

REIT Growth and Income Monitor

Weekly Comments 09/23/2014

Positive performance gap for REITs narrowed further to 4% year to date for 2014, as REIT stocks underperformed the S&P 500 Index.

Pending merger of Glimcher Realty Trust with Washington Prime Group reignites acquisition interest for Retail REITs.

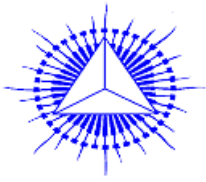
Washington Prime Group offers investors low valuation, as combined portfolios add scale and asset quality.

In contrast, full valuation on Rouse Properties highlights risk, given portfolio exposure to anchor tenant transition.

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Weekly REIT Comments 09/23/2014

REIT stocks in the S&P 500 Index lost momentum, trading down less than (1%) on average for the week ended September 19, 2014, as positive performance gap narrowed to 4% year to date for 2014. Average gain for all REITs followed by REIT Growth and Income Monitor is still 8% year to date for 2014, now below 9% gain for the S&P 500 Index for the first time during 2014. REIT stocks trailed the S&P 500 Index during 2013, with average gain of 8%.

Investors recognized shifting momentum in REIT earnings reports for 2Q 2014. Health Care REITs and Industrial REITs increased guidance, while other REIT sectors affirmed conservative guidance indicating modest growth for 2014. Health Care REITs continue to rally as Affordable Care Act is implemented, bringing more patient volume for tenants of Health Care REITs. Industrial REITs are gaining occupancy, allowing FFO guidance to increase. Hotel REITs demonstrate positive revenue and margin trends, with stock price performance aided by price decline for oil and gasoline. Most Residential REITs expect strong FFO growth to continue through 2014, driven by tight occupancy and rental rate increases, although a few have seen operating expenses increase enough to offset positive momentum. Performance of Retail REITs should respond to rental rate increases, as well as portfolio expansion and portfolio restructuring sustaining long term FFO growth. Certain Specialty REIT segments, such as Specialty Self-Storage REITs, Specialty Cell Tower REITs and Specialty Data Center REITs, have exceeded earnings expectations, while Specialty Timber REITs, with portfolios of timberlands and sawlog mills, traded lower on news of variable home sales. Investors take a cautious stance for Office REITs, due to exposure to financial industry layoffs and continued rent roll-downs.

Investor acceptance of eventual Federal Reserve tapering supports outlook for Financial Mortgage REITs, as bond market volatility moderates. Financial Mortgage REITs face significant fundamental change, with debate of Fannie Mae reform legislation likely to be delayed by interim elections. Proposals to liquidate Fannie Mae within 5 years face stiff opposition from Democratic Congressmen and Senators, as industry experts and lobbyists warn recession would follow removal of government support from the housing sector. Profits paid by Fannie Mae and Freddie Mac support the Treasury at a time of fiscal austerity, increasing probability that status quo for Fannie Mae will be maintained through the 2016 Presidential election.

REIT stocks normally perform like interest rate sensitive stocks, although none of the 20 REITs in the S&P 500 Index are actually invested in financial assets. Dividend increases for 2013 and 2014 indicate management confidence in continued FFO growth. As dividend payers, REITs may be viewed as income stocks, attracting investors in need of both consistent income and growth.

Acquisition Interest Re-ignited for Retail REITs by Merger Announcement

Last week's announcement of \$4.3 billion merger offer for **Glimcher Realty Trust** re-ignites acquisition interest for Retail REITs. **Washington Prime Group's** offer of \$14.20 per share for **Glimcher Realty Trust** came at a 38% premium to previous stock price. **Washington Prime Group** is committed to the transaction to enhance portfolio scale, asset quality and tenant relationships. **Washington Prime Group** had been seeking scale not only for the portfolio, but also for management, as a result of recent spin-off from **Simon Property Group**, when a thin staff transferred to the new company without establishment of a permanent management headquarters. Valuation for the merger transaction (including market cap, total debt and minority interest) is 40.4X annualized FFO for **Glimcher Realty Trust**, at the high end of the range for Retail REITs with portfolios of regional malls, despite plan to sell 2 of the best assets in **Glimcher Realty Trust's** portfolio to **Simon Property Group** when the transaction is completed during 2Q 2015. **Simon Property Group** will acquire 2 regional malls (Jersey Gardens in Jersey City NJ and University Park Village in Fort Worth TX) from **Glimcher Realty Trust** for \$1.09 billion. As a result, **Washington Prime Group** has traded down (8%) since the merger deal was announced, now trading at a valuation of only 20.8X annualized FFO, at the low end of the range for Retail REITs with portfolios of regional mall assets.

Investors seeking to benefit from investment in Retail REITs should consider level of total valuation as well as yield and FFO growth characteristics. In this context, it is useful to compare **Washington Prime Group**, a recent spin-off from **Simon Property Group** in May, 2014, to **Rouse Properties**, a spin-off from **General Growth Properties** in January 2012. As with **Washington Prime Group**, spin-off of **Rouse Properties** enabled Retail REIT parent **General Growth Properties** to show higher tenant sales, faster growth in average rents, and lower risk for remaining portfolio of upscale regional malls. **Rouse Properties** stock is still up 36% from the spin-off, now valued at 48.8X annualized FFO, highest of the range for Retail REITs with portfolios of regional malls. **Rouse Properties** portfolio faces risk from high exposure to anchor tenant transition, with the majority of regional mall assets anchored by struggling anchor tenants Sears and JC Penney. Growth rate of FFO for **Rouse Properties** and **Washington Prime Group** had been similar, in the range of 3%-4%, while pending merger with **Glimcher Realty Trust** has accelerated potential FFO growth rate for **Washington Prime Group**. Investors assessing potential upside for these 2 smaller regional mall Retail REITs should weigh valuation carefully.

Trading Opportunities

Washington Prime Group, a \$3 billion market cap as a recent spin-off from **Simon Property Group**, offers small cap investors an ambitious growth vehicle among smaller Retail REITs with portfolios of regional malls. **Washington Prime Group** is moving quickly to expand portfolio of regional malls with purchase of joint venture interests in existing portfolio, as well as pending \$4.3 billion merger with **Glimcher Realty Trust**. Combined portfolio will include 119 smaller regional malls, with 68 million square feet of retail space. Portfolio occupancy of 92.4% indicates stability. Stock price has declined (10%) since spin-off from **Simon Property Group** in May, 2014, with most of the price decline occurring in the few days since announcement of pending merger with **Glimcher Realty Trust**. FFO increased 2% for 2Q 2014 in first earnings report as a publicly traded REIT. Guidance for FFO growth for combined companies indicates 2015 FFO growth rate of 4%-5%. **Washington Prime Group** initiated dividends with first quarterly distribution of \$0.25 per share during September, 2014, now providing income investors with 5.8% yield.

Rouse Properties, a 2012 spin-off from **General Growth Properties**, provides a \$1 billion market cap vehicle for small cap investment in regional malls, with a portfolio of 35 malls with 35 million square feet of retail space. **Rouse Properties** plans to invest \$225 million to renovate and improve portfolio, with projects completed at 20% of total portfolio, and projects at 37% of current portfolio commenced or planned. Portfolio occupancy at 90.5% indicates improvement under current management. FFO for 2Q 2014 increased 9%, while guidance for FFO for 2014 indicates growth up 3%-6%. Dividends have ramped up since spin-off, with increase of 31% for 2014. **Rouse Properties** now provides income investors with current yield of 3.9%.



