

REIT Growth and Income Monitor

Weekly Comments 03/22/2011

REITs maintain positive performance gap of 1% versus the S&P 500 Index, despite concern for global equities in the wake of the Japan earthquake and tsunami.

Impact of disruption of Japanese economy will be felt on Industrial REITs and Retail REITs.

AMB Property continues to invest in new distribution facilities in Japan, while supporting relief efforts in Sendai, Japan.

Simon Property Group may see lower sales from Staples and Best Buy, as consumer electronics items may be in short supply by the summer of 2011.

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**Weekly REIT Comments**
03/22/2011

As global equities traded down over concern for Japan, REITs outperformed the S&P 500 Index during the third week of March, 2011. S&P 500 Index REITs are up 3% year to date through March 18, 2011, outperforming 2% gain for the S&P 500 Index, maintaining 1% positive performance gap for 2011. Average gain for all REITs followed by REIT Growth and Income Monitor is 3% year to date for 2011. REITs continued to rally through the end of 2010 to show average year to date gain of 28%, dramatically outperforming 2010 gain of 13% for the S&P 500 Index. Positive performance gap for 2010 expanded to 15% in favor of REITs. S&P 500 Index REITs lagged the average gain for all REITs followed by REIT Growth and Income Monitor, ending the year of 2010 up 35%.

Recent guidance issued for 2011 indicates FFO growth will be flat to up less than 5% for most REIT sectors. Many Office REITs provided disappointing guidance, due to continued rent roll-downs. Most Residential REITs exceeded guidance for FFO for 2010 and indicated FFO growth for 2011 of as much as 8%-15%. 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.

Financial REITs face significant fundamental change during 2011. New issues of CMBS will revive a moribund market for commercial debt, although Financial Commercial REITs with aging portfolios of debt may have insufficient liquidity to benefit from new offerings (see our **REIT Weekly Comments** of January 11, 2011 for more on Financial Commercial REITs). Debate of President Obama's proposed federal budget has delayed Fannie Mae reform. Reform of Fannie Mae may ultimately impact the housing sector starting in 2011, changing the outlook for Financial Mortgage REITs and certain Specialty REITs subject to demand fluctuations from home construction.

Investors still have many opportunities to purchase strong REITs at depressed prices. Capital raised by REITs through equity and debt offerings depressed FFO for 2010, but should drive unusually rapid FFO growth for 2012 and beyond, once funds are reinvested in acquisitions and new developments.

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 dividend increases and restoration of all cash dividends. As dividend payers, REITs may be viewed as income stocks, with a gradually improving outlook for higher dividend distributions.

Impact of Disruption of Japan's Economy on Industrial REITs and Retail REITs

Impact of disruption of Japan's economy may soon be felt by US consumers and manufacturers, with lingering effects likely to be felt beyond 2011. We count 3 US publicly traded REITs with direct portfolio investments in Japan, including 2 Industrial REITs, **AMB Property** and **ProLogis Trust** (these 2 REITs recently agreed to merge in a stock for stock "at the market" transaction), as well as **Simon Property Group**, the largest US publicly traded Retail REIT, with 8 brand name outlet centers located in Japan. Impact of the earthquake and tsunami on these US REITs is slight, according to announcements to date. Most portfolio investments owned by US REITs in Japan are concentrated near Tokyo, where the earthquake was felt but damage was slight. We think the disruption of Japan's economic activity will be greater than direct impact of the earthquake or tsunami, as it becomes obvious that Japan's production of automobiles, auto parts, and consumer electronics is surprisingly dependent on Japan's investment in specialized semiconductor chips.

Immediately after the earthquake and tsunami, focus on relief efforts and disruption of power sources crippled production, with almost all Japan's auto companies and consumer product manufacturing temporarily closed down. Restarting these plants will depend on restoration of Japan's custom semiconductor wafer production. Trade sources estimate that more than 60% of "wafer starts" for semiconductors used in automobiles for dashboard controls, diagnostics, and engine control originate in Japan. Availability of Japanese chips to make auto parts is a critical gating factor for automobile production, not only in Japan, but also in US, Europe, and Korea. Consumer electronics depend on memory and storage, as well as custom control chips made in Japan. While chips for consumer electronics are produced in Japan, assembly and test of consumer electronics and medical devices are performed elsewhere in Asia. Standard production cycle of 100 days is likely to keep US stores stocked through the end of May, but parts shortages for consumer electronics may be seen by summer, 2011. Watch prices on Apple's iPad2 and Blackberry's newest smartphones as a visible sign of this problem. Microprocessors controlling microwaves, TVs and other consumer appliances are also likely to see price increases, with product shortages to be seen by fall, 2011.

Concern over radioactivity from the heavily damaged Fukushima nuclear facilities will impact Japan's market share for food products, while snarling shipments from Yokohama (Tokyo's port) for all types of items shipped by container or via boats to Australia, China, other Asian economies, and also to the US. For Japan, the economic burden of rebuilding homes and repairing infrastructure may pale in contrast to the need to provide support for relocating populations and restoring agricultural production. Fortunately, Japan's people are among the most dedicated and productive in the world. Recovery is certain, although timing is still unknown.

Trading Opportunities

Investment in Industrial REIT **AMB Property** before pending merger with **ProLogis Trust** enables investors to participate in international trade through a portfolio of distribution facilities near key ports, airfreight facilities and bimodal distribution points in US, Europe and Asia. Post merger, the new **ProLogis Trust** will have \$13 billion in market cap and \$24 billion in assets. **AMB Property** announced limited damage to Japan properties in Tokyo and moderate damage to a single facility in Sendai, with adequate insurance coverage to limit **AMB Property's** direct expenses to \$3 million. **AMB Property** is supporting Japan relief efforts and offering to match employee contributions to relief funds. Reported FFO for 4Q 2010 increased 3%. Guidance for "core FFO" (excluding gains on development projects) for 2011 indicates potential for 7%-15% growth. Management projection for \$80 million post merger expense savings should partly be devoted to shareholder returns, as well as to portfolio investment. Current dividend yield of 3.2% should be supplemented by dividend growth once merger consolidation is completed.

