

REIT Growth and Income Monitor

Weekly Comments 03/25/2014

Positive performance gap for REITs narrowed to 5% year to date for 2014, as REITs maintained gains while S&P 500 Index rallied.

Health Care REITs should benefit from Affordable Care Act due to expansion of insured population.

Ventas likely to add opportunistic acquisitions as health care providers consolidate.

Health Care REIT delivers consistent growth and high yield.

For information, call Anne Anderson CFA, Atlantis Investment
(973) 263-2333
aanderson@atlantisinvestment.com

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**Weekly REIT Comments****03/25/2014**

REIT stocks in the S&P 500 Index traded unchanged for the week ended March 21, 2014, as positive performance gap narrowed to 5% year to date for 2014. Average gain for all REITs followed by REIT Growth and Income Monitor is still 6% year to date for 2014, exceeding 1% gain for the S&P 500 Index. REIT stocks trailed the S&P 500 Index during 2013, with average gain of 8%.

Investors see conservative REIT 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 slower home sales for the past 3 months. Hotel REITs still demonstrate positive revenue and margin trends, with stock price performance impeded by investor focus on negative impact of weather related travel disruptions. Investors still 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. Impact of bond market volatility on portfolio valuations and book value of Financial REITs was less for 4Q 2013 than for 3Q 2013. Financial Mortgage REITs face significant fundamental change, with debate of reform legislation long delayed by 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 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 2016 elections.

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

Health Care REITs See Benefit from Affordable Care Act

Tenants of Health Care REITs should benefit from higher demand due to expansion of the insured population under Affordable Care Act to take effect from 2014-2017. This forecast appears to be well understood, although the stocks of Health Care REITs have traded more on speculation that the Affordable Care Act could be changed by Congress than on this certainty of enrollment growth. Although employer mandate portion of the Act has been delayed until 2015, individual applications now jam healthcare.gov, with open enrollment deadline of March 31, 2014. Expansion of the Medicaid program is a matter of state choice, with 24 of 50 states already agreeing to expand Medicaid coverage to eligible young adults. Prescription drug trends early in 2014 already reflect volume from new Medicaid beneficiaries. Longer term trends for Health Care REITs remain favorable, due to powerful demographic trends.

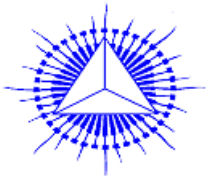
Investors should act now to add positions in Health Care REITs for both growth and income purposes. Large cap Health Care REITs include **HCP**, **Health Care REIT**, and **Ventas** (all 3 included in the S&P 500 Index). Smaller cap Health Care REITs with positive growth outlook include **Healthcare Realty Trust** (with portfolio concentrated in medical office buildings), **Medical Properties Trust** (with a portfolio of specialty hospitals), **Omega Healthcare Investors** (with a portfolio of skilled nursing and senior housing properties) and **National Health Investors**. Other Health Care REITs attracting value oriented investors include **LTC Properties**, and **Senior Housing Properties Trust**.

Trading Opportunities

Ventas, largest Health Care REIT with market cap of \$18 billion, underperformed other Health Care REITs, trading up 4% year to date for 2014, following decline of (11%) during 2013. **Ventas** owns a portfolio of 1,500 health care properties, including senior living and assisted living properties in US and Canada, as well as specialty and acute care hospitals, skilled nursing properties, and medical office buildings. **Ventas** has also invested in financial assets, including mortgages on health care facilities. Portfolio expansion for **Ventas** has been driven by acquisition. Normalized FFO increased 11% for 4Q 2013, exceeding expectations. Guidance for normalized FFO for 2014 indicates potential for 4%-6% FFO growth. **Ventas** increased dividends 8% for 2014 and 5% for 2013, now providing 5.0% yield for income investors.

Health Care REIT is third largest of the Health Care REITs as measured by market cap at \$17 billion, with the stock price now up 9% year to date for 2014 (outperforming other Health Care REITs), following (13%) decline for 2013. Portfolio expansion by acquisition drives growth for **Health Care REIT**, now with 1,199 health care properties in 46 states, Canada and UK. During 2013, **Health Care REIT** completed \$5.3 billion acquisitions, including \$4.3 billion acquisition of Sunrise Senior Living, and \$1.3 billion joint venture acquisitions with Revera of senior living properties in Canada. Normalized FFO increased 16% for 4Q 2013, with guidance for normalized FFO for 2014 indicating potential for 6% FFO growth. **Health Care REIT** increased dividends 4% for 2014 and 3% for 2013, now providing 5.5% yield for income investors.

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Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Price	Price	Price	Price	Weekly	2014
		12/31/2013	02/28/2014	03/07/2014	03/14/2014	03/21/2014	Price Change	Price Change
American Tower Corp	AMT	\$80	\$81	\$81	\$80	\$81	1%	2%
Apartment Investment and Management	AIM	\$26	\$30	\$31	\$30	\$30	-0%	17%
AvalonBay Communities	AVB	\$118	\$129	\$128	\$130	\$130	0%	10%
Boston Properties	BXP	\$100	\$112	\$111	\$112	\$114	2%	14%
Equity Residential	EQR	\$52	\$58	\$58	\$58	\$57	-2%	10%
HCP Inc	HCP	\$36	\$39	\$38	\$37	\$37	-1%	2%
Health Care REIT	HCN	\$54	\$59	\$58	\$59	\$58	-1%	9%
Host Hotels & Resorts	HST	\$19	\$20	\$20	\$20	\$20	-1%	4%
Kimco Realty	KIM	\$20	\$22	\$22	\$22	\$22	-0%	11%
Macerich	MAC	\$59	\$60	\$60	\$60	\$61	1%	3%
Plum Creek Timber	PCL	\$47	\$43	\$43	\$42	\$42	-0%	-10%
Prologis, Inc	PLD	\$37	\$41	\$41	\$40	\$41	1%	10%
Public Storage	PSA	\$151	\$169	\$168	\$168	\$169	1%	13%
Simon Property Group	SPG	\$152	\$161	\$162	\$161	\$161	0%	6%
Ventas	VTR	\$57	\$62	\$61	\$61	\$60	-2%	4%
Vornado Realty Trust	VNO	\$89	\$96	\$99	\$98	\$98	1%	11%
Weyerhaeuser	WY	\$32	\$30	\$30	\$30	\$29	-2%	-7%
S&P 500 Index	S&P 500	\$1,848	\$1,859	\$1,878	\$1,841	\$1,867	1%	1%
Average for S&P 500 Index REITs							-0%	6%

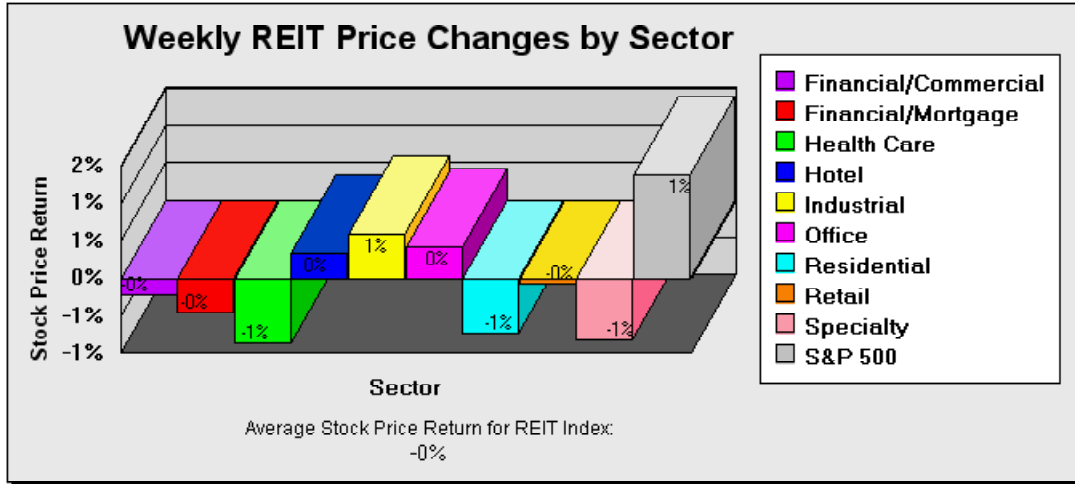
REIT stocks traded unchanged for the third week of March, 2014, the week ended March 21, 2014. REITs underperformed the S&P 500 Index, trading up 1% for the week, now showing 1% year to date gain for 2014. Positive performance gap for REITs narrowed to 5% year to date for 2014. REIT stocks trailed the S&P 500 Index during 2013, with average gain of 8%. As investors become accustomed to the idea of higher interest rates, REIT stocks should continue to rally, recouping most of the 2013 underperformance.

