



REIT Growth and Income Monitor

Weekly Comments 07/05/2011

REITs rebounded smartly during the last week of June, 2011, now showing positive performance gap of 4% versus the S&P 500 Index.

Turnaround in manufacturing output places spotlight on Industrial REITs.

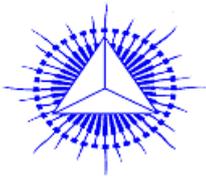
Prologis Inc, having completed merger of AMB Property and ProLogis Trust, provides the best world wide platform for distribution customers.

DCT Industrial Trust expects occupancy gains to drive improved profitability during 2012.

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**Weekly REIT Comments**
07/05/2011

REITs rallied for a strong gain during the last week of June, ended July 1, 2011. REITs included in the S&P 500 Index now show gain of 11% year to date, exceeding 7% gain for the S&P 500 Index. Positive performance gap narrowed slightly to 4% for 2011. Average gain for all REITs followed by REIT Growth and Income Monitor found a new high at 9% year to date for 2011.

Certain REIT sectors demonstrated ability to increase guidance for FFO for 2011, while others seem to be headed for disappointment. 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.

Turnaround in Manufacturing Output Places Spotlight on Industrial REITs

Investors were positively surprised by the good news on US manufacturing activity during the first few days of July, 2011. Institute for Supply Management reported that its manufacturing index increased 1.8% for June, 2011 from May, 2011. The Chicago purchasing manager's index, a measure of business activity in the midwest, also improved for June, 2011. Just after the July 4, 2011 holiday weekend, US Commerce Department reported factory orders increased 0.8% during May, 2011 from April, 2011, confounding economists who expected signs of economic slowdown. Commerce Department also reported May, 2011 factory shipments increased 0.1%, while inventories increased 0.8%, indicating some lingering effect of supply disruption from the Japan earthquake and tsunami in March, 2011. All of these manufacturing measures indicate a positive trend for Industrial REITs.

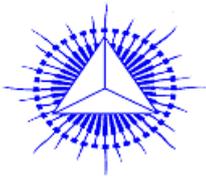
The first full trading week of July, 2011, should provide additional good news for Industrial REITs, as same store retail sales reports for June, 2011 from major retail chains should indicate continued consumer spending that may carry the US economy through the summer months. Industrial REITs benefit from both higher factory shipments and stronger retail sales, signaling more demand to be expected for distribution space to accommodate a higher volume of shipments. Existing distribution customers may decide to occupy space under option contracts, while new customers seek to add to their portfolio of distribution space in advance of Industrial REIT rental rate increases. Occupancy gains should translate to much higher profitability for Industrial REITs by the end of 2011.

Trading Opportunities

Prologis Inc offers investors an improved large cap vehicle to participate in the rebound of occupancy and rental rates for Industrial REITs. Combined market cap is over \$16 billion, while total valuation including debt, preferred stock and minority interest exceeds \$25 billion. **Prologis Inc** now controls more than 600 million square feet of distribution space in 22 countries, serving more than 4,500 customers. Stock price rallied more than 10% during July, 2011, on news of improvement in US manufacturing output. Completion of the merger of **ProLogis Trust** with **AMB Property** as of June 3, 2011, provides an opportunity to stress improving profitability to investors during the earnings report for 2Q 2011, pending during July, 2011. Long term growth is supported by marketing synergies for combined **Prologis Inc** development platform in US, Europe and Asia, positioned to add more than 10% to existing capacity. While the first dividend for the combined company has not yet been declared, previous yield for **AMB Property** was 3.1%, while **ProLogis Trust** yield was 1.3%. Management of **Prologis Inc** expects to restore dividend growth during 2012.

DCT Industrial Trust is a small cap Industrial REIT with market cap of \$1 billion and a diverse portfolio of 75 million square feet of distribution warehouses and light industrial properties. **DCT Industrial Trust** stock price underperformed Industrial REITs, up only 2% year to date for 2011, following 6% gain for 2010. Development pipeline, including joint venture properties, will add 10% to capacity for **DCT Industrial Trust**. Occupancy at 88% as of March 2011 was improved by more than 7% from the previous year. Occupancy should increase through the rest of 2011 and 2012, as restoration of 90% occupancy is a management priority to be achieved by early 2012. FFO for 1Q 2011 decreased (10%), with same property NOI down (4%) on a cash basis, reflecting lower rental rates on lease renewals accepted by **DCT Industrial Trust** to maintain occupancy. Guidance for FFO for 2011 was slightly increased to indicate potential for (3%)-(13%) decline. Dividends have been maintained since reduction of more than (50%) during 2009. Stock price is supported by current yield for income investors of 5.2%.

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Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Weekly	2011						
		12/31/2010	05/27/2011	06/03/2011	06/10/2011	06/17/2011	06/24/2011	07/01/2011	Change	Price Change
Apartment Investment and Management	AIV	\$26	\$26	\$26	\$25	\$25	\$25	\$26	4%	1%
AvalonBay Communities	AVB	\$113	\$130	\$131	\$130	\$129	\$128	\$133	4%	18%
Boston Properties	BXP	\$96	\$106	\$104	\$101	\$104	\$103	\$109	5%	25%
Equity Residential	EQR	\$52	\$61	\$60	\$59	\$59	\$58	\$61	5%	18%
HCP Inc.	HCP	\$37	\$37	\$37	\$36	\$37	\$37	\$37	2%	1%
Health Care REIT	HCN	\$48	\$52	\$52	\$50	\$52	\$52	\$53	1%	11%
Host Hotels & Resorts	HST	\$18	\$18	\$17	\$16	\$16	\$16	\$18	9%	-1%
Kimco Realty	KIM	\$18	\$19	\$19	\$17	\$18	\$18	\$19	4%	4%
Plum Creek Timber	PCL	\$37	\$40	\$40	\$39	\$39	\$39	\$41	5%	10%
Prologis, Inc	PLD	\$32	\$36	\$34	\$32	\$34	\$34	\$36	6%	14%
Public Storage	PSA	\$101	\$116	\$116	\$112	\$112	\$111	\$116	5%	14%
Simon Property Group	SPG	\$99	\$116	\$115	\$111	\$114	\$112	\$119	5%	19%
Ventas	VTR	\$52	\$55	\$55	\$51	\$53	\$53	\$54	2%	2%
Vornado Realty Trust	VNO	\$93	\$97	\$95	\$91	\$91	\$91	\$95	5%	14%
S&P 500 Index	S&P 500	\$1,258	\$1,331	\$1,300	\$1,271	\$1,272	\$1,268	\$1,340	6%	7%
Average for S&P 500 Index REITs									4%	11%

