NATIONAL ASSOCIATION OF REAL ESTATE INVESTMENT TRUSTS®

August 1, 2011

Via email

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
File Number S7-14-11
100 F Street, NE
Washington, DC 20549-1090

Office of the Comptroller of the Currency (OCC)
Docket Number OCC-2010-0002
250 E Street, SW
Mail Stop 2-3
Washington, DC 20219

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
Docket Number R-1411
20th Street and Constitution Avenue, NW
Washington, DC 20551

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments/RIN 3064-AD74
Federal Deposit Insurance Corporation
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Regulations Division
Office of General Counsel
Department of Housing and Urban Development
Docket Number HUD-2011-0056
451 7th Street SW – Room 10276
Washington DC 20410-0500

Re: Proposed Rule – Credit Risk Retention

Dear Ladies and Gentlemen:

This comment letter is in response to the above proposed rule (the "Proposed Rule")[1] in which the Board of Governors of the Federal Reserve System, the Federal Deposit of Insurance Corporation, the Office of the Comptroller of the Currency, the Securities and Exchange Commission, and in the case of the securitization of any "residential mortgage asset," together with the Department of Housing and Urban Development and the Federal Housing Finance Agency (collectively, the "Agencies"), jointly solicit comments on proposed rules to implement the credit risk retention requirements of Section 15G of the Securities Exchange Act of 1934 (15 U.S.C. § 78o-11), as added by Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Section 941").

NAREIT, the National Association of Real Estate Investment Trusts, is the worldwide representative voice for real estate investment trusts (REITs) and publicly traded real estate companies with an interest in U.S. real estate and capital markets. NAREIT's members are REITs and other real estate businesses throughout the world that own, operate and finance commercial and residential real estate. NAREIT's REIT members play an important role in helping to provide liquidity and transparency to the real estate market. Our members operating as Equity REITs own, lease and most often operate real estate, and thus are consumers of real estate debt finance. Our members operating as Mortgage REITs finance housing and commercial real estate, by originating mortgages or by purchasing whole loans or mortgage backed securities in the secondary market. Together, NAREIT's members provide perspective as market participants on both sides of the real estate debt finance equation – *i.e.*, both as borrowers and as lenders – who are equally interested in an effective, efficient and stable securitization market for real estate debt. The securitization market is a critical component of real estate finance, and as such is a critical component of our members' businesses.

We commend the Agencies for their effort in working cooperatively and within a tight timeframe to jointly develop proposed regulations implementing Section 941.

However, we are seriously concerned by the Proposed Rule's unsupported and complete exclusion of loans to REITs from its definition of those commercial real estate (CRE) loans that may comprise a securitization under which the securitizer may be eligible for zero percentage risk retention, even if such loans would otherwise satisfy the underwriting criteria contained in the Proposed Rule.

[1] 76 Fed. Reg. 24090 (Apr. 29, 2011).

Under the Proposed Rule, the same high quality, secured loan used to finance a commercial or multifamily property would receive different treatment based solely on whether the borrower – or potentially, the borrower's owner or owners – elects to be taxed as a REIT. The Proposed Rule makes this distinction, notwithstanding the simple fact that in either case the lender would have no recourse directly to the borrower, and the lender's recourse to the collateral would not change.

Since a number of REITs are among the most creditworthy and moderately leveraged owners and operators of commercial real estate in the marketplace today, and are therefore exactly the types of borrowers that prudent lenders and the securitization market should seek as potential customers, the proposed blanket disqualification of a loan to a REIT from the definition of a qualifying commercial real estate loan is puzzling, surprising, inappropriate, counterintuitive and certainly not supported by the facts.

In short, we believe that the blanket exclusion of a loan to a REIT from the definition of a qualifying commercial real estate loan, as mandated by the Proposed Rule, is a fundamentally flawed approach to regulation in this area. In addition, we believe that there is no basis in the statute or legislative history for wholesale discrimination against loans to REITs in this context.

Significantly, the Agencies have not shown, nor do we believe they can show, any empirical data that would demonstrate that a CRE loan that satisfies the proposed underwriting criteria would present a greater credit risk simply because the borrower is a REIT, as opposed to any other type of borrower. To discriminatorily exclude from qualification CRE loans to REIT borrowers when the loans otherwise satisfy the proposed underwriting criteria would also be highly counterproductive in the ongoing nation-wide effort to address lingering weakness in commercial real estate markets due to the Great Financial Crisis and the Great Recession.

As the final rule is developed, we urge you to remove this inappropriate distinction for which there is no statutory, economic, or other rational basis.

Background

Overview

Section 941 mandates that regulations be issued that: i) require a securitizer generally to retain not less than 5% of the credit risk of any asset that the securitizer, through the issuance of an asset-backed security (ABS), transfers, sells or conveys to a third party; and, ii) prohibit a securitizer from directly or indirectly hedging or otherwise transferring the required credit risk.[2]

Importantly, Section 941 exempts certain types of securitizations from these risk retention requirements and authorizes the Agencies to exempt or establish a lower risk retention requirement for other types of securitizations. In addition to a complete exemption for any asset transferred, sold or conveyed through the issuance of ABS if all of the assets that collateralize the ABS are qualified residential mortgages, Section 941 states that the Agencies must permit a securitizer to retain less than 5% of the credit risk of commercial mortgages that are transferred,

[2] *See* 15 U.S.C. § 78o-11(b), (c)(1)(A) and (c)(1)(B)(ii).

sold, or conveyed through the issuance of ABS by the securitizer if the loans meet underwriting standards developed by the Federal banking agencies.[3] The Proposed Rule endeavors to address this Congressional instruction in § __.19[4] of the proposal, setting out proposed underwriting standards for "qualifying commercial real estate (CRE) loans." Compliance with these high standards would eliminate the need to comply with the risk retention requirements found in subpart B of the Proposed Rule at § __.3[5] for sponsors of such securitization transactions.[6]

Definition of "Qualifying CRE Loans"

The Agencies establish a number of definitional, underwriting and other criteria upon which loans would be determined to be "qualifying CRE loans" for purposes of reduced credit risk retention with respect to CMBS. As the Agencies write in the supplementary information accompanying the Proposed Rule, "Such standards focus predominantly on the following criteria: The borrower's ability to repay the loan; the value of, and the originator's interest in, the collateral; the [loan to value] LTV ratio; and whether the loan documentation includes the appropriate covenants to protect the collateral."[7]

However, the first requirement is a gateway test, *i.e.*, is the loan in question a commercial real estate loan according to the Proposed Rule's definition of a commercial real estate loan? If so, then to "qualify" for zero credit risk retention treatment under the exception for CMBS the CRE loan must comply with criteria established by the Proposed Rule.

As we review these criteria, we view them as comprising six key groupings. They are: 1) the loan must be secured by a first lien on commercial real estate property; 2) the borrower must be able to repay the loan as determined by both the overall financial condition of the borrower and the projected income cash flows from the property; 3) the loan must comply with an assortment of appraisal, amortization, environmental risk assessment, LTV, combined LTV (CLTV), interest rate, payment and term length requirements; 4) the loan must be accompanied by covenants that: a) require the borrower to make ongoing reports about leasing activity at the underlying property to the originator and any subsequent holders of the loan; b) prohibit any other security interest from being established on the collateral; c) prohibit the transfer of the collateral; d) prohibit changes to the name, location or organizational structure of the borrower, or any other party that is pledging the collateral; and, e) require the borrower to meet certain legal, financial, and physical maintenance requirements; 4) the loan documentation must establish strict limits on the ability of the borrower to obtain a loan secured by a junior lien on the property; and, 6) the originator and other participants in the securitization process must comply with certain requirements.[8]

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[3] *See* 15 U.S.C. § 78o-11(c)(1)(B)(ii) and (2).
[4] *See* 76 Fed. Reg. 24170 (Apr. 29, 2011).
[5] *See* 76 Fed. Reg. 24158 (Apr. 29, 2011).
[6] "The risk retention requirements in subpart B of this part shall not apply to securitization transactions that satisfy the standards provided in §§ __.18, __.19, or __.20 of this part." *See* Proposed Rule at § __.17. 76 Fed. Reg. 24169 (Apr. 29, 2011).
[7] *See* 76 Fed. Reg. 24132 (Apr. 29, 2011).
[8] *See* Proposed Rule at § __.19. 76 Fed. Reg. 24170 (Apr. 29, 2011).

Simply put, there is no reason why a loan to a REIT (assuming a loan to a REIT is eligible to be considered a commercial real estate loan) could not meet the criteria required to "qualify" for reduced credit risk retention simply because the borrower elects to be taxed as a REIT.

Definition of "CRE Loan"

Now, we will address the definition of CRE loan, the so-called "gateway" issue mentioned above.

As proposed, a CRE Loan must be secured by acceptable property types, and must be primarily repaid either through rental income or through sale or financing proceeds. Specifically, these loans must be "secured by a property with five or more single family units, or by nonfarm nonresidential real property, the primary source (fifty (50) percent or more) of repayment for which is expected to be derived from: (i) The proceeds of the sale, refinancing, or permanent financing of the property; or (ii) Rental income associated with the property other than rental income derived from any affiliate of the borrower."[9]

It is vital to note that a loan to a REIT should also generally have no problem whatsoever in meeting the criteria for a CRE loan listed in the above paragraph.

However, the Agencies also propose to explicitly exclude from the definition of "CRE loan" loans made for certain purposes or to certain entities (among them, REITs). Specifically, the proposed rule states that the term CRE loan does not include, "(i) A land development and construction loan (including 1- to 4-family residential or commercial loans); (ii) Any other land loan; (iii) **A loan to a real estate investment trusts (REITs)** ***[sic] [emphasis added]*** ; or (iv) An unsecured loan to a developer."[10]

As clearly indicated in the Proposed Rule, the first step in determining whether a loan may qualify for reduced credit risk retention is its qualification as a CRE loan, *i.e.*, is the loan a commercial real estate loan? If the loan is deemed a CRE loan, it is then and only then eligible to potentially qualify for reduced credit risk retention through its ability to meet all of the other criteria established by the Proposed Rule.

Our comment letter is focused solely on this initial test, *i.e.*, whether the loan is a commercial real estate loan. Our comment letter does not address the remaining criteria that determine whether a commercial real estate loan "qualifies" for reduced credit risk retention. Our view is that, however difficult the qualification criteria provided by the Proposed Rule may be to meet, a loan to a REIT should not be automatically excluded from the possibility of qualifying for reduced credit risk retention through its fulfillment of the rest of the criteria established by the Proposed Rule. This is our central concern and we believe that concern is shared widely among NAREIT's members as well as among all other significant actors in the real estate finance and securitization marketplace.

[9] *See* Proposed Rule at § __.16. 76 Fed. Reg. 24168 (Apr. 29, 2011).
[10] *Id.*

Our Sole Issue

Given the absence of any explanation, it is totally unknown to us and, we believe, to others in the marketplace, why the Agencies propose and what the Agencies intend by excluding "a loan to a REIT" from the definition of "CRE loan."

For example, is the intent of the proposal to ban from the definition a loan to a single purpose entity which is not operating as a REIT if the subject entity is owned in whole or part by a REIT? Or, is the intent merely to ban a loan to a single purpose entity which is operating as a REIT? Of course, neither approach is supported or supportable through a meaningful rationale which rests on data, market practice, and lenders' experiences.

It is our view that, when reading a regulatory proposal, one should take the language at face value and assume that the proposing agencies mean what they say – not more, not less. Therefore, we believe it is likely the marketplace would read the language in the Proposed Rule, if finalized, with the broadest meaning and view any loan made to a REIT – and any loan made to any non-REIT entity owned in whole or part by a REIT – as not meeting the criteria of a qualifying CRE loan because it would automatically not qualify as a commercial real estate loan. Consequently, we do not take comfort in the fact that one could argue the Proposed Rule literally permits a loan to a non-REIT single purpose entity even if the single purpose entity is wholly or partly owned by a REIT.

If the Agencies were to finalize a rule that disqualifies entirely any loan to a REIT (whether directly or indirectly through a non-REIT entity owned wholly or partly by a REIT) from the possibility of meeting the criteria available to other borrowers for their loans to be deemed qualifying commercial real estate loans for purposes of the rule, the Agencies would effectively signal to the market, and therefore effectively determine that, despite overwhelming evidence and experience to the contrary, loans to REITs are somehow riskier than loans to other real estate borrowers. By making such loans ineligible for inclusion in pools that are eligible for zero percent risk retention requirements, demand for such loans in the securitization market would be undermined, and REITs likely would face a reduction in access to the secured loan marketplace and increased borrowing costs – simply because the company elected to be taxed by the Federal government as a REIT.

Because publicly traded REITs are strategically and financially well positioned to continue to help breathe life back into the commercial real estate market, and because they are likely to do so in a transparent, publicly accountable, disciplined and moderately leveraged manner, the Proposed Rule's blanket exclusion of any loan to a REIT from the definition of CRE loan is highly surprising. We do not believe it makes sense from a policy, practical or purpose-driven perspective to treat a secured property loan that otherwise meets the criteria for reduced credit risk retention, and that is connected directly or indirectly to a REIT, in some fashion differently from an otherwise identical loan to a non-REIT real estate borrower.

Overview of REITs and the REIT Marketplace

REIT Background

In 1960, Congress passed, and President Dwight D. Eisenhower signed into law, the Cigar Excise Tax Act, which contained within it the initial Federal tax legislation authorizing REITs. As the legislative history of the initial REIT rules states, the primary intention of Congress in authorizing the use of REITs with respect to real estate investment and ownership was to provide a means "whereby small investors can secure advantages normally available only to those with large resources."[11] What Congress understood then and has endorsed through support for, and amendment of, the REIT rules for over 50 years is that, without such a regime for real estate investment, it would be far more challenging to make these three key benefits of real estate investment available to individual investors from all walks of life: 1) regular income; 2) capital preservation and appreciation; and, 3) portfolio-level as well as asset-class level diversification.

The REIT rules achieve this goal by requiring a REIT to be widely held; to focus principally on long-term real estate investment; and, to regularly generate and distribute to its shareholders real estate-related taxable income. Simply put, a regular corporation or business trust that elects with the IRS to be taxed as a REIT must maintain the bulk of its assets in qualifying real estate assets (at least 75% of all assets)[12]; must receive most of its income from some combination of rent from real property, interest from mortgages secured by real property and gains from the sale of real property (collectively amounting to at least 75% of all income)[13]; and must distribute at least 90% of its taxable income each year to its shareholders.[14] By complying with these and other related rules, a REIT is permitted to deduct the dividends it pays to its shareholders from its corporate tax bill.

Notably, notwithstanding the distribution requirement, REITs are able to retain meaningful levels of cash because the amount of taxable income that sets the standard for a REIT's distribution requirement is determined after the inclusion of several significant non-cash charges and expenses, such as the tax depreciation of the properties held by the REIT. The corporate tax regime followed by a REIT effectively results in a single level of tax that is paid by shareholders when they receive dividends from a REIT. Although REITs are not pass-through entities and are not permitted to pass-through losses or credits generally to their shareholders, the single level of tax is comparable to the situation faced by the vast majority of real estate owners and real estate borrowers who own and finance real estate through partnerships of all types, limited liability companies, S corporations, etc.

Over the course of the past five decades, the U.S. REIT industry, *i.e.*, the REIT sector of the real estate economy in the U.S., has grown substantially.

At the end of 2010, 273 REITs were registered in the U.S. with the SEC, and 176 of these REITs were listed on established U.S. stock exchanges (predominantly on the NYSE). Approximately 90% of these stock exchange-listed companies (by equity market capitalization) are known as

[11] *See* H.R. Rep. No. 2020, 86th Cong., 2d Sess. 3-4 (1960), 1960-2 C.B. 819.
[12] *See* Section 856(c)(4)(A) of the Internal Revenue Code of 1986, as amended ("I.R.C.").
[13] *See* I.R.C. § 856(c)(3).
[14] *See* I.R.C. § 857(a)(1)(A).

"Equity" REITs that primarily invest directly in real property and that derive their income primarily from rental income paid to them by others. In effect, these publicly traded Equity REITs are real estate companies that own, operate and lease out real property to others. The remaining 10% of the publicly traded REITs are known as "Mortgage" REITs, *i.e.*, real estate finance companies, which derive most of their income from mortgage-related interest generated through loans tied to the single-family housing market or to the commercial real estate market.

The FTSE EPRA/NAREIT Global Real Estate Index is the leading investment benchmark in the world for stock exchange-listed equity real estate securities. Notably, the equity market capitalization of the Index amounts to approximately $1 trillion today and approximately two-thirds of the Index represents publicly traded Equity REITs around the world.

As demonstrated by the FTSE EPRA/NAREIT Global Real Estate Index, the largest publicly traded real estate company in the world is a U.S. REIT and U.S. REITs represent 10 of the top 20 publicly traded real estate companies in the world. With REIT regimes now adopted by many nations around the world, an additional 3 of the top 20 constituents of the Index are REITs organized and headquartered outside the U.S (in this case, REITs from Australia, France and the United Kingdom).

At the end of 2010, U.S. Equity REITs registered with the SEC owned more than 29,000 properties in all 50 states, with a book value of about $500 billion. These investments are estimated to comprise approximately 10-15% of investment-grade commercial real estate in the United States, and they include all property types, including retail, office, multifamily, health care, lodging, industrial, self storage and timber. Each of these companies operates in its own manner, but the main thing they have in common is that they have all elected to comply with the U.S. tax rules governing REITs.

For the 2008 tax year 1,679 companies in the U.S. (including publicly traded companies operating as REITs, private companies operating as REITs, and companies operating as REITs that offer their securities to the public but are not listed on an established stock exchange) filed tax returns as REITs.[15]

Consistent with Lenders' Interests, REITs are meant to be Long-Term Investors

Through the tax rules governing REITs, the REIT regime established by Congress requires a REIT to operate as a *long-term* investor in real property. Consequently, the REIT tax rules contain important incentives for REITs to hold real property over the long term, rather than to rapidly acquire and dispose of such assets. The primary enforcement mechanism related to this requirement is a 100% excise tax on net income from the sale of property held primarily for sale to customers (*i.e.*, a "dealer sale").[16]

Because of the severity of the 100% tax, in 1976 Congress created a safe harbor exception for rental property sales so that a sale may avoid being classified as a dealer sale if it meets certain

[15] *See* Internal Revenue Service Statistics of Income-2008 Corporate Income Tax Returns at page 9.
[16] *See* I.R.C. § 857(b)(6)(A).

specific requirements.[17] Among other things, the safe harbor applies to the sale of rental property by a REIT if a property is held for at least two years and the REIT does not make capital improvements to the property during the two years preceding the date of sale that exceed 30% of the property's net selling price. Additionally, to secure the safe harbor a REIT must either: 1) make no more than seven sales of "property" in a year; or, 2) limit sales to 10% of its properties as measured by either the aggregate tax bases or fair market value of all of the REIT's assets as of the beginning of the year.

When viewed in the aggregate, the limitation on so-called "dealer" sales, together with the "safe harbor" requirements, effectively eliminate the potential interest a REIT may have in "flipping" properties over the short term. Therefore, any potential concern that a REIT borrower would be more likely than other market participants to seek to sell its properties quickly after a loan is funded is unfounded.

REITs Routinely Have Had and Should Have Access to a Range of Funding Options, Including Secured Loans That Are Later Securitized

Like any other publicly traded company, a publicly-traded REIT is generally able to fund its various business activities by raising equity and debt capital from a range of sources. Such a REIT may raise equity capital through initial or secondary common and preferred stock offerings to the public; or it can secure debt capital through the corporate bond, commercial paper, commercial mortgage or bank-related line of credit markets. For example, from January 1, 2008 through June 30, 2011, listed REITs in the U.S. raised a total of $91 billion through initial and secondary public stock offerings. During that same period, listed REITs also raised another $44 billion in the public debt market. Through the Great Financial Crisis, the diversity of capital sources available to publicly traded REITs allowed them to reduce leverage, strengthen balance sheets, and help provide critical refinancing to private actors in the commercial real estate industry through the provision of real estate-related equity and debt. An analysis of company 10-K data (as reported by SNL Financial) shows that at the end of 2010 publicly-offered REITs had over $213 billion in secured debt outstanding, nearly $45 billion of which was funded through asset-backed securitizations.

The REIT Approach to Real Estate Investment is a Sound Proposition for Lenders

The REIT approach to real estate investment practiced by publicly traded REITs, in combination with the REIT rules, bring with it a number of characteristics that should be attractive to lenders today as well as to the Agencies charged with oversight of regulated lenders. The totality of these characteristics encourages investment-related behavior by REITs that is arguably more disciplined than the investment-related practices seen historically in commercial real estate investment.

To start, publicly traded REITs are highly transparent because they are registered with the SEC like all other public companies; they provide investors with detailed GAAP-based financial statements and disclosures like all other public companies; they generally provide comprehensive supplemental packages of information to their investors and the public; they are

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[17] *See* I.R.C. § 857(b)(6)(C).

accountable to an active, scrutinizing community of buy- and sell-side stock analysts; and they practice a high degree of sound corporate governance. In addition, many publicly traded REITs are also scrutinized by various rating agencies, as two-thirds of the publicly traded REITs (by equity market capitalization) maintain investment-grade ratings with respect to unsecured debt issued by the company.[18] Suffice it to say, these characteristics provide a degree of transparency that permits a lender to review the creditworthiness of a REIT to an extent not possible with private borrowers generally.

Listed equity REITs also operate with significantly less leverage than the majority of private real estate investors. As of December 31, 2010, listed equity REITs operated at approximately 40% leverage at the enterprise level, on average.[19] Although data for private companies are harder to obtain because these companies are not required to report to the SEC, most observers of the commercial real estate community believe that private real estate owners usually operate with much higher leverage (as demonstrated very clearly by the high default rates of CRE debt incurred in the past decade). Additionally, the debt coverage ratio of EBITDA divided by interest expense for listed equity REITs as of December 31, 2010 was 2.3, again at the enterprise level.[20] Data related to the credit profiles of the largest listed equity REITs are attached to this comment letter as Exhibits I and II.

A brief look at the Federal government's efforts to restart the CMBS market in the immediate aftermath of the Great Financial Crisis further underlines the characteristics of REIT-based real estate investment that allow REITs to accommodate highly demanding underwriting standards. As you may recall, the primary support mechanism employed by the Federal government to help restart the CMBS market was the Term Asset-Backed Securities Loan Facility (TALF). This Federal Reserve-generated lending facility helped provide the initial liquidity necessary to re-start the issuance of asset-backed securities, including newly-issued and legacy CMBS. As it turned out, the first newly-issued CMBS transaction that was sufficiently underwritten to earn the support of the TALF[21] and to be undertaken as part of the TALF program involved a publicly traded Equity REIT borrower. Additionally, when the facility ceased operation, a number of the deals in the queue for TALF support also involved REIT borrowers.

Given the transparency, moderate leverage, and proven ability of REITs to qualify as borrowers under highly demanding underwriting terms and conditions, it should be clear to the Agencies that REITs have been, are now and, in the future should be part and parcel of the effort to help bring enduring vitality to the commercial real estate market and to do so within the purview of tougher underwriting criteria applicable to all borrowers, whether organized as a REIT or otherwise. For that matter, we believe it is clear and can be amply demonstrated that REITs are among the best-situated actors in the commercial real estate market to borrow under the proposed

[18] Further, officials at Moody's and S&P informally advised us that they were not aware of a single circumstance in which a REIT's bondholders have not received the full payment of any publicly issued unsecured debt security.
[19] *See REITWatch* (June 2011) at page 2. http://returns.reit.com/reitwatch/rw1106.pdf
[20] *Id*.
[21] The Federal Reserve limited TALF support only to securitizations of the best quality commercial mortgages. *See* http://www.newyorkfed.org/markets/talf_terms.html. For example, eligible collateral needed to "have a long-term credit rating in the highest investment-grade rating category (for example, AAA) from two or more major nationally recognized statistical rating organizations (NRSROs) and do not have a long-term credit rating of below the highest investment-grade rating category from a major NRSRO."

terms set forth for a loan to meet the "qualifying" criteria for the Proposed Rule's reduced credit risk retention standard.

"A Single Purpose Entity is a Single Purpose Entity is a Single Purpose Entity" Whether it is Organized as a REIT or Whether it is Owned by REIT

Given the absence of a rationale for the exclusion of all REITs from the definition of a commercial real estate loan, some filed comments have suggested that the Agencies *must* have meant to only prohibit "unsecured" loans to REITs from the definition of a commercial real estate loan. We hope this is the case; but we have no reason to believe so from the words of the Proposed Rule.

Related filed comments question the entire basis for distinguishing loans to REITs from loans to others for purposes of the commercial real estate definition, and therefore for eligibility to potentially comply with the qualification test for reduced credit risk retention. This question is raised and must be answered somehow because the loans at issue for reduced credit risk retention are loans made for securitization purposes, and they are therefore made on a non-recourse basis only to a single purpose entity (SPE) specially created for purpose of the loan. In such a transaction, the lender generally may only look to the property to satisfy its claim; and the loan will be underwritten consistent with the "qualifying" criteria of the reduced credit risk retention proposal. Whether the SPE is a REIT or is owned by a REIT should be entirely irrelevant to the process if the loan to the SPE is underwritten in a manner consistent with the Proposed Rule.

Use of Single Purpose Entities that are Party to Non-Recourse Debt

Secured loans obtained by a REIT to finance commercial real estate assets are no different than loans obtained by non-REIT property owners. The predominant market practice in the commercial real estate market for institutional property owners is to establish SPE subsidiaries for each property, or for a related portfolio of properties. These subsidiaries – which are typically structured as single member LLCs or partnerships, and on limited occasions as "qualified REIT subsidiaries" (analogous to single member LLCs) – are party to the non-recourse loans that finance the property, loans which are secured by mortgages that are supported only by the rental cash flows generated by lease arrangements with the property's tenants and with any sales proceeds as allowed under the terms of the mortgage.

By utilizing SPEs in this way, both the property owner and its lender realize a number of advantages. Most notably, the lender is able to underwrite a secured loan based on the fundamentals of, and the identifiable risks to, the specific property that secures the loan, without being exposed to the credit risk associated with any other property owned by the parent company, or with any corporate-level borrowing entered into by the parent company. This is primarily due to the fact that SPEs are organized as separate businesses that are limited in their activities, restricted in their ability to incur additional indebtedness, and bankruptcy remote from the parent entity. In accordance with these requirements, the SPE typically collects rent from tenants and pays debt service and other expenses related to the property, prior to remitting any net earnings to the parent company or other investors in the SPE. The mortgage holder has a higher payment preference on the property's cash flows compared to the owner of the SPE.

It is also important to note that while net income may flow from the SPE to the parent company and other investors, SPEs are generally restricted in their ability to demand additional contributions of capital from either the parent company or other investors. This restriction, combined with the fact that commercial real estate loans are generally non-recourse, helps to protect the parent company from suffering enterprise-wide financial implications in the event that an individual property suffers significant losses for any reason.

When taken together, the widespread use of non-recourse loans and the limits on the ability of the SPE to incur additional indebtedness or to acquire additional capital, underscore one important fact: lenders are not able to access the assets of a parent company if a property-holding SPE defaults on a loan unless the owner of an SPE separately guarantees all or part of the mortgage, which is unusual and is not one of the underwriting standards set forth in the Proposed Rule for a qualifying CRE loan. Not only does this require lenders to pay particular attention to the ability of the cash flows from a property to support the debt service obligations under a loan, it also underscores the fact that any tax requirements that a parent company must comply with have little bearing on the risk profile of a secured loan made to finance the ownership of real property. For example, a lender providing a mortgage to an SPE owned by an S corporation will underwrite the mortgage solely on the basis of the secured property's cash flow. The lender in that case will not take into account the difficulties the S corporation owner of the SPE would have raising more capital to help pay off the mortgage because the tax code prevents an S corporation from issuing a second class of stock.[22]

In developing the proposed underwriting criteria, the Agencies appear to understand how these loans are structured and have focused on the ability of the CRE property securing the loans to generate enough income to service the loan obligations, as well as the operating expenses. Yet, surprisingly, even though these loans are non-recourse to the borrower, the Proposed Rule excludes a whole class of borrowers (*i.e.,* REITs) from eligibility to meet the "qualifying" criteria for reduced credit risk retention.

As mentioned above, this creates an anomalous and quite questionable result. If, for example, a limited partnership finances the purchase of a CRE property that satisfies the underwriting criteria, such a loan would be eligible for the zero percentage risk retention treatment, even if the limited partnership used all of its equity to purchase the property and had no ability to raise additional capital from its limited partners. Yet, under the Proposed Rule, the same loan to a multi-billion dollar publicly traded U.S. REIT (quite possibly a loan to one of the largest and most successful owners and operators of commercial real estate in the world) in connection with the purchase of the same property would not be eligible for reduced credit risk retention.

If the Agencies believe it is warranted to establish financial conditions and standards for the borrower apart from those relating to the CRE collateral securing the loan, then the Agencies can draft a regulation to do so based on valid business and economic criteria -- as they have attempted to do by referring to the borrower's ability to service its overall debt obligations -- and apply it equally to all borrowers. However, this is not what Agencies have done. Rather, the Agencies have broadly excluded a class of borrowers simply because of their tax status, without any regard to the financial condition of such individual borrower. Moreover, the reference to the

[22] *See* I.R.C. § Section 1361(b)(1)(D).

borrower's ability to service its overall debt obligations in the Proposed Rule based on the previous two years performance ignores the realities of the marketplace under which loans are virtually always made to newly-created SPEs that, by definition, have no prior credit history and have no further responsibility to satisfy their debt obligations beyond the cash flows of the secured property.

Distribution Requirements and Lock-Up Agreements Do Not Undermine Creditworthiness of REITs

Based on potential misunderstanding of certain facets of the REIT regime or REIT practices, we believe it is important to address two issues, in particular: 1) a REIT's distribution requirement; and, 2) the so-called "Lock-Up" agreements with partners in a partnership with a REIT. We do not believe that either issue supports the discrimination against a loan to a REIT contained in the Proposed Rule.

Dividend Distribution Requirement Does Not Substantially Undermine a REIT's Ability to Repay its Debts

As discussed earlier, a REIT distributes annually 90% of its *taxable income* which, by definition, is computed net of any qualifying commercial mortgage interest payments. Under current market practice, commercial mortgages are typically structured as long-term loans that require a balloon payment at maturity. Of course, the Proposed Rule requires a qualifying commercial real estate loan to amortize over a maximum 20 year period. Given market practices generally, it remains likely that most qualifying commercial real estate loans will combine a 20 year amortization schedule with a balloon payment at the end of a far shorter period, *i.e.*, 5-10 years. Under such a scenario, there is no reason to believe that a REIT would have any trouble qualifying if permitted to attempt to qualify, in part because a majority portion of debt service payments on these loans are comprised of interest obligations. Therefore, to the extent that a REIT can deduct its debt service payment from its taxable income, these obligations are entirely outside a REIT's distribution requirement.

Furthermore, a company's taxable income is determined based on its gross income minus all allowable deductions. In the case of computing corporate taxable income for a real estate company, such as a REIT, one of the more significant deductions made is depreciation both with respect to its real estate and its personal property. Since depreciation is entirely a non-cash expense, an Equity REIT typically is able to retain, after the distribution it makes to shareholders, a significant amount of cash in excess of its taxable income that can be used for other business purposes.

Additionally, a REIT is not required to distribute any gain from the sale of its real estate assets.[23] Thus, a REIT may retain a meaningful level of capital to be used for a variety of purposes as it disposes of various assets. Moreover, listed REITs have historically been able to distribute dividends to their shareholders that represent more than 100% of the REIT's taxable income.

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[23] However, REITs must pay a corporate level tax to the extent they do not distribute such capital gains proceeds, in which case the REIT shareholders receive a tax credit for such taxes that the REIT paid. *See* I.R.C. § 857(b)(3)(D)(ii).

This practice illustrates the fact that REITs do have an ability either to distribute or retain, if they so choose, cash in excess of taxable income, As an example, during the decade of 2000-2010, the dividends paid by listed REITs included return of capital and long-term capital gains distributions that comprised, on average, 35% of the total dividend.[24] This data underscore the ability of a REIT to generate capital in amounts well beyond the 90% distribution requirement. If circumstances warrant, a REIT could direct some of this capital to pay its secured debt obligations, rather than paying it to shareholders as part of a dividend distribution.

Also, in response to the Great Financial Crisis, the IRS issued Revenue Procedure 2010-12,[25] which built on past IRS rulings and which provides listed REITs with the ability to offer shareholders elective stock dividends in order to satisfy their dividend distribution requirements.[26] Elective stock dividends are dividends paid as a combination of cash and stock, with at least 10% of the total distribution being offered as cash. Such an arrangement, which must be approved only by a REIT's board of directors and not by all of the REIT's shareholders, allows a REIT to conserve cash which can be used to fulfill other obligations. Importantly, this practice does not dilute the equity position of current shareholders because shares are distributed to all current shareholders in proportion to their ownership.

Finally, a REIT's distribution requirement is calculated at the enterprise level, not at the property-only level. Accordingly, a REIT is able to organize its affairs in such a manner to dedicate all cash flow from a given property to that property, knowing full well that cash flows from other properties or activities may more than satisfy the entity-level distribution requirement.

Lock-Up Agreements Provide Economic Incentive to Hold Properties for the Long Term and to Take Steps to Avoid Default

Some REITs are known as umbrella partnership REITs (UPREITs). In the typical UPREIT, a REIT partners with others, and the partnership is termed the "operating partnership." In return for their respective contributions, the REIT and the other partners receives interests in the operating partnership called operating partnership units (OP units). The REIT typically is the general partner and the majority owner of the OP units. For the partners contributing property to the operating partnership, any capital gain tax liability is deferred until such time as the OP units are converted into common shares of the REIT.

It is generally the case that, as part of this transaction, the REIT agrees not to dispose of the property in a taxable transaction for a certain period of time; or else it must compensate the contributor for any tax liability it incurs in the event the property is sold. These agreements, known as "lock-up agreements," provide an incentive for the REIT to hold these properties as a long-term investment, above and beyond the rules described earlier that ensure REITs remain long-term property owners.

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[24] *See* http://returns.reit.com/1099/HistoricalDividendAllocationSummary.pdf
[25] *See* http://www.irs.gov/pub/irs-drop/rp-10-12.pdf
[26] The Revenue Procedure effectively codified a number of private letter rulings reaching essentially the same conclusion. *See* PLRs 200852020; 200850022; 200832009; 200817031; 200618009; 200615024; 200406031; 200348020; and 200122001.

Quite significantly, since a default on a securitized loan secured by one of the properties subject to a "lock-up" agreement would be a taxable event to the borrower, and would therefore require the REIT to make the partner whole for taxes, the "lock-up" arrangement provides a strong, additional incentive for the REIT to remain current on any such loan. Therefore, the fact that a loan is secured by property subject to a lock-up agreement should not materially impact its ability to meet the definition of a qualifying CRE loan because, if anything, a "lock-up" agreement creates a greater incentive than typical not to default on the loan.

The Exclusion of Loans to REITs Runs Counter to Regulatory Precedent

The Proposed Rule's treatment of loans to REITs is inconsistent with recent regulatory guidance issued by the Federal banking agencies. In addressing concerns as to safety and soundness and the need for sound risk management practices for banks with high and increasing concentrations of commercial real estate loans on their balance sheets, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation published final joint Guidance on Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices on December 12, 2006, which remains effective today.[27] This Guidance explicitly includes as CRE loans those loans to REITs the performance of which is closely linked to the performance of the CRE markets.[28]

These three bank regulators were joined by the National Credit Union Administration, the Office of Thrift Supervision and the Federal Financial Institutions Examination Council State Liaison Committee in issuing a Policy Statement on Prudent Commercial Real Estate Loan Workouts on October 30, 2009. This guidance was issued after the start of the financial crisis and the widespread deterioration in CRE loan performance, according to the GAO Report. This guidance was intended to assist financial institutions in devising prudent CRE loan workout arrangements given the significant challenges the institutions were facing at the time. This policy statement similarly includes loans to REITs in its definition of "CRE loans."

Moreover, the Federal banking agencies previously have confirmed that loans to REITs present no greater risk than loans to other participants in the commercial real estate market. In a 1998 Supervision and Regulation letter regarding lending standards for commercial loans resulting from an extensive study on loan quality, the Board of Governors of the Federal Reserve System concluded that "there appear to be no substantial safety and soundness issues with regard to loans currently being extended to REITs." Notably, the Board of Governors of the Federal Reserve System arrived at this conclusion while acknowledging that the REIT loans examined in the loan quality study were large and unsecured.[29] It should stand to reason that loans to REITs that are secured by real property, as required by the Proposed Rule, would present even less risk than the unsecured loans previously evaluated by the Board of Governors of the Federal Reserve System.

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[27] The U.S. Government Accountability Office issued its report on May 19, 2011 (the "GAO Report") advocating that this 2006 guidance be updated and enhanced. The GAO Report noted the inclusion of loans to real estate investment trusts as CRE in the 2006 guidance without further comment or criticism.
[28] *See* 71 Fed. Reg. at 74585 (Dec. 12, 2006)
[29] *See* Board of Governors of the Federal Reserve System, SR 98-18 (June 23, 1998).

The Proposed Rule Does Not Comply with the Administrative Procedure Act

Nothing in the Dodd-Frank Act statute or in the legislative history implies that Congress intended to exclude loans to REITs from being considered CRE loans. Therefore, if the Agencies believe there is a valid reason to exclude an otherwise qualifying loan, simply because the borrower has elected to be taxed as a REIT, rather than as a non-REIT C corporation, as an S Corporation or as a partnership, it should share that reasoning with the public and allow the public to comment on that rationale before the rule is finalized. In fact, if action is taken to exclude REITs from attempting to qualify under the criteria available to others for reduced credit risk retention (without sufficient explanation and without the chance of reasonable public comment on that rationale), we believe that the rulemaking would be found not to comply with the Administrative Procedure Act.

Under the Administrative Procedure Act,[30] a reviewing court is empowered to "hold unlawful and set aside [any] agency action, findings, and conclusions found to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law."[31] One aspect of that requirement is "the simple but fundamental rule of administrative law that the agency must set forth clearly the grounds on which it acted."[32] Indeed, the Supreme Court has "frequently reiterated that an agency must cogently explain why it has exercised its discretion in a given manner."[33] This principle has been consistently applied in the courts of appeals. As the D.C. Circuit explained, "[j]udicial deference to decisions of administrative agencies...rests on the fundamental premise that agencies engage in reasoned decision-making. With its delicate balance of thorough record scrutiny and deference to agency expertise, judicial review can occur only when agencies explain their decisions with precision."[34]

Thus, in *U.S. Telecom Ass'n v. F.C.C.*[35] the court overturned an order by the FCC requiring telecommunications providers to make certain aspects of information regarding a phone call available to law enforcement. The court found that the FCC had "asserted" that each of the items on its list must be made available, "but it never explained—not in the Order and not in its brief—the basis for this conclusion."[36] Instead, "it simply concluded, with neither analysis nor explanation, that each" was required by the relevant act.[37] The Commission's decision to offer no explanation for its choice, such as, for example, why the order would satisfy the act's requirement of "cost-effective methods," was "a classic case of arbitrary and capricious agency action."[38] The court therefore vacated that portion of the FCC's order, even as it upheld a different portion, for which the FCC had supplied a "reasoned and reasonable" explanation. In

[30] *See* 5 U.S.C. § 500 et seq.
[31] *See* 5 U.S.C. § 706(2)(A).
[32] *Atchison, T. & S.F.R. Co. v. Wichita Bd. of Trade*, 412 U.S. 800, 807 (1973) (internal quotation omitted) (citing *S.E.C. v. Chenery Corp.*, 332 U.S. 194, 196 (1947)).
[33] *Motor Veh. Mfrs. Ass'n v. State Farm Ins.*, 463 U.S. 29, 49 (1983) (citing *F.T.C. v. Sperry & Hutchinson*, 405 U.S. 233, 249 (1972); *N.L.R.B. v. Metropolitan Life Ins. Co.*, 380 U.S. 438, 443 (1965)).
[34] *American Lung Ass'n v. E.P.A.*, 134 F.3d 388, 392 (D.C. Cir. 1998) (internal citation omitted).
[35] 227 F.3d 450 (D.C.Cir. 2000)
[36] *Id.* at 461.
[37] *Id.*
[38] *Id.*

the upheld portion, the FCC had explained the textual basis for its decision, and also how its decision comported with the act's goals.[39]

We believe that the Agencies' choice, therefore, to exclude loans to REITs from the definition of a CRE loan, and the resultant unavailability of the exemption for qualifying commercial real estate loans, would be similarly arbitrary and capricious. The Agencies have given no explanation whatsoever for their decision to exclude loans to REITs. Mere conclusion, without analysis or explanation, is the essence of arbitrary and capricious action.

The Proposed Rule Is Inconsistent with the Obama Administration's Regulatory Review Initiative

On July 11, 2011, President Obama signed an Executive Order related to Regulation and Independent Regulatory Agencies.[40] This Executive Order is part of the government-wide regulatory review that the President initiated, "to reduce outdated, unjustified regulations that stifle job creation and make our economy less competitive."[41] Additionally, with regard to future rulemakings, the new Executive Order calls on independent agencies to "consider costs and benefits and to reduce burdens on the American people; to expand opportunities for public participation; to simplify and harmonize rules; and to promote flexibility and freedom of choice,"[42] and to do so "while promoting economic growth, innovation, competitiveness, and job creation."[43]

In accordance with this Executive Order, we encourage the Agencies to undertake a cost and benefits analysis of the proposal to exclude all loans to REITs from consideration as qualifying CRE loans. We are confident that such a study would support our arguments that the costs of such a proposal would undermine the overarching goals of promoting economic growth, competitiveness, and job creation, without providing a quantifiable benefit to the safety or soundness of the commercial real estate market.

Recommendation with respect to Definition of Commercial Real Estate Loan

We strongly support the Agencies' efforts to increase the safety and soundness of the asset-backed securities market by carrying out Congress' intent to increase "skin in the game" for securitizers. Further, we fully support the view that, to the extent that reduced credit risk retention is permitted consistent with the intent of Congress, loans eligible for zero credit risk retention in the CMBS market must comply with clear, compelling and tough underwriting standards.

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[39] *Id.* at 464.
[40] *See* Exec. Order No. 13579, 76 Fed. Reg. 41585 (July 14, 2011).
[41] *See* Memorandum—Regulation and Independent Regulatory Agencies, Daily Comp. Pres. Docs., 2011 DCPD No. 00500.
[42] *Id*.
[43] *See* 76 Fed. Reg. at 41587 (July 14, 2011).

We believe it is appropriate for the Agencies to limit the class of loans that are considered to be "CRE loans" to secured lending arrangements that are secured by commercial and multifamily properties and for which repayment will be made through the income derived from those properties.

We also believe it is fitting to exclude loans from qualifying for the reduced credit risk retention standard that do not meet strong underwriting standards to be established by the Agencies, especially with respect to loans made to borrowers who, when judged according to rational and market-proven standards, are determined to be insufficiently creditworthy for special treatment.

However, we contend that there is absolutely no coherent policy rationale to exclude a loan from qualifying as a commercial real estate loan based solely on how the borrower elects to be taxed with the IRS rather than its ability to meet the same qualifying criteria as are any other borrowers. As we have set forth in this letter, we are confident that the data as a whole, the facts at hand and the collective experience of the marketplace do not support the notion that a loan to a REIT is not a commercial real estate loan and do not lead to the conclusion that a loan to a REIT should be excluded from potentially meeting the criteria available to all other borrowers for reduced credit risk retention.

To be clear, NAREIT is not advocating that all loans to REITs should be automatically considered to be a qualifying CRE loan. Rather, we are urging the Agencies to ensure that loans to REITs have the ability to be considered as qualifying CRE loans if they clearly meet the underwriting standards established by the Agencies.

We believe that the simplest way to achieve this outcome is to remove the reference to REITs by deleting section (2)(iii) from the definition of CRE loan. The other requirements the Agencies establish for both CRE loans and qualifying CRE loans would continue and would ensure that only secured loans which meet strict underwriting standards may be part of the CMBS market to which reduced risk retention requirements apply.

Conclusion

As the Agencies develop the Final Rule for credit risk retention, NAREIT strongly urges the complete deletion of any reference to loans to REITs in the definition of qualifying CRE loans. By restoring the focus of the definition of qualifying CRE loans on the economics of the loans themselves and the documentable creditworthiness of the properties at issue, rather than the borrowing entity's tax election, the Agencies would publish a Rule that would be consistent with recent precedent, that would provide a coherent and consistent standard easily understood by market participants, and that would ensure that secured borrowing costs for REITs are not unnecessarily and arbitrarily increased at a time when these companies are playing a meaningful role in the recovery of the commercial real estate market.

We look forward to working with the Agencies as you continue to develop rules in this critical area. In the meantime, if you have any questions, please feel free to contact me at 202-739-9408 or tedwards@nareit.com.

Respectfully submitted,

Tony M. Edwards
Executive Vice President & General Counsel

EXHIBIT I

Credit Profile of the Largest Equity REITs

(First Quarter, 2011)

Ticker	Company Name	Issuer Credit Rating	Implied Market Cap ($000)	Total Debt ($000)	EBITDA ($000)	Interest Expense ($000)	Preferred Dividends ($000)	Leverage Ratio (%)	Interest Coverage	Fixed Charge Coverage
SPG	Simon Property Group Inc.	A-	37,841,122	17,171,720	798,190	252,405	835	31.2	3.2	3.2
PSA	Public Storage	A	18,899,764	461,882	288,627	7,770	58,236	2.4	37.1	4.4
EQR	Equity Residential	BBB+	17,351,325	9,676,512	257,137	120,831	3,513	35.8	2.1	2.1
VNO	Vornado Realty Trust	BBB+	16,974,786	10,631,396	555,863	136,752	13,559	38.5	4.1	3.7
BXP	Boston Properties Inc.	A-	15,294,787	7,937,264	172,199	92,192	0	34.2	1.9	1.9
GGP	General Growth Properties Inc.	BB	14,932,729	17,966,912	-43,376	326,597	0	54.6	-0.1	-0.1
HCP	HCP Inc.	BBB	14,298,450	7,697,302	274,392	68,354	5,282	35.0	4.0	3.7
WY	Weyerhaeuser Co.	BBB-	13,184,182	5,058,000	187,000	96,000	0	27.7	1.9	1.9
HST	Host Hotels & Resorts Inc.	BB-	12,170,771	5,538,000	279,000	110,000	0	31.3	2.5	2.5
AVB	AvalonBay Communities Inc.	BBB+	10,339,003	4,037,183	132,353	46,948	0	28.1	2.8	2.8
HCN	Health Care REIT Inc.	BBB-	9,024,787	6,148,636	132,949	47,867	5,305	40.5	2.8	2.5
VTR	Ventas Inc.	BBB-	8,846,584	2,571,368	157,449	45,414	0	22.5	3.5	3.5
KIM	Kimco Realty Corp.	BBB+	7,472,949	4,150,093	146,017	54,920	14,841	35.7	2.7	2.1
PCL	Plum Creek Timber Company Inc.	BBB-	7,100,016	2,686,000	119,000	36,000	0	27.4	3.3	3.3
MAC	Macerich Co.		7,016,673	3,824,667	140,219	53,507	0	35.3	2.6	2.6
PLD	ProLogis Inc.	BBB	6,156,516	3,426,051	90,000	33,036	3,950	35.8	2.7	2.4
SLG	SL Green Realty Corp.	BB+	5,946,624	4,915,818	142,091	64,906	7,545	45.3	2.2	2.0
DLR	Digital Realty Trust Inc.	BBB	5,631,315	3,055,429	149,522	36,583	7,608	35.2	4.1	3.4
NHP	Nationwide Health Properties Inc.	BBB	5,461,976	1,601,797	96,277	23,937	0	22.7	4.0	4.0
FRT	Federal Realty Investment Trust	BBB+	5,048,575	1,804,055	89,836	25,203	135	26.3	3.6	3.5
RYN	Rayonier Inc. REIT	BBB+	5,019,996	695,312	84,756	12,783	0	12.2	6.6	6.6
UDR	UDR Inc.	BBB	4,513,726	3,518,786	91,313	37,645	2,369	43.8	2.4	2.3
TCO	Taubman Centers Inc.		4,395,740	2,636,672	133,594	38,462	3,659	37.5	3.5	3.2
ARE	Alexandria Real Estate Equities Inc.		4,301,738	2,669,466	143,913	17,191	7,089	38.3	8.4	5.9
ESS	Essex Property Trust Inc.	BBB	4,157,954	2,370,220	68,496	23,542	543	36.3	2.9	2.8
CPT	Camden Property Trust	BBB	4,108,469	2,474,520	86,354	32,293	0	37.6	2.7	2.7
O	Realty Income Corp.	BBB	4,092,538	1,600,000	83,702	25,131	6,063	28.1	3.3	2.7
LRY	Liberty Property Trust	BBB	3,886,735	2,287,763	116,140	36,865	0	37.1	3.2	3.2
DRE	Duke Realty Corp.	BBB-	3,595,740	4,071,503	173,259	62,835	16,016	53.1	2.8	2.2
DDR	Developers Diversified Realty Corp.	BB	3,591,423	4,270,009	73,671	59,776	10,567	54.3	1.2	1.0
REG	Regency Centers Corp.	BBB	3,554,017	1,922,471	33,368	33,964	4,919	35.1	1.0	0.9
CLI	Mack-Cali Realty Corp.	BBB	3,384,448	1,876,867	91,440	35,982	500	35.7	2.5	2.5
PDM	Piedmont Office Realty Trust Inc.	BBB	3,351,301	1,601,112	84,208	17,378	0	32.3	4.8	4.8
SNH	Senior Housing Properties Trust	BBB-	3,268,331	1,365,873	78,073	20,862	0	29.5	3.7	3.7
AIV	Apartment Investment & Management Co	BB+	3,224,551	5,440,579	139,561	79,577	16,964	62.8	1.8	1.4
BRE	BRE Properties Inc.	BBB	3,083,691	1,844,958	33,461	21,428	2,953	37.4	1.6	1.4
WRI	Weingarten Realty Investors	BBB	3,038,531	2,644,875	84,983	37,032	8,869	46.5	2.3	1.9
HME	Home Properties Inc.		2,905,232	2,585,926	75,447	33,432	0	47.1	2.3	2.3
DEI	Douglas Emmett Inc.		2,900,798	3,670,076	77,880	27,163	0	55.9	2.9	2.9
HPT	Hospitality Properties Trust	BBB-	2,856,255	2,135,551	-2,548	33,345	7,470	42.8	-0.1	-0.1
HIW	Highwoods Properties Inc.	BBB-	2,639,255	1,585,617	70,816	23,987	1,677	37.5	3.0	2.8
OFC	Corporate Office Properties Trust		2,575,580	2,396,795	79,708	26,878	4,026	48.2	3.0	2.6
MAA	Mid-America Apartment Communities Inc.		2,433,502	1,451,782	49,963	15,223	0	37.4	3.3	3.3
OHI	Omega Healthcare Investors Inc.	BB	2,200,223	1,244,951	51,601	20,889	2,272	36.1	2.5	2.2
ALX	Alexander's Inc.		2,067,546	1,242,602	41,282	15,082	0	37.5	2.7	2.7
WRE	Washington Real Estate Investment Trust	BBB+	2,048,703	1,293,025	37,951	17,801	0	38.7	2.1	2.1
	Average (excluding GGP and HPT)							**36.1**	**3.8**	**2.9**
	Weighted Average (excluding GGP and HPT)							**32.7**	**5.1**	**3.0**
	Source: SNL Financial									

North America
Real Estate Investment Trusts (Citi)

Equities

15 July 2011 | 60 pages

Weekly REIT and Lodging Strategy

Here Today, Gone Tomorrow?

