

REIT Growth and Income Monitor

Weekly Comments 12/20/2011

REIT rebound caused positive performance gap for 2011 to expand to 5% in favor of REITs.

Federal Reserve rules issued to control bank capital and liquidity may cause more downsizing for financial industry tenants.

Brookfield Properties has greatest exposure to banks and other financial industry tenants among Office REITs.

SL Green Realty may see lower demand for office space from key tenants including Citi and certain foreign banks.

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Weekly REIT Comments 12/20/2011

REIT stocks demonstrated mixed performance during the second week of December, ended December 16, 2011. REITs included in the S&P 500 Index traded up 2% on average for 2011, exceeding performance of the S&P 500 Index, now down (3%). Positive performance gap expanded to 5% in favor of REITs. Average decline for all REITs followed by REIT Growth and Income Monitor is now (7%) year to date for 2011.

Certain REIT sectors demonstrated ability to increase guidance for FFO for 2011, while others seem to be headed for disappointment when results for 4Q 2011 are reported in January and February, 2012. Most Residential REITs exceeded guidance for FFO for 3Q 2011, while also increasing guidance for FFO for 2011, now indicating FFO growth for 2011 of 10% or more. Retail REITs report better than expected tenant sales gains to support occupancy and rental growth. Investors appear to be pulling back from Office REITs, due to continued rent rolldowns, lagging economic recovery, as well as exposure to pending bank layoffs. Industrial REITs trade in line with economic indicators, with slow growth expected for the rest of 2011. Hotel REITs react to daily fluctuations in investor fears that softer economic trends for the US and Europe will erode profitability during the last months of 2011.

Financial Mortgage REITs face significant fundamental change, although timing of the change has been delayed, preserving the status quo for Financial Mortgage REITs with portfolios of agency guaranteed Residential MBS. Congressional attempts to close the budget gap have delayed Fannie Mae reform, with most Congressmen hesitant to vote on Fannie Mae issues before the 2012 elections. Reform of Fannie Mae may ultimately impact the housing sector starting in 2013, changing the outlook for Financial Mortgage REITs and certain Specialty REITs subject to demand fluctuations from home construction.

REIT stocks normally perform like interest rate sensitive stocks, although none of the 14 REITs in the S&P 500 Index are actually invested in financial assets. Dividends are moving higher during 2011. As dividend payers, REITs may be viewed as income stocks, attracting investors in need of both consistent income and growth.

New Federal Reserve Rules to Control Bank Capital and Liquidity May Impact Certain Office REITs

Proposed rules issued by the Federal Reserve Board mandating bank capital requirements, liquidity monitoring, and contingency planning were issued this week, indicating measures that must be taken by banks over the next 7 years to bring all into compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Although proposed rules on bank capital contained few surprises (based on the widely discussed Basel III reforms), the document makes it clear that "covered companies" will include US bank holding company subsidiaries of foreign banks, as well as non-banks viewed to be of sufficient size to be of concern to the financial stability of the United States. Such non-banks may include insurance companies, hedge funds, certain savings and loans, and financial subsidiaries of industrial companies, such as GE Capital. Determination of non-bank status as "covered companies" will be made by the Financial Stability Oversight Council, chaired by Treasury Secretary Geitner, and including the heads of almost all federal financial regulatory agencies. Inclusion of insurance companies as "covered companies" is underlined by the establishment of the Federal Insurance Office as a Department of the Treasury. Compliance will be phased in over time, with bank capital requirements to be met by 2018 and liquidity requirements by 2015.

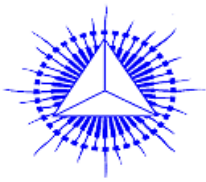
These Federal Reserve proposed rules for financial reform go far beyond previous discussion of the "Volcker Rule" (aimed at limiting bank proprietary trading to prevent client conflicts). It appears from these proposed rules that the largest US banks may soon encounter constraints on their lending and investment banking activities, with the rules for counter-party risk management to take effect by October 1, 2013 (only 18 months from now). Proposed rules on single counterparty lending are based on a limit of "25% of capital stock and surplus", a level that raises significant issues for interbank activities for the largest US banks. Specific rules are proposed limiting single party credit exposure to include all assets held for investment, liabilities and capital as well as off-balance sheet commitments. Securities lending, repurchase agreements, reverse repurchase agreements, derivatives, guarantees, contingent letters of credit and even SPVs (special purpose vehicles) are to be included in calculating single counter-party credit exposure. As a result, banks and other "covered companies" may be forced to curtail investment, lending and underwriting to favored customers if their existing exposure is too large.

Placed in the context of pending bank layoffs (now close to 200,000 jobs, including announcements during 2011 by large US and international banks), these new rules may force banks and other financial industry tenants to rethink many aspects of their current operations. It appears the only way to escape the Federal Reserve rules is to downsize. Office REITs with exposure to financial industry tenants may see these high rent tenants offering subleases of vacant space, pressuring office rental rates, and seeking to terminate leases of high cost space, forcing rent reductions. This downsizing process is likely to take years to complete, making Office REITs less attractive for REIT investors.

Trading Opportunities

We highlight **Brookfield Properties** as a potentially volatile stock, as investors consider implications of bank layoffs and pressure from new regulation of banks and financial institutions. **Brookfield Properties** stock outperformed most Office REITs, trading down (11%) year to date during 2011. With a market cap of \$8 billion, **Brookfield Properties** owns a 79 million square foot portfolio of upscale office properties in US and Canada, with total exposure to financial industry tenants of 55% of NOI (net operating income). Financial industry tenants in New York and Toronto include Merrill Lynch at 8% of total space, Wells Fargo/Wachovia 2%, CIBC 2%, RBC Financial Group 2%, Bank of Montreal 2%, JPMorgan Chase 2% and Goldman Sachs 1%. Investors await formal announcement that Merrill Lynch may choose to vacate much of **Brookfield Properties** office space downtown at New York's World Financial Center. Concern has also been raised over the merger of United Airlines with Continental Airlines, as Continental Airlines is an important tenant for **Brookfield Properties** in Houston. **Brookfield Properties** reported FFO decline of (6%) for 3Q 2011, while increasing guidance for FFO for 2011 indicating potential decline of as much as (18%). Dividends have been stable since 2007, with **Brookfield Properties** offering income investors 3.6% yield. (Investors should not confuse **Brookfield Properties**, a publicly traded Office REIT in US and Canada, with related investor Brookfield Asset Management.)

Investors in midcap REIT stocks have long favored **SL Green Realty**, with a market cap of \$6 billion and a portfolio of 90 properties in NY and NJ, including 43 million square feet of office space. **SL Green Realty's** stock has shown much more volatility during 2011 than in previous years, trading down only (2%) year to date, but down (27%) from its high of \$90 per share at the end of May, 2011. **SL Green Realty's** exposure to banks includes Citi, Credit Suisse and Societe Generale, with Citi alone representing 13% of total SLG rental revenues. Occupancy is strong at 95% for Manhattan properties, while suburban properties struggle to maintain occupancy at 86%. Investors should be more concerned over potential above-market leases due to expire over the next few years than the current quarter's improvement in rents from depressed levels during 2009 and 2010. **SL Green Realty** reported FFO decline of (4%) for 3Q 2011, while providing guidance for FFO decline for 2011 of as much as (5%). With current yield of 1.5%, following dividend increase during 2011, **SL Green Realty** offers little to attract income investors.



Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Price	Price	Price	Weekly	2011
		12/31/2010	12/02/2011	12/09/2011	12/16/2011	Change	Price Change
Apartment Investment and Management	AIV	\$26	\$22	\$22	\$22	-1%	-16%
AvalonBay Communities	AVB	\$113	\$124	\$126	\$129	3%	15%
Boston Properties	BXP	\$86	\$94	\$95	\$96	0%	11%
Equity Residential	EQR	\$52	\$54	\$54	\$56	3%	8%
HCP Inc.	HCP	\$37	\$38	\$39	\$39	1%	6%
Health Care REIT	HCN	\$48	\$50	\$51	\$52	3%	9%
Host Hotels & Resorts	HST	\$18	\$14	\$14	\$14	-3%	-22%
Kimco Realty	KIM	\$18	\$16	\$16	\$16	1%	-11%
Plum Creek Timber	PCL	\$37	\$36	\$36	\$35	-2%	-6%
Prologis, Inc	PLD	\$32	\$28	\$29	\$28	-4%	-13%
Public Storage	PSA	\$101	\$130	\$130	\$128	-1%	27%
Simon Property Group	SPG	\$99	\$123	\$124	\$123	-1%	24%
Ventas	VTR	\$52	\$51	\$53	\$53	-1%	1%
Vornado Realty Trust	VNO	\$83	\$74	\$74	\$74	-0%	-11%
S&P 500 Index	S&P 500	\$1,258	\$1,244	\$1,255	\$1,220	-3%	-3%
Average for S&P 500 Index REITs						-0%	2%

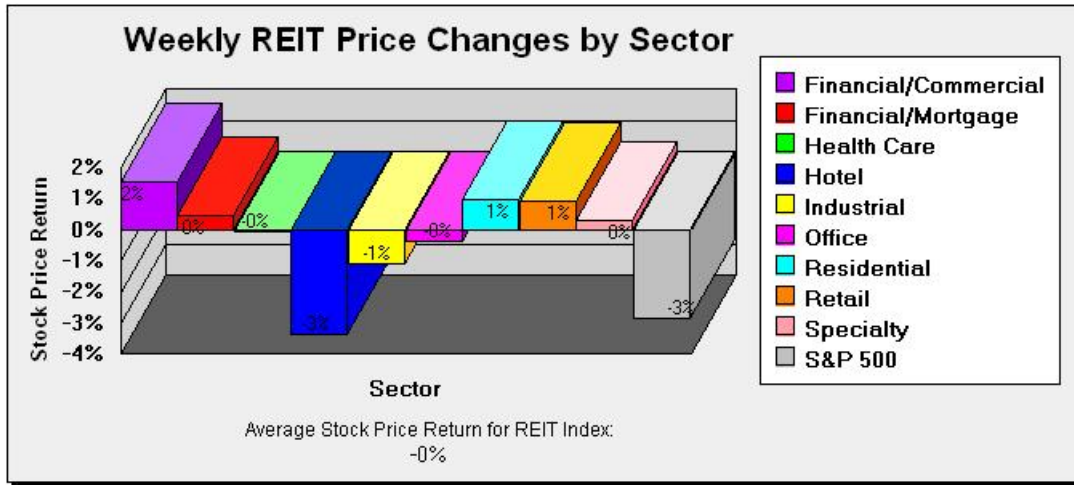
Most REIT stocks traded down during the second week of December, 2011, with REIT stock prices down less than (1%) on average for the week ended December 16, 2011. REITs outperformed the S&P 500 Index, down (3%) for the week. The S&P 500 Index is now down (3%) year to date for 2011, exceeded by year to date REIT performance, up 2%. Positive performance gap for S&P 500 Index REITs expanded to 5% in favor of REITs.

Best performing of the S&P 500 Index REITs for 2011 are **Public Storage**, up 27%, and **Simon Property Group**, up 24%. Other leading performers include **AvalonBay Communities**, up 15%, followed by **Boston Properties**, up 11%, as well as **Equity Residential**, up 8% for 2011. **Apartment Investment and Management** shows 2011 year to date decline of (16%) due to investor concern that higher rental rates may erode demand from financially stressed low-income tenants. Health Care REITs continued to improve, with **HCP** now up 6%, **Health Care REIT** up 9%, and **Ventas** up 1% for 2011. **Prologis** eroded (4%) to show year to date loss of (13%), as investors await news of improved profitability following the merger of **AMB Property** with **ProLogis Trust**. **Plum Creek Timber**, the only S&P 500 REIT to decline during 2010, now shows decline of (6%) for 2011. **Kimco Realty** and **Vornado Realty Trust**, well known REITs in the Retail and Office sectors, underperformed, with **Kimco Realty** and **Vornado Realty Trust** both down (11%) year to date. Exposure to international economies makes Hotel REIT **Host Hotels & Resorts** the most volatile stock among S&P 500 Index REITs, now showing decline of (22%) for 2011.

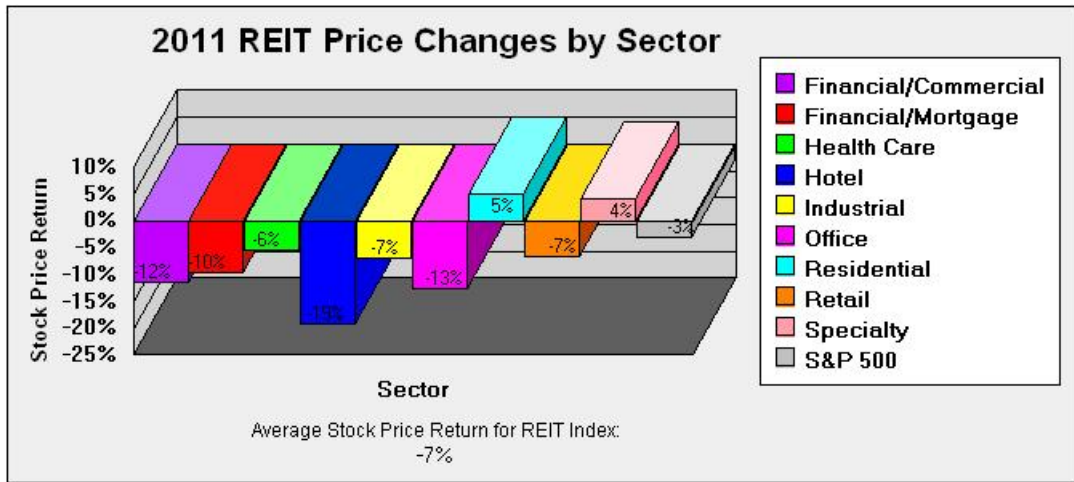
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Weekly REIT Price Changes by Sector



Most REIT sectors traded in a narrow range during the second week of December, ended December 16, 2011, while moving up or down more than flat weekly gain for the S&P 500 Index. Best performing sector was Financial Commercial REITs, up 2%. Residential REITs and Retail REITs gained 1%. Financial Mortgage REITs, Health Care REITs, Office REITs and Specialty REITs were practically unchanged, while Industrial REITs decreased (1%). Lagging sector was Hotel REITs, down (3%). On average, stock prices for REIT Growth and Income Monitor were unchanged for the week ended December 16, 2011.



Stock prices for REITs followed by REIT Growth and Income Monitor still show year to date decline of (7%) on average for 2011 (underperforming decline of (3%) for the S&P 500 Index), following average increase of 35% for 2010. Residential REITs continue to outperform, up 5%, on better than expected earnings results and higher guidance for 2011. Specialty REITs also outperform, up 4% year to date for 2011. Health Care REITs show loss of (6%), due to concern over exposure to reimbursement changes for skilled nursing tenants. Industrial REITs and Retail REITs decreased (7%), despite news of continued retail sales gains. Office REITs are down (13%) as investors focus on bank layoffs and rent rollbacks. Lagging Financial Commercial REITs traded down (12%), and Financial Mortgage REITs decreased (10%). Volatile Hotel REITs are now down (19%) for 2011, in the worst performance of any REIT sector for 2011.

