

REIT Growth and Income Monitor

Weekly Comments 10/02/2012

Negative performance gap for REITs expanded to (4%) year to date for 2012, compared to the S&P 500 Index.

Rising home prices stimulate outlook for US housing sector recovery, supporting lumber demand for Specialty Timber REITs.

Plum Creek Timber offers investors consistent yield and productive asset management, supported by share repurchase.

Potlatch rallied with homebuilder stocks on expectations for higher lumber prices.

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REIT Weekly Comments, as well as REIT Growth and Income Monitor, REITMonitor.net and associated REIT reports, are products of Atlantis Investment. Research involves analysis of fundamental issues and discussion of critical variables that will determine stock price performance. Particular attention is paid to potential negative trends in business or in a company's accounting practices. BUY, SELL, and HOLD recommendations are provided with a ranking system of 1 to 5. Assignment of a 1 rank indicates expected stock price appreciation of 50% within 18 months, a 2 indicates expected stock price appreciation of more than 25%, a 3 indicates stock price performance in line with the market, a 4 indicates an expected stock price decline of more than 15%, and a 5 indicates expected stock price decline of more than 25%.

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**Weekly REIT Comments**
10/02/2012

REIT stocks traded lower during the last week of September, the week ended September 28, 2012. REITs included in the S&P 500 Index are now up 11% year to date for 2012, trailing performance of the S&P 500 Index, up 15% for 2012. Negative performance gap for 2012 expanded to (4%). Average gain for all REITs followed by REIT Growth and Income Monitor stands at 18% year to date for 2012, exceeding 15% gain for the S&P 500 Index.

Investors now turn their attention to pending financial reports for 3Q 2012, as conflicting economic indicators cause concern, despite the good results reported by most REITs for 2Q 2012. Residential REITs see record growth underway for 2012 and 2013, driven by tight occupancy and rental rate increases. Retail REITs comment on better than expected tenant sales gains. Health Care REITs may be impacted by Medicare sequestration during 2013, pending positive impact of the Affordable Care Act in later years. Specialty Timber REITs with portfolios of timberlands and sawlog mills benefit from improving environment for homebuilders. Specialty REITs with portfolios of self-storage properties report significant profitability improvement. Industrial REITs are gaining occupancy, while their stocks trade in line with economic indicators. Investors remain skittish over Office REITs, due to exposure to financial industry layoffs and continued rent roll downs, lagging economic recovery. Trading of Hotel REITs is impacted by fluctuating gasoline prices and the economic outlook in US and in Europe.

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 Fannie Mae issues will not be addressed until the new Congress convenes in 2013. 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 moved higher for 2012, as REIT managements gain confidence in sustainable growth. As dividend payers, REITs may be viewed as income stocks, attracting investors in need of both consistent income and growth

Higher Home Prices Signal Rebounding US Housing Sector, Supporting Specialty Timber REITs

Investors have waited a long time for reassuring news of higher home prices, news that finally arrived during the last week of September, 2012. Latest report from Case-Shiller shows average US home prices up 1.6% for July, 2012, from the previous month, for a third consecutive monthly gain. This private sector analysis showing sequential improvement is supported by a report from FHFA (Federal Housing Finance Agency) showing annual rate of gain for home prices up 3.2% for July 2012 to the highest level since June, 2004. Renewed demand for new homes is evident, as indicated by construction starts and applications for new permits. Interest in home purchase inevitably follows apartment rental rate increases, an important factor today, as 2012 average apartment rental rate increases are up in a range of 5%-8%. Apartment dwellers in many urban markets have seen rents increase almost 20% over the past 3 years. Meanwhile, mortgage interest rates are at record low levels, enabling homeowners to finance renovations and home improvements. This renewed demand drives higher lumber prices, promising to deliver much higher earnings for Specialty Timber REITs invested in timberland and wood processing facilities, including **Plum Creek Timber**, **Potlatch**, **Weyerhaeuser** and **Rayonier**. All of these Specialty Timber REITs should benefit from US housing sector recovery, although both **Rayonier** and **Weyerhaeuser** have significant exposure to consumer markets through cellulose fibers and other specialty products

Variability in FFO for these Specialty Timber REITs with portfolios invested in timberlands is determined by other factors besides end user demand for lumber and wood products. Harvest volume is impacted by weather and by regulation as well as by demand for sawlogs from processing mills. Prices for timber, sawlogs and pulpwood are volatile, depending on backlog at processing facilities and on inventories held by lumber suppliers for sale to contractors and construction companies. Most of these factors turned favorable during 2Q 2012 and should remain favorable through 2013, based on previous patterns.

Trading Opportunities

Plum Creek Timber, with a market cap of \$7.1 billion as a Specialty Timber REIT with a portfolio of timberlands and sawlog mills, should see stock price appreciation on continuing recovery in the housing sector. **Plum Creek Timber** stock is now up 20% year to date for 2012, significantly outperforming the S&P 500 Index, now up 15%. **Plum Creek Timber** reported EPS for 2Q 2012 down (19%), due to price declines on sawlogs and pulpwood, despite harvest volume increase of more than 25%. Demand for lumber from an improving housing sector should drive higher profits for **Plum Creek Timber**. Dividends were maintained at \$1.68 per share during the past 4 years, despite fluctuations in EPS, indicating management's determination to maintain shareholder value through asset sales to fund dividend distributions and share repurchases. **Plum Creek Timber** currently offers income investors annual dividend yield of 3.8%, still an attractive level.

Potlatch, with a market cap of \$1.5 billion, is another Specialty Timber REIT with a portfolio invested in timberlands and a business mix similar to **Plum Creek Timber**. **Potlatch** stock increased 20% year to date for 2012. **Potlatch** converted to REIT status during 2006, later spinning off pulp operations into publicly traded Clearwater Paper in 2008. EPS for 2Q 2012 decreased (38%), with prices for sawlogs in important southern markets down (4%) and harvest volume down (20%). Guidance for EPS for 2012 has not been provided, but management indicated harvest volume for 2012 may be down (17%). Current yield of 3.3% should attract income investors. **Potlatch** reduced dividends during 4Q 2011 due to the lower harvest volume, while indicating commitment to maintain long term cash shareholder returns.

