

## **REIT Growth and Income Monitor**

### **Weekly Comments 12/24/2013**

**REIT stocks rallied, still dramatically underperforming the S&P 500 Index, as negative performance gap expanded to (28%).**

**2013 and 2014 may be remembered as years of the spin-offs, as REITs looked for ways to improve total shareholder returns.**

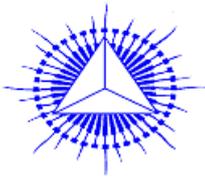
**Simon Property Group proposes to spin-off smaller shopping malls into a new publicly traded Retail REIT vehicle.**

**Weyerhaeuser's pending spin-off of homebuilder subsidiary WRECO to merger with TriPointe Homes may provide investors with a choice of investment vehicles.**

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### Weekly REIT Comments 12/24/2013

REIT stocks rallied, trading up 2% during the week ended December 20, 2013. REIT stocks are down (1%) year to date for 2013, far behind performance of the S&P 500 Index, up 27%, as negative performance gap expanded to (28%) year to date for 2013. REITs now show the worst underperformance seen since 3Q 2009, when fears of collapsing US economy dominated the news. Average gain for all REITs followed by REIT Growth and Income Monitor is 8% for 2013, trailing 27% gain for the S&P 500 Index.

Investors are reacting to cautious REIT guidance on earnings reports for 3Q 2013, although certain REIT segments, such as Specialty Self-Storage REITs, have exceeded expectations. Specialty Timber REITs, with portfolios of timberlands and sawlog mills, benefit from improving environment for homebuilders. Industrial REITs are gaining occupancy and increasing guidance. Hotel REITs rallied on lower oil prices, as better than expected FFO growth restores confidence. Residential REITs expect exceptional FFO growth to continue through 2013, driven by tight occupancy and rental rate increases. Health Care REITs should rebound as threat to Affordable Care Act has been averted. Performance of Retail REITs is impacted by slowing tenant sales growth, although rental rate increases sustain long term FFO growth. Investors take a cautious stance for Office REITs, due to exposure to financial industry layoffs and continued rent roll-downs lagging economic recovery.

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

REIT stocks normally perform like interest rate sensitive stocks, although none of the 17 REITs in the S&P 500 Index are actually invested in financial assets. 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.

#### Spin-offs Offer Choice for Investors as REITs Seek to Maximize Total Shareholder Returns

2013 and 2014 may be remembered as years of the spin-offs, as REITs seek to maximize total shareholder returns by portfolio concentration in strategically highest return vehicles. REITs in several sectors have announced spin-offs, indicating a successful spin-off strategy is not exclusive to a single type of investment. REIT spin-off news began with **Newcastle Investment**, a Financial Commercial REIT, spinning off **New Residential Investment** in May 2013 to hold a portfolio of Residential MBS and excess mortgage servicing rights. This spin-off enabled accelerated portfolio growth for both Financial REITs, with **Newcastle Investment** focusing on health care through portfolio acquisitions of senior housing communities, while **New Residential Investment** acquired large portfolios of excess mortgage servicing rights, as well as deeply discounted NPLs. Total dividend distributions show 37% increase from previous **Newcastle Investment** dividend prior to spin-off of **New Residential Investment**, while the combined stocks show gain of 14% since announcement of the spin-off. **Newcastle Investment** now plans to spin-off media assets into another new entity, New Media Investment Group, to be distributed to shareholders in 2014.

The next REIT spin-off was in November 2013, as Hotel REIT **Ashford Hospitality Trust** completed spin-off of **Ashford Hospitality Prime**, equity owner of 80% of a portfolio of 8 stable, profitable and fully leveraged hotels, previously contributing 20% of total hotel EBITDA to **Ashford Hospitality Trust**. Motivated by a desire to unmask the growth potential of renovated hotels, spin-off of **Ashford Hospitality Prime** separated the most profitable hotels from those in turnaround mode. Both Hotel REIT vehicles offer FFO growth, with **Ashford Hospitality Trust** seeking to maximize return on investment in renovated locations, while **Ashford Hospitality Prime** may expand portfolio through exercising future purchase options on additional hotels in **Ashford Hospitality Trust's** portfolio. Total shareholder dividends are expected to show modest increase.

Pending spin-offs by S&P 500 Index REITs **Weyerhaeuser** and **Simon Property Group** offer investors a choice of vehicles. **Weyerhaeuser** agreed to spin-off its WRECO homebuilder subsidiary to a simultaneous merger with Tri-Pointe Homes, a 2013 homebuilder IPO backed by Starwood Capital Group. Merged companies gain scale, with WRECO bringing operations in CA, AZ, NV, WA, TX, VA and MD to Tri-Pointe Homes' existing homebuilder operations in CA and CO. **Weyerhaeuser** will receive \$700 million in cash from Tri-Pointe Homes on conclusion of the spin-off and merger in 2Q 2014. **Simon Property Group's** proposed spin-off of smaller shopping malls to a new publicly traded Retail REIT provides investors a new vehicle promising FFO growth through renovations and new developments, while **Simon Property Group** will retain the most profitable 80% of existing portfolio of regional malls and brand name outlet centers. **Simon Property Group** expects to maintain existing dividend, while the spin-off Retail REIT is expected to contribute an additional 10% to total dividends. **Simon Property Group's** new spin-off Retail REIT may provide a merger vehicle for other Retail REITs, increasing possibilities for total shareholder return.

#### Trading Opportunities

**Weyerhaeuser** participates with other Specialty Timber REITs in a rally driven by higher US home prices, also supported by growing export markets for US Douglas fir, fluff products, and cellulose specialties. With market cap of \$18 billion, **Weyerhaeuser** operates a portfolio of timberlands, wood products manufacturing plants, fluff pulp and fiber processing mills. Stock price increased 14% year to date for 2013, still underperforming the S&P 500 Index. Adjusted EBITDA increased 28% for 3Q 2013. New CEO is focused on achieving \$400 million EBITDA growth (up 22%) by end of 2014 from acquisitions, divestitures, and cost savings. Dividends were increased 31% year to date for 2013, now providing income investors with 2.8% yield.

**Simon Property Group**, the largest US publicly traded REIT at market cap of \$56 billion, offers investors broad exposure to retail formats, with a total portfolio of 242 million square feet of retail space in regional malls and brand name outlet centers in US, Europe and Asia. Stock price decreased (2%) year to date for 2013, underperforming Retail REITs, up 3%. **Simon Property Group's** financial strength is exceptional, making it a likely acquirer of other Retail REITs over the next few years. **Simon Property Group** reported 11% FFO growth for 3Q 2013, with occupancy strong at 95.5% and average rents trending up 15% on lease turnover, as tenant sales increased 3% for the trailing 12 months ended 3Q 2013. Increased guidance for FFO for 2013 indicates 10% growth. **Simon Property Group** increased dividends 13% during 2013, now providing income investors with current yield of 3.1%.



Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Price	Price	Price	Price	Weekly	2013
		12/31/2012	11/29/2013	12/06/2013	12/13/2013	12/20/2013	Price Change	Price Change
American Tower Corp	AMT	\$77	\$78	\$78	\$77	\$78	2%	1%
Apartment Investment and Management	AIM	\$27	\$25	\$26	\$26	\$26	1%	-4%
AvalonBay Communities	AVB	\$136	\$119	\$122	\$119	\$119	-0%	-12%
Boston Properties	BXP	\$106	\$99	\$101	\$98	\$104	5%	-2%
Equity Residential	EQR	\$57	\$52	\$53	\$52	\$52	-0%	-8%
HCP Inc.	HCP	\$45	\$37	\$37	\$36	\$36	1%	-20%
Health Care REIT	HCN	\$61	\$56	\$55	\$54	\$53	-1%	-13%
Host Hotels & Resorts	HST	\$16	\$18	\$18	\$18	\$19	6%	22%
Kimco Realty	KIM	\$19	\$21	\$21	\$20	\$20	1%	5%
Macerich	MAC	\$58	\$57	\$60	\$59	\$59	1%	1%
Plum Creek Timber	PCL	\$44	\$44	\$45	\$44	\$46	4%	5%
Prologis, Inc	PLD	\$36	\$38	\$38	\$36	\$37	1%	1%
Public Storage	PSA	\$145	\$153	\$154	\$150	\$152	2%	5%
Simon Property Group	SPG	\$158	\$150	\$153	\$152	\$155	2%	-2%
Ventas	VTR	\$65	\$57	\$56	\$56	\$57	2%	-11%
Vornado Realty Trust	VNO	\$80	\$88	\$91	\$88	\$89	1%	11%
Weyerhaeuser	WY	\$28	\$30	\$30	\$30	\$31	5%	14%
S&P 500 Index	S&P 500	\$1,426	\$1,806	\$1,805	\$1,775	\$1,818	2%	27%
Average for S&P 500 Index REITs							2%	-1%

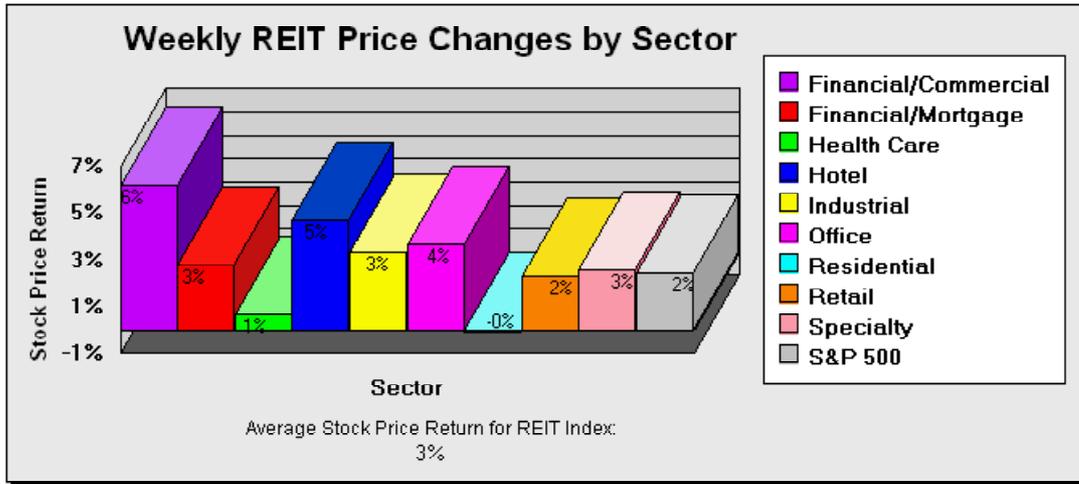
REIT stocks began to rebound, trading up 2% for the third week of December, the week ended December 20, 2013, as investors await more news of the Holiday 2013 spending season. REITs matched performance of the S&P 500 Index, also trading up 2% for the week. REITs now show loss of (1%) year to date for 2013, trailing performance of the S&P 500 Index, up 27% for 2013. Negative performance gap expanded to (28%). REITs now show the worst underperformance since 3Q 2009, when fears of collapsing US economy dominated the news.

None of the 17 REITs included in the S&P 500 Index is up the same or more than 27% gain for the S&P 500 Index, while 9 REITs are up less than the S&P 500 Index. A total of 8 of the S&P 500 REITs traded down year to date for 2013. Leading performers among REITs include **Host Hotels & Resorts**, up 22%, and **Public Storage** up 5%, both underperforming the S&P 500 Index by a wide margin. Specialty Timber REITs **Plum Creek Timber**, up 5%, and **Weyerhaeuser**, up 14%, indicate continued optimism over strength of US housing sector, despite negative impact of higher mortgage interest rates. Office REITs show disappointing performance, with **Boston Properties** down (2%) and **Vornado Realty Trust** up 11%, as rental rates decline in many urban areas. Economically sensitive Industrial REIT **Prologis Inc** shows gain of 1% for 2013. Retail REITs **Kimco Realty**, up 5% for 2013, as well as **Macerich**, up 1%, and **Simon Property Group**, down (2%) for 2013, demonstrate disappointment over lower tenant sales trends, although rental rate increases still support long term FFO growth. Gains previously achieved by Health Care REITs eroded, although efforts to defund or delay Affordable Care Act have been averted, with **HCP** down (20%), impacted by investor caution over management transition, while **Health Care REIT** is down (13%) and **Ventas** is down (11%) for 2013. Residential REITs also underperform, including **Apartment Investment and Management**, down (4%), **AvalonBay Communities** now down (12%), and **Equity Residential**, down (8%), as investors consider eventual impact of multifamily housing starts on occupancy for Residential REITs. **American Tower**, newcomer to REIT status, increased 1% year to date for 2013.

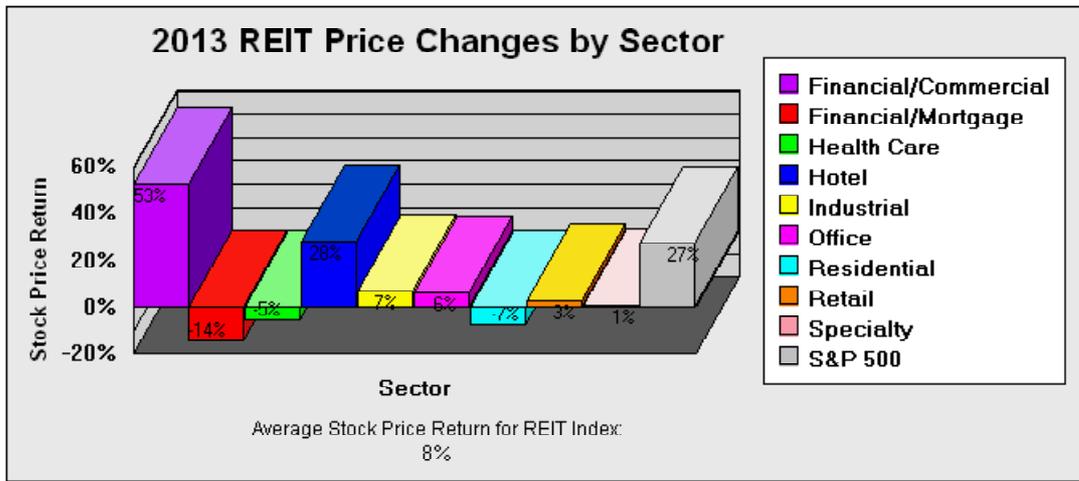
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Weekly REIT Price Changes by Sector

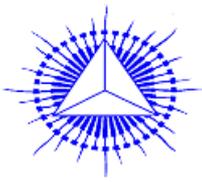


Almost all REIT sectors rallied for the third week of December, the week ended December 20, 2013, as investors await more news on sales trends for the Holiday 2013 season. Best performance was demonstrated by Financial Commercial REITs, up 6% as investors consider investing in commercial loans for higher yield, followed by Hotel REITs, up 5% on lower oil prices. Office REITs rallied 4%, followed by Financial Mortgage REITs, Industrial REITs, and Specialty REITs, all up 3%. Retail REITs gained 2%. Lagging REIT sectors were Health Care REITs, up 1%, and Residential REITs, unchanged. On average, stock prices for REIT Growth and Income Monitor traded up 3% for the week ended December 20, 2013.



