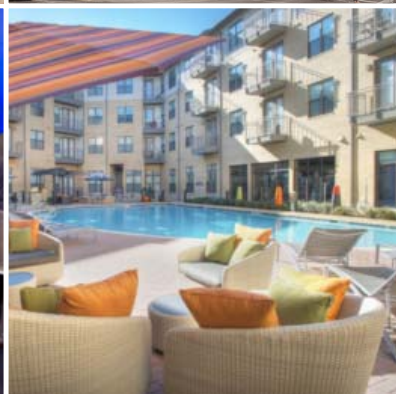




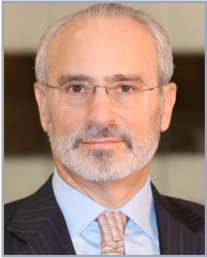
2013
REITWay
 NAREIT's
 Annual Report



REIT.com®
 All Things REIT®

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

To Our Members



As seen in this annual report, 2012 was quite an active year for NAREIT.

In Research and Investor Outreach, we took the REIT story to the investment community in more than 400 meetings with decision makers at the largest investment organizations in the U.S. and around the world.

In Policy and Politics, the U.S. REIT Act was introduced in the U.S. House of Representatives with support by 90 percent of the Ways & Means Committee. NAREIT also provided constructive input to policymakers on tax reform, revisions to the Foreign Investment in Real Property Act, the regulatory treatment of REITs and other key issues affecting the REIT industry.

A new Communications group was created by NAREIT during the year to promote the REIT approach to real estate investment more effectively and in a more integrated manner.

Additionally, we conducted a highly successful program of industry meetings, including REITWeek 2012, which attracted a record number of participants.

The REIT industry as a whole enjoyed another successful year, highlighted by some of the impressive data points listed here.

The U.S. REIT industry entered 2013 well-capitalized and well-positioned to compete in the marketplace and to contribute to the growth of the economy. That is a message NAREIT will communicate to all of our industry's audiences in the year ahead.

New times, new challenges and new opportunities for REITs require new ways of telling our industry's story, so you will see a new approach to our annual report. We hope you find it informative and useful.

All the best.

Steven A. Wechsler
President and CEO

Today's REIT Industry in the U.S.

REITs are widely held real estate investment companies that own more than of real estate.



Taubman Beverly Center, California



ProLogis DFW Cargo Center, Texas



REITs represent **15%** of U.S. Commercial real Estate market

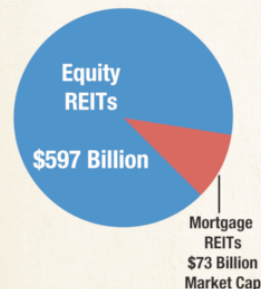


REITs distributed **\$29 billion** of taxable dividends in 2012

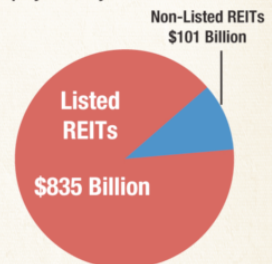
NYSE
NASDAQ

REITs are traded on all major stock exchanges with an equity market capitalization of about **\$670 billion**

Equity and Mortgage REITs by equity market cap



Public Listed and Non-Listed Equity REITs by asset value



REITs help support **1,000,000** U.S. jobs annually



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 assets invested in REITs and listed real estate by all cohorts of investors.

The Research & Investor Outreach team educate and inform 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 long-term competitive performance record and portfolio benefits of 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 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.

Highlights & Priorities:

Target Date Funds

As target-date funds (TDF) became an increasingly important investment trend in the defined contribution (DC) market in 2012, NAREIT commissioned Wilshire Associates, a leading investment consultant, to conduct a study that clarified the role of listed U.S. REITs and global real estate equities within TDFs. The research found that TDFs should include a REIT allocation of between 5 percent and 15 percent. Some industry experts predict that a majority of assets in DC plans will be invested in these types of funds.

In conjunction with the Wilshire study, NAREIT conducted an integrated marketing and communications program to disseminate the results of the study through NAREIT publications, direct meetings, conferences and external media.



“Listed REITs are a triple-play asset class, providing a combination of investment income, long-term capital appreciation and inflation protection.”



