

REIT Growth and Income Monitor

Weekly Comments 09/10/2013

REIT stocks stabilized, trading up 1%, as negative performance gap compared to S&P 500 Index expanded to (17%).

Improved economic growth of international markets may provide higher demand for Industrial REITs, as factory output recovers.

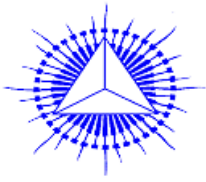
Prologis Inc participates in growth of global economy, while growth in US retail sales and industrial activity supports occupancy in US.

EastGroup Properties benefits from portfolio acquisitions and new developments.

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**Weekly REIT Comments**
09/10/2013

REIT stocks traded up 1% for the week ended September 6, 2013. REIT stocks are now down (1%) year to date for 2013, far behind performance of the S&P 500 Index, up 16%, as negative performance gap expanded to (17%) year to date for 2013. During 3Q 2013, REITs 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 now 3% for 2013, trailing 16% gain for the S&P 500 Index.

Tenants of Health Care REITs will be impacted by Medicare sequestration during 2013, pending positive impact of the Affordable Care Act in later years. Hotel REITs trade inversely to gasoline prices, while better than expected FFO growth restores confidence. Industrial REITs are gaining occupancy, while their stocks trade in line with economic indicators. Residential REITs expect exceptional FFO growth to continue through 2013, driven by tight occupancy and rental rate increases. Specialty Timber REITs, with portfolios of timberlands and sawlog mills, benefit from improving environment for homebuilders. Performance of Retail REITs is impacted by slowing tenant sales growth, although rental rate increase sustains long term FFO growth. Investors are leery of 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, to be debated during 4Q 2013. 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. Dividends continue to move higher during 2013. As dividend payers, REITs may be viewed as income stocks, attracting investors in need of both consistent income and growth.

Recovery of International Economies May Stimulate Demand for Industrial REITs

Rebounding international economies may provide demand stimulus for Industrial REITs with portfolios of bulk distribution facilities. Growth of GDP in China is expected by IMF to be slightly less than 8% for 2013, significantly exceeding other developed nations. Japan GDP increased 3.8% for 2Q 2013, a positive surprise compared to previous estimates. Even European economies demonstrate recovery. A recent report from Eurostat found EU GDP growth increased 0.3% for 2Q 2013, with Germany up 0.7%, France up 0.5%, and Spain recovering to small decline of (0.1%). More important than these international GDP reports is industrial output, as countries such as China are an important source of consumer goods shipped to US markets and stored in bulk distribution facilities. China industrial output increased 10.4% for August 2013 from previous year, accelerating from the prior month. Industrial REITs have indicated that retail tenants are preparing for another strong holiday season, with higher orders and inventories fully stocked. This environment should create an opportunity for Industrial REITs to raise rents on lease turnover, providing incremental FFO growth for 2014 due to higher profitability.

International growth directly benefits **Prologis Inc**, with a portfolio of wholly owned international properties supplemented by managed institutional development funds. **Prologis Inc** has a well established presence in Japan, while in China incremental investment will provide future growth. US based Industrial REITs should also benefit from the growth of international economies, as exports from international economies rise to meet demand from US consumers. Smaller Industrial REITs with properties near air ports and shipping terminals in US markets include **DCT Industrial Trust**, **Duke Realty** and **East Group Properties** (all stocks ranked BUY at this time), as well as **First Industrial** (currently ranked HOLD).

Trading Opportunities

Prologis Inc offers investors a large cap vehicle to participate in the rebound of occupancy and rental rates for Industrial REITs. Market cap is \$18 billion, while total valuation including debt, preferred stock and minority interest is \$31 billion. **Prologis Inc** stock is unchanged year to date for 2013, following decisive gain of 28% during 2012. **Prologis Inc** now controls 554 million square feet of distribution space in 22 countries, serving more than 4,500 customers, following completion of the merger of **ProLogis Trust** with **AMB Property** in July, 2011. **Prologis Inc** also manages \$22 billion of institutional development funds, positioned to add more than 10% to existing capacity. **Prologis Inc** reported Core FFO for 2Q 2013 down (5%), while guidance for Core FFO for 2013 indicates decline of as much as (6%) due to divestitures to institutional funds. Dividends have been stable since 2009, now providing income investors with current yield of 3.1%.

EastGroup Properties is a small cap Industrial REIT with market cap of less than \$2 billion and a diverse portfolio of 33 million square feet of distribution warehouses and light industrial properties. **EastGroup Properties** stock outperformed Industrial REITs, up 4% year to date for 2013, following exceptional gain of 24% for 2012. Acquisitions and new developments added 6% to capacity for **EastGroup Properties** during 2012. Occupancy at 95.5% as of 2Q 2013 is expected to moderate slightly during 2013. FFO for 2Q 2013 increased 4%, while guidance for FFO for 2013 indicates 4% growth. Dividends increased 2% during 2012, now providing income investors with current yield of 3.8%.

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Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Price	Price	Weekly	2013
		12/31/2012	08/30/2013	09/06/2013	Price Change	Price Change
American Tower Corp	AMT	\$77	\$69	\$72	3%	-7%
Apartment Investment and Management	AIV	\$27	\$28	\$28	1%	2%
AvalonBay Communities	AVB	\$136	\$124	\$126	1%	-7%
Boston Properties	BXP	\$106	\$103	\$105	2%	-1%
Equity Residential	EQR	\$57	\$52	\$53	2%	-6%
HCP Inc.	HCP	\$45	\$41	\$41	0%	-9%
Health Care REIT	HCN	\$61	\$61	\$61	-1%	-1%
Host Hotels & Resorts	HST	\$16	\$17	\$17	2%	10%
Kimco Realty	KIM	\$19	\$20	\$20	0%	4%
Macerich	MAC	\$58	\$56	\$57	1%	-3%
Plum Creek Timber	PCL	\$44	\$44	\$45	1%	1%
Prologis, Inc	PLD	\$36	\$35	\$37	4%	0%
Public Storage	PSA	\$145	\$153	\$153	0%	6%
Simon Property Group	SPG	\$158	\$146	\$145	-0%	-8%
Ventas	VTR	\$65	\$62	\$61	-1%	-5%
Vornado Realty Trust	VNO	\$80	\$81	\$82	1%	3%
Weyerhaeuser	WY	\$28	\$27	\$29	4%	3%
S&P 500 Index	S&P 500	\$1,426	\$1,633	\$1,655	1%	16%
Average for S&P 500 Index REITs					1%	-1%

