

REIT Growth and Income Monitor

Weekly Comments 05/31/2011

Positive performance gap expanded to 4% for 2011, as REIT stocks maintain gains.

House vote to reject federal debt ceiling increase heightens risk of abrupt federal government shutdown.

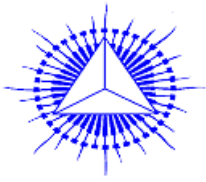
Corporate Office Properties Trust strategy to refocus investment on government tenants at time of federal spending reductions causes investor concern.

Government Properties Income Trust has greatest income exposure of any REIT to abrupt government shutdown.

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

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**Weekly REIT Comments**
05/31/2011

REITs increased 1% during the fourth week of May, ended May 27, 2011. REITs included in the S&P 500 Index increased to show gain of 10% year to date, exceeding 6% gain for the S&P 500 Index, as positive performance gap expanded to 4% for 2011. Average gain for all REITs followed by REIT Growth and Income Monitor increased to 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. Most Residential REITs exceeded guidance for FFO for 1Q 2011 and several increased guidance, with most indicating FFO growth for 2011 of 10% or more. Retail REITs report continued tenant sales gains to support occupancy and rental growth. In contrast, Hotel REITs may need to reduce optimistic guidance for significant profit improvement during 2011, if the negative impact of higher gasoline prices is as great as some investors fear. Disappointments may also be in store for Office REITs, due to continued rent roll-downs.

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

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

House Vote to Reject Federal Debt Ceiling Increase Heightens Risk for Office REITs with Government Tenants

The House of Representatives voted this week not to increase the federal debt ceiling as Republicans demand federal spending reductions to offset any debt ceiling increase. This fruitless debate may lead to an abrupt government shutdown, causing us to highlight Office REITs with exposure to government agency tenants, as well as all REITs with significant portfolio exposure to the metropolitan DC area. As we have seen Congress and the Obama administration struggle to resolve their differences over government spending, we keep hearing proposals that limit future flexibility to continue spending when the current authorization runs out. Whether defining a federal "debt ceiling", or stipulating budget "caps" for agency spending, all of these proposals heighten the risk of a sudden stop to normal federal operations.

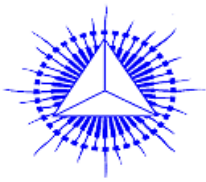
Office REITs should be feeling trepidation over any portion of their portfolio directly subject to rents paid by the federal government. These Office REITs include **Parkway Properties**, with 11% of total rents paid through GSA (US General Services Administration, the payor for almost all federal civilian agencies), **Highwoods Properties**, with 9% of total rents from GSA, **Boston Properties** with 5% of rents paid by the US government and 22% of total EBITDA drawn from properties in the metropolitan DC area, and **Mack-Cali Realty** with 2% of total rents paid by GSA. This list of concerned Office REITs should be expanded to include a small cap Specialty REIT, **Government Properties Income Trust**, with a stunning 83% of total NOI from federal government agencies including Internal Revenue Service, Department of Agriculture, US Citizenship & Immigration Service, Department of Veteran's Affairs, Centers for Disease Control, Department of Justice, FBI, Drug Enforcement Agency, and more than 20 other US agencies. Office REITs focused on military and intelligence agencies (now facing spending reductions) should also be concerned. Military and homeland security agencies are key tenants for **Corporate Office Properties Trust**, with a stated goal of increasing total direct and indirect exposure to intelligence, military and security agencies to 70% of the portfolio of office properties by the end of 2012. Few investors realize that **Vornado Realty Trust** also may be impacted, with 8% of total rents paid by military agencies, mostly inhabiting **Vornado's** Pentagon City properties.

Trading Opportunities

Corporate Office Properties Trust, with a market cap of \$2 billion, has long been perceived by investors as one of the best small cap investments among Office REITs, but reductions in defense and intelligence spending may reduce future growth. **Corporate Office Properties Trust** stock traded down (2%) for 2011, underperforming Office REITs. **Corporate Office Properties Trust**'s portfolio totals 21 million square feet of office space, with "super core tenants" (including federal government intelligence, security and defense agencies, as well as tenants serving them) now representing 59% of total portfolio investment, expected to increase to more than 70% by 2012. Management's decision to divest suburban office properties to concentrate more investment in "super core tenants" will negatively impact NOI due to planned divestitures. FFO reported for 1Q 2011 decreased (2%), while new guidance for 2011 indicates FFO will be flat, with a possibility of FFO decline of as much as (4%). Investors are concerned that **Corporate Office Properties Trust's** new strategic focus may negatively impact dividend growth. Previously, dividends grew steadily, now providing income investors with annual dividend yield of 4.8%.

Government Properties Income Trust, with a market cap of \$1 billion, is a Specialty REIT with a portfolio of office properties net leased under long term contracts to federal and state agencies. More than 25 US agencies rent office space from **Government Properties Income Trust**, representing a total of 83% of NOI. Plans to downsize federal spending may have a significant impact on the need for office space of certain US agency tenants. **Government Properties Income Trust** was a spinout from HRPT Properties Trust (now known as **Commonwealth REIT**), completing an IPO in June, 2009, at \$20 per share. **Government Properties Income Trust** stock traded down (4%) year to date for 2011. Now trading at \$26 per share, **Government Properties Income Trust** expects modest FFO growth for 2011, due to recent acquisitions of similar properties from **Commonwealth REIT**. Stock price is supported by current annual dividend yield of 6.4%.