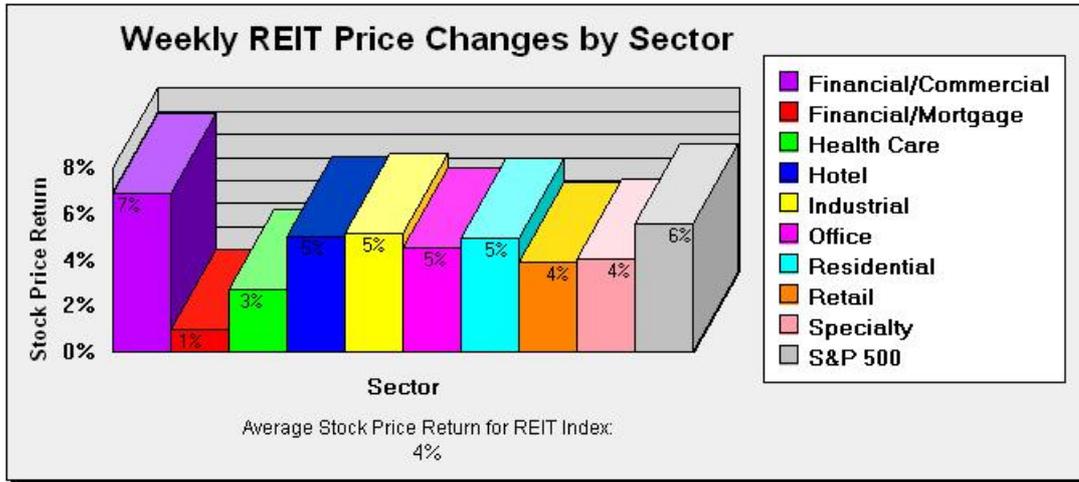
S&P 500 Index REITs rallied sharply, trading up 4% during the last week of June, ended July 1, 2011. REITs rebounded less than the S&P 500 Index, trading up 6% for the week. The S&P 500 Index restored gain of 7% year to date for 2011, underperforming year to date REIT performance, up 11%. Positive performance gap for S&P 500 Index REITs narrowed again to 4%.

Best performing of the S&P 500 Index REITs for 2011 is **Boston Properties**, up 25%. Other leading performers include **Simon Property Group**, up 19%, as well as **AvalonBay Communities** and **Equity Residential**, both up 18%, followed by **Prologis**, **Public Storage** and **Vornado Realty Trust**, all up 14%. **Health Care REIT** now shows year to date gain of 11%. **Plum Creek Timber**, the only S&P 500 REIT to decline during 2010, rebounded 5% to show gain of 10% for 2011. **Apartment Investment and Management** adjusted guidance due to debt extinguishment, causing a stock price decline, showing gain of only 1% year to date. Fluctuations in gasoline prices caused Hotel REIT **Host Hotels & Resorts** to rebound 9% last week to show year to date decrease of (1%) for 2011.

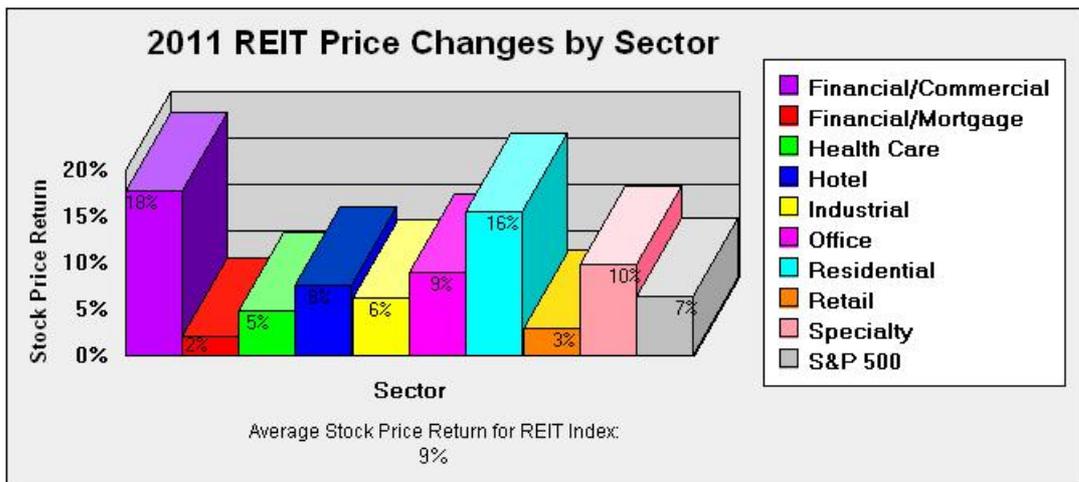
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Weekly REIT Price Changes by Sector



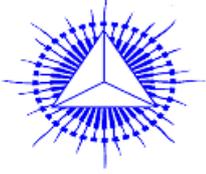
All REIT sectors showed strong gains for the last week of June, ended July 1, 2011. Best performing sector was Financial Commercial REITs, up 7%. Hotel REITs, Industrial REITs, Office REITs and Residential REITs rallied for a weekly gain of 5%, followed by Retail REITs and Specialty REITs, up 4%. Health Care REITs increased 3%. Lagging sector was Financial Mortgage REITs, up 1%. On average, stock prices for REIT Growth and Income Monitor increased 4% for the week ended July 1, 2011.



