

## **REIT Growth and Income Monitor**

**Weekly Comments 07/22/2014**

**Positive performance gap for REITs expanded to 10% year to date for 2014, as REITs see new investor interest driven by REIT conversions and spin-offs.**

**Pending REIT conversions offer opportunities for Specialty REIT investors to capture special distributions and exceptional dividend growth.**

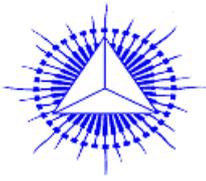
**Equinix is to be the largest Specialty Data Center REIT, best known for global interconnection services supporting enterprise networks.**

**Iron Mountain is a unique company offering records storage integrated with document management services worldwide.**

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**Weekly REIT Comments**  
**07/22/2014**

REIT stocks in the S&P 500 Index traded up 1% on average during week ended July 18, 2014, as positive performance gap expanded to 10% year to date for 2014. Average gain for all REITs followed by REIT Growth and Income Monitor is now 13% year to date for 2014, almost twice the 7% gain for the S&P 500 Index. REIT stocks trailed the S&P 500 Index during 2013, with average gain of 8%.

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

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

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

**REIT Conversions Offer Opportunities for Investors Seeking Growth Markets**

REIT conversions offer opportunities for investors seeking growth markets, as we add coverage of Specialty REITs serving corporations and government agencies. In June, 2014, we highlighted Specialty Cell Tower REITs **American Tower** and **Crown Castle**, serving wireless telecom carriers. Last week we highlighted REIT conversions of Specialty Corrections REITs **The GEO Group** and **Corrections Corp of America**, serving federal and state agencies. This week we focus on pending REIT conversions, **Equinix** and **Iron Mountain**, both serving corporate customers for specialized data and storage services, with portfolio investment in real estate to deliver solutions and data services in many countries. REIT conversion is a sensible strategy for companies renting space to corporate customers. Both **Equinix** and **Iron Mountain** have completed a successful period of aggressive capital expenditures building their global real estate portfolios and platform services. Excess cash flow now is available to add to shareholder return through conversion to REIT status a transition that requires IRS approval, with payment of cash taxes relating to recapture of depreciation and amortization, to be followed by special distributions to shareholders. REIT conversion enables cessation of corporate taxes, as 90% of REIT pretax income must be distributed to shareholders as dividends.

Like other Specialty Data Center REITs, **Equinix** participates in the growth of corporate commitment to cloud based applications and data storage. Pending REIT conversion will make **Equinix** the largest market cap among Specialty Data Center REITs, with market cap of \$11 billion supported by more than \$2 billion annualized revenue. In contrast, **Iron Mountain** is a unique company providing enterprise rental space for data storage and records management for corporate clients in 36 global markets, generating more than \$3 billion annual revenues, with current market cap of \$7 billion. **Iron Mountain** enterprise storage rental business is distinguished by logistics support, including transportation service, offering "secure chain of custody", as well as secure shredding, document management solutions, fulfillment services, intellectual property management and consulting services. **Iron Mountain** also provides data management services, including cold storage of computer tapes and other digital media, data archiving and back-up, with related transportation services. Investors participating at this early stage in REIT conversion process for both **Equinix** and **Iron Mountain** will receive the special distributions, as well as the share price appreciation expected as dividends escalate.

**Trading Opportunities**

**Equinix**, pending REIT conversion as a large cap Specialty Data Center REIT, is one of the best known data center operators, offering IBX interconnection cloud services from 75 data centers in global locations. Stock price appreciated 19% during 2014, outperforming most Specialty REITs. Current revenue concentration is 57% Americas, 26% EMEA and 17% Asia Pacific. **Equinix** reported AFFO increased 5% for 1Q 2014, while guidance for AFFO for 2014 indicates 14% growth. Pending REIT conversion offers investors the opportunity to participate in expected special distribution of \$0.7-\$1.1 billion, to be paid 80% in stock and 20% in cash in 2014 or 2015, after IRS notice of acceptance of REIT status is received. **Equinix** has yet to pay dividends, but expects dividend distributions to commence in 2015, following the special distribution. Investors should expect **Equinix** REIT earnings to support 4.0%-5.0% yield for the stock within 18 months.

**Iron Mountain**, a mid-cap Specialty Storage REIT with market cap of \$7 billion, serves corporate customers through a global network of records and data warehouses, offering document management services and complete customized solutions. Stock price appreciated 15% during 2014, exceeding the average for Specialty REITs. International operations now contribute 30% of total revenues, expected to increase to more than 40% through acquisitions and organic growth. **Iron Mountain** reported AFFO increased 11% for 1Q 2014, while guidance for AFFO for 2014 indicates at least 4% growth. As IRS acceptance of REIT conversion has already been received, **Iron Mountain** has committed to distribute \$0.6-\$0.7 billion in special shareholder distribution during 2014, with payment expected to be 20% cash and 80% stock. Following SEC notice of change to filing status, as well as final shareholder acceptance of REIT status, **Iron Mountain** expects to double the quarterly dividend distribution rate. Current yield of 3.2% is likely to increase to 4%-5.0% range within 9-12 months.



Weekly Price Change for S&P 500 Index REITs

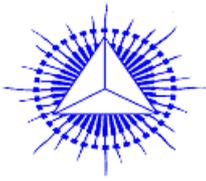
S&P 500 Index REITs:		Price	Price	Price	Price	Price	Weekly	2014
		12/31/2013	06/27/2014	07/03/2014	07/11/2014	07/18/2014	Price Change	Price Change
American Tower	AMT	\$80	\$89	\$90	\$92	\$92	1%	16%
Apartment Investment	AI	\$26	\$33	\$32	\$33	\$34	2%	31%
AvalonBay Communities	AVB	\$118	\$142	\$142	\$144	\$147	2%	25%
Boston Properties	BXP	\$100	\$119	\$117	\$119	\$122	2%	21%
Crown Castle	CCI	\$73	\$74	\$74	\$75	\$75	1%	2%
Equity Residential	EQR	\$52	\$64	\$63	\$64	\$65	1%	25%
Essex Property Trust	ESS	\$144	\$185	\$185	\$188	\$191	2%	33%
General Growth Properties	GGP	\$20	\$24	\$24	\$24	\$24	1%	20%
HCP	HCP	\$36	\$41	\$41	\$41	\$42	2%	16%
Health Care REIT	HCN	\$54	\$63	\$62	\$63	\$64	2%	20%
Host Hotels & Resorts	HST	\$19	\$22	\$22	\$23	\$23	2%	19%
Kimco Realty	KIM	\$20	\$23	\$23	\$23	\$24	1%	19%
Macerich	MAC	\$59	\$67	\$66	\$67	\$68	2%	16%
Plum Creek Timber	PCL	\$47	\$45	\$45	\$44	\$44	1%	-5%
Prologis	PLD	\$37	\$41	\$41	\$41	\$42	1%	13%
Public Storage	PSA	\$151	\$172	\$171	\$171	\$173	1%	15%
Simon Property Group	SPG	\$152	\$167	\$166	\$169	\$171	1%	12%
Ventas	VTR	\$57	\$64	\$64	\$64	\$65	1%	13%
Vornado Realty Trust	VNO	\$89	\$107	\$106	\$107	\$107	1%	21%
Weyerhaeuser	WY	\$32	\$33	\$33	\$32	\$33	1%	3%
S&P 500 Index	S&P 500	\$1,848	\$1,961	\$1,985	\$1,968	\$1,978	1%	7%
Average for S&P 500 Index REITs							1%	17%

REIT stocks traded up 1% for the week ended July 18, 2014. REITs matched performance of the S&P 500 Index, also trading up 1% for the week, once again showing 7% gain year to date for 2014. Positive performance gap for REITs expanded to 10% year to date for 2014. REIT stocks trailed the S&P 500 Index during 2013, with average gain of 8%. REIT stocks continue to outperform, maintaining positive performance gap.

