

## **REIT Growth and Income Monitor**

### **Weekly Comments 07/31/2012**

**REITs still outperform, with positive performance gap narrowed to 3% year to date for 2012, compared to S&P 500 Index.**

**Retail REITs exceed expectations for FFO growth on strong tenant sales.**

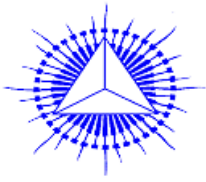
**General Growth Properties projects improved returns on portfolio of regional malls due to strong leasing and redevelopments.**

**Macerich drives portfolio growth through acquisition.**

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**Weekly REIT Comments**  
**07/31/2012**

REIT stocks continued to rally during the last week of July, 2012, as the first earnings reports for 2Q 2012 indicate positive trends continue for REITs, despite slower economic growth. REITs included in the S&P 500 Index are now up 13% year to date for 2012, exceeding performance of the S&P 500 Index, up 10% for 2012. Positive performance gap for 2012 narrowed to 3% year to date for 2012. Average gain for all REITs followed by REIT Growth and Income Monitor now stands at 15% year to date for 2012, exceeding the 10% gain for the S&P 500 Index.

Investors concentrating on REIT results for 2Q 2012 find reassuring news. Residential REITs see record growth underway for 2012 and 2013, driven by tight occupancy and rental rate increases. Retail REITs comment on better than expected tenant sales gains. Health Care REITs continue to rally on recent Supreme Court decision in favor of the Affordable Care Act. Specialty Timber REITs with portfolios of timberlands and sawlog mills benefit from the improving environment for homebuilders. Specialty REITs with portfolios of self-storage properties report significant profitability improvement. Industrial REITs are gaining occupancy, while their stocks trade in line with economic indicators. Investors remain skittish over Office REITs, due to exposure to financial industry layoffs and continued rent roll-downs, lagging economic recovery. Trading of Hotel REITs is impacted by fluctuating gasoline prices, subject to adjusted expectations on earnings announcements.

Financial Mortgage REITs face significant fundamental change, although timing of the change has been delayed, preserving the status quo for Financial Mortgage REITs with portfolios of agency guaranteed Residential MBS. Proposals to require banks to refinance mortgages may impact decisions on Fannie Mae. Most Congressmen appear hesitant to vote on Fannie Mae issues before the 2012 elections. Reform of Fannie Mae may ultimately impact the housing sector starting in 2013, changing the outlook for Financial Mortgage REITs and certain Specialty REITs subject to demand fluctuations from home construction.

REIT stocks normally perform like interest rate sensitive stocks, although none of the 14 REITs in the S&P 500 Index are actually invested in financial assets. Dividends moved higher for 2012, as REIT managements gain confidence in sustainable growth. As dividend payers, REITs may be viewed as income stocks, attracting investors in need of both consistent income and growth.

**Retail REITs Continue to Exceed Expectations**

Retail REITs continue to exceed expectations, as reports for 2Q 2012 demonstrate improvements in profitability. **Simon Property Group** reported first, with a 2Q 2012 earnings report showing FFO growth of 15%. Higher guidance for FFO for 2012 indicates **Simon Property Group** is confident of more than 10% FFO growth, as tenant sales growth continues at a rate of 10%, driving average rents up almost 4%. Advertising in advance of the Olympics emphasizes early bargains on back-to-school items. Positive results were also reported by **CBL & Associates** (reporting tenant sales up 4%) and **Taubman Centers** (reporting tenant sales up 12%). Next week's pending reports of US retail sales for July 2012 should be stronger than expected, based on these positive 2Q 2012 earnings reports from **Simon Property Group**, **Taubman Centers** and **CBL & Associates**. Attractive Retail REITs with portfolios of regional malls include **Simon Property Group**, **General Growth Properties**, **Taubman Centers**, **Macerich**, **Pennsylvania REIT** and **CBL & Associates**.

**Trading Opportunities**

**General Growth Properties** has returned to a consistent growth track, following emergence from bankruptcy in December, 2010, as restructured balance sheet and sales of assets strengthened capital base. The stock rallied 21% year to date for 2012, outperforming Retail REITs, following decline of (3%) for 2011. With market cap of \$17 billion, **General Growth Properties** owns and operates (following distribution of Rouse Properties) 106 regional malls with 131 million square feet of retail space. Distribution of Rouse Properties to **General Growth Properties** shareholders during 1Q 2012 allowed development properties to be shown as discontinued operations, enabling the steady performance of **General Growth Properties** established malls to be clearly stated to investors. Successful lease renewals during 2011 proved commitment of key retailers to **General Growth Properties** malls. Performance metrics for 1Q 2012 were strong, with same property NOI up 4.1%, on 0.8% occupancy gain, and rents on lease turnover up 7.4%. Average annual tenant sales per square foot for trailing 12 months were \$525, up almost 10%. Growth in core FFO for continuing operations was 7% for 1Q 2012, and guidance for FFO growth for continuing operations for 2012 indicates growth of as much as up 7%-12%. Dividends declared by **General Growth Properties** now provide income investors with yield of 2.2%.

**Macerich**, a midcap Retail REIT with market cap of \$8 billion and a portfolio of 64 million square feet of regional malls concentrated in western states, provides income investors with another vehicle to participate in continued rally for Retail REITs. **Macerich** stock appreciated 16% year to date for 2012. Management comments indicate **Macerich** is seeking acquisitions of regional malls for geographic expansion beyond existing portfolio concentrated in western states. Portfolio expansion announced to date includes joint ventures and investment of more than \$1 billion for a new mixed use project in Tyson's Corner, VA, with 550,000 square feet of office space under development, as well as retail and residential components. **Macerich** reported FFO increase of 46% for 1Q 2012 (benefitting from exclusion of discontinued operations), as fundamentals continued to improve, with occupancy at 92.1% and same property NOI up 3.4%. Tenant sales increased 12% for trailing 12 months, with re-leasing spreads up 15.8%. Guidance for FFO for 2012 indicates growth in a range of 6%-9%. **Macerich** announced 10% dividend increase during 2011, now providing income investors with annual dividend yield of 3.8%.

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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 | 2012         |
|--|---------|------------|------------|------------|------------|------------|------------|--------|--------------|
|  |         | 12/30/2011 | 06/29/2012 | 07/06/2012 | 07/13/2012 | 07/20/2012 | 07/27/2012 | Change | Price Change |
| Apartment Investment and Management        | AIV     | \$23       | \$27       | \$27       | \$28       | \$27       | \$27       | -1%    | 19%          |
| AvalonBay Communities                      | AVB     | \$131      | \$141      | \$149      | \$149      | \$148      | \$146      | -2%    | 11%          |
| Boston Properties                          | BXP     | \$100      | \$108      | \$110      | \$111      | \$110      | \$111      | 1%     | 11%          |
| Equity Residential                         | EQR     | \$57       | \$62       | \$63       | \$65       | \$64       | \$63       | -2%    | 10%          |
| HCP Inc.                                   | HCP     | \$41       | \$44       | \$44       | \$45       | \$45       | \$47       | 4%     | 14%          |
| Health Care REIT                           | HCN     | \$55       | \$58       | \$59       | \$61       | \$60       | \$62       | 2%     | 13%          |
| Host Hotels & Resorts                      | HST     | \$15       | \$16       | \$16       | \$15       | \$15       | \$15       | -2%    | -0%          |
| Kimco Realty                               | KIM     | \$16       | \$19       | \$19       | \$19       | \$19       | \$19       | 1%     | 19%          |
| Plum Creek Timber                          | PCL     | \$37       | \$40       | \$40       | \$41       | \$40       | \$41       | 1%     | 11%          |
| Prologis, Inc                              | PLD     | \$29       | \$33       | \$33       | \$33       | \$32       | \$33       | 1%     | 14%          |
| Public Storage                             | PSA     | \$134      | \$144      | \$145      | \$147      | \$146      | \$149      | 2%     | 11%          |
| Simon Property Group                       | SPG     | \$129      | \$156      | \$157      | \$159      | \$157      | \$160      | 2%     | 24%          |
| Ventas                                     | VTR     | \$55       | \$63       | \$63       | \$64       | \$65       | \$67       | 2%     | 21%          |
| Vornado Realty Trust                       | VNO     | \$77       | \$84       | \$85       | \$86       | \$83       | \$83       | -0%    | 8%           |
| S&P 500 Index                              | S&P 500 | \$1,258    | \$1,362    | \$1,355    | \$1,357    | \$1,363    | \$1,386    | 2%     | 10%          |
| <b>Average for S&amp;P 500 Index REITs</b> |         |            |            |            |            |            |            | 1%     | 13%          |

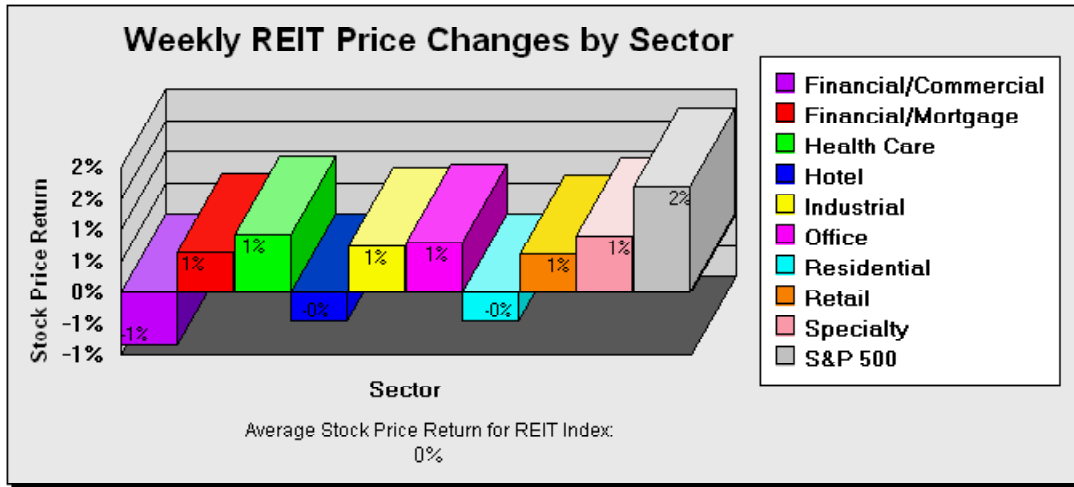
Promises from the European Central Bank to maintain currency stability restored investor confidence, enabling all stocks, including REITs, to rebound, as REIT stock prices traded up 1% on average for the last week of July, ended July 27, 2012. REITs lagged performance of the S&P 500 Index, up 2% for the week. The S&P 500 Index is now up 10% year to date for 2012, still trailing REIT performance, up 13%. Positive performance gap for S&P 500 Index REITs narrowed to 3% year to date for 2012.

