

REIT Growth and Income Monitor

Weekly Comments 09/13/2011

REIT stocks traded down, while continuing to outperform the S&P 500 Index, with positive performance gap maintained at 8%.

Bank layoffs highlights concern for Office REITs with exposure to financial industry tenants.

Boston Properties expects flattening of growth for the first 6 months of 2012, as certain high rent leases roll off.

Brookfield Properties has highest exposure to financial industry tenants of any Office REITs, at more than 50% of total net operating income.

For information, call Anne Anderson CFA, Atlantis Investment
(973) 263-2333
aanderson@atlantisinvestment.com

Atlantis Research Service, "Growth Stocks, LONG and SHORT", is a product of Atlantis Investment Co., Inc., founded in 1986. Research involves analysis of fundamental issues and discussion of critical variables that will determine stock price performance. Particular attention is paid to potential negative trends in business or in a company's accounting practices. BUY, SELL, and HOLD recommendations are provided with a ranking system of 1 to 5. Assignment of a 1 rank indicates expected stock price appreciation of 50% within 18 months, a 2 indicates expected stock price appreciation of more than 25%, a 3 indicates stock price performance in line with the market, a 4 indicates an expected stock price decline of more than 15%, and a 5 indicates expected stock price decline of more than 25%.

Note: This report is for information only. It is not a solicitation or an offer to buy or sell securities of any company mentioned herein. Atlantis Investment Co., Inc. does not make markets in the securities mentioned herein and does not have investment banking relationships with any company mentioned herein. The views expressed are those of the authors, and are based on a diligent review of available information. The report is based on information which is believed to be accurate, but we do not guarantee its accuracy or completeness. The Atlantis Investment Co., Inc., its officers, employees, and stockholders (and members of their families) and its customers may have long/short positions or holdings in the securities mentioned, and they may at any time hold, increase or decrease these positions. Neither the authors of this report nor any related household members are officers, directors, or advisory board members of any company mentioned herein. Atlantis Investment Co., Inc. or any of its employees do not own shares equal to 1% or more of any company mentioned herein. Copyright 2011 Atlantis Investment Co., Inc.

**Weekly REIT Comments**
09/13/2011

REITs traded down during the first week of September, ended September 9, 2011. REITs included in the S&P 500 Index are now unchanged on average for 2011, outperforming loss of (8%) for the S&P 500 Index. Positive performance gap was maintained at 8% for 2011. Average loss for all REITs followed by REIT Growth and Income Monitor now stands at (9%) year to date for 2011.

Certain REIT sectors demonstrated ability to increase guidance for FFO for 2011, while others seem to be headed for disappointment during 3Q 2011 and 4Q 2011. Residential REITs exceeded guidance for FFO for 2Q 2011, with many increasing guidance for FFO for 2011. Most Residential REITs now indicate FFO growth for 2011 of 10% or more. Retail REITs report continued tenant sales gains to support occupancy and rental growth. Investors appear to be pulling back from Office REITs, due to continued rent rolldowns, lagging economic recovery. Industrial REITs trade in line with economic indicators, less positive now than during the spring of 2011. Hotel REITs demonstrate through disastrous stock performance investor fears that a softer economy will erode gains in profitability during the first 6 months of 2011.

Financial Mortgage REITs face significant fundamental change, although timing of the change has been delayed, preserving the status quo for Financial Mortgage REITs with portfolios of agency guaranteed Residential MBS. Congressional attempts to close the budget gap have delayed Fannie Mae reform, with most Congressmen hesitant to vote on Fannie Mae issues before the 2012 elections. Reform of Fannie Mae may ultimately impact the housing sector starting in 2013, changing the outlook for Financial Mortgage REITs and certain Specialty REITs subject to demand fluctuations from home construction.

REIT stocks normally perform like interest rate sensitive stocks, although none of the 14 REITs in the S&P 500 Index are actually invested in financial assets. 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.

Bank Layoffs Highlight Investor Concern Over Exposure to Financial Industry Tenants Among Office REITs

Bank layoffs announced during the last 2 months highlight investor concern over Office REITs with exposure to financial industry tenants. Pressure on bank earnings is unlikely to ease, given today's pressure to improve bank capital ratios, while at the same time banks face regulatory reform demanding lower fees and divestiture of proprietary trading operations. Litigation with SEC over mortgage securities underwriting violations is just beginning, challenging bank managements to address these new SEC lawsuits with large financial settlements, while still struggling to deal with an unprecedented volume of private lawsuits over mortgage securities.

Investors should ponder the magnitude of planned layoffs. Announced bank layoffs include 40,000 employees by Bank of America, as well as thousands by Bank of New York Mellon, Goldman Sachs, Northern Trust, Regions Financial and Wells Fargo. US investors now expect similar announcements from Citi, JP Morgan Chase and Morgan Stanley. International banks announced layoffs totaling 60,000 people, including ABN Amro 2,350, Barclay's 3,000, Credit Suisse 2,000, HSBC 30,000 employees, Lloyds Banking Group 15,000, Nordea 2,000, Royal Bank of Scotland 2,000 and UBS 3,500. These layoffs are certain to impact occupancy and profitability for Office REITs with financial industry tenants, through lower demand for total office space, closure of trading floors, pressure on rents from subleases, and hesitancy to commit to extend leases. In most markets, Office REITs have seen rental rate rolldowns on lease turnover since 2008. Now the US financial centers of New York, Boston and San Francisco appear likely to see lower rental rates as well.

Trading Opportunities

We highlight **Brookfield Properties** as a potentially volatile stock, as investors consider implications of bank layoffs and pressure of new regulation of banks and financial institutions. **Brookfield Properties** stock outperformed most Office REITs, trading down (7%) year to date during 2011. With a market cap of \$8 billion, **Brookfield Properties** owns a 78 million square foot portfolio of upscale office properties in US and Canada, with total exposure to financial industry tenants of 55% of NOI (net operating income). Financial industry tenants in New York and Toronto include Merrill Lynch at 8% of total space, Wells Fargo/Wachovia 2%, CIBC 2%, RBC Financial Group 2%, Bank of Montreal 2%, JPMorgan Chase 2% and Goldman Sachs 1%. Investors await formal announcement that Merrill Lynch may choose to forsake **Brookfield Properties** office space downtown at New York's World Financial Center for combined space near holding company Bank of America's midtown location. Concern has also been raised over the merger of United Airlines with Continental Airlines, as Continental Airlines is an important tenant for **Brookfield Properties** in Houston. **Brookfield Properties** reported flat FFO for 2Q 2011, while reaffirming guidance for FFO for 2011 indicating potential decline of as much as (23%). Dividends have been stable since 2007, with **Brookfield Properties** offering income investors 3.4% yield. (Investors should not confuse **Brookfield Properties**, a publicly traded Office REIT in US and Canada, with related investor Brookfield Asset Management.)

