



REIT Growth and Income Monitor

Weekly Comments 10/11/2011

REIT stocks continued to slide, while underperforming the S&P 500 Index, as positive performance gap for 2011 decreased to 1%.

SEC review of regulatory status of Financial Mortgage REITs is unlikely to disrupt near term positive outlook for the stocks.

Annaly Capital Management is the best capitalized of the Financial Mortgage REITs, with earnings to benefit from investment of recent equity offerings.

Redwood Trust participates in the non-agency guaranteed portion of market for securitized residential loans.

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**Weekly REIT Comments**
10/11/2011

REITs declined further for the first week of October, ended October 7, 2011. REITs included in the S&P 500 Index are now down (9%) on average for 2011, still outperforming loss of (10%) for the S&P 500 Index. Positive performance gap now stands at only 1% for 2011. Average decline for all REITs followed by REIT Growth and Income Monitor is (17%) year to date for 2011.

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

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

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

SEC Review of Financial Mortgage REITs Unlikely to Disrupt Near Term Positive Outlook

News that the SEC plans to review the regulatory status of Financial Mortgage REITs caused slight stock market correction, but a moment's thought by investors should indicate that the status quo is unlikely to be disrupted. An effort to contrast Financial Mortgage REITs with mutual funds must immediately demonstrate that REITs do not operate as mutual funds but as public companies bound by the rules of REITs, requiring distribution of 90% of their pretax income annually as dividends, in observance of the rules for REITs as set by laws passed by Congress and repeatedly updated. There are no comparable rules for mutual funds, including those operating as closed end funds. Financial Mortgage REITs report their earnings as do corporations, and Financial Mortgage REITs comply with all the disclosure requirements mandated by SEC for public companies. Further, there would be no federal income tax benefit to changing the regulatory status of Financial Mortgage REITs. Individuals are taxed on dividends paid by Financial Mortgage REITs as ordinary income, as the dividends distributed by Financial Mortgage REITs do not meet the requirements for qualified dividends. If operated as closed end mutual funds, the portfolios owned by Financial Mortgage REITs would not generate as high a return, and therefore would accrue lower taxes. Leverage available to Financial Mortgage REIT portfolios provides higher levels of taxable income for shareholders. We think this informal SEC inquiry with a 3 month public comment period may not generate anything more than market buzz, with no publicized findings or proposed changes likely to occur.

Meanwhile, it appears Congress is unlikely to address further Fannie Mae reform until after the 2012 elections. This hiatus preserves the status quo for Financial Mortgage REITs with portfolios of agency guaranteed Residential MBS, with no substantive change likely before 2013-2014 at the earliest.

Trading Opportunities

Annaly Capital Management is the strongest of the publicly traded Financial Mortgage REITs, with a market cap of \$13 billion and a \$97 billion portfolio invested primarily in agency guaranteed residential MBS. **Annaly Capital Management's** results for 2Q 2011 benefited from portfolio investment of \$4.0 billion raised in 3 public offerings during 2011, with net interest margin up 0.3% from March, 2011, while portfolio leverage and prepayments declined. **Annaly Capital Management** stock now trades at (7%) discount to book value. Quarterly variability in dividend distributions is a result of fluctuation in portfolio investment, repayments, portfolio yield and net interest income, but the trend in annual dividends has been steadily higher since 2006. **Annaly Capital Management** provides income investors with current dividend yield of 15.4%, above the midpoint of the range for Financial Mortgage REITs.

Redwood Trust, with a market cap of \$0.9 billion as an originator of jumbo residential loans, pursues a path of private market securitizations of non-agency guaranteed Residential MBS through its Sequoia subsidiary. Redwood Trust sold 2 securitizations since 2008, raising \$237 million in April, 2010 and \$290 million in February, 2011, proving that a private market still exists for non-agency guaranteed residential debt of the "Alt-A" type, but the size of these 2 issues is tiny compared to the pre-2008 market for "Alt-A" residential loans and subprime mortgages. **Redwood Trust's** own portfolio of jumbo loans and related derivatives totals \$5 billion. Liquidity constraints have limited dividends, forcing **Redwood Trust** to suspend the pre-2008 practice of paying 4Q "special" dividends that doubled or tripled annual yield for stockholders. **Redwood Trust** stock now trades at (20%) discount to book value. **Redwood Trust** provides income investors with current annual dividend yield of 8.7%, lowest of the range for Financial Mortgage REITs.



Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Price	Price	Weekly	2011
		12/31/2010	09/30/2011	10/07/2011	Change	Price Change
Apartment Investment and Management	AIV	\$26	\$22	\$22	-2%	-16%
AvalonBay Communities	AVB	\$113	\$114	\$116	2%	3%
Boston Properties	BXP	\$86	\$89	\$85	-4%	-1%
Equity Residential	EQR	\$52	\$52	\$52	0%	0%
HCP Inc.	HCP	\$37	\$35	\$35	0%	-4%
Health Care REIT	HCN	\$48	\$47	\$46	-2%	-3%
Host Hotels & Resorts	HST	\$18	\$11	\$11	-2%	-40%
Kimco Realty	KIM	\$18	\$15	\$15	-3%	-19%
Plum Creek Timber	PCL	\$37	\$35	\$35	0%	-7%
Prologis, Inc	PLD	\$32	\$25	\$24	-7%	-26%
Public Storage	PSA	\$101	\$111	\$108	-3%	7%
Simon Property Group	SPG	\$99	\$110	\$110	-0%	10%
Ventas	VTR	\$52	\$49	\$48	-2%	-8%
Vornado Realty Trust	VNO	\$83	\$75	\$70	-6%	-16%
S&P 500 Index	S&P 500	\$1,258	\$1,131	\$1,155	2%	-10%
Average for S&P 500 Index REITs					-2%	-9%

