

REIT Growth and Income Monitor

Weekly Comments 05/24/2011

Positive performance gap expanded to 3% for 2011, as REIT stocks maintain gains.

Fannie Mae reform is still delayed by debate over federal budget and debt ceiling.

Annaly Capital Management offers high yield and a safe haven for investors with a portfolio of agency-guaranteed Residential MBS.

Redwood Trust pursues a path of private market mortgage securitizations.

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**Weekly REIT Comments**
05/24/2011

REITs were unchanged for the third week of May, ended May 20, 2011. REITs included in the S&P 500 Index increased slightly to show gain of 9% year to date, exceeding 6% gain for the S&P 500 Index, as positive performance gap expanded to 3% for 2011. Average gain for all REITs followed by REIT Growth and Income Monitor still stands at 8% year to date for 2011.

Certain REIT sectors demonstrated ability to increase guidance for FFO for 2011, while others seems to be headed for disappointment. Most Residential REITs exceeded guidance for FFO for 1Q 2011 and several increased guidance, with most indicating FFO growth for 2011 of 10% or more. Retail REITs report continued tenant sales gains to support occupancy and rental growth. In contrast, Hotel REITs may need to reduce optimistic guidance for significant profit improvement during 2011, if the negative impact of higher gasoline prices is as great as some investors fear. Disappointments may also be in store for Office REITs, due to continued rent rolldowns.

Financial Mortgage REITs face significant fundamental change during 2011. Congressional attempts to close the budget gap have delayed Fannie Mae reform. Reform of Fannie Mae may ultimately impact the housing sector starting in 2012, changing the outlook for Financial Mortgage REITs and certain Specialty REITs subject to demand fluctuations from home construction

REIT stocks normally perform like interest rate sensitive stocks, although none of the 14 REITs in the S&P 500 Index are actually invested in financial assets. Drastic dividend reductions during 2009 were followed during 2010 by restoration of all cash dividends and by dividend increases that continue into 2011. As dividend payers, REITs may be viewed as income stocks, with a gradually improving outlook for higher dividend distributions.

Financial Mortgage REITs Provide High Yields Pending Fannie Mae Reform

Financial Mortgage REIT stocks trade in narrow ranges as investors watch Congress delay action on Fannie Mae reform. This month the focus is on the federal debt ceiling, as Treasury Geitner announced the US officially passed the statutory federal debt ceiling on May 16, 2011. With Republicans demanding federal spending reductions to offset any increase in the federal debt ceiling, Democrats confer in an effort to break the impasse. This argument keeps Fannie Mae reform to the background. Treasury Secretary Timothy Geithner favors legislation to eliminate Fannie Mae as an active participant in mortgage markets (including elimination of Fannie Mae's role as guarantor of conforming loans), but the consensus of financial institutions, private market investors and foreign participants in the US mortgage market is that such a drastic change could take a generation to put into effect, while always risking serious economic disruption. Several House and Senate committees have heard testimony from the Treasury, as well as from various academic commentators and mortgage market investors. A Republican proposal from Representative Jeb Hensarling of Texas called "GSE Bailout Elimination and Taxpayer Protection Act" would repeal affordable housing goals and cap Fannie Mae's mortgage portfolio at \$700 billion, decreasing the cap to \$250 billion over 5 years. Conforming loan limits would be tightened and fees increased. This bill, previously proposed in 2010 as an amendment to the Dodd-Frank Act on bank regulation, does not address mortgage reform, the role of banks and loan servicing agents, nor propose ways to promote private investment in mortgages.

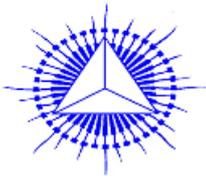
While most Senators and Representatives would prioritize limiting the future burden of Fannie Mae on the federal budget, none are willing to face their constituents so close to an election year without a plan that would enable voters to maintain access to mortgages under the current tax rules favoring home ownership. No one appears willing to propose tax incentives or significant reforms (including limitations on enforcement and rules mandating mortgage modifications) that may be necessary to attract sufficient private capital to allow the mortgage market to function without Fannie Mae. Financial Mortgage REITs with portfolios concentrated in agency guaranteed loans appear to inhabit a safe zone for investors, pending eventual Fannie Mae reform.

Trading Opportunities

Annaly Capital Management is the strongest of the publicly traded Financial Mortgage REITs, with a market cap of \$12 billion and a \$94 billion portfolio invested primarily in agency guaranteed residential MBS. **Annaly Capital Management's** results for 1Q 2011 benefited from portfolio investment of \$2.6 billion raised in 2 public offerings during 2011, with net interest margin up 0.3% from December, 2010, while portfolio leverage and prepayments declined. **Annaly Capital Management** stock trades at a 10% premium to book value. Quarterly variability in dividend distributions is a result of fluctuation in portfolio investment, repayments, portfolio yield and net interest income, but the trend in annual dividends has been steadily higher since 2006. **Annaly Capital Management** provides income investors with current dividend yield of 13.7%.

Redwood Trust, with a market cap of \$1.2 billion as an originator of jumbo residential loans, pursues a path of private market securitizations of non-agency guaranteed Residential MBS through its Sequoia subsidiary. Redwood Trust sold 2 securitizations since 2008, raising \$237 million in April, 2010 and \$290 million in February, 2011, proving that a private market still exists for non-agency guaranteed residential debt of the "Alt-A" type, but the size of these 2 issues is tiny compared to the pre-2008 market for "Alt-A" residential loans and subprime mortgages. **Redwood Trust's** own portfolio of jumbo loans and related derivatives totals \$5 billion. Liquidity constraints have limited dividends, forcing **Redwood Trust** to suspend the pre-2008 practice of paying 4Q "special" dividends that doubled or tripled annual yield for stockholders. **Redwood Trust** stock trades at a slight premium of 5% to adjusted book value. **Redwood Trust** provides income investors with current annual dividend yield of 6.5%, lowest of the range for Financial Mortgage REITs.