Boston Properties, an S&P 500 Index REIT with a market cap of \$15 billion, is exposed not only to bank layoffs, but also to the economic risk of lower federal spending, with 22% of EBITDA derived from properties located in the metropolitan DC area, and 5% of rents directly paid by US government agencies. **Boston Properties** stock outpaced the performance of Office REITs, trading up 16% during 2011. **Boston Properties** is the only S&P 500 Index REIT with high exposure to financial industry tenants, estimated by management at more than 20% of total NOI. Outlook for continued rent reductions on lease rollovers in San Francisco and DC may be partially offset by positive impact of recently acquired high rent properties in Boston and New York City. FFO for 2Q 2011 increased 10%, while guidance for FFO for 2011 indicates potential for FFO growth of as much as 9%. Management cautions occupancy is set to decline by the end of 2011, as certain high rent leases roll off, causing a "flat spot for growth" during the first 6 months of 2012. **Boston Properties** stock yields 2.0%.

Note: This report is for information only. It is not a solicitation or an offer to buy or sell securities of any company mentioned herein. Atlantis Investment Co., Inc. does not make markets in the securities mentioned herein and does not have investment banking relationships with any company mentioned herein. The views expressed are those of the authors, and are based on a diligent review of available information. The report is based on information which is believed to be accurate, but we do not guarantee its accuracy or completeness. The Atlantis Investment Co., Inc., its officers, employees, and stockholders (and members of their families) and its customers may have long/short positions or holdings in the securities mentioned, and they may at any time hold, increase or decrease these positions. Neither the authors of this report nor any related household members are officers, directors, or advisory board members of any company mentioned herein. Atlantis Investment Co., Inc. or any of its employees do not own shares equal to 1% or more of any company mentioned herein. Copyright 2011 Atlantis Investment Co., Inc.



Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Price	Price	Price	Weekly	2011
		12/31/2010	08/26/2011	09/02/2011	09/09/2011	Change	Price Change
Apartment Investment and Management	AIV	\$26	\$25	\$26	\$26	1%	1%
AvalonBay Communities	AVB	\$113	\$131	\$134	\$132	-2%	18%
Boston Properties	BXP	\$86	\$101	\$101	\$100	-1%	16%
Equity Residential	EQR	\$52	\$59	\$60	\$60	0%	15%
HCP Inc.	HCP	\$37	\$36	\$36	\$35	-2%	-5%
Health Care REIT	HCN	\$48	\$49	\$49	\$49	-0%	3%
Host Hotels & Resorts	HST	\$18	\$11	\$11	\$11	-3%	-40%
Kimco Realty	KIM	\$18	\$17	\$17	\$16	-3%	-10%
Plum Creek Timber	PCL	\$37	\$36	\$36	\$35	-1%	-5%
Prologis, Inc	PLD	\$32	\$25	\$26	\$26	-2%	-19%
Public Storage	PSA	\$101	\$120	\$119	\$121	2%	19%
Simon Property Group	SPG	\$99	\$115	\$115	\$116	1%	16%
Ventas	VTR	\$52	\$51	\$51	\$51	-1%	-3%
Vornado Realty Trust	VNO	\$83	\$82	\$84	\$82	-2%	-1%
S&P 500 Index	S&P 500	\$1,258	\$1,158	\$1,174	\$1,154	-2%	-8%
Average for S&P 500 Index REITs						-1%	0%

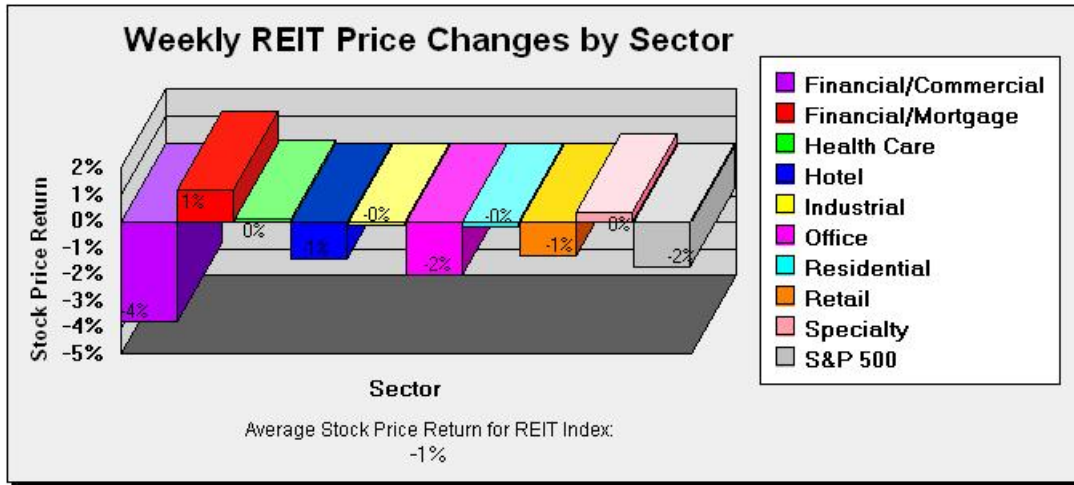
REITs traded down during the first week of September, 2011, with stock prices down (1%) for the week ended September 9, 2011. REITs outperformed the S&P 500 Index, down (2%) for the week. The S&P 500 Index now shows loss of (8%) year to date for 2011, underperforming year to date REIT performance, flat. Positive performance gap for S&P 500 Index REITs was maintained at 8%.

Best performing of the S&P 500 Index REITs for 2011 is **Public Storage**, up 19%, followed closely by **AvalonBay Communities**, up 18%. Other leading performers include **Boston Properties** and **Simon Property Group** up 16%, as well as **Equity Residential**, up 15%. **Plum Creek Timber**, the only S&P 500 REIT to decline during 2010, now shows decline of (5%) for 2011. Health Care REITs traded down starting in the last week of July, 2011, on news of pending Medicare reimbursement changes for skilled nursing facilities, with **HCP** down (5%), **Health Care REIT** up 3% and **Ventas** down (3%) for 2011. **Prologis** traded down (2%) on news of slower growth in US manufacturing activity, now showing year to date loss of (19%). Fluctuations in gasoline prices and concern over US and international economies makes Hotel REIT **Host Hotels & Resorts** the most volatile stock among S&P 500 Index REITs, trading down for year to date decrease of (40%) for 2011.