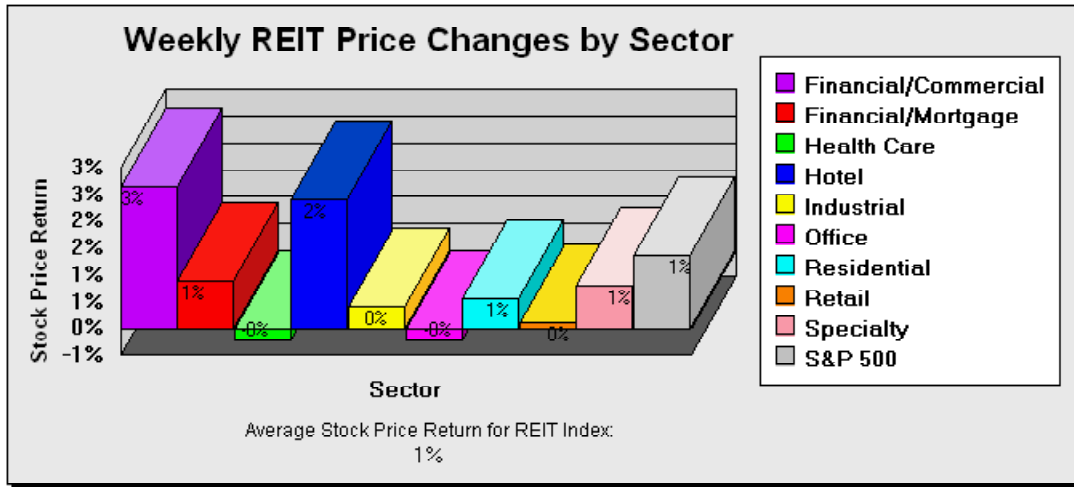
REIT stocks stabilized, trading up 1% for the first week of September, the week ended September 6, 2013. REITs matched performance of the S&P 500 Index, also up 1% for the week. REITs now show decline of (1%) year to date for 2013, trailing performance of the S&P 500 Index, up 16% for 2013. Negative performance gap expanded to (17%), as REIT underperformance continues. During 3Q 2013, REITs show the worst underperformance seen 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 16% gain for the S&P 500 Index, while 8 REITs are up less than the S&P 500 Index. A total of 9 of the S&P 500 REITs traded down year to date for 2013. Leading performers among REITs are **Host Hotels & Resorts**, up 10%, followed by **Public Storage**, up 6%, and by **Kimco Realty**, up 4% for 2013, all underperforming the S&P 500 Index. Specialty Timber REITs **Plum Creek Timber**, up 1%, and **Weyerhaeuser**, up 3%, indicate uncertainty over further improvement for US housing sector, due to negative impact of higher mortgage interest rates. Gains previously achieved by Health Care REITs eroded, with **HCP** now down (9%), while **Health Care REIT** is down (1%) and **Ventas** is down (5%) for 2013. Retail REITs **Macerich**, down (3%), and **Simon Property Group**, still down (8%) for 2013, demonstrate disappointment over lower tenant sales trends, although rental rate increases still support long term FFO growth. Lagging Residential REITs include **Apartment Investment and Management**, up 2%, **AvalonBay Communities** down (9%), and **Equity Residential**, down (8%), as investors consider eventual impact of multifamily housing starts on occupancy for Residential REITs. Office REITs lag, with **Boston Properties**, down (3%), and **Vornado Realty Trust**, up 2%, as rental rates decline in many urban areas. Economically sensitive Industrial REIT **Prologis Inc** now shows decline of (2%) for 2013. **American Tower Corp**, a newcomer to REIT status, traded down (10%) year to date for 2013.

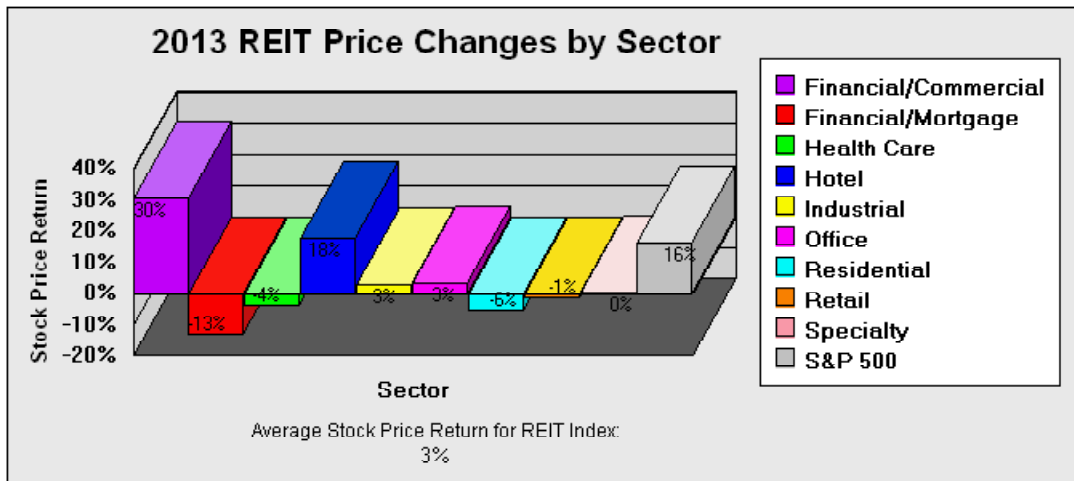
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Weekly REIT Price Changes by Sector



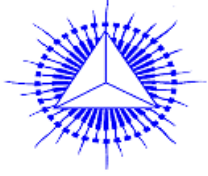
Most REIT sectors traded higher during the first week of September, the week ended September 6, 2013. Best performance was demonstrated by Financial Commercial REITs, trading up 3% on bond market recovery. Hotel REITs traded up 2% on news of lower oil prices as Syria tensions eased. Financial Mortgage REITs, Residential REITs and Specialty REITs all traded up 1%. Industrial REITs traded up less than 1%, while Health Care REITs, Office REITs and Retail REITs were all unchanged. On average, stock prices for REIT Growth and Income Monitor traded up 1% for the week ended September 6, 2013.