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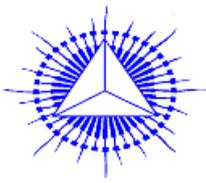
Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Price	Price	Price	Price	Weekly	2011
		12/31/2010	04/29/2011	05/06/2011	05/13/2011	05/20/2011	Change	Price Change
Apartment Investment and Management	AIM	\$26	\$27	\$26	\$26	\$26	0%	1%
AvalonBay Communities	AVB	\$113	\$128	\$126	\$127	\$127	0%	13%
Boston Properties	BXP	\$86	\$104	\$103	\$103	\$105	1%	21%
Equity Residential	EQR	\$52	\$59	\$59	\$59	\$60	1%	15%
HCP Inc.	HCP	\$37	\$41	\$38	\$37	\$37	0%	0%
Health Care REIT	HCN	\$48	\$55	\$51	\$51	\$51	2%	8%
Host Hotels & Resorts	HST	\$18	\$18	\$17	\$17	\$17	0%	-5%
Kimco Realty	KIM	\$18	\$19	\$19	\$19	\$19	0%	5%
Plum Creek Timber	PCL	\$37	\$44	\$42	\$41	\$40	-1%	8%
Prologis Trust	PLD	\$14	\$17	\$16	\$16	\$16	2%	9%
Public Storage	PSA	\$101	\$119	\$116	\$116	\$116	-0%	14%
Simon Property Group	SPG	\$99	\$115	\$115	\$115	\$114	-1%	15%
Ventas	VTR	\$52	\$57	\$55	\$54	\$55	1%	4%
Vornado Realty Trust	VNO	\$83	\$97	\$94	\$95	\$96	1%	15%
S&P 500 Index	S&P 500	\$1,258	\$1,364	\$1,340	\$1,338	\$1,333	-0%	6%
Average for S&P 500 Index REITs							0%	9%

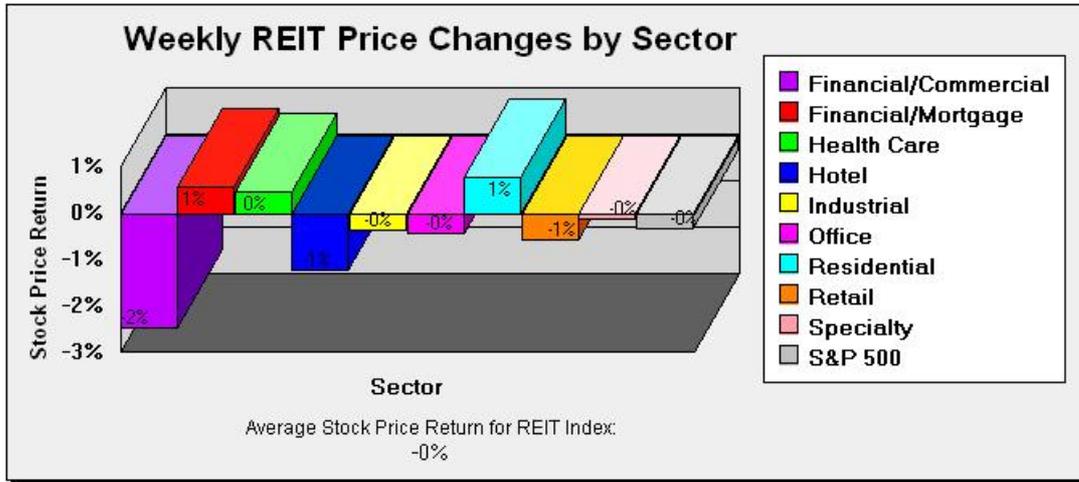
S&P 500 Index REITs were unchanged on average for the third week of May, 2011, ended May 20, 2011. REITs narrowly outperformed the S&P 500 Index, trading down less than (1%) for the week. The S&P 500 Index retains gain of 6% year to date for 2011, still trailing REIT performance, up 9%. Positive performance gap for S&P 500 Index REITs expanded to 3%.

Best performing of the S&P 500 Index REITs for 2011 is **Boston Properties**, up 21%. Other leading performers include **Equity Residential**, **Simon Property Group** and **Vornado Realty Trust**, all up 15%, followed by **Public Storage**, up 14%, and by **AvalonBay Communities**, up 13%. **Plum Creek Timber**, the only S&P 500 REIT to decline during 2010, decreased (1%) to hold gain of 8% for 2011. Investor concern over higher gasoline prices caused Hotel REIT **Host Hotels & Resorts** to trade down (5%) year to date for 2011.

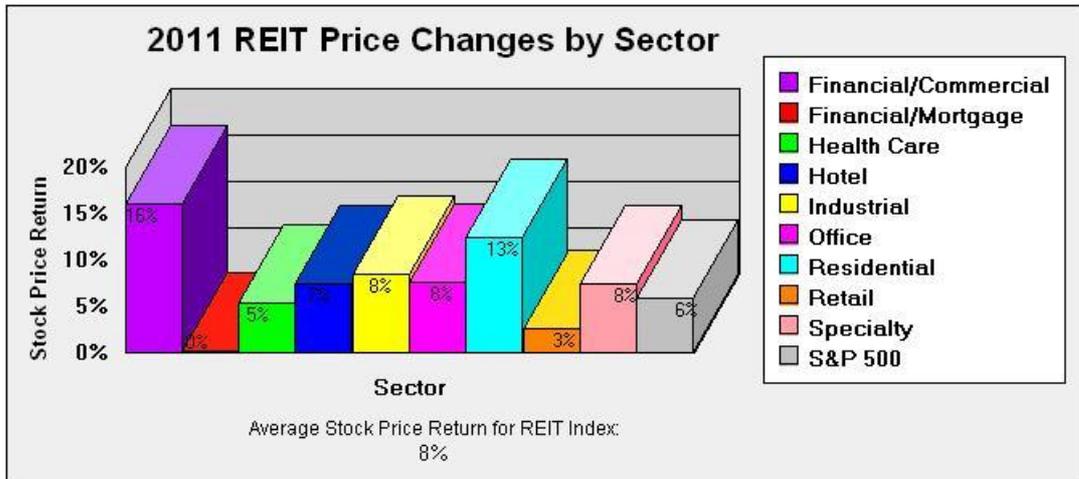
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Weekly REIT Price Changes by Sector



REIT stocks decreased less than (1%) during the third week of May, ended May 20, 2011, as investors turned their attention towards vacation plans. Best performing sectors were Financial Mortgage REITs and Residential REITs, up 1%, as lower mortgage rates and employment gains offset continued concerns over commodities costs and oil prices. Health Care REITs were unchanged, while Industrial REITs, Office REITs and Specialty REITs were slightly down, with a decline of less than (1%). Lagging sectors include Financial Commercial REITs down (2%) and Hotel REITs, down (1%). On average, stock prices for REIT Growth and Income Monitor decreased less than (1%) for the third week of May, ended May 20, 2011.



