment



Company:	Brandywine Realty Trust
Price:	\$15
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,211
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/10/2013
BDN \$15

Brandywine Realty Trust BDN completed offering of 12.65 million shares at \$14.70 per share

BDN offering size increased from previous 10 million shares

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

BDN joint bookrunning managers BofA Merrill Lynch and Citi

BDN net proceeds of \$182 million to be applied to acquisitions, developments and debt repayment

BDN April 2013 offering increased total shares outstanding by 9%

BDN reported better than expected results for 4Q 2012, while providing guidance for FFO for 2013 indicating growth in range of UP +3%--8%

BDN stock price supported by current dividend yield of 4.0%

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

BDN we rank 3 HOLD

BDN market cap \$2.2 billion

REIT Comment



Company:	Ventas
Price:	\$76
Recommendation:	BUY
Ranking:	2
Market Cap:	\$22,463
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/10/2013
VTR \$76

Ventas VTR federal sequestration of Medicare funds likely to have short term impact on tenants of Health Care REITs

VTR some Medicare providers seeking to delay delivery of services until after 2% Medicare sequestration expires at end of September, 2013

VTR budget bills passed separately by House and Senate must be resolved "in conference", not expected to start before May, 2013

VTR vote on a final unified budget bill unlikely before summer, 2013, leaving little time to adjust current 2% Medicare sequestration

VTR tenants of Health Care REITs renting space in medical office buildings and facilities providing outpatient and inpatient health care services to benefit from expansion of Medicaid coverage as Affordable Care Act takes effect from 2014 to 2017

VTR exceeded previous guidance, reporting normalized FFO for 2012 UP +13%

VTR new guidance for normalized FFO for 2013 indicates growth UP +7%

VTR provides current annual dividend yield of 3.6%

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

VTR we rank 2 BUY

VTR market cap \$22.5 billion

VTR an S&P 500 Index REIT

REIT Comment



Company:	Healthcare Realty Trust
Price:	\$29
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,249
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/10/2013
HR \$29

Healthcare Realty Trust HR current 2% Medicare sequestration expected to have short term impact on tenants of Health Care REITs

HR across-the-board 2% Medicare spending reduction may cause some doctors and outpatient clinics to delay appointments for Medicare patients until October, 2013, after expiration of 2% Medicare sequestration in September, 2013

HR reported FFO growth UP +5% for 2012

HR no guidance provided for FFO for 2013

HR stock price supported by current dividend yield of 4.3%

HR a Health Care REIT with a portfolio concentrated in medical office properties

HR we rank 2 BUY

HR market cap \$2.2 billion

REIT Comment



Company:	American Campus Communities
Price:	\$47
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$4,221
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/10/2013
ACC \$47

American Campus Communities ACC traded DOWN (\$0.68) per share to close DOWN (1%) day

ACC stock traded UP +1% year to date for 2013, underperforming Specialty REITs, trading UP +10% for 2013

ACC expanding portfolio through acquisitions and new development contracts for student housing communities

ACC reported FFO growth UP +12% for 2012, with guidance for FFO for 2013 indicating growth UP +20%

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

ACC a Specialty Educational REIT with a portfolio of student housing communities

ACC we rank 2 BUY

ACC market cap \$4.2 billion

REIT Comment



Company:	Getty Realty
Price:	\$21
Recommendation:	SELL
Ranking:	5
Market Cap:	\$698
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/10/2013
GTY \$21

Getty Realty GTY traded UP\$0.62 per share to close UP +3% day

GTY stock traded UP +16% year to date for 2013, underperforming Specialty REITs, trading UP +10% for 2013

GTY investors showing renewed confidence on completion of releasing of properties previously leased to Getty Petroleum Marketing Service

GTY new guidance provided for FFO for 2013 indicates a FLAT year

GTY now providing current annual dividend yield of 3.8%

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

GTY we rank 5 SELL

GTY market cap \$698 million

REIT Comment



Company:	Redwood Trust
Price:	\$23
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,884
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/10/2013
RWT \$23