Leaders among S&P 500 Index REITs for 2012 include Retail REITs **Simon Property Group**, up 24%, and **Kimco Realty**, up 19%. Residential REITs moderated, with **Apartment Investment and Management** up 19%, **AvalonBay Communities** up 11% and **Equity Residential** up 10% year to date for 2012. Office REITs show mixed trends, with **Boston Properties** up 11% and **Vornado Realty Trust** up 8% year to date for 2012. Health Care REITs maintain gains after surprise Supreme Court approval of the Affordable Care Act, with **HCP Inc** up 14%, **Health Care REIT** up 13% and **Ventas** up 21% year to date for 2012. Industrial REIT **Prologis, Inc** shows 14% gain for 2012, reflecting investor confidence in profit improvement after the 2011 merger. Specialty Timber REIT **Plum Creek Timber** rallied to show gain of 11% year to date, as investors responded to news of higher applications for building permits. Previously a laggard, **Public Storage** now shows gain of 11% year to date for 2012, while **Host Hotels & Resorts** reversed, showing flat performance year to date for 2012, as gasoline prices edged back up after eroding during June and July 2012.

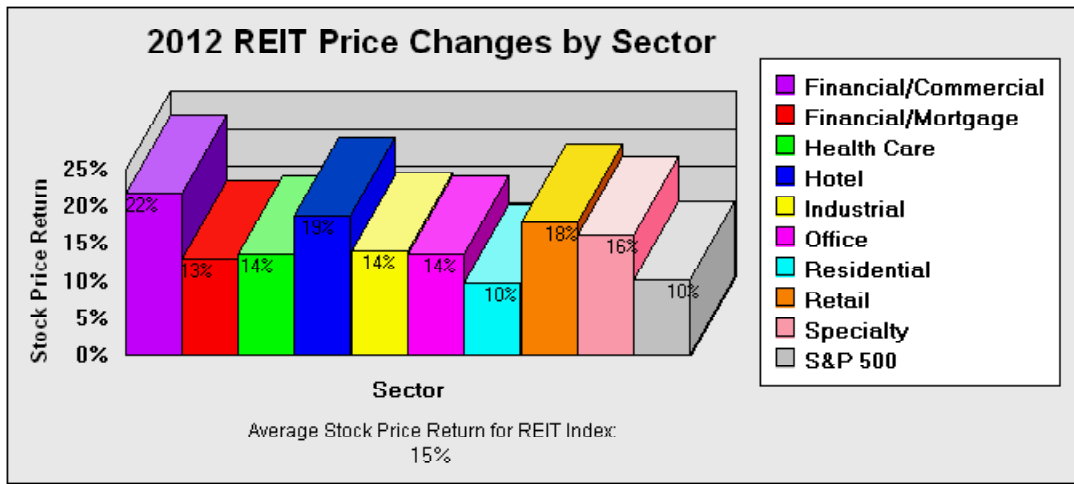
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Weekly REIT Price Changes by Sector

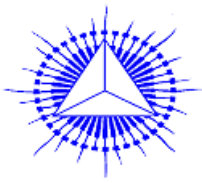


Most REIT sectors traded higher during the last week of July, ended July 27, 2012, with all REIT sectors trailing the S&P 500 Index, trading up 2% for the week. REIT sectors showing gains included Financial Mortgage REITs, Health Care REITs, Industrial REITs, Office REITs, Retail REITs and Specialty REITs, all up 1%. Hotel REITs and Residential REITs traded flat for the week. Lagging sector was Financial Commercial REITs, down (1%), trailing the S&P 500 Index. On average, stock prices for REIT Growth and Income Monitor were unchanged for the week ended July 27, 2012.



Stock prices for REITs followed by REIT Growth and Income Monitor traded up 15% on average year to date for 2012, exceeding performance of the S&P 500 Index, now up 10%. REITs outperform due to higher yields than S&P 500 stocks, supported by positive response to earnings reports for 2Q 2012. Leading sectors year to date are Financial Commercial REITs, up 22%, followed by Hotel REITs, up 19%, and Retail REITs, up 18%. Specialty REITs show 16% year to date gain for 2012, supported by improved performance of Specialty Timber REITs, responding to improved news on the US housing sector. Industrial REITs and Office REITs now show 14% gain year to date for 2012. Health Care REITs are also up 14% year to date for 2012, responding to surprise news of Supreme Court approval of the Affordable Care Act. Financial Mortgage REITs are up 13%. Residential REITs lag, up 10% year to date for 2012, matching performance of the S&P 500 Index. We expect Residential REITs to be a best performing sector for 2012 as they were during 2011, with strong profit gains driving another year of exceptional FFO growth during 2012. Investors demonstrate careful attention to earnings announcements for 2Q 2012 during this month of July, 2012, as REIT funds flow remains consistent, at a time when other market sectors may see adjusted expectations.

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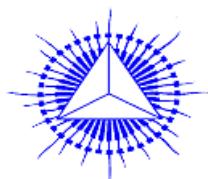
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REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | National Retail Properties  |
| Price:          | \$30  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$3,145   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/23/2012  
NNN \$30

National Retail Properties NNN investors may expect Retail REITs with grocery anchored shopping malls to benefit from higher food prices

NNN drought impacted crops drives corn prices and futures higher, threatening US consumers with food cost inflation

NNN higher corn prices imply herds of fewer cattle and other livestock, driving meat costs higher

NNN Retail REITs with grocery anchored shopping centers should see higher tenant sales enabling a positive environment for leasing discussions

NNN exposure to grocery sector includes key tenant Pantry at 7% of total rents

NNN to report results for 2Q 2012 on August 2, 2012 with a conference call for investors scheduled for 10:30 AM

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

NNN stock price supported by current annual dividend yield of 5.4%

NNN a Retail REIT with a portfolio of net leased retail and commercial properties

NNN we rank 2 BUY

NNN market cap \$3.1 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Regency Centers Corporation   |
| Price:          | \$47  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$4,247   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text  
07/23/2012  
REG \$47

Regency Centers REG higher food costs should benefit Retail REITs with portfolios of grocery anchored shopping centers

REG drought in midwest drives higher corn prices, carrying meat prices higher as well

REG Retail REITs with grocery anchored shopping centers should see higher tenant sales enabling a positive environment for leasing discussions

REG grocery tenants include key tenant Kroger at 5% of total rents, as well as Safeway 4%, Publix 4% and SuperValu 3%

REG to discuss results for 2Q 2012 on Wednesday, August 2, 2012, with a conference call for investors scheduled at 12:00 PM

REG reported 1Q 2012 FFO growth UP +5%, with guidance for FFO for 2012 indicating growth as much as UP +6%

REG stock price supported by current annual dividend yield of 3.9%

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

REG we rank 2 BUY

REG market cap \$4.2 billion



REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Host Hotels & Resorts   |
| Price:          | \$15  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$10,824  |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/23/2012  
HST \$15

Host Hotels & Resorts HST abrupt decline in oil futures should help volatile Hotel REITs to rally

HST oil futures DOWN (4%) on economic weakness in eurozone

HST lower gasoline cost should help travel related stocks, including airlines and hotels

HST travelers enjoying lower transportation costs, whether flying or driving, have more money to spend on hotel stays

HST reported FFO UP +10% for 2Q 2012, and increased guidance for FFO for 2012 to indicate growth of as much as UP +18%

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

HST we rank 3 HOLD

HST market cap \$10.8 billion

HST an S&P 500 Index REIT

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Simon Property Group  |
| Price:          | \$157   |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$55,669  |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/23/2012  
SPG \$157

Simon Property Group SPG redeemed 2 million units limited partnership interest from JCP Realty, subsidiary of JC Penney, for \$248 million

SPG limited partner JCP Realty continues to hold 205,000 units of SPG operating partnership

SPG JC Penney seeking sources of cash while struggling with unusual disruption in sales and management transition

SPG JCPenney still an important anchor tenant, representing 1% of total SPG rents

SPG comments from management at recent NAREIT conference in June 2012 indicated that tenant sales and customer traffic at SPG malls remained strong throughout 2Q 2012

SPG lower gasoline prices should help to stimulate retail sales

SPG to report results for 2Q 2012 on Tuesday, July 24, 2012 with a conference call with investors scheduled for 11:00 AM

SPG guidance for FFO for 2012 indicates as much as UP +10% growth

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 \$55.7 billion

SPG an S&P 500 Index REIT

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | MFA Financial   |
| Price:          | \$8   |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$2,796   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/23/2012  
MFA \$8

MFA Financial MFA flight to safety by bondholders opens larger gap between yield on 10 year Treasury bond and agency guaranteed Residential MBS

MFA prices on portfolio of Residential MBS trading higher in response to declining yield on Treasury bonds

MFA low mortgage rates should encourage more borrowers to apply for mortgage refinance and new home purchase

MFA higher profit contribution from non-agency guaranteed portion of portfolio drives portfolio returns

MFA stock supported by current annual dividend yield of 12.2%, near the midpoint of the range for Financial Mortgage REITs

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

MFA we rank 2 BUY

MFA market cap \$2.8 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Rayonier  |
| Price:          | \$47  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$6,042   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/23/2012  
RYN \$47

Rayonier RYN increased quarterly dividend distribution by 10% to 0.44 per share for 3Q 2012

RYN new annual dividend \$1.76 per share

RYN new yield 3.73%

RYN dividend expected to be taxed as capital gain distribution

RYN a Specialty Timber REIT with a portfolio of timberlands, specialty fiber and wood products operations

RYN we rank 2 BUY

RYN market cap \$6.0 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Pennsylvania REIT   |
| Price:          | \$14  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$829   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/23/2012  
PEI \$14