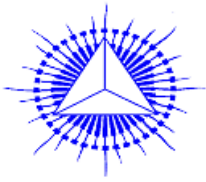
Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITS:		Price	Price	Price	Price	Price	Weekly	2014
		12/31/2013	08/29/2014	09/05/2014	09/12/2014	09/19/2014	Price Change	Price Change
American Tower	AMT	\$80	\$99	\$100	\$96	\$95	-1%	19%
Apartment Investment	AIV	\$26	\$34	\$35	\$33	\$33	-1%	26%
AvalonBay Communities	AVB	\$118	\$153	\$156	\$145	\$145	0%	23%
Boston Properties	BXP	\$100	\$121	\$123	\$115	\$117	2%	17%
Crown Castle	CCI	\$73	\$80	\$81	\$79	\$80	1%	9%
Equity Residential	EQR	\$52	\$66	\$67	\$63	\$62	-1%	19%
Essex Property Trust	ESS	\$144	\$192	\$196	\$183	\$183	-0%	27%
General Growth Properties	GGP	\$20	\$24	\$25	\$24	\$24	1%	19%
HCP	HCP	\$36	\$43	\$44	\$41	\$40	-1%	10%
Health Care REIT	HCN	\$54	\$67	\$68	\$63	\$64	0%	19%
Host Hotels & Resorts	HST	\$19	\$23	\$23	\$22	\$22	0%	12%
Kimco Realty	KIM	\$20	\$23	\$24	\$22	\$22	0%	14%
Macerich	MAC	\$59	\$65	\$67	\$64	\$65	1%	10%
Plum Creek Timber	PCL	\$47	\$41	\$41	\$40	\$40	1%	-14%
Prologis	PLD	\$37	\$41	\$41	\$39	\$39	-1%	5%
Public Storage	PSA	\$151	\$174	\$177	\$166	\$165	-1%	10%
Simon Property Group	SPG	\$152	\$169	\$173	\$166	\$166	0%	9%
Ventas	VTR	\$57	\$66	\$66	\$61	\$61	-0%	7%
Vornado Realty Trust	VNO	\$89	\$105	\$108	\$103	\$102	-1%	15%
Weyerhaeuser	WY	\$32	\$34	\$34	\$33	\$32	-2%	3%
S&P 500 Index	S&P 500	\$1,848	\$2,003	\$2,008	\$1,986	\$2,011	1%	9%
Average for S&P 500 Index REITs							-0%	13%

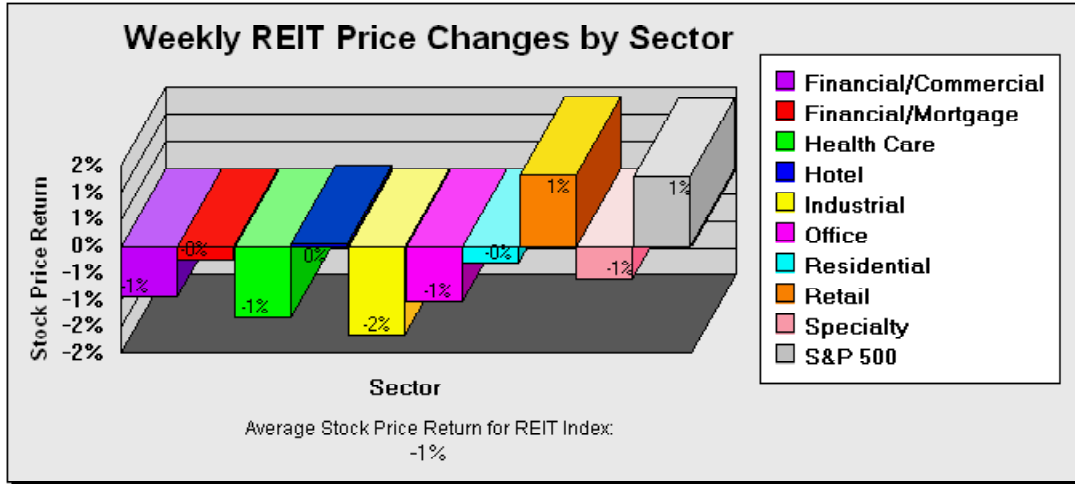
REIT stocks saw little change, trading down less than (1%) during the week ended September 19, 2014. REITs underperformed the S&P 500 Index, trading up 1% for the week, now showing 9% gain year to date for 2014. Positive performance gap for REITs narrowed further to 4% year to date for 2014. REIT stocks trailed the S&P 500 Index during 2013, with average gain of 8%. Outperformance of REIT stocks reflects investor interest in equity yield alternatives to low bond market returns

Almost all of the 20 S&P 500 Index REITs outperformed the S&P 500 Index year to date for 2014, with 14 of the 20 S&P 500 Index REITs trading up more than 9% gain for the S&P 500 Index during 2014. Only 1 of the S&P 500 Index REITs traded down year to date for 2014. Rally for Residential REITs now includes **Apartment Investment and Management** up 26%, **AvalonBay Communities** up 23%, **Equity Residential** up 19% and **Essex Property Trust** up 27%, all reporting strong earnings results. Office REITs also demonstrated strong performance, with **Boston Properties** up 17% and **Vornado Realty Trust** up 15% year to date for 2014. **Public Storage**, up 10%, and **Prologis**, up 5%, still show solid gains for 2014. Health Care REITs enjoy sustainable rally, buoyed by news of individual health enrollment under Affordable Care Act, with **Health Care REIT** up 19%, while **HCP** shows 10% gain and **Ventas** shows 7% gain. Retail REITs also show good gains, now lead by **General Growth Properties** up 19% and **Kimco Realty** up 14%, while **Macerich** shows 10% gain. **Simon Property Group** gave up a portion of its year to date gain due to recent spin-off of **Washington Prime Group**, with the parent company stock now up 9% year to date for 2014. **Host Hotels & Resorts**, now up 12%, announced higher group bookings during 2014. **American Tower** now shows 19% gain year to date for 2014, with REIT conversion **Crown Castle** trading up 9% for 2014. In contrast, Specialty Timber REITs traded down on news of variable sales of new and existing homes, with Specialty Timber REIT **Plum Creek Timber** now down (14%) and **Weyerhaeuser** up 3% year to date for 2014.

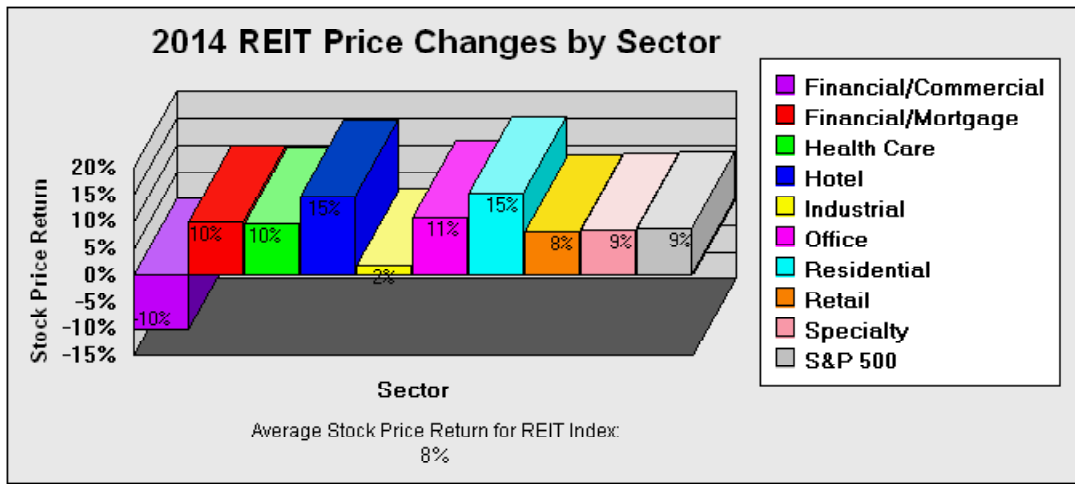
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Weekly REIT Price Changes by Sector



Almost all REIT sectors lost momentum, trading lower during the week ended September 19, 2014. Best performance was shown by Retail REITs, trading up 1% during the week. Financial Mortgage REITs, Hotel REITs and Residential REITs traded unchanged, while Financial Commercial REITs, Health Care REITs, Office REITs and Specialty REITs all traded down (1%). Lagging REIT sector was Industrial REITs, trading down (2%) during the week. On average, stock prices for REIT Growth and Income Monitor decreased (1%) for the week ended September 19, 2014.



