

REIT Growth and Income Monitor

Weekly Comments 01/15/2013

REIT stocks show modest gains, after ending the year 2012 up 12%, slightly underperforming the S&P 500 Index with negative performance gap of (1%).

Strong rally for Financial Commercial REITs signals increasing investor interest in CMBS and debt on commercial properties.

Newcastle Investment plans spin-off of residential assets, with restructuring of remaining interest in commercial properties.

NorthStar Realty Finance has steadily increased dividends over the past year.

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

REIT Weekly Comments, as well as REIT Growth and Income Monitor, REITMonitor.net and associated REIT reports, are products of Atlantis Investment. 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 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, 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 or any of its employees do not own shares equal to 1% or more of any company mentioned herein. Copyright 2013 Atlantis Investment

**Weekly REIT Comments**
01/15/2013

REIT stocks traded unchanged during the first full week of trading in January, the week ended January 11, 2013. REITs have rallied up 2% year to date for 2013, slightly underperforming the S&P 500 Index, up 3%. REITs included in the S&P 500 Index increased 12% during 2012, slightly lagging performance of the S&P 500 Index, up 13% for 2012. Negative performance gap for 2012 ended the year at (1%). Average gain for all REITs followed by REIT Growth and Income Monitor was 18% for 2012, exceeding 13% gain for the S&P 500 Index.

Investors must reassess the outlook for economic growth in the context of the delayed "fiscal cliff". Delay of automatic spending cuts for 60 days, as well as pending debate over the federal debt ceiling, sets up another deadline ahead to deter optimistic investors, despite signs of renewed US economic growth. Higher payroll taxes will impact consumer income growth for 2013. The reporting season for 4Q 2012 is set to begin near the end of January, 2013, with little upset likely for REIT investors. Residential REITs expect exceptional FFO growth to continue through 2013, driven by tight occupancy and rental rate increases. Retail REITs comment on tenant sales gains, although Holiday 2012 sales were not robust. Health Care REITs may be impacted by Medicare sequestration during 2013, pending positive impact of the Affordable Care Act in later years. Specialty Timber REITs, with portfolios of timberlands and sawlog mills, benefit from improving environment for homebuilders. Specialty REITs with portfolios of self-storage properties report significant profitability improvement. Industrial REITs are gaining occupancy, while their stocks trade in line with economic indicators. Investors remain skittish over Office REITs, due to exposure to financial industry layoffs and continued rent roll-downs, lagging economic recovery. Trading of Hotel REITs is impacted by concern over 4Q 2012 cancellations due to bad weather.

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 Fannie Mae issues will not be addressed until the new Congress convenes in 2013. Reform of Fannie Mae may ultimately impact the housing sector starting in 2013 and 2014, changing the outlook for Financial Mortgage REITs and certain Specialty REITs subject to demand fluctuations from home construction

REIT stocks normally perform like interest rate sensitive stocks, although none of the 14 REITs in the S&P 500 Index are actually invested in financial assets. Dividends should move higher during 2013, as REIT managements set required payouts above current levels. As dividend payers, REITs may be viewed as income stocks, attracting investors in need of both consistent income and growth

Financial Commercial REITs Rally On Renewed Investor Interest in CMBS

Sustained rally for Financial Commercial REITs signals renewed investor interest in CMBS and other commercial debt. Conclusion of the US Treasury's ownership of AIG through sale of stock and securities appears to have cleared the way for new securitizations of CMBS, some to include mezzanine debt as well as first mortgages on properties in need of refinancing. Even much of the troubled Maiden Lane portfolio of securitized debt (acquired by US Treasury through bailout of Bear Stearns and AIG in 2008) has been resold through new offerings of CMBS, mostly placed at a deep discount to underwriters of the previous issues. Special servicing has become a well accepted and better understood means of resolution for properties unable to refinance. Delinquency for CMBS overall now appears to have stabilized slightly below 10%, with the lowest delinquency reported for debt secured by retail properties. Recovery of the industrial sector is in progress. Renewed commitment of corporations to build-to-suit construction contracts indicates a willingness to commit long term capital to fixed assets in the US. Meanwhile, over-leveraged hotels have found buyers willing to invest equity in hopes that renovations will generate higher cash returns. Although we remain cautious on the outlook for the office sector, particularly in light of new regulatory pressures on financial industry tenants, we think the ability to refinance commercial debt through new securitizations of CMBS heralds renewed investor confidence that may endure, assuming US economic growth continues.

Investors in Financial Commercial REITs have seen a few companies restore dividends, while some remained mired in illiquid portfolios still subject to negative surprises. We suggest investors look to **NorthStar Realty Finance**, **Newcastle Investment** and **CapLease** for sustainable dividends. We view **Arbor Realty Trust** and **RAIT Financial Trust** as making clear progress towards full recovery, with dividends now restored, while **iStar Financial**, **Gramercy Capital** and **Capital Trust** have yet to find sufficient capital to restore dividends to income investors.

Trading Opportunities

Newcastle Investment, with market cap of \$1.6 billion, offers small cap REIT investors a vehicle to capture dividends from both commercial debt and traditional mortgage investments, with planned restructuring set to split the company in 2 pieces during 1Q 2013. **Newcastle Investment** announced plans to spin off residential assets to a new publicly traded REIT, to be known as **New Residential Investment Corp**. Assets to be allocated to the spin-off entity include excess MSR's (mortgage servicing rights), Residential MBS, non-performing loans and servicing advances, while remaining **Newcastle Investment** portfolio will be concentrated in commercial MBS, corporate debt and senior housing properties. Both **Newcastle Investment** and the spin-off entity will be externally managed by Forstress Investment Group. Both **Newcastle Investment** and the new publicly traded REIT are expected to be valued at \$5-\$7 per share, generating portfolio EPS of \$0.50 per share for **Newcastle Investment** and \$0.54 per share for **New Residential Investment Corp**, with EPS growth to be driven by recent acquisitions of MSR's. **Newcastle Investment** stock gained 12% year to date for 2013, following 87% increase during 2012, outperforming Financial Commercial REIT sector. Dividends were eliminated during 2009 and restored during 2011. **Newcastle Investment** now provides income investors with 9.0% yield.

NorthStar Realty Finance, with market cap of \$1.0 billion, owns a \$5 billion portfolio of high-yielding subordinate real estate debt secured by commercial and multifamily real estate properties, as well as manages \$7 billion assets of related VIEs (variable-interest entities). **NorthStar Realty Finance** stock increased 5% year to date for 2013, after increase of 48% for 2012, outperforming other Financial Commercial REITs. The stock is now valued at close to GAAP book value of \$7.60 per share as of 3Q 2012. While originations have been concentrated in "opportunistic investments" in recent years (implying equity and debt at deeply discounted valuations), management and repurchase of CDOs has enabled **NorthStar Realty Finance** to free sufficient cash to increase quarterly dividend distributions for each consecutive quarter during 2012. Dividends were reduced (40%) during 2009, but have never been eliminated since the IPO during 2004. **NorthStar Realty Finance** now offers income investors 9.2% yield.



Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITS:		Price 12/30/2011	Price 12/31/2012	Price 01/04/2013	Price 01/11/2013	Weekly Change	2013 Price Change	2012 Price Change
Apartment Investment and Management	AIV	\$23	\$27	\$27	\$27	-1%	1%	18%
AvalonBay Communities	AVB	\$131	\$136	\$136	\$136	-0%	0%	4%
Boston Properties	BXP	\$100	\$106	\$107	\$107	-0%	1%	6%
Equity Residential	EQR	\$57	\$57	\$57	\$58	2%	3%	-1%
HCP Inc.	HCP	\$41	\$45	\$46	\$46	0%	2%	9%
Health Care REIT	HCN	\$55	\$61	\$62	\$62	0%	1%	12%
Host Hotels & Resorts	HST	\$15	\$16	\$17	\$17	0%	6%	6%
Kimco Realty	KIM	\$16	\$19	\$20	\$20	0%	2%	19%
Plum Creek Timber	PCL	\$37	\$44	\$46	\$46	1%	5%	21%
Prologis, Inc	PLD	\$29	\$36	\$38	\$38	2%	5%	28%
Public Storage	PSA	\$134	\$145	\$146	\$147	1%	1%	8%
Simon Property Group	SPG	\$129	\$158	\$159	\$160	1%	1%	23%
Ventas	VTR	\$55	\$65	\$65	\$65	0%	1%	17%
Vornado Realty Trust	VNO	\$77	\$80	\$82	\$81	-1%	1%	4%
S&P 500 Index	S&P 500	\$1,258	\$1,426	\$1,466	\$1,472	0%	3%	13%
Average for S&P 500 Index REITs						0%	2%	12%

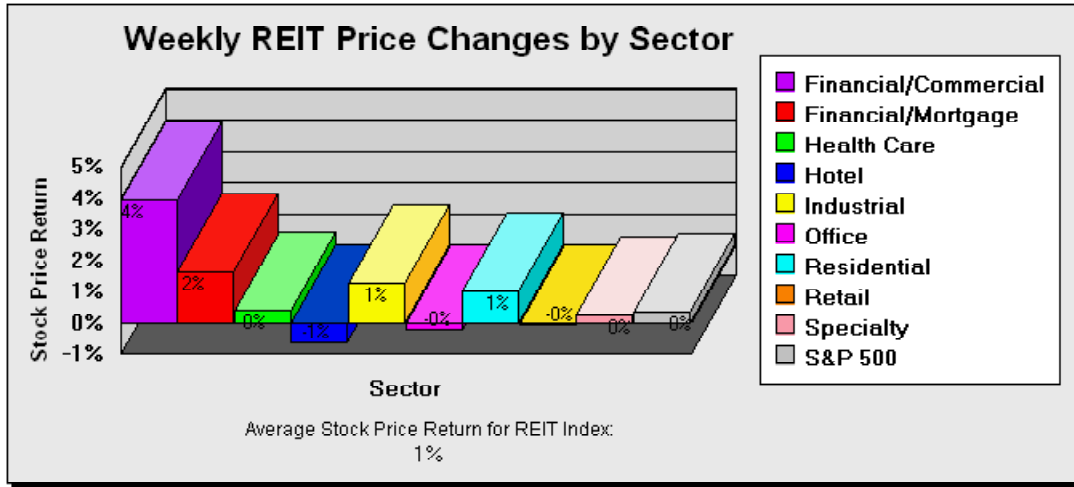
REIT stocks traded unchanged during the first full trading week of January, the period ended January 11, 2013. REITs matched performance of the S&P 500 Index, also unchanged during the week. REITs have rallied up 2% year to date for 2013, slightly underperforming the S&P 500 Index, up 3%. The S&P 500 Index increased 13% for 2012, slightly exceeding REIT performance, up 12%. Negative performance gap for S&P 500 Index REITs narrowed to (1%) for 2012.

Top performer by far among S&P 500 Index REITs for 2012 was **Prologis Inc**, showing 28% gain for 2012. Retail REITs also outperformed, with **Simon Property Group** up 23% and **Kimco Realty** up 19%. Specialty Timber REIT **Plum Creek Timber** showed gain of 21% for 2012, as investors considered news of higher home prices indicating US housing sector recovery. Health Care REITs maintained gains after Supreme Court approval of the Affordable Care Act, with **HCP Inc** up 9%, **Health Care REIT** up 12% and **Ventas** up 17% during 2012. Residential REITs held their gains, with **Apartment Investment and Management** up 18%, **AvalonBay Communities** up 4% and **Equity Residential** down (1%) during 2012. **Public Storage** showed gain of 8% year to date for 2012, while volatile **Host Hotels & Resorts** showed gain of 6% year to date for 2012, as investors pondered negative impact of bad weather on 4Q 2012 with cancelled room nights, as well as closures due to power outages and water damages to east coast hotels. Lagging Office REITs showed disappointing performance, with **Boston Properties** up 6% and **Vornado Realty Trust** up only 4% for 2012.

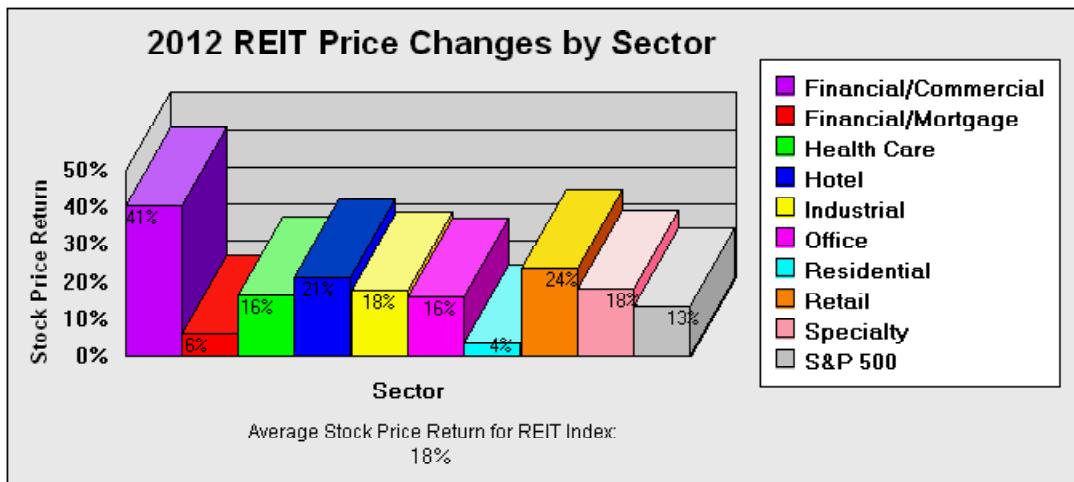
Note: This report is for information only. It is not a solicitation or an offer to buy or sell securities of any company mentioned herein. Atlantis Investment does not make markets in the securities mentioned herein and does not have investment banking relationships with any company mentioned herein. 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, 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 or any of its employees do not own shares equal to 1% or more of any company mentioned herein. Copyright 2013 Atlantis Investment



Weekly REIT Price Changes by Sector



Most REIT sectors unchanged, although a few REIT sectors traded higher during the first full trading week of January, the week ended January 11, 2013. Strongest sector was Financial Commercial REITs, up 4%, followed by Financial Mortgage REITs, up 2%. Industrial REITs and Residential REITs traded up 1%, while Health Care REITs, Office REITs, Retail REITs and Specialty REITs were unchanged. Lagging sector was Hotel REITs, down (1%). On average, stock prices for REIT Growth and Income Monitor traded up 1% for the first full week of trading in January, the period ended January 11, 2013.