— Cleo Chang, Managing Director and Head of Investment Research for Wilshire Funds Management

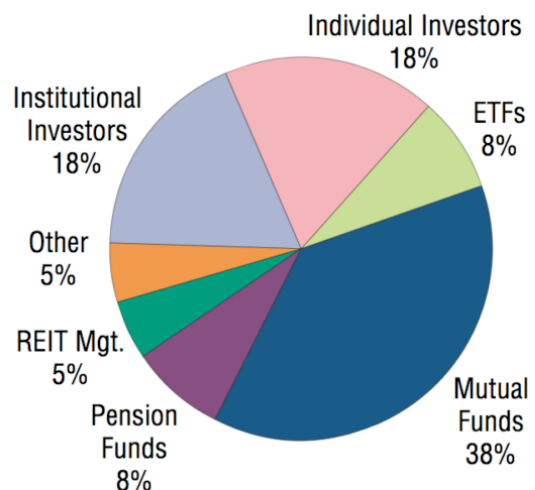
NEED TO KNOW



Notable Pension & Retirement Plans with a Dedicated REIT allocation

- California Public Employees’ Retirement Systems (CalPERS) on behalf of six plans
- New York City Employees’ Retirement Systems
- Teacher Retirement System of Texas
- New York State Teachers’ Retirement System
- IBM Retirement Funds
- Ohio Public Employees’ Retirement System
- Pension Benefit Guaranty Corp.
- University of California
- Ohio State Teachers’ Retirement System
- Massachusetts Pension Reserves Investment Management Board
- Alaska Retirement Management Board; on behalf of all for plans it sponsors.

REIT Ownership

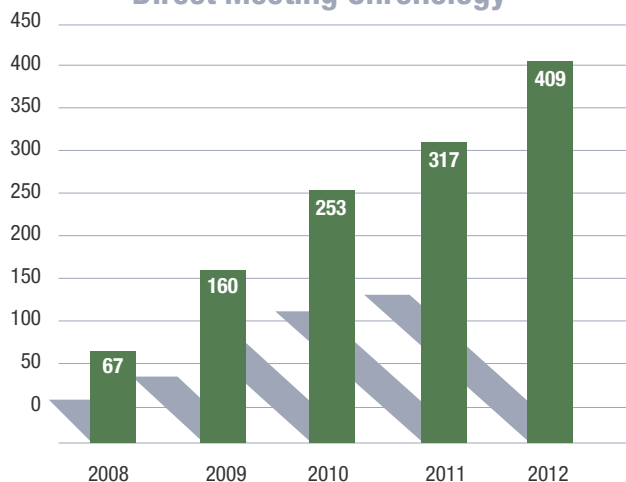


Data as of 2012.
Source: Citi Research, SNL, Bloomberg, FactSet and Lipper

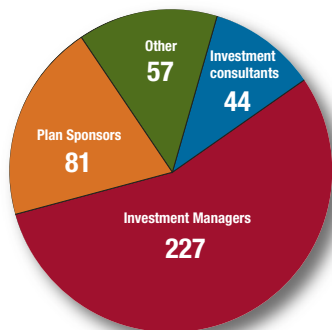
Investor Outreach Meetings

During 2012, NAREIT's investor outreach team held 409 meetings with many of the largest and most influential investment organizations in the institutional investment marketplace. This is an increase from the 317 meetings conducted in 2011. Collectively, those entities represented more than \$44 trillion in assets under management or advisement.

**Investor Outreach
Direct Meeting Chronology**



Investor Outreach Meetings Breakdown



Many of the meetings focused on issues such as the results of the Wilshire target date funds, REITs' favorable access to capital markets to finance growth, the compelling income story for REIT based real estate investment in today's low-yield environment and REITs' lower leverage and diminished volatility of returns.

The NAREIT outreach team also participated in 37 institution investment conferences in 2012, compared to 30 conference events in 2011.

FTSE NAREIT and FTSE EPRA/NAREIT Real Estate Indexes

The FTSE NAREIT U.S. Real Estate Index Series is designed to present investors with a comprehensive family of REIT performance indexes that spans 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. The FTSE NAREIT All REITs Index contained 180 constituents with a net market capitalization of about \$670 billion, as of March 1, 2013.

In 2012, NAREIT and FTSE Group also welcomed the first infrastructure REIT, American Tower Corporation, into the FTSE NAREIT All Equity REITs Index. An infrastructure property sector was also added as a new sector.

The FTSE EPRA/NAREIT Global Real Estate Index Series covers the world's largest investment markets and includes a range of regional and country indices, capped indices, dividend+ indices, global sectors, investment focused and REITs and non-REITs series. The FTSE EPRA/NAREIT Developed Index contained 299 constituents with a net market capitalization of \$1.1 trillion, as of March 1, 2013.

NEED TO KNOW

68%

In the latest Financial Planning Association Alternative Investments Study, nearly 68% of respondents used or recommended listed REITs. The most of any option.

PureProperty Index Series Launched

The FTSE NAREIT PureProperty® Index Series was introduced in June 2012 with daily historical values for all components of the series beginning Dec. 31, 1999. Among other things, the PureProperty Index allows users to compare an estimate of unlevered, property-level investment returns of properties owned and managed by listed REITs with an estimate of unlevered investment returns for institutionally owned but privately managed properties as reported by the NCREIF Property Index (NPI). Importantly, data for the 13-year period through the end of 2012 reveal that listed REIT-owned properties nationwide are estimated to have outperformed privately owned properties with respect to both capital appreciation and total return.