Redwood Trust RWT traded UP \$0.49 per share to close UP +2% day

RWT stock traded UP +38% year to date for 2013, outperforming Financial Mortgage REITs, trading UP +13% for 2013

RWT higher home prices support ability of underwriters to issue securitizations of jumbo loans

RWT year to date total issuance of non-agency securitizations totals more than \$3.0 billion, including more than \$1.2 billion from RWT subsidiary Sequoia

RWT goal for 2013 to issue \$7 billion securitizations

RWT providing yield of 4.8%, at the low end of the range for Financial Mortgage REITs

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

RWT we rank 3 HOLD

RWT market cap \$1.9 billion

REIT Comment



Company:	Macerich
Price:	\$67
Recommendation:	BUY
Ranking:	2
Market Cap:	\$9,669
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/10/2013
MAC \$67

Macerich MAC traded UP \$1.10 per share to close UP +2% day

MAC stock traded UP +14% year to date for 2013, outperforming Retail REITs, UP +12%

MAC portfolio acquisition of \$1.25 billion NY retail properties from Vornado VNO sets up financing challenge

MAC plans to fund recent acquisitions with planned property divestitures of \$500 million-\$1.0 billion for 2013, with negative FFO impact of (\$0.07)-(\$0.14) per share

MAC report FFO growth UP +10% for 2012

MAC new guidance for FFO for 2013 indicates growth UP +8%

MAC provides current annual dividend yield of 3.5%

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

MAC we rank 2 BUY

MAC market cap \$9.7 billion

REIT Comment



Company:	Simon Property Group
Price:	\$171
Recommendation:	BUY
Ranking:	2
Market Cap:	\$61,927
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/11/2013
SPG \$171

Simon Property Group SPG March 2013 same store sales reported by mall tenants indicate tepid demand growth

SPG gains reported by Victoria's Secret UP +3%, Bath & Body Works UP +4%, Zumiez UP +2%, American Apparel UP +5%, Tandy UP +9% and Perfumania UP +10%

SPG disappointing sales for March 2013 reported by Cato DOWN (11%) while The Buckle reported sales FLAT

SPG key tenant Gap (representing 3% of total rental revenue) to report March 2013 sales this evening

SPG anchor tenants Macy's and Saks no longer reporting monthly sales trends

SPG reported FFO for 2012 UP +16%, and provided guidance for FFO for 2013 indicating growth UP +7%

SPG provides current annual dividend 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 \$61.9 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Equity Residential
Price:	\$58
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,600
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/11/2013
EQR \$58

Equity Residential EQR news of sharp decline in new unemployment claims indicates sudden increase for previous week may have been impacted by Easter holiday

EQR Labor Department reported new claims for unemployment DOWN(42,000) to 346,000 for week ended April 6, 2013

EQR more stable 4 week moving average of new unemployment claims increased UF +3,000 to 358,000, still within range shown during previous 18 months of slow economic growth

EQR pending federal sequestration during March 2013 appears likely to negatively impact US economy, with surge in new unemployment claims probable

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 2013 indicates growth UP +5%, slower than 2012 growth UP +14%, due to pending divestitures to support strategic acquisition

EQR closed \$9.4 billion acquisition of 60% of Archstone portfolio 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 \$18.6 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	Kimco Realty
Price:	\$23
Recommendation:	BUY
Ranking:	1
Market Cap:	\$9,515
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/03/2013
KIM \$23

Kimco Realty KIM slow same store sales gains for March 2013 may indicate value retailers gaining market share from department stores at this time

KIM Costco reported sales for March 2013 increased UP +4%, while Family Dollar reported sales UP +2%

KIM key tenant TJX (representing 3% of total rental revenue for KIM) reported disappointing sales DOWN (2%) for March 2013

KIM pending \$3.3 billion SUPERVALU transaction expected to provide additional investment opportunities for KIM to acquire shopping centers with space leased to SUPERVALU grocery store chains

KIM reported FFO for 2012 UP +5%, and provided guidance for FFO for 2013 indicating growth UP +6%