Prices for REITs followed by REIT Growth and Income Monitor now show gain of 8% on average year to date for 2013, far behind performance of the S&P 500 Index, up 27% year to date for 2013. REITs previously outperformed, as investors sought dividend income. REITs offer higher yields than S&P 500 stocks, with REIT dividends taxed at the same rate as ordinary income. REIT funds flow demonstrates moderate growth, at a time when other market sectors face adjusted revenue expectations due to currency exposure and variable international economies. Leading sector for 2013 is Financial Commercial REITs, up 53%, as investor interest in commercial and non-agency securitizations indicates frustration with low interest rates on agency securities. Hotel REITs show 28% gain, due to decline in oil prices. Industrial REITs are up 7%, while Office REITs show 6% gain. Retail REITs are up 3%, while Specialty REITs show gain of 1%. Health Care REITs are down (5%) year to date for 2013, following unsuccessful efforts by Congress to defund and to delay Affordable Care Act. Residential REITs show decrease of (7%) year to date for 2013, although guidance indicates rapid FFO growth through the middle of 2014. Lagging Financial Mortgage REITs show loss of (14%), as investors consider impact of Federal Reserve tapering on the bond market during 2014.

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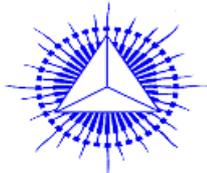


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REIT Comment



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Company:	Ashford Hospitality Trust
Price:	\$8
Recommendation:	BUY
Ranking:	2
Market Cap:	\$784
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:  
12/16/2013  
AHT \$8

Ashford Hospitality Trust AHT announced continuation of existing dividend throughout 2014

AHT confirmed previously announced expectation that quarterly dividends of \$0.12 per share will be continued throughout 2014 post November 2013 spin-off of Ashford Hospitality Prime AHP

AHT expects to achieve FFO growth for 2014 post-spin-off of Ashford Hospitality Prime AHP through renovations and rebranding of hotels among remaining portfolio of 115 hotels

AHT stock stabilizing in \$8-\$9 per share range, after gapping DOWN (\$4) per share to reflect transfer of value to spin-off Ashford Hospitality Prime AHP

AHT provides current dividend yield of 6.1%

AHT a Hotel REIT

AHT we rank 2 BUY

AHT market cap \$780 million

REIT Comment



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Company:	Ashford Hospitality Prime
Price:	\$19
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$480
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:  
12/16/2013  
AHP \$19

Ashford Hospitality Prime AHP dividend announcement by Ashford Hospitality Trust AHT confirms previous disclosures regarding dividends to be distributed after November 2013 spin-off

AHP owns 80% of portfolio of 8 stable, profitable and fully leveraged hotels, previously contributing 20% of total hotel EBITDA to AHT

AHP management of Ashford Hospitality Trust AHT and related parties own 19% equity stake in AHP

AHT shareholders of Ashford Hospitality Trust AHT received 1 share of AHP for each share of Ashford Hospitality Trust AHT

AHP expected to pay initial annual dividend of \$0.04 per share

AHP provides current dividend yield of 0.2%

AHP a Hotel REIT

AHP we rank 2 BUY

AHP market cap \$480 million

REIT Comment



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Company:	Prologis Inc
Price:	\$36
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,322
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:  
012/16/2013  
PLD \$36

Prologis Inc PLD news of continued growth in US factory output should support trading in stocks of Industrial REITs

PLD excluding output from mines and utilities, Federal Reserve reported factory output UP +0.6% for November 2013, showing acceleration from growth UP +0.5% for October 2013

PLD consumer products, including home electronics, cited as area of strong production growth

PLD report from Federal Reserve noted overall industrial production now exceeding previous peak in December 2007

PLD capacity utilization increased UP +0.8% to 79.0% for November 2013

PLD best economic metrics as coincident indicators for Industrial REITs are retail sales and international freight shipments

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

PLD provides current yield of 3.1%

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

PLD we rank 2 BUY

PLD market cap \$18.3 billion

PLD an S&P 500 Index REIT

REIT Comment



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Company:	Hatteras Financial
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,619
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:  
12/16/2013  
HTS \$16

Hatteras Financial HTS this week's Federal Reserve meeting to discuss tapering highlights investor fears of negative impact on bond market

HTS this week should also include a positive event, Senate vote to approve Janet Yellen as next Federal Reserve chairman, expected to lead to an extended period of monetary ease

HTS stocks of Financial Mortgage REITs showing some efforts to rally, even on recent news of dividend reductions, indicating stocks of Financial Mortgage REITs have been oversold

HTS now trading at discount of (23%) to current book value of \$21.31 per share as of September 2013

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

HTS provides yield of 12.1%, 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 2 BUY

HTS market cap \$1.6 billion

REIT Comment



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Company:	Weyerhaeuser
Price:	\$30
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,621
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  
12/16/2013  
WY \$30

Weyerhaeuser WY tomorrow's Investor Meeting provides opportunity for management to highlight opportunity for EBITDA growth generated by portfolio of timberlands, cellulose fiber and wood manufacturing businesses

WY recently completed \$2.7 billion acquisition of Longview Timber LLC, adding 10% to WY total timberlands, while increasing northwestern timber holdings by 33%

WY pending \$2.7 billion WRECO homebuilder subsidiary transaction with TRI Pointe Homes TPH combines features of a merger and a spin-off to WY shareholders, possibly enabling payment of a special dividend during 2014

WY provides current annual dividend yield of 2.9%

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

WY we rank 2 BUY

WY market cap \$17.6 billion

WY an S&P 500 Index REIT

REIT Comment



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Company:	Anworth Mortgage Asset
Price:	\$4
Recommendation:	BUY
Ranking:	2
Market Cap:	\$620
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:  
12/16/2013  
ANH \$4

Anworth Mortgage Asset ANH decreased quarterly dividend distribution by(33%) to \$0.08 per share for 1Q 2014

ANH new annual dividend \$0.32 per share

ANH new yield 7.6%, below the midpoint of the range for Financial Mortgage REITs

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

ANH we rank 2 BUY

ANH market cap \$620 million

REIT Comment



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Company:	Potlatch
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,651
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:  
12/16/2013  
PCH \$41

Potlatch PCH traded UP \$0.94 per share to close UP +2% day

PCH stock traded UP +4% year to date for 2013, outperforming Specialty REITs, trading DOWN (2%) for 2013

PCH trading in Specialty Timber REITs may benefit from positive Weyerhaeuser WY comments at investor meeting tomorrow

PCH expects higher prices for sawlogs and lumber during 2014

PCH provides current dividend yield of 3.1%

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

PCH we rank 2 BUY

PCH market cap \$1.7 billion

REIT Comment



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Company:	NorthStar Realty Finance
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,824
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:  
12/16/2013  
NRF \$12

NorthStar Realty Finance NRF traded UP +\$0.34 per share to close UP +3% day

NRF stock traded UP +73% year to date for 2013, outperforming Financial Commercial REITs, trading UP +43% for 2013

NRF pending spin-off of money management operation NorthStar Asset Management attracts investors seeking diversification of finance vehicles

NRF investor interest in CMBS now offers more opportunities for Financial Commercial REITs to monetize balance sheet loans through securitizations

NRF completed \$532 million securitization of commercial real estate loans during 3Q 2013

NRF increased quarterly dividend distribution by 5%, now providing current annual dividend yield of 8.5%

NRF increased quarterly dividend distributions for 9 consecutive quarters, including 4Q 2013

