

REIT Growth and Income Monitor

Weekly Comments 12/04/2012

REIT stocks traded unchanged, while negative performance gap for REITs expanded to (5%) year to date for 2012, compared to the S&P 500 Index.

Investor fears of looming "fiscal cliff" are causing stock market uncertainty.

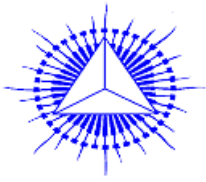
Vornado Realty Trust faces sudden occupancy decline for DC office properties, while management seeks to divest retail properties.

Corporate Office Properties Trust has greatest exposure of any REIT to spending on military and intelligence programs.

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**Weekly REIT Comments**
12/04/2012

REIT stocks were mostly unchanged during the last week of November, the week ended November 30, 2012. REITs included in the S&P 500 Index are now up 8% year to date for 2012, trailing performance of the S&P 500 Index, up 13% for 2012. Negative performance gap for 2012 expanded to (5%). Average gain for all REITs followed by REIT Growth and Income Monitor still stands at 15% year to date for 2012, exceeding 13% gain for the S&P 500 Index.

Investors must reassess the outlook for economic growth in the context of the looming fiscal cliff, with elimination of tax cuts also impacting consumer income growth for 2013. 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 may be impacted by Medicare sequestration during 2013, pending positive impact of the Affordable Care Act in later years. Specialty Timber REITs with portfolios of timberlands and sawlog mills benefit from improving environment for homebuilders. Specialty REITs with portfolios of self-storage properties report significant profitability improvement. Industrial REITs are gaining occupancy, while their stocks trade in line with economic indicators. Investors remain skittish over Office REITs, due to exposure to financial industry layoffs and continued rent roll-downs, lagging economic recovery. Trading of Hotel REITs is impacted by new concern over 4Q 2012 cancellations due to Hurricane Sandy.

Financial Mortgage REITs face significant fundamental change, although timing of the change has been delayed, preserving the status quo for Financial Mortgage REITs with portfolios of agency guaranteed Residential MBS Fannie Mae issues will not be addressed until the new Congress convenes in 2013. Reform of Fannie Mae may ultimately impact the housing sector starting in 2013, 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

Bipartisan Rhetoric Over "Fiscal Cliff" Causing Investor Unease

Investor fears of the negative impact of the looming "fiscal cliff" causes market uncertainty, impacting trading in all REIT stocks. Bold investors may decide to use this period of market uncertainty as an opportunity for portfolio realignment. A rational response to such uncertainty is to single out for sale those REIT stocks most directly exposed to government spending reductions (certain Office REITs), while concentrating new investments in those sectors to be only indirectly impacted, including Industrial REITs, Residential REITs, Retail REITs, and Specialty Timber REITs. Economic risk is significant. The CBO (Congressional Budget Office) projects automatic government spending decline to cause (0.5%) decline in US GDP for 2013, with GDP decline of (2.9%) forecast for first 6 months of 2013, to be followed by modest growth during the last 6 months of 2013. Shock of the sudden economic decline may be more severe than investors now expect.

REIT investors should focus their concern on those Office REITs most likely to see lower FFO as a result of federal spending decline. Office REITs are represented in the S&P 500 Index by **Boston Properties** and **Vornado Realty Trust**; both should expect to feel the impact of federal spending decline. **Boston Properties**, with 5% of rents directly paid by the US government and 22% of total EBITDA drawn from properties located in the metropolitan DC area, may be forced to adjust guidance for FFO growth of as much as 6% for 2013. For **Vornado Realty Trust**, the US government represents 7% of rents, while total exposure to the metropolitan DC market is 28% of EBITDA. Management expects overall occupancy for DC properties to tumble to 80% by 2013 from 85% for 2011. Smaller Office REITs will also be impacted. Military and homeland security agencies and contractors serving them are key tenants for **Corporate Office Properties Trust**, representing 66% of rents. Other Office REITs with exposure to government spending include **Parkway Properties**, with 11% of total rents paid through GSA (US General Services Administration, the payor for almost all federal civilian agencies), **Highwoods Properties**, with 9% of total rents from GSA, and **Mack-Cali Realty** with 2% of total rents paid by GSA. This list should be expanded to include a small cap Specialty REIT, **Government Properties Income Trust**, with a stunning 83% of total NOI from federal government agencies.

Trading Opportunities

Vornado Realty Trust is one of the best known Office REITs, with market cap of \$15 billion, but investors should consider the risk of an extended period of lower earnings. **Vornado Realty Trust** stock gave up prior gains, now unchanged year to date for 2012, as investors consider potential for new portfolio investment following completion of \$1.0 billion retail divestitures. The total portfolio of 80 million square feet includes 41 million square feet of office properties, 25 million square feet of retail properties, and 5 million square feet of showroom (merchandise mart) properties, as well as 8 million square feet of uncategorized space. **Vornado Realty Trust** reported FFO up 1% for 3Q 2012, with no guidance provided for FFO for 2012, following flat FFO for 2011. Noting negative trends, 3Q 2012 EBITDA showed DC office properties with EBITDA decline of (13%). **Vornado Realty Trust** restored all cash dividends during 2010, now providing income investors with current yield of 3.6%.

Corporate Office Properties Trust, with a market cap of less than \$2 billion, has long been perceived by investors as one of the best small cap investments among Office REITs, but reductions in defense and intelligence spending may reduce future growth. **Corporate Office Properties Trust** stock traded down (41%) for 2011, and the stock is now up 16% year to date for 2012, outperforming Office REITs. **Corporate Office Properties Trust**'s portfolio totals 21 million square feet of office space, with "super core tenants" (including federal government intelligence, security and defense agencies, as well as tenants serving them) now representing 66% of total rents, expected to increase to 75% during 2013. Management's decision to divest suburban office properties to concentrate more investment in "super core tenants" will negatively impact NOI due to planned divestitures. FFO reported for 3Q 2012 increased 2%, while guidance for 2012 indicates FFO decline of as much as (6%), following similar FFO decline of (6%) for 2011. **Corporate Office Properties Trust** reduced dividends by one third for 2012, now providing income investors with annual dividend yield of 4.5%.



Weekly Price Change for S&P 500 Index REITs

| S&P 500 Index REITS: | | Price | Price | Price | Price | Price | Price | Price | Weekly | 2012 |
|-------------------------------------|---------|------------|------------|------------|------------|------------|------------|------------|--------|--------------|
| | | 12/30/2011 | 10/26/2012 | 11/02/2012 | 11/09/2012 | 11/16/2012 | 11/23/2012 | 11/30/2012 | Change | Price Change |
| Apartment Investment and Management | AIY | \$23 | \$26 | \$26 | \$25 | \$25 | \$25 | \$25 | 2% | 9% |
| AvalonBay Communities | AVB | \$131 | \$133 | \$138 | \$132 | \$129 | \$129 | \$132 | 3% | 1% |
| Boston Properties | BXP | \$100 | \$107 | \$107 | \$103 | \$101 | \$103 | \$103 | -0% | 3% |
| Equity Residential | EQR | \$57 | \$56 | \$59 | \$57 | \$54 | \$54 | \$56 | 2% | -3% |
| HCP Inc. | HCP | \$41 | \$44 | \$44 | \$44 | \$45 | \$46 | \$45 | -1% | 9% |
| Health Care REIT | HCN | \$55 | \$58 | \$59 | \$59 | \$60 | \$60 | \$59 | -2% | 8% |
| Host Hotels & Resorts | HST | \$15 | \$15 | \$15 | \$14 | \$14 | \$15 | \$15 | 0% | -1% |
| Kimco Realty | KIM | \$16 | \$20 | \$20 | \$19 | \$19 | \$19 | \$19 | 0% | 19% |
| Plum Creek Timber | PCL | \$37 | \$44 | \$43 | \$43 | \$41 | \$42 | \$43 | 2% | 17% |
| Prologis, Inc | PLD | \$29 | \$34 | \$34 | \$33 | \$33 | \$34 | \$34 | -0% | 19% |
| Public Storage | PSA | \$134 | \$137 | \$140 | \$146 | \$144 | \$145 | \$141 | -3% | 5% |
| Simon Property Group | SPG | \$129 | \$150 | \$156 | \$152 | \$147 | \$152 | \$152 | 0% | 18% |
| Ventas | VTR | \$55 | \$63 | \$64 | \$64 | \$64 | \$65 | \$64 | -2% | 15% |
| Vornado Realty Trust | VNO | \$77 | \$80 | \$81 | \$77 | \$73 | \$76 | \$76 | 1% | -1% |
| S&P 500 Index | S&P 500 | \$1,258 | \$1,412 | \$1,414 | \$1,379 | \$1,360 | \$1,409 | \$1,416 | 0% | 13% |
| Average for S&P 500 Index REITs | | | | | | | | | -0% | 8% |