REITs followed by REIT Growth and Income Monitor maintained gain of 8% on average for 2011 (surpassing gain of 6% for the S&P 500 Index), following average gain of 35% for 2010. Average stock price performance is positively influenced by Financial Commercial REITs, up 18%. Leading non-financial sector is Residential REITs, up 13% on better than expected earning results and higher guidance for 2011. Other powerful sectors include Industrial REITs, Office REITs and Specialty REITs, all up 8%. Hotel REITs decreased to average gain of 7% for 2011, pressured by higher oil prices. Health Care REITs maintain gain of 5%. Lagging sectors are Financial Mortgage REITs, flat, and Retail REITs, still up 3% year to date for 2011.

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REIT Comment



Company:	Agree Realty
Price:	\$24
Recommendation:	SELL
Ranking:	4
Market Cap:	\$237
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/16/2011
ADC \$24

Agree Realty ADC troubled tenant Borders Group failure to receive "going concern bid" by May 6, 2011 opens possibility of forced liquidation

ADC rumour last week that Borders Group received a takeover bid were squashed by news that competitor Barnes & Noble offered to acquire only 10 stores from bankrupt Borders Group

ADC hedge fund manager Ackman of Pershing Square Capital Management unsuccessful in prodding book store chains to merge

ADC publishers owed millions for past due receivables may be unresponsive to Borders Group plans to reorganize in bankruptcy and may file to force liquidation

ADC faces significant accounting issue, as ADC has yet to write down shareholders equity for the non-cash portion of Borders Group rents, recognized in full as revenues, although unpaid since October 2010

ADC other Retail REITs confirm all remaining Borders Group leases subject to significant reductions through renegotiation during bankruptcy

ADC Borders Group liquidation would force closure of mall and airport based Walden Books as well as all Borders stores

ADC a Retail REIT with a portfolio of net leased single tenant properties

ADC we rank 4 SELL

ADC market cap \$237 million

REIT Comment



Company:	Essex Property Trust
Price:	\$134
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,412
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/16/2011
ESS \$134

Essex Property Trust ESS and all Residential REITs appear poised to outperform other REIT sectors

ESS pending apartment shortage in key urban areas to drive record monthly rental rates for 2011-2013

ESS lagging recovery in Seattle market also adds to upside potential as apartment supply remains tight

ESS properties now in stabilization will add to revenue growth for 2011 and 2012

ESS recently increased guidance for FFO for 2011 to indicate growth of as much as 14%

ESS occupancy high at 97% as of 1Q 2011

ESS a Residential REIT with a diverse portfolio of apartment communities

ESS we rank 2 BUY

ESS market cap \$4.4 billion

REIT Comment



Company:	Apartment Investment and Management
Price:	\$26
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,384
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/16/2011
AIV \$26

Apartment Investment and Management AIV and all Residential REITs appear poised to outperform other REIT sectors

AIV pending apartment shortage in key urban areas to drive record monthly rental rates for 2011-2013

AIV results better than expected for 1Q 2011, with FFO UP +22%

AIV occupancy strong at 96% as of 1Q 2011

AIV 1Q 2011 average monthly rent \$1,049 UP +0.6%

AIV a Residential REIT with a diverse portfolio of apartment communities

AIV we rank 2 BUY

AIV market cap \$4.4 billion

AIV an S&P 500 Index REIT

REIT Comment



Company:	Plum Creek Timber
Price:	\$41
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,704
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/16/2011
PCL \$41

Plum Creek Timber PCL recent management comments indicate positive market trends

PCL US regional supply of timber down due to poor weather and lower harvests

PCL US construction market an important demand factor, but export markets drive significant incremental demand

PCL offshore demand for lumber strong, particularly from China, due to both infrastructure and industrial markets

PCL expects to see significant demand for lumber in Japan due to rebuilding programs in wake of earthquake and tsunami

PCL stock price supported by current annual dividend yield of 4.1% and by management commitment to repurchase stock

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

PCL we rank 2 BUY

PCL market cap \$6.7 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	Annaly Capital Management
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,806
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/16/2011
NLY \$18

Annaly Capital Management NLY Fannie Mae reform still delayed by Congressional focus on federal budget negotiations

NLY market for agency guaranteed Residential MBS quiet as credit markets focus on implications of federal debt ceiling

NLY latest Republican proposals for Fannie Mae reform envision phase-out of federal funding of Fannie Mae, while agency guarantees remain on highest credit quality portion of conforming mortgages

NLY stock price supported by current annual dividend yield of 13.9%

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

NLY we rank 2 BUY

NLY market cap \$11.8 billion

REIT Comment



Company:	Getty Realty
Price:	\$24
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$719
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/16/2011
GTY \$24

Getty Realty GTY traded DOWN (\$0.48) per share to close DOWN (2%) day

GTY stock traded DOWN (23%) year to date for 2011, underperforming Specialty REITs, UP +8%

GTY recent transfer of ownership of key tenant Getty Petroleum Marketing Services to new third party owner causes concern over continuity of leases and dividends

GTY no benefit to earnings from higher gasoline prices

GTY "recurring FFO" decreased (9%) for 1Q 2011

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

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

GTY we rank 3 HOLD

GTY market cap \$719 million

REIT Comment



Company:	Redwood Trust
Price:	\$15
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,198
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/16/2011
RWT \$15