- **Solid Growth** — We enter earnings season with confidence that second quarter results will be solid and likely to meet or exceed expectations. Management teams, however, are unlikely to make any significant upside revisions to their outlooks, except in the apartment space, given a more cloudy macro outlook. With REITs close to their highs, valuations are at a delicate crossroads between today's positive combination of improving fundamentals, strengthening financing markets and an accelerating investment landscape but also macro concerns and uncertainty that could derail those valuations tomorrow. We discuss earnings themes, growth and misses/beats herein.
- **Lodging: A Back End Loaded Year** — Marriott's second quarter report left investors frustrated and confused. The growth outlook is not impaired (in our view), but has been pushed out, which may keep a lid on near-term share price performance. Investors may take a "wait and see" approach, setting up for a strong fourth quarter if growth does accelerate (we think it will). We reduced estimates for HST and maintained for LHO, based on MAR's report. Previews herein.
- **Office/Industrial: Strong CBD Leasing and Capital Cost Tailwind in 2Q** — The environment remains bifurcated, with urban markets out-performing, suburban under-performing and the gap continuing to widen. Within the CBD's, higher-end properties and submarkets are achieving stronger rent growth and appreciation. Interest rates have declined again, which should provide a financing tailwind for companies with floating rate debt and/or those with near-term refinancing needs.
- **Residential: Apartment Apathy?** — Although one would expect investors to be numb to the "apartment story" following quarter after quarter of overwhelmingly positive earnings and commentary, we believe that 2Q earnings will be enough to drive slight outperformance. We continue to believe that the best way to play the sector is to own "value" as well as a handful of more "defensive" names that are still participating in the apartment recovery. Top picks include **CLP**, **HME**, **PPS**, **AIV** & **CPT**.
- **Retail: Rip Curls for Malls; Ripples for Shopping Centers** — Second quarter earnings begin this week and we expect both the malls and shopping centers to surf through this earnings season with sound results. We continue to prefer the mall REITs to the shopping centers as improving fundamentals and retail sales, improving cost and availability of capital, and expected price discovery from B mall asset sales supporting public valuations.
- **Healthcare**: **Healthy Checkup but Some Reimbursement SNiFfles** — The group is poised to deliver solid growth complemented by accretion from a number of large transactions and strong fundamentals, but challenges remain, particularly on the government reimbursement side.

Performance Indices - (denotes price only returns)*	WTD Change (%)	QTD Change (%)	YTD Change (%)
NAREIT Equity Total Return Index	(2.2)	2.1	12.5
Citi Model REIT Portfolio	(2.1)	2.2	12.6
Citi Model Hedge Portfolio	(1.0)	0.9	(1.8)
Russell 2000*	(2.8)	0.2	5.8
Dow Jones Industrial Average*	(1.4)	0.5	7.8
S&P 500*	(2.1)	(0.3)	4.7
S&P 500 Financials*	(3.9)	(3.3)	(6.9)
Nasdaq Composite*	(2.4)	0.6	5.2
10-Year Treasury Yield bps change	(10.8)	(25.0)	(39.7)
Global Real Estate (USD)	(2.7)	(0.1)	6.0
Asia Real Estate (local currency)	(1.8)	2.7	(8.1)
Europe Real Estate (local currency)	(1.6)	(1.2)	3.6

Source: Reuters, NAREIT, Bloomberg, Company Reports, and Citi Investment Research and Analysis. Global pricings are as of 7/14/11.

- Industry Overview

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See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

Upcoming Events

Date	Analyst/Investor Days	Location
September 26, 2011	BPO	New York, NY
October 10, 2011	KRC	Bellevue, WA
November 14, 2011	BPO	Houston, TX
November 14, 2011	UDR	Dallas, TX

Source: Citi Investment Research and Analysis

Figure 1. 2Q11 Earnings Calendar

2Q 2011 Earnings Release Dates

	Monday		Tuesday		Wednesday		Thursday		Friday	
Week of July 18	18		19		20		21		22	
BMO					HST					
AMC	ELS		TCO		LHO		EDR	GRT		
							EGP			
Week of July 25th	25		26		27		28		29	
BMO			LRY	SPG	WYN		CLI	O	AIV	
							CLP	OFC		
							DLR	PEI		
							HOT	PLD		
							MAC	SUI		
AMC	AEC		ACC	RPT	ARE	DRE	CPT	EXR		
	DRH		AKR	SLG	AVB	EQR	DDR	FPO		
	KRC		KIM		BDN	HIW	EPR	WRE		
Week of August 1st	1		2		3		4		5	
BMO	UDR		GGP	HCP	ROIC	IRC	HCN	NNN	BPO	
			H							
AMC	BXP	PPS	BRE	MHGC	AHT	ESS	CSA	VTR		
	CHH	VNO	CBL	OEH	BEE	FRT	DCT	YSI		
	PKY		CCG	SKT	BFS	HT	HME			
	PPS		CHSP	WRI	BMR	REG	KRG			
			DEI		CUZ	SSS	MAA			
			DFT		EQY					
Week of August 8th	8		9		10		11		12	
AMC	HCN		PDM		HPP		EXL			

2Q 2011 Earnings Call Times

	Monday		Tuesday		Wednesday		Thursday		Friday	
Week of July 18th	18		19		20		21		22	
			ELS	11AM	HST	10AM	LHO	10AM	GRT	10AM
					TCO	10AM	EDR	5PM	EGP	11AM
Week of July 25th	25		26		27		28		29	
	DRH	5PM	SPG	11AM	WYN	8:30AM	BDN	9AM	FPO	9AM
			LRY	12PM	KIM	9AM	CLI	10AM	DDR	10AM
			KRC	1PM	RPT	10AM	PLD	10AM	WRE	11AM
			AEC	2PM	ACC	11AM	HOT	10:30AM	CPT	12PM
					AKR	12PM	EQR	11AM	EXR	12PM
					SLG	2PM	OFC	11AM	AIV	1PM
							PEI	11AM		
							SUI	11AM		
							HIW	12PM		
							AVB	1PM		
							DLR	1PM		
							CLP	2PM		
							ARE	3PM		
							DRE	3PM		
							MAC	4PM		
							O	4:30PM		
							EPR	5PM		
Week of August 1st	1		2		3		4		5	
	UDR	11AM	BXP	10AM	CCG	9AM	EQY	9AM	KRG	9AM
			CHH	10AM	CHSP	10AM	HT	9AM	CSA	10AM
			PPS	10AM	DFT	10AM	SSS	9AM	MAA	10:15AM
			H	11AM	OEH	10AM	BEE	10AM	BPO	11AM
			PKY	11AM	SKT	10AM	HCN	10AM	DCT	11AM
			HCP	12PM	BRE	11AM	REG	10AM	HME	11AM
			GGP	1PM	CBL	11AM	VTR	10AM	YSI	11AM
			MHGC	5PM	WRI	11AM	NNN	10:30AM		
					ROIC	12PM	AHT	11AM		
					DEI	2PM	FRT	11AM		
					IRC	3PM	CUZ	1PM		
							ESS	1PM		
Week of August 8th	8		9		10		11		12	
			HCN	10AM	PDM	10AM	EXL	1PM		
					HPP	4:30PM				

Source: Citi Investment Research and Analysis

Here Today, Gone Tomorrow?

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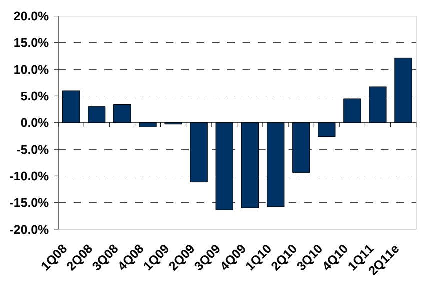
We enter second quarter REIT earnings season with some confidence that results will be solid and will likely meet or exceed expectations. Management teams, however, are unlikely to make any significant upside revisions to their outlooks – except in the apartment space – given a more cloudy macro outlook. With REITs close to their year highs, valuations are at a delicate crossroads between **"today's"** positive combination of improving fundamentals, strengthening financing markets and an accelerating investment landscape which could continue to drive REIT valuations higher but also macro concerns and uncertainty that could derail those valuations **"tomorrow"**. While some management teams may point to some softness or slowdown in fundamentals, overall we believe consensus estimates are achievable as guidance and consensus have been kept at reasonable levels as more fully discussed below.

In addition to outlining key earnings themes, we highlight some stocks that we believe could exceed (such as **CCG and BXP**) and some stocks that could disappoint (such as **HST**) in more detail below.

Core Growth Continues to Accelerate

Figure 2. Quarterly Core FFO growth



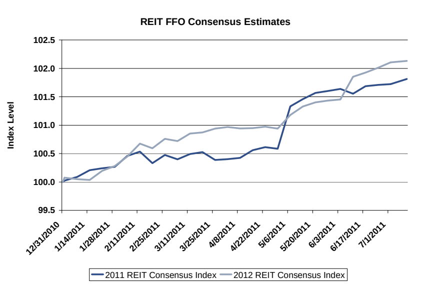
Source: Citi Investment Research and Analysis

REITs core normalized earnings growth should hit its highest point in several years, as REITs comp 2 years of earnings declines and also benefit from significant investment activity over the last 18 months. We expect core FFO growth to increase 10% year over year after turning positive late last year for the first time since the third quarter of 2008 (see Figure 2). Growth is being helped by easier comparisons as growth turned considerably negative in 2Q09 with earnings declines continuing at a higher pace through 2Q10. We expect malls and apartments to grow the most, up 15% and 10%, respectively, and office and shopping centers to lag, up 2% and 4%, respectively.

While we expect this earnings season to be relatively solid (our estimates are 2% above) and generally positive commentary from management, we do not expect many guidance increases as management teams will likely want to keep some caution given the macro backdrop.

Estimates Up Modestly Over The Last Few Months

Figure 3. Consensus Estimates Are Up



Source: Citi Investment Research and Analysis

Consensus earnings estimates for the REIT sector have increased modestly throughout the year with 2011 estimates up about 180 bps year to date and 2012 estimates up 210 bps – leading to 30bps of additional growth, as shown in Figure 3. The increases are the result improving fundamentals, higher investment activity and very accommodative financing markets. Since the end of first quarter earnings in Mid May, 2011 consensus estimates are up ~35 bps, while 2012 is up ~80 bps. We believe estimates remain achievable. Guidance ranges are likely to be kept as management teams will likely err towards the side of caution and reiterate their outlooks from last quarter's calls as second half results will likely show some deceleration from a robust first half.

Key Themes for Earnings

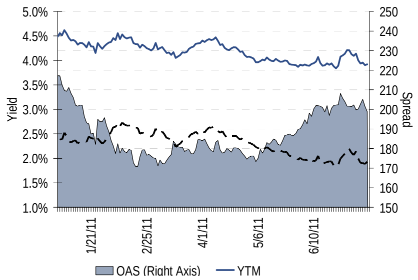
Key topics for the conference calls will center on:

- **The Macro Picture:** Continued debt concerns in Europe and more recently in the US have given the broad markets some pause but have had less of an impact on REIT shares. Policy decisions are likely to provide short-term relief, but longer term we continue to view these macro issues as concerns for both REITs and the broader markets. Expectations for employment is another key macroeconomic topic that will be discussed with management teams on calls, but likely less of a driver for shares at the moment.

- **The Fundamental Picture:** Stronger underlying real estate fundamentals backed by improving demand and low new supply bode well for real estate owners, but a potential slowdown in the second half could weigh on fundamentals. We will be interested to hear from management about what has changed over the past 30-60 days in tenant leasing decision making, rents, occupancies, leasing costs, etc. – and what to expect going forward. Recent anecdotal evidence could suggest that things have slowed slightly, albeit from higher levels.

- **The Health of the Tenants:** Getting a pulse on tenant health and trends within each REIT subsector will be important during this earnings season. The industrial landlords should be able to provide insight on the pace of manufacturing and whether a slowdown is entirely related to Japan or has broader implications. Sales results from the retail tenants will show trends in the recovery of the consumer. The apartment CEOs should be able to comment on the impact of housing on their tenants and any changes in the rent vs. own equation.

Figure 4. Unsecured Debt Costs and Spreads



Source: Citi Investment Research and Analysis

- **The Financing Market:** Financing continues to improve with additional financing being made available by more participants, at lower rates and higher leverage levels. On the unsecured debt side, spreads have recently widened out, but given a decline in benchmark yields, all in rates still remain exceptionally favorable (see Figure 4). We will be interested to hear company's strategies going forward – debt, equity, hybrids – in addition to how aggressive current terms are being priced. With significant refinancing activity in second half of 20111, many companies have already exhausted their maturities and additional accretion from financing activities could be limited.

- **The Investment Landscape:** In addition to strengthening core operational trends, REITs have continued to be net acquirers thus far in 2011. With ample financing available and attractive growth prospects, deals are penciling out. In addition, development is returning as companies look to deliver into the accelerating economy. We will be interested in firms' preference of buying versus selling, cap rate trends, differences between public and private market values and desire to begin new developments. Also, we will look for any changes in timelines and potential hesitation on the part of buyers as macro concerns intensify.

Key Potential Upside and Downside Surprises

From a stock perspective we see **BXP** and **CCG** as stocks that could exceed while **HST** that could disappoint:

Potential Upside Surprises

- **BXP:** There could be some upside to consensus estimates for both 2Q and the full-year, reflecting a combination of transaction related and fundamental items. During the second quarter, BXP started capitalizing interest on its 250 W. 55th Street development and canceled the sale of its Princeton assets, both of which are accretive to FFO. An offset is the company's new $600m ATM program, which we assume is utilized in 2H to fund development project costs. In aggregate, these transaction-related items should be accretive to FFO. Separately, leasing fundamentals in BXP's core markets of midtown Manhattan, San Francisco and Boston have been stronger than expected and could drive some operational upside. For all of these reasons, our 2Q estimate of $1.21 is above consensus of $1.19 and standing guidance of $1.18-$1.20. Our 2011 estimate of $4.71 is above consensus of $4.63 and guidance of $4.45-$4.55.

- **CCG:** After issuing disappointing guidance at the beginning of the year and maintaining the guidance after the first quarter, we believe there is now potential upside to earnings when compared with current consensus estimates. With results for the '10/'11 academic year already mostly locked in, focus has shifted to the upcoming leasing cycle (AY '11/'12), where leasing as of 6/6 for the existing portfolio was ahead of last years pace by 1240bps. In addition, CCG has maintained that their 4 wholly-owned developments are on track to deliver initial yields of ~8%, which will be a further boost to earnings if achieved. Our 2011 FFO estimate of 75c is 2c above consensus.

Potential Downside Surprises

- **HST:** We see some downside risk to the consensus 2Q FFO estimate of 29c. We are reducing our estimate to 28c and our REVPAR growth expectation to 6% from 7% to reflect softer than expected domestic performance at Marriott, and exposure to Washington DC, which under-performed in the 2Q. There is significant overlap between HST and MAR's portfolios. Approximately ~60% of HST's rooms are Marriott branded.

Sector Expectations: Apartments Ahead as Office Lags

- **Apartments:** The apartment sector is expected to post core FFO growth of 10% in 2Q11, as favorable fundamentals and limited oncoming supply continue to combine to produce strong core growth. While we expect continued rental rate growth going forward, we do caution that comps become more difficult in 2H11.

- **Healthcare:** The healthcare REITs under our coverage are expected to post normalized year-over-year growth of 13%, driven largely by HCP's acquisition of HCR ManorCare which increases normalized FFO by 20% y/y. We expect VTR to post normalized FFO growth of 7% reflecting accretion from Atria and Lillibridge; the company recently closed on its acquisition of NHP which will be reflected in Q3 earnings.

- **Industrial:** We expect positive momentum in 2Q, with occupancies expected to recover somewhat from a seasonally weak 1Q, continued to be offset by negative rent spreads. Earnings growth is not comparable given the noise from the PLD/AMB merger in mid-2Q.

- **Lodging:** We forecast a ~25% increase in normalized FFO/shr for Lodging REITs. The growth reflects continued REVPAR and earnings recovery from trough 2009-10 levels, and acquisitions completed by some of the REITs. We forecast mid-to high-single digit REVPAR growth for most companies, with margins starting to expand, as the composition of REVPAR shifts toward pricing.

- **Office:** We forecast a 2% increase in normalized FFO for the office sector, but with considerable variation by company. Some companies are benefitting from refinancing and accretive acquisitions. Most CBD companies are experiencing flat to slightly positive same store NOI, while most suburban office companies are experiencing NOI declines in the low to mid single digit range.

- **Regional Malls:** Normalized earnings growth for the malls in 2Q11 is expected to be up 15% as fundamentals improve, debt rates fall and dilutive equity issuances have burned off.

- **Shopping Centers:** We expect continued stabilization of shopping center normalized earnings growth after a period of being weighed down by higher funding costs, dilutive equity raises, and weaker fundamentals. We project normalized growth of +4% in 2Q.

- **Storage:** We expect a 13% increase in core FFO for the storage sector. Strong growth is being driven by a combination of improving fundamentals, selective acquisitions, and easing comps.

- **Triple Nets:** We expect solid normalized earnings growth from the triple nets in 2Q of 9%. While cap rates are compressing, the triple nets enjoy access to well priced capital, generating positive investment spreads and driving accretion-driven earnings growth.

- **Specialty:** Driven by strong re/development yields and accretive income producing acquisitions, the specialty stocks are set to post another strong earnings quarter with expected normalized FFO growth of 18% year-over-year.

Figure 5. Second Quarter Earnings Preview

Sector	2Q11 Earnings Preview Company	Rating	Ticker	2Q10 Actual FFO	2Q11 Guidance FFO Range	2Q11 Consensus FFO Estimate	2Q11 Citi FFO Estimate	2Q11/2Q10 Expected FFO Growth Citi & Cons	2Q11/2Q10 Expected FFO Consensus	2Q11/2Q10 Normalized Expected FFO Growth
Regional Malls	CBL & Associates	3H	CBL	0.36		0.46	0.46	27.4%	27.4%	-4.3%
	General Growth		GGP			0.22	N/A	N/A	N/A	N/A
	Glimcher Realty	2S	GRT	0.15	0.12 - 0.14	0.13	0.14	-6.0%	-12.7%	-11.8%
	Macerich Co.	1M	MAC	0.57		0.72	0.76	32.9%	25.9%	23.2%
	Pennsylvania REIT	2S	PEI	0.37		0.35	0.35	-5.3%	-5.3%	-5.6%
	Simon Property	2M	SPG	1.38		1.56	1.61	16.5%	12.9%	16.8%
	Taubman Centers	2S	TCO	0.61		0.61	0.64	5.7%	0.8%	12.7%
	Reg Mall Tot/Wtd. Avg.							17.9%	13.9%	15.3%
	Reg Mall Tot/Str. Avg.							11.9%	8.2%	5.2%
Shopping Centers	Acadia Realty	2M	AKR	0.43		0.23	0.24	-44.4%	-46.7%	10.5%
	Cedar Shopping Ctrs.		CDR	-0.28		0.10	N/A	135.7%	135.7%	N/A
	Developers Div.	2H	DDR	-0.13		0.21	0.21	258.9%	258.9%	14.3%
	Equity One	3H	EQY	0.25		0.27	0.27	7.8%	7.8%	N/A
	Excel Trust		EXL	N/A		0.17	N/A	N/A	N/A	N/A
	Federal Realty	2M	FRT	0.98		0.99	1.02	4.3%	1.2%	4.1%
	Inland Real Estate		IRC	0.23		0.20	N/A	-13.0%	-13.0%	N/A
	Kimco Realty	2H	KIM	0.26		0.30	0.30	15.9%	15.9%	-3.2%
	Kite Realty Group	1H	KRG	0.11		0.10	0.11	4.5%	-5.0%	0.0%
	Ramco-Gershenson		RPT	0.37		0.21	N/A	-43.2%	-43.2%	N/A
	Regency Centers	1M	REG	0.58	0.56 - 0.61	0.61	0.62	6.2%	4.5%	7.0%
	Retail Opp Inv Corp		ROIC	N/A		N/A	N/A	N/A	N/A	N/A
	Saul Centers		BFS	0.61		0.58	N/A	-4.9%	-4.9%	N/A
	Tanger Factory	2H	SKT	0.12		0.33	0.33	176.1%	176.1%	3.1%
	Weingarten Realty	1M	WRI	0.29		0.32	0.28	-2.1%	11.9%	2.3%
	Shp Ctr Tot/Wtd. Avg.							49.7%	50.2%	3.8%
	Shp Ctr Tot/Str. Avg.							38.6%	38.4%	4.8%
Triple Net Lease	National Retail	2H	NNN	0.36		0.38	0.39	9.7%	6.9%	10.8%
	Entertainment Prop.	1H	EPR	0.82		0.84	0.88	7.7%	2.8%	1.2%
	Getty Realty		GTY	N/A		0.57	N/A	N/A	N/A	N/A
	Lexington Realty		LXP	0.25		0.22	N/A	-12.0%	-12.0%	N/A
	Realty Income	3H	O	0.45		0.50	0.51	13.1%	10.9%	13.3%
	CapLease	2S	LSE	0.16		0.15	0.15	-8.1%	-8.1%	-6.3%
	Fr-Stnd Rtl Tot/Wtd. Avg.							7.3%	4.7%	9.0%
	Fr-Stnd Rtl Tot/Str. Avg.							2.1%	0.1%	4.8%
Apartments	AIMCO	2H	AIV	0.40	0.18 - 0.22	0.29	0.25	-38.6%	-27.9%	4.4%
	Associated Estates	2H	AEC	0.15		0.25	0.27	84.6%	70.9%	28.6%
	AvalonBay	3H	AVB	1.04	1.09 - 1.12	1.12	1.11	6.5%	7.5%	11.2%
	BRE Properties	2H	BRE	0.46	0.52 - 0.55	0.50	0.47	2.6%	9.1%	0.7%
	Camden Prop	2H	CPT	0.66	0.36 - 0.40	0.39	0.41	-37.7%	-40.7%	15.2%
	Colonial Prop	1H	CLP	0.27		0.28	0.29	8.4%	4.7%	9.6%
	Equity Res	3H	EQR	0.58	0.57 - 0.61	0.60	0.61	4.6%	2.9%	6.4%
	Essex Property	2H	ESS	1.34	1.30 - 1.30	1.35	1.37	2.0%	0.5%	13.0%
	Home Prop	1M	HME	0.76	0.82 - 0.86	0.85	0.85	11.9%	11.9%	11.2%
	Mid-America Apt.		MAA	0.92	0.92 - 1.06	1.00	N/A	8.7%	8.7%	N/A
	Post Properties	2H	PPS	-0.35		0.41	0.42	219.8%	216.9%	12.4%
	UDR	2H	UDR	0.27		0.31	0.33	23.3%	16.9%	19.5%
	Apartment Tot/Wtd. Avg.							9.5%	8.9%	9.9%
	Apartment Tot/Str. Avg.							24.7%	23.4%	12.0%
Student Apts	American Campus	1H	ACC	0.38		0.40	0.42	11.8%	6.5%	11.7%
	Campus Crest	2S	CCG	N/A		0.15	0.17	N/A	N/A	N/A
	Education Realty		EDR	0.18		0.10	N/A	-44.4%	-44.4%	N/A
	Student Apts. Tot/Wtd. Avg.							0.2%	-4.1%	11.7%
	Student Apts. Tot/Str. Avg.							-16.3%	-19.0%	11.7%
M. Homes	Equity Lifestyle	1M	ELS	0.76	0.75 - 0.85	0.79	0.70	-8.4%	3.4%	4.8%
	Sun Comm		SUI	0.75		0.64	N/A	-14.7%	-14.7%	N/A
	Mfd Home Tot/Wtd. Avg.							-10.2%	-1.7%	4.8%
	Mfd Home Tot/Str. Avg.							-11.5%	-5.6%	4.8%
Storage	Extra Space Storage	2H	EXR	0.22	0.25 - 0.26	0.26	0.26	17.9%	17.9%	19.3%
	Public Storage	1M	PSA	0.92		1.36	1.41	53.6%	48.2%	11.6%
	Sovran	2H	SSS	0.61		0.65	0.66	8.9%	7.2%	9.4%
	U-Store-It	2H	YSI	0.11		0.14	0.14	30.2%	30.2%	23.6%
	Self Storage Tot/Wtd. Avg.							47.5%	43.0%	12.6%
	Self Storage Tot/Str. Avg.							27.7%	25.9%	15.9%
Healthcare	Cogdell Spencer	1H	CSA	-0.13		0.08	0.09	170.9%	163.0%	-30.8%
	HCP	2H	HCP	0.55		0.75	0.77	41.0%	37.4%	20.4%
	Healthcare Realty		HR	0.35		0.33	N/A	-5.7%	-5.7%	N/A
	Health Care REIT		HCN	0.75		0.87	N/A	16.0%	16.0%	N/A
	LTC Properties		LTC	0.46		0.52	N/A	13.0%	13.0%	N/A
	Omega Healthcare Investors		OHI	0.36		0.45	N/A	25.0%	25.0%	N/A
	Medical Properties Trust		MPW	0.23		0.17	N/A	-26.1%	-26.1%	N/A
	National Health		NHI	0.60		0.87	N/A	45.0%	45.0%	N/A
	Senior Housing Prop.		SNH	0.41		0.44	N/A	7.3%	7.3%	N/A
	Ventas	1M	VTR	0.71		0.76	0.76	7.6%	7.6%	7.0%
	Healthcare Tot/Wtd. Avg.							20.5%	19.4%	13.1%
	Healthcare Tot/Str. Avg.							29.4%	28.2%	-1.1%
	REIT Composite Weighted. Avg. (excl. Lodging REITs)							20.2%	19.4%	10.3%
	REIT Composite Straight Avg. (excl. Lodging REITs)							21.0%	20.2%	6.9%
	REIT Composite Weighted. Avg. (incl. Lodging REITs)							22.9%	22.1%	11.0%
	REIT Composite Straight Avg. (Incl. Lodging REITs)							31.4%	31.2%	7.9%

Source: Citi Investment Research and Analysis

Figure 6. Second Quarter Earnings Preview (Continued)

Sector	2Q11 Earnings Preview Company	Rating	Ticker	2Q10 Actual FFO	2Q11 Guidance FFO Range	2Q11 Consensus FFO Estimate	2Q11 Citi FFO Estimate	2Q11/2Q10 Expected FFO Growth Citi & Cons	2Q11/2Q10 Expected FFO Growth Consensus	2Q11/2Q10 Normalized Expected FFO Growth
Office	Boston Prop.	2H	BXP	1.12	1.18 - 1.20	1.18	1.21	8.3%	5.6%	14.7%
	Brandywine Rlty.	2H	BDN	0.34		0.31	0.32	-6.6%	-9.5%	-8.8%
	Brookfield Prop.	1H	BPO	0.40		0.26	0.26	-34.5%	-34.5%	-8.3%
	Mack-Cali Realty	2M	CLI	0.71		0.68	0.68	-4.8%	-4.8%	-5.6%
	CommonWealth REIT	3H	CWH	0.92		0.87	0.90	-2.5%	-5.8%	-1.1%
	Douglas Emmett	2H	DEI	0.30		0.33	0.34	13.7%	10.4%	13.9%
	Government Properties		GOV	0.48		0.48	N/A	0.0%	0.0%	N/A
	Highwoods	2M	HIW	0.64		0.61	0.62	-3.7%	-5.2%	-1.6%
	Hudson Pacific		HPP			0.22	N/A	N/A	N/A	N/A
	Kilroy Realty	2M	KRC	0.41		0.55	0.55	34.3%	34.3%	3.6%
	Maguire Properties		MPG	-5.39		-0.09	N/A	98.3%	98.3%	N/A
	Corporate Office Prop.	3H	OFC	0.53	0.53 - 0.56	0.03	-0.01	-101.9%	-94.4%	1.9%
	Parkway Prop.	2S	PKY	0.66		0.22	-0.04	-106.0%	-66.8%	-10.9%
	Piedmont Office Realty		PDM	N/A		0.37	N/A	N/A	N/A	N/A
	SL Green	2H	SLG	1.02		1.02	1.08	5.8%	-0.1%	-6.4%
	Vornado Realty	2H	VNO	1.11		1.17	1.16	4.1%	5.0%	0.5%
	Office Tot/Wtd. Avg.							-4.2%	-5.0%	1.8%
	Office Tot/Str. Avg.							-6.8%	-4.8%	-0.7%
	DCT Industrial Trust		DCT	0.11		0.09	N/A	-18.2%	-18.2%	N/A
	EastGroup Prop.	2H	EGP	0.71	0.70 - 0.74	0.71	0.71	-0.6%	-0.6%	4.4%
	First Industrial		FR	0.60		0.19	N/A	-68.3%	-68.3%	N/A
	ProLogis	2H	PLD	0.30		0.34	0.41	N/A	15.0%	36.7%
	Terreno Realty Corp.		TRNO	N/A		0.10	N/A	N/A	N/A	N/A
	Industrial Tot/Wtd. Avg.							-25.6%	7.7%	34.4%
	Industrial Tot/Str. Avg.							-29.1%	-18.0%	20.5%
Office/Industrial	Duke Realty	1M	DRE	0.17		0.28	0.29	68.2%	62.4%	0.0%
	First Potomac Realty		FPO	0.32		0.25	N/A	-21.9%	-21.9%	N/A
	Liberty Prop.	2H	LRY	0.67		0.64	0.65	-2.9%	-4.4%	-3.0%
	Mission West Prop.		MSW	0.16		N/A	N/A	N/A	N/A	N/A
	PS Business	2M	PSB	0.96		1.09	1.15	20.2%	13.9%	8.5%
	Mixed O&I Tot/Wtd. Avg.							25.5%	21.8%	0.0%
	Mixed O&I Tot/Str. Avg.							15.9%	12.5%	1.8%
Specialty	Alexandria R.E.	2H	ARE	0.20		1.15	1.17	491.1%	481.0%	6.4%
	BioMed Realty Trust		BMR	0.28		0.29	N/A	3.6%	3.6%	N/A
	Digital Realty Trust	2H	DLR	0.76		0.98	0.99	30.7%	29.4%	26.6%
	Dupont Fabros Tech.	2H	DFT	0.33	0.39 - 0.42	0.40	0.39	16.6%	19.6%	18.2%
	Mixed O&I Tot/Wtd. Avg.							164.5%	161.2%	17.9%
	Mixed O&I Tot/Str. Avg.							135.5%	133.4%	17.1%
Diversified	Alexander's		ALX	4.38		5.44	N/A	24.2%	24.2%	N/A
	Cousins Prop.		CUZ	0.07		0.10	N/A	42.9%	42.9%	N/A
	Forest City Enterprises		FCEA	N/A		0.38	N/A	N/A	N/A	N/A
	Washington REIT		WRE	0.50		0.50	N/A	0.0%	0.0%	N/A
	Diversified Tot/Wtd. Avg.							17.2%	17.2%	N/A
	Diversified Tot/Str. Avg.							22.4%	22.4%	N/A
Lodging	Ashford Hospitality Trust		AHT	0.32		0.66	N/A	106.3%	106.3%	N/A
	Chatham Lodging Trust		CLDT	N/A		0.24	N/A	N/A	N/A	N/A
	Chesapeake Lodging Trust		CHSP	N/A		0.24	N/A	N/A	N/A	N/A
	Diamondrock	1H	DRH	0.16		0.17	0.17	6.3%	6.3%	17.7%
	FelCor Lodging	2S	FCH	0.10		0.16	0.13	32.2%	62.8%	27.4%
	Hersha Hospitality Trust		HT	0.07		0.15	N/A	114.3%	114.3%	N/A
	Hospitality Properties		HPT	0.70		0.85	N/A	21.4%	21.4%	N/A
	Host Hotels & Resorts	2M	HST	0.23		0.28	0.29	28.3%	23.9%	26.5%
	Pebblebrook Hotel Trust		PEB	-0.04		0.18	N/A	550.0%	550.0%	N/A
	LaSalle Hotel	1H	LHO	0.52		0.56	0.51	-1.4%	8.3%	-1.8%
	Strategic Hotels & Resorts		BEE	-0.05		0.05	N/A	200.0%	200.0%	N/A
	Sunstone Hotel	2S	SHO	0.11		0.26	0.24	109.7%	127.2%	33.7%
	Lodg REIT Tot/Wtd. Avg.							63.3%	63.6%	22.5%
	Lodg REIT Tot/Str. Avg.							116.7%	122.0%	20.7%
	REIT Composite Weighted. Avg. (excl. Lodging REITs)							20.2%	19.4%	10.3%
	REIT Composite Straight Avg. (excl. Lodging REITs)							21.0%	20.2%	6.9%
	REIT Composite Weighted. Avg. (incl. Lodging REITs)							22.9%	22.1%	11.0%
	REIT Composite Straight Avg. (Incl. Lodging REITs)							31.4%	31.2%	7.9%

Source: Citi Investment Research and Analysis

Lodging

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A Back-End Loaded Year

Marriott's F2Q report left lodging investors frustrated and confused. MAR's domestic REVPAR growth is trending below the industry average and toward the low end of expectations for the year (6-8%). The question is how much of this is temporary and/or Marriott specific? Our view is some, but not all. The lagging nature of group bookings, a seasonal deceleration in the summer and under-performance of DC could impact other companies. However, the magnitude of the DC weakness is probably greatest for MAR, given its exposure to the suburban areas. Trends downtown are better.

Despite these "bumps in the road" we are confident in the cyclical recovery of the lodging sector, and do not believe the growth outlook is impaired. However, it has been pushed out (more 4Q and 2012 weighted), which may keep a lid on near-term share price performance. Investors may take a "wait and see" approach, setting up for a strong 4Q if growth does accelerate (we think it will).

HST: Reducing Estimates Following Marriott's Report

Figure 7. HST F2Q FFO Estimates

Report Date:	7/20/11
2Q11 Citi estimate:	$0.28
2Q11 Consensus:	$0.29
Difference:	($0.01)

Source: CIRA and FirstCall

We are reducing our F2Q FFO estimate by 1c to 28c (vs. consensus of 29c) and full-year to 89c (vs. consensus of 93c). HST does not provide quarterly guidance and its full-year guidance is 88-93c based on REVPAR of 6-8%. We are also reducing 2012 and 2013 by 2c to $1.15 and $1.42 to reflect growth over a lower base of earnings.

The high end of HST's REVPAR guidance may be difficult to achieve, given MAR's projected run-rate through 3Q (about ~6%). Approximately ~60% of HST's rooms are Marriott branded. While HST's portfolio may perform better than MAR's, in part due to its urban orientation, the high end of guidance may still be a stretch, and we would not be surprised if management reduced the range by 100bp to 6-7% from 6-8%. This is more reflective of slower growth achieved to date, and a seasonal deceleration in the summer, than a change in outlook for the 4Q. Directionally, acceleration in 4Q makes sense. The 4Q is business travel oriented, and this segment should produce the strongest growth rates. HST shares under-performed following MAR's report, suggesting these issues are at least partially reflected in valuation already.

LHO: Downtown DC Portfolio Should Hold Up Well

Figure 8. LHO 2Q FFO Estimates

Report Date:	7/20/11
2Q11 Citi estimate:	$0.51
2Q11 Consensus:	$0.57
Difference:	($0.06)

Source: CIRA and FirstCall

Our estimate of 51c is 6c below the consensus of 57c. Our EBITDA estimate of $64m is in-line with consensus, suggesting the FFO differential may reflect the timing of LHO's April equity offering and/or tax rate assumptions, which can be volatile from quarter to quarter. Operationally, we project REVPAR growth of 5%, based on what management described as a soft April due to the timing of the Easter and Passover holidays on its last conference call.

Investors are concerned that continued under-performance of the Washington DC market could impact LHO, which generates ~28% of its EBITDA from DC. According to data from Smith Travel Research, DC REVPAR increased only 0.4% in the 2Q vs. 7.4% for the industry. Based on Marriott's comments this week, and LHO's performance last quarter, our view is the downtown DC market is performing considerably better than the overall region. LHO's portfolio is concentrated in the district and significantly out-performed the market average last quarter. For this reason, we are comfortable with our estimates for 2Q and do not view DC as a major risk for LHO.

Figure 9. CIRA Estimates vs. the Street

	2Q11e				2011e				2012e			
	CIRA	**Cons**	**Δ**	**Δ%**	**CIRA**	**Cons**	**Δ**	**Δ%**	**CIRA**	**Cons**	**Δ**	**Δ%**
DRH	0.17	0.17	-	0.0%	0.69	0.67	0.02	3.0%	0.91	0.88	0.03	3.4%
FCH	0.13	0.16	(0.03)	-18.8%	0.23	0.29	(0.06)	-20.7%	0.44	0.53	(0.09)	-17.0%
HST	0.28	0.29	(0.01)	-2.3%	0.89	0.93	(0.04)	-4.0%	1.15	1.24	(0.09)	-7.1%
LHO	0.51	0.57	(0.06)	-10.5%	1.63	1.66	(0.03)	-1.8%	2.15	2.08	0.07	3.4%
SHO	0.24	0.26	(0.02)	-7.7%	0.83	0.85	(0.02)	-2.4%	0.97	1.11	(0.14)	-12.6%
Lodging REIT Wtd Avg				**-4.0%**				**-3.5%**				**-5.4%**
CHH	0.46	0.45	0.01	2.2%	1.79	1.76	0.03	1.7%	1.92	1.89	0.03	1.6%
GET	0.18	0.17	0.01	5.9%	0.35	0.43	(0.08)	-18.6%	0.71	0.84	(0.13)	-15.5%
H	0.12	0.15	(0.03)	-20.0%	0.33	0.46	(0.13)	-28.3%	0.78	0.88	(0.10)	-11.4%
MAR	0.37	0.37	-	0.0%	1.39	1.41	(0.02)	-1.4%	1.66	1.79	(0.13)	-7.3%
OEH	0.07	0.11	(0.04)	-36.4%	(0.05)	0.05	(0.10)	-200.0%	0.12	0.26	(0.14)	-53.8%
HOT	0.45	0.46	(0.01)	-2.2%	1.67	1.72	(0.05)	-2.9%	2.18	2.34	(0.16)	-6.8%
Lodging C-Corps Wtd Avg				**-5.1%**				**-13.3%**				**-9.1%**

Source: Citi Investment Research and Analysis

Office/Industrial

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Strong CBD Leasing and Capital Cost Tailwind

The fundamental environment remains bifurcated, with urban markets out-performing, suburban under-performing

Second quarter leasing was strong in most CBD markets. The fundamental environment remains bifurcated, with urban markets out-performing, suburban under-performing and the gap between the two continuing to widen. Within the central business districts, higher-end properties and submarkets are achieving stronger rent growth and value appreciation. Tenants look to upgrade the quality of their space and lock-in current rents, driving leasing volume. Interest rates have declined again, which should provide a financing tailwind for companies with floating rate debt and/or those with near-term refinancing needs.

CBD Environment Near Ideal, but Not Without Risk

Looked at another way, **the environment for CBD office REITs today is near ideal**. Local market conditions in NYC, San Francisco, Boston and West LA are strengthening. Rents are either increasing or poised to increase. At the same time, capital costs remain low. Rarely do office REITs benefit from *both* accelerating rent growth and flat to declining capital costs. While there are certainly risks to each, our view is these conditions are likely to persist for at least the next 12-18 months.

The environment and stocks are not without risk. A slowdown in the financial services industry and related job reductions present a risk to the NY leasing market. The magnitude of deceleration in the Washington DC market is still unclear, based on lower levels of government spending. CBD valuations are also high relative to suburban, with the stocks trading at ~40% implied cap rate premium vs. ~20% historically. This suggests CBD stocks could have farther to fall if the story is derailed vs. suburban stocks where expectations are already low.

Strong 2Q Leasing in NY, San Francisco and Boston

2Q leasing volume was robust in NYC, San Francisco and Boston, but slowed in Washington DC

Based on our recent proprietary conference call with Cushman & Wakefield, we believe 2Q leasing was robust in NYC, San Francisco and Boston. Asking rents are increasing in both NYC and San Francisco. Leasing in Washington DC slowed substantially in 2Q, as government activity was non-existent. The Class A downtown market is holding up better than the outer areas (i.e. Crystal City, N. Virginia, Suburban Maryland). The Los Angeles market is lagging, with high and stable vacancy. However, West LA and Santa Monica are seeing better activity, with slight positive absorption and rents that are poised to increase. See our note published earlier this week for more details and stock implications (https://www.citigroupgeo.com/pdf/SNA83870.pdf).

BXP, SLG and DEI Seem Well Positioned in 2Q

From a stock perspective, these trends should favor **BXP** (Class A exposure in midtown NYC, Boston, San Francisco), **SLG** (~90% of NOI from midtown NYC) and **DEI** (West LA exposure). We also see positive implications for **BPO**. A tightening large tenant market in midtown NYC could help leasing downtown at WFC, and positive leasing momentum in Boston's financial district in 2Q (4x 1Q levels) could drive occupancy gains at 75 State Street where there is vacancy. **VNO** faces headwinds at Crystal City, as tenants relocated per BRAC. While this will be a multi-year process, it begins in 2011 and accelerates in 2012. Companies with exposure to the areas surrounding Washington DC could also face some leasing headwinds (**OFC**, **BDN** and **PSB**).

Suburban Markets Remain Stable, but Stagnant

Leasing in most suburban markets remains expiration driven, with little expansion or growth

Generally speaking, suburban office markets remain stable, but stagnant. Cushman & Wakefield did note some pick up in activity in the areas surrounding NYC, such as Jersey City, Westchester and Stamford, which could help **CLI**. Leasing in most suburban markets remains expiration driven, with little expansion or growth. Market absorption is flattish, but the public REITs seem to be gaining share, which is driving leasing volume. However, market rents are under pressure, with most public portfolios now ~10% above market.

We favor mixed/office industrial REITs over pure suburban office companies

Mixed office/industrial REITs should perform better, as fundamentals in the industrial sector are improving (**DRE**, **LRY**). We also expect these companies to increase acquisitions and development with in the industrial sector, which could be additive to NAV, depending on yields that can be achieved.

Industrial Fundamentals May See Seasonal Bounce in 2Q

Industrial fundamentals should see a bounce from seasonally low 1Q levels with occupancy building over the course of the year, continued to be offset by negative rent spreads. The second quarter will be a noisy one for **PLD**, which merged with AMB mid-quarter, but the focus will likely be on the back half of the year, particularly the ~$1bn of planned asset sales. For **EGP** we expect a similar quarter to 1Q, with a 50 bps increase in occupancy offset by ~20% rent roll-downs.

Figure 10. CIRA Estimates vs. the Street

	2Q11e				2011e				2012e			
	CIRA	Cons	Δ	Δ%	CIRA	Cons	Δ	Δ%	CIRA	Cons	Δ	Δ%
BXP	1.21	1.19	0.02	1.7%	4.71	4.63	0.08	1.7%	4.97	5.05	(0.08)	-1.6%
BDN	0.32	0.31	0.01	3.2%	1.32	1.31	0.01	0.8%	1.30	1.33	(0.03)	-2.3%
BPO	0.26	0.26	-	0.0%	1.09	1.08	0.01	0.9%	1.11	1.14	(0.03)	-2.6%
CLI	0.68	0.68	-	0.0%	2.70	2.73	(0.03)	-1.1%	2.71	2.77	(0.06)	-2.2%
CWH	0.90	0.89	0.01	1.1%	3.38	3.45	(0.07)	-2.0%	3.44	3.43	0.01	0.3%
DEI	0.34	0.34	-	0.0%	1.34	1.36	(0.02)	-1.5%	1.22	1.30	(0.08)	-6.2%
HIW	0.62	0.62	-	0.0%	2.53	2.50	0.03	1.2%	2.59	2.55	0.04	1.6%
KRC	0.55	0.55	-	0.0%	2.23	2.28	(0.05)	-2.2%	2.38	2.50	(0.12)	-4.8%
OFC	(0.01)	-	(0.01)	N/A	1.42	1.34	0.08	6.0%	2.30	2.47	(0.17)	-6.9%
PKY	(0.04)	0.03	(0.07)	-233.3%	1.93	1.90	0.03	1.6%	2.46	2.36	0.10	4.2%
SLG	1.08	1.02	0.06	5.9%	4.80	4.73	0.07	1.5%	4.20	4.42	(0.22)	-5.0%
VNO	1.16	1.16	-	0.0%	6.33	6.06	0.27	4.5%	5.50	5.56	(0.06)	-1.1%
Office Wtd Avg				**-0.2%**				**2.0%**				**-2.2%**
DRE	0.29	0.28	0.01	3.6%	1.15	1.13	0.02	1.8%	1.13	1.17	(0.04)	-3.4%
LRY	0.65	0.65	-	0.0%	2.57	2.57	-	0.0%	2.61	2.66	(0.05)	-1.9%
PSB	1.15	1.10	0.05	4.5%	4.57	4.51	0.06	1.3%	4.43	4.46	(0.03)	-0.7%
Mixed Office Wtd Avg				**2.2%**				**0.9%**				**-2.3%**
EGP	0.71	0.72	(0.01)	-1.4%	2.87	2.90	(0.03)	-1.0%	2.95	3.03	(0.08)	-2.6%
PLD	0.41	0.31	0.10	32.3%	1.24	1.42	(0.18)	-12.7%	1.80	1.70	0.10	5.9%
Industrial Wtd Avg				**29.8%**				**-11.8%**				**5.2%**

Source: Citi Investment Research and Analysis

Residential

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Apartment Apathy?

Although one would expect investors to be numb to the "apartment story" following quarter after quarter of overwhelmingly positive earnings and commentary from the sector, we believe that 2nd quarter earnings will be enough to drive slight outperformance. While the tendency may be to play the bellwethers in light of the positive backdrop, EQR has tended to underperform following earnings (even on positive news) and AVB has already announced its guidance raise (thus there is little new positive information). We believe there are more incremental catalysts for CLP, HME, PPS, AIV, and CPT this earnings season, which should show greater gains than the group overall as their multiples remain more depressed despite offering relatively similar earnings upside.

We believe two things will drive outperformance for apartments this earnings season: 1) management teams will likely raise guidance *above* current consensus levels, and 2) commentary will show an incremental strengthening in fundamentals (even from NAREIT just 2 months ago) against a backdrop of incremental weakening for many other sectors. While many investors already understand these points, the apartment stocks nonetheless tend to react well to incrementally positive news – even if somewhat expected.

A few other encouraging themes should be apparent during this earnings season: 1) investment activity is accelerating as management teams grow even more confident about the strength of multi-family fundamentals, 2) turnover is staying at record low levels driven by a lack of move-outs due to home purchases, and 3) companies are actively tapping both the equity and debt markets given a historically low cost of capital and more investment opportunities. The only concern likely to be voiced by management teams is the strength of the economic and jobs recovery, and how politics may interfere or impede this recovery. In addition, new development starts, although still well below their historical averages, are also a prescient concern as pre-development activity is clearly ramping, and there are many indications that this activity is occurring in the major metro areas where REITs have more exposure. Overall, however, this should be a very positive earnings season, with little to disturb the voracity of the apartment growth story.

ELS: Hometown Transaction Sheds Light on Value

Figure 11. ELS 2Q11 FFO Estimates

ELS	
Report Date:	07/18/11
Citi estimate:	$0.70
Consensus:	$0.79
Difference:	($0.09)

Source: Citi Investment Research and Analysis

ELS reports earnings on Monday after a busy second quarter highlighted by the acquisition of the Hometown America portfolio. The $1.43b transaction was well received by investors and has helped to re-price the stock to closer reflect ELS' private market value. Before the transaction was announced on 5/31, ELS was up 5.7% ytd (underperforming REITs by 830bps ytd). Since then, ELS has soared, and is now up 19% ytd (outperforming REITs by 650bps ytd). In the near term, ELS' headline results will be messy as the result of the transaction's staggered closing as well as transaction and defeasance costs. Thus, ELS actual earnings will likely be a non event, with management's commentary much more important to drive continued gains. Our 2Q11 FFO estimate of 70c is 9c below consensus; however, it includes a previously announced $3.6m (10c) charge associated with their new line of credit. Excluding this charge, our core 2Q11 FFO estimate is 80c, in the middle of ELS' guidance of 75c-85c. Overall, we remain bullish as ELS' strong growth prospects over the next 2 to 3 years (both organic and external) carry much less economic risk than peers, as growth will be more dependent on ELS' ability to execute on its strategic plan (and we have confidence that ELS' management team will execute).

Updating Estimates

AIV: We are lowering our 2011 FFO estimate to $1.51 from $1.66 and maintaining our 2012 FFO estimate at $1.85. Our 2011 FFO estimate is being lowered to reflect a 15c charge in 2Q related to prepayment penalties associated with the refinancing of non-recourse debt.

UDR: We are increasing our 2011 FFO estimate to $1.25 from $1.24 and increasing our 2012 FFO estimate to $1.40 from $1.36. Our increased estimates reflect UDR's recently announced $687m of acquisitions and ~$500m equity raise (we assume that the shoe is exercised).

