U.S. REITs

BofA's U.S. REIT 3Q23 Earnings Preview

Estimate Change

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See Team Page for List of Analysts

See Key terms inside
See estimate changes inside

Focus point: expect mix of maintains & bumps

We expect REIT 3Q23 earnings season to be in line with the Street and guidance. That said, QTD updates in short lease sectors did show slowing demand so they key question is this normalization or is demand actually weakening. Interestingly, existing customer behaviour still remains healthy. Given we're still desperately seeking price discover, we are laser focused on comments around financing rates, transactions and cap rates. See below and inside for our thoughts on each REIT sector:

Comm Infrastructure: For towers, CCI will provide '24 guidance which will provide insight into the degree of the domestic carrier deployment slowdown for the entire sector. For data centers, AI buzz has died down somewhat but industry fundamentals are still strong due to dislocated supply/demand dynamics.

Healthcare: Focus points are (1) WELL's operating platform and implications for 2024 growth, (2) Supply update for the Life Science sub-sector, (3) VTR's latest thoughts on pricing power in their SHOP portfolio & (4) external growth for the SNF REITs.

Industrial: Investor interest is strong following BofA's Global RE conference. Sector fundamentals remain healthy despite normalization and are tracking better than our leading indicator. While we expect another strong quarter, we are watching for any material shift in leasing strategy as signposts of the health of the consumer/demand.

Lodging: Trends are largely in line, while leisure decelerating in Q3 is more related to normalization than actual consumer weakness. We believe corporate demand improved in September (major urban market/weekday RevPAR are both supportive and accelerated throughout Q3).

Office: Low bar sets the sector up for beats but expect overall cautious outlooks. Key focus: liquidity, refinancing & floating rate exposure. Low demand visibility but recent updates indicate leasing remains strong in NYC, WC optimism may fade if leasing lags & Sunbelt supply is a key issue. BXP typically provides next year guidance w/ 3Q results.

Residential: We believe softening in new demand continued into October so this will be a key focus area + transactions. Specific to SUI, what happens to seller financing notes?

Retail: Sentiment remains mixed especially with concerns over the consumer. Positive, 2023 has been stronger than expected with recovery a key theme. We look to the calls for hints on ow will this translate into '24 growth and what are the building blocks?

Self Storage: Key question is how long will it take for the REITs to regain pricing power on new customers & what does this timing mean for the setup into 2024? We are positive on our September BAC card data but October updates will be crucial to determine how '23 ends and how '24 begins.

Timestamp: 13 October 2023 01:18AM EDT

Earnings Preview

Communications Infrastructure - Data centers

- **Big picture:** 3Q23 was a quiet quarter for data centers as the AI buzz subsided and the reality of a multi-year timeline for AI monetization set in. Still, industry fundamentals remain strong as a disjointed supply/demand dynamic continues to create a very positive pricing environment for data center operators and vacancy in key markets dwindles. As for AI, we believe DLR's larger, wholesale footprint is geared towards AI training use cases while EQIX's smaller, retail portfolio will benefit from AI inference applications (see our Data Center AI opportunity report). Still, we agree with industry participants that actual AI monetization is not a near-term tailwind and is more likely a 2025+ story. Power generation, transmission, and land use constraints in key markets continue to limit new supply while ever-growing data demand drives prices higher. DLR management noted a doubling in new lease pricing in Northern Virginia over the past two years, a sudden reversal vs. years of poor releasing spreads.

- **Last quarter review:** DLR beat on adj. EBITDA and Core FFO/sh but revised down 2023 Core FFO/sh guidance to account for customer bankruptcy reserves and equity dilution. It also announced a $1.5bn stabilized JV deal with TPG and raised its '23 JV and disposition guidance to $2.2-3.0bn from $1.5-2.5bn. EQIX reported in-line on revenue and adj. EBITDA and beat on AFFO/sh. Management lowered '23 revenue guidance on FX impacts but raised adj. EBITDA and AFFO/sh guidance.

- **What to watch:** For **EQIX**, we are looking for 1) updates on 2023 guidance, 2) plans for xScale expansion, and 3) insight on small and medium enterprise demand. For **DLR**, we are looking for 1) expectations for development JV sizing and timing, 2) changes in releasing spread guidance, and 3) capital allocation priorities heading into 2024. We continue to favor Data Centers over Towers as a disjointed supply/demand dynamic, including power and land availability constraints, in key markets has led to strengthening pricing power as operators exploit secular data center demand growth.