Pennsylvania REIT PEI traded DOWN (\$0.49) per share to close DOWN (3%) day

PEI stock traded UP +37% year to date for 2012, outperforming Retail REITS, UP +17%

PEI to discuss results for 2Q 2012 next week on Tuesday July 31, 2012 with a conference call with investors at 11:00 AM

PEI guidance for FFO for 2012 now indicates decline of as much as DOWN (7%)

PEI stock price supported by current dividend yield of 4.1%

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

PEI we rank 2 BUY

PEI market cap \$829 million

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Brookfield Properties Corp.   |
| Price:          | \$17  |
| Recommendation: | SELL  |
| Ranking:        | 4   |
| Market Cap:     | \$8,645   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/23/2012  
BPO \$17

Brookfield Office Properties BPO traded DOWN (\$0.39) per share to close DOWN (2%) day

BPO stock traded UP +9% year to date for 2012, underperforming Office REITs, UP +13%

BPO renewed concern over economy in the eurozone reminds investors of exposure to financial industry tenants

BPO investors concerned that demand for office space in New York may be reduced by new regulation impacting banks and financial firms, while DC office portfolio impacted by federal government spending decline

BPO to discuss results for 2Q 2012 next week on Friday August 3, 2012 with a conference call for investors scheduled at 11:00 AM

BPO guidance for FFO for 2012 indicates growth UP +4%

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

BPO we rank 4 SELL

BPO market cap \$8.6 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | EastGroup Properties  |
| Price:          | \$52  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$1,429   |
| Link:           | <a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/23/2012  
EGP \$52

EastGroup Properties EGP traded DOWN (\$0.82) per share to close DOWN (2%) day

EGP stock traded UP +19% year to date for 2012, outperforming Industrial REITs UP +13%

EGP still trading down on management comments indicating leasing slowdown in all markets except TX over last 60 days

EGP last week reported FFO for 2Q 2012 UP +6%, while reducing guidance for FFO for 2012 to indicate growth of UP +3%-+5%

EGP stock price supported by current annual dividend yield of 4.0%

EGP an Industrial REIT with a portfolio of bulk distribution properties

EGP we rank 3 HOLD

EGP market cap \$1.4 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Annaly Capital Management   |
| Price:          | \$17  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$17,382  |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/23/2012  
NLY \$17

Annaly Capital Management NLY traded UP\$0.16 per share to close UP +1% day

NLY stock traded UP +8% year to date for 2012, underperforming Financial Mortgage REITs, UP +12%

NLY prices on portfolio of Residential MBS trading higher in response to declining yield on Treasury bonds

NLY management comments note Federal Reserve and FHFA are supporting a stable market for agency guaranteed Residential MBS, at least through the Fall 2012 presidential election

NLY stock price supported by current annual dividend yield of 12.8%, 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 \$17.4 billion



REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Simon Property Group  |
| Price:          | \$156   |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$55,304  |
| Link:           | <a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/24/2012  
SPG \$156

Simon Property Group SPG increased quarterly dividend distribution by 5% to \$1.05 per share for 3Q 2012

SPG new annual dividend \$4.20 per share

SPG new yield 2.69%

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 \$55.3 billion

SPG an S&P 500 Index REIT

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Potlatch Corp.  |
| Price:          | \$35  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$1,415   |
| Link:           | <a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text  
07/24/2012  
PCH \$35

Potlatch PCH 2Q 2012 EPS \$0.13 v \$0.21 DOWN (38%)  
PCH 2Q 2012 EPS sequentially FLAT with 1Q 2012

PCH 2Q 2012 FFO \$0.27 v \$0.51 DOWN (47%)

PCH 2Q 2012 EBITDA \$22.6 DOWN (23%)

PCH made no change to guidance for 2012 harvest  
PCH previous guidance 2012 harvest 3.5 million tons DOWN (17%)

PCH 2Q 2012 resource segment operating profit \$6.7 million DOWN (11%)  
PCH 2Q 2012 wood products segment operating profit \$11.7 million UP +318%  
PCH 2Q 2012 real estate segment operating profit \$6.7 million, DOWN (29%)

PCH 2Q 2012 northern resource harvest volume UP +13%  
PCH 2Q 2012 northern sawlog volume UP +9%, with prices DOWN (2%)  
PCH 2Q 2012 northern pulpwood volume UP +37%, with prices UP +15%

PCH 2Q 2012 southern resource segment harvest volume DOWN (20%)  
PCH 2Q 2012 southern sawlog volume DOWN (23%), with prices DOWN (4%)  
PCH 2Q 2012 southern pulpwood volume DOWN (15%), with prices UP +6%

PCH 2Q 2012 lumber prices UP +17%, with lumber shipments UP +13%

PCH management comments noted improving US housing sector expected to lead to increased demand and higher prices for building materials

PCH expects lumber price increases to extend to improved sawlog prices during 3Q 2012

PCH prices consistent for rural recreational real estate, while timber properties for commercial development seeing increased demand

PCH stock price supported by current dividend yield of 3.5%

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

PCH we rank 2 BUY

PCH market cap \$1.4 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Liberty Property Trust  |
| Price:          | \$36  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$4,184   |
| Link:           | <a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/24/2012  
LRY \$36

Liberty Property Trust LRY 2Q 2012 FFO \$0.63 v \$0.69 DOWN (9%)

LRY made no change to guidance 2012 FFO  
LRY previous guidance 2012 FFO \$2.50-\$2.65 v \$2.61 UP +2%-DOWN (4%)

LRY 2Q 2012 same property NOI DOWN (0.6%) on cash basis  
LRY 2Q 2012 occupancy 90.7% UP +0.2% from March 2012

LRY 2Q 2012 divested 54 properties with 2.7 million square feet and 58 acres of land for \$209 million  
LRY 2Q 2012 acquired 4 properties for \$29 million

LRY 2Q 2012 portfolio mix includes office (57.5% of rents), industrial distribution (29.7%), and industrial flex (12.8%)

LRY to discuss results for 2Q 2012 this afternoon with a conference call with investors scheduled for 1:00 PM

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

LRY an Office REIT with a diverse portfolio of office, industrial and flex properties

LRY we rank 2 BUY

LRY market cap \$4.2 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Simon Property Group  |
| Price:          | \$156   |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$55,304  |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/24/2012  
SPG \$156

Simon Property Group SPG 2Q 2012 FFO \$1.89 v \$1.65 UP +15%

SPG increased guidance 2012 FFO \$7.60-\$7.70 v \$6.89 UP +10%+12%  
SPG previous guidance 2012 FFO \$7.50-\$7.60 per share

SPG 2Q 2012 same property NOI UP +5.1%  
SPG 2Q 2012 occupancy 94.2% UP +0.6%  
SPG 2Q 2012 average US mall base rent per square foot \$39.99 UP +3.7%

SPG 2Q 2012 trailing 12 month tenant sales per square foot \$554 UP +9.9%

SPG management commented on conference call with investors that many established retailers as well as new concepts, seeking to expand, although a few, including Sears and Gap, are downsizing. SPG expects JC Penney JCP to resolve management transition issues and continue to provide consistent value to loyal shopper base. SPG retail activity in Europe stable, despite economic turmoil reported in financial press.

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 \$55.3 billion

SPG an S&P 500 Index REIT

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | MPG Office Trust  |
| Price:          | \$2   |
| Recommendation: | SELL  |
| Ranking:        | 5   |
| Market Cap:     | \$121   |
| Link:           | <a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/24/2012  
MPG \$2

MPG Office Trust MPG 2Q 2012 FFO loss (\$0.22) (adjusted) v (\$0.02) adjusted  
MPG 2Q 2012 FFO (adjusted) excludes net non-recurring gains of \$1.60 per share relating to \$209 million debt extinguishment on forfeiture of properties and other non-cash items

MPG no guidance provided for FFO for 2012

MPG 2Q 2012 same property NOI DOWN (13.0%) on cash basis  
MPG same property occupancy 79.7% DOWN (3.9%)

MPG portfolio occupancy by segment LA central business district 78.9% (including 6 properties), other 94.9% (includes 4 properties), and properties in default 78.4% (includes 4 properties)

MPG unrestricted cash \$194 million

MPG management seeking to negotiate forfeiture of remaining 4 properties in default to lenders  
MPG previously forfeited 8 properties to lenders, now shown as discontinued operations

MPG an Office REIT with a portfolio of office properties concentrated in southern CA

MPG we rank 5 SELL

MPG market cap \$121 million

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Plum Creek Timber   |
| Price:          | \$40  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$6,466   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/24/2012  
PCL \$40

Plum Creek Timber PCL news of higher lumber prices reported today with 2Q 2012 results by Potlatch PCH supports outlook for Specialty Timber REITs with portfolios of timberland and sawlog mills

PCL results for 2Q 2012 to be discussed on Monday, July 30, 2012 with a conference call with investors scheduled for 5:00 PM

PCL guidance for EPS for 2012 indicates FLAT year at best, with potential for decline of as much as (16%), due to current low prices for sawlogs and lumber

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

PCL a Specialty Timber 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



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|                 |   |
|-----------------|---|
| Company:        | Capstead Mortgage Corporation   |
| Price:          | \$14  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$1,267   |
| Link:           | <a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/24/2012  
CMO \$14

Capstead Mortgage CMO news of higher home prices supports positive outlook for Financial Mortgage REITs

CMO report from FHFA (Federal Housing Finance Agency) indicates home prices UP +0.8% for May, 2012, now UP +3.7% from prior year

CMO improved prices for US housing sector should increase home sales activity generating new mortgage origination volume

CMO Financial Mortgage REITs benefit from higher mortgage volume, enabling portfolio repositioning

CMO to discuss results for 2Q 2012 with a conference call for investors scheduled this week on Thursday, July 26, 2012 at 9:00 AM

CMO significant changes to Fannie Mae guarantees and loan origination rules are unlikely until after the 2012 Presidential elections

CMO stock price supported by current annual dividend yield of 11.4%, below the midpoint of the range for Financial Mortgage REITs

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

CMO we rank 2 BUY

CMO market cap \$1.3 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Annaly Capital Management   |
| Price:          | \$17  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$17,382  |
| Link:           | <a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/24/2012  
NLY \$17

Annaly Capital Management NLY additional support for Financial Mortgage REITs provided by reports of higher US housing prices

