

## **REIT Growth and Income Monitor**

### **Weekly Comments 03/05/2013**

**REIT stocks traded down, lagging performance of the S&P 500 Index, with gain of 5% year to date for 2013, for negative performance gap of (1%).**

**Elimination of "qualified dividends" after 2012 favors REITs over other high yielding stock groups.**

**CEO transition at Vornado Realty Trust excites investor questions.**

**Hostile takeover proposal for CommonWealth REIT reignites acquisition fever among REITs.**

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**Weekly REIT Comments**  
**03/05/2013**

REIT stocks traded down (1%) during the last week of February, the week ended March 1, 2013. REITs rallied up 5% during 2013, lagging performance of the S&P 500 Index, up 6%, for negative performance gap of (1%) year to date for 2013. Average gain for all REITs followed by REIT Growth and Income Monitor was 18% for 2012 and 10% for 2013, exceeding 13% gain for the S&P 500 Index for 2012 and 6% for 2013.

Investors should renew their interest in REITs during 2013, compared to other high yielding stock groups. An important change is the elimination of "qualified dividends" as a category for lower taxation at the end of 2012. Corporate distributions that were taxed as "qualified dividends" now have no tax advantage over REITs, as most REIT dividends have always been taxed at the same rate as ordinary income. A portion of REIT dividends is taxed at a lower rate as capital gains, and a portion may be classified as "return of capital", where no tax is paid when dividends are received, but an adjustment is made to investor tax basis.

The most important risk for all US investors is still the delayed "fiscal cliff". Federal sequestration will begin in March, 2013, if not delayed again by a continuing resolution passed by Congress and signed by the President. Debate of the federal debt ceiling has been "suspended" until May 16, 2013, when the debt ceiling is to be automatically reset. The reporting season for 4Q 2012 appears unlikely to upset REIT investors. Outlook for Retail REITs is impacted by higher payroll taxes that reduce consumer income growth for 2013. Industrial REITs are gaining occupancy, while their stocks trade in line with economic indicators. Residential REITs expect exceptional FFO growth to continue through 2013, driven by tight occupancy and rental rate increases. Specialty Timber REITs, with portfolios of timberlands and sawlog mills, benefit from improving environment for homebuilders. Specialty REITs with portfolios of self-storage properties report significant profitability improvement. Health Care REITs may be impacted by Medicare sequestration during 2013, pending positive impact of the Affordable Care Act in later years. 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 fluctuates as investors ponder impact of federal sequestration on demand for hotel rooms in DC.

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. Direction for Fannie Mae reform has been voiced by FHFA (Federal Housing Finance Agency) Reform of Fannie Mae may ultimately impact the housing sector starting in 2013 and 2014, changing the outlook for Financial Mortgage REITs and certain Specialty REITs subject to demand fluctuations from home construction. Meanwhile, renewed investor interest in CMBS provides a lift for Financial Commercial REITs.

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 should move higher during 2013, as required payouts are set above current levels. As dividend payers, REITs may be viewed as income stocks, attracting investors in need of both consistent income and growth.

**Takeover Interest Renewed by CEO Transition at Vornado Realty Trust and Hostile Takeover Offer for Commonwealth REIT**

Investors have seen little takeover activity among REITs since 2008, as the few transactions completed have been acquisitions of portfolios or REITs in related sectors by REITs with sufficient capital to expand. Suddenly, during the last week of February, 2013, investors have seen 2 situations arise that appear drawn from an older style of takeover fever. The first situation is the hostile takeover of **Commonwealth REIT** proposed by disgruntled shareholders Corvex Management LP and Related Fund Management LLC (both investors with close relationships to Carl Icahn), with support voiced by institutional shareholders Delaware County Employees Retirement Fund and Luxor Capital. These investors seek to block sale of more than 27 million shares of **Commonwealth REIT** to fund a \$570 million bond tender offer, on grounds of excessive dilution. These shareholders propose to acquire **Commonwealth REIT** for \$25 per share, an attractive premium of 32% to the **Commonwealth REIT** stock offering to be priced at \$19 per share. Pending court decision on the shareholder attempt to block the bond tender offer may prove the beginning of a long process of extrication for closelyheld **Commonwealth REIT**.

The second situation is the sudden departure of CEO Michael Fasciatelli from **Vornado Realty Trust**. Mr. Fasciatelli, a former Goldman Sachs investment banker, may be seeking more autonomy for his own real estate investments. Meanwhile, the board of **Vornado Realty Trust** appointed chairman and former CEO Steven Roth to take Mr. Fasciatelli's place. **Vornado Realty Trust** is in the midst of strategic restructuring, including divestiture of retail properties, with future investments to be concentrated in office properties. **Vornado Realty Trust** is challenged to demonstrate FFO growth at this time of unusually large divestitures, as significant vacancies in metropolitan DC properties appear certain to be exacerbated by federal spending reductions. Investors may see the management transition as providing opportunity for outsiders to force **Vornado Realty Trust** to consider liquidation of a large portion of its office portfolio, as well as its retail properties.

**Trading Opportunities**

**Vornado Realty Trust** is one of the best known Office REITs, with market cap of \$16 billion, but investors should consider the risk of an extended period of lower earnings. **Vornado Realty Trust** stock traded in line with other S&P 500 Index REITs, up 5% year to date for 2013, following gain of only 6% during 2012, underperforming Office REITs. Investors ponder the meaning of CEO Michael Fasciatelli's departure and consider the possibility that outsiders may force additional divestitures, following completion of more than \$1.0 billion retail divestitures. **Vornado Realty Trust** portfolio of 72 million square feet includes 32 million square feet of office properties, 22 million square feet of retail properties, and 5 million square feet of showroom (merchandise mart) properties, as well as 5 million square feet of uncategorized space. **Vornado Realty Trust** reported FFO up 18% for 4Q 2012, with FFO flat for both 2012 and 2011. Noting negative trends, 4Q 2012 EBITDA showed DC office properties with EBITDA decline of (20%), while EBITDA contribution from New York properties increased 3.5%. **Vornado Realty Trust** restored all cash dividends during 2010, now providing income investors with current yield of 3.4%.

**Commonwealth REIT** appears to be an unlikely takeover target, as it maintains a close relationship, including overlapping executives, with external managers Reit Management & Research LLC, a real estate management company that also manages publicly traded subsidiaries **Government Properties Income Trust** and **Select Income REIT**, as well as other publicly traded REITs, including **Hospitality Properties Trust**, **Senior Housing Properties Trust**, and related tenants Five Star Quality Care and Travel Centers of America. **Commonwealth REIT** rallied on news of the takeover offer, for 40% stock price gain year to date for 2013, following increase of only 5% during 2012. FFO for 4Q 2012 increased 8%, while FFO for 2012 was flat. **Commonwealth REIT** reduced dividends to prevent double payment on recent spin-out **Select Income REIT**, now providing income investors with 4.2% yield, its lowest distribution in years.



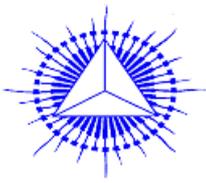
Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Price	Price	Price	Price	Price	Weekly	2013
		12/31/2012	02/01/2013	02/08/2013	02/15/2013	02/22/2013	03/01/2013	Price Change	Price Change
Apartment Investment and Management	AIV	\$27	\$27	\$29	\$29	\$30	\$30	-0%	10%
AvalonBay Communities	AVB	\$136	\$126	\$129	\$130	\$129	\$126	-2%	-7%
Boston Properties	BXP	\$106	\$105	\$105	\$107	\$106	\$104	-3%	-2%
Equity Residential	EQR	\$57	\$55	\$55	\$58	\$57	\$55	-3%	-2%
HCP Inc.	HCP	\$45	\$47	\$47	\$48	\$49	\$49	1%	8%
Health Care REIT	HCN	\$61	\$62	\$62	\$63	\$65	\$65	0%	5%
Host Hotels & Resorts	HST	\$16	\$17	\$17	\$17	\$17	\$17	-2%	6%
Kimco Realty	KIM	\$19	\$21	\$22	\$22	\$22	\$22	0%	13%
Plum Creek Timber	PCL	\$44	\$48	\$48	\$48	\$48	\$49	1%	10%
Prologis, Inc	PLD	\$36	\$40	\$39	\$39	\$39	\$39	-0%	8%
Public Storage	PSA	\$145	\$156	\$157	\$151	\$152	\$152	-0%	5%
Simon Property Group	SPG	\$158	\$162	\$163	\$160	\$160	\$160	0%	1%
Ventas	VTR	\$65	\$67	\$67	\$69	\$70	\$71	2%	10%
Vornado Realty Trust	VNO	\$80	\$85	\$85	\$85	\$85	\$80	-6%	0%
S&P 500 Index	S&P 500	\$1,426	\$1,513	\$1,518	\$1,520	\$1,516	\$1,518	0%	6%
Average for S&P 500 Index REITs								-1%	5%

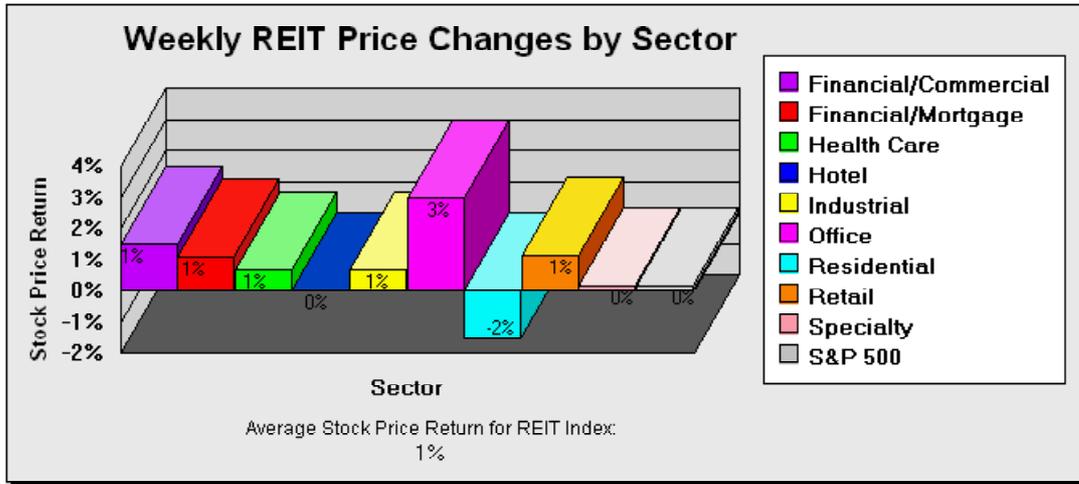
REIT stocks traded down (1%) during the last week of February, the week ended March 1, 2013. REITs trailed performance of the S&P 500 Index, unchanged for the week. REITs rallied up 5% year to date for 2013, lagging performance of the S&P 500 Index, up 6%. Negative performance gap is now (1%) year to date for 2013.