Simon Property Group, by far the largest US publicly traded REIT at a market cap of \$37 billion, offers investors broad exposure to retail formats, with a total portfolio of 264 million square feet of retail space in regional malls and brand name outlet centers in US, Europe and Asia. **Simon Property Group's** financial strength is exceptional, making it a likely acquirer of other Retail REITs over the next few years. **Simon Property Group** reported 8% FFO growth for 3Q 2010, with occupancy up 1% to 94% and average rents still trending up 1%, as tenant sales increased 9% for 4Q 2010. Guidance for FFO for 2011 indicates potential for growth of as much as 9%. **Simon Property Group** experimented with paying most dividends in stock during 2009, but returned to all cash dividends for 2010, and recently increased the annual dividend distribution to \$3.20 per share, providing income investors with yield of 3.1%.



Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Price	Price	Price	Price	Weekly	2011
		12/31/2010	02/25/2011	03/04/2011	03/11/2011	03/18/2011	Change	Price Change
Apartment Investment and Management	AIW	\$26	\$25	\$24	\$25	\$25	0%	-5%
AvalonBay Communities	AVB	\$113	\$118	\$115	\$118	\$117	-0%	4%
Boston Properties	BXP	\$86	\$94	\$93	\$93	\$92	-2%	6%
Equity Residential	EQR	\$52	\$53	\$53	\$55	\$55	0%	5%
HCP Inc.	HCP	\$37	\$37	\$37	\$38	\$38	-0%	3%
Health Care REIT	HCN	\$48	\$51	\$51	\$52	\$52	-1%	9%
Host Hotels & Resorts	HST	\$18	\$18	\$18	\$18	\$17	-0%	-2%
Kimco Realty	KIM	\$18	\$19	\$18	\$18	\$18	-2%	-2%
Plum Creek Timber	PCL	\$37	\$41	\$41	\$42	\$43	3%	14%
Prologis Trust	PLD	\$14	\$16	\$16	\$15	\$15	-4%	2%
Public Storage	PSA	\$101	\$111	\$109	\$111	\$108	-3%	6%
Simon Property Group	SPG	\$99	\$107	\$107	\$107	\$104	-3%	4%
Ventas	VTR	\$52	\$57	\$53	\$53	\$52	-1%	-0%
Vornado Realty Trust	VNO	\$83	\$90	\$88	\$88	\$86	-3%	3%
S&P 500 Index	S&P 500	\$1,258	\$1,320	\$1,321	\$1,304	\$1,279	-2%	2%
Average for S&P 500 Index REITs							-1%	3%

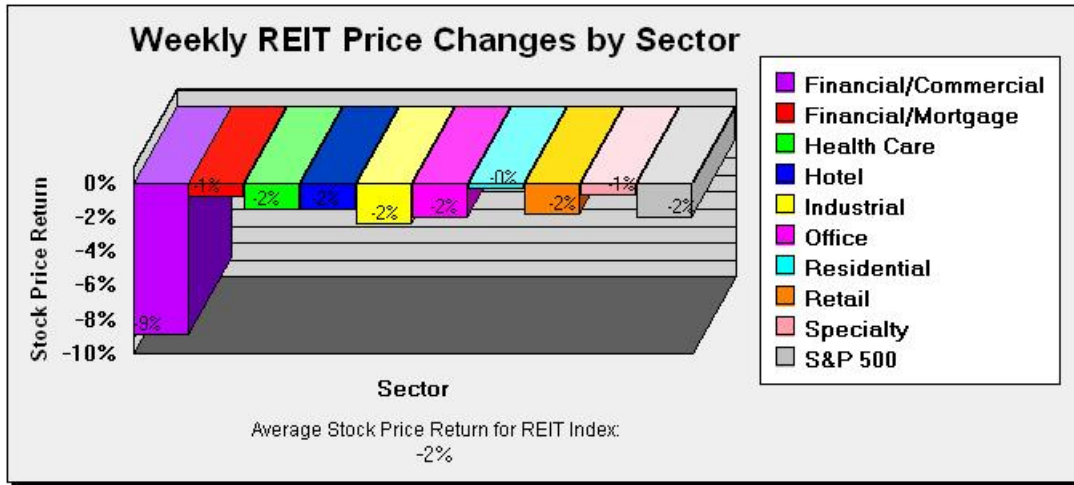
S&P 500 Index REITs traded down (1%) for the third week of March, 2011, ended March 18, 2011. REITs outperformed the S&P 500 Index, trading down (2%) for the week. The S&P 500 Index slid to gain of only 2% year to date for 2011, with REITs up 3%, maintaining positive performance gap at 1% for the first 11 trading weeks of 2011. The S&P 500 Index ended 2010 up 13%, while REITs included in the S&P 500 Index finished 2010 with a gain of 28%, as positive performance gap expanded to 15%.

Plum Creek Timber, the only S&P 500 REIT to decline during 2010, gained 14%, to become the best performer among S&P 500 Index REITs year to date for 2011. Other S&P 500 REITs to show early gains during 2011 include Health Care REIT, up 9%, with Boston Properties and Public Storage up 6%. Leaders among S&P 500 REITs during the last month of 2010 traded down in early 2011, such as Apartment Investment and Management down (5%), and HCP, now up 3% for 2011. Investor concern over higher gasoline prices drove Hotel REIT Host Hotels & Resorts to a decline of (2%) for 2011. Kimco Realty, down (2%) for 2011 and Ventas, flat for 2011, retraced earlier gains despite positive news on earnings trends.

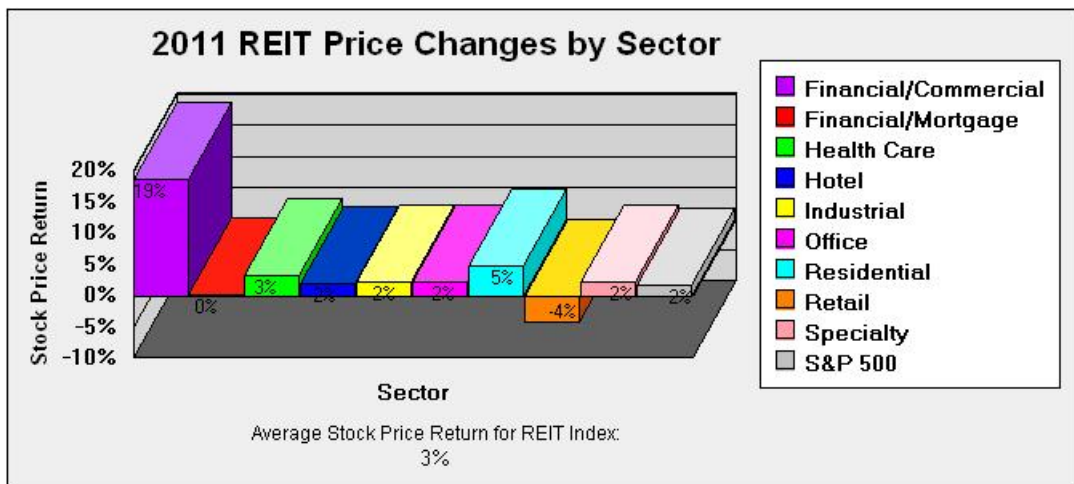
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Weekly REIT Price Changes by Sector