Prices for REITs followed by REIT Growth and Income Monitor show gain of 3% on average year to date for 2013, far behind performance of the S&P 500 Index, up 16% 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 expectations due to currency exposure and variable international economies. Leading sector for 2013 is Financial Commercial REITs, up 30%, as investor interest in non-agency securities revives. Hotel REITs show 18% gain, as investors see better than expected FFO growth during 2013, offset by concerns over volatile oil prices. Industrial REITs and Office REITs show 3% gain. Specialty REITs are now unchanged, while Retail REITs are down (1%) on concerns over slowing economic growth. Health Care REITs show decline of (4%), with expectation for positive impact of the Affordable Care Act partially offset by fear of Medicare sequestration. Residential REITs show decline of (6%) year to date for 2013, although guidance indicates continued rapid FFO growth through 2013 and into 2014. Lagging Financial Mortgage REITs show loss of (13%), as investors prepare for pending Fannie Mae reform to be considered by Congress.

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REIT Comment



Company:	Prologis Inc
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,812
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/03/2013
PLD \$35

Prologis Inc PLD better news on manufacturing activity for US trading partners supports positive outlook for Industrial REITs with portfolios of bulk distribution facilities

PLD report from Markit found eurozone PMI (Purchasing Managers Index) UP +1.1% to 51.4% for July 2013

PLD Markit reported faster growth for Germany, the Netherlands, Austria, Ireland, Italy and Spain, while France and Greece showed contraction

PLD another Markit report from China, published by HSBC, found China PMI (Purchasing Managers Index) UP +2.4% for July 2013

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

PLD total \$22.8 billion assets under management in institutional funds enables PLD to increase market share in international markets

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 3.2%

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

PLD we rank 2 BUY

PLD market cap \$16.8 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$17
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$12,578
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/08/2013
HST \$17

Host Hotels & Resorts HST volatile oil prices may impact trading in Hotel REIT stocks

HST threat of US intervention in Syria driving oil prices higher, against the normal seasonal pattern

HST Hotel REITs, like other travel related stocks, including airlines and hotels, normally trade inversely to oil prices

HST higher price of airline fuel and gasoline purchased by motorists impacts travel budgets forcing travelers to defer purchases on discretionary items such as additional room nights and ancillary purchases

HST guidance range for FFO for 2013 indicates growth UP +20%

HST provides current annual dividend yield of 2.6%

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

HST we rank 3 HOLD

HST market cap \$12.6 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	Weyerhaeuser
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$15,080
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/03/2013
WY \$27

WY divestiture of homebuilder operating subsidiary WRECO might enable payment of a special dividend to shareholders

WY expects to achieve valuation of more than \$3.0 billion for homebuilder operating subsidiary WRECO

WY WRECO ranked as 18th largest US homebuilder as of 2012, with 27,000 home lots available, including 17,500 in CA near San Diego and Los Angeles

WY WRECO operating under local brand names Quadrant Homes in WA and PardeeHomes in CA, NV and AZ, as well as Maracay Homes in AZ, Trendmaker Homes in TX, Camberly Homes in VA and Winchester Homes in DC and MD

WY hired Citi and Morgan Stanley to review strategic options and broker the sale of WRECO

WY recently increased dividend by 10% for 3Q 2013, bringing current annual yield to 3.2%

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 \$15.1 billion

WY an S&P 500 Index REIT

REIT Comment



Company:	Equity Residential
Price:	\$52
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,422
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/03/2013
EQR \$52

Equity Residential EQR news of employment growth to be reported later this week should indicate direction for Residential REITs

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

EQR impact of Archstone acquisition positive for margins, but creates need for divestitures to repay debt

EQR reported FFO growth UP +4% for 2Q 2013, while slightly reducing top end of guidance range for FFO for 2013 to indicate growth UP +3%

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 \$19.4 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,871
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/03/2013
DFT \$23

DuPont Fabros Technology DFT news of Microsoft MSFT acquisition of cell phone business from Nokia NOK highlights merger of hardware with software businesses to capture critical mass in latest technology trends

DFT Microsoft MSFT acquisition of Nokia cell phone business for \$7 billion follows 2 years after Google GOOG acquired Motorola Mobility cell phone business for \$13 billion

DFT demand for Internet services delivered from data centers driven by proliferation of mobile Internet devices

DFT appeal of Nokia NOK Lumia phones running Windows mobile software seen as critical to capturing market share for both high end smartphones and inexpensive cell phones

DFT Microsoft MSFT accepting near term EPS pressure from Nokia NOK acquisition in order to control long term market presence in smartphones

DFT Nokia NOK positioned to take advantage of market share shifts as Blackberry BBRY struggles and Apple AAPL focuses on new product development

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

DFT increased low end of guidance range for FFO for 2013 to indicate growth UP +30%

DFT increased dividend distribution by 25% for 2Q 2013, now providing current annual dividend yield of 4.4%

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

DFT we rank 2 BUY

DFT market cap \$1.9 billion

REIT Comment



Company:	Digital Realty Trust
Price:	\$56
Recommendation:	BUY
Ranking:	1
Market Cap:	\$7,655
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/03/2013
DLR \$56

Digital Realty Trust DLR announcement of acquisition of Nokia NOK cell phone business by software company Microsoft MSFT highlights demand growth for Internet services delivered from data centers

DLR growth in demand for data centers driven by corporate trend towards cloud computing and "big data", as well as by proliferation of mobile Internet devices