Stock prices for REITs followed by REIT Growth and Income Monitor traded up 8% on average year to date for 2014, underperforming the S&P 500 Index, now up 9% year to date for 2014. REITs have unique tax structure, with 90% of pretax income required to be distributed to shareholders as dividends, ensuring continuity of dividends. Investors are attracted by consistent dividend income, and REITs have demonstrated ability both to pay and to increase dividends. REITs offer higher yields than S&P 500 stocks, with REIT dividends taxed at the same rate as ordinary income. REIT funds flow demonstrates moderate growth, at a time when other market sectors face adjusted revenue expectations due to currency exposure and variable international economies

Almost all REIT sectors outperformed the S&P 500 Index during 2014. Leading REIT sectors for 2014 include Residential REITs and Hotel REITs, both up 15% year to date. Office REITs show gain of 11%. Health Care REITs are up 10% as the Affordable Care Act is implemented, bringing more patient volume to tenants of Health Care REITs. Financial Mortgage REITs show gain of 10%, as investors respond positively to the outlook for continued low interest rates. Specialty REITs traded up 9% year to date for 2014, supported by investor interest in Cell Tower REITs, Data Center REITs and Self-Storage REITs, offset by underperformance of Specialty Timber REITs. Retail REITs show gain of 8%, while Industrial REITs show 2% gain for 2014. Lagging Financial Commercial REITs traded down (10%) year to date for 2014, reflecting investor concern over lower volume of new issues of commercial securitizations, as well as impact of spin-offs on stock prices of Financial Commercial REITs.

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REIT Comment



Company:	Prologis
Price:	\$39
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,696
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/15/2014
PLD \$39

Prologis Inc PLD news of moderating factory output in China may indicate gradually slowing economy

PLD official report from China Federation of Logistics and Purchasing showed PMI (purchase managers index) for August 2014 decreased DOWN (0.6%) to 51.1%, with declines in new orders, production and export orders

PLD survey report from HSBC also showed PMI decline DOWN (1.5%) to 50.2%, with smaller firms noting job cuts and staff reductions

PLD China still demonstrating faster economic growth than US or EU, with China GDP UP +7.5% for 2Q 2014

PLD recently completed new China Logistics Venture2 to invest \$1.0 billion in bulk distribution centers in China, with institutional equity commitments of \$588 million

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

PLD total \$29 billion assets under management in institutional funds enables PLD to increase market share in international markets

PLD reported FFO for 2Q 2014 increased UP +17%, exceeding expectations

PLD increased guidance for FFO for 2014 to indicate growth UP +10%-+13%

PLD increased dividend distribution by 18% for 2014, bringing current yield to 3.4%

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

PLD we rank 2 BUY

PLD market cap \$19.7 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Simon Property Group
Price:	\$166
Recommendation:	BUY
Ranking:	2
Market Cap:	\$60,078
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/15/2014
SPG \$166

Simon Property Group SPG slowing economic growth in Europe likely to impact consumer spending in EU

SPG forecast from OECD indicates US GDP growth UP +2.1% for 2014 and UP +3.1% for 2015, while Europe is expected to grow UF +0.8% for 2014 and UP +1.1% for 2015

SPG Japan forecast for GDP growth UP +0.9% for 2014 and UP +1.1% for 2015

SPG speech by OECD Acting Chief Economist Rintaro Tamaki calls for continued monetary ease to support EU economies

SPG exposure to EU a small part of SPG portfolio, with \$2.0 billion investment for 28% stake in Klepierre (owns portfolio of shopping centers in 13 European countries) and \$500 million investment for 50% ownership of management and development company of McArthurGlen Designer Outlets

SPG guidance for FFO for 2014 indicates growth UP +2%

SPG provides current annual dividend yield of 3.1%

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 \$60.1 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	General Growth Properties
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$20,280
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/15/2014
GGP \$24

General Growth Properties GGP news of improved consumer confidence may indicate pent up demand could expand retail sales during 4Q 2014

GGP report from University of Michigan showed consumer sentiment index UP+2.1% to 84.6% for September 2014 to highest reading since July 2013

GGP consumer income growth has exceeded growth in personal consumption expenditures for recent months, indicating that consumers have been holding back on purchases while maintaining liquidity to support future spending

GGP tenants of Retail REITs see positive consumer mood as key to mall traffic

GGP increased guidance for FFO for 2014 to indicate growth UP +14%

GGP provides current yield of 2.7%

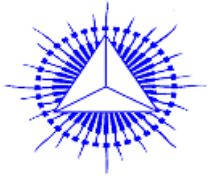
GGP a Retail REIT with a portfolio of regional malls

GGP we rank 2 BUY

GGP market cap \$20.3 billion

GGP an S&P 500 Index REIT

REIT Comment



Company:	EdR
Price:	\$11
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,224
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/15/2014
EDR \$11

EdR EDR management confirmed leasing achievement for 2014/2015 academic year

EDR new communities 95.9% pre-leased for 2014/2015 academic year as of September 2014

EDR expects to achieve high end of the guidance range for same community revenue UP+3%--4%

EDR current COO Christine Richards promoted from SVP to EVP

EDR guidance for 2014 FFO indicates growth UP +11%--16%

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

EDR a Specialty REIT with a portfolio of educational housing communities

EDR we rank 3 HOLD

EDR market cap \$1.2 billion

REIT Comment



Company:	Duke Realty
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,908
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/15/2014
DRE \$18

Duke Realty DRE news of lower manufacturing output for August 2014 may be indication of inventory adjustment

DRE report from Federal Reserve indicated US manufacturing output decreased DOWN (0.4%) for August 2014, showed marked deceleration from increase UP +0.7% for July 2014

DRE downtrend from July to August 2014 may reflect inventory adjustment more than demand change

DRE US manufacturing pace also the subject of a report from private analysis firm ISM (Institute for Supply Management), showing PMI (Purchase Managers Index) UP +1.9% for August 2014 to 59.0%, representing highest level since March, 2011

DRE report from ISM indicates new orders UP +3.3%, with production UP +3.3%

DRE manufacturing raw material commodities showing price increases include aluminum, steel, electronic components and plastic resins

DRE comments cited by ISM noted "demand in the United States is consistent and geopolitics remain a concern"

DRE guidance for FFO for 2014 indicates growth in range UP +5% - +8%

DRE stock price supported by current annual dividend yield of 3.9%

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

DRE we rank 2 BUY

DRE market cap \$5.9 billion

REIT Comment



Company:	CyrusOne
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,609
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/15/2014
CONE \$25

CyrusOne CONE traded DOWN (\$0.78) per share to close DOWN (3%) day

CONE stock traded UP +10% year to date for 2014, outperforming Specialty REITs, trading UP +9% for 2014

CONE adding new data center facilities in Houston, San Antonio, northern VA and Phoenix in response to growing demand from enterprise customers

CONE guidance for FFO for 2014 indicates growth UP +36%

CONE former parent Cincinnati Bell CBB now owns 43.7% of CONE common stock and limited partnership units after recent secondary offering

CONE key tenant Cincinnati Bell CBB still represents 9% of current rental revenue for CONE

CONE provides current annual dividend yield of 3.4%

CONE a Specialty Data Center REIT with a portfolio of data centers primarily providing colocation services to corporate customers

CONE we rank 2 BUY

CONE market cap \$1.6 billion

REIT Comment



Company:	Camden Property Trust
Price:	\$70
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,189
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/15/2014
CPT \$70

Camden Property Trust CPT traded DOWN (\$1.44) per share to close DOWN (2%) day

CPT stock traded UP +23% year to date for 2014, outperforming Residential REITs, trading UP +16% for 2014

CPT Residential REITs, a leading REIT sector year to date for 2014, trading DOWN on soft day in the stock market

CPT new portfolio developments should drive long term portfolio growth as many apartment renters have chosen to forsake home ownership under new strict lending standards

CPT investing \$600 million to develop 13 new apartment communities, adding 7% to total portfolio capacity

CPT guidance for FFO for 2014 indicates growth UP +4%-+7%

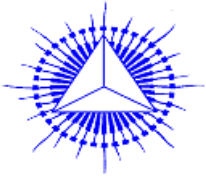
CPT stock price supported by current annual dividend yield of 3.8%