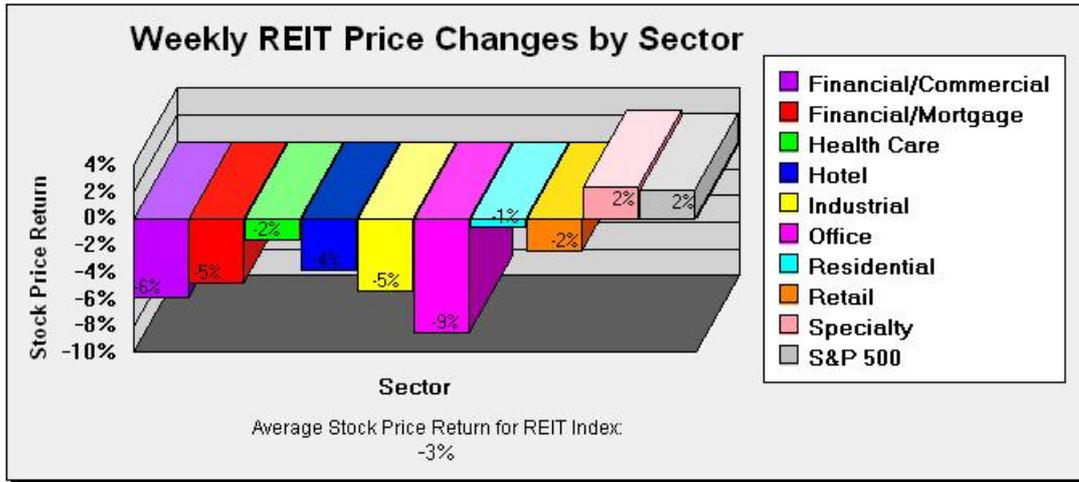
REIT stocks declined further during the first week of October, 2011, with stock prices down (2%) on average for the week ended October 7, 2011. REITs underperformed the S&P 500 Index, up 2% for the week. The S&P 500 Index still shows loss of (10%) year to date for 2011, underperforming year to date REIT performance, down (9%). Positive performance gap for S&P 500 Index REITs narrowed further to 1%.

Best performing of the S&P 500 Index REITs for 2011 are **Simon Property Group**, up 10%, and **Public Storage**, up 7%. Other leading performers include **AvalonBay Communities**, up 3%, and **Equity Residential**, unchanged year to date for 2011. **Boston Properties** declined (4%) last week on negative news for banks, important tenants for certain Office REITs. **Plum Creek Timber**, the only S&P 500 REIT to decline during 2010, shows decrease of (7%) for 2011. Rally for Health Care REITs has sputtered, with **HCP** down (4%), **Health Care REIT** down (3%), and **Ventas** down (8%) for 2011. **Prologis** traded down (7%) last week on news of slow growth in US manufacturing activity, now showing year to date loss of (26%). Negative trends for US and international economies makes Hotel REIT **Host Hotels & Resorts** the most volatile stock among S&P 500 Index REITs, trading down to decrease of (40%) for 2011.

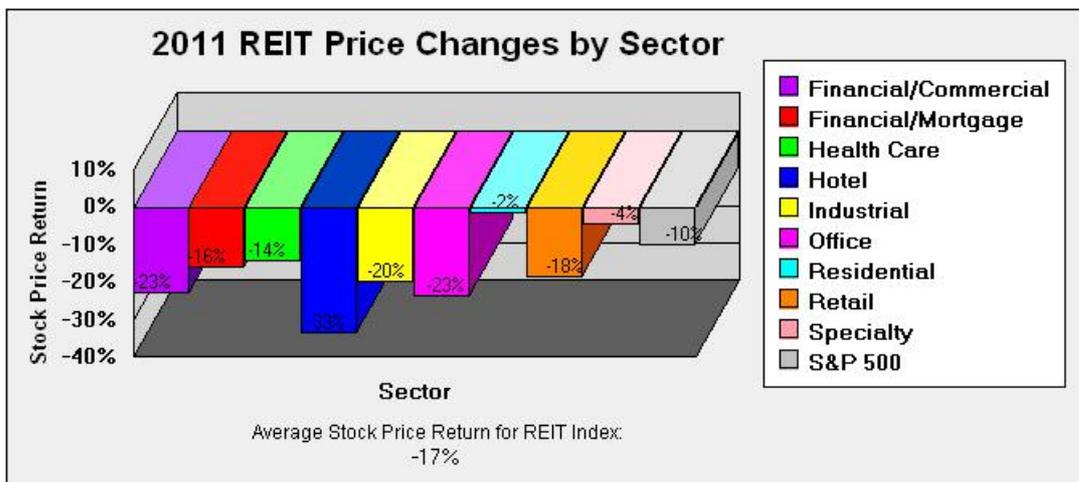
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Weekly REIT Price Changes by Sector

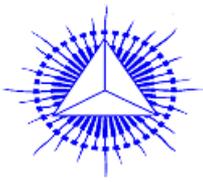


Almost all REIT sectors traded lower for the first week of October, ended October 7, 2011, despite 2% gain for the S&P 500 Index. Best performing sector was Specialty REITs, up 2%, followed by Residential REITs, down (1%). Health Care REITs and Retail REITs decreased (2%), with Hotel REITs down (4%). Financial Mortgage REITs and Industrial REITs decreased (5%), while Financial Commercial REITs decreased (6%). Worst performing sector was Office REITs, down (9%), on renewed concern over exposure of banks to European sovereign debt and to rescue of French bank Dexia. On average, stock prices for REIT Growth and Income Monitor decreased (3%) for the week ended October 7, 2011.



Stock prices for REITs followed by REIT Growth and Income Monitor show year to date decline of (17%) on average for 2011 (exceeding decline of (10%) for the S&P 500 Index), following average increase of 35% for 2010. Residential REITs continued to outperform, now down (2%), on better than expected earnings results and higher guidance for 2011. Specialty REITs also outperform, down (4%) year to date for 2011. Health Care REITs are showing loss of (14%), due to concern over exposure to reimbursement changes for skilled nursing tenants. Retail REITs decreased (18%), succumbing to market downdraft, despite news of continued retail sales gains. Lagging Industrial REITs decreased (20%), followed by Office REITs down (23%). Financial Commercial REITs decreased (23%) and Financial Mortgage REITs decreased (16%). Volatile Hotel REITs are now down (33%) for 2011, in the worst performance of any REIT sector for 2011.