Almost all of the S&P 500 Index REITs outperformed the S&P 500 Index year to date for 2014, with 15 of the S&P 500 Index REITs trading up more than 1% gain for the S&P 500 Index. Only 2 of the S&P 500 Index REITs traded down year to date for 2014. We note that REIT rally for 2014 was started by Health Care REITs, then surpassed by Residential REITs. Rally for Residential REITs now includes **Apartment Investment and Management** up 17%, **AvalonBay Communities** up 10%, and **Equity Residential** up 10%, all reporting strong earnings results for 4Q 2013, with guidance for additional FFO growth for 2014. Office REITs have demonstrated sudden rally, with **Boston Properties** up 14% and **Vornado Realty Trust** up 11% year to date for 2014. **Public Storage**, up 13%, and **Prologis Inc**, up 10%, both show solid gains for 2014. Health Care REITs now show moderate gains, following initial rally in response to implementation of Affordable Care Act, with **HCP Inc** up 2%, **Health Care REIT** up 9%, and **Ventas** up 4%. Retail REITs show moderate gains, lead by **Kimco**, up 11%, with **Simon Property Group** up 6% and **Macerich** up 3%. **American Tower Corp** shows 2% gain year to date for 2014, still exceeding performance of the S&P 500 Index. **Host Hotels & Resorts**, up 4%, sees rebounding stock price on anticipation of lower oil prices during the spring of 2014. In contrast, Specialty Timber REITs traded down on news of lower sales of new and existing homes over the past 3 months, with Specialty Timber REIT **Plum Creek Timber** now down (10%) and **Weyerhaeuser** down (7%) year to date for 2014.

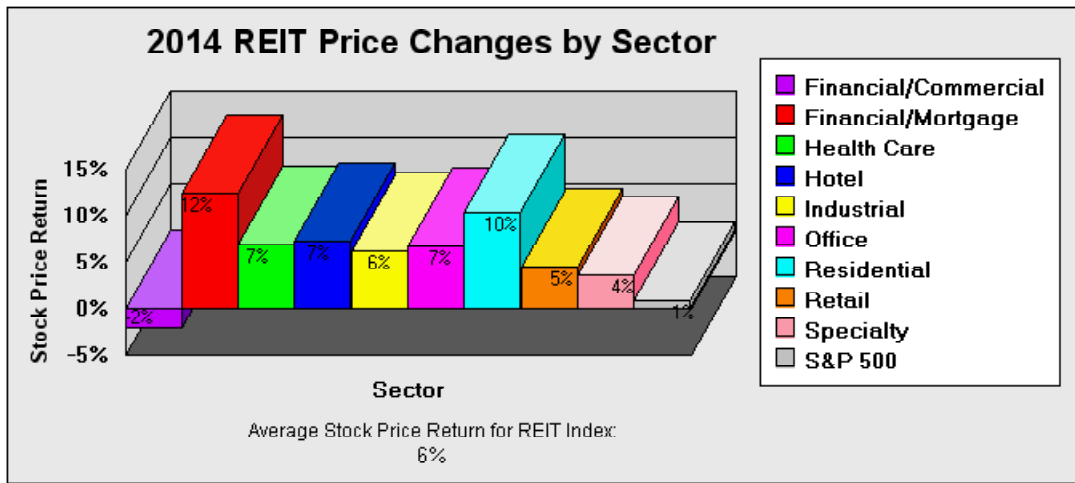
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Weekly REIT Price Changes by Sector



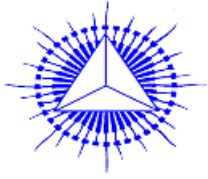
REIT sectors demonstrated trendless trading during the third week of March, 2014, the week ended March 21, 2014. Best performance was shown by Industrial REITs, trading up 1% for the week, as investors saw modest upwards revision to US GDP growth rate for 4Q 2013. Hotel REITs and Office REITs traded up less than 1%, while Financial Commercial REITs, Financial Mortgage REITs and Retail REITs were unchanged. Lagging REIT sectors included Health Care REITs, Residential REITs and Specialty REITs, all trading down (1%) for the week. On average, stock prices for REIT Growth and Income Monitor were unchanged for the week ended March 21, 2014.



Prices for REITs followed by REIT Growth and Income Monitor achieved gain of 6% on average year to date for 2014, outperforming the S&P 500 Index, trading up 1% 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 sector for 2014 is Financial Mortgage REITs, trading up 12% as investors respond positively to appointment of Janet Yellen as new Federal Reserve Chairman. Residential REITs traded up 10% due to stable employment trends. Health Care REITs rallied up 7% year to date for 2014, as the Affordable Care Act is implemented, bringing more patient volume to tenants of Health Care REITs. Hotel REITs traded up 7% year to date for 2014, as investors now expect oil prices to decline by the spring of 2014. Office REITs show 7% gain, while Industrial REITs show 6% gain year to date for 2014. Retail REITs rallied 5% and Specialty REITs gained 4%. Lagging Financial Commercial REITs traded down (2%) year to date for 2014, reflecting investor concern over lower volume of new issues of commercial securitizations.

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REIT Comment



Company:	Prologis Inc
Price:	\$40
Recommendation:	BUY
Ranking:	2
Market Cap:	\$20,291
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2014
PLD \$40

Prologis Inc PLD increased dividend distribution by 18% to \$0.33 per share for 1Q 2014

PLD new annual dividend \$1.32 per share

PLD new yield 3.3%

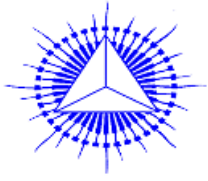
PLD an Industrial REIT with a portfolio of bulk distribution facilities in US, Europe and Asia

PLD we rank 2 BUY

PLD market cap \$20.3 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	General Growth Properties
Price:	\$22
Recommendation:	BUY
Ranking:	2
Market Cap:	\$21,471
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2014
GGP \$22

General Growth Properties GGP news of lower consumer confidence reflects prolonged impact of winter weather on sentiment

GGP report from University of Michigan found consumer sentiment decreased DOWN (1.7%) to 79.9% for March 2014 from previous month

GGP Retail REITs reported slower tenant sales growth for 4Q 2013, although guidance for 2014 projects higher sales trends

GGP long term FFO growth for Retail REITs driven by rental rate increases and portfolio expansion not by tenant sales trends

GGP reported 2013 FFO within previous guidance range, with FFO growth UP +18%

GGP new guidance for 2014 FFO indicates growth to continue UP +9% - +13% this year

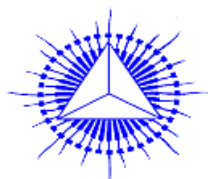
GGP increased dividend distribution by 8% for 1Q 2014, now providing current yield of 2.7%

GGP a Retail REIT with a portfolio of regional malls

GGP we rank 2 BUY

GGP market cap \$21.5 billion

REIT Comment



Company:	Ventas
Price:	\$61
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,936
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2014
VTR \$61

Ventas VTR exemptions added to individual health insurance mandate to extend required enrollment to 2015

VTR administrative documents released last week itemized exemptions for individual health insurance mandate to include those whose health plans were cancelled during 2013, as well as those who encountered "another hardship in obtaining health insurance" and 12 other financial or family related exemptions