CPT a Residential REIT with a diverse portfolio of apartment communities

CPT we rank 2 BUY

CPT market cap \$6.2 billion

REIT Comment



Company:	Iron Mountain
Price:	\$36
Recommendation:	BUY
Ranking:	1
Market Cap:	\$6,841
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/15/2014
IRM \$36

Iron Mountain IRM traded UP \$0.40 per share to close UP +1% day

IRM stock traded UP +17% year to date for 2014, outperforming Specialty REITs, trading UP +9% for 2014

IRM REIT conversions offer potential for unusual special dividends, as well as rapid dividend increase

IRM expects to increase quarterly dividend distribution rate from current \$0.27 per share to \$0.52-\$0.54 per share as a REIT, providing annual dividend of \$2.08-\$2.16 per share

IRM reported EPS for 2Q 2014 UP +5%, with first time reported quarterly normalized FFO of \$0.61 per share

IRM provided guidance for FFO for 2014 normalized FFO in range of \$2.25-\$2.51 per share

IRM stock provides current yield of 3.0%, expected to increase to 4.5%-5.0% as dividends are reset at required level for REIT status

IRM a Specialty Storage REIT with a portfolio of real estate for enterprise data storage and information management services in US and 35 global markets

IRM we rank 1 BUY

IRM market cap \$6.8 billion

REIT Comment



Company:	Washington Prime Group
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,351
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/16/2014
WPG \$18

Washington Prime Group WPG announcement of pending \$4.3 billion acquisition of Glimcher Realty Trust GRT catapults WPG in size, adding 40% to current portfolio size

WPG pending \$4.3 billion transaction expected to close 1Q 2015, with offer of \$14.20 per GRT share in cash and stock, representing 38% premium to last night's closing price of GRT common stock

WPG combined portfolios to include 119 regional mall properties with 68 million square feet of retail space

WPG management comments noted pending merger enhances scale, asset quality and tenant relationships

WPG new company to be named WP Glimcher, with headquarters to be located at current Glimcher Realty GRT offices in Columbus OH

WPG current CEO of GRT, Michael Glimcher, to be CEO of combined companies, reporting to current WPG CEO, Mark Ordan, to serve as Executive Chairman of the Board of combined companies

WPG management expects transaction to be immediately accretive for WPG shareholders

WPG first quarterly dividend payment of \$0.25 per share to be paid in September, 2014, with annual rate of \$1.00 per share at minimum required for REIT status

WPG provides current annual dividend yield of 5.4%, at the high end of the range for Retail REITs

WPG a Retail REIT with a portfolio of strip shopping centers and smaller regional malls

WPG we rank 3 HOLD

WPG market cap \$3.4 billion

REIT Comment



Company:	Simon Property Group
Price:	\$166
Recommendation:	BUY
Ranking:	2
Market Cap:	\$60,093
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/16/2014
SPG \$166

Simon Property Group SPG pending \$1.09 billion acquisition of 2 regional mall properties from Glimcher Realty Trust GRT supports pending merger of Glimcher Realty Trust GRT with recent SPG spin-off Washington Prime Group WPG

SPG to acquire Jersey Gardens in Jersey City NJ and University Park Village in Fort Worth TX at time of pending merger of Glimcher Realty Trust GRT with recent SPG spin-off Washington Prime Group WPG, expected to take place in 1Q 2015

SPG guidance for FFO for 2014 indicates growth UP +2%

SPG provides current annual dividend yield of 3.1%

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 \$60.1 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Glimcher Realty Trust
Price:	\$11
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,562
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/16/2014
GRT \$11

Glimcher Realty Trust GRT announcement of pending merger with Washington Prime Group WPG enhances long term growth prospects for GRT shareholders

GRT to be acquired for \$4.3 billion in cash and Washington Prime Group WPG stock

GRT merger offer of \$14.20 per share represents 38% premium to last night's closing price for GRT common stock

GRT shareholders to receive \$10.40 per share in cash and 0.1989 shares of Washington Prime Group WPG

GRT combined portfolios to include 119 regional mall properties with 68 million square feet of retail space

GRT management comments noted pending merger enhances scale asset quality and tenant relationships

GRT new company to be named WP Glimcher, with headquarters to be located at current Glimcher Realty GRT offices in Columbus OH

GRT current CEO, Michael Glimcher, to be CEO of combined companies, reporting to current WPG CEO, Mark Ordan, to serve as Executive Chairman of the Board of combined companies

GRT shareholders to benefit from larger portfolio of properties and management by experienced executives previously with Simon Property Group SPG

GRT provides current annual dividend yield of 3.8%

GRT a Retail REIT with a portfolio of regional malls

GRT we rank HOLD

GRT market cap \$1.6 billion

REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,664
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/16/2014
LHO \$35

LaSalle Hotel Properties LHO today's service disruption on Amtrak rail service from New York City to Washington DC likely to disadvantage LHO compared to other Hotel REITs

LHO passenger volume on Amtrak for NYC-DC route is more than 3X air traffic volume for same route

LHO 30% of total hotel rooms for LHO are concentrated in metropolitan DC area

LHO some travelers will need to find alternative transportation or face decision to postpone or cancel travel plans

LHO increased guidance for FFO for 2014 to indicate growth UP +10%

LHO provides current yield of 4.3%, at the upper end of the range for Hotel REITs

LHO a Hotel REIT

LHO we rank 3 HOLD

LHO market cap \$3.7 billion

REIT Comment



Company:	Rouse Properties
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$951
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/16/2014
RSE \$17

Rouse Properties RSE announcement of \$400 million short term bridge loan for Sears Holdings SHLD from hedge fund shareholder Eddie Lampert indicates seriousness of struggle to maintain market position for Sears mall anchor stores

RSE \$400 million short term bridge loan from entities affiliated with Lamperts ESL Investments secured by 25 Sears properties, with maturity of December 31, 2014

RSE exposure to Sears Holdings SHLD now 24 anchor stores (50% owned by RSE) and exposure to JC Penney JCP now 28 anchor stores (57% owned by RSE) among total 38 regional malls in RSE portfolio

RSE exposure to these struggling anchor tenants represents 60%-75% of all malls owned by RSE

RSE management comments that store closing decisions by struggling anchor tenants such as Sears Holdings SHLD and JC Penney JCP may provide opportunity for RSE to release anchor space at higher rents, with potential to convert properties to cinemas or other entertainment venues, as well as expansion of mall space for traditional retail leases

RSE recently increased guidance for FFO for 2014 to indicate growth UP +3%-+6%

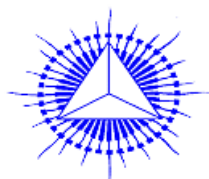
RSE increased dividends by 31% during 2014, bringing current annual dividend yield to 4.0%

RSE a Retail REIT with a portfolio of smaller regional malls

RSE we rank 2 BUY

RSE market cap \$1.0 billion

REIT Comment



Company:	CYS Investments
Price:	\$9
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,463
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/16/2014
CYS \$9

CYS Investments
CYS this week's Federal Reserve minutes may provide hints to intermediate term direction of interest rates

CYS Federal Reserve program of monetary ease means Federal Reserve has purchased as much as 70% of recent issues of new agency bonds and Residential MBS

CYS competition with Federal Reserve for scarce new issues of Residential MBS creates challenging conditions for Financial Mortgage REITs to re-invest portfolio maturities

CYS high prices for agency Residential MBS lowers yield to maturity and forces Financial Mortgage REITs to amortize premium paid to acquire the bonds

CYS like most Financial Mortgage REITs, CYS taking advantage of high prices to realize portfolio gains, bolstering book value

CYS stock now trading at (7%) discount to book value of \$9.68 per share as of June 2014

CYS stock price supported by current annual dividend yield of 14.2%, at the high end of the range for Financial Mortgage REITs

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

CYS we rank 1 BUY

CYS market cap \$1.5 billion

REIT Comment



Company:	Camden Property Trust
Price:	\$70
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,189
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/16/2014
CPT \$70

Camden Property Trust CPT increased quarterly dividend distribution by 3% to \$0.68 per share for 4Q 2014