With respect to capital appreciation, listed REIT-owned properties recorded a compound annual gross, unlevered price return of 3.69 percent, more than twice the 1.54 percent reported for similar NPI properties. Looking at total returns, listed REIT-owned properties provided a compound annual gross, unlevered return of 9.58 percent compared with only 8.51 percent for similar NPI reported properties. Over the past year, NAREIT, together with FTSE, met with a number of key institutional investors to discuss the potential for use of the



REITs are in **225,000** 401(k) plans, representing **50 million Americans**



There are **300** mutual funds and ETFs dedicated to REITs and real estate sponsored by companies like Vanguard, Fidelity and T. Rowe Price

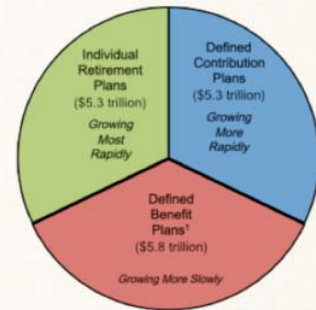
REITs are in **75%** of target date funds



the fastest growing retail investment default option

Total U.S. Retirement Plan Assets

Dec. 31, 2012



PureProperty® Index as a benchmark for the development of real estate derivatives and with relevant investment bankers and traders well positioned to develop such risk management products.

Tax Reform

In 2013, NAREIT's research group will prepare necessary and appropriate analyses and materials in preparation for any and all policy initiatives that might arise with respect to comprehensive corporate and individual tax reform and related activities.

Our goal is to clarify for policymakers the many positive economic and investment benefits the REIT industry provides in accordance with the REIT rules as created and reformed by Congress over time, as well as how REITs balance the benefit of tax transparency with the burden of required earnings distribution.

Internal and Sponsored Research

In 2013, NAREIT will continue to develop insightful research with respect to the investment benefits of REIT-based real estate investment using both internal staff as well as widely recognized investment consultants.

Working with Wilshire Associates, CEM Benchmarking and Morningstar, we will develop analyses and materials focused on comparisons of public and private real estate investment performance, the role of listed REITs in retirement savings and investment, an evaluation of the classification of REITs as financial stocks, and the development of appropriate educational materials for advocating REITs by financial advisors.

Today's REIT Industry Around the Globe

More than 25 countries have adopted the U.S. approach to REITs

As of April 1, 2013





Tony Edwards, EVP & General Counsel

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

P&P achieves this objective in a number of ways. Members of the P&P group 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 the executive branch and assorted government agencies, such as the Treasury Department, Securities and Exchange Commission (SEC), and Internal Revenue Service (IRS), on regulatory issues pertinent to REITs. NAREIT also works with international bodies such as the European Union and the Organisation for Economic Co-operation and Development to promote efficient cross-border flows of capital for REITs. Further, P&P monitors the financial standards landscape maintained by the Financial Accounting Standards Board (FASB) and International Accounting Standards Board (IASB) for potential changes to financial reporting rules that could impact real estate companies.

P&P's mission also entails partnering with like-minded organizations outside the United States. These efforts have led to 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 (EPRA), with the intent to preserve, promote and perfect securitized real estate investment around the world.

Finally, P&P manages REITPAC, the political action committee (PAC) sponsored by NAREIT and organizes meetings in legislators' home states and districts to emphasize the positive impact REIT investment has in their communities. REITPAC was created to maximize the political impact of the REIT industry on Capitol Hill and 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.



From left to right: Jay Leupp, managing director with Lazard Asset Management; Sam Zell, chairman of Equity Group Investments; Mark Howard-Johnson, managing director, BlackRock; House Speaker John Boehner (R-OH); Michael Glimcher, chairman and CEO of Glimcher Realty Trust; Ron Havner, chairman, president and CEO of Public Storage.

Highlights & Priorities:

U.S. REIT Act

In May 2012, Reps. Patrick Tiberi (R-OH), chairman of the Select Revenue Measure Subcommittee of the House Ways and Means Committee, and Richard Neal (D-MA), the ranking Democrat on the same subcommittee, introduced H.R. 5746, the Update and Streamline REIT Act (U.S. REIT Act), along with 14 bipartisan members of the House Ways and Means Committee.



Rep. Neal

Rep. Tiberi

By the close of the last term of Congress, 31 of the 37 members of the Ways and Means Committee had signed on as co-sponsors of H.R. 5746.

