



REITWay

NAREIT's Annual Report

2013 In Review & 2014 A Look Ahead

REIT
INVESTMENT
TRUSTS

National Association of
Real Estate Investment Trusts®
REITs: Building Dividends & Diversification®

 **REIT.com**
BROUGHT TO YOU BY NAREIT



To Our Members



The past year was active for NAREIT as we took the REIT story to all of our industry's audiences. This 2014 issue of *REITWay: NAREIT'S Annual Report* re-caps some of what we accomplished on the REIT industry's behalf during the year.

Policy & Politics

In the Policy and Politics area, we began the year with a highly effective Washington Leadership Forum. Our industry's leaders climbed Capitol Hill to provide legislators and their staffs with a better understanding of the REIT investment proposition, including its history, the important functions REITs play in investment portfolios, their channeling of capital to the real estate industry, and their role creating jobs and economic growth.

Over the course of the year, our Policy & Politics team provided constructive input to the ongoing discussion on tax reform, including input to the House Ways and Means Committee and Senate Finance Committee. Importantly, we advocated for reform of the Foreign Investment in Real Property Tax Act (FIRPTA) to reduce inappropriate barriers to equity investment by overseas investors in U.S. real estate.

NAREIT and its partners in the Coalition to Insure Against Terrorism also worked for the extension beyond 2014 of the Terrorism Risk Insurance Act (TRIA). Since the 9/11 terror attacks, TRIA has made possible a functioning marketplace for terrorism risk insurance. Three bills that would extend TRIA have been introduced in the House of Representatives and have more than 80 co-sponsors. We will continue to seek extension of this critical law in 2014.

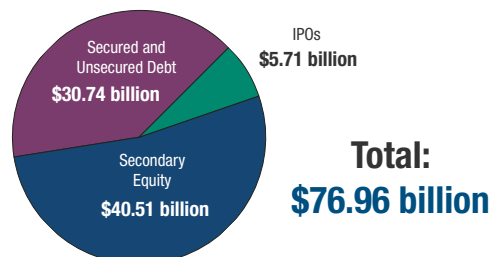
Investor Outreach

Our Research & Investor Outreach group produced research and educational materials to help tell the REIT story to policymakers and all segments of the investment community. Investor Outreach activities ranged from providing insight into the role of REITs in pension plans and target date funds to explaining the importance of REITs in our economy. We also took our industry's story directly to investment decision makers in nearly 400 meetings with retirement plans, investment managers and consultants in the United States and around the world.

Communications

Our Communications group provided support for our Policy & Politics and Investor Outreach initiatives. Over the course of the year, our Communications team provided NAREIT's perspective to the national media that helped shape news coverage on key issues, ranging from REIT conversions, to the role of mortgage

Stock Exchange-Listed REIT Capital Offerings, 2013



REITs in today's mortgage finance marketplace, to the impact of rising interest rates on REIT total returns. We also continued to upgrade and expand our REIT.com online platform and our other digital properties.

Additionally, we conducted a full schedule of successful conference events for our members, including our major investor conferences, REITWeek and REITWorld.

Industry Accomplishments

The past year presented a new challenge for our industry, as stock exchange-listed REIT stocks underperformed the broader equity market for the first time in five years. Stock exchange-listed REITs, however, maintained the confidence of the capital markets, which provided the industry with a record \$77 billion of capital in the year and supported the launch of 19 stock exchange-listed REIT IPOs – the largest number since 2004. In addition, public, non-listed REITs raised nearly \$20 billion in 2013.

The year 2013 also marked the 20th anniversaries of 19 NAREIT member companies that became stock exchange-listed REITs in 1993 – a year that can justifiably be regarded as the time when the Modern REIT Era began to assume critical mass. We congratulate them on their anniversaries and thank them for their contributions to the REIT industry over the past two decades.

We appreciate the support that all of our members provided in 2013, and we hope you find this review of our work in the past year informative and useful. We look forward to continuing to serve you in the year ahead as we work to build awareness for the important role REITs play in our economy and to emphasize the benefits of REIT-based real estate investment in all portfolios and in all financial climates.

Steven A. Wechsler
President and CEO



Michael Grupe, EVP,
Research & Investor
Outreach

The principal objectives of NAREIT's Research & Investor Outreach program are to communicate effectively to institutional and individual investors, financial advisors, policymakers, the media and the public worldwide the dynamic proposition of REIT-based real estate investment and to increase thereby the allocation of capital invested in REITs and stock exchange-listed real estate by all cohorts of investors.

The Research & Investor Outreach team educates and informs key audiences by

conducting and supporting rigorous analytic research – developed by internal staff as well as by widely recognized investment consultants – that highlights and clarifies the competitive, long-term market performance record and portfolio benefits of stock exchange-listed REITs and the role REITs can and should play in diversified investment portfolios.

Results of NAREIT's REIT research are then communicated to investors and others through direct meetings with large and small investment organizations, at relevant investment conferences, through earned media and webinar presentations and via NAREIT's website, REIT.com. Through our meetings with investors, we also seek to position NAREIT as both a resource for data and information with respect to REIT-based real estate investment as well as a partner in promoting the merits of real estate investment through REITs.

NEED TO KNOW

- **80%** of the 10 fastest growing target-date fund managers feature a meaningful allocation to stock exchange-listed equity REITs.



Highlights & Priorities:

Investor Outreach Meetings

In 2013, NAREIT's Investor Outreach team conducted 383 meetings with many of the largest and most influential investment management organizations in the institutional investment marketplace. Collectively, those organizations represented more than \$40 trillion in assets under management or advisement.