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Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Price	Price	Price	Price	Price	Weekly	2012
		12/30/2011	08/31/2012	09/07/2012	09/14/2012	09/21/2012	09/28/2012	Change	Price Change
Apartment Investment and Management	AIV	\$23	\$26	\$27	\$27	\$27	\$26	-2%	13%
AvalonBay Communities	AVB	\$131	\$142	\$144	\$141	\$139	\$136	-2%	4%
Boston Properties	BXP	\$100	\$112	\$114	\$116	\$114	\$111	-3%	11%
Equity Residential	EQR	\$57	\$60	\$61	\$60	\$57	\$58	0%	1%
HCP Inc.	HCP	\$41	\$46	\$47	\$46	\$45	\$44	-1%	7%
Health Care REIT	HCN	\$55	\$58	\$59	\$59	\$58	\$58	0%	6%
Host Hotels & Resorts	HST	\$15	\$15	\$16	\$17	\$17	\$16	-4%	9%
Kimco Realty	KIM	\$16	\$20	\$20	\$21	\$21	\$20	-2%	25%
Plum Creek Timber	PCL	\$37	\$41	\$41	\$44	\$45	\$44	-2%	20%
Prologis, Inc	PLD	\$29	\$34	\$36	\$37	\$35	\$35	0%	23%
Public Storage	PSA	\$134	\$146	\$147	\$149	\$142	\$139	-2%	4%
Simon Property Group	SPG	\$129	\$159	\$159	\$163	\$156	\$152	-3%	18%
Ventas	VTR	\$55	\$65	\$65	\$65	\$63	\$62	-1%	13%
Vornado Realty Trust	VNO	\$77	\$81	\$82	\$85	\$82	\$81	-2%	5%
S&P 500 Index	S&P 500	\$1,258	\$1,407	\$1,438	\$1,466	\$1,460	\$1,441	-1%	15%
Average for S&P 500 Index REITs								-2%	11%

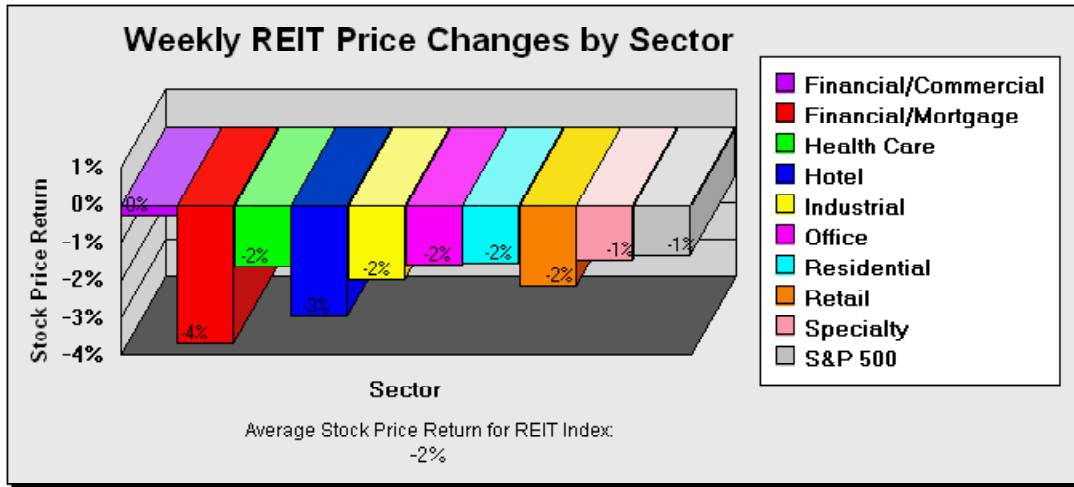
REIT stocks fell during the last week of September, showing decline of (2%) for the week ended September 28, 2012. REITs underperformed the S&P 500 Index, trading down (1%) for the week. The S&P 500 Index is up 15% year to date for 2012, exceeding REIT performance, up 11%. Negative performance gap for S&P 500 Index REITs expanded to (4%) year to date for 2012.

Leaders among S&P 500 Index REITs for 2012 include Retail REITs **Kimco Realty**, up 25%, and **Simon Property Group**, up 18%. Residential REITs continued to trade off, with **Apartment Investment and Management** up 13%, **AvalonBay Communities** up 4% and **Equity Residential** up only 1% year to date for 2012. Office REITs showed mixed performance, with **Boston Properties** up 11% and **Vornado Realty Trust** up 5% year to date for 2012. Health Care REITs maintain gains after surprise Supreme Court approval of the Affordable Care Act, with **HCP Inc** up 7%, **Health Care REIT** up 6% and **Ventas** up 13% year to date for 2012. Industrial REIT **Prologis, Inc** now shows 23% gain for 2012, reflecting investor confidence in profit improvement after the 2011 merger. Specialty Timber REIT **Plum Creek Timber** traded down (2%) to show gain of 20% year to date, as investors responded to signs of US housing sector recovery. Those REITs with exposure to European economies traded down, including **Public Storage**, now showing gain of only 4% year to date for 2012, while volatile **Host Hotels & Resorts** traded down (4%), now showing gain of 9% year to date for 2012.

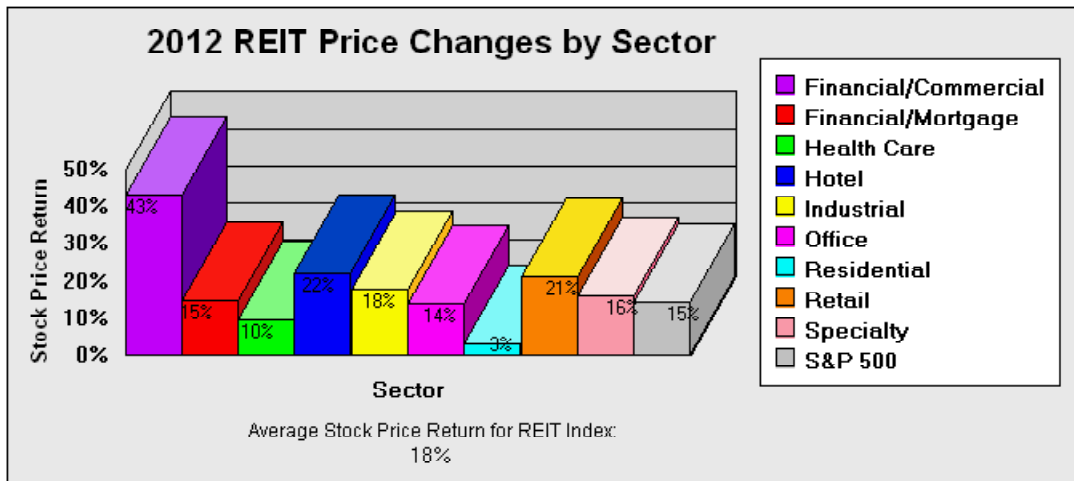
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Weekly REIT Price Changes by Sector