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Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Price	Price	Price	Price	Price	Weekly	2011
		12/31/2010	04/29/2011	05/06/2011	05/13/2011	05/20/2011	05/27/2011	Change	Price Change
Apartment Investment and Management	AIW	\$26	\$27	\$26	\$26	\$26	\$26	1%	2%
AvalonBay Communities	AVB	\$113	\$128	\$126	\$127	\$127	\$130	2%	16%
Boston Properties	BXP	\$86	\$104	\$103	\$103	\$105	\$106	2%	23%
Equity Residential	EQR	\$52	\$59	\$59	\$59	\$60	\$61	1%	17%
HCP Inc.	HCP	\$37	\$41	\$38	\$37	\$37	\$37	1%	1%
Health Care REIT	HCN	\$48	\$55	\$51	\$51	\$51	\$52	2%	10%
Host Hotels & Resorts	HST	\$18	\$18	\$17	\$17	\$17	\$18	4%	-2%
Kimco Realty	KIM	\$18	\$19	\$19	\$19	\$19	\$19	1%	6%
Plum Creek Timber	PCL	\$37	\$44	\$42	\$41	\$40	\$40	-1%	7%
ProLogis Trust	PLD	\$14	\$17	\$16	\$16	\$16	\$16	3%	13%
Public Storage	PSA	\$101	\$119	\$116	\$116	\$116	\$116	-0%	14%
Simon Property Group	SPG	\$99	\$115	\$115	\$115	\$114	\$116	2%	17%
Ventas	VTR	\$52	\$57	\$55	\$54	\$55	\$55	1%	6%
Vornado Realty Trust	VNO	\$83	\$97	\$94	\$95	\$96	\$97	1%	16%
S&P 500 Index	S&P 500	\$1,258	\$1,364	\$1,340	\$1,338	\$1,333	\$1,331	-0%	6%
Average for S&P 500 Index REITs								1%	10%

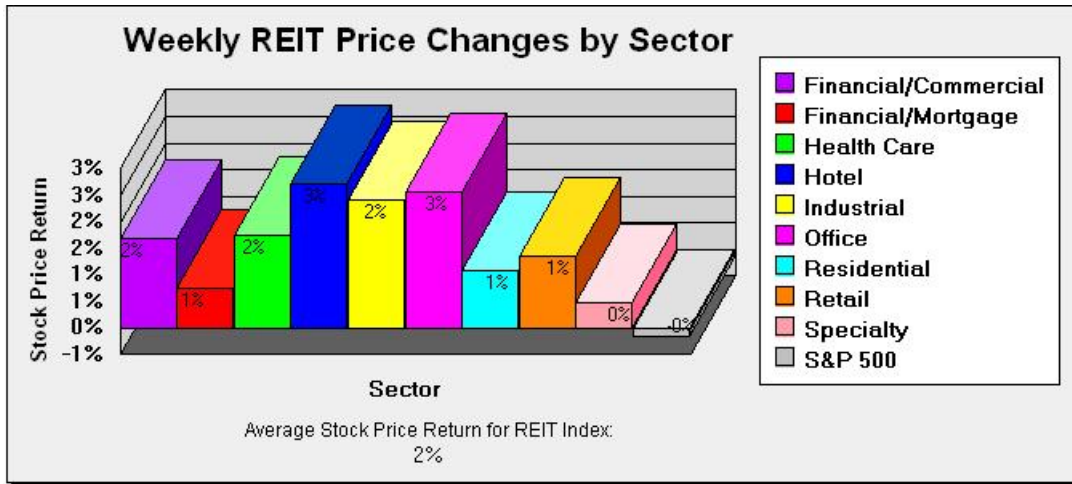
S&P 500 Index REITs gained 1% during the fourth week of May, 2011, ended May 27, 2011. REITs outperformed the S&P 500 Index, trading down less than (1%) for the week. The S&P 500 Index retains gain of 6% year to date for 2011, trailing REIT performance, up 10%. Positive performance gap for S&P 500 Index REITs expanded further to 4%.

Best performing of the S&P 500 Index REITs for 2011 is **Boston Properties**, up 23%. Other leading performers include **Equity Residential**, and **Simon Property Group**, up 17%, followed by **Vornado Realty Trust** and **AvalonBay Communities**, up 16%, as well as **Public Storage**, up 14%, and **ProLogis Trust**, up 13%. **Plum Creek Timber**, the only S&P 500 REIT to decline during 2010, decreased (1%) to retain gain of 7% for 2011. Investor concern over higher gasoline prices caused Hotel REIT **Host Hotels & Resorts** to trade down (2%) year to date for 2011.