Figure 12. CIRA Estimates vs. the Street

	2Q11e				2011e				2012e			
	CIRA	**Cons**	**Δ**	**Δ%**	**CIRA**	**Cons**	**Δ**	**Δ%**	**CIRA**	**Cons**	**Δ**	**Δ%**
AEC	0.27	0.25	0.02	8.0%	1.06	1.05	0.01	1.0%	1.19	1.19	-	0.0%
AIV	0.25	0.29	(0.04)	-13.8%	1.51	1.50	0.01	0.7%	1.85	1.74	0.11	6.3%
AVB	1.11	1.12	(0.01)	-0.9%	4.80	4.78	0.02	0.4%	5.51	5.51	-	0.0%
BRE	0.47	0.50	(0.03)	-6.0%	2.13	2.13	-	0.0%	2.38	2.35	0.03	1.3%
CLP	0.29	0.28	0.01	3.6%	1.16	1.15	0.01	0.9%	1.28	1.26	0.02	1.6%
CPT	0.41	0.39	0.02	5.1%	2.74	2.69	0.05	1.9%	3.48	3.32	0.16	4.8%
ESS	1.37	1.35	0.02	1.5%	5.66	5.64	0.02	0.4%	6.21	6.31	(0.10)	-1.6%
EQR	0.61	0.60	0.01	1.7%	2.49	2.46	0.03	1.2%	2.83	2.81	0.02	0.7%
HME	0.85	0.85	-	0.0%	3.49	3.50	(0.01)	-0.3%	3.86	3.80	0.06	1.6%
PPS	0.42	0.41	0.01	2.4%	1.69	1.67	0.02	1.2%	1.93	1.87	0.06	3.2%
UDR	0.33	0.31	0.02	6.5%	1.25	1.26	(0.01)	-0.8%	1.40	1.40	-	0.0%
Apartments Wtd Avg				**0.6%**				**0.7%**				**1.2%**
ACC	0.42	0.40	0.02	5.0%	1.76	1.75	0.01	0.6%	1.90	1.90	-	0.0%
CCG	0.17	0.15	0.02	13.3%	0.75	0.73	0.02	2.7%	0.83	0.84	(0.01)	-1.2%
Student Housing Wtd Avg				**6.1%**				**0.9%**				**-0.2%**
ELS	0.70	0.79	(0.09)	-11.4%	3.34	3.43	(0.09)	-2.6%	4.61	4.56	0.05	1.1%
Manufactured Homes Wtd Avg				**-11.4%**				**-2.6%**				**1.1%**
EXR	0.26	0.26	-	0.0%	1.11	1.09	0.02	1.8%	1.16	1.21	(0.05)	-4.1%
PSA	1.41	1.36	0.05	3.7%	5.78	5.80	(0.02)	-0.3%	5.83	6.08	(0.25)	-4.1%
SSS	0.66	0.65	0.01	1.5%	2.65	2.63	0.02	0.8%	2.83	2.80	0.03	1.1%
YSI	0.14	0.14	-	0.0%	0.61	0.61	-	0.0%	0.65	0.66	(0.01)	-1.5%
Storage Ctr Wtd Avg				**3.1%**				**-0.1%**				**-3.7%**

Source: Citi Investment Research and Analysis

Retail

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Rip Curls for Malls; Ripples for Shopping Centers

Second quarter earnings begin this week, and we expect both the malls and shopping centers to surf through this earnings season with sound results. We continue to prefer the mall REITs to the shopping centers as improving fundamentals and retail sales, improving cost and availability of capital, and expected price discovery from B mall asset sales support public valuations. For the shopping centers, an NOI recovery continues to be delayed by slow shop leasing, with recent housing market and employment numbers suggesting lease up will be slow. Despite a low proportion of public REIT ownership of shopping centers, unfortunately acquisition opportunities are likely to remain limited with pricing firm for quality assets.

Malls Riding a Wave

The tone on this quarter's call with the mall owners should again be positive, but management teams are likely to be contained, given a slight slowing in the recovery over recent months. Consumers and retailers continue to go to the mall, the capital markets provide a favorable financing environment, re/developments are beginning to break ground, and transactions are on the horizon. With fundamentals improving, there will be a focus on redevelopment and new development. Average mall same store NOI guidance for the year stands at ~1.5%, as more aggressive growth is not expected for a couple of years. Normalized earnings growth for the malls in 2Q11 is expected to be up 15% as fundamentals improve, debt rates fall, and dilutive equity issuances have burned off.

Mall Themes

Key themes for the malls are similar to those over the last several quarters, specifically the capital and lending markets, re/developments, asset sales and JVs, and fundamentals (including short term and specialty leasing).

- **Capital Markets** – Refinancing terms and rates have been good for companies that have taken advantage of the stronger capital markets. We will look for more details on loans in the works and potential refinancings of further out maturities and unsecured lines.

- **Re/developments** – Re/development activity is starting to gain strength and speed as tenant open-to-buys have increased, given stronger financial pictures for the retailers themselves. Re/development continues to be a good use of capital with reasonable returns and limited private competition.

- **Asset Sales and JVs** – WDC, SPG, GGP, and CBL among others have discussed actively selling B/C class malls. As cap rates compress we expect to see more malls hit the market with likely buyers varying from institutional funds to private equity firms. WDC is currently marketing ~17 assets and is waiting for 2nd round bids, while Simon also reportedly has a few malls on the block. We expect to see more JV activity with the REITs both buyers and sellers with institutional partners.

- **Fundamentals** – Short-term leasing continues to drag on NOI potential, but should begin to burn off as the environment improves. Short-term deals could be a positive in stronger assets but remain a risk to occupancy in weaker malls. Another key trend to watch is alternate uses for both inline and anchor space as non-traditional users look to enter malls. We have seen examples of this with Costco's at WDC properties as well as medical uses and government uses at PEI's malls. Management teams will also give commentary on what retailers are expanding and others that still are likely to close stores.

Malls Kick off the Contest

Glimcher – Surfs Hawaii, Competing in Ohio?

GRT should again produce better portfolio stats compared to lower-productivity peers given Glimcher benefits from its Jersey Gardens, Polaris and Scottsdale Quarter assets. A key focus will be progress in releasing and renewals at Polaris, which has a major leasing anniversary this year. Leverage continues to be a major focus, and we will look for any moves the company has made or plans to address high debt levels. Glimcher is an unlikely buyer for the WDC portfolio given sales productivities below GRT's average, but there are likely a few assets, particularly in Ohio, that the company would compete on. Pearlridge in Hawaii was a solid acquisition and management could discuss future plans there and we will also look for additional JV activity that GRT is working on with Blackstone or other partners. Lease-up and move-ins at Scottsdale Quarter are ramping and could drive better cashflow and we will look for an update. Our 2Q11 estimate of $0.14 is inline with the Street. For 2011 our estimate of $0.68 is 2c above the Street.

Taubman – Caught 5 Waves, Paddling for Another

Taubman's strong portfolio has caught 5 quarters of strong retail sales growth and investors are looking for number 6, but it could be a smaller wave given choppy retail waters. Also, the prior comparable period (2Q'10) was a very strong sales quarter for Apple given the launch of ipad 1. Hence, headline retail sales growth numbers in Q2'11 may not have the same degree of sales growth driven from Apple. Taubman's recent $114m equity raise provides the company with extra capital that could potentially use to acquire the Plaza Frontenac (St. Louis), Asia and US development, or in Puerto Rico and we will look for management's reasoning behind and uses for the equity raised. The 'handback' of Regency and Pier Shops continue to be a thorn in TCO's side and a negative impact on earnings – our estimate does not assume a handback through 2012 and therefore is lower than the Street for 2012. The is also some earnings variability from CAM recoveries (changed accounting this year) and the lease-up and burn off of rent abatements for some tenants. Our 2Q11 estimate of $0.64 is 2c above the Street. For 2011 our estimate of $2.79 is 5c above the Street and for 2012 our estimate of $2.72 is 31c below the Street (2012 driven by Pier and Regency).

Shopping Centers Stabilizing but no Hang Ten Yet

Weakness within small shop leasing continues to hold NOI growth in the shopping centers back, despite signs of recovery across most markets. Mid-size box leasing has improved and while there has been talk of an improved small business environment, a steady recovery is still more than a few waves out. Same store NOI guidance for the year averages just over 1%, highlighting these ongoing challenges. Q2 same store NOI growth is expected to be fairly flat, no longer buoyed by a weaker yoy comparative period like we have seen the last two quarters with the year ago period +2%.

Normalized earnings growth continues to stabilize after a period of being weighed down by higher funding costs, dilutive equity raises, and weaker fundamentals. We expect normalized growth of +4%. Our 2Q shopping center estimates are on average slightly below consensus. Excluding WRI we are inline with the Street. We discuss beats, misses, and opportunities further below.

Key Shopping Center Themes

Key themes that we expect to come out of earnings include; the lease-up emphasis continuing to focus on shop space, the increase in capital looking at quality assets, evolving retail trends and the potential for a modest increase in development.

- **Leasing opportunities -** Shopping center landlords still have work to do in leasing up vacant shop space. While there is still incremental box leasing to do, the majority has been taken care of and most of the occupancy upside across the group will come from the shop space.

- **Acquisition opportunities** - Quality acquisition opportunities continue to be highly competitive with significant capital chasing the better assets. We look for updates on the deal environment and whether more attention is being placed towards value add redevelopments. We expect opportunities for prime assets to remain limited, though markets should slowly be improving for B/C assets which should help asset sale progress.

- **Evolving trends** – We look for updated views on the ever-evolving shopping center landscape. Particularly with respect to mid size box down-sizing, the impact from the internet and multichannel retail, demand for new concepts like medical use within shopping centers as well as grocer competition from the likes Wal-Mart, Target, and Costco with growing grocer components.

Retail Beats, Misses, and Opportunities

- Our 28c estimate for **WRI** is 4c below the Street, however our estimate includes the 15c Sheridan bond reissuance loss which does not appear to be reflected in all consensus estimates pulling up the average.

- Our 88c estimate for **EPR** of 88c is 3c above current consensus of 85c and includes the 2c lease termination fee from Ascentia.

- **MAC's** headline result could beat the Street's estimate ($0.72) with our estimate at $0.76 given an expected $0.05/sh gain on the early extinguishment of debt on the Granite Run Mall mortgage which went into receivership.

We Find Triple Net Fundamentals Solid and Acquisition Opportunities Strong

Core triple net fundamentals have been strong which we expect to be reflected in Q2 results. The focus remains on acquisition opportunities through the year. The deal environment thus far has been robust across the group, and companies are for the most part well positioned from a liquidity and cost of capital standpoint. While cap rates are compressing, the triple nets enjoy access to well priced capital, generating positive investment spreads and driving accretion-driven earnings growth Normalized earnings growth expectations are solid at 9%. Our FFO estimates are 2% above the Street.

Figure 13. CIRA Estimates vs. Street

	2Q11e				2011e				2012e			
	CIRA	Cons	Δ	Δ%	CIRA	Cons	Δ	Δ%	CIRA	Cons	Δ	Δ%
CBL	0.46	0.46	-	0.0%	2.12	2.13	(0.01)	-0.5%	1.98	2.02	(0.04)	-2.0%
GRT	0.14	0.14	-	0.0%	0.68	0.66	0.02	3.0%	0.77	0.75	0.02	2.7%
MAC	0.76	0.72	0.04	5.6%	2.89	2.86	0.03	1.0%	3.11	3.14	(0.03)	-1.0%
PEI	0.35	0.36	(0.01)	-2.8%	1.58	1.61	(0.03)	-1.9%	1.66	1.67	(0.01)	-0.6%
SPG	1.61	1.58	0.03	1.9%	6.87	6.73	0.14	2.1%	6.98	7.10	(0.12)	-1.7%
TCO	0.64	0.62	0.02	3.2%	2.79	2.74	0.05	1.8%	2.72	3.03	(0.31)	-10.2%
Malls Wtd Avg				**2.3%**				**1.7%**				**-2.1%**
AKR	0.24	0.24	-	0.0%	1.01	1.02	(0.01)	-1.0%	0.99	1.06	(0.07)	-6.6%
DDR	0.21	0.22	(0.01)	-4.5%	1.08	0.97	0.11	11.3%	1.05	1.02	0.03	2.9%
EQY	0.27	0.27	-	0.0%	1.54	1.45	0.09	6.2%	1.11	1.15	(0.04)	-3.5%
FRT	1.02	0.99	0.03	3.0%	4.01	3.98	0.03	0.8%	4.20	4.18	0.02	0.5%
KIM	0.30	0.30	-	0.0%	1.19	1.20	(0.01)	-0.8%	1.25	1.26	(0.01)	-0.8%
KRG	0.11	0.11	-	0.0%	0.42	0.42	-	0.0%	0.47	0.46	0.01	2.2%
REG	0.62	0.62	-	0.0%	2.39	2.41	(0.02)	-0.8%	2.56	2.55	0.01	0.4%
SKT	0.33	0.33	-	0.0%	1.43	1.42	0.01	0.7%	1.50	1.56	(0.06)	-3.8%
WRI	0.28	0.29	(0.01)	-3.4%	1.59	1.62	(0.03)	-1.9%	1.80	1.87	(0.07)	-3.7%
Shp Ctr Wtd Avg				**-0.4%**				**1.6%**				**-0.8%**
EPR	0.88	0.85	0.03	3.5%	3.27	3.24	0.03	0.9%	3.54	3.67	(0.13)	-3.5%
LSE	0.15	0.15	-	0.0%	0.62	0.64	(0.02)	-3.1%	0.65	0.70	(0.05)	-7.1%
NNN	0.39	0.38	0.01	2.6%	1.53	1.52	0.01	0.7%	1.54	1.58	(0.04)	-2.5%
O	0.51	0.50	0.01	2.0%	2.03	2.02	0.01	0.5%	2.10	2.14	(0.04)	-1.9%
Triple Net Wtd Avg				**2.5%**				**0.5%**				**-2.6%**
Total Retail Wtd Avg				**1.4%**				**1.6%**				**-1.7%**

Source: Citi Investment Research and Analysis and First Call

Updating Estimates

SPG – We are updating estimates for SPG to reflect higher G&A expenses related to David Simon's new employment contract and the addition of David Contis to the management team. We estimate that these changes will add ~$20m annually to G&A. 2011E FFO goes to $6.87 and 2012E FFO goes to $6.98.

SKT – We are updating our FFO estimates for SKT to reflect the company's recent equity raise, acquisition of Jeffersonville Outlets, and acquisitions of two outlet centers in Atlantic City and Ocean City from Cordish. 2011E FFO goes to $1.43 and 2012E FFO goes to $1.50.

Healthcare

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Healthy Checkup but Some Reimbursement SNiFfles

The healthcare REIT sector is poised to deliver a strong quarter of earnings, posting solid growth y/y with NOI growth complemented by accretion from a number of large transactions, notably HCR ManorCare, Genesis, and Atria. For 2Q results, we expect improvement in senior housing occupancies and stable bumps in rent. Management commentaries will likely continue to focus on additional areas of growth via acquisition and development, as well as possible RIDEA structures to capitalize on an improving ILF/ALF environment.

Challenges to the sector remain, however, particularly on the government reimbursement side. CMS proposed a cut of up to 11.3% for SNFs for the upcoming fiscal year which weighed on the group in May-June. Additionally, recent government budgetary discussions have put SNF reimbursement in the spotlight for up to $50bn of potential cuts in addition the CMS proposed cuts. The SNF leases are all long-term triple net leases, but large reimbursement cuts could impact SNF operators, particularly smaller less-capitalized ones, by impacting profitability, which could cause lease restructuring. It remains unclear what the ultimate impact could be, though at this stage we suspect the issue will continue to be more of a headline risk drag rather than a financial one.

Our 2Q and 2011 estimates are roughly in line with consensus, with the exception of our 2011 estimate for CSA being 1c below the street, largely driven by our expectations of weaker development revenues and more modest margins, as reflected by recent management commentary.

- **VTR –** Ventas' acquisition of NHP closed on July 1, so the combined results will be full reflected in 3Q. For 2Q, we expect 7% y/y growth driven by a combination of strength from the company's Sunrise operating portfolio and accretion from some recent acquisitions. Following the NHP acquisition we expect to see increased accretion from NHP's regional acquisition pipeline, G&A synergies, and a lower cost of capital (VTR's ratings have already been upgraded by Moody's and Fitch).

- **HCP –** We expect normalized FFO growth of 20%, while underlying fundamentals are good, the company's acquisition of HCR ManorCare helps boost our 2Q estimate with ~20% growth.

- **CSA –** The rebuilding of CSA's design-build platform will take some time to play out, so we likely won't see any near-term positive impact in earnings. However, we expect earnings to incrementally improve and expect the dividend to be covered by this time next year. We expect normalized FFO to decline 30% from last year largely on the back of Erdman.

Figure 14. Healthcare REIT Estimates

	2Q11e				2011e				2012e			
	CIRA	Cons	Δ	Δ%	CIRA	Cons	Δ	Δ%	CIRA	Cons	Δ	Δ%
CSA	0.09	0.08	0.01	12.5%	0.36	0.35	0.01	2.9%	0.49	0.44	0.05	11.4%
HCP	0.77	0.75	0.02	2.7%	2.50	2.53	(0.03)	-1.2%	2.73	2.79	(0.06)	-2.2%
VTR	0.76	0.76	-	0.0%	3.17	3.16	0.01	0.3%	3.41	3.47	(0.06)	-1.7%
Health Care				**1.7%**				**-0.5%**				**-1.8%**

Source: Citi Investment Research and Analysis and FirstCall

Specialty

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Earnings Preview

Specialty Preview: Data Centers and Lab Space

The data center REITs have performed well year-to-date given the potential of significant demand growth from sources such as cloud computing, offsetting concerns of oversupply, a move to containerized solutions and in-sourcing. Investor views however are mixed, particularly in the data center names, as short interest levels remain elevated and we expect another quarter of heavily scrutinized earnings reports and calls. While supply continues to be a concern, we do not expect fundamentals to have reversed as exhibited by Digital's recent leasing update which showed both volumes and rents above historical averages.

The specialty stocks are set to post another strong earnings quarter with expected normalized FFO growth of 18% year-over-year, above the 12% growth projected for the REIT sector. Data center and lab space year-over-year growth trends are accelerating as accretive re/development and acquisitions in the back half of 2010 continue to filter into 2Q11 numbers. Further, positive releasing spreads for data center and lab space operators will likely keep driving positive same-store performance.

Figure 15. Data Center and Lab Space Estimates versus Consensus

	2Q11e				2011e				2012e			
	CIRA	Cons	Δ	Δ%	CIRA	Cons	Δ	Δ%	CIRA	Cons	Δ	Δ%
ARE	1.17	1.15	0.02	1.7%	4.56	4.54	0.02	0.4%	4.69	4.83	(0.14)	-2.9%
COR	0.26	0.27	(0.01)	-3.7%	1.06	1.08	(0.02)	-1.9%	1.34	1.25	0.09	7.2%
DFT	0.39	0.41	(0.02)	-4.9%	1.63	1.62	0.01	0.6%	1.93	1.98	(0.05)	-2.5%
DLR	0.99	0.99	-	0.0%	4.05	4.03	0.02	0.5%	4.34	4.45	(0.11)	-2.5%
Data Center and Lab Space				**-0.1%**				**0.4%**				**-2.4%**

Source: Citi Investment Research and Analysis and FirstCall

Figure 16. 2Q11 Earnings Calendar – Sorted By Call Date

Company	Tckr	Report Date	Report Time	Call Date / Time	Dial-In / Passcode	Replay Dial-In / Passcode	Webcast
Week of July 18th							
Tuesday							
Equity Lifestyle	ELS	18-Jul-11	AMC	7/19/11 11:00 AM	888.680.0894/44790439	888.286.8010/84055960	http://www.equitylifestyle.com/
Wednesday							
Host Hotels & Resorts	HST	20-Jul-11	BMO	7/20/11 10:00 AM	719.325.4755	888.203.1112/2328171	www.hosthotels.com
Taubman Centers	TCO	19-Jul-11	AMC	7/20/11 10:00 AM	866.820.1712/79532879	800.642.1687/79532879	www.taubman.com
Thursday							
LaSalle Hotel	LHO	20-Jul-11	AMC	7/21/11 10:00 AM	888.684.1281	N/A	http://www.lasallehotels.com
Education Realty	EDR	21-Jul-11	AMC	7/21/11 5:00 PM	877.941.1427	800.406.7325/4452143	www.educationrealty.com
Friday							
Glimcher Realty	GRT	21-Jul-11	AMC	7/22/11 10:00 AM	877.556.5921/74370211	888.286.8010/77234639	www.glimcher.com
EastGroup Prop.	EGP	21-Jul-11	AMC	7/22/11 11:00 AM	800.894.5910/EastGroup	800.688.7945	www.eastgroup.net
Week of July 25th							
Monday							
Diamondrock	DRH	25-Jul-11	AMC	7/25/11 5:00 PM	866.788.0542/74146995	888.286.8010/59991742	www.drhc.com
Tuesday							
Simon Property	SPG	26-Jul-11	BMO	7/26/11 11:00 AM	800.237.9752/24600725	888.286.8010/94033562	www.simon.com
Liberty Prop.	LRY	26-Jul-11	BMO	7/26/11 12:00 PM	888.870.2815/84152957	800.642.1687/84152957	www.libertyproperty.com
Kilroy Realty	KRC	25-Jul-11	AMC	7/26/11 1:00 PM	888.679.8034/22399044	888.286.8010/14986801	http://www.kilroyrealty.com/
Associated Estates	AEC	25-Jul-11	AMC	7/26/11 2:00 PM	800.860.2442/Estates	N/A	www.AssociatedEstates.com
Wednesday							
Wyndham Worldwide	WYN	27-Jul-11	BMO	7/27/11 8:30 AM	800.369.2052/Wyndham	866.443.1216	www.wyndhamworldwide.com
Kimco Realty	KIM	26-Jul-11	AMC	7/27/11 9:00 AM	888.256.9157/3838136	888.203.1112/3838136	http://www.kimcorealty.com/
Ramco-Gershenson	RPT	26-Jul-11	AMC	7/27/11 10:00 AM	877.407.8035	877.660.6853/286/375517	www.rgpt.com
American Campus	ACC	26-Jul-11	AMC	7/27/11 11:00 AM	866.783.2144/50629811	888.286.8010/33892698	www.studenthousing.com
Acadia Realty	AKR	26-Jul-11	AMC	7/27/11 12:00 PM	800.215.2410/Acadia	888.286.8010/31887562	www.acadiarealty.com
SL Green	SLG	26-Jul-11	AMC	7/27/11 2:00 PM	866.831.6162/SL Green	888.286.8010/66320613	www.slgreen.com
Thursday							
Brandywine Rlty.	BDN	27-Jul-11	AMC	7/28/11 9:00 AM	800.683.1525/49783290	800.642.1687/49783290	www.brandywinerealty.com
Mack-Cali Realty	CLI	28-Jul-11	BMO	7/28/11 10:00 AM	719.457.2651	719.457.0820/2488227	www.mack-cali.com
ProLogis	PLD	28-Jul-11	BMO	7/28/11 10:00 AM	877.256.7020/83570494	855.859.2056/83570494	www.prologis.com
Starwood Hotels	HOT	28-Jul-11	BMO	7/28/11 10:30 AM	706.758.8744	706.645.9291/23166636	http://www.starwoodhotels.com
Equity Res	EQR	27-Jul-11	AMC	7/28/11 11:00 AM	888.549.7750/4453743	800.406.7325/4453743	www.equityresidential.com
Corporate Office Prop.	OFC	28-Jul-11	BMO	7/28/11 11:00 AM	888.679.8034/36436732	888.286.8010/33182288	www.copt.com
Pennsylvania REIT	PEI	28-Jul-11	BMO	7/28/11 11:00 AM	877.941.2068/4456025	877.870.5176/4456025	www.preit.com
Sun Comm	SUI	28-Jul-11	BMO	7/28/11 11:00 AM	877.941.6009	800.406.7325/4453012	www.suncommunities.com
Highwoods	HIW	27-Jul-11	AMC	7/28/11 12:00 PM	800.272.6255	N/A	www.highwoods.com
AvalonBay	AVB	27-Jul-11	AMC	7/28/11 1:00 PM	877.510.2397/81121457	800.642.1687/81121457	http://www.avalonbay.com/
Digital Realty Trust	DLR	28-Jul-11	BMO	7/28/11 1:00 PM	877.512.9172/78225549	800.642.1687/78225549	www.digitalrealtytrust.com
Colonial Prop	CLP	28-Jul-11	BMO	7/28/11 2:00 PM	800.936.4761/21515951	800.633.8284/21515951	http://colonialprop.com/
Alexandria R.E.	ARE	27-Jul-11	AMC	7/28/11 3:00 PM	719.325.4812/7513866	719.457.0820/7513866	www.labspace.com
Duke Realty	DRE	27-Jul-11	AMC	7/28/11 3:00 PM	612.288.0337/Duke Realty	800.475.6701/207199	www.dukerealty.com
Macerich Co.	MAC	28-Jul-11	BMO	7/28/11 4:00 PM	888.280.4443/4632784	877.870.5176/4632784	www.macerich.com
Realty Income	O	28-Jul-11	BMO	7/28/11 4:30 PM	TBA	TBA	www.realtyincome.com
Entertainment Prop.	EPR	28-Jul-11	AMC	7/28/11 5:00 PM	800.688.0836/30306083	888.286.8010/47704960	www.educationrealty.com
Friday							
Developers Div.	DDR	28-Jul-11	AMC	7/29/11 10:00 AM	866.314.4483/38336336	888.286.8010/64895935	http://www.ddr.com/
Washington REIT	WRE	28-Jul-11	AMC	7/29/11 11:00 AM	877.407.9205	877.660.6853/286/374221	www.writ.com
Camden Prop	CPT	28-Jul-11	AMC	7/29/11 12:00 PM	866.843.0890/4528256	877.344.7529/10001920	www.camdenliving.com
Extra Space Storage	EXR	28-Jul-11	AMC	7/29/11 12:00 PM	866.362.4831/48674800	888.286.8010/81454121	www.extraspace.com
AIMCO	AIV	29-Jul-11	BMO	7/29/11 1:00 PM	866.843.0890/8254791	877.344.7529/10001841	http://www.aimco.com/

Source: Citi Investment Research and Analysis

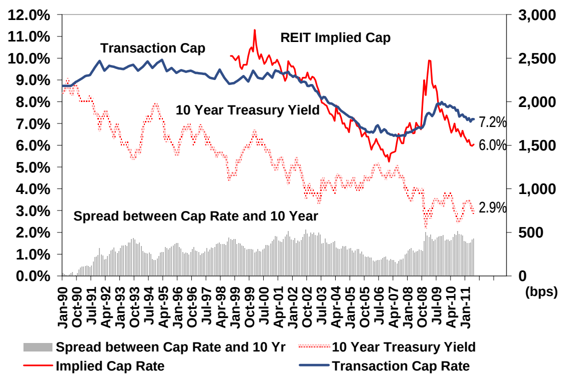
Figure 17. 2Q11 Earnings Calendar – Sorted By Call Date (Continued)

Company	Tckr	Report Date	Report Time	Call Date / Time	Dial-In / Passcode	Replay Dial-In / Passcode	Webcast
Week of August 1st							
Monday							
UDR	UDR	1-Aug-11	BMO	8/1/11 8:00 AM	877.941.9205/4453360	800.406.7325/4453360	www.udr.com
Vornado Realty	VNO	1-Aug-11	AMC	N/A	N/A	N/A	N/A
Tuesday							
Boston Prop.	BXP	1-Aug-11	AMC	8/2/11 10:00 AM	877.706.4503/82231782	800.642.1687/82231782	http://www.bostonproperties.com
Choice Hotels International	CHH	1-Aug-11	AMC	8/2/11 10:00 AM	800.599.9816/24713398	888.286.8010/84948188	http://www.choicehotels.com/
Post Properties	PPS	1-Aug-11	AMC	8/2/11 10:00 AM	877.741.4248/7840943	888.203.1112/7840943	www.postproperties.com
Hyatt Hotels	H	2-Aug-11	BMO	8/2/11 11:00 AM	617.614.3945/92045811	617.801.6888/23322523	www.hyatt.com
Parkway Prop.	PKY	1-Aug-11	AMC	8/2/11 11:00 AM	800.857.4978/PARKWAY	866.358.4521/9285	http://www.pky.com/
HCP	HCP	2-Aug-11	BMO	8/2/11 12:00 PM	866.362.4820/87362449	888.286.8010/25455770	www.hcpi.com
General Growth	GGP	2-Aug-11	BMO	8/2/11 1:00 PM	877.845.1018	N/A	http://www.ggp.com/
Morgans Hotel Group	MHGC	2-Aug-11	AMC	8/2/11 5:00 PM	888.802.8577/77279242	800.642.1687/77279242	www.morganshotelgroup.com
Wednesday							
Campus Crest	CCG	2-Aug-11	AMC	8/3/11 9:00 AM	877.407.9039	877.870.5176/375362	http://investors.campuscrest.com/
Chesapeake Lodging Trust	CHSP	2-Aug-11	AMC	8/3/11 10:00 AM	877.683.0303/83463014	855.859.2056/83463014	www.chesapeakelodgingtrust.com
DuPont Fabros Tech.	DFT	2-Aug-11	AMC	8/3/11 10:00 AM	888.503.8171	877.870.5176/1610470	www.dft.com
Orient Express Hotels	OEH	2-Aug-11	AMC	8/3/11 10:00 AM	888.935.4575/9270647	866.932.5017/9270647	http://www.orient-express.com
Tanger Factory	SKT	2-Aug-11	AMC	8/3/11 10:00 AM	877.277.5113	800.642.1687/78579878	http://www.tangeroutlet.com/
BRE Properties	BRE	2-Aug-11	AMC	8/3/11 11:00 AM	888.349.9587/3269763	877.870.5176/3269763	www.breproperties.com
CBL & Associates	CBL	2-Aug-11	AMC	8/3/11 11:00 AM	212.231.2900	402.977.9140/21515944	www.cblproperties.com
Weingarten Realty	WRI	2-Aug-11	AMC	8/3/11 11:00 AM	877.763.1324/73117810	N/A	www.weingarten.com
Retail Opp Inv Corp	ROIC	3-Aug-11	BMO	8/3/11 12:00 PM	877.312.8783/79330439	800.642.1687/79330439	http://www.roicreit.com/
Douglas Emmett	DEI	2-Aug-11	AMC	8/3/11 2:00 PM	877.298.7945/78954700	800.642.1687/78954700	www.douglasemmett.com
Inland Real Estate	IRC	3-Aug-11	BMO	8/3/11 3:00 PM	877.317.6789	877.344.7529/10002052	www.inlandrealestate.com
Saul Centers	BFS	3-Aug-11	AMC	N/A	N/A	N/A	N/A
BioMed Realty Trust	BMR	3-Aug-11	AMC	N/A	TBA	TBA	http://biomedrealty.com/
Thursday							
Equity One	EQY	3-Aug-11	AMC	8/4/11 9:00 AM	866.713.8395/27818164	888.286.8010/17000468	www.equityone.net
Hersha Hospitality Trust	HT	3-Aug-11	AMC	8/4/11 9:00 AM	888.452.4030	877.870.5176/7844283	http://www.hersha.com/
Sovran	SSS	3-Aug-11	AMC	8/4/11 9:00 AM	877.407.8033	877.660.6853/286/375595	www.unclebobs.com
Strategic Hotels & Resorts	BEE	3-Aug-11	AMC	8/4/11 10:00 AM	888.680.0865/38154474	888.286.8010/59443244	http://www.strategichotels.com
Health Care REIT	HCN	4-Aug-11	BMO	8/4/11 10:00 AM	888.346.2469	800.642.1687/81661084	http://www.hcreit.com/
Regency Centers	REG	3-Aug-11	AMC	8/4/11 10:00 AM	888.297.0360/5671990	888.203.1112/5671990	http://www.regencycenters.com
Ventas	VTR	4-Aug-11	BMO	8/4/11 10:00 AM	617.213.8848/Ventas	617.801.6888/41927326	www.ventasreit.com
National Retail	NNN	4-Aug-11	BMO	8/4/11 10:30 AM	877.407.9205	877.660.6853/286/375751	www.nnnreit.com
Ashford Hospitality Trust	AHT	3-Aug-11	AMC	8/4/11 11:00 AM	480.629.9722	303.590.3030/4456769	www.ahtreit.com
Federal Realty	FRT	3-Aug-11	AMC	8/4/11 11:00 AM	800.299.7928/FRT EARNINGS	888.286.8010/58534568	www.federalrealty.com
Cousins Prop.	CUZ	3-Aug-11	AMC	8/4/11 1:00 PM	212.231.2900	402.977.9140/21530938	www.cousinsproperties.com
Essex Property	ESS	3-Aug-11	AMC	8/4/11 1:00 PM	877.407.0784	877.870.5176/375184	www.essexpropertytrust.com
Friday							
Kite Realty Group	KRG	4-Aug-11	AMC	8/5/11 9:00 AM	866.700.6979/14142685	888.286.8010/46076491	www.kiterealty.com
Cogdell Spencer	CSA	4-Aug-11	AMC	8/5/11 10:00 AM	877.317.6789	877.344.7529/451770	www.cogdellspencer.com
Mid-America Apt.	MAA	4-Aug-11	AMC	8/5/11 10:15 AM	866.961.1484	888.266.2081/1475758	http://ir.maac.net/
Brookfield Prop.	BPO	5-Aug-11	BMO	8/5/11 11:00 AM	888.596.2565/3780464	888.203.1112/3780464	www.brookfieldproperties.com
DCT Industrial Trust	DCT	4-Aug-11	AMC	8/5/11 11:00 AM	877.317.6789	877.344.7529/10001818	www.dctindustrial.com
Home Prop	HME	4-Aug-11	AMC	8/5/11 11:00 AM	TBA	TBA	www.homeproperties.com
U-Store-It	YSI	4-Aug-11	AMC	8/5/11 11:00 AM	877.317.6789	877.344.7529/451776	http://www.ustoreit.com
Week of August 8th							
Tuesday							
Healthcare Realty	HR	8-Aug-11	AMC	8/9/11 10:00 AM	877.317.6789	N/A	http://www.healthcarerealty.com/
Wednesday							
Piedmont Office Realty	PDM	9-Aug-11	AMC	8/10/11 10:00 AM	877.407.4018/375750	877.870.5176/375750	www.piedmontreit.com
Thursday							
Excel Trust	EXL	10-Aug-11	AMC	8/11/11 1:00 PM	866.314.4483/24167781	888.286.8010/82338243	www.exceltrust.com

Source: Citi Investment Research and Analysis

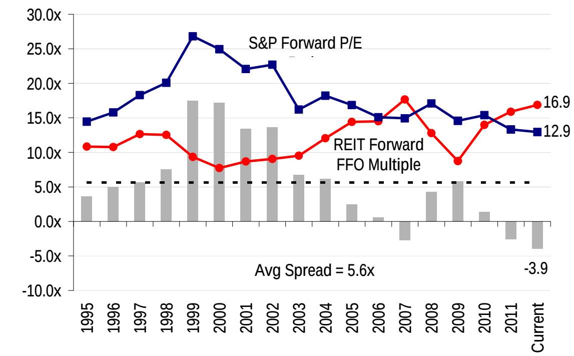
REIT Valuation — Implied Cap Rates and Multiples

Figure 18. Implied Cap Rates Have Contracted 434 bps Since Peaking at 10% in March 2009



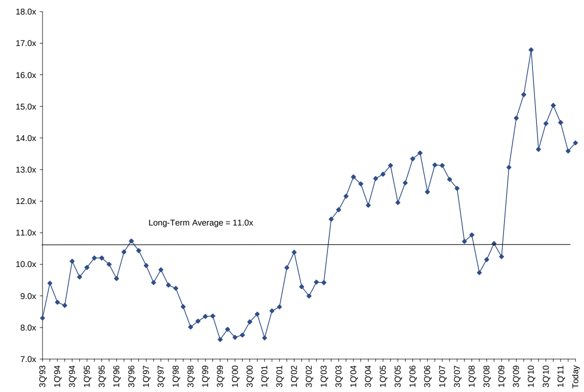
Source: Real Capital Analytics and Citi Investment Research and Analysis

Figure 19. The REIT Forward FFO Multiple Is Above the S&P 500 P/E Multiple



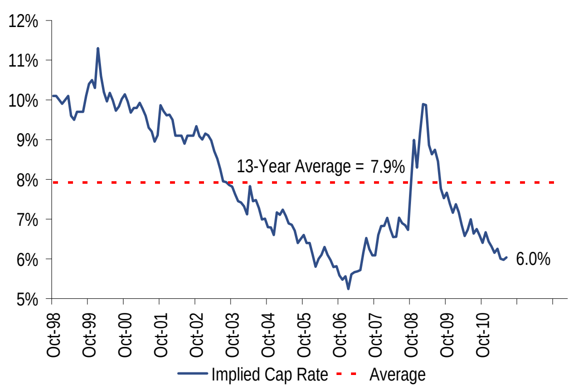
Source: Company reports, FactSet, Reuters and Citi Investment Research and Analysis

Figure 20. Lodging Stocks Valuation History: TEV / 12-Month Forward EBITDA – Peak Multiples But Trough EBITDA



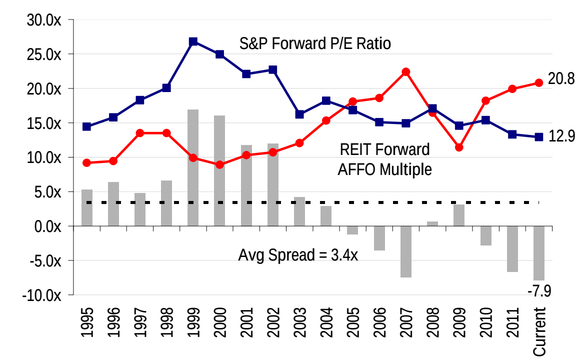
Source: Citi Investment Research and Analysis

Figure 21. The 13-Year Average REIT Implied Cap Rates is Currently at 7.9%



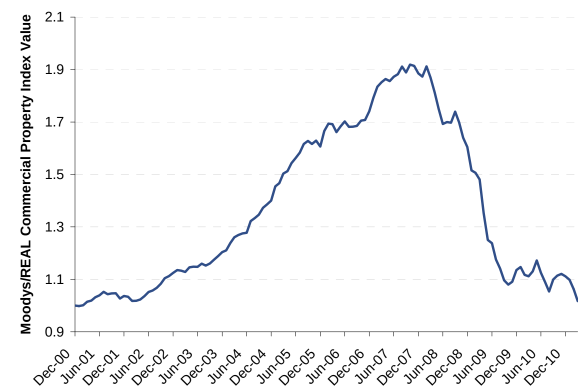
Source: Reuters and Citi Investment Research and Analysis

Figure 22. The REIT Forward AFFO Multiple Is Above the S&P 500 P/E Multiple



Source: Citi Investment Research and Analysis

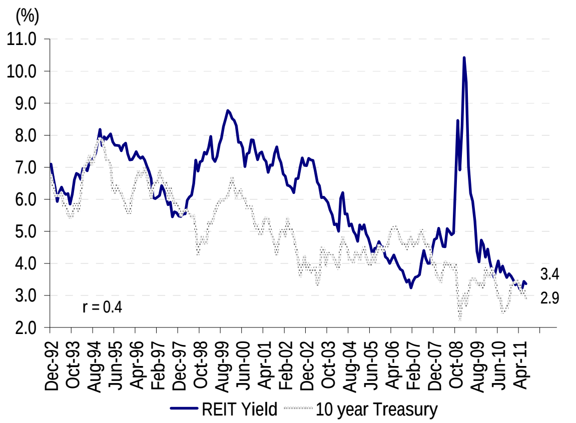
Figure 23. Moody's/REAL Commercial Property Index Has Risen Off the Trough



Source: MIT Center for Real Estate and Real Capital Analytics

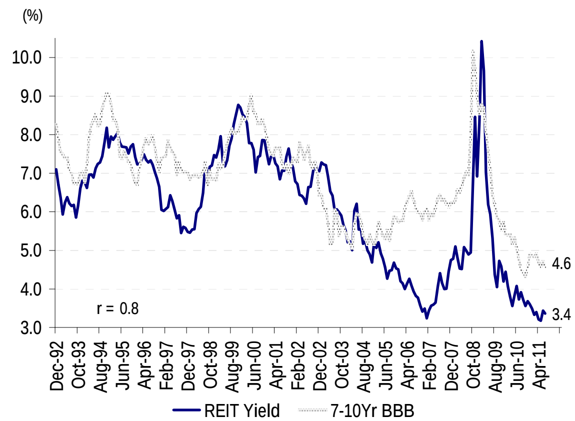
Dividend Yield Spreads

Figure 24. The REIT Dividend Yield vs. 10-Year U.S. Treasury Yield



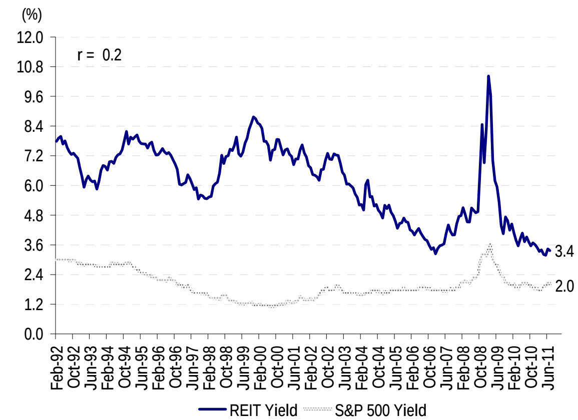
Source: Company reports, FactSet, Reuters and Citi Investment Research and Analysis

Figure 25. REIT Dividend Yield vs. BBB Corporate Yield (7-10 Year)



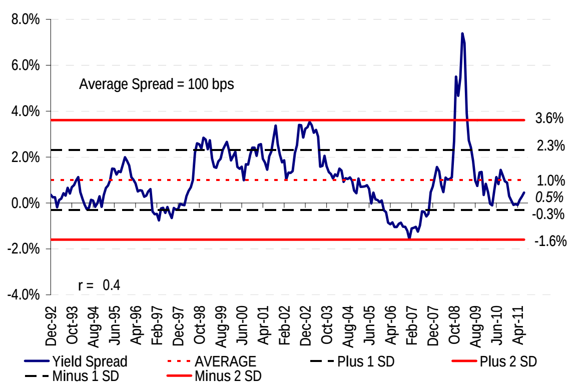
Source: Reuters and Citi Investment Research and Analysis

Figure 26. REIT Dividend Yield vs. S&P 500 Yield



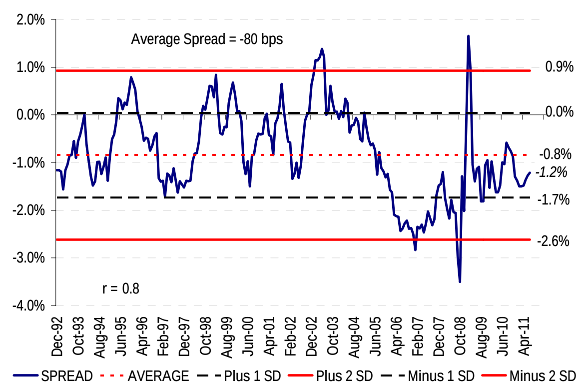
Source: Citi Investment Research and Analysis

Figure 27. Spread Between REIT Dividend Yield and 10-Year U.S. Treasury Yield



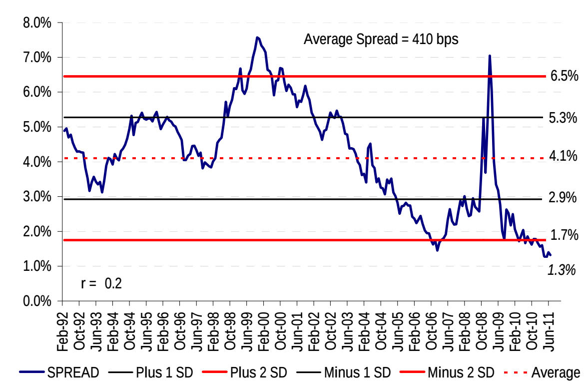
Source: Citi Investment Research and Analysis

Figure 28. Spread Between REIT Dividend Yield and BBB Corporate Yield (7-10 Year)



Source: Citi Investment Research and Analysis

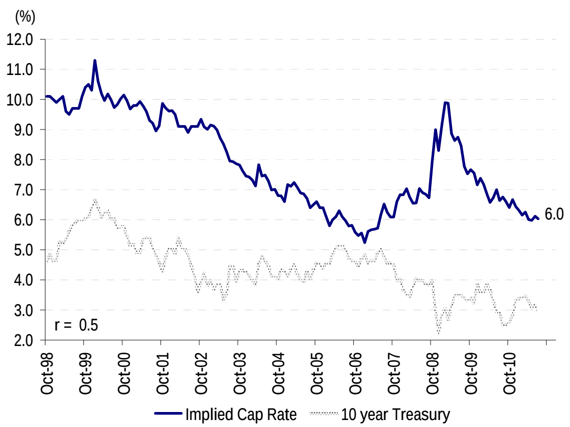
Figure 29. Spread Between REIT Dividend Yield and S&P 500 Yield



Source: Reuters and Citi Investment Research and Analysis

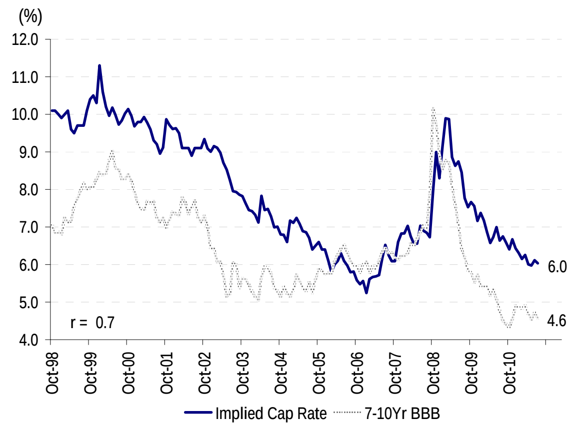
Implied Cap Rate Spreads

Figure 30. REIT Implied Cap Rate vs. 10-Year U.S. Treasury Yield



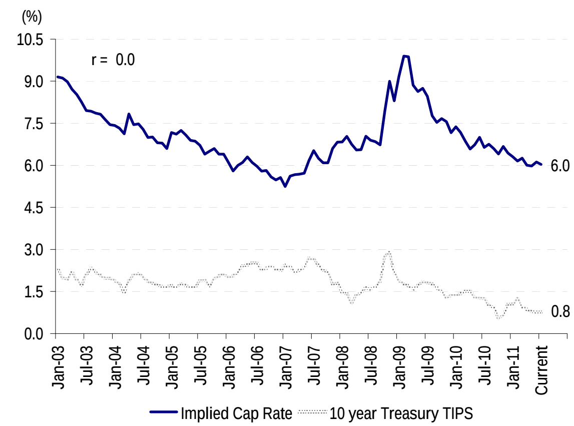
Source: Citi Investment Research and Analysis

Figure 31. REIT Implied Cap Rate vs. BBB Corporate Yield (7-10 Year)



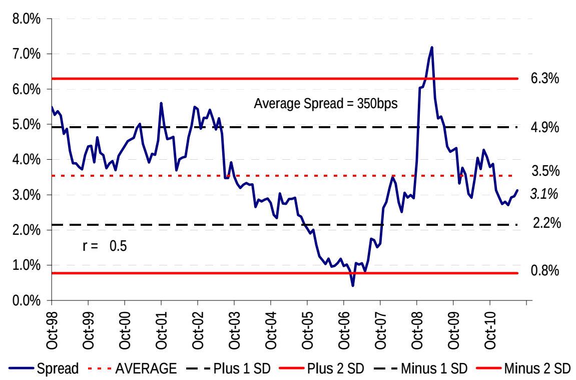
Source: Citi Investment Research and Analysis

Figure 32. REIT Implied Cap Rate vs. TIPS (10 year)



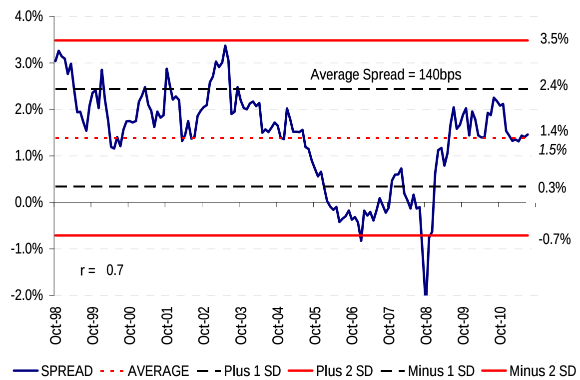
Source: Citi Investment Research and Analysis

Figure 33. Spread Between Implied Cap Rate vs. 10-Year U.S. Treasury Yield



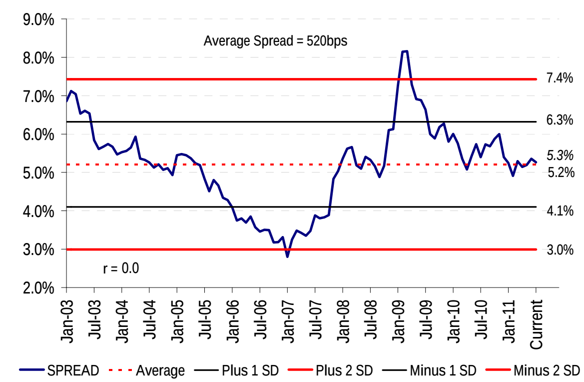
Source: Citi Investment Research and Analysis

Figure 34. Spread Between Implied Cap Rate vs. BBB Corporate Yield (7-10 Year)



Source: Citi Investment Research and Analysis

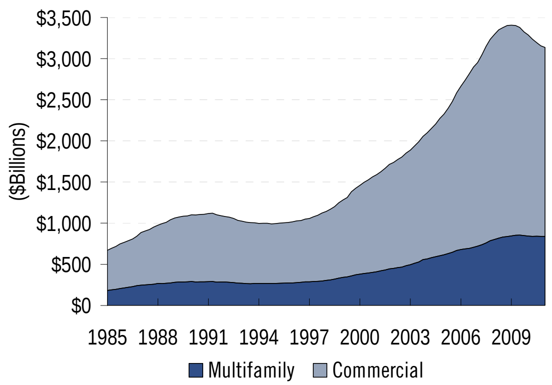
Figure 35. Spread Between Implied Cap Rate vs. TIPS (10 Year)



