



NEWS RELEASE

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

NAREIT T-TRACKER REPORTS U.S. STOCK EXCHANGE-LISTED REIT INDUSTRY DELIVERS STRONG OPERATING PERFORMANCE IN FIRST QUARTER OF 2016

REIT Industry's s First-Quarter Same-Store NOI Climbs 5.2% Over 1Q2015

FFO Rises 19.5% Over 1Q2015

WASHINGTON, DC, May 11 – In an environment in which corporate earnings have been lagging in many industries, the stock exchange-listed U.S. Equity REIT industry continues to deliver solid increases in operating performance fueled by strong occupancies and rent growth.

The National Association of Real Estate Investment Trusts (NAREIT) Total REIT Industry Tracker Series (T-Tracker[®]), a quarterly composite performance measure of the entire U.S. listed REIT industry, showed Same-Store Net Operating Income rose 5.2 percent in the first quarter of 2016 over the first quarter of 2015. Same-store NOI, which measures NOI generated by properties held for one year or more to factor out the effects of property acquisitions, is the best indicator of the underlying earnings of REIT-owned properties.

The listed Equity REIT industry's Same-Store NOI growth in the first quarter of this year was the strongest since 2006. Increases were spread across property sectors, but were especially strong in the Office, Industrial, Apartment and Self-Storage sectors.

Total Funds From Operations (FFO) of listed U.S. Equity REITs also climbed in the first quarter of this year – up 8.3 percent from the fourth quarter of 2015 and 19.5 percent from last year's first quarter.

The listed U.S. REIT industry also rewarded its shareholders with increased dividends in the first quarter. Total dividends paid by Equity and Mortgage REITs increased 32.5 percent over the fourth quarter of 2015. [Total dividends paid were boosted by a special dividend by a REIT that had a significant sale of properties in the first quarter; excluding

this special payout, dividends paid rose 6.3 percent over the fourth quarter of 2015, and were up 9.0 percent over the first quarter of last year.]

“The latest NAREIT T-Tracker results show listed Equity REITs are benefiting from capable management teams, continuing demand for real estate space and limited supply in most property segments,” said NAREIT President and CEO Steven A. Wechsler. “From the standpoint of fundamentals, the industry is well positioned to deliver ongoing benefits to its shareholders.”

Other highlights of the NAREIT T-Tracker results were:

- Total FFO of the U.S. listed Equity REIT industry was \$13.2 billion in the first quarter of 2016, up from \$12.2 billion in the fourth quarter of 2015 and \$11.1 billion in the first quarter of 2015. Total Equity REIT NOI was \$20.2 billion in this year’s first quarter, compared to \$20.3 billion in 2015’s fourth quarter and \$18.0 billion in last year’s first quarter.
- Dividends paid by Equity and Mortgage REITs totaled \$15.4 billion in the first quarter of this year, up from \$11.6 billion in the fourth quarter of 2015, and \$11.3 billion in the first quarter of 2015.
- On a per-share basis, Equity REIT FFO increased 8.3 percent in the first quarter of 2016 compared to the fourth quarter of last year and 13.3 percent compared to last year’s first quarter. NOI per share of Equity REITs declined 0.6 percent in this year’s first quarter from the fourth quarter of last year but was 6.1 percent higher than the first quarter of 2015.
- Dividends per share paid by Equity and Mortgage REITs increased 32.5 percent in this year’s first quarter over 2015’s fourth quarter and 29.8 percent over last year’s first quarter.
- The top-performing Equity REIT property segments on a Same-Store NOI gains basis in the first quarter of 2016 vs. the first quarter of 2015 were: Self Storage (11.0 percent); Apartments (6.9 percent); Manufactured homes (6.1 percent); Data Centers (6.3 percent); Office (5.3 percent); and Industrial (5.0 percent).

“Demand growth continues to outpace the rising supply, leading to higher occupancy rates in most sectors,” said Calvin Schnure, NAREIT’s Senior Vice President of Research & Economic Analysis. “Firmer market conditions are giving property owners pricing power over rents, spurring growth in same store NOI.”

About the NAREIT T-Tracker

The NAREIT Total REIT Industry Tracker Series provides investors with the total quarterly operating performance of the U.S. listed Equity REIT industry, as well as the total dividend performance of Equity and Mortgage REITs. The series includes the NAREIT FFO Tracker, the NAREIT NOI Tracker and the NAREIT Dividend Tracker.

The NAREIT FFO Tracker measures reported funds from operations (FFO) for REITs in the FTSE NAREIT All Equity REITs Index. FFO is a non-GAAP measure that 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 reported net operating income (NOI) for REITs in the FTSE NAREIT All Equity REITs Index. NOI is 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 reported common dividends paid by REITs in the FTSE NAREIT All Equity REITs Index and the FTSE NAREIT Mortgage REITs Index – the total amount of all dividends paid to investors in common stock of these stock exchange-listed REITs.

As of **May 9, 2016**, 146 listed Equity REITs in the FTSE NAREIT All Equity REITs Index had reported their 2016 first quarter earnings. These REITs accounted for 96.7 percent of total industry FFO in the fourth quarter of 2015. The NAREIT T-Tracker uses estimates of FFO, NOI and dividends paid for REITs that have not reported as of **May 9, 2016**, based on growth of those measures for REITs that have reported.

[SEE COMPLETE 1Q2016 NAREIT T-TRACKER DATA](#)

***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.*



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