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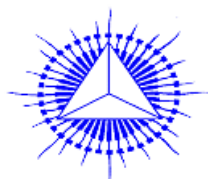


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REIT Comment



Company:	Duke Realty Corporation
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,095
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/12/2011
DRE \$12

Duke Realty DRE completed previously announced divestiture of \$1.02 billion suburban office portfolio to Blackstone Real Estate Partners VII

DRE divested properties included 9.8 million square feet of office space in 79 buildings located in Atlanta, Chicago, Columbus, Dallas, Minneapolis, Orlando and Tampa

DRE now owns only joint venture properties in those office markets divested to Blackstone

DRE deal slightly smaller than 82 properties previously announced

DRE objective to reach 2013 portfolio mix 60% industrial, 25% office and 15% medical office

DRE plans to apply \$452 million proceeds to repay debt, while investing remainder of proceeds in acquisitions to expand portfolio of industrial and medical office properties

DRE may also decide to redeem \$168 million 6.95% Series M preferred shares

DRE strategic divestiture of office properties to Blackstone to reduce 2012 core FFO by (\$0.10)-(\$0.12) per share

DRE reported decline of (3%) for FFO for 3Q 2011 and narrowed guidance range for Core FFO for 2011 to indicate potential for (2%) decline

DRE to announce updated guidance for 2012 in conference call scheduled for January, 2012

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

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

DRE we rank 2 BUY

DRE market cap \$3.1 billion

REIT Comment



Company:	Mid-America Apartment Communities
Price:	\$57
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,250
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/12/2011
MAA \$57

Mid-America Apartment Communities MAA completed \$68 million acquisition of 2 stabilized properties in Little Rock, AK and Fredericksburg, VA

MAA acquired properties developed as upscale apartments in 2006 and 2011

MAA announced Tom Grimes, previously Director of Property Management, to serve in expanded role as EVP and COO

MAA seeing significant profitability gains due to higher average rental rates as apartment shortage in key markets becomes evident

MAA reported FFO growth of UP +19% for 3Q 2011, while narrowing guidance for FFO for 2011 to indicate growth of as much as UP +8%

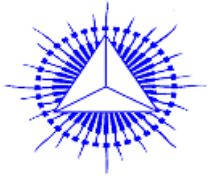
MAA stock price supported by new annual dividend yield of 4.6%

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

MAA we rank 2 BUY

MAA market cap \$2.3 billion

REIT Comment



Company:	Macerich Company
Price:	\$50
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,154
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/12/2011
MAC \$50

Macerich MAC increased quarterly dividend by 10% for 4Q 2011 to \$0.55 per share

MAC new annual dividend \$2.20 per share

MAC new yield 4.4%

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

MAC we rank 2 BUY

MAC market cap \$7.2 billion

REIT Comment



Company:	Taubman Centers
Price:	\$62
Recommendation:	BUY
Ranking:	2
Market Cap:	\$9,017
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/12/2011
TCO \$62

Taubman Centers TCO increased quarterly dividend distribution by 3% to \$0.45 per share for 4Q 2011

TCO new annual dividend \$1.80 per share

TCO new yield 2.9%

TCO a Retail REIT with a portfolio of upscale regional malls

TCO we rank 2 BUY

TCO market cap \$9.0 billion

REIT Comment



Company:	Universal Health Realty Income Trust
Price:	\$38
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$481
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/12/2011
UHT \$38

Universal Health Realty Income Trust UHT increased quarterly dividend distribution by 1% to \$0.61 per share for 4Q 2011

UHT new annual dividend \$2.42 per share

UHT new yield 6.4%

UHT a Health Care REIT with a portfolio of investments in acute care, psychiatric and specialty care hospitals, many operated by key tenant Universal Health Services UHS

UHT we rank 3 HOLD

UHT market cap \$481 million

REIT Comment



Company:	Government Properties Income Trust
Price:	\$22
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$994
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/12/2011
GOV \$22

Government Properties Income Trust GOV another debt ceiling crisis looming at the end of this week, as failure of bipartisan super-committee to reach agreement on federal spending reductions forces Congress to act to increase the debt ceiling, or trigger automatic spending reductions

GOV according to Budget Control Act of 2011, signed August 2, 2011, Congress must vote for \$1.2 trillion federal debt ceiling increase before Congress adjourns for 2011, scheduled for the end of this week

GOV investor concern over impact of automatic spending cuts on federal agency budgets

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

GOV reported 19% growth in FFO for 3Q 2011, due to acquisitions completed over last 12 months

GOV no guidance provided for FFO for 2011

GOV stock price supported by current annual dividend yield of 7.7%

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

GOV we rank 3 HOLD

GOV market cap \$1.0 billion

REIT Comment



Company:	Ashford Hospitality Trust
Price:	\$9
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$724
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/12/2011
AHT \$9

Ashford Hospitality Trust AHT completing previously disclosed debt restructuring

AHT refinanced \$203 million mortgage loan with 2 year extension, while repaying \$25 million in principal

AHT new \$105 million revolving line of credit still undrawn

AHT another \$167 million non-recourse mortgage due May 2012 also to be restructured

AHT all remaining mortgage maturities showing strong debt coverage by NOI cash flows

AHT reported UP +18% growth in FFO for 3Q 2011

AHT no guidance provided for FFO for 2011

AHT a Hotel REIT

AHT we rank 3 HOLD

AHT market cap \$724 million

REIT Comment



Company:	Colonial Properties Trust
Price:	\$19
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,827
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/12/2011
CLP \$19

Colonial Properties Trust CLP sold joint venture interests in 2 retail assets, raising \$28 million cash to be applied to reduce debt

CLP divested properties include 50% owned Colonial Pinnacle Turkey Creek in Knoxville TN and 5% owned Colonial Promenade in Birmingham AL

CLP continuing to sell non-core assets to concentrate portfolio in residential properties and developments

CLP like all Residential REITs seeing improved profitability on higher average monthly rental rates

CLP reported UP +12% growth for FFO for 3Q 2011, and raised low end of guidance range to indicate growth of as much as UP +9%

CLP a Residential REIT with a diverse portfolio of residential and commercial properties

CLP we rank 2 BUY

CLP market cap \$1.8 billion

REIT Comment



Company:	Equity Residential
Price:	\$54
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,967
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/12/2011
EQR \$54

Equity Residential EQR Lehman reported to be in discussion with Blackstone Group and Brookfield Asset Management, seeking funding for a higher bid to prevent EQR investment in Archstone

EQR Lehman now proposing to acquire the same portion of Archstone chosen for EQR bid with price offered at \$1.3 billion, barely above EQR bid for 26.5% of Archstone

EQR Lehman previously proposing to buy out Bank of America and Barclays stakes in Archstone entirely, to give Lehman sole control of Archstone

EQR Lehman management calling EQR bid for Archstone too low, "ill-timed" and a "violation of agreements with Lehman co-owners"

EQR Lehman places higher value on property management portion of Archstone operations a part of the business that could be replaced by EQRs own property management operations

EQR hoping to close Archstone investment on previously disclosed terms during 1Q 2012

EQR a Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$17.0 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	First Potomac Realty Trust
Price:	\$12
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$628
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/12/2011
FPO \$12