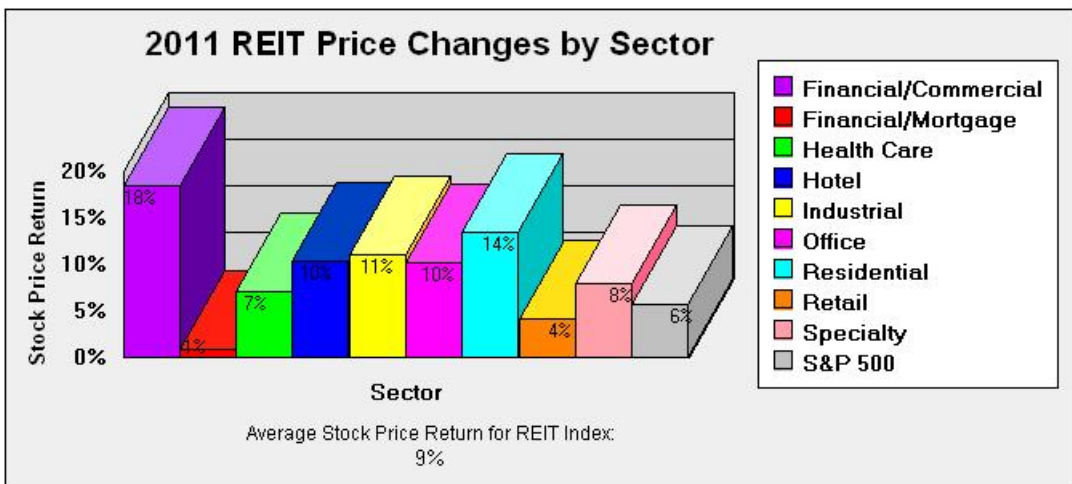
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Weekly REIT Price Changes by Sector



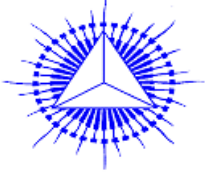
REIT stocks gained 2% during the fourth week of May, ended May 27, 2011, as investors looked forward to the Memorial Day weekend. Best performing sectors were Hotel REITs and Office REITs, up 3%, as gasoline prices fluctuated and as employment reports indicated positive trends. Financial Commercial REITs, Health Care REITs and Industrial REITs gained 2%, while Financial Mortgage REITs, Residential REITs and Retail REITs increased 1%. Lagging sector was Specialty REITs, up less than 1%. On average, stock prices for REIT Growth and Income Monitor increased 2% for the fourth week of May, ended May 27, 2011.



REITs followed by REIT Growth and Income Monitor increased to gain of 9% on average for 2011 (surpassing gain of 6% for the S&P 500 Index), following average gain of 35% for 2010. Average stock price performance is positively influenced by Financial Commercial REITs, up 18%. Leading non-financial sector is Residential REITs, up 14% on better than expected earning results and higher guidance for 2011. Other powerful sectors include Industrial REITs, up 11%, as well as Hotel REITs and Office REITs, up 10%. Specialty REITs maintain gain of 8%, while Health Care REITs increased to show gain of 7%. Lagging sectors are Financial Mortgage REITs, up 1%, and Retail REITs, now up 4% year to date for 2011.

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REIT Comment



Company:	Tanger Factory Outlet Centers
Price:	\$26
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,480
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/23/2011
SKT \$26

Tanger Factory Outlet Centers SKT announced new joint venture with Paterson Companies to develop an outlet center at National Harbor

SKT National Harbor location in Prince Georges County MD already features upscale shopping malls along the Potomac

SKT joint venture to develop 40 acre site to contain 80 stores and total of 350,000 square feet of retail space

SKT construction in National Harbor expected to start late2011

SKT also to acquire 3 outlet centers for \$400 million, including Walk outlet centers Atlantic City, NJ, and outlet center in Ocean City, MD from Cordish, as well as the Prime Outlet center in Jeffersonville, OH from Simon Property Group SPG

SKT operates total of 34 outlet centers today

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

SKT we rank 2 BUY

SKT market cap \$2.5 billion

REIT Comment



Company:	Strategic Hotels & Resorts
Price:	\$6
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,000
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/23/2011
BEE \$6

Strategic Hotels & Resorts BEE to acquire remaining 49% joint venture interest in InterContinental Hotel, Chicago

BEE seller GIC (Government of Singapore Investment Corp) to receive 10.8 million BEE shares valued at \$6.50 each and \$12 million cash

BEE total transaction value of \$82 million values InterContinental Chicago at 14X 2011 estimated EBITDA

BEE 5.8% of BEE shares to be held by GIC after transaction completed

BEE a Hotel REIT with a portfolio of upscale hotel and resort properties

BEE we rank 4 SELL

BEE market cap \$1.0 billion

REIT Comment



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

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

Agree Realty ADC continued losses reported by key tenant Borders Group during bankruptcy increases risk of liquidation

ADC Borders Group operating loss of \$132 million for month of April 2011 includes \$98 million estimated claims due on rejected leases and store closings, as well as \$34 million ongoing operating losses

ADC while Borders Group seeks more time to restructure, such large ongoing losses increase the likelihood that any one of many publishers owed millions may seek forced liquidation

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

ADC faces significant accounting issue in addition to pending reduction of rents on 14% of rental revenue