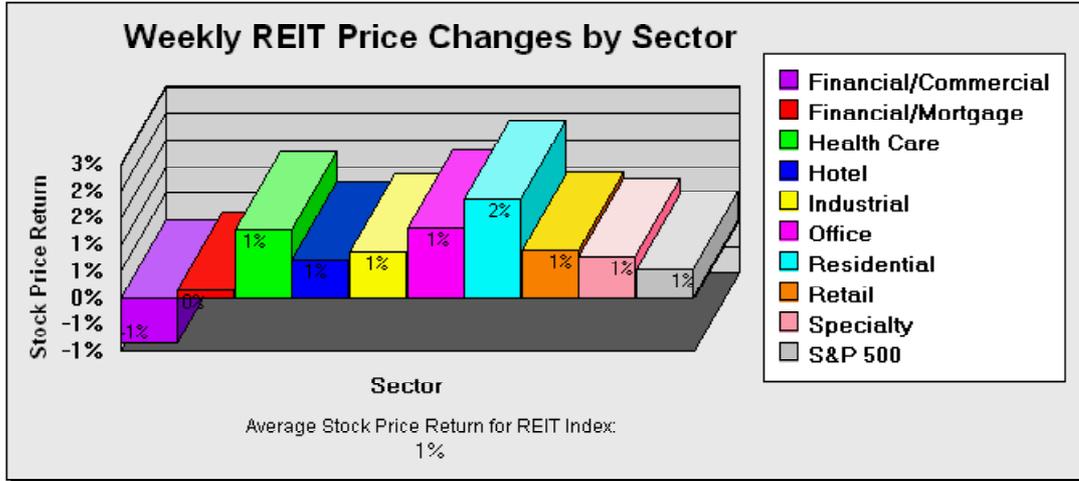
Almost all of the 20 S&P 500 Index REITs outperformed the S&P 500 Index year to date for 2014, with 17 of the 20 S&P 500 Index REITs trading up more than 7% gain for the S&P 500 Index during 2014. Only 1 of the S&P 500 Index REITs traded down year to date for 2014. Rally for Residential REITs now includes **Apartment Investment and Management** up 31%, **AvalonBay Communities** up 25%, **Equity Residential** up 25% and **Essex Property Trust** up 33%, all reporting strong earnings results. Office REITs also demonstrated strong performance, with **Boston Properties** up 21% and **Vornado Realty Trust** up 21% year to date for 2014. **Public Storage**, up 15%, and **Prologis Inc**, up 13%, both show solid gains for 2014. Health Care REITs enjoy sustainable rally, buoyed by news of individual health enrollment under Affordable Care Act, with **Health Care REIT** up 20%, while **HCP** shows 16% gain and **Ventas** shows 13% gain. Retail REITs also show good gains, now lead by **General Growth Properties** up 20% and **Kimco Realty** up 19%, while **Macerich** shows 16% gain. **Simon Property Group** gave up a portion of its year to date gain due to recent spin-off of **Washington Prime Group**, leaving the parent company up 12% year to date for 2014. **Host Hotels & Resorts**, now up 19%, recently announced higher group bookings during 2014. **American Tower** now shows 16% gain year to date for 2014, with pending REIT conversion **Crown Castle** up 2% for 2014. In contrast, Specialty Timber REITs traded down on news of variable sales of new and existing homes, with Specialty Timber REIT **Plum Creek Timber** now down (5%) and **Weyerhaeuser** up 3% year to date for 2014.

Note that pending REIT conversion of **Crown Castle** brings total REITs included in Standard & Poors 500 Index to 20 stocks. Including **Crown Castle** and **American Tower**, Specialty REITs with portfolios of wireless cell phone and broadcast towers have combined \$61 billion market cap.

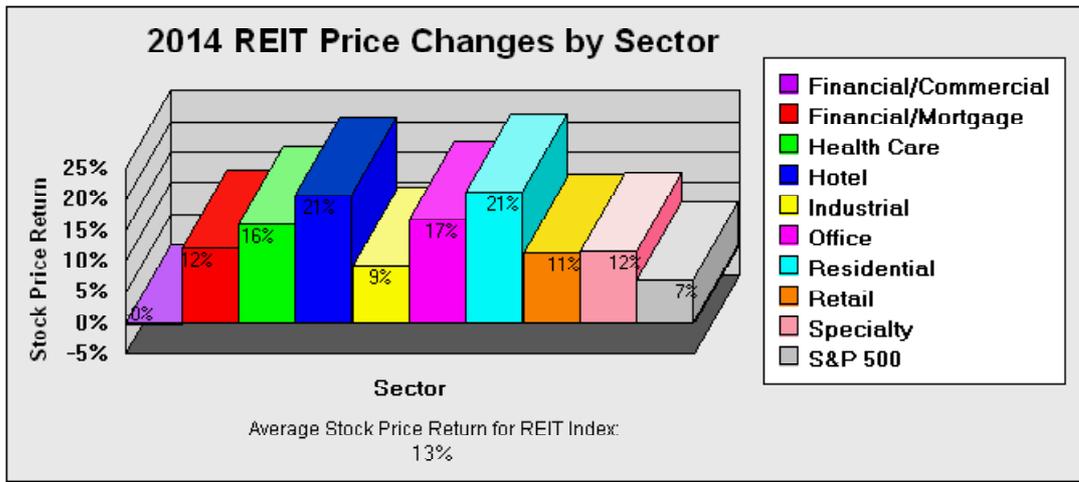
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Weekly REIT Price Changes by Sector

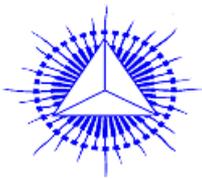


Almost all REIT sectors rallied for the week ended July 18, 2014. Best performance was shown by Residential REITs, up 2%. Health Care REITs, Hotel REITs, Industrial REITs, Office REITs, Retail REITs and Specialty REITs all traded up 1% for the week. Lagging REIT sector was Financial Commercial REITs, down (1%). On average, stock prices for REIT Growth and Income Monitor increased 1% for the week ended July 18, 2014.



Stock prices for REITs followed by REIT Growth and Income Monitor increased to show gain of 13% on average year to date for 2014, still representing almost twice the gain for the S&P 500 Index, now up 7% year to date for 2014. Investors are attracted by dividend income, and REITs have demonstrated ability both to pay and to increase dividends. REITs offer higher yields than S&P 500 stocks, with REIT dividends taxed at the same rate as ordinary income. REIT funds flow demonstrates moderate growth, at a time when other market sectors face adjusted revenue expectations due to currency exposure and variable international economies. Leading REIT sectors for 2014 include Hotel REITs and Residential REITs, both up 21% year to date. Office REITs show gain of 17%. Health Care REITs are up 16% as the Affordable Care Act is implemented, bringing more patient volume to tenants of Health Care REITs. Financial Mortgage REITs show gain of 12%, as investors respond positively to appointment of Janet Yellen as new Federal Reserve Chairman, justifying expectations for continued low interest rates. Specialty REITs traded up 12% year to date for 2014, supported by investor interest in Data Center REITs and Self-Storage REITs, offset by underperformance of Specialty Timber REITs. Retail REITs show gain of 11%, while Industrial REITs show 9% gain for 2014. Lagging Financial Commercial REITs traded almost unchanged year to date for 2014, reflecting investor concern over lower volume of new issues of commercial securitizations.

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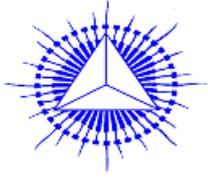


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REIT Comment



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Company:	Host Hotels & Resorts
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,680
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/14/2014  
HST \$23

Host Hotels & Resorts HST Hotel REITs seeing extended rally on news of oil price decline

HST Hotel REITs now best performing REIT sector, with stocks UP +20% on average year to date for 2014, while HST, only Hotel REIT to be included in the S&P 500 Index, now UP +14% year to date for 2014

HST oil prices seeing price decline approaching \$100 per barrel in first improvement since May 2014

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

HST lower price of gasoline enables more spending on extra room nights and ancillary charges increasing occupancy and profitability for hotels

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

HST providing annual dividend yield of 2.5%

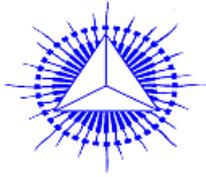
HST a Hotel REIT with a portfolio of upscale hotels and resorts in US, Mexico, Europe and Pacific

HST we rank 2 BUY

HST market cap \$17.7 billion

HST an S&P 500 Index REIT

REIT Comment



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Company:	Hatteras Financial
Price:	\$20
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,898
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/14/2014  
HTS \$20

Hatteras Financial HTS news of \$7 billion mortgage settlement announced by Citi C continues trend of huge settlements for government agencies, while homeowners and investors see little or no recompense for problems surrounding Residential MBS issued prior to 2008

HTS Citi C to provide \$7 billion to settle Justice Department charges over sale of mortgage securities, including \$4 billion penalty to be paid directly to Justice Department with \$500 million to be paid to FDIC and to various state Attorney Generals

HTS provision of \$2.5 billion in "soft dollars" for "consumer relief" is really extension of Citi C support for existing government programs supporting affordable housing and mortgage related programs

HTS investor losses on Residential MBS bonds totaling \$150 trillion have still not been addressed by any of the huge bank settlements announced to date but have been specifically excluded from all of the litigation

HTS Citi C to recognize charge for Justice Department settlement for 2Q 2014, reported today

HTS large banks (including Citi C, Bank of America BAC and JP Morgan Chase JPM) have all reduced staff in mortgage departments and imposed restrictive lending criteria in effort to limit exposure to residential lending

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

HTS stock now trading at discount of (10%) to current book value of \$21.81 per share as of March 2014

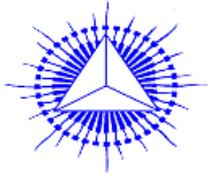
HTS stock price supported by current annual dividend yield of 10.2%, slightly below the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 1 BUY