Source: Citi Investment Research and Analysis

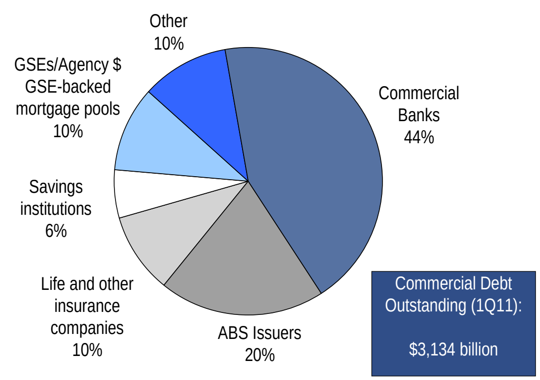
Outstanding Commercial Real Estate Mortgage Loans

Figure 36. Significant Growth in Commercial Real Estate Debt Outstanding



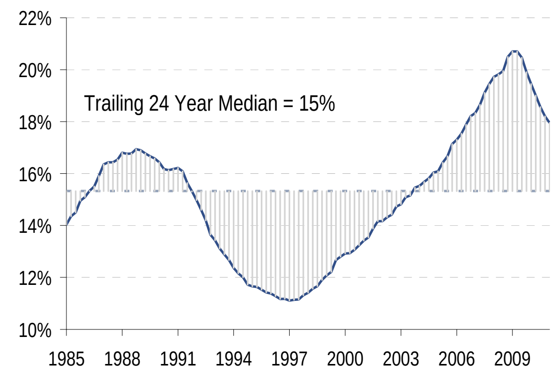
Source: Citi Investment Research and Analysis

Figure 37. Commercial Mortgage Debt Outstanding (as of 1Q11)



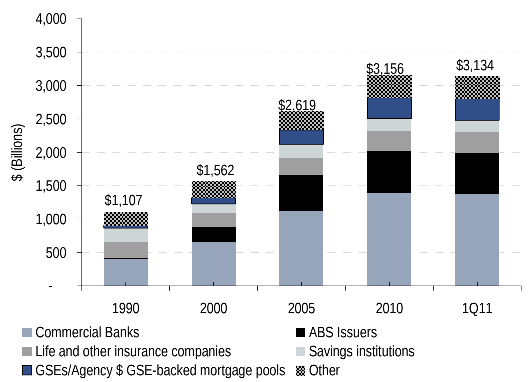
Source: Citi Investment Research and Analysis

Figure 38. Real Estate Debt as a Percentage of GDP Remains Elevated



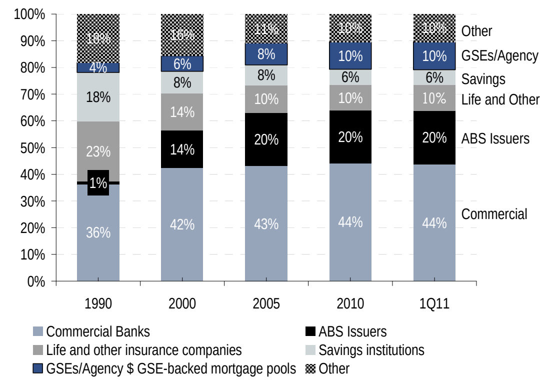
Source: Citi Investment Research and Analysis

Figure 39. Breakdown of Commercial Mortgage Loans ($ Billions)



Source: Citi Investment Research and Analysis

Figure 40. Composition of Commercial Mortgage Debt Outstanding (%)



Source: Citi Investment Research and Analysis

Figure 41. Composition of Commercial Mortgage Debt Outstanding ($ bn)

	1990	2000	2005	2010	1Q11
Commercial Banks	$36	$78	$139	$197	$194
ABS Issuers	1	47	90	99	98
Life and other insurance companies	29	34	42	47	47
Savings institutions	92	61	98	61	61
GSEs/Agency $ GSE-backed mortgage pools	42	91	214	323	327
Other	88	91	105	112	112
Multifamily Total	$287	$402	$689	$840	$840

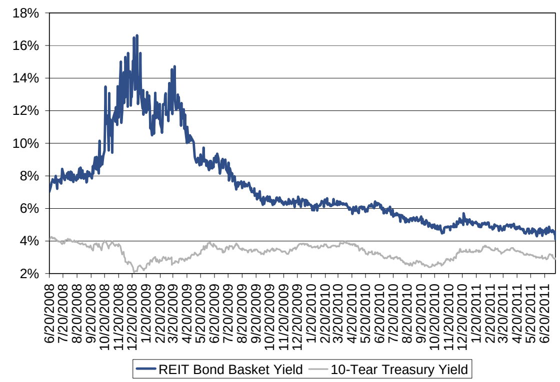
	1990	2000	2005	2010	1Q11
Commercial Banks	$366	$583	$989	$1,197	$1,177
ABS Issuers	10	172	435	524	528
Life and other insurance companies	222	185	227	255	255
Savings institutions	109	67	100	122	119
GSEs/Agency $ GSE-backed mortgage pools	0	0	0	0	0
Other	112	153	179	217	214
Commercial Total	$820	$1,160	$1,930	$2,316	$2,294

	1990	2000	2005	2010	1Q11
Commercial Banks	$402	$660	$1,128	$1,395	$1,371
ABS Issuers	11	219	524	623	626
Life and other insurance companies	251	219	269	303	303
Savings institutions	201	128	198	183	180
GSEs/Agency $ GSE-backed mortgage pools	42	91	214	323	327
Other	200	244	284	330	327
Combined Total	$1,107	$1,562	$2,619	$3,156	$3,134

Source: Citi Investment Research and Analysis

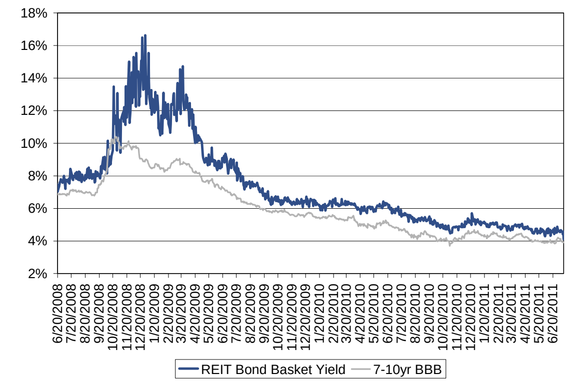
REIT Unsecured Debt Spreads Continue to Tighten

Figure 42. REIT Unsecured Debt Yields



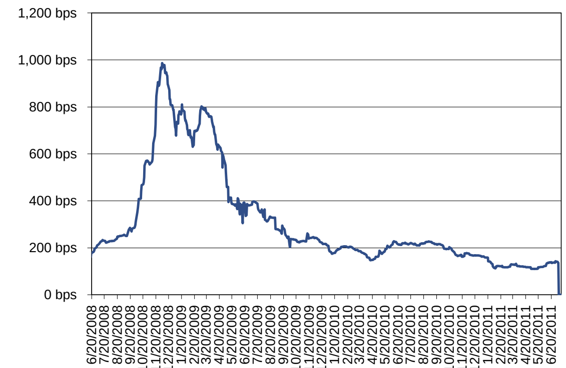
Source: Citi Investment Research and Analysis and Bloomberg

Figure 43. REIT Unsecured Debt Yields vs. BBB Corporate Yields



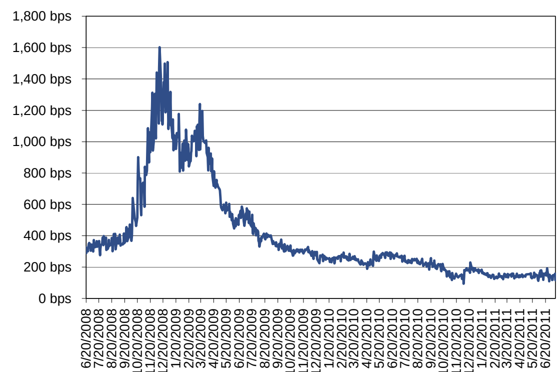
Source: Citi Investment Research and Analysis and Bloomberg

Figure 44. REIT CDS Spreads (5 year)



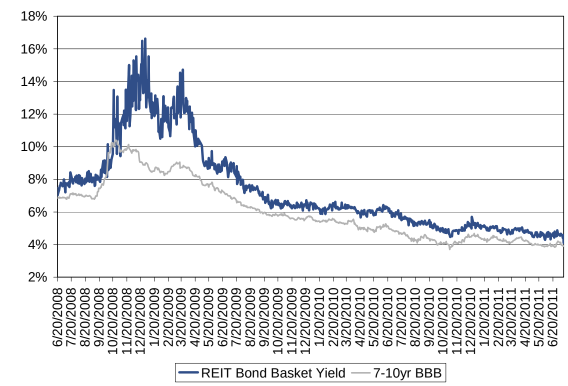
Source: Citi Investment Research and Analysis and Bloomberg

Figure 45. REIT Unsecured Debt Spreads to Underlying Treasuries



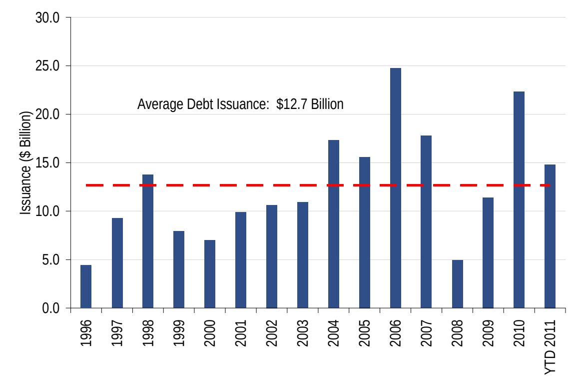
Source: Citi Investment Research and Analysis and Bloomberg

Figure 46. REIT Unsecured Debt Spreads to BBB Corporate Yields



Source: Citi Investment Research and Analysis and Bloomberg

Figure 47. Historical REIT Unsecured Debt Issuances

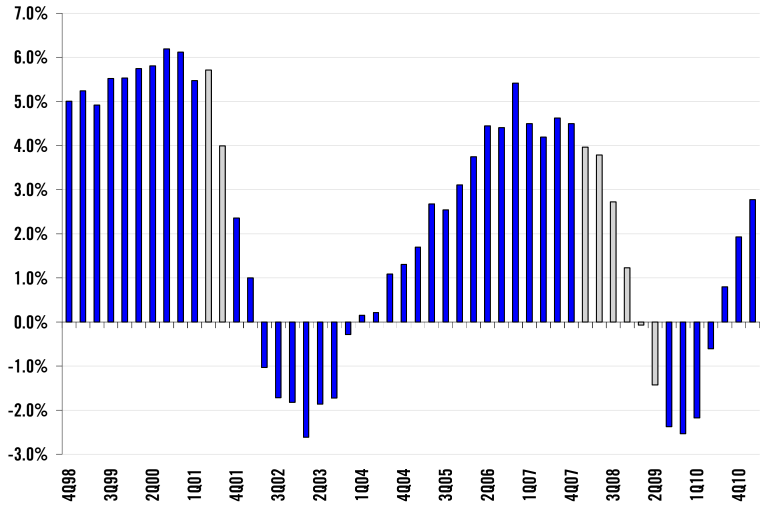


Source: Citi Investment Research and Analysis and SNL

Figures 59-64: Basket comprised of ~7-10 yr maturity notes issued by AMB, AVB, BRE, BXP, CLI, CLP, DDR, DFT, DLR, DRE, EQR, FR, FRT, HCP, HR, HST, KIM, KRC, PLD, REG, SKT, SLG, SPG and VTR.

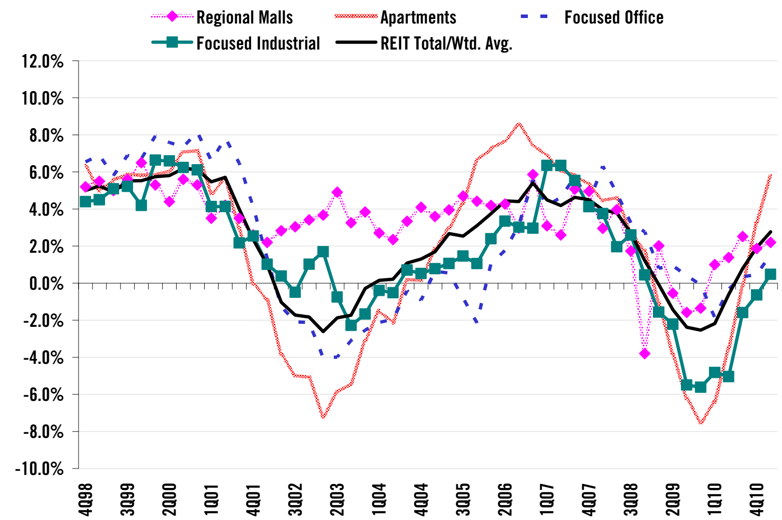
REIT Fundamentals — NOI Growth Starts to Rebound

Figure 48. REIT Same-Store NOI Growth Positive in 1Q11



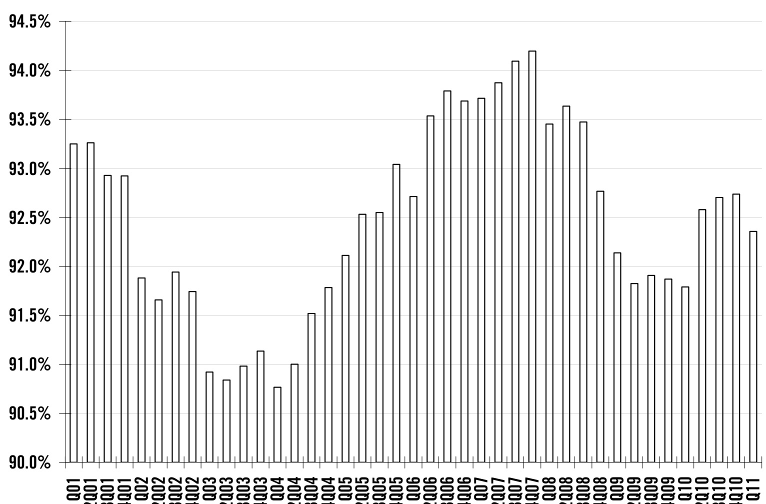
Source: Company reports and Citi Investment Research and Analysis, as of 3/31/11

Figure 49. Same Store NOI Improvement has Been Broad based Across Sectors



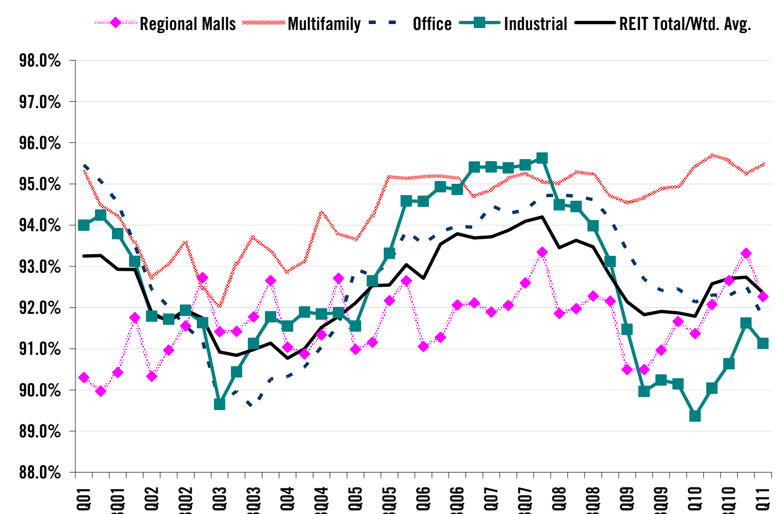
Source: Company reports and Citi Investment Research and Analysis, as of 3/31/11

Figure 50. REIT Occupancy Is Improving



Source: Company reports and Citi Investment Research and Analysis, as of 3/31/11

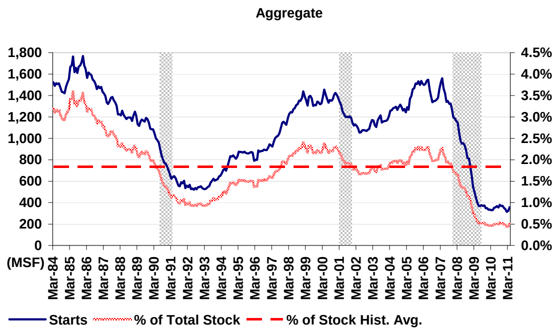
Figure 51. Multifamily REITs Have Seen the Biggest Acceleration in Occupancy



Source: Company reports and Citi Investment Research and Analysis, as of 3/31/11

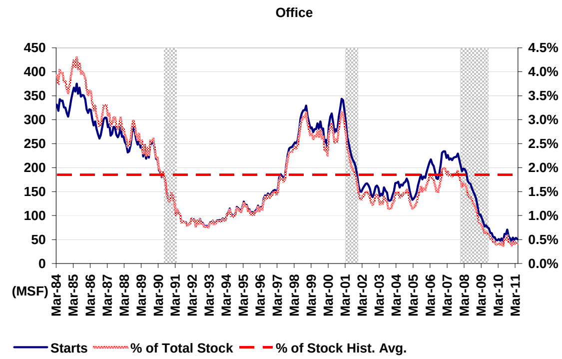
Construction Starts — New Supply Remains at Historical Low

Figure 52. Aggregate Construction Remain at Very Low Levels (Annualized)



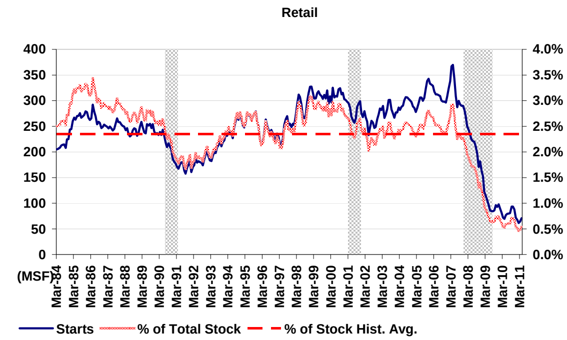
Source: Torto Wheaton and Citi Investment Research and Analysis

Figure 53. Office Sector Construction Starts (Annualized)



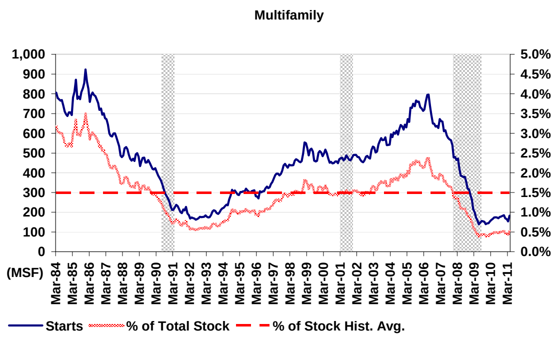
Source: Torto Wheaton and Citi Investment Research and Analysis

Figure 54. Retail Sector Construction Starts (Annualized)



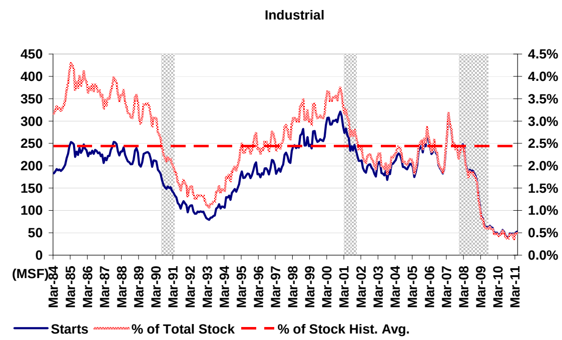
Source: Torto Wheaton and Citi Investment Research and Analysis

Figure 55. Multifamily Sector Construction Starts (Annualized)



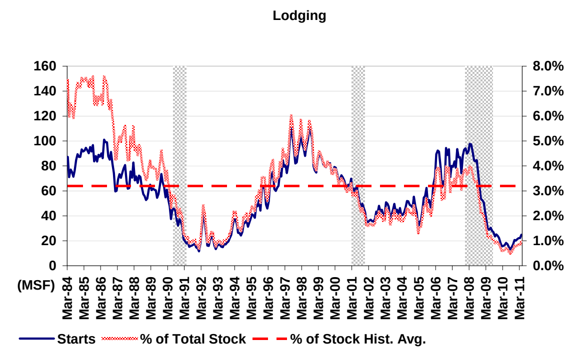
Source: Torto Wheaton and Citi Investment Research and Analysis

Figure 56. Industrial Sector Construction Starts (Annualized)



Source: Torto Wheaton and Citi Investment Research and Analysis

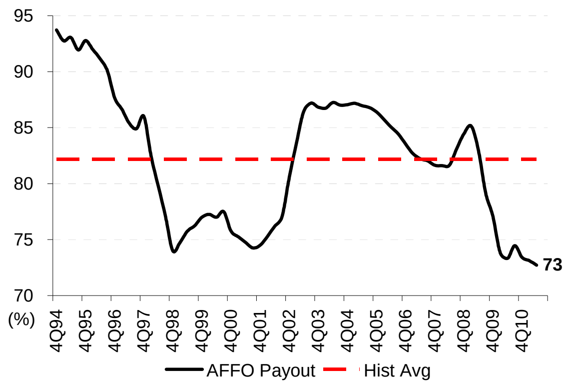
Figure 57. Lodging Sector Construction Starts (Annualized)



Source: Torto Wheaton and Citi Investment Research and Analysis

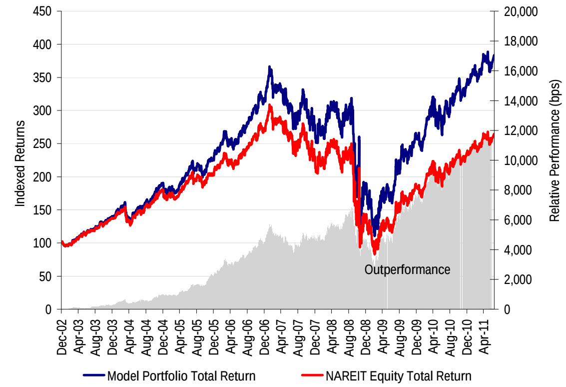
Dividend Payout Ratios Low, Short Interest Drops and M&A Rebounds

Figure 58. AFFO Payout Ratio



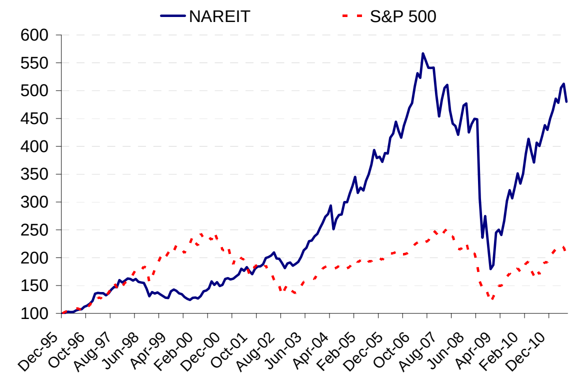
Source: Citi Investment Research and Analysis

Figure 59. The Citi Model Portfolio (U.S. only) Continues to Outperform the NAREIT Equity Index



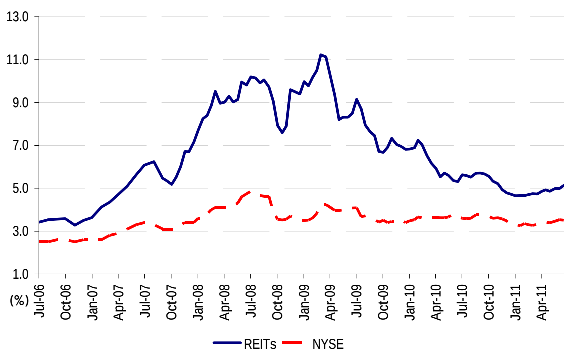
Note: Past performance is no guarantee of future results. Returns are gross of management and transaction fees. A full history of changes to our portfolio is available on request.
Source: Citi Investment Research and Analysis

Figure 60. REIT Returns vs. the S&P 500 Index



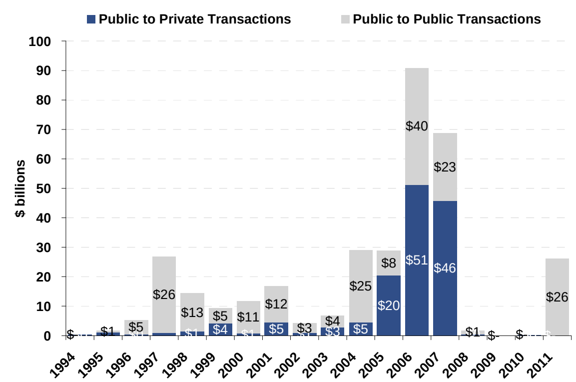
Source: Citi Investment Research and Analysis and NAREIT

Figure 61. Short Interest to Shares Outstanding Ratio, July 30, 2006 to June 30, 2011



Source: Citi Investment Research and Analysis

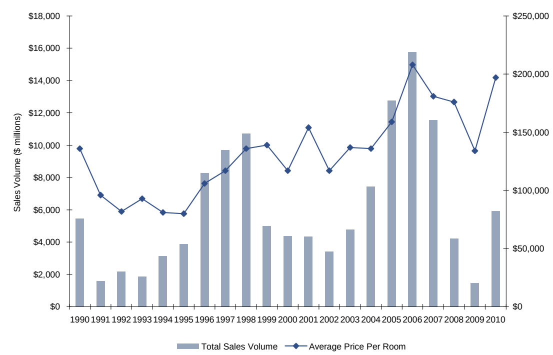
Figure 62. M&A has returned to REIT sector, after being dormant since late 2007



Note: Deal value (including debt assumption) in billions

Source: SNL Interactive and Citi Investment Research and Analysis

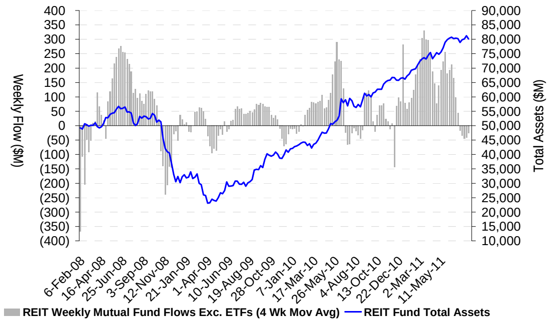
Figure 63. Major Private US Hotel Transactions (>$10m)



Source: HVS International (www.hvs.com)

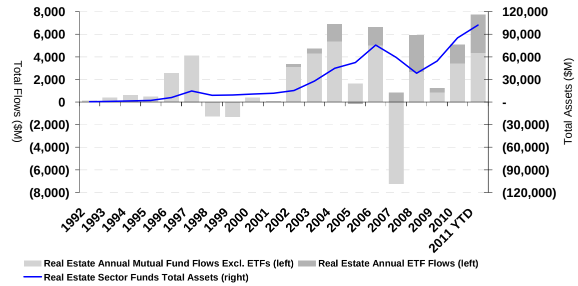
Inflows to Dedicated REIT Funds Gain Strength with Record AUM

Figure 64. Weekly REIT Mutual Fund Flows and Total Assets Under Management (in $M)



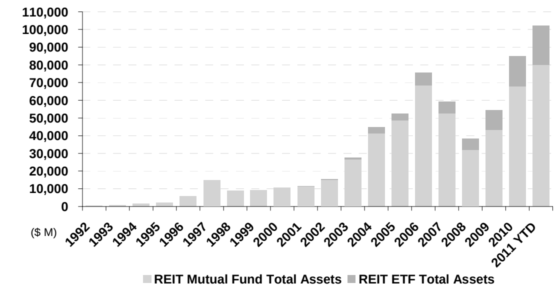
Source: Citi Investment Research and Analysis, as of 7/14/11

Figure 65. Annual REIT Mutual Fund and ETF Flows and Total Assets Under Management (in $M)



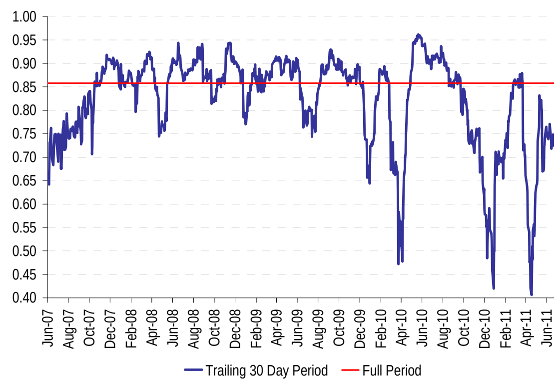
Source: Citi Investment Research and Analysis, as of 7/14/11

Figure 66. Annual REIT Mutual Fund and ETF Total Assets Under Management (in $M)



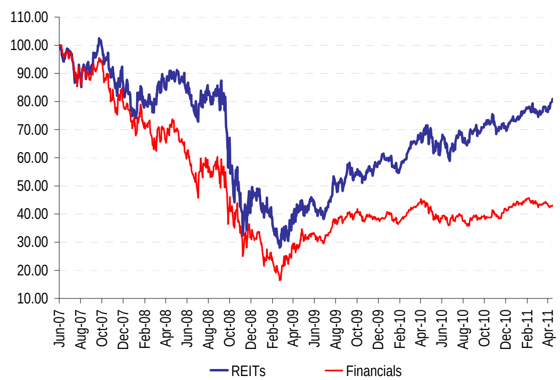
Source: Citi Investment Research and Analysis, as of 7/14/11

Figure 67. REITs Correlation with Financials Since June 2007



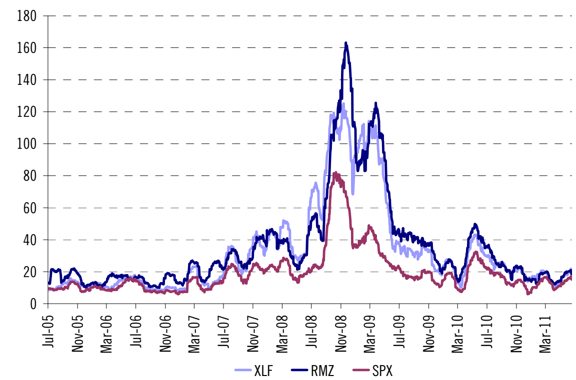
Source: Citi Investment Research and Analysis, as of 7/15/11

Figure 68. REITs vs. Financials Performance — Since June 2007



Source: Citi Investment Research and Analysis, as of 7/15/11

Figure 69. 30 Day Volatility for REITs and Financials



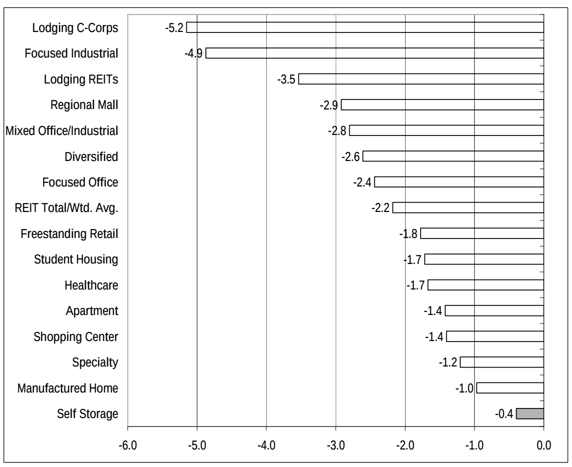
Source: Citi Investment Research and Analysis and Bloomberg

Figure 70. REIT Property Sectors Are Trading at Higher FFO Multiples than Have Been Observed Historically

Property Sector	WTD Price Return	YTD Total Return	Div Yield	2012E FFO Growth	2012E FFO Multiple	2012E AFFO Growth	2012E AFFO Multiple	TEV/ EBITDA Multiple	Implied Cap Rate	Prem/ (Disc) to Spot NAV	Model Portfolio Weight	Bloomberg REIT Index Weight
	(%)	(%)	(%)	(%)	(x)	(%)	(x)	(x)	(%)	(%)	(%)	(%)
Apartment	(1.4)	18.8	2.8	14.5	20.3	14.0	24.4	22.2	4.9	17.4	14.7	15.0
Diversified	(2.6)	6.6	1.9	4.8	14.4	2.2	19.9	20.6	N/A	3.5	0.0	1.3
Freestanding Retail	(1.8)	2.4	5.6	3.2	13.9	1.1	14.3	15.6	6.9	51.2	1.9	2.9
Focused Industrial	(4.9)	11.0	3.4	37.6	18.2	50.0	24.0	20.2	6.3	14.3	4.9	2.4
Focused Office	(2.4)	15.0	3.1	(1.1)	16.2	3.8	24.7	17.5	5.8	7.4	14.4	15.6
Healthcare	(1.7)	6.3	5.2	9.5	14.0	7.5	15.7	19.0	6.0	31.8	10.2	10.9
Lodging C-Corps	(5.2)	(10.2)	0.4	21.8	19.7	N/A	N/A	13.0	0.0	0.0	4.1	0.0
Lodging REITs	(3.5)	(2.2)	2.0	21.5	12.0	35.4	15.6	15.9	7.3	N/A	6.3	6.3
Manufactured Home	(1.0)	19.4	3.5	29.9	13.3	13.8	15.6	15.4	6.4	(3.4)	1.1	0.7
Mixed Office/Industrial	(2.8)	9.6	5.0	0.3	12.8	0.1	17.1	15.4	7.7	(6.9)	4.3	2.6
Regional Mall	(2.9)	16.4	2.9	3.0	16.2	2.3	20.5	17.8	6.2	4.0	17.1	17.2
Self Storage	(0.4)	19.5	3.2	1.7	19.7	4.6	21.6	19.5	5.4	24.6	6.2	6.2
Shopping Center	(1.4)	9.0	3.4	4.7	16.2	5.4	19.6	16.9	6.5	4.9	7.9	8.3
Specialty	(1.2)	16.9	3.4	7.6	15.2	8.3	18.2	18.4	6.5	14.7	4.3	3.8
Student Housing	(1.7)	13.8	3.6	9.0	18.8	9.8	21.2	21.0	5.7	0.9	2.5	0.9
REIT Total/Wtd. Avg.	(2.2)	12.5	3.4	7.9	16.1	9.9	20.1	18.8	6.0	12.6	100	94

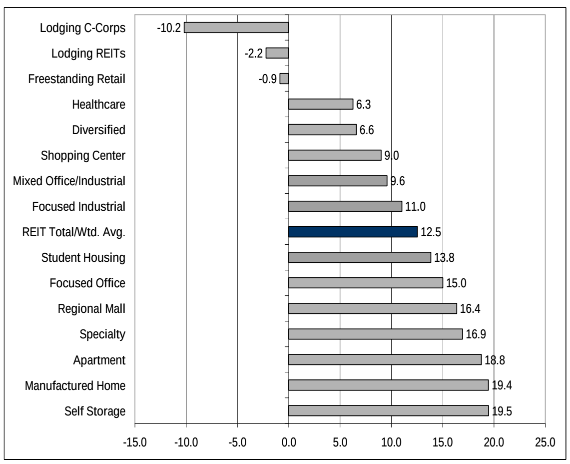
Source: Citi Investment Research and Analysis

Figure 71. Week-to-Date Real Estate and Lodging Price Returns (%)



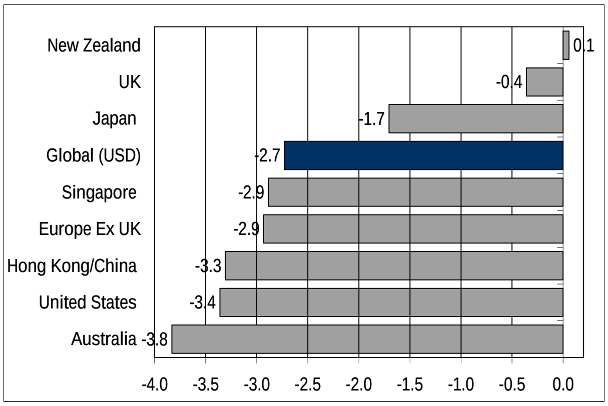
Source: Citi Investment Research and Analysis

Figure 72. Year-to-Date Real Estate and Lodging Pricing Returns (%)



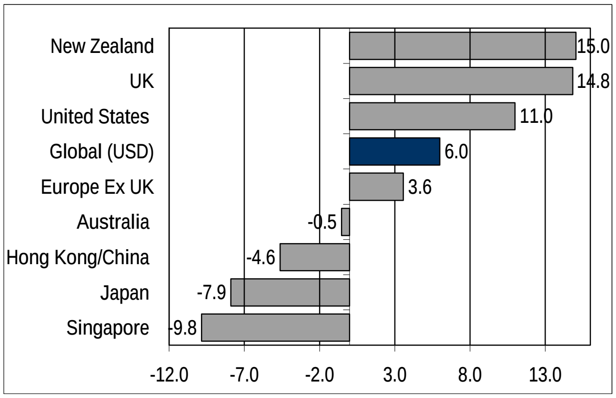
Source: Citi Investment Research and Analysis

Figure 73. Week-to-Date Global Real State Returns (%)



Note: Total returns calculated based on local currency, except for Global; Source: Bloomberg and CIRA; performance as of 7/14/11

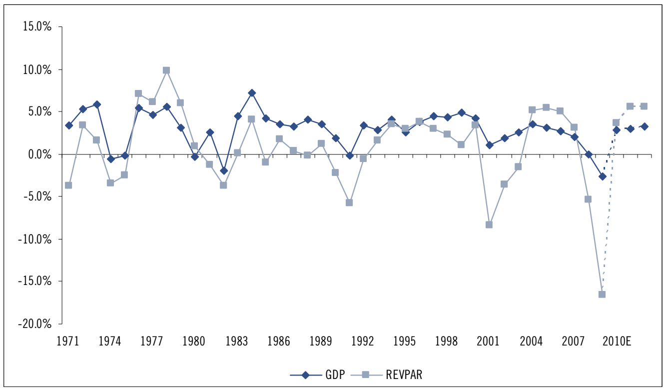
Figure 74. Year-to-Date Global Real Estate Returns (%)



Note: Total returns calculated based on local currency, except for Global; Source: Bloomberg and CIRA; performance as of 7/14/11

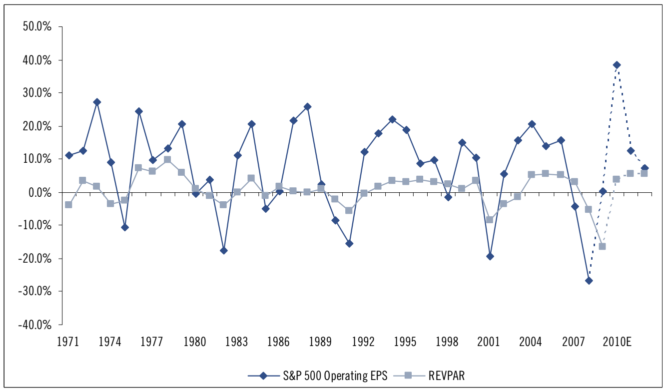
Lodging Industry Charts

Figure 75. US Real GDP vs. US Real REVPAR



Source: Citi Investment Research and Analysis, Smith Travel Research and Haver Analytics

Figure 76. S&P Operating EPS vs. US Real REVPAR



Source: Citi Investment Research and Analysis, Smith Travel Research and Haver Analytics

Figure 77. CIRA Lodging Industry Forecasts

Year	Occupancy Rate	% Chg.	Room Rate % Chg.	RevPAR % Chg.	"Real" Rm Rate % Chg. (a)	"Real" RevPAR % Change	Annual Room Supply (Rooms 000's) Total Rooms		% Chg.
1970-87 Average	66.9%	0.0%	7.7%	7.7%	1.7%	1.7%	---		---
1987	63.5	-0.5	3.6	4.1	-0.1	0.4	3,003		3.8%
1988	63.6	0.1	3.7	3.8	-0.3	-0.2	3,133		4.7%
1989	64.5	1.4	4.1	5.5	-0.3	1.1	3,243		3.7%
1990	63.8	-1.0	3.3	2.2	-1.2	-2.2	3,342		3.5%
1991	62.1	-2.7	0.2	-2.4	-3.3	-5.8	3,381		1.8%
1992	62.7	1.0	1.4	2.4	-1.5	-0.6	3,410		1.0%
1993	63.6	1.4	2.4	3.8	0.2	1.6	3,442		0.7%
1994	64.7	1.8	3.7	5.7	1.6	3.5	3,488		1.3%
1995	65.0	0.4	4.8	5.3	2.6	3.0	3,551		1.6%
1996	64.8	-0.3	6.4	6.1	4.2	3.8	3,657		2.4%
1997	64.2	-0.7	5.8	4.9	3.8	2.9	3,803		3.5%
1998	63.4	-1.3	4.5	3.2	3.5	2.4	3,952		4.0%
1999	63.0	-0.7	3.5	2.6	1.8	1.0	4,087		3.8%
2000	63.4	0.8	5.3	6.0	2.7	3.4	4,198		2.9%
2001	60.0	-5.6	-1.5	-7.0	-3.4	-8.4	4,279		2.4%
2002	59.3	-1.2	-1.5	-2.7	-2.6	-3.6	4,342		1.6%
2003	59.4	0.3	0.2	0.5	-1.8	-1.5	4,376		1.0%
2004	61.5	3.5	4.2	7.8	1.5	5.1	4,377		0.4%
2005	63.3	2.9	5.6	8.6	2.5	5.4	4,369		-0.1%
2006	63.4	0.3	7.6	7.9	4.7	5.0	4,402		0.2%
2007	63.1	-0.5	6.4	5.8	3.6	3.1	4,482		1.3%
2008	60.0	-5.0	2.9	-2.2	-0.5	-5.4	4,628		2.5%
2009	54.7	-8.8	-8.4	-16.4	-8.6	-16.6	4,767		3.0%
2010	57.8	5.6	-0.2	5.4	-1.9	3.7	4,860	(b)	2.0%
2011E	59.8	3.5	3.5	7.1	2.0	5.5	4,889	(b)	0.6%
2012E	61.0	2.0	5.0	7.1	3.4	5.5	4,914	(b)	0.5%
2013E	61.6	1.0	6.0	7.1	4.4	5.5	4,938	(b)	0.5%

Notes: Historical data before 1990 from the now-defunct Laventhal firm and data since 1990 are from Smith Travel Research; but 1987-1990 data are "transition" years, averaging the two sources.

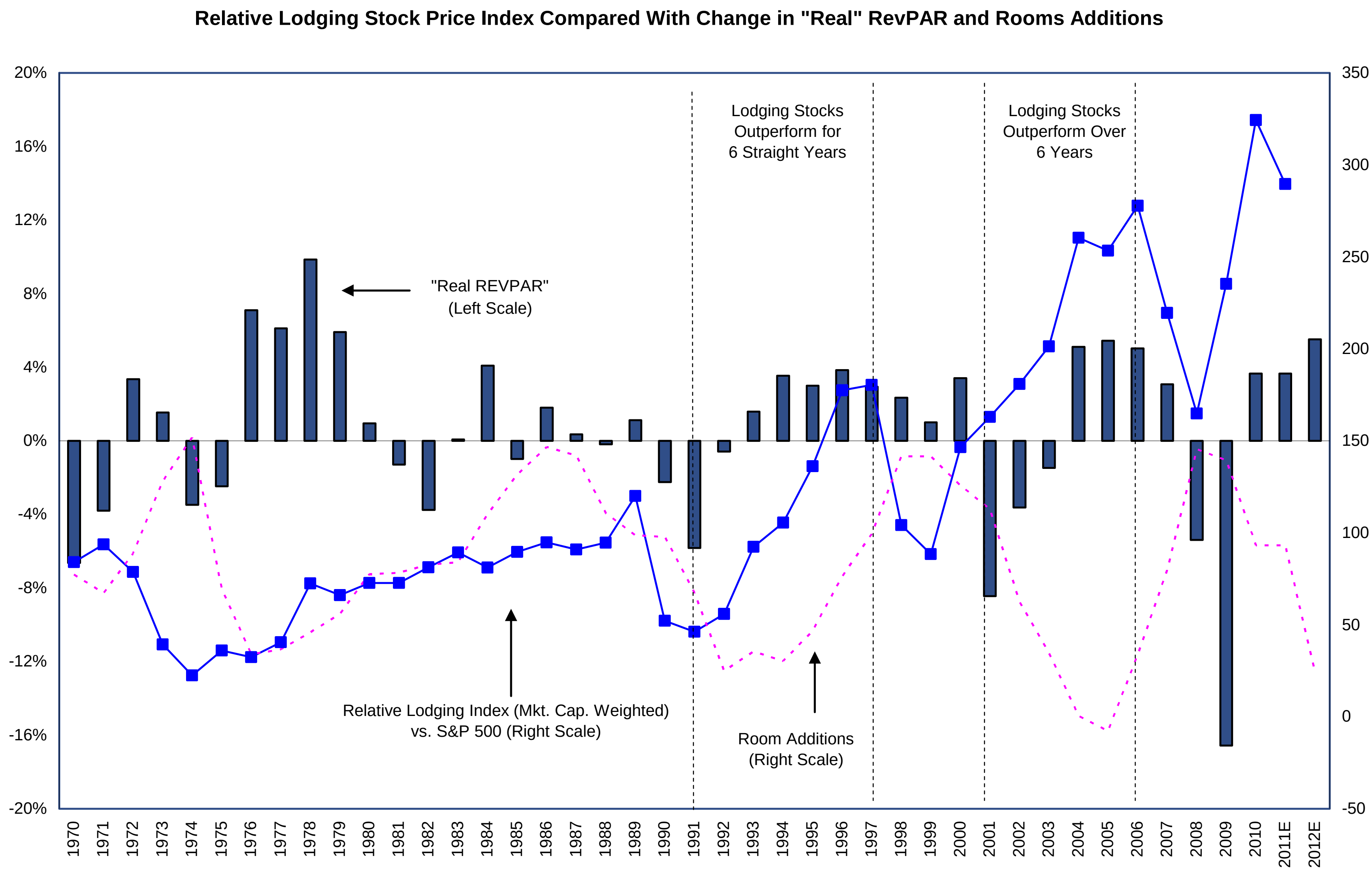
(a) Deflated by the personal consumption deflator.

(b) Citi Investment Research estimates 2010-2013E.

(c) Room supply is total rooms at year end. Supply growth measures the yr/yr change in room nights available, which adjusts for openings throughout the year.