NEED TO KNOW



U.S. REIT Act

- Supported by a wide-ranging group of real estate industry organizations, including NAREIT, as well as the U.S. Chamber of Commerce.
- The U.S. REIT Act proposes changes to the REIT laws, including the rules governing the sale of assets and the distribution of dividends.

Marketplace Fairness Act of 2013

The Marketplace Fairness Act of 2013, S. 336 and H.R. 684, were introduced in the Senate and U.S. House of Representatives in

NEED TO KNOW



Marketplace Fairness Act

- Supported by hundreds of industry organizations, including NAREIT, and individual companies, including Amazon.com.
- 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.

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).

NAREIT has long supported this legislation, which would require online retailers to collect sales taxes on purchases and level the playing field for brick-and-mortar competitors.

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.

Foreign Investment in Real Property Tax Act (FIRPTA) Reform

Through FIRPTA, the United States taxes non-U.S. persons on dispositions of U.S. real property interests as if they were U.S. taxpayers. As a result, the FIRPTA rules, which were drafted more than 30 years ago, create a significant barrier to equity investment in U.S. real estate by non-U.S. investment entities.

NAREIT believes that the FIRPTA rules are relics of a political climate whose time has passed and supports legislation to loosen two existing “safety valves” that would significantly expand foreign investment in U.S. real estate. In 2013 NAREIT will continue to advocate for their reform.

NEED TO KNOW



TRIA

- Created in 2002 and extended in 2005 and 2007.
- Supported by a group of industry organizations known as the Coalition to Insure Against Terrorism (CIAT), which includes NAREIT.



From left to right: Rep. Michael Grimm (R-NY) and David Henry, president and CEO of Kimco Realty Corp.

Terrorism Risk Insurance Act (TRIA)

Following the events of Sept. 11, 2001, President George W. Bush signed TRIA into law in 2002 to create a backstop for insurance claims related to terrorism. Without that backstop, property owners would not be able to acquire terrorism insurance.

TRIA has been extended twice since 2002. At present, the law is set to expire at the end of 2014. NAREIT is backing H.R. 508, a bill offered in February 2013 by Rep. Michael Grimm (R-NY) that would reauthorize TRIA.

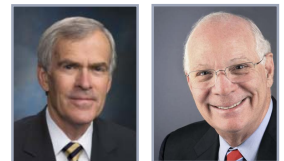
IRS Guidance - Money Market Funds

Among the items NAREIT recommended to the IRS for its 2012-13 Guidance Priority List (also known as the IRS Business Plan), was that the Treasury Department and IRS clarify that a REIT’s investment in the shares of a money market fund constitutes an investment in a “cash item” for purposes of the rule under current law that at least 75 percent of a REIT’s assets quarterly must consist of, among other things, real estate, cash and cash items.

In June, the IRS released Rev. Rul. 2012-17, essentially relying on a “no-action letter” issued by the SEC to a specific mutual fund (which are subject to a similar test) to hold that a REIT’s investment in a money market fund is an investment in “cash or cash items” for purposes of the 75 percent asset test.

Energy Efficiency

On Sept. 20, Sens. Olympia Snowe (R-ME), Jeff Bingaman (D-NM), Benjamin Cardin (D-MD) and Dianne Feinstein (D-CA) introduced S. 3591, the Commercial Building Modernization Act. The enactment of S. 3591 would encourage expenditures to allow deductions for retrofitting of new and existing buildings for greater energy efficiency, both by updating existing Internal Revenue Code section 179D and by creating a new section 179F. The legislation would increase the section 179D deduction, and allow energy efficiency improvements to be measured based on the reduction in energy usage of an existing building, rather than based only on improvements over the existing building codes.



Sen. Bingaman

Sen. Cardin



Sen. Feinstein

Sen. Snowe

Importantly, the legislation would fix a discrepancy regarding how energy efficient expenditures are treated for taxable income purposes and dividend-calculation purposes so that REITs could use the deductions without their shareholders being taxed twice.

Over-the-Counter Derivatives

The Dodd-Frank Act (Dodd-Frank), in broadening the jurisdiction of the CFTC to regulate derivatives, expanded the reach of the Commodity Exchange Act (CEA) by altering the definition of “commodity pool” to include entities trading non-security based swaps, such as interest rate swaps. Under the new definition, any pooled investment vehicle that trades non-securities based swaps, such as interest rate swaps, could come within the definition of a “commodity pool,” whether such swaps trading is a core component of the vehicle’s investment strategy or is incidental and primarily hedging or risk management other purposes.