First Potomac Realty Trust FPO traded DOWN (\$0.47) per share to close DOWN (4%) day

FPO stock traded DOWN (28%) year to date for 2011, underperforming Industrial REITs, DOWN (6%)

FPO investor concern over negative impact of federal spending reductions on local economy in metropolitan DC area

FPO both MD and VA (important states for FPO) to be hard hit by defense spending reductions

FPO reported FFO decline of (13%) for 3Q 2011 and narrowed guidance for 2011 FFO to indicate potential decline of as much as (12%)

FPO stock price supported by current annual dividend yield of 6.6%

FPO an Industrial REIT with a portfolio of industrial, commercial and office properties concentrated in metropolitan DC area

FPO we rank 3 HOLD

FPO market cap \$628 million

REIT Comment



Company:	Vornado Realty Trust
Price:	\$72
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$13,462
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/12/2011
VNO \$72

Vornado Realty Trust VNO stock traded DOWN (\$2.09) per share to close DOWN (3%) day

VNO stock traded DOWN (13%) year to date for 2011, slightly underperforming Office REITs, DOWN (12%)

VNO exposed to pending spending reductions on federal military budget through Pentagon City properties and other holdings in DC metropolitan area

VNO FFO (adjusted to exclude non-recurring items) increased UP +3% for 3Q 2011

VNO no guidance provided for FFO for 2011

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

VNO we rank 3 HOLD

VNO market cap \$13.5 billion

VNO an S&P 500 Index REIT

REIT Comment



Company:	UDR, Inc.
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,331
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/12/2011
UDR \$23

UDR Inc UDR traded DOWN (\$0.52) per share to close DOWN (2%) day

UDR stock traded DOWN (1%) year to date for 2011, underperforming Residential REITs, UP +4%

UDR like all Residential REITs seeing improved profitability on higher rental rates

UDR well positioned to exploit apartment shortage in key urban markets with \$751 million pipeline of new developments, as well as \$337 million redevelopment projects

UDR reported 19% growth for FFO for 3Q 2011 and reaffirmed guidance indicating growth in FFO for 2011 of as much as UP +15%

UDR a Residential REIT with a diverse portfolio of apartment communities

UDR we rank 2 BUY

UDR market cap \$5.3 billion

REIT Comment



Company:	Healthcare Realty Trust
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,336
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/12/2011
HR \$17

Healthcare Realty Trust HR traded DOWN (\$0.41) per share to close DOWN (2%) day

HR stock traded DOWN (18%) year to date for 2011, underperforming Health Care REITs, DOWN (6%)

HR concentration of portfolio in medical office buildings limits exposure to Medicare and Medicaid reimbursement changes

HR reported 3% FFO growth for 3Q 2011, with no guidance provided for FFO for 2011

HR stock price supported by current annual dividend yield of 6.9%

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

HR we rank 2 BUY

HR market cap \$1.3 billion

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$14
Recommendation:	SELL
Ranking:	4
Market Cap:	\$10,076
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/13/2011
HST \$14

Host Hotels & Resorts HST terminated agreement to acquire Grand Hyatt Hotel Washington DC

HST to forfeit \$15 million deposit to terminate \$442 million acquisition agreement

HST may be unwilling to take on exposure to local metropolitan DC economy at time of lower federal spending

HST reported 29% growth in FFO for 3Q 2011, while slightly reducing guidance for FFO for 2011 to indicate growth of as much as UP +19%

HST a Hotel REIT with a portfolio of upscale hotels in US and international markets

HST we rank 4 SELL

HST market cap \$10.1 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	Agree Realty
Price:	\$24
Recommendation:	SELL
Ranking:	4
Market Cap:	\$243
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/13/2011
ADC \$24

Agree Realty ADC divested a single tenant property with lease terminated by Borders in Norman OK for \$1.6 million

ADC divested property in Norman OK not on the list of encumbered assets still in default with lenders

ADC continued to accrue "minimum rents" on Borders facilities through 3Q 2011, including former Borders headquarters in Ann Arbor, MI, now vacant and listed for sale

ADC 3Q 2011 rents included non-cash rent of \$5.7 million related to Borders properties, as well as recognition of \$2.4 million gain on "extinguishment of debt"

ADC no guidance provided for FFO for 2011, but likely to include negative FFO for 4Q 2011

ADC still in default on \$15 million debt related to Borders properties and facing probable unsuccessful litigation with lenders

ADC continuity of the dividend questionable when proper accounting for Borders nonpayment of rents is applied to revenues, net income and shareholder's equity

ADC stock supported by current annual dividend yield of 6.6%

ADC a Retail REIT with a portfolio of net leased properties

ADC we rank 4 SELL

ADC market cap \$243 million

REIT Comment



Company:	Simon Property Group
Price:	\$122
Recommendation:	BUY
Ranking:	2
Market Cap:	\$43,173
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/13/2011
SPG \$122

Simon Property Group SPG Commerce Department report of November retail sales slightly disappointing

SPG Commerce Department reported November 2011 retail sales increased UP +0.2% excluding automobiles

SPG strong start to Holiday 2011 sales over Thanksgiving weekend indicates consumers were waiting for discount prices available on Black Friday weekend

SPG forecast for Holiday 2011 sales growth by NRF (National Retail Federation) sees potential for sales gain UP +2.8%

SPG reported better than expected results for 3Q 2011, with FFO UP +20%, and increased guidance for FFO for 2011 to indicate growth of as much as UP +14%

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

SPG we rank 2 BUY

SPG market cap \$43.2 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Kimco Realty
Price:	\$16
Recommendation:	BUY
Ranking:	1
Market Cap:	\$6,390
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/13/2011
KIM \$16

Kimco Realty KIM Commerce Department report of November retail sales slightly disappointing

KIM Commerce Department reported November 2011 retail sales increased UP +0.2% excluding automobiles

KIM key retailer Best Buy BBY (representing 2% of rents for KIM) reported US comp store sales UP +0.9% for three months ended November 2011, with strongest categories consumer electronics, mobile computing and entertainment

KIM reported 7% growth in FFO for 3Q 2011 and narrowed guidance range for FFO for 2011 to indicate growth of as much as UP +5%

KIM stock price supported by current annual dividend yield of 4.9%

KIM a Retail REIT with a diverse portfolio of retail concepts, 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 \$6.4 billion

KIM an S&P 500 Index REIT

REIT Comment



Company:	AvalonBay Communities
Price:	\$123
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,692
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/13/2011
AVB \$123

AvalonBay Communities AVB news of slow improvement in employment markets supports positive outlook for Residential REITs

AVB Labor Department reported unemployment rate at 8.6% for November, 2011, improved by (0.4%) from October, 2011

AVB Labor Department reported net gain of 120,000 jobs

AVB Labor Department reported 3.3 million jobs advertised as available during November, 2011

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

AVB well positioned to take advantage of apartment shortage in key urban areas with \$1 billion development pipeline

AVB reported 19% FFO growth for 3Q 2011 and reduced top end of guidance range for FFO for 2011 to indicate growth of as much as 15%

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 \$11.7 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	Prologis Inc
Price:	\$28
Recommendation:	BUY
Ranking:	2
Market Cap:	\$13,072
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/13/2011
PLD \$28

Prologis Inc PLD news of higher business inventories may indicate more demand for bulk distribution space during 4Q 2011 at Industrial REITs, after slack demand during 3Q 2011

PLD Commerce Department reported business inventories increased UP+0.8% for October, 2011, while business sales increased UP +0.7%