Price changes for 2013 indicate diminished momentum, with 6 of the 14 REITs included in the S&P 500 Index up more than the 6% gain for the S&P 500 Index and 5 REITs up less than the S&P 500 Index, while 3 REITs traded down year to date for 2013. Greatest gain so far is shown by **Kimco Realty**, up 13%, on news of joint venture equity investment in SUPERVALU grocery chain properties. Also showing strong gains are **Apartment Investment and Management**, **Plum Creek Timber** and **Ventas**, all up 10%. Other REITs showing gains include **HCP** and **Prologis Inc**, both up 8%, **Host Hotels & Resorts** is up 6%, while **Health Care REIT** and **Public Storage** are both up 5%. **AvalonBay Communities**, down (7%), is now joined by **Boston Properties** and **Equity Residential**, both down (2%), as the 3 S&P 500 Index REITs to decline year to date for 2013.

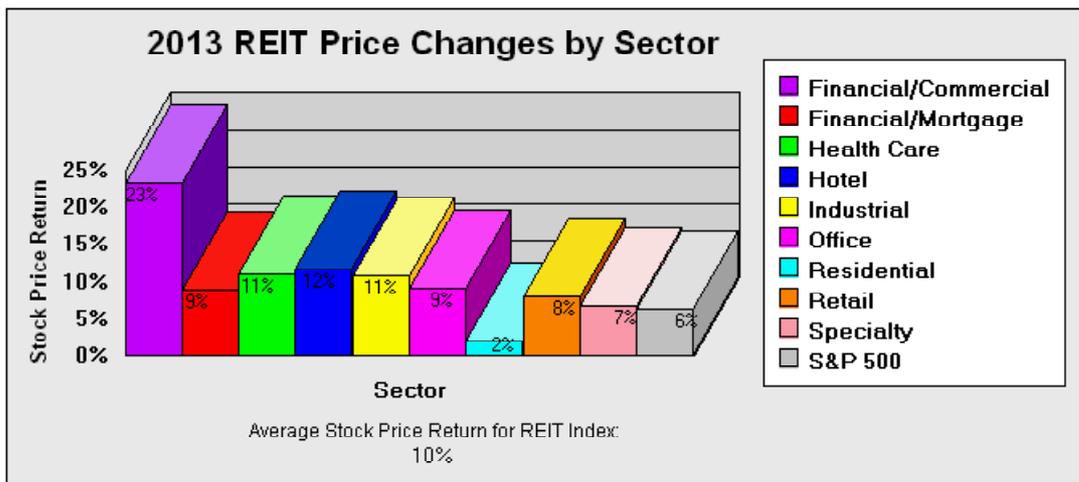
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Weekly REIT Price Changes by Sector

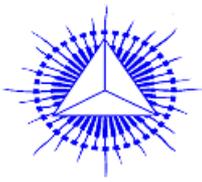


Most REIT sectors traded higher during the last week of February, the week ended March 1, 2013. Strongest sector was Office REITs, up 3%, followed by Financial Commercial REITs, Financial Mortgage REITs, Health Care REITs, Industrial REITs and Retail REITs, all up 1%. Hotel REITs and Specialty REITs traded unchanged. Lagging sector was Residential REITs, down (2%). On average, stock prices for REIT Growth and Income Monitor increased 1% for the last week of trading in February, the period ended March 1, 2013.



Stock prices for REITs followed by REIT Growth and Income Monitor traded up 10% on average year to date for 2013, exceeding performance of the S&P 500 Index, up 6% year to date for 2013. REITs outperform as investors seek dividend income, especially now that "qualified dividends" have been eliminated as a category for lower taxation at the end of 2012. REITs offer higher yields than S&P 500 stocks, with REIT dividends taxed at the same rate as ordinary income. Investors expect to hear positive news from earnings announcements for 4Q 2012. REIT funds flow remains consistent, at a time when other market sectors face adjusted expectations due to currency exposure and variable international economies. Leading sectors for 2013 are Financial Commercial REITs, up 23%, as investor interest in non-agency securities revives, while Financial Mortgage REITs show gain of 9%, on concern over pending Fannie Mae reform to be considered by Congress. Hotel REITs also lead, up 12% year to date for 2013. Industrial REITs rallied up 11%, due to positive news on China exports and US industrial production. Health Care REITs are also up 11%, on relief over "doctor fix" legislation and hopes for positive impact of the Affordable Care Act. Retail REITs traded up 8%, while Office REITs gained 9%. Specialty REITs show 7% year to date gain for 2013. Lagging Residential REITs are up only 2%. We expect improved performance for Residential REITs, as positive results for 4Q 2012 are reported and guidance indicates continued rapid growth through 2013.

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REIT Comment



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Company:	Redwood Trust
Price:	\$20
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,583
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
02/25/2013  
RWT \$20

Redwood Trust RWT 4Q 2012 GAAP EPS profit \$0.50 v loss (\$0.03) per share  
RWT 4Q 2012 GAAP EPS includes loan loss provision of (\$3) million, adjustments to valuation of (\$1) million and \$20 million realized million gains, including \$15 million non-cash gain on deconsolidation of legacy entities  
RWT 4Q 2012 taxable EPS \$0.23 v \$0.04 per share

RWT 2012 GAAP EPS profit \$1.59 v \$0.31 per share  
RWT 2012 GAAP EPS includes loan loss provision of (\$4) million, adjustments to valuation of (\$10) million and \$55 million realized gains, including \$15 million non-cash gain on legacy entities  
RWT 2012 taxable EPS \$0.77 v \$0.24 per share

RWT 4Q 2012 GAAP ROE 15%

RWT GAAP book value \$13.95 per share UP +8% from September 2012  
RWT adjusted book value of \$14.48 per share (reflecting current market valuation adjustments)  
RWT stock trading at premium of 32% to adjusted book value, reflecting income value of investment banking business

RWT 4Q 2012 portfolio \$5.3 billion, including \$4.2 billion jumbo residential loans, \$170 million commercial loans, and \$982 million real estate securities  
RWT 4Q 2012 average portfolio yield 4.44%  
RWT 4Q 2012 average portfolio leverage 4.7X

RWT 4Q 2012 NIM (net interest margin 1.68%, DOWN (0.75%) from September 2012  
RWT 4Q 2012 operating expenses per average assets 1.44%, UP +0.17% from September 2012

RWT investable capital \$130 million as of December 2012, including \$80 million unrestricted cash

RWT during 2012 acquired \$2.3 billion loans and completed 6 securitizations, including \$1.97 billion Residential MBS, as well as originations of \$156 million commercial mezzanine loans and \$61 million senior commercial loans

RWT plans to offer 1 new issue of securitized jumbo loans per month during 2013, with goal of \$7 billion securitizations for this year, including \$6 billion Residential MBS and \$1 billion senior commercial loans

RWT securitization goals supported by current holdings of \$561 million available for sale and pipeline of \$2.3 billion loans identified for purchase  
RWT completed 2 securitizations totaling \$1.1 billion during January 2013

RWT increased quarterly dividend distribution by 12%, now providing yield of 5.7%, still at the low end of the range for Financial Mortgage REITs

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

RWT we rank 3 HOLD

RWT market cap \$1.6 billion

REIT Comment



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Company:	BRE Properties
Price:	\$50
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,862
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/25/2013  
BRE \$50

BRE Properties BRE 4Q 2012 core FFO \$0.61 v \$0.57 UP +7%

BRE exceeded previous guidance 2012 core FFO \$2.39 (adjusted) v \$2.14 UP +12%  
BRE 2012 core FFO (adjusted) excludes net charges of (\$0.20) per share relating to land impairment  
BRE previous guidance 2012 FFO \$2.35-\$2.38 per share

BRE new guidance 2013 FFO \$2.35-\$2.45 v \$2.39 DOWN (2%)-UP +3%  
BRE new guidance 2013 FFO assumes same property NOI UP +3.40%+5.55%

BRE new guidance 1Q 2013 FFO \$0.54-\$0.58 v \$0.57 DOWN (5%)-UP +2%

BRE 4Q 2012 same property NOI UP +6.2%  
BRE 4Q 2012 same property occupancy 95.5% UP +0.1%

BRE 4Q 2012 average monthly rent \$1,645 UP +5.5%  
BRE 4Q 2012 average annualized turnover 55.5%

BRE plans to sell land in order to limit size of development pipeline  
BRE current development pipeline \$770 million for 4 properties with 1,188 apartments, representing 6% portfolio capacity expansion  
BRE expects to continue portfolio expansion through acquisition at pace of +10%-+15% annually

BRE 2012 dispositions \$115 million for 6 communities including 3 joint venture property divestitures  
BRE to continue dispositions of slow growth stabilized communities