NRF a Financial Commercial REIT

NRF we rank 2 BUY

NRF market cap \$2.8 billion

REIT Comment



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Company:	DDR Corp
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,845
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:  
12/16/2013  
DDR \$15

DDR Corp DDR traded DOWN (\$0.14) per share to close DOWN (1%) day

DDR stock traded DOWN (5%) year to date for 2013, underperforming Retail REITs, trading unchanged for 2013

DDR portfolio expansion concentrated in retail power centers with 10-20 anchor tenants

DDR completed acquisition of 95% interest in 30 prime shopping centers from Blackstone during October 2013

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

DDR provides current annual dividend yield of 3.6%

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

DDR we rank 2 BUY

DDR market cap \$4.8 billion

REIT Comment



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Company:	American Tower
Price:	\$76
Recommendation:	BUY
Ranking:	2
Market Cap:	\$30,018
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:  
12/16/2013  
AMT \$76

American Tower AMT traded DOWN (\$0.67) per share to close DOWN (1%) day

AMT stock traded DOWN (2%) year to date for 2013, underperforming Specialty REITs, trading DOWN (2%) for 2013

AMT investors questioning potential impact of merger of tenants T-Mobile TMUS with Sprint Nextel (now owned by Japanese carrier Softbank)

AMT guidance for FFO for 2013 indicates growth UP +23%

AMT provides current annual dividend yield of 1.4%

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

AMT a Specialty REIT with a portfolio of wireless and broadcast communications real estate with towers in US, Europe, South America, Africa and India

AMT we rank 2 BUY

AMT market cap \$30.0 billion

AMT an S&P 500 Index REIT

REIT Comment



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Company:	KKR Financial Holdings LLC
Price:	\$9
Recommendation:	NONE
Ranking:	NONE
Market Cap:	\$1,930
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  
12/17/2013  
KFN \$9

KFN Financial Holdings LLC KFN, formerly a Financial Mortgage REIT, to be acquired by KKR & CO LP for \$2.6 billion in stock-for-stock transaction

KFN shareholders to receive 0.51 common shares of KKR for each share of KFN

KFN offer values KFN at \$12.79 per share, representing a 29% premium to latest KFN stock price

KFN transaction to be completed during 2Q 2014

KFN terminated REIT status and converted to a limited liability company during 2007

KFN divested portfolio of \$3.5 billion Residential MBS during 2Q 2008 through forfeiture to lenders to repay debt, followed soon thereafter by departure of key management amidst restructuring

KFN acquisitions and investments by KKR & Co LP during 2013 include Gardner Denver, Maritime Finance, PRA International, enstar Capital, ReSearch Pharmaceutical Services, Westar Aviation Services, Mitchell International, The Crosby Group, and Acco Material Handling Solutions

KFN providing annual dividend yield of 9.3%

KFN a specialty finance company with a portfolio of corporate debt high yield debt securities, private equity and royalty interests in oil and gas partnerships

KFN we carry no ranking or recommendation

KFN market cap \$1.9 billion

REIT Comment



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Company:	Host Hotels & Resorts
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$13,667
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:  
12/17/2013  
HST \$18

Host Hotels & Resorts HST projected increase in US production of crude oil should support trading in Hotel REIT stocks

HST report from EIA (US Energy Information Administration) Annual Energy Outlook projects US oil production will steadily climb UP +10% to 9.5 million barrels per day for 2016

HST Hotel REITs may benefit from lower oil prices as production increases

HST like all travel related stocks, Hotel REITs normally traded inversely to price of oil and aviation fuel

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

HST guidance for FFO for 2013 indicates growth UP +16%-+18%

HST increased dividend by 18%, now providing annual dividend yield of 2.8%

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

HST we rank 3 HOLD

HST market cap \$13.7 billion

HST an S&P 500 Index REIT

REIT Comment



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Company:	American Tower
Price:	\$76
Recommendation:	BUY
Ranking:	2
Market Cap:	\$30,018
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:  
12/17/2013  
AMT \$76

American Tower AMT increased quarterly dividend distribution by 4% to \$0.29 per share for 4Q 2013

AMT new annual dividend \$1.16 per share

AMT new yield 1.5%

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

AMT a Specialty REIT with a portfolio of wireless and broadcast communications real estate with towers in US, Europe, South America, Africa and India

AMT we rank 2 BUY

AMT market cap \$30.0 billion

AMT an S&P 500 Index REIT

REIT Comment



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Company:	American Tower
Price:	\$76
Recommendation:	BUY
Ranking:	2
Market Cap:	\$30,018
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  
12/17/2013  
AMT \$76

American Tower AMT investors focusing on exposure to wireless carrier consolidations

AMT Japanese wireless carrier Softbank seeking to acquire T-Mobile TMUS to combine with Sprint and Nextel International in bid for global market share

AMT exposure to Sprint Nextel S and T-Mobile TMUS greater on pro forma basis for pending \$4.8 billion merger with Global Tower Partners, expected to close during 4Q 2013

AMT management estimates exposure to Nextel International and Sprint at 16% of consolidated pro forma revenue for combined companies, with exposure to T-Mobile TMUS at 10% of consolidated pro forma revenues

AMT wireless carrier consolidation normally adds to revenue growth as carriers invest to add acquired subscribers to unused spectrum

AMT lower revenues from wireless carrier consolidation may occur only where merging carriers rent space on the same towers, and then only when average 7 year lease term expires or is renewed

AMT technology upgrade to LTE driving incremental investment as well as higher rents for existing customer base of wireless carriers

AMT guidance for FFO for 2013 indicates growth UP +23%

AMT provides current annual dividend yield of 1.5%

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

AMT a Specialty REIT with a portfolio of wireless and broadcast communications real estate with towers in US, Europe, South America, Africa and India

AMT we rank 2 BUY

AMT market cap \$30.0 billion

REIT Comment



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Company:	Host Hotels & Resorts
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$13,667
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:  
12/17/2013  
HST \$18

Host Hotels & Resorts HST increased quarterly dividend distribution by 18% to \$0.13 per share for 1Q 2014

HST new annual dividend \$0.46 per share

HST new yield 2.8%

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

HST we rank 3 HOLD

HST market cap \$13.7 billion

HST an S&P 500 Index REIT

REIT Comment



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Company:	Liberty Property Trust
Price:	\$34
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,794
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:  
12/17/2013  
LRY \$34

Liberty Property Trust LRY traded UP\$1.25 per share to close UP +4% day

LRY stock traded DOWN (4%) year to date for 2013, underperforming Office REITs, trading UP +3% for 2013

LRY adjusted FFO guidance for acquisition of Cabot Industrial Fund including dilution from share offering to fund the transaction, as well as pending divestiture of suburban office properties

LRY now forecasts FFO for 2013 to decline DOWN (3%)-(4%), with FFO FLAT for 2014

LRY repositioning portfolio to concentrate on industrial properties

LRY provides current annual dividend yield of 5.6%

LRY an Office REIT with a diverse portfolio of office, industrial and flex properties

LRY we rank 2 BUY

LRY market cap \$4.8 billion

REIT Comment



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Company:	Alexandria Real Estate Equities
Price:	\$63
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,488
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:  
12/17/2013  
ARE \$63

Alexandria Real Estate Equities ARE traded UP \$1.67 per share to close UP +3% day

ARE stock traded DOWN (9%) year to date for 2013, underperforming Health Care REITs, trading DOWN (6%) for 2013

ARE projects 8% growth in net cash from operations for 2014, due to growth in NOI from core properties, as well as new developments

ARE investing \$1.1 billion to develop new properties for total portfolio capacity increment of +15%