Stock prices for REITs followed by REIT Growth and Income Monitor now show the strongest year to date gain yet for 2011, up 9% on average for 2011 (surpassing gain of 7% for the S&P 500 Index), following average gain of 35% for 2010. Leading non-Financial sector is still Residential REITs, up 16% on better than expected earnings results and higher guidance for 2011. Other outperforming sectors include Financial Commercial REITs, up 18%, followed by Specialty REITs, up 10%, and Office REITs up 9%. Industrial REITs are up 6% for 2011. Volatile Hotel REITs now show gain of 8%. Health Care REITs rallied to show gain of 5% for 2011. Lagging sectors are Retail REITs, up 3%, and Financial Mortgage REITs, showing gain of 2% year to date for 2011.

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REIT Comment



Company:	Senior Housing Properties Trust
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,332
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/27/2011
SNH \$23

Senior Housing Properties Trust SNH larger credit facility provides funds for portfolio expansion

SNH expansion of credit facility from \$550 million to \$750 million provides more flexibility

SNH maximum borrowing capacity set at \$1.5 billion under certain circumstances

SNH new line with 26 banks, compared to 18 previously

SNH joint lead banks Wells Fargo and RBC

SNH acquisition program to achieve portfolio growth includes addition of senior living assets as well as medical office properties and life science investments

SNH a Health Care REIT

SNH we rank 2 BUY

SNH market cap \$3.3 billion

REIT Comment



Company:	Simon Property Group
Price:	\$112
Recommendation:	BUY
Ranking:	2
Market Cap:	\$39,736
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/27/2011
SPG \$112

Simon Property Group SPG news of flat consumer spending growth for May2011 in line with expectations

SPG Commerce Department reported consumer spending UP +0.3% for May 2011, flat with adjusted level for April 2011

SPG Retail REITs benefit from gains in consumer spending

SPG recent break in gasoline prices may prove to be a short term positive for Retail REITs

SPG gasoline prices still up more than 30% from 2010, forcing consumers to postpone driving vacations to stay closer to home

SPG outlet centers and regional malls with entertainment options may prove to draw consumers over the July 4th weekend

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 \$39.7 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Tanger Factory Outlet Centers
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,473
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/27/2011
SKT \$27

Tanger Factory Outlet Centers SKT news of unusual pending investment in Texas City(south of Houston, TX) highlights maturation of outlet center business

SKT local news sources report that Texas City may see codevelopment of outlet center with SKT and Simon Property Group SPG both investing to serve their retail outlet vendors

SKT and SPG normally rivals in outlet center development, but pressure from brand name retailers may have forced unusual co-development agreement

SPG site to be known as Galveston Premium Outlet Centers already under development in Texas City near I-45, to contain 100 outlet stores

SKT investment in alternate League City site a few miles further north along I-45 apparently blocked by seller of land

SKT local press reports indicate advanced co-development discussions in progress between SKT and SPG

SKT recent management comments at NAREIT investor meeting highlighted significant position of outlet centers, as retailers no longer view outlet stores as clearance of unsold goods but as necessary part of distribution channel

SKT expansion into Canada in joint venture with RioCan indicates management commitment to long term expansion in international markets, as well as commitment to US development projects

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:	Ventas
Price:	\$53
Recommendation:	BUY
Ranking:	2
Market Cap:	\$8,546
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/27/2011
VTR \$53

Ventas VTR Court of Appeals decision upheld \$102 million damage award in litigation with HCP over 2007 acquisition price of Sunrise Senior Living

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

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

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

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

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

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

VTR we rank 2 BUY

VTR market cap \$8.5 billion

VTR an S&P 500 Index REIT

REIT Comment



Company:	HCP Inc.
Price:	\$37
Recommendation:	BUY
Ranking:	2
Market Cap:	\$13,670
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/27/2011
HCP \$37

HCP Inc HCP news of Court of Appeals decision in favor of Ventas VTR on \$102 million damage award to Ventas over 2007 Senior Living acquisition unlikely to have major impact on HCP

HCP Ventas VTR may seek trial for punitive damages to be paid by HCP

HCP recent management comments indicate entire amount of potential award to Ventas VTR already fully reserved as of 2Q 2011

HCP recently completed \$6.1 billion acquisition of HCR ManorCare to be accretive to results for 2011

HCP recent guidance for FFO for 2011 prior to completion of HCR acquisition indicated potential for growth of as much as 18%

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

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

HCP we rank 2 BUY

HCP market cap \$13.7 billion

HCP an S&P 500 Index REIT

REIT Comment



Company:	Strategic Hotels & Resorts
Price:	\$7
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,185
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/27/2011
BEE \$7

Strategic Hotels & Resorts BEE traded UP \$0.19 per share to close UP +3% day

BEE stock traded UP +27% year to date for 2011, outperforming Hotel REITs, UP +3%

BEE Hotel REIT stocks trading inverse to changes in oil prices

BEE consumers still impacted by gasoline prices up more than 30% from summer of 2010