BRE stock price supported by current annual dividend yield of 3.1%

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

BRE we rank 2 BUY

BRE market cap \$3.9 billion

REIT Comment



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Company:	BRE Properties
Price:	\$50
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,862
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/25/2013  
BRE \$50

BRE Properties BRE increased quarterly dividend distribution by 3% to \$0.395 per share for 1Q 2013

BRE new annual dividend \$1.58 per share

BRE new yield 3.1%

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

BRE we rank 2 BUY

BRE market cap \$3.9 billion

REIT Comment



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Company:	Government Properties Income Trust
Price:	\$25
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,187
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/25/2013  
GOV \$25

Government Properties Income Trust GOV 4Q 2012 FFO \$0.53 (adjusted) v \$0.56 (adjusted)  
DOWN (5%)  
GOV 4Q 2012 FFO (adjusted) excludes net charges of (\$0.01) per share relating to acquisitions

GOV 2012 FFO \$2.12 (adjusted) v \$2.07 (adjusted) UP +2%  
GOV 2012 FFO (adjusted) excludes net charges of (\$0.03) per share relating to acquisitions  
GOV no previous guidance provided for FFO for 2012

GOV no guidance provided for FFO for 2013

GOV portfolio occupancy 92.5% DOWN (2.5%)

GOV 4Q 2012 acquired 2 properties for \$33 million, both 100% leased to federal agencies  
GOV to divest 2 properties for \$19 million

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

GOV increased quarterly dividend distribution by 2%, bringing current annual dividend yield to 6.8%

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

GOV we rank 3 HOLD

GOV market cap \$1.2 billion

REIT Comment



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Company:	Government Properties Income Trust
Price:	\$25
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,187
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/25/2013  
GOV \$25

Government Properties Income Trust GOV increased quarterly dividend distribution by 2% to \$0.43 per share for 1Q 2013

GOV new annual dividend \$1.72 per share

GOV new yield 6.8%

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

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

GOV we rank 3 HOLD

GOV market cap \$1.2 billion

REIT Comment



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Company:	CommonWealth REIT
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,642
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
02/25/2013  
CWH \$18

CommonWealth REIT CWH 4Q 2012 normalized FFO \$0.82 v \$0.76 UP +8%  
CWH 4Q 2012 normalized FFO excludes net gain of \$0.08 per share on issuance of equity for investor and includes distributions to preferred stockholders

CWH 2012 normalized FFO \$3.39 v \$3.38 FLAT  
CWH no previous guidance provided for normalized FFO for 2012

CWH 4Q 2012 same property NOI DOWN (1.4%), with central business district office properties DOWN (6.8%), suburban office properties UP +4.2%, and industrial properties UP +1.0%  
CWH 4Q 2012 contribution to same property NOI 45% central business district office, 34% suburban office and 21% industrial

CWH 4Q 2012 consolidated same property occupancy 89.5% DOWN (0.1%)

CWH listing for sale 94 properties with 6.7 million square feet of space to be sold during 2013, now accounted for as discontinued operations  
CWH \$10 million divestitures of 18 properties with 1.1 million square feet completed as of 1Q 2013

CWH still consolidating quarterly results from publicly traded subsidiary Select Income REIT SIR  
CWH publicly traded subsidiary Select Income REIT SIR still 56% owned following recent offering of 8 million shares by SIR

CWH announced sale of 27 million shares of CWH stock in public offering to fund \$450 million tender for debt securities

CWH reduced dividends by (50%) for 4Q 2012 to avoid double payment to Select Income REIT SIR shareholders

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

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

CWH we rank 3 HOLD

CWH market cap \$1.6 billion

REIT Comment



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Company:	CommonWealth REIT
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,642
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/25/2013  
CWH \$18

CommonWealth REIT CWH to sell 27 million shares in public offering

CWH proceeds of \$480 million to be applied to repurchase debt securities through tender offer

CWH joint bookrunning managers Citi, Bank of America Merrill Lynch, UBS and Morgan Stanley  
CWH joint lead managers Jefferies, RBC

CWH February 2013 offering to increase total shares outstanding by 30%

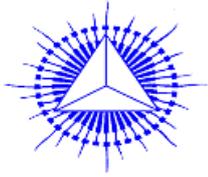
CWH stock price supported by current annual dividend yield of 5.6%

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

CWH we rank 3 HOLD

CWH market cap \$1.6 billion

REIT Comment



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Company:	Arbor Realty Trust
Price:	\$8
Recommendation:	SELL
Ranking:	5
Market Cap:	\$218
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/25/2013  
ABR \$8

Arbor Realty Trust ABR increased quarterly dividend distribution by 9% to \$0.12 per share for 1Q 2013

ABR new annual dividend \$0.48 per share

ABR new yield 6.2% per share

ABR a Financial Commercial REIT

ABR we UPGRADE to 3 HOLD

ABR market cap \$218 million

REIT Comment



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Company:	Arbor Realty Trust
Price:	\$8
Recommendation:	SELL
Ranking:	5
Market Cap:	\$218
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/25/2013  
ABR \$8

Arbor Realty Trust ABR GAAP EPS loss (\$0.01) v \$1.15) per share  
ABR 4Q 2012 FFO profit \$0.03 v loss (\$1.03) per share  
ABR 4Q 2012 FFO profit includes loan loss provision of (\$2.5) million and excludes \$466,000 gain on sale of real estate

ABR 2012 GAAP EPS profit \$0.80 v loss (\$1.61) per share  
ABR 2012 FFO profit \$0.85 v loss (\$1.30) per share  
ABR 2012 FFO profit includes loan loss provision of (\$23.8) million and excludes \$4 million gain on sale of real estate

ABR 4Q 2012 GAAP book value \$7.34 per share DOWN (3%) from September 2012  
ABR stock price trading at premium of 6% to GAAP book value as of 4Q 2012

ABR 4Q 2012 adjusted book value \$10.41 per share  
ABR 4Q 2012 adjusted book value includes deferred revenues and excludes charges for non-realized derivatives losses, partially offset by exclusion of prepaid management fees

ABR 4Q 2012 portfolio \$1.6 billion loans and investments, including \$1.3 billion loans and investments, \$43 million securities, \$60 million investment in equity affiliates, \$124 million real estate owned

ABR 4Q 2012 portfolio yield 5.1%, with cost of funds at 3.18% for NIM (net interest margin) of 1.92%, FLAT with 3Q 2012

ABR 4Q 2012 invested \$91 million in 10 new loans and acquired \$40 million of 5 issues of Residential MBS  
ABR 4Q 2012 received loan repayments totaling \$16 million

ABR 1Q 2013 completed \$260 million CLO securitization, issuing \$177 million debt and retaining \$83 million equity  
ABR CLO includes \$50 million additional capacity to finance future loans

ABR 4Q 2012 total \$15 million non-performing loans  
ABR 4Q 2012 total loan loss reserve \$162 million relating to \$240 million face value of loans

ABR increased quarterly dividend distribution by 9% for 1Q 2013, now providing annual yield of 6.2%

ABR a Financial Commercial REIT

ABR we UPGRADE to 3 HOLD

ABR market cap \$218 million

REIT Comment



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Company:	Equity One
Price:	\$23
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,938
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
02/25/2013  
EQY \$23

Equity One EQY 4Q 2012 recurring FFO \$0.30 (adjusted) v \$0.29 (adjusted) UP +3%  
EQY 4Q 2012 FFO (adjusted) excludes net charges of (\$0.27) per share for debt extinguishment, transaction costs, impairments and other items

EQY exceeded previous guidance 2012 recurring FFO \$1.14 (adjusted) v \$1.12 (adjusted) UP +2%  
EQY 2012 recurring FFO (adjusted) excludes net charges of (\$0.29) per share for debt extinguishment, transaction costs, impairments and other items  
EQY previous guidance range 2012 recurring FFO \$1.11-\$1.13 per share

EQY new guidance 2013 recurring FFO \$1.18-\$1.22 v \$1.14 (adjusted) UP +4%--7%

EQY 4Q 2012 same property NOI UP +3.5%  
EQY 4Q 2012 core portfolio occupancy 92.1% UP +1.4%

EQY 4Q 2012 average annualized base rent per square foot \$14.58 UP +4.4%  
EQY 4Q 2012 rents on lease turnover UP +7.9%

EQY 2012 completed acquisitions \$36 million wholly owned and \$128 million joint venture

EQY 2012 divestitures \$90 million  
EQY 2013 pending divestitures under contract \$39 million  
EQY 2013 seeking to divest additional \$86 million properties

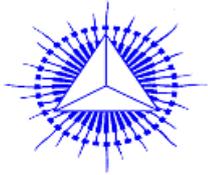
EQY stock price supported by current annual dividend yield of 4.2%

EQY a Retail REIT with a portfolio of neighborhood and community shopping centers

EQY we rank 3 HOLD

EQY market cap \$2.9 billion

REIT Comment



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Company:	Inland Real Estate
Price:	\$10
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$856
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/25/2013  
IRC \$10

Inland Real Estate IRC 4Q 2012 FFO \$0.24 (adjusted) v \$0.22 (adjusted) UP +9%  
IRC 4Q 2012 (adjusted) excludes net gain of \$0.03 per share for tax benefit

IRC 2012 FFO \$0.88 (adjusted) v \$0.82 (adjusted) UP +7%  
IRC 2012 FFO (adjusted) excludes net gain of \$0.08 per share for tax benefit  
IRC previous guidance 2012 FFO \$0.84-\$0.89 per share

IRC new guidance 2013 FFO \$0.88-\$0.92 v \$0.88 (adjusted) FLAT - UP +5%

IRC 4Q 2012 same property NOI DOWN (0.9%)  
IRC 4Q 2012 same property occupancy 89.4%