REITs struggled to overcome the headwind of a down stock market during the third week of March ended March 18, 2010, as concern over Japan impacted global equities. Best performing sector was Residential REITs, unchanged, followed by Financial Mortgage REITs and Specialty REITs, both down (1%). Health Care REITs, Hotel REITs, Industrial REITs, Office REITs and Retail REITs decreased (2%). Worst performing sector was Financial Commercial REITs, down (9%). On average, stock prices for REIT Growth and Income Monitor decreased (2%) for the third week of March, ended March 18, 2011.



REITs followed by REIT Growth and Income Monitor retreated further to a gain of 3% on average year to date for 2011 (still exceeding gain of only 2% 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 19%. Residential REITs gained 5%, followed by Health Care REITs, up 3%. Hotel REITs, Industrial REITs, Office REITs and Specialty REITs all increased 2%. Financial Mortgage REITs are now unchanged for 2011. Lagging Retail REITs show a decline of (4%) year to date for 2011.

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REIT Comment



Company:	Camden Property Trust
Price:	\$56
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,042
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/14/2011
CPT \$56

Camden Property Trust CPT increased quarterly dividend distribution by 9% to \$0.49 per share

CPT new annual dividend \$1.96 per share

CPT new yield 3.49%, near midpoint of the range for Residential REITs

CPT a Residential REIT with a diverse portfolio of apartment communities

CPT we rank 2 BUY

CPT market cap \$4.0 billion

REIT Comment



Company:	Gramercy Capital
Price:	\$5
Recommendation:	SELL
Ranking:	5
Market Cap:	\$247
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/14/2011
GKK \$5

Gramercy Capital GKK announced extended loan maturity date for \$241 million mortgage loan with Goldman Sachs, Citi and SL Green Realty, as well as \$550 million senior and junior loans held by KBS Debt Holdings, Goldman Sach, Citi and SL Green Realty

GKK loan maturity extended by only 1 month to April 15, 2011

GKK to pay \$3.5 million in fees as compensation for loan extension

GKK to delay report of financial results for 2010, by filing for extension with SEC

GKK difficulty of refinancing loan obligations may force bankruptcy filing

GKK investor concern over exposure to financial tenants in portfolio of owned real estate

GKK key tenants Bank of America and Wells Fargo (previously Wachovia) committed to downsize operations in wake of new regulations limiting proprietary trading by banks

GKK a Financial Commercial REIT

GKK we rank 5 SELL

GKK market cap \$247 million

REIT Comment



Company:	AMB Property
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,837
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/14/2011
AMB \$35

AMB Property AMB magnitude of economic impact to Japanese economy from massive earthquake and tsunami likely to impact international trade with Japan

AMB distribution facilities near port facilities in Japan not impacted by disaster, but likely to see much lower volume for 6-9 months, pending economic recovery

AMB cessation of auto production in Japan likely to be accompanied by falloff of production in key technology industries

AMB exposure to Japan less than 5% of total rental revenue

AMB exposure to Japan for pending merger partner ProLogis Trust PLD may be slightly greater than for AMB, despite divestiture of most Asian assets in 2008

AMB impact of cessation of economic activity in Japan likely to be short term soon to be offset by higher trade with other Asian countries

AMB an Industrial REIT with a portfolio of distribution facilities located near key bimodal transportation ports in US, Europe and Asia

AMB we rank 2 BUY

AMB market cap \$5.8 billion

REIT Comment



Company:	Capital Trust
Price:	\$3
Recommendation:	SELL
Ranking:	4
Market Cap:	\$56
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/14/2011
CT \$3

Capital Trust CT tax rights preservation agreement may limit ability of CT to merge or be acquired by another company

CT rights offering to be triggered by an outside investor acquiring more than 4.9% of the stock of CT

CT tax rights preservation agreement may be terminated by board of directors

CT tax loss carryforwards for CT and subsidiaries expected to total more than \$1 billion by end of 2010

CT has yet to report financial results for 2010

CT a Financial Commercial REIT

CT we rank 4 SELL

CT market cap \$56 million

REIT Comment



Company:	UMH Properties
Price:	\$10
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$128
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/14/2011
UMH \$10

UMH Properties UMH 4Q 2010 FFO \$0.25 v \$0.28 DOWN (11%)

UMH 2010 FFO \$0.88 v \$0.84 (adjusted) UP +5%

UMH 2010 FFO supported by \$3.9 million realized gains on securities transactions, compared to loss of (\$1.8) million for previous year

UMH no guidance provided for FFO for 2011

UMH 2010 portfolio occupancy stable at 78%

UMH 2010 \$35 million acquisition of 7 manufactured home communities in PA to add to FFO for 2011

UMH a Specialty REIT with a portfolio of manufactured home communities

UMH we rank 3 HOLD

UMH market cap \$128 million

REIT Comment



Company:	ProLogis Trust
Price:	\$15
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$7,198
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/14/2011
PLD \$15

ProLogis Trust PLD traded DOWN (\$0.36) per share to close DOWN (2%)

PLD traded DOWN (15%) year to date for 2010
PLD underperformed Industrial REITs, trading UP +5% during 2010

PLD investor concern that economic disruption from massive earthquake and tsunami in Japan may impact Industrial REITs with distribution facilities located in Asia

PLD most Asian assets were divested in 2008, but wholly owned developments in Japan and other Asian markets remain

PLD pending merger with AMB Property AMB expected to close during 3Q 2011, should support the stock

PLD recent guidance for FFO for 2011 (excluding merger accounting) indicated potential for (7%) decline

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

PLD we rank 3 HOLD

PLD market cap \$7.2 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Regency Centers Corporation
Price:	\$43
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,610
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/14/2011
REG \$43