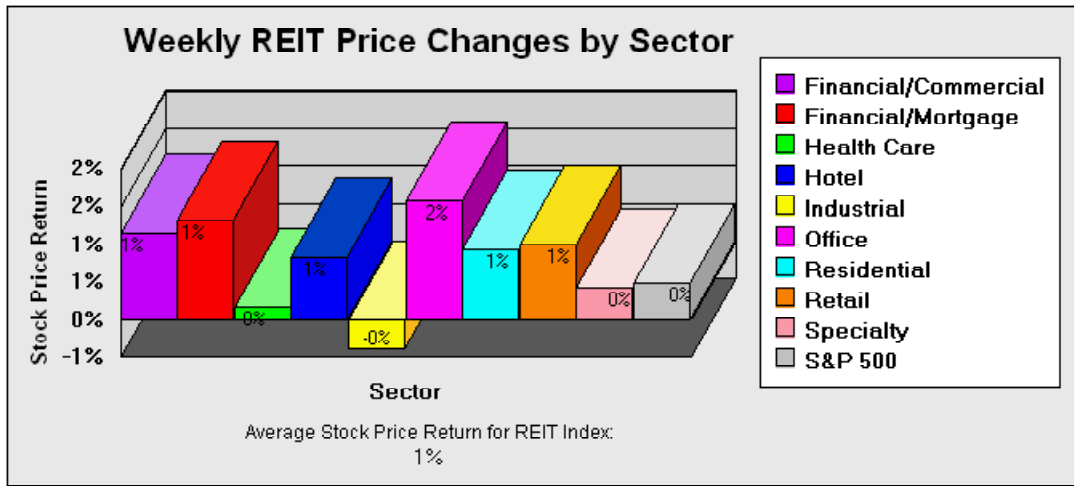
REIT stocks traded unchanged during the last week of November, trading flat for the week ended November 30, 2012. REITs slightly underperformed the S&P 500 Index, also unchanged for the week. The S&P 500 Index is now up 13% year to date for 2012, exceeding REIT performance, up 8%. Negative performance gap for S&P 500 Index REITs expanded to (5%) year to date for 2012.

Leaders among S&P 500 Index REITs for 2012 include Retail REITs **Kimco Realty**, up 19%, and **Simon Property Group**, up 18%. Other leaders include Industrial REIT **Prologis Inc**, now showing 19% gain for 2012, and Specialty Timber REIT **Plum Creek Timber**, showing gain of 17% year to date, as investors expect further US housing sector recovery. Health Care REITs maintain gains after Supreme Court approval of the Affordable Care Act, with **HCP Inc** up 9%, **Health Care REIT** up 8% and **Ventas** up 15% year to date for 2012. Residential REITs rallied, with **Apartment Investment and Management** up 9%, **AvalonBay Communities** up 1% and **Equity Residential** down (3%) year to date for 2012. Office REITs showed disappointing performance, with **Boston Properties** up 3% and **Vornado Realty Trust** down (1%) year to date for 2012. **Public Storage** now shows gain of 5% year to date for 2012, while volatile **Host Hotels & Resorts** now shows decline of (1%) year to date for 2012, as investors ponder negative impact of Hurricane Sandy on 4Q 2012 with cancelled room nights, as well as closures due to power outages and water damages to east coast hotels.

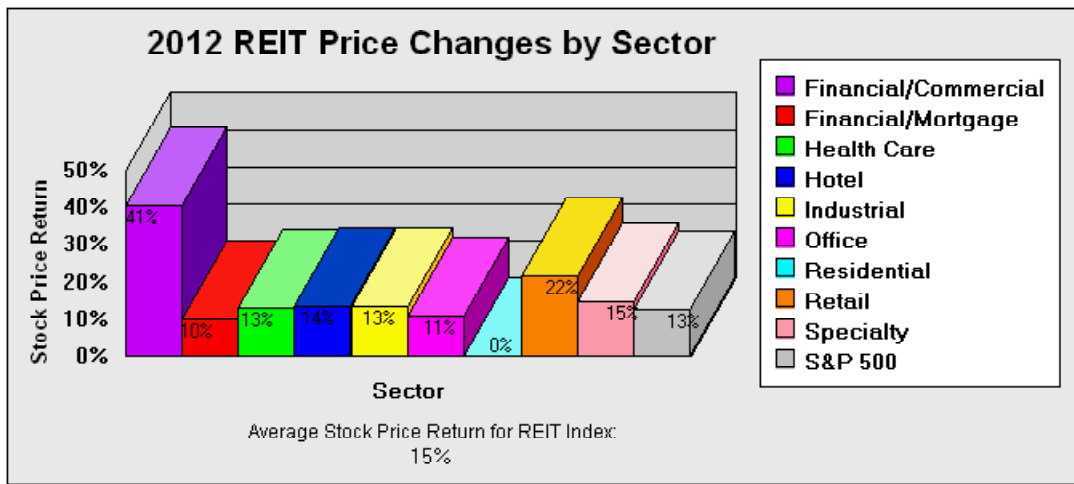
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Weekly REIT Price Changes by Sector



Almost all REIT sectors traded slightly higher for the last week of November, the week ended November 30, 2012. Most REIT sectors outperformed the S&P 500 Index, trading unchanged for the week. Strongest sector was Office REITs up 2%, followed by Financial Commercial REITs, Financial Mortgage REITs, Hotel REITs, Residential REITs and Retail REITs, all up 1%. Lagging sectors were Health Care REITs, unchanged, and Industrial REITs, trading down less than (1%). On average, stock prices for REIT Growth and Income Monitor traded up 1% for the week ended November 30, 2012.



Stock prices for REITs followed by REIT Growth and Income Monitor traded up 15% on average year to date for 2012, still exceeding performance of the S&P 500 Index, now up 13% for 2012. REITs outperform due to higher yields than S&P 500 stocks. Investors responded positively to earnings announcements for 3Q 2012, as REIT funds flow remains consistent, at a time when other market sectors face adjusted expectations due to currency exposure and variable international economies. Leading sectors year to date are Financial Commercial REITs, up 41%, followed by Retail REITs, up 22%. Specialty REITs are up 15% year to date for 2012, supported by improved performance of Specialty Timber REITs, responding to improved news on the US housing sector. Volatile Hotel REITs now show 14% gain year to date for 2012. Health Care REITs maintain 13% gain year to date for 2012, on positive long term impact of Affordable Care Act. Industrial REITs also show 13% gain, trailed by Office REITs, up 11%, and Financial Mortgage REITs, now up 10%. Residential REITs are still laggards, flat year to date for 2012. We expect better performance for Residential REITs during 4Q 2012, with strong profit gains driving another year of exceptional FFO growth for 2012.