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

BEE AAA study reports fewer members plan driving holidays over July 4th holiday

BEE business and consumer travelers may seek to reduce length of stay in hotel rooms and spend less on extra meals and amenities to offset higher gasoline costs

BEE restructuring of investments in Hotel Del Coronado, located in San Diego CA, and Scottsdale Princess Resort, in Scottsdale, AZ, provides upside on hotel industry recovery

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 \$1.2 billion

REIT Comment



Company:	CommonWealth REIT
Price:	\$26
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,031
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/27/2011
CWH \$26

CommonWealth REIT CWH traded UP \$0.44 per share to close UP +2% day

CWH stock traded unchanged year to date for 2011, underperforming Office REITs, UP +4%

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

CWH no guidance provided for FFO for 2011

CWH stock price supported by current annual dividend yield of 7.8%

CWH an Office REIT with a diverse portfolio of office properties

CWH we rank 2 BUY

CWH market cap \$2.0 billion

REIT Comment



Company:	Developers Diversified Realty
Price:	\$14
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,586
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/27/2011
DDR \$14

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

DDR stock traded DOWN (4%) year to date for 2011, underperforming Retail REITs, DOWN (1%)

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 \$3.6 billion

REIT Comment



Company:	Extra Space Storage
Price:	\$21
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,920
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/27/2011
EXR \$21

Extra Space Storage EXR traded UP \$0.21 per share to close UP +1% day

EXR stock traded UP +19% year to date for 2011, outperforming Speciality REITs, UP +6%

EXR Specialty REITs with portfolios of self-storage facilities enjoying higher rental rates and occupancy

EXR expanding portfolio through \$200 million acquisitions target for 2011

EXR most recent guidance for FFO for 2011 indicated potential for FFO growth of as much as 16%, based on same property NOI growth of 2%-5%

EXR a Specialty REIT with a portfolio of self storage properties

EXR we rank 2 BUY

EXR market cap \$1.9 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$19
Recommendation:	BUY
Ranking:	2
Market Cap:	\$14,768
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/28/2011
NLY \$19

Annaly Capital Management NLY news of improvement in home price index a positive for Financial Mortgage REITs

NLY Case Shiller index reported first sequential monthly improvement since July2010, with 0.7% unadjusted increase in home prices for April, 2011

NLY Case Shiller index now shows year over year home price decline of(4%)

NLY best home price improvement reported for DC, as well as San Francisco, Atlanta and Seattle

NLY worst home price decreases reported for Charlotte, Chicago, Detroit, Las Vegas, Miami and Tampa

NLY Financial Mortgage REITs benefit from higher home prices, as market for home sales improves with higher prices, enabling higher mortgage origination volume

NLY higher mortgage origination volume provides opportunities to reinvest portfolio funds

NLY stock price supported by current annual dividend yield of13.9%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$14.8 billion

REIT Comment



Company:	Cypress Sharpridge Investments
Price:	\$13
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,036
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/28/2011
CYS \$13

Cypress Sharpridge Investments CY5 news of improvement in home price index a positive for Financial Mortgage REITs

CYS Case Shiller index reported first sequential improvement since July2010, with 0.7% unadjusted increase in home prices for April, 2011

CYS Financial Mortgage REITs benefit from higher home prices, as market for home sales improves with higher prices, enabling higher mortgage origination volume

CYS higher mortgage origination volume provides opportunities to reinvest portfolio funds

CYS stock price supported by current annual dividend yield of19.1%, highest of the range for Financial Mortgage REITs

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

CYS we rank 3 HOLD

CYS market cap \$1.0 billion

REIT Comment



Company:	Plum Creek Timber
Price:	\$39
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,398
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/28/2011
PCL \$39

Plum Creek Timber PCL news of monthly sequential improvement in Case Shiller home price index a positive sign for housing sector recovery

PCL Specialty REITs with portfolios of timberlands and sawlog mills benefit from US housing sector recovery through higher prices for lumber and wood products

PCL outlook for wood prices also supported by export demand with use of wood for industrial use in China and to rebuild houses following earthquake and tsunami in Japan

PCL stock price supported by current annual dividend yield of 4.3% and by management commitment to repurchase shares

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

PCL we rank 2 BUY

PCL market cap \$6.4 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	Digital Realty Trust
Price:	\$61
Recommendation:	BUY
Ranking:	1
Market Cap:	\$7,036
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/28/2011
DLR \$61

Digital Realty Trust DLR today's introduction by Microsoft MSFT of Office 365 highlights growth in demand for shared computing services delivered via cloud computing

DLR exciting features of Microsoft MSFT Office 365 include integration of office work on documents and spreadsheets with texting, IM and real time communications with mobile devices

DLR cloud software services expected to appeal to small business and corporate work groups

DLR new capacity in turnkey data centers owned by DLR needed to support expansion of cloud computing services

DLR recent guidance for FFO for 2011 indicated potential for FFO growth of as much as 16%

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

DLR we rank 1 BUY

DLR market cap \$7.0 billion

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,050
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/28/2011
DFT \$25

DuPont Fabros Technology DFT Microsoft MSFT launch of Office365 highlights appeal of cloud computing with new online service offerings

DFT cloud software services expected to appeal to small business and corporate work groups with integration of office work on documents and spreadsheets with texting IM and real time communications with mobile devices

DFT Microsoft MSFT already a key tenant for DFT wholesale data centers for existing services provided by MSN and Bing

DFT other significant tenants include the largest Internet websites and online service providers including Facebook, Google and Yahoo!, as well as managed hosting services such as Rackspace

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 \$2.1 billion

REIT Comment



Company:	Senior Housing Properties Trust
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,286
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/28/2011
SNH \$23