Regency Centers REG traded DOWN (\$0.71) per share to close DOWN (2%) day

REG stock traded UP +3% year to date for 2011
REG underperformed Retail REITs, trading UP +20% during 2010

REG investor concern over economic impact of Japanese earthquake

REG recent guidance for FFO for 2011, indicated potential for 4% growth, with midpoint of guidance indicating FLAT year

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

REG we rank 2 BUY

REG market cap \$3.6 billion

REIT Comment



Company:	Kimco Realty
Price:	\$18
Recommendation:	BUY
Ranking:	1
Market Cap:	\$7,196
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/14/2011
KIM \$18

Kimco Realty KIM traded DOWN (\$0.34) per share to close DOWN (2%) day

KIM stock traded DOWN (2%) year to date for 2011
KIM underperformed Retail REITs, trading UP +33% during 2010

KIM investor concern over economic impact of Japanese earthquake appears misplaced

KIM recent guidance for FFO for 2011 indicated potential for 6% growth

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

KIM we rank 1 BUY

KIM market cap \$7.2 billion

KIM an S&P 500 Index REIT

REIT Comment



Company:	Plum Creek Timber
Price:	\$42
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,841
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
PCL \$42

Plum Creek Timber PCL traded UP \$0.76 per share to close UP +2% day

PCL traded UP +13% year to date for 2011
PCL underperformed Specialty REITs, trading DOWN (1%) during 2010

PCL was the only REIT of 14 REITs included in the S&P 500 Index to trade DOWN during 2010

PCL demand for US lumber exports to Japan likely to dramatically increase during 2011, as Japan recovers from massive earthquake and tsunami

PCL competition from Canadian lumber impacted by provincial limitations on exports as well as by insect infestation impact on harvest

PCL new tariffs on lumber imports to Phillipines during 2011 likely to favor exports to Japan

PCL seasonal decline in wholesale lumber inventories sets up potential for rapid increase in lumber prices on recovery of construction in spring

PCL stock price supported by current annual dividend yield of 4.0% and management commitment to repurchase stock

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

PCL we rank 2 BUY

PCL market cap \$6.8 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	Simon Property Group
Price:	\$106
Recommendation:	BUY
Ranking:	2
Market Cap:	\$37,213
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/14/2011
SPG \$106

Simon Property Group SPG Retail REIT stocks feeling investor concerns over economic impact of massive earthquake and tsunami in Japan

SPG reports from semiconductor manufacturers and EMS companies (technology manufacturing) indicates that disruption of Japanese electronics supply chain may force prices higher for key components including memory and storage devices

SPG delays in shipment of technology products not likely to be felt until June 2011, as 90 day manufacturing and shipment cycle means current production from assembly plants elsewhere in Asia will still ship on time

SPG electronics retailers including Best Buy and office products companies such as Staples may see shortages in popular products, but probably not until this summer

SPG higher prices for consumer electronics and some shortages impacting key products may force consumers to delay spending until the last months of 2011, when Japanese production is likely to be fully restored

SPG US retail spending should continue to show gains over 2010 for several more months, possibly declining during the summer

SPG consumer technology products less than 15% of total sales at US malls owned by SPG

SPG recent guidance for FFO for 2011 indicated potential for growth of 7%-9%

SPG a Retail REIT with a portfolio of regional malls and brand name outlet centers

SPG we rank 2 BUY

SPG market cap \$37.2 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Potlatch Corp.
Price:	\$38
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,541
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/15/2011
PCH \$38

Potlatch PCH demand for US lumber exports to Japan likely to dramatically increase during 2011, as Japan recovers from massive earthquake and tsunami

PCH competition from Canadian lumber impacted by provincial limitations on exports as well as by insect infestation impact on harvest

PCH new tariffs on lumber imports to Phillipines during 2011 likely to favor exports to Japan

PCH seasonal decline in US wholesale lumber inventories sets up potential for rapid increase in lumber prices on recovery of home construction in spring

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

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:	Corporate Office Properties Trust
Price:	\$35
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,196
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/15/2011
OFC \$35

Corporate Office Properties Trust OFC stock faces another deadline this week with end of continuing resolution funding federal spending effective March 18, 2011

OFC use of "continuing resolution" to fund federal spending pending successful budget negotiations likely to retard signing of new office leases during 2011

OFC additional investor concern over negative impact of pending federal agency spending decline on metropolitan DC area

OFC US government agencies total 20% of OFC rental revenue, while contractors and other tenants serving government agencies brings total government exposure to more than 40% of total rents

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

OFC we rank 3 HOLD

OFC market cap \$2.2 billion

REIT Comment



Company:	Duke Realty Corporation
Price:	\$14
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,570
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/15/2011
DRE \$14

Duke Realty DRE US Industrial REITs with no international properties may still be impacted by disruption of Japanese economy

DRE Japanese auto companies with US production plants may shutdown due to parts shortages pending restart of Japanese production of auto parts

DRE US auto companies also dependent on Japanese suppliers for key parts

DRE inventories of consumer electronics products may be depleted due to parts shortages particularly for memory and storage

DRE while Korean, Taiwanese, Chinese, and other Asian electronics manufacturers will still ship product through the end of May, inventories of consumer electronics for US retail sales may be depleted during the summer of 2011

DRE negative impact on FFO of US Industrial REITs from Japanese economic disruption may not be evident until results to be reported for 3Q 2011, more than 6 months from now

DRE an Industrial REIT

DRE we rank 2 BUY

DRE market cap \$3.6 billion

REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$25
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,817
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/15/2011
LHO \$25

LaSalle Hotel Properties LHO traded DOWN (\$0.58) per share to close DOWN (2%) day

LHO stock traded DOWN (3%) year to date for 2011
LHO underperformed Hotel REITs, trading UP +24% during 2010

LHO investor concern over impact of higher gasoline prices on travel related stocks, including airlines and hotels

LHO limited travel budgets may force shorter hotel stays and less discretionary spending

LHO recent guidance for FFO for 2011 indicated potential for 10%-18% growth

LHO a Hotel REIT

LHO we rank 4 SELL

LHO market cap \$1.8 billion

REIT Comment



Company:	AMB Property
Price:	\$33
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,579
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/15/2011
AMB \$33

AMB Property AMB stock traded DOWN (\$0.68) per share to close DOWN (2%) day

AMB stock traded UP +5% year to date for 2011
AMB outperformed Industrial REITs, trading Up +24% during 2010