All REIT sectors traded lower for the last week of September, showing sharp declines for the week ended September 28, 2012. Almost all REIT sectors underperformed the S&P 500 Index, trading down (1%) for the week. Strongest sectors were Financial Commercial REITs, slightly down, and Specialty REITs, down (1%). Health Care REITs, Industrial REITs, Office REITs, Residential REITs and Retail REITs all traded down (2%). Lagging sectors were Hotel REITs, down (3%), and Financial Mortgage REITs, down (4%). On average, stock prices for REIT Growth and Income Monitor decreased (2%) for the week ended September 28, 2012.



Stock prices for REITs followed by REIT Growth and Income Monitor traded up 18% on average year to date for 2012, exceeding performance of the S&P 500 Index, up 15% for 2012. REITs outperform due to higher yields than S&P 500 stocks. Investors also responded positively to earnings announcements for 2Q 2012, as REIT funds flow remained consistent, at a time when other market sectors faced adjusted expectations due to currency exposure and variable international economies. Leading sectors year to date are Financial Commercial REITs, up 43%, followed by Hotel REITs, up 22%, and Retail REITs, up 21%. Industrial REITs show 18% gain, while Office REITs now show 14% gain year to date for 2012. Specialty REITs are up 16% year to date for 2012, supported by improved performance of Specialty Timber REITs, responding to improved news on the US housing sector. Financial Mortgage REITs increased 15%. Only 2 REIT sectors underperformed the S&P 500 Index. Health Care REITs are now up 10% year to date for 2012, trading off on pending Medicare sequestration during 2013. Residential REITs are still laggards, now up only 3% year to date for 2012. We expect Residential REITs to be a best performing sector for 2012 as they were during 2011, with strong profit gains driving another year of exceptional FFO growth during 2012.

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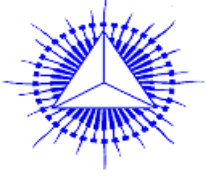


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REIT Comment



Company:	Prologis Inc
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,685
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/24/2012
PLD \$35

Prologis Inc PLD news of lower business confidence in Germany less important to PLD than trends in US retail sales

PLD Ifo Institute monthly survey of German industrial companies found index of business confidence DOWN (1.0%) for September 2012

PLD exposure to European economies limited to managed institutional funds

PLD exposure to international economies through institutional partnerships drives long term growth

PLD properties in Europe (mostly France) represent less than 15% of total PLD portfolio, with \$9 billion of total \$25 billion institutional joint venture investment funds invested in Europe

PLD guidance for FFO for 2012 indicates growth UP +8%

PLD the largest publicly traded Industrial REIT

PLD stock price supported by current annual dividend 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 \$16.7 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Plum Creek Timber
Price:	\$45
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,238
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/24/2012
PCL \$45

Plum Creek Timber PCL better than expected earnings reports from US homebuilders a positive signal for Specialty Timber REITs

PCL homebuilder Lennar reported net orders UP+44% with average selling prices UP +4%, while KB Homes reported orders UP +3% with average prices UP +8%

PCL higher backlogs for homebuilders indicates strength of future demand for new homes

PCL Lennar management commented to investors that lumber prices UP+25% from previous year for quarter ended August 2012

PCL Specialty Timber REITs to benefit from recovery in US housing sector on increased demand and higher prices for lumber and sawlogs

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

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

PCL we rank 2 BUY

PCL market cap \$7.2 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	Potlatch
Price:	\$38
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,537
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/24/2012
PCH \$38

Potlatch PCH positive surprise provided by homebuilders should drive better stock price performance for Specialty Timber REITs

PCH US homebuilders Lennar and KB Homes reported higher orders backlog, and average prices for new homes, indicating strength in future demand for lumber to complete new homes on order

PCH industry reports lumber prices now UP +25% from previous years

PCH Specialty Timber REITs to benefit from recovery in US housing sector on increased demand and higher prices for lumber and sawlogs

PCH stock price supported by current dividend yield of 3.2%

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

PCH we rank 2 BUY

PCH market cap \$1.5 billion

REIT Comment



Company:	Equity Residential
Price:	\$57
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,243
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/24/2012
EQR \$57

Equity Residential EQR news of revival of demand for US homebuilders indicates apartment dwellers seeking to take advantage of today's low mortgage rates and home prices

EQR turnover of apartments up sequentially during 2012, but apartment shortage still keeping occupancy high

EQR employment growth a more significant factor impacting demand for apartments than interest of apartment dwellers to become home owners

EQR occupancy exceeds 95%, while apartment rental rate increases UP +5.7% for 2Q 2012

EQR guidance for FFO for 2012 indicate growths UP +14%

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

EQR we rank 2 BUY

EQR market cap \$18.2 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	Newcastle Investment
Price:	\$8
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,067
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/24/2012
NCT \$8

Newcastle Investment NCT traded DOWN (\$0.11) per share to close DOWN (1%) day

NCT stock traded UP +70% year to date for 2012, outperforming Financial Commercial REITs, UP +44%

NCT stock trading at more than 100% premium to book value

NCT previously announced "stalking horse bid" for ResCap mortgage servicing rights for NCT and Fortress, to be determined by bankruptcy court no sooner than December, 2012

NCT stock price supported by current annual dividend yield of 10.1%, at the top end of the range for Financial Commercial REITs

NCT a Financial Commercial REIT

NCT we rank 2 BUY

NCT market cap \$1.1 billion

REIT Comment



Company:	Pennsylvania REIT
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$943
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/24/2012
PEI \$16

Pennsylvania REIT PEI traded UP \$0.12 per share to close UP +1% day

PEI stock traded UP +55% year to date for 2012, outperforming Retail REITs, UP +24%

PEI better than expected tenant sales driving stock price performance for Retail REITs with portfolios of regional malls

PEI limited exposure to downsizing retailers, with Sears/Kmart SHLD at 2% of total rents and Best Buy BBY at 1%