HTS market cap \$1.9 billion

REIT Comment



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Company:	Duke Realty
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,069
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/14/2014  
DRE \$18

Duke Realty DRE Republican effort to allow charter expiration for US Export-Import Bank in September 2014 sets up political issue with near term impact on Industrial REITs

DRE new Republican House majority leader Kevin McCarthy favors forcing private sector to take over export lending by allowing charter of US Export-Import Bank to expire at end of FY 2014

DRE US Export-Import Bank supports US exporters with \$37 billion in loan guarantees and export credit insurance, helping many small US exporters as well as large US corporations including Boeing BA, Caterpillar CAT and General Electric GE

DRE foreign customers of Boeing BA reported to have received as much as \$10 billion export credit guarantees issued by US Export-Import Bank annually, playing key role in maintaining international market share for aircraft manufactured by Boeing BA

DRE small US manufacturers warn that they have no access to credit from commercial banks without loan guarantees against foreign receivables from US Export-Import Bank

DRE Industrial REITs own bulk distribution facilities at key railroad, shipping and air freight hubs, benefitting from US exports and imports

DRE manufacturing production for domestic and export markets a leading indicator of demand for bulk distribution space, while retail sales and international freight shipments are coincident indicators

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

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

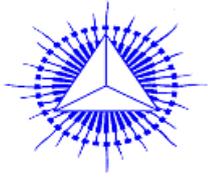
DRE stock price supported by current annual dividend yield of 3.8%

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

DRE we rank 2 BUY

DRE market cap \$6.1 billion

REIT Comment



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Company:	Corrections Corp of America
Price:	\$33
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,862
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/14/2014  
CXW \$33

Corrections Corp of America CXW growth in prison population supports positive outlook for Specialty Corrections REITs

CXW federal prison population expected to increase at rate of 3,000-5,000 inmates per year from 2013 to 2020

CXW only 10% of total US prison beds have been privatized, providing significant expansion potential for leading corrections firms

CXW costs for private prison ownership shown to be (12%) below costs for prison management under state or federal ownership

CXW current portfolio includes 52 owned and 13 managed correctional facilities with total 86,500 beds, now 81.3% occupied

CXW current tenants include US Marshals Service 17%, state of CA 14%, FBOP (Federal Bureau of Prisons) 13% of revenue, US Immigrations and Customs Enforcement 12%, as well as states GA 6%, TN 5%, CO 4%, OK 3% and FL 2%

CXW average per diem increased UP +1.4% for 1Q 2014, demonstrating slower trend than previous 6 years

CXW acquisition of Correctional Alternatives [previous ticker: CAI] for \$36 million during 2013 provides participation in community correctional facilities in CA, with potential for conversion of 3 vacant CXW facilities

CXW sees potential to add \$0.80-\$0.90 to FFO if currently vacant facilities are reactivated

CXW guidance for 2014 FFO \$2.56-\$2.64 v \$2.65 FLAT-UP +3%  
CXW guidance 2Q 2014 FFO \$0.63-\$0.65 v \$0.71 DOWN (8%)-(11%)

CXW stock price has decreased (9%) from announcement of REIT conversion in first week of January 2013

CXW increased dividends 6% during 2014, now providing current annual dividend yield of 6.1%

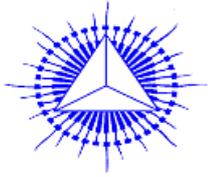
CXW lack of near term FFO growth makes CXW stock less attractive than competitor The GEO Group GEO, although long term growth factors positive for both Specialty Corrections REITs

CXW a Specialty Corrections REIT with a portfolio of corrections facilities leased to federal and state agencies

CXW we add coverage with initial 3 HOLD rank

CXW market cap \$3.9 billion

REIT Comment



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Company:	The GEO Group
Price:	\$35
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,551
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/14/2014  
GEO \$35

The GEO Group GEO pending reactivation of previously unoccupied facilities could add more than 20% to FFO

GEO owns 5 unoccupied facilities with 5,800 fully permitted beds that could be reactivated on short notice, potentially adding as much as \$0.65 per share to FFO

GEO a portion of beds at McFarland facility in CA already in process of reopening, with plans for expansion in progress

GEO also developing 2 new properties for potential addition of 1,300 beds

GEO only 10% of total US prison beds have been privatized, providing significant expansion potential for leading corrections firms

GEO guidance for 2014 normalized FFO \$2.51-\$2.60 v \$2.34 (adjusted) UP +5% - +8%

GEO near term FFO growth potential exceeds FFO growth potential for major competitor Corrections Corp of America CXW at this time, although long term growth factors positive for both Specialty Corrections REITs

GEO stock price has appreciated UP +23% since January 2013 announcement of REIT conversion

GEO dividends increased UP +10% during 2013, with potential for additional dividend increase during 2014

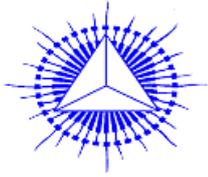
GEO provides current annual dividend yield of 6.4%

GEO a Specialty REIT with a portfolio of correctional facilities leased to federal and state agencies

GEO we recently added coverage with current rank of 2 BUY

GEO market cap \$2.6 billion

REIT Comment



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Company:	PREIT
Price:	\$19
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,350
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/14/2014  
PEI \$19

PREIT PEI traded DOWN (\$0.27) per share to close DOWN (1%) day

PEI stock traded UP +1% year to date for 2014, underperforming Retail REITs, trading UP +10% for 2014

PEI portfolio restructuring to drive FFO growth

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

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

PEI guidance for FFO for 2014 indicates growth UP +6%

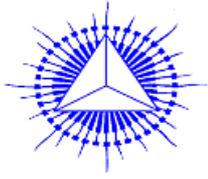
PEI provides current annual dividend yield of 4.2%

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

PEI we rank 2 BUY

PEI market cap \$1.4 billion

REIT Comment



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Company:	Agree Realty
Price:	\$31
Recommendation:	BUY
Ranking:	2
Market Cap:	\$465
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/14/2014  
ADC \$31

Agree Realty ADC traded UP \$0.49 per share to close UP +2% day

ADC stock traded UP +6% year to date for 2014, underperforming Retail REITs, trading UP +10% for 2014

ADC Net Leased Retail REITs seeing higher investor activity as acquisition valuations on net leased properties begin to close the gap with regional malls and other multitenant properties

ADC acquisitions and new build-to-suit retail developments provide portfolio expansion and diversification

ADC greatest tenant exposure is to retail drug chains, including key tenants Walgreens, representing 26% of total rents, as well as CVS 5%

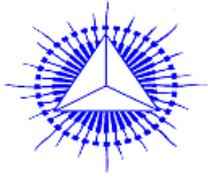
ADC increased dividend by 5%, bringing current annual dividend yield to 5.6%

ADC a Retail REIT with a portfolio of net leased retail properties

ADC we rank 2 BUY

ADC market cap \$465 million

REIT Comment



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Company:	Sovran Self Storage
Price:	\$78
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,573
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/14/2014  
SSS \$78

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

SSS stock traded UP +19% year to date for 2014, outperforming Specialty REITs, trading UP +11% for 2014

SSS Specialty Storage REITs see fastest EPS growth of any subset of Specialty REITs year to date for 2014, as occupancy gains enable rental rate increases

SSS pricing umbrella provided by large competitor Public Storage PSA enables smaller Specialty Self-Storage REITs to gain occupancy, while PSA's current occupancy exceeds 92%

SSS increased guidance range for FFO for 2014 to indicate growth UP +12%

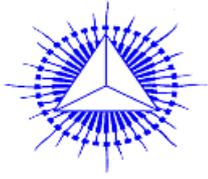
SSS recently increased dividend by 28% for 1Q 2014, now providing current annual dividend yield of 3.5%

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

SSS we rank 2 BUY

SSS market cap \$2.6 billion

REIT Comment



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Company:	American Realty Capital Properties
Price:	\$13
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,367
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
07/14/2014  
ARCP \$13

American Realty Capital Properties ARCP traded UP \$0.17 per share to close UP +1% day

ARCP stock traded unchanged year to date for 2014, underperforming Retail REITs, trading UP +10% for 2014

ARCP pending acquisition and divestiture to transform portfolio of retail assets

ARCP pending \$1.5 billion acquisition of 507 Red Lobster units to concentrate 12% of total ARCP rents in a single restaurant tenant

ARCP pending \$1.975 billion divestiture of multi-tenant retail properties (representing 2% of total rents) to Blackstone to concentrate remaining assets in single tenant net leased properties

ARCP Net Leased Retail REITs seeing higher investor activity as acquisition valuations on net leased properties begin to close the gap with regional malls and other multitenant properties

ARCP guidance for FFO for 2014 indicates growth UP more than +30%

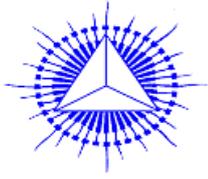
ARCP provides current annual dividend yield of 7.8%, at the top end of the range for Retail REITs