ARE guidance for FFO for 2013 indicates a FLAT year

ARE increased quarterly dividend distribution by 5% for 4Q 2013, bringing current annual dividend yield to 4.3%

ARE a Health Care REIT with a portfolio of office and laboratory properties net leased to biotech and pharmaceutical tenants

ARE we rank 2 BUY

ARE market cap \$4.5 billion

REIT Comment



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Company:	Corporate Office Properties Trust
Price:	\$23
Recommendation:	SELL
Ranking:	5
Market Cap:	\$2,073
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:  
12/17/2013  
OFC \$23

Corporate Office Properties Trust OFC traded UP \$0.44 per share to close UP +2% day

OFC stock traded DOWN (8%) year to date for 2013, underperforming Specialty REITs, trading DOWN (2%) for 2013

OFC news of "procedural vote" in Senate indicates budget bill likely to pass tomorrow by majority vote of full Senate

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

OFC management focused on renewal of 13% of office leases scheduled to expire by end of 2014

OFC guidance for FFO for 2013 indicates decrease DOWN (7%)

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

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

OFC we rank 5 SELL

OFC market cap \$2.1 billion

REIT Comment



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Company:	Government Properties Income Trust
Price:	\$25
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,349
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:  
12/17/2013  
GOV \$25

Government Properties Income Trust GOV traded UP \$0.38 per share to close UP +2% day

GOV stock traded UP +3% year to date for 2013, outperforming Specialty REITs, trading DOWN (2%) for 2013

GOV news of "procedural vote" in Senate indicates budget bill likely to pass tomorrow by majority vote of full Senate

GOV portfolio of office properties now 76% leased to federal government agencies and 20% leased to state agencies

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

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

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

GOV provides current annual dividend yield of 7.0%

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

GOV we rank 3 HOLD

GOV market cap \$1.3 billion

REIT Comment



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Company:	Liberty Property Trust
Price:	\$34
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,794
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  
12/17/2013  
LRY \$34

Liberty Property Trust LRY adjusted guidance to reflect dilution from share offerings as well as impact of acquisitions and divestitures

LRY adjusted FFO guidance for acquisition of Cabot Industrial Fund including dilution from share offering to fund the transaction, as well as pending divestiture of suburban office properties

LRY during October 2013 completed acquisition of operating partnership of Cabot Industrial Value Fund III for \$1.5 billion, adding 28% to portfolio capacity

LRY raised \$860 million from share offering during August 2013, adding 19% to total shares outstanding

LRY pending \$705 million divestiture of suburban office and flex properties, representing 6% of total in-service portfolio, will impact NOI for full year until funds are re-invested

LRY reduced guidance 2013 FFO \$2.48-\$2.50 v \$2.58 DOWN (3%)-(4%)  
LRY previous guidance 2013 FFO \$2.55-\$2.59 per share

LRY new guidance 2014 FFO \$2.45-\$2.55 v \$2.48-\$2.50 DOWN (1%)-UP +2%

LRY benefit of acquisition and divestitures will not be evident in FFO growth until the end of 2014

LRY reclassified as Industrial REIT, with majority of properties now concentrated in industrial and flex properties

LRY has maintained dividend despite higher levels of capital spending and dilution from share offerings

LRY provides current annual dividend yield of 5.6%

LRY an Industrial REIT with a diverse portfolio of industrial, flex and office properties

LRY we rank 2 BUY

LRY market cap \$4.8 billion

REIT Comment



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Company:	Weyerhaeuser
Price:	\$30
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,674
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  
12/18/2013  
WY \$30

Weyerhaeuser WY yesterday's investor meeting clarified management commitment to total shareholder return, with EBITDA growth driving higher dividends

WY management highlighted potential for \$400 million EBITDA growth UP +22% by end of 2014 from acquisitions, divestitures, and cost savings

WY Longview Timber acquisition adds \$150-\$160 million EBITDA, expected to increase to \$170-\$180 million by end of 2014

WY improved profitability from higher prices for sawlogs expected to add \$50-\$75 million EBITDA from timber operations

WY cost savings to contribute \$75 million through reduction of SG&A spending

WY investments in wood products manufacturing process and distribution to add total \$60-\$80 million EBITDA

WY shift to 18 month maintenance schedule for cellulose fibers to contribute incremental \$100 million EBITDA

WY pending spin-off of WRECO saves \$240 million annual investment in land inventory, partially offset by loss of (\$170) million WRECO EBITDA contribution

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

WY final decision on structure of \$3.1 billion WRECO spin-off or spin-out in pending merger with Tri-Pointe Homes TPH to be made by board of directors during 2Q 2014

WY spin-off would be similar to a stock dividend, while spin-out might enable WY shareholders to choose to hold WRECO/TPH or remain exclusively WY shareholder

WY management comments did not address potential for special dividend but comments on dividend parameters indicate \$700 million cash payment from Tri-Pointe Homes TPH may be retained

WY comments on US housing demand noted slight reduction to previous estimate of housing starts for 2013, now projecting total 9.25 million units, compared to more than 2.0 million at peak in 2007  
WY market share gain from Canadian timber expected to accelerate as current Canadian exports must decline, as pine beetle infestation drove unsustainable harvest level for past 3 years

WY provides current annual dividend yield of 2.9%

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

WY we rank 2 BUY

WY market cap \$17.7 billion

WY an S&P 500 Index REIT

REIT Comment



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Company:	Plum Creek Timber
Price:	\$45
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,405
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  
12/18/2013  
PCL \$45

Plum Creek Timber PCL news of higher US building permits supports trading in stocks of Specialty Timber REITs

PCL report from Census Bureau found US building permits UP +7.3% for November 2013 from previous year to annualized rate of 1.007 million

PCL new single family home starts at annual rate of 1.091 million for November 2013 UP +29.6% from previous year

PCL increased demand for lumber for home construction supports higher prices for sawlogs and timber, driving improved demand for Specialty Timber REITs

PCL manufacturing business expected to continue to improve as lumber demand increases

PCL guidance for EPS for 2013 indicates growth UP +11%

PCL completed \$1.1 billion acquisition of timberlands and other assets from MeadWestvaco during December 2013, with deal expected to be accretive during first year

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

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

PCL we rank 2 BUY

PCL market cap \$7.4 billion

PCL an S&P 500 Index REIT

REIT Comment



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Company:	Annaly Capital Management
Price:	\$10
Recommendation:	BUY
Ranking:	2
Market Cap:	\$9,643
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  
12/18/2013  
NLY \$10

Annaly Capital Management NLY news of lower mortgage application reflects seasonality and resistance to the expectation of higher interest rates

NLY report from MBA (Mortgage Bankers Association) found mortgage applications DOWN (5.5%) for week ended December 13, 2013

NLY mortgage applications for refinance DOWN (4%), while mortgage applications for home purchase also DOWN (12%)

NLY report from MBA (Mortgage Bankers Association) found average interest rate on 30 year fixed rate conforming mortgage UP +0.01% to 4.62%

NLY improved profitability of both Fannie Mae FNMA and Freddie Mac FMCC provides important support for US Treasury at time of fiscal austerity, providing additional reason to delay previously planned liquidation of Fannie Mae FNMA and Freddie Mac FMCC

NLY status quo for Financial Mortgage REITs now appears likely to be maintained through 2016 elections

NLY continuity of existing structure for conforming loans expected to continue under new federal agency, if not through Fannie Mae FNMA

NLY stock price supported by current annual dividend yield of 13.9%, near the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$9.6 billion

REIT Comment



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Company:	New Residential Investment
Price:	\$6
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,676
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:  
12/18/2013  
NRZ \$6