AMB Industrial REITs with distribution facilities in Japan may see sudden decline in demand due to disruption of Japanese economy

AMB distribution facilities located in Japan represent less than 5% of total rental revenue

AMB pending merger with ProLogis Trust in stock for stock transaction to be completed during 3Q 2011

AMB recent guidance for FFO for 2011 indicates potential for UP +7% - +15% growth (excluding merger accounting adjustments)

AMB an Industrial REIT with a portfolio of distribution facilities located near key bimodal transportation ports in US, Europe and Asia

AMB we rank 2 BUY

AMB market cap \$5.6 billion

REIT Comment



Company:	CommonWealth REIT
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,828
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/15/2011
CWH \$25

Commonwealth REIT CWH traded DOWN (\$0.61) per share to close DOWN (2%) day

CWH traded DOWN (1%) year to date for 2011
CWH underperformed Office REITs, trading DOWN (1%) during 2010

CWH investor concern over rental rate declines for Office REITs on lease rollovers

CWH reported rental rate rolldown of (5%) on new leases during 4Q 2010

CWH portfolio occupancy gain helps to offset margin pressure from lower average rents

CWH an Office REIT

CWH we rank 2 BUY

CWH market cap \$1.8 billion

REIT Comment



Company:	iStar Financial
Price:	\$9
Recommendation:	SELL
Ranking:	5
Market Cap:	\$867
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/15/2011
SFI \$9

iStar Financial SFI traded DOWN (\$0.13) per share to close DOWN (1%) day

SFI stock traded UP +19% year to date for 2011
SFI outperformed Financial Commercial REITs, trading UP +205% during 2011

SFI seeking to complete refinancing of mortgages and unsecured debt

SFI investor concern over remaining credit quality issues

SFI a Financial Commercial REIT

SFI we rank 5 SELL

SFI market cap \$867 million

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$17
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$11,577
Link:	http://www.reitmonitor.net/atlantiss/reitwebrpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/16/2011
HST \$17

Host Hotels & Resorts HST impact of higher gasoline prices may prevent achievement of optimistic guidance for 2011

HST as consumers and business travelers seek to control impact of higher gasoline prices and higher airfares on limited travel budgets, Hotel REITs likely to see shorter stays and lower spending on extra meals and other amenities

HST occupancy lower than planned for 2011 may have a leveraged impact on RevPAR (revenue per available room)

HST recent guidance for FFO for 2011 indicated potential for 18%-24% growth, a goal that may prove difficult to achieve if gasoline prices continue to increase

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

HST we rank 3 HOLD

HST market cap \$11.6 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	Healthcare Realty Trust
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,446
Link:	http://www.reitmonitor.net/atlantia/reitwebrpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/16/2011
HR \$23

Healthcare Realty Trust HR filed for "controlled equity offering" of up to 5 million shares

HR seeking to raise net proceeds of more than \$100 million to repay debt

HR selling agents Cantor Fitzgerald and Credit Agricole

HR March 2011 offering to increase total shares outstanding by 8%

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

HR we rank 2 BUY

HR market cap \$1.4 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$10,861
Link:	http://www.reitmonitor.net/atlantiss/reitwebrpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/16/2011
NLY \$18

Annaly Capital Management NLY unlikely to be impacted by lower new home construction starts

NLY most mortgage originations are to refinance existing home loans with home purchases at only one third of total volume, and purchases of newly constructed homes at less than 10% of total mortgage originations

NLY recent slight increase in fixed mortgage rates caused sudden increase in mortgage applications, as homeowners seek to avoid higher mortgage rates

NLY discussion of reform of Fannie Mae appears to be delayed for several months by Congressional focus on budget negotiations

NLY stock price supported by current annual dividend yield of 14.4%

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

NLY we rank 2 BUY

NLY market cap \$10.9 billion

REIT Comment



Company:	Plum Creek Timber
Price:	\$42
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,809
Link:	http://www.reitmonitor.net/atlantis/reitwebrpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/16/2011
PCL \$42

Plum Creek Timber PCL impact of lower construction starts in February 2011 unlikely to signal long term impact on lumber prices

PCL weather impacted construction starts of single family homes decreased (12%) for February 2011 from January 2011

PCL new building permits also decreased, DOWN (8%) during February 2011

PCL seasonality of new home construction likely to drive higher lumber prices by April 2011

PCL seasonal decline in wholesale lumber inventories sets up potential for rapid lumber price increase

PCL rebuilding in Japan following massive earthquake and tsunami to dramatically increase export market for US lumber during 2011

PCL stock price supported by current annual dividend yield of 4.0% and management commitment to repurchase shares

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

PCL we rank 2 BUY

PCL market cap \$6.8 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	Digital Realty Trust
Price:	\$56
Recommendation:	BUY
Ranking:	1
Market Cap:	\$6,369
Link:	http://www.reitmonitor.net/atlantiss/reitwebrpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/16/2011
DLR \$56

Digital Realty Trust DLR traded UP \$0.45 per share to close UP +1% day

DLR stock traded UP +9% year to date for 2011
DLR underperformed Office REITs, trading UP only +3% during 2010

DLR conversion of office properties to turnkey data centers drives much higher rents per square foot

DLR recent international joint ventures open up new markets for development of turnkey data centers

DLR explosive growth in demand for Internet access due to proliferation of mobile devices drives increasing demand for Internet services delivered from turnkey data centers

DLR corporate investment in cloud computing also drives demand for turnkey data centers

DLR recent guidance for FFO for 2011 indicated potential for growth of as much as 13%

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

DLR we rank 1 BUY

DLR market cap \$6.4 billion

REIT Comment



Company:	Senior Housing Properties Trust
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,888
Link:	http://www.reitmonitor.net/atlantiss/reitwebrpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/16/2011
SNH \$23

Senior Housing Properties Trust SNH traded DOWN (\$0.27) per share to close DOWN (1%) day

SNH stock traded UP +3% year to date for 2011
SNH underperformed Health Care REITs, trading unchanged during 2010

SNH consolidation of Health Care REIT industry highlights potential acquisition value for smaller Health Care REITs

SNH concentration of portfolio in senior housing assets and recent acquisition of medical office buildings makes portfolio attractive to potential acquirors