KIM provides current annual dividend yield of 3.6%

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

KIM we rank 1 BUY

KIM market cap \$9.5 billion

KIM an S&P 500 index REIT

REIT Comment



Company:	Hatteras Financial
Price:	\$28
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,715
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/11/2013
HTS \$28

Hatteras Financial HTS news of 2 year extension of HARP refinance program may support trading in Financial Mortgage REITs

HTS directive today from FHFA (Federal Housing Finance Agency) to Fannie Mae and Freddie Mac extends HARP refinance program for 2 more years to December, 2015

HTS no change to refinance terms offered by HARP (with availability limited to loans currently held by Fannie Mae and Freddie Mac issued prior to 2009) indicates volume of HARP loans still likely to decline during 2013

HTS total HARP program originations 2.3 million mortgage loans refinanced to date

HTS House of Representatives expected to propose Fannie Mae reform during 2Q 2013, according to Jeb Hensarling, Chairman of House Financial Services Committee

HTS current annual dividend yield 10.1%, 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:	Medical Properties Trust
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,197
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/11/2013
MPW \$16

Medical Properties Trust MPW traded DOWN (\$0.77) per share to close DOWN (5%) day

MPW stock traded UP +36% year to date for 2013, outperforming Health Care REITs, trading UP +18%

MPW some Medicare providers seeking to delay treatment of Medicare patients to October after expiration of 2% Medicare sequester at end of fiscal year in September, 2013

MPW hospital tenants expected to gain patients from Affordable Care Act to take effect from 2014-2017

MPW reported better than expected results for 4Q 2012, with FFO growth for 2012 UP +27%

MPW also increased guidance for FFO for 2013 to indicate growth UP +22%

MPW stock price supported by current yield of 4.9%

MPW a Health Care REIT with a portfolio of acute care and specialty hospitals

MPW we rank 2 BUY

MPW market cap \$2.2 billion

REIT Comment



Company:	Cousins Properties
Price:	\$11
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,132
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/11/2013
CUZ \$11

Cousins Properties CUZ priced public offering of 14.35 million shares at \$10.45 per share

CUZ offering priced at discount of (2%) from previous closing price

CUZ offering size increased from previous 14.0 million shares

CUZ expected proceeds of \$150 million to be used to complete pending acquisition of office tower in Austin TX

CUZ joint bookrunning managers BofA Merrill Lynch, JP Morgan, Morgan Stanley and Wells Fargo

CUZ April 2013 offering to increase total shares outstanding by 14%

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

CUZ providing current annual dividend yield of 1.7%

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

CUZ we rank 4 SELL

CUZ market cap \$1.1 billion

REIT Comment



Company:	Prologis Inc
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,625
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/11/2013
PLD \$41

Prologis Inc PLD traded UP \$0.77 per share to close UP +2% day

PLD stock trading UP +13% year to date for 2013, in line with Industrial REITs, also trading UP +13% for 2013

PLD stock trading at highest price for 4 years, since 2009

PLD Industrial REITs expect higher occupancy to drive improved profitability

PLD conservative guidance for FFO for 2013 indicates decline DOWN (8%) due to property contributions to joint ventures, to be offset by new development projects

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 \$19.6 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Taubman Centers
Price:	\$82
Recommendation:	BUY
Ranking:	2
Market Cap:	\$12,442
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/11/2013
TCO \$82

Taubman Centers TCO traded UP \$1.14 per share to close UP +1% day

TCO stock traded UP +4% year to date for 2013, underperforming Retail REITs, trading UP +12% for 2013

TCO mall tenants reporting tepid sales growth for March 2013

TCO portfolio expansion driven by new developments including US and international locations

TCO reported better than expected FFO growth for 2012 UP +10%, while providing guidance for FFO for 2013 indicating growth UP +11%

TCO provides current yield 2.3%

TCO a Retail REIT with a portfolio of upscale regional malls

TCO we rank 2 BUY

TCO market cap \$12.4 billion

REIT Comment



Company:	Cousins Properties
Price:	\$11
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,132
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/11/2013
CUZ \$11