Stock prices for REITs followed by REIT Growth and Income Monitor traded up 18% on average during the full year 2012, exceeding performance of the S&P 500 Index, up 13% for 2012. REITs outperformed due to higher yields than S&P 500 stocks. Investors responded positively to earnings announcements for 3Q 2012, as REIT funds flow remained consistent, at a time when other market sectors face adjusted expectations due to currency exposure and variable international economies. Leading sectors for 2012 were Financial Commercial REITs, up 41%, followed by Retail REITs, up 24%. Volatile Hotel REITs rebounded to show 21% gain for 2012. Specialty REITs increased 18% during 2012, supported by improved performance of Specialty Timber REITs, responding to improved news on the US housing sector. Industrial REITs showed 18% gain, followed by Office REITs, up 15%. Health Care REITs gained 16% during 2012, as investors contemplated positive long term impact of Affordable Care Act. Financial Mortgage REITs ended the year with 6% year to date gain. Residential REITs were laggards, up 4% for 2012. We expect better performance for Residential REITs during 2013, with strong profit gains driving exceptional FFO growth from 2011 to 2013.

Year to date performance of REIT sectors for 2013 is too inconclusive to be reported at this time, representing only 8 trading days to January 13, 2013. We normally change to reporting on current year REIT sector performance by the end of the first full month of trading in the new year.

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 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, 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 or any of its employees do not own shares equal to 1% or more of any company mentioned herein. Copyright 2013 Atlantis Investment.

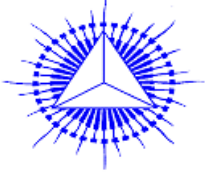


INDEX TO DAILY REIT COMMENTS
Week from 01/05/2013 to 01/11/2013

Equity Residential	EQR	page 6
AvalonBay Communities	AVB	page 7
Newcastle Investment	NCT	page 8
Newcastle Investment	NCT	page 9
Government Properties Income Trust	GOV	page 10
Corporate Office Properties Trust	OFC	page 11
Associated Estates Realty	AEC	page 12
Realty Income	O	page 13
Regency Centers	REG	page 14
Inland Real Estate	IRC	page 15
Simon Property Group	SPG	page 16
Kimco Realty	KIM	page 17
Newcastle Investment	NCT	page 18
Boston Properties	BXP	page 19
Vornado Realty Trust	VNO	page 20
DDR Corp	DDR	page 21
DDR Corp	DDR	page 22
Senior Housing Properties Trust	SNH	page 23
NorthStar Realty Finance	NRF	page 24
Medical Properties Trust	MPW	page 25
DDR Corp	DDR	page 26
Annaly Capital Management	NLY	page 27
Redwood Trust	RWT	page 28
Regency Centers	REG	page 29
Inland Real Estate	IRC	page 30
Brandywine Realty Trust	BDN	page 31
Extra Space Storage	EXR	page 32
LaSalle Hotel Properties	LHO	page 33
DCT Industrial Trust	DCT	page 34
Inland Real Estate	IRC	page 35
Kimco Realty	KIM	page 36
Regency Centers	REG	page 37
DDR Corp	DDR	page 38
Health Care REIT	HCN	page 39
Simon Property Group	SPG	page 40
Equity Residential	EQR	page 41
Prologis Inc	PLD	page 42
Agree Realty	ADC	page 43
Mack-Cali Realty	CLI	page 44
Host Hotels & Resorts	HST	page 45
HCP Inc	HCP	page 46
Simon Property Group	SPG	page 47
Kimco Realty	KIM	page 48
Agree Realty	ADC	page 49
Annaly Capital Management	NLY	page 50
Pennsylvania REIT	PEI	page 51
Redwood Trust	RWT	page 52
Digital Realty Trust	DLR	page 53
Glimcher Realty Trust	GRT	page 54
Corporate Office Properties Trust	OFC	page 55

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 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, its officers, employees, and stockholders (and members of their families) and its customers may have long/short position 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 or any of its employees do not own shares equal to 1% or more of any company mentioned herein. Copyright 2013 Atlantis Investment

REIT Comment



Company:	Equity Residential
Price:	\$57
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,179
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/07/2013
EQR \$57

Equity Residential EQR announced pending \$1.5 billion divestiture of 27 apartment communities

EQR buyers Goldman Sachs and Greystar Real Estate Partners LLC expect to complete transaction during 1Q 2013

EQR properties to be divested include 8,000 apartment units in 27 properties located in NJ, FL, AZ, CO, and southern CA, as well as metropolitan DC area and San Francisco

EQR divestitures totaling \$3.0-\$4.0 billion expected to raise as much as \$1 billion cash to fund portion of pending \$9.4 billion acquisition of 60% of Archstone portfolio, also expected to close during 1Q 2013

EQR guidance for FFO for 2012 indicates growth UP +14%

EQR stock supported by current annual dividend yield of 3.1%

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

EQR we rank 2 BUY

EQR market cap \$18.2 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	AvalonBay Communities
Price:	\$136
Recommendation:	BUY
Ranking:	2
Market Cap:	\$13,091
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
01/07/2013
AVB \$136

AvalonBay Communities AVB announcement of pending \$1.5 billion divestiture by Equity Residential EQR highlights value of pending AVB \$6.9 billion acquisition of 40% of Archstone portfolio

AVB valuation of EQR planned divestiture at \$187,000 per apartment unit indicates apartment valuations as much as 25% higher than during 2011 and 2012

AVB unlike EQR, does not need to make divestitures to fund cash portion of pending \$6.9 billion Archstone acquisition, due to recent \$1.8 billion equity offering

AVB guidance for FFO for 2012 and for 2013 indicates growth of UP +20%

AVB expects to increase shareholder dividends by UP+8%--12% for 2013 following completion of Archstone acquisition

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

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 \$13.1 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	Newcastle Investment
Price:	\$9
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,215
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/07/2013
NCT \$9

Newcastle Investment NCT announced pending sale of 40 million shares to raise \$360 million

NCT proceeds to be applied to portfolio investment, including \$340 million investment in portfolio of \$215 billion mortgage servicing rights through Nationstar acquisition of mortgage servicing rights from Bank of America

NCT also announced \$27 million acquisition of excess mortgage servicing rights on \$13 billion Ginnie Mae pool

NCT previously announced "stalking horse bid" for ResCap mortgage servicing rights for NCT and Fortress, to be determined by bankruptcy court

NCT joint bookrunning managers Credit Suisse, Barclay's, Citi and UBS
NCT co-managers Keefe Bruyette & Woods and Macquarie Capital

NCT to increase total shares outstanding by 24%

NCT provides current yield of 9.8%, at the top end of the range for Financial Commercial REITs

NCT a Financial Commercial REIT

NCT we rank 2 BUY

NCT market cap \$1.2 billion

REIT Comment



Company:	Newcastle Investment
Price:	\$9
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,215
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/07/2013
NCT \$9

Newcastle Investment NCT announced plans to spin off residential assets in new publicly traded REIT to be known as New Residential Investment Corp during 1Q 2013