Source: Citi Investment Research and Analysis and Smith Travel Research

Figure 78. Relative Lodging Stock Price Performance vs. Changes in Real REVPAR and Room Additions



Stock index data is through June 30, 2011

Source: Citi Investment Research and Analysis

Recommended Lists for Investment Strategies — Blue Chip, Small Cap, Yield and Mid Cap

Figure 79. Our Blue-Chip REIT List Continues to Outperform the REIT Universe

Citi Investment Research Blue Chip List

Company Name	Ticker	Rating	Price	Spot NAV	Prem/ (Disc) to Spot NAV	Implied Cap Rate	1Q11 SS NOI	Model Port Weight	Bloomberg REIT Index Weight	Price Change WTD	Price Change QTD	Div. Yld.	YTD Total Return (1)	2012E FFO Growth	2012E FFO Mult.	2012E AFFO Growth	2012E AFFO Mult.	TEV/ EBITDA Mult.	Fixed Cov. Ratio	Debt/ GAV	Public Float
			($)	*($)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(x)*	*(%)*	*(x)*	*(x)*	*(x)*	*(%)*	*($ mil)*
Boston Prop.	BXP	2H	109.46	91.85	19.2	4.6	7.7	5.9	3.8	(1.2)	3.1	1.8	28.3	5.5	22.0	13.1	29.7	21.4	2.5	38	15,878
Brookfield Prop.	BPO	1H	19.47	18.60	4.7	5.8	2.8	2.4	0.0	(1.1)	1.0	2.9	12.7	1.5	17.6	1.8	27.9	19.1	1.7	48	9,895
Host Hotels & Resorts	HST	2M	16.80	18.30	(8.2)	6.6	0.0	3.0	3.0	(3.7)	(0.9)	0.5	(5.7)	29.0	14.6	38.1	19.3	16.7	2.6	31	11,649
Kimco Realty	KIM	2H	19.35	18.89	2.5	6.8	1.7	1.5	2.0	(0.8)	3.8	3.7	9.3	4.9	15.5	3.7	19.2	15.5	2.0	44	7,865
ProLogis	PLD	2H	34.79	30.25	15.0	6.2	1.0	4.3	1.6	(5.4)	(2.9)	3.2	11.5	45.4	19.4	58.6	24.5	21.2	4.0	54	14,771
Public Storage	PSA	1M	119.19	94.50	26.1	5.1	5.4	5.4	5.2	(0.2)	4.5	3.2	19.2	0.9	20.5	4.4	22.2	20.0	4.6	3	20,199
Simon Property	SPG	2M	118.79	113.09	5.0	5.8	2.3	10.5	9.0	(2.0)	2.2	2.7	21.0	1.6	17.0	0.8	21.2	17.7	2.0	37	34,834
Ventas	VTR	1M	53.65	40.98	30.9	6.0	N/A	6.2	2.4	(1.2)	1.8	4.3	4.7	7.3	15.8	5.7	16.5	18.2	5.1	33	15,907
Vornado Realty	VNO	2H	93.52	93.87	(0.4)	5.7	4.2	3.4	4.5	(3.2)	0.4	3.0	13.9	(13.1)	17.0	2.0	26.6	18.5	2.5	37	18,471
Blue Chip/Wtd. Avg.					11.3	5.7	3.0	42.6	31.4	(2.1)	1.6	2.8	15.3	7.3	17.9	12.1	22.9	18.8	3.0	35	149,468
Blue Chip/Str. Avg.					10.5	5.8	3.1			(2.1)	1.4	2.8	13.2	9.2	17.7	14.2	23.0	18.7	3.0	36	149,468
REIT Total/Wtd. Avg.*					12.6	6.0	0.8			(2.2)	2.1	3.4	12.5	7.9	16.1	9.9	20.1	18.8	2.4	41	401,203

(1) Removed REG, added BPO and KIM on 6/29/2011

Citi Investment Research Small Cap List

Company Name	Ticker	Rating	Price	Spot NAV	Prem/ (Disc) to Spot NAV	Implied Cap Rate	1Q11 SS NOI	Model Port Weight	Bloomberg REIT Index Weight	Price Change WTD	Price Change QTD	Div. Yld.	YTD Total Return (1)	2012E FFO Growth	2012E FFO Mult.	2012E AFFO Growth	2012E AFFO Mult.	TEV/ EBITDA Mult.	Fixed Cov. Ratio	Debt/ GAV	Public Float
			($)	*($)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(x)*	*(%)*	*(x)*	*(x)*	*(x)*	*(%)*	*($ mil)*
Acadia Realty	AKR	2M	21.23	20.76	2.3	6.2	(0.7)	0.5	0.2	(0.6)	4.4	3.4	18.4	(1.4)	21.4	9.0	26.6	17.9	2.8	35	856
Coresite Realty	COR	1H	17.33	17.95	(3.4)	8.5	N/A	0.5	0.1	(0.7)	5.7	3.0	27.1	26.2	12.9	20.6	14.6	16.6	5.5	13	340
Colonial Prop	CLP	1H	21.07	24.55	(14.2)	6.9	5.7	2.4	0.4	(1.6)	3.3	2.8	18.4	10.3	16.5	10.6	22.8	18.4	2.2	46	1,748
Cogdell Spencer	CSA	1H	6.19	5.89	5.1	7.3	N/A	0.7	0.1	(1.1)	3.3	6.5	10.2	35.6	12.5	30.1	15.8	15.3	2.0	47	316
EastGroup Prop.	EGP	2H	43.92	35.57	23.5	6.8	2.1	0.7	0.3	(2.4)	3.3	4.7	6.2	2.8	14.9	3.3	18.8	17.3	2.9	44	1,188
Glimcher Realty	GRT	2S	9.85	11.22	(12.2)	8.0	1.0	1.3	0.3	(3.0)	3.7	4.1	19.6	13.0	12.7	15.1	19.1	15.7	1.5	51	984
Kite Realty Group	KRG	1H	4.80	5.28	(9.1)	7.6	1.0	0.6	0.1	(4.0)	(3.6)	5.0	(7.9)	12.6	10.3	15.6	16.6	16.5	1.5	57	305
U-Store-It	YSI	2H	10.63	9.81	8.4	7.4	2.6	0.4	0.3	(1.8)	1.0	2.6	13.7	5.5	16.4	4.4	20.3	16.6	3.0	38	1,066
Small Cap/Wtd. Avg.					(0.1)	7.2	2.3	7.0	1.7	(1.9)	3.0	3.7	9.2	9.2	15.6	10.4	20.6	17.2	2.5	35	6,803
Small Cap/Str. Avg.					0.0	7.3	2.0			(1.9)	2.6	4.0	10.8	13.1	14.7	13.6	19.3	16.8	2.7	41	6,803
REIT Total/Wtd. Avg.*					12.6	6.0	0.8			(2.2)	2.1	3.4	12.5	7.9	16.1	9.9	20.1	18.8	2.4	41	401,203

(1) Removed ELS and DRH, added CLP, CSA, GRT and YSI on 6/29/2011

Citi Investment Research Yield List

Company Name	Ticker	Rating	Price	Spot NAV	Prem/ (Disc) to Spot NAV	Implied Cap Rate	1Q11 SS NOI	Model Port Weight	Bloomberg REIT Index Weight	Price Change WTD	Price Change QTD	Div. Yld.	YTD Total Return (1)	2012E FFO Growth	2012E FFO Mult.	2012E AFFO Growth	2012E AFFO Mult.	TEV/ EBITDA Mult.	Fixed Cov. Ratio	Debt/ GAV	Public Float
			($)	*($)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(x)*	*(%)*	*(x)*	*(x)*	*(x)*	*(%)*	*($ mil)*
Duke Realty	DRE	1M	14.09	17.07	(17.5)	7.7	0.0	2.4	0.9	(4.1)	0.6	4.8	15.8	(2.1)	12.5	(6.2)	17.9	15.2	1.7	46	3,559
Entertainment Prop.	EPR	1H	48.62	34.99	39.0	7.2	N/A	0.8	0.6	(1.7)	4.1	5.8	8.2	8.3	13.7	3.6	14.1	14.5	2.4	34	2,268
HCP	HCP	2H	37.46	26.85	39.5	6.0	N/A	3.3	3.7	(1.9)	2.1	5.1	4.4	9.4	13.7	4.7	18.1	18.7	2.8	40	15,209
Highwoods	HIW	2M	33.85	32.39	4.5	7.3	(4.3)	1.0	0.7	(3.4)	2.2	5.0	8.9	2.3	13.1	1.9	18.3	15.6	2.2	40	2,442
Campus Crest	CCG	2S	12.64	12.56	0.7	6.7	5.1	0.1	0.1	(1.9)	(2.3)	5.1	(7.6)	10.0	15.3	12.2	16.6	22.2	2.7	33	387
Liberty Prop.	LRY	2H	33.29	35.69	(6.7)	7.8	3.4	1.9	1.0	(2.9)	2.2	5.7	7.3	1.8	12.7	0.9	16.4	15.1	2.5	36	3,866
National Retail	NNN	2H	25.81	17.53	47.2	7.1	N/A	1.0	0.6	0.8	5.3	5.9	0.3	0.4	16.8	(0.1)	16.1	16.7	2.6	43	2,141
Yield/Wtd. Avg.					23.9	6.7	0.2	10.5	7.5	(2.2)	2.3	5.3	10.6	5.7	13.6	2.4	17.4	17.2	2.5	41	29,871
Yield/Str. Avg.					15.2	7.1	1.1			(2.2)	2.0	5.3	7.1	4.3	14.0	2.4	16.8	16.9	2.4	39	29,871
REIT Total/Wtd. Avg.*					12.6	6.0	0.8			(2.2)	2.1	3.4	12.5	7.9	16.1	9.9	20.1	18.8	2.4	41	401,203

(1) Removed HCP and GRT on 1/28/2011, removed CLI and added HIW on 4/19/2011, removed NHP and added HCP on 6/29/2011

Citi Investment Research REIT Mid Cap List

Company Name	Ticker	Rating	Price	Spot NAV	Prem/ (Disc) to Spot NAV	Implied Cap Rate	1Q11 SS NOI	Model Port Weight	Bloomberg REIT Index Weight	Price Change WTD	Price Change QTD	Div. Yld.	YTD Total Return (1)	2012E FFO Growth	2012E FFO Mult.	2012E AFFO Growth	2012E AFFO Mult.	TEV/ EBITDA Mult.	Fixed Cov. Ratio	Debt/ GAV	Public Float
			($)	*($)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(x)*	*(%)*	*(x)*	*(x)*	*(x)*	*(%)*	*($ mil)*
American Campus	ACC	1H	36.61	36.26	1.0	5.6	7.0	2.4	0.6	(1.8)	3.1	3.7	17.4	8.0	19.3	9.0	21.6	20.7	2.9	32	2,450
Douglas Emmett	DEI	2H	19.58	20.48	(4.4)	5.5	(4.6)	1.7	0.7	(4.5)	(1.6)	2.1	19.3	(8.7)	16.0	(10.7)	22.1	16.9	2.5	54	2,432
Duke Realty	DRE	1M	14.09	17.07	(17.5)	7.7	0.0	2.4	0.9	(4.1)	0.6	4.8	15.8	(2.1)	12.5	(6.2)	17.9	15.2	1.7	46	3,559
Diamondrock	DRH	1H	10.52	16.12	(34.7)	7.6	0.0	1.7	0.5	(5.6)	(2.0)	3.0	(11.0)	30.7	11.6	32.2	13.5	14.4	3.2	26	1,774
Equity Lifestyle	ELS	1M	65.81	74.70	(11.9)	6.4	1.4	1.1	0.5	(1.2)	5.4	2.3	19.0	38.0	14.3	15.3	17.1	15.5	2.2	33	2,053
Home Prop	HME	1M	64.41	70.30	(8.4)	6.0	8.8	2.5	0.6	0.2	5.8	3.9	18.3	10.5	16.7	12.9	22.2	19.1	1.9	42	2,507
Regency Centers	REG	1M	46.55	46.40	0.3	6.5	(1.6)	2.1	1.0	(0.9)	5.9	4.0	12.4	6.8	18.2	5.8	22.6	17.2	2.0	38	3,891
Weingarten Realty	WRI	1M	25.77	25.45	1.2	6.7	0.4	1.8	0.8	(3.2)	2.4	4.3	10.8	13.6	14.3	2.5	18.2	14.7	2.0	42	3,121
REIT Mid Cap/Wtd. Avg.					(7.9)	6.5	1.2	15.7	5.6	(2.5)	2.7	3.7	12.4	10.0	15.5	5.7	19.8	16.7	2.2	40	21,787
REIT Mid Cap/Str. Avg.					(9.3)	6.5	1.4			(2.6)	2.5	3.5	12.7	12.1	15.4	7.6	19.4	16.7	2.3	39	21,787
REIT Total/Wtd. Avg.*					12.6	6.0	0.8			(2.2)	2.1	3.4	12.5	7.9	16.1	9.9	20.1	18.8	2.4	41	401,203

(1) Removed CLI and added LRY on 4/19/2011, Removed EPR and LRY, added DEI, DRH and ELS on 6/29/2011

*Year-to-date and week-to-date total return pursuant to NAREIT Equity Total Return Index

Past performance is not an indicator of future results. A full history of changes to our list is available upon request. Returns are gross of management fees.
Source: Reuters and Citi Investment Research and Analysis

theHunter — Our REIT Industry Comparative Valuation Analysis

Welcome to *theHunter*

We began publishing our Weekly REIT Strategy in 1995, with the compilation of REIT industry statistical data as one of its cornerstones. We have continually adapted our REIT industry comparative valuation analysis, *theHunter*, since then to capture key valuation parameters and the needs of a broadening investor base.

We distribute a new electronic version of *theHunter* each day after the market close with that day's closing prices. (For the Friday market close, we send *theHunter* out Monday morning.) We update data points in *theHunter* throughout the week as they become available.

theHunter tracks approximately 100 property and lodging companies with a total float over $401 billion and a total market cap of over $743 billion.

We segment these companies into 13 sectors by property type: regional malls, shopping centers, free standing retail (triple net lease), apartments, manufactured housing, self-storage, office, industrial, mixed office/industrial, specialty, health care, diversified, and lodging.

The companies we cover are printed in bold face type. We want *theHunter* to be useful for you, so please let us know how we can improve it for your needs. As always, happy Hunting!

We divide *theHunter* into two sections: *theHunter* Set I and *theHunter* Set II.

theHunter Set I contains company name, ticker, rating, and price performance data.

Set I also features valuation measures and earnings estimates including FFO, AFFO, and historical FFO multiples.

theHunter Set I

theHunter Set I features the following data:

- Current rating, weightings in our Citi Investment Research Model REIT Portfolio and the Bloomberg REIT Index, current and historical price performance, dividend yield, total return performance year to date; TEV/EBITDA multiples, implied values per square foot, and implied cap rates;
- Estimates of funds from operations (FFO), including growth rates, the price-to-FFO multiple, the current sector average and historical sector average, and multiple premium/discount percentage;
- Estimates of adjusted funds from operations (AFFO), net asset value (NAV), and cumulative average growth rates, as well as a summary of balance sheet data. We note consensus AFFO and NAV estimates for uncovered companies are from SNL.

theHunter Set II features quarterly balance sheet, income statement, AFFO adjustment, and historical FFO multiples.

theHunter Set II

theHunter Set II features data from the quarterly balance sheet, income statement AFFO adjustments, historical FFO multiples, NAV, dividend and volume data, the FFO multiple-to-growth ratio, and space expiring this year.

Sector	Citi Investment Research theHunter Set I Ranked by 2012E FFO Multiple Company	Rating	Price 15 Jul	Price Change Day	Price Change Wk	Price Change Mnth	Price Change QTD	Total Return YTD	Total Return 10	Div Yld	FFO Est. 2011E	FFO Citi vs. Cons.	FFO Est. 2012E	FFO Citi vs. Cons.	FFO Growth 11E	FFO Growth 12E	FFO Multiple 11E	FFO Multiple 12E	TEV/ EBITDA Mult.	Implied Value / Unit or Sq. Ft.	Implied Cap Rate	Prem (Disc to NA Spo
			($)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	($/sh)	($/sh)	($/sh)	($/sh)	(%)	(%)	(x)	(x)	(x)	($/sf)	(%)	(%)
Regional Malls	**Taubman Centers**	**2S**	**61.76**	**2.9**	**(1.2)**	**4.3**	**4.3**	**24.1**	**45.8**	**2.8**	**2.79**	**0.05**	**2.72**	**(0.31)**	**(2.7)**	**(2.3)**	**22.2**	**22.7**	**18.6**	**397**	**5.7**	**9.0**
Regional Malls	**Macerich Co.**	**1M**	**53.92**	**1.4**	**(4.1)**	**0.8**	**0.8**	**15.9**	**37.6**	**4.1**	**2.89**	**0.03**	**3.11**	**(0.03)**	**8.7**	**7.5**	**18.7**	**17.4**	**18.2**	**379**	**6.2**	**(0.0)**
Regional Malls	**Simon Property**	**2M**	**118.79**	**1.1**	**(2.0)**	**2.2**	**2.2**	**21.0**	**27.9**	**2.7**	**6.87**	**0.14**	**6.98**	**(0.12)**	**36.9**	**1.6**	**17.3**	**17.0**	**17.7**	**391**	**5.8**	**5.0**
Regional Malls	General Growth		16.44	1.5	(4.8)	(1.5)	(1.5)	7.5	112.1	2.6	0.96		1.02		N/A	6.3	17.1	16.1	20.2	N/A	N/A	6.8
Regional Malls	**Glimcher Realty**	**2S**	**9.85**	**1.2**	**(3.0)**	**3.7**	**3.7**	**19.6**	**225.9**	**4.1**	**0.68**	**0.02**	**0.77**	**0.02**	**(7.1)**	**13.0**	**14.4**	**12.7**	**15.7**	**159**	**8.0**	**(12.2**
Regional Malls	**Pennsylvania REIT**	**2S**	**15.93**	**1.3**	**(2.8)**	**1.5**	**1.5**	**11.7**	**78.8**	**3.8**	**1.58**	**(0.03)**	**1.66**	**(0.01)**	**(14.6)**	**4.6**	**10.1**	**9.6**	**13.2**	**222**	**8.5**	**(9.7)**
Regional Malls	**CBL & Associates**	**3H**	**18.39**	**1.5**	**(3.8)**	**1.4**	**1.4**	**7.5**	**89.2**	**4.6**	**2.12**	**(0.01)**	**1.98**	**(0.04)**	**13.6**	**(6.6)**	**8.7**	**9.3**	**13.2**	**224**	**8.1**	**(10.7**
Regional Malls	**Reg Mall Tot/Wtd. Avg.**			**1.3**	**(2.9)**	**1.2**	**1.2**	**16.4**	**35.3**	**2.9**					**27.1**	**3.0**	**16.7**	**16.2**	**17.8**	**363**	**6.2**	**4.0**
Regional Malls	**Reg Mall Tot/Str. Avg.**			**1.6**	**(3.1)**	**1.8**	**1.8**	**15.3**	**88.2**	**3.5**					**5.8**	**3.4**	**15.5**	**15.0**	**16.7**		**7.0**	**(1.7)**
Shopping Centers	**Acadia Realty**	**2M**	**21.23**	**1.5**	**(0.6)**	**4.4**	**4.4**	**18.4**	**12.4**	**3.4**	**1.01**	**(0.01)**	**0.99**	**(0.07)**	**(18.5)**	**(1.4)**	**21.1**	**21.4**	**17.9**	**218**	**6.2**	**2.3**
Shopping Centers	**Federal Realty**	**2M**	**88.47**	**1.5**	**(1.0)**	**3.9**	**3.9**	**15.2**	**19.0**	**3.0**	**4.01**	**0.03**	**4.20**	**0.02**	**3.3**	**4.7**	**22.1**	**21.1**	**20.9**	**334**	**5.2**	**14.6**
Shopping Centers	**Tanger Factory**	**2H**	**28.00**	**1.1**	**(2.0)**	**4.6**	**4.6**	**10.9**	**35.3**	**2.9**	**1.43**	**0.01**	**1.50**	**(0.06)**	**17.6**	**5.3**	**19.6**	**18.6**	**21.9**	**415**	**5.9**	**15.4**
Shopping Centers	Excel Trust		11.33	0.7	(0.8)	2.7	2.7	(4.0)	(12.1)	2.8	-0.10		0.61		N/A	N/A	N/A	18.6	N/A	N/A	N/A	(16.6
Shopping Centers	**Regency Centers**	**1M**	**46.55**	**0.7**	**(0.9)**	**5.9**	**5.9**	**12.4**	**25.8**	**4.0**	**2.39**	**(0.02)**	**2.56**	**0.01**	**31.9**	**6.8**	**19.4**	**18.2**	**17.2**	**205**	**6.5**	**0.3**
Shopping Centers	**Equity One**	**3H**	**19.45**	**1.5**	**(1.0)**	**4.3**	**4.3**	**9.4**	**17.9**	**4.5**	**1.54**	**0.09**	**1.11**	**(0.04)**	**52.2**	**(28.2)**	**12.6**	**17.6**	**19.3**	**190**	**6.4**	**9.4**
Shopping Centers	**Kimco Realty**	**2H**	**19.35**	**1.4**	**(0.8)**	**3.8**	**3.8**	**9.3**	**38.2**	**3.7**	**1.19**	**(0.01)**	**1.25**	**(0.01)**	**5.6**	**4.9**	**16.2**	**15.5**	**15.5**	**195**	**6.8**	**2.5**
Shopping Centers	Saul Centers		39.96	1.3	(1.7)	1.5	1.5	(13.3)	48.9	3.6	2.36		2.61		11.3	10.6	16.9	15.3	15.6	N/A	N/A	(13.8
Shopping Centers	**Weingarten Realty**	**1M**	**25.77**	**0.9**	**(3.2)**	**2.4**	**2.4**	**10.8**	**25.3**	**4.3**	**1.59**	**(0.03)**	**1.80**	**(0.07)**	**11.6**	**13.6**	**16.2**	**14.3**	**14.7**	**162**	**6.7**	**1.2**
Shopping Centers	**Developers Div.**	**2H**	**14.54**	**0.8**	**(1.9)**	**3.1**	**3.1**	**3.8**	**53.0**	**1.1**	**1.08**	**0.11**	**1.05**	**0.03**	**N/A**	**N/A**	**13.5**	**13.9**	**16.0**	**132**	**7.0**	**2.5**
Shopping Centers	Ramco-Gershenson		12.48	1.2	(1.6)	0.8	0.8	2.9	37.3	5.2	0.95		1.01		N/A	6.3	13.1	12.4	19.4	N/A	N/A	(9.9
Shopping Centers	Cedar Shopping Ctrs.		5.17	2.2	(3.4)	0.4	0.4	(14.9)	(3.5)	7.0	0.25		0.44		N/A	76.0	20.7	11.8	14.9	N/A	N/A	(7.8
Shopping Centers	Inland Real Estate		9.06	1.0	(1.6)	2.6	2.6	6.2	15.0	6.3	0.79		0.84		(6.0)	6.3	11.5	10.8	18.9	N/A	N/A	11.4
Shopping Centers	**Kite Realty Group**	**1H**	**4.80**	**0.0**	**(4.0)**	**(3.6)**	**(3.6)**	**(7.9)**	**38.8**	**5.0**	**0.42**	**(0.00)**	**0.47**	**0.01**	**(2.6)**	**12.6**	**11.6**	**10.3**	**16.5**	**125**	**7.6**	**(9.1)**
Shopping Centers	Retail Opp Inv Corp		10.97	0.3	(1.3)	2.0	2.0	12.4	(0.0)	2.2	0.08		0.16		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Shopping Centers	**Shp Ctr Tot/Wtd. Avg.**			**1.2**	**(1.4)**	**3.7**	**3.7**	**9.0**	**28.9**	**3.4**					**13.0**	**4.7**	**16.7**	**16.2**	**16.9**	**214**	**6.5**	**4.9**
Shopping Centers	**Shp Ctr Tot/Str. Avg.**			**1.1**	**(1.7)**	**2.6**	**2.6**	**4.8**	**23.4**	**3.9**					**10.6**	**9.8**	**15.7**	**14.9**	**17.3**		**6.5**	**0.2**
Triple Net	**National Retail**	**2H**	**25.81**	**1.1**	**0.8**	**5.3**	**5.3**	**0.3**	**32.0**	**5.9**	**1.53**	**0.01**	**1.54**	**(0.04)**	**17.8**	**0.4**	**16.9**	**16.8**	**16.7**	**263**	**7.1**	**47.2**
Triple Net	**Realty Income**	**3H**	**34.06**	**0.9**	**(2.5)**	**1.7**	**1.7**	**2.1**	**38.6**	**5.1**	**2.03**	**0.01**	**2.10**	**(0.04)**	**11.2**	**3.2**	**16.7**	**16.2**	**19.0**	**298**	**6.3**	**85.3**
Triple Net	**Entertainment Prop.**	**1H**	**48.62**	**1.4**	**(1.7)**	**4.1**	**4.1**	**8.2**	**38.5**	**5.8**	**3.27**	**0.03**	**3.54**	**(0.13)**	**(2.1)**	**8.3**	**14.9**	**13.7**	**14.5**	**246**	**7.2**	**39.0**
Triple Net	Getty Realty		26.06	1.4	0.0	3.3	3.3	(13.6)	41.1	7.4	2.17		2.17		1.4	0.0	12.0	12.0	14.8	N/A	N/A	24.6
Triple Net	Lexington Realty		8.99	(0.1)	(4.1)	(1.5)	(1.5)	16.0	37.6	5.2	0.92		0.93		(4.2)	1.1	9.8	9.7	12.1	N/A	N/A	(3.9
Triple Net	**CapLease**	**2S**	**4.76**	**0.0**	**(5.0)**	**(3.1)**	**(3.1)**	**(16.0)**	**38.5**	**5.5**	**0.62**	**(0.02)**	**0.65**	**(0.05)**	**17.6**	**3.4**	**7.6**	**7.4**	**14.5**	**121**	**8.2**	**0.5**
Triple Net	**Fr-Stnd Rtl Tot/Wtd. Avg.**			**0.9**	**(1.8)**	**2.5**	**2.5**	**2.4**	**37.1**	**5.6**					**7.4**	**3.2**	**14.3**	**13.9**	**15.6**	**257**	**6.9**	**51.2**
Triple Net	**Fr-Stnd Rtl Tot/Str. Avg.**			**0.8**	**(2.1)**	**1.6**	**1.6**	**(0.5)**	**37.7**	**5.8**					**7.0**	**2.7**	**11.9**	**11.6**	**15.0**		**7.2**	**32.1**
Apartments	**AvalonBay**	**3H**	**132.71**	**1.4**	**(3.4)**	**3.4**	**3.4**	**19.5**	**41.4**	**2.7**	**4.80**	**0.02**	**5.51**	**0.01**	**19.9**	**14.9**	**27.7**	**24.1**	**27.4**	**259**	**4.0**	**30.5**
Apartments	**Essex Property**	**2H**	**139.98**	**0.8**	**(2.1)**	**3.5**	**3.5**	**24.4**	**41.5**	**3.0**	**5.66**	**0.02**	**6.21**	**(0.10)**	**5.7**	**9.8**	**24.8**	**22.5**	**25.8**	**243**	**4.4**	**19.1**
Apartments	**Post Properties**	**2H**	**42.83**	**1.6**	**(0.8)**	**5.1**	**5.1**	**19.1**	**89.3**	**1.9**	**1.69**	**0.02**	**1.93**	**0.07**	**N/A**	**14.1**	**25.3**	**22.2**	**22.9**	**166**	**5.5**	**(5.4)**
Apartments	**BRE Properties**	**2H**	**52.29**	**1.3**	**(0.7)**	**4.8**	**4.8**	**21.9**	**36.0**	**2.9**	**2.13**	**(0.00)**	**2.38**	**0.03**	**34.8**	**11.8**	**24.6**	**22.0**	**24.0**	**234**	**4.6**	**10.3**
Apartments	**Equity Res**	**3H**	**61.75**	**1.2**	**(1.7)**	**2.9**	**2.9**	**20.2**	**58.1**	**2.6**	**2.49**	**0.03**	**2.83**	**0.02**	**19.9**	**14.0**	**24.8**	**21.8**	**23.3**	**222**	**4.5**	**24.5**
Apartments	**Camden Prop**	**2H**	**66.92**	**2.5**	**(0.5)**	**5.2**	**5.2**	**25.8**	**31.6**	**2.9**	**2.74**	**0.05**	**3.48**	**0.16**	**1.0**	**26.8**	**24.4**	**19.2**	**22.5**	**141**	**5.1**	**15.2**
Apartments	**UDR**	**2H**	**25.98**	**1.2**	**1.6**	**5.8**	**5.8**	**12.0**	**47.5**	**3.1**	**1.25**	**(0.01)**	**1.40**	**0.01**	**14.2**	**12.2**	**20.9**	**18.6**	**22.8**	**184**	**4.8**	**15.0**
Apartments	**Home Prop**	**1M**	**64.41**	**1.5**	**0.2**	**5.8**	**5.8**	**18.3**	**21.2**	**3.9**	**3.49**	**(0.01)**	**3.86**	**0.06**	**12.6**	**10.5**	**18.4**	**16.7**	**19.1**	**147**	**6.0**	**(8.4)**
Apartments	**Colonial Prop**	**1H**	**21.07**	**1.1**	**(1.6)**	**3.3**	**3.3**	**18.4**	**59.0**	**2.8**	**1.16**	**0.01**	**1.28**	**0.02**	**13.5**	**10.3**	**18.2**	**16.5**	**18.4**	**82**	**6.9**	**(14.2**
Apartments	Mid-America Apt.		70.54	1.4	(0.8)	4.6	4.6	14.1	36.6	3.5	4.05		4.33		13.4	6.9	17.4	16.3	21.0	N/A	N/A	17.1
Apartments	**Associated Estates**	**2H**	**17.48**	**3.7**	**2.0**	**7.6**	**7.6**	**17.7**	**41.7**	**3.9**	**1.06**	**0.01**	**1.19**	**(0.00)**	**24.4**	**12.2**	**16.5**	**14.7**	**17.7**	**106**	**7.0**	**(11.0**
Apartments	**AIMCO**	**2H**	**26.83**	**1.7**	**(1.3)**	**5.1**	**5.1**	**4.8**	**64.2**	**1.8**	**1.51**	**(0.04)**	**1.85**	**0.12**	**9.5**	**22.3**	**17.8**	**14.5**	**15.6**	**109**	**6.6**	**1.6**
Apartments	**Apartment Tot/Wtd. Avg.**			**1.4**	**(1.4)**	**4.0**	**4.0**	**18.8**	**47.5**	**2.8**					**16.5**	**14.5**	**23.3**	**20.3**	**22.2**	**196**	**4.9**	**17.4**
Apartments	**Apartment Tot/Str. Avg.**			**1.6**	**(0.8)**	**4.7**	**4.7**	**18.0**	**47.3**	**2.9**					**15.4**	**13.8**	**21.1**	**18.5**	**21.2**		**5.4**	**7.9**
Student Apts.	Education Realty		9.03	0.9	(1.4)	5.4	5.4	17.5	64.7	2.5	0.41		0.46		N/A	12.2	22.0	19.6	21.2	N/A	N/A	0.8
Student Apts.	**American Campus**	**1H**	**36.61**	**1.4**	**(1.8)**	**3.1**	**3.1**	**17.4**	**17.8**	**3.7**	**1.76**	**0.01**	**1.90**	**(0.00)**	**11.1**	**8.0**	**20.8**	**19.3**	**20.7**	**187**	**5.6**	**1.0**
Student Apts.	**Campus Crest**	**2S**	**12.64**	**1.6**	**(1.9)**	**(2.3)**	**(2.3)**	**(7.6)**	**13.2**	**5.1**	**0.75**	**0.02**	**0.83**	**(0.01)**	**N/A**	**10.0**	**16.8**	**15.3**	**22.2**	**126**	**6.7**	**0.7**
Student Apts.	**Student Apts. Tot/Wtd. Avg.**			**1.4**	**(1.7)**	**2.9**	**2.9**	**13.8**	**23.1**	**3.6**					**11.1**	**9.0**	**20.5**	**18.8**	**21.0**	**178**	**5.7**	**0.9**
Student Apts.	**Student Apts. Tot/Str. Avg.**			**1.3**	**(1.7)**	**2.0**	**2.0**	**9.1**	**31.9**	**3.7**					**11.1**	**10.1**	**19.6**	**17.8**	**21.4**		**6.1**	**0.8**
M. Home	**Equity Lifestyle**	**1M**	**65.81**	**0.9**	**(1.2)**	**5.4**	**5.4**	**19.0**	**13.2**	**2.3**	**3.34**	**(0.09)**	**4.61**	**0.05**	**(3.7)**	**38.0**	**19.7**	**14.3**	**15.5**	**35**	**6.4**	**(11.9**
M. Home	Sun Comm		38.28	1.8	(0.4)	2.6	2.6	20.6	81.4	6.6	3.08		3.36		5.1	9.1	12.4	11.4	15.3	N/A	N/A	18.4
M. Home	**Mfd Home Tot/Wtd. Avg.**			**1.1**	**(1.0)**	**4.6**	**4.6**	**19.4**	**26.5**	**3.5**					**(1.2)**	**29.9**	**16.9**	**13.3**	**15.4**	**35**	**6.4**	**(3.4)**
M. Home	**Mfd Home Tot/Str. Avg.**			**1.3**	**(0.8)**	**4.0**	**4.0**	**19.8**	**47.3**	**4.4**					**0.7**	**23.5**	**15.2**	**12.7**	**15.4**		**6.4**	**3.2**
Storage	**Public Storage**	**1M**	**119.19**	**1.1**	**(0.2)**	**4.5**	**4.5**	**19.2**	**28.3**	**3.2**	**5.78**	**(0.02)**	**5.83**	**(0.25)**	**22.4**	**0.9**	**20.6**	**20.5**	**20.0**	**169**	**5.1**	**26.1**
Storage	**Extra Space Storage**	**2H**	**21.78**	**2.3**	**(1.1)**	**2.1**	**2.1**	**26.8**	**54.1**	**2.6**	**1.11**	**0.02**	**1.16**	**(0.05)**	**21.6**	**4.9**	**19.7**	**18.8**	**20.0**	**145**	**6.1**	**33.9**
Storage	**U-Store-It**	**2H**	**10.63**	**2.2**	**(1.8)**	**1.0**	**1.0**	**13.7**	**31.6**	**2.6**	**0.61**	**0.00**	**0.65**	**(0.01)**	**20.0**	**5.5**	**17.3**	**16.4**	**16.6**	**75**	**7.4**	**8.4**
Storage	**Sovran**	**2H**	**41.80**	**0.9**	**(1.7)**	**2.0**	**2.0**	**17.2**	**8.1**	**4.3**	**2.65**	**0.02**	**2.83**	**0.03**	**8.2**	**7.1**	**15.8**	**14.7**	**16.0**	**68**	**7.4**	**(2.7)**
Storage	**Self Storage Tot/Wtd. Avg.**			**1.3**	**(0.4)**	**4.1**	**4.1**	**19.5**	**28.8**	**3.2**					**21.6**	**1.7**	**20.1**	**19.7**	**19.5**	**156**	**5.4**	**24.6**
Storage	**Self Storage Tot/Str. Avg.**			**1.6**	**(1.2)**	**2.4**	**2.4**	**19.2**	**30.5**	**3.2**					**18.1**	**4.6**	**18.2**	**17.3**	**18.0**		**6.5**	**16.4**
Healthcare	**Ventas**	**1M**	**53.65**	**1.1**	**(1.2)**	**1.8**	**1.8**	**4.7**	**24.9**	**4.3**	**3.17**	**0.01**	**3.41**	**(0.06)**	**10.5**	**7.3**	**16.9**	**15.8**	**18.2**	**N/A**	**6.0**	**30.9**
Healthcare	National Health		45.67	1.5	(1.3)	2.8	2.8	4.2	28.1	5.4	3.00		3.10		8.7	3.3	15.2	14.7	16.8	N/A	N/A	39.1
Healthcare	Healthcare Realty		20.28	0.4	(4.6)	(1.7)	(1.7)	(1.4)	4.2	5.9	1.23		1.40		(2.4)	13.8	16.5	14.5	18.7	N/A	N/A	4.3
Healthcare	Health Care REIT		52.57	1.2	(1.7)	0.3	0.3	13.3	13.7	5.4	3.38		3.82		9.7	13.0	15.6	13.8	27.4	N/A	N/A	33.5
Healthcare	**HCP**	**2H**	**37.46**	**1.1**	**(1.9)**	**2.1**	**2.1**	**4.4**	**26.6**	**5.1**	**2.50**	**(0.03)**	**2.73**	**(0.06)**	**23.9**	**9.4**	**15.0**	**13.7**	**18.7**	**N/A**	**6.0**	**39.5**
Healthcare	Medical Properties Trust		12.12	1.2	(1.1)	5.4	5.4	15.6	16.3	6.6	0.75		0.92		N/A	22.7	16.2	13.2	19.5	N/A	N/A	46.7
Healthcare	**Cogdell Spencer**	**1H**	**6.19**	**3.5**	**(1.1)**	**3.3**	**3.3**	**10.2**	**9.5**	**6.5**	**0.36**	**0.01**	**0.49**	**0.05**	**N/A**	**35.6**	**17.0**	**12.5**	**15.3**	**N/A**	**7.3**	**5.1**
Healthcare	Senior Housing Prop.		23.67	1.1	(0.1)	1.1	1.1	12.9	7.0	6.3	1.81		1.91		5.8	5.5	13.1	12.4	15.3	N/A	N/A	6.2
Healthcare	LTC Properties		27.75	0.1	(2.7)	(0.3)	(0.3)	1.8	10.9	6.1	2.14		2.27		10.9	6.1	13.0	12.2	15.0	N/A	N/A	8.9
Healthcare	Omega Healthcare Investors		21.24	0.7	(3.5)	1.1	1.1	(2.0)	22.4	7.2	1.77		1.92		6.6	8.5	12.0	11.1	13.7	N/A	N/A	34.1

See footnotes to *theHunter* on pages 49 and 50.

	Tckr	Model Port. Weight	Model Hedge Weight	BBREIT Index Weight	Est. '11E	Est. 12E	Adjusted Funds From Operations (AFFO) Mult. '11E	Mult. '12E	Grwth '11E	Grwth 12E	FFO Mult Prem Current vs. Sector	17 Yr. Sector Avg	Hist. FFO Multiples High	Low	17 Yr. Avg	Net Asset Value CAGR 3Q'94 - 1Q'11	Spot NAV 1Q'11	Cap Rate	Debt/ GAV	Net Debt/ Fwd Cash EBITDA	Fixed Cov Ratio	Balance Sheet Market Capitalization Float	Total
		(%)	(%)	(%)			(x)		(%)	(%)	(%)	(%)	(x)	(x)	(x)	(%)	($/sh)	(%)	(%)	(x)	(x)	($ mil)	($ mil)
Regional Malls	TCO	1.1		0.9	2.50	2.44	24.7	25.3	2.5	(2.5)	36.4	16.9	22.4	7.9	12.8	6.0	56.66	6.00	35	6.2	2.3	3,575	8,279
	MAC	3.4	3.6	1.9	2.37	2.58	22.8	20.9	12.2	9.3	9.1	4.7	18.0	3.8	11.6	1.9	53.93	6.20	43	7.5	2.1	7,066	13,460
	SPG	10.5	4.5	9.0	5.55	5.60	21.4	21.2	11.3	0.8	4.3	6.8	17.4	6.7	11.5	5.5	113.09	6.00	37	6.2	2.0	34,834	65,543
	GGP			4.3	0.83	0.86	19.8	19.1	N/A	3.6	0.7	(6.9)	16.6	0.5	10.4	N/A	15.39	N/A	59	10.2	1.2	15,346	36,341
	GRT	1.3		0.3	0.45	0.51	22.0	19.1	2.0	15.1	(18.2)	(28.3)	13.5	1.5	8.0	(7.6)	11.22	7.45	51	8.3	1.5	984	2,739
	PEI	0.8		0.2	0.89	0.91	17.9	17.6	(21.2)	1.8	(40.4)	(22.1)	11.2	2.3	8.2	N/A	17.63	8.25	70	9.8	1.6	886	3,319
	CBL	0.0	-3.2	0.7	1.11	1.08	16.5	17.0	(7.6)	(2.8)	(45.3)	(12.8)	13.7	2.1	9.1	0.9	20.60	7.75	57	7.5	1.9	2,723	9,623
		17.1	4.9	17.2			21.0	20.5	9.0	2.3	(2.6)	(11.7)	16.4	5.3	10.9	4.5		6.32	46	7.6	1.8	65,414	139,303
							20.7	20.0	(0.1)	3.6									50	8.0	1.8		
Shopping Centers	AKR	0.5	1.0	0.2	0.73	0.80	29.0	26.6	10.2	9.0	26.9	1.2	21.3	5.4	12.7	8.1	20.76	6.36	35	5.3	2.8	856	1,317
	FRT	0.0		1.4	3.35	3.54	26.4	25.0	1.8	5.5	28.5	19.0	23.4	7.2	14.5	N/A	77.17	5.77	27	5.3	3.6	5,506	7,369
	SKT	0.0		0.6	1.16	1.24	24.0	22.6	9.4	6.4	14.1	(10.5)	19.1	5.6	11.1	(0.4)	24.26	6.50	31	6.2	3.7	2,406	3,769
	EXL			0.0	0.77	0.96	14.7	11.8	N/A	24.7						N/A	13.58	N/A		N/A	N/A	188	440
	REG	2.1	4.0	1.0	1.95	2.06	23.9	22.6	3.4	5.8	12.0	3.3	18.8	6.8	12.5	1.0	46.40	6.50	38	6.2	2.0	3,891	6,875
	EQY	0.0	-1.7	0.5	0.87	0.88	22.3	22.0	7.9	1.1	(11.2)	6.9	16.6	9.1	14.1	N/A	17.77	6.75	42	7.5	2.3	2,052	3,789
	KIM	1.5		2.0	0.97	1.01	19.9	19.2	(2.3)	3.7	(5.6)	6.5	18.3	8.4	12.5	1.2	18.89	6.85	44	6.8	2.0	7,865	15,341
	BFS			0.2	2.03	2.23	19.7	17.9	4.6	9.9	(4.4)	5.2	20.6	7.4	12.5	N/A	46.37	N/A	41	N/A	N/A	747	1,668
	WRI	1.8	3.0	0.8	1.38	1.41	18.7	18.2	3.6	2.5	(9.7)	2.7	15.2	7.1	11.9	(0.4)	25.45	6.75	42	6.3	2.0	3,121	6,193
	DDR	1.4		1.0	0.90	0.95	16.1	15.3	1.3	4.9	(18.2)	(15.8)	16.2	1.8	10.2	(4.4)	14.19	7.09	54	8.6	1.8	4,022	9,442
	RPT			0.1	0.72	0.82	17.3	15.2	(14.3)	13.9	(24.1)	(37.4)	14.3	2.6	9.6	N/A	13.85	N/A	55	9.9	N/A	481	1,213
	CDR			0.1	0.41	0.45	12.6	11.5	0.0	9.8	(12.3)	N/A	N/A	N/A	N/A	N/A	5.61	N/A	62	9.4	N/A	350	1,404
	IRC			0.2	0.58	0.66	15.6	13.7	(12.1)	13.8	(33.8)	(20.9)	12.9	9.4	10.7	N/A	8.13	N/A	57	8.9	N/A	804	1,755
	KRG	0.6	1.0	0.1	0.25	0.29	19.2	16.6	(13.2)	15.6	(35.4)	(18.9)	15.2	5.4	11.4	N/A	5.28	7.25	57	10.8	1.5	305	1,007
	ROIC			0.1	0.55	0.61	19.9	18.0	N/A	10.9						N/A	11.62	N/A			N/A	462	517
		7.9	7.4	8.3			20.6	19.6	1.6	5.4	(0.8)	(1.6)	17.1	7.3	11.9	0.0		6.67	42	7.1	2.3	33,053	62,098
							20.0	18.4	0.0	9.2									45	7.6	2.4		
Triple Net	NNN	1.0		0.6	1.60	1.60	16.1	16.1	(1.5)	(0.1)	19.7	1.9	17.4	6.3	11.3	2.1	17.53	9.00	43	5.6	2.6	2,141	3,391
	O	0.0	-1.2	1.1	2.00	2.07	17.0	16.5	12.2	3.3	17.2	12.5	17.1	7.9	12.3	N/A	18.38	9.00	44	5.7	2.8	4,351	6,832
	EPR	0.8	2.3	0.6	3.32	3.44	14.6	14.1	2.2	3.6	1.4	(13.1)	14.2	4.5	9.9	N/A	34.99	9.16	34	4.2	2.4	2,268	3,735
	GTY			0.2	2.17	1.99	12.0	13.1	4.3	(8.3)	(14.5)	11.8	16.1	10.8	13.9	N/A	20.91	N/A	N/A	N/A	N/A	870	1,054
	LXP			0.4	0.79	0.77	11.4	11.7	3.9	(2.5)	(30.8)	N/A	N/A	N/A	N/A	N/A	9.35	N/A	50	6.3	N/A	1,324	3,461
	LSE	0.0		0.1	0.72	0.73	6.6	6.5	0.1	1.3	(46.7)	(15.8)	21.9	2.0	10.4	N/A	4.74	8.25	78	11.0	1.4	322	1,836
		1.9	1.1	2.9			14.4	14.3	5.7	1.1	(16.8)	(8.1)	14.1	6.7	11.0	2.1		8.93	46	6.1	2.5	11,276	20,309
							13.0	13.0	3.5	(0.4)									50	6.6	2.3		
Apartments	AVB	0.0	-3.7	2.9	4.18	4.86	31.7	27.3	23.0	16.3	18.6	18.5	26.8	9.7	16.4	7.2	101.73	5.00	31	6.2	2.2	11,588	15,626
	ESS	1.5	2.9	1.1	4.65	5.28	30.1	26.5	15.6	13.5	8.8	6.4	24.2	7.2	14.7	N/A	117.51	5.00	37	8.1	2.6	4,435	7,330
	PPS	1.2	1.2	0.5	1.40	1.60	30.6	26.8	29.7	14.4	9.1	11.0	24.3	9.4	15.2	(2.1)	45.26	5.25	32	7.3	2.1	2,132	3,280
	BRE	2.1	2.4	0.8	1.81	2.02	28.9	25.9	5.0	11.6	6.9	8.9	24.5	8.8	15.2	1.6	47.42	5.00	29	6.4	2.3	3,898	5,524
	EQR	0.0	-2.7	4.6	2.17	2.50	28.4	24.7	12.6	15.4	6.9	0.9	23.1	8.7	13.8	3.5	49.60	5.20	38	7.4	2.5	18,187	28,912
	CPT	2.1	1.6	1.2	2.44	2.84	27.4	23.6	18.5	16.3	(1.3)	(6.1)	21.3	8.0	12.9	2.1	58.10	5.60	37	7.1	2.4	4,860	7,760
	UDR	0.9		1.2	1.03	1.12	25.3	23.3	16.9	8.6	(9.4)	(10.4)	19.6	6.6	12.3	0.3	22.59	5.25	45	9.4	2.3	4,832	8,911
	HME	2.5	3.2	0.6	2.56	2.89	25.1	22.2	7.0	12.9	(19.2)	(7.1)	18.2	8.2	12.4	4.0	70.30	5.75	42	8.1	1.9	2,507	5,820
	CLP	2.4	1.8	0.4	0.84	0.92	25.2	22.8	20.1	10.6	17.9	(21.7)	17.2	4.8	10.4	(4.5)	24.55	6.37	46	9.2	2.2	1,748	3,921
	MAA			0.6	3.33	3.60	21.2	19.6	10.3	8.1	(22.3)	(15.6)	16.8	7.2	11.4	N/A	60.23	N/A	38	6.3	N/A	2,589	4,182
	AEC	0.0		0.2	0.96	1.07	18.2	16.3	26.7	12.2	(28.4)	(30.0)	15.5	6.0	9.4	N/A	19.65	6.50	41	7.0	2.2	725	1,284
	AIV	2.1	1.4	0.8	1.11	1.26	24.2	21.3	16.3	13.6	(26.6)	(19.3)	16.4	4.4	10.8	(3.6)	26.40	6.59	55	8.2	1.5	3,183	9,017
		14.7	8.1	15.0			27.7	24.4	16.0	14.0	28.0	10.6	21.6	8.6	13.7	2.9		5.44	39	7.5	2.3	60,683	101,568
							26.4	23.4	16.8	12.8									39	7.6	2.2		
	EDR			0.2	0.35	0.39	25.8	23.2	0.0	11.4	(4.3)	(21.4)	20.7	7.3	14.3	N/A	8.96	N/A	33	5.5	N/A	652	993
	ACC	2.4	3.6	0.6	1.55	1.69	23.6	21.6	11.1	9.0	(7.6)	7.0	20.0	13.1	17.7	N/A	36.26	5.60	32	6.0	2.9	2,450	3,722
	CCG	0.1		0.1	0.68	0.76	18.6	16.6	N/A	12.2	(26.1)	(13.2)	17.7	16.0	16.8	N/A	12.56	6.75	33	6.7	2.7	387	590
		2.5	3.6	0.9			23.3	21.2	8.8	9.8	15.8	20.3	19.5	12.1	17.1	N/A		5.76	26	6.0	2.9	3,489	5,306
							22.7	20.5	5.5	10.9									33	6.1	2.8		
M. Home	ELS	1.1	2.2	0.5	3.33	3.84	19.7	17.1	10.2	15.3	10.7	10.5	18.8	10.4	13.6	7.2	74.70	5.95	33	5.6	2.2	2,053	3,944
	SUI			0.2	2.75	3.03	13.9	12.6	4.6	10.2	(19.9)	(13.5)	14.0	5.0	10.7	N/A	32.33	N/A	65	N/A	N/A	801	2,037
		1.1	2.2	0.7			17.7	15.6	8.7	13.8	(12.4)	5.6	16.3	8.7	12.3	7.2		5.95	43	5.6	2.2	2,854	5,981
							16.8	14.9	7.4	12.7									49	5.6	2.2		
	PSA	5.4	2.4	5.2	5.15	5.38	23.1	22.2	6.9	4.4	3.2	1.5	21.8	8.2	13.9	7.9	94.50	6.28	3	0.4	4.6	20,199	24,299
	EXR	0.0		0.5	1.03	1.08	21.1	20.1	24.1	5.1	(3.5)	(14.5)	19.2	9.7	15.0	N/A	16.26	7.27	49	8.0	2.1	1,918	3,445
	YSI	0.4	1.9	0.3	0.50	0.52	21.2	20.3	20.8	4.4	(15.6)	(20.0)	18.4	4.8	14.1	N/A	9.81	7.75	38	5.8	3.0	1,066	1,747
	SSS	0.4	0.5	0.3	2.19	2.36	19.0	17.7	5.0	7.6	(23.5)	(13.4)	16.7	6.0	11.8	2.3	42.95	7.25	29	4.6	3.2	1,157	1,666
		6.2	4.8	6.2			22.6	21.6	8.7	4.6	17.9	11.5	21.0	8.0	13.6	7.6		6.55	12	1.8	4.1	24,340	31,157
							21.1	20.1	14.2	5.3									30	4.7	3.2		
Healthcare	VTR	6.2	6.1	2.4	3.07	3.25	17.5	16.5	13.1	5.7	11.2	4.1	16.8	7.9	14.2	N/A	40.98	7.25	33	6.6	5.1	15,907	21,916
	NHI			0.3	3.00	3.08	15.2	14.8	8.7	2.7	2.2	(8.0)	15.4	4.2	10.6	N/A	32.84	N/A	5	N/A	N/A	1,265	1,315
	HR			0.4	1.18	1.36	17.2	14.9	(0.8)	15.3	4.9	3.7	16.7	5.6	12.3	N/A	19.44	N/A	48	7.6	1.8	1,475	2,768
	HCN			2.1	3.13	3.56	16.8	14.8	11.4	13.7	(0.6)	(7.0)	14.5	5.3	11.1	N/A	39.37	N/A	44	4.0	N/A	9,275	16,612
	HCP	3.3	1.8	3.7	1.97	2.06	19.0	18.1	18.1	4.7	(2.4)	7.9	17.2	7.0	12.6	1.2	26.85	7.41	40	5.4	2.8	15,209	23,433
	MPW			0.3	0.79	0.92	15.3	13.2	2.6	16.5	2.2	N/A	N/A	N/A	N/A	N/A	8.26	N/A	34	3.6	N/A	1,338	1,814
	CSA	0.7	1.6	0.1	0.30	0.39	20.6	15.8	(35.5)	30.1	(2.5)	(1.5)	18.5	8.5	13.9	(29.4)	5.89	7.50	47	7.3	2.0	316	810
	SNH			0.9	1.75	1.84	13.5	12.9	3.6	5.1	(13.2)	N/A	N/A	N/A	N/A	N/A	22.29	N/A	30	3.6	N/A	3,358	4,705
	LTC			0.2	2.00	2.18	13.9	12.7	11.7	9.0	(14.1)	N/A	N/A	N/A	N/A	N/A	25.49	N/A	15	1.6	N/A	842	1,022
	OHI			0.6	1.77	1.87	12.0	11.4	12.7	5.6	(21.5)	N/A	N/A	N/A	N/A	N/A	15.84	N/A	44	4.4	N/A	2,158	3,403
		10.2	9.5	10.9			16.9	15.7	12.5	7.5	(13.4)	(1.2)	15.5	5.8	11.8	0.6		7.34	38	5.0	3.7	51,143	77,797
							16.1	14.5	4.6	10.8									34	4.9	2.9		
		100	42	94			21.6	20.1	10.5	9.9			17.7	7.7	12.2	4.1		6.45	41	7.4	2.4	401,203	743,964
							20.5	18.5	8.2	12.3			17.0	7.1	11.3	1.6		6.85	41	6.8	2.3	401,203	743,964

See footnotes to *theHunter* on pages 49 and 50.