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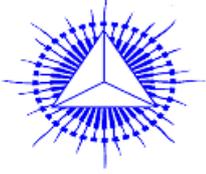


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REIT Comment



Company:	Ventas
Price:	\$49
Recommendation:	BUY
Ranking:	2
Market Cap:	\$13,091
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/03/2011
VTR \$49

Ventas VTR pending constitutional review of Obama Health Plan may aid tenants for Health Care REITs

VTR Justice Department appeal of Atlanta Appeals court ruling on Obama Health Plan to Supreme Court may determine future of planned Medicaid expansion

VTR assuming Obama Health Plan goes into effect during 2014, expansion of Medicaid program to include adult recipients and more middle aged and elderly beneficiaries would benefit VTR tenants including tenants of medical office buildings, skilled nursing facilities and hospitals

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

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

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

VTR we rank 2 BUY

VTR market cap \$13.1 billion

VTR an S&P 500 Index REIT

REIT Comment



Company:	Anworth Mortgage Asset
Price:	\$7
Recommendation:	BUY
Ranking:	2
Market Cap:	\$858
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/03/2011
ANH \$7

Anworth Mortgage Asset ANH reduced quarterly dividend distribution by(8%) to \$0.23 per share for 4Q 2011

ANH new annual rate \$0.92 per share

ANH new yield 13.5%, below the midpoint of the range for Financial Mortgage REITs

ANH quarterly dividends total \$0.72 per share for 2011, DOWN (32%) from the previous year

ANH quarterly variability in dividend distributions determined by trends in portfolio yield as well as gains and losses on portfolio transactions

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

ANH we rank 2 BUY

ANH market cap \$858 million

REIT Comment



Company:	SL Green Realty Corp.
Price:	\$58
Recommendation:	SELL
Ranking:	4
Market Cap:	\$4,745
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/03/2011
SLG \$58

SL Green Realty SLG announced \$416 million acquisition of 8 retail and residential Manhattan properties

SLG residential properties, including 402 apartment units located midtown and upper east side to be managed by Stonehenge Partners

SLG some apartments to require significant investment to maximize value

SLG star property in acquisition is 724 Fifth Avenue, home of upscale Prada retail store

SLG transaction expected to close during 1Q 2012

SLG portfolio concentration in office Manhattan buildings supported by selective investment in retail floors and amenities

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

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

SLG we rank 4 SELL

SLG market cap \$4.7 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$13,154
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
10/03/2011
NLY \$17

Annaly Capital Management NLY news of SEC review of Financial Mortgage REITs unlikely to change regulatory status of Financial Mortgage REITs

NLY SEC review contrasting Financial Mortgage REITs with mutual funds must immediately demonstrate that REITs do not operate as mutual funds but as equity companies bound by the rules of REITs, requiring distribution of 90% of their pretax income annually as dividends

NLY Financial Mortgage REITs add to federal tax collections as leveraged portfolios provide higher levels of taxable income, and 90% of pretax income for the Financial Mortgage REIT is distributed to shareholders as taxable non-qualified dividends

NLY informal inquiry with public comment period may not generate anything more than market buzz with no public findings or proposed changes

NLY SEC inquiry may delay public offerings of 5 newly organized Financial Mortgage REITs

NLY results to be reported for 3Q 2011 to benefit from portfolio investment of funds raised from \$4 billion stock offerings year to date during 2011

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

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

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

NLY we rank 2 BUY

NLY market cap \$13.2 billion

REIT Comment



Company:	Prologis Inc
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,474
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/03/2011
PLD \$25

Prologis Inc PLD survey of purchasing managers indicates positive trend that may improve trading in stocks of Industrial REITs

PLD survey of purchasing managers by ISM(Institute of Supply Management) indicates improvement in manufacturing production, with increase in employment

PLD ISM manufacturing index at 51.6% for August, 2011, up from 50.6% for July, 2011

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

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

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

PLD we rank 2 BUY

PLD market cap \$11.5 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	Plum Creek Timber
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,626
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/03/2011
PCL \$35

Plum Creek Timber PCL news of higher construction spending for August 2011 a positive signal for Specialty REITs with portfolios of timberlands and sawlog mills

PCL Commerce Department reported construction spending increased UP+1.4% for August, 2011, erasing decline of (1.4%) for July 2011

PCL annual rate of construction spending now \$799 billion, up +5% from low in March, 2011

PCL Specialty REITs with portfolios of timberlands and sawlog mills to benefit from higher demand and prices for lumber driven by pace of US construction

PCL recent management comments indicate west coast export markets remain strong particularly China and Japan

PCL stock price supported by current annual dividend yield of 4.8%, as well as by management commitment to repurchase stock

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

PCL we rank 2 BUY

PCL market cap \$5.6 billion

PCL an S&P 500 Index REIT

REIT Comment



Company:	FelCor Lodging Trust
Price:	\$2
Recommendation:	SELL
Ranking:	5
Market Cap:	\$194
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/03/2011
FCH \$2

FelCor Lodging Trust FCH traded DOWN (\$0.30) per share to close DOWN (13%) day

FCH stock traded DOWN (71%) year to date for 2011, underperforming Hotel REITs, DOWN (31%)

FCH stock traded today within \$0.01 per share of 52 week low price

FCH investor concern over negative impact of slower economic growth during last 6 months of 2011

FCH reported FFO increase of 20% for 2Q 2011, better than expected, while reducing guidance for FFO for 2011

FCH a Hotel REIT

FCH we rank 4 SELL

FCH market cap \$194 million

REIT Comment



Company:	CommonWealth REIT
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,369
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/03/2011
CWH \$17

CommonWealth REIT CWH traded DOWN (\$1.73) per share to close DOWN (9%) day

CWH stock traded DOWN (32%) year to date for 2011, underperforming Office REITs, DOWN (17%)