Senior Housing Properties Trust SNH priced offering of 10 million shares at \$22.50 per share

SNH offering size increased from previous 6.5 million shares

SNH offering priced at discount of (3%) from last night's closing price, and stock now trading UP +4% from offering price

SNH proceeds of \$220 million may be applied to debt repayment or to acquisitions

SNH joint bookrunning managers Jeffries, Citi and UBS

SNH co-lead managers Morgan Keegan, Morgan Stanley, RBC and Wells Fargo

SNH co-managers BB&T, Janney Montgomery Scott, JMP and Oppenheimer

SNH June 2011 offering to increase total shares outstanding by 7%

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

SNH we rank 2 BUY

SNH market cap \$3.3 billion

REIT Comment



Company:	Post Properties
Price:	\$40
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,004
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/28/2011
PPS \$40

Post Properties PPS traded UP \$0.79 per share to close UP +2% day

PPS stock traded UP +11% year to date for 2011, outperforming Residential REITs, UP +10%

PPS like all Residential REITs seeing improvements in average monthly rental rates

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

PPS most recent guidance for FFO for 2011 indicates potential for growth of as much as 12%

PPS a Residential REIT with a diverse portfolio of apartment communities in southeastern states

PPS we rank 2 BUY

PPS market cap \$2.0 billion

REIT Comment



Company:	Potlatch Corp.
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,427
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/28/2011
PCH \$35

Potlatch PCH stock traded UP \$0.29 per share to close UP +1% day

PCH stock traded UP +9% year to date for 2011, underperforming Specialty REITs, UP +6%

PCH news of sequential monthly increase in home prices for April 2011 a positive signal for US housing sector recovery

PCH would benefit from US housing sector recovery through improved prices on lumber and wood products

PCH improved demand from international markets also stimulates higher lumber prices

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

PCH we rank 2 BUY

PCH market cap \$1.4 billion

REIT Comment



Company:	Hatteras Financial
Price:	\$28
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,653
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/28/2011
HTS \$28

Hatteras Financial HTS stock traded UP \$0.26 per share to close UP +1% day

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

HTS news of sequential monthly increase in home price index a positive signal for US housing sector recovery

HTS higher home sales would generate more mortgage originations providing flexibility for portfolio reinvestment

HTS stock price supported by current annual dividend yield of 14.4%, above the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 2 BUY

HTS market cap \$1.7 billion

REIT Comment



Company:	Sunstone Hotel Investors
Price:	\$9
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,056
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/28/2011
SHO \$9

Sunstone Hotel Investors SHO traded UP \$0.10 per share to close UP +1% day

SHO stock traded DOWN (13%) year to date for 2011, underperforming Hotel REITs, UP +3%

SHO Hotel REIT stocks trading inverse to oil prices

SHO although oil prices are down to \$90 per barrel, gasoline prices are still UP more than 30% from June 2010

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

SHO reported higher FFO for 1Q 2011 and provided guidance for strong recovery during 2011

SHO a Hotel REIT

SHO we rank 3 HOLD

SHO market cap \$1.1 billion

REIT Comment



Company:	Senior Housing Properties Trust
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,316
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/29/2011
SNH \$23

Senior Housing Properties Trust SNH completed sale of 1.5 million shares in overallotment, bringing total stock offering to 11.5 million shares at \$22.50 per share

SNH offering size increased from previous 6.5 million shares

SNH offering priced at discount of (3%) from previous night's closing price, with stock now trading UP +4% from offering price

SNH proceeds of \$259 million may be applied to debt repayment or to acquisitions

SNH joint bookrunning managers Jeffries, Citi and UBS
SNH co-lead managers Morgan Keegan, Morgan Stanley, RBC and Wells Fargo
SNH co-managers BB&T, Janney Montgomery Scott, JMP and Oppenheimer

SNH June 2011 offering to increase total shares outstanding by 8%

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

SNH we rank 2 BUY

SNH market cap \$3.3 billion

REIT Comment



Company:	Tanger Factory Outlet Centers
Price:	\$26
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,419
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/29/2011
SKT \$26

Tanger Factory Outlet Centers SKT acquired outlet center from Simon Property Group SPG for \$134 million

SKT to apply recent \$150 million bridge loan from Wells Fargo to complete the transaction, with no debt to be assumed on acquired property

SKT Prime Outlets at Jeffersonville to be first SKT outlet center investment in Ohio to be rebranded as Tanger Outlets at Jeffersonville

SKT acquired property currently 97% occupied, in line with occupancy for SKT existing portfolio as of 1Q 2011

SKT timing of transaction coincides with rumor of joint investment with SPG in new outlet center in Texasville, south of Houston

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

SKT we rank 2 BUY

SKT market cap \$2.4 billion

REIT Comment



Company:	Ashford Hospitality Trust
Price:	\$13
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,042
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/29/2011
AHT \$13

Ashford Hospitality Trust AHT priced offering of 7 million shares at \$12.50 per share

AHT offering size increased from previous 6 million shares

AHT offering priced at discount of (4%) from last night's closing price

AHT proceeds of \$85 million to be applied to reduce debt

AHT joint bookrunning managers Morgan Stanley, Credit Suisse, KeyBanc and UBS

AHT June 2011 offering to increase total AHT shares outstanding by 9%

AHT a Hotel REIT

AHT we rank 3 HOLD

AHT market cap \$1.0 billion

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,063
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/29/2011
DFT \$25

DuPont Fabros Technology DFT positive reviews for Microsoft MSFT new online software service Office 365 indicates rapid acceptance probable among many existing Microsoft Office users