New Residential Investment NRZ announced special dividend of \$0.075 per share for 4Q 2013 payable during January 2013 with regular quarterly distribution of \$0.175 per share

NRZ since spin-off from Newcastle Investment NCT, total dividends for NRZ now \$0.495 per share

NRZ including special dividend and current \$0.10 per share quarterly distribution for NCT, total dividend distributions represent increase UP +37% from previous NCT dividend prior to spinoff of NRZ

NRZ providing current annual dividend yield of 10.9%

NRZ a Financial Mortgage REIT

NRZ we rank 2 BUY

NRZ market cap \$1.7 billion

REIT Comment



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Company:	New Residential Investment
Price:	\$6
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,676
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:  
12/18/2013  
NRZ \$6

New Residential Investment NRZ announced pending \$3.2 billion acquisition of mortgage servicing advances on non-agency loans from Nationstar NSM

NRZ to acquire \$58 billion total principal value of mortgage loans

NRZ expects to generate 14% return on the mortgage servicing advances, with Nationstar to continue servicing the loans

NRZ retains right to repurchase remaining non-agency advances of \$3.1 billion relating to \$72 billion principal value of non-agency loans

NRZ stock now trading at 30% premium to latest GAAP book value of \$4.98 per share, reflecting acquisition of assets

NRZ management sees opportunity to acquire additional portfolios of MSR(mortgage servicing rights), as well as NPLs (non-performing loans) to be acquired at deep discount

NRZ providing current annual dividend yield of 11.0%

NRZ a Financial Mortgage REIT

NRZ we rank 2 BUY

NRZ market cap \$1.7 billion

REIT Comment



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Company:	Weyerhaeuser
Price:	\$31
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,432
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  
12/18/2013  
WY \$31

Weyerhaeuser WY traded UP \$1.29 per share to close UP +4% day

WY stock traded UP +14% year to date for 2013, outperforming Specialty REITs, trading DOWN (2%) for 2013

WY stock continued to rally following yesterday's Investor Meeting, highlighting potential for 20% EBITDA growth based on acquisition of Longview, spin-off of WRECO and cost reductions

WY comments on US housing demand noted slight reduction to previous estimate of housing starts for 2013, now projecting total 9.25 million units, compared to more than 2.0 million at peak in 2007

WY market share gain from Canadian timber expected to accelerate as current Canadian exports must decline, as pine beetle infestation drove unsustainable harvest level for past 3 years

WY provides current annual dividend yield of 2.8%

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

WY we rank 2 BUY

WY market cap \$18.4 billion

WY an S&P 500 Index REIT

REIT Comment



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Company:	Brandywine Realty Trust
Price:	\$14
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,214
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:  
12/18/2013  
BDN \$14

Brandywine Realty Trust BDN traded UP\$0.48 per share to close UP +4% day

BDN stock traded UP +14% year to date for 2013, outperforming Office REITs, trading UP +3% for 2013

BDN strategy for portfolio restructuring includes adding exposure to downtown Philadelphia Austin TX, and educational housing

BDN recently increased guidance for FFO for 2013 to indicate growth UP +4% for both 2013 and 2014

BDN stock price supported by current dividend yield of 4.3%

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

BDN we rank 2 BUY

BDN market cap \$2.2 billion

REIT Comment



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Company:	Highwoods Properties
Price:	\$36
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,295
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:  
12/18/2013  
HIW \$36

Highwoods Properties HIW traded UP \$1.04 per share to close UP +3% day

HIW stock traded UP +9% year to date for 2013, outperforming Office REITs, trading UP +3% for 2013

HIW like other REITs seeing rents on office leases decreasing DOWN more than (5%) in most urban areas

HIW year to date 2013 added more than \$500 million acquisitions

HIW guidance for FFO for 2013 indicates growth UP +3%

HIW stock price supported by current annual dividend yield of 4.7%

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

HIW we rank 3 HOLD

HIW market cap \$3.3 billion

REIT Comment



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Company:	EastGroup Properties
Price:	\$58
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,774
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:  
12/18/2013  
EGP \$58

EastGroup Properties EGP traded UP \$1.81 per share to close UP +3% day

EGP stock traded UP +8% year to date for 2013, outperforming Industrial REITs, trading UP +4% for 2013

EGP reports bullish demand forecast for Dallas and Houston and other southern markets

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

EGP provides current annual dividend yield of 3.7%

EGP an Industrial REIT with a portfolio of bulk distribution properties

EGP we rank 3 HOLD

EGP market cap \$1.8 billion

REIT Comment



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Company:	Equity Residential
Price:	\$53
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,734
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:  
12/19/2013  
EQR \$53

Equity Residential EQR today's news of higher unemployment claims follows normal year end seasonal pattern

EQR Labor Department reported new claims for unemployment UP+10,000 to 379,000 for week ended December 14, 2013 from revised number for previous week

EQR more stable 4 week moving average of new unemployment claims increased UP +13,250 to 343,500 from revised number for previous week

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

EQR top end of guidance range for FFO for 2013 indicates growth UP +3%, while guidance for FFO for 2014 indicates growth UP +4% next year

EQR stock supported by current annual dividend yield of 3.4%

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

EQR we rank 2 BUY

EQR market cap \$19.7 billion

EQR an S&P 500 Index REIT

REIT Comment



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Company:	CYS Investments
Price:	\$7
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,245
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:  
12/19/2013  
CYS \$7

CYS Investment CYS yesterday's stock rally on news of long anticipated end to Federal Reserve tapering proves the adage that anticipation is worse than reality

CYS Financial Mortgage REIT rally despite recent dividend reductions signals Financial Mortgage REIT stocks have been oversold

CYS now trading at discount of (26%) to current book value of \$10.10 per share as of September 2013

CYS reduced quarterly dividend distribution by (6%) to \$0.32 per share for 4Q 2013

CYS stock price supported by current annual dividend yield of 17.2%, at the high end of the range for Financial Mortgage REITs

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

CYS we rank 3 HOLD

CYS market cap \$1.2 billion

REIT Comment



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Company:	Hatteras Financial
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,664
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  
12/19/2013  
HTS \$17

Hatteras Financial HTS expected Senate vote to confirm Janet Yellen as new Federal Reserve chairman should support trading in Financial Mortgage REIT stocks

HTS despite opposition of top Republican Senate leadership, simple majority vote should be expected to confirm Yellen appointment

HTS Republican Senate Minority Leader Mitch McConnell announced his intention to vote against Yellen as a symbolic gesture to call attention to need for a strong dollar

HTS Yellen leadership at Federal Reserve expected to lead to extended period of monetary ease

HTS stocks of Financial Mortgage REITs starting to rally, despite recent news of dividend reductions, indicating stocks of Financial Mortgage REITs have been oversold

HTS now trading at discount of (21%) to current book value of \$21.31 per share as of September 2013

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

HTS provides yield of 11.8%, below the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 2 BUY

HTS market cap \$1.7 billion

REIT Comment



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Company:	Essex Property Trust
Price:	\$148
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,847
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  
12/19/2013  
ESS \$148

Essex Property Trust ESS announced pending merger with BRE Properties BRE

ESS offer slightly increased to \$56.21 per share for BRE Properties BRE, including 0.2971 shares of ESS for each share of BRE, plus \$12.33 per share in cash

ESS combined REIT to have market cap of \$10.4 billion and total enterprise valuation of \$15.4 billion for combined portfolio of 239 apartment communities with 56,064 apartments concentrated 50% in southern CA, 33% in northern CA and 16% in Seattle

ESS total valuation of BRE Properties BRE on transaction \$6.1 billion, including \$1.9 billion debt