VTR employer mandate also delayed by 1 year, as previously announced

VTR tenants of Health Care REITs expect to benefit from expansion of Medicaid coverage to include young adults, as well as individual health insurance mandate to be implemented from 2014-2017

VTR increased patient traffic for health care providers should drive demand for more space and stimulate health care provider consolidation, enabling Health Care REITs to provide capital supporting network expansion and strategic acquisitions

VTR reported normalized FFO for 2013 at high end of previous guidance range, indicating FFO growth UP +9%

VTR conservative guidance for FFO for 2014 indicates FFO growth to continue UP +6% this year

VTR provides current annual dividend yield of 4.8%

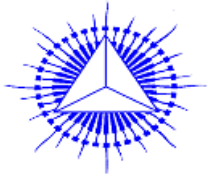
VTR a Health Care REIT with a diverse portfolio of health care properties

VTR we rank 2 BUY

VTR market cap \$17.9 billion

VTR an S&P 500 Index REIT

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,011
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2014
DFT \$25

DuPont Fabros Technology DFT consumer price drop for online storage makes Google Drive a first choice for tablet and netbook users

DFT Google GOOG announced Google Drive users to pay only\$120 per terabyte per year

DFT Google Drive users with smaller data requirements pay only\$1.99 per month for 100 gigabytes. while all users are offered 15 gigabytes free storage

DFT price change makes online data storage more affordable for tablet and netbook users

DFT key 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 new guidance for FFO for 2014 conservatively indicates growth as much as UP+21%

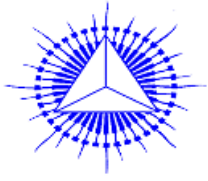
DFT now providing current annual dividend yield of5.7%

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 \$2.0 billion

REIT Comment



Company:	Duke Realty
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,450
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2014
DRE \$17

Duke Realty DRE news of higher factory production a positive signal for Industrial REITs

DRE report from Federal Reserve showed US factory production UP+0.8% for February 2014, compared to decline DOWN (0.9%) for previous month

DRE US factory capacity utilization increased UP0.3% to 78.8% for February 2014 compared to previous month

DRE Industrial REITs showing renewed investor enthusiasm as news of rental rate increases more than UP +5% for 4Q 2013 indicated strong momentum

DRE reported 4Q FFO UP +7%, with FFO for 2013 UP +8%

DRE indicated another good year for FFO this year, with guidance for FFO for 2014 indicating growth UP +8%

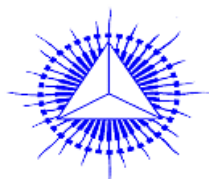
DRE stock price supported by current annual dividend yield of4.1%

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

DRE we rank 2 BUY

DRE market cap \$5.5 billion

REIT Comment



Company:	NorthStar Realty Finance
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,750
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2014
NRF \$16

NorthStar Realty Finance NRF announced joint venture agreement to acquire \$1.05 billion health care assets

NRF to acquire 43 senior housing properties and 37 skilled nursing facilities from Formation Capital and Safanad Ltd

NRF to contribute \$396 million equity while joint venture to assume debt on the properties

NRF former CEO of HCP Inc HCP James Flaherty, previously appointed as NRF partner in charge of growing on-balance sheet health care portfolio assets, views this as first of many transactions

NRF combined with NRF existing portfolio of health care assets, portfolio will total \$1.6 billion including 160 health care properties

NRF completed year of aggressive growth during 2013, adding more than \$5 billion to portfolio with investment in manufactured home communities, apartment communities, commercial loans, limited partnership interests in private equity funds and health care assisted living assets

NRF stock trading at premium of 125% to adjusted book value of \$7.20 per share as of December 2013, reflecting portfolio growth

NRF pending spin-off of NSAM (NorthStar Asset Management) to separate publicly traded NYSE vehicle expected to be completed during 2Q 2014

NRF increased quarterly dividend distribution by 19%, now providing current annual dividend yield of 6.2%

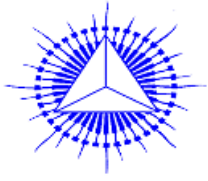
NRF increased quarterly dividend distributions for 10 consecutive quarters, including 1Q 2014

NRF a Financial Commercial REIT

NRF we rank 2 BUY

NRF market cap \$3.8 billion

REIT Comment



Company:	Prologis Inc
Price:	\$40
Recommendation:	BUY
Ranking:	2
Market Cap:	\$20,291
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2014
PLD \$40

Prologis Inc PLD report showing international air freight shipments demonstrated strong start to 2014 offers positive signal for Industrial REITs

PLD report from IATA (International Air Transport Association) showed global freight shipments increased UP +4.5% for January 2014, accelerating from UP +2.2% growth for December 2013

PLD global air freight shipments showing significant growth from UP+1.4% pace for full year 2013

PLD investing \$1.8-\$2.2 billion in new construction starts for 2014

PLD reported 4Q 2013 core FFO UP +2%, while core FFO for 2013 decreased DOWN (5%) due to divestitures to institutional property funds

PLD new guidance for core FFO for 2014 indicates growth UP +5%+10%

PLD increased dividend distribution by 18%, bringing current yield to 3.3%

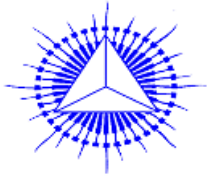
PLD an Industrial REIT with a portfolio of bulk distribution facilities in US, Europe and Asia

PLD we rank 2 BUY

PLD market cap \$20.3 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Digital Realty Trust
Price:	\$53
Recommendation:	BUY
Ranking:	1
Market Cap:	\$7,274
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2014
DLR \$53

Digital Realty Trust DLR traded UP \$1.26 per share to close UP +2% day

DLR stock traded UP +7% year to date for 2014, outperforming Specialty REITs, trading UP +5% for 2014

DLR stock traded DOWN (28%) during 2013, due to one-time accounting adjustment to prior period

DLR likely to trade DOWN tomorrow on news of sudden departure of CEO Michael F Foust

DLR reported core FFO growth UP +7% for 2013, while conservative guidance for FFO for 2014 indicates growth UP +3% this year

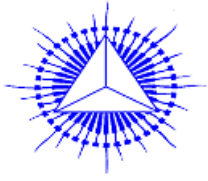
DLR increased dividend by 6%, bringing current annual dividend yield to 6.3%

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 \$7.3 billion

REIT Comment



Company:	American Tower
Price:	\$82
Recommendation:	BUY
Ranking:	2
Market Cap:	\$32,246
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2014
AMT \$82

American Tower AMT traded UP \$1.35 per share to close UP +2% day

AMT stock traded UP +2% during 2014, outperforming Specialty REITs, trading UP +5% for 2014
AMT stock traded UP +3% for 2013

AMT investing for long term growth, with plans to double FFO by 2017

AMT 2013 FFO increased UP +20%, aided by construction of new wireless cell towers and by acquisitions

AMT guidance for FFO for 2014 indicates growth UP +15% - +18%

AMT provides current annual dividend yield of 1.6%

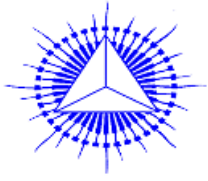
AMT a Specialty REIT with a portfolio of wireless and broadcast communications real estate with towers in US, Europe, South America, Africa and India

AMT we rank 2 BUY

AMT market cap \$32.2 billion

AMT an S&P 500 Index REIT

REIT Comment



Company:	EastGroup Properties
Price:	\$63
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,900
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2014
EGP \$63

EastGroup Properties EGP traded UP \$0.64 per share to close UP +1% day

EGP stock traded UP +8% year to date for 2014, outperforming Industrial REITs, trading UP +6% for 2014

EGP stock traded UP +8% during 2013

EGP news of higher factory activity and strong growth in global air freight shipments are both positive signals for Industrial REITs

EGP investing in new developments for 4% portfolio capacity increment in high growth markets in TX