NLY report from Zillow.com (one of the largest Internet websites advertising homes and condos for sale) indicates US home prices UP for past 4 consecutive quarters

NLY Zillow report includes condominiums and housing units in coop apartment communities in addition to single family homes

NLY recent management comments note Federal Reserve and FHFA are supporting a stable market for agency guaranteed Residential MBS, at least through the Fall 2012 presidential election

NLY stock price supported by current annual dividend yield of 12.8%, 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 \$17.4 billion



REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Simon Property Group  |
| Price:          | \$158   |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$55,893  |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/24/2012  
SPG \$158

Simon Property Group SPG traded UP \$1.66 per share to close UP +1% day

SPG stock traded UP +22% year to date for 2012, outperforming Retail REITs, UP +17%

SPG earlier today reported FFO UP +15% for 2Q 2012 and announced 10% dividend increase for 3Q 2012

SPG also increased guidance for FFO for 2012 to indicate growth UP +12%

SPG management comments indicated continued tenant sales growth UP +10%

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 \$55.9 billion

SPG an S&P 500 Index REIT

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Liberty Property Trust  |
| Price:          | \$35  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$4,134   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/24/2012  
LRY \$35

Liberty Property Trust LRY traded DOWN (\$0.43) per share to close DOWN (1%) day

LRY stock traded UP +15% year to date for 2012, slightly outperforming Office REITs, UP +13%

LRY earlier today reported 2Q 2012 FFO DOWN (9%) due to divestitures

LRY maintained guidance 2012 FFO indicating FLAT year

LRY stock price supported by current annual dividend yield of 5.4%

LRY an Office REIT with a diverse portfolio of office, industrial and flex properties

LRY we rank 2 BUY

LRY market cap \$4.1 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Potlatch Corp.  |
| Price:          | \$35  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$1,429   |
| Link:           | <a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/24/2012  
PCH \$35

Potlatch PCH traded UP \$0.33 per share to close UP +1% day

PCH stock traded UP +14% year to date for 2012, slightly underperforming Specialty REITs, UP +15%

PCH management reported higher lumber prices, exciting investors seeking news of US housing sector recovery

PCH stock price supported by current dividend yield of 3.5%

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

PCH we rank 2 BUY

PCH market cap \$1.4 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Host Hotels & Resorts   |
| Price:          | \$14  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$10,213  |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/24/2012  
HST \$14

Host Hotels & Resorts HST traded DOWN (\$0.44) per share to close DOWN (3%) day

HST stock traded DOWN (4%) year to date for 2012, dramatically underperforming Hotel REITs, UP +19%

HST investor concern over exposure to international economies and to slow DC metropolitan area

HST volatile stock price sensitive to fluctuations in gasoline prices

HST previously reported 2Q 2012 FFO UP +10% for 2Q 2012, and increased guidance for FFO for 2012 to indicate growth of as much as UP +18%

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

HST we rank 3 HOLD

HST market cap \$10.2 billion

HST an S&P 500 Index REIT

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Hatteras Financial  |
| Price:          | \$29  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$2,276   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/25/2012  
HTS \$29

Hatteras Financial HTS 2Q 2012 EPS \$0.91 v \$1.04 DOWN (13%)

HTS 2Q 2012 book value \$27.45 per share UP \$0.15 per share from March 2012  
HTS 2Q 2012 ROE 12.91%

HTS 2Q 2012 NIM (net interest margin) 1.49% DOWN (0.9%) from March 2012  
HTS 2Q 2012 expense ratio 0.88%

HTS \$22 billion portfolio of agency guaranteed Residential MBS  
HTS portfolio average coupon 3.18% DOWN (0.2%) from March 2012  
HTS portfolio average yield 2.43% DOWN (0.18%) from March 2012

HTS 2Q 2012 CPR (constant prepayment rate)  
HTS 2Q 2012 portfolio leverage 7.5X

HTS management comments noted flatter yield curve makes maintaining earnings more of a challenge  
HTS 2Q 2012 EPS still above current dividend of \$0.90 per share

HTS stock price supported by current annual dividend yield of 12.3%, 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 \$2.3 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Ramco-Gershenson Properties   |
| Price:          | \$12  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$507   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/25/2012  
RPT \$12

Ramco-Gershenson RPT 2Q 2012 FFO \$0.26 v \$0.22 UP +18%

RPT increased guidance 2012 FFO \$0.97-\$1.03 v \$1.01 DOWN (4%)-UP +2%  
RPT previous guidance 2012 FFO \$0.94-\$1.02 per share  
RPT guidance 2012 FFO assumes same property NOI UP +2.5%--+3.5%  
RPT guidance 2012 FFO assumes portfolio occupancy 93.5%-94.5%

RPT 2Q 2012 same property NOI UP +2.9%  
RPT 2Q 2012 portfolio occupancy 92.3% UP +0.6% from March 2012

RPT 2Q 2012 rents on lease turnover UP +4.7%

RPT acquired 4 shopping centers for investment of \$108 million during 2Q 2012  
RPT 2012 year to date divestitures reduced exposure to "challenged properties"

RPT management comments noted importance of leasing velocity to ensure FFO growth  
RPT seeking to reduce exposure to certain retailers, with leases replaced for Sears, Office Depot, OfficeMax and Fashion Bug

RPT stock price supported by current dividend yield of 5.4%

RPT a Retail REIT with a portfolio of big box retailers and grocery anchored shopping centers

RPT we rank 3 HOLD

RPT market cap \$507 million

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | FelCor Lodging Trust  |
| Price:          | \$4   |
| Recommendation: | SELL  |
| Ranking:        | 5   |
| Market Cap:     | \$544   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/25/2012  
FCH \$4

FelCor Lodging Trust FCH 2Q 2012 FFO \$0.18 (adjusted) v \$0.13 (adjusted) UP +38%  
FCH 2Q 2012 FFO (adjusted) excludes net charge of (\$0.01) per share relating to acquisition costs and debt extinguishment on discontinued operations

FCH increased low end of guidance range 2012 FFO \$0.21-\$0.28 v \$0.14 UP +50%--+100%  
FCH previous guidance \$0.18-\$0.28 per share  
FCH new guidance 2012 FFO assumes same property RevPAR (revenue per available room) UP +5.5%--7.0%

FCH increased guidance 2012 adjusted EBITDA \$199-\$209 million  
FCH previous guidance 2012 adjusted EBITDA \$192-\$206 million

FCH 2Q 2012 adjusted EBITDA \$66 million UP +3%  
FCH 2Q 2012 same property adjusted EBITDA \$65 million UP +8%

FCH 2Q 2012 same property RevPAR (revenue per available room) UP +5.9%  
FCH 2Q 2012 same property ADR (average daily rate) \$144 UP +6.6%  
FCH 2Q 2012 occupancy 76.6% DOWN (0.6%)

FCH 2Q 2012 hotel EBITDA margin 28.8% UP +0.6%

FCH recently divested 6 hotels for \$103 million

FCH reported best RevPAR improvement in CA, with San Diego UP +19.0%, San Francisco UP +16.5%, and Los Angeles UP +4.8%  
FCH strong east coast markets included Philadelphia with RevPAR UP +12.9%, Boston UP +7.7% and New York UP +6.0%  
FCH weakest markets included Orlando with RevPAR DOWN (4.3%), south FL DOWN (1.4%), Atlanta UP +1.3% and Dallas UP +1.7%

FCH has not paid common stock dividends since 2007

FCH a Hotel REIT

FCH we rank 5 SELL

FCH market cap \$544 million

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Digital Realty Trust  |
| Price:          | \$74  |
| Recommendation: | BUY   |
| Ranking:        | 1   |
| Market Cap:     | \$9,333   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/25/2012  
DLR \$74

Digital Realty Trust DLR 2Q 2012 core FFO \$1.07 (adjusted) v \$1.02 UP +5%  
DLR 2Q 2012 core FFO excludes non-recurring items of \$0.02 per share

DLR increased low end of guidance range 2012 core FFO \$4.37-\$4.48 (adjusted) v \$4.09 UP  
+7%+10%  
DLR previous guidance 2012 core FFO \$4.34-\$4.48 per share

DLR acquired 3 properties during 2Q 2012 for \$110 million  
DLR during July 2012 completed \$1.1 billion acquisition of Sentrum portfolio of 3 data centers in  
London UK

DLR management focused on expanding portfolio of data centers in US Europe and Asia  
DLR expects to commence \$94 million in new leases during last 6 months of 2012

DLR stock price supported by current annual dividend yield of 3.9%

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

DLR we rank 1 BUY

DLR market cap \$9.3 billion



REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Associated Estates Realty Corp.   |
| Price:          | \$14  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$612   |
| Link:           | <a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/25/2012  
AEC \$14

Associated Estates AEC 2Q 2012 \$0.32 v \$0.27 UP +19%

AEC slightly reduced top end of guidance range 2012 FFO \$1.23-\$1.25 v \$1.03 UP +19%+21%  
AEC previous guidance 2012 FFO \$1.23-\$1.27 per share  
AEC guidance 2012 FFO assumes same property NOI UP +6.25%+6.75%, with same property revenue UP +5.0%+5.5%

AEC 2Q 2012 same property NOI UP +5.5%  
AEC 2Q 2012 same property occupancy 97.0%  
AEC 2Q 2012 average monthly rent \$1,024 UP +5.7%

AEC management noted additional profitability improvement expected throughout 2012  
AEC rental rates on renewed leases UP +5.5% for July and August 2012, with rate increments UP +4%+6% expected for September and October 2012 lease expirations

AEC stock price supported by current annual dividend yield of 5.0%

AEC a Residential REIT with a diverse portfolio of apartment communities

AEC we rank 2 BUY

AEC market cap \$612 million

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | American Campus Communities   |
| Price:          | \$47  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$3,547   |
| Link:           | <a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/25/2012  
ACC \$47

American Campus Communities ACC 2Q 2012 FFOM \$0.49 v \$0.43 UP +14%  
ACC FFOM modifies FFO to add performance of jointly owned on-campus residences