ARCP a Retail REIT with a portfolio of single tenant net leased properties

ARCP we recently added coverage with BUY2 rank

ARCP market cap \$7.4 billion

REIT Comment



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Company:	EdR
Price:	\$11
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,263
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/15/2014  
EDR \$11

EdR EDR increased quarterly dividend distribution by 9% to \$0.12 per share for 3Q 2014

EDR new annual dividend \$0.48 per share

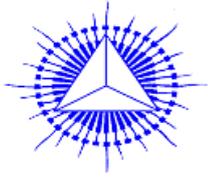
EDR new yield 4.4%

EDR a Specialty Educational REIT with a portfolio of educational housing communities

EDR we rank 3 HOLD

EDR market cap \$1.3 billion

REIT Comment



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Company:	Realty Income
Price:	\$45
Recommendation:	BUY
Ranking:	2
Market Cap:	\$9,392
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/15/2014  
O \$45

O Realty Income O today's announcement of pending merger of 2 of the smaller US tobacco companies may have negative long term impact on total tobacco sales at convenience stores and other retail outlets

O Reynolds American RAI announced \$27 billion acquisition of Lorillard LO in pending merger that would combine Camel and Newport brands of cigarettes

O Reynolds American RAI to sell Kool and Salem and Lorillard to sell blu eCigs to Imperial Tobacco ITYBY for \$7.1 billion

O combined companies may realign marketing and promotional expenses disrupting market sales, while different distribution priorities for Imperial Tobacco ITYBY may also impact total industry tobacco sales

O convenience stores, drug stores and supermarkets see important revenue and profits from sale of tobacco products, supported by promotional budgets of competing tobacco companies

O convenience stores represent total 17% of rents for O, while drug stores represent 7% (including key tenants Walgreen's 3%, Rite Aid 2% and CVS 2%)

O all properties are net leased, so variable tenant sales do not impact O rental income

O guidance for FFO for 2014 indicates growth UP +7%

O regular monthly dividends and consistent pattern of slight increases attract investors for total return

O stock price supported by current annual dividend yield of 4.8%

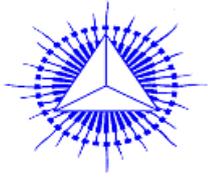
O was reclassified as a Net Leased Retail REIT from Specialty REIT as of the end of June 2014, due to current exposure to restaurant and retail tenants

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

O we rank 2 BUY

O market cap \$9.4 billion

REIT Comment



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Company:	Ashford Hospitality Trust
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,191
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/15/2014  
AHT \$12

Ashford Hospitality Trust AHT announced pending acquisition of Silicon Valley hotel for \$37.5 million debt

AHT Fremont Marriott Silicon Valley Hotel requires minimal capital investment, following \$8 million renovation during 2013

AHT acquired hotel to be managed by Remington Lodging

AHT no guidance provided for FFO for 2014

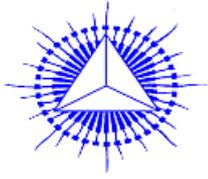
AHT provides current dividend yield of 4.1%

AHT a Hotel REIT

AHT we rank 2 BUY

AHT market cap \$1.2 billion

REIT Comment



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Company:	SL Green Realty
Price:	\$110
Recommendation:	SELL
Ranking:	4
Market Cap:	\$10,809
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/15/2014  
SLG \$110

SL Green Realty SLG bank earnings reports reveal impact of downsizing of operations

SLG despite loan volume growth, banks continue to layoff employees and reduce size of total office space, seeking to reduce expenses

SLG Wells Fargo WFC indicated total square feet of office rentals has decreased by (19%) to 95,000 square feet since merger with Wachovia at the end of 2008

SLG JP Morgan Chase announced total employment DOWN (3%) over past year, representing reduction of (8,900) employees

SLG Citi C announced total employment DOWN (6%) over past 18 months, representing reduction of (15,000) employees

SLG downsizing by banks and other financial institutions impacting demand for office space in major financial centers, as financial tenants may offer subleases of vacant space, pressuring office rental rates, while seeking to terminate leases of high cost space

SLG key tenant Citi C represents 10% of total rents for SLG, expected to increase to as much as 14% following recent acquisition of remaining joint venture interest in Citi headquarters on Greenwich St in NYC

SLG other financial industry tenants include Credit Suisse 5%, AIG 3% and Societe Generale at 1% of total rents

SLG reported FFO for 2013 decreased DOWN (3%)

SLG guidance for FFO for 2014 indicates growth UP +13%

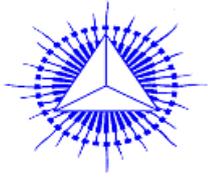
SLG provides current annual dividend yield of 1.8%

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

SLG we rank 4 SELL

SLG market cap \$10.8 billion

REIT Comment



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Company:	General Growth Properties
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$20,536
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/15/2014  
GGP \$24

General Growth Properties GGP news of retail sales for June 2014 more positive than recent trends for tenants of regional malls

GGP report from US Census Bureau (reporting through US Department of Commerce) showed total retail sales UP +0.3% for June, 2014 from previous month, showing trend UP +4.1% from previous year

GGP retail sales of apparel UP +0.8% while department store sales UP +0.2% for June 2014 from previous month

GGP retail sales of electronics showed minimal growth, UP +0.1% for June 2014

GGP recent management comments noted cautious consumer spending expected to limit growth in tenant sales during summer months

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

GGP provides current yield of 2.5%

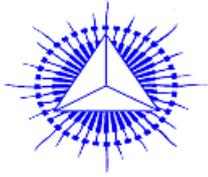
GGP a Retail REIT with a portfolio of regional malls

GGP we rank 2 BUY

GGP market cap \$20.5 billion

GGP an S&P 500 Index REIT

REIT Comment



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Company:	Kimco Realty
Price:	\$23
Recommendation:	BUY
Ranking:	1
Market Cap:	\$9,619
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/15/2014  
KIM \$23

Kimco Realty KIM news of higher than expected retail sales growth may support trading in Retail REITs

KIM report from US Census Bureau (reporting through US Department of Commerce) showed total US retail sales UP +0.3% for June, 2014 from previous month, now showing trend UP +4.1% from previous year

KIM highest retail sales growth reported for health & personal care stores, UP +0.9% for June 2014 from previous month

KIM grocery sales showed slow growth UP +0.1% for June 2014, although warehouse clubs and supercenters showed sales growth UP +0.3% for June 2014

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

KIM provides current annual dividend yield of 3.9%

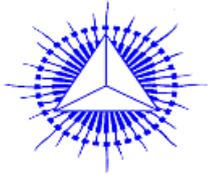
KIM a Retail REIT with a diverse portfolio of retail properties, including neighborhood and community shopping centers and big box retail, as well as grocery anchored shopping centers

KIM we rank 1 BUY

KIM market cap \$9.6 billion

KIM an S&P 500 Index REIT

REIT Comment



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Company:	National Retail Properties
Price:	\$38
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,582
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/15/2014  
NNN \$38

National Retail Properties NNN loss of momentum for restaurant sales may heighten concern for some investors in Net Leased REITs

NNN report from US Census Bureau (reporting through US Department of Commerce) showed retail sales for food services & drinking places DOWN (0.3%) for June 2013 from previous month, reversing positive trend UP +4.0% for first 6 months of 2013

NNN report of previous year retail sales also showed restaurant sales decline for June 2013 compared to May 2013, possibly indicating shift in consumer spending preferences in first month of summer

NNN retail sales reports may not be reflecting full sales impact of restaurant couponing and promotion through online marketing and cell phone apps

NNN restaurants represent 15% of total net rents for NNN

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

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

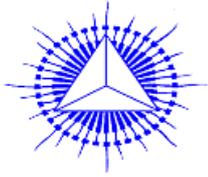
NNN provides current annual dividend yield of 4.3%

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

NNN we rank 2 BUY

NNN market cap \$4.6 billion

REIT Comment



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Company:	DuPont Fabros Technology
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,197
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/15/2014  
DFT \$27

DuPont Fabros Technology DFT discussion of retail sales trends incomplete without noting impact of online sales, still showing growth much higher than retail in-store sales

DFT report from US Census Bureau (reporting through US Department of Commerce) showed retail sales UP +0.3% for June 2014 from previous month, now showing trend UP +4.1% from previous year

DFT in contrast, non-store retailers (including online retailers such as Amazon.com, EBay, Overstock, NewEgg and many others) showed total sales UP 0.9% for June 2014 from previous month, now showing trend UP +8.1% from previous year

DFT Data Center REITs benefit from proliferation of mobile Internet devices with many new apps enabling e-commerce

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

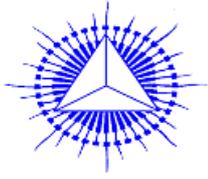
DFT now providing current annual dividend yield of 5.2%