EGP guidance for FFO for 2014 indicates growth UP +7% next year

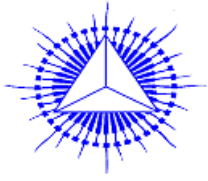
EGP provides current annual dividend yield of 3.5%

EGP an Industrial REIT with a portfolio of bulk distribution properties

EGP we rank 2 BUY

EGP market cap \$1.9 billion

REIT Comment



Company:	Weyerhaeuser
Price:	\$29
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$17,222
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2014
WY \$29

Weyerhaeuser WY traded DOWN (\$0.53) per share to close DOWN (2%) day

WY stock traded DOWN (7%) year to date for 2014, underperforming Specialty REITs, trading UP +5% for 2014
WY stock traded UP +14% during 2013

WY stock prices of Specialty Timber REITs sensitive to lower sales of new and existing homes reported for past 3 months

WY pending spin-off of WRECO homebuilding operations in simultaneous merger with Tri-Pointe Homes TPH expected to take place during 2Q 2014

WY outlook for lower EPS for 1Q 2014 a result of downturn in cellulose fiber prices

WY provides current annual dividend yield of 3.0%

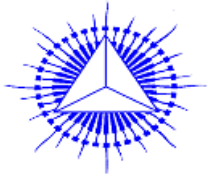
WY a Specialty Timber REIT with a portfolio of timberlands, wood and cellulose fiber manufacturing plants, and homebuilding operations

WY we rank 2 BUY

WY market cap \$17.2 billion

WY an S&P 500 Index REIT

REIT Comment



Company:	Digital Realty Trust
Price:	\$53
Recommendation:	BUY
Ranking:	1
Market Cap:	\$7,274
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/16/2014
DLR \$53

Digital Realty Trust DLR stock trading DOWN more than (\$2) per share on news of sudden departure of CEO Michael F Foust

DLR CEO departure effective immediately, with Foust departure from board of directors expected in April 2014

DLR current CFO A William Stein to serve as interim CEO pending external management search

DLR independent board members William G LaPerch and Robert H Zerbst to serve on Transition Committee

DLR to recognize net charge of (\$0.10) per share for 1Q 2014 relating to severance package for Mr Foust

DLR Foust departure may be a delayed outcome of 2013 disappointment over one time prior period adjustment reported for 3Q 2013

DLR Foust was the first and only CEO of DLR, previously founder of GI Partners, a private equity firm that acquired the data center properties initially contributed to DLR portfolio prior to 2004 IPO

DLR reported core FFO growth UP +7% for 2013, while conservative guidance for FFO for 2014 indicates growth UP +3% this year

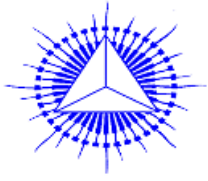
DLR increased dividend by 6%, bringing current annual dividend yield to 6.3%

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 \$7.3 billion

REIT Comment



Company:	Capstead Mortgage
Price:	\$13
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,244
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2014
CMO \$13

Capstead Mortgage CMO Janet Yellen in the spotlight this week as Federal Reserve meetings today and tomorrow focus on need for continued monetary ease

CMO minutes of Federal Reserve meeting to be released tomorrow afternoon should provide guidance for 2014 interest rate outlook

CMO Financial Mortgage REITs trading normally despite news of proposed changes to Fannie Mae FNMA and Freddie Mac FMCC

CMO investors in Financial Mortgage REITs recognize that resolution of uncertainty over Fannie Mae FNMA and Freddie Mac FMCC would be good for US housing sector although many terms of the new government funded risk-bearing facility are still to be determined

CMO stock now trading at premium of 5% to GAAP book value of \$12.47 per share as of December 2013

CMO stable book value viewed favorably by investors given extreme bond market volatility during 3Q 2013

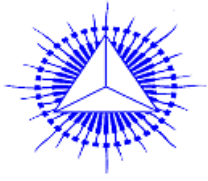
CMO increased dividend by 10%, bringing current annual dividend yield to 10.4%, near the midpoint of the range for Financial Mortgage REITs

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

CMO we rank 1 BUY

CMO market cap \$1.2 billion

REIT Comment



Company:	Plum Creek Timber
Price:	\$42
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$6,853
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
03/18/2014
PCL \$42

Plum Creek Timber PCL news of single family housing starts and building permits moderately disappointing, indicating little change from previous levels

PCL report from Census Bureau and HUD (US Department of Housing and Urban Development) showed new single-family home starts UP +0.3% from revised number for January 2014 to seasonally adjusted annual rate of 583,000 for February 2014

PCL total privately-owned housing starts (including apartments) at seasonally adjusted annual rate of 907,000 DOWN (6.4%) from previous year

PCL building permits UP +6.9% from previous year for February 2014

PCL Specialty Timber REITs benefit from higher new home construction as sales of lumber and wood products increase demand for sawlogs and timber

PCL current quarter 1Q 2014 EPS expected to decline due to lower real estate transactions

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 4.2%

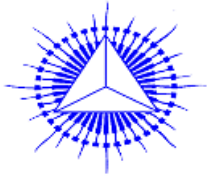
PCL a Specialty Timber REIT with a portfolio of timberlands and sawlog mills

PCL we rank 2 BUY

PCL market cap \$6.9 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	Regency Centers
Price:	\$50
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,658
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2014
REG \$50

Regency Centers REG modest food price inflation may prove beneficial to tenants of grocery anchored shopping centers

REG report from BLS (Bureau of Labor Statistics of US Department of Labor) showed food prices UP +1.4% from previous year for February 2014

REG food price inflation provides incentive for consumers to increase purchases, buying in advance of future price increments

REG higher food costs should lead to higher tenant sales for grocery oriented tenants enabling more favorable lease negotiations

REG reported FFO growth UP +3% for 2013, at upper end of previous guidance range

REG new guidance for FFO for 2014 indicates FFO growth to continue UP +4%

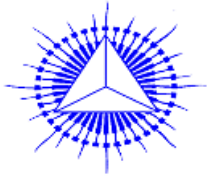
REG increased dividend by 2%, bringing current annual dividend yield to 3.8%

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

REG we rank 2 BUY

REG market cap \$4.7 billion

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$20
Recommendation:	BUY
Ranking:	2
Market Cap:	\$15,316
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2014
HST \$20

Host Hotels & Resorts HST news of gasoline price decline a positive signal for Hotel REITs

HST report from BLS (Bureau of Labor Statistics of US Department of Labor) showed gasoline prices DOWN (8.8%) from previous year for February 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 reported strong results for 2013, with FFO UP +13%

HST provided guidance for FFO for 2014 indicating growth to continue UP +10% this year

HST increased dividend distribution by 8%, now providing annual dividend yield of 2.7%

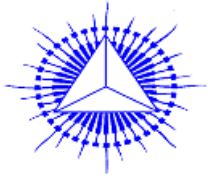
HST a Hotel REIT with a portfolio of upscale hotels and resorts in US, Mexico, Europe and Pacific

HST we rank 2 BUY

HST market cap \$15.3 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	One Liberty Properties
Price:	\$23
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$355
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2014
OLP \$23

One Liberty Properties OLP 4Q 2013 FFO \$0.46 v \$0.39 UP +18%

OLP 2013 FFO \$1.67 v \$1.59 UP +5%

OLP no guidance provided for FFO for 2014

OLP 4Q 2013 revenue \$14 million UP +25% due to acquisitions
OLP 4Q 2013 operating income \$7.5 million UP +39% due to acquisitions

OLP 2013 acquisitions \$108 million for 11 properties
OLP divested 2 properties for gain of \$5 million

OLP stock price supported by current annual dividend yield of 6.5%

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

OLP we rank 3 HOLD

OLP market cap \$355 million

REIT Comment



Company:	One Liberty Properties
Price:	\$23
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$363
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2014
OLP \$23

One Liberty Properties OLP traded UP\$0.51 per share to close UP +2% day

OLP stock traded UP +15% year to date for 2014,, outperforming Retail REITs, trading UP +5% for 2014