ACC made no change to guidance 2012 FFOM \$1.94-\$2.05 v \$1.81 UP +7% - +13%

ACC 2Q 2012 same property NOI UP +3.0%  
ACC 2Q 2012 occupancy 92.5% UP +1.4%

ACC preleasing for Fall 2012 now 92.9%, with rents UP +3.4%

ACC 2Q 2012 acquisitions total \$61 million for 2 student housing communities in FL and MN  
ACC during 3Q 2012 announced plans to merge with Campus Acquisitions investing \$627 million  
(including \$232 million secured debt) to acquire 15 properties  
ACC during 3Q 2012 also announced investment of \$39 million for a development in KY

ACC a Specialty REIT with a portfolio of student housing communities

ACC we rank 3 HOLD

ACC market cap \$3.5 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Digital Realty Trust  |
| Price:          | \$75  |
| Recommendation: | BUY   |
| Ranking:        | 1   |
| Market Cap:     | \$9,459   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/25/2012  
DLR \$75

Digital Realty Trust DLR traded UP \$1.00 per share to close UP +1% day

DLR stock traded UP +9% year to date for 2012, underperforming Office REITs, UP +13%

DLR earlier today reported 2Q 2012 FFO UP +5%, while slightly increasing guidance for FFO for 2012 indicating UP +7%-+10% growth

DLR portfolio expansion via acquisitions in UK and Asia to drive FFO during 2013

DLR stock price supported by current annual dividend yield of 3.9%

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

DLR we rank 1 BUY

DLR market cap \$9.5 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Ramco-Gershenson Properties   |
| Price:          | \$12  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$514   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/25/2012  
RPT \$12

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

RPT stock traded UP +25% year to date for 2012, outperforming Retail REITs, UP +17%

RPT earlier today reported better than expected results for 2Q 2012, UP +18%

RPT guidance for FFO for 2012 increased to indicate growth of UP +2%

RPT management noted portfolio mix improved by recent divestitures

RPT stock price supported by current dividend yield of 5.3%

RPT a Retail REIT with a portfolio of big box retailers and grocery anchored shopping centers

RPT we rank 3 HOLD

RPT market cap \$514 million

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Associated Estates Realty Corp.   |
| Price:          | \$15  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$628   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/25/2012  
AEC \$15

Associated Estates Realty AEC traded UP \$0.38 per share to close UP +3% day

AEC stock traded DOWN (7%) year to date for 2012, underperforming Residential REITs, UP +10%

AEC earlier today reported better than expected results for 2Q 2012, with FFO UP +19%

AEC slightly reduced top end of previous guidance range for 2012 FFO to indicate growth UP +21%

AEC management noted additional profitability improvement expected throughout 2012

AEC stock price supported by current annual dividend yield of 4.9%

AEC a Residential REIT with a diverse portfolio of apartment communities

AEC we rank 2 BUY

AEC market cap \$628 million

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | FelCor Lodging Trust  |
| Price:          | \$5   |
| Recommendation: | SELL  |
| Ranking:        | 5   |
| Market Cap:     | \$558   |
| Link:           | <a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/25/2012  
FCH \$5

FelCor Lodging Trust FCH traded UP \$0.11 per share to close UP +3% day

FCH stock traded UP +48% year to date for 2012, outperforming Hotel REITs, UP +19%

FCH earlier today reported FFO for 2Q 2012 UP +38%

FCH increased low end of guidance range for 2012 FFO to indicate growth of at least UP +50%

FCH 2Q normally represents most profitable quarter, as FCH reported FFO loss for 1Q 2012

FCH has not paid common stock dividends since 2007

FCH a Hotel REIT

FCH we rank 5 SELL

FCH market cap \$558 million

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Brandywine Realty Trust   |
| Price:          | \$11  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$1,647   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/26/2012  
BDN \$11

Brandywine Realty BDN2Q 2012 FFO \$0.30 v \$0.32 DOWN (6%)

BDN slightly increased guidance 2012 FFO \$1.32-\$1.36 v \$1.39 DOWN (2%)-(5%)  
BDN previous guidance 2012 FFO \$1.30-\$1.35 per share  
BDN guidance 2012 FFO assumes portfolio occupancy of 89.4% by end of 2012  
BDN guidance 2012 FFO assumes same property NOI UP +1.0%+3.0%

BDN 2Q 2012 same property NOI UP +2.4% on cash basis  
BDN 2Q 2012 same property occupancy 87.1% UP +1.6%  
BDN 2Q 2012 portfolio occupancy 86.9%

BDN 2Q 2012 rents UP +3.7% on lease renewals and UP +6.6% on new and expansion leases  
BDN 2Q 2012 tenant retention 73.3%

BDN 2012 target divestitures \$176 million

BDN management commented that tenants are signaling concern over economic uncertainty

BDN stock price supported by current dividend yield of 5.3%

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

BDN we rank 3 HOLD

BDN market cap \$1.6 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Ventas  |
| Price:          | \$65  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$19,010  |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/26/2012  
VTR \$65

Ventas VTR 2Q 2012 normalized FFO \$0.95 (adjusted) v \$0.80 (adjusted) UP +19%  
VTR 2Q 2012 normalized FFO (adjusted) excludes net charges of (\$0.14) per share relating to debt extinguishment, merger expenses and certain non-cash adjustments

VTR increased guidance 2012 normalized FFO \$3.70-\$3.74 v \$3.37 UP +10%+11%  
VTR previous guidance 2012 normalized FFO \$3.63-\$3.69 per share

VTR senior housing same property NOI \$108 million UP +2.0%

VTR to discuss results for 2Q 2012 this morning on a conference call with investors at 10:00 AM

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

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

VTR we rank 2 BUY

VTR market cap \$19.0 billion

VTR an S&P 500 Index REIT



REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Capstead Mortgage Corporation   |
| Price:          | \$14  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$1,276   |
| Link:           | <a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/26/2012  
CMO \$14

Capstead Mortgage CMO EPS 2Q 2012 \$0.40 v \$0.48 DOWN (17%)

CMO no guidance provided for EPS for 2012

CMO 2Q 2012 book value \$13.23 UP +\$0.19 per share

CMO 2Q 2012 portfolio of agency guaranteed Residential MBS\$13.8 billion

CMO 2Q 2012 average portfolio coupon 2.8%

CMO 2Q 2012 CPR (constant prepayment rate) 15.9%

CMO 2Q 2012 portfolio leverage 8.05X

CMO 2Q 2012 NIM (net interest margin) 1.37% DOWN (0.15%) from March 2012

CMO 2Q 2012 operating expenses 1.06% DOWN (0.13%)

CMO stock price supported by current annual dividend yield of 11.3%, below the midpoint of the range for Financial Mortgage REITs

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

CMO we rank 2 BUY

CMO market cap \$1.3 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | DuPont Fabros Technology  |
| Price:          | \$26  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$2,175   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/26/2012  
DFT \$26

DuPont Fabros Technology 2Q 2012 FFO \$0.37 v \$0.42 DOWN (12%)  
DFT lower FFO for 2Q 2012 due to lower capitalized interest expense relating to properties not yet stabilized

DFT increased low end of guidance range 2012 FFO \$1.47-\$1.54 v \$1.61 DOWN (4%)-(9%)  
DFT previous guidance 2012 FFO \$1.44-\$1.54 per share

DFT guidance 3Q 2012 FFO \$0.37-\$0.40 v \$0.44 DOWN (9%)-(16%)

DFT portfolio occupancy 81%  
DFT stabilized portfolio occupancy 96.0%  
DFT non-stabilized properties occupancy 59%  
DFT preleasing at ACC6 Phase II in Ashburn VA now 67%

DFT management comments confirmed pricing firm and leasing active for wholesale data centers  
DFT leasing during 2Q 2012 totaled 29.4 megawatts  
DFT 2012 year to date commenced 10 new leases for 26.3 megawatts

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

DFT we rank 2 BUY

DFT market cap \$2.2 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | UDR, Inc.   |
| Price:          | \$27  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$6,360   |
| Link:           | <a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text  
07/26/2012  
UDR \$27

UDR Inc UDR news of lower new unemployment claims signals continued positive outlook for Residential REITs

UDR Labor Department reported new unemployment claims DOWN (35,000) to 353,000 for week ended July 21, 2012

UDR more important, 4 week moving average of new unemployment claims DOWN (8,750) to 367,250

UDR like all Residential REITs reporting occupancy firm and rental rate increases more than UP +5%

UDR to discuss results for 2Q 2012 next week on Monday July30, 2012 with a conference call for investors scheduled at 11:00 AM

UDR reported FFO for 1Q 2012 UP +13%, while making no change to guidance for FFO for 2012 to increase as much as UP +11%

UDR a Residential REIT with a diverse portfolio of apartment communities

UDR we rank 2 BUY

UDR market cap \$6.4 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Annaly Capital Management   |
| Price:          | \$17  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$17,574  |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/26/2012  
NLY \$17

Annaly Capital Management NLY stable mortgage application volume supports Financial Mortgage REITs

NLY report from MBA (Mortgage Bankers Association) indicates mortgage application volume UP +0.9% for week ended July 20, 2012

NLY mortgage refinance applications UP +2%, while mortgage applications for home purchase DOWN (3%)

NLY recent management comments note Federal Reserve and FHFA are supporting a stable market for agency guaranteed Residential MBS, at least through the Fall 2012 presidential election

NLY stock price supported by current annual dividend yield of 12.7%, 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 \$17.6 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Equity Residential  |
| Price:          | \$63  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$20,014  |
| Link:           | <a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text  
07/26/2012  
EQR \$63

Equity Residential EQR 2Q 2012 normalized FFO \$0.68 (adjusted) v \$0.60 (adjusted) UP +13%  
EQR 2Q 2012 normalized FFO excludes net charges of (\$0.04) per share relating to acquisitions costs, debt extinguishment and other items

EQR increased low end of guidance for 2012 normalized FFO \$2.73-\$2.78 (adjusted) v \$2.43 (adjusted) UP +12%+14%

EQR previous guidance 2012 normalized FFO \$2.68-\$2.78 per share  
EQR guidance 2012 normalized FFO assumes same property NOI UP more than +7%, with same property revenue UP +5.5%  
EQR guidance 2012 normalized FFO assumes occupancy 95.2%

EQR guidance 3Q 2012 normalized FFO \$0.70-\$0.74 v \$0.62 (adjusted) UP +13%+19%

EQR 2Q 2012 same property NOI UP +7.5%  
EQR 2Q 2012 same property average monthly rent \$1,626 UP +5.7%  
EQR 2Q 2012 same property occupancy 95.2% DOWN (0.2%)