DFT MSFT Office 365 highlights appeal of cloud computing with integration of office work on documents and spreadsheets with texting IM and real time communications with mobile devices

DFT migration from existing standalone or LAN-based Office users likely tied to obsolescence of PCs and servers, with termination of office leases another driving factor

DFT Microsoft MSFT already a key tenant for DFT wholesale data centers for existing services provided by MSN and Bing

DFT as use of Office 365 increases, MSFT should see rapid expansion of data storage requirements for Office 365 online customers, increasing use of space in wholesale data centers owned by DFT

DFT other significant DFT tenants include the largest Internet websites and online service providers including Facebook, Google and Yahoo!, as well as managed hosting services such as Rackspace

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 \$2.1 billion

REIT Comment



Company:	Duke Realty Corporation
Price:	\$14
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,661
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/29/2011
DRE \$14

Duke Realty DRE traded UP \$0.29 per share to close UP +2% day

DRE traded UP +12% year to date for 2011, outperforming Industrial REITs, UP +1%

DRE Industrial REITs expecting improved occupancy to drive higher profitability as economic recovery continues

DRE retail sales, manufacturing output, import volume, and air freight volume all positive signals for Industrial REITs

DRE most recent guidance for FFO for 2011 indicated potential for (8%) decline or growth of as much as 3%

DRE an Industrial REIT

DRE we rank 2 BUY

DRE market cap \$3.7 billion

REIT Comment



Company:	Federal Realty Investment Trust
Price:	\$86
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,291
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/29/2011
FRT \$81

Federal Realty Investment Trust FRT traded UP \$1.18 per share to close UP +1% day

FRT stock traded UP +10% year to date for 2011, outperforming Retail REITs, DOWN (1%)

FRT innovative new developments of retail space, incorporating residential and commercial elements, drives portfolio expansion

FRT exposure to metropolitan DC area still at more than 30% of rental income, despite geographic diversification

FRT most recent guidance for FFO for 2011 indicated potential for FFO growth of as much as 4%

FRT a Retail REIT with a diverse portfolio of retail, commercial and apartment properties

FRT we rank 2 BUY

FRT market cap \$5.3 billion

REIT Comment



Company:	Mack-Cali Realty
Price:	\$33
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,166
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/29/2011
CLI \$33

Mack-Cali Realty CLI traded UP \$0.46 per share to close UP +1% day

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

CLI Office REITs reporting continued rent roll downs on lease turnovers

CLI investor concern over exposure to financial industry tenants at a time when bank layoffs are driven by new regulation and limitations on fees and trading activities

CLI exposure to financial industry tenants at 15% of total rental revenue

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

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

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

CLI we rank 3 HOLD

CLI market cap \$3.2 billion

REIT Comment



Company:	Digital Realty Trust
Price:	\$62
Recommendation:	BUY
Ranking:	1
Market Cap:	\$7,178
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/29/2011
DLR \$62

Digital Realty Trust DLR traded UP \$0.72 per share to close UP +1% day

DLR stock traded UP +20% year to date for 2011, outperforming Office REITs, UP +4%

DLR positive reviews of Microsoft's new online software service, Office 365, highlight enticing capabilities of cloud computing

DLR long term trend to a greater share of data stored online, not only in emails, but to serve individual work requirements and facilitate workgroups, increases demand for turnkey data centers to support cloud based services

DLR proliferation of mobile Internet devices increases demand for access to online services of all types

DLR portfolio NOI driven by conversions of existing office properties to turnkey data centers

DLR most recent guidance for 2011 indicated potential for FFO growth of 16%

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

DLR we rank 1 BUY

DLR market cap \$7.2 billion

REIT Comment



Company:	Equity Residential
Price:	\$60
Recommendation:	BUY
Ranking:	2
Market Cap:	\$18,630
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/30/2011
EQR \$60

Equity Residential EQR news of variability in unemployment trends unlikely to impede earnings progress for Residential REITs

EQR Labor Department reported only slight decline in jobless claims for week ended June25, 2011, leaving trailing 4 week average unchanged

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

EQR apartment shortage in key urban market expected to drive record monthly rental rates from 2011-2013

EQR expected to increase guidance for FFO for 2011 on reporting results for 2Q 2011 during July 2011

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

EQR a Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$18.6 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	Annaly Capital Management
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$14,214
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/30/2011
NLY \$18

Annaly Capital Management NLY news of increase in contracts to purchase homes a positive signal for Financial Mortgage REITs

NLY National Association of Realtors reported 8% sequential monthly improvement for May 2011 in number of contracts to purchase homes

NLY caution that appraisals sometimes prevent transactions from completion as mortgage financing may be unavailable if negotiated purchase price is above appraised value

NLY National Association of Realtors index not adjusted for seasonality

NLY home purchase transactions generate mortgage origination volume providing opportunity for Financial Mortgage REITs to reinvest portfolio funds in new mortgages

NLY stock price supported by current annual dividend yield of 14.5%

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

NLY we rank 2 BUY

NLY market cap \$14.2 billion

REIT Comment



Company:	Boston Properties
Price:	\$106
Recommendation:	SELL
Ranking:	4
Market Cap:	\$15,222
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/30/2011
BXP \$106

Boston Properties BXP increasing concern over exposure to financial industry tenants

BXP news of bank layoffs now includes international banks as well as US banks

BXP management estimates total financial industry exposure at 20% of NOI, with tenants including Citibank at 3% and many law firms serving financial industry

BXP exposure to metropolitan DC area at 25% of NOI, including downtown DC office properties

BXP most Office REITs facing continued rent roll downs on lease turnovers

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

BXP an Office REIT with a portfolio of upscale office properties in NY, Boston, DC and San Francisco