Cousins Properties CUZ traded UP \$0.25 per share to close UP +2% day

CUZ stock traded UP +30% year to date for 2012, outperforming Office REITs, trading UP +12% for 2013

CUZ stock rebounding after offering of 14.35 million shares priced at \$10.45 per share

CUZ expected proceeds \$150 million to be used to complete pending acquisition of office tower in Austin TX

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

CUZ providing current annual dividend yield of 1.7%

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

CUZ we rank 4 SELL

CUZ market cap \$1.1 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$15,862
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
04/12/2013
NLY \$16

Annaly Capital Management NLY news of higher mortgage applications shows consumers responding to opportunity to refinance their homes at lower mortgage interest rates

NLY report from MBA (Mortgage Bankers Association) found mortgage applications UP +4.5% for week ended April 5, 2013

NLY mortgage applications for refinance UP +6%, while mortgage applications for home purchase DOWN (1%) from previous week

NLY average interest rate on 30 year fixed rate mortgage DOWN (0.6%) to 3.68%

NLY proposals for Fannie Mae reform expected from Congress during 2Q 2013, according to Jeb Hensarling, Chairman of House Financial Services Committee

NLY recently 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 11.3%, 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 \$15.9 billion

REIT Comment



Company:	Simon Property Group
Price:	\$174
Recommendation:	BUY
Ranking:	2
Market Cap:	\$63,196
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/12/2013
SPG \$174

Simon Property Group SPG news of lower than expected retail sales for March 2013 impacts trading in Retail REITs

SPG report from Commerce Department found US retail sales DOWN (0.4%) for March 2013, compared to growth UP +1.0% for February 2013

SPG excluding auto, gasoline and building materials, US retail sales DOWN (0.2%) for March 2013

SPG sales at apparel stores UP +0.1%, while electronics and appliance stores DOWN (1.6%)

SPG key tenant Gap GPS reported March 2013 same store sales DOWN (1.0%), with Gap Stores FLAT, Banana Republic UP +1.0% and Old Navy DOWN (2%)

SPG reported FFO for 2012 UP +16%, and provided guidance for FFO for 2013 indicating growth UP +7%

SPG provides current annual dividend yield of 2.6%

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

SPG we rank 2 BUY

SPG market cap \$63.2 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Kimco Realty
Price:	\$23
Recommendation:	BUY
Ranking:	1
Market Cap:	\$9,568
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/12/2013
KIM \$23

Kimco Realty KIM decline in retail sales for March 2013 indicates consumers hesitant to spend

KIM report from Commerce Department found US retail sales DOWN (0.2%) for March 2013 (excluding auto, gasoline and building materials)

KIM key tenant TJX (representing 3% of total rental revenue for KIM) this week reported disappointing sales DOWN (2%) for March 2013

KIM pending \$3.3 billion SUPERVALU joint venture transaction expected to provide additional investment opportunities for KIM to acquire shopping centers with space leased to SUPERVALU grocery store chains

KIM reported FFO for 2012 UP +5%, and provided guidance for FFO for 2013 indicating growth UP +6%

KIM provides current annual dividend yield of 3.6%

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

KIM we rank 1 BUY

KIM market cap \$9.6 billion

KIM an S&P 500 index REIT

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,106
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/12/2013
DFT \$25

DuPont Fabros Technology DFT lower PC shipments indicates shift in access but no change in growth dynamics for data centers

DFT report from computer industry research firm IDC found worldwide shipments of laptops and desktop computers DOWN (14%) to 76.3 million units for 1Q 2013, for the fourth consecutive quarter of shipment decline

DFT alternative categories including tablets, smartphones, e-readers and netbooks showing rapid growth

DFT businesses and consumers responding to convenience of mobile Internet access while PCs viewed as a utility needed for sturdier tasks such as data entry product design work, analysis and finishing work product for distribution

DFT demand for space in wholesale data centers driven by proliferation of mobile computing devices as well as corporate trend to cloud computing