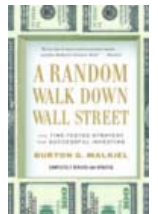
The meetings spanned a variety of targeted investment groups, including: domestic and international pension, retirement and sovereign wealth funds; investment consultants; defined contribution plan sponsors; and investment managers.

The NAREIT outreach team also conducted 75 meetings with other organizations and associations active in the investment management and retirement industry.



*"I think REITs
deserve a place
in all portfolios."*

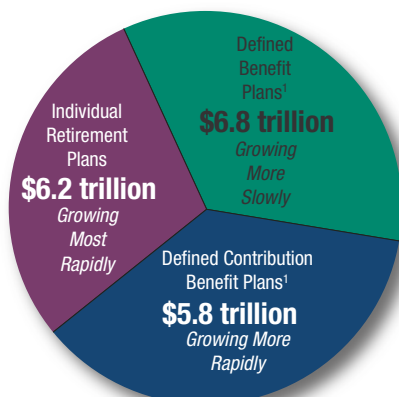
— Burton Malkiel, author
"A Random Walk Down Wall Street"



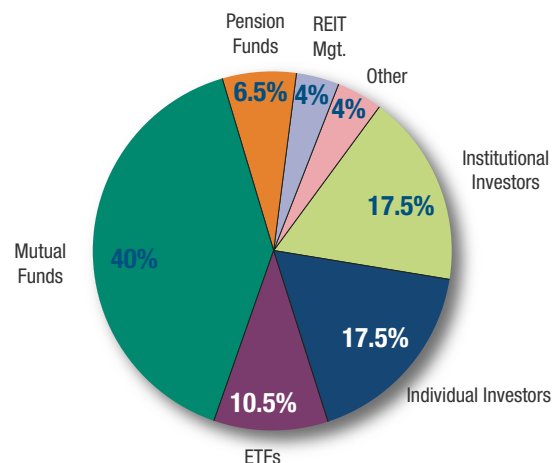
NAREIT continued communicating the benefits of REIT-based real estate investment to the \$18.8 trillion retirement savings market, including \$6.8 trillion in defined benefit (DB) plans and \$5.8 trillion in defined contribution (DC) plans. Key messaging in 2013 focused on the moderate correlation of stock exchange-listed REIT returns with returns of other equities; the decline of listed REIT share price volatility; the investment performance of listed equity REITs during periods of rising

Total U.S. Retirement Plan Assets

Sept. 30, 2013



REIT Ownership



Source: Investment Company Institute. ¹Excludes assets of Federal DB and DC plans.

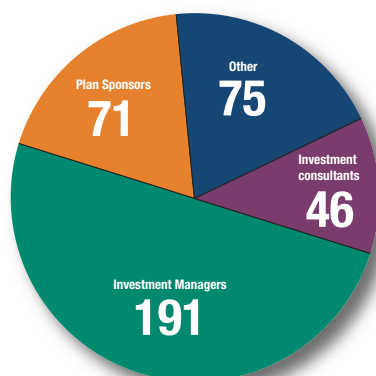
Data as of 2013. Source: Citi Research, SNL, Bloomberg, FactSet and Lipper.

interest rates; and NAREIT sponsored research with Wilshire Associates on the important role of U.S. and global stock exchange-listed equity REITs and real estate securities in target date funds.

In 2013, NAREIT expanded its comprehensive outreach program to registered investment advisors and financial planners who advise the investment allocation decisions of individual investors in the \$6.2 trillion individual retirement account (IRA) market.

The NAREIT Investor Outreach team also participated in 45 institutional investment conferences in 2013, compared to 37 events the year before.

Investor Outreach Meetings Breakdown



NEED TO KNOW

- Data from Standard & Poor's Money Market Directory reveal that **23** of the **25** largest public pension plans in the U.S. invest in REITs.

STANDARD
& POOR'S

International Outreach

In 2013, NAREIT's Investor Outreach team reached south of the border to meet with participants in the Mexican commercial real estate investment landscape and to introduce NAREIT to Mexican REITs and government officials. Importantly, NAREIT met with the president of the Comisión Nacional Bancaria y de Valores (CNBV), the Mexican authority responsible for monitoring and regulating Mexico's financial system; the president of the Comisión Nacional del Sistema de Ahorro para el Retiro (CON SAR), the regulator and supervisor of Mexico's pension system; and the executive president of the Asociación Mexicana de Administradoras de Fondos para el Retiro (AMAFORE), the organization that represents Mexico's pension fund managers.



NAREIT's Brad Case (center) presented the outstanding research prize at the Real Estate Research Conference to Sheridan Titman (right) and Garry Twite, both professors of finance at the McCombs School of Business at the University of Texas at Austin, for their research on REIT performance during the liquidity crisis co-authored with Libo Sun, professor at Cal Poly Pomona.

Internal and Sponsored Research

In 2013, NAREIT sponsored the Real Estate Research Conference for institutional investors in conjunction with REITWeek 2013® and in partnership with the American Real Estate and Urban Economics Association, publisher of *Real Estate Economics*, the premier academic journal for real estate investment. The conference featured selected research papers focused on REIT and real estate investment which had been submitted for publication in a 2014 special issue of *Real Estate Economics* sponsored by NAREIT. Conference attendees came from Canada, China, Japan, Mexico, the Netherlands, Singapore, South Africa, Taiwan, the United Kingdom as well as the United States.