SNH recently announced Health Care REIT acquisitions include HCP, Inc HCP pending acquisition of assets of HCR ManorCare, Ventas VTR pending acquisition of Nationwide Health Properties NHP, and Health Care REIT HCN pending acquisition of real estate assets of Genesis Health Care

SNH no guidance provided for FFO for 2011

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

SNH we rank 2 BUY

SNH market cap \$2.9 billion

REIT Comment



Company:	Colonial Properties Trust
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,476
Link:	http://www.reitmonitor.net/atlantia/reitwebrpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/16/2011
CLP \$18

Colonial Properties Trust CLP traded DOWN (\$0.48) per share to close DOWN (3%) day

CLP stock traded unchanged year to date for 2011
CLP outperformed Residential REITs, trading UP +54% during 2010

CLP Residential REITs see improving job market creating higher apartment demand driving higher profits for Residential REITs

CLP most Residential REITs expecting record monthly rental rates to be achieved from 2011-2013, due to high occupancy and pending apartment shortage

CLP recent guidance for FFO for 2011 indicated potential for growth of as much as 8%

CLP a Residential REIT with a diverse portfolio of apartment communities and commercial properties

CLP we rank 2 BUY

CLP market cap \$1.5 billion

REIT Comment



Company:	Strategic Hotels & Resorts
Price:	\$6
Recommendation:	SELL
Ranking:	4
Market Cap:	\$879
Link:	http://www.reitmonitor.net/atlantis/reitwebrpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/16/2011
BEE \$6

Strategic Hotels & Resorts BEE traded DOWN (\$0.26) per share to close DOWN (4%) day

BEE stock traded UP +9% year to date for 2010
BEE outperformed Hotel REITs, trading UP +184% during 2010

BEE investor concern over impact of higher gasoline prices on travel related stocks including hotels and airlines

BEE recent restructuring of investment in joint venture for Hotel Del Coronado provides improved liquidity and lower risk

BEE no guidance provided for FFO for 2011

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

BEE we rank 4 SELL

BEE market cap \$879 million

REIT Comment



Company:	Agree Realty
Price:	\$23
Recommendation:	SELL
Ranking:	4
Market Cap:	\$230
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2011
ADC \$23

Agree Realty ADC SEC filing indicates ADC is now in default on \$8.9 million mortgages for 3 properties leased to key tenant Borders Group, now in bankruptcy

ADC has total of \$18.5 million mortgages on 7 properties leased to Borders Group

ADC expects additional 4 mortgage loans to go into default, with cross-default provisions on ADC unsecured loan facility, with \$28 million outstanding as of December, 2010

ADC statements in SEC filing indicate ADC has ceased to make mortgage payments to lenders on Borders properties

ADC investors should expect accounting adjustment to reflect non-cash portion of revenues previously recognized on Borders properties

ADC Borders represents 20% of total contractual rents following divestitures, but was closer to 30% of total revenues for 2010

ADC although Borders ceased to make rent payments to landlords in November 2010, ADC results reported for 4Q 2010 showing revenue growth of 8% must include all rents due on Borders properties as revenue

ADC also the landlord for Borders Group headquarters in Ann Arbor, MI, a property that may be vacated as a result of layoffs and Borders Group need to reduce expenses while in bankruptcy

ADC last week announced (22%) reduction to dividend

ADC reduction to stockholder's equity on recognition of reversal of non-cash revenues could be partially offset by further dividend reductions

ADC a Retail REIT with a portfolio of properties net leased to major retailers including Borders Group, Walgreens and Kmart

ADC we rank 4 SELL

ADC market cap \$230 million

REIT Comment



Company:	Equity Residential
Price:	\$54
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,213
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2011
EQR \$54

Equity Residential EQR news of continued trend to lower unemployment claims a favorable signal for Residential REITs

EQR improving employment trends translate to higher occupancy for Residential REITs as most new jobs are taken by 25-34 year old age group, the target market for apartment rentals

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

EQR recent guidance for FFO for 2011 indicated potential for growth of as much as 10%, following 3% growth for 2010

EQR a Residential REIT with a portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$16.2 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	AMB Property
Price:	\$33
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,571
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
03/17/2011
AMB \$33

AMB Property AMB update on Japan operations in wake of massive earthquake analyzes limited damage to distribution facilities owned by AMB and related joint ventures in Japan

AMB while most distribution facilities are clustered near Tokyo, AMB owns a single distribution property in Sendai, Japan, where access has not yet been allowed

AMB estimates required investment for repairs after insurance proceeds at less than \$10 million, including 40% to be invested by joint ventures and 60% to be funded by AMB

AMB has contributed to Red Cross in support of relief efforts and is offering to match employee contributions to relief funds

AMB pending merger with ProLogis Trust PLD in stock for stock transaction to be completed during 3Q 2011

AMB recent guidance for FFO for 2011 indicates potential for UP +7% - +15% growth (excluding merger accounting adjustments)

AMB an Industrial REIT with a portfolio of distribution facilities located near key bimodal transportation ports in US, Europe and Asia

AMB we rank 2 BUY

AMB market cap \$5.6 billion

REIT Comment



Company:	Washington Real Estate Investment Trust
Price:	\$29
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,836
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2009
WRE \$29

Washington Real Estate Investment Trust WRE stock trading may be impacted by ongoing federal budget negotiations

WRE House of Representatives passage of "continuing resolution" yesterday would provide funds for federal government to continue operations through April 8, 2011, if Senate votes to pass the bill unchanged

WRE consensus on need for federal spending reductions, with 2 year freeze on federal salaries already imposed, likely to impact local DC economy

WRE other REITs with portfolio holdings in DC have indicated that use of "continuing resolutions" to fund federal government may cause tenants to delay lease renewals as tenants seek to maintain flexibility

WRE recent guidance for FFO for 2011 indicated potential for a FLAT year or 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 \$1.8 billion

REIT Comment



Company:	AMB Property
Price:	\$33
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,571
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2011
AMB \$33

AMB Property AMB yesterday announced new investment for \$1.1 billion China joint venture to develop new distribution facilities

AMB institutional investor joint venture partner HIP China Logistics Investments Ltd

AMB initial equity investment of \$588 million to be funded primarily by joint venture partner, with AMB to contribute \$88 million existing properties

AMB initial target regions for developments in China include Yangtze River Delta, Bohai Bay Area, Pearl River Delta and western China

AMB partnership with third party investors accelerates timing of international developments