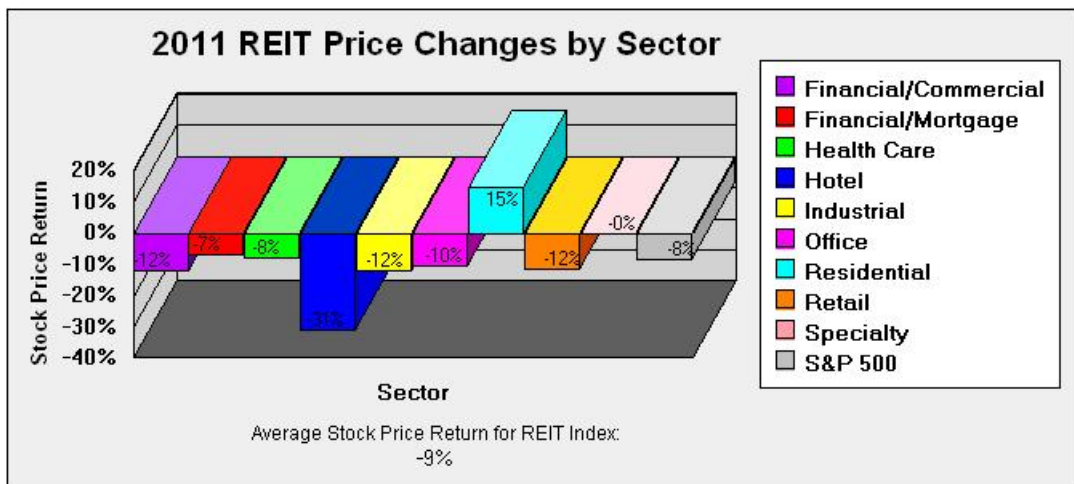
Note: This report is for information only. It is not a solicitation or an offer to buy or sell securities of any company mentioned herein. Atlantis Investment Co., Inc. does not make markets in the securities mentioned herein and does not have investment banking relationships with any company mentioned herein. The views expressed are those of the authors, and are based on a diligent review of available information. The report is based on information which is believed to be accurate, but we do not guarantee its accuracy or completeness. The Atlantis Investment Co., Inc., its officers, employees, and stockholders (and members of their families) and its customers may have long/short positions or holdings in the securities mentioned, and they may at any time hold, increase or decrease these positions. Neither the authors of this report nor any related household members are officers, directors, or advisory board members of any company mentioned herein. Atlantis Investment Co., Inc. or any of its employees do not own shares equal to 1% or more of any company mentioned herein. Copyright 2011 Atlantis Investment Co., Inc.



Weekly REIT Price Changes by Sector



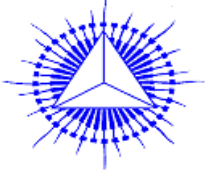
Most REIT sectors traded down during the first week of September, ended September 9, 2011. Best performing sector was Financial Mortgage REITs, up 1%. Several REIT sectors were unchanged, including Health Care REITs, Industrial REITs, Residential REITs and Specialty REITs. Hotel REITs and Retail REITs decreased (1%). Worst performing sectors included Office REITs, down (2%), and Financial Commercial REITs, down (4%). On average, stock prices for REIT Growth and Income Monitor decreased (1%) for the week ended September 9, 2011.



Stock prices for REITs followed by REIT Growth and Income Monitor show year to date loss of (9%) on average for 2011 (exceeding loss of (8%) for the S&P 500 Index), following average gain of 35% for 2010. Residential REITs continued to outperform, still up 15% on better than expected earnings results and higher guidance for 2011. Specialty REITs also outperform, unchanged year to date for 2011. Financial Commercial REITs decreased (12%) and Financial Mortgage REITs decreased (7%), with Health Care REITs showing loss of (8%). Lagging Office REITs decreased (10%), followed by Industrial REITs and Retail REITs down (12%). Volatile Hotel REITs are now down (31%) for 2011, in the worst performance of any REIT sector for 2011.

Note: This report is for information only. It is not a solicitation or an offer to buy or sell securities of any company mentioned herein. Atlantis Investment Co., Inc. does not make markets in the securities mentioned herein and does not have investment banking relationships with any company mentioned herein. The views expressed are those of the authors, and are based on a diligent review of available information. The report is based on information which is believed to be accurate, but we do not guarantee its accuracy or completeness. The Atlantis Investment Co., Inc., its officers, employees, and stockholders (and members of their families) and its customers may have long/short positions or holdings in the securities mentioned, and they may at any time hold, increase or decrease these positions. Neither the authors of this report nor any related household members are officers, directors, or advisory board members of any company mentioned herein. Atlantis Investment Co., Inc. or any of its employees do not own shares equal to 1% or more of any company mentioned herein. Copyright 2011 Atlantis Investment Co., Inc.

REIT Comment



Company:	Equity Residential
Price:	\$60
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,540
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2011
EQR \$60

Equity Residential EQR focus on jobs this week highlights positive outlook for Residential REITs

EQR Obama jobs speech scheduled for evening of September 8, 2011 to attempt to present administration proposals as stimulative to US economy

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

EQR apartment shortage in key urban areas driving higher occupancy and improved profitability as rental rates rise

EQR Residential REITs outperforming other REIT sectors, UP +15% year to date through September 2, 2011, compared to average decline of (8%) year to date for all REITs

EQR guidance for FFO for 2011 indicates 5%-7% growth

EQR a Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$18.5 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	AvalonBay Communities
Price:	\$134
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,689
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2011
AVB \$134

AvalonBay Communities AVB focus on jobs this week highlights positive outlook for Residential REITs

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

AVB like all Residential REITs seeing higher profitability as occupancy and rental rates increase

AVB emerging apartment shortage in key urban areas to drive record rental rates for 2011-2013

AVB reported 9% FFO growth for 2Q 2011 and increased guidance for FFO for 2011 to indicate growth of as much as 19%

AVB Residential REITs outperforming other REIT sectors, UP +15% year to date through September 2, 2011, compared to average decline of (8%) year to date for all REITs

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

AVB we rank 2 BUY

AVB market cap \$11.7 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	Simon Property Group
Price:	\$115
Recommendation:	BUY
Ranking:	2
Market Cap:	\$40,496
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2011
SPG \$115

Simon Property Group SPG additional August sales results to be announced this week may provide further support for Retail REITs

SPG last week announcements of August same store sales gains positive for key anchors Macys and Saks, as well as specialty retail tenants Limited, Wet Seal and Pier One, although some retailers, including JC Penney and The Gap, reported disappointing trends

SPG same store tenant sales UP +9% for trailing 12 months through 2Q 2011

SPG during July 2011 reported much better than expected results for 2Q 2011, with FFO UP +22%, while increasing guidance range for FFO for 2011 to indicate growth of as much as 12%

SPG Retail REITs underperforming other REIT sectors, DOWN (11%) through week ended September 2, 2011, compared to average decline of (8%) for all REITs

SPG a Retail REIT with a portfolio of regional malls and brand name outlet centers in US Europe and Asia

SPG we rank 2 BUY

SPG market cap \$40.5 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Kimco Realty
Price:	\$17
Recommendation:	BUY
Ranking:	1
Market Cap:	\$6,800
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2011
KIM \$17

Kimco Realty KIM results for key retail tenants for 3Q 2011 may benefit from spending on home repairs in wake of Hurricane Irene

KIM big box retailers, including Home Depot and Lowe's, saw sudden increase in sales of items enabling consumers to prepare their homes for stormy weather, including lumber, plastic and canvas coverings, generators, rakes and clean-up supplies

KIM portfolio of neighborhood and community shopping centers to benefit from consumer stockup on everyday necessities, including food, batteries and prescriptions

KIM reported 5% FFO growth for 2Q 2011 and reaffirmed guidance for FFO for 2011 indicating potential for growth of as much as 6%

KIM Retail REITs underperforming other REIT sectors, DOWN (11%) through week ended September 2, 2011, compared to average decline of (8%) for all REITs

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

KIM we rank 1 BUY

KIM market cap \$6.8 billion

KIM an S&P 500 Index REIT

REIT Comment



Company:	Corporate Office Properties Trust
Price:	\$25
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,779
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2011
OFC \$25

Corporate Office Properties Trust OFC news of pending Pentagon spending reductions to impact trading in OFC stock for the last months of 2011