IRC 4Q 2012 portfolio occupancy 94.0% UP +0.8%

IRC 4Q 2012 rents on new leases UP +11.0% and on renewal leases UP +2.7%

IRC 4Q 2012 completed acquisition of Valparaiso Walk in suburban Chicago for \$22 million  
IRC 4Q 2012 divestitures \$12 million for net gain of \$3 million

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

IRC a Retail REIT with a diverse portfolio of neighborhood and community shopping centers

IRC we rank 3 HOLD

IRC market cap \$856 million

REIT Comment



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Company:	CommonWealth REIT
Price:	\$16
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,443
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/25/2013  
CWH \$16

CommonWealth REIT CWH traded DOWN (\$2.18) per share to close DOWN (12%) day

CWH stock traded UP +14% year to date for 2013, following no change during 2012  
CWH outperformed Office REITs, trading UP +6% during 2013

CWH this morning's news of pending stock offering caused stock price decline, despite evidence of stability in financial results

CWH announced sale of 27 million shares of CWH stock in public offering to fund \$450 million tender for debt securities

CWH reported FFO for 2012 FLAT with 2011

CWH no guidance provided for FFO for 2013

CWH reduced dividends by (50%) for 4Q 2012 to avoid double payment to Select Income REIT SIR shareholders

CWH stock price supported by current annual dividend yield of 6.3%

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

CWH we rank 3 HOLD

CWH market cap \$1.4 billion

REIT Comment



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Company:	First Industrial
Price:	\$15
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,446
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/25/2013  
FR \$15

First industrial FR traded DOWN (\$0.51) per share to close DOWN (3%) day

FR stock traded UP +13% year to date for 2013, following increase UP +10% during 2012  
FR outperformed Industrial REITs, trading UP +10% year to date for 2013

FR investor interest attracted by restoration of dividend

FR reported results for 4Q 2012 in line with expectations, with FFO for 2012 showing growth UP +15%

FR new guidance for FFO for 2013 indicates growth UP +15%

FR provides current annual dividend yield of 2.2%

FR an Industrial REIT

FR we rank 3 HOLD

FR market cap \$1.4 billion

REIT Comment



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Company:	Corporate Office Properties Trust
Price:	\$25
Recommendation:	SELL
Ranking:	5
Market Cap:	\$1,915
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/25/2013  
OFC \$25

Corporate Office Properties Trust OFC traded DOWN (\$0.80) per share to close DOWN (3%) day

OFC stock traded UP +4% year to date for 2013, following increase UP +1% during 2012  
OFC underperformed Office REITs, trading UP +6% during 2012

OFC recent management comments noted cautious tone continues for new leases in DC area with 15% vacancy in many buildings

OFC management concerned that pending sequestration will impact "strategic tenants" serving DOD and intelligence agencies

OFC reported FFO decline DOWN (1%) for 2012, with guidance for FFO for 2013 indicating decline DOWN (12%)

OFC has greatest exposure of any Office REIT to federal agencies at 66% of total rents

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

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

OFC we rank 5 SELL

OFC market cap \$1.9 billion

REIT Comment



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Company:	Vornado Realty Trust
Price:	\$83
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$16,522
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/25/2013  
VNO \$83

Vornado Realty Trust VNO traded DOWN (\$2.28) per share to close DOWN (3%) day

VNO stock traded UP +7% year to date for 2013, following increase UP +4% during 2012  
VNO outperformed Office REITs, trading UP +6% year to date for 2013

VNO to discuss results for 4Q 2012 this week on Wednesday, February 27, 2013, with a conference call for investors scheduled for 10:00 AM

VNO faces lower FFO on DC occupancy decline and retail divestitures

VNO recent \$1.25 billion divestiture of retail properties to Macerich MAC to impact 2013 FFO before funds are re-invested

VNO no guidance provided for FFO for 2012

VNO recently announced dividend increase, bringing current yield to 3.5%

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

VNO we rank 3 HOLD

VNO market cap \$16.5 billion

REIT Comment



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Company:	Health Care REIT
Price:	\$63
Recommendation:	BUY
Ranking:	2
Market Cap:	\$14,297
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
02/26/2013  
HCN \$63

Health Care REIT HCN 4Q 2012 normalized FFO \$0.85 (adjusted) v \$0.91 (adjusted) DOWN (7%)  
HCN 4Q 2012 normalized FFO (adjusted) excludes net charges of (\$0.07) per share for transaction costs, partially offset by gain on debt extinguishment

HCN 2012 normalized FFO \$3.52 (adjusted) v \$3.41 (adjusted) UP +3%  
HCN 2012 normalized FFO (adjusted) excludes net charges of (\$0.43) per share for transaction costs, stock compensation, and provision for loan losses, partially offset by gain on debt extinguishment  
HCN previous guidance 2012 normalized FFO \$3.49-\$3.53 per share

HCN new guidance 2013 normalized FFO \$3.70-\$3.80 v \$3.52 UP +5%+8%  
HCN new guidance 2013 normalized FFO assumes same property NOI UP +3%, with senior housing same property NOI UP +5%

HCN 4Q 2012 same property NOI UP +4.0%  
HCN 4Q 2012 senior housing segment same property NOI UP +8.6%, with occupancy 90.3%  
HCN 4Q 2012 medical office building segment same property NOI UP +1.8%, with occupancy 93.3%  
HCN 4Q 2012 life science segment same property NOI UP +4.8%, with occupancy 97.9%

HCN 2012 total investments \$4.9 billion including acquisitions and developments

HCN 2013 acquisitions to include remaining \$745 million Sunrise properties  
HCN 2013 developments to include \$178 million new investment, with \$249 million conversions of development to operating properties

HCN 2012 total dispositions \$635 million  
HCN 2013 disposition goal \$500 million

HCN stock price supported by current yield of 4.8%

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

HCN we rank 2 BUY

HCN market cap \$14.3 billion

HCN an S&P 500 Index REIT

REIT Comment



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Company:	iStar Financial
Price:	\$10
Recommendation:	SELL
Ranking:	5
Market Cap:	\$831
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
02/26/2013  
SFI \$10

iStar Financial SFI 4Q 2012 GAAP EPS loss from continuing operations (\$1.04) v (\$0.43)  
SFI 4Q 2012 EPS loss includes charges of (\$21) million for loan loss provision and (\$5) million impairments

SFI 4Q 2012 adjusted EBITDA \$102 million UP +2%  
SFI 4Q 2012 adjusted EBITDA is direct segment profit before interest expense and allocated overhead

SFI 2012 EPS loss from continuing operations (\$3.26) v (\$0.70)  
SFI 2012 EPS loss includes charges of (\$81) million for loan loss provision and (\$14) million impairments  
SFI no previous guidance 2012 EPS

SFI no guidance 2013 EPS

SFI 2012 adjusted EBITDA \$431 million UP +17%  
SFI 2012 adjusted EBITDA is direct segment profit before interest expense and allocated overhead

SFI 4Q 2012 portfolio \$6.2 billion, including \$1.8 billion loans and investments, \$1.3 billion net leased properties and \$2.2 billion OREO (other real estate owned)  
SFI 4Q 2012 portfolio leverage 2.5X  
SFI 4Q 2012 admin expense 1.2% of average assets

SFI 4Q 2012 non-performing loans \$503 million book value, with \$979 million face value  
SFI 4Q 2012 total loan loss reserve \$526 million, 22.3% of book value of total loans

SFI 4Q 2012 OREO real estate now shown as "operating properties" including \$788 million commercial properties and \$385 million residential properties (primarily luxury condos)  
SFI 4Q 2012 portfolio occupancy for net leased assets 94.8%  
SFI 4Q 2012 condo sales \$93 million

SFI 4Q 2012 portfolio of real estate includes \$1.3 billion land, held in 11 master planned community developments, 7 urban infill land parcels, and 6 water front land parcels

SFI to recognize gain of \$220 million for 2Q 2013 on pending sale of 24% ownership of LNR to Starwood Property Trust

SFI has not paid dividends on common stock since 2008

SFI a Financial Commercial REIT

SFI we rank 5 SELL

SFI market cap \$831 million

REIT Comment



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Company:	Annaly Capital Management
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$14,895
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/26/2013  
NLY \$15

Annaly Capital Management NLY news of highest US home prices since 2006 supports positive outlook for US housing sector

NLY report from Case Shiller found average home prices UP +6.8% for December 2012 from previous year, continuing recovery to highest level since peak in 2006

NLY proposals for reform of Fannie Mae expected from Congress, although focus on federal sequestration likely to delay legislation

NLY plans to invest up to 25% of equity in non-agency real estate assets, including pending acquisition of publicly traded NLY subsidiary CreXus Investment CXS

NLY stock price supported by current annual dividend yield of 12.1%, near the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$14.9 billion

REIT Comment



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Company:	Hatteras Financial
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,615
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/26/2013  
HTS \$27

Hatteras Financial HTS news of higher home prices supports positive outlook for US housing sector

HTS report from Case Shiller found average home prices UP +6.8% for December 2012 from previous year

HTS price increases reported for 19 of 20 metropolitan areas surveyed, with only decline reported for New York, DOWN (0.5%), with next worst Chicago UP +2.2%

HTS largest increases reported for Phoenix UP +23%, San Francisco UP +14%, Detroit UP +14%, Minneapolis UP +14% and Las Vegas UP +13%

HTS Financial Mortgage REITs benefit from higher home prices, as higher home appraisals justify greater mortgage application volume

HTS proposals for reform of Fannie Mae expected from new Congress convened in January 2013

HTS current annual dividend yield 10.5%, 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 \$2.6 billion

REIT Comment



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Company:	Pennsylvania REIT
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,057
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
02/26/2012  
PEI \$18

Pennsylvania REIT PEI 4Q 2012 FFO \$0.60 (adjusted) v \$0.63 DOWN (5%)  
PEI 4Q 2012 FFO excludes net charges of (\$0.09) per share for employee separation expense and other items