In partnership with investment consultant Wilshire Associates, NAREIT in 2013 updated its pioneering analysis of the role of stock exchange-listed equity REITs in target-date funds, the most rapidly growing investment product in the defined contribution retirement market. The Wilshire analysis recommends meaningful allocations to U.S. listed equity REITs ranging from 8.4 percent for five-year retirement horizons to as much as 16.6 percent for longer retirement horizons.

Target-Date and Target-Risk Fund Providers

Product Sponsor	Maximum Real Estate Allocations (%)
UBS	15.00
PIMCO	12.50
BlackRock	12.10
J.P. Morgan	12.00
Alliance Bernstein	10.00
Allianz Global Investors Solutions	10.00
Dow Jones Indexes Real Return	10.00
Great West Retirement Services	7.10
John Hancock	7.00
Russell Investment Group	7.00
State Farm	6.20
Northern Trust	6.00
Charles Schwab (Institutional & Retail)	5.00

In 2013, NAREIT, in partnership with FPL Associates Compensation, conducted and published the 2013 NAREIT Compensation Survey, which provides detailed compensation information for 124 professional positions. Of the 110 companies that participated in the survey, the 90 U.S.-based, stock exchange-listed equity REITs represented \$780 billion, or 77 percent, of total market capitalization for all U.S. listed equity REITs.



In 2013, NAREIT, in partnership with CEM Benchmarking of Toronto, conducted a research analysis scheduled for release in 2014 that investigates how major defined benefit pension plans in the United States have allocated their real estate investments over the past 15 years using both direct real estate investments and stock exchange-listed equity REITs. The report will compare how both types of real estate investments actually have performed over time to meet obligations to plan participants.

FTSE NAREIT and FTSE EPRA/NAREIT Real Estate Indexes

The FTSE NAREIT U.S. Real Estate Index Series is designed to provide investors with a comprehensive family of REIT performance benchmarks that span the commercial real estate space across the U.S. economy. The index series provides investors with exposure to all investment and property sectors. In addition, the more narrowly focused property sector and sub-sector indexes provide the facility to concentrate commercial real estate exposure in more selected markets and are licensed for use in a number of exchange traded funds. The FTSE NAREIT ALL REITs Index contained 204 constituents with a net equity market capitalization of \$720 billion at the start of 2014.



The FTSE EPRA/NAREIT Global Real Estate Index Series covers the world's largest investment markets and includes a range of developed and emerging markets, regional and country indices, capped indices,

Top 10 Global Listed Real Estate Companies

Company	Country
Simon Property Group	U.S.
Mitsubishi Estate	Japan
Mitsui Fudosan	Japan
Unibail-Rodamco	Netherlands
Public Storage	U.S.
Sumitomo Realty & Dev	Japan
Equity Residential Props	U.S.
Prologis	U.S.
Sun Hung Kai Props	Hong Kong
Westfield Group	Australia

Data as of Jan. 31, 2014

dividend+ indices, global sectors, investment focused and REITs and non-REITs series. The FTSE EPRA/NAREIT Global Real Estate Index contained 448 constituents with a net equity market capitalization in excess of \$1,184 billion as of the start of 2014.

The FTSE NAREIT Preferred Stock Index is designed to provide investors with a benchmark for the performance of the preferred stocks of U.S. stock exchange-listed equity REITs. The FTSE NAREIT Preferred Stock Index contained 113 constituents with a net equity market capitalization of \$17 billion to start 2014.

NEED TO KNOW



- Retail REITs Macerich (NYSE: MAC) and General Growth Properties (NYSE: GGP) were added to the S&P 500 Index in 2013, making them the first REITs to be added to the high profile large-cap equity market benchmark in four years.

2014 To-Do List:

1. Release 2014 FTSE NAREIT U.S. Real Estate Index Series Investor Consultation.
2. Extend 2014 outreach program to investors and policymakers in Canada, Mexico and China.
3. Rollout 2014 special REIT issue of the Journal of Real Estate Economics.
4. Launch 2014 direct marketing program to registered investment advisors.
5. Release 2014 sponsored research analysis of pension fund real estate investment performance.



Tony Edwards, EVP & General Counsel

NAREIT's Policy & Politics team works to ensure that policymakers are properly informed about the value of the REIT approach to real estate investment. This includes the courts, lawmakers and regulators at all levels of government—local, state, federal and international.

The Policy & Politics team achieves this objective in a number of ways. Members of the team maintain ongoing dialogues and regularly hold meetings with key members of Congress

and bodies such as the House Ways and Means Committee and the Senate Finance Committee. Additionally, NAREIT works with government agencies such as the Securities and Exchange Commission, Treasury Department and Internal Revenue Service on regulatory issues pertinent to REITs. NAREIT's Policy & Politics team also actively maintains a dialogue regarding the financial standards guidance issued by the Financial Accounting Standards Board (FASB) and International Accounting Standards Board (IASB) regarding potential changes to systems of financial reporting that would impact REITs.

NAREIT's mission also entails partnering with like-minded organizations outside the United States. These efforts have led to projects such as the creation of the Real Estate Equity Securitization Alliance (REESA), a coalition formed among organizations such as NAREIT and the European Public Real Estate Association with the intent to preserve, promote and perfect securitized real estate investment.

Finally, our Policy & Politics team manages REITPAC, the political action committee sponsored by NAREIT. REITPAC was created to maximize the political impact of the REIT industry on Capitol Hill. It is the only PAC in the country dedicated solely to the variety of issues that affect REITs and publicly traded real estate on a daily basis.