Redwood Trust RWT traded DOWN (\$0.15) per share to close DOWN (1%) day

RWT stock traded UP +2% year to date for 2011, outperforming Financial Mortgage REITs, FLAT

RWT proposed phased demise of Fannie Mae likely to create more investment interest and competition for privately funded mortgage market

RWT portfolio of non-agency guaranteed Residential MBS placed through subsidiary Sequoia provides a model for private mortgage investing in residential debt not eligible for Fannie Mae purchases

RWT successful offerings of non-agency guaranteed Residential MBS during 2010 and 2011 proves private market is still receptive to offerings backed by high credit quality AltA mortgages, but market demand is far below previous interest in AltA and subprime mortgages

RWT stock price supported by current annual yield of 6.6%, at the bottom end of the range for Financial Mortgage REITs

RWT a Financial Mortgage REIT with a portfolio of non-agency guaranteed Residential MBS

RWT we rank 4 SELL

RWT market cap \$1.2 billion

REIT Comment



Company:	U-Store-It Trust
Price:	\$11
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,070
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/16/2011
YSI \$11

U-Store-It Trust YSI traded UP \$0.14 per share to close UP +1% day

YSI stock traded UP +15% year to date for 2011, outperforming Specialty REITs, UP +8%

YSI economy driving higher demand for self storage services, with occupancy up and monthly rent rates up for all competitors

YSI reported 17% increase in FFO for 1Q 2011, and provided guidance for FFO for 2011 indicating potential for FFO growth of as much as 22%

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

YSI we rank 2 BUY

YSI market cap \$1.1 billion

REIT Comment



Company:	Kimco Realty
Price:	\$19
Recommendation:	BUY
Ranking:	1
Market Cap:	\$7,788
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/16/2011
KIM \$19

Kimco Realty KIM traded UP \$0.17 per share to close UP +1% day

KIM stock traded UP +6% year to date for 2011, outperforming Retail REITs, UP +3%

KIM recently reported "recurring FFO" increased 5% for 1Q 2011

KIM maintained guidance for FFO growth of as much as 6% for 2011

KIM occupancy strong at 93%, enabling average rents to increase

KIM Retail REITs seeing continued tenant sales growth through the end of April 2011

KIM a Retail REIT with a diverse portfolio of neighborhood and community shopping centers in North America and South America

KIM we rank 1 BUY

KIM market cap \$7.8 billion

KIM an S&P 500 Index REIT

REIT Comment



Company:	Equity One
Price:	\$20
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,855
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/17/2011
EQY \$20

Equity One EQY invested \$55 million in Manhattan retail condominium

EQY acquired property located on east side of Seventh Avenue between West 16th and West 17th Streets in New York City

EQY acquired property now occupied by Loehmann's, previously by original Barneys store

EQY Loehmann's lease to expire March 2016

EQY selling various grocery anchored shopping center properties to new 30% owned joint venture with New York State Common Retirement Fund

EQY first property sales of FL grocery anchored shopping centers to new joint venture provided proceeds of \$39 million

EQY a Retail REIT with a diverse portfolio of grocery anchored shopping centers and net leased properties

EQY we rank 3 HOLD

EQY market cap \$1.9 billion

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,447
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/17/2011
DFT \$24

DuPont Fabros Technology DFT rapid sales growth reported by technology vendors of networking equipment indicates continued rapid demand growth for data centers

DFT technology vendor HP today reported fast growth for networking products UP +15%, as did Cisco, with "data center, virtualization and cloud" UP +31% and IBM, with series x blade servers UP +15%

DFT new IBM survey of more than 3,000 global CIOs finds 60% expect to invest in cloud computing

DFT IBM survey finds CIOs view mobile computing as a "game changer" for their businesses

DFT enjoys 99% occupancy of established portfolio of wholesale data centers

DFT new developments to add 11% to capacity for 2011 and 20% for 2012

DFT results for 1Q 2011 exceeded expectations, with FFO UP +27%

DFT recent guidance for FFO for 2011 indicate potential for FFO growth of as much as 28%

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

DFT we rank 2 BUY

DFT market cap \$1.4 billion

REIT Comment



Company:	Digital Realty Trust
Price:	\$60
Recommendation:	BUY
Ranking:	1
Market Cap:	\$6,971
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/17/2011
DLR \$60

Digital Realty Trust DLR corporate investment in cloud computing to drive rapid growth in demand for data centers

DLR new IBM survey of more than 3,000 global CIOs finds 60% expect to invest in cloud computing

DLR 1Q 2011 results showed "core FFO" increased 7%

DLR recently increased guidance for 2011 to indicate potential for FFO growth of 16%

DLR expects international expansion in London and Singapore to identify US corporate customers eager to maintain an edge in international data delivery

DLR seeing positive NOI benefit from conversions of office properties to turnkey data centers

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

DLR we rank 1 BUY

DLR market cap \$7.0 billion

REIT Comment



Company:	Potlatch Corp.
Price:	\$37
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,481
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/17/2011
PCH \$37

Potlatch PCH decline in new home construction for April 2011 unlikely to stop rebounding markets for timber and lumber

PCH Commerce Department reported April 2011 new home construction starts declined (10.6%) from March 2011

PCH April 2011 new building permits decreased (4.0%) from March 2011

PCH US timber demand reduction offset by lower than normal supply

PCH US regional supply of timber down due to poor weather and lower harvests

PCH US construction market an important demand factor, but export markets drive significant incremental demand

PCH offshore demand for lumber strong, particularly from China, due to both infrastructure and industrial markets

PCH expects to see significant demand for lumber in Japan due to rebuilding programs in wake of earthquake and tsunami

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

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

PCH we rank 2 BUY

PCH market cap \$1.5 billion

REIT Comment



Company:	Pennsylvania REIT
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$828
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/17/2011
PEI \$15

Pennsylvania REIT PEI traded DOWN (\$0.22) per share to close DOWN (1%) day

PEI stock traded UP +6% year to date for 2011, outperforming Retail REITs, UP +3%