OFC threatened "doomsday cuts" of up to \$500 billion, in addition to already announced Pentagon spending reductions of \$350 billion, may hit by Thanksgiving, 2011, if no progress is made by 12 member Congressional deficit spending "super committee" meetings planned for September - November 2011

OFC tenants hesitant to make new lease commitments during federal budget negotiations

OFC has highest exposure of any publicly traded REIT to defense and intelligence agencies already at more than 60% of total rental revenues, to increase to more than 70% as a result of pending strategic divestiture of suburban office properties

OFC in August, 2011, reported FFO growth of 6% for 2Q 2011, and narrowed guidance range for FFO for 2011 to indicate a FLAT year

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

OFC we rank 4 SELL

OFC market cap \$1.8 billion

REIT Comment



Company:	Government Properties Income Trust
Price:	\$22
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$883
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2011
GOV \$22

Government Properties Income Trust GOV pending federal agency spending reductions to impact trading in the stock

GOV Congressional "super committee" negotiations from September-November 2011 to determine magnitude of federal agency spending reductions

GOV lower demand for office space by government agencies may be offset by need of US federal government to increase liquidity through sale/leaseback of government owned office buildings

GOV expects to bid on as many government divestitures as are auctioned over the next few years

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

GOV reported FFO growth of 16% for 2Q 2011

GOV no guidance provided for FFO for 2011

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

GOV we rank 3 HOLD

GOV market cap \$883 million

REIT Comment



Company:	Boston Properties
Price:	\$101
Recommendation:	SELL
Ranking:	4
Market Cap:	\$14,580
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/06/2011
BXP \$101

Boston Properties BXP bank layoffs cause concern for investors in Office REITs

BXP major layoffs announced in August, 2011, by Bank of America, Bank of New York Mellon, Citi and Goldman Sachs, as well as by international banks Credit Suisse, HSBC, Royal Bank of Scotland and UBS highlight changing needs for office space by financial industry tenants

BXP list of financial industry tenants includes Citi, as well as many law firms serving financial industry tenants in NY and DC

BXP largest tenant is US government at 5% of total rents

BXP exposure to metropolitan DC area also a concern, at more than 20% of NOI

BXP expects occupancy to decline to 90% by year end, due to pending 4Q 2011 expiration of 2 leases with "above market rents"

BXP earlier in August, 2011, reported 10% FFO growth for 2Q 2011 and increased guidance for FFO for 2011 to indicate potential for growth of as much as 9%

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 \$14.4 billion

BXP an S&P 500 Index REIT

REIT Comment



Company:	Brookfield Properties Corp.
Price:	\$16
Recommendation:	SELL
Ranking:	4
Market Cap:	\$8,345
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/06/2011
BPO \$16

Brookfield Properties BPO concern over exposure to financial industry tenants should frighten investors away from the stock

BPO number of layoffs planned by major US and international banks likely to increase from thousands already announced

BPO demand for office space for financial industry to diminish over the next several years incentivizing tenants to terminate leases and forcing additional rent reductions

BPO list of financial industry tenants includes BofA Merrill Lynch Bank of Montreal, CIBC, Goldman Sachs, JP Morgan Chase, RBC and Wells Fargo/Wachovia

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

BPO loss of Wellington, key tenant in Boston, to impact results during last months of 2011

BPO reported FFO FLAT for 2Q 2011, and left guidance unchanged for FFO for 2011, indicating potential for decline of as much as (23%)

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

BPO we rank 4 SELL

BPO market cap \$8.3 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$13,740
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2011
NLY \$17

Annaly Capital Management NLY sudden decline in 10 year Treasury yields reflects fixed income market turmoil over changing expectations for US economy

NLY 10-year Treasury notes traded down to yield 1.908% over Labor Day weekend, lowest rate in 60 years

NLY rumor of pending Federal Reserve action ("Operation Twist") to sell short term debt while purchasing longer term debt to extend duration of Fed owned portfolio may indicate pending sales of shorter term Residential MBS

NLY unusual purchase opportunity of Residential MBS to be divested by Federal Reserve could add significant upside to portfolio earnings potential for Financial Mortgage REITs

NLY delay of Fannie Mae reform until after the 2012 elections appears to maintain the status quo for Financial Mortgage REITs with portfolios of agency guaranteed securities

NLY stock price supported by current annual dividend yield of 15.0%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$13.7 billion

REIT Comment



Company:	Redwood Trust
Price:	\$12
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$962
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2011
RWT \$12

Redwood Trust RWT market for jumbo residential loans unlikely to be impacted by unusual events in market for Treasury securities

RWT volatile yields in Treasury market have little impact on demand or pricing of jumbo loans and non-agency guaranteed mortgage securitizations

RWT one of the largest issuers of securitizations of non-agency guaranteed Residential MBS from Sequoia subsidiary

RWT stock price supported by current annual dividend yield of 8.3%, at the low end of the range for Financial Mortgage REITs

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

RWT we rank UPGRADE to 3 HOLD

RWT market cap \$1.0 billion

REIT Comment



Company:	SL Green Realty Corp.
Price:	\$68
Recommendation:	SELL
Ranking:	4
Market Cap:	\$5,553
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2011
SLG \$68

SL Green Realty SLG traded DOWN (\$2.44) per share to close DOWN (3%) day

SLG stock traded UP +1% year to date for 2011, outperforming Office REITs, DOWN (8%)

SLG investor concern over exposure to financial industry tenants at a time when significant layoffs will decrease demand for office space

SLG list of financial industry tenants includes Citi, Credit Suisse and Societe Generale, with Citi alone representing 13% of total SLG rental revenues

SLG most Office REITs see continued rent roll downs on lease turnover as recovery lags economy

SLG most recent guidance for FFO for 2011 indicates FFO decline of as much as (5%)

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

SLG we rank 4 SELL

SLG market cap \$5.6 billion

REIT Comment



Company:	Cypress Sharpridge Investments
Price:	\$13
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,048
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2011
CYS \$13

Cypress Sharpridge Investments CYS traded UP\$0.24 per share to close UP +2% day

CYS stock traded UP +1% year to date for 2011, outperforming Financial Mortgage REITs, DOWN (8%)

CYS rally in Treasury market may signal Federal Reserve sales of MBS that could be favorable for Financial Mortgage REITs

CYS unusual purchase opportunity of Residential MBS to be divested by Federal Reserve could add significant upside to portfolio earnings potential for Financial Mortgage REITs

CYS delay of Fannie Mae reform until after the 2012 elections appears to maintain the status quo for Financial Mortgage REITs with portfolios of agency guaranteed securities

CYS stock price supported by current annual dividend yield of 18.8%, at the high end of the range for Financial Mortgage REITs

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

CYS we rank 3 HOLD

CYS market cap \$1.0 billion

REIT Comment



Company:	Ventas
Price:	\$52
Recommendation:	BUY
Ranking:	2
Market Cap:	\$13,748
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2011
VTR \$52

Ventas VTR traded UP \$0.56 per share to close UP +1% day

VTR stock traded DOWN (1%) year to date for 2011, outperforming Health Care REITs, DOWN (8%)