CWH stock traded today within 1% of 52 week low price

CWH Office REITs facing rent rolldowns on lease turnover in many markets

CWH reported FFO decline of (1%) for 2Q 2011

CWH no guidance provided for FFO for 2011

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

CWH we rank 2 BUY

CWH market cap \$1.4 billion

REIT Comment



Company:	Pennsylvania REIT
Price:	\$7
Recommendation:	BUY
Ranking:	2
Market Cap:	\$409
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/03/2011
PEI \$7

Pennsylvania REIT PEI traded DOWN (\$0.61) per share to close DOWN (8%) day

PEI stock traded DOWN (51%) year to date for 2011, underperforming Retail REITs, DOWN (17%)

PEI stock traded today at 52 week low price

PEI consumer spending on retail sales still positive through the end of August 2011

PEI storm impacted east coast sales for several days during September, 2011

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

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

PEI we rank 2 BUY

PEI market cap \$409 million

REIT Comment



Company:	Post Properties
Price:	\$33
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,633
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/03/2011
PPS \$33

Post Properties PPS traded DOWN (\$1.94) per share to close DOWN (6%) day

PPS stock traded DOWN (10%) year to date for 2011, underperforming Residential REITs, DOWN (1%)

PPS to see increasing profitability on higher average monthly rental rates due to high occupancy and lower than normal turnover as apartment shortage in key urban areas benefits Residential REITs

PPS reported much better than expected results for 2Q 2011, increased guidance for FFO for 2011 to indicate growth of as much as 13%, and increased quarterly dividend distribution by 10% for 4Q 2011

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

PPS we rank 2 BUY

PPS market cap \$1.6 billion

REIT Comment



Company:	Senior Housing Properties Trust
Price:	\$21
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,940
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/04/2011
SNH \$21

Senior Housing Properties Trust SNH increased quarterly dividend distribution by 3% to \$0.38 per share for 4Q 2011

SNH new annual dividend \$1.52 per share

SNH new yield 7.3%

SNH pending \$478 million acquisition to add significant expansion to portfolio of senior living properties

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

SNH we rank 2 BUY

SNH market cap \$2.9 billion

REIT Comment



Company:	Omega Healthcare Investors
Price:	\$15
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,461
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/04/2011
OHI \$15

Omega Healthcare Investors OHI current price within 1% of 52 week low for stock

OHI mergers and takeovers of Health Care REITs attracting interest from investors

OHI Health Care REITs with portfolio exposure to skilled nursing properties to see tenant profitability decline on news of pending Medicare reimbursement reduction starting October, 2011

OHI reported 27% FFO growth for 2Q 2011, and increased guidance for FFO for 2011 to indicate growth of as much as 12%

OHI stock price supported by current annual dividend yield of 11.0%

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

OHI we rank 2 BUY

OHI market cap \$1.5 billion

REIT Comment



Company:	Annaly Capital Management
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$12,529
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/04/2011
NLY \$16

Annaly Capital Management NLY Federal Reserve Chairman Bernanke defense of "Operation Twist" in joint Congressional hearings today highlights downwards trend in interest rates since announcement of program

NLY higher mortgage volume may result from lower mortgage interest rates

NLY Financial Mortgage REITs benefit from higher mortgage volume, enabling reinvestment of portfolio maturities

NLY stock price supported by current annual dividend yield of 15.2%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$12.5 billion

REIT Comment



Company:	Corporate Office Properties Trust
Price:	\$21
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,456
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/04/2011
OFC \$21

Corporate Office Properties Trust OFC pending federal spending reductions create difficult environment for this Office REIT

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

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

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

OFC we rank 4 SELL

OFC market cap \$1.5 billion

REIT Comment



Company:	Entertainment Properties Trust
Price:	\$37
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,749
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/04/2011
EPR \$37

Entertainment Properties Trust EPR Investor Day presentation today provides opportunity for management to focus on investment in charter schools

EPR intends to divest portfolio of wineries and vineyards to concentrate on entertainment properties and portfolio of charter schools

EPR reported FLAT FFO for 2Q 2011 and reduced guidance for FFO for 2011 to indicate growth of no more than UP +2%

EPR a Specialty REIT with a portfolio of cinemas, entertainment centers, metropolitan ski resorts, vineyards, wineries and charter schools

EPR we rank 3 HOLD

EPR market cap \$1.7 billion

REIT Comment



Company:	Brookfield Properties Corp.
Price:	\$13
Recommendation:	SELL
Ranking:	4
Market Cap:	\$6,815
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/04/2011
BPO \$13

Brookfield Properties BPO exposure to banks a concern for investors at a time when pressure on bank earnings, as well as impact of new regulation, highlights need to reduce employment

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

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

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

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

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

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

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

BPO we rank 4 SELL

BPO market cap \$6.8 billion

REIT Comment



Company:	Strategic Hotels & Resorts
Price:	\$4
Recommendation:	SELL
Ranking:	4
Market Cap:	\$764
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/03/2011
BEE \$4

Strategic Hotels & Resorts BEE stock traded UP \$0.38 per share to close UP +10% day

BEE stock traded DOWN (18%) year to date for 2011, outperforming Hotel REITs, DOWN (31%)

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

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

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

BEE we rank 4 SELL

BEE market cap \$764 million

REIT Comment



Company:	DuPont Fabros Technology
Price:	\$21
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,697
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/03/2011
DFT \$21

DuPont Fabros Technology SFT traded UP \$1.38 per share to close UP +7% day

DFT stock traded DOWN (3%) year to date for 2011, outperforming Office REITs, DOWN (17%)

DFT demand for wholesale data centers driven by proliferation of mobile Internet devices

DFT management committed to add sufficient capacity to deliver at least 20% FFO growth annually for the next 4 years

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

DFT reported 27% FFO growth for 2Q 2011 and refined guidance for FFO for 2011 to indicate growth of as much as 23%