PLD Commerce Department report indicates retail inventories unchanged for October, 2011

PLD business inventories a leading indicator for Industrial REITs, while retail sales are in important coincident indicator

PLD reported Core FFO for 3Q 2011 at the high end of expectations and increased guidance for Core FFO for 2011 by 5%

PLD management working to achieve \$90 million in cost synergies on completion of merger of AMB Property AMB with ProLogis Trust PLD, effective July, 2011

PLD the largest publicly traded Industrial REIT, following July 2011 merger

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

PLD we rank 2 BUY

PLD market cap \$13.1 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Annaly Capital Management
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$15,328
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/13/2011
NLY \$16

Annaly Capital Management NLY pending update from Federal Reserve Open Market Committee may impact trading in Financial Mortgage REITs this afternoon

NLY Federal Reserve comments on economic growth and inflation as well as risk relating to loss of confidence in European markets, may force Federal Reserve to reaffirm commitment to maintain low interest rates

NLY most recent Federal Reserve OMC meeting featured Federal Reserve decision to reinvest Treasury funds in agency guaranteed residential MBS

NLY reform of Fannie Mae and Freddie Mac appears to be delayed until after 2012 election

NLY stock price supported by current annual dividend yield of 14.9%, 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 \$15.3 billion

REIT Comment



Company:	Ashford Hospitality Trust
Price:	\$8
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$681
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/13/2011
AHT \$8

Ashford Hospitality Trust AHT traded DOWN (\$0.28) per share to close DOWN (3%) day

AHT stock traded DOWN (16%) year to date for 2011, slightly outperforming Hotel REITs, DOWN (17%)

AHT stock price valuation may be impacted by Host Hotels & Resorts HST decision yesterday to terminate agreement to acquire Grand Hyatt Hotel in Washington DC

AHT exposure to local metropolitan DC and Baltimore market with a significant portion of hotel portfolio

AHT may consider forfeiture of certain non-productive assets

AHT reported UP +18% growth in FFO for 3Q 2011

AHT no guidance provided for FFO for 2011

AHT a Hotel REIT

AHT we rank 3 HOLD

AHT market cap \$681 million

REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$23
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,965
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/13/2011
LHO \$23

LaSalle Hotel Properties LHO traded DOWN (\$0.21) per share to close DOWN (1%) day

LHO stock traded DOWN (12%) year to date for 2011, outperforming Hotel REITs, DOWN (17%)

LHO stock price valuation may be impacted by Host Hotels & Resorts HST decision yesterday to terminate agreement to acquire Grand Hyatt Hotel in Washington DC

LHO investor concern over impact of decline in federal agency spending with probable closings of national parks and monuments, including tourist attractions in DC

LHO has high exposure to DC tourism and business travel with one third of all LHO hotels concentrated in metropolitan DC area

LHO reported UP +9% growth in FFO for 3Q 2011 while slightly increasing guidance for FFO for 2011 to indicate growth of as much as UP +11%

LHO a Hotel REIT

LHO we rank 4 SELL

LHO market cap \$2.0 billion

REIT Comment



Company:	Corporate Office Properties Trust
Price:	\$21
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,597
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/13/2011
OFC \$21

Corporate Office Properties Trust OFC traded DOWN (\$0.54) per share to close DOWN (2%) day
OFC stock traded DOWN (40%) year to date for 2011, underperforming Office REITs, DOWN (12%)
OFC growth may be impacted by pending federal spending reductions including automatic spending cuts if Congress does not vote this week for higher federal debt ceiling as well as \$1.2 trillion federal budget savings
OFC tenant leasing decisions in metropolitan DC area likely to be delayed by as much 6 months as issues impacting key defense and intelligence programs are resolved
OFC has highest exposure of any publicly traded REIT to defense and intelligence agencies already at more than 60% of total rental revenues, to increase to more than 70% as a result of pending strategic divestiture of suburban office properties
OFC reported FFO decline of (10%) for 3Q 2011 and maintained guidance for FFO for 2011 indicating a FLAT year
OFC stock price supported by current annual dividend yield of 8.0%
OFC an Office REIT with a portfolio of office properties concentrated in metropolitan DC area
OFC we rank 4 SELL
OFC market cap \$1.6 billion

REIT Comment



Company:	Highwoods Properties
Price:	\$28
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,154
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/13/2011
HIW \$28

Highwoods Properties HIW traded DOWN (\$0.36) per share to close DOWN (1%) day

HIW stock traded DOWN (11%) year to date for 2011, slightly outperforming Office REITs, DOWN (12%)

HIW investors may be concerned over exposure of HIW to federal spending cutbacks, as this week's looming debt ceiling limit may force automatic spending cuts

HIW largest tenant is GSA (General Services Administration), payor for almost all federal agencies) representing 9% of total HIW rents

HIW reported 12% FFO growth for 3Q 2011 and narrowed guidance range for FFO for 2011 to indicate growth of as much as UP +5%

HIW stock price supported by current annual dividend yield of 6.0%

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

HIW we rank 3 HOLD

HIW market cap \$2.2 billion

REIT Comment



Company:	Liberty Property Trust
Price:	\$29
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,474
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/14/2011
LRY \$29

Liberty Property Trust LRY updated guidance based on expectations for timing of sale of office portfolio

LRY increased guidance for 2011 FFO to \$2.59-\$2.65 (adjusted) v \$2.65 DOWN (1%)-(2%)
LRY previous guidance 2011 FFO \$2.55-\$2.58 per share

LRY new guidance 4Q 2011 \$0.65-\$0.68 v \$0.65 FLAT - UP +5%

LRY new guidance 2012 FFO \$2.45-\$2.60 v \$2.59-\$2.65 DOWN (1%)-(5%)

LRY new guidance 2012 FFO assumes previously undisclosed divestiture of \$190 million portfolio of suburban office properties to close during 1Q 2012

LRY expects faster recovery for industrial properties than for remaining office properties

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

LRY we rank 2 BUY

LRY market cap \$3.5 billion

REIT Comment



Company:	Hatteras Financial
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,018
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/14/2011
HTS \$27

Hatteras Financial HTS reduced quarterly dividend distribution by(10%) to \$0.90 per share for 1Q 2012

HTS new annual dividend \$3.60 per share

HTS new yield 13.5%

HTS variability in quarterly dividend distributions impacted by portfolio yield and NIM(net interest margin)

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

HTS we rank 2 BUY

HTS market cap \$2.0 billion

REIT Comment



Company:	Capstead Mortgage Corporation
Price:	\$13
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,053
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/14/2011
CMO \$14

Capstead Mortgage CMO reduced quarterly dividend distribution by(2%) to \$0.43 per share for 1Q 2012

CMO new annual dividend \$1.72 per share

CMO new annual yield 13.7%

CMO quarterly variability in dividend distributions impacted by portfolio yield and NIM(net interest margin)

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:	Host Hotels & Resorts
Price:	\$14
Recommendation:	SELL
Ranking:	4
Market Cap:	\$9,926
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/14/2011
HST \$14

Host Hotels & Resorts HST increased quarterly dividend distribution by \$0.01 per share to \$0.05 per share for 1Q 2012

HST new annual dividend \$0.20 per share

HST new yield 1.4%

HST a Hotel REIT with a portfolio of upscale hotels in US and international markets

HST we rank 4 SELL

HST market cap \$9.9 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	Annaly Capital Management
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$15,404
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/14/2011
NLY \$16

Annaly Capital Management NLY refinance volume increased UP+4.1% overall last week