Highlights & Priorities:

Tax Reform

As government spending dominated the conversations on Capitol Hill in 2013, the ongoing debate over tax reform became less of a priority in Congress. However, the leadership of the Senate Finance and House Ways and Means Committees continued to make public statements indicating their intentions to move forward with tax reform in the near future.

Both Senate Finance Chairman Max Baucus (D-MT) and House Ways and Means Chairman Dave Camp (R-MI) issued discussion drafts in 2013 detailing potential reform options and related topics. NAREIT provided the committees with extensive comments on all commercial real estate and



Max Baucus

Dave Camp

REIT-related issues and met with key policymakers and committee staff to provide our perspective. None of the discussion drafts issued in 2013 would change the REIT rules.

NEED TO KNOW

Tax Reform

- Under discussion in both tax-writing committees in Congress.
- Senate Finance Committee identified 10 key topics related to reform, while House Ways & Means Committee established working groups to study designated issues.
- Both committees issued discussion drafts on tax reform proposals and topics.



Financial Standards

NAREIT maintained an active presence in the ongoing dialogue among policymakers surrounding financial standards on both the national and global levels. NAREIT's involvement included written submissions; face-to-meetings with regulators and stakeholders; and participation in public roundtables and forums on key issues.

Substantial actions were taken with regard to a number of initiatives in the pipeline for the Financial Accounting Standards Board (FASB) and International Accounting Standards Board (IASB). They include:

- The boards' joint leases project (the most recent draft would not materially change the current accounting treatment for real estate lessors);
- FASB's discontinued operations standard (the current exposure draft would adopt NAREIT's recommendation to converge the definition of a discontinued operation with the global standard in the first half of 2014);
- FASB's financial reporting models for the classification and measurement of financial instruments and impairment of financial instruments;
- FASB's proposal on insurance contracts (the exposure draft could be interpreted to apply to business guaranties used in normal business operations such as representations and warranties provided as part of sales or lease transactions);
- The Public Company Accounting Oversight Board's (PCAOB) proposal on changes to the auditor report and auditor's responsibilities for other information included in company filings; and
- FASB discontinued its Investment Companies and Investment Property Entities projects in January 2014, consistent with NAREIT's views.

Marketplace Fairness Act of 2013

The Marketplace Fairness Act of 2013, H.R. 684, was introduced in the U.S. House of Representatives and Senate in February 2013. The bill drew bipartisan support. Sponsors included Sens. Mike Enzi (R-WY), Dick Durbin (D-IL), Lamar Alexander (R-TN) and Heidi Heitkamp (D-SD) and Reps. Steve Womack (R-AR), Kristi Noem (R-SD), Jackie Speier (D-CA), Peter Welch (D-VT) and John Conyers (D-MI).

An amended version of the bill was approved by the Senate in April 2013. The House Judiciary Committee will hold a hearing on the House version of the bill in March 2014.

NEED TO KNOW

Marketplace Fairness Act

- Supported by hundreds of industry organizations, including NAREIT and the International Council of Shopping Centers, and individual companies, including many of NAREIT's corporate members and Amazon.
- Would provide a roadmap for simplification so states may impose sales and use tax collection responsibility equally on retail sales regardless of whether they occur in stores or online.
- Includes exemption for small businesses and would relieve consumers of having to self-report sales/use taxes that they already owe.



Foreign Investment in Real Property Tax Act (FIRPTA) Reform

Senate Finance Committee members Robert Menendez (D-NJ) and Michael Enzi (R-WY) introduced S. 1181, the "Real Estate Investment and Jobs Act of 2013," in June 2013. The legislation currently has 37 bipartisan co-sponsors, including a majority of Senate Finance Committee members.

In July 2013, House Ways and Means Committee members Kevin Brady (R-TX) and Joseph Crowley (D-NY) introduced H.R. 2870, the companion bill to S. 1181. The House bill has garnered the support of 26 bipartisan co-sponsors.



Robert Menendez

Michael Enzi

NEED TO KNOW

FIRPTA

- Enacted as part of Omnibus Reconciliation Act of 1980.
- Requires buyers of U.S. real property interests to withhold 10 percent of sales price from foreign sellers.



Additionally, President Obama's Fiscal Year (FY) 2014 budget proposal included a proposal to exempt from U.S. tax under FIRPTA certain gains of foreign pension funds from the disposition of U.S. real property interests. The Senate Finance Committee's international tax reform discussion draft issued in December 2013 incorporated most of S. 1181 and the White House's proposal on foreign pension plans and FIRPTA.

Terrorism Risk Insurance Act (TRIA)

Multiple proposals were introduced in 2013 to extend TRIA beyond 2014. The proposal that has received the most attention and support was introduced in the House in February 2013 by Rep. Michael Grimm (R-NY), a member of the House Financial Services Committee. His bipartisan supported proposal, H.R. 508, the "TRIA Reauthorization Act of 2013," provides for a five-year extension of the program through 2019. Currently, the bill has secured the support of 78 co-sponsors (43 Democrats, 35 Republicans).



Michael Grimm

NAREIT and The Real Estate Roundtable co-chair the Coalition to Insure Against Terrorism (CIAT), which was formed after 9/11. CIAT advocates for the extension of the public-private partnership to make available terrorism insurance to businesses because the private insurance markets can not adequately provide such reinsurance. CIAT has publicly endorsed H.R. 508 as one way to renew the terrorism risk insurance program.