OLP stock traded DOWN (1%) during 2013

OLP today reported better than expected FFO growth UP +5% for 2013

OLP portfolio expansion supported by acquisitions adding 25% to rental revenue for 4Q 2013

OLP no guidance provided for FFO for 2014

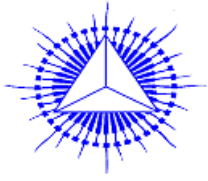
OLP stock price supported by current annual dividend yield of6.4%

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

OLP we rank 3 HOLD

OLP market cap \$363 million

REIT Comment



Company:	Pennsylvania REIT
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,270
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2014
PEI \$18

Pennsylvania REIT PEI traded UP \$0.36 per share to close UP +2% day

PEI stock traded DOWN (5%) year to date for 2014, underperforming Retail REITs, trading UP +5% for 2014

PEI stock traded UP +8% during 2013

PEI to acquire newly renovated Springfield Town Center in VA from Vornado Realty Trust VNO for \$465 million in tax free exchange

PEI investing in redevelopments to improve portfolio profitability

PEI reported FFO for 2013 UP +5%, exceeding previous guidance range

PEI guidance for FFO for 2014 indicates FFO growth to continue UP +7% this year

PEI announced 100% of dividend distributions for 2013 represented non-taxable return of capital

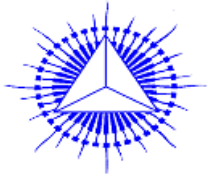
PEI provides current annual dividend yield of 4.4%

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

PEI we rank 2 BUY

PEI market cap \$1.3 billion

REIT Comment



Company:	EPR Properties
Price:	\$54
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,587
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2014

EPR Properties EPS traded UP \$0.58 per share to close UP +1% day

EPR stock traded UP +11% year to date for 2014, outperforming Specialty REITs, trading UP +5% for 2014

EPR stock traded UP +7% during 2013

EPR announced \$750 million development of new destination gaming resort in Sullivan County NY, on former site of Grand Resort

EPR reported FFO for 2013 UP +6%

EPR guidance for FFO for 2014 indicates growth to continue UP +8% this year

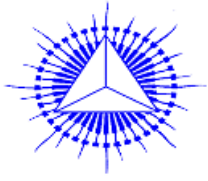
EPR increased monthly dividend distribution by 8%, now providing annual dividend yield of 6.3%

EPR a Specialty REIT with a portfolio of net leased cinemas, entertainment and recreational properties, and public charter schools

EPR we rank 2 BUY

EPR market cap \$2.6 billion

REIT Comment



Company:	CubeSmart
Price:	\$18
Recommendation:	BUY
Ranking:	1
Market Cap:	\$2,468
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2014
CUBE \$18

CubeSmart CUBE traded UP \$0.16 per share to close UP +1% day

CUBE stock traded UP +10% year to date for 2014, outperforming Specialty REITs, trading UP +5% for 2014

CUBE stock traded UP +9% during 2013

CUBE 2014 rally for Specialty Self-Storage REITs driven by improved profitability due to rental rate increases and occupancy gains

CUBE 2013 FFO growth increased UP +23%, driven by portfolio acquisitions

CUBE guidance for FFO for 2014 indicates growth UP +12%

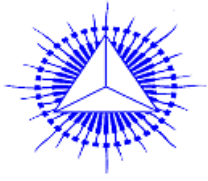
CUBE increased quarterly dividend distribution by 18%, bringing current annual dividend yield to 3.0%

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

CUBE we rank 1 BUY

CUBE market cap \$2.5 billion

REIT Comment



Company:	EPR Properties
Price:	\$54
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,587
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/19/2014
EPR \$54

EPR Properties EPR increased monthly dividend distribution by 8% to \$0.285 per share

EPR new annual dividend \$3.42 per share

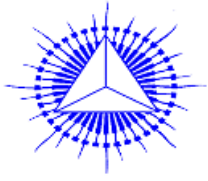
EPR new yield 6.2%

EPR a Specialty REIT with a portfolio of net leased cinemas, entertainment and recreational properties, and public charter schools

EPR we rank 2 BUY

EPR market cap \$2.6 billion

REIT Comment



Company:	CommonWealth REIT
Price:	\$27
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,368
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/19/2014
CWH \$28

CommonWealth REIT CWH stock trading UP +\$1.15 per share on news of successful proxy outcome for dissident shareholders

CWH dissident shareholders Corvex and Related announced receipt of consent solicitation from more than 80% of shareholders in favor of vote to remove entire CWH board of trustees

CWH to review the consents before final declaration of results next week on March 25, 2014

CWH now trading 14% above previous take-over offer bid of \$24.50 per share, now no longer valid

CWH likely to trade down after shareholder vote, due to pending Moody's downgrade

CWH shareholder meeting now scheduled for June 13, 2014

CWH reported lower FFO for 4Q 2013 and for 2013 due to divestitures and deconsolidation of Select Income REIT SIR (now 44% owned by CWH, with income accounted for by CWH as equity contribution)

CWH no guidance provided for normalized FFO for 2014

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

CWH announced that entire 2013 dividend distribution of \$1.00 per share qualified as untaxed return of capital

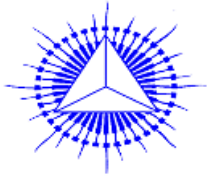
CWH stock price supported by current annual dividend yield of 3.7%

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

CWH we rank 3 HOLD

CWH market cap \$3.4 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$11
Recommendation:	BUY
Ranking:	1
Market Cap:	\$10,904
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/19/2014
NLY \$11

Annaly Capital Management NLY news of lower mortgage application volume indicates slowing demand for home purchase

NLY report from MBA (Mortgage Bankers Association) found mortgage applications DOWN (1.2%) for week ended March 14, 2014

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

NLY despite last week's increase in mortgage application volume, mortgage applications for home purchase DOWN (15%) from last year

NLY report from MBA (Mortgage Bankers Association) found average interest rate on 30 year fixed rate conforming mortgage decreased DOWN (0.02%) to 4.52%

NLY lower mortgage application volume consistent with recent report from NAR(National Association of Realtors), citing "weather disruption, tight credit, limited inventory, higher prices and higher mortgage interest rates" as reasons for the decline in existing home sales

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

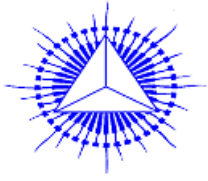
NLY stock price supported by current annual dividend yield of 10.5%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 1 BUY

NLY market cap \$10.9 billion

REIT Comment



Company:	QTS Realty Trust
Price:	\$26
Recommendation:	BUY
Ranking:	2
Market Cap:	\$900
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/19/2014
QTS \$26

QTS Realty QTS news from Oracle ORCL of rapid growth in sales of cloud software applications should attract investor interest to Data Center REITs

QTS Oracle ORCL reported cloud software subscription revenues up more than 25%, far in excess of total software revenue growth UP +4%

QTS Oracle ORCL reported orders for strategic cloud application suites (including Fusion ERP, Fusion HR and Fusion Customer Experience) UP more than +100%

QTS approved to provide cloud computing service for federal agency tenants providing confidence for data center portfolio expansion

QTS reported 2013 adjusted EBITDA UP +32% on portfolio lease-up

QTS provided new guidance for EBITDA for 2014 indicating growth UP +30% this year

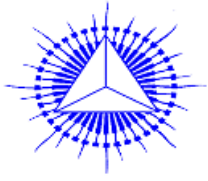
QTS increased dividend distribution by 21%, now providing annual dividend yield of 4.6%

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 \$900 million

REIT Comment



Company:	Weyerhaeuser
Price:	\$30
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$17,386
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/19/2014
WY \$30

Weyerhaeuser WY news of appreciation in average selling prices of new homes a positive signal for success of pending spin-off of WRECO homebuilder subsidiary

WY report from KB Homes KBH noted average home price UP +12% for 1Q FY 2014 (ended February 28, 2014), with little sign of normal spring discounting from competitors seeking to gain market share