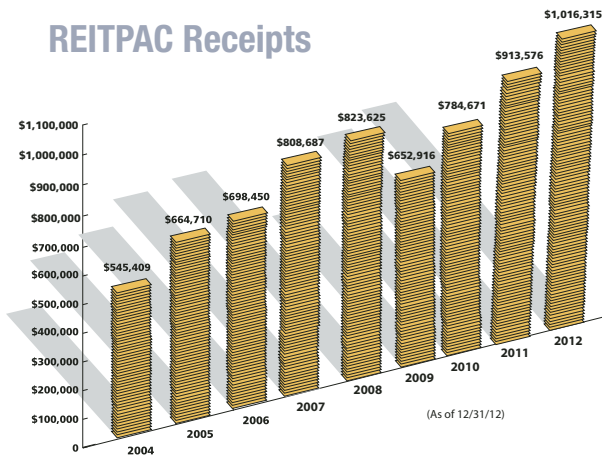
Following a meeting with CFTC staff, NAREIT submitted a letter last fall asking the commission to confirm that equity REITs are equivalent to operating companies under the rule and therefore not within the definition of “commodity pool.” In October, the CFTC’s Division of Swap Dealer and Intermediary Oversight issued interpretative guidance stating that REITs that satisfy specific criteria are not “commodity pools.”

REITPAC

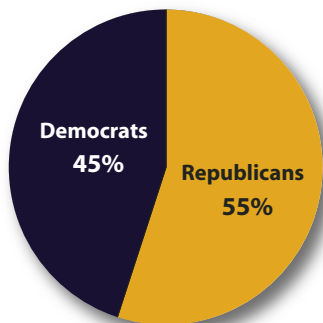
REITPAC is a political action committee established by NAREIT to provide financial support to federal candidates supportive of the REIT and publicly traded real estate industry. In 2012, REITPAC received a record amount of donations from NAREIT’s leadership, members and staff.



REITPAC Receipts



2011- 2012 REITPAC Disbursements



NEED TO KNOW

Grassroots Activity

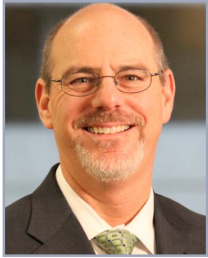
- Held 29 visits with Members of Congress and REIT executives in Congressional districts.
- Organized 34 visits with member companies.



Rep. Devin Nunes (R-CA) (center) toured General Growth Properties’ Visalia Mall in Visalia, CA. During his visit, the Congressman received an update on GGP’s economic impact within the district, throughout the state, and nationally. They also discussed the Marketplace Fairness Act, a bill that has been proposed to create sales and use tax parity for online and traditional retailers. Pictured with Rep. Nunes from left to right are Denise Marsicano, vice president, leasing; Richard Feder, general manager, Visalia Mall; Kevin Berry, vice president, investor relations; and Carol Jacobs, vice president, asset management.



From left to right: Steve Wechsler, NAREIT president and CEO; NAREIT Chair W. Edward Walter, president and CEO of Host Hotels & Resorts; House Minority Leader Nancy Pelosi (D-CA); Sam Zell, chairman of Equity Group Investments; Jay Leupp, managing director with Lazard Asset Management.



Tom Bickford, EVP, Communications

Today's information consumers have more choices than ever. Whether at their desk or in a cab, they are bombarded with a never-ending stream of data, images and analysis.

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 new Communications group at NAREIT.

Created in 2012, 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 effective communications.

To do so, the Communications team creates the core story, facts and 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:

Outlining the "REITWay"

As part of NAREIT's efforts to tell the story of REIT-based real estate investment, NAREIT produced a "REITWay" video, which we debuted at our REITWorld 2012 meeting in November.



We shared a version of the video, including opening and closing comments from NAREIT Chair W. Edward Walter and NAREIT President and CEO Steven A. Wechsler, with our members.

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. NAREIT plans to use this video and a variety of other communications tools throughout the year to ensure REITs are better understood by all our constituents.

An email sharing the video with members generated more than 500 hits to the video and a number of companies have shared it with interested parties. Another 2,800 views of the video have been generated through social media and other sources.

In the first quarter of 2013, NAREIT expanded the message contained in the video to brochures and presentations that can be delivered to key constituents as a way to reinforce the REIT investment proposition and the important role REITs play in the economy.