NAREIT Chair Ed Walter (center) participated in a panel discussion on the latest developments in the terrorism insurance market.

NEED TO KNOW

TRIA

- Created in 2002 and extended in 2005 and 2007.
- At each renewal of TRIA, both policyholders and insurance companies have assumed more risk of damages before the federal government covers any terrorism loss.
- Unlike other federal programs, TRIA has a mechanism under which amounts paid by the federal government would be reimbursed through premiums paid on all commercial property insurance policies.
- House Financial Services Committee Chairman Jeb Hensarling (R-TX) has indicated that his committee will pass a TRIA renewal bill in the first half of 2014.



The Senate Banking Committee and House Financial Services Committee held hearings in 2013 on extending TRIA. Momentum continued in January 2014 as Rep. Maxine Waters (D-CA), the ranking Democrat on House Financial Services, organized a public roundtable on the program.



Maxine Waters

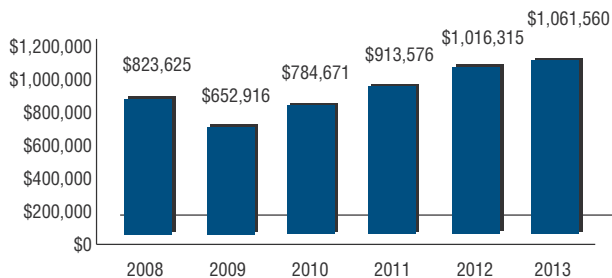


REITPAC

REITPAC is a political action committee established by NAREIT to provide financial support to federal candidates supportive of the REIT and publicly traded real estate industry. In 2013, REITPAC received a record amount of contributions from NAREIT's leadership, members and staff.

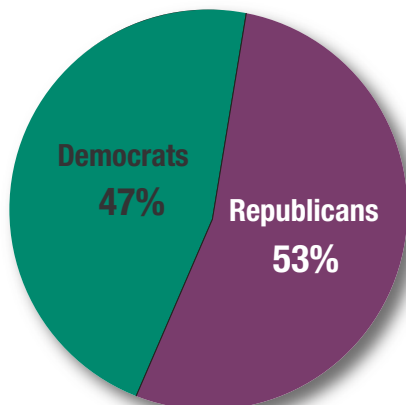
REITPAC Historical Receipts

(as of 12/31/2013)



2012-2013 REITPAC Disbursements

(as of 12/31/2013)



NEED TO KNOW

Grassroots Activity

- Held **25** visits with Members of Congress and REIT executives in Congressional districts.
- Organized **30** visits with member companies.



During a tour of the new Central Residence Hall under development by EdR (NYSE: EDR) on the University of Kentucky campus, Rep. Andy Barr (R-KY), center, received a briefing from Ben Crutcher, the university's associate vice president of auxiliary services, left, and EdR's Mark Grambergs, vice president of real estate development, right. During his visit, Barr learned about the successful partnership between EdR and the University of Kentucky to develop this state-of-the-art student housing facility, which opened last year.

2014 To-Do List:

1. Preserve and perfect REITs in the context of tax reform.
2. Extend the federal terrorism insurance public-private partnership.
3. Seek FIRPTA reform.
4. Seek enactment of the Marketplace Fairness Act.
5. Maintain current financial standards reporting of lessor accounting.



Tom Bickford, EVP,
Communications

Today's information consumers have more choices than ever. To compete for mind-share in this always-on environment, organizations must understand their stakeholders, organize around a clear mandate and tell a simple, yet compelling story.

From a communications perspective, that means operating in an integrated model, with all parts of an organization working together to deliver a common message and achieve a desired result.

That's the guiding principle for the Communications group at NAREIT. The group includes the functions of External Communications, Publications, Business Development and Marketing. Its primary goal is to promote the REIT approach to real estate investment through all forms of effective communications.

To do so, the Communications team develops the core story, assembles the facts and fleshes out the proof points to help bring the REIT investment proposition to life. In turn, the group develops initiatives to reach key stakeholders, including individual and institutional investors, media, industry participants and policymakers. By using an integrated approach to guide audiences through the natural decision-making cycles of awareness, consideration, understanding, buy-in and the ultimate goal, supportive advocacy, the Communications team provides a way for the REIT industry to speak with one voice.

Highlights & Priorities:

REIT.com

The cornerstone of NAREIT's publications efforts continues to be REIT.com, which acts as the public face of the industry and association to key stakeholders and the broader investment community. NAREIT has continued to make regular enhancements to the site. In 2013, NAREIT expanded the amount of content aimed at new REIT investors in the REIT 101 section and also added an interactive "REITs Across America" map that highlights REIT-owned properties across the United States.

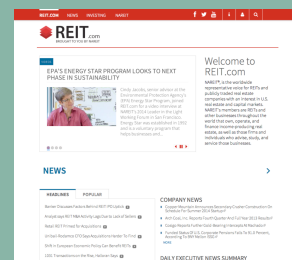
The focal point of NAREIT's website enhancements has been the preparation for the early 2014 launch of a repositioned REIT.com web platform. Expanding on the success built with REIT.com, NAREIT will be refining its online offerings to feature three targeted microsites. REIT.com will serve as a central landing page highlighting content from the other three NAREIT sites, which will focus on investors, members and industry news.