PEI reported 2012 FFO at low end of previous guidance range \$1.83 (adjusted) v \$1.93 (adjusted) DOWN (5%)  
PEI 2012 FFO (adjusted) excludes net charges of (\$0.20) per share for employee separation expense and other items  
PEI previous guidance 2012 FFO (adjusted) \$1.83-\$1.90 per share

PEI new guidance 2013 FFO \$1.95-\$2.05 (adjusted) v \$1.83 UP +7%+12%  
PEI new guidance 2013 FFO assumes same property NOI UP +1.5%+3.0%

PEI 4Q 2012 same property NOI UP +1.5%  
PEI 4Q 2012 portfolio occupancy 94.1% UP +1.1%

PEI trailing 12 month annualized tenant sales per square foot \$378 UP +2%

PEI draws 30% of NOI from Philadelphia PA region

PEI 2013 year to date divestitures \$123 million for 3 properties

PEI increased quarterly dividend distribution by 12% to bring current annual dividend yield to 3.8%

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

PEI we rank 2 BUY

PEI market cap \$1.1 billion

REIT Comment



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Company:	iStar Financial
Price:	\$10
Recommendation:	SELL
Ranking:	5
Market Cap:	\$798
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/26/2013  
SFI \$10

iStar Financial SFI traded DOWN (\$0.40) per share to close DOWN (4%) day

SFI stock traded UP +17% year to date for 2013, following increase UP +54% during 2012  
SFI underperformed Financial Commercial REITs, trading UP +22% year to date for 2013

SFI reported EPS loss for 2013, including loan loss provision and asset impairments

SFI adjusted EBITDA \$431 million UP +17%

SFI recent portfolio disclosure highlighted exposure to asset and industry types revealing land now 22% of total portfolio, representing almost half of owned real estate

SFI investment in luxury condos generating cash flow through condo sales and mortgage interest  
SFI condos represent 11% of total portfolio exposure, compared to 12% office, 11% industrial and 5% retail

SFI to recognize gain of \$220 million for 2Q 2013 on pending sale of 24% ownership of LNR to Starwood Property Trust

SFI has not paid dividends on common stock since 2008

SFI a Financial Commercial REIT

SFI we rank 5 SELL

SFI market cap \$798 million

REIT Comment



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Company:	CommonWealth REIT
Price:	\$24
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,221
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/26/2013  
CWH \$24

CommonWealth REIT CWH traded UP \$8.55 per share to close UP +54% day

CWH stock traded UP +54% year to date for 2013, following decline DOWN (5%) during 2012  
CWH outperformed Office REITs, trading UP +6% year to date for 2013

CWH news of potential takeover offer from disgruntled shareholders drives sudden revaluation of the stock

CWH shareholders Corvex Management LP and Related Fund Management LLC sent letter to CWH management seeking to prevent dilutive share offering and debt tender

CWH Corvex Management LP and Related Fund Management LLC reported to own combined holdings of 9.8% of CWH

CWH letter to management indicates potential value of more than \$25 per share for CWH

CWH this week CWH announced sale of 27 million shares of CWH stock in public offering to fund \$450 million tender for debt securities

CWH reported FFO for 2012 FLAT with 2011

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

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

CWH we rank 3 HOLD

CWH market cap \$2.2 billion

REIT Comment



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Company:	Corporate Office Properties Trust
Price:	\$26
Recommendation:	SELL
Ranking:	5
Market Cap:	\$1,956
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/26/2013  
OFC \$26

Corporate Office Properties Trust OFC traded UP \$0.54 per share to close UP +2% day

OFC stock traded UP +3% year to date for 2013, following increase UP +17% during 2012  
OFC underperformed Office REITs, trading UP +6% year to date for 2013

OFC pending federal sequestration will impact "strategic tenants" serving DOD and intelligence agencies

OFC reported FFO decline DOWN (1%) for 2012, with guidance for FFO for 2013 indicating decline DOWN (12%)

OFC has greatest exposure of any Office REIT to federal agencies, at 66% of total rents

OFC stock price supported by current annual dividend yield of 4.3%

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

OFC we rank 5 SELL

OFC market cap \$2.0 billion

REIT Comment



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Company:	Medical Properties Trust
Price:	\$14
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,947
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/26/2013  
MPW \$14

Medical Properties Trust MPW traded UP \$0.29 per share to close UP +2% day

MPW stock traded UP +21% year to date for 2013, following increase UP +21% during 2012  
MPW outperformed Health Care REITs, trading UP +10% year to date for 2013

MPW hospital tenants expected to benefit from Affordable Care Act to take effect from 2014-2017

MPW reported better than expected results for 4Q 2012, with FFO growth for 2012 UP +27%

MPW also increased guidance for FFO for 2013 to indicate growth UP +22%

MPW stock price supported by current yield of 5.5%

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

MPW we rank 2 BUY

MPW market cap \$1.9 billion

REIT Comment



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Company:	Plum Creek Timber
Price:	\$48
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,744
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/27/2013  
PCL \$48

Plum Creek Timber PCL rebounding new home sales restore momentum to homebuilders and to Specialty Timber REITs

PCL report from Commerce Department found US new home sales UP+16% from previous month to seasonally adjusted annual rate of 437,000 for January 2013

PCL new home sales for January 2013 UP +29% from previous year

PCL Specialty Timber REITs benefit from higher new home sales through increasing demand and higher prices for lumber and sawlogs

PCL most recent guidance 2013 indicates potential for EPS growth UP+20%

PCL provides current 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 \$7.7 billion

PCL an S&P 500 index REIT

REIT Comment



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Company:	Simon Property Group
Price:	\$158
Recommendation:	BUY
Ranking:	2
Market Cap:	\$57,252
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/27/2013  
SPG \$158

Simon Property Group SPG news of higher consumer confidence supports positive outlook for Retail REITs

SPG report from Conference Board found dramatic improvement in consumer confidence index UP +11.2% from December 2012 to 69.6% for January 2013

SPG improved consumer confidence a result of relief over extension of federal debt limit and pending federal sequestration from previous year end deadlines

SPG reported FFO for 2012 UP +16%, and provided guidance for FFO for 2013 indicating growth UP +7%

SPG increased quarterly dividend by 5%, now providing current yield of 2.9%

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 \$57.3 billion

SPG an S&P 500 Index REIT

REIT Comment



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Company:	Starwood Property Trust
Price:	\$26
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,140
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
02/27/2013  
STWD \$26

Starwood Property Trust STWD 4Q 2012 core EPS \$0.48 (adjusted) v \$0.42 (adjusted) UP +14%  
STWD 4Q 2012 core EPS (adjusted) excludes net charges of (\$0.06) per share for non-cash unrealized portfolio gains and losses, impairments, stock compensation, and currency adjustments

STWD 2012 core EPS \$1.99 (adjusted) v \$1.70 (adjusted) UP +17%  
STWD 2012 core EPS (adjusted) excludes net charges of (\$0.23) per share for non-cash unrealized portfolio gains and losses, impairments, stock compensation, and currency adjustments

STWD new guidance \$1.90-\$2.00 v \$1.99 (adjusted) FLAT - DOWN (5%)  
STWD new guidance 2013 FFO excludes impact of LNR Property acquisition, although LNR is expected to be immediately accretive to 2013 and 2014 EPS

STWD expects to complete \$843 million acquisition of LNR Property during 2Q 2013  
STWD LNR Property brings expertise as special servicer of commercial loans, as well as mortgage originations, financial servicing, and 50% interest in Auction.com

STWD 4Q 2012 GAAP book value \$19.90 per share  
STWD stock trading at premium of 36% to GAAP book value

STWD \$4.3 billion portfolio concentrated 35% in first mortgages, 10% subordinated mortgages, 25% mezzanine loans, 12% CMBS, 11% RMBS and 7% other investments

STWD during 2012 made \$2.6 billion investments, including \$170 million residential investments in single family homes  
STWD current investment capacity \$750 million - \$1.25 billion

STWD provides current annual dividend yield of 6.7%

STWD a Financial Commercial REIT

STWD we rank 3 HOLD

STWD market cap \$3.1 billion

REIT Comment



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Company:	Vornado Realty Trust
Price:	\$83
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$16,510
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/27/2013  
VNO \$83

Vornado Realty Trust VNO announced pending CEO transition

VNO current President and CEO Michael D. Fascitelli to step down as CEO on April 15, 2013

VNO former CEO Steven Roth, now Chairman of the Board, to resume CEO duties

VNO recently announced dividend increase, for current yield of 3.5%

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

VNO we rank 3 HOLD

VNO market cap \$16.5 billion

REIT Comment



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Company:	Vornado Realty Trust
Price:	\$83
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$16,510
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
02/27/2013  
VNO \$83

Vornado Realty Trust VNO 4Q 2012 FFO \$1.22 (adjusted) v \$1.03 (adjusted) UP +18%  
VNO 4Q 2012 FFO (adjusted) excludes net charges of (\$0.92) per share for non-cash impairments and other items relating to equity investments

VNO 2012 FFO \$5.17 (adjusted) v \$4.90 (adjusted) UP +6%  
VNO 2012 FFO (adjusted) excludes net charges of (\$0.78) per share for non-cash impairments and other items relating to equity investments

VNO no guidance provided for FFO for 2013

VNO 4Q 2012 EBITDA \$444 million UP +8.2%  
VNO 4Q 2012 EBITDA contribution from NY properties \$219 million UP +3.5%  
VNO 4Q 2012 EBITDA contribution from DC properties \$81 million DOWN (19.8%)  
VNO 4Q 2012 EBITDA contribution from retail properties \$63 million DOWN (2.0%)

VNO 4Q 2012 occupancy for NY properties 96.2% FLAT  
VNO 4Q 2012 occupancy for DC properties 84.1% DOWN (6.5%)  
VNO 4Q 2012 occupancy for retail properties 93.4% UP +0.2%

