



NEWS RELEASE

Contact: Ron Kuykendall
(202) 739-9425
RKuykendall@nareit.com

Strong Operating Performance Continues for REITs in Third Quarter 2015

NAREIT T-Tracker Reports FFO Grew 13.1 Percent and NOI Rose 13.2 Percent From Q3 2014

WASHINGTON, D.C., November 12 – Stock exchange-listed real estate investment trusts delivered double-digit increases in funds from operations (FFO), net operating income (NOI) and dividends in the third quarter of 2015, as reported by the Total REIT Industry Tracker Series (T-Tracker) issued by the National Association of Real Estate Investment Trusts (NAREIT). The NAREIT T-Tracker is a quarterly, composite performance measure of the entire U.S. stock exchange-listed REIT industry.

Total FFO and NOI for all listed Equity REITs offer a gauge of the industry's operating performance. The T-Tracker results for the third quarter reflect the fact that REIT industry fundamentals continue to firm.

“REIT operating performance increased in each of the first three quarters this year over the same quarter in 2014,” said NAREIT President and CEO Steven A. Wechsler. “In contrast to the volatility in the financial markets, the steady improvement in real estate fundamentals continues to support the REIT sector.”

NAREIT T-Tracker results for the third quarter ended Sept. 30, 2015 were as follows:

- The U.S. listed Equity REIT industry produced total FFO of \$13.4 billion in the third quarter of 2015, up 2.7 percent compared to the second quarter of 2015 and a 13.1 percent increase from \$11.8 billion in the third quarter of 2014.
- Third quarter 2015 FFO per share was up 2.4 percent from the second quarter of 2015, and up 3.4 percent compared to the same period last year.
- Total NOI was \$20.2 billion in the third quarter for U.S. listed Equity REITs, up 1.9 percent from the second quarter of 2015 and a 13.2 percent increase from \$17.9 billion in the third quarter of 2014.
- Same-store NOI rose 4.0 percent in the third quarter of 2015 compared to the same period a year ago, in line with growth in prior quarters.

- Total dividends paid by all listed REITs, including both Equity REITs and Mortgage REITs, were \$10.9 billion in the third quarter, a 2.3 percent increase from the second quarter, and a 10.1 percent increase from \$9.9 billion in the same period last year. Total dividends paid include \$9.3 billion for listed Equity REITs and \$1.6 billion for listed Mortgage REITs.
- Dividends per share in the third quarter rose 2.1 percent from the second quarter of 2015, and were 1.5 percent above the same period a year earlier.

“One advantage of real estate as an asset class is that long-term leases tend to generate more stable income,” said Calvin Schnure, NAREIT’s Senior Vice President of Research & Economic Analysis. “So, despite some choppiness in GDP and employment, steadily rising occupancy and rents have helped REITs deliver consistent double-digit year-over-year growth in FFO and NOI.”

About NAREIT T-Tracker

The Total REIT Industry Tracker Series (NAREIT T-Tracker), introduced in May 2015, provides investors a more complete picture of the quarterly operating performance of the entire U.S. listed Equity REIT industry. The series includes three key REIT industry measures: the NAREIT FFO Tracker, which monitors funds from operations for all listed Equity REITs; the NAREIT NOI Tracker, which reports net operating income for all listed Equity REITs; and the NAREIT Dividend Tracker, which tallies the dividends paid to shareholders by all listed Equity and Mortgage REITs.

The NAREIT FFO Tracker measures funds from operations (FFO) – a non-GAAP measure that is the most commonly accepted and reported measure of Equity REIT operating performance. It is roughly equal to a REIT’s GAAP net income excluding real estate depreciation and gains or losses from sales of property. REITs generally adhere to the [NAREIT definition of FFO](#) in their SEC filings.

The NAREIT NOI Tracker measures net operating income (NOI) – a non-GAAP measure that equals gross operating income provided by the property (rental income as well as fees and other revenues) less property operating expenses, including utilities, management fees, insurance, and property taxes, but excluding interest and principal payments on debt, income or franchise taxes, capital expenditures and depreciation.

The NAREIT Dividend Tracker monitors total common dividends paid – the total amount of all dividends that investors in common stock receive from all listed Equity and Mortgage REITs.

As of Nov. 12, 2015, 157 listed Equity REITs in the FTSE NAREIT All Equity REITs Index had reported third quarter earnings. These REITs accounted for 97.9 percent of total industry FFO in the second quarter of 2015. The NAREIT T-Tracker uses estimates of FFO, NOI and

dividends paid for REITs that have not reported as of November 12, 2015 based on growth of those measures for REITs that have reported.

Learn more about the [NAREIT T-Tracker](#).

***Editors' Note:** NAREIT provides media resources on REIT Basics, a Glossary of REIT Terms as well as other industry data and information on the value that REITs provide to investors, the economy and our communities on REIT.com. NAREIT also makes economists and other industry experts available for commentary on industry trends and research.*

[SEE CHARTS AND TABLES FOR ADDITIONAL DATA](#)



NAREIT is the worldwide representative voice for REITs and listed real estate companies with an interest in U.S. real estate and capital markets. Members are REITs and other businesses that own, operate and manage income-producing real estate, as well as those firms and individuals who advise, study and service those businesses. NAREIT is the exclusive registered trademark of the National Association of Real Estate Investment Trusts, Inc.®, 1875 I St., NW, Suite 600, Washington, DC 20006-5413. Follow us on REIT.com and on Twitter @REITs_NAREIT. Copyright© 2014 by the National Association of Real Estate Investment Trusts, Inc.® All rights reserved.

This information is solely educational in nature and is not intended by NAREIT to serve as the primary basis for any investment decision. NAREIT is not acting as an investment adviser, investment fiduciary, broker, dealer or other market participant, and no offer or solicitation to buy or sell any security or real estate investment is being made. Investments and solicitations for investment must be made directly through an agent, employee or representative of a particular investment or fund and cannot be made through NAREIT. NAREIT does not allow any agent, employee or representative to personally solicit any investment or accept any monies to be invested in a particular security or real estate investment.

All REIT data are derived from, and apply only to, publicly traded securities. While such data are believed to be reliable when prepared or provided, such data are subject to change or restatement. NAREIT does not warrant or guarantee such data for accuracy or completeness, and shall not be liable under any legal theory for such data or any errors or omissions therein. See <http://reit.com/TermsOfUse.aspx> for important information regarding this data, the underlying assumptions and the limitations of NAREIT's liability therefor, all of which are incorporated by reference herein.

Performance results are provided only as a barometer or measure of past performance, and future values will fluctuate from those used in the underlying data. Any investment returns or performance data (past, hypothetical or otherwise) shown herein or in such data are not necessarily indicative of future returns or performance.

Before an investment is made in any security, fund or investment, investors are strongly advised to request a copy of the prospectus or other disclosure or investment documentation and read it carefully. Such prospectus or other information contains important information about a security's, fund's or other investment's objectives and strategies, risks and expenses. Investors should read all such information carefully before making an investment decision or investing any funds. Investors should consult with their investment fiduciary or other market professional before making any investment in any security, fund or other investment.