PEI guidance for FFO for 2012 indicates FFO decline DOWN (5%)

PEI stock price supported by 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 \$1.0 billion

REIT Comment



Company:	Capstead Mortgage
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,375
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/24/2012
CMO \$15

Capstead Mortgage CMO traded UP \$0.15 per share to close UP +1% day

CMO stock traded UP +17% year to date for 2012, slightly behind Financial Mortgage REITs, UP +19%

CMO Fannie Mae reform delayed by the elections until 2013 at the earliest, maintaining status quo for Financial Mortgage REITs with portfolios of agency guaranteed Residential MBS

CMO new securitization platform for Fannie Mae and Freddie Mac to be unveiled October, 2012, may provide additional incentives to invest in HARP loans

CMO stock price supported by current annual dividend yield of 11.0%, 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 \$1.4 billion

REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$27
Recommendation:	SELL
Ranking:	4
Market Cap:	\$2,303
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/24/2012
LHO \$27

LaSalle Hotel Properties LHO traded DOWN (\$0.31) per share to close DOWN (1%) day
LHO stock traded UP +11% year to date for 2012, underperforming Hotel REITs, UP +30%
LHO impact of "fiscal cliff" on business and vacation travel to DC area may be greater than expected
LHO hotel portfolio concentrated in metropolitan DC area, representing more than 30% of NOI
LHO guidance for FFO for 2012 indicates growth UP +38%
LHO a Hotel REIT
LHO we rank 4 SELL
LHO market cap \$2.3 billion

REIT Comment



Company:	Health Care REIT
Price:	\$58
Recommendation:	BUY
Ranking:	2
Market Cap:	\$12,484
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/25/2012
HCN \$58

Health Care REIT HCN completed public offering of 29.9 million common shares

HCN offering size increased from previous 22 million shares

HCN proceeds of \$1.7 billion to be applied to complete pending \$3.2 billion acquisition of Sunrise Senior Living properties

HCN joint book-running managers BofA Merrill Lynch, JP Morgan, Morgan Stanley, Deutsche Bank, KeyBanc and Wells Fargo

HCN September 2012 offering increased total shares outstanding by 14%

HCN stock price supported by current annual dividend yield of 5.1%

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

HCN we rank 2 BUY

HCN market cap \$12.5 billion

HCN an S&P 500 REIT

REIT Comment



Company:	Annaly Capital Management
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,220
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/25/2012
NLY \$18

Annaly Capital Management NLY news of higher home prices signals steady improvement in US housing sector

NLY report from Case-Shiller shows average home prices UP +1.6% for July 2012 from the previous month, for third consecutive monthly gain

NLY average home prices UP +1.2% from previous year, with only 4 of 20 cities still showing annual decline

NLY most positive cities include Phoenix UP +16.6%, Minneapolis UP +6.4%, Detroit UP +6.2%, Denver UP +5.4%, Miami UP +5.3% and San Francisco UP +4.8%

NLY cities still in decline include Atlanta DOWN (9.9%), New York DOWN (2.6%), Las Vegas DOWN (1.0%) and Chicago DOWN (0.9%)

NLY stock price supported by current annual dividend yield of 12.7%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$17.2 billion

REIT Comment



Company:	Agree Realty
Price:	\$26
Recommendation:	SELL
Ranking:	5
Market Cap:	\$298
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/25/2012
ADC \$26

Agree Realty ADC completed retreating and disposition of 3 properties previously leased to Borders

ADC also sold 2 properties leased to Kmart for \$7 million and invested \$5 million to acquire 2 net leased properties

ADC management pursuing portfolio diversification through investment in new relationships with McDonald's, Wawa, Chase, Family Dollar, HomeGoods and AutoZone

ADC 50% of tenant exposure as of June 2012 concentrated in 3 tenants, including Walgreen's at 33% of total rents, Kmart 7% (down from 10%) and CVS 7%

ADC no guidance provided for FFO for 2012

ADC stock supported by current annual dividend yield of 6.2%

ADC a Retail REIT with a portfolio of net leased properties

ADC we UPGRADE to 3 HOLD

ADC market cap \$298 million

REIT Comment



Company:	MFA Financial
Price:	\$9
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,056
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/25/2012
MFA \$9

MFA Financial MFA news of higher US home prices indicate price improvement continued through summer months

MFA report from Case-Shiller shows average US home prices UP +1.6% for July 2012 from the previous month, for third consecutive monthly gain

MFA recovery in home prices may attract buyers to take advantage of current low mortgage rates

MFA stock supported by current annual dividend yield of 10.7%, near the midpoint of the range for Financial Mortgage REITs

MFA a Financial Mortgage REIT with a portfolio of agency guaranteed and nonagency guaranteed Residential loans and MBS

MFA we rank 2 BUY

MFA market cap \$3.1 billion

REIT Comment



Company:	Simon Property Group
Price:	\$155
Recommendation:	BUY
Ranking:	2
Market Cap:	\$56,583
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/25/2012
SPG \$159

Simon Property Group SPG report showing higher consumer confidence supports positive outlook for Retail REITs

SPG report from Conference Board shows consumer confidence index UP 15% for September 2012 from previous month

SPG report on consumer confidence heavily influenced by availability of jobs and income growth

SPG results for 3Q 2012 FFO unlikely to disappoint, with tenant sales reports so far indicating growth from 2011 in range of UP 3%-+8%

SPG guidance for FFO for 2012 indicates growth UP +12%

SPG stock price supported by current annual dividend yield of 2.7%

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 \$56.6 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	CBL & Associates
Price:	\$22
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,247
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/25/2012
CBL \$22

CBL & Associates CBL news of higher consumer confidence supports a positive outlook for Retail REITs

CBL pending reports of monthly same store sales expected next week should provide additional positive news

CBL results for 3Q 2012 to benefit from discounting of back-to-school items and an easy weather comparison to previous year, when widespread power outages impacted sales

CBL reported better than expected FFO for 2Q 2012, UP +6%

CBL guidance for FFO for 2012 indicates FLAT year, despite higher shares outstanding

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

CBL a Retail REIT with a portfolio of regional malls in southeastern and mid-Atlantic states

CBL we rank 2 BUY

CBL market cap \$4.2 billion

REIT Comment



Company:	Hatteras Financial
Price:	\$30
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,895
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/25/2012
HTS \$30