WY KB Homes KBH indicated volume of net orders for new homes increased UP+18% from the previous year, including price increment of 12%

WY development portfolio of KB Homes KBH located in same areas as WRECO portfolio, with concentration in CA, AZ, TX and southeastern states

WY pending spin-off of WRECO homebuilding operations in simultaneous merger with Tri-Pointe Homes TPH expected to take place during 2Q 2014

WY outlook for lower EPS for 1Q 2014 a result of downturn in cellulose fiber prices

WY provides current annual dividend yield of 3.0%

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 \$17.4 billion

WY an S&P 500 Index REIT

REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$32
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,101
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/19/2014
LHO \$32

LaSalle Hotel Properties LHO traded DOWN (\$1.18) per share to close DOWN (4%) day

LHO stock traded UP +4% year to date for 2014, underperforming Hotel REITs, trading UP +7% for 2014

LHO stock traded UP +22% during 2013

LHO 2014 FFO should benefit from higher contribution from New York Park Central Hotel due to completion of renovation

LHO 2013 FFO increased UP +11%, while guidance for FFO for 2014 indicates growth to continue UP +8% this year

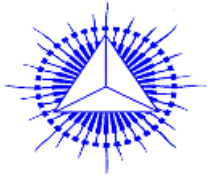
LHO provides annual dividend yield of 3.5%

LHO a Hotel REIT

LHO we rank 3 HOLD

LHO market cap \$3.1 billion

REIT Comment



Company:	Ventas
Price:	\$59
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,393
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/19/2014
VTR \$59

Ventas VTR traded DOWN (\$1.97) per share to close DOWN (3%) day

VTR stock traded UP +3% year to date for 2014, underperforming Health Care REITs, trading UP +8% for 2014

VTR stock traded DOWN (11%) during 2013

VTR implementation of Affordable Care Act from 2014-2017 should increase patient traffic for health care tenants, driving demand for more space

VTR Health Care REITs are well positioned to provide capital supporting network expansion and strategic acquisitions for health care providers

VTR reported normalized FFO for 2013 at high end of previous guidance range, indicating FFO growth UP +9%

VTR conservative guidance for FFO for 2014 indicates FFO growth to continue UP +6% this year

VTR provides current annual dividend yield of 4.9%

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

VTR we rank 2 BUY

VTR market cap \$17.4 billion

VTR an S&P 500 Index REIT

REIT Comment



Company:	Associated Estates Realty
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$842
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/19/2014
AEC \$17

Associated Estates Realty AEC traded DOWN (\$0.55) per share to close DOWN (3%) day

AEC stock traded UP +4% during 2014, underperforming Residential REITs, trading UP +11% for 2014

AEC stock traded unchanged during 2013

AEC stable employment trends contribute to positive outlook for Residential REITs

AEC Residential REITs one of the best performing REIT sectors year to date for 2014

AEC reported FFO growth UP +9% for 2013, with guidance for FFO for 2014 indicating continued growth UP +3%

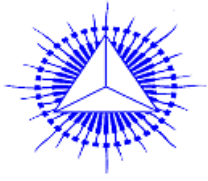
AEC provides annual dividend yield of 4.5%

AEC a Residential REIT with a diverse portfolio of apartment communities

AEC we rank 2 BUY

AEC market cap \$842 million

REIT Comment



Company:	CYS Investments
Price:	\$9
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,428
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/19/2014
CYS \$9

CYS Investments CYS traded DOWN (\$0.27) per share to close DOWN (3%) day

CYS stock traded UP +16% year to date for 2014, outperforming Financial Mortgage REITs, trading UP +13% for 2014

CYS stock traded DOWN (37%) during 2013 due to bond market volatility

CYS Financial Mortgage REITs traded DOWN this afternoon due to concern over Federal Reserve tapering of monetary ease

CYS stock now trading at (7%) discount to book value of \$9.24 per share as of December 2013

CYS share repurchase supports stock price

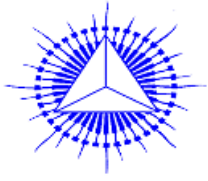
CYS stock price supported by current annual dividend yield of 15.0%, at the high end of the range for Financial Mortgage REITs

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

CYS we rank 1 BUY

CYS market cap \$1.4 billion

REIT Comment



Company:	Hatteras Financial
Price:	\$19
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,907
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/20/2014
HTS \$19

Hatteras Financial HTS news of continued trend for lower sales of existing homes may reflect impact of poor weather, as well as restriction of higher home prices

HTS report from NAR (National Association of Realtors) found total existing home sales DOWN (0.4%) from January 2014 to seasonally adjusted annual rate of 4.6 million homes for February 2014, with sales of existing single family homes DOWN (0.2%) to 4.04 million annual pace

HTS existing sales of single family homes DOWN (6.9%) from previous year, with average price UP +9%

HTS report from NAR cites "weather disruption, constrained inventory, restrictive mortgage lending standards, and housing affordability less favorable than for previous year"

HTS existing homes available for sale now at 5.2 months supply at current sales pace

HTS Financial Mortgage REITs benefit from active sales of existing homes through higher mortgage volume, with home purchase representing 35%-40% of normal mortgage application volume

HTS stock now trading at discount of (10%) to current book value of \$21.50 per share as of 4Q 2013

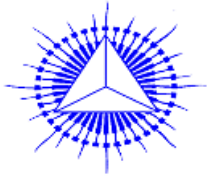
HTS yield 10.3%, near the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 1 BUY

HTS market cap \$1.9 billion

REIT Comment



Company:	Equity Residential
Price:	\$57
Recommendation:	BUY
Ranking:	2
Market Cap:	\$21,531
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/20/2014
EQR \$57

Equity Residential EQR news of slight increase to new unemployment claims consistent with stable employment supporting Residential REITs

EQR Labor Department reported new claims for unemployment increased UP+5,000 to 320,000 for week ended March 15, 2014

EQR more stable 4 week moving average of new unemployment claims decreased DOWN (3,500) to 327,000

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

EQR reported FFO for 4Q 2013 and for 2013 UP +3%, while providing guidance indicating FFO growth UP +6%-+10% for 2014

EQR declared dividends increased UP +4% for 2013, with outlook for dividend growth during 2014 UP +3%

EQR increased regular quarterly dividend by 25%, bringing current annual dividend yield to 3.5%

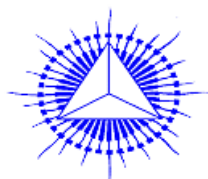
EQR the largest publicly traded Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$21.5 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	Capstead Mortgage
Price:	\$13
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,234
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/20/2014
CMO \$13

Capstead Mortgage CMO as anticipated Federal Reserve to take measured reduction in pace of acquiring Treasury bonds and agency issues

CMO minutes of yesterday's FOMC meeting discloses intention to reduce purchase of agency securities from \$30 billion monthly pace to \$25 billion effective April 2014, while monthly purchase of Treasury bonds to decrease from \$35 billion to \$30 billion

CMO Financial Mortgage REITs trading normally despite news of proposed changes to Fannie Mae FNMA and Freddie Mac FMCC

CMO investors in Financial Mortgage REITs recognize that resolution of uncertainty over Fannie Mae FNMA and Freddie Mac FMCC would be good for US housing sector, although many terms of the new government funded risk-bearing facility are still to be determined

CMO stock now trading at premium of 4% to GAAP book value of \$12.47 per share as of December 2013

CMO stable book value viewed favorably by investors, given extreme bond market volatility during 3Q 2013

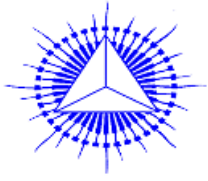
CMO increased dividend by 10%, bringing current annual dividend yield to 10.5%, near the midpoint of the range for Financial Mortgage REITs

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

CMO we rank 1 BUY

CMO market cap \$1.2 billion

REIT Comment



Company:	AvalonBay Communities
Price:	\$129
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,725
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/20/2014
AVB \$129