NCT now owns mortgage servicing rights of \$610 million on mortgages with unpaid principal balance of \$310 billion, representing one third interest in recently announced transactions

NCT partner in acquisition Nationstar to service the loans and retain a one third interest in excess mortgage servicing rights, while affiliate of advisor Fortress Funds to acquire remaining one third interest

NCT portfolio of mortgage servicing rights concentrated 47% in agency guaranteed securities and 53% non-agency subprime securitizations

NCT assets to be allocated to spin-off entity include excess MSR's, Residential MBS, non-performing loans and servicing advances

NCT new entity to be externally managed by Fortress Investment Group LLC with terms similar to management contract of NCT

NCT to continue as a publicly traded REIT with portfolio concentrated in commercial MBS corporate debt, and investments in senior housing properties

NCT expects both NCT and new publicly traded REIT to be known as New Residential Investment Corp to be valued in range of \$5-7 per share, with portfolio EPS of \$0.50 per share for NCT and \$0.54 per share for New Residential Investment Corp

NCT provides current yield of 9.8%, at the top end of the range for Financial Commercial REITs

NCT a Financial Commercial REIT

NCT we rank 2 BUY

NCT market cap \$1.2 billion

REIT Comment



Company:	Government Properties Income Trust
Price:	\$25
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,159
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt..nsf/PayBuy?OpenForm&REIT

Additional Text:
01/07/2013
GOV \$25

Government Properties Income Trust GOV "fiscal cliff" delay of 60 days not enough to resolve concerns for investors in Office REITs dependent on federal agency spending

GOV timing of the next vote on the federal debt ceiling provides leverage for conservatives to force spending reductions

GOV decision by GSA on location of new FBI building whether in DC, MD or VA, with pending award for new build-to-suit contract, may provide some lift for the stock

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

GOV no guidance provided for FFO for 2012

GOV stock price supported by current yield of 7.0%

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

GOV we rank 3 HOLD

GOV market cap \$1.2 billion

REIT Comment



Company:	Corporate Office Properties Trust
Price:	\$26
Recommendation:	SELL
Ranking:	5
Market Cap:	\$1,827
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/07/2013
OFC \$25

Corporate Office Properties Trust OFC announcement of new appointees for Director of FBI and Secretary of Defense highlights discussion of pending spending reductions at defense and security agencies

OFC timing of the next vote on the federal debt ceiling provides leverage for conservatives to force spending reductions

OFC automatic (10%) spending cuts to take effect if no compromise on federal budget is reached by March 2013

OFC tenants in office buildings hesitant to renew leases in face of uncertainty on federal agency spending

OFC exposure to pending federal spending reduction is due to direct exposure to defense and intelligence agencies, as well as to contractors serving those agencies

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

OFC guidance for FFO for 2012 indicates decline DOWN (6%)

OFC stock price supported by current annual dividend yield of 4.5%

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

OFC we rank 5 SELL

OFC market cap \$1.8 billion

REIT Comment



Company:	Associated Estates Realty
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$692
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/07/2013
AEC \$17

Associated Estates Realty AEC traded UP \$0.23 per share to close UP +1% day

AEC traded UP +1% year to date for 2013

AEC stock traded UP only +1% during 2012, underperforming Residential REITs, UP +4%

AEC Residential REITs underperformed other REIT sectors during 2012, despite powerful FFO momentum

AEC like all Residential REITs seeing improved profitability on high occupancy and rental rate increases

AEC guidance for FFO for 2012 indicates growth UP +22%

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

AEC a Residential REIT with a diverse portfolio of apartment communities

AEC we rank 2 BUY

AEC market cap \$692 million

REIT Comment



Company:	Realty Income
Price:	\$42
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,546
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/07/2013
O \$42

Realty Income O traded UP \$0.42 per share to close UP +1% day

O traded UP +4% year to date for 2013

O stock traded UP +15% during 2012, underperforming Specialty REITs, UP +18%

O recent \$2.95 billion acquisition of American Realty Capital Trust ARCT to significantly accelerate FFO growth

O expects to add \$0.13 per share to annual dividend for 2013 following completion of ARCT acquisition

O exceptional long term record of monthly dividends with gradual increases

O stock price supported by current annual dividend yield of 5.2%

O a Specialty REIT with a portfolio of net leased properties to franchised and commercial tenants

O we rank 2 BUY

O market cap \$5.5 billion

REIT Comment



Company:	Regency Centers
Price:	\$48
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,351
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/07/2013
REG \$48

Regency Centers REG traded UP \$0.56 per share to close UP +1% day

REG traded UP +2% year to date for 2013

REG stock traded UP +25% during 2012, outperforming Retail REITs, UP +24%

REG news of potential Cerberus bid to acquire portions of SUPERVALU SVU may support trading in REG

REG key tenant SUPERVALU SVU represents 3% of total rental revenue for REG

REG guidance for FFO for 2012 indicates growth UP +5%

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

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

REG we rank 2 BUY

REG market cap \$4.4 billion

REIT Comment



Company:	Inland Real Estate
Price:	\$9
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$781
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/07/2013
IRC \$9

Inland Real Estate IRC traded UP \$0.09 per share to close UP +1% day

IRC traded UP +5% year to date for 2013

IRC stock traded UP +10% during 2012, underperforming Retail REITs, UP +24%

IRC news of potential Cerberus bid to acquire portions of SUPERVALU SVU may support trading in IRC

IRC key tenant SUPERVALU SVU represents 7% of total rental revenue for IRC

IRC guidance for FFO for 2012 indicates growth UP as much as +9%

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

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

IRC we rank 3 HOLD

IRC market cap \$781 million

REIT Comment



Company:	Simon Property Group
Price:	\$160
Recommendation:	BUY
Ranking:	2
Market Cap:	\$58,186
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/08/2013
SPG \$160

Simon Property Group SPG news later today of consumer credit growth for November2012 likely to show consumers borrowing to support spending

SPG sales for Holiday 2012 season will be remembered not for growth over previous year but for number and variety of discounts and promotional offers enabling consumers to get more for their money

SPG guidance for FFO for 2012 indicates growth UP +14%

SPG provides current yield of 2.8%

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 \$58.2 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Kimco Realty
Price:	\$20
Recommendation:	BUY
Ranking:	1
Market Cap:	\$8,125
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/08/2013
KIM \$20

Kimco Realty Kim continuing divestiture program enabling portfolio concentration in most profitable properties

KIM announced 4Q 2012 divestitures totaled \$246 million, including 34 properties with 3.9 million square feet of space

KIM total divestitures during 2012 \$632 million, including 68 properties with 7.7 million square feet of space

KIM also invested \$126 million during 4Q 2012 to acquire 9 properties and joint venture interests

KIM guidance for FFO for 2012 indicates growth UP +5%, with guidance for FFO for 2013 indicating growth UP +6%

KIM provides current yield of 4.2%

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

KIM we rank 1 BUY

KIM market cap \$8.1 billion

KIM an S&P 500 index REIT

REIT Comment



Company:	Newcastle Investment
Price:	\$10
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,298
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/08/2013
NCT \$10

Newcastle Investment NCT priced offering of 50 million shares at \$9.35 per share