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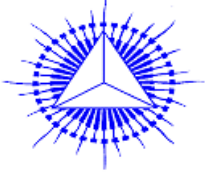


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REIT Comment



| | |
|-----------------|---|
| Company: | CBL & Associates |
| Price: | \$22 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$4,188 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/26/2012
CBL \$22

CBL & Associates CBL news of strong start to Holiday2012 shopping season should restore momentum for Retail REITs

CBL survey report from NRF (National Retail Federation) found total Black Friday weekend spending UP 13% to \$59.1 billion

CBL forecast by NRF projects total Holiday2012 spending to increase UP +4%

CBL small cap Retail REITs with portfolios of regional malls likely to see rebounding stock prices

CBL 4Q 2012 portfolio results to benefit from planned openings of 2 new malls, while additional portfolio growth expected for 2013 from 2 redevelopments

CBL guidance for FFO for 2012 indicates growth UP +2%

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

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

CBL we rank 2 BUY

CBL market cap \$4.2 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Pennsylvania REIT |
| Price: | \$16 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$948 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/26/2012
PEI \$16

Pennsylvania REIT PEI small cap Retail REITs with portfolios of regional malls likely to see rebounding stock prices on news of strong start to Holiday2012 sales

PEI survey report from NRF (National Retail Federation) found total Black Friday weekend spending UP 13% to \$59.1 billion

PEI forecast from NRF projects total Holiday 2012 spending to increase UP +4%

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

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

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

PEI we rank 2 BUY

PEI market cap \$1.0 billion

REIT Comment



| | |
|-----------------|---|
| Company: | DuPont Fabros Technology |
| Price: | \$22 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$1,812 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/26/2012
DFT \$22

DuPont Fabros Technology DFT contribution of online sales to Black Friday spending greater than expected

DFT report from comScore found online sales on Black Friday weekend UP+26% to \$1.0 billion

DFT today's Cyber Monday sales events also expected to break previous records

DFT popularity of smartphones, tablets and e-readers as holiday gifts increases need for data centers to support e-commerce, as well as information based Internet services

DFT reliability of data centers during recent east coast power outages an important factor impacting investor confidence

DFT significant DFT tenants include the largest Internet websites and online service providers including Facebook, Google, Microsoft and Yahoo!, as well as managed hosting services such as Rackspace and AboveNet (providing Amazon cloud web service)

DFT narrowed guidance for FFO for 2012, to indicate decline DOWN (6%)-(8%), while indicating 4Q 2012 likely to show FFO growth for the first time during 2012

DFT stock price supported by current annual dividend yield of 2.7%

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 \$1.8 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Corporate Office Properties Trust |
| Price: | \$24 |
| Recommendation: | SELL |
| Ranking: | 5 |
| Market Cap: | \$1,724 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/26/2012
OFC \$24

Corporate Office Properties Trust OFC pending "fiscal cliff" likely to retard leasing decisions on office space for important DC market

OFC pending (10%) spending cuts to take effect at federal agencies in January 2012 if "fiscal cliff" is not averted by Congressional action

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

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

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

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

OFC we rank 5 SELL

OFC market cap \$1.7 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Government Properties Income Trust |
| Price: | \$23 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$1,085 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/26/2012
GOV \$23

Government Properties Income Trust GOV pending fiscal cliff may delay decisions on agency leases

GOV pending (10%) spending cuts to take effect at federal agencies in January 2012 if "fiscal cliff" is not averted by Congressional action

GOV most leases are paid by GSA (US General Services Administration) as payor for most federal agencies

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

GOV portfolio expansion by acquisition drives FFO growth

GOV no guidance provided for FFO for 2012

GOV stock price supported by current annual dividend yield of 7.5%

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

GOV we rank 3 HOLD

GOV market cap \$1.1 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Ashford Hospitality Trust |
| Price: | \$9 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$777 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/26/2012
AHT \$9

Ashford Hospitality Trust AHT traded UP \$0.18 per share to close UP +2% day

AHT stock traded UP +14% year to date for 2012, slightly outperforming Hotel REITs, UP +13%

AHT geographic diversification of hotel portfolio may limit impact of unusual cancellations during 4Q 2012 due to Hurricane Sandy

AHT no guidance provided for FFO for 2012

AHT stock price supported by current annual dividend yield of 4.8%, with 100% of dividend untaxed as return of capital for 2011

AHT a Hotel REIT

AHT we rank 2 BUY

AHT market cap \$777 million

REIT Comment



| | |
|-----------------|---|
| Company: | Omega Healthcare Investors |
| Price: | \$23 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$2,431 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/26/2012
OHI \$23

Omega Healthcare Investors OHI traded UP \$0.28 per share to close UP +1% day

OHI stock traded UP +19% year to date for 2012, outperforming Health Care REITs, UP +13%

OHI Health Care REITs seeing strong rally since Presidential election results restored confidence in outlook for higher health care spending

OHI tenants of Health Care REITs should benefit from higher demand as Affordable Care Act takes effect from 2013-2017

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

OHI stock price supported by current annual dividend yield of 7.7%

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

OHI we rank 2 BUY

OHI market cap \$2.4 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Potlatch |
| Price: | \$39 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$1,564 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/26/2012
PCH \$39

Potlatch PCH traded DOWN (\$0.35) per share to close DOWN (1%) day

PCH stock traded UP +24% year to date for 2012, outperforming Specialty REITs, UP +15%

PCH news of improving US housing sector supports Specialty Timber REITs

PCH expects lumber prices to moderate DOWN (3%) during 4Q 2012 due to seasonality, with sharp price increase expected to start during December 2012

PCH stock price supported by current dividend yield of 3.2%

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

PCH we rank 2 BUY

PCH market cap \$1.6 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Prologis Inc |
| Price: | \$34 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$16,356 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/26/2012
PLD \$34

Prologis Inc PLD stock traded UP \$0.21 per share to close UP +1% day

PLD stock traded UP +20% year to date for 2012, outperforming Industrial REITs, UP +14%

PLD news of probable negative impact of "fiscal cliff" impacting economically sensitive sectors, including Industrial REITs

PLD White House report from Council of Economic Advisors warns of probable consumer spending downturn of (\$200 billion) during 2013 as a result of loss of tax deductions

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

PLD stock price supported by current annual dividend yield of 3.3%

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

PLD we rank 2 BUY

PLD market cap \$16.4 billion

PLD an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Equity Residential |
| Price: | \$54 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$17,290 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text
11/27/2012
EQR \$54

Equity Residential EQR announced joint takeover with AvalonBay Communities AVB of Lehman holdings in Archstone Enterprise LP

EQR to pay \$9.4 billion for 60% of Archstone portfolio, including \$2.0 billion cash and 34.5 million new shares of EQR, as well as assumption of existing Archstone mortgages and other debt

EQR Archstone seller Lehman Brothers to own 9.8% of EQR following completion of transaction, expected for 1Q 2013

EQR Archstone portfolio includes 78 stabilized properties with 23,110 units and 4 new development projects, as well as joint venture interests

EQR Archstone acquisition to add to EQR presence in DC, NY, San Francisco and Boston