DLR investing to expand capacity by 2.8 million square feet, representing 12% capacity expansion

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

DLR stock price supported by current annual dividend yield of 5.6%

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

DLR we rank 1 BUY

DLR market cap \$7.7 billion

REIT Comment



Company:	Capstead Mortgage
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,121
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/03/2013
CMO \$12

Capstead Mortgage CMO more news of higher US home prices indicates housing sector growth remains intact

CMO report from CoreLogic found US home prices increased UP +1.8% for July 2013 from previous month

CMO home prices UP +12.4% from previous year

CMO greatest price increases reported for NV UP +24%, CA +20% AZ +15%, UT +14% and FL +14%

CMO CoreLogic home price report usually 1 month in advance of better known Case-Shiller home price index report

CMO proposals for Fannie Mae reform to be debated by House and Senate during 4Q 2013, with much opposition expected from liberal Congressmen and mortgage lending industry lobbying groups

CMO stock price supported by current annual dividend yield of 10.6%, below the midpoint of the range for Financial Mortgage REITs

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

CMO we rank 2 BUY

CMO market cap \$1.1 billion

REIT Comment



Company:	Associated Estates Realty
Price:	\$13
Recommendation:	BUY
Ranking:	2
Market Cap:	\$675
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/03/2013
AEC \$13

Associated Estates Realty AEC traded DOWN (\$0.37) per share to close DOWN (3%) day

AEC stock traded DOWN (17%) year to date for 2013, underperforming Residential REITs, trading DOWN (6%) for 2013

AEC occupancy in excess of 96% enables continued rental rate increases

AEC previously slightly reduced guidance range for 2013 FFO, due to dilution from recent stock offering

AEC new guidance indicates 2013 FFO DOWN (1%) - UP +2%

AEC provides annual dividend yield of 5.7%

AEC a Residential REIT with a diverse portfolio of apartment communities

AEC we rank 2 BUY

AEC market cap \$675 million

REIT Comment



Company:	Omega Healthcare Investors
Price:	\$28
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,149
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/03/2013
OHI \$28

Omega Healthcare Investors OHI traded DOWN (\$0.66) per share to close DOWN (2%) day

OHI stock traded UP +16% year to date for 2013, outperforming Health Care REITs, trading DOWN (4%) for 2013

OHI lower REIT stock prices brings yields for Health Care REITs to exceptionally high levels

OHI delayed implementation of provisions of Affordable Care Act postpones incremental patients for tenants of Health Care REITs

OHI guidance for FFO for 2013 indicates growth UP +15%

OHI increased dividend distribution by 2%, now providing annual dividend yield of 6.8%

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

OHI we rank 2 BUY

OHI market cap \$3.1 billion

REIT Comment



Company:	iStar Financial
Price:	\$11
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$956
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/03/2013
SFI \$11

iStar Financial SFI traded UP \$0.16 per share to close UP +1% day

SFI stock traded UP +38% year to date for 2013, outperforming Financial Commercial REITs, trading UP +27% for 2013

SFI illiquid portfolio of commercial loans and real estate burdens balance sheet with nonproductive assets

SFI 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

SFI no guidance provided for 2013 EPS

SFI has not paid dividends on common stock since 2008

SFI a Financial Commercial REIT

SFI we rank 3 HOLD

SFI market cap \$1.0 billion

REIT Comment



Company:	Newcastle Investment
Price:	\$5
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,304
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/03/2013
NCT \$5

Newcastle Investment NCT traded UP \$0.16 per share to close UP +3% day

NCT stock traded UP +39% year to date for 2013, outperforming Financial Commercial REITs, trading UP +27% for 2013

NCT recent spin-off of New Residential Investment NRZ enables portfolio concentration in commercial assets

NCT expecting higher returns on senior living investments than on CDOs and commercial assets

NCT set new quarterly dividend distribution at \$0.17 per share following spin-off of New Residential Investment NRZ

NCT including \$0.07 per share quarterly distribution for NRZ, total quarterly dividend distributions of \$0.24 per share represents increase UP +9% from previous NCT dividend

NCT a Financial Commercial REIT

NCT we rank 2 BUY

NCT market cap \$1.3 billion

REIT Comment



Company:	Prologis Inc
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,840
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/04/2013
PLD \$35

Prologis Inc PLD news of expanding US factory activity may indicate need for inventory investment

PLD report from ISM (Institute for Supply Management) found index of US factory activity UP +0.4% to 55.7% for August 2013 to fastest pace since June 2011

PLD higher rate of residential construction supporting orders for construction materials and appliances

PLD ISM also found new orders UP +4.9% to 63.2%, while employment DOWN (1.1%) to 53.3%

PLD customer stockpiles low at 42.5%, DOWN (5%) from previous month

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

PLD reported FFO down (4%) for 2Q 2013 due to divestitures of properties to investment funds

PLD guidance for FFO for 2013 indicates decrease DOWN as much as (6%)

PLD outlook for long term growth enhanced by \$22.8 billion combined assets under management in 15 international investment 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 \$16.8 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Annaly Capital Management
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,500
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/04/2013
NLY \$11

Annaly Capital Management NLY slightly higher mortgage application volume reflects seasonality as homeowners still resist mortgage interest rates at high for last 3 months

NLY report from MBA (Mortgage Bankers Association) found mortgage applications UP +1.3% for week ended August 30, 2013

NLY mortgage applications for refinance UP +2%, while mortgage applications for home purchase DOWN (0.4%)

NLY refinance applications represented 61% of all applications, an unusually low level, reflecting consumer concern over higher mortgage interest rates

NLY report from MBA (Mortgage Bankers Association) noted refinance applications now DOWN more than (60%) from peak level in May 2013

NLY report from MBA (Mortgage Bankers Association) found average interest rate on 30 year fixed rate conforming mortgage DOWN (0.07%) to 4.73%, still UP more than +1.10% since May 2013

NLY proposals for Fannie Mae reform to be debated by Congress during 3Q 2013 with votes unlikely before 4Q 2013