NCT offering priced at discount of (3%) from last night's closing price

NCT offering size increased from previous 40 million shares

NCT gross proceeds of \$468 million to support portfolio investment, including \$340 million investment in portfolio of \$215 billion mortgage servicing rights with Nationstar to acquire mortgage servicing rights from Bank of America and \$27 million acquisition of excess mortgage servicing rights on \$13 billion Ginnie Mae pool

NCT previously announced "stalking horse bid" for ResCap mortgage servicing rights for NCT and Fortress, to be determined by bankruptcy court

NCT joint bookrunning managers Credit Suisse, Barclay's, Citi and UBS
NCT co-managers Keefe Bruyette & Woods and Macquarie Capital

NCT to increase total shares outstanding by 30%

NCT provides current yield of 9.2%, at the top end of the range for Financial Commercial REITs

NCT a Financial Commercial REIT

NCT we rank 2 BUY

NCT market cap \$1.3 billion

REIT Comment



Company:	Boston Properties
Price:	\$108
Recommendation:	SELL
Ranking:	4
Market Cap:	\$16,461
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/08/2013
BXP \$108

Boston Properties BXP sustained rally unlikely for Office REITs with exposure to US government spending

BXP delay of "fiscal cliff" negotiations for 60 days sets up March 2013 crisis point

BXP tenant decisions over lease renewals impacted by concern over lower US agency spending during 2013, contributing to lower demand for DC office space

BXP total of 5% of rents directly paid by US government and 22% of total EBITDA drawn from properties located in metropolitan DC area

BXP guidance for FFO for 2012 indicates FLAT year, while guidance for FFO for 2013 indicates growth UP +6%

BXP provides current annual dividend yield of 2.0%

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 \$16.5 billion

BXP an S&P 500 Index REIT

REIT Comment



Company:	Vornado Realty Trust
Price:	\$82
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$16,292
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/08/2013
VNO \$82

Vornado Realty Trust VNO stock price rally unlikely to continue, due to exposure to US government spending

VNO delay of "fiscal cliff" negotiations for 60 days sets up March 2013 crisis point

VNO tenants of DC office properties hesitant to renew leases in face of "fiscal cliff"

VNO total exposure to metropolitan DC economy more than 25% of NOI

VNO occupancy for DC properties expected to decline to 80% during 2013

VNO faces lower FFO on DC occupancy decline and retail divestitures

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

VNO no guidance provided for FFO for 2012

VNO provides current yield of 3.4%

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

VNO we rank 3 HOLD

VNO market cap \$16.3 billion

REIT Comment



Company:	DDR Corp
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,481
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/08/2013
DDR \$16

DDR Corp DDR increased quarterly dividend distribution by 13% to \$0.135 per share for 1Q 2013

DDR new annual dividend \$0.54 per share

DDR new yield 3.4%

DDR also provided new guidance for FFO for 2013 indicating growth as much as UP +7%

DDR a Retail REIT with a diverse portfolio of retail properties in US, Puerto Rico and Brazil

DDR we rank 2 BUY

DDR market cap \$4.5 billion

REIT Comment



Company:	DDR Corp
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,481
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/08/2013
DDR \$16

DDR Corp DDR traded DOWN (\$0.18) per share to close DOWN (1%) day

DDR traded unchanged year to date for 2013
DDR stock traded UP +29% during 2012, outperforming Retail REITs UP +24%

DDR announced dividend increase for 1Q 2013 and provided new guidance for FFO for 2013 indicating growth as much as UP +7%

DDR a Retail REIT with a diverse portfolio of retail properties in US, Puerto Rico and Brazil

DDR we rank 2 BUY

DDR market cap \$4.5 billion

REIT Comment



Company:	Senior Housing Properties Trust
Price:	\$24
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,911
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/08/2013
SNH \$24

Senior Housing Properties Trust SNH traded DOWN (\$0.46) per share to close DOWN (2%) day

SNH traded UP +2% year to date for 2013

SNH stock traded UP +5% during 2012, underperforming Health Care REITs, UP +16%

SNH pending provisions of Affordable Care Act expected to benefit most tenants of Health Care REITs through expansion of insured population

SNH no guidance provided for FFO for 2012

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

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

SNH we rank 2 BUY

SNH market cap \$3.9 billion

REIT Comment



Company:	NorthStar Realty Finance
Price:	\$8
Recommendation:	BUY
Ranking:	2
Market Cap:	\$984
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/08/2013
NRF \$8

NorthStar Realty Finance NRF traded UP \$0.08 per share to close UP +1% day

NRF traded UP +7% year to date for 2013

NRF stock traded UP +48% during 2012, outperforming Financial Commercial REITs, UP +41%

NRF CEO Hamamoto in the news for pending sale of his \$50 million NYC condominium apartments

NRF stock price supported by current annual dividend yield of 9.1%

NRF has increased quarterly dividend distributions for each consecutive quarter during 2012

NRF a Financial Commercial REIT

NRF we rank 2 BUY

NRF market cap \$1.0 billion

REIT Comment



Company:	Medical Properties Trust
Price:	\$13
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,700
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/08/2013
MPW \$13

Medical Properties Trust MPW traded UP \$0.22 per share to close UP +2% day

MPW traded UP +6% year to date for 2013
MPW stock traded UP +21% during 2012, outperforming Health Care REITs, UP +16%

MPW pending provisions of Affordable Care Act expected to expand market for tenants of Health Care REITs through greater insured population

MPW previously increased guidance for FFO for 2012 and indicated rapid growth to continue through 2013, due to recently completed acquisitions

MPW stock price supported by current yield of 6.3%

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

MPW we rank 2 BUY

MPW market cap \$1.7 billion

REIT Comment



Company:	DDR Corp
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,481
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/09/2013
DDR \$16

DDR Corp DDR provided new guidance for FFO for 2013 and announced dividend increase

DDR provided guidance range for FFO for 2013 \$1.07-\$1.11 v \$1.04 UP +3%--7%
DDR new guidance 2013 FFO assumes same property NOI UP +2.0%--3.0%

DDR previous guidance range for FFO for 2012 \$1.00-\$1.04 v \$0.97 UP 3%--7%

DDR expects to report FFO for 2012 on Tuesday, February 12, 2013 with a conference call for investors scheduled at 10:00 AM

DDR portfolio occupancy 94.2% as of year end 2012

DDR also announced 13% increase to dividend distribution for 1Q 2013, bringing current annual dividend yield to 3.4%

DDR a Retail REIT with a diverse portfolio of retail properties in US, Puerto Rico and Brazil

DDR we rank 2 BUY

DDR market cap \$4.5 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$14,258
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/09/2013
NLY \$15

Annaly Capital Management NLY news of higher mortgage loan application volume a positive signal for Financial Mortgage REITs

NLY report from MBA (Mortgage Bankers Association) found mortgage applications UP +11.7% for week ended January 4, 2013

NLY mortgage applications for refinance UP +12.1%, while mortgage applications for home purchase UP +9.6% from previous week

NLY average interest rate on 30 year fixed rate mortgage UP +0.09% to 3.61%

NLY proposals for reform of Fannie Mae expected from new Congress to convene in January 2013

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

NLY stock price supported by current annual dividend yield of 12.3%, 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 \$14.3 billion

REIT Comment



Company:	Redwood Trust
Price:	\$18
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,411
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/09/2013
RWT \$18