PEI continued tenant sales gains a positive signal for Retail REIT occupancy and rents

PEI most recent guidance for FFO for 2011 indicated potential decline of as much as (19%), impacted by dilution from equity offerings

PEI portfolio occupancy at 91% as of 1Q 2011

PEI a Retail REIT with a portfolio of regional malls and power centers in midAtlantic states

PEI we rank 2 BUY

PEI market cap \$828 million

REIT Comment



Company:	Plum Creek Timber
Price:	\$40
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,549
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/17/2011
PCL \$40

Plum Creek Timber PCL traded DOWN (\$0.36) per share to close DOWN (1%) day

PCL stock traded UP +8% year to date for 2011, in line with Specialty REITs, UP +8%

PCL news of lower home starts for April 2011 not enough to derail outlook for stronger timber and lumber markets for 2011, as demand decline more than offset by lower supply

PCL US regional supply of timber down due to poor weather and lower harvests

PCL US construction market an important demand factor, but export markets drive significant incremental demand

PCL offshore demand for lumber strong, particularly from China, due to both infrastructure and industrial markets

PCL expects to see significant demand for lumber in Japan due to rebuilding programs in wake of earthquake and tsunami

PCL stock price supported by current annual dividend yield of 4.2% and by management commitment to repurchase stock

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

PCL we rank 2 BUY

PCL market cap \$6.5 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	Washington Real Estate Investment Trust
Price:	\$33
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,134
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/17/2011
WRE \$33

Washington Real Estate Investment Trust WRE traded UP +\$0.54 per share to close UP +2% day

WRE stock traded UP +7% year to date for 2011, slightly underperforming Office REITs, UP +8%

WRE investors see renewed concern over potential for sudden disruption of federal spending as a result of disagreement over federal debt ceiling

WRE potential negative impact of federal spending reductions on metropolitan DC economy may be felt by all REITs invested in DC

WRE 100% of portfolio concentrated in metropolitan DC area

WRE most recent guidance for FFO for 2011 indicated potential for growth of as much as 6%

WRE an Office REIT with a diverse portfolio of office, retail, residential, medical and industrial properties concentrated in the metropolitan DC area

WRE we rank 3 HOLD

WRE market cap \$2.1 billion

REIT Comment



Company:	Health Care REIT
Price:	\$51
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,093
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/17/2011
HCN \$51

Health Care REIT HCN traded UP \$0.34 per share to close UP +1% day

HCN stock traded UP +7% year to date for 2011, outperforming Health Care REITs, UP +5%

HCN to present strategic overview to investors at Analyst Day scheduled this week for Thursday May 19, 2011

HCN recent acquisition of Genesis Healthcare, completed during 1Q 2011, to be accretive to FFO for 2011

HCN increased guidance for FFO for 2011 to indicate growth of as much as 11%

HCN results for 1Q 2011 showed strong same property NOI growth UP more than +3% for all property types

HCN stock price supported by current annual dividend yield of 5.4%

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

HCN we rank 2 BUY

HCN market cap \$7.1 billion

HCN an S&P 500 Index REIT

REIT Comment



Company:	Annaly Capital Management
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,819
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/18/2011
NLY \$18

Annaly Capital Management NLY mortgage application volume increasing as average mortgage rates decline

NLY Mortgage Bankers Association (MBA) reported 8% increase in mortgage application activity for week ended May 13, 2011

NLY refinancing applications UP +13%, while home purchase applications DOWN (3%)

NLY MBA reports average rate for 30 year fixed rate mortgage is now 4.6%, DOWN (0.53%) from 2011 peak level of 5.1%

NLY higher mortgage application volume provides opportunities to reinvest portfolio funds in agency guaranteed Residential MBS

NLY Fannie Mae reform still delayed by Congressional focus on federal debt ceiling

NLY stock price supported by current annual dividend yield of 13.9%

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

NLY we rank 2 BUY

NLY market cap \$11.8 billion

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,459
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/18/2011
DFT \$24

DuPont Fabros Technology DFT high demand for networking and cloud computing reported by Dell

DFT Dell reported servers and networking revenue increased 11%, with blade server revenue UP +23% and rack server revenue UP +10%

DFT similar results reported by other technology vendors with HP yesterday reporting networking products UP +15%, Cisco reporting "data center, virtualization and cloud" UP +31% and IBM reporting series x blade servers UP +15% for 1Q 2011

DFT new IBM survey of more than 3,000 global CIOs finds 60% expect to invest in cloud computing

DFT IBM survey finds CIOs view mobile computing as a "game changer" for their businesses

DFT enjoys 99% occupancy of established portfolio of wholesale data centers

DFT new developments to add 11% to capacity for 2011 and 20% for 2012

DFT results for 1Q 2011 exceeded expectations, with FFO UP +27%

DFT recent guidance for FFO for 2011 indicate potential for FFO growth of as much as 28%

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

DFT we rank 2 BUY

DFT market cap \$1.4 billion

REIT Comment



Company:	Ventas
Price:	\$55
Recommendation:	BUY
Ranking:	2
Market Cap:	\$8,646
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/18/2011
VTR \$55

Ventas VTR received appeals court decision upholding \$102 million damage award in litigation with HCP over acquisition price of Sunrise Senior Living

VTR may seek trial for punitive damages to be paid by HCF

VTR Sunrise Senior Living now an important contributor to NOI for VTR, expected to contribute more than \$150 million to NOI for 2011

VTR reported better than expected growth for "normalized FFO" for 1Q 2011, UP +12%

VTR most recent guidance for FFO for 2011 indicates potential for FFO growth of as much as 9%

VTR consolidation of Health Care REIT sector continues with VTR's pending acquisitions \$3.1 billion Atria Senior Living Group and \$7.4 billion Nationwide Health Properties NHP

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

VTR we rank 2 BUY

VTR market cap \$8.6 billion

VTR an S&P 500 Index REIT

REIT Comment



Company:	Agree Realty
Price:	\$23
Recommendation:	SELL
Ranking:	4
Market Cap:	\$232
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/18/2011
ADC \$23