NLY proposed liquidation of Fannie Mae and Freddie Mac arousing opposition from liberal Senators and Congressmen, while industry experts unanimously oppose, indicating serious disruption of housing sector would result

NLY completed acquisition of publicly traded NLY subsidiary CreXus Investment CXS as part of strategic decision to invest up to 25% of equity in non-agency real estate assets

NLY stock price supported by current annual dividend yield of 13.8%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$11.5 billion

REIT Comment



Company:	AvalonBay Communities
Price:	\$123
Recommendation:	BUY
Ranking:	2
Market Cap:	\$14,740
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/04/2013
AVB \$123

AvalonBay Communities AVB this weeks pending news of job creation may support positive outlook for Residential REITs

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

AVB like all Residential REITs reporting high occupancy and rental rate increases supported by improving employment trends

AVB \$6.9 billion Archstone acquisition completed during 1Q 2013, providing significant portfolio expansion in high growth markets

AVB well positioned to gain market share, with \$2.2 billion development pipeline to contribute 22% to portfolio capacity

AVB guidance for FFO for 2013 indicates growth of UP +16%

AVB provides current annual dividend yield of 3.5%

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 \$14.7 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	General Growth Properties
Price:	\$19
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,342
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

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

General Growth Properties GGP pending news of same store sales trends may impact trading in Retail REITs

GGP next week certain mall tenants expected to release same store sales trends for August 2013

GGP important back to school sales support retail sales during 3Q 2013

GGP rent rollup on lease turnover more important than tenant sales trends to Retail REITs

GGP trailing 12 month tenant sales gains UP +5% as of 2Q 2013, with average rents on turnover of mall leases UP +11%

GGP reported 2Q 2013 FFO growth UP +17%

GGP guidance for FFO for 2013 indicates growth UP +13%-+16%

GGP investing \$900 million to redevelop 24 retail properties

GGP increased dividend distribution by 8% for 4Q 2013, 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 \$19.3 billion

REIT Comment



Company:	Hospitality Properties Trust
Price:	\$27
Recommendation:	SELL
Ranking:	4
Market Cap:	\$3,328
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/04/2013
HPT \$27

Hospitality Properties Trust HPT news of higher oil prices may impact trading in certain Hotel REITs

HPT fears of disruption in oil markets due to Syria situation could cause sudden spike in price of gasoline, impacting cost of travel for business and consumers

HPT Hotel REITs, like other travel related stocks, normally trade inversely to fluctuations in price of oil and gasoline

HPT likely to see reduced traffic at gasoline stations associated with hotel properties as consumers reduce frequency of gasoline purchases in response to higher gasoline prices

HPT does not benefit from changes in gasoline prices at service stations operated by key tenant TA (TravelCenters of America)

HPT key tenant TA (TravelCenters of America) reported disappointing loss for 2Q 2013

HPT reported FFO growth UP +4% for 2Q 2013

HPT no guidance provided for FFO for 2013

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

HPT current annual dividend yield of 7.1%

HPT a Hotel REIT with a portfolio concentrated in highway hotels and travel centers

HPT we rank 4 SELL

HPT market cap \$3.3 billion

REIT Comment



Company:	Getty Realty
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$604
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/04/2013
GTY \$18

Getty Realty GTY stock may react to higher gasoline prices on fear of disruption due to Syria situation

GTY tenant leases on gasoline stations not adjusted for tenant sales increases on changes in retail gasoline price

GTY expects to receive \$33 million cash from Lukoil settlement during 3Q 2013

GTY litigation continues with sub-tenants of bankrupt Lukoil at 40 properties

GTY no guidance provided for FFO for 2013

GTY provides current dividend yield of 4.4%

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

GTY we rank 3 HOLD

GTY market cap \$604 million

REIT Comment



Company:	Digital Realty Trust
Price:	\$53
Recommendation:	BUY
Ranking:	1
Market Cap:	\$7,272
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/04/2013
DLR \$53

Digital Realty Trust DLR traded DOWN (\$1.32) per share to close DOWN (2%) day

DLR stock traded DOWN (22%) year to date for 2013, underperforming Office REITs, trading UP +4% for 2013

DLR corporate investment in cloud computing and "big data", as well as proliferation of mobile Internet devices, driving incremental demand for data centers owned by DLR

DLR investing to expand capacity by 2.8 million square feet, representing 12% capacity expansion

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

DLR stock price supported by current annual dividend yield of 5.9%

DLR an Office 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:	DCT Industrial Trust
Price:	\$7
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,158
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

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

DCT Industrial Trust DCT traded UP \$0.18 per share to close UP +3% day

DCT stock traded UP +6% year to date for 2013, outperforming Industrial REITs, trading UP +3% for 2013

DCT Industrial REITs seeing higher rents on occupancy improvements

DCT pending sale of Mexico assets to generate \$83 million proceeds to be applied to fund development and acquisition programs

DCT reported 2Q 2013 FFO increased UP +10%

DCT guidance for FFO for 2013 indicates growth UP +7%

DCT stock price supported by current annual dividend yield of 4.1%

DCT an Industrial REIT

DCT we rank 2 BUY

DCT market cap \$2.2 billion

REIT Comment



Company:	Liberty Property Trust
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,329
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/04/2013
LRY \$35

Liberty Property Trust LRY traded UP\$0.78 per share to close UP +2% day

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

LRY pending acquisition adds significant expansion to industrial segment of portfolio

LRY to acquire operating partnership of Cabot Industrial Value Fund III for\$1.5 billion, adding 28% to portfolio capacity

LRY transaction expected to close during October2013

LRY dilution from \$860 million share offering to fund acquisition may require adjustment to FFO guidance

LRY latest guidance for FFO for 2013 indicates growth UP +5%

LRY stock price supported by current annual dividend yield of5.5%

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

LRY we rank 2 BUY

LRY market cap \$4.3 billion

REIT Comment



Company:	Redwood Trust
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,776
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/04/2013
RWT \$18