AMB Asia represents 7% of total rental revenue as of December 2010

AMB pending merger with ProLogis Trust PLD in stock for stock transaction to be completed during 3Q 2011

AMB recent guidance for FFO for 2011 indicates potential for UP +7% - +15% growth (excluding merger accounting adjustments)

AMB an Industrial REIT with a portfolio of distribution facilities located near key bimodal transportation ports in US, Europe and Asia

AMB we rank 2 BUY

AMB market cap \$5.6 billion

REIT Comment



Company:	Sunstone Hotel Investors
Price:	\$10
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$964
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2011
SHO \$10

Sunstone Hotel Investors SHO traded UP \$0.25 per share to close UP +3% day

SHO stock traded DOWN (4%) year to date for 2011
SHO underperformed Hotel REITs, trading UP +16% during 2010

SHO investor concern over impact of higher gasoline prices on travel related stocks, including hotels and airlines

SHO as consumers and business travelers seek to control impact of higher gasoline prices and higher airfares on limited travel budgets, Hotel REITs likely to see shorter stays and lower spending on extra meals and other amenities

SHO recovery of remaining portfolio properties follows divestiture and forfeiture of unprofitable hotels to lenders

SHO a Hotel REIT

SHO we rank 3 HOLD

SHO market cap \$964 million

REIT Comment



Company:	Boston Properties
Price:	\$92
Recommendation:	SELL
Ranking:	4
Market Cap:	\$12,987
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2011
BXP \$92

Boston Properties BXP traded UP \$1.21 per share to close UP +1% day

BXP stock traded UP +6% year to date for 2011
BXP outperformed Office REITs, trading UP +28% during 2010

BXP many Office REITs seeing greater rent roll-downs on lease turnovers than for previous year

BXP investor concern over exposure to financial tenants in wake of new regulations forcing banks to downsize operations

BXP management estimates financial industry exposure at 20% of total NOI

BXP recent guidance for FFO for 2011 indicated potential for FLAT year or growth of as much as 4%

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 \$13.0 billion

BXP an S&P 500 Index REIT

REIT Comment



Company:	Apartment Investment and Management
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,829
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2011
AIV \$24

Apartment Investment and Management AIV traded UP\$0.51 per share to close UP +2% day

AIV stock traded DOWN (6%) year to date for 2011
AIV outperformed Residential REITs, trading UP +62% during 2010

AIV improving employment trends a positive signal for Residential REITs

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

AIV recent guidance for FFO for 2011 indicated potential for growth of as much as 3%

AIV a Residential REIT with a diverse portfolio of apartment communities

AIV we rank 2 BUY

AIV market cap \$2.8 billion

AIV an S&P 500 Index REIT

REIT Comment



Company:	LTC Properties, Inc.
Price:	\$28
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$696
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/17/2011
LTC \$28

LTC Properties LTC traded UP \$0.59 per share to close UP +2% day

LTC stock traded DOWN (1%) year to date for 2011
LTC underperformed Health Care REITs, trading UP +5% during 2010

LTC consolidation among Health Care REITs highlights acquisition potential for smaller cap Health Care REITs

LTC recently announced Health Care REIT acquisitions include HCP, Inc HCP pending acquisition of assets of HCR ManorCare, Ventas VTR pending acquisition of Nationwide Health Properties NHP, and Health Care REIT HCN pending acquisition of real estate assets of Genesis Health Care

LTC no guidance provided for FFO for 2011

LTC a Health Care REIT with a portfolio of skilled nursing facilities and related debt

LTC we rank 3 HOLD

LTC market cap \$696 million

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$17
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$11,706
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2011
HST \$17

Host Hotels & Resorts HST increased quarterly dividend distribution by 100% to \$0.02 per share for 2Q 2011

HST new annual dividend rate \$0.08 per share

HST new annual yield 0.5%

HST previously indicated target dividend range of \$0.10-\$0.15 per share for 2011, with majority of dividend to be distributed for 4Q 2011

HST has yet to fully restore dividend to previous level, despite rebounding profitability

HST distributed dividend of \$1.00 per share for 2008

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

HST we rank 3 HOLD

HST market cap \$11.7 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	ProLogis Trust
Price:	\$15
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$7,083
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2011
PLD \$15

ProLogis Trust PLD announced limited damage to Japanese facilities with most repairs to be covered by insurance receipts

PLD owns 7 facilities in Tokyo that were affected by last week's earthquake, with total estimated repairs of \$2-\$3 million for exterior areas

PLD facilities in Osaka and Fukuoka not impacted by earthquake

PLD owns a facility in Sendai that was damaged by flood from tsunami with estimated total damages of less than \$6 million

PLD second facility under construction in Sendai not affected by tsunami

PLD supporting relief efforts in Japan and offering to match employee contributions to relief funds

PLD pending merger with AMB Property AMB in stock for stock exchange expected to be completed during 3Q 2011

PLD pending merger with AMB Property AMB to drive long term growth through merger of domestic and international portfolios

PLD recent guidance for FFO for 2011 indicated potential for (12%) core FFO decline

PLD guidance for FFO for 2011 likely to be adjusted following completion of pending merger with AMB Property AMB

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

PLD we rank 3 HOLD

PLD market cap \$7.1 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Essex Property Trust
Price:	\$120
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,541
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2011
ESS \$120

Essex Property Trust ESS lower unemployment claims a positive signal for Residential REITs

ESS Labor Department reports another decline in unemployment claims to 385,000 claims for week ended March 12, 2011

ESS Labor Department reports 4 week average of unemployment claims now at lowest level since July, 2008

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

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

ESS recent guidance for FFO for 2011 indicated potential for growth of as much as 13%

ESS a Residential REIT with a portfolio of apartment communities in west coast states

ESS we rank 2 BUY

ESS market cap \$3.5 billion

REIT Comment



Company:	One Liberty Properties
Price:	\$15
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$171
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2011
OLP \$ 15

One Liberty Properties OLP 4Q 2010 FFO \$0.35 v \$0.41 (adjusted) DOWN (15%)

OLP 2010 FFO \$1.58 v \$2.06 (adjusted) DOWN (23%)

OLP 2010 FFO slightly below previous guidance range of \$1.60-\$1.64 per share

OLP no guidance provided for FFO for 2011

OLP results for 4Q 2010 impacted by loss of revenue on a single lease representing \$0.06 per share in FFO