VTR has lowest exposure among S&P 500 Index Health Care REITs to lower Medicare reimbursement rates recently announced for skilled nursing properties for fiscal year 2012 (beginning October 2011)

VTR diversified portfolio of health care properties concentrated in senior housing and assisted living properties, with hospitals and medical office properties also providing portfolio expansion

VTR reported better than expected results for 2Q 2011, with FFO UP +13%, and increased guidance for FFO for 2011 to indicate as much as 12% growth

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

VTR we rank 2 BUY

VTR market cap \$13.7 billion

VTR an S&P 500 Index REIT

REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$17
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,280
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/06/2011
LHO \$17

LaSalle Hotel Properties LHO traded DOWN (\$0.47) per share to close DOWN (3%) day

LHO traded DOWN (35%) year to date for 2011, underperforming Hotel REITs, DOWN (30%)

LHO investor concern over slower than expected bookings for DC hotels starting during 3Q 2011

LHO exposure to metropolitan DC area (one third of LHO hotels) a risk, given pending "super committee" negotiations to reduce federal spending

LHO also facing investor concern over potential impact of FAA shutdown on travel related stocks including airlines and hotels

LHO new guidance for FFO for 2011 indicates potential for as little as 4% or as much as 11% growth

LHO a Hotel REIT

LHO we rank 4 SELL

LHO market cap \$1.3 billion

REIT Comment



Company:	Senior Housing Properties Trust
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,221
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/07/2011
SNH \$23

Senior Housing Properties Trust SNH pending acquisition of 9 large senior living communities provides significant portfolio expansion

SNH pending \$478 million acquisition of 9 properties, known as Classic Residence by Hyatt

SNH 9 properties to be acquired include 2,226 living units, adding 8% to SNH existing capacity for independent living, assisted living and senior care

SNH acquisition valuation of \$478 million includes assumption of \$164 million mortgages

SNH expects first year return of 7.0%-7.5% on purchase price

SNH pending acquisition to close in phases, with majority of properties to close during 4Q 2011

SNH acquired properties to be managed by 5 Star Quality Care, with long term contract similar to existing terms on other Five Star managed properties

SNH a Health Care REIT with a diverse portfolio of health properties concentrated in assisted living skilled nursing, and medical office buildings

SNH we rank 2 BUY

SNH market cap \$3.2 billion

REIT Comment



Company:	Apartment Investment and Management
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,000
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/07/2011
AIV \$25

Apartment Investment and Management AIV focus on jobs this week highlights positive for Residential REITs

AIV Obama address planned for evening of Thursday, September 8, 2011, to discuss planned initiatives to stimulate economy through new job formation

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

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

AIV like all Residential REITs seeing improved profitability on higher occupancy and rental rate increases

AIV reported recurring FFO growth of 5% for 2Q 2011, while increasing guidance for recurring FFO for 2011 to indicate growth of as much as 10%

AIV stock underperformed other Residential REITs, trading FLAT year to date for 2011, compared to average 15% gain for Residential REITs

AIV a Residential REIT with a diverse portfolio of apartment communities

AIV we rank 2 BUY

AIV market cap \$3.0 billion

AIV an S&P 500 Index REIT

REIT Comment



Company:	Agree Realty
Price:	\$21
Recommendation:	SELL
Ranking:	4
Market Cap:	\$207
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/07/2011
ADC \$21

Agree Realty ADC disposition of properties previously leased to bankrupt tenant Borders Group still uncertain

ADC public disclosure that DJM managed second auction of Borders Group leases scheduled for September 13, 2011, to include lease on former Borders Group store in downtown Ann Arbor MI owned by multiple parties and operated by ADC

ADC status unclear for remaining former Borders leases, including 6 retail locations and Borders Group headquarters building in Ann Arbor MI, due to ADC attempt to forfeit the properties to lenders

ADC in default on mortgages on remaining 7 Borders Group locations, with total mortgage debt of \$17.1 million and ADC net worth on balance sheet of \$24.1 million

ADC must extend or restructure more than \$25 million in debt maturities due November 2011

ADC facing much higher interest rates on debt when renewed or extended

ADC still has not recognized non-cash portion of Borders revenue recognized during 2011 and 2010, probably as much as 50% of total Borders Group revenues

ADC bankrupt tenant Borders Group, now in liquidation, represented 9% of total ADC rents as of 2Q 2011

ADC no guidance for FFO for the remainder of 2011

ADC a Retail REIT with a portfolio of net leased properties

ADC we rank 4 SELL

ADC market cap \$207 million

REIT Comment



Company:	Annaly Capital Management
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$13,850
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/07/2011
NLY \$18

Annaly Capital Management NLY slower loan refinance volume for most recent week may indicate consumers expecting even lower mortgage rates

NLY according to report from MBA (Mortgage Bankers Association), mortgage origination volume for the week ended September 2, 2011 decreased (4.9%) from the previous week

NLY other possible factors potentially causing decline include seasonality over Labor Day weekend and impact of poor weather on east coast and southeastern states

NLY rates on 30 year fixed rate mortgages decreased to 4.23%

NLY average rates on ARMS reported by FHFA at 4.57% for month of July, 2011

NLY as discussed in our comments on NLY yesterday, Federal Reserve Operation Twist may make as much as \$1 trillion in short term MBS available at auction, providing unusual earnings opportunity for Financial Mortgage REITs

NLY probable delay of Fannie Mae reform until after the 2012 elections maintains status quo for Financial Mortgage REITs with portfolios of agency guaranteed securities

NLY stock price supported by current annual dividend yield of 14.9%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$13.9 billion

REIT Comment



Company:	Sunstone Hotel Investors
Price:	\$6
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$687
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/07/2011
SHO \$6

Sunstone Hotel Investors SHO traded UP \$0.28 per share to close UP +5% day

SHO stock traded DOWN (43%) year to date for 2011, underperforming Hotel REITs, DOWN (30%)

SHO investor concern over Hotel REIT exposure to slower US economy

SHO risk of another FAA shutdown during September, 2011 when provisional funding ends may impact business and consumer travel over safety concerns

SHO in August, 2011 reduced guidance for FFO for 2011, still forecasting unusual growth in range of UP +35%-UP +53%

SHO a Hotel REIT

SHO we rank 3 HOLD

SHO market cp \$687 million

REIT Comment



Company:	Pennsylvania REIT
Price:	\$10
Recommendation:	BUY
Ranking:	2
Market Cap:	\$564
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/07/2011
PEI \$10

Pennsylvania REIT PEI traded UP \$0.38 per share to close UP +4% day

PEI stock traded DOWN (32%) year to date for 2011, underperforming Retail REITs, DOWN (11%)

PEI news of same store sales gains provided by certain key retailers last week may be supplemented by additional positive reports this week

PEI unusual stock downdraft last week may reflect location in east coast states where storm impacted sales for 2 days

PEI reported FFO decline of (11%) for 2Q 2011, while increasing the low end of the guidance range of FFO for 2011 to indicate potential decline of as much as (18%)

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

PEI we rank 2 BUY

PEI market cap \$564 million

REIT Comment



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

Additional Text:
09/07/2011
GTY \$18

Getty Realty GTY traded UP\$0.50 per share to close UP +3% day

GTY stock traded DOWN (41%) year to date for 2011, underperforming Specialty REITs, DOWN (1%)