Communications Infrastructure - Towers

- **Big picture:** 3Q23 was a challenging qtr. for the Tower companies with AMT (-15%), CCI (-19%), and SBAC (-14%), underperforming the SPX (-4%) and RMZ (-8%), extending YTD declines. While we anticipated a domestic slowdown heading into 2024 (see Comm Infra 2Q23 wrap note), the abruptness of the slowdown surprised the market and, coupled with economic strength (growth vs. defensive) and rising interest rates, towers performed poorly. Domestic activity remains slow based on our latest conversations but companies have noted the possibility for activity to pick up in 2H24. Heading into 3Q23 earnings season, all eyes are on CCI's print. They will be the only Tower company to share 2024 guidance. We expect CCI's, as well as AMT/SBAC's when they share at 4Q, new tower leasing revenue guidance will decline y/y. The key question will be, by how much? We believe that AMT's domestic business is best shielded from activity declines given its holistic MLA approach, followed by CCI and then SBAC.

- **Last quarter review:** CCI reported slightly ahead of BofA estimates on adj. EBITDA and AFFO/sh. Management noted a rapid decline in tower activity that caused a miss on services revenue and a downward revision of '23 new tower leasing to $125-135mn (from $135-145mn). AMT beat estimates on adj. EBITDA and met expectations for AFFO/sh. It raised '23 guidance on revenue, adj. EBITDA, and AFFO based on core business performance partially offset by

FX. SBAC beat on adj. EBITDA and AFFO/sh and raised revenue, adj. EBITDA, and AFFO/sh guidance on FX tailwinds and business outperformance. It raised '23 domestic new leasing guidance on the back of a new MLA with AT&T but warned of lower new leasing into '24. We downgraded CCI and SBAC to Neutral post-earnings based on the negative new leasing outlook, improving macro sentiment, and expected debt refinancings and idiosyncratic factors to hamper AFFO/sh growth (see our 2Q23 wrap and downgrade report).

- **What to watch:** Outside of domestic tower expectations, investors continue to broadly focus on topics like 1) longer-term AFFO/sh growth given rising rates, 2) capital allocation priorities (leverage vs. buybacks vs. M&A), and 3) the outlook for non-tower businesses (data centers, fiber, and small cells). For **AMT**, we are looking for 1) updates surrounding AMT's progress on selling the India business and collections with VIL, 2) the cadence of churn in international markets, particularly Africa and Latin America, 3) capital allocation priorities once below 5x leverage (buybacks vs. M&A), and 4) longer-term CoreSite expectations given robust demand. For **CCI**, we are looking for 1) 2024 guidance outlook for all business segments, 2) multi-year dividend expectations with challenged AFFO/sh y/y growth, and 3) runway for small cell backlog replenishment. For **SBAC**, we are looking for 1) the domestic leasing impact of the new AT&T MLA, 2) churn cadence from Oi in Brazil and Sprint in the US, 3) the services business outlook, and 4) any priority changes with new CFO Marc Montagner's hiring.

Healthcare

- **Big Picture:** We are most positive on Senior Housing and SNFs. We expect continued strong SS NOI growth from VTR and WELL in 3Q. We recently upgraded OHI and SBRA given (1) their portfolios are in better shape today than pre-COVID given lease restructurings done over the last 3 years. We believe this warrants a higher multiple from lower bad debt going forward. (2) OHI & SBRA invest in SNFs which trade at high cap rates. We expect their investment spreads relative to their cost of capital to remain healthy. (3) Given the pandemic, investment volumes were light over the last few years. We see improving investment volumes as a key source of upside relative to our estimates. (4) SBRA benefits from the SH recovery. (5) CMS minimum staffing requirements were better than expected. Long term we like life science but supply remains a major overhang for 2024 given scheduled deliveries. We remain negative on MOBS given rising interest rates and limited investment volumes.

- **Last quarter review**: See our weekly earnings recap of 2Q Healthcare results:
    - Healthcare earnings recap: ARE & PEAK
    - Healthcare earnings recap: DOC, OHI, VTR, WELL
    - Repositioning in Healthcare REITs MPW, SBRA & VTR as 2Q earnings wrap up

- **What to watch**: Key themes: (1) WELL's operating platform and implications for 2024 growth (2) Supply update for the Life Science sub-sector (3) VTR's latest thoughts on pricing power in their SHOP portfolio (4) external growth for the SNF REITs.

Industrial

- **Big picture**: We expect another positive earnings season as the latest updates at our Global Real Estate Conference indicate that healthy demand has continued into September. EGP's QTD GAAP and cash leasing spreads through August accelerated +330bp Q/Q and +230bp Q/Q, respectively. PLD continues to meet its rent targets. REXR's QTD leasing spreads and occupancy through early September is trending ahead of its implied 2H23 guidance. Overall, YTD market fundamentals are exceeding the levels suggested by IndRel, our proprietary leading Industrial real estate indicator. Positively, datapoints from our September IndRel update have started to improve following a period of moderation. We see this potential inflection point as a positive read-through to demand starting in late Spring 2024. We expect the REITs will maintain their cautiously positive tone towards 2024 given fundamentals remain healthy and potentially higher for longer rates further mitigate supply risk. Prologis is forecasting 35% lower deliveries in 2024 as new construction has continued to decline. We maintain our positive thesis on the sector with macro tailwinds in-tact (see our 2023 Industrial Year Ahead) and a favorable supply picture for landlords in 2024.