EQR average monthly rent for acquired properties \$2,492, almost 50% above EQR average same property monthly rent of \$1,681 as of 3Q 2012

EQR expects to close \$3.0-\$4.0 billion in asset divestitures during 2013 to raise \$1.0 billion to fund cash portion of Archstone acquisition

EQR also plans \$1.0 billion equity offering to enable rapid repayment of \$2.5 billion bridge loan from Morgan Stanley Senior Funding Inc

EQR affirmed guidance range for FFO for 2012 normalized FFO \$2.74-\$2.78 (adjusted) v \$2.43 (adjusted) UP +13% - +14%

EQR expects FFO dilution of (\$0.04) per share for 2013 due to pending Archstone acquisition, primarily because of planned dispositions

EQR stock supported by current annual dividend yield of 2.7%

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

EQR we rank 2 BUY

EQR market cap \$17.3 billion

EQR an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Equity Residential |
| Price: | \$54 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$17,290 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/27/2012
EQR \$54

Equity Residential EQR announced offering of 19 million shares to fund pending acquisition of 60% of Archstone

EQR expected proceeds of \$1.0 billion to accelerate repayment of \$2.5 billion bridge loan from Morgan Stanley Senior Funding Inc

EQR book running manager Morgan Stanley

EQR stock price supported by current annual dividend yield of 2.7%

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

EQR we rank 2 BUY

EQR market cap \$17.3 billion

EQR an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | AvalonBay Communities |
| Price: | \$129 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$12,378 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text
11/27/2012
AVB \$129

AvalonBay Communities AVB announced joint takeover with Equity Residential EQR of Lehman Brothers holdings in Archstone Enterprise LP

AVB to pay \$6.9 billion for 40% of Archstone portfolio, including \$669 million cash and 14.9 million new shares of AVB valued at \$1.9 billion, as well as assumption of existing Archstone mortgages and other debt

AVB Archstone seller Lehman Brothers to own 13.2% of AVB following completion of transaction, expected during 1Q 2013

AVB Archstone portfolio includes 60 stabilized properties with 20,566 units and 6 new development projects, as well as joint venture interests

AVB Archstone acquisition to add to AVB presence in mid-Atlantic states, as well as in southern CA

AVB Archstone acquisition to add 40% to AVB NOI from existing portfolio

AVB also announced plans to raise \$1.8 billion from stock offering to accelerate repayment of debt incurred with acquisition

AVB reaffirmed guidance 2012 FFO in range of \$5.45-\$5.50 v \$4.57 UP +19%+20%

AVB new guidance 4Q 2012 FFO \$1.40-\$1.45 v \$1.19 UP +18%+22%

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

AVB stock price supported by current annual dividend yield of 3.0%

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 \$12.4 billion

AVB an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | AvalonBay Communities |
| Price: | \$129 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$12,378 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/27/2012
AVB \$129

AvalonBay Communities AVB announced offering of 14.5 million shares to fund pending acquisition of 40% of Archstone apartment portfolio

AVB expected proceeds of \$1.8 billion to accelerate repayment of debt to be incurred with acquisition

AVB lead bookrunning manager Goldman Sachs

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

AVB stock price supported by current annual dividend yield of 3.0%

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 \$12.4 billion

AVB an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Equity Residential |
| Price: | \$54 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$17,290 |
| Link: | http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text
11/27/2012
EQR \$54

Equity Residential EQR announcement of \$16.3 billion acquisition of Archstone portfolio in joint transaction with AvalonBay Communities AVB an interesting end to a long battle over Archstone assets

EQR today's seller, bankrupt entity Lehman Brothers, fought hard to prevent EQR ownership of Archstone assets

EQR headlines during 2011 generated by EQR previous \$1.5 billion bid for 26.5% of Archstone held by Bank of America and Barclays

EQR fellow Archstone equity holders Bank of America and Barclays accused by Lehman in 2012 bankruptcy court filing of "illegal and harmful conduct" in attempt to sell Archstone stake to EQR

EQR Lehman exercised right of first offer to acquire the contended 26.5% of Archstone for \$1.58 billion during 1Q 2012

EQR received \$80 million break-up fee from Bank of America and Barclays on unsuccessful Archstone acquisition attempt, as well as \$70 million termination fee from Lehman, for total of \$150 million break-up fees received by EQR in June, 2012

EQR Lehman Brothers was rumored to be seeking \$3.5 billion IPO of equity in Archstone during 3Q 2012

EQR Archstone-Smith [previous ticker: ASN] acquired by Tishman Speyer for \$22.4 billion in October 2007, a much higher price than today's \$16.3 billion combined acquisition valuation for EQR and AVB, with total valuation reduced by divestiture during bankruptcy of almost 50% of Archstone portfolio assets

EQR restructuring of Archstone after Tishman Speyer acquisition converted \$5.4 billion debt to preferred equity, retained by Lehman, that was later taken over by Barclays following Lehman bankruptcy

EQR at time of Tishman Speyer acquisition, Archstone owned 88,000 apartment units, compared to combined portfolio of 45,332 apartment units now to be acquired by EQR and AVB

EQR management statements from EQR and AVB indicate great satisfaction at opportunity to acquire Archstone's remaining high quality assets in attractive markets

EQR stock price supported by current annual dividend yield of 2.7%

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

EQR we rank 2 BUY

EQR market cap \$17.3 billion

EQR an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Annaly Capital Management |
| Price: | \$15 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$14,384 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/27/2012
NLY \$15

Annaly Capital Management NLY news of higher home prices signals continuing recovery for US housing sector

NLY report from Case-Shiller showed prices of US existing homes UP +3.6% for 3Q 2012 from the previous year

NLY greatest yearly change in prices included Phoenix UP+20.4%, Minneapolis UP +8.8%, Detroit UP +7.6% and Miami UP +7.4%, while only reported declines were New York DOWN (2.3%) and Chicago DOWN (1.5%)

NLY Case-Shiller report clearly shows strengthening home resale market with prices UP from previous year in 18 of 20 markets surveyed

NLY proposals for reform of Fannie Mae expected when new Congress convenes in January 2013

NLY stock price supported by current annual dividend yield of 13.6%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$14.4 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Simon Property Group |
| Price: | \$152 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$55,428 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/27/2012
SPG \$152

Simon Property Group SPG news of improved consumer confidence supports positive momentum for Retail REITs

SPG report from Conference Board found consumer confidence index at 73.7% for November 2012, slightly improved from October 2012 reading at 73.1%

SPG consumer confidence index still at highest level since February 2008

SPG retailers report strong start to Holiday 2012, with sales for both Black Friday and Cyber Monday at record levels

SPG reported better than expected results for 3Q 2012, with FFO UP 16%, and increased guidance for FFO for 2012 to indicate growth UP +14%

SPG also increased dividend UP +5% for 4Q 2012, bringing current annual dividend yield to 2.9%

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 \$55.4 billion

SPG an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | SL Green Realty |
| Price: | \$74 |
| Recommendation: | SELL |
| Ranking: | 4 |
| Market Cap: | \$7,103 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/27/2012
SLG \$74

SL Green Realty SLG increased quarterly dividend distribution UP+32% to \$0.33 per share for 4Q 2012

SLG new annual dividend \$1.32 per share

SLG new yield 1.8%

SLG dividend yield still low by REIT standards making stock relatively unattractive for income investors

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

SLG we rank 4 SELL

SLG market cap \$7.1 billion

REIT Comment



| | |
|-----------------|---|
| Company: | SL Green Realty |
| Price: | \$74 |
| Recommendation: | SELL |
| Ranking: | 4 |
| Market Cap: | \$7,103 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/27/2012
SLG \$74