GTY late payment of August, 2011 rent by key tenant Getty Petroleum Marketing services presents possibility of another disappointment during September, 2011

GTY seeking to diversify portfolio, still more than 60% dependent on key tenant Getty Petroleum Marketing Service, where ownership recently changed

GTY no guidance provided for FFO for 2011

GTY annual dividend may be reduced due to reduction in rents to be paid by Getty Petroleum Marketing Services

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

GTY we rank 5 SELL

GTY market cap \$600 million

REIT Comment



Company:	Camden Property Trust
Price:	\$68
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,082
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/07/2011
CPT \$68

Camden Property Trust CPT traded UP \$1.73 per share to close UP +3% day

CPT stock traded UP +26% year to date for 2011, outperforming Residential REITs, UP +26%

CPT like all Residential REITs seeing much improved profitability on higher occupancy and increased rental rates

CPT apartment shortage in key urban areas to drive record rental rates from 2011-2013

CPT reported 21% FFO growth for 2Q 2011 and increased guidance for FFO for 2011 to indicate growth of as much as 20%

CPT we rank 2 BUY

CPT market cap \$5.1 billion

REIT Comment



Company:	Prologis Inc
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$12,323
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/08/2011
PLD \$27

Prologis Inc PLD better than expected news on German economy may signal improving trend in Europe

PLD German industrial production increased, UP +4% from the previous month for July, 2011, higher than expected, as GNP in Germany continues 3% growth trend

PLD German production of consumer goods increased, UP +2.5%, while production of durable consumer goods increased, UP +15.4%

PLD Commerce Department report of lower US trade deficit for July, 2011, with imports down, provides a neutral reading, reflecting slightly slower US demand growth

PLD US exports increased, UP +3.6% for July, 2011, highlighting significance of international operations for PLD to serve US exporters

PLD management working to achieve \$90 million in cost synergies on completion of merger of AMB Property AMB with ProLogis Trust PLD, effective July, 2011

PLD stock underperformed Industrial REITs, trading DOWN (14%) year to date for 2011, compared to Industrial REITs DOWN (12%) year to date

PLD the largest publicly traded Industrial REIT, following July 2011 merger

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

PLD we rank 2 BUY

PLD market cap \$12.3 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	UDR, Inc.
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,161
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/08/2011
UDR \$27

UDR Inc UDR news of slightly higher US unemployment claims unlikely to derail rally for Residential REITs

UDR Labor Department reported unemployment claims increased UP +2,000 to 414,000 for week ended September 3, 2011 from revised 412,000 for previous week

UDR trailing 4 week average of unemployment claims increase, UP +1% to 414,750

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

UDR like all Residential REITs seeing improving profitability on increasing rental rates

UDR emerging apartment shortage in key urban areas to drive record rental rates from 2011-2013

UDR reported 19% FFO growth for 2011, and increased guidance for FFO for 2011 to indicate 15% growth

UDR a Residential REIT with a diverse portfolio of apartment communities

UDR we rank 2 BUY

UDR market cap \$5.2 billion

REIT Comment



Company:	Essex Property Trust
Price:	\$144
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,870
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/08/2011
ESS \$144

Essex Property Trust ESS variability in unemployment claims less important than employment trends in local markets

ESS total US unemployment claims less important for ESS than for other Residential REITs

ESS proposal from CA Governor Jerry Brown to reallocate state taxes in favor of job creation may benefit Residential REITs with portfolios of apartment communities located in CA

ESS Governor Brown's proposal would redirect \$1 billion in business taxes to expand employee tax credits, seen as a significant benefit to small and medium sized employers

ESS unemployment in CA almost the highest in US at 12%

ESS properties located in CA represent almost 80% of total ESS portfolio

ESS reported 15% FFO growth for 2Q 2011 and increased guidance for FFO for 2011 to indicate as much as 14% growth

ESS like other Residential REITs seeing rapid improvement in profitability on higher average monthly rental rates

ESS stock price traded UP +26% year to date for 2011, outperforming Residential REITs, UP +15%

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

ESS we rank 2 BUY

ESS market cap \$4.9 billion

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$11
Recommendation:	SELL
Ranking:	4
Market Cap:	\$7,727
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/08/2011
HST \$11

Host Hotels & Resorts HST investor concern over softer demand during 3Q 2011 impeding stock price rebound

HST stock traded DOWN (26%) year to date for 2011, underperforming Hotel REITs, DOWN (30%)

HST in addition to exposure to softer US economy, international properties subject to any slowdown in Europe

HST investors should be aware of potential for another FAA shutdown when provisional funding runs out on September 16, 2011

HST union airline pilot and government employee concerns over safety issues may lead to disruption of flights for business and consumer travelers during another FAA shutdown

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

HST we rank 4 SELL

HST market cap \$7.7 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	Tanger Factory Outlet Centers
Price:	\$28
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,581
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/08/2011
SKT \$28

Tanger Factory Outlet Centers SKT growth in consumer preference for outlet center shopping drawing increasing attention from even the most upscale retailers

SKT stock traded UP +9% year to date for 2011, outperforming Retail REITs, DOWN (11%)

SKT upscale retailers including Saks with Saks Fifth Avenue OFF 5th, Neiman Marcus Last Call Store, Brooks Brothers Factory Store, Cole Haan, Polo Ralph Lauren Factory Stores, and Waterford Wedgewood Royal Doulton already well established in SKT outlet centers

SKT additional expansion into outlet centers planned by Disney following consumer shopping traffic trends

SKT decision by US apparel retailers The Gap and American Eagle to focus US expansion on brand name outlet centers indicates continued growth in US consumer demand for outlet center spending

SKT reported 3% increase in FFO for 2Q 2011 and increased guidance for FFO for 2011 to indicate growth of as much as 17%

SKT a Retail REIT with a portfolio of brand name outlet centers

SKT we rank 2 BUY

SKT market cap \$2.6 billion

REIT Comment



Company:	Associated Estates Realty Corp.
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$732
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/08/2011
AEC \$18

Associated Estates AEC traded UP \$0.18 per share to close UP +1% day

AEC stock traded UP +16% year to date for 2011, outperforming Residential REITs, UP +15%

AEC like all Residential REITs seeing higher profitability as average monthly rental rates increase

AEC apartment shortage in key urban areas to drive record high rental rates from 2011-2013

AEC reported much better than expected results for 2Q 2011, with FFO UP +29%, and increased guidance for FFO for 2011 to indicate growth of as much as 22%

AEC expects higher profitability throughout the last 6 months of 2011

AEC a Residential REIT with a diverse portfolio of apartment communities

AEC we rank 2 BUY

AEC market cap \$732 million

REIT Comment



Company:	National Health Investors
Price:	\$45
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,239
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/08/2011
NHI \$45

National Health Investors NHI traded DOWN (\$0.50) per share to close DOWN (1%) day

NHI stock traded DOWN (1%) year to date for 2011, outperforming Health Care REITs, DOWN (8%)

NHI Health Care REITs trading down since last week of July, 2011, when CMS announced pending Medicare reimbursement reduction for skilled nursing facilities, to take effect October, 2011