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

DFT we rank 2 BUY

DFT market cap \$2.2 billion

REIT Comment



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Company:	Annaly Capital Management
Price:	\$11
Recommendation:	BUY
Ranking:	1
Market Cap:	\$10,614
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
07/15/2014  
NLY \$11

Annaly Capital Management NLY bank earnings reports reveal impact of big bank mortgage department layoffs on bank mortgage originations, helping to explain lagging mortgage application volume decline, as reported weekly by MBA (Mortgage Bankers Association)

NLY earnings report for 2Q 2014 from largest US bank, JM Morgan Chase JPM, showed total mortgage originations DOWN (66%) from previous year for 2Q 2014, with total bank headcount reduced by (3%)

NLY report for 2Q 2014 from #2 US bank Bank of America BAC expected tomorrow

NLY report for 2Q 2014 from #3 US bank Citi C no longer mentions mortgage originations, with all reports of consumer lending focused on consumer credit cards

NLY report for 2Q 2014 from #4 US bank Wells Fargo WFC showed mortgage originations FLAT with previous year, although showing exceptional growth from depressed level of 1Q 2014 due to strong US housing market on west coast

NLY banks de-emphasizing US residential lending to promote growth in credit cards and other forms of consumer loans

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

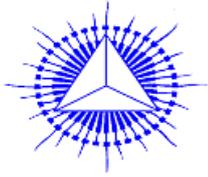
NLY stock price supported by current annual dividend yield of 10.7%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 1 BUY

NLY market cap \$10.6 billion

REIT Comment



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Company:	iStar Financial
Price:	\$15
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,237
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/15/2014  
STAR \$15

iStar Financial STAR traded DOWN (\$0.40) per share to close DOWN (3%) day

STAR stock traded UP +2% year to date for 2014, outperforming Financial Commercial REITs, trading UP +1% for 2014

STAR Financial Commercial REITs underperforming other REIT sectors as investors mull lower demand for non-agency securitizations during 2014

STAR looks to new joint venture with sovereign wealth fund to invest \$1.25 billion in portfolio of net leased assets to drive higher results for portfolio of operating real estate

STAR \$5.2 billion portfolio concentration now 21% land, 14% office, 13% industrial, 11% mixed use, 11% entertainment, 9% hotel, 7% retail, 6% condominium and 7% other

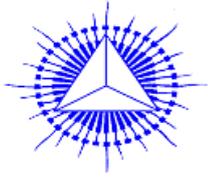
STAR has not paid dividends on common stock since 2008

STAR a Financial Commercial REIT

STAR we rank 3 HOLD

STAR market cap \$1.2 billion

REIT Comment



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Company:	Healthcare Realty Trust
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,424
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/15/2015  
HR \$25

Healthcare Realty Trust HR traded UP \$0.18 per share to close UP +1% day

HR stock traded UP +19% year to date for 2014, outperforming Health Care REITs, trading UP +14% for 2014

HR implementation of Affordable Care Act during 2014 should increase patient volume for tenants of Health Care REITs

HR doctor practices expecting to add more staff in response to higher demand from Medicaid and private care patients

HR development properties still not stabilized, although signed not commenced leases to bring occupancy over 80% for first time at new properties

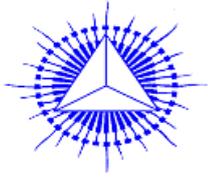
HR stock price supported by current dividend yield of 4.8%

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

HR we rank 2 BUY

HR market cap \$2.4 billion

REIT Comment



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Company:	QTS Realty Trust
Price:	\$28
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,043
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/15/2015  
QTS \$28

QTS Realty Trust QTS traded DOWN (\$0.60) per share to close DOWN (2%) day

QTS stock traded UP +14% during 2014, outperforming Specialty REITs, trading UP +11% for 2014

QTS Data Center REITs seeing higher demand due to corporate investment in cloud applications as well as Internet mobility

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

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

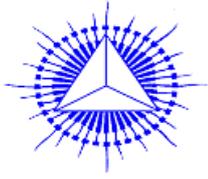
QTS increased dividend distribution by 21%, now providing annual dividend yield of 4.0%

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

QTS we rank 2 BUY

QTS market cap \$1.0 billion

REIT Comment



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Company:	Prologis
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$20,911
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/16/2014  
PLD \$41

Prologis Inc PLD news of China economic growth in line with previous expectations

PLD report from China National Bureau of Statistics showed China GDP increased UP+7.5% for 2Q 2014 from the previous year, slightly higher than growth UP+7.4% for 1Q 2014

PLD China industrial output increased UP +9.2% for June 2014, showing improvement from growth UP +8.8% for May 2014

PLD China economic growth benefits consumer activity, as retail sales increased UP +12.4% from previous year

PLD recently completed new China Logistics Venture2 to invest \$1.0 billion in bulk distribution centers in China, with institutional equity commitments of \$588 million

PLD portfolio concentration now 69% US, EU 25% and Asia 6%, while focus of development spending overweights Asia at 39% of total investment

PLD total \$23.4 billion assets under management in institutional funds enables PLD to increase market share in international markets

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

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

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

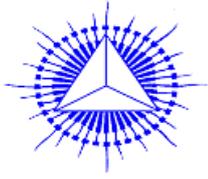
PLD an Industrial REIT with a portfolio of bulk distribution facilities in US, Europe and Asia

PLD we rank 2 BUY

PLD market cap \$20.9 billion

PLD an S&P 500 Index REIT

REIT Comment



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Company:	Hatteras Financial
Price:	\$20
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,895
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/15/2014  
HTS \$20

Hatteras Financial HTS earnings report from Bank of America BAC indicates negative impact of big bank staff reductions on mortgage originations

HTS report for 2Q 2014 showed Bank of America BAC reduced total mortgage originations DOWN (49%) from previous year

HTS total employment for Bank of America BAC decreased DOWN more than (9%) from previous year, representing reduction of (25,000) employees

HTS Financial Mortgage REITs need mortgage application volume to support issuance of new securitizations of agency guaranteed Residential MBS, providing opportunities for portfolio investment

HTS stock now trading at discount of (10%) to current book value of \$21.81 per share as of March 2014

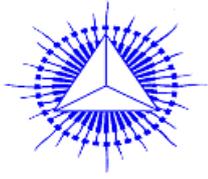
HTS stock price supported by current annual dividend yield of 10.2%, slightly below the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 1 BUY

HTS market cap \$1.9 billion

REIT Comment



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Company:	Gramercy Property Trust
Price:	\$6
Recommendation:	BUY
Ranking:	2
Market Cap:	\$431
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/15/2014  
GPT \$6

Gramercy Property Trust GPT increasing exposure to key tenant Bank of America BAC at time of significant employment reduction

GPT recent acquisition of remaining 50% joint venture interest in \$395 million Bank of America BAC portfolio of bank buildings increases total exposure to the bank

GPT prior to 1Q 2013 reorganization of Gramercy Capital [former ticker: GKK], Bank of America BAC was largest tenant for GKK, representing 45% of total rents

GPT size of investment in \$395 million portfolio of Bank of America BAC office buildings and bank branches far greater than year to date acquisitions of industrial properties totaling less than \$100 million

GPT seeking to reposition portfolio from financial to operating assets, with recent acquisitions of industrial properties

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

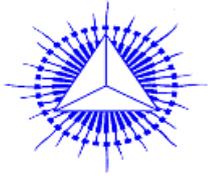
GPT new annual dividend yield 2.3%

GPT a Financial Commercial REIT

GPT we rank 2 BUY

GPT market cap \$431 million

REIT Comment



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Company:	Annaly Capital Management
Price:	\$11
Recommendation:	BUY
Ranking:	1
Market Cap:	\$10,633
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/16/2014  
NLY \$11

Annaly Capital Management NLY mortgage application volume continues to slide raising question on continued growth of housing sector

NLY report from MBA (Mortgage Bankers Association) found mortgage applications decreased DOWN (3.6%) for week ended July 11, 2014 from previous week

NLY mortgage applications for refinance decreased DOWN (0.1%), while mortgage applications for home purchase decreased DOWN (8%)

NLY mortgage applications for home purchase decreased DOWN (17%) from previous year

NLY mortgage refinance applications 54% of total mortgage application volume last week

NLY report from MBA (Mortgage Bankers Association) found average interest rate on 30 year fixed rate conforming mortgage UP +0.01% to 4.33%

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

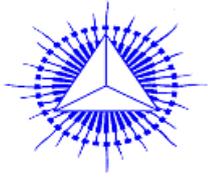
NLY stock price supported by current annual dividend yield of 10.7%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 1 BUY

NLY market cap \$10.6 billion

REIT Comment



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Company:	Omega Healthcare Investors
Price:	\$38
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,720
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/16/2014  
OHI \$38

Omega Healthcare Investors OHI increased quarterly dividend distribution by 2% to \$0.51 per share for 3Q 2014