AvalonBay Communities AVB news of construction accident on residential development in Boston MA unlikely to negatively impact FFO

AVB news stories this morning reported \$175 million residential towers under development at 45 Stuart Street in downtown Boston MA suffered cave-in impacting 7 stories of 33 story structure

AVB well capitalized REITs enjoy good casualty insurance coverage with recoveries generally adequate to cover entire claim

AVB this morning's reports of injuries for construction workers indicate no fatalities

AVB investing \$2.8B to develop 29 new apartment communities for total portfolio capacity increment of 12%

AVB recent guidance for FFO for 2014 indicates growth UP +11%

AVB increased dividend by 8%, bring current annual dividend yield to 3.6%

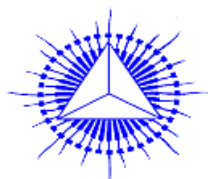
AVB a Residential REIT with a portfolio of upscale apartment communities in east coast and west coast locations

AVB we rank 2 BUY

AVB market cap \$16.7 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	New Residential Investment
Price:	\$7
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,749
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:

03/20/2014

NRZ \$7

New Residential Investment NRZ 4Q 2013 GAAP EPS \$0.31 v \$0.08

NRZ 4Q 2013 GAAP EPS includes net impairments of (\$1.7) million from non-cash valuation adjustment on securities, offset by gains of \$84 million on sales of securities and other items

NRZ 4Q 2013 core EPS \$0.14 per share

NRZ 4Q 2013 core EPS excludes non-cash mark-to-market valuation adjustments and other items

NRZ 2013 GAAP EPS \$1.03 per share

NRZ 2013 GAAP EPS includes net impairments of (\$5.5) million from non-cash valuation adjustment on securities, offset by gains of \$241 million on sales of securities and other items

NRZ 2013 core EPS \$0.51 per share

NRZ 2013 core EPS excludes non-cash mark-to-market valuation adjustments and other items, offset by gains of \$84 million on sales of securities and other items

NRZ GAAP book value \$5.82 per share UP +17% from September 2013

NRZ stock now trading at premium of 16% to latest GAAP book value

NRZ 4Q 2013 invested \$175 million, including \$93 million in non-performing loans, \$59 million in agency ARMs and \$23 million excess MSR

NRZ pending co-investments \$3.2 billion in mortgage servicing advances and \$833 million non-agency loans

NRZ 4Q 2013 portfolio \$5.6 billion, including \$2.7 billion servicing advances, \$2.0 billion RMBS, \$700 million MSR and \$200 million consumer loans

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

NRZ portfolios of non-agency RMBS also available at attractive discounts

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

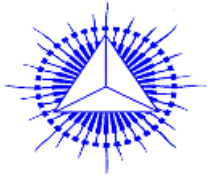
NRZ providing current annual dividend yield of 10.4%

NRZ a Financial Mortgage REIT

NRZ we rank 2 BUY

NRZ market cap \$1.7 billion

REIT Comment



Company:	Gramercy Property Trust
Price:	\$5
Recommendation:	BUY
Ranking:	2
Market Cap:	\$318
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/20/2014
GPT \$5

Gramercy Property Trust GPT traded UP \$0.19 per share to close UP +4% day

GPT stock traded DOWN (6%) year to date for 2014, underperforming Financial Commercial REITs, trading DOWN (2%) for 2014
GPT stock traded UP +96% during 2013 due to recapitalization

GPT Financial Commercial REITs trading lower on slower pace of securitizations during 2014

GPT investing to acquire portfolio of industrial assets, while continuing to manage portfolio of commercial loans, bank branches and office buildings

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

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

GPT new annual dividend yield 2.6%

GPT a Financial Commercial REIT

GPT we rank 2 BUY

GPT market cap \$318 million

REIT Comment



Company:	Vornado Realty Trust
Price:	\$98
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$19,583
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/20/2014
VNO \$98

Vornado Realty Trust VNO traded UP \$1.60 per share to close UP +2% day

VNO stock traded UP +11% year to date for 2014, outperforming Office REITs, trading UP +6% for 2014

VNO stock traded UP +11% during 2013

VNO divesting retail properties to concentrate new investments in portfolio of office properties

VNO metropolitan DC area now represents 21% of EBITDA, compared to 64% for NYC

VNO US government tenants now represent 6% of rents

VNO no guidance provided for FFO for 2014

VNO provides current annual dividend yield of 3.0%

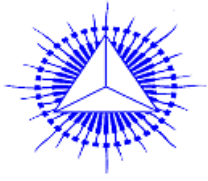
VNO an Office REIT with a diverse portfolio of office and retail properties

VNO we rank 3 HOLD

VNO market cap \$19.6 billion

VNO an S&P 500 Index REIT

REIT Comment



Company:	Camden Property Trust
Price:	\$67
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,002
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/20/2014
CPT \$67

Camden Property Trust CPT traded UP \$0.92 per share to close UP +1% day

CPT stock traded UP +18% year to date for 2014, outperforming Residential REITs, trading UP +11% for 2014

CPT stock traded DOWN (17%) during 2013

CPT Residential REITs trading higher on stable employment outlook

CPT largest market is metropolitan DC, contributing 18% to same property NOI

CPT investing \$1.0 billion to develop 14 new communities, representing 7% portfolio capacity expansion

CPT FFO for 2013 increased UP +11%, while guidance for FFO for 2014 indicates growth UP +7%

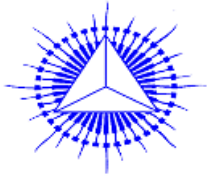
CPT increased quarterly dividend by 5%, bringing current annual dividend yield to 4.0%

CPT a Residential REIT with a diverse portfolio of apartment communities

CPT we rank 2 BUY

CPT market cap \$6.0 billion

REIT Comment



Company:	MAA
Price:	\$67
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,280
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/20/2014
MAA \$67

MAA MAA traded UP \$0.78 per share to close UP +1% day

MAA stock traded UP +10% year to date for 2014, underperforming Residential REITs, trading UP +11% for 2014

MAA stock traded DOWN (6%) during 2013

MAA first results incorporating acquisition of Colonial Properties Trust CLP indicate a successful merger generating strong portfolio results for MAA, accelerating same property NOI growth

MAA apartment portfolio concentration in southern and sun belt states enables MAA to outperform other Residential REITs with exposure to New York and DC markets

MAA on completion of merger with Colonial Properties Trust CLP, MAA changed name from Mid-America Apartment Communities to MAA, same as NYSE ticker symbol

MAA conservative guidance for FFO for 2014 indicates a FLAT year due to portfolio consolidation post-merger

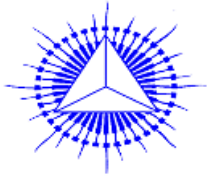
MAA provides current dividend yield of 4.4%

MAA a Residential REIT with a portfolio of apartment communities in southern and midwestern states

MAA we rank 2 BUY

MAA market cap \$5.3 billion

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$20
Recommendation:	BUY
Ranking:	2
Market Cap:	\$15,009
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/21/2014
HST \$20

Host Hotels & Resorts HST price of oil at \$98 per barrel signals seasonal decline positive for Hotel REITs

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

HST earlier this week report from BLS (Bureau of Labor Statistics of US Department of Labor) showed gasoline prices DOWN (8.8%) from previous year for February 2014

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

HST reported strong results for 2013, with FFO UP +13%

HST provided guidance for FFO for 2014 indicating growth to continue UP +10% this year

HST increased dividend distribution by 8%, now providing annual dividend yield of 2.8%

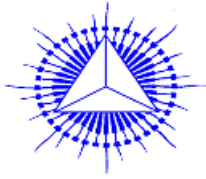
HST a Hotel REIT with a portfolio of upscale hotels and resorts in US, Mexico, Europe and Pacific

HST we rank 2 BUY

HST market cap \$15.0 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	Boston Properties
Price:	\$113
Recommendation:	SELL
Ranking:	4
Market Cap:	\$17,377
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/21/2014
BXP \$113