NHI concentration of portfolio in senior living properties and skilled nursing centers make Medicaid a more important payor for tenants than Medicare

NHI does not expect to see lower rental revenue, but does expect to see slower growth from skilled nursing segment

NHI skilled nursing tenants represent 67% of rental income

NHI reported 2Q 2011 FFO growth of 4%, and made no change to guidance for FFO for 2011 indicating growth in a range of +3% to +11%

NHI stock price supported by current annual dividend yield of 5.5%

NHI a Health Care REIT with a portfolio of skilled nursing and assisted living properties, as well as related debt

NHI we rank 2 BUY

NHI market cap \$1.2 billion

REIT Comment



Company:	HCP Inc.
Price:	\$36
Recommendation:	BUY
Ranking:	2
Market Cap:	\$13,490
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/08/2011
HCP \$36

HCP Inc HCP traded DOWN (\$1.09) per share to close DOWN (3%) day

HCP stock traded DOWN (2%) year to date for 2011, outperforming Health Care REITs, DOWN (8%)

HCP Health Care REITs trading down since last week of July, 2011, when CMS announced pending Medicare reimbursement reduction for skilled nursing facilities, to take effect October, 2011

HCP following April, 2011 acquisition of HCR ManorCare, HCP has highest exposure to skilled nursing tenants among Health Care REITs included in the S&P 500 Index

HCP reported better than expected results for 2Q 2011, with FFO UP +40%, and increased guidance for FFO for 2011 to indicate growth of as much as 21%

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

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

HCP we rank 2 BUY

HCP market cap \$13.5 billion

HCP an S&P 500 Index REIT

REIT Comment



Company:	Strategic Hotels & Resorts
Price:	\$4
Recommendation:	SELL
Ranking:	4
Market Cap:	\$767
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/08/2011
BEE \$4

Strategic Hotels & Resorts BEE traded DOWN (\$0.17) per share to close DOWN (4%) day

BEE stock traded DOWN (18%) year to date for 2011, outperforming Hotel REITs, DOWN (30%)

BEE investors concerned over potential for slower economic growth in US and in Europe

BEE investors should be aware of potential for another FAA shutdown when provisional funding runs out on September 16, 2011

BEE union airline pilot and government employee concerns over safety issues may lead to disruption of flights for business and consumer travelers during another FAA shutdown

BEE reported 20% growth for 2Q 2011 and provided guidance for FFO for 2011 to indicate potential for growth of as much as UP +40% or decline of as much as (20%)

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 \$767 million

REIT Comment



Company:	Brookfield Properties Corp.
Price:	\$17
Recommendation:	SELL
Ranking:	4
Market Cap:	\$8,451
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
09/09/2011
BPO \$17

Brookfield Properties BPO news of much larger than expected layoffs planned at Bank of America BAC highlights risk for Office REITs exposed to financial industry tenants

BPO Bank of America BAC announced restructuring with senior executive departures and plans to lay off as many as 40,000 employees

BPO has greatest exposure to Bank of America BAC of any Office REIT, with Bank of America subsidiary Merrill Lynch representing 8% of total BPO portfolio with leases in NYC and Toronto

BPO other financial industry tenants include Bank of Montreal CIBC, Goldman Sachs, JP Morgan Chase, Nomura, RBC and Wells Fargo/Wachovia

BPO demand for office space for financial industry to diminish over the next several years incentivizing tenants to terminate leases and forcing additional rent reductions

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

BPO loss of Wellington, key tenant in Boston, to impact results during last months of 2011

BPO reported FFO FLAT for 2Q 2011, and left guidance unchanged for FFO for 2011, indicating potential for decline of as much as (23%)

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

BPO we rank 4 SELL

BPO market cap \$8.5 billion

REIT Comment



Company:	Vornado Realty Trust
Price:	\$86
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$17,571
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/09/2011
VNO \$86

Vornado Realty Trust VNO news of much larger than expected layoffs planned at Bank of America: BAC highlights risk for Office REITs exposed to financial industry tenants

VNO exposure to Bank of America at 2% of total rents, where plans are underway to layoff as many as 40,000 employees, representing 14% of total employment

VNO additional financial industry tenants include The Bank of NY (announced plans to layoff 1,500 employees), Citibank (layoffs expected) and AXA Equitable Life Insurance

VNO largest tenant is US government at 8% of total rents, mostly for Pentagon City in Arlington, VA, an additional risk at this time of pending DOD spending reductions

VNO reported FFO (adjusted) increase of 6% for 2Q 2011

VNO no guidance provided for FFO for 2011

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

VNO we rank 3 HOLD

VNO market cap \$17.6 billion

VNO an S&P 500 Index REIT

REIT Comment



Company:	Gramercy Capital
Price:	\$4
Recommendation:	SELL
Ranking:	5
Market Cap:	\$179
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/09/2011
GKK \$4

Gramercy Capital GKK recent forfeiture of real estate assets transfers risk of loss on properties leased to Bank of America BAC and other financial industry tenants to KBS Citigroup and Goldman Sachs

GKK defaulted on \$550 million mortgages on forfeited properties, including real estate portfolio with face book value of \$3.3 billion, following acquisition of portfolio from American Financial Realty during 2008

GKK at time of acquisition of American Financial Realty, properties included offices leased to Bank of America in Charlottesville, SC and other locations in NC, as well as offices leased to Wachovia (later merged with Wells Fargo), Regions Financial, Citizen's Financial and Fireman's Fund Insurance

GKK forfeiture of most real estate assets to bank lending group as a result of default on more than \$900 million debt maturities in May 2011 leaves uncertainty as to value of remaining assets

GKK has not yet reported financial results for 4Q 2010 nor for any quarterly period during 2011

GKK last report of portfolio value was for September, 2010, when portfolio of loans and investments totaled \$2.2 billion

GKK disclosures filed during August, 2011, regarding executive pay indicate high level of compensation paid to managers Cozzi and O'Connor despite lack of disclosure to investors and uncertainty over liquidity

GKK a Financial Commercial REIT

GKK we rank 5 SELL

GKK market cap \$179 million

REIT Comment



Company:	Equity Residential
Price:	\$62
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,149
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/09/2011
EQR \$62

Equity Residential EQR last nights address by President Obama presenting proposed policies to stimulate employment highlights potential benefit to Residential REITs

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

EQR apartment shortage in key urban areas driving higher occupancy and improved profitability as rental rates rise

EQR Residential REITs outperforming other REIT sectors, UP +15% year to date through September 2, 2011, compared to average decline of (8%) year to date for all REITs

EQR guidance for FFO for 2011 indicates 5%-7% growth

EQR a Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$19.1 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	Mid-America Apartment Communities
Price:	\$70
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,637
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/09/2011
MAA \$70

Mid-America Apartment Communities MAA last night's address by President Obama opening debate on proposed policies to stimulate employment highlights potential benefit of stimulative fiscal policies to Residential REITs

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

MAA like all Residential REITs benefiting from apartment shortage in key urban areas with record monthly rental rates pending for 2011-2013

MAA recent acquisitions of properties developed as upscale condos provides additional potential for average monthly rental rate increase