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 \$1.7 billion

REIT Comment



Company:	AvalonBay Communities
Price:	\$117
Recommendation:	BUY
Ranking:	2
Market Cap:	\$10,178
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
10/03/2011
AVB \$117

AvalonBay Communities AVB traded UP \$6.21 per share to close UP +6% day

AVB stock traded UP +4% year to date for 2011, outperforming Residential REITs, DOWN (1%)

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

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

AVB well positioned to take advantage of apartment shortage in key urban areas with \$1 billion development pipeline

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

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 \$10.2 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	American Campus Communities
Price:	\$38
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,549
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/03/2011
ACC \$38

American Campus Communities ACC traded UP \$1.55 per share to close UP +4% day

ACC stock traded UP +19% year to date for 2011, outperforming Specialty REITs, DOWN (6%)

ACC completing 8 new developments under construction for total investment of \$261 million

ACC reported FFO growth of 13% for 2Q 2011 and increased guidance for FFO for 2011 to indicate growth in a range of UP +8%-+13%

ACC a Specialty REIT with a portfolio of student housing communities

ACC we rank 3 HOLD

ACC market cap \$2.5 billion

REIT Comment



Company:	Equity Residential
Price:	\$52
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,214
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/05/2011
EQR \$52

Equity Residential EQR news of better than expected private sector job creation a positive signal for Residential REITs

EQR ADP (Automatic Data Processing) reported 91,000 private sector jobs created during September, 2011, up +2% from revised 89,000 for August, 2011

EQR positive news tempered by announcement of US planned layoffs of almost 116,000 during September, 2011, mostly related to Bank of America and planned military reductions

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

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

EQR reduced expectations for 2011 due to higher than expected divestitures during the first 6 months of 2011

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

EQR a Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$16.2 billion

EQR an S&P 500 Index REIT

REIT Comment



Company:	Boston Properties
Price:	\$87
Recommendation:	SELL
Ranking:	4
Market Cap:	\$12,462
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
10/05/2011
BXP \$87

Boston Properties BXP today's investor presentation provides opportunity for management to present long term strategic plan

BXP development pipeline includes \$2.7 billion deliveries of developments and redevelopments from 2009 to 2015 for weighted average NOI yield of 7%

BXP major NYC project 250 West 55 St stopped construction during 2009, restarted during 2011 for completion 2Q 2014 on investment of \$1.05 billion

BXP investing to support culture and brand for tenant spaces

BXP sees "rollover opportunity" in Boston office market as older buildings see exodus of top tenants seeking newer space

BXP investing \$8 million to redevelop Cambridge Center, adding retail and restaurants

BXP investment in Reston Town Center VA to be enhanced by extension of DC metro transit

BXP reporting \$18.5 million termination income for 2011, while releasing almost 700,000 square feet of terminated leases in NYC

BXP total vacancy in NYC 9% including expirations through 2012

BXP reports average asking rents on new leases in NYC UP +9% year to date for 2011, with total leasing UP +12%

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

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

BXP we rank 4 SELL

BXP market cap \$14.4 billion

BXP an S&P 500 Index REIT

REIT Comment



Company:	Annaly Capital Management
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$12,490
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/05/2011
NLY \$16

Annaly Capital Management NLY impact of Federal Reserve "Operation Twist" has been to lower yields on Treasury bonds with limited impact of mortgage rates to date

NLY yield on 10 year Treasury bond now 1.65%, lowest for 40 years

NLY 30 year fixed rate mortgages now average rate of 4.2%, with 30 year fixed jumbo mortgages at 4.5% according to MBA (Mortgage Bankers Association)

NLY fluctuations in mortgage volume indicate homeowners may be waiting for lower mortgage rates

NLY mortgage volume decreased DOWN (4.3%) for week ended September 30, 2011, according to MBA

NLY Financial Mortgage REITs benefit from higher mortgage volume, enabling reinvestment of portfolio maturities

NLY stock price supported by current annual dividend yield of 15.2%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$12.5 billion

REIT Comment



Company:	Cypress Sharpridge Investments
Price:	\$11
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$935
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/05/2011
CYS \$11

Cypress Sharpridge CYS lower volume of mortgage applications last week may reflect end of government incentives last year

CYS first time homebuyer's tax credit of \$8,000 ended as of September 30, 2010

CYS mortgage volume decreased DOWN (4.3%) for week ended September 30, 2010 according to MBA (Mortgage Bankers Association)

CYS Financial Mortgage REITs benefit from higher mortgage volume, enabling reinvestment of portfolio maturities

CYS portfolio concentration in 15 year mortgages promotes rapid paydown of portfolio

CYS stock price supported by current annual dividend yield of 21.1%, the highest of the range for Financial Mortgage REITs

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

CYS we rank 3 HOLD

CYS market cap \$935 million

REIT Comment



Company:	Sovran Self Storage
Price:	\$39
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,087
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/05/2011
SSS \$39

Sovran Self Storage SSS traded UP \$0.54 per share to close UP +1% day

SSS stock traded UP +7% year to date for 2011, outperforming Specialty REITs, DOWN (6%)

SSS pending \$111 million acquisition to add to portfolio diversification

SSS benefitting from recent price increases by largest competitor Public Storage PSA

SS reported 9% FFO growth for 2Q 2011 and increased guidance for FFO for 2011 to indicate growth of as much as 8%

SSS a Specialty REIT with a portfolio of self-storage properties

SSS we rank 2 BUY

SSS market cap \$1.1 billion

REIT Comment



Company:	First Potomac Realty Trust
Price:	\$12
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$628
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/05/2011
FPO \$12

First Potomac Realty Trust FPO traded DOWN (\$0.50) per share to close DOWN (4%) day

FPO stock traded DOWN (26%) year to date for 2011, underperforming Industrial REITs, DOWN (15%)

FPO investor concern over impact of federal agency spending reductions on local metropolitan DC economy

FPO management focused on diversifying existing portfolio of industrial and commercial properties to include upscale office properties

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

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 \$628 million

REIT Comment



Company:	Equity Lifestyle Properties
Price:	\$62
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,166
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/05/2011
ELS \$62