Redwood Trust RWT helping to restart CMBS issuance with recent offering of commercial real estate debt

RWT successful placement of \$291 million securitization during November 2012 included \$172 million debt, while RWT retained equity portion of the offering

RWT securitization included mezzanine loans and other subordinate commercial real estate debt investments sponsored by RCMC (Redwood Commercial Mortgage Corporation), a wholly owned subsidiary of RWT

RWT underlying collateral includes interests in 76 properties consisting of apartment, office, hospitality, retail, self-storage and mixed-use properties

RWT most securitizations issued by RWT consist of non-agency jumbo residential loans through Sequoia subsidiary

RWT total portfolio \$5.3 billion as of September 2012, including \$3.5 billion residential loans and \$1.3 billion real estate securities

RWT stock price supported by current annual dividend yield of 5.6%, at the low end of the range for Financial Mortgage REITs

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

RWT we rank 3 HOLD

RWT market cap \$1.4 billion

REIT Comment



Company:	Regency Centers
Price:	\$48
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,333
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/09/2013
REG \$48

Regency Centers REG news of pending sale of portion of SUPERVALU SVU assets to Cerberus helps to resolve pressure on a key tenant

REG news reports indicate Cerberus Capital Management LP to invest \$500 million for a portion of assets of SUPERVALU SVU

REG key tenant SUPERVALU SVU represents 3% of total rental revenue for REG

REG guidance for FFO for 2012 indicates growth UP +5%

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

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

REG we rank 2 BUY

REG market cap \$4.3 billion

REIT Comment



Company:	Inland Real Estate
Price:	\$9
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$779
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/09/2013
IRC \$9

Inland Real Estate IRC news of pending sale of portion of SUPERVALU SVU assets to Cerberus helps to resolve pressure on a key tenant

IRC news reports indicate SUPERVALU SVU pending \$500 million investment by Cerberus Capital Management LP for certain SVU assets

IRC key tenant SUPERVALU SVU represents 7% of total rental revenue for IRC

IRC guidance for FFO for 2012 indicates growth UP as much as +9%

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

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

IRC we rank 3 HOLD

IRC market cap \$779 million

REIT Comment



Company:	Brandywine Realty Trust
Price:	\$13
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,836
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/09/2013
BDN \$13

Brandywine Realty Trust BDN traded UP\$0.26 per share to close UP +2% day

BDN traded UP +3% year to date for 2013

BDN stock traded UP +28% during 2012, outperforming Office REITs UP +15%

BDN Office REITs trading higher in hopes for sustained economic recovery

BDN results benefitting from portfolio mix, with successful recent acquisitions

BDN stock price supported by current dividend yield of4.8%

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

BDN we rank 3 HOLD

BDN market cap \$1.8 billion

REIT Comment



Company:	Extra Space Storage
Price:	\$38
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,034
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/09/2013
EXR \$38

Extra Space Storage EXR traded UP \$0.66 per share to close UP +2% day

EXR traded UP +4% year to date for 2013
EXR stock traded UP +50% during 2012, outperforming Specialty REITs, UP +18%

EXR results for 4Q 2012 may benefit from temporary increase in demand for self-storage on east coast as homeowners seek storage for items during home repair

EXR recent large acquisition driving revenues and profitability at faster rate than the rest of the self storage industry

EXR guidance 2012 FFO indicates growth UP +28%

EXR stock price supported by current annual dividend yield of 2.6%

EXR a Specialty REIT with a portfolio of self-storage properties concentrated in east coast states

EXR we rank 2 BUY

EXR market cap \$4.0 billion

REIT Comment



Company:	LaSalle Hotel Properties
Price:	\$26
Recommendation:	SELL
Ranking:	4
Market Cap:	\$2,268
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/09/2013
LHO \$26

LaSalle Hotel Properties LHO stock traded DOWN (\$0.27) per share to close DOWN (1%) day

LHO stock traded UP +4% year to date for 2013

LHO stock traded UP +5% during 2012, underperforming Hotel REITs, UP 21%

LHO announced \$170 million acquisition of majority interest in Boston Liberty Hotel

LHO results for 4Q 2012 impacted by bad weather causing travel cancellations

LHO hotel portfolio concentrated in metropolitan DC area, representing more than 30% of NOI

LHO provides annual dividend yield of 3.0%

LHO a Hotel REIT

LHO we rank 4 SELL

LHO market cap \$2.3 billion

REIT Comment



Company:	DCT Industrial Trust
Price:	\$7
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,821
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/09/2013
DCT \$7

DCT Industrial Trust DCT traded UP \$0.08 per share to close UP +1% day

DCT traded UP +2% year to date for 2013

DCT stock traded UP +27% during 2012, outperforming Industrial REITs UP +18%

DCT delay of port strike by ILA (International Longshoremen's Association) may return as a significant issue impacting the stock by March 2013

DCT investing to expand portfolio in coastal regions, while divesting assets in midwest

DCT guidance for FFO for 2012 indicates growth UP +5%

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

DCT an Industrial REIT

DCT we rank 2 BUY

DCT market cap \$1.8 billion

REIT Comment



Company:	Inland Real Estate
Price:	\$9
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$772
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/10/2013
IRC \$10

Inland Real Estate IRC pending Cerberus acquisition of grocery chains from SUPERVALU SVU brings new capital to a struggling tenant

IRC participation of Kimco Realty KIM as investor in Cerberus group may enable more transactions benefitting REITs as landlords to SUPERVALU assets

IRC key tenant SUPERVALU SVU represents 7% of total rental revenue for IRC

IRC guidance for FFO for 2012 indicates growth UP as much as +9%

IRC stock price supported by current annual dividend yield of 6.6%

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

IRC we rank 3 HOLD

IRC market cap \$772 million

REIT Comment



Company:	Kimco Realty
Price:	\$20
Recommendation:	BUY
Ranking:	1
Market Cap:	\$8,089
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
01/10/2013
KIM \$20

Kimco Realty participation in Cerberus buyout of SUPERVALU SVU assets ensures visibility of REITs as landlords to SUPERVALU grocery chains

KIM to invest up to \$77 million for 15% of investment group buying supermarket chains from SUPERVALU SVU

KIM SUPERVALU SVU to sell 5 grocery chains (Albertsons, Acme, Jewel-Osco, Shaws, and Star Market) in \$3.3 billion deal with Cerberus

KIM SUPERVALU SVU to retain \$17 billion in revenue (with remaining assets to include Cub, Farm Fresh, Shoppers, Shop 'n Save and Hornbachers, as well as Independent Business wholesaler), welcoming Cerberus as a 20%-30% equity stakeholder

KIM to account for Cerberus investment in Albertsons and other SVU chains as an equity investment

KIM participation in Cerberus investment group may facilitate acquisitions among REITs and other landlords to Albertsons and other SVU chains

KIM guidance for FFO for 2012 indicates growth UP +5%, with guidance for FFO for 2013 indicating growth UP +6%

KIM provides current yield of 4.3%

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

KIM we rank 1 BUY

KIM market cap \$8.1 billion

KIM an S&P 500 index REIT

REIT Comment



Company:	Regency Centers
Price:	\$49
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,376
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/10/2013
REG \$49

Regency Centers REG pending Cerberus acquisition of grocery chains from SUPERVALU SVU brings new capital to a struggling tenant