Boston Properties BXP exposure to financial industry tenants still an issue for certain Office REITs

BXP report from OCC (Office of Comptroller of the Currency) estimates bank cost of compliance with the Volcker Rule to be in range of \$43 million to \$4.3 billion

BXP banks will be forced to divest certain kinds of restricted securities, including CLO (collateralized loan obligations), forcing portfolio sales at a loss

BXP ban on proprietary trading will force closure of trading floors in some locations limiting supplemental payments to landlords for telecom and electrical requirements to support intensive trading

BXP banks have also announced massive layoffs of mortgage staffs during 2014

BXP banks likely to seek to sublet unused office space, placing pressure on office rental rates in financial centers

BXP exposure to financial industry tenants (including lawyers and consultants serving financial industry) estimated by management at 20% of NOI for BXP

BXP reported FFO for 2013 FLAT, exceeding previous guidance

BXP guidance for FFO for 2014 indicates growth UP +6% - +9% for this year

BXP provides current annual dividend yield of 2.3%

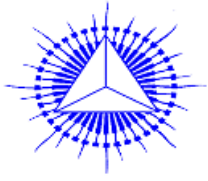
BXP an Office REIT with a portfolio of upscale office properties in NY, Boston, DC and San Francisco

BXP we rank 4 SELL

BXP market cap \$17.4 billion

BXP an S&P 500 Index REIT

REIT Comment



Company:	SL Green Realty
Price:	\$98
Recommendation:	SELL
Ranking:	4
Market Cap:	\$9,326
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/21/2014
SLG \$98

SL Green Realty SLG concentration of properties in NYC highlights exposure to financial industry tenants

SLG impact of Volcker Rule on bank tenants likely to force closure of trading floors in some locations, limiting supplemental payments to landlords for telecom and electrical requirements to support intensive trading

SLG availability of bank sublets likely to impact rental rates in financial centers

SLG estimates exposure to banks and other financial industry tenants at 20% of NOI, with key tenant Citi representing 11% of total rents

SLG reported FFO for 2013 decreased DOWN (3%)

SLG no guidance provided for FFO for 2014

SLG increased dividends by 32% during 2013 and announced 52% increase for 2014 to annual rate of \$2.00 per share

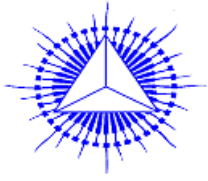
SLG provides current annual dividend yield of 2.0%

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

SLG we rank 4 SELL

SLG market cap \$9.3 billion

REIT Comment



Company:	Potlatch
Price:	\$38
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,553
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/21/2014
PCH \$38

Potlatch PCH report of higher new home starts and building permits a sign of moderately improving environment for Specialty Timber REITs

PCH building permits UP +6.9% from previous year for February 2014

PCH report from Census Bureau and HUD (US Department of Housing and Urban Development) showed new single-family home starts UP +0.3% from revised number for January 2014 to seasonally adjusted annual rate of 583,000 for February 2014

PCH anecdotal reports from homebuilders including KB Homes KBH note much higher buyer traffic going into spring selling season

PCH Specialty Timber REITs benefit from higher new home construction as sales of lumber and wood products increase demand for sawlogs and timber

PCH reported EPS FLAT for 4Q 2013, while 2013 EBITDA increased UP +19%

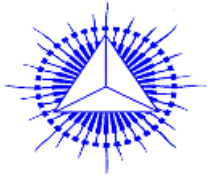
PCH provides current dividend yield of 3.7%

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

PCH we rank 2 BUY

PCH market cap \$1.6 billion

REIT Comment



Company:	First Potomac Realty Trust
Price:	\$13
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$778
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/21/2014
FPO \$13

First Potomac Realty Trust FPO traded UP \$0.41 per share to close UP +3% day

FPO stock traded UP +10% year to date for 2014, outperforming Office REITs, trading UP +6% for 2014

FPO stock traded DOWN (6%) during 2013

FPO repositioning portfolio to drive FFO growth, now concentrating investment in office properties, from previous focus on industrial properties and business parks

FPO reported FFO for 2013 DOWN (14%) due to divestitures, while guidance for FFO for 2014 indicates decline DOWN (11%)

FPO provides current annual dividend yield of 4.7%

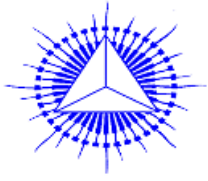
FPO we reclassified from Industrial REIT to Office REIT effective February 2014, due to divestiture of industrial properties

FPO an Office REIT with a portfolio of commercial business park and office properties concentrated in metropolitan DC area

FPO we rank 3 HOLD

FPO market cap \$778 million

REIT Comment



Company:	Washington REIT
Price:	\$23
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,611
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/21/2014
WRE \$24

Washington REIT WRE traded UP \$0.71 per share to close UP +3% day

WRE stock traded UP +4% year to date for 2014, underperforming Office REITs, trading UP +6% for 2014

WRE stock traded DOWN (11%) during 2013

WRE guidance for FFO for 2014 indicates decline DOWN (13%) this year, while management seeks as much as \$350 million acquisitions to reverse FFO decline

WRE lower guidance for FFO for 2014 indicates negative impact of divestitures prior to reinvestment of proceeds from divestiture of medical properties

WRE new CEO seeking to optimize portfolio performance of remaining office, retail and multifamily residential properties

WRE stock price supported by current annual dividend yield of 5.0%

WRE an Office REIT with a diverse portfolio of office, retail, medical and residential properties concentrated in the metropolitan DC area

WRE we rank 3 HOLD

WRE market cap \$1.6 billion

REIT Comment



Company:	Corporate Office Properties Trust
Price:	\$26
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,378
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/21/2014
OFC \$26

Corporate Office Properties Trust OFC traded UP \$0.80 per share to close UP +3% day

OFC stock traded UP +11% year to date for 2014, outperforming Office REITs, trading UP +6% for 2014

OFC stock traded DOWN (5%) during 2013

OFC defense oriented stocks rallied this week on news of Ukraine crisis

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

OFC results for 2013 disappointed investors, with FFO DOWN (7%)

OFC guidance for FFO for 2014 indicates FFO decline DOWN (7%), with planned forfeiture of 2 properties to lenders

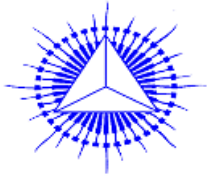
OFC stock price supported by current annual dividend yield of 4.2%

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

OFC we rank 3 HOLD

OFC market cap \$2.4 billion

REIT Comment



Company:	CoreSite Realty
Price:	\$31
Recommendation:	BUY
Ranking:	2
Market Cap:	\$659
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/21/2014
COR \$31

CoreSite Realty COR traded UP \$0.78 per share to close UP +2% day

COR stock traded DOWN (5%) yeqar to date for 2014, underperforming Specialty REITs, trading UP +5% for 2014

COR stock traded DOWN (14%) duirng 2013

CORE investors seeking to participate in growth of Data Center REITs

COR 2013 FFO increased UP +17%

COR guidance for FFO for 2014 indicates FFO growth to continue UP +10%-+15% this year

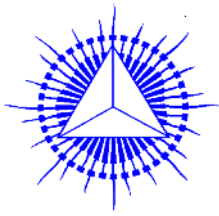
COR increased dividends by 30% for 4Q 2013

COR provides current annual dividend yield of 4.6%

COR a Specialty Data Center REIT with a portfolio of data centers in 8 US cities

COR we rank 2 BUY

COR market cap \$659 million



REIT Growth and Income Monitor posted 47 REIT comments for the week ended March 21, 2014. Comments were issued on REITs in the following sectors:

Financial REITs	8
Health Care REITs	2
Hotel REITs	3
Industrial REITs	5
Office REITs	6
Residential REITs	5
Retail REITs	5
Specialty REITs	13

Information on REIT sectors may be found using this link:

http://www.reitmonitor.net/REIT_Resources

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

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

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