- **Last quarter review**: Industrial REITs delivered another strong quarter with four beats (EGP, ILPT, LXP & PLD) and two meets (REXR & STAG) vs. the Street. Spreads on leases signed accelerated to record highs. Our Buy-rated REITs (EGP, PLD & REXR) bumped '23 FFO/sh guidance. See our 2Q23 Industrial Quarterly for more.

- **What to watch**: We look for the latest color around market rent growth expectations and fundamentals across key markets. In particular, we will pay close attention to the latest trends in Southern California, including how performance has varied across submarkets and warehouse size/quality. We expect the REITs to showcase outperformance compared to the rest of the market since many of the REIT portfolios comprise of higher quality assets. We also look for more color around opportunities for the REITs to partner with merchant developers that have been sitting on the sidelines due to elevated interest rates / limited access to financing. On the transaction market, we will watch for any signs of increased activity or cap rate stabilization. Finally, we expect the REITs to discuss continued opportunities arising from onshoring/nearshoring given this was a major topic at our Global Real Estate Conference. Our 3Q23 Industrial market expert call with Avison Young on Monday, October 16th will provide us with the latest updates ahead of earnings (contact your BofA salesperson to register).

Cold Storage

- **Big picture:** Management expects their service margin to hit pre-pandemic levels (~9%) by the end of next year. COLD expects to grow their service margin to 15% over time through: (1) better pricing, (2) higher productivity, (3) expanded use of automated facilities, and (4) throughput volumes increasing.

- **Last quarter review:** See our COLD earnings recap of 2Q.

- **What to watch:** (1) Management believes the permanent employee ratio can hit 80% by year end. We look for more updates on the progress towards the target. (2) Management commented throughput volume has slowed as consumers change their behavior. We see this as a near term headwind but note throughput costs can be flexed partially. Unclear of the potential impact on earnings since occupancy may rise as throughput slows. (3) Will COLD be able to increase their fixed commitments in Europe and thoughts on bolt on acquisitions in Europe to grow their platform.

Lodging

- **Big Picture:** Lodging REITs are tracking +2% Y/Y in Q3, with full-service REITs (+2.7%) tracking ~100bps ahead of their select-service peers (+1.7%) largely on easier comps and market exposures. We expect REITs with group exposure to outperform as group RevPAR outpaced the broader US by 2pps. The tracker also suggests meaningful exposure to California and South Florida (PEB, HST, SHO, PK) could trail as leisure normalizes in Miami, while Los Angeles/San Francisco contend with other challenges such as strikes, weather, and other social issues. Hawaii was also an underperformer in Q3 due to the wildfires (see report) and we expect this to still be a source of underperformance in Q4. See our Q3 Pre-Preview for preliminary takes on RevPAR for the quarter. Also, our Lodging Macro Tracker (see report) stabilized and improved last month, indicating potentially better trends ahead as early as October.

- **Last quarter review:** See our full Q2 Lodging earnings wrap for more details.

- **What to watch:** 1) any cracks in demand particularly on the leisure side, 2) signs of increasing cost pressure, especially as labor negotiations come into focus in 2024/2025, 3) health of the credit markets and appetite for hotel transactions in this environment.

Net Lease

- **Big Picture**: In our view, the rapid cost of capital adjustment for the net lease REITs presents a significant growth headwind in 2024. Given the current interest rate environment, REITs will face a headwind to growth from refinancing in the future. We note that this is particularly acute for net lease REITs which have limited internal growth. The biggest risk we see is that private market cap rates do not adjust as quickly as net lease REITs' cost of capital. A slower adjustment in the private markets would result in lower investment spreads with a potential to cause investment volumes to come in below our expectations for 2024. We view this as a key source of potential downside.

- **Last quarter review**: See our Net Lease Earnings Recap note for a recap of 2Q Net Lease results.

- **What to watch:** We are laser focused on adjustments to private market cap rates given the rapid change in the net lease REITs cost of capital. Key risk is that investment volumes slow in the meantime. That is not factored into our models at this point and would be a downside risk to earnings.