Hatteras Financial HTS report from FHFA of higher home prices provides additional support for positive home price trends

HTS report from FHFA (Federal Housing Finance Agency) reports US home prices UP +0.2% for July 2012 from previous month

HTS report from FHFA shows annual rate of gain UP +3.2% to highest level since June 2004

HTS release of Case-Shiller report earlier today found US home prices UP +1.2% from the previous year for July, 2012

HTS recovery in home prices should attract buyers taking advantage of today's low mortgage rates

HTS stock price supported by current annual dividend yield of 12.2%, above the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 2 BUY

HTS market cap \$2.9 billion

REIT Comment



Company:	Healthcare Realty Trust
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,785
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/25/2012
HR \$23

Healthcare Realty Trust HR traded DOWN (\$0.90) per share to close DOWN (4%) day

HR stock traded UP +24% year to date for 2012, outperforming Health Care REITs, UP +12%

HR last week Senate passed \$1.047 trillion stop-gap spending bill including temporary restraint of Medicare's planned (30%) reimbursement reduction for outpatient doctor visits

HR tenants of HR owned medical office buildings would be severely impacted by lower reimbursement on the Medicare portion of their business if stop-gap funding had not been approved

HR reported better than expected results for 2Q 2012, with FFO UP +10%, although no guidance provided for FFO for 2012

HR stock price supported by current dividend yield of 5.2%

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

HR we rank 2 BUY

HR market cap \$1.8 billion

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$16
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$12,257
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/25/2012
HST \$16

Host Hotels & Resorts HST traded DOWN (\$0.46) per share to close DOWN (3%)

HST stock traded UP +9% year to date for 2012, underperforming Hotel REITs, UP +26%

HST normal seasonal decline in oil prices should be expected during fall months

HST travel related stocks including airlines and hotels normally trade UP while oil and gasoline prices move DOWN

HST guidance for FFO for 2012 indicates growth UP +18%

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

HST we rank 3 HOLD

HST market cap \$12.3 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	Duke Realty
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,049
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/25/2012
DRE \$15

Duke Realty DRE traded DOWN (\$0.37) per share to close DOWN (2%) day

DRE stock traded UP +22% year to date for 2012, outperforming Industrial REITs, UP +20%

DRE Industrial REITs seeing higher occupancy and improved rental rates

DRE current FFO growth impacted by strategy of divesting office properties

DRE guidance for FFO for 2012 indicates decline DOWN (15%)

DRE stock price supported by current annual dividend yield of 4.6%

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

DRE we rank 2 BUY

DRE market cap \$4.0 billion

REIT Comment



Company:	Corporate Office Properties Trust
Price:	\$24
Recommendation:	SELL
Ranking:	5
Market Cap:	\$1,724
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/25/2012
OFC \$24

Corporate Office Properties Trust OFC traded DOWN (\$0.49) per share to close DOWN (2%) day

OFC stock traded UP +13% year to date for 2012, underperforming Office REITs, UP +16%

OFC pending federal defense cutbacks likely to impact decisions of tenants at many DC properties during 2013

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 guidance for FFO for 2012 indicates decline DOWN (7%)

OFC stock price supported by current annual dividend yield of 4.6%

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

OFC we rank 5 SELL

OFC market cap \$1.7 billion

REIT Comment



Company:	Hatteras Financial
Price:	\$29
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,869
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/26/2012
HTS \$29

Hatteras Financial HTS news of higher mortgage application volume indicates homeowners taking advantage of low interest rates to refinance

HTS report from MBA (Mortgage Bankers Association) shows mortgage application volume UP 2.8% for week ended September 21, 2012

HTS mortgage applications for refinance UP +3.3%, while mortgage applications for home purchase UP +0.7%

HTS average interest rate on 30 year fixed rate conforming mortgages continues to decline, DOWN (0.09%) to 3.63%

HTS pending investment portfolio asset sales by Fannie Mae may provide investment opportunities for Financial Mortgage REITs

HTS stock price supported by current annual dividend yield of 12.3%, above the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 2 BUY

HTS market cap \$2.9 billion

REIT Comment



Company:	Plum Creek Timber
Price:	\$44
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,170
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/26/2012
PCL \$44

Plum Creek Timber PCL new home sales showing strong gain from previous year, confirming positive trend for US housing sector

PCL new home sales eased DOWN (0.3%) for August 2012 from revised number for previous month, but strong gain of UP +28% from previous year indicates positive demand trend intact

PCL median price of new home \$256,000 UP +17% from previous year

PCL median price of new home at highest level since March2007

PCL Specialty Timber REITs to benefit from recovery in US housing sector on increased demand and higher prices for lumber and sawlogs

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

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

PCL we rank 2 BUY

PCL market cap \$7.2 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	Strategic Hotels & Resorts
Price:	\$6
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,251
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/26/2012
BEE \$6

Strategic Hotels & Resorts BEE political unrest in Europe over economic cost of austerity programs may impact trading in Hotel REITs with exposure to European markets

BEE owns 17 hotels, with only 2 located in Europe, including 1 hotel subleased in Germany and 1 owned hotel in UK

BEE 2 European hotels contributed 11% to property EBITDA for BEE during 2011

BEE profitability of European hotels of less importance than benefit of renovation programs on US hotels

BEE previous guidance for FFO for 2012 indicated growth UP +50% - more than 100% to range of \$0.21-\$0.29 per share

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

BEE we rank 3 HOLD

BEE market cap \$1.3 billion

REIT Comment



Company:	Brookfield Properties
Price:	\$16
Recommendation:	SELL
Ranking:	4
Market Cap:	\$8,189
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/26/2012
BPO \$16

Brookfield Properties Trust BPO investor concern over economic decline in Europe may impact trading in Office REITs with exposure to financial industry tenants

BPO exposure to European and US banks at time of forced downsizing and regulatory change impacts demand for upscale office space

BPO management estimates total exposure to financial industry tenants at more than 50% of NOI

BPO financial industry tenants include Bank of America and subsidiary Merrill Lynch as well as Bank of Montreal, CIBC, Goldman Sachs, JP Morgan Chase, Nomura, RBC and Wells Fargo/Wachovia

BPO previously reported FFO FLAT for 2Q 2012, and made no change to 2012 guidance indicating FFO growth no more than UP +4%