Equity Lifestyle Properties ELS traded DOWN(\$1.39) per share to close DOWN (2%) day

ELS stock traded UP +10% year to date for 2011, outperforming Specialty REITs, DOWN (6%)

ELS \$1.4 billion acquisition of properties from Hometown America to add 28% to total capacity on completion of transaction

ELS projects 15% recurring FFO growth for 2011 (excluding new shares and transaction costs)

ELS including share dilution and transaction cost FFO for 2011 expected UP +1%

ELS a Specialty REIT with a portfolio of manufactured home communities

ELS we rank 3 HOLD

ELS market cap \$2.2 billion

REIT Comment



Company:	Kimco Realty
Price:	\$15
Recommendation:	BUY
Ranking:	1
Market Cap:	\$5,982
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/05/2011
KIM \$15

Kimco Realty KIM traded DOWN (\$0.17) per share to close DOWN (1%) day

KIM stock traded DOWN (19%) year to date for 2011, underperforming Retail REITs, DOWN (17%)

KIM Retail REITs expect tenant sales gains to continue throughout 3Q 2011

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

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

KIM we rank 1 BUY

KIM market cap \$6.0 billion

KIM an S&P 500 Index REIT

REIT Comment



Company:	Realty Income
Price:	\$31
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,735
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/06/2011
O \$31

Realty Income O reduced guidance 2011 FFO due to bankruptcy filing by bankrupt tenant Friendly's Ice Cream

O reduced top end of guidance range 2011 FFO to \$1.97-\$1.98 v \$1.83 UP +8%
O previous guidance 2011 FFO \$1.98-\$2.02 per share

O new guidance 2012 FFO \$2.07-\$2.11 per share UP +5% - +7%

O owns total of 121 properties leased to Friendly's Ice Cream, representing 3.6% of total revenue
O Friendly's Ice Cream to terminate only 15 of 121 property leases

O completed \$462 million acquisitions during 3Q 2011

O increased guidance for 2011 acquisitions to \$850 million
O previous guidance 2011 acquisitions \$600-\$800 million

O stock price supported by current annual dividend yield of 5.6%
O has exceptional long term record of consistent increases to monthly dividends

O a Specialty REIT with a portfolio of net leased properties

O we rank 2 BUY

O market cap \$3.7 billion

REIT Comment



Company:	Digital Realty Trust
Price:	\$55
Recommendation:	BUY
Ranking:	1
Market Cap:	\$6,381
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/06/2011
DLR \$55

Digital Realty Trust DLR completed \$30 million acquisition of data center property in Sacramento, CA

DLR acquired property of 69,000 square feet 100% leased to a network services provider

DLR acquired property recently renovated by seller Telecom Real Estate Services

DLR investing to expand existing presence in Sacramento CA market

DLR focus on expansion of portfolio of turnkey data centers in US and international markets

DLR seeing positive NOI benefit from conversions of office properties to turnkey data centers

DLR reported 36% growth in operating revenues for 2Q 2011, with EBITDA UP +43%

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

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

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

DLR we rank 1 BUY

DLR market cap \$6.4 billion

REIT Comment



Company:	AvalonBay Communities
Price:	\$116
Recommendation:	BUY
Ranking:	2
Market Cap:	\$10,053
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
10/06/2011
AVB \$116

AvalonBay Communities AVB slightly higher unemployment claims unlikely to derail positive scenario for Residential REITs

AVB Labor Department reported unemployment claims increased 6,000 to 401,000 for week ended October 1, 2011

AVB more importantly, 4 week moving average of unemployment claims decreased by 4,000 to 418,000

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

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

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

AVB well positioned to take advantage of apartment shortage in key urban areas with \$1 billion development pipeline

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

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 \$10.1 billion

AVB an S&P 500 Index REIT

REIT Comment



Company:	Ashford Hospitality Trust
Price:	\$7
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$542
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/06/2011
AHT \$7

Ashford Hospitality Trust AHT provided positive guidance for 3Q 2011

AHT expects to report 3Q 2011 AFFO \$0.36-\$0.40 v \$0.33 UP +9%+21%

AHT RevPAR (revenue per available room) for 3Q 2011 increased UP +5.5%

AHT to discuss impact of 3Q 2011 events on hotels in metropolitan DC area on conference call with investors scheduled for Thursday, November 11, 2011 at 11:00 AM

AHT recently reinstated quarterly dividend distributions and announced total \$200 million stock repurchase authorization

AHT stock price supported by current annual dividend yield of 5.9%

AHT a Hotel REIT

AHT we UPGRADE to 3 HOLD

AHT market cap \$542 million

REIT Comment



Company:	CBL & Associates
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,227
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/06/2011
CBL \$12

CBL & Associates CBL pending acquisition of \$12 million Northgate Mall in Chattanooga TN provides investment in home market

CBL announcement of free iPhone app mallMerlin demonstrates investment in leading edge technologies to facilitate shopping experience

CBL September 2011 sales reports from key retailers indicate continued same store sales gains by key retailers continues through 3Q 2011

CBL reported FFO increase of 2% for 2Q 2011, while slightly reducing guidance, despite steadily improving operating metrics

CBL stock price supported by current annual dividend yield of 7.2%

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

CBL we rank 2 BUY

CBL market cap \$2.2 billion

REIT Comment



Company:	Simon Property Group
Price:	\$109
Recommendation:	BUY
Ranking:	2
Market Cap:	\$38,662
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/06/2011
SPG \$109

Simon Property Group SPG news of stronger than expected retail sales gains for September 2011 buoys Retail REITs

SPG powerful same store sales gains for September 2011 reported by upscale retailers including Nordstrom UP +10.7% and Saks UP +9.3%

SPG key mall anchors reporting moderate same store sales gains include Macys UP +4.9% and Dillards UP +3%

SPG smaller specialty retailers reporting better than expected same store sales gains include Limited UP +11%, The Buckle UP +10.3% and Ross UP +5%