Agree Realty ADC troubled tenant Borders Group may be forced to liquidate

ADC Borders Group failure to receive "going concern bid" by May 6, 2011 opens possibility of forced liquidation

ADC rumor last week that Borders Group received a takeover bid were squashed by news that competitor Barnes & Noble offered to acquire only 10 stores from bankrupt Borders Group

ADC hedge fund manager Ackman of Pershing Square Capital Management unsuccessful in prodding book store chains to merge

ADC publishers owed millions for past due receivables may be unresponsive to Borders Group plans to reorganize in bankruptcy and may file to force liquidation

ADC faces significant accounting issue, as ADC has yet to write down shareholders equity for the non-cash portion of Borders Group rents, recognized in full as revenues, although unpaid since October 2010

ADC other Retail REITs confirm all remaining Borders Group leases subject to significant reductions through renegotiation during bankruptcy

ADC Borders Group liquidation would force closure of mall and airport based Walden Books as well as all Borders stores

ADC a Retail REIT with a portfolio of net leased single tenant properties

ADC we rank 4 SELL

ADC market cap \$232 million

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,509
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/18/2011
DFT \$25

DuPont Fabros Technology DFT traded UP\$0.83 per share to close UP +3% day

DFT stock traded UP +18% year to date for 2011, outperforming Office REITs, UP +8%

DFT powerful sales of servers and networking equipment for data centers lifts expectations for REITs with portfolios of data centers

DFT results for 1Q 2011 exceeded expectations, with FFO UP +27%

DFT recent guidance for FFO for 2011 indicate potential for FFO growth of as much as 28%

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

DFT we rank 2 BUY

DFT market cap \$1.5 billion

REIT Comment



Company:	Associated Estates Realty Corp.
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$679
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/18/2011
AEC \$17

Associated Estates AEC traded UP \$0.35 per share to close UP +2% day

AEC stock traded UP +8% year to date, underperforming Residential REITs, UP +12%

AEC Residential REITs seeing renewed growth on higher than expected rents and occupancy

AEC pending apartment shortage in key urban markets to drive record monthly rental rates from 2011-2013

AEC recent guidance for FFO for 2011 indicated potential for 19% growth

AEC a Residential REIT with a diverse portfolio of apartment communities

AEC we rank 2 BUY

AEC market cap \$679 million

REIT Comment



Company:	Digital Realty Trust
Price:	\$62
Recommendation:	BUY
Ranking:	1
Market Cap:	\$7,119
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/18/2011
DLR \$62

Digital Realty Trust DLR traded UP \$0.88 per share to close UP +1% day

DLR stock traded UP +19% year to date for 2011, outperforming Office REITs, UP +8%

DLR powerful sales of servers and networking equipment for data centers lifts expectations for REITs with portfolios of data centers

DLR recently increased guidance for 2011 to indicate potential for FFO growth of 16%

DLR expects international expansion in London and Singapore to identify US corporate customers eager to maintain an edge in international data delivery

DLR seeing positive NOI benefit from conversions of office properties to turnkey data centers

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

DLR we rank 1 BUY

DLR market cap \$7.1 billion

REIT Comment



Company:	Mack-Cali Realty
Price:	\$34
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,187
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/18/2011
CLI \$34

Mack-Cali Realty CLI traded UP \$0.33 per share to close UP +1% day

CLI stock traded UP +4% year to date for 2011, underperforming Office REITs, UP +8%

CLI investor concern over continued rent rolldown for Office REITs on lease turnovers

CLI rents declined more than (6%) on lease rollovers for 1Q 2011

CLI significantly reduced guidance for FFO for 2011 to indicate potential for decline of as much as (7%), following FFO decline of (3%) for 2011

CLI an Office REIT with a portfolio of office properties concentrated in NY and NJ

CLI we rank 3 HOLD

CLI market cap \$3.2 billion

REIT Comment



Company:	Equity Residential
Price:	\$60
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,164
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/19/2011
EQR \$60

Equity Residential EQR lower unemployment claims a positive signal for Residential REITs

EQR most new jobs are taken by 25-34 year old age group, target market for apartment dwellers

EQR all Residential REITs reported better than expected results for 1Q 2011

EQR expected to hint at higher guidance for FFO for 2011 at NAREIT conference in 2 weeks

EQR most recent guidance for FFO for 2011 indicated potential for 6%-10% growth

EQR pending apartment shortage in key urban areas to drive record monthly rental rates for 2011-2013

EQR industry cessation of apartment building from 2008-2010 will keep apartment supply tight until 2014

EQR a Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$18.2 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,509
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/19/2011
DFT \$25

DuPont Fabros Technology DFT increasing importance of consumer video streaming drives incremental capacity demands on data centers, in addition to corporate investment in networking and cloud computing

DFT survey by network monitoring company Sandvine reported that Netflix NFLX video streaming accounted for almost 30% of TOTAL Internet traffic at peak hours, and 22% over a 24 hour period

DFT growth in demand for mobile Internet access also driven by plethora of handheld devices including smartphones, tablets, notebooks and e-readers

DFT key tenants are the largest Internet portals and access providers including Facebook, Google, Microsoft MSN and Yahoo!