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

DFT reported FFO decline DOWN (8%) for 2012, as lease-up continued at recently opened data centers

DFT most recent guidance for FFO for 2013 indicates growth UP more than +20%

DFT stock price supported by current annual dividend yield of 3.1%

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 \$2.1 billion

REIT Comment



Company:	Medical Properties Trust
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,034
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
04/12/2013
MPW \$15

Medical Properties Trust MPW traded DOWN (\$1.21) per share to close DOWN (7%) day

MPW stock traded UP +26% year to date for 2013, outperforming Health Care REITs, trading UP +18% for 2013

MPW current 2% Medicare sequester will impact Medicare providers, with some now seeking to delay treatment of Medicare patients to October, after end of federal fiscal year in September, 2013

MPW hospital tenants expected to gain patients from Affordable Care Act to take effect from 2014-2017

MPW reported better than expected results for 4Q 2012, with FFO growth for 2012 UP +27%

MPW also increased guidance for FFO for 2013 to indicate growth UP +22%

MPW stock price supported by current yield of 5.3%

MPW a Health Care REIT with a portfolio of acute care and specialty hospitals

MPW we rank 2 BUY

MPW market cap \$2.0 billion

REIT Comment



Company:	Mack-Cali Realty
Price:	\$29
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,900
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/12/2013
CLI \$29

Mack-Cali Realty CLI traded DOWN (\$0.27) per share to close DOWN (1%) day

CLI stock traded UP +11% year to date for 2013, slightly underperforming Office REITs, trading UP +12% for 2013

CLI sees a challenging environment for office leasing, causing strategic decision to diversify portfolio with acquisitions of residential properties

CLI reported FFO in line with expectations for 2012, but indicated FFO to decline as much as (10%) for 2013, on occupancy decline and lower office rental rates

CLI stock price supported by current annual dividend yield of 6.2%

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

CLI we rank 3 HOLD

CLI market cap \$2.9 billion

REIT Comment



Company:	Inland Real Estate
Price:	\$11
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$992
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/12/2013
IRC \$11

Inland Real Estate IRC traded UP \$0.46 per share to close UP +4% day

IRC stock traded UP +33% year to date for 2013, outperforming Retail REITs, trading UP +12% for 2013

IRC today's news of decline in US retail sales for March, 2013 impacts investor outlook for Retail REITs

IRC reported FFO growth UP +7% for 2012, while guidance for FFO for 2013 indicates growth UP +5%

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

IRC a Retail REIT with a diverse portfolio of neighborhood and community shopping centers

IRC we rank 3 HOLD

IRC market cap \$992 million

REIT Comment



Company:	Colonial Properties Trust
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,223
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
04/12/2013
CLP \$24

Colonial Properties Trust CLP traded UP \$0.30 per share to close UP +1% day

CLP stock traded UP +10% year to date for 2013, outperforming Residential REITs, trading UP +4% for 2013

CLP employment trends still support positive outlook for Residential REITs, although federal spending decline may impact growth in metropolitan DC area

CLP almost all southern markets showing rapid increase in apartment rental rates due to apartment shortage in key urban areas

CLP has 5 apartment properties under construction, representing 4% capacity expansion

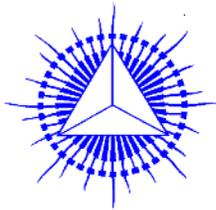
CLP reported FFO growth for 2012 UP +8%, while guidance for FFO for 2013 indicates growth UP +11%

CLP provide current annual dividend yield of 3.6%

CLP a Residential REIT with a diverse portfolio of residential and commercial properties concentrated in southeastern states and TX

CLP we rank 2 BUY

CLP market cap \$2.2 billion



REIT Growth and Income Monitor posted 46 REIT comments for the week ended April 12, 2013. Comments were issued on REITs in the following sectors:

Financial REITs	6
Health Care REITs	6
Hotel REITs	2
Industrial REITs	2
Office REITs	14
Residential REITs	2
Retail REITs	10
Specialty REITs	4

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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