	Citi Investment Research theHunter Set I Ranked by 2012E FFO Multiple											Fund Flows From Operations (FFO)									Implied		Prem/
			Price			Price Change		Total Return		Div	Est.	Citi vs.	Est.	Citi vs.	Growth		Multiples		TEV/ EBITDA	Value / Unit or	Cap	(Disc) to NAV
	Company	Rating	15-Jul	Day	Wk	Mnth	QTD	YTD	10	Yld	2011E	Cons.	2012E	Cons.	11E	12E	'11E	'12E	Mult.	Sq. Ft.	Rate	Spot
			($)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	($/sh)	($/sh)	($/sh)	($/sh)	(%)	(%)	(x)	(x)	(x)	($/sf)	(%)	(%)
	Boston Prop.	**2H**	**109.46**	**1.4**	**(1.2)**	**3.1**	**3.1**	**28.3**	**31.4**	**1.8**	**4.71**	**0.08**	**4.97**	**(0.08)**	**20.8**	**5.5**	**23.3**	**22.0**	**21.4**	**676**	**4.6**	**19.2**
	SL Green	**2H**	**84.71**	**1.1**	**(3.0)**	**2.2**	**2.2**	**25.8**	**35.2**	**0.5**	**4.80**	**0.07**	**4.20**	**(0.22)**	**(0.8)**	**(12.5)**	**17.6**	**20.2**	**16.2**	**544**	**4.9**	**15.1**
	Brookfield Prop.	**1H**	**19.47**	**0.3**	**(1.1)**	**1.0**	**1.0**	**12.7**	**49.3**	**2.9**	**1.09**	**0.01**	**1.11**	**(0.03)**	**(20.2)**	**1.5**	**17.9**	**17.6**	**19.1**	**351**	**5.8**	**4.7**
	Vornado Realty	**2H**	**93.52**	**1.2**	**(3.2)**	**0.4**	**0.4**	**13.9**	**22.9**	**3.0**	**6.33**	**0.27**	**5.50**	**(0.06)**	**4.3**	**(13.1)**	**14.8**	**17.0**	**18.5**	**N/A**	**5.7**	**(0.4)**
	Kilroy Realty	**2M**	**39.65**	**1.5**	**(3.1)**	**0.4**	**0.4**	**10.6**	**23.5**	**3.5**	**2.23**	**(0.05)**	**2.38**	**(0.12)**	**8.7**	**6.8**	**17.8**	**16.7**	**17.6**	**256**	**6.3**	**(1.7)**
	Douglas Emmett	**2H**	**19.58**	**1.4**	**(4.5)**	**(1.6)**	**(1.6)**	**19.3**	**19.3**	**2.1**	**1.34**	**(0.02)**	**1.22**	**(0.08)**	**7.9**	**(8.7)**	**14.6**	**16.0**	**16.9**	**372**	**5.5**	**(4.4)**
	Piedmont Office Realty		20.87	2.1	(1.8)	2.4	2.4	8.3	45.4	6.0	1.51		1.49		(7.9)	(1.3)	13.8	14.0	N/A	N/A	N/A	9.3
	Highwoods	**2M**	**33.85**	**1.0**	**(3.4)**	**2.2**	**2.2**	**8.9**	**0.6**	**5.0**	**2.53**	**0.03**	**2.59**	**0.04**	**3.7**	**2.3**	**13.4**	**13.1**	**15.6**	**155**	**7.3**	**4.5**
	Corporate Office Prop.	**3H**	**30.08**	**2.0**	**(4.9)**	**(3.3)**	**(3.3)**	**(11.6)**	**(0.2)**	**5.5**	**1.42**	**0.08**	**2.30**	**(0.17)**	**(38.5)**	**62.4**	**21.2**	**13.1**	**17.4**	**191**	**7.1**	**4.7**
	Government Properties		26.40	1.2	(3.4)	(2.3)	(2.3)	3.2	21.9	6.3	1.96		2.05		9.5	4.6	13.5	12.9	17.8	N/A	N/A	(4.4)
	Mack-Cali Realty	**2M**	**33.62**	**1.2**	**(0.6)**	**2.1**	**2.1**	**7.2**	**(0.5)**	**5.4**	**2.70**	**(0.03)**	**2.71**	**(0.06)**	**(0.6)**	**0.1**	**12.4**	**12.4**	**13.4**	**169**	**7.9**	**2.0**
	Hudson Pacific		15.72	1.8	(1.6)	1.2	1.2	6.1	(10.3)	3.2	1.09		1.31		N/A	N/A	14.4	12.0	N/A	N/A	N/A	(5.3)
	Brandywine Rlty.	**2H**	**11.80**	**0.2**	**(2.3)**	**1.8**	**1.8**	**5.2**	**7.5**	**5.1**	**1.32**	**0.01**	**1.30**	**(0.03)**	**(1.5)**	**(0.9)**	**9.0**	**9.0**	**13.5**	**163**	**8.0**	**0.9**
	Parkway Prop.	**2S**	**17.10**	**0.7**	**(4.5)**	**0.2**	**0.2**	**(1.5)**	**(14.4)**	**1.8**	**1.93**	**0.03**	**2.46**	**0.10**	**(27.9)**	**27.7**	**8.9**	**7.0**	**10.7**	**104**	**9.5**	**(14.5)**
	CommonWealth REIT	**3H**	**23.86**	**0.6**	**(7.7)**	**(7.7)**	**(7.7)**	**(0.6)**	**4.3**	**8.4**	**3.38**	**(0.07)**	**3.44**	**0.01**	**(9.6)**	**1.6**	**7.1**	**6.9**	**11.8**	**83**	**8.6**	**29.4**
	Maguire Properties		3.60	2.0	2.3	25.9	25.9	30.9	82.1	0.0	-0.71		-0.52		N/A	N/A	N/A	N/A	18.3	N/A	N/A	N/A
	Office Tot/Wtd. Avg.			**1.2**	**(2.4)**	**1.0**	**1.0**	**15.0**	**24.0**	**3.1**					**1.7**	**(1.1)**	**15.9**	**16.2**	**17.5**	**411**	**5.8**	**7.4**
	Office Tot/Str. Avg.			**1.2**	**(2.8)**	**1.7**	**1.7**	**10.4**	**19.9**	**3.8**					**(3.7)**	**5.4**	**14.6**	**14.0**	**15.7**		**6.8**	**3.9**
Industrial	**ProLogis**	**2H**	**34.79**	**0.5**	**(5.4)**	**(2.9)**	**(2.9)**	**11.5**	**28.5**	**3.2**	**1.24**	**(0.18)**	**1.80**	**0.10**	**1.5**	**45.4**	**28.1**	**19.4**	**21.2**	**56**	**6.2**	**15.0**
	EastGroup Prop.	**2H**	**43.92**	**0.9**	**(2.4)**	**3.3**	**3.3**	**6.2**	**16.0**	**4.7**	**2.87**	**(0.03)**	**2.95**	**(0.08)**	**0.4**	**2.8**	**15.3**	**14.9**	**17.3**	**64**	**6.8**	**23.5**
	First Industrial		11.77	1.6	(3.7)	2.8	2.8	34.4	67.5	1.4	0.82		0.81		N/A	(1.2)	14.4	14.5	15.1	N/A	N/A	7.2
	DCT Industrial Trust		5.35	1.9	(2.6)	2.3	2.3	3.4	11.4	5.2	0.36		0.39		9.1	8.3	14.9	13.7	**18.4**	N/A	N/A	3.5
	Terreno Realty Corp.		17.00	0.5	0.4	(0.1)	(0.1)	(4.1)	(10.3)	2.4	0.15		0.45		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Industrial Tot/Wtd. Avg.			**0.7**	**(4.9)**	**(1.4)**	**(1.4)**	**11.0**	**26.8**	**3.4**					**2.0**	**37.6**	**24.1**	**18.2**	**20.2**	**56**	**6.3**	**14.3**
	Industrial Tot/Str. Avg.			**1.1**	**(2.7)**	**1.1**	**1.1**	**10.3**	**22.6**	**3.4**					**3.7**	**13.8**	**18.2**	**15.4**	**17.7**		**6.5**	**12.3**
	Mission West Prop.		8.42	4.1	(4.1)	(4.1)	(4.1)	29.7	1.4	6.2	0.53		0.53		N/A	0.0	15.9	15.9	N/A	N/A	N/A	31.4
	First Potomac Realty		15.93	1.2	(1.2)	4.0	4.0	(2.9)	40.2	5.0	1.05		1.15		25.0	9.5	15.2	13.9	22.5	N/A	N/A	(8.2)
	PS Business	**2M**	**57.55**	**0.7**	**0.1**	**4.4**	**4.4**	**4.9**	**14.8**	**3.1**	**4.57**	**0.06**	**4.43**	**(0.03)**	**17.8**	**(3.0)**	**12.6**	**13.0**	**14.1**	**121**	**7.3**	**14.7**
	Liberty Prop.	**2H**	**33.29**	**0.9**	**(2.9)**	**2.2**	**2.2**	**7.3**	**5.7**	**5.7**	**2.57**	**(0.00)**	**2.61**	**(0.05)**	**(3.0)**	**1.8**	**13.0**	**12.7**	**15.1**	**99**	**7.8**	**(6.7)**
	Duke Realty	**1M**	**14.09**	**0.9**	**(4.1)**	**0.6**	**0.6**	**15.8**	**8.0**	**4.8**	**1.15**	**0.02**	**1.13**	**(0.04)**	**(6.3)**	**(2.1)**	**12.2**	**12.5**	**15.2**	**68**	**7.7**	**(17.5)**
	Mixed O&I Tot/Wtd. Avg.			**1.0**	**(2.8)**	**2.0**	**2.0**	**9.6**	**9.3**	**5.0**					**1.1**	**0.3**	**12.8**	**12.8**	**15.4**	**87**	**7.7**	**(6.9)**
	Mixed O&I Tot/Str. Avg.			**1.6**	**(2.5)**	**1.4**	**1.4**	**11.0**	**14.0**	**5.0**					**8.4**	**1.2**	**13.6**	**13.5**	**16.2**		**7.6**	**2.7**
Specialty	**Alexandria R.E.**	**2H**	**81.58**	**1.9**	**(0.2)**	**5.4**	**5.4**	**12.6**	**16.3**	**2.2**	**4.56**	**0.02**	**4.69**	**(0.14)**	**29.5**	**2.8**	**17.9**	**17.4**	**21.6**	**472**	**6.0**	**12.3**
	BioMed Realty Trust		19.74	2.7	(2.2)	2.6	2.6	8.0	22.2	4.1	1.18		1.28		1.7	8.5	16.7	15.4	18.0	N/A	N/A	6.1
	Digital Realty Trust	**2H**	**61.89**	**0.4**	**(1.8)**	**0.2**	**0.2**	**22.7**	**6.5**	**4.4**	**4.05**	**0.02**	**4.34**	**(0.11)**	**20.3**	**6.9**	**15.3**	**14.3**	**17.1**	**616**	**6.4**	**25.0**
	DuPont Fabros Tech.	**2H**	**26.01**	**0.7**	**(0.6)**	**3.2**	**3.2**	**23.4**	**20.7**	**1.8**	**1.63**	**0.01**	**1.93**	**(0.05)**	**22.7**	**18.3**	**16.0**	**13.5**	**17.2**	**N/A**	**7.8**	**2.9**
	Coresite Realty	**1H**	**17.33**	**(0.1)**	**(0.7)**	**5.7**	**5.7**	**27.1**	**(14.7)**	**3.0**	**1.06**	**(0.02)**	**1.34**	**0.09**	**51.8**	**26.2**	**16.3**	**12.9**	**16.6**	**415**	**8.5**	**(3.4)**
	Specialty Tot/Wtd. Avg.			**1.3**	**(1.2)**	**2.7**	**2.7**	**16.9**	**13.5**	**3.4**					**20.8**	**7.6**	**16.4**	**15.2**	**18.4**	**547**	**6.5**	**14.7**
	Specialty Tot/Str. Avg.			**1.1**	**(1.1)**	**3.4**	**3.4**	**18.8**	**10.2**	**3.1**					**25.2**	**12.5**	**16.4**	**14.5**	**18.0**		**7.1**	**8.6**
Diversified	Alexander's		417.00	1.4	(0.8)	5.0	5.0	2.6	37.9	0.0	21.71		21.96		14.0	1.2	19.2	19.0	18.3	N/A	N/A	14.9
	American Assets Trust		22.71	4.3	(1.3)	1.2	1.2	7.3	N/A	3.4	1.14		1.30		N/A	14.0	19.9	17.5	N/A	N/A	N/A	(4.1)
	Cousins Prop.		8.66	0.9	(4.8)	1.4	1.4	4.9	14.0	1.9	0.42		0.52		31.3	23.8	20.6	16.7	21.2	N/A	N/A	(0.3)
	Washington REIT		32.75	0.6	(3.0)	0.7	0.7	8.5	18.8	5.3	2.01		2.08		2.6	3.5	16.3	15.7	18.2	N/A	N/A	1.2
	Forest City Enterprises		18.23	(0.8)	(3.4)	(2.4)	(2.4)	9.2	41.7	0.0	1.75		1.74		(1.7)	(0.6)	10.4	10.5	21.9	N/A	N/A	(0.1)
	Diversified Tot/Wtd. Avg.			**0.8**	**(2.6)**	**0.9**	**0.9**	**6.6**	**30.0**	**1.9**					**7.5**	**4.8**	**14.9**	**14.4**	**20.6**	**N/A**	**N/A**	**3.5**
	Diversified Tot/Str. Avg.			**1.3**	**(2.7)**	**1.2**	**1.2**	**6.5**	**28.1**	**2.1**					**11.5**	**8.4**	**16.2**	**15.2**	**19.8**			**2.3**
Lodging	Chesapeake Lodging Trust		17.11	1.7	(2.2)	0.3	0.3	(6.9)	(4.0)	4.9	0.34		0.95		N/A	N/A	50.3	18.0	N/A	N/A	N/A	N/A
	Host Hotels & Resorts	**2M**	**16.80**	**1.0**	**(3.7)**	**(0.9)**	**(0.9)**	**(5.7)**	**53.5**	**0.5**	**0.89**	**(0.04)**	**1.15**	**(0.09)**	**33.9**	**29.0**	**18.8**	**14.6**	**16.7**	**262**	**6.6**	**(8.2)**
	FelCor Lodging	**2S**	**5.41**	**(0.7)**	**(10.0)**	**1.5**	**1.5**	**(23.2)**	**95.6**	**0.0**	**0.23**	**(0.06)**	**0.44**	**(0.09)**	**N/A**	**N/A**	**23.2**	**12.2**	**12.7**	**122**	**9.0**	**(26.0)**
	LaSalle Hotel	**1H**	**25.80**	**1.7**	**(3.8)**	**(2.1)**	**(2.1)**	**(1.4)**	**25.5**	**1.7**	**1.63**	**(0.03)**	**2.15**	**0.07**	**101.2**	**32.1**	**15.8**	**12.0**	**15.6**	**364**	**7.0**	**(15.2)**
	Diamondrock	**1H**	**10.52**	**1.8**	**(5.6)**	**(2.0)**	**(2.0)**	**(11.0)**	**41.7**	**3.0**	**0.69**	**0.02**	**0.91**	**0.03**	**11.0**	**30.7**	**15.2**	**11.6**	**14.4**	**232**	**7.6**	**(34.7)**
	Ashford Hospitality Trust		12.38	1.2	(1.9)	(0.6)	(0.6)	30.4	108.0	3.2	2.08		1.12		38.7	(46.2)	6.0	11.1	12.4	135	8.9	19.7
	Hersha Hospitality Trust		5.53	(0.5)	(5.6)	(0.7)	(0.7)	(14.5)	115.0	4.9	0.42		0.52		N/A	23.8	13.2	10.6	13.9	177	8.1	(1.4)
	Chatham Lodging Trust		16.10	1.1	1.7	(0.1)	(0.1)	(4.6)	(12.0)	4.5	0.96		1.53		81.1	N/A	16.8	10.5	N/A	N/A	N/A	N/A
	Sunstone Hotel	**2S**	**9.46**	**0.6**	**(4.8)**	**2.0**	**2.0**	**(8.4)**	**16.3**	**0.0**	**0.83**	**(0.02)**	**0.97**	**(0.14)**	**N/A**	**17.2**	**11.4**	**9.7**	**14.4**	**221**	**7.6**	**(22.9)**
	Hospitality Properties		24.84	1.4	(0.8)	2.4	2.4	13.7	4.8	7.2	3.27		3.20		0.9	(2.1)	7.6	7.8	N/A	N/A	N/A	(2.0)
	Pebblebrook Hotel Trust		20.16	0.9	(1.4)	(0.1)	(0.1)	0.4	(7.1)	2.4	0.12		0.38		N/A	N/A	N/A	N/A	N/A	332	N/A	N/A
	Strategic Hotels & Resorts		7.25	2.7	(3.1)	2.4	2.4	37.1	184.4	0.0	0.08		0.24		N/A	N/A	N/A	N/A	18.0	N/A	N/A	14.5
	Lodg REIT Tot/Wtd. Avg.			**1.1**	**(3.5)**	**(0.3)**	**(0.3)**	**(2.2)**	**40.3**	**2.0**					**34.8**	**21.5**	**13.8**	**12.0**	**15.9**	**258**	**7.3**	**N/A**
	Lodg REIT Tot/Str. Avg.			**1.1**	**(3.4)**	**0.2**	**0.2**	**0.5**	**51.8**	**2.7**					**44.5**	**12.1**	**13.0**	**11.3**	**14.6**		**7.8**	**N/A**
	Starwood Hotels	**1M**	**55.86**	**0.4**	**(3.9)**	**(0.3)**	**(0.3)**	**(8.1)**	**67.0**	**0.0**	**1.67**	**(0.05)**	**2.18**	**(0.16)**	**29.7**	**30.4**	**33.4**	**25.6**	**15.2**			
	Marriott International	**1M**	**34.94**	**0.7**	**(6.0)**	**(1.5)**	**(1.5)**	**(15.4)**	**53.2**	**0.0**	**1.39**	**(0.02)**	**1.66**	**(0.13)**	**20.5**	**19.3**	**25.2**	**21.1**	**13.5**			
	Choice Hotels Internationa	**1M**	**32.36**	**0.3**	**(4.9)**	**(3.0)**	**(3.0)**	**(14.5)**	**22.6**	**2.5**	**1.79**	**0.03**	**1.92**	**0.03**	**(1.7)**	**7.2**	**18.1**	**16.9**	**11.6**			
	Wyndham Worldwide		33.30	0.2	(4.2)	(1.0)	(1.0)	12.1	50.9	1.8	2.24		2.60		12.0	16.1	14.9	12.8	8.1			
	Gaylord Entertainment	**2H**	**31.02**	**2.3**	**(0.9)**	**3.4**	**3.4**	**(13.7)**	**82.0**	**0.0**	**0.35**	**(0.08)**	**0.71**	**(0.13)**	**N/A**	**N/A**	**N/A**	**N/A**	**11.8**			
	Hyatt Hotels	**1H**	**39.73**	**1.2**	**(7.1)**	**(2.7)**	**(2.7)**	**(13.2)**	**53.5**	**0.0**	**0.33**	**(0.13)**	**0.78**	**(0.10)**	**N/A**	**N/A**	**N/A**	**N/A**	**13.0**			
	Morgans Hotel Group		7.55	1.8	0.8	5.0	5.0	(16.8)	98.5	0.0	-1.92		-0.98		34.5	N/A	N/A	N/A	19.0			
	Orient Express Hotels	**2H**	**9.96**	**2.3**	**(8.5)**	**(7.3)**	**(7.3)**	**(23.3)**	**28.1**	**0.0**	**-0.05**	**(0.10)**	**0.12**	**(0.14)**	**N/A**	**N/A**	**N/A**	**N/A**	**16.3**			
	Lodg Corp Tot/Wtd. Avg.			**0.7**	**(5.2)**	**(1.4)**	**(1.4)**	**(10.2)**	**54.5**	**0.4**					**20.9**	**21.8**	**23.7**	**19.7**	**13.0**			
	Lodg Corp Tot/Str. Avg.			**1.1**	**(4.3)**	**(0.9)**	**(0.9)**	**(11.6)**	**57.0**	**0.5**					**19.0**	**18.3**	**20.8**	**17.9**	**12.8**			
	REIT Total/Wtd. Avg.		**9,394.3**	**1.2**	**(2.2)**	**2.1**	**2.1**	**12.5**	**27.9**	**3.4**					**14.1**	**7.9**	**17.1**	**16.1**	**18.8**		**6.0**	**12.6**
	REIT Total/Straight Avg			**1.2**	**(2.1)**	**2.1**	**2.1**	**9.4**	**33.2**	**3.3**					**11.1**	**9.0**	**16.5**	**14.8**	**17.5**		**6.6**	**6.5**
	Dow Jones Industrial		**12,480**	**0.3**	**(1.4)**	**0.5**	**0.5**	**7.8**	**11.0**	**2.4**	**US 10-Year Treasury Yield**				**2.91**							
	S&P 500		**1,316**	**0.6**	**(2.1)**	**(0.3)**	**(0.3)**	**4.7**	**12.8**	**2.0**	**REIT Div Yld vs. 10-Yr (bps)**				**45**							

See footnotes to *theHunter* on pages 49 and 50.

Sector	Tckr	Model Port. Weight	Model Hedge Weight	BBREIT Index Weight	Est. '11E	Est. '12E	Adjusted Funds From Operations (AFFO) Mult. '11E	Mult. '12E	Grwth '11E	Grwth '12E	FFO Mult Prem Current vs. Sector	17 Yr. Sector Avg	Hist. FFO Multiples High	Low	17 Yr. Avg	Net Asset Value CAGR 3Q'94 - 1Q'11	Spot NAV 1Q'11	Cap Rate	Debt/ GAV	Net Debt/ Fwd Cash EBITDA	Balance Sheet Fixed Cov Ratio	Market Capitalization Float	Total
		(%)	(%)	(%)			(x)		(%)	(%)	(%)	(%)	(x)	(x)	(x)	(%)	($/sh)	(%)	(%)	(x)	(x)	($ mil)	($ mil)
Office	**BXP**	**5.9**	**4.0**	**3.8**	**3.26**	**3.69**	**33.6**	**29.7**	**16.5**	**13.1**	**38.7**	**22.0**	**25.1**	**9.5**	**14.9**	**7.5**	**91.85**	**5.26**	**38**	**7.6**	**2.5**	**15,878**	**27,797**
	SLG	**0.0**		**1.8**	**1.99**	**1.89**	**42.5**	**44.7**	**(25.7)**	**(5.1)**	**16.2**	**5.7**	**25.8**	**4.9**	**13.1**	**4.7**	**73.61**	**5.25**	**50**	**8.7**	**2.4**	**6,855**	**13,876**
	BPO	**2.4**	**4.3**	**0.0**	**0.68**	**0.70**	**28.4**	**27.9**	**(20.0)**	**1.8**	**8.8**	**(3.8)**	**18.6**	**5.4**	**12.6**	**4.8**	**18.60**	**5.91**	**48**	**8.4**	**1.7**	**9,895**	**23,177**
	VNO	**3.4**		**4.5**	**3.45**	**3.52**	**27.1**	**26.6**	**4.8**	**2.0**	**8.9**	**8.4**	**22.3**	**8.9**	**14.1**	**N/A**	**93.87**	**5.67**	**37**	**7.0**	**2.5**	**18,471**	**31,176**
	KRC	**0.0**		**0.5**	**1.52**	**1.74**	**26.0**	**22.7**	**13.7**	**14.5**	**34.0**	**16.9**	**24.8**	**8.1**	**13.4**	**N/A**	**40.34**	**6.25**	**38**	**6.8**	**2.2**	**2,033**	**3,831**
	DEI	**1.7**	**1.8**	**0.7**	**0.99**	**0.89**	**19.7**	**22.1**	**(3.2)**	**(10.7)**	**(5.8)**	**N/A**	**25.2**	**9.6**	**15.5**	**13.0**	**20.48**	**5.43**	**54**	**9.8**	**2.5**	**2,432**	**6,943**
	PDM			0.9	1.01	0.93	20.7	22.4	(21.7)	(7.9)	(14.5)	N/A	N/A	N/A	N/A	N/A	19.09	N/A	33	N/A	N/A	3,605	5,206
	HIW	**1.0**	**1.5**	**0.7**	**1.82**	**1.85**	**18.6**	**18.3**	**2.5**	**1.9**	**(18.8)**	**(6.3)**	**17.0**	**6.3**	**10.7**	**0.1**	**32.39**	**7.50**	**40**	**6.2**	**2.2**	**2,442**	**4,362**
	OFC	**0.0**	**-0.9**	**0.6**	**1.41**	**1.61**	**21.3**	**18.7**	**(10.1)**	**13.8**	**(2.4)**	**4.1**	**22.7**	**7.3**	**12.5**	**N/A**	**28.73**	**7.25**	**49**	**8.5**	**1.9**	**2,157**	**4,806**
	GOV			0.3	1.81	1.89	14.6	14.0	10.4	4.4	(19.3)	N/A	N/A	N/A	N/A	N/A	27.61	N/A	15	2.0	N/A	1,069	1,270
	CLI	**0.0**		**0.8**	**1.97**	**1.96**	**17.1**	**17.1**	**(5.7)**	**(0.1)**	**(23.6)**	**(9.7)**	**14.6**	**6.9**	**10.6**	**1.9**	**32.95**	**7.99**	**37**	**5.2**	**2.8**	**2,923**	**5,361**
	HPP			0.1	0.85	1.00	18.5	15.7	N/A	17.6						N/A	16.60	N/A			N/A	528	988
	BDN	**0.0**		**0.4**	**0.72**	**0.74**	**16.3**	**15.9**	**(15.1)**	**2.2**	**(44.7)**	**(24.1)**	**12.9**	**3.5**	**8.9**	**(8.9)**	**11.69**	**8.00**	**60**	**8.5**	**1.9**	**1,571**	**4,458**
	PKY	**0.0**		**0.1**	**1.14**	**1.16**	**15.0**	**14.7**	**(25.2)**	**2.0**	**(52.5)**	**(22.1)**	**13.4**	**4.9**	**9.0**	**(0.9)**	**20.00**	**9.00**	**58**	**6.4**	**1.6**	**376**	**1,247**
	CWH	**0.0**		**0.5**	**2.03**	**2.23**	**11.8**	**10.7**	**(17.7)**	**10.2**	**(57.1)**	**(30.3)**	**12.1**	**3.2**	**8.0**	**2.1**	**18.43**	**9.25**	**64**	**7.7**	**1.9**	**1,721**	**5,558**
	MPG			0.0	-0.71	-0.59	N/A	N/A	N/A	N/A	N/A	(35.2)	36.3	N/A	6.9	N/A	0.30	N/A	93	17.1	N/A	177	4,169
		14.4	**10.7**	**15.6**			**25.6**	**24.7**	**(2.3)**	**3.8**	**(3.6)**	**(0.8)**	**19.9**	**7.8**	**12.1**	**5.1**		**6.07**	**44**	**7.9**	**2.3**	**72,131**	**144,225**
							22.1	**21.4**	**(6.9)**	**4.0**									**48**	**7.9**	**2.2**		
Industrial	**PLD**	**4.3**		**1.6**	**0.90**	**1.42**	**38.8**	**24.5**	**14.6**	**58.6**	**9.5**	**4.3**	**25.8**	**6.8**	**14.4**	**N/A**	**30.25**	**6.84**	**54**	**11.4**	**4.0**	**14,771**	**31,238**
	EGP	**0.7**	**1.1**	**0.3**	**2.27**	**2.34**	**19.4**	**18.8**	**8.8**	**3.3**	**(27.0)**	**(11.4)**	**18.1**	**7.4**	**11.6**	**4.4**	**35.57**	**7.75**	**44**	**6.8**	**2.9**	**1,188**	**1,941**
	FR			0.2	0.28	0.34	42.0	34.6	(54.1)	21.4	(30.1)	(22.4)	15.4	5.2	10.2	N/A	10.98	N/A	58	9.0	1.4	918	2,898
	DCT			0.3	0.23	0.26	23.3	20.6	(4.2)	13.0	(31.2)	N/A	14.5	9.4	12.6	N/A	5.17	N/A	53	7.9	N/A	1,314	2,668
	TRNO			0.0	0.51	0.87	33.3	19.5	N/A	70.6						N/A	17.73	N/A			N/A	156	173
		4.9	**1.1**	**2.4**			**34.9**	**24.0**	**9.4**	**50.0**	**22.5**	**10.7**	**21.0**	**8.0**	**13.6**	**4.4**		**6.89**	**53**	**10.6**	**3.7**	**18,347**	**38,918**
							31.4	**23.6**	**(8.7)**	**33.4**									**52**	**8.8**	**2.8**		
Office/Industrial	MSW			0.1	0.53	0.47	15.9	17.9	(7.0)	(11.3)	24.0	19.0	22.2	6.1	13.3	N/A	6.41	N/A	34	5.1	N/A	189	1,237
	FPO			0.2	0.73	0.93	21.8	17.1	(3.9)	27.4	(30.2)	N/A	N/A	N/A	N/A	N/A	17.35	N/A	42	6.8	N/A	797	1,681
	PSB	**0.0**		**0.4**	**3.37**	**3.37**	**17.1**	**17.1**	**4.1**	**0.0**	**(0.0)**	**5.3**	**16.8**	**8.3**	**11.6**	**4.0**	**50.16**	**8.00**	**9**	**N/A**	**3.6**	**1,422**	**2,668**
	LRY	**1.9**	**1.5**	**1.0**	**2.01**	**2.03**	**16.6**	**16.4**	**(3.2)**	**0.9**	**0.3**	**(2.1)**	**15.5**	**7.8**	**11.0**	**N/A**	**35.69**	**7.50**	**36**	**5.9**	**2.5**	**3,866**	**6,830**
	DRE	**2.4**	**2.4**	**0.9**	**0.84**	**0.79**	**16.8**	**17.9**	**10.1**	**(6.2)**	**(3.7)**	**(1.5)**	**15.2**	**4.5**	**11.1**	**(3.2)**	**17.07**	**7.00**	**46**	**7.2**	**1.7**	**3,559**	**9,055**
		4.3	**3.9**	**2.6**			**17.0**	**17.1**	**2.5**	**0.1**	**(24.1)**	**(4.8)**	**16.2**	**7.6**	**11.3**	**(1.1)**		**7.31**	**38**	**5.8**	**2.3**	**9,834**	**21,472**
							17.6	**17.3**	**0.0**	**2.2**									**33**	**6.2**	**2.6**		
Specialty	**ARE**	**1.9**	**2.1**	**1.1**	**3.97**	**4.12**	**20.6**	**19.8**	**10.0**	**3.8**	**12.3**	**17.8**	**17.7**	**9.0**	**13.5**	**4.8**	**72.62**	**6.50**	**39**	**8.1**	**2.0**	**4,483**	**7,659**
	BMR			0.7	1.05	1.13	18.8	17.5	14.1	7.6	1.9	2.3	16.6	6.7	13.6	N/A	18.60	N/A	37	6.1	2.0	2,591	4,479
	DLR	**1.0**	**0.9**	**1.5**	**3.50**	**3.74**	**17.7**	**16.5**	**20.4**	**7.0**	**(6.3)**	**12.3**	**17.9**	**10.0**	**14.1**	**20.4**	**49.52**	**7.50**	**35**	**5.9**	**2.6**	**5,659**	**9,835**
	DFT	**1.0**	**1.8**	**0.4**	**0.89**	**1.11**	**29.1**	**23.5**	**23.7**	**24.1**	**(7.4)**	**N/A**	**14.5**	**1.6**	**N/A**	**N/A**	**25.27**	**8.00**	**24**	**3.9**	**1.7**	**1,585**	**3,172**
	COR	**0.5**	**0.6**	**0.1**	**0.99**	**1.19**	**17.6**	**14.6**	**30.3**	**20.6**	**(8.8)**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**17.95**	**8.16**	**13**	**0.7**	**5.5**	**340**	**917**
		4.3	**5.4**	**3.8**			**19.6**	**18.2**	**16.7**	**8.3**	**(7.0)**	**(4.0)**	**16.2**	**7.6**	**11.6**	**13.5**		**7.25**	**34**	**6.1**	**2.3**	**14,657**	**26,062**
							20.8	**18.4**	**19.7**	**12.6**									**30**	**4.9**	**2.8**		
Diversified	ALX			0.5	16.82	17.07	24.8	24.4	18.5	1.5	30.7	N/A	N/A	N/A	N/A	N/A	363.00	N/A	40	N/A	2.5	2,129	3,372
	AAT			0.0	1.01	1.26	22.5	18.0	N/A	24.8	26.8	N/A	N/A	N/A	N/A	N/A	23.67	N/A	20	N/A	N/A	892	1,752
	CUZ			0.2	0.15	0.30	N/A	28.9	N/A	N/A	25.2	20.8	23.7	10.7	15.5	N/A	8.69	N/A	38	8.6	1.4	897	1,731
	WRE			0.6	1.62	1.73	20.2	18.9	3.2	6.8	9.5	8.0	18.0	9.2	13.7	N/A	32.36	N/A	38	6.5	2.7	2,160	3,453
	FCE.A			0.0	1.18	1.08	15.4	16.9	(0.8)	(8.5)	(28.5)	N/A	N/A	N/A	N/A	N/A	18.24	N/A	77	13.6	1.0	2,659	12,710
		0.0	**0.0**	**1.3**			**19.4**	**19.9**	**6.3**	**2.2**	**(13.5)**	**9.7**	**20.5**	**7.9**	**13.0**	**N/A**		**N/A**	**57**	**11.8**	**1.5**	**8,737**	**23,017**
							20.7	**21.4**	**6.9**	**6.1**									**43**	**9.6**	**1.9**		
Lodging	CHSP			0.1	1.12	1.66	15.3	10.3	77.8	48.2	N/A	N/A	N/A	N/A	N/A	N/A	18.30	N/A	9	N/A	N/A	550	610
	HST	**3.0**	**3.3**	**3.0**	**0.63**	**0.87**	**26.7**	**19.3**	**61.3**	**38.1**	**28.5**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**18.30**	**6.59**	**31**	**5.7**	**2.6**	**11,649**	**17,711**
	FCH	**0.0**		**0.1**	**0.15**	**0.34**	**N/A**	**15.9**	**N/A**	**126.7**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**7.31**	**9.05**	**52**	**7.0**	**1.1**	**672**	**2,810**
	LHO	**1.6**	**2.2**	**0.5**	**1.40**	**1.88**	**18.4**	**13.7**	**137.3**	**34.3**	**6.7**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**30.42**	**6.95**	**24**	**4.5**	**2.9**	**2,175**	**3,528**
	DRH	**1.7**	**2.8**	**0.5**	**0.59**	**0.78**	**17.8**	**13.5**	**18.0**	**32.2**	**2.7**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**16.12**	**7.65**	**26**	**5.3**	**3.2**	**1,774**	**2,726**
	AHT			0.2	1.54	1.57	8.0	7.9	65.6	1.9	N/A	N/A	N/A	N/A	N/A	N/A	10.34	8.94	78	N/A	N/A	755	4,245
	HT			0.3	0.36	0.42	17.3	13.2	18.5	31.3	(7.9)	N/A	N/A	N/A	N/A	N/A	5.61	8.12	44	6.0	N/A	979	1,855
	CLDT			0.1	0.98	1.49	16.4	10.8	N/A	52.0	N/A	N/A	N/A	N/A	N/A	N/A	16.16	N/A	5	N/A	N/A	223	235
	SHO	**0.0**		**0.3**	**0.58**	**0.69**	**16.3**	**13.7**	**65.7**	**19.0**	**(17.8)**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**12.27**	**7.61**	**47**	**7.1**	**1.8**	**1,109**	**3,134**
	HPT			0.8	2.34	2.55	10.6	9.7	(6.8)	9.0	(39.3)	N/A	N/A	N/A	N/A	N/A	25.34	N/A	38	N/A	N/A	3,066	5,592
	PEB			0.2	0.63	1.06	32.0	19.0	N/A	68.3	N/A	N/A	N/A	N/A	N/A	N/A	22.55	N/A	17	7.1	N/A	1,026	1,403
	BEE	**0.0**		0.3	0.15	0.14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.33	N/A	47	6.2	N/A	1,267	2,899
		6.3	**8.3**	**6.3**			**18.8**	**15.6**	**54.7**	**35.4**								**N/A**	**N/A**	**6.3**	**2.5**	**25,245**	**46,750**
							17.9	**13.4**	**54.7**	**41.9**									**N/A**	**6.1**	**2.3**		
	HOT	**3.1**	**4.8**	**0.0**																**3.0**	**3.8**	**10,837**	**14,120**
	MAR	**0.0**		**0.0**																**2.6**	**7.0**	**12,907**	**15,829**
	CHH	**0.0**		**0.0**																**1.0**	**17.5**	**1,935**	**2,195**
	WYN			0.0																1.9	N/A	5,551	9,336
	GET	**0.0**		**0.0**																**5.2**	**2.7**	**1,495**	**2,709**
	H	**1.0**		**0.0**																**-0.7**	**12.0**	**6,546**	**7,844**
	MHGC			0.0																13.5	N/A	230	987
	OEH	**0.0**		**0.0**																**5.4**	**2.5**	**1,020**	**1,670**
		4.1	**4.8**	**0.0**																**4.0**	**6.8**	**40,520**	**54,689**
																				4.0	**7.6**		
		100	**42**	**94**			**21.6**	**20.1**	**10.5**	**9.9**			**17.7**	**7.7**	**12.2**	**4.1**		**6.45**	**41**	**7.4**	**2.4**	**401,203**	**743,964**
							20.5	**18.5**	**8.2**	**12.3**			**17.0**	**7.1**	**11.3**	**1.6**		**6.85**	**41**	**6.8**	**2.3**	**401,203**	**743,964**

See footnotes to *theHunter* on pages 49 and 50.

	Citi Investment Research theHunter Set II				Balance Sheet												GAV and Development					Income Statement	
	Company (alphabetically)	Rating	52 Week Low	52 Week High	Debt Mat. 2011	Int. Rate 2011	Debt Mat. 2012	Int. Rate 2012	Debt Mat. 2013	Int. Rate 2013	Wtd Avg Int Rate	Floating Rate Debt	Shrs. & Units Out.	Total Equity	Pref. Equity	Total Debt	Total Market Cap	Gross Asset Value	Assets Under Dvlpt	Dvlpt as a % of GAV	SF/Units Owned	TTM EBITDA	LRQ NOI
			($)	($)	($ mil)	(%)	($ mil)	(%)	($ mil)	(%)	(%)	(%)	(mil)	($ mil)	($ mil)	($ mil)	($ mil)	($ mil)	($ mil)	(%)	(mil)	($ mil)	($ mil)
Regional Malls	**CBL & Associates**	**3H**	**11.66**	**19.35**	**1,203**	**3.1**	**811**	**5.8**	**515**	**5.2**	**N/A**	**N/A**	**190.2**	**3,498**	**448**	**5,678**	**9,623**	**10,044**	**203**	**2**	**41**	**724**	**182**
	General Growth		10.30	17.41	100	NA	1,301	NA	1,292	NA	N/A	14.3	940.1	15,455	0	20,886	36,341	N/A	N/A	N/A	N/A	1,745	393
	Glimcher Realty	**2S**	**5.61**	**10.38**	**53**	**6.7**	**296**	**5.2**	**363**	**5.0**	**N/A**	**N/A**	**101.6**	**1,000**	**282**	**1,457**	**2,739**	**2,878**	**353**	**12**	**N/A**	**173**	**44**
	Macerich Co.	**1M**	**37.03**	**56.50**	**1,182**	**4.7**	**1,141**	**5.8**	**889**	**5.7**	**N/A**	**N/A**	**142.5**	**7,682**	**0**	**5,777**	**13,460**	**13,461**	**399**	**3**	**33**	**727**	**178**
	Pennsylvania REIT	**2S**	**10.03**	**17.34**	**178**	**N/A**	**521**	**N/A**	**794**	**N/A**	**5.7**	**2.8**	**58.0**	**924**	**0**	**2,395**	**3,319**	**3,418**	**124**	**4**	**14**	**248**	**63**
	Simon Property	**2M**	**81.27**	**121.70**	**0**	**N/A**	**1,375**	**6.0**	**2,562**	**3.4**	**5.4**	**9.9**	**353.4**	**41,981**	**65**	**23,497**	**65,543**	**63,405**	**267**	**0**	**159**	**3,668**	**858**
	Taubman Centers	**2S**	**37.37**	**62.63**	**316**	**6.8**	**519**	**3.3**	**236**	**5.4**	**5.2**	**19.2**	**85.3**	**5,267**	**246**	**2,766**	**8,279**	**7,731**	**174**	**2**	**20**	**445**	**101**
	Reg Mall Tot/Wtd. Avg.				**3,031**		**5,964**		**6,651**		**5.4**	**11.9**		**75,807**	**1,041**	**62,456**	**139,303**	**100,936**	**1,519**	**1**		**7,730**	**1,820**
Shopping Centers	**Acadia Realty**	**2M**	**16.24**	**21.54**	**103**	**2.7**	**46**	**3.0**	**0**	**10.2**	**N/A**	**N/A**	**40.8**	**866**	**0**	**451**	**1,317**	**1,298**	**105**	**8**	**4**	**68**	**13**
	Cedar Shopping Ctrs.		4.82	6.81	187	NA	95	NA	58	NA	N/A	24.6	69.1	357	159	888	1,404	N/A	N/A	N/A	N/A	93	25
	Developers Div.	**2H**	**9.64**	**14.96**	**238**	**4.3**	**1,079**	**4.1**	**0**	**4.1**	**4.2**	**13.6**	**277.0**	**4,028**	**375**	**5,039**	**9,442**	**9,209**	**578**	**6**	**62**	**588**	**142**
	Equity One	**3H**	**15.41**	**20.09**	**159**	**3.0**	**105**	**6.9**	**0**	**N/A**	**5.8**	**7.7**	**117.3**	**2,281**	**0**	**1,508**	**3,789**	**3,609**	**77**	**2**	**19**	**196**	**59**
	Excel Trust		10.82	13.21	3	7.1	2	6.0	113	NA	N/A	N/A	18.0	204	48	189	440	N/A	N/A	N/A	N/A	13	8
	Federal Realty	**2M**	**71.46**	**89.69**	**238**	**1.7**	**205**	**5.8**	**209**	**5.5**	**N/A**	**N/A**	**62.6**	**5,538**	**10**	**1,821**	**7,369**	**6,662**	**N/A**	**N/A**	**N/A**	**352**	**88**
	Inland Real Estate		7.17	9.99	79	NA	90	NA	190	NA	4.7	31.5	88.7	804	0	951	1,755	N/A	N/A	N/A	N/A	92	25
	Kimco Realty	**2H**	**13.17**	**19.80**	**578**	**4.1**	**648**	**5.8**	**564**	**5.5**	**N/A**	**N/A**	**408.9**	**7,912**	**810**	**6,619**	**15,341**	**15,152**	**324**	**2**	**74**	**981**	**242**
	Kite Realty Group	**1H**	**3.75**	**5.70**	**76**	**N/A**	**181**	**N/A**	**92**	**N/A**	**N/A**	**N/A**	**71.3**	**342**	**70**	**595**	**1,007**	**1,041**	**208**	**20**	**6**	**60**	**15**
	Ramco-Gershenson		9.76	13.54	64	NA	166	NA	33	NA	5.6	31.6	41.4	517	0	696	1,213	N/A	N/A	N/A	N/A	62	N/A
	Regency Centers	**1M**	**33.06**	**47.51**	**198**	**N/A**	**21**	**N/A**	**176**	**N/A**	**N/A**	**N/A**	**85.4**	**3,973**	**324**	**2,577**	**6,875**	**6,862**	**380**	**6**	**31**	**396**	**103**
	Retail Opp Inv Corp		9.35	11.72	11	7.1	20	NA	0	NA	N/A	N/A	42.1	462	0	55	517	N/A	N/A	N/A	N/A	11	7
	Saul Centers		37.04	48.70	N/A	NA	N/A	NA	N/A	NA	N/A	2.6	18.7	747	179	742	1,668	N/A	N/A	N/A	N/A	105	30
	Tanger Factory	**2H**	**21.36**	**28.70**	**0**	**N/A**	**97**	**2.8**	**12**	**3.3**	**4.9**	**32.6**	**97.5**	**2,730**	**0**	**1,039**	**3,769**	**3,293**	**23**	**1**	**9**	**172**	**52**
	Weingarten Realty	**1M**	**19.14**	**26.95**	**219**	**6.7**	**313**	**5.7**	**336**	**5.8**	**N/A**	**N/A**	**121.1**	**3,121**	**498**	**2,575**	**6,193**	**6,155**	**249**	**4**	**35**	**418**	**94**
	Shp Ctr Tot/Wtd. Avg.				**2,154**		**3,068**		**1,782**		**4.7**	**17.5**		**33,881**	**2,472**	**25,745**	**62,098**	**53,282**	**1,942**	**4**		**3,606**	**904**
	National Retail	**2H**	**21.97**	**28.11**	**138**	**5.9**	**230**	**4.9**	**214**	**7.2**	**6.2**	**14.5**	**82.9**	**2,141**	**92**	**1,158**	**3,391**	**2,705**	**0**	**0**	**12**	**202**	**58**
	Entertainment Prop.	**1H**	**37.73**	**49.85**	**28**	**5.0**	**91**	**6.5**	**204**	**4.8**	**6.2**	**9.3**	**46.6**	**2,268**	**416**	**1,051**	**3,735**	**3,099**	**183**	**6**	**12**	**254**	**53**
	Getty Realty		21.01	32.20	0	NA	183	NA	0	NA	N/A	N/A	33.4	870	0	183	1,054	N/A	N/A	N/A	N/A	70	20
	Lexington Realty		5.69	10.14	13	NA	188	NA	303	NA	N/A	0.0	152.2	1,368	327	1,765	3,461	N/A	N/A	N/A	N/A	279	66
	Realty Income	**3H**	**30.42**	**36.35**	**0**	**N/A**	**0**	**N/A**	**100**	**5.4**	**6.0**	**0.0**	**127.7**	**4,351**	**338**	**2,144**	**6,832**	**4,384**	**0**	**0**	**23**	**352**	**106**
	CapLease	**2S**	**4.60**	**6.32**	**68**	**N/A**	**200**	**N/A**	**303**	**N/A**	**5.7**	**6.8**	**67.8**	**323**	**74**	**1,439**	**1,836**	**1,786**	**N/A**	**N/A**	**N/A**	**125**	**28**
	Fr-Stnd Rtl Tot/Wtd. Avg.				**247**		**893**		**1,123**		**6.0**	**4.8**		**11,320**	**1,248**	**7,741**	**20,309**	**11,974**	**183**	**2**		**1,281**	**331**
Apartments	**AIMCO**	**2H**	**19.01**	**27.67**	**0**	**N/A**	**80**	**5.2**	**400**	**3.8**	**5.6**	**6.7**	**127.5**	**3,421**	**678**	**4,919**	**9,017**	**7,607**	**0**	**0**	**77,514**	**564**	**138**
	Associated Estates	**2H**	**12.75**	**17.40**	**0**	**5.0**	**81**	**5.0**	**281**	**5.0**	**5.0**	**32.8**	**41.5**	**726**	**0**	**558**	**1,284**	**1,374**	**10**	**1**	**12**	**72**	**22**
	AvalonBay	**3H**	**95.54**	**137.85**	**205**	**N/A**	**503**	**N/A**	**380**	**N/A**	**5.1**	**19.6**	**87.3**	**11,589**	**0**	**4,037**	**15,626**	**12,921**	**1,661**	**13**	**52,581**	**552**	**136**
	BRE Properties	**2H**	**36.42**	**53.22**	**2**	**5.5**	**411**	**2.6**	**71**	**6.5**	**4.9**	**16.8**	**75.2**	**3,930**	**75**	**1,519**	**5,524**	**4,722**	**259**	**5**	**21,538**	**229**	**58**
	Camden Prop	**2H**	**41.67**	**68.15**	**70**	**4.3**	**763**	**5.4**	**228**	**5.4**	**5.0**	**9.3**	**75.1**	**5,026**	**98**	**2,636**	**7,760**	**7,098**	**246**	**3**	**53,487**	**341**	**96**
	Colonial Prop	**1H**	**14.67**	**21.58**	**88**	**3.7**	**82**	**6.9**	**105**	**6.1**	**4.8**	**22.4**	**90.2**	**1,901**	**51**	**1,969**	**3,921**	**4,235**	**275**	**7**	**N/A**	**212**	**61**
	Equity Res	**3H**	**42.29**	**63.38**	**1,380**	**3.0**	**817**	**5.6**	**578**	**4.9**	**4.9**	**17.1**	**308.3**	**19,036**	**200**	**9,677**	**28,912**	**25,166**	**1,458**	**6**	**122,906**	**1,226**	**306**
	Essex Property	**2H**	**99.70**	**144.77**	**47**	**5.3**	**40**	**5.1**	**625**	**3.0**	**5.2**	**28.0**	**34.0**	**4,765**	**112**	**2,454**	**7,330**	**6,565**	**301**	**5**	**28,210**	**280**	**76**
	Home Prop	**1M**	**45.38**	**64.50**	**34**	**6.2**	**166**	**5.1**	**193**	**6.1**	**5.1**	**9.6**	**50.2**	**3,233**	**0**	**2,587**	**5,820**	**6,116**	**113**	**2**	**38,861**	**302**	**83**
	Mid-America Apt.		50.42	71.90	N/A	NA	N/A	NA	N/A	NA	3.9	29.5	38.7	2,731	0	1,452	4,182	N/A	N/A	N/A	N/A	197	56
	Post Properties	**2H**	**22.82**	**43.73**	**13**	**5.3**	**100**	**5.5**	**187**	**6.1**	**5.6**	**0.4**	**50.0**	**2,140**	**43**	**1,097**	**3,280**	**3,402**	**144**	**4**	**18,563**	**142**	**42**
	UDR	**2H**	**18.80**	**26.46**	**0**	**N/A**	**260**	**3.9**	**589**	**3.8**	**4.2**	**23.9**	**196.0**	**5,093**	**85**	**3,733**	**8,911**	**8,076**	**343**	**4**	**46,986**	**389**	**105**
	Apartment Tot/Wtd. Avg.				**1,838**		**3,304**		**3,635**		**5.0**	**16.8**		**63,589**	**1,341**	**36,638**	**101,568**	**87,280**	**4,810**	**6**		**4,506**	**1,180**
	American Campus	**1H**	**26.17**	**37.46**	**299**	**N/A**	**127**	**N/A**	**82**	**N/A**	**4.9**	**18.3**	**69.0**	**2,525**	**0**	**1,197**	**3,722**	**3,698**	**269**	**7**	**18,087**	**177**	**50**
	Campus Crest	**2S**	**10.51**	**14.36**	**0**	**N/A**	**0**	**N/A**	**57**	**3.0**	**4.6**	**48.4**	**31.1**	**394**	**0**	**197**	**590**	**588**	**49**	**8**	**3,920**	**26**	**8**
	Education Realty		5.87	9.21	N/A	NA	N/A	NA	N/A	NA	5.6	7.1	73.3	662	0	331	993	N/A	N/A	N/A	N/A	43	15
	Student Apts. Tot/Wtd. Avg.				**299**		**127**		**139**		**5.0**	**19.6**		**3,581**	**0**	**1,724**	**5,306**	**4,286**	**319**	**7**		**246**	**72**
M. Home	**Equity Lifestyle**	**1M**	**47.80**	**67.69**	**68**	**5.8**	**23**	**5.9**	**123**	**5.9**	**5.8**	**0.0**	**35.5**	**2,337**	**200**	**1,407**	**3,944**	**4,260**	**80**	**2**	**107,900**	**248**	**68**
	Sun Comm		25.94	40.21	N/A	NA	N/A	NA	N/A	NA	N/A	19.0	20.9	801	0	1,236	2,037	N/A	N/A	N/A	N/A	133	40
	Mfd Home Tot/Wtd. Avg.				**68**		**23**		**123**		**5.8**	**8.9**		**3,138**	**200**	**2,643**	**5,981**	**4,260**	**80**	**2**		**381**	**108**
	Extra Space Storage	**2H**	**13.57**	**22.41**	**108**	**4.7**	**264**	**4.0**	**128**	**4.3**	**5.0**	**25.6**	**92.8**	**2,021**	**0**	**1,424**	**3,445**	**2,933**	**15**	**1**	**23**	**170**	**50**
	Public Storage	**1M**	**90.20**	**121.18**	**71**	**5.4**	**266**	**5.3**	**49**	**5.0**	**5.2**	**0.0**	**170.4**	**20,308**	**3,396**	**596**	**24,299**	**20,093**	**0**	**0**	**130**	**1,205**	**269**
	Sovran	**2H**	**33.06**	**43.55**	**48**	**6.4**	**189**	**3.0**	**101**	**5.4**	**4.9**	**0.0**	**28.0**	**1,171**	**0**	**494**	**1,666**	**1,698**	**0**	**0**	**25**	**104**	**30**
	U-Store-It	**2H**	**7.17**	**11.48**	**3**	**7.4**	**156**	**5.0**	**271**	**3.7**	**5.0**	**23.5**	**105.0**	**1,116**	**0**	**630**	**1,747**	**1,646**	**0**	**0**	**24**	**105**	**32**
	Self Storage Tot/Wtd. Avg.				**230**		**874**		**549**		**5.0**	**16.3**		**24,617**	**3,396**	**3,144**	**31,157**	**26,370**	**15**	**0**		**1,584**	**381**
Healthcare	**Cogdell Spencer**	**1H**	**5.57**	**7.64**	**76**	**3.0**	**20**	**5.8**	**16**	**6.0**	**4.9**	**27.6**	**58.5**	**362**	**74**	**374**	**810**	**792**	**N/A**	**N/A**	**N/A**	**51**	**14**
	HCP	**2H**	**31.87**	**40.75**	**343**	**5.1**	**336**	**6.3**	**923**	**6.1**	**5.8**	**3.9**	**412.0**	**15,433**	**285**	**7,715**	**23,433**	**19,060**	**N/A**	**N/A**	**N/A**	**1,234**	**348**
	Healthcare Realty		19.92	25.00	0	NA	164	3.1	0	NA	N/A	12.7	72.7	1,475	0	1,293	2,768	N/A	N/A	N/A	N/A	148	43
	Health Care REIT		42.67	55.21	N/A	NA	N/A	NA	N/A	NA	N/A	2.7	176.4	9,275	1,010	6,326	16,612	N/A	N/A	N/A	N/A	509	176
	LTC Properties		23.81	30.16	88	NA	0	NA	0	NA	N/A	N/A	30.3	842	39	142	1,022	N/A	N/A	N/A	N/A	66	18
	Omega Healthcare Investor		19.07	24.46	0	NA	0	NA	0	NA	N/A	5.5	101.6	2,158	0	1,245	3,403	N/A	N/A	N/A	N/A	249	66
	Medical Properties Trust		9.18	12.45	18	NA	40	1.8	140	NA	N/A	55.1	110.4	1,338	0	476	1,814	N/A	N/A	N/A	N/A	92	30
	National Health		35.85	49.55	0	NA	0	NA	0	NA	N/A	0.0	27.7	1,265	0	49	1,315	N/A	N/A	N/A	N/A	77	19
	Senior Housing Prop.		20.42	25.28	25	1.1	259	NA	30	NA	N/A	16.8	141.9	3,358	0	1,347	4,705	N/A	N/A	N/A	N/A	306	88
	Ventas	**1M**	**46.81**	**57.45**	**828**	**4.1**	**327**	**6.9**	**704**	**5.5**	**N/A**	**9.5**	**298.1**	**15,993**	**0**	**5,923**	**21,916**	**18,140**	**N/A**	**N/A**	**N/A**	**1,198**	**316**
	Healthcare Tot/Wtd. Avg.				**1,378**		**1,147**		**1,812**		**5.7**	**7.5**		**51,499**	**1,408**	**24,890**	**77,797**	**37,992**	**0**			**3,931**	**1,119**
	REIT Total/Wtd. Avg.				**17,714**		**28,768**		**26,084**		**5.3**	**15.0**		**409,180**	**23,054**	**275,527**	**707,623**	**515,654**	**20,890**	**5**		**37,900**	**8,812**
	REIT Total/Straight Avg										**5.1**	**17.2**											

See footnotes to *theHunter* on pages 49 and 50.