ESS shareholders to own 63% of combined REIT, with BRE shareholders to own 37%

ESS considering asset sales, divestiture to joint ventures and financings to fund \$954 million cash portion of transaction

ESS current CEO Michael Schall to serve as President and CEO of combined REIT, with 3 directors of BRE to be added to board of ESS

ESS expects merger to be accretive, adding \$0.05-\$0.08 per share to annual core FFO

ESS guidance for FFO for 2013 indicates growth UP +12%

ESS expects to continue current dividend of \$4.84 per share, while BRE shareholders will continue to receive dividends pro rata through date of merger

ESS providing annual dividend yield of 2.8%

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

ESS we rank 2 BUY

ESS market cap \$5.8 billion

REIT Comment



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Company:	BRE Properties
Price:	\$56
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,325
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  
12/19/2013  
BRE \$56

BRE Properties BRE accepted offer to merge with Essex Property Trust ESS for \$56.21 per share in stock and cash

BRE offer from ESS slightly increased to \$56.21 per share for BRE Properties BRE, including 0.2971 shares of ESS for each share of BRE, plus \$12.33 per share in cash

BRE combined company to have market cap of \$10.4 billion and total enterprise valuation of \$15.4 billion for combined portfolio of 239 apartment communities with 56,064 apartments concentrated 50% in southern CA, 33% in northern CA and 16% in Seattle

BRE total valuation of BRE on transaction \$6.1 billion, including \$1.9 billion debt

BRE combined REIT to be owned 63% by shareholders of ESS, with BRE shareholders to own 37%

BRE merger with ESS viewed as most logical combination due to similarity of ESS apartment portfolio concentration

BRE current CEO of ESS Michael Schall to serve as President and CEO of combined REIT, with 3 directors of BRE to be added to board of ESS

BRE latest guidance for FFO for 2013 indicates growth UP +6%

BRE shareholders will continue to receive dividends pro rata through date of merger

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

BRE a Residential REIT with a diverse portfolio of apartment communities concentrated in western states

BRE we DOWNGRADE to 3 HOLD

BRE market cap \$4.3 billion

REIT Comment



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Company:	FelCor Lodging Trust
Price:	\$7
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$892
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:  
12/19/2013  
FCH \$7

FelCor Lodging Trust FCH traded DOWN (\$0.33) per share to close DOWN (4%) day

FCH stock traded UP +52% year to date for 2013, outperforming Hotel REITs, trading UP +23% for 2013

FCH like other Hotel REITs should benefit from lower oil prices, as travel related stocks normally trade inversely to price of gasoline

FCH indicating FFO profit of \$0.03-\$0.04 per share expected for 4Q 2013, compared to loss for previous year

FCH restored common stock dividend, with payment of \$0.02 per share pending for 1Q 2014, first distribution on common shares since 2008

FCH current annual dividend yield 1.1%

FCH a Hotel REIT

FCH we rank 3 HOLD

FCH market cap \$900 million

REIT Comment



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Company:	Health Care REIT
Price:	\$53
Recommendation:	BUY
Ranking:	2
Market Cap:	\$15,145
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:  
12/19/2013  
HCN \$53

Health Care REIT HCN traded DOWN (\$2.08) per share to close DOWN (4%) day

HCN stock traded DOWN (14%) year to date for 2013, underperforming Health Care REITs, trading DOWN (6%) for 2013

HCN tenants of Health Care REITs should benefit from greater insured population as Affordable Care Act is implemented from 2014-2017

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

HCN increased dividend by 3% for 2014, now providing current annual dividend of 6.1%

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

HCN we rank 2 BUY

HCN market cap \$15.1 billion

HCN an S&P 500 Index REIT

REIT Comment



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Company:	Senior Housing Properties Trust
Price:	\$22
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,144
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:  
12/19/2013  
SNH \$22

Senior Housing Properties Trust SNH traded DOWN (\$0.76) per share to close DOWN (3%) day

SNH stock traded DOWN (7%) year to date for 2013, underperforming Health Care REITs, trading DOWN (6%) for 2013

SNH tenants of Health Care REITs should benefit from greater insured population as Affordable Care Act is implemented from 2014-2017

SNH plans to divest 17 properties now held for sale as discontinued operations

SNH investors considering upside for all related companies to CommonWealth REIT CWH in light of unfriendly shareholder attempt to gain control of CWH

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

SNH no guidance provided for FFO for 2013

SNH stock price supported by current annual dividend yield of 7.1%

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

SNH we rank 2 BUY

SNH market cap \$4.1 billion

REIT Comment



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Company:	BRE Properties
Price:	\$54
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$4,185
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:  
12/19/2013  
BRE \$54

BRE Properties BRE traded DOWN (\$1.80) per share to close DOWN (3%) day

BRE stock traded UP +6% year to date for 2013, outperforming Residential REITs, trading DOWN (7%) year to date for 2013

BRE traded DOWN on news of acceptance of \$56.21 per share merger offer from Essex Property Trust ESS, indicating shareholders may have been hoping for a higher transaction price

BRE total valuation of BRE on transaction \$6.1 billion, including \$1.9 billion debt

BRE combined REIT to be owned 63% by shareholders of ESS, with BRE shareholders to own 37%

BRE shareholders will continue to receive dividends pro rata through date of merger

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

BRE we DOWNGRADE to 3 HOLD

BRE a Residential REIT with a diverse portfolio of apartment communities concentrated in western states

BRE we rank 3 HOLD

BRE market cap \$4.2 billion

REIT Comment



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Company:	Prologis Inc
Price:	\$37
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,544
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  
12/20/2013  
PLD \$37

Prologis Inc PLD news of positive adjustment to GDP growth indicates US economy showing surprising strength

PLD report from BEA (Bureau of Economic Analysis, US Department of Commerce) found US real GDP increased UP +4.1% for 3Q 2013, indicating acceleration compared to growth UP+2.5% for 2Q 2013

PLD previous estimate from BEA found 3Q 2013 US GDP UP +3.6%

PLD recent management comments noted market conditions improving with tenant investment decisions based on current requirements, without preparation for future growth in inventories

PLD guidance for core FFO for 2013 indicates decline DOWN (6%), reflecting property divestitures to institutional joint venture funds

PLD provides current yield of 3.1%

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

PLD we rank 2 BUY

PLD market cap \$18.5 billion

PLD an S&P 500 Index REIT

REIT Comment



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Company:	Annaly Capital Management
Price:	\$10
Recommendation:	BUY
Ranking:	2
Market Cap:	\$9,433
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:  
12/20/2013  
NLY \$10

Annaly Capital Management NLY reduced quarterly dividend distribution by(14%) to \$0.30 per share for 1Q 2014

NLY new annual dividend\$1.20 per share

NLY new yield 14.2%, above the midpoint of the range for Financial Mortgage REITs

NLY investors have accepted quarterly variability in dividend distributions over last5 years

NLY experienced less book value decline than many Financial Mortgage REITs during3Q 2013, DOWN (3%)

NLY now trading at discount of(22%) to latest GAAP book value of \$12.70 per share

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

NLY we rank 2 BUY

NLY market cap \$9.4 billion

REIT Comment



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Company:	iStar Financial
Price:	\$14
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,174
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:  
12/19/2013  
STAR \$14  
previous SFI

iStar Financial SFI changed to new ticker symbol STAR effective 12/19/2013

SFI stock trading higher on ticker symbol change

SFI has not paid dividends on common stock since 2008

SFI a Financial Commercial REIT

SFI we rank 3 HOLD

SFI market cap \$1.2 billion

REIT Comment



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Company:	iStar Financial
Price:	\$14
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,174
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:  
12/20/2013  
STAR \$14

iStar Financial STAR trading higher since announcing change to ticker symbol

STAR stock traded UP +9% over past 2 days on change of ticker symbol to [STAR] from [SF]