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

ADC may reduce dividends again to offset another charge to shareholders equity for unpaid rents on properties leased to Borders Group

ADC a Retail REIT with a portfolio of net leased properties

ADC we rank 4 SELL

ADC market cap \$225 million

REIT Comment



Company:	Gramercy Capital
Price:	\$2
Recommendation:	SELL
Ranking:	5
Market Cap:	\$108
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/23/2011
GKK \$2

Gramercy Capital GKK may lose control of as many as 900 properties to lenders as a result of loan default on \$790 million debt during May 2011

GKK lenders appear unwilling to leave GKK in charge of administration of pledged assets

GKK credit quality and market valuation of remaining GKK assets unclear

GKK failure to report results for 2010 means stock will likely be delisted

GKK a Financial Commercial REIT

GKK we rank 5 SELL

GKK market cap \$108 million

REIT Comment



Company:	Public Storage
Price:	\$114
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$19,357
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/23/2011
PSA \$114

Public Storage PSA traded DOWN (\$2.35) per share to close DOWN (2%) day

PSA stock traded UP +12% year to date for 2011, outperforming Specialty REITs, UP +8%

PSA better than expected occupancy enables higher rental rates and profitability

PSA occupancy at 90% as of 1Q 2011

PSA no guidance provided for FFO for 2011

PSA a Specialty REIT with a portfolio of self-storage properties in US and Europe

PSA we rank 3 HOLD

PSA market cap \$19.4 billion

PSA an S&P 500 Index REIT

REIT Comment



Company:	AvalonBay Communities
Price:	\$125
Recommendation:	BUY
Ranking:	2
Market Cap:	\$10,763
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/23/2011
AVB \$125

AvalonBay Communities AVB traded DOWN (\$2.10) per share to close DOWN (2%) day

AVB stock traded UP +11% year to date for 2011, underperforming Residential REITs, UP +13%

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

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

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

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

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

AVB we rank 2 BUY

AVB market cap \$10.8 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	AMB Property
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,842
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/23/2011
AMB \$35

AMB Property AMB traded DOWN (\$0.39) per share to close DOWN (1%) day

AMB stock traded UP +10% year to date for 2011, outperforming Industrial REITs, UP +8%

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

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

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

AMB we rank 2 BUY

AMB market cap \$5.8 billion

REIT Comment



Company:	Brookfield Properties Corp.
Price:	\$19
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$9,563
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

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

Brookfield Properties BPO traded DOWN (\$0.30) per share to close DOWN (2%) day

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

BPO investor concern over exposure to financial industry tenants at more than 50% of NOI

BPO banks and other financial industry tenants in midst of regulatory change impacting fees and profitability

BPO Office REITs seeing continued rent rolldown on lease turnover

BPO management left guidance for FFO for 2011 unchanged, indicating FFO decline of as much as (23%)

BPO termination of Wellington lease in Boston to reduce quarterly NOI by \$5 million from 2Q 2011-4Q 2011

BPO no decision yet on renewal of Nomura or Bank of America/Merrill Lynch leases (7.6% of total rental revenue)

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

BPO we rank 3 HOLD

BPO market cap \$9.6 billion

REIT Comment



Company:	Simon Property Group
Price:	\$113
Recommendation:	BUY
Ranking:	2
Market Cap:	\$39,934
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/24/2011
SPG \$113

Simon Property Group SPG to invest in first Premium Outlet Center to be located in Canada in joint venture with Calloway REIT CWT, a publicly traded Canadian REIT

SPG first location for Premium Outlet Center in Canada to be Halton Hills, Ontario, close to Toronto

SPG plans to start construction spring 2012

SPG outlet centers in Canada to face competition, as US operator Tanger Factory Outlet Centers previously announced plans to invest \$1 billion in joint venture with RioCan to develop brand name outlet centers in Canada

SPG site chosen for new Premium Outlet Center in Halton Hills Ontario is close to site of Tanger Factory Outlet Center's first investment, also in Halton Hills Ontario on Highway 401

SPG international investment viewed as supplemental to continued portfolio expansion in US

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 \$39.9 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Tanger Factory Outlet Centers
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,462
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/24/2011
SKT \$27

Tanger Factory Outlet Centers SKT news of Simon Property Group SPG joint venture investment with Calloway REIT CWT to develop new Premium Outlet Center in Canada indicates new competitive focus

SKT January 2011 announcement of \$1 billion joint venture with RioCan to develop new brand name outlet centers in Canada

SKT first Canadian location for Tanger outlet center was announced in March 2011 as Halton Hills, Ontario, close to proposed site for new SPG investment on Highway 401

SKT plans to start construction in Halton Hills in 4Q 2011 for opening April 2013

SKT Canadian investment represents first portfolio expansion outside US for Tanger

SKT and RioCan committed to develop 10-15 outlet centers in larger urban and tourist areas of Canada from 2011 to 2018

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

SKT we rank 2 BUY

SKT market cap \$2.5 billion

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$17
Recommendation:	SELL
Ranking:	4
Market Cap:	\$12,146
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

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

Host Hotels & Resorts HST European hotels may be impacted by volcano ash now disrupting air traffic to UK