EQR 2Q 2012 turnover 15.4% UP +3.1%

EQR management commented that turnover is UP, but apartment shortage in key urban areas keeping occupancy high  
EQR believes higher turnover relates to higher rental rates and increasing home purchase

EQR portfolio average base rents UP +7.5% year to date during 2012  
EQR average rental increase on renewal UP +7.0% for May, UP +6.4% for June and UP +5.8% for July 2012

EQR strongest markets San Francisco, with same property NOI UP +8.4%, and New York, UP +7.6%  
EQR weakest market Atlanta, with same property NOI UP +0.2%

EQR 2012 year to date acquisitions \$670 million  
EQR 2012 year to date divestitures \$336 million

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

EQR we rank 2 BUY

EQR market cap \$20.0 billion

EQR an S&P 500 Index REIT

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Prologis Inc  |
| Price:          | \$32  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$15,146  |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text  
07/26/2012  
PLD \$32

Prologis Inc PLD 2Q 2012 normalized FFO \$0.43 v \$0.35 UP +23%  
PLD 2Q 2012 normalized FFO excludes net non-recurring charges of (\$0.06) per share relating to merger integration expenses

PLD increased low end of guidance range 2012 normalized FFO \$1.64-\$1.70 v \$1.58 UP +4%+8%  
PLD previous guidance 2012 normalized FFO \$1.60-\$1.70 per share

PLD 2Q 2012 same property NOI UP +0.4%  
PLD 2Q 2012 portfolio occupancy 94.0% UP +0.1% from March 2012  
PLD 2Q 2012 rents on lease turnover DOWN (3.9%)

PLD management commented that greatest demand is from US consumer products companies seeking additional distribution space in US and international markets  
PLD also seeing improved demand for smaller space, with small space occupancy UP more than 1.0% for 2Q 2012  
PLD low level of construction starts in US starting to create shortage of large space, driving tenants to option more space for extended periods of time

PLD the largest publicly traded Industrial REIT

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

PLD we rank 2 BUY

PLD market cap \$15.1 billion

PLD an S&P 500 Index REIT

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Corporate Office Properties Trust   |
| Price:          | \$22  |
| Recommendation: | SELL  |
| Ranking:        | 5   |
| Market Cap:     | \$1,647   |
| Link:           | <a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/26/2012  
OFC \$22

Corporate Office Properties Trust OFC 2Q 2012 FFO \$0.54 v \$0.57 DOWN (5%)

OFC reduced guidance 2012 FFO \$2.02-\$2.08 v \$2.17 DOWN (4%)-(7%)  
OFC previous guidance 2012 FFO \$2.02-\$2.18 per share

OFC guidance 3Q 2012 FFO \$0.47-\$0.50 v \$0.52 DOWN (4%)-(10%)

OFC 2Q 2012 same property NOI UP +5.0%  
OFC 2Q 2012 portfolio leased occupancy 89.0% UP +0.4% from March 2012

OFC 2Q 2012 straight line rents on lease turnover DOWN (3.7%), while cash rents DOWN (8.1%)  
OFC 2Q 2012 portfolio average annual rents per square foot \$27.13  
OFC 2Q 2012 tenant retention 63.4%

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

OFC stock price supported by current annual dividend yield of 5.1%

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

OFC we rank 5 SELL

OFC market cap \$1.6 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | AvalonBay Communities   |
| Price:          | \$145   |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$13,900  |
| Link:           | <a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text  
07/26/2012  
AVB \$145

AvalonBay Communities AVB 2Q 2012 FFO \$1.34 v \$1.13 UP +19%

AVB increased low end of guidance range 2012 FFO \$5.39-\$5.53 v \$4.57 UP +18%+21%  
AVB previous guidance 2012 FFO \$5.25-\$5.55 per share  
AVB guidance 2012 FFO assumes same property NOI UP +7.0%-+8.0%, with same property revenue UP +5.5%-+6.0%

AVB new guidance 3Q 2012 FFO \$1.38-\$1.42 v \$1.17 UP +18%+21%

AVB 2Q 2012 same property NOI UP +7.1%  
AVB 2Q 2012 same property occupancy 95.8% DOWN (0.4%)  
AVB 2Q 2012 same property average monthly rent \$1,964 UP +6.2%

AVB best market northern CA with same property NOI UP +12.8%  
AVB weakest market mid-Atlantic with same property NOI UP +2.4%

AVB expects to start construction of \$1.0-\$1.2 billion apartment developments during 2012  
AVB during 2Q 2012 commenced construction of 4 apartment communities for expected investment of \$309 million  
AVB during 2Q 2012 completed 4 apartment communities for investment of \$246 million

AVB 2012 target divestitures of \$250-\$350 million properties  
AVB 2012 target acquisitions \$250-\$350 million

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

AVB we rank 2 BUY

AVB market cap \$13.9 billion

AVB an S&P 500 Index REIT



REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | SL Green Realty Corp.   |
| Price:          | \$76  |
| Recommendation: | SELL  |
| Ranking:        | 4   |
| Market Cap:     | \$6,784   |
| Link:           | <a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/26/2012  
SLG \$76

SL Green Realty SLG 2Q 2012 FFO \$1.94 (adjusted) v \$1.10 (adjusted) UP +74%  
SLG 2Q 2012 FFO (adjusted) excludes net charge of (\$0.02) per share relating to transaction costs  
SLG 2Q 2012 FFO (adjusted) includes non-recurring gain of \$0.73 per share relating to recapitalization of 717 Fifth Avenue

SLG adjusted previous guidance for FFO for 2012 to reflect non-recurring gain of \$0.73 per share  
SLG new guidance 2012 including gain \$5.33-\$5.43 v \$4.88 UP +9%+11%  
SLG previous guidance \$4.50-\$4.60 per share

SLG 2Q 2012 consolidated same property NOI UP +1.6%  
SLG 2Q 2012 Manhattan occupancy 93.2% DOWN (0.2%)  
SLG 2Q 2012 suburban occupancy 86.0% DOWN (0.4%)

SLG 2Q 2012 rents on lease turnover in Manhattan UP +1.3%  
SLG 2Q 2012 rents on lease turnover in suburban markets DOWN (18.9%)

SLG management commented that leasing activity is decelerating in NYC  
SLG newer office buildings in NYC placing pressure on rental rate growth  
SLG tenants uncertain of economic trends, with concern over pending Presidential election causing low confidence

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

SLG we rank 4 SELL

SLG market cap \$6.8 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Sun Communities   |
| Price:          | \$46  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$1,196   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/26/2012  
SUI \$46

Sun Communities SUI 2Q 2012 FFO \$0.78 (adjusted) v \$0.74 (adjusted) UP +5%  
SUI 2Q 2012 FFO (adjusted) excludes net charge of (\$0.01) per share relating to acquisition costs

SUI increased low end of guidance range for 2012 FFO \$3.20-\$3.27 v \$3.1 UP +2%+4%  
SUI previous guidance 2012 FFO \$3.17-\$3.27 per share

SUI 2Q 2012 same property NOI UP +5.9%  
SUI 2Q 2012 portfolio occupancy 86.8% UP +1.8%  
SUI 2Q 2012 average monthly rents per site \$432 UP +3%

SUI 2Q 2012 number of revenue producing sites UP +43% due to recent acquisitions

SUI 2Q 2012 number of homes sales UP +26%, representing 14% of total revenue

SUI stock price supported by current dividend yield of 5.4%

SUI a Specialty REIT with a portfolio of manufactured home communities

SUI we rank 2 BUY

SUI market cap \$1.2 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Capstead Mortgage Corporation   |
| Price:          | \$14  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$1,245   |
| Link:           | <a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/26/2012  
CMO \$14

Capstead Mortgage CMO traded DOWN (\$0.34) per share to close DOWN (2%) day

CMO stock traded UP +11% year to date for 2012, slightly underperforming Financial Mortgage REITs, UP +12%

CMO earlier today reported EPS decline to a level in line with current dividend at \$0.40 per share

CMO higher mortgage applications supports positive environment for Financial Mortgage REITs

CMO significant changes to Fannie Mae guarantees and loan origination rules are unlikely until after the 2012 Presidential elections

CMO stock price supported by current annual dividend yield of 11.5%, below the midpoint of the range for Financial Mortgage REITs

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

CMO we rank 2 BUY

CMO market cap \$1.2 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Prologis Inc  |
| Price:          | \$32  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$15,419  |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/26/2012  
PLD \$32

Prologis Inc PLD traded UP \$0.57 per share to close UP +2% day

PLD stock traded UP +13% year to date for 2012, in line with Industrial REITs, UP +13%

PLD earlier today reported better than expected results for 2Q 2012, with core FFO UP +23%

PLD also increased low end of guidance range for FFO for 2012 to indicate growth in a range of UP +4%-+8%

PLD management comments regarding positive occupancy trends in US markets supporting the stock

PLD the largest publicly traded Industrial REIT

PLD stock price supported by current annual dividend yield of 3.5%

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

PLD we rank 2 BUY

PLD market cap \$15.4 billion

PLD an S&P 500 Index REIT

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | SL Green Realty Corp.   |
| Price:          | \$78  |
| Recommendation: | SELL  |
| Ranking:        | 4   |
| Market Cap:     | \$6,884   |
| Link:           | <a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/26/2012  
SLG \$78

SL Green Realty SLG traded UP+\$1.12 per share to close UP +1% day

SLG stock traded UP +16% year to date for 2012, outperforming Office REITs, UP +13%

SLG earlier today indicated cautious tenants are holding back on lease decisions pending outcome of elections

SLG new supply of recently completed office properties in NYC preventing further rental growth

SLG results for 2Q 2012 reported today better than expected only due to unusual gain on recapitalization of joint venture property

SLG new guidance for FFO for 2012 indicates growth UP +9%-+11% including unusual gain

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

SLG we rank 4 SELL

SLG market cap \$6.9 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Mack-Cali Realty  |
| Price:          | \$28  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$2,768   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/26/2012  
CLI \$28

Mack-Cali Realty CLI traded DOWN (\$0.48) per share to close DOWN (2%) day

CLI stock traded UP +4% year to date for 2012, dramatically underperforming Office REITs, UP +13%