Redwood Trust RWT traded UP +\$0.34 per share to close UP +2% day

RWT stock traded UP +9% year to date for 2013, outperforming Financial Mortgage REITs, trading DOWN (14%) for 2013

RWT Financial Mortgage REITs with portfolios of non-agency securities may see increased demand from investors as Congress ponders Fannie Mae reform

RWT planned addition of agency guaranteed securities should expand investor base for securitizations issued by Sequoia subsidiary

RWT goal of issuing \$8 billion non-agency securitizations during 2013

RWT provides current annual dividend yield of 6.1%, at the low end of the range for Financial Mortgage REITs

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

RWT we rank 3 HOLD

RWT market cap \$1.8 billion

REIT Comment



Company:	Equity Residential
Price:	\$52
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,547
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/05/2013
EQR \$52

Equity Residential EQR report of decline in monthly new job creation presents mixed outlook for Residential REITs

EQR report from (Automatic Data Processing) found private sector added 176,000 new jobs for August 2013, DOWN (22,000) from revised 198,000 for July 2013

EQR report expected later this week from Labor Department may conflict with ADP report due to inclusion of shrinking government jobs

EQR difference between ADP report and Labor Department report may indicate private sector estimates by Labor Department impacted by seasonal adjustments

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

EQR impact of Archstone acquisition positive for margins, but creates need for divestitures to repay debt

EQR reported FFO growth UP +4% for 2Q 2013, while slightly reducing top end of guidance range for FFO for 2013 to indicate growth UP +3%

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 \$19.5 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	Vornado Realty Trust
Price:	\$82
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$16,249
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/05/2013
VNO \$82

Vornado Realty Trust VNO news of increasing hedge fund investment in JC Penney JCP may signal pending takeover battle

VNO new filings from Glenview Capital Management shows 9% stake and Hayman Capital Management with 5% stake in JC Penney JCP

VNO last month investor Bill Ackman of Pershing Square sold all of his 18% equity stake in JC Penney JCP for (\$470) million loss, after resigning from JC Penney JCP board during August 2013

VNO additional investors in JC Penney JCP include Soros with 9% equity stake and Perry Capital with 7% stake

VNO unlikely to increase existing 6% equity stake in VNO, following stock market sales during 1Q 2013

VNO CEO Steven Roth still a director of JC Penney JCP

VNO continuing strategic restructuring, with divestitures of retail properties to focus investment on office properties

VNO subject to investor concern over exposure to DC properties, representing 24% of EBITDA for VNO as of 1Q 2013

VNO no guidance provided for FFO for 2013

VNO provides current annual dividend yield of 3.6%

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

VNO we rank 3 HOLD

VNO market cap \$16.2 billion

VNO an S&P 500 Index REIT

REIT Comment



Company:	UDR, Inc
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,972
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/05/2013
UDR 23

UDR Inc UDR news of lower new unemployment claims supports trading in Residential REIT stocks

UDR report from Bureau of Labor Statistics found new unemployment claims of 323,000 for week ended August 31, 2013, DOWN (9,000) from revised number for previous week

UDR more stable 4 week moving average of 328,500 also showed decline, DOWN (3,000) from revised number for previous week

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

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

UDR investing \$1.3 billion in development and redevelopment pipeline to expand portfolio capacity by 5%

UDR increased guidance for FFO for 2013 to indicate growth UP +4%

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

UDR a Residential REIT with a diverse portfolio of apartment communities

UDR we rank 2 BUY

UDR market cap \$6.0 billion

REIT Comment



Company:	Boston Properties
Price:	\$103
Recommendation:	SELL
Ranking:	4
Market Cap:	\$15,838
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/05/2013
BXP \$103

Boston Properties BXP Boston Properties BXP pending implementation of new regulations for banks and other financial institutions may signal lower demand for office space from certain Office REITs

BXP banks may be forced to divest portfolios to reduce counter party exposure as well as stop proprietary trading operations, causing additional downsizing and layoffs

BXP management estimates exposure to financial industry tenants at 20% of total NOI

BXP like other Office REITs seeing lower rents in some markets, with average rents on lease turnover DOWN (1.3%) for 2Q 2013

BXP recently decreased guidance for FFO for 2013 to indicate a FLAT year

BXP provides current annual dividend yield of 2.5%

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

BXP we rank 4 SELL

BXP market cap \$15.8 billion

BXP an S&P 500 Index REIT

REIT Comment



Company:	Prologis Inc
Price:	\$36
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,914
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/05/2013
PLD \$36

Prologis Inc PLD sources of international growth shifting to more developed nations in line with PLD investment focus

PLD report released by IMF yesterday indicated global economic growth from 2013-2014 to be driven by recovery in developed nations

PLD IMF sees most dynamic growth from US, Europe and Japan, while China economy may continue slight deceleration

PLD lower monetary stimulus in US expected to raise interest rates drawing investment funds away from emerging economies

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

PLD total \$22.8 billion assets under management in institutional funds enables PLD to increase market share in international markets

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 3.2%

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

PLD we rank 2 BUY

PLD market cap \$17.9 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$17
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$13,445
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/05/2013
HST \$17

Host Hotels & Resorts HST further oil price increase more likely due to low US stock of crude oil

HST stronger US economy cited by API (American Petroleum Institute) as reason for greater than expected drawdown of US stock of crude oil

HST investor fears over threat of US intervention in Syria may also cause sudden increase in cost of oil and gasoline

HST Hotel REITs, like other travel related stocks, including airlines and hotels, normally trade inversely to oil prices

HST higher price of airline fuel and gasoline purchased by motorists impacts travel budgets forcing travelers to defer purchases on discretionary items such as additional room nights and ancillary purchases

HST guidance range for FFO for 2013 indicates growth UP +20%

HST provides current annual dividend yield of 2.5%

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

HST we rank 3 HOLD

HST market cap \$13.4 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	Pennsylvania REIT
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,191
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/05/2013
PEI \$18

Pennsylvania REIT PEI traded DOWN (\$0.49) per share to close DOWN (3%) day

PEI stock traded UP +2% year to date for 2013, underperforming Retail REITs, trading DOWN (1%) for 2013