VNO 2012 total acquisitions \$707 million for VNO and \$560 million for 25% owned real estate fund

VNO 2012 total dispositions \$940 million, including \$157 million for non-core retail properties  
VNO 2013 year to date dispositions \$703 million for 2 retail properties

VNO to recognize gain of \$241 million on investment in LNR Properties during 2Q 2013 following completion of acquisition of LNR Property by Starwood Property Trust STWD

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

VNO management comments noted impact of BRAC vacancies on demand for leases in metropolitan DC area  
VNO expanding demand for office space from media and IT companies supporting rental rates in NYC, offsetting layoffs from large financial institutions

VNO recently announced dividend increase, for current yield of 3.5%

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

VNO we rank 3 HOLD

VNO market cap \$16.5 billion

REIT Comment



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Company:	Entertainment Properties Trust
Price:	\$47
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,217
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/27/2013  
EPR \$47

Entertainment Properties Trust EPR increased quarterly dividend by 5% to \$0.79 per share for 2Q 2013

EPR new annual dividend \$3.16 per share

EPR new yield 6.7%

EPR a Specialty REIT with a portfolio of net leased cinemas, entertainment, restaurant and retail venues, public charter schools, vineyards, wineries and urban ski resorts

EPR we rank 2 BUY

EPR market cap \$2.2 billion

REIT Comment



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Company:	Entertainment Properties Trust
Price:	\$47
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,217
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
02/27/2013  
EPR \$47

Entertainment Properties Trust EPR 4Q 2012 FFO \$0.96 (adjusted) v \$0.90 (adjusted) UP +7%  
EPR 4Q 2012 FFO (adjusted) excludes net charges of (\$0.09) per share for debt redemption and transaction costs

EPR 2012 FFO \$3.69 (adjusted) v \$3.43 (adjusted) UP +8%  
EPR 2012 FFO (adjusted) excludes net charges of (\$0.10) per share for debt redemption and transaction costs  
EPR previous guidance 2012 FFO (adjusted) \$3.64-\$3.69 per share

EPR increased guidance 2013 FFO \$3.79-\$3.94 per share UP +3%+7%  
EPR previous guidance 2013 FFO \$3.77-\$3.92 per share  
EPR guidance 2013 FFO assumes new investments of \$300-\$350 million

EPR completed divestiture of Buena Vista and Carneros vineyard and winery assets for \$32 million, following (\$8) million impairment  
EPR remaining \$28 million vineyard and winery assets to be divested

EPR increased dividend by 5%, now providing current annual dividend yield of 6.7%

EPR a Specialty REIT with a portfolio of net leased cinemas, entertainment, restaurant and retail venues and public charter schools

EPR we rank 2 BUY

EPR market cap \$2.2 billion

REIT Comment



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Company:	EastGroup Properties
Price:	\$57
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,654
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
02/27/2013  
EGP \$57

EastGroup Properties EGP 4Q 2012 FFO \$0.78 v \$0.77 UP +1%

EGP 2012 FFO \$3.08 v \$2.96 UP +4%  
EGP previous guidance 2012 FFO \$3.07-\$3.08 per share

EGP new guidance 2013 FFO \$3.10-\$3.20 v \$3.08 UP +1%+4%  
EGP new guidance 2013 FFO assumes same property in range DOWN (1.0)-UP +1.0%, with occupancy 93.0%-94.5%

EGP new guidance 1Q 2013 FFO \$0.75-\$0.77 v \$0.77 FLAT - DOWN (3%)

EGP 4Q 2012 same property NOI UP +0.9% on cash basis

EGP 4Q 2012 total portfolio NOI UP +5.5% including acquisitions and properties in lease-up  
EGP 4Q 2012 portfolio occupancy 95.1%

EGP 4Q 2012 average rents on lease turnover DOWN (7.2%) on cash basis, with new leases DOWN (11.6%) and renewal leases DOWN (2.8%)  
EGP 4Q 2012 tenant retention 91%

EGP 2012 total acquisitions \$52 million  
EGP 2012 total dispositions \$18 million

EGP current development pipeline \$80 million, including \$55 million invested during 2012  
EGP developing new bulk distribution facilities in Houston and San Antonio TX and in Orlando, FL

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

EGP an Industrial REIT with a portfolio of bulk distribution properties

EGP we rank 3 HOLD

EGP market cap \$1.7 billion

REIT Comment



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Company:	Ashford Hospitality Trust
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$989
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/27/2013  
AHT \$12

Ashford Hospitality Trust AHT announced refinancing of only remaining 2013 debt maturity

AHT refinanced 75% owned Capital Hilton in DC and Hilton Torrey Pines in La Jolla CA with new \$200 million secured loan

AHT to discuss results for 4Q 2012 tomorrow on Thursday, February 28, 2013, with a conference call for investors scheduled at 11:00 AM

AHT no guidance provided for FFO for 2012

AHT stock price supported by current annual dividend yield of 4.1%, with 100% of dividend untaxed as return of capital for 2012

AHT a Hotel REIT

AHT we rank 2 BUY

AHT market cap \$1.0 billion

REIT Comment



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Company:	Acadia Realty Trust
Price:	\$27
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,258
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/27/2013  
AKR \$27

Acadia Realty Trust 4Q 2012 FFO \$0.29 v \$0.25 UP +16%

AKR 2012 FFO \$1.04 v \$1.04 (adjusted) FLAT  
AKR previous guidance 2012 FFO \$1.00-\$1.05 per share

AKR new guidance 2013 FFO \$1.17-\$1.25 v \$1.04 UP +13%+20%

AKR 4Q 2012 same property NOI UP +7.6%  
AKR 4Q 2012 occupancy 94.2%

AKR 2012 acquisitions \$224 million  
AKR 2013 year to date pending acquisitions \$87 million

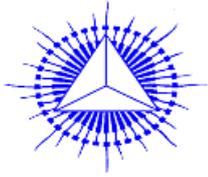
AKR increased dividend distribution by 17%, bringing current dividend yield to 3.2%

AKR a Retail REIT with a portfolio of grocery and value-anchored retail shopping centers

AKR we rank 3 HOLD

AKR market cap \$1.3 billion

REIT Comment



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Company:	Acadia Realty Trust
Price:	\$27
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,258
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/27/2013  
AKR \$27

Acadia Realty Trust AKR increased quarterly dividend by 17% to \$0.21 per share for 2Q 2013

AKR new annual dividend \$0.84 per share

AKR new yield 3.2%

AKR a Retail REIT with a portfolio of grocery and value-anchored retail shopping centers

AKR we rank 3 HOLD

AKR market cap \$1.3 billion

REIT Comment



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Company:	CommonWealth REIT
Price:	\$23
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,049
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/27/2013  
CWH \$23

CommonWealth REIT CWH traded DOWN (\$1.89) per share to close DOWN (8%) day

CWH stock traded UP +42% year to date for 2012, following decline DOWN (5%) during 2012  
CWH outperformed Office REITs trading UP +6% year to date for 2013

CWH responded to unsolicited tender from disgruntled shareholders by announcing intention to proceed with stock offering and debt tender

CWH shareholders Corvex Management LP and Related Fund Management LLC filed suit to prevent stock offering, claiming combined holdings of 9.8% of CWH

CWH open letter from Corvex Management LP and Related Fund Management LLC indicates takeover offer of \$25 per share may be increased "upon completion of confirmatory due diligence"

CWH institutional shareholders may be tempted to sell the stock given opposition of management to the proposal

CWH reported FFO for 2012 FLAT with 2011

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

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

CWH we rank 3 HOLD

CWH market cap \$2.0 billion

REIT Comment



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Company:	Brandywine Realty Trust
Price:	\$14
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,990
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/27/2013  
BDN \$14

Brandywine Realty Trust BDN traded UP\$0.40 per share to close UP +3% day

BDN stock traded UP +11% year to date for 2013, following increase UP +28% during 2012  
BDN outperformed Office REITs, trading UP +6% year to date for 2013

BDN certain Office REITs appear to be trading higher on sympathy with offer for Office REIT  
CommonWealth REIT CWH

BDN new investments expected to increase returns on portfolio of office properties

BDN reported better than expected results for 4Q 2012, while providing guidance for FFO for 2013  
indicating growth in range of UP +3%--8%

BDN stock price supported by current dividend yield of 4.4%

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

BDN we rank 3 HOLD

BDN market cap \$2.0 billion

REIT Comment



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Company:	Duke Realty
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,464
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/27/2013  
DRE \$16

Duke Realty DRE traded UP \$0.45 per share to close UP +3% day

DRE stock traded UP +16% year to date for 2013, following increase UP +15% during 2012  
DRE outperformed Industrial REITs, trading UP +10% year to date for 2013

DRE growth rate of FFO impacted by portfolio divestitures during 2012

DRE reported FFO decline DOWN (11%) for 2012, to be followed by growth of as much as UP+9% for 2013

DRE current portfolio mix 54% industrial, 30% office, 13% medical office buildings, 3% retail

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

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

DRE we rank 2 BUY

DRE market cap \$4.5 billion

REIT Comment



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Company:	Healthcare Realty Trust
Price:	\$26
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,056
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/27/2013  
HR \$26

Healthcare Realty Trust HR traded UP \$0.58 per share to close UP +2%

HR stock traded UP +10% year to date for 2013, following increase UP +29% during 2012  
HR traded in line with Health Care REITs, trading UP +10% year to date for 2013

HR pending provisions of Affordable Care Act to provide stimulus for HR tenants through greater insured population

HR stock price supported by current dividend yield of 4.6%

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

HR we rank 2 BUY

HR market cap \$2.1 billion

REIT Comment



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Company:	CommonWealth REIT
Price:	\$23
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,049
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/28/2013  
CWH \$23

CommonWealth REIT CWH priced offering of 27 million shares at \$19 per share, defying disgruntled shareholders seeking to prevent the deal