CLI earlier today reported FFO for 2Q 2012 DOWN (10%)

CLI slightly increased guidance for FFO for 2012 to indicate decline of as much as DOWN (10%)

CLI management comments noted rental rate decline on lease rollover

CLI stock price supported by current yield of 6.5%

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

CLI we rank 3 HOLD

CLI market cap \$2.8 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Mack-Cali Realty  |
| Price:          | \$28  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$2,768   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/27/2012  
CLI \$28

Mack-Cali Realty CLI 2Q 2012 FFO \$0.62 v \$0.69 DOWN (10%)

CLI increased guidance 2012 FFO \$2.52-\$2.62 v \$2.80 DOWN (6%)-(10%)  
CLI previous guidance 2012 FFO \$2.50-\$2.60 per share

CLI 2Q 2012 same property NOI DOWN (0.2%) on cash basis  
CLI 2Q 2012 portfolio occupancy 87.6% DOWN (0.3%) from March 2012

CLI 2Q 2012 rent rolldown on lease turnover DOWN (3.1%)  
CLI 2Q 2012 tenant retention 58%

CLI management comments indicate "trough" on rental rates may improve from these levels  
CLI continuing to invest in Jersey City Harborside development through construction of new apartment tower

CLI stock price supported by current yield of 6.5%

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

CLI we rank 3 HOLD

CLI market cap \$2.8 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Realty Income   |
| Price:          | \$41  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$5,429   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/27/2012  
O \$41

Realty Income O 2Q 2012 FFO \$0.49 v \$0.48 UP +2%

O slightly decreased guidance 2012 FFO \$2.00-\$2.04 v \$1.98 UP +1%+3%  
O previous guidance 2012 FFO \$2.02-\$2.06 per share

O portfolio occupancy 97.3% UP +0.7% from March 2012  
O same property rents on lease turnover DOWN (1.1%)

O 2012 year to date acquisitions \$222 million for 147 properties  
O 2012 year to date dispositions \$19 million for gain of \$4 million

O exceptional long term record of monthly dividends with gradual increases

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

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

O we rank 2 BUY

O market cap \$5.4 billion



REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Duke Realty Corporation   |
| Price:          | \$14  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$3,830   |
| Link:           | <a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/27/2012  
DRE \$14

Duke Realty DRE 2Q 2012 core FFO \$0.26 (adjusted) v \$0.29 DOWN (10%)  
DRE 2Q 2012 core FFO (adjusted) excludes net charge of (\$0.01) per share for acquisition costs

DRE increased low end of guidance range for 2012 FFO \$0.98-\$1.06 v \$1.15 DOWN (8%)-(15%)  
DRE previous guidance 2012 FFO \$0.94-\$1.06 per share

DRE 2Q 2012 same property NOI UP +3.4%  
DRE 2Q 2012 portfolio occupancy 92.2%

DRE 2Q 2012 rents on lease turnover UP +0.6%  
DRE 2Q 2012 tenant retention 66%

DRE 2Q 2012 industrial bulk distribution segment same property NOI UP +4.0%, with occupancy 93.7%

DRE 2Q 2012 suburban office segment same property NOI UP +0.2%, with occupancy 83.7%  
DRE 2Q 2012 medical office segment same property NOI UP +12.1% with occupancy 89.9%  
DRE 2Q 2012 retail segment same property NOI UP +22.8%, with occupancy 89.9%

DRE stock price supported by current annual dividend yield of 4.8%

DRE an Industrial REIT with a diverse portfolio of distribution, industrial, commercial and office properties

DRE we rank 2 BUY

DRE market cap \$3.8 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | First Industrial  |
| Price:          | \$13  |
| Recommendation: | SELL  |
| Ranking:        | 4   |
| Market Cap:     | \$1,087   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/27/2012  
FR \$13

First Industrial FR 2Q 2012 FFO \$0.28 (adjusted) v \$0.24 UP +17%  
FR 2Q 2012 FFO (adjusted) excludes total net charges of (\$0.13) per share relating to debt retirement and tax adjustment

FR increased guidance 2012 FFO \$0.98-\$1.08 (adjusted) v \$0.89 UP +10%--21%  
FR previous guidance 2012 FFO \$0.96-\$1.06 per share  
FR guidance 2012 FFO assumes occupancy 87.5%-89.0%  
FR guidance 2012 FFO assumes same property NOI UP +3.5%--5.0%

FR 2Q 2012 same property NOI UP +5.3% excluding lease termination income  
FR 2Q 2012 portfolio occupancy 87.9% UP +1.8%

FR 2Q 2012 rents on lease turnover DOWN (3.2%) on cash basis  
FR 2Q 2012 tenant retention 71%

FR acquired 3 land parcels for development of new industrial properties for expected total investment of \$108 million

FR has yet to restore dividends on common stock

FR an Industrial REIT

FR we rank 4 SELL

FR market cap \$1.1 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Agree Realty  |
| Price:          | \$24  |
| Recommendation: | SELL  |
| Ranking:        | 5   |
| Market Cap:     | \$262   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/27/2012  
ADC \$24

Agree Realty ADC 2Q 2012 FFO \$0.50 v \$0.54 DOWN (7%)

ADC no guidance provided for FFO for 2012

ADC 2Q 2012 portfolio occupancy 97%

ADC 2Q acquisitions \$22 million  
ADC 2Q dispositions \$6 million

ADC management pursuing portfolio diversification through investment in new relationships for ground leases with McDonalds, Wawa, Chase and Miner's Super One Foods

ADC 50% of tenant exposure as of June 2012 concentrated in 3 tenants, including Walgreen's at 33% of total rents, Kmart 10% and CVS 7%

ADC stock supported by current annual dividend yield of 6.8%

ADC a Retail REIT with a portfolio of net leased properties

ADC we rank 5 SELL

ADC market cap \$262 million

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | CBL & Associates  |
| Price:          | \$19  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$3,635   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text  
07/27/2012  
CBL \$19

CBL & Associates CBL 2Q 2012 \$0.53 v \$0.50 UP +6%

CBL increased guidance 2012 FFO \$2.00-\$2.10 v \$2.05 DOWN (2%) - UP +2%  
CBL previous guidance 2012 FFO \$1.95-\$2.03 per share  
CBL new guidance 2012 FFO assumes same property NOI UP +1.0% - +2.0% with occupancy UP +0.5% - +1.0%

CBL 2Q 2012 same property NOI UP +2.7% excluding lease termination fees  
CBL 2Q 2012 portfolio occupancy 92.3% UP +1.7%  
CBL 2Q 2012 average increase in gross rents on new leases UP +10.2%

CBL 2Q 2012 trailing 12 month annualized tenant sales per square foot \$341 UP +4%

CBL 2Q 2012 acquisitions of \$200 million included \$109 million to acquire minority interest in brand name outlet centers from development partner Horizon Group Properties

CBL management enthusiastic over pending opening of Outlet Shoppes in Oklahoma City  
CBL new management agreement with Starwood for operation of 6 malls adds long term fee income

CBL stock price supported by current annual dividend yield of 4.6%

CBL a Retail REIT with a portfolio of regional malls in southeastern and mid-Atlantic states

CBL we rank 2 BUY

CBL market cap \$3.6 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Omega Healthcare Investors  |
| Price:          | \$24  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$2,491   |
| Link:           | <a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/27/2012  
OHI \$24

Omega Healthcare Investors OHI 2Q 2012 2Q 2012 \$0.53 v \$0.47 UP +13%

OHI increased guidance 2012 FFO \$2.12-\$2.15 v \$1.89 UP +12%+14%  
OHI previous guidance 2012 FFO \$2.09-\$2.12 per share

OHI 2Q 2012 revenue \$84 million UP +15% due to acquisitions  
OHI 2Q 2012 operating income \$52 million UP +34%

OHI investment goal \$150 million for 2012, including acquisitions and capital expenditures

OHI tenant EBITDARM rent coverage before management fees 2.1X

OHI stock price supported by current annual dividend yield of 7.0%

OHI a Health Care REIT with a portfolio concentrated in skilled nursing and assisted living properties

OHI we rank 2 BUY

OHI market cap \$2.5 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | First Potomac Realty Trust  |
| Price:          | \$11  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$592   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/27/2012  
FPO \$11

First Potomac FPO 2Q 2012 core FFO \$0.32 (adjusted) v \$0.28 (adjusted) UP +14%  
FPO 2Q 2012 core FFO (adjusted) excludes net charges of (\$0.30) per share relating to debt extinguishment, as well as costs relating to internal investigation and to acquisitions

FPO increased guidance 2012 FFO \$1.11-\$1.17 v \$1.08 UP +3%+8%  
FPO previous guidance 2012 FFO \$1.06-\$1.12 per share  
FPO new guidance 2012 FFO assumes same property NOI UP +3%+5%, with occupancy 83%-84%

FPO 2Q 2012 same property NOI UP +3.5% on accrual basis and UP +3.0% on a cash basis  
FPO 2Q 2012 leased occupancy 85.4% UP +0.5%

FPO 2Q 2012 tenant retention 76%

FPO management comments noted variability in portfolio income trends by submarket  
FPO 2Q 2012 same property NOI UP +16.9% for MD, UP +4.5% for DC, while DOWN (1.2%) for northern VA and DOWN (5.5%) for southern VA

FPO internal investigation recommended need to retain third party accounting firm to review compliance with debt covenants  
FPO searching for new CFO, with current CFO expected to step down in September, 2012

FPO stock price supported by current dividend yield of 7.1%

FPO an Industrial REIT with a portfolio of industrial, commercial and office properties concentrated in metropolitan DC area

FPO we rank 3 HOLD

FPO market cap \$592 million

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Anworth Mortgage Asset  |
| Price:          | \$7   |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$932   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/27/2012  
ANH \$7

Anworth Mortgage Asset ANH 2Q 2012 core EPS \$0.18 v \$0.24 DOWN (25%)  
ANH recognized no portfolio impairment losses during 2Q 2012

ANH no guidance provided for core EPS for 2012

ANH 2Q 2012 book value \$7.19 per share UP +\$0.02 per share from March 2012

ANH 2Q 2012 portfolio \$9.2 billion agency guaranteed Residential MBS  
ANH weighted average coupon 3.2%  
ANH weighted average amortized cost 102.82%