NLY report from MBA (Mortgage Bankers Association) indicated reversal of trend, with refinance volume UP +9.3% for the week ended December 9, 2011, while mortgage applications for home purchase fell DOWN (8.2%)

NLY report from MBA indicates 30 year fixed rate mortgages at 4.12%, while 30 year jumbo mortgages now at 4.45%

NLY no indication yet from FHFA regarding HARP II volume of refinance applications

NLY reported Core EPS declined (7%) during 3Q 2011, as NIM (net interest margin) contracted to 2.08%

NLY stock price supported by current annual dividend yield of 14.8%, 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 \$15.4 billion

REIT Comment



Company:	Cypress Sharpridge Investments
Price:	\$13
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,098
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/14/2011
CYS \$13

Cypress Sharpridge Investments CYS Treasury bond rally driving lower yields may attract more investors to agency guaranteed Residential MBS

CYS wider spread between Treasury bonds(with 10 year Treasury bond trading today at yield of 1.98%) and agency guaranteed Residential MBS(with yields typically in range of 3.5%-4.0%) may provide CYS with opportunities to take portfolio gains

CYS normally holds portfolio duration constant, depending on new issues of mortgage securitizations to maintain portfolio income

CYS status quo for Financial Mortgage REITs maintained, as Fannie Mae reform likely to be delayed until after 2012 elections

CYS stock price supported by current annual dividend yield of 16.6%, at the top end of the range for Financial Mortgage REITs

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

CYS we rank 3 HOLD

CYS market cap \$1.1 billion

REIT Comment



Company:	Mid-America Apartment Communities
Price:	\$58
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,281
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/14/2011
MAA \$58

Mid-America Apartment Communities MAA traded UP \$1.03 per share to close UP +2% day

MAA stock traded DOWN (9%) year to date for 2011, underperforming Residential REITs, UP +4%

MAA tomorrow's report on unemployment trends may provide upside for Residential REITs

MAA seeing significant profitability gains due to higher average rental rates as apartment shortage in key markets becomes evident

MAA reported FFO growth of UP +19% for 3Q 2011, while narrowing guidance for FFO for 2011 to indicate growth of as much as UP +8%

MAA stock price supported by new annual dividend yield of 4.6%

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

MAA we rank 2 BUY

MAA market cap \$2.3 billion

REIT Comment



Company:	Public Storage
Price:	\$127
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$21,692
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/14/2011
PSA \$127

Public Storage PSA traded UP \$1.56 per share to close UP +1% day

PSA stock traded UP +25% year to date for 2011, outperforming Specialty REITs, UP +4%

PSA self-storage properties enjoying occupancy gains with rental rate improvement

PSA reported FFO UP +16% for 3Q 2011

PSA no guidance reported for FFO for 2011

PSA a Specialty REIT with a portfolio of self-storage facilities in US and Europe

PSA we rank 3 HOLD

PSA market cap \$21.7 billion

PSA an S&P 500 Index REIT

REIT Comment



Company:	SL Green Realty Corp.
Price:	\$63
Recommendation:	SELL
Ranking:	4
Market Cap:	\$5,581
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/14/2011
SLG \$63

SL Green Realty SLG traded DOWN (\$0.72) per share to close DOWN (1%) day

SLG stock traded DOWN (6%) year to date for 2011, outperforming Office REITs, DOWN (12%)

SLG investor concern over exposure to financial industry tenants at a time of bank layoffs amid regulatory change and concern over European sovereign debt

SLG exposure to financial industry tenants includes Citi Credit Suisse, Societe Generale and Travelers Indemnity, with Citi alone representing 13% of total SLG rental revenues

SLG most recent guidance for FFO for 2011 indicates FFO decline of as much as (5%)

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

SLG we rank 4 SELL

SLG market cap \$5.6 billion

REIT Comment



Company:	Ventas
Price:	\$52
Recommendation:	BUY
Ranking:	2
Market Cap:	\$15,029
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/14/2011
VTR \$52

Ventas VTR traded UP \$0.78 per share to close UP +2% day

VTR stock traded DOWN (2%) year to date for 2011, outperforming Health Care REITs, DOWN (6%)

VTR Supreme Court review of Obama Health Plan may attract interest to Health Care REITs during 2012

VTR tenants of Health Care REITs providing health care services would see increased demand for health care under universal coverage scenarios, although compliance is likely to remain an intractable issue

VTR reported 21% FFO growth for 3Q 2011 while increasing guidance for FFO for 2011 to indicate growth of as much as UP +17%

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

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

VTR we rank 2 BUY

VTR market cap \$15.0 billion

VTR an S&P 500 Index REIT

REIT Comment



Company:	AvalonBay Communities
Price:	\$125
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,899
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/15/2011
AVB \$125

AvalonBay Communities AVB news of lower unemployment claims another positive signal for Residential REITs

AVB Labor Department reported new unemployment claims decreased(19,000) to seasonally adjusted level of 366,000 for week ended December 10, 2011

AVB Labor Department reported 4 week moving average of unemployment claims now 387,750, the lowest level reported since July, 2008

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

AVB apartment shortage in key urban areas to drive record rental rates for2011-2013

AVB well positioned to take advantage of apartment shortage in key urban areas with \$1 billion development pipeline

AVB reported 19% FFO growth for 3Q 2011 and reduced top end of guidance range for FFO for 2011 to indicate growth of as much as 15%

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 \$11.9 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	Ashford Hospitality Trust
Price:	\$8
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$648
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/15/2011
AHT \$8

Ashford Hospitality Trust AHT to increase quarterly dividend distribution by 10% to \$0.11 per share for 2Q 2012

AHT restored quarterly dividends at \$0.10 per share for 2Q 2011, with plans to distribute \$0.40 per share for 2011, including distribution for January 2012

AHT dividend for 2012 to be at new annual dividend rate of \$0.44 per share

AHT new yield 5.7%

AHT a Hotel REIT

AHT we rank 3 HOLD

AHT market cap \$648 million

REIT Comment



Company:	Realty Income
Price:	\$34
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,270
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/15/2011
O \$34

Realty Income O to increase monthly dividend distribution by 0.2% to \$0.1455 per share for January 2012

O new annual dividend \$1.746 per share

O new yield 5.2%

O has an outstanding long term record of gradual dividend increases based on consistent portfolio performance

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

O we rank 2 BUY

O market cap \$4.3 billion

REIT Comment



Company:	Franklin Street Properties Corp.
Price:	\$10
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$838
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/15/2011
FSP \$10

Franklin Street Properties FSP announced charge of(\$0.01) per share for 4Q 2011 relating to broker-dealer subsidiary

FSP wholly owned broker-dealer subsidiary FSP Investments LLC will no longer sponsor syndication of preferred shares in newly formed single property companies

FSP to continue to provide investor services for its 16 existing single property companies and may still issue preferred shares on behalf of existing companies

FSP raised \$1.8 billion in equity for more than 50 separate single property companies

FSP decision to limit future activities of FSP Investments will cause personnel departures

FSP reported FLAT FFO for 3Q 2011, and has provided no guidance for FFO for 2011

FSP stock price supported by current annual dividend yield of7.4%

FSP an Office REIT with a diverse portfolio of office and commercial properties, as well as properties held for syndication

FSP we rank 3 HOLD

FSP market cap \$838 million

REIT Comment



Company:	Corporate Office Properties Trust
Price:	\$21
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,602
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/15/2011
OFC \$21

Corporate Office Properties Trust OFC news that Congress appears stalled without passage of continuing resolution authorizing federal spending will trigger automatic spending reductions for government agencies, including DOD, at the end of this week