External Communications

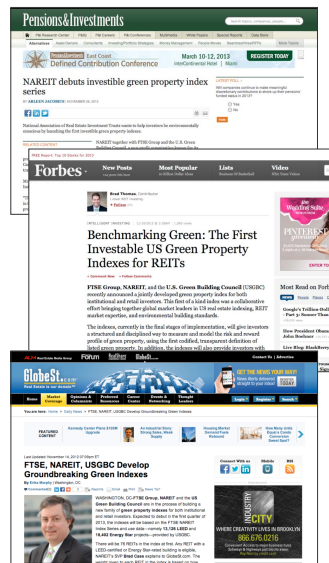
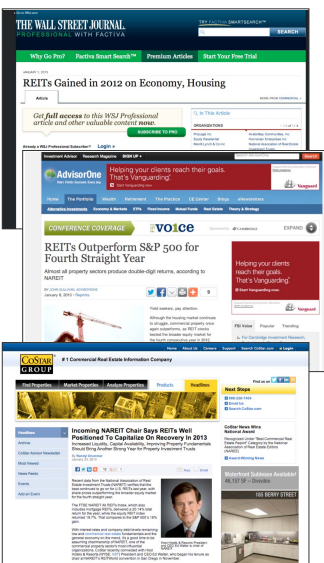
Coverage of REITs in 2012 was included in a variety of key publications, including a major roundtable feature in Barron's for members of NAREIT's Real Estate Investment Advisory Council. Stories enhancing the REIT brand also ran in a range of other publications, such as the Wall Street Journal, Registered Representative, On Wall Street, Investment News, Financial Planning, Kiplinger's Personal Finance, SmartMoney, and Investor's Business Daily.

In total for the year, External Communications produced nearly 30 news releases and conducted several hundred media interviews.



"REITs have long been the go-to investment for retirees looking for reliable income."

— Walter Updegrave, Money Magazine, April 24, 2012



Website Enhancements

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. Since launching a redesigned version of REIT.com in May 2012, NAREIT has continued to make regular enhancements to the site. The mobile version of the site was also enhanced, an important development now that more than 13,000 visitors come to the site via tablets or smartphones each month, nearly doubling the total from as recently as October 2012.

NEED TO KNOW

Social Media Presence

- More than 7,600 Twitter followers
- 38,500 video views on YouTube
- Videos viewed more than 21,250 minutes
- More than 900 fans on Facebook



In November 2012, NAREIT launched RealEstateInvestmentToday.com, a microsite that extended the brand of the bi-monthly REIT: Real Estate Investment Today magazine into an online format.

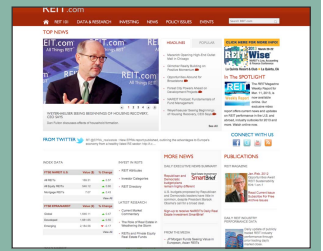
Expanding on the success built with REIT.com and RealEstateInvestmentToday.com, NAREIT will be refining its online offerings during 2013 to feature three targeted microsites. REIT.com will serve as a central landing page highlighting content from the other three NAREIT sites, which will focus on investors, members and news delivery.



NEED TO KNOW

2012 REIT.com Traffic

- 678,480 visits
- 400,100 unique visitors
- 2,100,000 page views



REIT Investor App

The REIT Investor App, developed in response to corporate member inquiries, has been designed and is currently in its development phase. This robust, custom-built app combines data from multiple, state-of-the-art information sources to provide the end-user with a valuable tool to analyze REIT market performance. It also provides useful information about industry news and events.



The app is currently undergoing development and testing as we concurrently collect and build the profile information we are providing for REITs. All efforts will converge with the launch of the REIT Investor App right before REITWeek 2013.

Functionality has been added to the REIT Investor App that will provide value not only to members, but to the entire REIT universe, including members, investors and service providers.

Google AdWords

NAREIT's Google AdWords marketing efforts grew more robust throughout 2012 and will continue to be refined and enhanced in 2013. The program includes remarketing campaigns, video, search and display advertising and demographic targeting. In 2012, the AdWords efforts generated more than 63,600 clicks to REIT.com and 63.9 million page impressions.



NEED TO KNOW

REIT.com Videos

- NAREIT produced more than 240 videos in 2012





Sheldon Groner,
EVP, Finance &
Operations

The business of NAREIT is housed within its Finance & Operations department, which has four overarching objectives in order to ensure that the association can best meet its goals and successfully act on its agenda.

The first priority of the Finance & Operations department is to ensure 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 an IT infrastructure that runs seamlessly; providing NAREIT the ability to communicate with/represent/conduct business with corporate and individual members, as well as other stakeholders.

Importantly, as a member-based association, the Finance & Operations team must 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 department 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.

NAREIT Statement of Activities

Revenues	2012 Audited
Membership Dues	\$10,930,000
Conferences	\$4,176,000
Royalties	\$3,029,000
Investment Income	\$1,083,000
Advertising	\$477,000
Publication Sales/Other	\$95,000
<i>Total Revenues</i>	<i>\$20,864,000</i>
Expenses	
Policy & Politics	\$6,632,000
Finance & Operations	\$6,493,000
Communications	\$3,808,000
Investor Outreach	\$3,722,000
<i>Total Expenses</i>	<i>\$20,655,000</i>
Net	\$209,000

Highlights & Priorities:

2012 Budget

Final results for 2012 were revenue of \$20.8 million, or 3 percent greater than budget; expenses of \$20.6 million, or 5 percent less than budget; and a net surplus of roughly \$200,000.