CPT new annual dividend \$2.72 per share

CPT new yield 3.9%

CPT a Residential REIT with a diverse portfolio of apartment communities

CPT we rank 2 BUY

CPT market cap \$6.2 billion

REIT Comment



Company:	Glimcher Realty Trust
Price:	\$14
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,031
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/16/2014
GRT \$14

Glimcher Realty Trust GRT traded UP \$3.18 per share to close UP +30% day on news of pending \$4.3 billion merger with Washington Prime Group WPG

GRT stock traded UP +21% year to date for 2014, outperforming Retail REITs, trading UP +7% for 2014

GRT stock price now within 3% of offer price of \$14.20 per share, indicating investors expectation that friendly merger transaction will be completed on terms favorable to GRT shareholders

GRT viewed as the most obvious winner in the transaction while Washington Prime Group WPG must achieve faster than expected FFO growth to justify high price paid for GRT

GRT management to continue with combined companies with current CEO Michael Glimcher to be CEO of combined companies, reporting to current WPG CEO, Mark Ordan, serving as Executive Chairman of the Board of combined companies

GRT stock price supported by current annual dividend yield of 2.9%

GRT a Retail REIT with a portfolio of regional malls

GRT we rank HOLD

GRT market cap \$2.0 billion

REIT Comment



Company:	PREIT
Price:	\$21
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,451
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/16/2014
PEI \$21

PREIT PEI traded UP \$1.33 per share to close UP +7% day

PEI stock traded UP +8% year to date for 2014, outperforming Retail REITs, trading UP +7% for 2014

PEI completed divestiture of Nittany and North Hanover Malls for \$32 million, continuing \$400 million divestiture program since 2012

PEI management upbeat on new retail developments in downtown Philadelphia and pending \$465 million acquisition of new Springfield Town Center regional mall in VA

PEI seeking to maximize shareholder value by divesting renovating and remerchandising less productive retail centers, while concentrating investment in regional malls offering highest potential for tenant sales

PEI guidance for FFO for 2014 indicates growth UP +5%

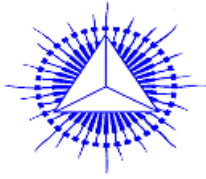
PEI provides current annual dividend yield of 3.9%

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

PEI we rank 2 BUY

PEI market cap \$1.5 billion

REIT Comment



Company:	The GEO Group
Price:	\$37
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,031
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/16/2014
GEO \$37

The GEO Group GEO traded UP \$0.82 per share to close UP +1% day

GEO stock traded UP +21% year to date for 2014, outperforming Specialty REITs, trading UP +9% for 2014

GEO stock trading higher on news of new contract awards for prison management in US and Australia

GEO subsidiary B1 to provide case management and supervision services for US Immigration and Customs Enforcement under the Intensive Supervision and Appearance Program(ISAP) for expected annual \$47 million revenues

GEO also selected to operate new 1,000 bed prison facility in Ravenhall, near Melbourne, Australia

GEO recently increased guidance for FFO for 2014 to indicate growth UP +17%

GEO dividends increased UP +10% during 2013, with potential for additional dividend increase during 2014

GEO provides current annual dividend yield of 6.2%

GEO a Specialty REIT with a portfolio of correctional facilities leased to federal and state agencies

GEO we rank 2 BUY

GEO market cap \$2.0 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$11
Recommendation:	BUY
Ranking:	1
Market Cap:	\$10,851
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/17/2014
NLY \$11

Annaly Capital Management NLY rebound from seasonally slow week for mortgage application volume does not reverse year to date decline

NLY report from MBA (Mortgage Bankers Association) found mortgage applications increased UP +7.9% for week ended September 12, 2014 from previous week

NLY mortgage applications for refinance increased UP +10%, while mortgage applications for home purchase increased UP +14%

NLY mortgage applications for home purchase decreased DOWN (10%) from previous year, improved from DOWN (18%) during July 2014

NLY mortgage refinance applications represented 57% of total mortgage application volume last week

NLY report from MBA (Mortgage Bankers Association) found average interest rate on 30 year fixed rate conforming mortgage increased sharply UP +0.09% to 4.36%

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

NLY stock price supported by current annual dividend yield of 10.5%, 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 1 BUY

NLY market cap \$10.9 billion

REIT Comment



Company:	Capstead Mortgage
Price:	\$13
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,254
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/17/2014
CMO \$13

Capstead Mortgage CMO determination of large banks to avoid mortgage lending raises issues of adequate liquidity, as well as tight credit, undermining improvement for US housing sector

CMO mortgage volume sharply inhibited by major banks signaling plans for permanent reduction in commitment to US housing sector

CMO mortgage volume for Wells Fargo DOWN (58%) from previous year for 2Q 2014, while JP Morgan DOWN (66%), Citi DOWN (64%) and Bank of America DOWN (49%)

CMO report from FHFA (Federal Home Finance Agency) showed total volume of refinanced mortgages decreased DOWN (73%) from the previous year during the first 6 months of 2014

CMO as large banks sharply reduce commitment to mortgage lending US savings banks, thrifts and credit unions offer more diverse mortgage products, although capital constraints prevent adequate liquidity supporting growth of US housing sector

CMO Congressional proposals to liquidate or reduce Fannie Mae FNMA and Freddie Mac FMCC commitment to mortgages threatens permanent disruption to housing sector

CMO Financial Mortgage REITs rely on new issues of agency guaranteed Residential MBS to reinvest portfolio maturities

CMO stock now trading at premium of 3% to book value of \$12.69 per share as of June 2014

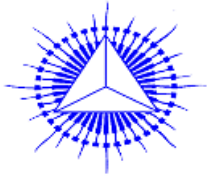
CMO current annual dividend yield of 10.4%, near the midpoint of the range for Financial Mortgage REITs

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

CMO we rank 1 BUY

CMO market cap \$1.3 billion

REIT Comment



Company:	Washington Prime Group
Price:	\$17
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,155
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/17/2014
WPG \$17

Washington Prime Group WPG stock traded lower, DOWN (6%) on first day following announcement of pending \$4.3 billion merger with Glimcher Realty Trust GRT

WPG investors reacting to high price offered for Glimcher Realty Trust GRT, with offer of \$14.20 per share at 38% premium to previous stock price, despite plan to sell 2 of best assets in GRT portfolio to Simon Property Group SPG at time of transaction completion during 2Q 2015

WPG total valuation of pending \$4.3 billion GRT merger transaction at 40.4X annualized FFO, at the high end of the range for Retail REITs with portfolios of regional malls

WPG seeing low total valuation at 20.8X (since recent spin-off from Simon Property Group SPG), compared to 48.8X for Rouse RSE (previous spin-off from General Growth Properties GGP)

WPG in comparison, reasonable valuations apply to 2 largest Retail REITs, Simon Property Group SPG now at 24.6X annualized FFO, with General Growth Properties GGP now at 35.4X

WPG had been seeking scale not only for portfolio, but also for management, as prior to deal with Glimcher GRT, thin staff transferred from Simon Property Group SPG without establishment of permanent management headquarters

WPG management committed to merger transaction to improve portfolio scale, asset quality and tenant relationships

WPG investors seeking to benefit from investment in Retail REITs should consider level of total valuation as well as yield and FFO growth characteristics

WPG provides current annual dividend yield of 5.8%, at the high end of the range for Retail REITs

WPG a Retail REIT with a portfolio of strip shopping centers and smaller regional malls

WPG we rank 3 HOLD

WPG market cap \$3.2 billion

REIT Comment



Company:	Brixmor Property Group
Price:	\$23
Recommendation:	BUY
Ranking:	1
Market Cap:	\$7,006
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/17/2014
BRX \$23

Brixmor Property Group BRX despite lower CPI (Consumer Price Index), food prices still increasing, supporting sales for tenants of Retail REITs with portfolios of grocery anchored shopping centers

BRX report from BLS (Bureau of Labor Statistics of US Department of Labor) showed food prices UP +0.2% for August 2014 from previous month, now showing increase UP +2.9% from previous year

BRX prices for meat, poultry, fish and eggs UP +1.5% for August 2014 from previous month