PEI Retail REIT stocks may respond to pending reports of same store sales trends for August 2013 from key retailers

PEI long term FFO growth for Retail REITs driven by rental rate increases not by tenant sales trends

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

PEI provides current annual dividend yield of 4.0%

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

PEI we rank 2 BUY

PEI market cap \$1.2 billion

REIT Comment



Company:	Kimco Realty
Price:	\$20
Recommendation:	BUY
Ranking:	1
Market Cap:	\$8,169
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/05/2013
KIM \$20

Kimco Realty KIM traded DOWN (\$0.46) per share to close DOWN (2%) day

KIM stock traded UP +5% year to date for 2013, outperforming Retail REITs, trading DOWN (1%) for 2013

KIM management focused on improving portfolio mix through acquisitions of properties to benefit from investment, as well as divestitures of lower income properties

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

KIM provides current annual dividend yield of 4.2%

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

KIM we rank 1 BUY

KIM market cap \$8.2 billion

KIM an S&P 500 Index REIT

REIT Comment



Company:	Weyerhaeuser
Price:	\$28
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,042
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/05/2013
WY \$28

Weyerhaeuser WY traded UP \$0.66 per share to close UP +2% day

WY stock traded UP +1% year to date for 2013, outperforming Specialty REITs, now unchanged for 2013

WY said to be generating good buyer interest for divestiture of WRECO taxable homebuilding subsidiary

WY hired Citi and Morgan Stanley to review strategic options and broker the sale of WRECO

WY Citi expects sale of WRECO could generate more than \$3 billion, enabling distribution of special dividend of \$3-\$4 per share to WY shareholders

WY recently increased dividend by 10% for 3Q 2013, bringing current annual yield to 3.2%

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 \$16.0 billion

WY an S&P 500 Index REIT

REIT Comment



Company:	Mack-Cali Realty
Price:	\$21
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,074
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/05/2013
CLI \$21

Mack-Cali CLI traded DOWN (\$0.56) per share to close DOWN (2%) day

CLI stock traded DOWN (20%) year to date for 2013, underperforming Office REITs, trading UP +4% for 2013

CLI Office REITs face rent roll-downs in many urban and suburban markets impacting FFO growth

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

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

CLI reduced guidance for FFO for 2013 to indicate decline DOWN (13%)

CLI provides current annual dividend yield of 5.8%

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



Company:	Equity Residential
Price:	\$52
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,450
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2013
EQR \$52

Equity Residential EQR report of lower than expected new job creation presents mixed outlook for Residential REITs

EQR report from BLS (Bureau of Labor Statistics) of Labor Department found US economy created 169,000 new jobs for August, 2013, with unemployment rate slightly DOWN to 7.3%

EQR private sector jobs increased UP +152,000, while government jobs increased UP +17,000, with federal government DOWN (300), state government DOWN (3,000) and local government UP +20,000 due to seasonality

EQR earlier this week ADP survey report found 176,000 new jobs created in private sector during August 2013, DOWN (22,000) from revised 198,000 for July 2013

EQR difference between ADP report and Labor Department report may indicate private sector estimates by Labor Department impacted by seasonal adjustments

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

EQR impact of Archstone acquisition positive for margins, but creates need for divestitures to repay debt

EQR reported FFO growth UP +4% for 2Q 2013, while slightly reducing top end of guidance range for FFO for 2013 to indicate growth UP +3%

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 \$19.5 billion

REIT Comment



Company:	American Tower
Price:	\$69
Recommendation:	BUY
Ranking:	2
Market Cap:	\$27,463
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2013
AMT \$69

American Tower AMT announced \$4.8 billion acquisition of Global Tower Partners for \$4.8 billion

AMT transaction expected to close during 4Q 2013

AMT Global Tower Partners the largest privately held cell tower owner in US with 5,400 US towers, 9,000 managed sites and 500 towers in Costa Rica, as well as 800 property interests in 3rd party US locations

AMT pending acquisition to add 25% to US tower capacity, with additional presence in New York, San Francisco and DC

AMT Global Tower Partners mix of telecom carrier tenants similar to AMT existing base of US revenues

AMT accretive acquisition expected to add \$345 million to revenues and 4% to FFO for 2014

AMT build-out of 4G and LTE networks drive wireless carriers to lease additional space on cell towers

AMT profit growth robust during 2013, with AFFO per share UP +19% for 2Q 2013

AMT guidance for AFFO for 2013 indicates growth UP +25%

AMT increased dividend by 4%, now providing 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 \$27.5 billion

AMT an S&P 500 Index REIT

REIT Comment



Company:	Annaly Capital Management
Price:	\$11
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,425
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/06/2013
NLY \$11

Annaly Capital Management NLY incremental income from recently completed acquisition of commercial assets could drive higher stock price for NLY

NLY in May 2013 NLY completed acquisition of publicly traded NLY subsidiary CreXus Investment CXS, as part of strategic decision to invest up to 25% of equity in non-agency real estate assets

NLY CreXus renamed as Annaly Commercial Real Estate Group

NLY commercial mortgage loans and CMBS at significantly higher yields than Residential mortgages and RMBS, potentially contributing as much as 40% of NLY net interest income

NLY improved liquidity of CMBS during 2013 a result of revival of market for non-agency securitizations

NLY proposals for Fannie Mae reform to be debated by Congress during 3Q 2013 with votes unlikely before 4Q 2013

NLY proposed liquidation of Fannie Mae and Freddie Mac arousing opposition from liberal Senators and Congressmen, while industry experts unanimously oppose, indicating serious disruption of housing sector would result

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

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

NLY we rank 2 BUY

NLY market cap \$11.4 billion

REIT Comment



Company:	Weyerhaeuser
Price:	\$28
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,042
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/06/2013
WY \$28

Weyerhaeuser WY re-opening of lumber plant in Castleberry AL indicates strength of US housing sector recovery

WY Castleberry plant manufactures Trus-Joist and Microllam lines of processed lumber, with annual capacity of 2 million cubic feet of Microllam and 120 million linear feet of Trus Joist