STAR balance sheet still burdened by illiquid portfolio of commercial loans and real estate

STAR almost 40% of total portfolio in operating real estate and land (much of it acquired through foreclosure), while the balance invested in commercial net leased properties and other loans and investments

STAR no guidance provided for 2013 EPS

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:	Hatteras Financial
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,623
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:  
12/20/2013  
HTS \$17

Hatteras Financial HTS news of lower sales of existing homes indicates negative impact of seasonality and restrictive credit

HTS report from NAR (National Association of Realtors) found existing home sales DOWN (4.3%) to annual rate of 4.90 million for November 2013

HTS existing home sales DOWN (1.2%) from previous year, showing first year over year decline in 2 years

HTS prices of existing homes UP +9.4%, due to lower supply of homes available for sale, DOWN (1.9%) to 2.09 million homes

HTS President of NAR highlights negative impact of restrictive credit and higher mortgage interest rates on total number of transactions

HTS Financial Mortgage REITs benefit from home sales, providing mortgage volume for agency guaranteed securitizations

HTS provides yield of 12.1%, near the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 2 BUY

HTS market cap \$1.6 billion

REIT Comment



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Company:	Mack-Cali Realty
Price:	\$21
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,142
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:  
12/20/2013  
CLI \$21

Mack-Cali Realty CLI continuing portfolio transition to residential investments with additional apartment acquisition in NJ

CLI invested \$41 million to acquire Riverwatch Commons and Richmond Court in New Brunswick NJ

CLI acquired properties are apartment buildings in urban area near campus of Rutgers U and headquarters of Johnson & Johnson JNJ

CLI divesting low return office properties to focus new investment on residential properties

CLI guidance for FFO for 2013 indicates decline DOWN (12%)

CLI recent (35%) dividend reduction reflects management disappointment over lower FFO due to lagging rental rates for office properties

CLI provides current annual dividend yield of 5.6%

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

CLI we rank 3 HOLD

CLI market cap \$2.1 billion

REIT Comment



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Company:	Brandywine Realty Trust
Price:	\$14
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,174
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  
12/20/2013  
BDN \$14

Brandywine Realty Trust BDN accelerating portfolio transition with completion of \$379 million acquisitions

BDN completed previously announced acquisitions of One and Two Commerce Square in downtown Philadelphia for \$332 million and Four Points Centre with land parcels in Austin TX for \$47 million from Parkway Properties on merger with Thomas Properties

BDN strategy for portfolio restructuring includes adding significant exposure to downtown Philadelphia, as well as geographic expansion to Austin TX and extension of portfolio investment types to include educational housing through joint venture with Campus Crest CCG

BDN increased guidance for FFO for 2013 to indicate growth UP +4% for both 2013 and 2014

BDN stock price supported by current dividend yield of 4.4%

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

BDN we rank 2 BUY

BDN market cap \$2.2 billion

REIT Comment



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Company:	Parkway Properties
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,239
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:  
12/20/2013  
PKY \$18

Parkway Properties PKY completed \$1.2 billion merger with Thomas Properties Group TPGI

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

PKY shareholders of TPGI received 0.3822 shares of new PKY stock for each share, and each former share of Thomas Properties limited voting stock converted into 0.3822 of PKY limited voting stock

PKY shareholders of TPGI own 25% of combined REIT, with PKY shareholders owning 75%

PKY merger added 7 office properties in Houston and Austin TX. expanding portfolio capacity by 40%

PKY simultaneous divestiture of \$371 million properties to Brandywine Realty Trust enables debt repayment

PKY James A Thomas, CEO of TPGI, to join PKY as Chairman of the Board, with PKY CEO James R Heistand to continue as CEO of combined REIT

PKY combined REIT continues to trade on NYSE under ticker symbol [PKY]

PKY provides current dividend yield of 3.3%

PKY an Office REIT

PKY we rank 3 HOLD

PKY market cap \$1.2 billion

REIT Comment



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Company:	Brookfield Office Properties
Price:	\$19
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$9,846
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:  
12/20/2013  
BPO \$19

Brookfield Office Properties BPO announced slight increase to merger offer from Brookfield Property Partners LP BPY

BPO shareholders may elect to receive 1.0 units of BPY for each share owned of BPO or \$20.34 per share in cash

BPO merger offer for 49% of BPO not already owned by BPY expected to take effect during 1Q 2014

BPO offer valued at \$5.1 billion for 49% of BPO common stock, excluding total BPO debt of \$12 billion

BPO Brookfield Property Partners BPY a non-REIT owner of office, retail, industrial and residential assets listed on NYSE

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

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

BPO we rank 4 SELL

BPO market cap \$9.8 billion

REIT Comment



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Company:	Realty Income
Price:	\$38
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,401
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:  
12/20/2013  
O \$38

Realty Income O traded DOWN (\$0.40) per share to close DOWN (1%) day

O stock traded DOWN (6%) year to date for 2013, underperforming Specialty REITs, trading DOWN (2%) for 2013

O completing year of exceptional growth during 2013 due to major acquisition

O guidance for FFO for 2013 indicates growth UP +20%, to be followed by 2014 FFO growth UP +7% next year

O demonstrates exceptional long term record of monthly dividend increases

O stock price supported by current annual dividend yield of 5.8%

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

O we rank 2 BUY

O market cap \$7.4 billion

REIT Comment



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Company:	Parkway Properties
Price:	\$19
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,292
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:  
12/20/2013  
PKY \$19

Parkway Properties PKY traded UP \$0.77 per share to close UP +4% day

PKY stock traded UP +35% year to date for 2013, outperforming Office REITs, trading UP +3% for 2013

PKY today announced completion of \$1.5 billion merger with Thomas Properties Group TPGI in stock-for-stock transaction, adding 28% to total shares outstanding

PKY expanded portfolio of office properties on merger, as well as addition of top management, viewed as positioning PKY for future growth

PKY combined REIT continues to trade on NYSE under ticker symbol [PKY]

PKY provides current dividend yield of 3.2%

PKY an Office REIT

PKY we rank 3 HOLD

PKY market cap \$1.3 billion

REIT Comment



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Company:	Apartment Investment and Management
Price:	\$26
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,769
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:  
12/20/2013  
AIV \$26

Apartment Investment and Management AIV traded UP\$0.19 per share to close UP +1% day

AIV stock traded DOWN (4%) year to date for 2013, underperforming Residential REITs, trading DOWN (7%) for 2013

AIV takeover talk buoys trading in Residential REITs

AIV mentioned as potential takeover target as smallest market cap among Residential REITs included in S&P 500 Index

AIV reported strong results for 3Q 2013 FFO, with growth UP +9%

AIV narrowed guidance range for FFO for 2013 to indicate growth UP +12%

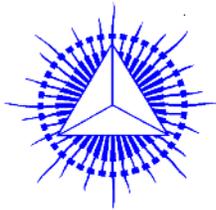
AIV provides current dividend yield of 3.7%

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

AIV we rank 2 BUY

AIV market cap \$3.8 billion

AIV an S&P 500 Index REIT



**REIT Growth and Income Monitor** posted 50 REIT comments for the week ended December 20, 2013. Comments were issued on REITs in the following sectors:

Financial REITs	13
Health Care REITs	3
Hotel REITs	5
Industrial REITs	5
Office REITs	8
Residential REITs	5
Retail REITs	1
Specialty REITs	10

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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