OHI new annual dividend \$2.04 per share

OHI new yield 5.4%

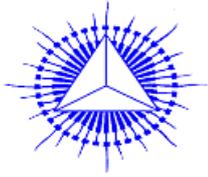
OHI has increased quarterly dividend distribution each quarter for 6 consecutive quarters

OHI a Health Care REIT with a portfolio concentrated in skilled nursing and assisted living properties

OHI we rank 2 BUY

OHI market cap \$4.7 billion

REIT Comment



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Company:	Kimco Realty
Price:	\$23
Recommendation:	BUY
Ranking:	1
Market Cap:	\$9,590
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/16/2014  
KIM \$23

Kimco Realty KIM announced \$276 million acquisition of remaining joint venture interest in 10 shopping centers, adding to grocery anchored portion of total KIM portfolio

KIM previous 15% interest in joint venture portfolio provides insight into value of the portfolio of 10 shopping centers, including 1.4 million square feet of retail space concentrated in grocery anchored category

KIM acquisition adds 1% to total KIM portfolio capacity

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

KIM provides current annual dividend yield of 3.9%

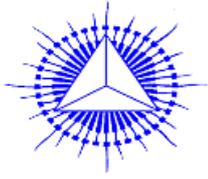
KIM a Retail REIT with a diverse portfolio of retail properties, including neighborhood and community shopping centers and big box retail, as well as grocery anchored shopping centers

KIM we rank 1 BUY

KIM market cap \$9.6 billion

KIM an S&P 500 Index REIT

REIT Comment



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Company:	Digital Realty Trust
Price:	\$60
Recommendation:	BUY
Ranking:	1
Market Cap:	\$8,344
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/16/2014  
DLR \$60

Digital Realty Trust DLR report from Intel INTC of growth in demand for data center chips indicates strong growth of data center infrastructure continues

DLR announced results for 2Q 2014 last night, indicating total revenues increased +8%, while revenues from microprocessors for data centers increased UP +19% from previous year

DLR shift in computing power for both corporations and consumers from PCs to data centers supported by new cloud applications, as well as by proliferation of mobile Internet devices

DLR recent management comments noted now "sold out of inventory" in key data center markets including northern VA, Phoenix and Silicon Valley CA, while international locations in Singapore and Hong Kong will need new capacity soon

DLR guidance for FFO for 2014 indicates growth UP +3%

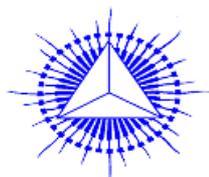
DLR stock price supported by current annual dividend yield of 5.5%

DLR the largest publicly traded Data Center REIT with a portfolio of turnkey data centers and office properties

DLR we rank 1 BUY

DLR market cap \$8.3 billion

REIT Comment



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Company:	New Residential Investment
Price:	\$6
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,616
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/16/2014  
NRZ \$6

New Residential Investment NRZ traded DOWN (\$0.14) per share to close DOWN (2%) day

NRZ stock traded DOWN (7%) year to date for 2014, underperforming Financial Mortgage REITs, trading UP +12% for 2014

NRZ a stand-out from other Financial Mortgage REITs for dividends, despite short time as public company

NRZ paid special dividend of \$0.075 per share in July 2014, with ex-dividend date in last week of June, 2014

NRZ including regular quarterly dividend of \$0.175 per share, NRZ shareholders to receive total of \$0.25 per share for 2Q 2014

NRZ also paid special dividend of \$0.075 per share in January 2014

NRZ since spin-off from Newcastle Investment NCT, total dividend distributions for NRZ now \$0.92 per share, representing 13.3% total yield for trailing 12 months on original cost basis of \$6.89 per share

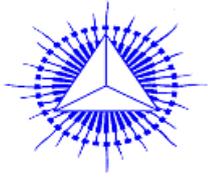
NRZ providing current annual dividend yield of 11.3% on regular quarterly distribution

NRZ a Financial Mortgage REIT

NRZ we rank 2 BUY

NRZ market cap \$1.6 billion

REIT Comment



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Company:	Sunstone Hotel Investors
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,728
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/16/2014  
SHO \$15

Sunstone Hotel Investors SHO traded UP \$0.23 per share to close UP +2% day

SHO stock traded UP +12% year to date for 2014, underperforming Hotel REITs, trading UP +20% for 2014

SHO oil prices have come down towards \$100 per barrel, igniting rally for Hotel REITs

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

SHO guidance for FFO for 2014 indicates growth UP +25%

SHO as previously disclosed, SHO expects to increase dividend during 2014, for total distribution of \$0.50-\$0.60 per share, UP +150%+300% from current annual rate of only \$0.20 per share

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

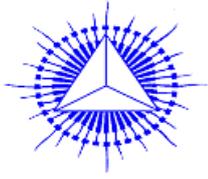
SHO current annual dividend yield 1.3%

SHO a Hotel REIT

SHO rank 2 BUY

SHO market cap \$2.7 billion

REIT Comment



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Company:	Rayonier
Price:	\$35
Recommendation:	SELL
Ranking:	5
Market Cap:	\$4,554
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/16/2014  
RYN \$35

Rayonier RYN stock traded UP \$0.41 per share to close UP +1% day

RYN stock traded DOWN (16%) year to date for 2014, underperforming Specialty REITs, trading UP +11% for 2014

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

RYN appears capital constrained at a time when RYN must increase harvest volume in order to take advantage of expected growth in demand from homebuilders

RYN spin-off Rayonier Asset Management RYAM contributed 41% of revenue and 60% of EBITDA to RYN for 2013

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

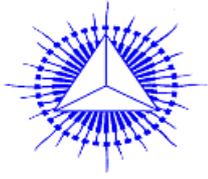
RYN provides current annual dividend yield of 5.5%

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

RYN we rank 5 SELL

RYN remaining market cap \$4.6 billion

REIT Comment



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Company:	EDR
Price:	\$11
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,281
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/16/2014  
EDR \$11

EdR EDR traded UP +\$0.09 per share to close UP +4% day

EDR stock traded UP +25% year to date for 2014, outperforming Specialty REITs, trading UP +11% for 2014

EDR completed divestiture of 2 student housing communities for \$30 million

EDR guidance for FFO for 2014 indicates growth UP +13%-+24%

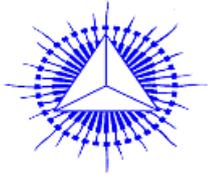
EDR increased dividend distribution by 9%, bringing current annual dividend yield to 4.4%

EDR a Specialty Educational REIT with a portfolio of educational housing communities

EDR we rank 3 HOLD

EDR market cap \$1.3 billion

REIT Comment



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Company:	Equity Residential
Price:	\$65
Recommendation:	BUY
Ranking:	2
Market Cap:	\$24,420
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/17/2014  
EQR \$65

EQR Residential EQR another decline in new unemployment claims may indicate improving employment supporting trading in Residential REITs

EQR Labor Department reported new claims for unemployment decreased DOWN(3,000) to 302,000 for week ended July 12, 2014 from revised number for previous week

EQR more stable 4 week moving average of new unemployment claims also decrease, DOWN (3,000) to 309,000 from revised average for previous week

EQR Labor Department report indicates total insured unemployment rate now at lowest level since June 2, 2007

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

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

EQR provides current annual dividend yield of 3.1%

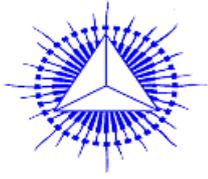
EQR the largest publicly traded Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$24.4 billion

EQR an S&P 500 Index REIT

REIT Comment



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Company:	Plum Creek Timber
Price:	\$44
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$7,881
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/17/2014  
PCL \$44

Plum Creek Timber PCL lower new single family home starts shows decline for second consecutive month, now indicating year over year decline

PCL report from US Census Bureau and HUD (US Department of Housing and Urban Development) showed new single family home construction starts DOWN (9%) from revised number for previous month to annual pace of 575,000 for June 2014, now showing decline DOWN (4.3%) from previous year

PCL June 2014 is the second consecutive month showing decline in new single family home starts

PCL building permits increased slightly, UP +2.6% to 631,000 for June 2014 from previous month, showing slight increase UP +0.6% from previous year

PCL report from HUD also shows number of new homes authorized with building permits but not yet started, showing increase UP +7.2% from previous month for June 2014, now at level UP +16% from previous year

PCL homebuilders may have greater than expected inventories of new homes under construction and in permitting pipeline, causing adjustment to pace of new construction

PCL sales pace for new homes showed recent improvement bolstering homebuilder confidence

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

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

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

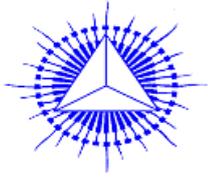
PCL a Specialty Timber REIT with a portfolio of timberlands and sawlog mills

PCL we rank 3 HOLD

PCL market cap \$7.9 billion

PCL an S&P 500 Index REIT

REIT Comment



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Company:	Potlatch
Price:	\$42
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,694
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/17/2014  
PCH \$42