Sector	Tckr	FFO Est. 11E	Cap'l Exp.	Cap'l Int.	Strght Line Rent	Total Acct. Adj.	Other	Total	AFFO Est. 11E	Payout Ratio '11 FFO	Payout Ratio '11 AFFO	Ann. Div	Ex Date	Short Interest as % of S/O	Vol Wk	11 FFO Mult to Growth Ratio	Lease Rollover in 2011	S&P Index	Russell Index	Citi Inv Res Target Price	Expected Total Return
		2011E AFFO Adjustments								Dividends											
		($/sh)	($/sh)	($/sh)	($/sh)	($/sh)	($/sh)	($/sh)	($/sh)	(%)	(%)	($/sh)		(%)	($ mil)	(x)	(%)			($/sh)	(%)
Regional Malls	**CBL**	**2.12**	**(0.80)**	**0.00**	**(0.02)**	**(0.18)**	**0.00**	**(1.01)**	**1.11**	**40**	**76**	**0.84**	**9/26**	**11.0**	**95**	**0.6**	**16.9**		**R 2000**	**16.00**	**(8.4)**
	GGP	0.96						(0.13)	0.83	45	52	0.43	10/11	1.2	277	NM	N/A		R 1000		N/A
	GRT	**0.68**	**(0.20)**	**(0.04)**	**0.00**	**(0.01)**	**0.01**	**(0.24)**	**0.45**	**58**	**89**	**0.40**	**9/26**	**4.3**	**50**	**NM**	**14.8**		**R 2000**	**9.00**	**(4.6)**
	MAC	**2.89**	**(0.41)**	**(0.07)**	**(0.02)**	**(0.02)**	**0.00**	**(0.52)**	**2.37**	**76**	**93**	**2.20**	**8/4**	**5.4**	**217**	**2.2**	**11.1**	**S&P 400**	**R 1000**	**55.00**	**6.1**
	PEI	**1.58**	**(0.68)**	**(0.01)**	**(0.03)**	**(0.02)**	**0.03**	**(0.69)**	**0.89**	**38**	**67**	**0.60**	**8/25**	**10.4**	**22**	**NM**	**8.1**	**S&P 600**	**R 2000**	**16.00**	**4.2**
	SPG	**6.87**	**(1.12)**	**(0.01)**	**(0.09)**	**(0.10)**	**0.00**	**(1.31)**	**5.55**	**47**	**58**	**3.20**	**8/11**	**4.4**	**743**	**0.5**	**0.0**	**S&P 500**	**R 1000**	**106.00**	**(8.1)**
	TCO	**2.79**	**(0.50)**	**(0.01)**	**0.01**	**(0.01)**	**0.22**	**(0.28)**	**2.50**	**63**	**70**	**1.75**	**9/11**	**6.4**	**152**	**NM**	**9.2**	**S&P 400**	**R 1000**	**54.00**	**(9.7)**
	Reg Mall Tot/Wtd. Avg.									**50**	**62**			**3.5**	**1,554**	**0.6**	**3.6**				**(5.9)**
Shopping Centers	**AKR**	**1.01**	**(0.16)**	**0.00**	**(0.02)**	**(0.09)**	**0.00**	**(0.27)**	**0.73**	**72**	**98**	**0.72**	**9/26**	**7.3**	**22**	**NM**	**7.1**	**S&P 600**	**R 2000**	**19.00**	**(7.1)**
	CDR	0.25						0.16	0.41	144	88	0.36	8/4	3.5	5	NM	N/A	S&P 600	R 2000		N/A
	DDR	**1.08**	**(0.07)**	**(0.02)**	**(0.00)**	**(0.02)**	**(0.06)**	**(0.17)**	**0.90**	**15**	**18**	**0.16**	**9/14**	**4.9**	**134**	**NM**	**7.7**		**R 1000**	**14.00**	**(2.6)**
	EQY	**1.54**	**(0.13)**	**(0.01)**	**(0.03)**	**(0.05)**	**(0.45)**	**(0.67)**	**0.87**	**57**	**101**	**0.88**	**9/11**	**5.6**	**44**	**0.2**	**12.3**	**S&P 400**	**R 2000**	**17.00**	**(8.1)**
	EXL	(0.10)						0.87	0.77	N/A	42	0.32	9/26	5.6	8	NM			R 2000		N/A
	FRT	**4.01**	**(0.47)**	**(0.09)**	**(0.07)**	**(0.03)**	**(0.00)**	**(0.66)**	**3.35**	**67**	**80**	**2.68**	**9/19**	**6.7**	**222**	**6.6**	**5.3**	**S&P 400**	**R 1000**	**83.00**	**(3.2)**
	IRC	0.79						(0.21)	0.58	72	98	0.57	9/26	3.1	14	NM	N/A	S&P 400	R 1000		N/A
	KIM	**1.19**	**(0.16)**	**(0.01)**	**(0.03)**	**(0.04)**	**0.02**	**(0.22)**	**0.97**	**60**	**74**	**0.72**	**9/29**	**4.2**	**505**	**2.9**	**6.6**	**S&P 500**	**R 1000**	**19.00**	**1.9**
	KRG	**0.42**	**(0.05)**	**(0.05)**	**(0.02)**	**(0.04)**	**0.00**	**(0.16)**	**0.25**	**58**	**96**	**0.24**	**10/3**	**2.8**	**4**	**NM**	**5.1**	**S&P 600**	**R 2000**	**6.00**	**30.0**
	RPT	0.95						(0.23)	0.72	68	90	0.65	9/14	9.2	17	NM	N/A		R 2000		N/A
	REG	**2.39**	**(0.35)**	**(0.02)**	**(0.08)**	**(0.03)**	**0.03**	**(0.45)**	**1.95**	**77**	**95**	**1.85**	**8/14**	**7.7**	**240**	**0.6**	**11.5**	**S&P 400**	**R 1000**	**50.00**	**11.4**
	ROIC	0.08						0.47	0.55	N/A	44	0.24	8/24	5.1	7	NM					N/A
	BFS	2.36						(0.33)	2.03	61	71	1.44	10/11	1.2	9	1.5	N/A	S&P 600			N/A
	SKT	**1.43**	**(0.28)**	**(0.01)**	**(0.03)**	**0.07**	**0.00**	**(0.26)**	**1.16**	**56**	**69**	**0.80**	**7/26**	**4.5**	**83**	**1.1**	**10.0**	**S&P 600**		**26.00**	**(4.3)**
	WRI	**1.59**	**(0.27)**	**(0.01)**	**(0.06)**	**(0.02)**	**0.16**	**(0.21)**	**1.38**	**69**	**80**	**1.10**	**8/30**	**10.1**	**76**	**1.4**	**7.2**	**S&P 400**	**R 1000**	**28.00**	**12.9**
	Shp Ctr Tot/Wtd. Avg.									**60**	**74**			**5.3**	**1,391**	**1.3**	**7.7**				**1.6**
Triple Net	**NNN**	**1.53**	**0.00**	**0.00**	**0.00**	**0.07**	**0.00**	**0.07**	**1.60**	**99**	**95**	**1.52**	**7/26**	**12.0**	**101**	**0.9**	**1.2**	**S&P 600**	**R 2000**	**24.00**	**(1.1)**
	EPR	**3.27**	**(0.08)**	**0.00**	**(0.04)**	**0.00**	**0.18**	**0.06**	**3.32**	**86**	**84**	**2.80**	**9/26**	**8.9**	**56**	**NM**	**N/A**	**S&P 600**	**R 2000**	**46.00**	**0.4**
	GTY	2.17						0.00	2.17	89	N/A	1.93	9/26	7.2	23	8.6	N/A	S&P 600	R 2000		N/A
	LXP	0.92						(0.13)	0.79	51	59	0.47	9/26	7.6	120	NM	N/A	S&P 600	R 2000		N/A
	O	**2.03**	**(0.03)**	**0.00**	**(0.01)**	**0.00**	**0.00**	**(0.04)**	**2.00**	**85**	**87**	**1.73**	**9/27**	**6.9**	**107**	**1.5**	**4.2**	**S&P 400**	**R 1000**	**23.50**	**(25.9)**
	LSE	**0.62**	**0.00**	**0.00**	**0.00**	**0.07**	**0.03**	**0.10**	**0.72**	**42**	**36**	**0.26**	**9/26**	**3.5**	**5**	**0.4**	**5.1**		**R 2000**	**6.25**	**36.8**
	Fr-Stnd Rtl Tot/Wtd. Avg.									**83**	**83**			**7.7**	**412**	**1.9**	**3.3**				**(11.3)**
Apartments	**AIV**	**1.51**	**(0.52)**	**(0.04)**	**0**	**(0.00)**	**0.16**	**(0.40)**	**1.11**	**32**	**43**	**0.48**	**8/16**	**6.6**	**167**	**1.9**	**N/A**	**S&P 500**	**R 1000**	**28.00**	**6.1**
	AEC	**1.06**	**(0.20)**	**0.00**	**0.00**	**0.00**	**0.10**	**(0.10)**	**0.96**	**64**	**71**	**0.68**	**10/11**	**4.3**	**21**	**0.7**	**N/A**		**R 2000**	**17.50**	**4.0**
	AVB	**4.80**	**(0.39)**	**(0.21)**	**0.00**	**0.00**	**(0.02)**	**(0.61)**	**4.18**	**74**	**85**	**3.57**	**9/26**	**8.8**	**737**	**1.4**	**N/A**	**S&P 500**	**R 1000**	**115.00**	**(10.7)**
	BRE	**2.13**	**(0.27)**	**(0.10)**	**0.00**	**0.00**	**0.05**	**(0.32)**	**1.81**	**70**	**83**	**1.50**	**9/11**	**2.6**	**203**	**N/A**	**N/A**	**S&P 400**	**R 1000**	**52.00**	**2.3**
	CPT	**2.74**	**(0.57)**	**(0.06)**	**0.00**	**0.00**	**0.33**	**(0.31)**	**2.44**	**71**	**80**	**1.96**	**9/26**	**2.7**	**174**	**N/A**	**N/A**	**S&P 400**	**R 1000**	**68.50**	**5.3**
	CLP	**1.16**	**(0.33)**	**(0.00)**	**(0.02)**	**0.00**	**0.03**	**(0.32)**	**0.84**	**52**	**72**	**0.60**	**8/3**	**5.9**	**62**	**1.3**	**N/A**	**S&P 600**	**R 2000**	**22.00**	**7.3**
	EQR	**2.49**	**(0.33)**	**(0.01)**	**0.00**	**0.02**	**0.01**	**(0.32)**	**2.17**	**65**	**74**	**1.61**	**9/14**	**4.3**	**677**	**1.2**	**N/A**	**S&P 500**	**R 1000**	**55.00**	**(8.7)**
	ESS	**5.66**	**(0.74)**	**(0.17)**	**0.00**	**0.00**	**(0.10)**	**(1.00)**	**4.65**	**74**	**89**	**4.16**	**9/26**	**7.3**	**165**	**4.4**	**N/A**	**S&P 400**	**R 1000**	**135.00**	**(0.6)**
	HME	**3.49**	**(0.63)**	**(0.39)**	**0.00**	**0.04**	**0.04**	**(0.93)**	**2.56**	**71**	**97**	**2.48**	**8/11**	**6.4**	**109**	**1.5**	**N/A**	**S&P 600**	**R 2000**	**70.00**	**12.5**
	MAA	4.05						(0.72)	3.33	62	75	2.50	10/11	4.8	111	1.3	N/A	S&P 600	R 2000		N/A
	PPS	**1.69**	**(0.29)**	**(0.03)**	**0.00**	**0.00**	**0.03**	**(0.29)**	**1.40**	**47**	**57**	**0.80**	**9/26**	**6.9**	**85**	**N/A**	**N/A**	**S&P 600**	**R 2000**	**44.00**	**4.6**
	UDR	**1.25**	**(0.24)**	**(0.03)**	**0**	**0.01**	**0.05**	**(0.22)**	**1.03**	**64**	**78**	**0.80**	**7/6**	**3.2**	**760**	**1.5**	**N/A**	**S&P 400**	**R 1000**	**26.00**	**3.2**
	Apartment Tot/Wtd. Avg.									**66**	**77**			**4.9**	**3,272**	**1.4**					**(2.7)**
Student Apts	**ACC**	**1.76**	**(0.17)**	**(0.04)**	**0.00**	**0.00**	**0.00**	**(0.21)**	**1.55**	**77**	**87**	**1.35**	**8/11**	**5.6**	**63**	**1.9**	**N/A**		**R 2000**	**37.00**	**4.8**
	CCG	**0.75**	**(0.05)**	**(0.01)**	**0.00**	**0.00**	**(0.01)**	**(0.07)**	**0.68**	**85**	**94**	**0.64**	**9/25**	**6.4**	**9**	**NM**	**N/A**		**R 2000**	**13.50**	**11.9**
	EDR	0.41						(0.06)	0.35	54	63	0.22	7/26	4.1	20	NM	N/A		R 2000		N/A
	Student Apts. Tot/Wtd. Avg.									**73**	**83**			**5.2**	**92**	**1.8**					**5.7**
M. Home	**ELS**	**3.34**	**(0.55)**	**0.00**	**0.00**	**(0.05)**	**0.59**	**(0.00)**	**3.33**	**45**	**45**	**1.50**	**9/20**	**4.2**	**88**	**NM**	**N/A**		**R 2000**	**72.00**	**11.7**
	SUI	3.08						(0.33)	2.75	82	92	2.52	10/6	6.0	16	2.4	N/A				N/A
	Mfd Home Tot/Wtd. Avg.									**55**	**58**			**4.9**	**104**	**NM**					**11.7**
Storage	**EXR**	**1.11**	**(0.11)**	**(0.04)**	**0.00**	**0.05**	**0.02**	**(0.08)**	**1.03**	**51**	**54**	**0.56**	**9/11**	**6.2**	**74**	**0.9**	**N/A**	**S&P 600**	**R 2000**	**20.00**	**(5.6)**
	PSA	**5.78**	**(0.42)**	**(0.01)**	**0.00**	**0.00**	**(0.20)**	**(0.63)**	**5.15**	**66**	**74**	**3.80**	**9/11**	**2.2**	**478**	**0.9**	**N/A**	**S&P 500**	**R 1000**	**110.00**	**(5.0)**
	SSS	**2.65**	**(0.42)**	**(0.03)**	**0.00**	**0.00**	**0.00**	**(0.45)**	**2.19**	**68**	**82**	**1.80**	**10/5**	**3.4**	**18**	**1.9**	**N/A**	**S&P 600**		**42.00**	**4.8**
	YSI	**0.61**	**(0.11)**	**0.00**	**0.00**	**0.00**	**0.00**	**(0.11)**	**0.50**	**46**	**56**	**0.28**	**10/3**	**4.1**	**34**	**0.9**	**N/A**			**11.00**	**6.1**
	Self Storage Tot/Wtd. Avg.									**64**	**72**			**3.8**	**604**	**0.9**					**(4.1)**
ealthcare	**CSA**	**0.36**	**(0.06)**	**0.00**	**(0.03)**	**0.00**	**0.03**	**(0.06)**	**0.30**	**110**	**133**	**0.40**	**9/20**	**4.9**	**8**	**NM**	**8.5**		**R 2000**	**6.50**	**11.5**
	HCP	**2.50**	**(0.13)**	**(0.04)**	**(0.18)**	**(0.18)**	**0.00**	**(0.53)**	**1.97**	**77**	**97**	**1.92**	**8/3**	**5.8**	**611**	**0.6**	**N/A**	**S&P 500**	**R 1000**	**36.00**	**1.2**
	HR	1.23						(0.05)	1.18	98	102	1.20	8/15	5.9	54	NM	N/A	S&P 600	R 2000		N/A
	HCN	3.38						(0.25)	3.13	84	91	2.84	8/4	5.2	480	1.6	N/A	S&P 500	R 1000		N/A
	LTC	2.14						(0.14)	2.00	79	85	1.70	9/18	3.3	29	1.2	N/A	S&P 600	R 2000		N/A
	OHI	1.77						0.00	1.77	86	86	1.52	7/26	6.1	70	1.8	N/A	S&P 400	R 2000		N/A

See footnotes to *theHunter* on pages 49 and 50.

Citi Investment Research theHunter Set II Company (alphabetically)	Rating	52 Week Low	52 Week High	Balance Sheet Debt Mat. 2011	Int. Rate 2011	Debt Mat. 2012	Int. Rate 2012	Debt Mat. 2013	Int. Rate 2013	Wtd Avg Int Rate	Balance Sheet Floating Rate Debt	Shrs. & Units Out.	Total Equity	Pref. Equity	Total Debt	Total Market Cap	GAV and Development Gross Asset Value	Assets Under Dvlpt	Dvlpt as a % of GAV	SF/Units Owned	Income Statement TTM EBITDA	LRQ NOI
		($)	($)	($ mil)	(%)	($ mil)	(%)	($ mil)	(%)	(%)	(%)	(mil)	($ mil)	($ mil)	($ mil)	($ mil)	($ mil)	($ mil)	(%)	(mil)	($ mil)	($ mil)
Boston Prop.	**2H**	**73.93**	**111.94**	**472**	**7.2**	**1,147**	**4.3**	**780**	**6.1**	**5.5**	**4.0**	**166.6**	**18,232**	**0**	**9,564**	**27,797**	**24,863**	**2,344**	**9**	**36**	**1,265**	**281**
Brandywine Rlty.	**2H**	**9.82**	**13.08**	**184**	**6.1**	**221**	**7.0**	**447**	**7.2**	**5.3**	**21.2**	**144.4**	**1,704**	**108**	**2,647**	**4,458**	**4,458**	**135**	**3**	**26**	**330**	**84**
Brookfield Prop.	**1H**	**13.94**	**20.07**	**2,475**	**4.4**	**1,358**	**5.8**	**2,040**	**6.6**	**5.6**	**20.3**	**508.2**	**9,895**	**2,285**	**10,997**	**23,177**	**22,631**	**1,281**	**6**	**58**	**1,173**	**296**
Mack-Cali Realty	**2M**	**29.42**	**35.96**	**18**	**4.8**	**237**	**5.9**	**157**	**5.4**	**6.5**	**1.4**	**99.9**	**3,358**	**25**	**1,978**	**5,361**	**5,294**	**155**	**3**	**31**	**400**	**103**
CommonWealth REIT	**3H**	**22.89**	**29.10**	**33**	**7.3**	**182**	**7.0**	**467**	**4.0**	**5.6**	**20.3**	**72.1**	**1,721**	**530**	**3,308**	**5,558**	**5,167**	**0**	**0**	**66**	**470**	**118**
Douglas Emmett	**2H**	**13.84**	**21.08**	**0**	**N/A**	**1,449**	**2.9**	**178**	**5.5**	**3.9**	**21.2**	**158.0**	**3,093**	**0**	**3,850**	**6,943**	**7,084**	**0**	**0**	**15**	**393**	**92**
Government Properties		24.27	28.53	0	NA	0	NA	155	2.4	3.2	77.1	40.5	1,069	0	201	1,270	N/A	N/A	N/A	N/A	71	24
Highwoods	**2M**	**27.78**	**37.51**	**52**	**1.1**	**217**	**6.8**	**250**	**5.9**	**5.8**	**16.9**	**75.9**	**2,570**	**82**	**1,711**	**4,362**	**4,252**	**76**	**2**	**27**	**277**	**77**
Hudson Pacific		13.38	17.04	163	NA	30	5.9	47	NA	N/A	N/A	36.2	569	88	332	988	N/A	N/A	N/A	N/A	N/A	17
Kilroy Realty	**2M**	**28.69**	**42.41**	**73**	**6.7**	**304**	**4.3**	**5**	**5.9**	**5.2**	**3.8**	**54.1**	**2,147**	**202**	**1,483**	**3,831**	**3,909**	**263**	**7**	**14**	**217**	**57**
Maguire Properties		1.98	4.28	94	4.0	509	6.1	531	5.3	N/A	5.7	55.5	200	250	3,719	4,169	N/A	N/A	N/A	N/A	225	58
Corporate Office Prop.	**3H**	**29.28**	**39.85**	**291**	**4.9**	**781**	**4.9**	**146**	**4.9**	**4.9**	**17.8**	**76.1**	**2,289**	**234**	**2,283**	**4,806**	**4,570**	**917**	**20**	**20**	**275**	**68**
Parkway Prop.	**2S**	**13.53**	**18.63**	**103**	**4.9**	**109**	**6.5**	**32**	**5.8**	**5.8**	**21.8**	**22.0**	**376**	**109**	**762**	**1,247**	**1,311**	**1**	**0**	**11**	**110**	**26**
Piedmont Office Realty		15.46	21.32	449	NA	45	5.2	0	NA	N/A	11.5	172.7	3,605	0	1,601	5,206	N/A	N/A	N/A	N/A	339	91
SL Green	**2H**	**53.20**	**90.01**	**591**	**4.9**	**976**	**3.0**	**418**	**4.9**	**N/A**	**N/A**	**82.8**	**7,017**	**393**	**6,466**	**13,876**	**12,956**	**0**	**0**	**23**	**834**	**154**
Vornado Realty	**2H**	**73.87**	**98.42**	**1,437**	**4.8**	**1,723**	**4.0**	**1,611**	**3.9**	**4.9**	**21.0**	**197.5**	**18,471**	**1,068**	**11,637**	**31,176**	**30,000**	**N/A**	**N/A**	**N/A**	**1,643**	**353**
Office Tot/Wtd. Avg.				**6,435**		**9,288**		**7,264**		**5.3**	**15.4**		**76,315**	**5,371**	**62,538**	**144,225**	**126,496**	**5,172**	**6**		**8,022**	**1,900**
Industrial																						
DCT Industrial Trust		4.18	5.89	N/A	NA	N/A	NA	N/A	NA	5.1	22.4	207.0	1,107	0	1,219	2,668	N/A	N/A	N/A	N/A	145	44
EastGroup Prop.	**2H**	**33.66**	**46.97**	**39**	**7.1**	**71**	**6.6**	**198**	**5.1**	**5.9**	**19.3**	**27.1**	**1,188**	**0**	**753**	**1,941**	**1,715**	**108**	**6**	**28**	**112**	**31**
First Industrial		3.69	12.91	N/A	NA	N/A	NA	N/A	NA	N/A	17.7	83.4	981	275	1,641	2,898	N/A	N/A	N/A	N/A	191	46
ProLogis	**2H**	**22.05**	**37.46**	**288**	**4.4**	**1,710**	**2.8**	**1,164**	**2.9**	**5.3**	**14.1**	**427.6**	**14,876**	**583**	**15,779**	**31,238**	**21,582**	**2,804**	**13**	**388**	**1,452**	**336**
Terreno Realty Corp.		16.17	19.00	N/A	NA	N/A	NA	N/A	NA	N/A	0.0	9.2	156	0	17	173	N/A	N/A	N/A	N/A	-3	2
Industrial Tot/Wtd. Avg.				**327**		**1,780**		**1,362**		**5.3**	**15.1**		**18,309**	**858**	**19,410**	**38,918**	**23,297**	**2,912**	**12**		**1,897**	**459**
Duke Realty	**1M**	**10.45**	**15.63**	**356**	**4.9**	**329**	**5.9**	**538**	**6.3**	**6.4**	**1.0**	**259.8**	**3,661**	**903**	**4,492**	**9,055**	**9,830**	**749**	**8**	**119**	**584**	**155**
First Potomac Realty		14.15	17.25	120	NA	81	NA	269	NA	N/A	23.3	52.4	835	111	735	1,681	N/A	N/A	N/A	N/A	74	26
Liberty Prop.	**2H**	**27.83**	**36.15**	**4**	**6.3**	**265**	**6.5**	**209**	**2.7**	**5.6**	**8.7**	**118.8**	**3,955**	**292**	**2,583**	**6,830**	**7,115**	**244**	**3**	**65**	**451**	**126**
Mission West Prop.		6.39	8.94	0	NA	0	NA	80	5.8	N/A	0.0	105.4	888	0	350	1,237	N/A	N/A	N/A	N/A	N/A	19
PS Business	**2M**	**51.31**	**63.16**	**122**	**N/A**	**1**	**N/A**	**32**	**N/A**	**2.5**	**71.4**	**32.0**	**1,843**	**604**	**221**	**2,668**	**2,432**	**7**	**0**	**22**	**188**	**48**
Mixed O&I Tot/Wtd. Avg.				**602**		**676**		**1,127**		**6.0**	**7.2**		**11,181**	**1,910**	**8,381**	**21,472**	**19,376**	**1,001**	**5**		**1,296**	**374**
Specialty																						
Alexandria R.E.	**2H**	**63.74**	**83.08**	**98**	**4.1**	**969**	**4.5**	**53**	**6.3**	**4.2**	**46.1**	**55.0**	**4,484**	**380**	**2,795**	**7,659**	**7,166**	**1,537**	**21**	**12**	**351**	**87**
BioMed Realty Trust		15.84	20.86	65	NA	39	NA	18	8.0	N/A	0.0	134.2	2,650	222	1,607	4,479	N/A	N/A	N/A	N/A	247	74
Coresite Realty	**1H**	**12.25**	**17.76**	**0**	**N/A**	**40**	**2.2**	**0**	**N/A**	**3.2**	**31.9**	**45.7**	**792**	**0**	**126**	**917**	**945**	**53**	**6**	**N/A**	**50**	**17**
Digital Realty Trust	**2H**	**47.42**	**64.25**	**45**	**6.5**	**360**	**3.0**	**293**	**6.1**	**5.3**	**6.8**	**115.7**	**7,163**	**0**	**3,152**	**9,835**	**8,883**	**613**	**7**	**15**	**572**	**151**
Dupont Fabros Tech.	**2H**	**19.85**	**26.97**	**4**	**5.8**	**5**	**5.8**	**5**	**5.8**	**7.9**	**21.3**	**82.4**	**2,143**	**286**	**743**	**3,172**	**3,111**	**734**	**24**	**N/A**	**171**	**44**
Specialty Tot/Wtd. Avg.				**211**		**1,413**		**369**		**5.1**	**20.2**		**17,231**	**888**	**8,422**	**26,062**	**20,106**	**2,937**	**14**		**1,391**	**373**
Alexander's		297.21	454.00	496	NA	78	0.8	0	NA	4.4	22.3	5.1	2,129	0	1,243	3,372	N/A	N/A	N/A	N/A	161	42
American Assets Trust		20.45	23.34	0	NA	0	NA	0	NA	N/A	N/A	39.3	892	0	860	1,752	N/A	N/A	N/A	0	N/A	N/A
Cousins Prop.		6.13	9.19	135	NA	42	NA	0	4.1	N/A	19.5	103.6	897	170	664	1,731	N/A	N/A	N/A	N/A	81	27
Forest City Enterprises		10.89	19.42	N/A	NA	N/A	NA	N/A	NA	N/A	42.7	145.8	2,659	220	9,831	12,710	N/A	N/A	N/A	N/A	572	N/A
Washington REIT		27.55	34.54	263	NA	90	NA	148	NA	N/A	N/A	65.9	2,160	0	1,293	3,453	N/A	N/A	N/A	N/A	189	52
Diversified Tot/Wtd. Avg.				**894**		**211**		**148**		**4.4**	**39.3**		**8,737**	**390**	**13,891**	**23,017**					**1,003**	**121**
Lodging																						
Ashford Hospitality Trust		7.63	14.32	209	NA	212	NA	149	NA	2.6	24.2	61.0	755	261	3,229	4,245	N/A	N/A	N/A	N/A	297	N/A
Chatham Lodging Trust		14.25	19.46	0	NA	0	NA	0	NA	N/A	N/A	13.8	223	0	12	235	N/A	N/A	N/A	N/A	4	4
Chesapeake Lodging Trust		15.73	20.22	60	5.8	0	NA	0	NA	N/A	N/A	32.2	550	0	60	610	N/A	N/A	N/A	N/A	10	5
Diamondrock	**1H**	**8.40**	**12.63**	**0**	**N/A**	**0**	**N/A**	**0**	**N/A**	**N/A**	**N/A**	**168.6**	**1,774**	**0**	**952**	**2,726**	**0**	**N/A**	**N/A**	**N/A**	**158**	**N/A**
FelCor Lodging	**2S**	**3.91**	**8.31**	**304**	**2.9**	**0**	**N/A**	**28**	**8.8**	**N/A**	**N/A**	**124.5**	**673**	**546**	**1,590**	**2,810**	**0**	**N/A**	**N/A**	**N/A**	**204**	**N/A**
Hersha Hospitality Trust		4.43	6.94	18	NA	48	NA	90	NA	5.5	24.3	177.2	980	60	816	1,855	N/A	N/A	N/A	N/A	83	14
Hospitality Properties		19.06	25.94	171	0.8	101	6.9	287	6.8	5.9	8.0	123.4	3,066	390	2,136	5,592	N/A	N/A	N/A	N/A	573	N/A
Host Hotels & Resorts	**2M**	**12.87**	**19.88**	**300**	**3.7**	**0**	**N/A**	**119**	**7.5**	**N/A**	**N/A**	**704.3**	**11,832**	**0**	**5,879**	**17,711**	**0**	**N/A**	**N/A**	**N/A**	**936**	**N/A**
LaSalle Hotel	**1H**	**19.54**	**29.58**	**0**	**N/A**	**180**	**2.5**	**61**	**5.5**	**N/A**	**N/A**	**84.3**	**2,175**	**400**	**953**	**3,528**	**0**	**N/A**	**N/A**	**N/A**	**191**	**N/A**
Pebblebrook Hotel Trust		16.85	22.47	0	NA	133	NA	0	NA	N/A	22.2	50.9	1,026	125	252	1,403	N/A	N/A	N/A	N/A	6	8
Strategic Hotels & Resorts		3.33	7.62	391	NA	299	NA	120	1.9	N/A	0.0	174.8	1,267	358	1,274	2,899	N/A	N/A	N/A	N/A	128	32
Sunstone Hotel	**2S**	**8.09**	**11.15**	**0**	**N/A**	**33**	**5.0**	**2**	**11.2**	**N/A**	**N/A**	**117.2**	**1,109**	**391**	**1,634**	**3,134**	**0**	**N/A**	**N/A**	**N/A**	**179**	**N/A**
Lodg REIT Tot/Wtd. Avg.													**25,429**	**2,532**	**18,788**	**46,750**					**2,769**	
Choice Hotels International	**1M**	**30.82**	**41.42**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**NA**	**N/A**	**N/A**	**59.8**	**1,935**	**0**	**260**	**2,195**		**N/A**		**N/A**	**176**	**N/A**
Gaylord Entertainment	**2H**	**24.83**	**38.22**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**NA**	**N/A**	**N/A**	**48.2**	**1,495**	**0**	**1,214**	**2,709**		**N/A**		**N/A**	**184**	**N/A**
Hyatt Hotels	**1H**	**34.19**	**50.00**	**N/A**	**NA**	**N/A**	**NA**	**N/A**	**NA**	**N/A**	**N/A**	**164.8**	**6,546**	**0**	**1,298**	**7,844**		**N/A**		**N/A**	**480**	**N/A**
Marriott International	**1M**	**30.05**	**42.78**	**N/A**	**NA**	**N/A**	**NA**	**N/A**	**NA**	**N/A**	**N/A**	**369.4**	**12,907**	**0**	**2,922**	**15,829**		**N/A**		**N/A**	**1,145**	**N/A**
Morgans Hotel Group		5.99	11.46	N/A	NA	N/A	NA	N/A	NA	N/A	54.6	31.4	237	75	675	987		N/A		N/A	-7	7
Orient Express Hotels	**2H**	**7.63**	**14.24**	**N/A**	**NA**	**N/A**	**NA**	**N/A**	**NA**	**N/A**	**N/A**	**102.4**	**1,020**	**0**	**650**	**1,670**		**N/A**		**N/A**	**87**	**N/A**
Starwood Hotels	**1M**	**42.82**	**65.51**	**N/A**	**NA**	**N/A**	**NA**	**N/A**	**NA**	**N/A**	**N/A**	**194.0**	**10,837**	**0**	**3,283**	**14,120**		**N/A**		**N/A**	**873**	**N/A**
Wyndham Worldwide		19.99	35.71	N/A	NA	N/A	NA	N/A	NA	N/A	N/A	166.7	5,551	0	3,785	9,336		N/A		N/A	1,057	137
Lodg Corp Tot/Wtd. Avg.													**38,592**	**75**	**13,827**	**52,494**					**3,819**	
REIT Total/Wtd. Avg.				**17,714**		**28,768**		**26,084**		**5.3**	**15.0**		**409,180**	**23,054**	**275,527**	**707,623**	**515,654**	**20,890**	**5**		**37,900**	**8,812**
REIT Total/Straight Avg										**5.1**	**17.2**											

See footnotes to *theHunter* on pages 49 and 50.

			2011E AFFO Adjustments							Dividends				Short		11 FFO	Lease			Citi	
	Tckr	FFO Est. '11E	Cap'l Exp.	Cap'l Int.	Strght Line Rent	Total Acct. Adj.	Other	Total	AFFO Est. '11E	Payout Ratio 11 FFO	Payout Ratio 11 AFFO	Ann. Div	Ex Date	Interest as % of S/O	Vol Wk	Mult to Growth Ratio	Rollover in 2011	S&P Index	Russell Index	Inv Res Target Price	Expected Total Return
		($/sh)	($/sh)	($/sh)	($/sh)	($/sh)	($/sh)	($/sh)	($/sh)	(%)	(%)	($/sh)		(%)	($ mil)	(x)	(%)			($/sh)	(%)
Office	BXP	4.71	(0.85)	(0.19)	(0.39)	(0.02)	0.00	(1.45)	3.26	42	61	2.00	9/26	7.5	474	1.1	5.3	S&P 500	R 1000	105.00	(2.2)
	BDN	1.32	(0.38)	(0.00)	(0.11)	(0.03)	(0.07)	(0.59)	0.72	46	83	0.60	9/29	3.8	134	NM	8.5		R 1000	12.00	6.8
	BPO	1.09	(0.31)	(0.07)	(0.03)	0.00	0.00	(0.40)	0.68	51	82	0.56	8/25	1.1	123	NM	5.3			21.00	10.7
	CLI	2.70	(0.62)	(0.01)	(0.09)	(0.01)	0.00	(0.74)	1.97	67	92	1.80	9/29	2.2	125	NM	5.0	S&P 400	R 1000	35.00	9.5
	CWH	3.38	(1.08)	0.00	(0.35)	0.07	0.00	(1.36)	2.03	59	99	2.00	10/5	1.7	356	NM	6.5		R 1000	24.00	9.0
	DEI	1.34	(0.21)	0.00	(0.05)	(0.09)	0.00	(0.35)	0.99	31	42	0.42	9/26	10.8	166	1.8	8.6		R 1000	20.00	4.3
	GOV	1.96						(0.15)	1.81	85	92	1.67	10/5	3.6	30	1.4	N/A		R 2000		N/A
	HIW	2.53	(0.79)	(0.01)	(0.11)	0.19	0.00	(0.71)	1.82	67	94	1.70	8/17	9.4	109	3.6	9.0	S&P 400	R 2000	36.00	11.4
	HPP	1.09						0.00	0.85	N/A	N/A	0.50	9/14	4.4	7	NM			R 2000		N/A
	KRC	2.23	(0.52)	(0.08)	(0.43)	0.25	0.07	(0.70)	1.52	63	92	1.40	9/26	7.7	70	2.1	4.2	S&P 600	R 2000	42.00	9.5
	MPG	(0.71)						0.00	(0.71)	N/A	N/A	0	3/26	9.2	10	NM	N/A		R 2000		N/A
	OFC	1.42	(0.52)	(0.12)	(0.21)	0.09	0.76	(0.01)	1.41	116	117	1.65	9/26	4.3	87	NM	6.7	S&P 400	R 1000	30.00	5.2
	PKY	1.93	(1.63)	0.00	(0.32)	1.16	0.00	(0.79)	1.14	16	26	0.30	9/11	7.5	6	NM	9.7	S&P 600	R 2000	17.00	1.2
	PDM	1.51						(0.50)	1.01	83	125	1.26	8/25	4.0	87	NM	N/A		R 1000		N/A
	SLG	4.80	(1.05)	0.00	(1.33)	(0.53)	0.10	(2.81)	1.99	8	20	0.40	9/26	6.5	352	NM	3.8	S&P 400	R 1000	84.00	(0.4)
	VNO	6.33	(0.88)	(0.03)	(0.26)	(0.84)	(0.87)	(2.88)	3.45	44	80	2.76	8/3	3.0	490	3.4	6.1	S&P 500	R 1000	97.00	6.7
	Office Tot/Wtd. Avg.									48	74			4.3	2,626	9.6	5.7				4.7
Industrial	DCT	0.36						(0.13)	0.23	78	122	0.28	10/3	7.4	69	1.6	N/A		R 2000		N/A
	EGP	2.87	(0.60)	(0.07)	(0.00)	0.09	(0.02)	(0.60)	2.27	73	92	2.08	9/13	5.9	22	35.0	8.7	S&P 600	R 2000	38.00	(8.7)
	FR	0.82						(0.54)	0.28	20	59	0.17	3/29	7.3	35	N/A	N/A		R 2000		N/A
	PLD	1.24	(0.34)	(0.08)	(0.11)	0.00	0.19	(0.34)	0.90	91	125	1.12	8/10	3.3	689	19.4	8.5	S&P 500	R 1000	35.00	3.8
	TRNO	0.15						0.36	0.51	267	78	0.40	N/A	3.8	1	NM	N/A				N/A
	Industrial Tot/Wtd. Avg.									86	119			5.1	817	12.3	8.5				2.9
Office/Industrial	DRE	1.15	(0.42)	(0.01)	(0.07)	0.19	0.00	(0.32)	0.84	59	81	0.68	8/11	4.5	124	NM	7.4	S&P 400	R 1000	17.00	25.5
	FPO	1.05						(0.32)	0.73	76	110	0.80	8/2	4.3	13	0.6	N/A		R 2000		N/A
	LRY	2.57	(0.60)	(0.01)	(0.10)	0.14	0.02	(0.56)	2.01	74	95	1.90	9/27	2.4	118	NM	5.5	S&P 400	R 1000	35.00	10.8
	MSW	0.53						0.00	0.53	98	98	0.52	9/26	3.1	3	NM	N/A		R 2000		N/A
	PSB	4.57	(0.99)	0.00	(0.04)	(0.17)	0.00	(1.20)	3.37	39	52	1.76	9/11	3.1	40	0.7	14.4	S&P 600	R 2000	63.00	12.5
	Mixed O&I Tot/Wtd. Avg.									64	85			3.8	298	11.3	7.7				17.0
Specialty	ARE	4.56	(0.13)	(0.33)	(0.55)	0.16	0.26	(0.59)	3.97	39	45	1.80	9/26	2.2	143	0.6	12.9	S&P 400	R 1000	80.00	0.3
	BMR	1.18						(0.13)	1.05	68	76	0.80	9/26	8.4	85	9.7	N/A	S&P 600	R 2000		N/A
	COR	1.06	(0.12)	(0.02)	(0.04)	0.11	0.00	(0.08)	0.99	49	53	0.52	9/26	4.1	21	0.3	21.6		R 2000	17.50	4.0
	DLR	4.05	(0.23)	(0.10)	(0.44)	0.14	0.08	(0.56)	3.50	67	78	2.72	9/11	16.2	278	0.8	6.0		R 1000	63.00	6.2
	DFT	1.63	(0.01)	(0.22)	(0.55)	0.04	0.00	(0.74)	0.89	29	54	0.48	9/22	22.1	142	0.7	0.7		R 2000	25.00	(2.0)
	Specialty Tot/Wtd. Avg.									54	64			1.5	669	0.8	8.3				2.8
Diversified	ALX	21.71						(4.89)	16.82	0	0	0	8/3	1.5	6	1.4	N/A		R 2000		N/A
	AAT	1.14						(0.13)	1.01	N/A	N/A	0.78	9/11	3.2	20	N/A	0.0				N/A
	CUZ	0.42						(0.27)	0.15	40	N/A	0.17	8/9	4.3	24	0.7	N/A	S&P 400	R 2000		N/A
	FCE.A	1.75						(0.57)	1.18	0	0	0.00	N/A	5.3	156	NM	N/A				N/A
	WRE	2.01						(0.39)	1.62	86	107	1.74	9/11	5.7	51	NM	0.0				N/A
	Diversified Tot/Wtd. Avg.									28	33			4.8	256	2.0					
Lodging	AHT	2.08						0.00	1.54	19	26	0.40	9/26	7.0	31	0.2	N/A		R 2000		N/A
	CLDT	0.96						0.00	0.98	N/A	73	0.72	9/26	3	4				R 2000		N/A
	CHSP	0.34						0.00	1.12	247	75	0.84	9/26	3.3	10				R 2000		N/A
	DRH	0.69						(0.10)	0.59	46	54	0.32	9/13	4.9	77	1.4	N/A	S&P 600	R 2000	14.00	36.1
	FCH	0.23						(0.08)	0.15	0	N/A	0.00	N/A	5.7	22	NM	N/A		R 2000	8.00	47.9
	HT	0.42						0.00	0.32	65	85	0.27	9/26	3.4	21	NM	N/A		R 2000		N/A
	HPT	3.27						0.00	2.34	55	77	1.80	10/5	2.7	148	N/A	N/A	S&P 400	R 1000		N/A
	HST	0.89						(0.26)	0.63	9	13	0.08	9/26	5.8	765	0.6	N/A	S&P 500	R 1000	19.00	13.6
	LHO	1.63						(0.23)	1.40	27	31	0.44	9/26	5.5	97	0.2	N/A	S&P 600	R 2000	34.00	33.5
	PEB	0.12						0.00	0.63	400	76	0.48	9/26	4.9	40				R 2000		N/A
	BEE	0.08						0.00	0.06	0	0	0.00	N/A	4.1	42	N/A	N/A				N/A
	SHO	0.83						(0.25)	0.58	0	0	0.00	N/A	4.9	42	NM	N/A			11.00	16.3
	Lodg REIT Tot/Wtd. Avg.									41	32			5.0	1,298	0.4					19.9
	CHH									46		0.81	9/27	4.2	25	NM	N/A			46.00	44.7
	GET									0		0.00	N/A	14.0	108	NM	N/A			40.00	28.9
	H									0		0	N/A	2.8	74	N/A	N/A			59.00	
	MAR									0		0.00	N/A	3.5	1,411	1.2	N/A			49.00	40.2
	MHGC									0		0	N/A	8.2	5	N/A	N/A				N/A
	OEH									0		0.00	N/A	6.1	51	NM	N/A			13.50	35.5
	HOT									0		0.00	N/A	5.5	1,162	1.1	N/A			70.00	25.3
	WYN									27		0.60	8/22	2.8	359	1.2	0.0				N/A
	Lodg Corp Tot/Wtd. Avg.									4				4.7	3,170	1.1					27.6
										60	73			5.0	15,415	2.0					2.0
										67	74					2.6					5.7

See footnotes to *theHunter* on pages 49 and 50.