BXP we rank 4 SELL

BXP market cap \$15.2 billion

BXP an S&P 500 Index REIT

REIT Comment



Company:	Tanger Factory Outlet Centers
Price:	\$26
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,440
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/30/2011
SKT \$26

Tanger Factory Outlet Centers SKT priced offering of 4 million shares at \$25.95 per share

SKT offering priced at only (1%) discount to previous day's closing price

SKT proceeds of \$100 million to be applied to reduce debt, including \$150 million bridge loan from Wells Fargo on outlet center acquisition

SKT sole underwriter Jeffries

SKT June 2011 offering increases total shares outstanding by 4%

SKT a Retail REIT with a portfolio of outlet centers

SKT we rank 2 BUY

SKT market cap \$2.4 billion

REIT Comment



Company:	MFA Financial
Price:	\$8
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,412
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/30/2011
MFA \$8

MFA Financial MFA increased dividend distribution for 3Q 2011 by 6% to \$0.25 per share

MFA new annual dividend \$1.00 per share

MFA new yield 12.4%, below the midpoint of the range for Financial Mortgage REITs

MFA a Financial Mortgage REIT with a portfolio of agency guaranteed and nonagency guaranteed Residential MBS

MFA we rank 2 BUY

MFA market cap \$2.4 billion

REIT Comment



Company:	Liberty Property Trust
Price:	\$33
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,867
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/30/2011
LRY \$33

Liberty Property Trust LRY traded DOWN (\$0.42) per share to close DOWN (1%) day

LRY stock traded UP +2% year to date for 2011, underperforming Office REITs, UP +4%

LRY Office REITs facing continued rent roll downs on lease turnover

LRY recent guidance for FFO for 2011 indicated potential for FLAT results at best, with potential for decline of as much as (6%)

LRY an Office REIT with a diverse portfolio of office and commercial properties

LRY we rank 2 BUY

LRY market cap \$3.9 billion

REIT Comment



Company:	Hospitality Properties Trust
Price:	\$24
Recommendation:	SELL
Ranking:	5
Market Cap:	\$2,992
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/30/2011
HPT \$24

Hospitality Properties Trust HPT stock traded DOWN (\$0.20) per share to close DOWN (1%) day

HPT stock traded UP +5% year to date for 2011, outperforming Hotel REITs, UP +3%

HPT higher gasoline prices for July Fourth holiday 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 other significant 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:	Strategic Hotels & Resorts
Price:	\$7
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,252
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/30/2011
BEE \$7

Strategic Hotels & Resorts BEE traded UP \$0.25 per share to close UP +4% day

BEE stock traded UP +34% year to date for 2011, outperforming Hotel REITs, UP +3%

BEE Hotel REITs trading inverse to oil prices, as investors see risk to travel related stocks, including airlines and hotels, on gasoline prices still up more than 30% from June 2010

BEE AAA study reports fewer members plan driving holidays over July4th holiday

BEE restructuring of investments in Hotel Del Coronado, located in San Diego CA, and Scottsdale Princess Resort, in Scottsdale, AZ, provides upside on hotel industry recovery

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 \$1.3 billion

REIT Comment



Company:	Ramco-Gershenson Properties
Price:	\$12
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$474
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/30/2011
RPT \$12

Ramco-Gershenson Properties RPT traded UP \$0.16 per share to close UP +1% day

RPT stock traded DOWN (1%) year to date for 2011, in line with Retail REITs, DOWN (1%)

RPT reducing developments in wake of management departure

RPT most recent guidance for FFO for 2011 indicated potential for FFO decline of as much as (14%)

RPT a Retail REIT with a portfolio of regional malls

RPT we rank 3 HOLD

RPT market cap \$474 million

REIT Comment



Company:	Tanger Factory Outlet Centers
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,482
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
07/01/2011
SKT \$27

Tanger Factory Outlet Centers SKT announced joint venture with Simon Property Group SPG to develop Tanger branded outlet center in Texasville, 30 miles south of Houston, TX

SKT first phase of development to include 350,000 square feet of retail space, with construction to start in July, 2011

SKT to provide management services and marketing to the joint venture, while SPG will provide site development, construction supervision and asset management

SKT and SPG both will provide leasing services, exploiting existing relationships with brand name retailers

SKT plans to develop alternative site unsuccessful, while SPG already committed to site development for Prime Outlet center in Texasville

SKT this joint venture a surprisingly cooperative venture, as SKT and SPG normally rivals in outlet center development

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:	Getty Realty
Price:	\$25
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$820
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
07/01/2011
GTY \$25

Getty Realty GTY will not benefit from gasoline sales over July Fourth holiday 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 no guidance provided for FFO for 2011

GTY stock price supported by current annual dividend yield of 7.6%

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

GTY we rank 3 HOLD

GTY market cap \$820 million

REIT Comment



Company:	Nationwide Health Properties
Price:	\$41
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$5,346
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
07/01/2011
NHP \$41

Nationwide Health Properties NHP shareholders await completion of merger with Ventas VTR expected to be completed today, July 1, 2011

NHP shareholders of NHP are to receive 0.7866 shares of VTR for each share of NHP, issuing 103 million new VTR shares

NHP transaction valued at \$41.46 per NHP share, using VTR last night closing price of \$52.71 per share

NHP total transaction value \$7.6 billion, including \$1.7 billion NHP debt and minority interest

NHP following merger, former VTR shareholders will own 65% and former NHP shareholders will own 35% of the combined company

NHP a Health Care REIT

NHP we rank 3 HOLD

NHP market cap \$5.3 billion

REIT Comment



Company:	Ventas
Price:	\$53
Recommendation:	BUY
Ranking:	2
Market Cap:	\$8,539
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
07/01/2011
VTR \$53