REG participation of Kimco Realty KIM as investor in Cerberus group may enable more transactions benefitting REITs as landlords to SUPERVALU assets

REG key tenant SUPERVALU SVU represents 3% of total rental revenue for REG

REG guidance for FFO for 2012 indicates growth UP +5%

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

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

REG we rank 2 BUY

REG market cap \$4.4 billion

REIT Comment



Company:	DDR Corp
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,472
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/10/2013
DDR \$16

DDR Corp DDR news of little change to retail vacancies signals stability for Retail REITs

DDR report from Reis Inc found retail vacancies at strip malls at 10.7% for 4Q 2012, DOWN (0.1%) from previous quarter of 2012

DDR stability for strip malls enabling stable rental rates

DDR guidance for FFO for 2012 and 2013 indicates growth in range UP +3% - +7%

DDR portfolio occupancy 94.2% as of year end 2012

DDR recently increased dividend distribution by 13%, bringing current annual dividend yield to 3.5%

DDR a Retail REIT with a diverse portfolio of retail properties in US, Puerto Rico and Brazil

DDR we rank 2 BUY

DDR market cap \$4.5 billion

REIT Comment



Company:	Health Care REIT
Price:	\$61
Recommendation:	BUY
Ranking:	2
Market Cap:	\$13,229
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/10/2013
HCN \$61

Health Care REIT HCN completed \$3.4 billion acquisition of Sunrise Senior Living property portfolio

HCN total investment in Sunrise Senior Living Properties to increase to \$4.3 billion, as HCN completes purchase of remaining joint venture interests in 53 properties over next 6 months

HCN only \$400 million debt assumed with \$3.4 billion acquisition, as HCN funded the acquisition with sale of stock and debt on HCN balance sheet

HCN investment also included \$130 million for Sunrise Senior Living management company

HCN properties include 120 wholly owned senior housing properties, with high quality reflected in well above average monthly rents

HCN expects to achieve 6.5% unlevered yield on acquired properties

HCN guidance for FFO for 2022 indicates growth UP +4%

HCN stock price supported by current yield of 5.0%

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

HCN we rank 2 BUY

HCN market cap \$13.2 billion

HCN an S&P 500 Index REIT

REIT Comment



Company:	Simon Property Group
Price:	\$160
Recommendation:	BUY
Ranking:	2
Market Cap:	\$58,259
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/10/2013
SPG \$160

Simon Property Group SPG news of stable demand for mall rentals indicates stability for Retail REITs

SPG report from Reis Inc found mall vacancy rate at 8.6% for 4Q 2012, DOWN (0.1%) from previous quarter of 2012

SPG average rental rates for regional malls almost unchanged

SPG guidance for FFO for 2012 indicates growth UP +14%

SPG provides current yield of 2.8%

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 \$58.3 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Equity Residential
Price:	\$58
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,424
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/10/2013
EQR \$58

Equity Residential EQR news of little change to new unemployment claims indicates stable job market supporting Residential REITs

EQR Labor Department reported new claims for unemployment UP+4,000 to 371,000 for week ended January 5, 2013, from upwardly revised numbers for previous week

EQR 4 week moving average of new unemployment claims UF +6,750 to 365,750

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

EQR guidance for FFO for 2012 indicates growth UP +14%

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

EQR stock supported by current annual dividend yield of 3.1%

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

EQR we rank 2 BUY

EQR market cap \$18.4 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	Prologis Inc
Price:	\$38
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,225
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/10/2013
PLD \$38

Prologis Inc PLD better than expected China exports buoys outlook for Industrial REITs serving Asian export market with bulk distribution facilities in US and Asia

PLD report from China Customs Office found China exports UP +14.1% for December 2012, clearly accelerating from previously reported increase UP +2.9% for November 2012

PLD China exports UP +7.9% for full year 2012

PLD guidance for FFO for 2012 indicates growth UP +10%

PLD provides current yield of 2.9%

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

PLD we rank 2 BUY

PLD market cap \$18.2 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Agree Realty
Price:	\$28
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$325
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/10/2013
ADC \$28

Agree Realty ADC traded UP \$0.67 per share to close UP +2%

ADC stock traded UP +5% year to date for 2013

ADC stock traded UP +10% during 2012, underperforming Retail REITs, UP +24%

ADC announced \$10 million acquisitions of 5 properties

ADC stock price supported by current annual dividend yield of 5.7%

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

ADC we rank 3 HOLD

ADC market cap \$325 million

REIT Comment



Company:	Mack-Cali Realty
Price:	\$27
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,665
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/10/2013
CLI \$27

Mack-Cali Realty CLI traded UP \$0.30 per share to close UP +1% day

CLI stock traded UP +2% year to date for 2013
CLI stock traded DOWN (2%) during 2012, dramatically underperforming Office REITs UP +15%

CLI certain Office REITs seeing lack of momentum in leasing and rental rates causing investor disappointment

CLI guidance for FFO for 2012 indicates decline DOWN (6%), while guidance for FFO for 2013 indicates further decline DOWN as much as (9%)

CLI stock price supported by current annual dividend yield of 6.8%

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

CLI we rank 3 HOLD

CLI market cap \$2.7 billion

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$17
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$12,834
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/10/2013
HST \$17

Host Hotels & Resorts HST traded UP \$0.19 per share to close UP +1% day

HST stock traded UP +8% year to date during 2013

HST stock traded UP +6% during 2012, underperforming Hotel REITs UP +21%

HST like other hotels, airlines and travel related stocks trading higher on news of lower oil prices

HST results for 4Q 2012 may prove disappointing due to higher than normal cancellations related to bad weather, including Hurricane Sandy

HST guidance for FFO for 2012 indicates growth UP +15% - +18%

HST stock price supported by new annual dividend yield of 2.1%

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

HST we rank 3 HOLD

HST market cap \$12.8 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	HCP Inc
Price:	\$46
Recommendation:	BUY
Ranking:	2
Market Cap:	\$19,376
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/10/2013
HCP \$62

HCP Inc HCP traded UP \$0.50 per share to close UP +1% day

HCP stock traded UP +2% year to date for 2013
HCP stock traded UP +9% during 2012, underperforming Health Care REITs, UP +16%

HCP Health Care REITs seen as likely to outperform other REIT sectors during 2013 due to pending positive impact of Affordable Care Act

HCP recent \$1.7 billion acquisition added 133 senior housing properties from a joint venture of Emeritus and Blackstone

HCP guidance for 2012 FFO indicates growth UP +4%

HCP stock price supported by current annual dividend rate of 4.4%

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

HCP we rank 2 BUY

HCP market cap \$19.4 billion

HCP an S&P 500 Index REIT

REIT Comment



Company:	Simon Property Group
Price:	\$160
Recommendation:	BUY
Ranking:	2
Market Cap:	\$58,252
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
01/11/2013
SPG \$160

Simon Property Group SPG same store results for December 2012 prove moderately disappointing for most retailers

SPG anchors outperformed most mall retail tenants, with same store sales for December 2012 for Macy's UP +4.1% and for Nordstrom UP +8.6%

SPG most mall tenants saw small gains, with Gap UP +5%, Limited UP +3% (with Victoria Secret FLAT), Zale UP +2.3% and American Eagle UP +1% (excluding online sales)