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

BPO we rank 4 SELL

BPO market cap \$8.2 billion

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$16
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$12,257
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/26/2012
HST \$16

Host Hotels & Resorts HST concerns over European exposure may spoil potential rally on oil price decline

HST travel related stocks including airlines and hotels normally trade UP while oil and gasoline prices move DOWN

HST has greatest exposure among Hotel REITs to European economies although small as percentage of total income

HST owns minority interest in joint venture with 13 hotels in Europe, including 3 hotels in Belgium, 1 in France, 3 in Italy, 1 in Netherlands, 1 in Poland, 2 in Spain and 2 in United Kingdom

HST reported small contribution to FFO from European joint venture for 2011, representing less than 3% of adjusted EBITDA

HST guidance for FFO for 2012 indicates growth UP +18%

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

HST we rank 3 HOLD

HST market cap \$12.3 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	SL Green Realty Corp.
Price:	\$80
Recommendation:	SELL
Ranking:	4
Market Cap:	\$7,676
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/26/2012
SLG \$80

SL Green Realty SLG news of slowing economies and political turmoil in Europe may impact trading in Office REITs with exposure to financial industry tenants

SLG investors should also be concerned over negative impact of new bank regulations on financial industry tenants, representing 20% of total NOI

SLG exposure to financial industry tenants includes Citi at 11% of rental revenue, Credit Suisse 5%, AIG 3%, Societe Generale 1% and Travelers 1%

SLG recent management comments noted slow leasing environment in midtown NYC

SLG guidance for FFO for 2012 indicates growth UP +11%

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

SLG we rank 4 SELL

SLG market cap \$7.7 billion

REIT Comment



Company:	First Industrial
Price:	\$13
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,148
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/26/2012
FR \$13

First Industrial FR traded DOWN (\$0.26) per share to trade DOWN (2%) day

FR stock traded UP +25% year to date for 2012, outperforming Industrial REITs, UP +20%

FR demand for Industrial REITs driven by economic growth particularly retail sales

FR guidance for FFO for 2012 indicates growth UP +21%

FR has not yet restored dividends on common stock

FR an Industrial REIT

FR we rank 4 SELL

FR market cap \$1.1 billion

REIT Comment



Company:	Redwood Trust
Price:	\$14
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,140
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/26/2012
RWT \$14

Redwood Trust RWT traded DOWN (\$0.19) per share to close DOWN (1%) day

RWT stock traded UP +42% year to date for 2012, outperforming Financial Mortgage REITs, UP +19%

RWT news of higher mortgage application volume indicates consumer response to low interest rates

RWT Fannie Mae divestitures during 4Q 2012 provide portfolio investment opportunities for Financial Mortgage REITs

RWT expertise in trading non-agency guaranteed Residential MBS may prove beneficial for certain Financial Mortgage REITs

RWT stock price supported by current annual dividend yield of 6.9%, at the low end of the range for Financial Mortgage REITs

RWT a Financial Mortgage REIT with a portfolio of jumbo residential loans and non-agency guaranteed Residential MBS

RWT we rank 3 HOLD

RWT market cap \$1.1 billion

REIT Comment



Company:	Sovran Self Storage
Price:	\$59
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,697
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/26/2012
SSS \$59

Sovran Self Storage SSS traded UP \$0.85 per share to close UP +1% day

SSS traded UP +37% year to date for 2012, outperforming Specialty REITs, UP +18%

SSS acquisitions driving portfolio expansion

SSS guidance for FFO for 2012 indicates FFO growth UP +16%

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

SSS we rank 2 BUY

SSS market cap \$1.7 billion

REIT Comment



Company:	Hospitality Properties Trust
Price:	\$24
Recommendation:	SELL
Ranking:	4
Market Cap:	\$2,917
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/26/2012
HPT \$24

Hospitality Properties Trust HPT traded DOWN (\$0.28) per share to close DOWN (1%) day

HPT stock traded UP +3% year to date for 2012, underperforming Hotel REITs, UP +26%

HPT lower oil and gasoline prices normally expected to benefit Hotel REITs and other travel related stocks

HPT in midst of rebranding a significant portion of hotels, after struggling to complete asset divestitures

HPT no guidance provided for FFO for 2012

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

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

HPT we rank 5 SELL

HPT market cap \$2.9 billion

REIT Comment



Company:	CommonWealth REIT
Price:	\$14
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,315
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/27/2012
CWH \$14

CommonWealth REIT CWH falling sentiment of business managers indicates 2013 seen as a recession year

CWH Business Roundtable survey for 3Q 2012 found CEO expectations at lowest level since 3Q 2009

CWH survey showed 29% of CEOs expect to increase employment over next 6 months, while 34% expect lower employment

CWH has greater exposure to small business tenants than most Office REITs due to exposure to suburban and central business district properties in smaller cities

CWH consolidated results reported for CWH still include properties divested to Select Income REIT SIR, now 70.5% owned by CWH since public offering of SIR completed during March 2012

CWH may consider dividend reduction to retain cash flow

CWH stock price supported by current annual dividend yield of 13.8%

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

CWH we rank 3 HOLD

CWH market cap \$1.3 billion

REIT Comment



Company:	Prologis Inc
Price:	\$34
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,189
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/27/2012
PLD \$34

Prologis Inc PLD revision of US GDP growth indicates US economy weaker than previously thought

PLD Commerce Department reduced estimate of US GDP growth for 2Q 2012 to UP +1.3%, DOWN (0.4%) from previous estimate of UP +1.7%

PLD estimate of consumer spending reduced to UP +1.5% for 2Q 2012, DOWN (0.2%) from previous estimate UP +1.7%

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

PLD reports of September 2012 sales due next week from retailers should provide more visibility on consumer spending trends

PLD guidance for FFO for 2012 indicates growth UP +8%

PLD the largest publicly traded Industrial REIT

PLD stock price supported by current annual dividend yield of 3.3%

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

PLD we rank 2 BUY

PLD market cap \$16.2 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Equity Residential
Price:	\$57
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,227
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/27/2012
EQR \$157

Equity Residential EQR although lower new unemployment claims indicate improving labor market poor sentiment indicators signal caution

EQR report from Labor Department shows new unemployment claims DOWN (26,000) to 359,000 for week ended September 22, 2012, compared to revised numbers for previous week

EQR more important, 4 week moving average of new unemployment claims DOWN (4,500) to 374,000