WY Castleberry plant was acquired by WY in 2000 and has been closed since 2009

WY trading higher on anticipation of attractive price of more than \$3 billion on pending divestiture of WRECO taxable homebuilding subsidiary

WY sale of WRECO could enable distribution of special dividend of \$3-\$4 per share to WY shareholders

WY recently increased dividend by 10% for 3Q 2013, bringing current annual yield to 3.2%

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 \$16.0 billion

WY an S&P 500 Index REIT

REIT Comment



Company:	Redwood Trust
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,776
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2013
RWT \$18

Redwood Trust RWT while other Financial Mortgage REITs begin tentatively to invest in nonagency securities, RWT adding agency securities to improve marketability of Sequoia securitizations

RWT most new ABS issues sold in tranches including agency and non-agency investments, making Sequoia purely non-agency issues appear riskier

RWT plans to add agency guaranteed securities should expand investor base for securitizations issued by Sequoia subsidiary

RWT goal of issuing \$8 billion securitizations during 2013 appears achievable, following \$4 billion issued by RWT year to date for 2013

RWT provides current annual dividend yield of 6.1%, at the low end of the range for Financial Mortgage REITs

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

RWT we rank 3 HOLD

RWT market cap \$1.8 billion

REIT Comment



Company:	Ashford Hospitality Trust
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,019
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2013
AHT \$12

Ashford Hospitality Trust AHT while Hotel REIT stocks fluctuate in fear of disruption in oil markets due to Syria, investors in AHT anticipate distribution of spin-off to aid shareholder value

AHT pending spin-off of Ashford Prime AHP (80% of portfolio of 8 stable, profitable and fully leveraged hotels) to be a taxable distribution to AHT common shareholders with transaction to be completed during September 2013

AHT management expects higher valuation for low risk AHP spin-off hotels, while remaining properties retained by AHT expected to see leveraged profit growth on renovation and investment

AHT hotels to be included in AHP have much higher RevPAR (revenue per available room) and ADR (average daily rate), with occupancy more than 83% as of 2Q 2013

AHT pending spin-off of AHP to common shareholders of AHT will not impede continuity of AHT dividend at \$0.12 per share per quarter, while AHP expected to pay annual dividend of \$0.04 per share

AHT provides current dividend yield of 4.1%

AHT a Hotel REIT

AHT we rank 2 BUY

AHT market cap \$1.0 billion

REIT Comment



Company:	American Tower
Price:	\$72
Recommendation:	BUY
Ranking:	2
Market Cap:	\$28,725
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2013
AMT \$72

American Tower AMT traded UP \$3.16 per share to close UP +5% day

AMT stock traded DOWN (7%) year to date for 2013, underperforming Specialty REITs, trading unchanged for 2013

AMT stock reacting to positive news of significant acquisition of Global Tower Partners for \$4.8 billion

AMT guidance for FFO for 2013 indicates growth UP +25%

AMT increased dividend by 4%, now providing annual dividend yield of 1.5%

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 \$28.7 billion

AMT an S&P 500 Index REIT

REIT Comment



Company:	Medical Properties Trust
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,811
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2013
MPW \$12

Medical Properties Trust MPW traded UP \$0.48 per share to close UP +4% day

MPW stock traded unchanged year to date for 2013, outperforming Health Care REITs, trading DOWN (4%) for 2013

MPW portfolio of health care properties concentrated in hospitals, rather than outpatient or senior living facilities

MPW pending \$283 million acquisitions of 3 hospitals to drive FFO growth for 2014

MPW guidance for FFO for 2013 indicates growth UP +11%-+13%

MPW stock price supported by current yield of 6.7%

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

MPW we rank 2 BUY

MPW market cap \$1.8 billion

REIT Comment



Company:	HCP Inc
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,868
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2013
HCP \$41

HCP Inc HCP traded UP \$1.18 per share to close UP +3% day

HCP stock traded DOWN (9%) year to date for 2013, underperforming Health Care REITs, trading DOWN (4%) for 2013

HCP delay of implementation of Affordable Care Act may slow expected growth for Health Care REIT tenants, but rental revenues for Health Care REITs not impacted

HCP Health Care REITs seeing stable portfolio returns, with long term rental agreements driving same property NOI growth of 3%-4% annually

HCP reported FFO for 2Q 2013 UP +4%

HCP increased guidance for FFO for 2013 to indicate growth UP +9%

HCP recently increased dividend by 6%, bringing current yield to 5.1%

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

HCP we rank 2 BUY

HCP market cap \$18.9 billion

HCP an S&P 500 Index REIT

REIT Comment



Company:	Equity Residential
Price:	\$53
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,938
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2013
EQR \$53

Equity Residential EQR traded UP \$1.30 per share to close UP +3% day

EQR stock traded DOWN (6%) year to date for 2013, in line with Residential REITs, DOWN (6%) for 2013

EQR stock traded UP despite disappointing news of new job creation indicating investors comfortable with positive outlook for Residential REITs, based on FFO growth

EQR Residential REITs enjoying higher profitability on tight occupancy and increasing rental rates

EQR reported FFO growth UP +4% for 2Q 2013, while slightly reducing top end of guidance range for FFO for 2013 to indicate growth UP +3%

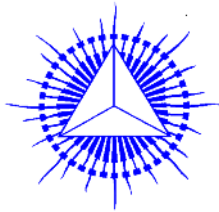
EQR stock supported by current annual dividend yield of 3.4%

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

EQR we rank 2 BUY

EQR market cap \$19.9 billion

EQR an S&P 500 Index REIT



REIT Growth and Income Monitor posted 41 REIT comments for the week ended September 6, 2013. Comments were issued on REITs in the following sectors:

Financial REITs	7
Health Care REITs	4
Hotel REITs	3
Industrial REITs	3
Office REITs	8
Residential REITs	7
Retail REITs	3
Specialty REITs	6

Information on REIT sectors may be found using this link:

http://www.reitmonitor.net/REIT_Resources

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

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

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