HST hotel portfolio includes 2 hotels located in London, UK, Le Meridien Picadilly and Sheraton Skyline Hotel and Conference center

HST other European hotels include 1 in Amsterdam, 1 in Warsaw, 2 in Spain and 3 in Italy

HST air traffic closed today in UK, although not yet in other European cities

HST April 2010 experience during volcano eruption in Iceland indicated travelers will change plans to avoid flights, many shortening planned length of stay and rebooking to southern locations to avoid air traffic disruption

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

HST we rank 4 SELL

HST market cap \$12.1 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	Strategic Hotels & Resorts
Price:	\$7
Recommendation:	SELL
Ranking:	4
Market Cap:	\$986
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/24/2011
BEE \$7

Strategic Hotels & Resorts BEE hotel in London may be impacted by volcano ash now disrupting air traffic to UK

BEE hotel portfolio includes 2 hotels located in UK, Marriott Grosvenor Square in London and Marriott Lincolnshire

BEE other European hotels include 1 in Hamburg

BEE air traffic closed today in UK, although not yet in other European cities

BEE April 2010 experience during volcano eruption in Iceland indicated travelers will change plans to avoid flights, many shortening planned length of stay and rebooking to southern locations to avoid air traffic disruption

BEE a Hotel REIT with a portfolio of upscale hotels and resorts

BEE we rank 4 SELL

BEE market cap \$1.0 billion

REIT Comment



Company:	Healthcare Realty Trust
Price:	\$21
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,375
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/24/2011
HR \$21

Healthcare Realty Trust HR traded UP \$0.26 per share to close UP +1% day

HR stock traded UP +1% year to date for 2011, underperforming Health Care REITs, UP +5%

HR consolidation of Health Care REIT industry continues

HR concentration of portfolio in medical office properties makes HR an attractive acquisition target for a larger Health Care REIT

HR focus on new developments as well as acquisitions to add to portfolio of medical office buildings

HR no guidance provided for FFO for 2011

HR portfolio occupancy 82% as of 1Q 2011, to be 86% on stabilization of new properties

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

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

HR we rank 2 BUY

HR market cap \$1.4 billion

REIT Comment



Company:	Camden Property Trust
Price:	\$62
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,433
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/24/2011
CPT \$62

Camden Property Trust CPT traded UP \$0.55 per share to close UP +1% day

CPT stock traded UP +15% year to date for 2011, outperforming Residential REITs, UP +13%

CPT like all Residential REITs seeing higher occupancy and rents due to apartment shortage in key urban markets

CPT occupancy at 94% as of 1Q 2011

CPT recently increased guidance for FFO for 2011 to indicate potential for 18% growth

CPT a Residential REIT with a diverse portfolio of apartment communities

CPT we rank 2 BUY

CPT market cap \$4.4 billion

REIT Comment



Company:	MFA Financial
Price:	\$8
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,291
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/24/2011
MFA \$8

MFA Financial MFA traded UP +\$0.06 per share to close UP +1% day

MFA stock traded unchanged year to date for 2011, in line with Financial Mortgage REITs

MFA portfolio mix shift to greater percentage of non-agency guaranteed Residential MBS drives higher NIM (net interest margin)

MFA no guidance provided for FFO for 2011

MFA stock price supported by current annual dividend yield of 11.6%, near the midpoint of the range of Financial Mortgage REITs

MFA we rank 2 BUY

MFA market cap \$2.3 billion

REIT Comment



Company:	Saul Centers
Price:	\$40
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$961
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/24/2011
BFS \$40

Saul Centers BFS traded DOWN (\$0.46) per share to close DOWN (1%) day

BFS stock traded DOWN (15%) year to date for 2011, underperforming Retail REITs, UP +3%

BFS investor concern over impact of lower federal spending on metropolitan DC area

BFS loss of key tenant at a single property negatively impacted occupancy and same property NOI for 1Q 2011

BFS no guidance provided for 2011 FFO

BFS a Retail REIT with a diverse portfolio of neighborhood and community shopping centers located in the metropolitan DC area

BFS we rank 3 HOLD

BFS market cap \$1.0 billion

REIT Comment



Company:	Strategic Hotels & Resorts
Price:	\$6
Recommendation:	SELL
Ranking:	4
Market Cap:	\$983
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/25/2011
BEE \$7

Strategic Hotels & Resorts BEE hotels in UK and Germany may be impacted by volcano ash now disrupting air traffic in northern Europe

BEE airport closures yesterday included cities in UK and in Germany

BEE hotel portfolio includes 2 hotels located in UK, Marriott Grosvenor Square in London and Marriott Lincolnshire

BEE other European hotels include 1 in Hamburg, Germany

BEE April 2010 experience during volcano eruption in Iceland indicated travelers will change plans to avoid flights, many shortening planned length of stay and rebooking to southern locations to avoid air traffic disruption

BEE a Hotel REIT with a portfolio of upscale hotels and resorts

BEE we rank 4 SELL

BEE market cap \$1.0 billion

REIT Comment



Company:	Equity One
Price:	\$19
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,815
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