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

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

EQR guidance for FFO for 2012 indicate growths UP +14%

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

EQR we rank 2 BUY

EQR market cap \$18.2 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	Annaly Capital Management
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,918
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/27/2012
NLY \$17

Annaly Capital Management NLY announcement of lower mortgage interest rates by FHFA highlights magnitude of interest rate decline during a year of economic growth

NLY report from FHFA (Financial Housing Finance Agency) reported ARM monthly index at 3.56% for August, 2012, DOWN (0.1%) from previous month

NLY monthly ARM index DOWN (1.0%) from 4.56% for August of previous year

NLY recovering housing sector should be stimulated by lower mortgage interest rates but banks remain reluctant to lend to homeowners seeking refinance

NLY additional reform of Fannie Mae unlikely before new Congress assembles during 2013

NLY recent change in terms for Treasury repayment by Fannie Mae and Freddie Mac appears to delay need for additional Congressional action on Fannie Mae reform

NLY stock price supported by current annual dividend yield of 11.5%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$16.9 billion

REIT Comment



Company:	Simon Property Group
Price:	\$151
Recommendation:	BUY
Ranking:	2
Market Cap:	\$55,060
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/27/2012
SPG \$151

Simon Property Group SPG news of negative revision of US GDP growth clashed with better than expected news on retail sales

SPG Commerce Department reduced estimate of US GDP growth for 2Q 2012 to UP +1.3%, DOWN (0.4%) from previous estimate of UP +1.7%

SPG estimate of consumer spending reduced to UP+1.5% for 2Q 2012, DOWN (0.2%) from previous estimate UP +1.7%

SPG more visibility on consumer spending trends to be supplied with reports of September 2012 sales due next week from retailers

SPG results for 3Q 2012 FFO unlikely to disappoint, with tenant sales reports so far indicating growth from 2011 in range of UP 3%-+8%

SPG guidance for FFO for 2012 indicates growth UP +12%

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

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 \$55.1 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Ashford Hospitality Trust
Price:	\$8
Recommendation:	BUY
Ranking:	2
Market Cap:	\$724
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/27/2012
AHT \$8

Ashford Hospitality Trust AHT traded UP \$0.26 per share to close UP +3% day

AHT stock traded UP +6% year to date for 2012, underperforming Hotel REITs, UP +26%

AHT Hotel REITs, like all travel related stocks, should trade higher on news of lower gasoline prices

AHT normal seasonal decline in energy costs during September 2012 exacerbated by fears of economic slowdown in Europe

AHT stock price supported by current annual dividend yield of 5.2%, with 100% of dividend untaxed as return of capital for 2011

AHT a Hotel REIT

AHT we rank 2 BUY

AHT market cap \$724 million

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,080
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/27/2012
DFT \$25

DuPont Fabros Technology DFT traded UP+\$0.52 per share to close UP +2% day

DFT stock traded UP +4% year to date for 2012, outperforming Office REITs, UP +16%

DFT October 2012 leasing update during 3Q 2012 earnings report should provide investors with information on potential upside for FFO during 2013

DFT success of e-readers, as well as all other mobile Internet devices, highlights importance of data centers to support demand for Internet services

DFT guidance for FFO for 2012 indicates decline of no more than DOWN (9%), due to impact of unstabilized properties still in lease-up

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 \$2.1 billion

REIT Comment



Company:	Getty Realty
Price:	\$18
Recommendation:	SELL
Ranking:	5
Market Cap:	\$600
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/27/2012
GTY \$18

Getty Realty GTY traded UP\$0.31 per share to close UP +2% day

GTY stock traded UP +29% year to date for 2012, outperforming Specialty REITs, UP +18%

GTY end of summer driving season unlikely to impact results for GTY portfolio of gasoline stations and convenience stores

GTY ability to continue to distribute dividends may be impacted again by bankruptcy of key tenant Getty Petroleum Marketing Services, if complete re-leasing of former Getty and Lukoil gas stations is unsuccessful

GTY provides current annual cash dividend yield of 2.8%

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

GTY we rank 5 SELL

GTY market cap \$600 million

REIT Comment



Company:	General Growth Properties
Price:	\$19
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,565
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/27/2012
GGP \$19

General Growth Properties GGP traded UP\$0.21 per share to close UP +1% day

GGP stock traded UP +30% year to date for 2012, outperforming Retail REITs, UP +24%

GGP more visibility on consumer spending trends to be supplied with reports of September2012 sales due next week from mall retailers

GGP guidance for FFO for 2012 indicates growth UP +13%

GGP stock price supported by current annual dividend yield of2.1%

GGP a Retail REIT with a portfolio of regional malls

GGP we rank 3 HOLD

GGP market cap \$19.6 billion

REIT Comment



Company:	Redwood Trust
Price:	\$15
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,150
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/28/2012
RWT \$15

Redwood Trust RWT co-founder George Bull III stepped down as Chairman and director during September, 2012

RWT appointed Richard D. Baum as new Chairman and Douglas B Hansen, co-founder, as Vice Chairman of the Board

RWT Martin S Hughes continues as CEO with Brett Nicholas as President

RWT Financial Mortgage REITs see status quo maintained pending reform of Fannie Mae when next Congress convenes during 2013

RWT stock price supported by current annual dividend yield of 6.9%, at the low end of the range for Financial Mortgage REITs

RWT a Financial Mortgage REIT with a portfolio of jumbo residential loans and non-agency guaranteed Residential MBS

RWT we rank 3 HOLD

RWT market cap \$1.2 billion

REIT Comment



Company:	Simon Property Group
Price:	\$152
Recommendation:	BUY
Ranking:	2
Market Cap:	\$55,352
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/28/2012
SPG \$152

Simon Property Group SPG news of higher consumer sentiment indicates that downwards revision of GDP for 2Q 2012 may not indicate a trend

SPG report on consumer sentiment from University of Michigan indicates consumer sentiment UP +4.0% for September 2012

SPG consumers expecting higher employment and lower inflation

SPG report from University of Michigan confirms report on positive consumer sentiment released by Conference Board earlier this week

SPG more visibility on consumer spending trends to be supplied with reports of September 2012 sales due next week from key mall retailers

SPG results for 3Q 2012 FFO unlikely to disappoint, with tenant sales reports so far indicating growth from 2011 in range of UP 3%-+8%