OFC Secretary of Defense Leon Panetta sees DOD budget reduced by(23%) to \$472 billion for 2013 under current scenario

OFC tenant leasing decisions in metropolitan DC area likely to be delayed by as long as 6 months while issues impacting key defense and intelligence programs are resolved

OFC has highest exposure of any publicly traded REIT to defense and intelligence agencies already at more than 60% of total rental revenues, to increase to more than 70% as a result of pending strategic divestiture of suburban office properties

OFC reported FFO decline of (10%) for 3Q 2011 and maintained guidance for FFO for 2011 indicating a FLAT year

OFC stock price supported by current annual dividend yield of 7.8%

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

OFC we rank 4 SELL

OFC market cap \$1.6 billion

REIT Comment



Company:	UDR, Inc.
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,356
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/15/2011
UDR \$24

UDR Inc UDR increased quarterly dividend distribution by 8% to \$0.215 per share for 1Q 2012

UDR new annual dividend rate \$0.86 per share

UDR new yield 3.7%

UDR a Residential REIT with a diverse portfolio of apartment communities

UDR we rank 2 BUY

UDR market cap \$5.4 billion

REIT Comment



Company:	Government Properties Income Trust
Price:	\$22
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$985
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/15/2011
GOV \$22

Government Properties Income Trust GOV news that Congress appears stalled without passage of continuing resolution authorizing federal spending will trigger automatic spending reductions for government agencies

GOV according to Budget Control Act of 2011, signed August 2, 2011, Congress must vote for \$1.2 trillion federal debt ceiling increase before Congress adjourns for 2011, scheduled for the end of this week

GOV investor concern over impact of automatic spending cuts on federal agency budgets

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

GOV reported 19% growth in FFO for 3Q 2011, due to acquisitions completed over last 12 months

GOV no guidance provided for FFO for 2011

GOV stock price supported by current annual dividend yield of 7.7%

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

GOV we rank 3 HOLD

GOV market cap \$1.0 billion

REIT Comment



Company:	Prologis Inc
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$12,792
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/15/2011
PLD \$27

Prologis Inc PLD conflicting news on manufacturing activity less important for Industrial REITs than ongoing retail sales gains

PLD despite report from Federal Reserve showing US factory output decreased(0.2%) for November, 2011 from previous month, Federal Reserve showed strong increase in factory activity for northeast region

PLD numbers from Federal Reserve influenced by auto production and by slight decline in total hours worked (DOWN (0.5%) for November, 2011)

PLD Institute of Supply Management reported manufacturing index increased UP+2.7 to 52.7 for November, 2011, with new orders, production and exports all higher

PLD factory activity a leading indicator for Industrial REITs while retail sales are the most important coincident indicator of demand for bulk distribution space

PLD reported Core FFO for 3Q 2011 at the high end of expectations and increased guidance for Core FFO for 2011 by 5%

PLD management working to achieve \$90 million in cost synergies on completion of merger of AMB Property AMB with ProLogis Trust PLD, effective July, 2011

PLD the largest publicly traded Industrial REIT, following July 2011 merger

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

PLD we rank 2 BUY

PLD market cap \$12.8 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Pennsylvania REIT
Price:	\$10
Recommendation:	BUY
Ranking:	2
Market Cap:	\$570
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/15/2011
PEI \$10

Pennsylvania REIT PEI traded DOWN (\$0.38) per share to close UP +4% day

PEI stock traded DOWN (31%) year to date for 2011, underperforming Retail REITs, DOWN (7%)

PEI strong start to Holiday 2011 sales a positive signal for Retail REITs

PEI reported better than expected results for 3Q 2011, with FFO UP +24%

PEI also increased guidance for FFO for 2011 to indicate decline of as much as (9%)

PEI stock price supported by current annual dividend yield of 6.0%

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

PEI we rank 2 BUY

PEI market cap \$570 million

REIT Comment



Company:	Colonial Properties Trust
Price:	\$20
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,842
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/15/2011
CLP \$20

Colonial Properties Trust CLP traded UP \$0.53 per share to close UP +3% day

CLP stock traded UP +9% year to date for 2011, outperforming Residential REITs, UP +4%

CLP today's news of lower than expected new unemployment claims supports continued outperformance of Residential REITs

CLP like all Residential REITs seeing improved profitability on higher average monthly rental rates

CLP reported UP +12% growth for FFO for 3Q 2011, and raised low end of guidance range to indicate growth of as much as UP +9%

CLP a Residential REIT with a diverse portfolio of residential and commercial properties

CLP we rank 2 BUY

CLP market cap \$1.8 billion

REIT Comment



Company:	Saul Centers
Price:	\$34
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$651
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/15/2011
BFS \$34

Saul Centers BFS traded UP \$0.85 per share to close UP +3% day

BFS stock traded DOWN (27%) year to date for 2011, underperforming Retail REITs, DOWN (7%)

BFS investor concern over exposure to local economy of metropolitan DC area at time of federal spending reductions

BFS reported FFO decline of (5%) for 3Q 2011, with NOI DOWN more than (4%) due to decline in base rents

BFS no guidance provided for FFO for 2011

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

BFS a Retail REIT with a diverse portfolio of retail and commercial assets located in the metropolitan DC area

BFS we rank 3 HOLD

BFS market cap \$651 million

REIT Comment



Company:	Vornado Realty Trust
Price:	\$74
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$13,678
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/15/2011
VNO \$74

Vornado Realty Trust VNO traded UP \$1.11 per share to close UP +2% day

VNO stock traded DOWN (12%) year to date for 2011, in line with Office REITs, DOWN (12%)

VNO demand for portfolio of DC office properties may be impacted by automatic federal spending cuts, pending at end of this week in absence of passage of omnibus spending bill

VNO exposed to pending decisions on federal military budget through Pentagon City properties and other holdings in DC metropolitan area

VNO FFO (adjusted to exclude non-recurring items) increased UP +3% for 3Q 2011

VNO no guidance provided for FFO for 2011

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

VNO we rank 3 HOLD

VNO market cap \$13.7 billion

VNO an S&P 500 Index REIT

REIT Comment



Company:	Simon Property Group
Price:	\$122
Recommendation:	BUY
Ranking:	2
Market Cap:	\$43,350
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/16/2011
SPG \$122

Simon Property Group SPG news of stronger than expected Holiday2011 sales supports positive outlook for Retail REITs

SPG report from NRF (National Retail Federation) indicates forecast for Holiday 2011 spending increased to UP +3.8% from previous UP +2.8%

SPG NRF found retail industry sales increased UP+4.5% for November 2011

SPG survey by NRF found that consumers have completed less of their holiday shopping than for previous years, indicating early season purchases may have been for themselves while Christmas spending will come later during December 2011

SPG reported better than expected results for 3Q 2011, with FFO UP +20%, and increased guidance for FFO for 2011 to indicate growth of as much as UP +14%

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

SPG we rank 2 BUY

SPG market cap \$43.4 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Kimco Realty
Price:	\$16
Recommendation:	BUY
Ranking:	1
Market Cap:	\$6,435
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
12/16/2011
KIM \$16

Kimco Realty KIM news of stronger than expected Holiday2011 sales supports positive outlook for Retail REITs

KIM report from NRF (National Retail Federation) indicates forecast for Holiday 2011 spending increased to UP +3.8% from previous UP +2.8%

KIM consumers showing powerful response to discounts on consumer electronics and apparel

KIM reported 7% growth in FFO for 3Q 2011 and narrowed guidance range for FFO for 2011 to indicate growth of as much as UP +5%