BRX consumers normally react to higher food prices by increasing purchases of frequently purchased items in advance of additional price increases

BRX Retail REITs benefit from higher tenant sales through improved financial flexibility for rental rate increases

BRX portfolio concentrated 70% in shopping centers with grocery tenants, including Kroger, Publix, Safeway, Giant Food, Winn Dixie, Stop & Shop, Albertsons, Shop Rite, A&P, Shaws, Jewel-Osco, Pathmark and Tops

BRX latest guidance for FFO for 2014 indicates growth UP more than +25%

BRX began dividend distributions as a REIT in January, 2014, now providing current annual yield of 3.5%

BRX a Retail REIT with a portfolio of grocery anchored shopping centers in US markets

BRX we rank 1 BUY

BRX market cap \$7.0 billion

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$22
Recommendation:	BUY
Ranking:	2
Market Cap:	\$17,264
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/17/2014
HST \$22

Host Hotels & Resorts HST official news of lower gasoline prices supports trading in Hotel REITs

HST report from BLS (Bureau of Labor Statistics of US Department of Labor) showed gasoline prices DOWN (4.1%) for August 2014 from previous month, now showing decrease DOWN (2.8%) from previous year

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

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

HST latest guidance for FFO for 2014 indicates growth UP +10%-+12%

HST management expects to consider payment of special dividend for 4Q 2014

HST increased regular quarterly dividend by 33% for 4Q 2014 for fourth consecutive quarterly dividend increase

HST now provides current annual dividend yield of 2.6%

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

HST we rank 2 BUY

HST market cap \$17.3 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	Kimco Realty
Price:	\$23
Recommendation:	BUY
Ranking:	1
Market Cap:	\$9,359
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/17/2014
KIM \$23

Kimco Realty KIM news of decline in CPI (Consumer Price Index) signals US consumers to have more money to spend on personal consumption during 4Q 2014, a positive indicator for Retail REITs

KIM report from BLS (Bureau of Labor Statistics of US Department of Labor) showed CPI (Consumer Price Index) DOWN (0.2%) for August 2014 from previous month, for first decrease in more than 1 year

KIM CPI (Consumer Price Index) now showing increase UP +1.7% from previous year

KIM decline in CPI due to decline in gasoline prices DOWN (4.1%) during August, 2014, while food prices UP +0.2% and apparel FLAT

KIM guidance for FFO for 2014 indicates growth UP +4%

KIM provides current annual dividend yield of 4.0%

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

KIM we rank 1 BUY

KIM market cap \$9.4 billion

KIM an S&P 500 Index REIT

REIT Comment



Company:	Redwood Trust
Price:	\$18
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,513
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/17/2014
RWT \$18

Redwood Trust RWT traded DOWN (\$0.37) per share to close DOWN (2%) day

RWT stock traded DOWN (8%) year to date for 2014, underperforming Financial Mortgage REITs, trading UP +10% for 2014

RWT low volume of non-agency Residential MBS securitizations prevents Financial Mortgage REITs from renewing capital invested in loans, preventing further balance sheet expansion

RWT completed less than \$1.0 billion non-agency securitizations year to date for 2014, below previous expectations

RWT lack of balance sheet liquidity may prevent achievement of earnings goals

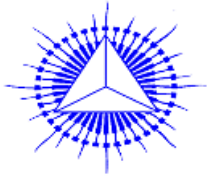
RWT provides current annual dividend yield of 6.3%, at the low end of the range for Financial Mortgage REITs

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

RWT we rank 4 SELL

RWT market cap \$1.5 billion

REIT Comment



Company:	Rouse Properties
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,003
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/17/2014
RSE \$18

Rouse Properties RSE traded UP \$0.42 per share to close UP +2% day

RSE stock traded DOWN (19%) year to date for 2014, underperforming Retail REITs, trading UP +7% for 2014

RSE smaller Retail REITs with portfolios of regional malls see stock price rally after announcement of pending \$4.3 billion merger of Glimcher Realty Trust GRT with Washington Prime Group WPG

RSE already trading at the high end of valuation range for Retail REITs reflecting high dividend yield

RSE guidance for FFO for 2014 indicates growth UP +3%-+6%

RSE increased dividends by 31% during 2014, bringing current annual dividend yield to 3.9%

RSE a Retail REIT with a portfolio of smaller regional malls

RSE we rank 2 BUY

RSE market cap \$1.0 billion

REIT Comment



Company:	iStar Financial
Price:	\$14
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,215
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/17/2014
STAR \$14

iStar Financial STAR traded UP \$0.28 per share to close UP +2% day

STAR stock traded unchanged year to date for 2014, outperforming Financial Commercial REITs, trading DOWN (9%) year to date for 2014

STAR investment in net leased assets through \$1.25 billion joint venture with sovereign wealth fund provides opportunity to revitalize cash flow

STAR more than 40% of \$5.3 billion portfolio invested in commercial operating properties, land and other non-financial assets, due to ownership transition of previously financed assets

STAR 2Q 2014 portfolio concentration 27% office, 20% land, 14% industrial/mixed use, 9% entertainment, 8% hotel, 7% retail, 7% condominium and 8% other

STAR has not paid dividends on common stock since 2008

STAR a Financial Commercial REIT

STAR we rank 3 HOLD

STAR market cap \$1.2 billion

REIT Comment



Company:	Boston Properties
Price:	\$118
Recommendation:	SELL
Ranking:	4
Market Cap:	\$18,048
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/17/2014
BXP \$118

Boston Properties BXP traded UP \$1.63 per share to close UP +1% day

BXP stock traded UP +18% year to date for 2014, outperforming Office REITs, trading UP +12% for 2014

BXP announced pending \$1.5 billion divestiture of 45% interest in 3 office properties to Norges Investment Management, Norway's sovereign wealth fund

BXP seeking to sell non-core assets to support planned development spending

BXP emphasizing new development, investing \$3.5 billion in development pipeline for 12 projects

BXP guidance for FFO for 2014 indicates growth UP +7%-+8%

BXP provides current annual dividend yield of 2.2%

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

BXP we rank 4 SELL

BXP market cap \$18.0 billion

BXP an S&P 500 Index REIT

REIT Comment



Company:	Entertainment Properties Trust
Price:	\$52
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,880
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/18/2014
EPR \$52

Entertainment Properties Trust EPR priced offering of 3.2 million shares at \$52.25 per share

EPR offering priced at discount of (4%) to last night's closing stock price

EPR expected proceeds of \$165 million to be applied to repay debt

EPR joint bookrunning managers JP Morgan, BofA Merrill Lynch, RBC

EPR September 2014 offering to increase total shares outstanding by 6%

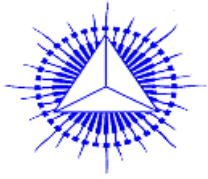
EPR provides current annual dividend yield of 6.3%

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

EPR we rank 2 BUY

EPR market cap \$2.9 billion

REIT Comment



Company:	Sun Communities
Price:	\$52
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,119
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/18/2014
SUI \$52

Sun Communities SUI to sell 6 million shares, with stock trading DOWN (2%) with no public disclosure of pricing

SUI expected proceeds of \$300 million to fund cash portion of previously announced \$1.32 billion acquisition of American Land Lease properties from Green Courte Partners LLC

SUI sole bookrunning manager Citi

SUI September 2014 offering to increase total shares outstanding by 14%

SUI provides current annual dividend yield of 5.0%

SUI a Residential Manufactured Home REIT with a portfolio of manufactured home communities

SUI we rank 2 BUY

SUI market cap \$2.1 billion

REIT Comment



Company:	Equity Residential
Price:	\$62
Recommendation:	BUY
Ranking:	2
Market Cap:	\$23,445
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/18/2014
EQR \$62

Equity Residential EQR report of drop in new unemployment claims a positive signal for employment trends, supporting trading in stocks of Residential REITs

EQR Labor Department reported new claims for unemployment decreased DOWN(36,000) to 280,000 for week ended September 13, 2014 from unrevised number for previous week

EQR more stable 4 week moving average of new unemployment claims also decrease, DOWN (4,750) to 299,500 from revised average for previous week