SPG guidance for FFO for 2012 indicates growth UP +12%

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

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 \$55.4 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	CBL & Associates
Price:	\$22
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,112
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/28/2012
CBL \$22

CBL & Associates CBL news of higher consumer confidence supports a positive outlook for Retail REITs

CBL report on consumer sentiment from University of Michigan indicates consumer sentiment UP +4.0% for September 2012

CBL pending reports of monthly same store sales expected next week from key retailers should provide additional positive news

CBL results for 3Q 2012 to benefit from discounting of back-to-school items and an easy weather comparison to previous year, when widespread power outages impacted sales

CBL reported better than expected FFO for 2Q 2012, UP +6%

CBL guidance for FFO for 2012 indicates FLAT year, despite higher shares outstanding

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

CBL a Retail REIT with a portfolio of regional malls in southeastern and midAtlantic states

CBL we rank 2 BUY

CBL market cap \$4.1 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,421
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/28/2012
NLY \$17

Annaly Capital Management NLY mortgage volume still below expectations given recovery of housing sector, indicating banks and other lenders retaining strict criteria

NLY lenders requiring much higher FICO scores and significantly greater downpayments than in previous recoveries

NLY appraisals impacted by foreclosures cause further disruption, preventing even well qualified borrowers from completing home purchase transactions

NLY despite bank claims of cooperation with HARP refinance program, many homeowners seeking refinance report bank indifference to compliance rules and endless obstacles prevent refinance even for homes not "under water" on total debt

NLY new securitization platform to be revealed by FHFA(Federal Housing Finance Agency) during October 2012 may provide lower hurdles for HARP refinance

NLY additional reform of Fannie Mae unlikely before next Congress convenes during 2013

NLY recent change in terms for Treasury repayment by Fannie Mae and Freddie Mac appears to delay need for additional Congressional action on Fannie Mae reform

NLY stock price supported by current annual dividend yield of 11.5%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$16.4 billion

REIT Comment



Company:	Agree Realty
Price:	\$26
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$296
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/28/2012
ADC \$26

Agree Realty ADC struggling tenant Walgreen may curb expansion in wake of same store sales decline

ADC key tenant Walgreen WAG reported same store sales DOWN (8.7%), with customer traffic DOWN (3.2%), indicating customers spending less on each trip to Walgreens

ADC emphasis on loyalty program and use of frequent coupons may attract customer traffic lost due to Walgreen dispute with Express Scripts, now resolved since September 15, 2012

ADC 50% of tenant exposure as of June 2012 concentrated in 3 tenants, including Walgreen's at 33% of total rents, Kmart 7% (down from 10%) and CVS 7%

ADC no guidance provided for FFO for 2012

ADC stock supported by current annual dividend yield of 6.2%

ADC a Retail REIT with a portfolio of net leased properties

ADC we recently UPGRADED to 3 HOLD

ADC market cap \$296 million

REIT Comment



Company:	Brookfield Properties
Price:	\$17
Recommendation:	SELL
Ranking:	4
Market Cap:	\$8,417
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/28/2012
BPO \$17

Brookfield Properties BPO traded DOWN (\$0.14) per share to close DOWN (1%) day

BPO stock traded UP +6% year to date for 2012, underperforming Office REITs, UP +16%

BPO exposure to financial industry tenants concerns investors at a time of new regulation and forced downsizing

BPO management estimates total exposure to financial industry tenants at more than 50% of NOI

BPO guidance for FFO for 2012 indicates growth UP +4%

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

BPO we rank 4 SELL

BPO market cap \$8.4 billion

REIT Comment



Company:	UDR, Inc
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,151
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/28/2012
UDR \$25

UDR Inc UDR traded DOWN (\$0.15) per share to close DOWN (1%) day

UDR stock traded DOWN (1%) year to date for 2012, underperforming Residential REITs, UP +5%

UDR this week's positive consumer sentiment reports should help Residential REITs as consumers expect to see employment gains

UDR diversified portfolio of apartment communities throughout US benefitting from apartment shortage in key urban areas

UDR like all Residential REITs reporting high occupancy and rental rate increases supported by stable employment trends

UDR provided guidance for FFO for 2012 indicating growth UP +9%

UDR a Residential REIT with a diverse portfolio of apartment communities

UDR we rank 2 BUY

UDR market cap \$6.2 billion

REIT Comment



Company:	Kilroy Realty
Price:	\$45
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,245
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/28/2012
KRC \$45

Kilroy Realty KRC traded DOWN (\$0.24) per share to close DOWN (1%) day

KRC stock traded UP +18% year to date for 2012, outperforming Office REITs, UP +16%

KRC latest earnings report noted improving tone of west coast office markets

KRC pending sale of industrial portfolio expected to increase average portfolio occupancy

KRC guidance for FFO for 2012 indicates FLAT year

KRC stock price supported by current annual dividend yield of 3.0%

KRC an Office REIT with a portfolio of office and industrial properties concentrated in southern and northern CA

KRC we rank 2 BUY

KRC market cap \$3.2 billion

REIT Comment



Company:	Digital Realty Trust
Price:	\$70
Recommendation:	BUY
Ranking:	1
Market Cap:	\$8,789
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/28/2012
DLR \$70

Digital Realty Trust DLR traded UP \$1.06 per share to close UP +2% day

DLR stock traded UP +5% year to date for 2012, underperforming Office REITs, UP +16%

DLR demand for corporate cloud computing services enhanced by proliferation of mobile Internet devices, including iPhone 5, Samsung Galaxy Android smartphones, Nokia Lumia smartphones with Microsoft Windows, as well as netbook and notebook computers

DLR portfolio expansion via acquisitions in UK and Asia to drive FFO during 2013

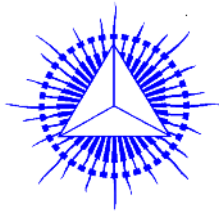
DLR guidance for FFO for 2012 indicates UP +10% growth

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

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

DLR we rank 1 BUY

DLR market cap \$8.8 billion



REIT Growth and Income Monitor posted 47 REIT comments for the week ended September 28, 2012. Comments were issued on REITs in the following sectors:

Financial REITs	10
Health Care REITs	2
Hotel REITs	6
Industrial REITs	4
Office REITs	8
Residential REITs	3
Retail REITs	9
Specialty REITs	5

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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