DFT enjoys 99% occupancy of established portfolio of wholesale data centers

DFT new developments to add 11% to capacity for 2011 and 20% for 2012

DFT results for 1Q 2011 exceeded expectations, with FFO UP +27%

DFT recent guidance for FFO for 2011 indicate potential for FFO growth of as much as 28%

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

DFT we rank 2 BUY

DFT market cap \$1.5 billion

REIT Comment



Company:	Health Care REIT
Price:	\$51
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,142
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/19/2011
HCN \$51

Health Care REIT HCN today's Analyst Day focuses on successful acquisition program as driver for investment

HCN total of \$7 billion invested in portfolio assets from 2010 through May 2011, including \$2.4 billion for Genesis HealthCare acquisition (completed in April, 2011) and \$890 million for Benchmark Senior Living

HCN management goal 8%-11% FFO growth, driven by internal NOI improvement and by external acquisitions

HCN senior housing still the majority of portfolio assets, including 28% net leased senior housing assets, 28% post-acute and specialty senior housing and 17% operating senior housing assets

HCN other health care asset types contributing to portfolio include 18% medical office building, 6% hospital, and 3% life science

HCN target market for senior housing acquisitions is 6,600 US properties operated by for-profit chains

HCN sees relationships with hospital chains providing key link to acquisitions of high occupancy medical office buildings

HCN medical office building occupancy unusually high at 93%, indicating quality of assets

HCN stock price supported by current annual dividend yield of 5.4%

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

HCN we rank 2 BUY

HCN market cap \$7.1 billion

HCN an S&P 500 Index REIT

REIT Comment



Company:	Capstead Mortgage Corporation
Price:	\$13
Recommendation:	BUY
Ranking:	2
Market Cap:	\$916
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/19/2011
CMO \$13

Capstead Mortgage CMO mortgage refinancing volume rising as mortgage rates decline

CMO Fannie Mae reports 30 year mortgage rates declined (0.02%) to 4.61% as of May 13, 2011

CMO refinancings now account for two thirds of total mortgage applications

CMO higher mortgage volume provides re-investment opportunities for portfolio of agency guaranteed Residential MBS

CMO stock price supported by current annual dividend yield of 12.6%

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

CMO we rank 2 BUY

CMO market cap \$916 million

REIT Comment



Company:	Agree Realty
Price:	\$23
Recommendation:	SELL
Ranking:	4
Market Cap:	\$225
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/19/2011
ADC \$23

Agree Realty ADC traded DOWN (\$0.53) per share to close DOWN (2%) day

ADC stock traded DOWN (14%) year to date for 2011, underperforming Retail REITs, UP +3%

ADC news that key tenant Borders Group BGP failed to receive a takeover bid means publishers owed millions in past due bills may force Borders Group to liquidate

ADC after divestitures, Borders Group still 14% of total rental revenue

ADC Borders seeking to move from headquarters building in Ann Arbor MI owned by ADC

ADC total exposure exceeds 14% of total rents, as previous accounting choices may require significant writeoff

ADC has yet to writeoff Borders Group rents recognized as revenues although unpaid since October 2010

ADC may reduce dividends again to offset another charge to shareholders' equity for Borders Group

ADC a Retail REIT with a portfolio of net leased properties

ADC we rank 4 SELL

ADC market cap \$225 million

REIT Comment



Company:	Redwood Trust
Price:	\$15
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,201
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/19/2011
RWT \$15

Redwood Trust RWT traded UP \$0.14 per share to close UP +1% day

RWT traded UP +2% year to date for 2011, outperforming Financial Mortgage REITs, FLAT

RWT lower mortgage rates causing higher mortgage refinance applications

RWT higher volume of mortgage applications provides more opportunity for portfolio growth and reinvestment

RWT stock price supported by current annual dividend yield of 6.6%, at the low end of the range for Financial Mortgage REITs

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

RWT we rank 4 SELL

RWT market cap \$1.2 billion

REIT Comment



Company:	Developers Diversified Realty
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,871
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/19/2011
DDR \$15

Developers Diversified Realty DDR traded UP \$0.16 per share to close UP +1% day

DDR stock traded UP +4% year to date, slightly outperforming Retail REITs, UP +3%

DDR higher food costs may stimulate tenant sales for Retail REITs with portfolios of grocery anchored shopping centers

DDR grocery chains normally outperform department stores and mall based retailers during times of inflationary food costs

DDR conservative guidance for FFO for 2011 indicates potential for FLAT year or decline of as much as (13%), due to dilution from share issuance

DDR a Retail REIT with a portfolio of grocery anchored shopping centers in US and Latin America

DDR we rank 2 BUY

DDR market cap \$3.9 billion

REIT Comment



Company:	AvalonBay Communities
Price:	\$129
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,112
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/19/2011
AVB \$129

AvalonBay Communities AVB traded UP \$1.06 per share to close UP +1% day

AVB stock traded UP +15% year to date for 2011, outperforming Residential REITs, UP +12%

AVB all Residential REITs reported better than expected results for 1Q 2011, and many increased guidance for FFO for 2011 to indicate growth of more than 10%

AVB pending apartment shortage in key markets to drive record monthly rental rates for 2011-2013

AVB well positioned to exploit apartment shortage with 14 new apartment projects under development

AVB most recent guidance for FFO for 2011 indicated potential for FFO growth of as much as 19%

AVB a Residential REIT with a portfolio of upscale apartment communities in suburban locations on east and west coast

AVB we rank 2 BUY

AVB market cap \$11.1 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	Apartment Investment and Management
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,426
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/20/2011
AIV \$27

Apartment Investment and Management AIV refinancing of \$674 million loans to cause non-recurring debt extinguishment costs for 2Q 2011

AIV reduced guidance by (\$0.15) per share for FFO for 2Q 2011 and for 2011 to include debt extinguishment costs

AIV previous FFO guidance unchanged for operating factors, excluding debt extinguishment costs

AIV previous guidance 2Q 2011 FFO \$0.33-\$0.37 v \$0.41 (adjusted) DOWN (10%)-(20%)

AIV previous guidance 2011 FFO \$1.49-\$1.59 v \$1.51 DOWN (1%)-UP +5%

AIV previous guidance 2011 FFO assumed same property NOI UP +2.5%--4.5%, compared to 8.5% NOI growth for 1Q 2011

AIV previous guidance 2011 FFO assumed occupancy 95.5%+96.5%, compared to 96.4% occupancy for 1Q 2011

AIV we expect investors to ignore debt extinguishment costs to focus on operating FFO

AIV current annual dividend yield of 1.8%

AIV like all Residential REITs seeing higher rental rates and occupancy due to job growth and apartment shortage in key urban markets