SPG disappointing results reported by Aeropostale DOWN(8%), Cato DOWN (7%), Wet Seal DOWN (9.7%), and GameStop DOWN (4%)-(7%)

SPG to discuss results for 4Q 2012 next month on February 4, 2013 with a conference call for investors scheduled at 11:00 AM

SPG guidance for FFO for 2012 indicates growth UP +14%

SPG provides current yield of 2.8%

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 \$58.3 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Kimco Realty
Price:	\$20
Recommendation:	BUY
Ranking:	1
Market Cap:	\$8,109
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
01/11/2013
KIM \$20

Kimco Realty KIM key retail tenants reporting same store sales for December2012 present a mixed outlook of growth and contraction in retail sales

KIM good results reported by Costco UP +9%, TJX UP +6%, while Target FLAT and Family Dollar UP +2.5%

KIM lower sales reported by retail pharmacy segment with Walgreen DOWN (6.1%) and Rite Aid DOWN (2.2%)

KIM electronics retailer Best Buy reported same store sales in US FLAT for the Holiday2012 season, with international same store sales DOWN (6.4%) due to downturn in Canada and China

KIM to discuss results for 4Q 2012 next month on February6, 2013 with a conference call for investors scheduled for 10:00 AM

KIM guidance for FFO for 2012 indicates growth UP +5%, with guidance for FFO for 2013 indicating growth UP +6%

KIM provides current yield of 4.2%

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

KIM we rank 1 BUY

KIM market cap \$8.1 billion

KIM an S&P 500 index REIT

REIT Comment



Company:	Agree Realty
Price:	\$28
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$325
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/11/2013
ADC \$28

Agree Realty ADC acquisition of net leased properties drives portfolio expansion

ADC announced \$10 million acquisitions of 5 properties, including 4 Applebee's restaurants and an Advance Auto Parts store

ADC completed \$82 million acquisitions during 2012, up from \$39 million for 2011

ADC portfolio expansion enables greater diversification by tenant with Walgreens now 33% of rental revenues, followed by Kmart 8% and CVS 7%

ADC President and COO Joey Agree added position of CEO, replacing his father, Richard Agree, who continues as Executive Chairman of the Board

ADC stock price supported by current annual dividend yield of 5.7%

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

ADC we rank 3 HOLD

ADC market cap \$325 million

REIT Comment



Company:	Annaly Capital Management
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$14,355
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/11/2013
NLY \$15

Annaly Capital Management NLY new rules for bank mortgage lending unlikely to cause much change to current lending practices

NLY rules for "qualifying mortgages" issued by Consumer Financial Protection Bureau to require banks to verify income, debt and employment for all mortgage applicants already well established practice

NLY best terms to be reserved for mortgage applicants with debt cost at less than 43% of total income

NLY borrowing limit for "qualifying mortgages" to remain in range of \$417,000-\$729,750 for agency guaranteed loans

NLY proposals for reform of Fannie Mae expected from new Congress to convene in January 2013

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

NLY stock price supported by current annual dividend yield of 12.2%, 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 \$14.4 billion

REIT Comment



Company:	Pennsylvania REIT
Price:	\$19
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,086
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/11/2013
PEI \$19

Pennsylvania REIT PEI to recognize impairment on divestiture of underperforming property

PEI completed \$12 million divestiture of Phillipsburg mall, with (\$4) million impairment to be recognized for 4Q 2012

PEI portfolio mix improved by divestiture of smaller properties with lower sales potential

PEI has 6 remaining properties targeted for divestiture, while 10 properties have been targeted for opportunistic investment to drive growth

PEI success of Lehigh Valley Mall in Allentown PA, Cherry Hill Mall in NJ and new developments in Philadelphia PA are critical components of near term earnings achievements

PEI draws 30% of NOI from Philadelphia PA region

PEI guidance for FFO for 2012 indicates decline DOWN (6%)

PEI provides current yield of 3.5%

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

PEI we rank 2 BUY

PEI market cap \$1.1 billion

REIT Comment



Company:	Redwood Trust
Price:	\$19
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,478
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/11/2013
RWT \$19

Redwood Trust RWT traded UP \$0.29 per share to close UP +2% day

RWT traded UP 11% year to date for 2013

RWT stock traded UP +66% during 2012, outperforming Financial Mortgage REITS, UP +6%

RWT opened new loan processing center in CO, anticipating significant loan portfolio expansion

RWT revival of subprime mortgage market may provide opportunities for originators with experience in jumbo loans, such as RWT

RWT stock price supported by current annual dividend yield of 5.3%, at the low end of the range for Financial Mortgage REITS

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

RWT we rank 3 HOLD

RWT market cap \$1.5 billion

REIT Comment



Company:	Digital Realty Trust
Price:	\$70
Recommendation:	BUY
Ranking:	1
Market Cap:	\$8,788
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/11/2013
DLR \$70

Digital Realty Trust DLR traded UP \$0.62 per share to close UP +1% day

DLR traded UP +3% year to date for 2013

DLR stock traded UP +2% during 2012, underperforming Office REITs UP +15%

DLR announced acquisition of Macquarie Park in Australia

DLR investing to expand portfolio of data centers in US and international markets

DLR guidance for FFO for 2012 indicates growth UP +9%

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

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

DLR we rank 1 BUY

DLR market cap \$8.8 billion

REIT Comment



Company:	Glimcher Realty Trust
Price:	\$11
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,568
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/11/2013
GRT \$11

Glimcher Realty Trust GRT traded DOWN (\$0.16) per share to close DOWN (1%) day

GRT traded DOWN (1%) year to date for 2013
GRT stock traded UP +21% during 2012, underperforming Retail REITs UP +24%

GRT acquired upscale mall in Fort Worth, TX for \$105 million

GRT guidance for FFO for 2012 indicates decline DOWN (11%)

GRT stock price supported by current annual dividend yield of 3.6%

GRT a Retail REIT with a portfolio of regional malls

GRT we rank HOLD

GRT market cap \$1.6 billion

REIT Comment



Company:	Corporate Office Properties Trust
Price:	\$25
Recommendation:	SELL
Ranking:	5
Market Cap:	\$1,787
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
01/11/2013
OFC \$25

Corporate Office Properties Trust OFC traded DOWN (\$0.26) per share to close DOWN (1%) day

OFC traded unchanged year to date for 2013

OFC stock traded UP +17% during 2012, outperforming Office REITs UP 15%

OFC invested \$14 million in land to develop a data center in Ashburn VA

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

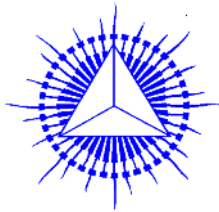
OFC guidance for FFO for 2012 indicates decline DOWN (6%)

OFC stock price supported by current annual dividend yield of 4.5%

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

OFC we rank 5 SELL

OFC market cap \$1.8 billion



REIT Growth and Income Monitor posted 50 REIT comments for the week ended January 11, 2013. Comments were issued on REITs in the following sectors:

Financial REITs	8
Health Care REITs	4
Hotel REITs	2
Industrial REITs	2
Office REITs	7
Residential REITs	4
Retail REITs	20
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 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, 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 or any of its employees do not own shares equal to 1% or more of any company mentioned herein. Copyright 2013 Atlantis Investment