SPG disappointing same store sales results reported by JC Penney DOWN(0.6%), Bon-Ton DOWN (3.6%) and Gap DOWN (4%)

SPG trailing 12 month tenant sales showing growth of more than 9% through 2Q 2011

SPG to discuss results for 3Q 2011 on Tuesday, October 25, 2011 in a conference call with investors at 11:00 AM

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

SPG 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 \$38.7 billion

SPG an S&P 500 Index REIT

REIT Comment



Company:	Kimco Realty
Price:	\$15
Recommendation:	BUY
Ranking:	1
Market Cap:	\$5,982
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/06/2011
KIM \$15

Kimco Realty KIM news of stronger than expected retail sales gains for September 2011 supports tenants of Retail REITs

KIM better than expected same store sales gains reported by key tenants TJX UP+4% and Kohl's UP +4.1%

KIM price cuts and additional carriers announced by Apple for iPhone should stimulate sales for tenants Wal-Mart and Best Buy

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

KIM recent stock price decline brings current annual dividend yield to 4.9%

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

KIM we rank 1 BUY

KIM market cap \$6.0 billion

KIM an S&P 500 Index REIT

REIT Comment



Company:	Taubman Centers
Price:	\$51
Recommendation:	BUY
Ranking:	2
Market Cap:	\$7,202
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/06/2011
TCO \$51

Taubman Centers TCO news of stronger than expected retail sales gains for September 2011 supports Retail REITs with regional malls

TCO powerful same store sales gains for September 2011 reported by upscale retailers including Nordstrom UP +10.7% and Saks UP +9.3%

TCO key mall anchors reporting moderate same store sales gains include Macys UP +4.9% and Dillards UP +3%

TCO smaller specialty retailers reporting better than expected same store sales gains include Limited UP +11%, The Buckle UP +10.3% and Ross UP +5%

TCO disappointing same store sales results reported by JC Penney DOWN(0.6%), Bon-Ton DOWN (3.6%) and Gap DOWN (4%)

TCO to discuss results for 3Q 2011 on Friday, October 21, 2011 in a conference call with investors at 08:30 AM

TCO reported FLAT FFO for 2Q 2011 and maintained guidance for FFO for 2011 in a range of UP +1%-+4%, assuming portfolio NOI FLAT for 3Q 2011 and 4Q 2011

TCO a Retail REIT with a portfolio of upscale regional malls

TCO we rank 2 BUY

TCO market cap \$7.2 billion

REIT Comment



Company:	Equity One
Price:	\$15
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,771
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/06/2011
EQY \$15

Equity One EQY portfolio repositioning continues with divestiture of nonstrategic assets

EQY divested 2 non-strategic properties for \$125 million, including 50% owned Trio Apartments in Pasadena CA and Park Plaza office building in Sacramento, CA

EQY acquired Aventura Square shopping center in Aventura FL for \$56 million

EQY to discuss results for 3Q 2011 on Thursday, November 3, 2011 in a conference call with investors at 09:00 AM

EQY reported 8% increase in FFO for 2Q 2011 and increased guidance range for FFO for 2011 to indicate growth in a range of UP +11%-+15%

EQY stock price supported by current annual dividend yield of 5.8%

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

EQY we rank 3 HOLD

EQY market cap \$1.8 billion

REIT Comment



Company:	Ashford Hospitality Trust
Price:	\$7
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$590
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/06/2011
AHT \$7

Ashford Hospitality Trust AHT traded UP \$0.60 per share to close UP +9% day

AHT stock traded DOWN (24%) year to date for 2011, outperforming Hotel REITs, DOWN (31%)

AHT this morning's early announcement of guidance for 3Q 2011 clears up short term concerns over the stock

AHT recently reinstated quarterly dividend distributions and announced total \$200 million stock repurchase authorization

AHT stock price supported by current annual dividend yield of 5.9%

AHT a Hotel REIT

AHT we UPGRADE to 3 HOLD

AHT market cap \$590 million

REIT Comment



Company:	Associated Estates Realty Corp.
Price:	\$16
Recommendation:	BUY
Ranking:	2
Market Cap:	\$650
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/06/2011
AEC \$16

Associated Estates Realty AEC stock traded UP \$0.77 per share to close UP +3% day

AEC stock price traded UP +3% year to date for 2011, outperforming Residential REITs, DOWN (1%)

AEC news of decline in 4 week moving average of unemployment claims a positive signal for Residential REITs

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

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

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

AEC expects higher profitability throughout the last 6 months of 2011

AEC a Residential REIT with a diverse portfolio of apartment communities

AEC we rank 2 BUY

AEC market cap \$650 million

REIT Comment



Company:	Capstead Mortgage Corporation
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$909
Link:	http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/06/2011
CMO \$12

Capstead Mortgage CMO traded UP \$0.51 per share to close UP +5% day

CMO stock traded DOWN (7%) year to date for 2011, outperforming Financial Mortgage REITs, DOWN (12%)

CMO homeowners may be attracted to refinance by 30 year fixed mortgage rates below 4%

CMO higher mortgage volume enables portfolio reinvestment for Financial Mortgage REITs

CMO stock price supported by current annual dividend yield of 16.4%, above 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 \$909 million

REIT Comment



Company:	Public Storage
Price:	\$112
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$19,042
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/06/2011
PSA \$112

Public Storage PSA traded UP \$1.79 per share to close UP +2% day

PSA stock traded UP +10% year to date for 2011, outperforming Specialty REITs, DOWN (6%)

PSA improved rental rates driving higher profitability for Specialty REITs with portfolios of self-storage facilities

PSA reported 13% FFO growth for 2Q 2011, but no guidance provided for FFO for 2011

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

PSA we rank 3 HOLD

PSA market cap \$19.0 billion

PSA an S&P 500 Index REIT

REIT Comment



Company:	Prologis Inc
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,495
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/06/2011
PLD \$25

ProLogis Inc PLD traded UP \$1.17 per share to close UP +5% day

PLD stock traded DOWN (22%) year to date for 2011, underperforming Industrial REITs, DOWN (15%)