Potlatch PCH survey of homebuilder confidence shows significant improvement despite separate report of slower pace of new home construction

PCH survey report from NAHB (National Association of Home Builders) showed index of homebuilder confidence UP +4% to 53% for July 2014

PCH confidence of homebuilders may be improved by recent increase in rate of new home sales although inventories of new homes now higher than anticipated

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

PCH guidance 2014 harvest 3.8 million tons UP +3%

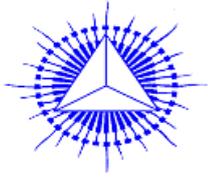
PCH provides current dividend yield of 3.5%

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

PCH we rank 2 BUY

PCH market cap \$1.7 billion

REIT Comment



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Company:	Digital Realty Trust
Price:	\$61
Recommendation:	BUY
Ranking:	1
Market Cap:	\$8,366
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/17/2014  
DLR \$61

Digital Realty Trust DLR news of strong growth in cloud software and services from global software vendor SAP highlights corporate priorities for technology spending

DLR report for 2Q 2014 from SAP noted revenues for cloud subscriptions and services increased UP +32%, while total software and service revenues increased only UF +2%

DLR SAP now showing revenue run rate of more than \$1.6 billion for cloud applications, subscriptions and services

DLR software vendors Oracle, IBM and SAP all reporting rapid growth in cloud software and services, as well as investing in data centers to support client requirements

DLR corporations migrating systems and data to both private and public cloud structures while almost all new software developments are cloud enabled

DLR recent management comments noted now "sold out of inventory" for data centers in key markets including northern VA, Phoenix and Silicon Valley CA, while international locations in Singapore and Hong Kong will need new capacity soon

DLR guidance for FFO for 2014 indicates growth UP +3%

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

DLR the largest publicly traded Data Center REIT with a portfolio of turnkey data centers and office properties

DLR we rank 1 BUY

DLR market cap \$8.4 billion

REIT Comment



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Company:	Iron Mountain
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,753
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:

07/17/2014

IRM \$38

Iron Mountain IRM announced IRS acceptance of REIT conversion offering REIT investors another Specialty Storage REIT with exceptional management and stable growth

IRM remaining REIT conversion steps include SEC filing of change in corporate status with pending shareholder approval

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

IRM already completed tax payments relating to recapture of depreciation and amortization totaling \$80 million during 2012 and \$53 million during 2013

IRM providing enterprise rental space for data storage and records management for corporate clients in 36 global markets, generating more than \$3 billion annual revenues

IRM enterprise storage rental business distinguished by logistics support including transportation service, offering "secure chain of custody", as well as secure shredding, document management solutions, fulfillment services, intellectual property management and consulting services

IRM storage rental business contributes 59% of revenues, generating 4% revenue growth, with 14% pretax ROIC (return on invested capital)

IRM remainder of business represents data management services (40% of revenue), including cold storage of computer tapes and other digital media, data archiving and back-up, with related transportation services

IRM commencing \$45 million investment in corporate data centers, to provide online digital data storage, as supplemental service for enterprise customers

IRM expects to continue to invest \$150-\$180 million in capital expenditures to maintain facilities and support new development

IRM portfolio expansion strategy includes new developments as well as targeted acquisitions of \$700 million - \$1.0 billion over 10 year timeframe

IRM forecasts 2014 OIBDA (operating income before depreciation and amortization) of \$1.010-\$1.070 billion

IRM provided guidance for 2014 normalized FFO in range of \$2.25-\$2.51 per share

IRM expects to increase quarterly dividend distribution rate from current \$0.27 share to \$0.52-\$0.54 per share as a REIT, providing annual dividend of \$2.08-\$2.16 per share

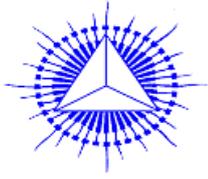
IRM stock provides current yield of 3.1%, expected to increase to more than 6.0% as dividends are reset at required level for REIT status

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

IRM we add coverage with initial 1 BUY RANK

IRM market cap \$6.8 billion

REIT Comment



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Company:	Ashford Hospitality Prime
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$536
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/17/2014  
AHP \$17

Ashford Hospitality Prime AHP traded DOWN (\$0.43) per share to close DOWN (2%) day

AHP stock traded DOWN (5%) year to date for 2014, underperforming Hotel REITs, trading UP +20% for 2013

AHP Hotel REITs, like other travel related stocks, trading DOWN on news of Malaysia Airlines crash reported today in Ukraine

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

AHP to discuss results for 2Q 2014 next month on Friday, August 8, 2014, with a conference call for investors scheduled at 11:00 AM

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

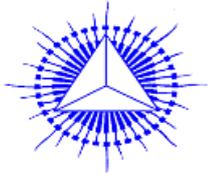
AHP provides current annual dividend yield of 1.2%

AHP a Hotel REIT

AHP we rank 2 BUY

AHP market cap \$536 million

REIT Comment



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Company:	FelCor Lodging Trust
Price:	\$10
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,258
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/17/2014  
FCH \$10

FelCor Lodging Trust FCH traded DOWN (\$0.23) per share to close DOWN (2%) day

FCH stock traded UP +23% year to date for 2014, outperforming Hotel REITs, trading UP +20% for 2014

FCH Hotel REITs, like other travel related stocks, trading DOWN on news of Malaysia Airlines crash reported today in Ukraine

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

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

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

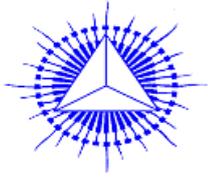
FCH current annual dividend yield 0.8%

FCH a Hotel REIT

FCH we rank 3 HOLD

FCH market cap \$1.3 billion

REIT Comment



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Company:	Vornado Realty Trust
Price:	\$106
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$21,194
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/17/2014  
VNO \$106

Vornado Realty Trust VNO traded DOWN (\$1.55) per share to close DOWN (1%) day

VNO stock traded UP +19% year to date for 2014, outperforming Office REITs, trading UP +15% for 2014

VNO to discuss results for 3Q 2014 next month on August 5, 2014, with a conference call for investors scheduled at 10:00 AM

VNO also to update investors on pending spin-off of 81 strip shopping centers and 4 malls (total 16.1 million square feet of retail space) to new publicly traded REIT in tax-free transaction for shareholders

VNO remaining portfolio of office properties concentrated in NYC (to contribute 74% of remaining EBITDA) and DC (to represent 23% of remaining EBITDA)

VNO provides current annual dividend yield of 2.8%

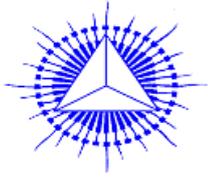
VNO an Office REIT with a diverse portfolio of office and retail properties

VNO we rank 3 HOLD

VNO market cap \$21.2 billion

VNO an S&P 500 Index REIT

REIT Comment



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Company:	Glimcher Realty Trust
Price:	\$11
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,618
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/17/2014  
GRT \$11

Glimcher Realty Trust GRT traded DOWN (\$0.23) per share to close DOWN (2%) day

GRT stock traded UP +17% year to date for 2014, outperforming Retail REITs, trading UP +10% for 2014

GRT after the close of trading, GRT reported results for 2Q 2014, with a conference call for investors scheduled for tomorrow morning at 11:00 AM

GRT made no change to guidance for FFO for 2014 indicating growth UP +7%-+10%

GRT like other Retail REITs seeing higher rents on lease turnover, due to strong occupancy

GRT saw tenant sales FLAT for 2Q 2014

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

GRT a Retail REIT with a portfolio of regional malls

GRT we rank HOLD

GRT market cap \$1.6 billion

REIT Comment



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Company:	Crown Castle
Price:	\$74
Recommendation:	BUY
Ranking:	2
Market Cap:	\$24,612
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/18/2014  
CCI \$74

Crown Castle CCI announcement of marketing agreement between Apple AAPL and IBM IBM to offer Apple AAPL mobile Internet devices to enterprise customers provides more good news for Cell Tower REITs

CCI announcement by Apple AAPL and IBM IBM indicates Apple AAPL iPhone and iPad now viewed as integral to customer operations at many enterprises leaving IBM IBM with little choice but to join the trend with the most reliable and proven smartphone and tablet OS

CCI IBM intends to offer MobileFirst business applications for iOS, enabling "big data and analytics at the point of contact"

CCI announcement from Apple and IBM may cause similar action to formalize offerings for enterprise customers from Microsoft MSFT (acquiring Nokia for Lumia Windows smartphones) and Google GOOGL (now divesting Motorola Mobility cell phones to Lenovq while supporting Android and Chrome on a plethora of mobile Internet devices)

CCI Cell Tower REITs will benefit from more enterprise users of mobile Internet devices through existing carrier contracts for equipment mounted on wireless cell towers

CCI enterprise users may be higher than normal consumers of data traffic forcing wireless carriers to continue to invest in capacity

CCI wireless cell tower tenants include AT&T at 29% of total rents, Sprint 23%, T-mobile 22% and Verizon 14%