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

KIM a Retail REIT with a diverse portfolio of retail concepts, 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 \$6.4 billion

KIM an S&P 500 Index REIT

REIT Comment



Company:	Corporate Office Properties Trust
Price:	\$21
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,622
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/16/2011
OFC \$21

Corporate Office Properties Trust OFC news of Congressional deal on continuing resolution may avert partial government shutdown

OFC bill approved by House and Senate Appropriations Committee must be voted today by both House and Senate, then signed by the President to avoid automatic spending reductions

OFC agreement sets government spending for fiscal year 2012 DOWN (1.5%) from fiscal year 2011, ended September, 2011

OFC has highest exposure of any publicly traded REIT to defense and intelligence agencies already at more than 60% of total rental revenues, to increase to more than 70% as a result of pending strategic divestiture of suburban office properties

OFC reported FFO decline of (10%) for 3Q 2011 and maintained guidance for FFO for 2011 indicating a FLAT year

OFC stock price supported by current annual dividend yield of 7.7%

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

OFC we rank 4 SELL

OFC market cap \$1.6 billion

REIT Comment



Company:	Government Properties Income Trust
Price:	\$22
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$988
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/16/2011
GOV \$22

Government Properties Income Trust GOV news of Congressional deal on continuing resolution may avert partial government shutdown

GOV bill approved by House and Senate Appropriations Committee must be voted today by both House and Senate, then signed by the President to avoid automatic spending reductions

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

GOV reported 19% growth in FFO for 3Q 2011, due to acquisitions completed over last 12 months

GOV no guidance provided for FFO for 2011

GOV stock price supported by current annual dividend yield of 7.7%

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

GOV we rank 3 HOLD

GOV market cap \$1.0 billion

REIT Comment



Company:	Anworth Mortgage Asset
Price:	\$7
Recommendation:	BUY
Ranking:	2
Market Cap:	\$887
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/16/2011
ANH \$7

Anworth Mortgage Asset ANH reduced quarterly dividend distribution by(9%) to \$0.21 per share for 1Q 2012

ANH new annual dividend \$0.84 per share

ANH new yield 12.9%

ANH quarterly variability in dividend distributions impacted by portfolio yield and NIM(net interest margin)

ANH a Financial Mortgage REIT

ANH we rank 2 BUY

ANH market cap \$887 million

REIT Comment



Company:	UMH Properties
Price:	\$9
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$130
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/16/2011
UMH \$9

UMH Properties UMH added small acquisition in PA to portfolio of manufactured home communities

UMH acquisition of City View in Lewiston, PA for less than \$1 million contributes to UMH PA portfolio, now including 3 communities

UMH manufactured home communities seeing benefit of economically pressed consumers trading down to renting or owning a manufactured home

UMH reported FFO decline of (39%) for 3Q 2011 due to lower transaction income and higher shares outstanding

UMH no guidance provided for FFO for 2011

UMH stock price supported by current annual dividend yield of 8.1%

UMH a Specialty REIT with a portfolio of manufactured home communities

UMH we rank 3 HOLD

UMH market cap \$130 million

REIT Comment



Company:	Urstadt Biddle Properties
Price:	\$17
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$494
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/16/2011
UBA \$17

Urstadt Biddle Properties UBA increased quarterly dividend by\$0.01 per share annually

UBA new quarterly dividend distribution on Class A shares\$0.2475 per share

UBA new annual dividend on Class A shares5.7%

UBA a Retail REIT

UBA we rank 3 HOLD

UBA market cap \$494 million

REIT Comment



Company:	Urstadt Biddle Properties
Price:	\$17
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$494
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/16/2011
UBA \$17

Urstadt Biddle Properties UBA 4Q FY 2011 FFO \$0.28 v \$0.30 DOWN (7%)
UBA FFO shown for Class A shares

UBA FY 2011 FFO \$1.23 v \$1.18 UP +4%
UBA FY 2011 ended October 31, 2011
UBA FFO shown for Class A shares

UBA 4Q FY 2011 Revenues UP +3%
UBA 4Q FY 2011 operating income DOWN (2%) due to higher expenses

UBA 4Q FY 2011 occupancy 90.5% DOWN (3.1%) from previous year
UBA 4Q FY 2011 occupancy for joint venture properties 98.0%

UBA a Retail REIT

UBA we rank 3 HOLD

UBA market cap \$494 million

REIT Comment



Company:	Camden Property Trust
Price:	\$59
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,529
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/16/2011
CPT \$59

Camden Property Trust CPT traded UP \$1.18 per share to close UP +2% day

CPT stock traded UP +10% year to date for 2011, outperforming Residential REITs, UP +4%

CPT this week's better than expected report for new unemployment claims another positive signal for Residential REITs

CPT like all Residential REITs seeing improved profitability on higher occupancy and rental rates

CPT reported FFO UP +18% for 3Q 2011, and increased guidance for FFO for 2011 to indicate growth of as much as UP +19%

CPT a Residential REIT with a diverse portfolio of apartment communities

CPT we rank 2 BUY

CPT market cap \$4.5 billion

REIT Comment



Company:	Rayonier
Price:	\$42
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,249
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/16/2011
RYN \$42

Rayonier RYN traded UP \$0.74 per share to close UP +2% day

RYN stock traded UP +19% year to date for 2011, outperforming Specialty REITs, UP +4%

RYN previously announced Paul G Boynton, President, to replace CEO Lee M Thomas effective January, 2012

RYN Specialty REITs with portfolios of timberlands and wood products mills sensitive to US housing sector recovery

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

RYN we rank 2 BUY

RYN market cap \$5.2 billion

REIT Comment



Company:	Government Properties Income Trust
Price:	\$22
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$999
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/16/2011
GOV \$22

Government Properties Income Trust GOV traded UP \$0.25 per share to close UP +1% day

GOV stock traded DOWN (18%) year to date for 2011, underperforming Specialty REITs, UP +4%

GOV House passed continuing resolution to fund government on temporary basis averting automatic spending cuts

GOV House bill must be ratified by Senate vote later today or this weekend

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

GOV reported 19% growth in FFO for 3Q 2011, due to acquisitions completed over last 12 months

GOV no guidance provided for FFO for 2011

GOV stock price supported by current annual dividend yield of 7.6%

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

GOV we rank 3 HOLD

GOV market cap \$1.0 billion

REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$23
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,912
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
12/16/2011
LHO \$23

LaSalle Hotel Properties LHO traded UP +\$0.27 per share to close UP +1% day

LHO stock traded DOWN (15%) year to date for 2011, outperforming Hotel REITs, DOWN (17%)

LHO news of House passage of continuing resolution to fund federal government appears to avert partial government shutdown, pending Senate vote and Presidents signature

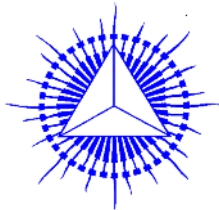
LHO investor concern over impact of lower government spending on one third of LHO hotels located in metropolitan DC area

LHO reported UP +9% growth in FFO for 3Q 2011 while slightly increasing guidance for FFO for 2011 to indicate growth of as much as UP +11%

LHO a Hotel REIT

LHO we rank 4 SELL

LHO market cap \$1.9 billion



REIT Growth and Income Monitor posted 58 REIT comments for the week ended December 16, 2011. Comments were issued on REITs in the following sectors:

Financial REITs	6
Health Care REITs	3
Hotel REITs	7
Industrial REITs	5
Office REITs	8
Residential REITs	9
Retail REITs	12
Specialty REITs	8

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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