SL Green Realty SLG next weeks analyst meeting provides opportunity for SLG management to update investors on portfolio and strategy

SLG analyst meeting scheduled for Monday, December 3, 2012 to include discussion of strategy and update on leasing activity

SLG disruption of NY office market due to Hurricane Sandy likely to be the focus of informal comments

SLG employees of key tenant AIG (representing 3% of total SLG rental revenue) at 180 Maiden Lane in downtown NYC not yet able to return to their offices

SLG investors now expecting long term impact of Sandy devastation to be seen in lower property values and higher insurance costs

SLG 3Q 2012 report showed lighter than expected leasing activity a concern for investors regarding potential impact of pending "fiscal cliff" on long term lease commitments

SLG current dividend yield of 1.8% unlikely to attract income investors, although dividend increase for 1Q 2013 a clear signal of management confidence

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

SLG we rank 4 SELL

SLG market cap \$7.1 billion

REIT Comment



| | |
|-----------------|---|
| Company: | LaSalle Hotel Properties |
| Price: | \$23 |
| Recommendation: | SELL |
| Ranking: | 4 |
| Market Cap: | \$2,014 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/27/2012
LHO \$23

LaSalle Hotel Properties LHO traded DOWN (\$0.54) per share to close DOWN (2%) day

LHO stock traded DOWN (3%) year to date for 2012, underperforming Hotel REITs, UP +13%

LHO investors in Hotel REITs should expect negative impact of Hurricane Sandy causing much higher than normal cancellations during 4Q 2012

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

LHO even before Hurricane Sandy, LHO management made cautious statements regarding DC hotel market in discussion of results for 3Q 2012

LHO previously reduced high end of previous guidance for FFO for 2012 to indicate growth UP +33%

LHO stock price supported by current annual dividend yield of 3.4%

LHO a Hotel REIT

LHO we rank 4 SELL

LHO market cap \$2.0 billion

REIT Comment



| | |
|-----------------|---|
| Company: | DuPont Fabros Technology |
| Price: | \$23 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$1,873 |
| Link: | http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text
11/27/2012
DFT \$23

DuPont Fabros Technology DFT traded UP\$0.64 per share to close UP +3% day

DFT stock traded DOWN (6%) year to date for 2012, underperforming Office REITs, UP +9%

DFT trading higher on news of\$1.5 billion online sales reported for Cyber Monday by comScore

DFT comScore reports Cyber Monday sales growth UP+22% from previous year

DFT popularity of smartphones, tablets and e-readers as holiday gifts increases need for data centers to support e-commerce, as well as information based Internet services

DFT significant DFT tenants include the largest Internet websites and online service providers including Facebook, Google, Microsoft and Yahoo!, as well as managed hosting services such as Rackspace and AboveNet (providing Amazon cloud web service)

DFT narrowed guidance for FFO for 2012, to indicate decline DOWN (6%)-(8%), while indicating 4Q 2012 likely to show FFO growth for the first time during2012

DFT stock price supported by current annual dividend yield of2.7%

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 \$1.9 billion

REIT Comment



| | |
|-----------------|---|
| Company: | AvalonBay Communities |
| Price: | \$132 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$12,705 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/27/2012
AVB \$132

AvalonBay Communities AVB traded UP \$3.40 per share to close UP +3% day

AVB stock traded UP +1% year to date for 2012, slightly outperforming Residential REITs, DOWN (1%)

AVB news of pending acquisition of 40% of Archstone apartment portfolio in joint transaction with Equity Residential EQR receiving positive response from investors

AVB pending acquisition to add quality assets in high rent east coast and west coast locations

AVB also promised significant dividend increase, UP +8%-+12% for 2013

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

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

AVB we rank 2 BUY

AVB market cap \$12.7 billion

AVB an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Equity Residential |
| Price: | \$55 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$17,550 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/27/2012
EQR \$55

Equity Residential EQR traded UP \$0.82 per share to close UP +2% day

EQR stock traded DOWN (3%) year to date for 2012, underperforming Residential REITs, DOWN (1%)

EQR news of pending acquisition of 60% of Archstone apartment portfolio in joint transaction with AvalonBay Communities AVB receiving positive response from investors

EQR success of pending acquisition brings to a close 6 year saga of Archstone operations under private equity ownership, followed by complicated bankruptcy issues

EQR pending Archstone acquisition to add to EQR presence in DC, NY, San Francisco and Boston

EQR stock supported by current annual dividend yield of 2.7%

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

EQR we rank 2 BUY

EQR market cap \$17.6 billion

EQR an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Plum Creek Timber |
| Price: | \$42 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$6,749 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/28/2012
PCL \$42

Plum Creek Timber PCL news of slight slowdown in US new home sales indicates seasonality more than change in demand trends for US housing sector recovery

PCL report from Commerce Department said new US home sales DOWN (0.3%) to seasonally adjusted annual rate of 368,000 for October 2012, down (1,000) from revised number of 369,000 for September 2012

PCL prices of new homes UP +5.7% from previous year

PCL rate of new home purchase far below latest estimates of new home construction at annual rate of 872,00 for September 2012, indicating homebuilder inventory could become a factor impacting new home prices

PCL Specialty Timber REITs benefit from recovery in US housing sector on increased demand and higher prices for lumber and sawlogs

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

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

PCL we rank 2 BUY

PCL market cap \$6.7 billion

PCL an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Kimco Realty |
| Price: | \$19 |
| Recommendation: | BUY |
| Ranking: | 1 |
| Market Cap: | \$7,733 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text
11/28/2012
KIM \$19

Kimco Realty KIM news of better than expected same store sales for tenant Costco COST indicates consumer spending continues to flow to lowest price retailers

KIM Costco COST reported US same store sales UP +6.0% for November 2012

KIM tenant Costco COST represents 1% of rental revenue for KIM

KIM key tenant Wal-Mart WMT (3% of revenue for KIM) indicated sales reached a new record for Black Friday weekend, while total November sales "ahead of plan"

KIM downsizing of tenants Sears/Kmart SHLD and Best Buy BBY (each representing 2% of rental revenue for KIM) enables re-leasing of space at higher rents

KIM Retail REITs benefit from diversity of tenants, as some tenants expand, while others, such as Sears SHLD, SUPERVALU SVU and Best Buy BBY, contract their total retail space

KIM guidance for FFO for 2012 indicates growth UP +5%, to be followed by FFO guidance for 2013 indicating growth UP +6%

KIM increased dividend UP +11% to provide current annual dividend yield of 4.5%

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 \$7.7 billion

KIM an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Annaly Capital Management |
| Price: | \$15 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$14,326 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text
11/28/2012
NLY \$15

Annaly Capital Management NLY run-off of Freddie Mac portfolio eases burden on federal government of supporting Fannie Mae and Freddie Mac

NLY latest monthly summary report from Freddie Mac for October 2012 shows \$2.0 trillion mortgage portfolio run-off at annual liquidation rate of 26.8%

NLY report shows Freddie Mac \$569 billion investment portfolio invested 23% in non-agency securities likely to be sold

NLY changes to Treasury repayment terms announced in August 2012 enable repayment at rate in line with Fannie Mae and Freddie Mac profits, making default less likely, while suspending need for Treasury support of repayments

NLY pending investment portfolio reductions by Fannie Mae and Freddie Mac may benefit certain Financial Mortgage REITs used to investing in non-agency guaranteed securities, including NLY through equity investments in publicly traded dividend paying NLY subsidiaries Chimera Investment CIM and Crexus Investment CXS (soon to be acquired by NLY)