MAA reported 8% FFO increase for 2Q 2011 and narrowed guidance range for FFO for 2011 to indicate growth in a range of UP +4%-+9%

MAA a Residential REIT with a diverse portfolio of apartment communities in southern states

MAA we rank 2 BUY

MAA market cap \$2.6 billion

REIT Comment



Company:	SL Green Realty Corp.
Price:	\$70
Recommendation:	SELL
Ranking:	4
Market Cap:	\$5,683
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/09/2011
SLG \$70

SL Green Realty SLG investor concern over exposure to financial industry tenants at a time when banks are announcing major layoffs

SLG exposure to financial industry tenants includes Citi Credit Suisse and Societe Generale, with Citi alone representing 13% of total SLG rental revenues

SLG Citi expected to announce additional layoffs before the end of 2011, following layoff of 50,000 employees during 2008 and 2009

SLG Credit Suisse to eliminate 2,000 jobs

SLG most Office REITs see continued rent roll downs on lease turnover as recovery lags economy

SLG most recent guidance for FFO for 2011 indicates FFO decline of as much as (5%)

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

SLG we rank 4 SELL

SLG market cap \$5.7 billion

REIT Comment



Company:	Agree Realty
Price:	\$21
Recommendation:	SELL
Ranking:	4
Market Cap:	\$208
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/09/2011
ADC \$21

Agree Realty ADC announced limited information on remaining Borders Group leases and assets

ADC of remaining 7 properties, 1 lease in Columbia MD was assigned to Books-A-Million, with new store to open after Borders Group liquidation sale is completed, although property is subject to forfeiture to lenders, as ADC is in default on debt on that property

ADC under contract to sell 2 formers Borders properties for total of \$4.6 million, subject to due diligence and "customary closing conditions"

ADC hopes to retain "fee simple" interest in Lawrence KS property previously leased to Borders Group, although property is subject to forfeiture to lenders, as ADC is in default on debt on that property

ADC "in negotiation" with non-recourse lenders regarding defaults on remaining properties

ADC must extend or restructure more than \$25 million in debt maturities due November 2011

ADC facing much higher interest rates on debt when renewed or extended

ADC still has not recognized writeoff on non-cash portion of Borders revenue recognized during 2011 and 2010, probably as much as 50% of total Borders Group revenues

ADC no guidance for FFO for the remainder of 2011, although reported FFO to be sharply lower than for first 6 months of 2011, potentially threatening continuity of the dividend

ADC a Retail REIT with a portfolio of net leased properties

ADC we rank 4 SELL

ADC market cap \$208 million

REIT Comment



Company:	Ashford Hospitality Trust
Price:	\$7
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$563
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/09/2011
AHT \$7

Ashford Hospitality AHT traded DOWN (\$0.45) per share to close DOWN (6%) day

AHT stock traded DOWN (27%) year to date for 2011, outperforming Hotel REITs, DOWN (30%)

AHT exposure to metropolitan DC area viewed as a negative by nervous investors

AHT tourism may be impacted by floods and August 2011 earthquake forcing closure of national monuments

AHT recent investor concern over negative booking trends for DC metropolitan area impacting stock price performance for certain Hotel REITs

AHT portfolio includes 18 of total 130 hotels located in metropolitan DC area, including MD and VA

AHT FAA shutdown may occur again in September, 2011, causing additional concern over travel related stocks

AHT a Hotel REIT

AHT we rank 4 SELL

AHT market cap \$563 million

REIT Comment



Company:	Cousins Properties
Price:	\$6
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$660
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/09/2011
CUZ \$6

Cousins Properties CUZ traded DOWN (\$0.30) per share to close DOWN (4%) day

CUZ stock traded DOWN (24%) year to date for 2011, underperforming Office REITs, DOWN (8%)

CUZ reported much improved results for 2Q 2011, with management comments indicating better leasing environment in key market Atlanta

CUZ no guidance provided for FFO for 2011

CUZ residential lot sales remain depressed due to slow housing sector recovery

CUZ an Office REIT with a diverse portfolio of office, retail, and master residential communities

CUZ we rank 3 HOLD

CUZ market cap \$660 million

REIT Comment



Company:	Kimco Realty
Price:	\$16
Recommendation:	BUY
Ranking:	1
Market Cap:	\$6,620
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/09/2011
KIM \$16

Kimco Realty KIM traded DOWN (\$0.69) per share to close DOWN (4%) day

KIM stock traded DOWN (10%) year to date for 2011, slightly outperforming Retail REITs, DOWN (11%)

KIM results for key retail tenants for 3Q 2011 may benefit from spending on home repairs in wake of Hurricane Irene

KIM in addition to "big box" retailers for home repair, such as Home Depot and Lowe's, portfolio of neighborhood and community shopping centers to benefit from consumer stockup on everyday necessities, including food, batteries and prescriptions

KIM reported 5% FFO growth for 2Q 2011 and reaffirmed guidance for FFO for 2011 indicating potential for growth of as much as 6%

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

KIM we rank 1 BUY

KIM market cap \$6.6 billion

KIM an S&P 500 Index REIT

REIT Comment



Company:	Potlatch Corp.
Price:	\$31
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,235
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
09/09/2011
PCH \$31

Potlatch PCH traded DOWN (\$1.09) per share to close DOWN (3%) day

PCH stock traded DOWN (6%) year to date for 2011, underperforming Specialty REITs, DOWN (1%)

PCH Specialty REITs with portfolios of timberlands and sawlog mills may benefit from home repairs in wake of Hurricane Irene, as higher demand for lumber and wood products improves prices for US sawlogs

PCH news of improving orders in China supports demand for US lumber to serve industrial activity

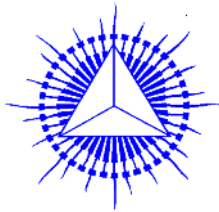
PCH during July, 2011, reported lower than expected results for 2Q 2011, while indicating confidence in long term trend for increasing demand

PCH stock price supported by current annual dividend yield of 6.5%

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

PCH we rank 2 BUY

PCH market cap \$1.2 billion



REIT Growth and Income Monitor posted 42 REIT comments for the week ended September 9, 2011. Comments were issued on REITs in the following sectors:

Financial REITs	5
Health Care REITs	4
Hotel REITs	5
Industrial REITs	1
Office REITs	8
Residential REITs	9
Retail REITs	7
Specialty REITs	3

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)

Note: This report is for information only. It is not a solicitation or an offer to buy or sell securities of any company mentioned herein. Atlantis Investment Co., Inc. does not make markets in the securities mentioned herein and does not have investment banking relationships with any company mentioned herein. The views expressed are those of the authors, and are based on a diligent review of available information. The report is based on information which is believed to be accurate, but we do not guarantee its accuracy or completeness. Atlantis Investment Co., Inc., its officers, employees and stockholders (and members of their families) and its customers may have long/short positions or holdings in the securities mentioned, and they may at any time hold, increase or decrease these positions. Neither the authors of this report nor any related household members are officers, directors, or advisory board members of any company mentioned herein. Atlantis Investment Co., Inc. or any of its employees do not own shares equal to 1% or more of any company mentioned herein. Copyright 2011 Atlantis Investment Co., Inc