EQR insured unemployment rate decreased further to 1.8%, lowest level since May 19, 2007

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 2014 indicates growth UP +8%-+9% for 2014

EQR provides current annual dividend yield of 3.2%

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

EQR we rank 2 BUY

EQR market cap \$23.4 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	Potlatch
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,670
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/18/2014
PCH \$41

Potlatch PCH report of improved homebuilder confidence supports trading in Specialty Timber REITs

PCH survey report of homebuilder confidence from NAHM (National Association of Home Builders) indicates improvement UP +4% to 59%, bringing index to highest level since November 2005

PCH indicator of buyer traffic increased UP +5% to 47%

PCH comments from NAHB Chief economist noted concern over "tight credit conditions for consumers and rising costs for materials, lots and labor"

PCH Specialty Timber REITs rely on construction of new homes to drive demand for lumber and building materials

PCH management previously indicated confidence in higher harvest and improved lumber prices during 3Q 2014

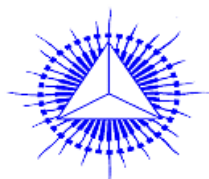
PCH provides current dividend yield of 3.4%

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

PCH we rank 2 BUY

PCH market cap \$1.7 billion

REIT Comment



Company:	Plum Creek Timber
Price:	\$40
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$7,106
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/18/2014
PCL \$40

Plum Creek Timber PCL greater than expected seasonal decline in new housing starts for August 2014 raises questions of demand volatility for Specialty Timber REITs

PCL report from US Census Bureau and HUD (US Department of Housing and Urban Development) showed total housing construction starts DOWN (14.4%) from revised number for previous month to annual pace of 956,000 for August 2014, now showing slower increase UP +8% from previous year

PCL total building permits (including apartments) also decreased, showing decrease DOWN (5.6%) to 998,000 for August 2014 from previous month, now showing increase UP +5.3% from previous year

PCL faster rate of decline shown for apartment units than for single family home housing starts and building permits

PCL report from HUD also shows number of new homes authorized with building permits but not yet started, showing decrease DOWN (0.4%) from previous month for August 2014, now at level UP +4.3% from previous year

PCL Specialty Timber REITs rely on construction of new homes to drive demand for lumber and building materials

PCL 2014 harvest volume to increase due to recent \$1.1 billion acquisition of timberlands and other assets from MeadWestvaco

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

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

PCL we rank 3 HOLD

PCL market cap \$7.1 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	Hatteras Financial
Price:	\$19
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,862
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/18/2014
HTS \$19

Hatteras Financial HTS investor relief over dovish comments of Federal Reserve chairman Janet Yellen supports continued rally for Financial Mortgage REITs

HTS Janet Yellen statements indicated fed funds interest rate expected to stay at 0.25% for an extended time, refusing to provide any indication of timing for potential fed funds interest rate increase

HTS lower bond market volatility provides an even keel enabling Financial Mortgage REITs to recognize gains on portfolio assets while reinvesting with less uncertainty

HTS maintaining conservative investment strategy, with almost entire portfolio invested in agency guaranteed ARM securities

HTS stock trading at discount of (16%) to latest book value of \$22.23 per share

HTS provides current yield of 10.4%, near the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 1 BUY

HTS market cap \$1.9 billion

REIT Comment



Company:	Select Income REIT
Price:	\$25
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,245
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/18/2014
SIR \$25

Select Income REIT SIR traded DOWN (\$0.62) per share to close DOWN (2%) day

SIR stock traded DOWN (7%) year to date for 2014, underperforming Industrial REITs, trading UP +4% for 2014

SIR stock trading DOWN pending transformative acquisition

SIR pending \$3.0 billion acquisition of Cole Corporate Income Trust expected to double asset size and enterprise value on transaction expected to be completed during 1Q 2015

SIR Cole Corporate Income Trust portfolio properties include distribution centers for Amazoncom AMZN, as well as office headquarters for Tesoro TSO, Noble Energy NBL, F5 Networks FFIV, Compass Group CPG and United Launch Alliance

SIR no guidance provided for FFO for 2014

SIR continues under external management by RMR (Reit Management & Research LLC), a privately held real estate management company that previously managed Equity Commonwealth EQC (renamed from CommonWealth REIT CWH), and still manages Government Properties Income Trust GOV, Hospitality Properties Trust HPT, TravelCenters of America TA and Senior Housing Properties Trust SNH

SIR provides current annual dividend yield to 7.7%

SIR an Industrial REIT with a portfolio concentrated in commercial properties in HI

SIR we rank 3 HOLD

SIR market cap \$1.2 billion

REIT Comment



Company:	Corrections Corp of America
Price:	\$35
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$4,050
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/18/2014
CXW \$35

Corrections Corp of America CXW traded DOWN (\$0.77) per share to close DOWN (2%) day

CXW stock traded UP +9% year to date for 2014, in line with Specialty REITs, also UP +9% for 2014

CXW sees potential to add \$0.80-\$0.90 per share to FFO if currently vacant facilities are fully reactivated

CXW guidance for normalized FFO for 2014 indicates decline DOWN (2%)

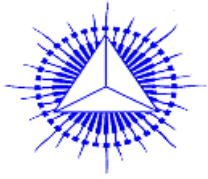
CXW increased dividends 6% during 2014, now providing current annual dividend yield of 5.8%

CXW a Specialty Corrections REIT with a portfolio of corrections facilities leased to federal and state agencies

CXW we recently added coverage with initial 3 HOLD rank

CXW market cap \$4.1 billion

REIT Comment



Company:	Strategic Hotels & Resorts
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,465
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/18/2014
BEE \$12

Strategic Hotels & Resorts BEE traded UP \$0.17 per share to close UP +1% day

BEE stock traded UP +24% year to date for 2014, outperforming Hotel REITs, trading UP +15% for 2014

BEE Hotel REITs seeing rally on lower gasoline prices, enabling higher spending on hotel and other travel expenses

BEE recent acquisition of remaining joint venture interests in 2 largest resort hotels, Hotel del Coronado in San Diego and Scottsdale Fairmont Princess near Phoenix AZ assures FFO growth for 2014 and 2015

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 2 BUY

BEE market cap \$2.5 billion

REIT Comment



Company:	Liberty Property Trust
Price:	\$35
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$5,178
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/18/2014
LPT \$35

Liberty Property Trust LPT traded DOWN (\$0.65) per share to close DOWN (2%) day

LPT stock traded UP +4% year to date for 2014, in line with Industrial REITs, also UP +4% for 2014

LPT announced new construction starts on 8 build-to-suit industrial properties for total expected investment of \$150 million

LPT current portfolio of 102.5 million square foot concentrated 63% in industrial/flex properties and 37% in office properties,

LPT continuing divestiture of office properties (except for recently completed build-to-suit properties) to concentrate investment in industrial sector

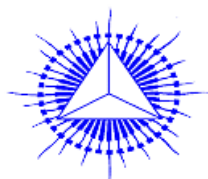
LPT provides current annual dividend yield of 5.4%

LPT an Industrial REIT with a diverse portfolio of industrial, office and flex properties

LPT we rank 3 HOLD

LPT market cap \$5.2 billion

REIT Comment



Company:	Digital Realty Trust
Price:	\$63
Recommendation:	BUY
Ranking:	1
Market Cap:	\$8,685
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/19/2014
DLR \$63

Digital Realty Trust DLR today's IPO offering of Alibaba BABA with total market cap of \$168 billion highlights significance of global market for online retail sales

DLR market cap of Alibaba BABA at \$168 billion exceeds Amazon.com AMZN at \$150 billion, placing Alibaba BABA in league with largest Internet companies Google at \$404 billion and Facebook at \$200 billion market cap

DLR Alibaba BABA processed total transactions of \$248 billion GMV (gross merchandise value) during 2013

DLR Alibaba BABA reported to have captured more than 80% of total China online sales, where online sales have exceeded US online sales for 2 years

DLR online sales, like other Internet services, serviced through cloud applications and data communications hosted by tenants of Data Center REITs