PLD news of higher than expected retail sales gains a positive signal for Industrial REITs regarding demand for distribution space

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

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

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

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

PLD we rank 2 BUY

PLD market cap \$11.5 billion

PLD an S&P 500 Index REIT

REIT Comment



Company:	CBL & Associates
Price:	\$12
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,336
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/07/2011
CBL \$12

CBL & Associates CBL announced \$1.09 billion joint venture with TIAA-CREF for investment in regional mall assets

CBL TIAA-CREF investing in 50% ownership of 3 CBL enclosed malls, including Oak Park Mall in KS, West County Center in MO and CoolSprings Galleria in TN, as well as 12% interest in another asset, Pearland Town Center in TX

CBL reduced debt balances by \$487 million, as TIAA-CREF assumed \$267 million debt and \$219 million cash deposits

CBL reported FFO increase of 2% for 2Q 2011, while slightly reducing guidance, despite steadily improving operating metrics

CBL recent stock price decline brought current annual dividend yield to 6.9%

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

CBL we rank 2 BUY

CBL market cap \$2.3 billion

REIT Comment



Company:	Essex Property Trust
Price:	\$124
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,259
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/07/2011
ESS \$124

Essex Property Trust ESS news of slightly higher than expected job creation another positive signal for Residential REITs

ESS Labor Department reported creation of 103,000 new jobs for September, 2011, up from revised 57,000 for August, 2011

ESS private sector jobs increased by 137,000 (including 45,000 returned Verizon workers), offset by decline of 34,000 in government jobs (including teachers and other municipal employees)

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

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

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

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

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

ESS we rank 2 BUY

ESS market cap \$4.3 billion

REIT Comment



Company:	Hatteras Financial
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,847
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/07/2011
HTS \$25

Hatteras Financial HTS trend to lower home ownership may be mitigated by availability of lower mortgage rates

HTS report from US Census Bureau indicates home ownership plunged more than(4%) in past 5 years, largest % decline since the 1930s

HTS mortgage applications are driven more than 78% by refinance, with applications for new home purchase a small part of the mortgage market

HTS downwards trend in home ownership may be influenced by availability of lower mortgage rates with 30 year fixed rate mortgages now available in range of 3.25%-3.8%

HTS reduction in maximum loan acceptable for Fannie Mae guarantee from \$729,750 to \$625,500 effective October, 2011 may have short term impact on new mortgage applications while stimulating demand for non-agency guaranteed mortgage loans

HTS stock price supported by current yield of 15.8%, near the high end of the range for Financial Mortgage REITs

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

HTS we rank 2 BUY

HTS market cap \$1.8 billion

REIT Comment



Company:	Mid-America Apartment Communities
Price:	\$60
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,396
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/07/2011
MAA \$60

Mid-America Apartment Communities MAA news of higher than expected job creation another positive signal for Residential REITs

MAA Labor Department report of slightly higher than expected job creation for September 2011, together with revised increases for previous 2 months, indicates US economy not close to recession

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

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

MAA investment in upscale apartment properties developed as condos to increase portfolio average monthly rents, adding to MAA profitability

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

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

MAA we rank 2 BUY

MAA market cap \$2.4 billion

REIT Comment



Company:	Redwood Trust
Price:	\$11
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$836
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text
10/07/2011
RWT \$11

Redwood Trust RWT traded DOWN (\$0.51) per share to close DOWN (5%) day

RWT stock traded DOWN (30%) year to date for 2011, underperforming Financial Mortgage REITs, DOWN (30%)

RWT lower mortgage rates may stimulate higher volume of mortgage originations enabling higher income from securitizations

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

RWT stock price supported by current annual dividend yield of 9.5%, at the low end of the range for Financial Mortgage REITs

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

RWT we rank 3 HOLD

RWT market cap \$836 million

REIT Comment



Company:	Apartment Investment and Management
Price:	\$22
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,581
Link:	http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/07/2011
AIV \$22

Apartment Investment and Management AIV stock traded DOWN (\$0.76) per share to close DOWN (3%) day

AIV stock traded DOWN (16%) year to date for 2011, underperforming Residential REITs, DOWN (1%)

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

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

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

AIV a Residential REIT with a diverse portfolio of apartment communities

AIV we rank 2 BUY

AIV market cap \$2.6 billion

AIV an S&P 500 Index REIT

REIT Comment



Company:	Regency Centers Corporation
Price:	\$34
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,088
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/07/2011
REG \$34

Regency Centers REG traded DOWN (\$1.09) per share to close DOWN (3%) day

REG stock traded DOWN (18%) year to date for 2011, slightly underperforming Retail REITs, DOWN (17%)

REG higher tenant sales should enable more favorable lease negotiations

REG most recent guidance for FFO for 2011 indicated a FLAT year

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

REG we rank 2 BUY

REG market cap \$3.1 billion

REIT Comment



Company:	Plum Creek Timber
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$5,643
Link:	http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT

Additional Text:
10/07/2011
PCL \$35

Plum Creek Timber PCL traded DOWN (\$0.71) per share to close DOWN (2%) day

PCL stock traded DOWN (7%) year to date for 2011, underperforming Specialty REITs, DOWN (6%)

PCL Specialty REITs with portfolios of timberlands and sawlog mills to benefit from higher demand and prices for lumber driven by pace of US construction

PCL recent management comments indicate west coast export markets remain strong particularly China and Japan

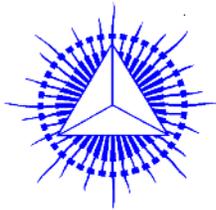
PCL stock price supported by current annual dividend yield of 4.8%, as well as by management commitment to repurchase stock

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

PCL we rank 2 BUY

PCL market cap \$5.6 billion

PCL an S&P 500 Index REIT



REIT Growth and Income Monitor posted 50 REIT comments for the week ended October 7, 2011. Comments were issued on REITs in the following sectors:

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

Information on REIT sectors may be found using this link:

http://www.reitmonitor.net/REIT_Resources

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

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

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