OLP seeking to negotiate with bankrupt tenant previously representing 2% of total rental revenue

OLP 4Q 2010 total revenues increased 10%, due to 2010 acquisitions

OLP acquired 14 properties and divested 2 properties during 2010

OLP total liquidity \$58 million, including \$8 million cash

OLP February 2011 offering raised \$41 million, while increasing total shares outstanding by 23%

OLP a Retail REIT with a diverse portfolio of retail and other commercial properties

OLP we rank 3 HOLD

OLP market cap \$171 million

REIT Comment



Company:	Agree Realty
Price:	\$23
Recommendation:	SELL
Ranking:	4
Market Cap:	\$226
Link:	http://www.reitmonitor.net/atlantis/reitwebrpt.nsf/PayBuy?OpenForm&REIT

Additional Text
03/18/2011
ADC \$23

Agree Realty ADC new announcement from Borders Group indicates plans to close another 28 stores (in addition to 275 previously announced closures), including 2 more stores owned by ADC

ADC list of Borders planned closures includes stores located in Tulsa OK and Indianapolis IN

ADC Borders received bankruptcy court approval to extend negotiations with landlords for 6 months, indicating more pressure on landlords to offer concessions

ADC investors should expect accounting adjustment to reflect non-cash portion of revenues previously recognized on Borders properties

ADC Borders represents 20% of total contractual rents following divestitures, but was closer to 30% of total revenues for 2010

ADC although Borders ceased to make rent payments to landlords in November 2010, ADC results reported for 4Q 2010 showing revenue growth of 8% must include all rents due on Borders properties as revenue

ADC also the landlord for Borders Group headquarters in Ann Arbor, MI, a property that may be vacated as a result of layoffs and Borders Group need to reduce expenses while in bankruptcy

ADC last week announced (22%) reduction to dividend

ADC reduction to stockholder's equity on recognition of reversal of non-cash revenues could be partially offset by further dividend reductions

ADC a Retail REIT with a portfolio of properties net leased to major retailers including Borders Group, Walgreens and Kmart

ADC we rank 4 SELL

ADC market cap \$226 million

REIT Comment



Company:	Hatteras Financial
Price:	\$28
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,098
Link:	http://www.reitmonitor.net/atlantiss/reitwebrpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2011
HTS \$28

Hatteras Financial HTS completed public offering of 14.5 million shares at \$28.50 per share

HTS offering priced at (3%) discount to last night's closing price

HTS gross proceeds of \$413 million to be invested in portfolio of agency guaranteed Residential MBS

HTS joint bookrunning managers BofA Merrill Lynch, Keefe Bruyette & Woods, and Wells Fargo

HTS March 2011 offering added 31% to total shares outstanding

HTS stock price supported by current annual dividend yield of 14.1%

HTS dividend may be impacted by dilution from stock offering

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

HTS we rank 2 BUY

HTS market cap \$1.1 billion

REIT Comment



Company:	Hatteras Financial
Price:	\$28
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,098
Link:	http://www.reitmonitor.net/atlantiss/reitwebrpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2011
HTS \$29

Hatteras Financial HTS closed DOWN (\$1.14) per share to close DOWN (4%) day

HTS stock traded DOWN (7%) year to date for 2011
HTS outperformed Financial Mortgage REITs, trading UP +8% during 2010

HTS sale of more than 14 million shares today raised more than \$400 million in gross proceeds

HTS investors may be concerned that dividend may be reduced due to dilution of more than 30% from today's offering

HTS stock price supported by current annual dividend yield of 14.1%

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

HTS we rank 2 BUY

HTS market cap \$1.1 billion

REIT Comment



Company:	Duke Realty Corporation
Price:	\$14
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,515
Link:	http://www.reitmonitor.net/atlantis/reitwebrpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2011
DRE \$14

Duke Realty DRE traded UP \$0.26 per share to close UP +2% day

DRE stock traded UP +9% year to date for 2011
DRE underperformed Industrial REITs, trading UP only +2% during 2010

DRE investor concern over impact of disruption of Japanese economy on Industrial REITs

DRE inventories of consumer electronics for US retail sales may be depleted during the summer of 2011

DRE outlook for improving profitability strong due to higher occupancy

DRE recent guidance for FFO for 2011 indicated potential for slight decline or growth of as much as 3%

DRE an Industrial REIT

DRE we rank 2 BUY

DRE market cap \$3.5 billion

REIT Comment



Company:	FelCor Lodging Trust
Price:	\$7
Recommendation:	SELL
Ranking:	5
Market Cap:	\$622
Link:	http://www.reitmonitor.net/atlantia/reitwebrpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/18/2011
FCH \$6

FelCor Lodging Trust FCH traded UP \$0.12 per share to close UP +2% day

FCH stock traded DOWN (7%) year to date for 2011
FCH outperformed Hotel REITs, trading UP +96% during 2010

FCH price of oil declined on news of Libyan cease fire

FCH investors concerned that higher gasoline prices will lower demand for air travel and hotel stays

FCH recent guidance for FFO for 2011 indicated potential for \$0.21-\$0.32 per share, following several years of unprofitable operations

FCH a Hotel REIT

FCH we rank 5 SELL

FCH market cap \$622 million

REIT Comment



Company:	Health Care REIT
Price:	\$52
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,503
Link:	http://www.reitmonitor.net/atlantiss/reitwebrpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
03/19/2011
HCN \$52

Health Care REIT HCN traded UP \$0.79 per share to close UP +2% day

HCN stock traded UP +9% year to date for 2011
HCN underperformed Health Care REITs, UP +7% during 2010

HCN pending acquisition of real estate assets of Genesis Healthcare to drive incremental FFO

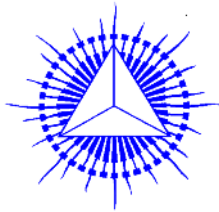
HCN recent guidance for FFO for 2011 indicated potential for as much as 9% growth

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

HCN we rank 2 BUY

HCN market cap \$6.5 billion

HCN an S&P 500 Index REIT



REIT Growth and Income Monitor posted 44 REIT comments for the week ended March 18, 2011. Comments were issued on REITs in the following sectors:

Financial REITs	6
Health Care REITs	4
Hotel REITs	6
Industrial REITs	8
Office REITs	5
Residential REITs	5
Retail REITs	6
Specialty REITs	4

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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