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

NLY stock price supported by current annual dividend yield of 13.6%, above the midpoint of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$14.3 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Potlatch |
| Price: | \$38 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$1,554 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/28/2012
PCH \$38

Potlatch PCH news of slightly lower US new home sales could impact speed of recovery for homebuilders

PCH rate of new home purchase far below latest estimates of new home construction, indicating homebuilder inventory could be a factor impacting new home prices during 2013

PCH Specialty Timber REITs benefit from recovery in US housing sector on increased demand and higher prices for lumber and sawlogs

PCH expects lumber prices to moderate DOWN (3%) during 4Q 2012 due to seasonality, with sharp price increase expected to start during December 2012

PCH no guidance provided for FFO for 2012

PCH stock price supported by current dividend yield of 3.2%

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

PCH we rank 2 BUY

PCH market cap \$1.6 billion

REIT Comment



| | |
|-----------------|---|
| Company: | DuPont Fabros Technology |
| Price: | \$23 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$1,873 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/28/2012
DFT \$23

DuPont Fabros Technology DFT source of online sales on Cyber Monday indicates importance of mobile devices to support e-commerce

DFT report from IBM Digital Analytics Benchmark showed Cyber Monday sales UP+30%, with mobile devices accounting for 13% of all online sales

DFT IBM reported Apple iPad represented 7% of all online purchases and 90% share of all tablet purchases

DFT more than 18% of all consumers used a mobile device for shopping, including smartphones, tablets, e-readers, netbooks and notebook computers

DFT data centers needed to support sales activity as well as all Internet social and information services

DFT significant DFT tenants include the largest Internet websites and online service providers including Facebook, Google, Microsoft and Yahoo!, as well as managed hosting services such as Rackspace and AboveNet (providing Amazon cloud web service)

DFT narrowed guidance for FFO for 2012, to indicate decline DOWN (6%)-(8%), while indicating 4Q 2012 likely to show FFO growth for the first time during 2012

DFT stock price supported by current annual dividend yield of 2.7%

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 \$1.9 billion

REIT Comment



| | |
|-----------------|---|
| Company: | General Growth Properties |
| Price: | \$19 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$18,892 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/28/2012
GGP \$19

General Growth Properties GGP reports of higher shopper foot traffic over key Black Friday weekend indicates retailers challenged to convert more shopper visits to more sales:

GGP report from ShopperTrak analyzing foot traffic found 594 million shopping visits UP +8.2% for key shopping weekend, with Thursday and Friday accounting for 55% of the total

GGP ShopperTrak found total retail sales UP +2.7% to \$22 billion for the 4 day weekend

GGP mall tenants need higher sales to justify higher rents at most desirable locations

GGP takeover talk has contributed to stock price performance during 2012

GGP recent guidance increase for FFO for 2012 indicates growth UP +14%

GGP stock price supported by current annual dividend yield of 2.1%

GGP a Retail REIT with a portfolio of regional malls

GGP we rank 3 HOLD

GGP market cap \$18.9 billion

REIT Comment



| | |
|-----------------|---|
| Company: | DDR Corp |
| Price: | \$15 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$4,344 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/28/2012
DDR \$15

DDR Corp DDR traded DOWN (\$0.17) per share to close DOWN (1%) day

DDR stock traded UP +25% year to date for 2012, outperforming Retail REITs, UP +20%

DDR news of higher than expected sales over Black Friday shopping weekend restores momentum to Retail REITs

DDR guidance for FFO for 2012 indicates growth UP +7%

DDR stock price supported by current annual dividend yield of 3.2%

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

DDR we rank 2 BUY

DDR market cap \$4.3 billion

REIT Comment



| | |
|-----------------|---|
| Company: | CubeSmart |
| Price: | \$14 |
| Recommendation: | BUY |
| Ranking: | 1 |
| Market Cap: | \$1,768 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/28/2012
CUBE \$14

CubeSmart CUBE traded UP \$0.24 per share to close UP +2% day

CUBE stock traded UP +29% year to date for 2012, outperforming Specialty REITs, UP +15%

CUBE stock price at 2 year high since rebranding as CubeSmart CUBE from U-Store-It Trust YSI

CUBE Specialty Storage REITs may benefit from storm-related demand as homeowners seek temporary storage pending home renovations

CUBE guidance for FFO for 2012 indicates growth UP +12%

CUBE stock price supported by current annual dividend yield of 2.3%

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

CUBE we rank 1 BUY

CUBE market cap \$1.8 billion

REIT Comment



| | |
|-----------------|---|
| Company: | CBL & Associates |
| Price: | \$22 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$4,175 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/28/2012
CBL \$22

CBL & Associates CBL traded UP \$0.18 per share to close UP +1% day

CBL stock traded UP +40% year to date for 2012, outperforming Retail REITs, UP +20%

CBL stronger than expected Holiday 2012 sales driving rebounding stock prices for small cap Retail REITs with portfolios of regional malls

CBL guidance for FFO for 2012 indicates growth UP +2%

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

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

CBL we rank 2 BUY

CBL market cap \$4.2 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Rayonier |
| Price: | \$49 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$6,247 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/28/2012
RYN \$49

Rayonier RYN traded UP \$0.68 per share to close UP +1% day

RYN stock traded UP +10% year to date for 2012, underperforming Specialty REITs, UP +15%

RYN like all Specialty Timber REITs expects US housing sector recovery to support sawlog and lumber prices during 2013

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

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

RYN we rank 2 BUY

RYN market cap \$6.2 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Equity Residential |
| Price: | \$55 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$17,528 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/29/2012
EQR \$55

Equity Residential EQR lower new unemployment claims still impacted by storm related issues

EQR Labor Department reported new claims for unemployment DOWN (23,000) to 393,000 for week ended November 24, 2012, down from revised 416,000 for previous week

EQR 4 week moving average of new unemployment claims UF +7,500 to 402,250, at highest level since October 2011

EQR Labor Department estimated Hurricane Sandy related claims totaled more than 90,000 during November, 2012

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 previously reported better than reported results for 3Q 2012, with FFO UP +18%, and increased guidance for FFO for 2012 to indicate growth UP +14%

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

EQR stock supported by current annual dividend yield of 2.7%

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

EQR we rank 2 BUY

EQR market cap \$17.5 billion

EQR an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Prologis Inc |
| Price: | \$34 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$16,146 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/29/2012
PLD \$34

Prologis Inc PLD faster than expected GDP growth for 3Q 2012 positively impacted by growth in business inventories

PLD report from Commerce Department found US GDP increased UP +2.7% for 3Q 2012

PLD business inventories increased UP +0.8% for 3Q 2012, indicating optimism for sustained economic growth

PLD US consumer spending UP +1.4% for 3Q 2012, supporting only anemic growth for 4Q 2012

PLD retail sales matter more than factory output to Industrial REITs with bulk distribution facilities as retail chains and vendors are the most significant users of warehouse space

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

PLD stock price supported by current annual dividend yield of 3.3%

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

PLD we rank 2 BUY

PLD market cap \$16.1 billion

PLD an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Simon Property Group |
| Price: | \$150 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$54,733 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text
11/29/2012
SPG \$150

Simon Property Group SPG chain store sales growth less than expected for total month of November, 2012, although Black Friday sales events a positive factor

SPG although fewer retail chains are now reporting monthly same store sales growth, slowing sales growth trend is indicated