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

Equity One EQY completed sale of 5 million shares at \$19 per share

EQY net proceeds of \$97 million to be applied to reduce debt

EQY sole bookrunning manager Barclays Capital

EQY simultaneously sold 1 million shares to MGN, affiliate of EQY largest shareholder, Gazit-Globe Ltd

EQY May 2011 placement of 6 million shares increased total shares outstanding by 5%

EQY a Retail REIT with a portfolio of neighborhood and community shopping centers

EQY we rank 3 HOLD

EQY market cap \$1.8 billion

REIT Comment



Company:	Plum Creek Timber
Price:	\$40
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,461
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/25/2011
PCL \$40

Plum Creek Timber PCL news of higher new home sales a positive signal for lumber demand particularly as current US lumber supplies low

PCL new home sales increased 7% for April 2011, according to Commerce Department report

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

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

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

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

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

PCL we rank 2 BUY

PCL market cap \$6.5 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	Corporate Office Properties Trust
Price:	\$34
Recommendation:	SELL
Ranking:	4
Market Cap:	\$2,315
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/25/2011
OFC \$34

Corporate Office Properties Trust OFC completed offering of 4.6 million shares

OFC net proceeds of \$147 million to be applied to reduce debt

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

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

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

OFC we rank 4 SELL

OFC market cap \$2.3 billion

REIT Comment



Company:	Corporate Office Properties Trust
Price:	\$34
Recommendation:	SELL
Ranking:	4
Market Cap:	\$2,361
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/25/2011
OFC \$34

Corporate Office Properties Trust OFC traded UP \$0.68 per share to close UP +2% day

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

OFC investor concern over increasing exposure to US military and intelligence agencies("super core tenants") at a time when planned Pentagon budget reductions may impact program spending

OFC this month sharply reduced guidance for FFO for 2011 due to pending strategic reallocation, involving concentration of assets in "super core tenants", with accelerated disposition of non-strategic suburban office properties

OFC "super core" tenants expected to be almost 70% of total rental revenue by end of 2013

OFC new guidance 2011 FFO indicates potential for FFO decline of as much as (4%)

OFC investor concern that new strategic plan may impact dividend growth

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

OFC we rank 4 SELL

OFC market cap \$2.4 billion

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,514
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

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

DuPont Fabros Technology DFT traded UP\$0.47 per share to close UP +2% day

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

DFT increasing demand for corporate cloud computing, as well as mobile Internet access, drives demand for wholesale data centers operated by DFT

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

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

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

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

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

DFT we rank 2 BUY

DFT market cap \$1.5 billion

REIT Comment



Company:	AMB Property
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,926
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/25/2011
AMB \$35

AMB Property AMB traded DOWN (\$1.78) per share to close DOWN (3%) day

AMB stock traded UP +12% year to date for 2011, outperforming Industrial REITs, UP +8%

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

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

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

AMB we rank 2 BUY

AMB market cap \$5.9 billion

REIT Comment



Company:	Rayonier
Price:	\$64
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,256
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/25/2011
RYN \$64

Rayonier RYN traded DOWN (\$1.78) per share to close DOWN (3%) day

RYN stock traded UP +22% year to date for 2011, outperforming Specialty REITs, UP +8%

RYN on reporting results for 1Q 2011, management increased guidance for FFO for 2011 to indicate potential for FFO growth of as much as +38%

RYN improved margins driving higher FFO, as lower supply of timber in US supports prices

RYN a Specialty REIT with a portfolio of timberlands and specialty fiber manufacturing operations

RYN we rank 2 BUY

RYN market cap \$5.3 billion

REIT Comment



Company:	Equity Residential
Price:	\$60
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,146
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/26/2011
EQR \$60

Equity Residential EQR short term variability in unemployment reports unlikely to upset long term rebound in employment growth

EQR unemployment claims increased 10,000 to 424,000 for the week ended May 21 2011, according to Labor Department

EQR Residential REITs benefit from employment growth 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 should drive record monthly rental rates from 2011-2013

EQR expected to increase guidance for FFO for 2011 at NAREIT in 2 weeks time

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

EQR a Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$18.1 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	AMB Property
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,926
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/26/2011
AMB \$35

AMB Property AMB variability in manufacturing output may be related to disruption of Japan supply chain for critical parts

AMB Federal Reserve industrial production and capacity utilization report indicates manufacturing production declined (0.4%) for April 2011 after increasing for 9 consecutive months

AMB although growth in manufacturing output is a positive signal for Industrial REITs demand for distribution space is directly tied to end user demand and to retail sales

AMB worldwide economic rebound continues although seasonal downtrend normally occurs during summer months

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

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

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

AMB we rank 2 BUY

AMB market cap \$5.9 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,892
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/26/2011
NLY \$18

Annaly Capital Management NLY continued delay in Congressional discussion of Fannie Mae reform maintains status quo for Financial Mortgage REITs with portfolios of agency guaranteed Residential MBS

NLY mortgage rates remain low and affordable, stimulating applications for mortgage refinancing

NLY FHFA reported ARM index for previously occupied homes for April 2011 decreased (0.4%) from previous month to 4.8%