New Members

During 2012, NAREIT added 26 new corporate members. This new member total is one of the highest in NAREIT's modern history, following a record-breaking year in 2011.

NEED TO KNOW **97%**
retention

Membership

- NAREIT had a 97 percent member retention rate in 2012
- 222 U.S. based members
- 13 Non-U.S. based members
- 1,431 individual members

As of Dec. 31, 2012, our corporate membership totaled 235, the highest number since 1999. Through March 15, an additional six new members have been added in 2013.

NEED TO KNOW



New Members in 2012

American Capital Mortgage Investment Corp.
 American Realty Capital Trust III
 American Residential Properties
 AmREIT
 Ares Commercial Real Estate
 Aviv REIT
 Chambers Street Properties
 CNL Healthcare Properties
 EDENS
 Edgewood Real Estate Investment Trust
 GCREP REIT I
 Griffin-American Healthcare REIT II
 Griffin Capital Net Lease REIT
 Healthcare Realty Trust
 Healthcare Trust of America
 International Market Centers
 Japan Hotel REIT Advisors
 KBS Real Estate Investment Trust III
 Rouse Properties
 Ryman Hospitality Properties
 Select Income REIT
 Terreno Realty Corp.
 The American Home
 Trade Street Residential
 Unibail-Rodamco
 Western Asset Mortgage Capital

Finance & Operations



NAREIT's Board of Governors dinner at REITWorld 2012 featured two distinguished political analysts engaging in a lively discussion about the election and what was likely to happen as a result. The conversation, moderated by 2013 NAREIT Chair W. Edward Walter (center), featured White House adviser and former Obama administration press secretary Robert Gibbs (left) and Charles Krauthammer (right), Pulitzer Prize-winning syndicated columnist and regular contributor on Fox News and other media outlets.



NAREIT rang the NASDAQ closing bell on June 11 celebrating the start of REITWeek 2012.



Consumer-focused REITs were the topic of discussion during a REITWorld 2012 panel moderated by Steven Sakwa, senior managing director with the ISI Group. Panelists included Jon Bortz, chairman and CEO of Pebblebrook Hotel Trust; Daniel Hurwitz, president and CEO of DDR Inc.; Spencer Kirk, chairman and CEO of Extra Space Storage Inc.; and Robert Taubman, chairman, president and CEO of Taubman Centers Inc.



Jim Cramer, host of CNBC's "Mad Money," spoke at REITWeek 2012. Here he is pictured with Steven Wechsler, president & CEO, NAREIT, and NAREIT 2012 Chair Donald Wood, president & CEO, Federal Realty Investment Trust.

Successful Meetings Schedule

NAREIT executed a successful meetings schedule in 2012 consisting of both large-scale, industry-wide conferences and small, targeted gatherings.

Among this year's highlights:

The 2,200 REIT executives, investors, bankers, analysts and other industry professionals that attended REITWeek 2012: NAREIT's Investor Forum® last June in New York City marked a record level of attendance at the annual event. More than 100 companies delivered individual company presentations, and the tenor in those sessions focused more on growth and opportunity than in recent years. There were more than 1,600 investors at the event and the hotel was buzzing with activity.

More than 1,100 members of the REIT community gathered in San Diego in November for REITWorld 2012: NAREIT's Annual Convention for All Things REIT. More than half of the registered attendees at the event were investors.

NAREIT Meetings Attendance

Event	2012	2011
Washington Leadership Forum	53	53
REITWise	943	862
REITWeek	2,201	2,114
Senior Financial Officers Workshop	159	175
HR Forum	40	42
REITWorld	1,138	1,177



Kimberly Smith (left), general counsel-capital markets with Cole Real Estate Investments, and Rosemarie Thurston (right), partner with Alston & Bird LLP, were two of the panelists during a REITWise 2012 discussion that looked at the issues facing public, non-listed REITs.

Award Winners

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 2012 REITPAC Leadership and Teamwork awards.



Steven Wechsler, NAREIT president and CEO, and Daniel L. Goodwin, chairman and CEO of The Inland Real Estate Group of Companies Inc.

The Leadership Award goes to the company whose employees contributed the most funds to REITPAC in 2012.

The Teamwork Award recognizes the company that provided funds from the largest number of individuals during the year.

Industry Leadership and Achievement Awards



Martin Stein
Regency Centers

NAREIT presented its 2012 Industry Leadership Award to Martin “Hap” Stein, president and CEO of Regency Centers Corp., and its 2012 Industry Achievement Award to Robert Steers, co-chairman and co-CEO of Cohen & Steers Inc.



Bob Steers
Cohen & Steers

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.