SPG key tenant Macy's reported same store sales DOWN (0.7%) for November 2012, while Nordstrom reported sales DOWN (1.1%) for the month

SPG Nordstrom to stop reporting monthly same store sales, as Saks did this month

SPG a few mall based retailers reported positive same store sales for November 2012, with Gap UP +3% (including Gap stores UP +5%, Banana Republic UP +3%, and Old Navy UP +1%), Limited (including Victoria's Secret, Pink, Bath & Body Works, La Senza and Henri Bendel) UP +5%, Tandy Leather UP +12%, Stage Stores UP +13.2% and SteinMart UP +7.1%

SPG disappointing November 2012 sales reported by Wet Seal DOWN (5.4%), Cato DOWN (2%) and The Buckle DOWN (0.1%)

SPG reported better than expected results for 3Q 2012, with FFO UP 16%, and increased guidance for FFO for 2012 to indicate growth UP +14%

SPG also increased dividend UP +5% for 4Q 2012, bringing current annual dividend yield to 2.9%

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 \$54.7 billion

SPG an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Kimco Realty |
| Price: | \$19 |
| Recommendation: | BUY |
| Ranking: | 1 |
| Market Cap: | \$7,712 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text
11/29/2012
KIM \$19

Kimco Realty KIM slower than expected same store sales growth reported by key tenants for November 2012

KIM Kohl's reported November 2012 same store sales decline DOWN (5.6%), while Target November sales DOWN (1%)

KIM taken in context with yesterday's strong report from Costco COST, with November 2012 sales UP +6%, this news indicates much variability by retailer

KIM key tenant Kohl's represents 2% of rental revenue for KIM, while Costco and Target each represent 1%

KIM next earnings reports from key tenants Wal-Mart WMT and Best Buy BBY not expected until February 2013

KIM guidance for FFO for 2012 indicates growth UP +5%, to be followed by FFO guidance for 2013 indicating growth UP +6%

KIM increased dividend UP +11% to provide current annual dividend yield of 4.5%

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 \$7.7 billion

KIM an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Hatteras Financial |
| Price: | \$26 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$2,580 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/28/2012
HTS \$26

Hatteras Financial HTS news of slight decline in mortgage application volume indicates storm impacting housing demand trends in east coast markets

HTS report from MBA (Mortgage Bankers Association) shows mortgage application volume DOWN (0.9%) for week ended November 23, 2012, adjusted for Thanksgiving Holiday 2012

HTS mortgage applications for refinance DOWN (2.0%), while mortgage applications for home purchase UP +3.0%

HTS average interest rate on 30 year fixed rate conforming mortgages showed little change DOWN (0.01%) to 3.53%

HTS pending investment portfolio asset sales by Fannie Mae may provide investment opportunities for Financial Mortgage REITs

HTS stock price supported by current annual dividend yield of 12.2%, 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 \$2.6 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Capstead Mortgage Corporation |
| Price: | \$12 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$1,130 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/28/2012
CMO \$12

Capstead Mortgage CMO increase in US pending home sales indicates US housing market continued to strengthen through end of October 2012

CMO report from NAR (National Association of Realtors) indicates pending home sales index UP +5.2% for October 2012 from previous month

CMO pending home sale index at highest level since March 2007

CMO slower closings of home sales likely to result from impact of Hurricane Sandy on east coast

CMO bank reluctance to lend to homeowners still a significant issue retarding housing sector recovery

CMO stock price supported by current annual dividend yield of 12.2%, 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 \$1.1 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Public Storage |
| Price: | \$141 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$24,238 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/29/2012
PSA \$141

Public Storage PSA traded DOWN (\$1.05) per share to close DOWN (1%) day

PSA stock traded UP +5% year to date for 2012, outperforming Specialty REITs, UP +15%

PSA Specialty Storage REITs may benefit from storm-related demand as homeowners seek temporary storage pending home renovations

PSA no guidance provided for FFO for 2012

PSA provides current dividend yield of 3.1% on common shares

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

PSA we rank 3 HOLD

PSA market cap \$24.2 billion

PSA an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Redwood Trust |
| Price: | \$17 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$1,300 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text
11/29/2012
RWT \$17

Redwood Trust RWT traded UP \$0.36 per share to close UP +2% day

RWT stock traded UP +62% year to date for 2012, outperforming Financial Mortgage REITs, UP +9%

RWT completed securitization of \$295 million non-agency mortgages during November 2012, bringing total year to date securitizations to almost \$2 billion, twice the level securitized by RWT subsidiary Sequoia during 2011

RWT proposals for Fannie Mae reform expected after new Congress convenes in January 2013

RWT investors perceive pending investment portfolio asset sales by Fannie Mae before year end 2012 as providing opportunity for certain Financial Mortgage REITs with expertise in trading non-agency guaranteed issues

RWT stock price supported by current annual dividend yield of 6.1%, 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 \$1.3 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Kilroy Realty |
| Price: | \$45 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$3,261 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/29/2012
KRC \$45

Kilroy Realty KRC traded UP \$0.54 per share to close UP +1% day

KRC stock traded UP +18% year to date for 2012, outperforming Office REITs, UP +9%

KRC divesting Orange County CA industrial portfolio to increase portfolio investments in northern CA and Seattle

KRC stock price supported by current annual dividend yield of 3.1%

KRC an Office REIT with a portfolio of office and industrial properties concentrated in southern and northern CA

KRC we rank 2 BUY

KRC market cap \$3.3 billion

REIT Comment



| | |
|-----------------|---|
| Company: | EastGroup Properties |
| Price: | \$53 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$1,489 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/29/2012
EGP \$53

EastGroup Properties EGP traded UP \$0.66 per share to close UP +1% day

EGP stock traded UP +21% year to date for 2012, outperforming Industrial REITs, UP +14%

EGP investing in new developments in Dallas and Houston as well as other southern markets

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

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 \$1.5 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Home Properties |
| Price: | \$59 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$3,541 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/29/2012
HME \$59

Home Properties HME traded UP \$0.41 per share to close UP +1% day

HME stock traded UP +2% year to date for 2012, outperforming Residential REITs, DOWN (1%)

HME news of lower new unemployment claims indicates storm related unemployment claims abating

HME 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

HME guidance for FFO for 2012 recently increased to indicate growth UP+16%

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

HME a Residential REIT with a diverse portfolio of apartment communities

HME we rank 2 BUY

HME market cap \$3.5 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Redwood Trust |
| Price: | \$17 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$1,300 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/30/2012
RWT \$17

Redwood Trust RWT revival of investor interest in non-agency mortgage securitizations a positive signal for certain Financial Mortgage REITs

RWT completed securitization of \$295 million non-agency mortgages and CMBS during November 2012, bringing total year to date securitizations to almost \$2 billion, twice the level securitized by RWT subsidiary Sequoia during 2011

RWT latest offering backed by mezzanine loans against large stabilized commercial properties

RWT to retain 41% of total assets placed in securitization

RWT top tier \$140 million priced at \$102.2 with 2.5% coupon, while lower tier priced at \$100.0 with 1.81% coupon

RWT proposals for Fannie Mae reform expected after new Congress convenes in January 2013

RWT investors perceive pending investment portfolio asset sales by Fannie Mae before year end 2012 as providing opportunity for certain Financial Mortgage REITs with expertise in trading non-agency guaranteed issues

RWT stock price supported by current annual dividend yield of 6.1%, 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 \$1.3 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Corporate Office Properties Trust |
| Price: | \$24 |
| Recommendation: | SELL |
| Ranking: | 5 |
| Market Cap: | \$1,750 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/30/2012
OFC \$24