NLY higher refinance mortgage volume provides opportunities for portfolio reinvestment maintaining net interest margin despite portfolio run-off

NLY stock price supported by current annual dividend yield of 13.8%

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

NLY we rank 2 BUY

NLY market cap \$11.9 billion

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$17
Recommendation:	SELL
Ranking:	4
Market Cap:	\$12,132
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/26/2011
HST \$17

Host Hotels & Resorts HST investor concern continues over impact of high gasoline prices on demand for hotels and airlines

HST oil prices at over \$100 per barrel driving gasoline prices well above \$4.00 per gallon in many US markets

HST consumer and business travelers likely to reduce length of stay and avoid spending on extra meals and other amenities in order to stay within limited travel budgets

HST recent optimistic guidance for FFO growth of as much as 26% for 2011 may need to be reduced

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

HST we rank 4 SELL

HST market cap \$12.1 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	Pennsylvania REIT
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$886
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/26/2011
PEI \$17

Pennsylvania REIT PEI traded UP \$0.76 per share to close UP +5% day

PEI stock traded UP +14% year to date for 2011, outperforming Retail REITs, UP +3%

PEI retail sales continued uptrend through end of April 2011

PEI retailer sales reports for May 2011 expected after Memorial Day weekend

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

PEI portfolio occupancy at 91% as of 1Q 2011

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

PEI we rank 2 BUY

PEI market cap \$886 million

REIT Comment



Company:	Strategic Hotels & Resorts
Price:	\$7
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,021
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/26/2011
BEE \$7

Strategic Hotels & Resorts BEE traded UP \$0.23 per share to close UP +4% day

BEE stock traded UP +27% year to date for 2011, outperforming Hotel REITs, UP +7%

BEE decreasing impact of volcano ash on European travel viewed as positive

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

BEE no guidance provided for FFO for 2011

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

BEE we rank 4 SELL

BEE market cap \$1.0 billion

REIT Comment



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

Additional Text:
05/26/2011
AEC \$17

Associated Estates AEC traded UP \$0.34 per share to close UP +2% day

AEC stock traded UP +8% year to date for 2011, underperforming Residential REITs, UP +13%

AEC like all Residential REITs seeing strong occupancy on positive employment trends

AEC apartment shortage in key markets expected to drive record monthly rental rates for 2011-2013

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

AEC a Residential REIT with a diverse portfolio of apartment communities

AEC we rank 2 BUY

AEC market cap \$679 million

REIT Comment



Company:	Omega Healthcare Investors
Price:	\$21
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,072
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/26/2011
OHI \$21

Omega Healthcare OHI traded UP \$0.31 per share to close UP +2% day

OHI stock traded DOWN (7%) year to date for 2011, underperforming Health Care REITs, UP +5%

OHI consolidation of Health Care REIT industry continues

OHI difficulty with a single tenant, Formation Capital, offset by 20% revenue growth due to acquisitions

OHI most recent guidance for FFO for 2011 indicated potential for growth of as much as 12%

OHI a Health Care REIT with a portfolio of skilled nursing and senior housing properties

OHI we rank 2 BUY

OHI market cap \$2.1 billion

REIT Comment



Company:	Simon Property Group
Price:	\$116
Recommendation:	BUY
Ranking:	2
Market Cap:	\$40,885
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2011
SPG \$116

Simon Property Group SPG next week retailers should announce May2011 sales, in advance of NAREIT conference during the following week

SPG Commerce Department reported consumer spending gained 0.4% for April, 2011, with most of the spending concentrated in food and gasoline, both showing inflationary increases

SPG excluding price changes, Commerce Department data shows consumer spending increased only 0.1% for April, 2011

SPG tenant sales continue to show strong year over year growth UP +8% for latest 12 months through 1Q 2011

SPG most recent guidance for FFO for 2011 indicated potential for growth of as much as 10%

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

SPG we rank 2 BUY

SPG market cap \$40.9 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Regency Centers Corporation
Price:	\$46
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,808
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2011
REG \$46

Regency Centers REG 2011 floods in midwestern states likely to aggravate food price increases

REG appears to be the best vehicle for higher food prices among Retail REITs with the greatest exposure to grocery retailers

REG higher food prices may also be driven by underlying market factors with tight US supply of corn driven by demand for ethanol production, now consuming 40% of the total US corn crop

REG grocery store sales generally outperform department store sales during inflationary times

REG portfolio of shopping centers includes tenants Kroger, Safeway, Publix, SuperValu and Whole Foods

REG higher food costs should lead to higher tenant sales for grocery oriented tenants

REG consumer reaction to higher food costs is usually to prioritize purchases of necessities while limiting non-essential purchases

REG some consumers react to higher food costs by buying larger sizes for volume discounts and stockpiling frequently purchased items in advance of additional price increases

REG higher tenant sales should enable more favorable lease negotiations

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

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

REG we rank 2 BUY

REG market cap \$3.8 billion

REIT Comment



Company:	Hospitality Properties Trust
Price:	\$24
Recommendation:	SELL
Ranking:	5
Market Cap:	\$2,994
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2011
HPT \$24