ANH 2Q 2012 CPR (constant prepayment rate) 24% UP +2% from March 2012  
ANH portfolio leverage 7.1X

ANH 2Q 2012 NIM (net interest margin) 1.27% DOWN (0.16%) from March 2012

ANH core EPS earned for 2Q 2012 matches dividend paid for 2Q 2012 of \$0.18 per share

ANH stock price supported by current annual dividend yield of 12.6%, near the midpoint of the range for Financial Mortgage REITs

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

ANH we rank 2 BUY

ANH market cap \$1.0 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | iStar Financial   |
| Price:          | \$7   |
| Recommendation: | SELL  |
| Ranking:        | 5   |
| Market Cap:     | \$542   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text  
07/27/2012  
SFI \$7

iStar Financial SFI 2Q 2012 EPS loss (\$0.70) v (\$0.38)

SFI 2Q 2012 EPS loss includes (\$27) million loan loss provision and (\$7) million asset impairments, as well as (\$5) million loss on debt extinguishment, offset by \$25 million gain on sale of net lease assets and \$13 million income from sales of residential properties

SFI no guidance provided for EPS profit or loss for 2012

SFI 2Q 2012 adjusted EBITDA \$107 million UP +4%  
SFI 2Q 2012 adjusted EBITDA excludes non-cash charges including provision for loan losses, asset impairments, stock based compensation expense and gains and losses on debt extinguishment

SFI 2Q 2012 balance sheet cash \$707 million, including \$493 million restricted cash

SFI 2Q 2012 portfolio \$6.3 billion, including 37% loans, 25% leases, 31% OREO (other real estate owned) and 7% other interest-earning assets  
SFI 2Q 2012 portfolio receipts totaled \$555 million, including \$189 million principal repayment, \$117 million OREO assets sold, \$136 million net leases sold, \$57 million loans sold and \$59 million other cash flows  
SFI debt repayments totaled \$640 million during 2Q 2012

SFI 2Q 2012 non-performing loans \$639 million, net of loan loss reserve of \$491 million  
SFI 2Q 2012 watch list loans \$75 million

SFI 2Q 2012 leased occupancy 91% of net lease assets with weighted average remaining lease term 12.2 years

SFI has not paid dividends on common stock since 2008

SFI a Financial Commercial REIT

SFI we rank 5 SELL

SFI market cap \$542 million



REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Highwoods Properties  |
| Price:          | \$33  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$2,539   |
| Link:           | <a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text  
07/27/2012  
HIW \$33

Highwoods Properties HIW 2Q 2012 FFO \$0.70 (adjusted) v \$0.63 (adjusted) UP +11%  
HIW 2Q 2012 FFO (adjusted) excludes net charge of (\$0.01) per share relating to debt extinguishment and acquisition costs

HIW increased low end of guidance range for 2012 FFO \$2.66-\$2.76 v \$2.58 UP +3%+7%  
HIW previous guidance \$2.60-\$2.76 per share  
HIW new guidance 2012 FFO assumes same property NOI UP +2.5%+3.5%, with occupancy 89.5%-91.0%

HIW 2Q 2012 same property NOI UP +1.8% on cash basis excluding termination fees  
HIW 2Q 2012 portfolio occupancy 90.7% UP +0.8%  
HIW 2Q 2012 average in-place rents UP +2%

HIW rent rolldown on lease turnover DOWN (6.3%)

HIW 2012 year to date acquisitions \$50 million  
HIW 2012 year to date divestitures \$148 million

HIW stock price supported by current annual dividend yield of 5.1%

HIW an Office REIT with a diverse portfolio of office, industrial and retail properties concentrated in southeastern states

HIW we rank 3 HOLD

HIW market cap \$2.5 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Washington REIT   |
| Price:          | \$28  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$1,837   |
| Link:           | <a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/27/2012  
WRE \$28

Washington REIT WRE announced (31%) reduction in dividend distribution to \$0.30 per share for 3Q 2012

WRE new annual dividend \$1.20 per share

WRE new yield 4.3%

WRE an Office REIT with a diverse portfolio of office, retail, medical, multifamily, and industrial properties concentrated in the metropolitan DC area

WRE we rank 3 HOLD

WRE market cap \$1.8 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Washington REIT   |
| Price:          | \$28  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$1,837   |
| Link:           | <a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text  
07/27/2012  
WRE \$28

Washington REIT WRE 2Q 2012 FFO \$0.48 (adjusted) v \$0.51 (adjusted) DOWN (6%)  
WRE 2Q 2012 FFO (adjusted) excludes net charge of (\$0.01) per share relating to acquisition expense, debt extinguishment and impairment

WRE made no change to guidance 2012 FFO \$1.87-\$1.97 v \$1.96 FLAT - DOWN (5%)

WRE 2Q 2012 same property NOI DOWN (1.7%)  
WRE 2Q 2012 portfolio occupancy 89.3% DOWN (0.4%) from March 2012  
WRE 2Q 2012 rents UP +14.3% on lease turnover

WRE 2Q 2012 office segment (49% of NOI) same property NOI DOWN (6.9%), with occupancy DOWN (3.5%) to 84.7% and in-place rents UP +0.9%  
WRE 2Q 2012 retail segment (21% of NOI) same property NOI UP +15.7% with occupancy UP +0.7% to 92.7% and in-place rents UP +0.9%  
WRE 2Q 2012 residential segment (16% of NOI) same property NOI UP +1.9%, with occupancy DOWN (0.8%) to 94.8% and in-place rents UP +4.1%  
WRE 2Q 2012 medical office segment (15% of NOI) same property NOI DOWN (8.6%) with occupancy DOWN (1.8%) to 89.9% and in-place rents UP +0.9%

WRE management comments noted "office fundamentals soft" in DC area due to uncertainty over government spending trends  
WRE management also announced (30%) dividend reduction, in effort to preserve cash, with line of credit 50% drawn down  
WRE management believes dividend reduction necessary in order to complete strategic plan

WRE an Office REIT with a diverse portfolio of office, retail, medical, multifamily, and industrial properties concentrated in the metropolitan DC area

WRE we rank 3 HOLD

WRE market cap \$1.8 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | CBL & Associates  |
| Price:          | \$20  |
| Recommendation: | BUY   |
| Ranking:        | 2   |
| Market Cap:     | \$3,713   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/27/2012  
CBL \$20

CBL & Associates CBL traded UP \$0.41 per share to close UP +2% day

CBL stock traded UP +24% year to date for 2012, outperforming Retail REITs, UP +17%

CBL reported better than expected FFO for 20Q 2012, UP +6%

CBL also increased guidance for FFO for 2012 to indicate FLAT year, with potential for additional guidance increments signaling FFO growth, despite higher shares outstanding

CBL management confident in growth of outlet centers with recent acquisition of minority interest in new outlet developments

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

CBL a Retail REIT with a portfolio of regional malls in southeastern and mid-Atlantic states

CBL we rank 2 BUY

CBL market cap \$3.7 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | First Potomac Realty Trust  |
| Price:          | \$12  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$623   |
| Link:           | <a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/27/2012  
FPO \$12

First Potomac Realty Trust FPO traded UP \$0.57 per share to close UP +5% day

FPO stock traded DOWN (10%) year to date for 2012, significantly underperforming Industrial REITs, UP +13%

FPO moving higher despite downtrend in stocks exposed to DC metropolitan area economic slowdown

FPO reported better than expected FFO for 2Q 2012, UP +14%, and increased guidance for FFO for 2012 to indicate growth of UP +8%

FPO hopes to move past internal investigation of debt covenant issues with pending departure of current CFO

FPO stock price supported by current dividend yield of 6.8%

FPO an Industrial REIT with a portfolio of industrial, commercial and office properties concentrated in metropolitan DC area

FPO we rank 3 HOLD

FPO market cap \$623 million

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Mack-Cali Realty  |
| Price:          | \$27  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$2,691   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text  
07/27/2012  
CLI \$21

Mack-Cali Realty CLI traded DOWN (\$0.77) per share to close DOWN (3%) day

CLI stock traded UP only +1% year to date for 2012, trailing Office REITs, UP +13%

CLI exposure to financial industry tenants a concern at Jersey City NJ Harborside office properties

CLI yesterday reported FFO for 2Q 2012 DOWN (10%), and increased guidance for FFO for 2012 to indicate decline of as much as DOWN (10%)

CLI management comments noted rental rate decline on lease rollover

CLI stock price supported by current yield of 6.7%

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

CLI we rank 3 HOLD

CLI market cap \$2.7 billion

REIT Comment



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|                 |   |
|-----------------|---|
| Company:        | Washington REIT   |
| Price:          | \$26  |
| Recommendation: | HOLD  |
| Ranking:        | 3   |
| Market Cap:     | \$1,740   |
| Link:           | <a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a> |

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Additional Text:  
07/27/2012  
WRE \$26

Washington REIT WRE traded DOWN (\$1.45) per share to close DOWN (5%) day

WRE stock declined DOWN (4%) year to date for 2012, significantly underperforming Office REITs

WRE stock crushed over (30%) dividend reduction, following 5 years of stable payout despite difficult economy

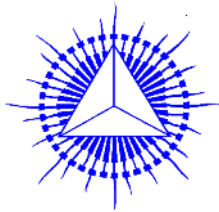
WRE investor concern over exposure to metropolitan DC area

WRE although results for 2Q 2012 met expectations, with FFO DOWN (6%), and although no guidance adjustment made for 2012, (30%) dividend reduction signals serious reservations over growth prospects

WRE an Office REIT with a diverse portfolio of office, retail, medical, multifamily, and industrial properties concentrated in the metropolitan DC area

WRE we rank 3 HOLD

WRE market cap \$1.7 billion



**REIT Growth and Income Monitor** posted 65 REIT comments for the week ended July 27, 2012. Comments were issued on REITs in the following sectors:

|                   |    |
|-------------------|----|
| Financial REITs   | 10 |
| Health Care REITs | 2  |
| Hotel REITs       | 4  |
| Industrial REITs  | 6  |
| Office REITs      | 19 |
| Residential REITs | 4  |
| Retail REITs      | 12 |
| Specialty REITs   | 7  |

Information on REIT sectors may be found using this link:

[http://www.reitmonitor.net/REIT\\_Resources](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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