Lodging Stocks Valuation Summary

TRADING AND VALUATION MULTIPLES
($ millions except per share amounts)

Lodging C-Corps.	Ticker	Rating	Price 07/15/11	Diluted Shares	Equity Mkt Cap	Cur. Total Enterprise Value	Price To: 2012E EPS	2011E EPS	2010A EPS	2011E Cash EPS	Adjusted Total Enterprise Value As a Multiple of: 2012E EBITDA	2011E EBITDA	2010A EBITDA	LTM EBITDA	Prior Peak EBITDA	Div'd Yld	2011E FCF Yield After M. CapEx	All CapEx
MARRIOTT INTERNATIONAL	MAR	1M	$ 34.94	369	$ 12,907	$ 15,712	19.8x	25.1x	30.3x	21.1x	12.0x	13.5x	13.7x	14.1x	9.4x	1.1%	5.8%	1.0%
STARWOOD HOTELS & RESORTS	HOT	1M	55.86	194	10,837	13,445	25.6	33.4	43.3	23.9	13.0	15.2	17.5	16.9	9.9x	0.5%	4.7%	1.3%
HYATT HOTELS	H	1H	39.73	165	6,546	6,181	NM	NM	NM	25.4	10.6	13.0	14.0	13.3	8.3x	0.0%	3.9%	-0.4%
WYNDHAM WORLDWIDE	WYN	NR	33.30	179	5,961	7,758	12.8	14.9	16.2	NM	7.6	8.1	8.8	8.8	NA	1.4%	NA	NA
CHOICE HOTELS INTERNATIONAL	CHH	1M	32.36	60	1,935	2,119	16.9	18.1	17.8	19.1	10.5	11.6	12.4	12.3	10.1x	2.3%	5.8%	4.5%
GAYLORD ENTERTAINMENT	GET	2H	31.02	48	1,495	2,622	NM	NM	NM	15.9	10.3	11.8	17.8	17.9	9.9x	0.0%	7.7%	2.9%
ORIENT-EXPRESS HOTELS	OEH	2H	9.96	102	1,020	1,539	NM	NM	NM	53.2	13.3	16.3	20.6	19.2	9.7x	0.0%	2.6%	0.8%
MORGANS HOTEL GROUP	MHGC	NR	7.55	31	235	813	NM	NM	NM	NM	15.6	19.0	15.2	16.7	NA	0.0%	0.0%	0.0%
S&P 500							**12.5**	**13.4**	**15.3**									
SIMPLE AVERAGE							**18.8**	**22.9**	**26.9**	**26.4**	**11.6**	**13.6**	**15.0**	**14.9**	**9.5**	**0.7%**	**4.4%**	**1.4%**
MKT CAP WTD AVERAGE							**20.3**	**25.6**	**31.4**	**23.4**	**11.3**	**13.0**	**14.3**	**14.1**	**9.4**	**0.8%**	**5.1%**	**1.1%**

Lodging REITs	Ticker	Rating	Price 07/15/11	Diluted Shares	Equity Mkt Cap	Cur. Total Enterprise Value	FFO 2012E	FFO 2011E	FFO 2010A	AFFO 2011E	2012E EBITDA	2011E EBITDA	2010A EBITDA	LTM EBITDA	Prior Peak EBITDA	Div'd Yld	'11 NOI Cap	EV / Room
HOST HOTELS & RESORTS	HST	2M	$ 16.80	693	$ 11,649	$ 17,454	14.6x	18.8x	25.2x	26.7x	14.4x	16.7x	19.4x	20.2x	10.5x	0.9%	6.6%	$ 261,914
LASALLE HOTEL PROPERTIES	LHO	1H	25.80	84	2,175	3,517	12.0	15.8	24.8	18.4	12.7	15.6	17.0	19.7	11.5x	1.7%	6.9%	364,573
DIAMONDROCK HOSPITALITY	DRH	1H	10.52	169	1,774	2,705	11.6	15.2	17.0	17.8	12.1	14.4	15.5	19.5	10.1x	3.0%	7.6%	232,168
SUNSTONE HOTEL INVESTORS	SHO	2S	9.46	117	1,109	2,921	9.8	11.4	16.8	16.3	12.2	14.4	15.5	19.8	9.7x	0.0%	7.6%	221,961
HERSHA HOSPITALITY TRUST	HT	NR	5.53	177	979	1,836	10.2	12.9	15.4	15.5	12.4	13.9	16.9	16.7	NA	4.3%	8.1%	176,951
STRATEGIC HOTELS	BEE	NR	7.25	177	1,282	2,628	34.5	80.6	NM	48.3	16.0	18.0	20.5	19.9	12.9x	0.0%	6.4%	457,473
PEBBLEBROOK HOTEL TRUST	PEB	NR	20.16	51	1,026	1,145	15.5	26.2	NM	34.1	NA	NA	NA	NA	NA	2.4%	NA	333,912
ASHFORD HOSPITALITY TRUST	AHT	NR	12.38	80	992	3,560	5.5	6.0	8.3	7.7	10.9	12.4	16.6	16.2	NA	0.0%	8.9%	135,582
FELCOR LODGING TRUST	FCH	2S	5.41	124	672	2,699	12.3	23.5	NM	36.1	11.3	12.7	14.1	14.5	8.8x	0.0%	9.0%	121,935
S&P 500							**12.5**	**13.4**	**15.3**									
SIMPLE AVERAGE							**14.0**	**23.4**	**17.9**	**24.6**	**12.8**	**14.8**	**16.9**	**18.3**	**10.6**	**1.4%**	**7.7%**	**$ 256,275**
MKT CAP WTD AVERAGE							**14.4**	**21.1**	**22.4**	**25.2**	**13.6**	**15.9**	**18.2**	**19.5**	**10.6**	**1.5%**	**6.9%**	**$ 268,757**

Source: Citi Investment Research and Analysis

Lodging Stocks Key Operating and Balance Sheet Data

KEY OPERATING DATA (LAST TWELVE MONTHS) AND BALANCE SHEET DATA

($ millions except per share amounts)

	Operating Efficiency Statistics								Capital Structure Statistics									
	Revenue	EBITDA	EBITDA/ Revenue	G&A Expense	G&A/ Revenue	Net Income	Net Inc./ Equity	EBITDA/ Total Cap	Book Equity	Price/Book Value	Debt	PFD Stock	Cash	Total Capital	Net Debt/ TEV	Net Debt/ EBITDA	Debt + PFD / EBITDA	EBITDA / Interest
Lodging C-Corps.																		
MARRIOTT INTERNATIONAL	3,486	1,115	32.0%	707	20.3%	469	41.3%	27.5%	1,136	11.4	2,922	-	117	4,058	17.9%	2.6	2.6	8.7
STARWOOD HOTELS & RESORTS	3,027	797	26.3%	348	11.5%	269	10.3%	13.5%	2,620	4.1	3,283	-	675	5,903	19.4%	3.0	3.0	4.5
HYATT HOTELS	2,156	464	21.5%	266	12.3%	71	1.4%	7.2%	5,169	1.3	1,298	-	1,663	6,467	-5.9%	(0.7)	(0.7)	9.4
WYNDHAM WORLDWIDE	3,917	878	22.4%	N.A.	0.0%	383	14.1%	18.8%	2,707	2.2	1,971	-	174	4,678	23.2%	1.9	1.9	N.A.
CHOICE HOTELS INTERNATIONAL	271	172	63.6%	95	35.2%	109	NM	81.6%	(49)	NM	260	-	76	211	8.7%	1.0	1.0	13.9
GAYLORD ENTERTAINMENT	776	147	18.9%	49	6.4%	(89)	NM	6.5%	1,037	1.4	1,214	-	87	2,251	43.0%	5.2	5.2	2.6
ORIENT-EXPRESS HOTELS	595	80	13.4%	27	4.5%	(67)	NM	4.6%	1,081	0.9	650	-	131	1,731	33.7%	5.4	5.4	2.6
MORGANS HOTEL GROUP	237	49	20.5%	N.A.	0.0%	(106)	NM	8.8%	(29)	NM	583	-	5	554	71.1%	13.5	13.5	N.A.
SIMPLE AVERAGE			**27.3%**		**11.3%**		**16.8%**	**21.1%**		**3.6**					**26.4%**	**4.0**	**4.0**	**7.0**
Lodging REITs																		
HOST HOTELS & RESORTS	4,292	865	20.2%	97	2.3%	(108)	NM	7.1%	6,383	1.8	5,879	-	74	12,262	33.3%	5.7	5.7	2.8
LASALLE HOTEL PROPERTIES	653	179	27.4%	17	2.7%	10	0.6%	6.2%	1,531	1.4	953	400	11	2,884	26.8%	4.5	6.4	5.3
DIAMONDROCK HOSPITALITY	634	139	21.9%	17	2.7%	(12)	NM	5.6%	1,537	1.2	952	-	21	2,489	34.4%	5.3	5.3	3.2
SUNSTONE HOTEL INVESTORS	665	148	22.2%	18	2.7%	89	9.2%	4.9%	970	1.1	1,634	391	213	2,996	48.6%	7.1	9.0	2.6
HERSHA HOSPITALITY TRUST	290	110	37.9%	17	5.8%	(20)	NM	7.1%	683	1.4	816	60	19	1,559	43.4%	6.0	6.5	2.9
STRATEGIC HOTELS & RESORTS	738	132	17.9%	22	3.0%	(257)	NM	7.2%	419	3.1	987	427	68	1,833	35.0%	6.2	9.1	2.0
PEBBLEBROOK HOTEL TRUST	100	14	13.8%	9	9.1%	(10)	NM	1.3%	677	1.5	252	125	259	1,054	-0.6%	N.A.	N.A.	N.A.
ASHFORD HOSPITALITY TRUST	854	219	25.6%	37	4.4%	(42)	NM	6.2%	849	1.2	2,445	216	92	3,509	66.1%	8.2	9.0	2.1
FELCOR LODGING TRUST	961	186	19.4%	30	3.2%	(231)	NM	8.4%	70	9.6	1,590	546	110	2,207	54.9%	7.0	9.6	1.8
SIMPLE AVERAGE			**22.9%**		**4.0%**		**NM**	**6.0%**		**2.5**					**38.0%**	**6.3**	**7.6**	**2.8**

Forecast data is by Citi, except "not ranked" (NR) stocks where First Call and other sources are used.

Source: Citi Investment Research and Analysis

Lodging Stocks Forecast Data

FORECAST DATA

($ millions except per share amounts)

	EPS						EBITDA					Corporate Expense						
	2012E	2011E	2010A	LTM	Upcoming Qtr.	Prev. Yr. Qtr	2012E	2011E	2010A	LTM	Prior Peak	2012E	2011E	2010A	LTM	2011E FCF	'11 Growth CapEx	# of System Rooms
Lodging C-Corps.																		
MARRIOTT INTERNATIONAL	1.66	1.39	1.15	1.24	0.26	0.22	1,197	1,094	1,089	1,115	1,619	639	720	669	707	754	625	606,513
STARWOOD HOTELS & RESORTS	2.18	1.67	1.29	1.42	0.45	0.35	1,003	874	770	797	1,297	379	361	344	348	513	376	304,403
HYATT HOTELS	0.78	0.33	0.29	0.31	0.12	0.11	622	488	458	464	810	290	276	265	266	256	282	124,665
WYNDHAM WORLDWIDE	2.60	2.24	2.05	2.09	0.56	0.51	1,025	955	898	878	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	609,600
CHOICE HOTELS INTERNATIONAL	1.92	1.79	1.82	1.83	0.46	0.45	194	180	171	172	200	104	101	93	95	111	25	390,407
GAYLORD ENTERTAINMENT	0.71	0.35	(1.89)	(1.95)	0.18	(0.55)	242	218	145	147	247	53	51	50	49	114	71	8,097
ORIENT-EXPRESS HOTELS	0.12	(0.05)	(0.67)	(0.65)	0.07	0.01	117	97	76	80	159	30	29	27	27	26	18	2,975
MORGANS HOTEL GROUP	(1.00)	(1.95)	(2.93)	(3.46)	(0.28)	(0.76)	52	43	53	49	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	3,700
																'11 NOI	'11 Growth CapEx	# of Owned Rooms
Lodging REITs	FFO																	
HOST HOTELS & RESORTS	1.15	0.89	0.67	0.72	0.28	0.23	1,216	1,015	844	865	1,667	103	100	100	97	1,115	325	66,639
LASALLE HOTEL PROPERTIES	2.15	1.63	1.04	0.91	0.51	0.52	269	211	169	179	296	19	18	16	17	229	40	9,648
DIAMONDROCK HOSPITALITY	0.91	0.69	0.62	0.60	0.17	0.16	219	177	138	139	262	18	17	16	17	194	40	11,651
SUNSTONE HOTEL INVESTORS	0.97	0.83	0.56	0.59	0.24	0.18	236	201	143	148	295	19	19	18	18	220	85	13,160
HERSHA HOSPITALITY TRUST	0.54	0.43	0.36	0.36	0.15	0.13	148	132	108	110	N.A.	18	18	17	17	149	N.A.	10,374
STRATEGIC HOTELS & RESORTS	0.21	0.09	(0.05)	0.01	0.05	0.02	161	148	132	132	200	24	23	23	22	171	39	5,744
PEBBLEBROOK HOTEL TRUST	1.30	0.77	(0.03)	-	0.15	(0.18)	NA	NA	7	14	N.A.	NA	NA	8	9	-	NA	3,428
ASHFORD HOSPITALITY TRUST	2.27	2.07	1.50	2.01	0.65	0.46	328	287	209	219	N.A.	32	31	30	37	318	N.A.	26,257
FELCOR LODGING TRUST	0.44	0.23	(0.09)	0.04	0.13	0.10	241	210	181	186	312	32	31	31	30	241	45	22,132

Forecast data is by Citi, except "not ranked" (NR) stocks where First Call and other sources are used.

NOTES

EBITDA for Starwood excludes roughly $80m of non-cash gain amortization. EBITDA for Starwood and Marriott deducts FAS 167 interest expense related to timeshare.

Adjusted Total Enterprise Value projects future debt necessary to generate forward EBITDA.

Cash EPS = GAAP EPS + Depreciation and Amortization/Share - Maintenance Cap Ex/Share.

REIT AFFO = (FFO - Property Maintenance Costs) / Share.

Source: Citi Investment Research and Analysis

Lodging Stocks Price Performance and Valuations Summary

Company	Ticker	Equity Mkt Cap	52 Week High	52 Week Low	Price 07/15/11	Price Performance YTD '11	June '11	2010	2009	2008	EPS or FFO/shr 2010A	2011E	2012E	P/E or P/FFO 2010A	2011E	2012E	'11 P/E Rel. To S&P 500
Lodging C-Corps.																	
Marriott International	MAR	$ 12,907	$ 42.78	$ 30.05	$ 34.94	-15.9%	-6.1%	52.4%	40.1%	-43.1%	$ 1.15	$ 1.39	$ 1.66	30.3x	25.1x	21.0x	1.87
Starwood Hotels & Resorts	HOT	10,837	$ 65.51	$ 42.82	55.86	-8.1%	-8.1%	66.2%	104.3%	-59.3%	1.29	1.67	2.18	43.3	33.4	25.6	2.49
Hyatt Hotels	H	6,546	$ 50.00	$ 34.19	39.73	-13.2%	-8.4%	53.5%	NA	NA	0.29	0.33	0.78	135.7	NA	NA	NA
Wyndham Worldwide	WYN	5,961	$ 35.71	$ 19.99	33.30	11.1%	-3.3%	48.5%	207.9%	-72.2%	2.05	2.24	2.60	16.2	14.9	12.8	1.11
Choice Hotels International	CHH	1,935	$ 41.42	$ 30.82	32.36	-15.4%	-6.4%	20.9%	5.3%	-9.5%	1.82	1.79	1.92	17.8	18.1	16.9	1.35
Gaylord Entertainment	GET	1,495	$ 38.22	$ 24.83	31.02	-13.7%	-7.0%	82.0%	82.2%	-73.2%	(1.89)	0.35	0.71	NA	NA	NA	NA
Orient Express Hotels	OEH	1,020	$ 14.24	$ 7.63	9.96	-23.3%	-8.0%	28.1%	32.4%	-86.7%	(0.67)	(0.05)	0.12	NA	NA	NA	NA
Morgans Hotel Group	MHGC	235	$ 11.46	$ 5.99	7.55	-16.8%	-13.9%	98.5%	-1.9%	-75.8%	(2.93)	(1.95)	(1.00)	NA	NA	NA	NA
Equally Weighted C-Corp Index						**-11.9%**	**-7.7%**	**56.3%**	**67.2%**	**-60.0%**							
Market Cap Weighted C-Corp Index						**-9.5%**	**-6.8%**	**54.9%**	**88.8%**	**-54.2%**							
S&P 500 INDEX	.SPX-UT				1,316.14	4.7%	-1.8%	12.8%	23.5%	-38.5%	$ 85.85	$ 98.00	$ 105.00	15.3x	13.4x	12.5x	
Lodging REITs																	
Host Hotels & Resorts	HST	$ 11,649	$ 19.88	$ 12.87	$ 16.80	-6.0%	-3.6%	53.1%	54.2%	-55.6%	$ 0.67	$ 0.89	$ 1.15	25.2x	18.8x	14.6x	1.40
LaSalle Hotel Properites	LHO	2,175	$ 29.58	$ 19.54	25.80	-2.3%	-5.9%	24.4%	92.1%	-65.4%	1.04	1.63	2.15	24.8	15.8	12.0	1.18
DiamondRock	DRH	1,774	$ 12.63	$ 8.40	10.52	-12.3%	-6.9%	41.7%	67.1%	-66.2%	0.62	0.69	0.91	17.0	15.2	11.6	1.14
Sunstone Hotel Investors	SHO	1,109	$ 11.15	$ 8.09	9.46	-8.4%	-8.8%	16.3%	43.5%	-66.2%	0.56	0.83	0.97	16.8	11.4	9.8	0.85
Hersha Hospitality Trust	HT	979	$ 6.94	$ 4.43	5.53	-16.2%	-7.3%	110.2%	4.7%	-68.4%	0.36	0.43	0.54	15.4	12.9	10.2	0.96
Pebblebrook Hotel Trust	PEB	1,026	$ 22.47	$ 16.85	20.16	-0.8%	-7.1%	-7.7%	NA	NA	(0.03)	0.77	1.30	NA	NA	NA	NA
Strategic Hotels & Resorts	BEE	1,282	$ 7.62	$ 3.33	7.25	37.1%	5.8%	184.4%	10.7%	-90.0%	(0.05)	0.09	0.21	NA	80.6	34.5	6.00
Ashford Hospitality Trust	AHT	992	$ 14.32	$ 7.63	12.38	28.3%	-12.8%	108.0%	303.5%	-84.0%	1.50	2.07	2.27	8.3	6.0	5.5	0.45
FelCor Lodging Trust	FCH	672	$ 8.31	$ 3.91	5.41	-23.2%	-14.4%	95.6%	95.7%	-88.2%	(0.09)	0.23	0.44	NA	23.5	12.3	1.75
Equally Weighted REIT Index						**-0.4%**	**-6.8%**	**69.5%**	**83.9%**	**-73.0%**							
Market Cap Weighted REIT Index						**-3.5%**	**-4.0%**	**48.8%**	**47.4%**	**-50.3%**							
MSCI REIT INDEX (RMZ)	RMZ				841.41	10.6%	-3.7%	23.5%	21.0%	-41.5%							
Equally Weighted Lodging Index						**-5.8%**	**-7.2%**	**63.3%**	**76.1%**	**-66.9%**							
Market Cap Weighted Lodging Index						**-7.0%**	**-6.0%**	**54.5%**	**77.3%**	**-54.1%**							

Source: Citi Investment Research and Analysis

theHunter — Footnotes

- **Note:** Sector and REIT universe straight and weighted averages do not include C-Corps.
- **Rating Key:** 1=Buy, 2=Hold, 3=Sell. Risk: H=High, M=Medium, L=Low, S=Speculative.
- **Price Change** — Percentage price changes: Week is from the close on the previous Friday, Month is from the last trading day of the prior month, and QTD is from last trading day of the prior quarter, to the most recent closing price.
- **Total Return** — Stock price change and dividends paid.
- **Dividend Yield** — The return on investment for a stock, or the annual dividend income per share received from a company. Dividend yield is calculated by dividing the most recently paid dividend annualized, by the most recent share price.
- **Funds from Operations (FFO)** — Defined as GAAP Net Income excluding gains and losses from sales of depreciable property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.
- **Est 2011E** — Citi Investment Research's 2011 FFO estimates are our estimates for covered companies, which appear in bold font. If we do not cover the company, the estimates are consensus estimates from First Call.
- **Citi Investment Research Est. vs. Cons** — For covered companies, we show the difference between our FFO estimate and First Call consensus. Positive numbers represent where our estimates are above consensus.
- **Growth '11E** — Percentage change in FFO per share from 2010 actuals to 2011 estimates. For covered companies, we show the growth in bold font based on our estimates. If we do not cover the company, the growth is based on consensus estimates from First Call.
- **Growth '12E** — Percentage change in FFO per share from 2011 estimates to 2012 estimates. For covered companies, we show the growth in bold font based on our estimates. If we do not cover the company, the growth is based on consensus estimates from First Call.
- **Multiple '11E** — The valuation ratio of the current share price divided by 2011 estimated FFO per share. For covered companies our FFO estimates are used. If we do not cover the company, consensus estimates are used.
- **Multiple '12E** — The valuation ratio of the current share price divided by 2012 estimated FFO per share. For covered companies our FFO estimates are used. If we do not cover the company, consensus estimates are used.
- **TEV/EBITDA Mult** — The valuation ratio that eliminates a company's financing decisions. The multiple is calculated using total market capitalization plus debt less cash (Total Enterprise Value) divided by earnings before interest, tax, depreciation, and amortization (EBITDA) for the last reported quarter, annualized.
- **Implied Cap Rate** — Measures the cap rate or yield on the rental real estate owned by annualizing the most recent quarter's net operating income divided by the current TEV. Non-rental income assets are valued separately and the TEV is reduced by our estimate for non-income producing assets to arrive at an implied cap rate.
- **Implied Value/Unit or Sq Ft** — Measures the implied rental value per unit or square foot based on the current TEV after backing out value for non-rental income producing assets. Apartments are measured using units, manufactured homes are measured using home sites, and all other property types are measured using square feet.
- **Prem (Disc.) to NAV** is the premium or discount of the current share price to our estimate of Net Asset Value per share using our spot cap rate estimate of current market conditions. Spot cap rate is the cap rate at which real estate is currently trading.
- **Model Port. Weight** — The weight we assign for the company in our Citi Investment Research model portfolio.
- **Model Hedge Weight** — The weight assigned for each company in our Citi Investment Research model hedge portfolio.
- **BBREIT Index Weight** — The weight assigned for each company in the Bloomberg REIT Index.

- **Adjusted Funds from Operations (AFFO)** is FFO (defined above) less non-revenue generating capital expenditures, land sales, the equity portion of capitalized interest and straight-line rents, as outlined in *theHunter* Set II. AFFO also adjusts for EITF D-42, FAS 141/142 and other non-cash accounting adjustments. Citi estimates are used for covered companies and SNL consensus is used for uncovered companies.
- **Est '11E** — Discussed above in FFO section (pertains to AFFO).
- **Mult '11E** — Discussed above in FFO section (pertains to AFFO).
- **Mult '12E** — Discussed above in FFO section (pertains to AFFO).
- **Growth '11E** — Discussed above in FFO section (pertains to AFFO).
- **Growth '12E** — Discussed above in FFO section (pertains to AFFO).
- **FFO Mult Prem Current vs. Sector** is the premium or discount of the current forward FFO multiple for a stock to the sector weighted average forward FFO multiple. For sectors, this represents a premium/discount that the sector trades at relative to the REIT universe based on the forward FFO multiple.
- **FFO Mult Prem 14 Yr. Sector Avg** for companies is the 14 year average of the premium or discount forward FFO multiple to the sector weighted average forward FFO multiple. For sectors, this represents a premium/discount that the sector trades at relative to the REIT universe based on the forward FFO multiple.
- **Historical FFO Multiples** are calculated using year-end stock prices and full-year FFO estimates for the following year. The average, high, and low multiples for the past 14 years are shown.
- **NAV CAGR** — is the compounded annual growth rate in NAV per share over a specified time period.
- **Cap Rate** is the rate used to estimate the value of a company's net assets by using annualized income streams.
- **Net Asset Value** is our estimate of the private market value of the company's real estate net of liabilities on a per share basis. We use the current spot cap rate for the net operating income to derive NAV. NAV is calculated using the most recently reported quarterly results. NAV calculations for covered lodging companies are based upon estimated full-year operating data. Net asset value estimates for companies not covered by Citi Investment Research reflect SNL estimates. Spot NAV estimates not in italics reflect most recent reported financial results; estimates in italics reflect the prior quarter.
- **Debt/GAV** is the measure of a company's leverage and is the ratio of Total Debt to Gross Asset Value which is Net Asset Value plus Debt using current spot cap rates.
- **Net Debt / Fwd Cash EBITDA** is the ratio of total net debt to cash EBITDA produced by the business.
- **FC Coverage** is the ratio indicating the ability to satisfy financing costs and is calculated as follows: EBITDA/[Interest Expense + Capitalized Interest + Preferred Dividends]. The most recent reported quarter data is used for the calculation.
- **Float** represents the market value based on the current share price of all common shares outstanding, but does not include equity operating partnership units.
- **Total Market Capitalization** represents the market value based on the current share price of all common shares and operating partnership units outstanding plus debt and preferred stock outstanding as of the end of the most recent reported quarter.

Notes and Reports Published Last Week

C&W Office Call Review & Stock Implications: Strong Outlook for NY, San Fran, Boston; Tempered for LA, DC	https://www.citigroupgeo.com/pdf/SNA83870.pdf
Lodging: REVPAR +5.4% for Week Ended July 9; Understandably Lighter Result Coming Out of Holiday Weekend	https://www.citigroupgeo.com/pdf/SNA83885.pdf
Marriott International: Bull vs. Bear - Long-Term Recovery vs. Short Term Hiccups; Buy	https://www.citigroupgeo.com/pdf/SNA83909.pdf
Marriott International: Frustrating Year; Story Should Improve in 2012 - Maintaining Buy	https://www.citigroupgeo.com/pdf/SNA84003.pdf
Office Strength Down Under: BPO, CPA, DXS: Highlights from Conf Call with Colliers & Investor Opportunities	https://www.citigroupgeo.com/pdf/SGL03087.pdf
REIT and Lodging Industry 2Q11 Earnings Calendar: A Source for Navigating the Earnings Season	https://www.citigroupgeo.com/pdf/SNA83705.pdf
REIT Funds Flow Essentially Flat For the Week: Outflows of ~$1m to U.S. Focused Funds; Globally Focused Funds Report Inflows of ~$6m for the Week	https://www.citigroupgeo.com/pdf/SNA84014.pdf
REIT Short Interest Continues to Rise: Short Interest Up 30bps Since Mid May to 5.1% Despite Rise in Shares Outstanding	https://www.citigroupgeo.com/pdf/SNA83810.pdf

Appendix A-1

Analyst Certification

The research analyst(s) primarily responsible for the preparation and content of this research report are named in bold text in the author block at the front of the product except for those sections where an analyst's name appears in bold alongside content which is attributable to that analyst. Each of these analyst(s) certify, with respect to the section(s) of the report for which they are responsible, that the views expressed therein accurately reflect their personal views about each issuer and security referenced and were prepared in an independent manner, including with respect to Citigroup Global Markets Inc and its affiliates. No part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that research analyst in this report.

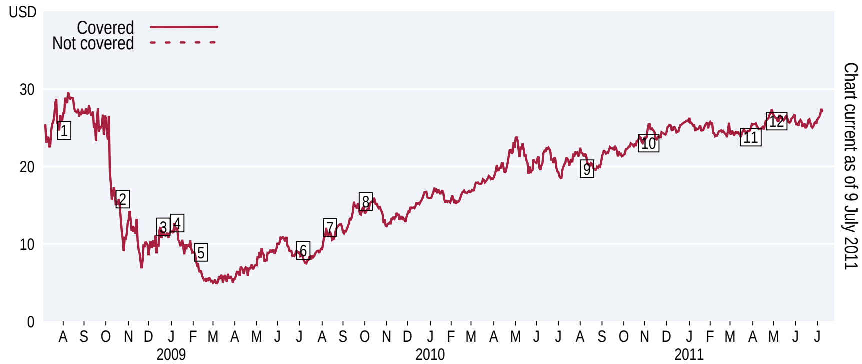
IMPORTANT DISCLOSURES

Apartment Investment and Management Co (AIV)

Ratings and Target Price History

Fundamental Research

Analyst: Michael Bilerman



	Date	Rating	Target Price	Closing Price
1	4-Aug-08	2H	*25.79	26.80
2	24-Oct-08	2H	*11.26	10.58
3	20-Dec-08	2H	*9.53	11.57
4	9-Jan-09	2H	*11.00	12.08
5	12-Feb-09	2H	*6.50	6.47
6	7-Jul-09	*2S	6.50	8.05
7	13-Aug-09	2S	*11.00	11.50
8	2-Oct-09	*3S	*10.00	14.09
9	11-Aug-10	3S	*18.00	20.60
10	5-Nov-10	3S	*22.00	25.44
11	30-Mar-11	*2H	*27.50	24.99
12	5-May-11	2H	*28.00	26.24

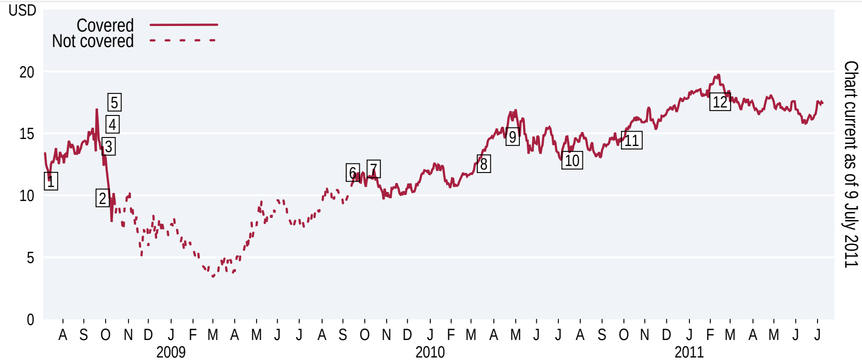
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Host Hotels & Resorts (HST)

Ratings and Target Price History
Fundamental Research

Analyst: Michael Bilerman
Covered since September 15 2009



#	Date	Rating	Target Price	Closing Price
1	16-Jul-08	1M	*15.00	12.52
2	26-Sep-08	*2M	*13.00	13.95
3	5-Oct-08	2M	*12.00	11.40
4	10-Oct-08	2M	*9.50	9.28
5	14-Oct-08	Coverage terminated		
6	15-Sep-09	2M	*11.00	11.05
7	14-Oct-09	2M	*12.00	12.13
8	18-Mar-10	2M	*14.00	13.68
9	28-Apr-10	2M	*17.00	15.99
10	21-Jul-10	2M	*15.00	13.58
11	13-Oct-10	2M	*17.00	15.95
12	15-Feb-11	2M	*19.00	18.87

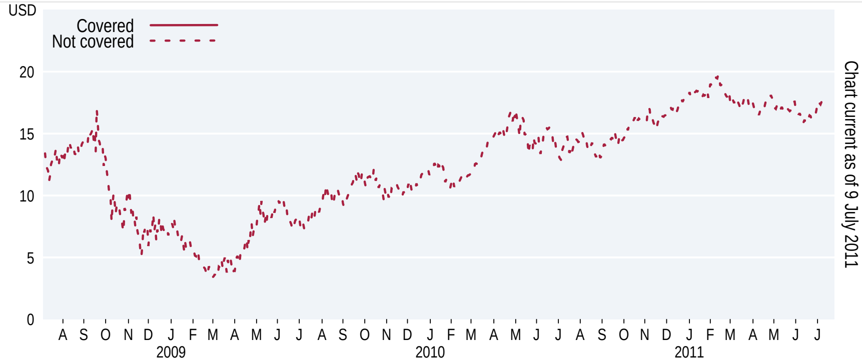
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Host Hotels & Resorts (HST)

Ratings and Target Price History
Best Ideas Research
Relative Call (3 Month)

Analyst: Michael Bilerman
Covered since September 15 2009



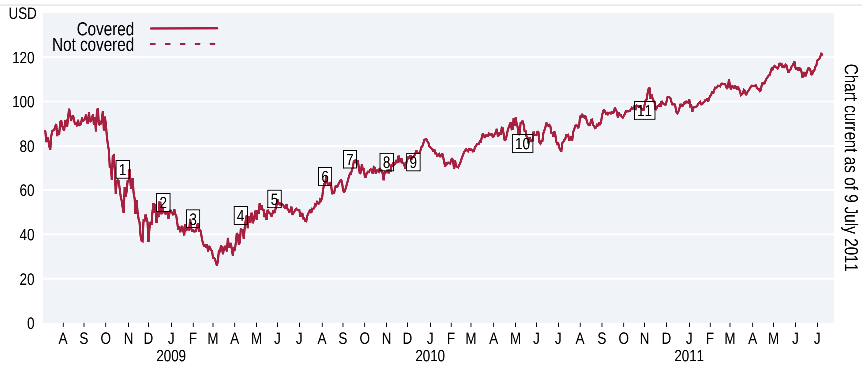
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Simon Property Group Inc (SPG)

Ratings and Target Price History
Fundamental Research

Analyst: Michael Bilerman



#	Date	Rating	Target Price	Closing Price
1	24-Oct-08	1H	*68.23	52.00
2	20-Dec-08	1H	*60.54	52.53
3	2-Feb-09	1H	*54.77	42.11
4	9-Apr-09	1H	*56.08	42.30
5	27-May-09	1H	*56.59	49.61
6	6-Aug-09	1H	*73.47	62.45
7	10-Sep-09	1H	*73.44	67.43
8	2-Nov-09	1H	*80.00	68.37
9	9-Dec-09	*1M	*84.00	75.08
10	12-May-10	*2M	*95.00	91.31
11	1-Nov-10	2M	*106.00	98.62

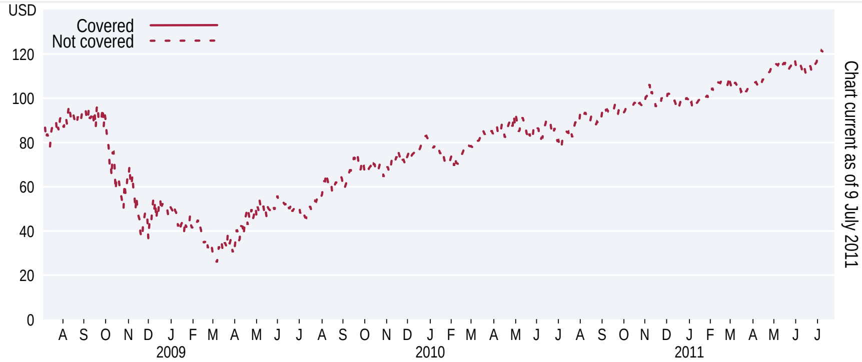
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Simon Property Group Inc (SPG)

Ratings and Target Price History
Best Ideas Research
Relative Call (3 Month)

Analyst: Michael Bilerman



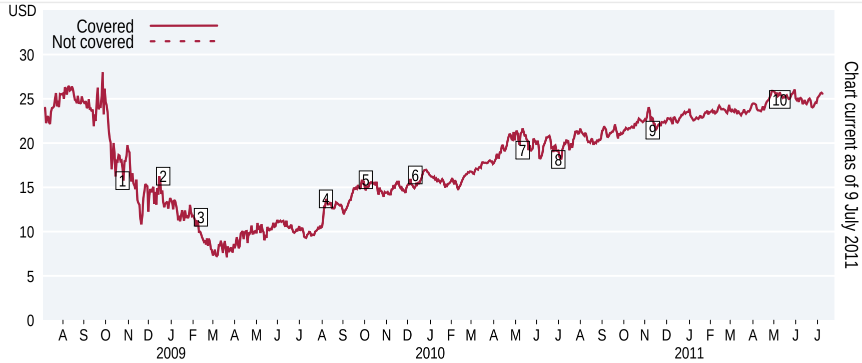
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

UDR, Inc (UDR)

Ratings and Target Price History
Fundamental Research

Analyst: Michael Bilerman



	Date	Rating	Target Price	Closing Price
1	24-Oct-08	2H	*18.00	17.15
2	20-Dec-08	*3H	*12.00	14.65
3	12-Feb-09	3H	*8.50	9.77
4	7-Aug-09	3H	*10.00	13.70
5	2-Oct-09	*2H	*16.00	14.65
6	11-Dec-09	*1H	*17.50	15.08
7	12-May-10	1H	*26.00	21.66
8	1-Jul-10	*2H	*21.00	19.16
9	11-Nov-10	2H	*24.00	22.80
10	10-May-11	2H	*26.00	25.74

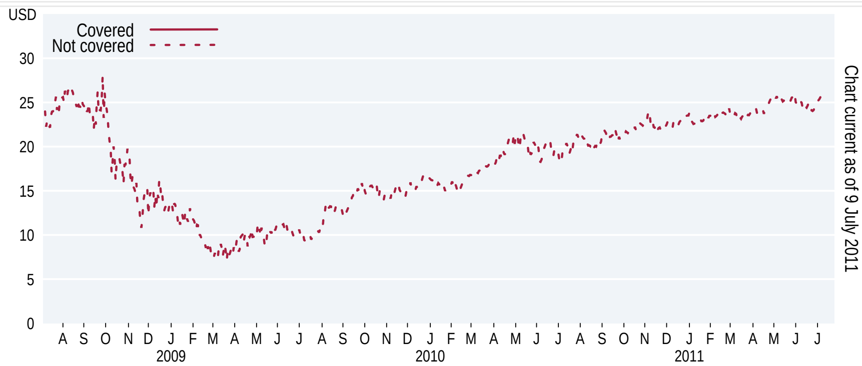
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

UDR, Inc (UDR)

Ratings and Target Price History
Best Ideas Research
Relative Call (3 Month)

Analyst: Michael Bilerman



* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Citigroup Global Markets Inc. has entered into a continuous offering program equity distribution agreement with Associated Estates Realty Corporation and will be acting as sales agent relating to this agreement.

Citigroup Global Markets Inc. is acting as sales agent in the announced continous equity offering program for Brandywine Realty Trust.

A director of Citi serves on the board of Brookfield Properties.

Citigroup Global Markets Inc. has entered into an equity distribution agreement with Cogdell Spencer Inc. and will be acting as a sales agent regarding common stock offerings of Cogdell Spencer Inc.

Citigroup Global Markets Inc. acted as a joint bookrunner on the equity offering of Commonweath Reit.

Citigroup Global Markets, Inc. is acting as a sales agent in the announced equity distribution agreement with Douglas Emmett Inc.

Citigroup Global Markets Inc. Is acting as a Senior Co-Manager on the announced notes offering of NAtional Retail Properties, Inc.

Citigroup Global Markets Inc. or its affiliates beneficially owns 1% or more of any class of common equity securities of Apartment Investment and Management Co, Cogdell Spencer Inc, CommonWealth REIT, DuPont Fabros Technology Inc, Digital Realty Trust Inc, Duke Realty Corp, Gaylord Entertainment Company, CapLease Inc, Morgans Hotel Group, National Retail Properties Inc, Pennsylvania REIT, Public Storage Inc, Simon Property Group Inc, Taubman Centers Inc, Vornado Realty Trust. This position reflects information available as of the prior business day.

Within the past 12 months, Citigroup Global Markets Inc. or its affiliates has acted as manager or co-manager of an offering of securities of Associated Estates Realty Corp, Alexandria Real Estate Equities, Inc, Brandywine Realty Trust, Brookfield Office Properties Inc, Boston Properties Inc, Mack-Cali Realty Corp, CoreSite Realty Corporation, Cogdell Spencer Inc, CommonWealth REIT, Developers Diversified Realty Corp, Digital Realty Trust Inc, Extra Space Storage Inc, FelCor Lodging Trust, HCP Inc, Host Hotels & Resorts, Kimco Realty Corp, Kite Realty Group Trust, Liberty Property Trust, CapLease Inc, National Retail Properties Inc, Realty Income Corp, Prologis Inc, Public Storage Inc, Sunstone Hotel Investors, SL Green Realty Corp, UDR, Inc, Vornado Realty Trust, Ventas Inc.

Citigroup Global Markets Inc. or its affiliates has received compensation for investment banking services provided within the past 12 months from Associated Estates Realty Corp, Apartment Investment and Management Co, Alexandria Real Estate Equities, Inc, Brandywine Realty Trust, Strategic Hotels & Resorts, Brookfield Office Properties Inc, Boston Properties Inc, Mack-Cali Realty Corp, CoreSite Realty Corporation, Cogdell Spencer Inc, CommonWealth REIT, Developers Diversified Realty Corp, Digital Realty Trust Inc, DiamondRock Hospitality Company, Equity Lifestyle Properties Inc, Entertainment Properties Trust, Equity Residential, Extra Space Storage Inc, FelCor Lodging Trust, HCP Inc, Starwood Hotels & Resorts, Host Hotels & Resorts, Kimco Realty Corp, Kite Realty Group Trust, Liberty Property Trust, CapLease Inc, Macerich Co, National Retail Properties Inc, Realty Income Corp, Pennsylvania REIT, Prologis Inc, Public Storage Inc, Sunstone Hotel Investors, SL Green Realty Corp, UDR, Inc, Vornado Realty Trust, Ventas Inc.

Citigroup Global Markets Inc. or its affiliates expects to receive or intends to seek, within the next three months, compensation for investment banking services from Associated Estates Realty Corp, Apartment Investment and Management Co, Brandywine Realty Trust, Brookfield Office Properties Inc, Cogdell Spencer Inc, Douglas Emmett Inc, Digital Realty Trust Inc, Equity One, Inc., Essex Property Trust Inc, LaSalle Hotel Properties, Marriott International, Pennsylvania REIT, Prologis Inc, Sunstone Hotel Investors, SL Green Realty Corp, Simon Property Group Inc, UDR, Inc, Vornado Realty Trust.

Citigroup Global Markets Inc. or an affiliate received compensation for products and services other than investment banking services from Associated Estates Realty Corp, Apartment Investment and Management Co, Alexandria Real Estate Equities, Inc, Brandywine Realty Trust, Strategic Hotels & Resorts, BioMed Realty Trust Inc, Brookfield Office Properties Inc, Boston Properties Inc, Choice Hotels International, Mack-Cali Realty Corp, Colonial Properties Trust, CoreSite Realty Corporation, Camden Property Trust, Cogdell Spencer Inc, CommonWealth REIT, Developers Diversified Realty Corp, Douglas Emmett Inc, Digital Realty Trust Inc, DiamondRock Hospitality Company, Entertainment Properties Trust, Equity Residential, Equity One, Inc., FelCor Lodging Trust, Federal Realty, Gaylord Entertainment Company, General Growth Properties, Hyatt Hotels, HCP Inc, Starwood Hotels & Resorts, Host Hotels & Resorts, Kimco Realty Corp, Kite Realty Group Trust, Liberty Property Trust, Macerich Co, Marriott International, Morgans Hotel Group, National Retail Properties Inc, Orient-Express Hotels, Pennsylvania REIT, Prologis Inc, Public Storage Inc, Sunstone Hotel Investors, Tanger Factory Outlet Centers Inc, SL Green Realty Corp, Simon Property Group Inc, UDR, Inc, Vornado Realty Trust, Ventas Inc in the past 12 months.

Citigroup Global Markets Inc. currently has, or had within the past 12 months, the following as investment banking client(s): Extra Space Storage Inc, Equity One, Inc., Hyatt Hotels, Associated Estates Realty Corp, Simon Property Group Inc, Kimco Realty Corp, Macerich Co, Pennsylvania REIT, Digital Realty Trust Inc, Developers Diversified Realty Corp, Kite Realty Group Trust, CoreSite Realty Corporation, FelCor Lodging Trust, Apartment Investment and Management Co, Alexandria Real Estate Equities, Inc, Brandywine Realty Trust, Strategic Hotels & Resorts, Brookfield Office Properties Inc, Boston Properties Inc, Mack-Cali Realty Corp, Cogdell Spencer Inc, CommonWealth REIT, Douglas Emmett Inc, DiamondRock Hospitality Company, Equity Lifestyle Properties Inc, Entertainment Properties Trust, Equity Residential, Essex Property Trust Inc, HCP Inc, Starwood Hotels & Resorts, Host Hotels & Resorts, LaSalle Hotel Properties, Liberty Property Trust, CapLease Inc, Marriott International, National Retail Properties Inc, Realty Income Corp, Prologis Inc, Public Storage Inc, Sunstone Hotel Investors, SL Green Realty Corp, UDR, Inc, Vornado Realty Trust, Ventas Inc.

Citigroup Global Markets Inc. currently has, or had within the past 12 months, the following as clients, and the services provided were non-investment-banking, securities-related: Apartment Investment and Management Co, Alexandria Real Estate Equities, Inc, Brandywine Realty Trust, Strategic Hotels & Resorts, Brookfield Office Properties Inc, Boston Properties Inc, Choice Hotels International, Mack-Cali Realty Corp, Colonial Properties Trust, Developers Diversified Realty Corp, Douglas Emmett Inc, Digital Realty Trust Inc, Duke Realty Corp, Entertainment Properties Trust, Equity Residential, Equity One, Inc., Gaylord Entertainment Company, General Growth Properties, Hyatt Hotels, HCP Inc, Home Properties Inc, Starwood Hotels & Resorts, Host Hotels & Resorts, Kimco Realty Corp, CapLease Inc, Marriott International, Morgans Hotel Group, National Retail Properties Inc, Orient-Express Hotels, Pennsylvania REIT, Prologis Inc, SL Green Realty Corp, Simon Property Group Inc, UDR, Inc, Vornado Realty Trust.

Citigroup Global Markets Inc. currently has, or had within the past 12 months, the following as clients, and the services provided were non-investment-banking, non-securities-related: Associated Estates Realty Corp, Apartment Investment and Management Co, Alexandria Real Estate Equities, Inc, Brandywine Realty Trust, Strategic Hotels & Resorts, BioMed Realty Trust Inc, Brookfield Office Properties Inc, Boston Properties Inc, Choice Hotels International, Mack-Cali Realty Corp, Colonial Properties Trust, CoreSite Realty Corporation, Camden Property Trust, Cogdell Spencer Inc, CommonWealth REIT, Developers Diversified Realty Corp, Digital Realty Trust Inc, DiamondRock Hospitality Company, Entertainment Properties Trust, Equity Residential, Equity One, Inc., FelCor Lodging Trust, Federal Realty, Gaylord Entertainment Company, General Growth Properties, Hyatt Hotels, HCP Inc, Starwood Hotels & Resorts, Host Hotels & Resorts, Kimco Realty Corp, Kite Realty Group Trust, Liberty Property Trust, Macerich Co, Marriott International, Morgans Hotel Group, National Retail Properties Inc, Orient-Express Hotels, Pennsylvania REIT, Prologis Inc, Public Storage Inc, Sunstone Hotel Investors, Tanger Factory Outlet Centers Inc, SL Green Realty Corp, Simon Property Group Inc, UDR, Inc, Vornado Realty Trust, Ventas Inc.

Citigroup Global Markets Inc. or an affiliate received compensation in the past 12 months from Associated Estates Realty Corp.

Analysts' compensation is determined based upon activities and services intended to benefit the investor clients of Citigroup Global Markets Inc. and its affiliates ("the Firm"). Like all Firm employees, analysts receive compensation that is impacted by overall firm profitability which includes investment banking revenues.

The Firm is a market maker in the publicly traded equity securities of Mack-Cali Realty Corp, EastGroup Properties Inc, Morgans Hotel Group.

For important disclosures (including copies of historical disclosures) regarding the companies that are the subject of this Citi Investment Research & Analysis product ("the Product"), please contact Citi Investment Research & Analysis, 388 Greenwich Street, 28th Floor, New York, NY, 10013, Attention: Legal/Compliance. In addition, the same important disclosures, with the exception of the Valuation and Risk assessments and historical disclosures, are contained on the Firm's disclosure website at www.citigroupgeo.com. Valuation and Risk assessments can be found in the text of the most recent research note/report regarding the subject company. Historical disclosures (for up to the past three years) will be provided upon request.

Citi Investment Research & Analysis Ratings Distribution

	12 Month Rating			Relative Rating		
Data current as of 30 Jun 2011	Buy	Hold	Sell	Buy	Hold	Sell
Citi Investment Research & Analysis Global Fundamental Coverage	54%	36%	11%	10%	81%	10%
% of companies in each rating category that are investment banking clients	45%	41%	42%	50%	42%	44%

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CIRA's stock recommendations include a risk rating and an investment rating.
Risk ratings, which take into account both price volatility and fundamental criteria, are: Low (L), Medium (M), High (H), and Speculative (S).
Investment ratings are a function of CIRA's expectation of total return (forecast price appreciation and dividend yield within the next 12 months) and risk rating.
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Citi Investment Research – REITs and Lodging Coverage Universe Summary

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SubSector	Company Name	Ticker	Price: 7/15/2011	Rating
Focused Office:	Boston Prop.	BXP	$109.46	2H
	Brandywine Rlty.	BDN	$11.80	2H
	Brookfield Prop.	BPO	$19.47	1H
	Mack-Cali Realty	CLI	$33.62	2M
	CommonWealth REIT	CWH	$23.86	3H
	Douglas Emmett	DEI	$19.58	2H
	Highwoods	HIW	$33.85	2M
	Kilroy Realty	KRC	$39.65	2M
	Corporate Office Prop.	OFC	$30.08	3H
	Parkway Prop.	PKY	$17.10	2S
	SL Green	SLG	$84.71	2H
	Vornado Realty	VNO	$93.52	2H
Focused Industrial:	EastGroup Prop.	EGP	$43.92	2H
	ProLogis	PLD	$34.79	2H
Mixed Office/Ind:	Duke Realty	DRE	$14.09	1M
	Liberty Prop.	LRY	$33.29	2H
	PS Business	PSB	$57.55	2M

Residential & Self-Storage

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SubSector	Company Name	Ticker	Price: 7/15/2011	Rating
Apartments:	AIMCO	AIV	$26.83	2H
	Associated Estates	AEC	$17.48	2H
	AvalonBay	AVB	$132.71	3H
	BRE Properties	BRE	$52.29	2H
	Camden Prop	CPT	$66.92	2H
	Colonial Prop	CLP	$21.07	1H
	Equity Res	EQR	$61.75	3H
	Essex Property	ESS	$139.98	2H
	Home Prop	HME	$64.41	1M
	Post Properties	PPS	$42.83	2H
	UDR	UDR	$25.98	2H
Student Housing:	American Campus	ACC	$36.61	1H
	Campus Crest	CCG	$12.64	2S
Mfd. Homes:	Equity Lifestyle	ELS	$65.81	1M
Self Storage:	Extra Space Storage	EXR	$21.78	2H
	Public Storage	PSA	$119.19	1M
	Sovran	SSS	$41.80	2H
	U-Store-It	YSI	$10.63	2H

Retail, Healthcare & Specialty

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David Shamis (Healthcare) X5186

Regional	Company Name	Ticker	Price: 7/15/2011	Rating
Malls:	CBL & Associates	CBL	$18.39	3H
	Glimcher Realty	GRT	$9.85	2S
	Macerich Co.	MAC	$53.92	1M
	Pennsylvania REIT	PEI	$15.93	2S
	Simon Property	SPG	$118.79	2M
	Taubman Centers	TCO	$61.76	2S
Shopping Centers:	Acadia Realty	AKR	$21.23	2M
	Developers Div.	DDR	$14.54	2H
	Equity One	EQY	$19.45	3H
	Federal Realty	FRT	$88.47	2M
	Kimco Realty	KIM	$19.35	2H
	Kite Realty Group	KRG	$4.80	1H
	Regency Centers	REG	$46.55	1M
	Tanger Factory	SKT	$28.00	2H
	Weingarten Realty	WRI	$25.77	1M
Health Care:	Cogdell Spencer	CSA	$6.19	1H
	HCP	HCP	$37.46	2H
	Ventas	VTR	$53.65	1M
Specialty:	Alexandria R.E.	ARE	$81.58	2H
	Coresite Realty	COR	$17.33	1H
	DuPont Fabros Tech.	DFT	$26.01	2H
	Digital Realty Trust	DLR	$61.89	2H

Lodging

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Lodging	Company Name	Ticker	Price: 7/15/2011	Rating
REITs:	Diamondrock	DRH	$10.52	1H
	FelCor Lodging	FCH	$5.41	2S
	Host Hotels & Resorts	HST	$16.80	2M
	LaSalle Hotel	LHO	$25.80	1H
	Sunstone Hotel	SHO	$9.46	2S
Lodging C-Corps:	Choice Hotels International	CHH	$32.36	1M
	Gaylord Entertainment	GET	$31.02	2H
	Hyatt Hotels	H	$39.73	1H
	Marriott International	MAR	$34.94	1M
	Orient Express Hotels	OEH	$9.96	2H
	Starwood Hotels	HOT	$55.86	1M

Net Lease / Free Standing Retail

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Free-Stnd Retail:	National Retail	NNN	$25.81	2H
	Entertainment Prop.	EPR	$48.62	1H
	Realty Income	O	$34.06	3H
	CapLease	LSE	$4.76	2S