Hospitality Properties Trust HPT higher gasoline prices for Memorial Day weekend do not benefit HPT, although almost all HPT locations include gasoline stations

HPT higher gasoline prices may cause severe margin pressure for tenants

HPT likely to see reduced traffic at gasoline stations associated with hotel properties as consumers reduce frequency of gasoline purchases in response to higher gasoline prices

HPT does not benefit from changes in gasoline prices at service stations operated by key tenant TA (TravelCenters of America)

HPT lower negotiated rents for key tenant TA to impact FFO for 2011

HPT certain tenants out of compliance for minimum rents

HPT no guidance provided for FFO for 2011

HPT a Hotel REIT

HPT we rank 5 SELL

HPT market cap \$3.0 billion

REIT Comment



Company:	Getty Realty
Price:	\$25
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$760
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2011
GTY \$24

Getty Realty GTY no benefit to earnings from higher gasoline prices over Memorial Day weekend

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

GTY ongoing negotiations with Cambridge Petroleum Holdings may lead to reduced rents to GTY on the majority of GTY portfolio of gasoline stations and convenience stores
GTY additional impairment charges may be required

GTY seeking more acquisitions to provide diversification from key tenant Getty Petroleum Marketing now representing 60% of total portfolio
GTY acquired 59 Mobil stations for \$11 million and 66 Shell stations for \$86 million during 1Q 2011

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

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

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

GTY we rank 3 HOLD

GTY market cap \$760 million

REIT Comment



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

Additional Text:
05/27/2011
ADC \$22

Agree Realty ADC traded DOWN (\$0.38) per share to close DOWN (2%) day

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

ADC key tenant Borders Group faces liquidation, as publisher's Creditors Committee today filed unified objection to Borders request to extend time to file bankruptcy reorganization plan beyond June 16, 2011

ADC Creditors Committee filing indicates they will oppose Borders plan to reorganize opting to present their own plan to put an end to mounting losses

ADC all of remaining 14% of ADC rental income from Borders Group now appears not only subject to renegotiation, but subject to termination

ADC also faces significant accounting issue, as no action has yet been taken to reverse non-cash portion of Borders rents recognized as rental revenue, although unpaid since October 2010

ADC may be forced to reduce dividend for the second time in 2011 in order to minimize reduction to stockholder's equity

ADC provided no guidance for FFO for 2011

ADC a Retail REIT with a portfolio of net leased properties operated by Borders Group Wal-Mart and Kmart

ADC we rank 4 SELL

ADC market cap \$225 million

REIT Comment



Company:	CBL & Associates
Price:	\$19
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,618
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2011
CBL \$19

CBL & Associates CBL traded UP +0.40 per share to close UP +2% day

CBL stock traded UP +9% year to date for 2011, outperforming Retail REITs, UP +3%

CBL key retailers to report sales for May 2011 after the holiday weekend, before NAREIT conference the following week

CBL trailing 12 month tenant sales UP +3% through 1Q 2011

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

CBL occupancy at 90% as of 1Q 2011

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

CBL we rank 2 BUY

CBL market cap \$3.6 billion

REIT Comment



Company:	Developers Diversified Realty
Price:	\$14
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,810
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2011
DDR \$14

Developers Diversified DDR traded UP \$0.20 per share to close UP +1% day

DDR stock traded UP +2% year to date for 2011, underperforming Retail REITs, UP +3%

DDR grocery anchored tenants make DDR a good choice as a Retail REIT to benefit from higher food costs

DDR higher food costs should lead to higher tenant sales for grocery oriented tenants

DDR most recent guidance for FFO for 2011 indicated potential for FLAT year at best with possibility of decline of as much as (13%), due to dilution from share offerings

DDR a Retail REIT with a portfolio of grocery anchored shopping centers in US Brazil, Canada and Puerto Rico

DDR we rank 2 BUY

DDR market cap \$3.8 billion

REIT Comment



Company:	ProLogis Trust
Price:	\$16
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$9,284
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
05/27/2011
PLD \$16

ProLogis Trust PLD traded UP \$0.13 per share to close UP +1% day

PLD stock traded UP +13% year to date for 2011, outperforming Industrial REITs, UP +8%

PLD recent variability in manufacturing output may be related to disruption of Japan supply chain for critical parts

PLD investor concern that downturn in manufacturing output may impact demand for distribution space, but we view retail sales as more directly related

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

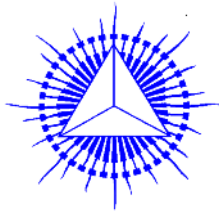
PLD pending merger with AMB Property AMB in stock for stock exchange expected to be completed during 3Q 2011

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

PLD we rank 3 HOLD

PLD market cap \$9.3 billion

PLD an S&P 500 Index REIT



REIT Growth and Income Monitor posted 40 REIT comments for the week ended May 27, 2011. Comments were issued on REITs in the following sectors:

Financial REITs	3
Health Care REITs	2
Hotel REITs	7
Industrial REITs	4
Office REITs	4
Residential REITs	4
Retail REITs	12
Specialty REITs	4

Information on REIT sectors may be found using this link:

http://www.reitmonitor.net/REIT_Resources

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

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

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