CWH offering size increased from previous 27 million shares

CWH offering priced at discount of (15%) to last night's closing price

CWH proceeds of \$570 million to be applied to repurchase debt securities through tender offer

CWH joint bookrunning managers Citi, Bank of America Merrill Lynch, UBS and Morgan Stanley

CWH joint lead managers Jefferies, RBC

CWH co-managers BB&T, Janney Montgomery Scott, JMP, MLV and Oppenheimer

CWH February 2013 offering to increase total shares outstanding by 30%

CWH shareholders Corvex Management LP and Related Fund Management LLC filed suit to prevent stock offering, claiming combined holdings of 9.8% of CWH, and offering to acquire the company for \$25 per share in undocumented valuation, without support of financing or shareholder vote

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

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

CWH we rank 3 HOLD

CWH market cap \$2.0 billion

REIT Comment



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Company:	Prologis Inc
Price:	\$39
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,437
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/28/2013  
PLD \$39

Prologis Inc PLD news of upward revision to 4Q 2012 GDP consistent with optimistic view of consumer spending trends supporting retail sales

PLD report from US Commerce Department indicated US GDP increased UP +0.1% for 4Q 2012, compared to prior estimate showing decline DOWN (0.1%)

PLD growth in retail sales is most important coincident economic indicator for Industrial REITs with portfolios of bulk distribution facilities

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

PLD provides current yield of 2.9%

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

PLD we rank 2 BUY

PLD market cap \$18.4 billion

PLD an S&P 500 Index REIT

REIT Comment



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Company:	Strategic Hotels & Resorts
Price:	\$7
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,608
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
02/28/2013  
BEE \$7

Strategic Hotels & Resorts BEE 4Q 2012 FFO \$0.06 v \$0.05 (adjusted) UP +20%  
BEE 4Q 2012 EBITDA \$45 million UP +12%

BEE 2012 FFO \$0.26 v \$0.14 (adjusted) UP +86%  
BEE previous guidance 2012 FFO \$0.21-\$0.29 per share  
BEE 2012 EBITDA \$175 million UP +13%

BEE new guidance 2013 FFO \$0.33-\$0.40 v \$0.26 UP +27%-+54%  
BEE new guidance 2013 FFO assumes RevPAR (revenue per available room) UP +5%-+7%  
BEE new guidance 2013 FFO assumes EBITDA \$195-\$210 UP +11%-+20%

BEE 4Q 2012 RevPAR (revenue per available room) \$173 UP +4.9%  
BEE 4Q 2012 ADR \$251 UP +3.0%  
BEE 4Q 2012 occupancy 68.7% UP +1.2%

BEE 4Q 2012 hotel EBITDA margin 20.6% UP +0.9%

BEE recent \$362 million acquisition of Essex House provides significant EBITDA growth for 2013-2014

BEE management comments noted slow start for 1Q 2013, with bookings for group nights DOWN (8%)

BEE has not yet restored common stock dividends

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 \$1.6 billion

REIT Comment



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Company:	Ashford Hospitality Trust
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$996
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
02/28/2013  
AHT \$12

Ashford Hospitality Trust AHT 4Q 2012 adjusted FFO \$0.39 v \$0.42 (adjusted) DOWN (7%)  
AHT 4Q 2012 adjusted FFO excludes unrealized losses on derivatives, impairments, and other non-cash and non-recurring items  
AHT 4Q 2012 adjusted EBITDA \$83 million UP +11%

AHT 2012 adjusted FFO \$1.49 v \$1.86 (adjusted) DOWN (20%)  
AHT 2012 adjusted FFO excludes unrealized losses on derivatives, impairments, and other non-cash and non-recurring items  
AHT no previous guidance for FFO for 2012  
AHT 2012 adjusted EBITDA \$337 million UP +14%

AHT no guidance provided for adjusted FFO for 2013

AHT 4Q 2012 RevPAR (revenue per available room) \$91 UP +4.4%  
AHT 4Q 2012 ADR \$131 UP +2.5%  
AHT 4Q 2012 occupancy 69.7% UP +1.2%

AHT 4Q 2012 hotel EBITDA margin 30.2% UP +0.9%

AHT Highland Hotels 72% owned joint venture investment included in continuing operations but unconsolidated, shown as equity investment  
AHT Highland Hotels contributed pro rata share \$85 million Hotel EBITDA for 2012, UP +14% from previous year  
AHT Highland Hotels investment would add 29% to AHT Hotel EBITDA and \$809 million to total debt (incremental 35%) if fully consolidated  
AHT 8 of Highland Hotels portfolio of 28 hotel properties still in renovation  
AHT completing refinancing of Highland Hotel debt maturities for 2013

AHT management noted impact of Hurricane Sandy was negative for DC hotels with several group cancellations, while NY and NJ hotels benefited from higher demand on emergency services  
AHT actual physical damages from Hurricane Sandy less than \$1 million

AHT management sees positive economic trends supporting growth for 2013, although some concern over DC is justified after 1Q 2013 due to pending federal sequestration

AHT a Hotel REIT

AHT we rank 2 BUY

AHT market cap \$1.0 billion

REIT Comment



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Company:	Ashford Hospitality Trust
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$996
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/28/2013  
AHT \$12

Ashford Hospitality Trust AHT increased quarterly dividend distribution by 9% to \$0.12 per share for 2Q 2013

AHT new annual dividend \$0.48 per share

AHT new yield 4.11% per share

AHT calendar 2012 dividend distributions of \$0.43 per share were classified 100% as untaxable return of capital

AHT a Hotel REIT

AHT we rank 2 BUY

AHT market cap \$1.0 billion

REIT Comment



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Company:	Agree Realty
Price:	\$28
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$330
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/28/2013  
ADC \$28

Agree Realty ADC 4Q 2912 FFO \$0.52 v \$0.48 UP +8%

ADC 2012 FFO \$2.03 v \$2.20 DOWN (8%)  
ADC no previous guidance for FFO for 2012

ADC no guidance provided for FFO for 2013

ADC portfolio occupancy 98% UP +5.3%

ADC 2012 acquisitions \$82 million for 25 properties  
ADC 2012 divestitures \$16 million for 6 properties

ADC funding 7 development projects for 4 retailers

ADC current rents concentrated 30% Walgreens, 7% Kmart and 7% CVS

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

ADC a Retail REIT with a portfolio of net leased retail properties

ADC we rank 3 HOLD

ADC market cap \$330 million

REIT Comment



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Company:	Vornado Realty Trust
Price:	\$80
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$15,955
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/28/2013  
VNO \$80

Vornado Realty Trust VNO traded DOWN (\$2.47) per share to close DOWN (3%) day

VNO stock traded unchanged year to date for 2013, following increase UP +4% for 2012  
VNO underperformed Office REITs, trading UP +6% year to date for 2013

VNO yesterday's conference call for 4Q 2012 was preoccupied with discussion of decision by CEC Michael D. Fascitelli to step down as CEO on April 15, 2013

VNO reported 4Q 2012 EBITDA UP +3.5% for NY office properties, but DOWN (19.8%) for DC office properties and DOWN (2.0%) for retail properties

VNO management expects to continue divestitures of retail properties, to concentrate new investment on portfolio of office properties

VNO FFO for 2012 increased UP +6%

VNO no guidance provided for FFO for 2013

VNO recently announced dividend increase, for current yield of 3.6%

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

VNO we rank 3 HOLD

VNO market cap \$16.0 billion

REIT Comment



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Company:	Camden Property Trust
Price:	\$69
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,120
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/28/2013  
CPT \$69

Camden Property Trust CPT traded DOWN (\$1.16) per share to close DOWN (2%) day

CPT stock traded UP +1% year to date for 2013, following increase UP +10% during 2012  
CPT underperformed Residential REITs, trading UP +4% year to date for 2013

CPT exceeded previous guidance range for 2012, with FFO increase UP +20%

CPT new guidance for FFO for 2013 indicates growth UP +11%

CPT now has 9 properties under construction to add 4% to total capacity

CPT announced 13% dividend increase, bringing new yield to 3.6%

CPT a Residential REIT with a diverse portfolio of apartment communities

CPT we rank 2 BUY

CPT market cap \$6.1 billion

REIT Comment



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Company:	CommonWealth REIT
Price:	\$25
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,299
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/28/2013  
CWH \$25

CommonWealth REIT CWH traded UP \$2.74 per share to close UP +12% day

CWH stock traded UP +59% year to date for 2013, following decrease DOWN (5%) during 2012  
CWH outperformed Office REITs, trading UP +6% year to date for 2013

CWH management decision to go ahead with 30 million share offering, despite opposition of disgruntled shareholders, viewed as providing more fodder for lawsuit seeking to block the transaction

CWH February 2013 offering to increase total shares outstanding by 30%

CWH shareholders Corvex Management LP and Related Fund Management LLC filed suit to prevent stock offering at \$19 per share, claiming combined holdings of 9.8% of CWH, and offering to acquire CWH for \$25 per share in undocumented valuation, without support of financing or shareholder vote

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

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

CWH we rank 3 HOLD

CWH market cap \$2.3 billion

REIT Comment



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Company:	NorthStar Realty Finance
Price:	\$9
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,258
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
02/28/2013  
NRF \$9

NorthStar Realty Finance NRF traded UP \$0.31 per share to close UP +4% day

NRF stock traded UP +27% year to date for 2013, following increase UP +48% during 2012  
NRF outperformed Financial Commercial REITs, UP +22% year to date for 2013

NRF insider filing disclosed 5% passive equity stake held by SAC Capital Advisors

NRF portfolio \$5.3 billion, including \$1.1 billion commercial loan securities, \$1.8 billion real estate debt and \$1.4 billion operating real estate

NRF 4Q 2012 adjusted book value \$6.75 per share DOWN (11%) from September 2012  
NRF stock trading at premium of 33% to adjusted book value