NEED TO KNOW

2013 REIT.com Traffic

- 541,600 unique visitors
- 2,260,000 page views



External Communications

Early in 2013, as a number of public companies announced their intentions to become REITs, NAREIT provided perspective, explaining why the global search underway for income was making REITs increasingly attractive to investors. Our educational materials also underlined that most of the sectors represented by the prospective REITs already were or had been represented in the FTSE NAREIT U.S. Real Estate Index Series.

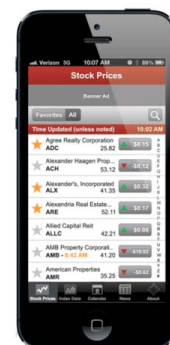
Later in the year, as several reports from banking and financial regulators mentioned the role mortgage REITs play in the "repo" market in the context of potential systemic risk, NAREIT's Communications team responded with information to build understanding of mortgage REIT risk management practices. We also explained the important role mortgage REITs could play in GSE reform by helping to channel private capital into the mortgage finance market.

As interest rates rose in the wake of the Federal Reserve's announcement of its intention to taper its monthly bond purchases, financial media focused their coverage on the negative effect rising rates would have on REIT shares. NAREIT responded with a media outreach program that explained that interest rates were not the only factor affecting REIT shares, and that REIT returns often have risen in periods of rising rates accompanied by meaningful economic growth.

NAREIT's Communications staff also maintains an ongoing dialog with the news media to reinforce the continuing benefits of REITs in investment portfolios. This open line of communications with the press resulted in several hundred stories on REIT investment in 2013.

REIT Investor App

In June 2013, NAREIT launched the REIT Investor App for iOS iPhone and iPad users. This app provides investors with a wealth of information on stock exchange-listed REITs including stock prices and other financial data, company profiles, investor events and the current day's news filtered by ticker symbols. Also included in the app are data from more than 30 FTSE NAREIT and FTSE EPRA/NAREIT Indexes.



The app was downloaded more than 3,000 times in 2013 and NAREIT will continue to expand the audience and improve the usability of the app in 2014. In December 2013, NAREIT launched the first wave of improvements, issuing a 2.0 version of the app that provides increased convenience to the investor. At the same time, NAREIT also unveiled an Android version of the app.

REIT Magazine

NAREIT's bi-monthly REIT: Real Estate Investment Today magazine continues to be one of the industry's most highly regarded publications. In an independent survey of magazine readers, REIT magazine was named one of the three most valuable sources for industry news (along with NAREIT's REIT.com and Real Estate Investment SmartBrief). Currently, the magazine is mailed to 24,000 individuals with a wider readership enjoying the publication online.



NEED TO KNOW

REIT.com Videos

- NAREIT produced more than **230** videos in 2013



Board Associate Program

NAREIT achieved 100 percent renewal of its Board Associates in 2013, while adding three new companies to the program—bringing the total to 28 Board Associates. NAREIT's Board Associate program is comprised of leading senior real estate professionals representing their respective firms that service and/or support the REIT and publicly traded real estate industry through active participation and patronage of NAREIT programs and activities conducted throughout the course of the year.

NEED TO KNOW

2013 Social Media Presence

- Nearly 11,000 Twitter followers
- Nearly 110,000 video views on YouTube
- Videos viewed more than 160,000 minutes
- More than 1,100 fans on Facebook



facebook

Google AdWords

NAREIT continued to refine its Google AdWords strategy in 2013 and conducted an interesting Google AdWords test over a 30-day span to evaluate future steps and their potential impact on website traffic. The test involved promoting the REIT Attributes page on REIT.com and during the 30-day test, elevated the page ranking from 17th to second (behind only the home page) while driving 16,250 visitors to the REIT Attributes page on REIT.com. The test demonstrated the power of a concentrated AdWords push to drive audiences to specific content.

NEED TO KNOW

The NAREIT-produced "What is a REIT" video has been viewed more than **85,000** times on YouTube. The video tells the essential tale of the ways in which the REIT approach to real estate investment benefits investors from all walks of life, the real estate marketplace, the economy at-large and our nation.



2014 To-Do List:

1. Support the organization's efforts by effectively communicating the REIT story.
2. Launch redesigned REIT.com multi-site platform.
3. Produce additional educational videos that tell aspects of the REIT story to various audiences.
4. Increase Board Associate program to 30 companies.
5. Effectively promote and market all of NAREIT's initiatives.



Sheldon Groner,
EVP, Finance &
Operations

NAREIT's Finance & Operations group maintains four overarching objectives in order to ensure that the association can best meet its goals and successfully act on its agenda.

Paramount to the operation of the association, the Finance & Operations team ensures that NAREIT's fiscal resources are safeguarded, and are appropriately utilized consistent with the organization's mission. To that end, NAREIT's Finance/Accounting staff is charged with accurately and properly recording all financial transactions in the organization, regularly

reporting on these activities to the NAREIT Executive Board, and achieving – without exception – the highest annual validation (audit opinion) from an independent audit firm.

A second objective of Finance & Operations is to ensure that NAREIT has both appropriate professional staff and administrative systems necessary to fulfill the organization's objectives and allow it to function effectively. This includes maintaining the infrastructure to allow NAREIT the ability to communicate with/represent/conduct business with corporate and individual members, as well as other stakeholders.

As a member-based association, a third priority for the Finance & Operations team is to identify and retain both corporate and individual members, and to demonstrate to them, day-in and day-out, the value proposition of NAREIT membership.

A final objective of the Finance & Operations group is to regularly bring both members and other stakeholders together via NAREIT- sponsored meetings and conferences; with the goals of extending our industry's core messages, providing a valuable forum for industry professionals to become educated, hearing the viewpoint of subject experts, convening and networking.