AIV a Residential REIT with a diverse portfolio of apartment communities

AIV we rank 2 BUY

AIV market cap \$4.4 billion

AIV an S&P 500 Index REIT

REIT Comment



Company:	Corporate Office Properties Trust
Price:	\$35
Recommendation:	SELL
Ranking:	4
Market Cap:	\$2,354
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/20/2011
OFC \$35

Corporate Office Properties Trust OFC priced offering of 4 million shares at \$33 per share

OFC offering priced at discount of (5%) to last night's closing price

OFC estimated net proceeds of \$127-\$146 million to be applied to reduce debt

OFC joint bookrunning managers Wells Fargo, RBC and KeyBanc
OFC senior co-managers BofA Merrill Lynch, JP Mprgan, Raymond James
OFC co-managers Piper Jaffray and PNC

OFC May 2011 stock offering to increase total shares outstanding by 6%

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

OFC we rank 4 SELL

OFC market cap \$2.4 billion

REIT Comment



Company:	DCT Industrial Trust
Price:	\$5
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,351
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/20/2011
DCT \$5

DCT Industrial Trust DCT announced private placements raising \$400 million

DCT to sell private placement of \$225 million senior unsecured notes at 4.93% yield

DCT syndicate of 12 banks to issue \$175 million senior unsecured term loan to expire June 2015

DCT expects significantly higher profitability by 2012 due to higher occupancy and improved rental rates

DCT to update investors at NAREIT in 2 weeks

DCT an Industrial REIT

DCT we rank 2 BUY

DCT market cap \$1.4 billion

REIT Comment



Company:	Agree Realty
Price:	\$23
Recommendation:	SELL
Ranking:	4
Market Cap:	\$225
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/20/2011
ADC \$23

Agree Realty ADC key tenant Borders Group BGP likely to see heightened competition on pending merger of largest competitor Barnes & Noble BKS

ADC surprising \$1 billion bid by Liberty Media for Barnes & Noble indicates confidence that dominance of US retail bookstore market is assured, given continued bad news during bankruptcy for Borders Group

ADC ongoing exposure to key tenant Borders Group at 14% of total rental revenue, including 9 retail stores and Borders Group headquarters office building in Ann Arbor MI

ADC key tenant Borders Group already announced plans to close 5 ADC stores and is seeking to vacate corporate headquarters

ADC other Retail REITs confirm all Borders Group leases subject to renegotiation during bankruptcy

ADC troubled tenant Borders Group may be forced to liquidate a procedure that would terminate all leases

ADC significant accounting issue in addition to pending reduction of rents

ADC has yet to write off Borders Group rents previously recognized as revenues although unpaid since October 2010

ADC may reduce dividends again to offset another charge to shareholders' equity for Borders Group

ADC a Retail REIT with a portfolio of net leased properties

ADC we rank 4 SELL

ADC market cap \$225 million

REIT Comment



Company:	Apartment Investment and Management
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,244
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/20/2011
AIV \$25

Apartment Investment and Management AIV traded DOWN (\$0.42) per share to close DOWN (2%) day

AIV traded DOWN (1%) year to date for 2011, underperforming Residential REITs, UP +12%

AIV completion of financing this week added debt extinguishment costs to 2Q 2011

AIV investors should consider only operating FFO (excluding non-cash non-recurring charges)

AIV original guidance for operating FFO remains intact

AIV like all Residential REITs enjoying high occupancy and increasing rental rates on emerging apartment shortage in key urban areas

AIV a Residential REIT with a diverse portfolio of apartment communities

AIV we rank 2 BUY

AIV market cap \$4.2 billion

AIV an S&P 500 Index REIT

REIT Comment



Company:	CBL & Associates
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,300
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/20/2011
CBL \$18

CBL & Associates CBL traded DOWN (\$0.57) per share to close DOWN (3%) day

CBL traded DOWN (1%) year to date for 2011, underperforming Retail REITs, UP +3%

CBL Retail REITs reporting significant tenant sales gains continued through end of April 2011

CBL most recent guidance for FFO for 2011 indicated potential for FFO growth of 3%

CBL occupancy at 90% as of 1Q 2011

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

CBL we rank 2 BUY

CBL market cap \$3.3 billion

REIT Comment



Company:	Highwoods Properties
Price:	\$35
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,657
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/20/2011
HIW \$35

Highwoods Properties HIW traded DOWN (\$0.71) per share to close DOWN (2%) day

HIW stock traded UP +10% year to date for 2011, outperforming Office REITs, UP +8%

HIW investor concern over continued rent roll downs on lease turnover for Office REITs

HIW exposure to federal government tenants at 9% of total rents

HIW most recent guidance for FFO for 2011 indicated potential for FFO growth of 4%

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

HIW we rank 3 HOLD

HIW market cap \$2.7 billion

REIT Comment



Company:	Regency Centers Corporation
Price:	\$44
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,626
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/20/2011
REG \$44

Regency Centers REG traded DOWN (\$0.98) per share to close DOWN (2%) day

REG stock traded UP +3% year to date for 2011, in line with Retail REITs, UP +3%

REG impact of higher food prices may benefit Retail REITs with portfolios of grocery anchored shopping centers

REG higher tenant sales should enable more favorable lease negotiations

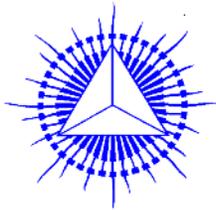
REG grocery chains normally outperform department stores and mall based retailers during times of inflationary food costs

REG recent guidance for FFO for 2011 indicated potential for FLAT year or as much as 4% growth, following (11%) FFO decline for 2010

REG a Retail REIT with a portfolio of grocery anchored shopping centers

REG we rank 2 BUY

REG market cap \$3.6 billion



REIT Growth and Income Monitor posted 41 REIT comments for the week ended May 20, 2011. Comments were issued on REITs in the following sectors:

Financial REITs	5
Health Care REITs	3
Hotel REITs	0
Industrial REITs	1
Office REITs	10
Residential REITs	7
Retail REITs	10
Specialty REITs	5

Information on REIT sectors may be found using this link:

http://www.reitmonitor.net/REIT_Resources

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

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

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