NRF stock price supported by current annual dividend yield of 8.0%

NRF increased quarterly dividend distributions for 6 consecutive quarters, including 1Q 2013

NRF a Financial Commercial REIT

NRF we rank 2 BUY

NRF market cap \$1.3 billion

REIT Comment



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Company:	Hospitality Properties Trust
Price:	\$27
Recommendation:	SELL
Ranking:	4
Market Cap:	\$3,300
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
03/01/2012  
HPT \$27

Hospitality Properties Trust HPT 4Q 2012 normalized FFO \$0.76 v \$0.78 UP +3%

HPT 2012 normalized FFO \$3.03 v \$3.30 DOWN (8%)  
HPT no previous guidance for FFO for 2012

HPT no guidance provided for FFO for 2013

HPT 4Q 2012 RevPAR (revenue per available room) \$66 UP +3.7%  
HPT 4Q 2012 ADR (average daily rate) \$100 UP +5.6%  
HPT 4Q 2012 occupancy 66.2% DOWN (1.2%)

HPT 4Q 2012 acquisitions \$205 million for 2 hotels in Chicago and San Francisco  
HPT 2013 pending acquisitions \$406 million

HPT investing in renovations at 33 of 285 portfolio hotels, and rebranding 10% of hotel portfolio

HPT certain tenants still paying less than contractual minimum rents

HPT key tenant TCA (TravelCenters of America, representing 34% of total rents) has not yet reported results for 4Q 2012

HPT current annual dividend yield of 7.0%

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

HPT we rank 5 SELL

HPT market cap \$3.3 billion

REIT Comment



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Company:	Equity Residential
Price:	\$55
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,545
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
03/01/2013  
EQR \$55

Equity Residential EQR news of lower new unemployment claims signals support for continued job growth, within a narrow range of variation

EQR Labor Department reported new claims for unemployment DOWN(27,000) to 344,000 for week ended February 23, 2013

EQR more stable 4 week moving average of new unemployment claims also DOWN (6,750) to 355,000

EQR pending federal sequestration during March2013 appears likely to negatively impact US economy, with surge in new unemployment claims probable

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

EQR guidance for FFO for 2013 indicates growth UP +5%, slower than 2012 growth UP +14%, due to pending divestitures to support strategic acquisition

EQR pending \$9.4 billion acquisition of 60% of Archstone portfolio expected to close during 1Q 2013

EQR stock supported by current annual dividend yield of3.2%

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

EQR we rank 2 BUY

EQR market cap \$17.5 billion

EQR an S&P 500 Index REIT

REIT Comment



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Company:	Simon Property Group
Price:	\$159
Recommendation:	BUY
Ranking:	2
Market Cap:	\$57,608
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
03/01/2013  
SPG \$159

Simon Property Group SPG pending news next week from key retailers on same store sales for February 2013 may indicate direction for Retail REITs

SPG key retailers normally report same store sales during first week of the following month

SPG improved consumer confidence a result of relief over extension of federal debt limit and pending federal sequestration from previous year end deadlines

SPG reported FFO for 2012 UP +16%, and provided guidance for FFO for 2013 indicating growth UP +7%

SPG increased quarterly dividend by 5%, now providing current yield of 2.9%

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 \$57.6 billion

SPG an S&P 500 Index REIT

REIT Comment



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Company:	Annaly Capital Management
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$15,444
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
03/01/2013  
NLY \$15

Annaly Capital Management NLY news of lower mortgage applications indicates little variation in demand for home purchase and refinance

NLY report from MBA (Mortgage Bankers Association) found mortgage applications DOWN (3.8%) for week ended February 22, 2013

NLY mortgage applications for refinance DOWN (3%), while mortgage applications for home purchase DOWN (5%) from previous week

NLY average interest rate on 30 year fixed rate mortgage DOWN (0.1%) to 3.77%

NLY proposals for reform of Fannie Mae expected from new Congress may be delayed by discussion of pending federal sequestration

NLY plans to invest up to 25% of equity in non-agency real estate assets, including pending acquisition of publicly traded NLY subsidiary CreXus Investment CXS

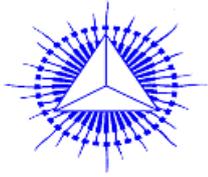
NLY stock price supported by current annual dividend yield of 11.6%, above the midpoint of the range for Financial Mortgage REITs

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



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Company:	Getty Realty
Price:	\$20
Recommendation:	SELL
Ranking:	5
Market Cap:	\$664
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
03/01/2013  
GTY \$20

Getty Realty GTY increased quarterly dividend distribution by 60% to \$0.20 per share for 2Q 2013

GTY new annual dividend \$0.80 per share

GTY new yield 4.02%

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

GTY we rank 5 SELL

GTY market cap \$664 million

REIT Comment



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Company:	Getty Realty
Price:	\$20
Recommendation:	SELL
Ranking:	5
Market Cap:	\$664
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
03/01/2013  
GTY \$20

Getty Realty GTY 4Q 2012 \$0.22 (adjusted) v \$0.26 (adjusted) DOWN (15%)  
GTY 4Q 2012 FFO (adjusted) excludes net charges of (\$0.04) per share for revenue recognition adjustments

GTY 2012 FFO \$0.86 (adjusted) v \$1.88 (adjusted) DOWN (54%)  
GTY 2012 FFO (adjusted) excludes net charges of (\$0.11) per share for revenue recognition adjustments  
GTY no previous guidance for 2012 FFO

GTY new guidance 2013 FFO \$0.82-\$0.90 (adjusted) v \$0.86 (adjusted) DOWN (5%) - UP +5%

GTY completed re-leasing of properties previously leased to Getty Petroleum Marketing signing 4 new agreements in 4Q 2012 for 161 properties

GTY divested 54 properties during 2012 and 35 year to date during 2013 for total proceeds of \$32 million

GTY increased quarterly dividend distribution by 60%, now providing current annual dividend yield of 4.02%

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

GTY we rank 5 SELL

GTY market cap \$664 million

REIT Comment



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Company:	CommonWealth REIT
Price:	\$24
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,164
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
03/01/2013  
CWH \$24

CommonWealth REIT CWH traded DOWN (\$1.48)per share to close DOWN (6%) day

CWH stock traded UP 50% year to date for 2013, following decrease DOWN (5%) during 2012  
CWH outperformed Office REITs, trading UP +6% year to date for 2013

CWH expanded debt tender offer to \$650 million, using proceeds from \$570 million stock offering of  
30 million shares at \$19 per share

CWH underwriters exercised their option to purchase an additional4.5 million shares at offering  
price

CWH support for disgruntled shareholders Corvex Management LP and Related Fund Management  
LLC voiced by institutional shareholders Delaware County Employees Retirement Fund and Luxor  
Capital

CWH stock price supported by current annual dividend yield of4.2%

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

CWH we rank 3 HOLD

CWH market cap \$2.2 billion

REIT Comment



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Company:	Hospitality Properties Trust
Price:	\$26
Recommendation:	SELL
Ranking:	4
Market Cap:	\$3,236
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
03/01/2013  
HPT \$26

Hospitality Properties Trust HPT traded DOWN (\$0.51) per share to close DOWN (2%) day

HPT stock traded UP +12% year to date for 2013, following increase UP +2% during 2012  
HPT traded in line with Hotel REITs, also UP +12% year to date for 2013

HPT recent acquisitions should drive FFO growth for 2013 and 2014

HPT earlier today reported FFO for 2012 DOWN (8%)

HPT no guidance provided for FFO for 2013

HPT current annual dividend yield of 7.0%

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

HPT we rank 5 SELL

HPT market cap \$3.2 billion

REIT Comment



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Company:	General Growth Properties
Price:	\$20
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,971
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
03/01/2013  
GGP \$20

General Growth Properties GGP traded UP\$0.56 per share to close UP +3% day

GGP stock traded DOWN (1%) year to date for 2013, following increase UP +32% during 2012, driven by takeover speculation  
GGP underperformed Retail REITs, trading UP +7% year to date for 2013

GGP next week should bring February, 2013 same store reports from key retailers, providing insight of retail spending trends supporting Retail REITs

GGP recent guidance for 2013 FFO indicates growth in range of UP +9%-+18%

GGP increased quarterly dividend distribution by9% for 2013, bringing current annual dividend yield to 2.4%

GGP a Retail REIT with a portfolio of regional malls

GGP we rank 3 HOLD

GGP market cap \$20.0 billion

REIT Comment



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Company:	Redwood Trust
Price:	\$21
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,683
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
03/01/2013  
RWT \$21

Redwood Trust RWT traded UP \$0.57 per share to close UP +3% day

RWT stock traded UP +23% year to date for 2013, following increase UP +66% during 2012  
RWT outperformed Financial Mortgage REITs, trading UP +8% year to date for 2013

RWT revival of securitizations for jumbo mortgages restores investor interest in Financial Mortgage REITs with portfolios of non-agency securities

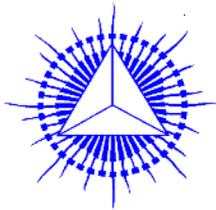
RWT completed 2 securitizations totaling \$1.1 billion during January 2013

RWT increased quarterly dividend distribution by 12%, now providing yield of 5.4%, still at the low end of the range for Financial Mortgage REITs

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

RWT we rank 3 HOLD

RWT market cap \$1.7 billion



**REIT Growth and Income Monitor** posted 59 REIT comments for the week ended March 1, 2013. Comments were issued on REITs in the following sectors:

Financial REITs	11
Health Care REITs	3
Hotel REITs	6
Industrial REITs	4
Office REITs	14
Residential REITs	4
Retail REITs	10
Specialty REITs	7

Information on REIT sectors may be found using this link:

[http://www.reitmonitor.net/REIT\\_Resources](http://www.reitmonitor.net/REIT_Resources)

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

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

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