HR Forum



Human resource professionals gathered in Washington, D.C. for the 2013 NAREIT HR Forum.

NEED TO KNOW

Membership

- NAREIT had a **94** percent member retention rate in 2013
- **246** U.S. based members
- **16** Non-U.S. based members

New Corporate Members

Stock Exchange-Listed Equity REITs

American Homes 4 Rent
Armada Hoffer Properties, Inc.
Ashford Hospitality Prime
Brixmor Property Group Inc.
Corrections Corporation of America
CyrusOne, Inc.
Empire State Realty Trust
Physicians Realty Trust
Preferred Apartment Communities, Inc
Quality Technology Services
Retail Opportunity Investments Corp.
Rexford Industrial Realty, Inc.
The GEO Group
Wheeler Real Estate Investment Trust, Inc.

Stock Exchange-Listed Mortgage REITs

Altisource Residential Corporation
Ellington Residential Mortgage REIT
Hannon Armstrong Sustainable Infrastructure Capital, Inc.
JAVELIN Mortgage Investment Corp.
New Residential Investment Corporation
Owens Realty Mortgage, Inc.
PMC Commercial Trust

Stock Exchange-Listed Real Estate Company

The Howard Hughes Corporation

Public, Non-Listed REITs

American Realty Capital - Retail Centers of America, Inc.
American Realty Capital Daily Net Asset Value Trust, Inc.
American Realty Capital Global Trust, Inc.
American Realty Capital Trust IV, Inc.
ARC Realty Finance Trust, Inc.
Carter Validus Mission Critical REIT
Cole Corporate Income Trust, Inc.
Cole Credit Property Trust IV, Inc.
Cole Real Estate Income Strategy (Daily NAV), Inc.
GTJ REIT, Inc.
RREEF Property Trust

Private REITs

Americold Realty Trust
Broadtree Homes, Inc.
Devonshire REIT

International REITs

Corporacion Inmobiliaria Vesta S.A.B. De C.V. (Mexico)
Cyrela Commercial Properties S/A EMPR. E PART. (Brazil)
First Capital Realty Inc. (Canada)
GLP J-REIT (Japan)

REITWise



Jeffrey Horowitz (far left), with Bank of America Merrill Lynch, moderated a session on the state of the capital markets at REITWise 2013. Panel participants included (from left to right): Joseph Russell, president and CEO, PS Business Parks Inc. (NYSE: PSB); Mary Hogan-Preusse, managing director and co-head of Americas real estate, APG Asset Management U.S. Inc.; Andrew Sossen, senior vice president, COO and general counsel, Starwood Property Trust Inc. (NYSE: STWD); and James Sullivan, managing director, Green Street Advisors.

REITWeek



NAREIT Chair Ed Walter moderated a session during REITWeek 2013 featuring Vornado's Steve Roth and Simon Property Group's David Simon.

REITWorld



Sam Zell, chairman of Equity Group Investments, LLC, offered a broad perspective on the state of the REIT industry during his luncheon conversation at REITWorld 2013 with NAREIT President and CEO Steven A. Wechsler.

Highlights & Priorities:

New Members

During 2013, NAREIT added 40 new corporate members. This new member total sets a new high-water mark in the Modern REIT Era, topping the 39 companies that joined in 1994.

As of Dec. 31, 2013, NAREIT had 262 corporate members, the highest number since 1999.

LITL Working Forum



Attendees share ideas during a breakout session at the 2014 Leader In The Light Working Forum at Prologis headquarters in San Francisco, CA.

Successful Meetings Schedule

NAREIT executed a successful meetings schedule in 2013 consisting of both large-scale, industry-wide conferences and small, targeted gatherings.

Among this year's highlights:

REITWeek 2013 marked the 20th consecutive year that NAREIT has hosted this annual investor meeting. The event, held in June in Chicago, played host to approximately 2,000 REIT executives, investors, bankers, analysts and other industry professionals and featured more than 110 companies delivering individual company presentations. In conjunction with the event, NAREIT co-hosted its first one-day research conference to discuss the results of leading REIT and real estate investment research papers.

The 20th anniversary story continued at REITWorld 2013: NAREIT's Annual Convention for All Things REIT in San Francisco in November. NAREIT recognized the historic REIT IPOs of 1993, which helped ignite the industry's expansion at the dawn of the Modern REIT Era. In addition, the nearly 1,400 attendees heard Equity Group Investments Chairman Sam Zell reflect on his memorable speech from NAREIT's 1993 annual convention in New Orleans and share his vision for what lies ahead.

2014 To-Do List:

1. Maintain fiscal responsibility throughout the organization.
2. Engage with members on an ongoing and increasing basis.
3. Facilitate successful industry events.

Award Winners

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Recognizing Member Excellence

Each year, NAREIT recognizes the achievements and contributions of its members and noted industry professionals. Recent award recipients were:

REITPAC Awards

The Inland Real Estate Group of Companies Inc. received the 2013 REITPAC Leadership Award and Ventas, Inc. received the 2013 REITPAC Teamwork Award.



NAREIT CEO Steven Wechsler and Inland Real Estate Group Chairman Dan Goodwin.



The Leadership Award goes to the company whose employees contributed the most funds to REITPAC in 2013. The Teamwork Award recognizes the company that provided funds from the largest number of individuals during the year.