CCI guidance for 2014 AFFO indicates growth UP +10%-+11%

CCI provides current annual dividend yield of 1.9%, with first ever dividend of \$0.35 per share paid in March 2014 on REIT conversion

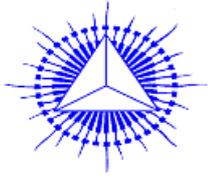
CCI a Specialty Cell Tower REIT with a portfolio of wireless and broadcast communications real estate, with towers in US and Australia

CCI we rank 2 BUY

CCI market cap \$24.6 billion

CCI an S&P 500 Index REIT

REIT Comment



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Company:	QTS Realty Trust
Price:	\$28
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,028
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/18/2014  
QTS \$28

QTS Realty Trust QTS earnings report from IBM highlights corporate shift to spending on cloud applications, instead of software for internal use

QTS report from IBM showed total software revenue growth UP only+1%, while sales of cloud subscriptions and SaaS (software as a service) UP +50% to annualized revenue run rate of\$2.8 billion

QTS IBM investing to expand SoftLayer IaaS (infrastructure as a service) to as many as 40 data centers worldwide, and has just launched Bluemix PaaS (platform as a service) to enable IBM customers to develop and deploy cloud applications using IBM cloud resources

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

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

QTS increased dividend distribution by 21%, now providing annual dividend yield of 4.2%

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

QTS we rank 2 BUY

QTS market cap \$1.0 billion

REIT Comment



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Company:	Digital Realty Trust
Price:	\$60
Recommendation:	BUY
Ranking:	1
Market Cap:	\$8,346
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:

07/18/2014

DLR \$60

Digital Realty Trust DLR corporate priorities for technology spending focus on cloud providing fertile market for Data Center REITs

DLR report for 2Q 2014 from IBM showed total software revenue growth UP only+1%, while sales of cloud subscriptions and SaaS (software as a service) UP +50% to annualized revenue run rate of \$2.8 billion

DLR IBM previously articulated goal to drive cloud software and services to total revenue run rate of \$7.5 billion by end of 2015

DLR IBM \$2 billion acquisition of SoftLayer in 2013 added cloud IaaS (infrastructure as a service), while new Bluemix launch offers cloud PaaS (platform as a service), enabling IBM customers to develop and deploy cloud applications using IBM cloud resources

DLR SoftLayer a DLR tenant at time of IBM acquisition, continuing to expand through DLR data centers while IBM also invests \$1.2 billion to expand SoftLayer services to 40 data centers in global markets

DLR recently announced Digital Realty Global Cloud Marketplace (GCM), including cloud service providers IBM SoftLayer, Internap, Interoute, GoGrid, and SingleHop, with additional cloud service providers to be added

DLR software vendors Oracle, IBM and SAP all reporting rapid growth in cloud software and services, as well as investing in data centers to support client requirements

DLR corporations migrating systems and data to both private and public cloud structures while almost all new software developments are cloud enabled

DLR recent management comments noted now "sold out of inventory" for data centers in key markets including northern VA, Phoenix and Silicon Valley CA, while international locations in Singapore and Hong Kong will need new capacity soon

DLR guidance for FFO for 2014 indicates growth UP +3%

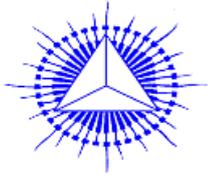
DLR stock price supported by current annual dividend yield of 5.5%

DLR the largest publicly traded Specialty Data Center REIT with a portfolio of turnkey data centers and office properties

DLR we rank 1 BUY

DLR market cap \$8.3 billion

REIT Comment



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Company:	EastGroup Properties
Price:	\$64
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,987
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/18/2014  
EGP \$64

EastGroup Properties EGP 2Q 2014 \$0.84 v \$0.80 UP +5%

EGP increased low end of guidance range 2014 FFO \$3.42-\$3.48 v \$3.23 UP +6% - +8%  
EGP previous guidance 2014 FFO \$3.39-\$3.49 per share  
EGP new guidance 2014 FFO assumes same property NOI UP +3.1% on cash basis

EGP new guidance 3Q 2014 FFO \$0.87-\$0.89 v \$0.83 UP +5% - +7%

EGP 2Q 2014 same property NOI UP +2.6% on cash basis  
EGP 2Q 2014 portfolio leased occupancy 95.7%, with physical occupancy 95.0%

EGP year to date 2014 rents on lease turnover UP +0.9% on cash basis  
EGP 2Q 2014 tenant retention 74%

EGP total construction pipeline \$135 million for 21 buildings to add 5% to total portfolio capacity  
EGP added 3 stabilized properties to operating portfolio during 2Q 2014

EGP 2Q 2014 acquisitions \$42 million for 2 properties in Charlotte and Austin

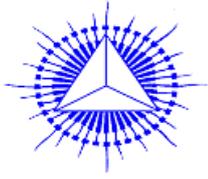
EGP provides current annual dividend yield of 3.4%

EGP an Industrial REIT with a portfolio of bulk distribution properties

EGP we rank 2 BUY

EGP market cap \$2.0 billion

REIT Comment



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Company:	Glimcher Realty Trust
Price:	\$11
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,618
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/18/2014GRT  
GRT \$11

Glimcher Realty Trust GRT 2Q 2014 FFO \$0.34 v \$0.34 (adjusted) FLAT

GRT made no change to guidance 2014 FFO \$0.74-\$0.78 v \$0.71 (adjusted) UP +7%+10%

GRT new guidance 3Q 2014 FFO \$0.17-\$0.19 v \$0.17 FLAT -UP +2%

GRT 2Q 2014 same property NOI UP +4.3%  
GRT 2Q 2014 occupancy 95.3% UP +0.6%

GRT trailing 12 months tenant sales \$473 UP +0.4%  
GRT rents on lease turnover UP +17%

GRT divested 2 small properties for \$7 million

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

GRT a Retail REIT with a portfolio of regional malls

GRT we rank HOLD

GRT market cap \$1.6 billion

REIT Comment



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Company:	FelCor Lodging Trust
Price:	\$10
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,300
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/18/2014  
FCH \$10

FelCor Lodging Trust FCH traded UP \$0.33 per share to close UP +3% day

FCH stock traded UP +27% year to date for 2014, outperforming Hotel REITs, trading UP +20% for 2014

FCH completing divestitures of non-strategic properties

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

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

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

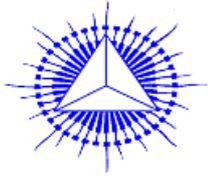
FCH current annual dividend yield 0.8%

FCH a Hotel REIT

FCH we rank 3 HOLD

FCH market cap \$1.3 billion

REIT Comment



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Company:	One Liberty Properties
Price:	\$22
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$347
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/18/2014  
OLP \$22

One Liberty Properties OLP traded UP\$0.48 per share to close UP +2% day

OLP stock traded UP +9% year to date for 2014, underperforming Retail REITs, trading UP +10% for 2014

OLP faces investor concern over exposure to Office Depot ODP, representing 7% of annualized rents for OLP

OLP key tenant Office Depot ODP planning to close as many as 400 stores, representing 20% of existing US store base following merger during 2013 with rival OfficeMax

OLP no guidance provided for FFO for 2014

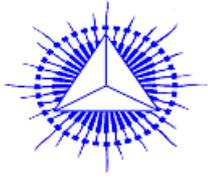
OLP stock price supported by current annual dividend yield of 6.8%

OLP a Retail REIT with a diversified portfolio of net leased retail, office and industrial properties

OLP we rank 3 HOLD

OLP market cap \$347 million

REIT Comment



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Company:	Strategic Hotels & Resorts
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,538
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
07/18/2014  
BEE \$12

Strategic Hotels & Resorts BEE traded UP \$0.26 per share to close UP +2% day

BEE stock traded UP +28% year to date for 2014, underperforming Hotel REITs, trading UP +20% for 2014

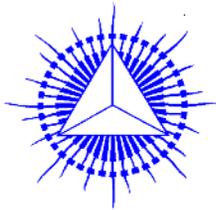
BEE growth in FFO appears assured by pending acquisition of remaining joint venture interests in 2 largest resort hotels, Hotel del Coronado in San Diego and Scottsdale Fairmont Princess near Phoenix AZ

BEE has not yet restored common stock dividends

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

BEE we recently UPGRADED rank to 2 BUY

BEE market cap \$2.5 billion



**REIT Growth and Income Monitor** posted 49 REIT comments for the week ended July 18, 2014. Comments were issued on REITs in the following sectors:

Financial REITs	7
Health Care REITs	2
Hotel REITs	6
Industrial REITs	3
Office REITs	3
Residential REITs	1
Retail REITs	10
Specialty REITs	17

Information on REIT sectors may be found using this link:

[http://www.reitmonitor.net/REIT\\_Resources](http://www.reitmonitor.net/REIT_Resources)

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

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

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