Stein served as NAREIT’s Chair in 2008, and in that position he helped lead the REIT industry through the most serious financial crisis it has ever faced. He also served as NAREIT First Vice Chair in 2007 and as a member of NAREIT’s Executive Committee from 2003 to 2010.

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 Steers for his efforts that moved REITs into the investment mainstream. When Steers and his partner, Marty Cohen, founded Cohen and Steers in 1986, it was the first investment company to specialize in listed real estate.

Small Investor Empowerment Award

Rep. John Dingell (D-MI) received NAREIT’s 2013 Small Investor Empowerment Award.

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.



Rep. Dingell

Investor CARE Awards

NAREIT’s Investor CARE Awards honor communications and reporting excellence.



Joe Macnow
Vornado Realty
Trust



Andrew Blocher
Federal Realty
Investment Trust



Malissa Coley
Brookfield Office
Properties

The Gold Award in the Management Discussion and Analysis category went to Vornado Realty Trust. The Silver Award was awarded to Kimco Realty Corporation, and Camden Property Trust and Health Care REIT tied for the Bronze Award.

In the Presentation and Design category, Federal Realty Investment Trust received the Gold Award.

Federal Realty was followed by Silver Award recipient Westfield and AvalonBay Communities, which received the Bronze Award.

The Gold Award in the Website category went to Brookfield Office Properties.

The Silver Award for the category went to Ventas, while Federal Realty received the Bronze Award.

Leader in the Light Awards

NAREIT’s annual Leader in the Light Awards honor NAREIT member companies that have demonstrated superior and sustained energy use practices. The Leader in the Light Awards were presented to REITs in eight property sectors: Diversified; Global, for non-U.S. companies; Health Care; Industrial; Lodging/Resorts; Office; Residential; and Retail. NAREIT presents awards to both the leading large and small cap companies in certain property sectors.

NAREIT has been presenting the Leader in the Light awards since

Award Winners

Recognizing Member Excellence

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2005. Beginning in 2012, NAREIT modified its judging criteria to include the results of the Global Real Estate Sustainability Benchmark (GRESB) Annual Survey. Designed in 2009, GRESB's annual survey measures the environmental performance of property portfolios around the world. The survey is endorsed and closely watched by many of the world's largest institutional investors, who combined in 2012 to represent more than \$1.7 trillion in institutional capital under management.

Leader In The Light

Recognizing Excellence in Sustainability and Energy Efficiency

Award Program
Congratulations 2012 Winners!

- Diversified
Vornado Realty Trust
- Global
British Land Company Plc
- Health Care
HCP, Inc
- Industrial
Prologis
- Lodging/Resorts
Hersha Hospitality Trust
- Office - Large Cap
Brookfield Office Properties, Inc
- Office - Small Cap
Thomas Properties Group, Inc
- Residential - Large Cap
AvalonBay Communities, Inc
- Residential - Small Cap
Post Properties, Inc
- Retail - Large Cap
Simon Property Group, Inc
- Retail - Small Cap
Equity One, Inc

Upcoming NAREIT Meetings Calendar

2013

REIT Week

June 5-7
REITWeek®: NAREIT's Investor Forum®
Chicago Hilton
Chicago, IL

REIT World

Nov. 13-15
REITWorld®: NAREIT's Annual Convention for All Things REIT®
San Francisco Marriott Marquis
San Francisco, CA

2014

REIT Wise

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

REIT Week

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


REIT World

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




NAREIT Officers and Members of the Executive Board


(from left to right): NAREIT Second Vice Chair **David J. Neithercut**, president & CEO, Equity Residential; NAREIT Chair **W. Edward Walter**, president and CEO, Host Hotels & Resorts, Inc.; **Steven A. Wechsler**, president and CEO, NAREIT; NAREIT First Vice Chair **Ronald L. Havner**, vice chairman and CEO, Public Storage; NAREIT Treasurer **Michael D. Fascitelli**, President and CEO, Vornado Realty Trust.

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Pebblebrook Hotel Trust


 **Richard J. Campo**
Camden Property Trust


 **Edward J. Fritsch**
Highwoods Properties, Inc.


 **David B. Henry**
Kimco Realty Corporation


 **Rick R. Holley**
Plum Creek Timber Company


 **Andrew F. Jacobs**
Capstead Mortgage Corp.

 **Dennis D. Oklak**
Duke Realty Corporation

 **Steven B. Tanger**
Tanger Factory Outlet Centers

 **Robert S. Taubman**
Taubman Centers, Inc.

 **Thomas W. Toomey**
UDR, Inc.

 **Donald C. Wood**
Federal Realty Investment Trust

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LaSalle Hotel Properties

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Wellington Denahan
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REITs: Building Dividends & Diversification®

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