Industry Leadership and Achievement Awards

NAREIT presented its 2013 Industry Leadership Award to Bryce Blair, former chairman and CEO of AvalonBay Communities, and its 2013 Industry Achievement Award to Ritson Ferguson, CEO and co-chief investment officer of CBRE Clarion Securities.



2013 NAREIT Chair Edward Walter, 2013 Industry Leadership Award recipient Bryce Blair and 2014 NAREIT Chair Ronald Havner, Jr.

The NAREIT Industry Leadership Award is presented annually to a REIT executive who has made a significant and lasting contribution to the growth and betterment of the industry. The award is presented in memory of Edward H. Linde, the late CEO of Boston Properties.

Blair served as NAREIT's Chair in 2011, and in that position he provided leadership and support for NAREIT's Investor Outreach program, working to increase REIT investment at the nation's largest pension plans and defined contribution plan providers. He also served as NAREIT First Vice Chair in 2010 and Second Vice Chair in 2009.



2013 NAREIT Chair Edward Walter, 2013 Industry Achievement Award recipient Ritson Ferguson and 2014 NAREIT Chair Ronald Havner, Jr.

The NAREIT Industry Achievement Award is presented annually to professionals serving the REIT industry whose acumen and integrity have helped heighten awareness and understanding of the value of REITs and publicly traded real estate. The award is presented in memory of E. Lawrence Miller, the former CEO of one of the industry's first REITs, Bradley Real Estate Trust, and a past NAREIT Chair.

NAREIT recognized Ferguson for his efforts that moved REITs into the investment mainstream. As a dedicated REIT fund manager, he did pioneering work to introduce, explain and build acceptance among investors for the REIT investment proposition.

Small Investor Empowerment Award

Senator Mike Enzi (R-WY) received NAREIT's 2014 Small Investor Empowerment Award.



Mike Enzi

The Small Investor Empowerment Award was established on behalf of those people who invest in, are employed by, or derive other benefits from REITs and publicly traded real estate companies. The award recognizes public servants who have demonstrated exceptional commitment to the ideals of free enterprise, economic growth, personal freedom and unlimited opportunity for all Americans.

Investor CARE Awards

NAREIT's Investor CARE Awards honor REITs that have demonstrated superior performance in shareholder communications. More than 200 REITs competed for the 2013 awards.



The Gold Award in the Management Discussion and Analysis category went to Home Properties. The Silver Award was awarded to S.L. Green Realty Corp., and First Potomac Realty Trust earned the Bronze Award.



In the Presentation and Design category, Camden Property Trust Trust received the Gold Award. Camden was followed by Silver Award recipient Health Care REIT and Duke Realty Corporation, which received the Bronze Award.



The Gold Award in the Website category went to Kimco Realty Corporation. The Silver Award went to American Tower Corporation, while Campus Crest Communities received the Bronze Award.

Award Winners

Recognizing Member Excellence

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Leader in the Light Awards

NAREIT's annual Leader in the Light Awards honor NAREIT member companies that have demonstrated excellence in and superior commitments to sustainability. The Leader in the Light Awards are presented to REITs in eight categories. This year's award winners were: HCP Inc. (Health Care); Prologis (Industrial); Hersha Hospitality Trust (Lodging/Resorts); Thomas Properties Group (Office); AvalonBay Communities (Residential); Kimco Realty Corporation (Retail); Vornado Realty Trust (Diversified); and British Land Company Plc (Global).

AvalonBay
COMMUNITIES, INC.

British Land

HERSHA

HCP

KIMCO
REALTY

PROLOGIS™

Thomas
Properties
Group INC

VORNADO
REALTY TRUST

Upcoming NAREIT Meetings Calendar



2014 Events

Feb. 25-26
Washington Leadership Forum
St. Regis
Washington, DC

April 2-4
REITWise®: NAREIT's Law, Accounting & Finance Conference®
Boca Raton Resort & Club
Boca Raton, FL

June 3-5
REITWeek®: NAREIT's Investor Forum®
Waldorf Astoria
New York, NY

Sept. 22-23
SFO Workshop and HR Forum
Fairmont Copley Plaza
Boston, MA

Nov. 5-7
REITWorld®: NAREIT's Annual Convention for All Things REIT®
Atlanta Marriot Marquis
Atlanta, GA

2015 Events

Feb. 24-25
Washington Leadership Forum
Hay Adams
Washington, DC

March 31- April 2
REITWise®: NAREIT's Law, Accounting & Finance Conference®
JW Marriott Desert Ridge
Phoenix, AZ

June 9-11
REITWeek®: NAREIT's Investor Forum®
Hilton New York
New York, NY

Sept. 28-29
SFO Workshop
Fairmont Chicago
Chicago, IL

Nov. 17-19
REITWorld®: NAREIT's Annual Convention for All Things REIT®
Wynn Las Vegas
Las Vegas, NV

NAREIT Meetings Calendar



NAREIT Officers and Members of the Executive Board

(from left to right): NAREIT Treasurer **Edward J. Fritsch**, president & CEO, Highwoods Properties, Inc.; NAREIT Second Vice Chair **David B. Henry**, president & CEO, Kimco Realty Corporation; **Steven A. Wechsler**, president and CEO, NAREIT; NAREIT Chair **Ronald L. Havner, Jr.**, chairman and CEO, Public Storage; NAREIT First Vice Chair **David J. Neithercut**, president and CEO, Equity Residential.



Thomas J. Baltimore, Jr.
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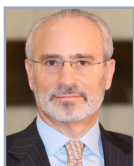
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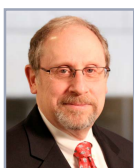
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