Corporate Office Properties Trust OFC investors should focus on exposure of Office REITs to federal spending reductions in pending "fiscal cliff"

OFC frequent management comments note tenant concern over potential impact of pending "fiscal cliff" causing delays on new leases and lease renewals

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

OFC planned divestitures of suburban office properties to concentrate as much as 75% of total rents among federal agencies and contractors serving government contracts

OFC recently increased low end of guidance range for FFO for 2012 to indicate decline DOWN (6%)

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

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

OFC we rank 5 SELL

OFC market cap \$1.8 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Vornado Realty Trust |
| Price: | \$76 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$15,079 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/30/2012
VNO \$76

Vornado Realty Trust VNO investors should focus on exposure of Office REITs to federal spending reductions in pending "fiscal cliff"

VNO US government is most significant VNO tenant at 7% of total rental revenue

VNO properties leased to DOD in DC impacted by BRAC redeployment of assets

VNO expects overall occupancy for DC properties to tumble to 80% from 85% for 2011

VNO eventual cost to re-tenant DC properties could be as much as (\$1.50) per share over next 4 years

VNO FFO for 3Q 2012 (adjusted) increased UP +1%

VNO no guidance provided for FFO for 2012

VNO expects to distribute special dividend of \$1.02 per share during 4Q 2012 relating to pending sale of Green Acres Mall to Macerich MAC

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

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

VNO we rank 3 HOLD

VNO market cap \$15.1 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Government Properties Income Trust |
| Price: | \$23 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$1,087 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/30/2012
GOV \$23

Government Properties Income Trust GOV stock trading may be subject to investor concern over pending "fiscal cliff"

GOV comments from Congressional leaders note lack of real progress in resolving bipartisan disputes over federal budget

GOV pending (10%) spending cuts to take effect at federal agencies in January 2012 if "fiscal cliff" is not averted by Congressional action

GOV most leases are paid by GSA (US General Services Administration) as payor for most federal agencies

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

GOV portfolio expansion by acquisition drives FFO growth

GOV no guidance provided for FFO for 2012

GOV stock price supported by current annual dividend yield of 7.5%

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

GOV we rank 3 HOLD

GOV market cap \$1.1 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Apartment Investment and Management |
| Price: | \$25 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$3,218 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/30/2012
AIV \$25

Apartment Investment and Management AIV news of lower consumer income should be considered along with employment trends in assessing outlook for Residential REITs

AIV report from Commerce Department found October 2012 wages and salaries DOWN (0.2%) for October 2012 from previous month

AIV impact of Hurricane Sandy makes it difficult to assess current employment trends

AIV Residential REITs report little variability in income coverage of rents in most urban locations

AIV guidance for FFO for 2012 indicates growth UP +13%

AIV stock price supported by current annual dividend yield of 3.2%

AIV a Residential REIT with a diverse portfolio of conventional and affordable apartment communities

AIV we rank 2 BUY

AIV market cap \$3.2 billion

AIV an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | First Industrial |
| Price: | \$13 |
| Recommendation: | SELL |
| Ranking: | 4 |
| Market Cap: | \$1,161 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/30/2012
FR \$13

First Industrial FR traded DOWN (\$0.20) per share to close DOWN (1%) day

FR stock traded UP +29% year to date for 2012, outperforming Industrial REITs, UP +14%

FR news of US GDP growth at rate of UP+2.7% for 3Q 2012 a positive signal for Industrial REITs

FR recent guidance for FFO for 2012 indicates growth UP +21%

FR has not yet restored dividends on common stock

FR an Industrial REIT

FR we rank 4 SELL

FR market cap \$1.2 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Realty Income |
| Price: | \$41 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$5,404 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/30/2012
O \$41

Realty Income O traded UP \$1.34 per share to close UP +3% day

O stock traded UP +16% year to date for 2012, outperforming Specialty REITs, UP +15%

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

O expects to add \$0.13 per share to annual dividend for 2013 following completion of ARCT acquisition during 4Q 2012

O exceptional long term record of monthly dividends with gradual increases

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

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



| | |
|-----------------|---|
| Company: | CBL & Associates |
| Price: | \$23 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$4,283 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/30/2012
CBL \$23

CBL & Associates CBL traded UP \$0.32 per share to close UP +1% day

CBL stock traded UP +43% year to date for 2012, outperforming Retail REITs, UP +20%

CBL stronger than expected Holiday 2012 sales driving rebounding stock prices for small cap Retail REITs with portfolios of regional malls

CBL guidance for FFO for 2012 indicates growth UP +2%

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

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

CBL we rank 2 BUY

CBL market cap \$4.3 billion

REIT Comment



| | |
|-----------------|---|
| Company: | SL Green Realty |
| Price: | \$75 |
| Recommendation: | SELL |
| Ranking: | 4 |
| Market Cap: | \$7,202 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/30/2012
SLG \$75

SL Green Realty SLG stock traded UP\$1.00 per share to close UP +1% day

SLG stock traded UP +13% year to date for 2012, outperforming Office REITs, UP +9%

SLG next week's analyst meeting provides opportunity for SLG management to update investors on portfolio and strategy

SLG analyst meeting scheduled for Monday, December 3, 2012 to include discussion of strategy and update on leasing activity

SLG disruption of NY office market due to Hurricane Sandy likely to be the focus of informal comments

SLG guidance for FFO for 2012 indicates growth UP +11%

SLG current dividend yield of 1.8% unlikely to attract income investors, although dividend increase for 1Q 2013 a clear signal of management confidence

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

SLG we rank 4 SELL

SLG market cap \$7.2 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Host Hotels & Resorts |
| Price: | \$15 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$11,156 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
11/30/2012
HST \$15

Host Hotels & Resorts HST increased quarterly dividend distribution by 13% to \$0.09 per share for 1Q 2013

HST new annual dividend \$0.36 per share

HST new yield 2.5%

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

HST we rank 3 HOLD

HST market cap \$11.2 billion

HST an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Host Hotels & Resorts |
| Price: | \$15 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$11,156 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
12/03/2012
HST \$15

Host Hotels & Resorts HST announced 33% owned European joint venture acquired 5 hotels from Whitehall, affiliate of Goldman Sachs

HST \$572 million acquisition includes 5 hotels with 1,733 rooms located in 3 Paris submarkets and in Amsterdam, operating under Marriott, Renaissance and Courtyard brands

HST 3 of the 5 European hotel properties previously sold by Marriott to Goldman Sachs Whitehall unit during 2006

HST investors in Hotel REITs should expect to see slower than expected FFO growth for 4Q 2012 due to negative impact of Hurricane Sandy on business and consumer travel

HST reported better than expected results for 3Q 2012, and increased low end of guidance range for FFO for 2012, indicating growth UP +15% - +18%

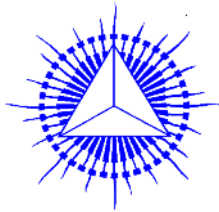
HST stock price supported by new annual dividend yield of 2.5%

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

HST we rank 3 HOLD

HST market cap \$11.2 billion

HST an S&P 500 Index REIT



REIT Growth and Income Monitor posted 54 REIT comments for the week ended November 30, 2012. Comments were issued on REITs in the following sectors:

| | |
|-------------------|----|
| Financial REITs | 6 |
| Health Care REITs | 1 |
| Hotel REITs | 4 |
| Industrial REITs | 4 |
| Office REITs | 10 |
| Residential REITs | 10 |
| Retail REITs | 10 |
| Specialty REITs | 9 |

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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