Ventas VTR to complete \$7.6 billion merger with Nationwide Health Properties NHP, with transaction expected to close today, July 1, 2011

VTR shareholders of NHP are to receive 0.7866 shares of VTR for each share of NHP, issuing 103 million new VTR shares

VTR following merger, former VTR shareholders will own 65% and former NHP shareholders will own 35% of the combined company

VTR management expects merger with NHP to be immediately accretive to FFC

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

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

VTR we rank 2 BUY

VTR market cap \$8.5 billion

VTR an S&P 500 Index REIT

REIT Comment



Company:	Agree Realty
Price:	\$22
Recommendation:	SELL
Ranking:	4
Market Cap:	\$223
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
07/01/2011
ADC \$22

Agree Realty ADC news of "stalking horse" bid for bankrupt tenant Borders Group opens the way for a July 2011 bankruptcy court auction to decide on disposition of all Borders assets and operations

ADC Borders Group opening bid of \$215 million from Direct Brands, together with assumption of \$220 million in liabilities, may be opposed by publishers who could incentivize liquidation to achieve higher payment on unpaid receivables

ADC pending rent reductions of (30%) on remaining Borders stores will impact revenue

ADC pending lease termination on Borders Group headquarters owned by ADC in Ann Arbor MI may require additional impairment

ADC Borders Group now occupying only 25% of 460,000 sq ft headquarters leased from ADC

ADC significant accounting issue remains, need to write off non-cash portion of Borders rents recognized as rental revenue, although unpaid since October 2010

ADC management believes any incremental losses from Borders Group properties will not impede current annual dividend rate of \$1.60 per share

ADC a Retail REIT with a portfolio of net leased properties

ADC we rank 4 SELL

ADC market cap \$223 million

REIT Comment



Company:	Prologis Inc
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,000
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
06/29/2011
PLD \$35

Prologis Inc PLD priced offering of 30 million shares at \$33.50 per share

PLD proceeds of \$1 billion to be applied to general corporate purposes

PLD joint bookrunning managers BofA Merrill Lynch, JP Morgan, Citi, Deutsche Bank, Morgan Stanley and Goldman Sachs

PLD June 2011 offering to increase total shares outstanding by 7%

PLD formed by merger of AMB Property AMB and ProLogis Trust PLD on June 3, 2011

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

PLD we rank 2 BUY

PLD market cap \$16.0 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Prologis Inc
Price:	\$36
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,449
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
07/01/2011
PLD \$36

Prologis Inc PLD traded UP \$0.36 per share to close UP +1% day

PLD stock traded UP +14% year to date for 2011, outperforming Industrial REITs, UP +1%

PLD news of increased manufacturing activity a positive signal for Industrial REITs

PLD positive trends for retail sales, manufacturing output, import volume, and air freight volume all positive signals for Industrial REITs

PLD Industrial REITs expecting improved occupancy to drive higher profitability as economic recovery continues

PLD results to be reported for 2Q 2011 will include first combined results of AMB Property and ProLogis Trust PLD, merged as of June 3, 2011

PLD combined companies control more than 600 million square feet of distribution space in 22 countries, serving more than 4,500 customers

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

PLD we rank 2 BUY

PLD market cap \$16.4 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Host Hotels & Resorts
Price:	\$18
Recommendation:	SELL
Ranking:	4
Market Cap:	\$11,971
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
07/01/2011
HST \$18

Host Hotels & Resorts HST traded UP \$0.68 per share to close UP +4% day

HST stock traded DOWN (1%) year to date for 2011, underperforming Hotel REITs, UP +3%

HST stock trading inverse to oil prices

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

HST consumers seeking to spend less on gasoline may defer planned motor trips reducing demand for hotel rooms

HST 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 \$12.0 billion

HST an S&P 500 Index REIT

REIT Comment



Company:	Regency Centers Corporation
Price:	\$45
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,054
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
07/01/2011
REG \$45

Regency Centers REG traded UP +\$1.02 per share to close UP +2% day

REG stock traded UP +7% year to date for 2011, outperforming Retail REITs, DOWN (1%)

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

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 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 \$4.1 billion

REIT Comment



Company:	UDR, Inc.
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,832
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
07/01/2011
UDR \$25

UDR Inc UDR traded UP \$0.55 per share to close UP +2% day

UDR traded UP +7% year to date for 2011, underperforming Residential REITs, UP +10%

UDR like all Residential REITs reporting better than expected results with higher guidance promised for 2011

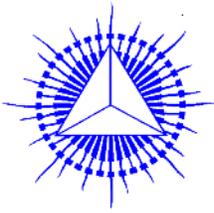
UDR pending apartment shortage in key urban areas to drive record rental rates from 2011-2013

UDR management expressing confidence in surpassing previous guidance for FFO for 2011 indicating more than 10% FFO growth

UDR a Residential REIT with a diverse portfolio of apartment communities

UDR we rank 2 BUY

UDR market cap \$4.8 billion



REIT Growth and Income Monitor posted 46 REIT comments for the week ended July 1, 2011. Comments were issued on REITs in the following sectors:

Financial REITs	5
Health Care REITs	7
Hotel REITs	6
Industrial REITs	3
Office REITs	8
Residential REITs	3
Retail REITs	10
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/reitwebbrpt.nsf/All/F2B543B28817460985256EB80001D03A/\\$FILE/REIT%20Methodology%20and%20Ranking%20System.pdf](http://www.reitmonitor.net/atlantis/reitwebbrpt.nsf/All/F2B543B28817460985256EB80001D03A/$FILE/REIT%20Methodology%20and%20Ranking%20System.pdf)

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