

PRESS RELEASE

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INDUSTRY ANALYSTS SEE MODEST REIT GAINS IN 2004 *Views And Forecasts To Be Featured In January/February Real Estate Portfolio*

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Washington, D.C. — Most of the publicly traded real estate industry's leading analysts assembled by *Real Estate Portfolio* magazine believe modest growth is in store for REITs during 2004.

Brought together for a roundtable discussion to be published in the magazine's January/February edition, three of four equity analysts made total return forecasts ranging from 0 to 12 percent.

Lee Schalop of Banc of America Securities was the most cautious of the group, seeing 6 percent yields offset by a similar decline in REIT stock prices.

"We're leaning toward an 8 percent to 10 percent number, 6.5 percent in terms of dividend yield and 3 percent to 5 percent in terms of appreciation," said Jay Leupp of RBC Capital Markets.

Louis Taylor of Deutsche Bank Securities told the magazine, "I think it's going to be a 10 percent to 12 percent type of year because I think as the year goes on people are going to start to anticipate better earnings in 2005."

Analyst Greg Whyte of Morgan Stanley didn't set a definitive estimate, but observed that "If our current prognosis for the economy remains unchanged, with some decent GDP growth from here and moderate job growth at least in the second half of next year, we would argue that the S&P [500] is likely to outperform the REITs."

Industry analysts' 2003 REIT performance forecasts ranged from 3 percent to 12 percent. Year-to-date (through December 12), the NAREIT Equity REIT Index has gained 35.3 percent on a total return basis.

(more)



A fifth participant in the wide-ranging discussion, Thierry Perrein of Credit Suisse First Boston, specializes in industry fixed income coverage. Addressing those who believe a rise in interest rates is going to hurt REITs, Perrein said, “If interest rates are going up, perhaps it means that the economy is doing better. If the economy is doing better, that means that there is going to be an increased demand for space, eventually.”

The November roundtable was moderated by Bernard Winograd, president of Prudential Investment Management and chair of the National Association of Real Estate Investment Trusts’® Investor Advisory Council. In addition to their 2004 expectations, the analysts addressed real estate industry fundamentals and the REIT investor base.

Real Estate Portfolio is the source on REITs and capital markets activity. To learn more about the magazine, visit www.realestateportfolio.com.

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