DLR recent management comments noted data center locations in Singapore and Hong Kong will need new capacity soon

DLR guidance for FFO for 2014 indicates growth UP +4%

DLR stock price supported by current annual dividend yield of 5.3%

DLR the largest publicly traded Data Center REIT with a portfolio of turnkey data centers and office properties

DLR we rank 1 BUY

DLR market cap \$8.7 billion

REIT Comment



Company:	NorthStar Realty Finance
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,854
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/19/2014
NRF \$17

NorthStar Realty Finance NRF completed previously announced \$1.1 billion hotel acquisition

NRF completed acquisition of \$1.1 billion hotel assets through \$213 million Innkeepers joint venture with Chatham Lodging Trust CLDT

NRF including latest acquisition, hotel portfolio concentrated 74% Marriott and 17% Hilton brands

NRF acquired hotel portfolio located TX 19%, NJ 13%, NY 10% and NC 10%

NRF portfolio expansion driving exceptional stock price performance

NRF year to date 2014 investments \$4.0 billion, including \$1.1 billion hotel assets through \$213 million Innkeepers joint venture with Chatham Lodging Trust CLDT, \$1.1 billion health care assets, \$167 million equity in portfolio of net leased industrial assets, \$176 million commercial loans, \$70 million for minority interest in Aerium Group and \$55 million for manufactured home communities

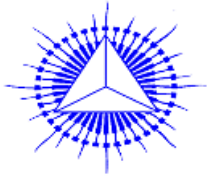
NRF increased quarterly dividend distribution by 60% on ongoing basis, now providing current annual dividend yield of 9.2%

NRF a Financial Commercial REIT

NRF we rank 2 BUY

NRF market cap \$2.9 billion

REIT Comment



Company:	Starwood Property Trust
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,499
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/19/2014
STWD \$23

Starwood Property Trust STWD appointed new President Jeffrey DiModica with experience on Board of Directors of STWD for 5 years

STWD previous President Boyd Fellows to step down, while continuing to serve on Board of Directors

STWD Jeffrey DiModica joined STWD during 2014, with previous experience in sales of MBS, ABS and CMBS at RBS, Merrill Lynch and Chemical Bank

STWD appointment of Mr DiModica highlights importance of securitizations to Financial Commercial REITs such as STWD to free up capital used for loan originations

STWD securitization of commercial loans provides incremental capital for portfolio expansion

STWD stock price supported by current annual dividend yield of 8.4%

STWD a Financial Commercial REIT

STWD we rank 2 BUY

STWD market cap \$4.5 billion

REIT Comment



Company:	Crown Castle
Price:	\$80
Recommendation:	BUY
Ranking:	2
Market Cap:	\$26,700
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/19/2014
CCI \$80

Crown Castle CCI news of more than 4 million units of Apple AAPL iPhone 6 presold during first 4 days of offer indicates consumer eagerness to upgrade to latest smartphone technology

CCI management comments by Apple AAPL claim expectation to sell 20 million iPhone 6 units over this weekend (including shipments to China)

CCI media interviews of customers waiting in long lines at Apple AAPL retail stores disclose larger screen with slimmer profile for iPhone 6, as well as longer battery life, viewed as best new features

CCI exceptional trade-in offers for older iPhone models from Verizon VZ, AT&T T, Sprint S and T-Mobile TMUS driving fast upgrade cycle

CCI competition for smartphone customers expands the rental market for wireless tower operators as all carriers must continue to invest to expand population coverage and deliver upgraded service

CCI wireless cell tower tenants include AT&T T at 29% of total rents, Sprint S 23%, T-Mobile TMUS 22% and Verizon VZ 14%

CCI reported FFO for 2Q 2014 increased UP +13%

CCI guidance for FFO for 2014 indicates growth UP +14%

CCI provides current annual dividend yield of 1.8%, with first ever dividend of \$0.35 per share paid in March 2014 on REIT conversion

CCI a Specialty Cell Tower REIT with a portfolio of wireless and broadcast communications real estate, with towers in US and Australia

CCI we rank 2 BUY

CCI market cap \$26.7 billion

CCI an S&P 500 Index REIT

REIT Comment



Company:	Medical Properties Trust
Price:	\$13
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,070
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/19/2014
MPW \$13

Medical Properties Trust MPW traded DOWN (\$0.26) per share to close DOWN (2%) day

MPW traded UP +3% year to date for 2014, underperforming Health Care REITs, trading UP +11% for 2014

MPW portfolio growth driven by significant acquisitions, with target of \$500 million acquisitions during 2014

MPW seeking international expansion, with 2013 acquisition of 11 rehabilitation facilities in Germany and recent \$50 million acquisition of UK acute care hospital

MPW guidance 2014 FFO indicates growth UP +19%

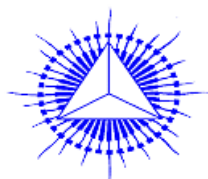
MPW stock price supported by current yield of 6.7%

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

MPW we rank 2 BUY

MPW market cap \$2.1 billion

REIT Comment



Company:	Arbor Realty Trust
Price:	\$7
Recommendation:	BUY
Ranking:	2
Market Cap:	\$348
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/19/2014
ABR \$7

Arbor Realty Trust ABR traded UP \$0.33 per share to close UP +5% day

ABR stock traded UP +5% year to date for 2014, outperforming Financial Commercial REITs, trading DOWN (9%) for 2014

ABR portfolio growth driven by loan originations, while low volume of securitizations prevents adequate liquidity for more rapid growth

ABR stock price trading at discount of (9%) to latest GAAP book value of \$7.67 per share

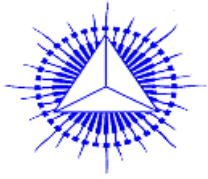
ABR provides current annual dividend yield of 7.4%

ABR a Financial Commercial REIT

ABR we rank 3 HOLD

ABR market cap \$348 million

REIT Comment



Company:	Retail Properties of America
Price:	\$15
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,646
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/19/2014
RPAI \$15

Retail Properties of America RPAI traded UP \$0.32 per share to close UP +2% day

RPAI stock traded UP +21% year to date for 2014, outperforming Retail REITs, trading UP +7% for 2014

RPAI Retail REITs with portfolios of grocery anchored shopping centers see faster tenant sales growth due to food price increases

RPAI higher tenant sales enable more favorable rents on lease renewal

RPAI completed almost \$300 million acquisitions year to date, including purchase of 80% joint venture interest for 6 retail properties from MS Inland fund

RPAI guidance for 2014 FFO indicates growth FLAT-UP +2%

RPAI provides current annual dividend yield of 4.3%

RPAI a Retail REIT with a portfolio of grocery anchored strip shopping centers

RPAI we rank 3 HOLD

RPAI market cap \$3.6 billion

REIT Comment



Company:	National Retail Properties
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,278
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/19/2014
NNN \$35

National Retail Properties NNN traded UP \$0.51 per share to close UP +1% day

NNN stock traded UP +16% year to date for 2014, outperforming Retail REITs, trading UP +7% for 2014

NNN investor interest in net leased properties leading to more competition for acquisitions

NNN transactions for net leased properties valued at lower prices and higher cap rates enabling high returns

NNN all leases are triple net, with no exposure to variable tenant sales

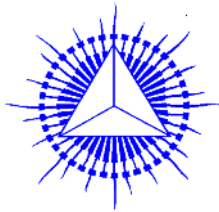
NNN latest guidance for FFO for 2014 indicates growth UP +4%-+6%

NNN increased dividend by 2%, bringing current annual dividend yield to 4.8%

NNN a Retail REIT with a portfolio of net leased retail and commercial properties

NNN we rank 2 BUY

NNN market cap \$4.3 billion



REIT Growth and Income Monitor posted 46 REIT comments for the week ended September 19, 2014. Comments were issued on REITs in the following sectors:

Financial REITs	9
Health Care REITs	1
Hotel REITs	3
Industrial REITs	4
Office REITs	1
Residential REITs	3
Retail REITs	14
Specialty REITs	11

Information on REIT sectors may be found using this link:

http://www.reitmonitor.net/REIT_Resources

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

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

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