Office

- **Big picture:** Tenants continue to evaluate their office space needs, weighing on the outlook for demand but certain submarkets are showing signs of improvements. BXP and VNO indicated rents in Midtown Manhattan are bottoming at our global conference. The recovery in West Coast markets continues to lag and supply in Sunbelt markets is a key issue. Our 3Q23 US Office market expert call with Avison Young on Monday, October 16th will provide us with the latest updates ahead of earnings (contact your BofA salesperson to register).

  We continue to favor Office REITs with quality assets and strong balance sheets. We would not be surprised to see 3Q23 office beats given low expectations but do not anticipate core guidance bumps given growing economic uncertainty. While Office REIT balance sheets have been heavily scrutinized and majority of 2023 maturities have been addressed (See our capital requirements note), we see some downside risk to earnings for those with higher floating rate exposure and rolling swap expiries (SLG, PGRE, and VNO). Investment volumes remain limited and size of the deals to date have been less representative of REIT portfolios.

- **Last quarter review:** Office REITs generally were in line to better-than-expected in 2Q23 with 69% reporting beats across our coverage. NYC office results outperformed, while Sunbelt was in line and West Coast was disappointing. The NYC market was on top for demand with the Sunbelt following, but the West Coast is taking longer-than-expected to catch up despite the new AI demand. To reflect our updated views on valuation and the lagging performance in the West Coast, we downgraded DEI to Underperform (previously: Neutral), KRC to Neutral (previously: Buy) and added ESRT to our Top Picks list. See our Office Quarterly for more details on 2Q23 Office results.

- **What to watch:** While public REITs historically outperform within their markets, we look for differences in demand outlooks across industries as well as operating conditions between NYC, Sunbelt and West Coast portfolios. Other updates we are looking for are occupancy, leasing activity, large tenant lease expiration risks, leasing pipeline demand and expiring interest rate swap/cap contracts. While we expect limited price discovery as a number of REITs are pursing strategic asset sales to build liquidity, we look for further transaction data points or evidence that the bid-ask spread is narrowing.

Residential

- **Big picture:** Ahead of our global real estate conference, residential REITs provided QTD operating updates weaker than expected. The only exception was AMH. We expect further softening from both normal seasonality but also in some cases softer demand, higher supply and bad debt staying an issue for longer. We look for messaging from management teams on building blocks for 2024. We expect meets and maintains with 3Q results.

- **Last quarter review:** See our weekly earnings recap of 2Q Residential results:
    - Residential earnings weekly recap: AVB, CPT, KW
    - Residential earnings weekly recap: AMH, ESS, EQR, INVH, VRE, SUI, UDR
    - Residential earnings weekly recap: ELS

- **What to watch:**
    - **Apartments**: Lease rate growth moderated faster than we expected going into our Conference. The average QTD blended leasing rate is 2.9% vs. our estimate of 3.7% for the full quarter. Insurance will be a headwind in 2024. Positively, REITs will benefit from the potential cut of school tax rates in Texas. We look for management's comments on managing operating expenses to drive margin growth.
    - **Manufactured Housing:** SUI remains the center of our conversations. We recently downgraded SUI based on uncertainty from where the UK stabilizes from a volume and margin perspective. We see other potential headwinds to grow from their seller financing notes and we look for more color from management on this front. ELS provided QTD SS RV & Marina revenue growth (2.1%) lower than our expectation (3.3%). We look to understand what's driving the softness.

- **Single Family Rentals:** INVH's operating updates showed QTD rate growth slowed, and occupancy fell further than expected. In contrast, AMH's updates were better than we expected on the rate growth front. INVH's softness appeared to be driven by bad debt move outs (AMH has no California exposure). However, rent fatigue may be setting in. INVH pushed rate growth more than AMH in 2021/22. We will be watching this trend closely as it may signal that AMH can push rate more than INVH as it catches up to INVH. We would not be surprised if INVH purchased additional portfolios during the quarter or post 3Q. Other focus areas are: (1) development cost, (2) operating expenses and (3) transaction cap rate.

Retail

- **Big picture:** Investor sentiment remains mixed on Retail. Most agree the consumer is facing greater pressures given signs of softer spending. On a m/m SA basis, BAC card spending per HH remained weak in furniture, home improvement and clothing. Meanwhile, spending growth at general merchandise stores and restaurants improved relative to August. See the latest BofA USA report for disclaimers and methodology around the BAC data. At our Global Conference, the REITs said they are not seeing signs of consumer cracks nor changes to their watch list tenant store exposures. Given the backdrop of strong demand for space and low supply, pricing power remains in the landlord's favor. For 3Q, we expect a mix of meets & beats and more guidance raises as the REITs have greater visibility on store closings expectatons for the full-year.

  While 2023 has been stronger than expected for Retail, earnings visibility into 2024 is an area of concern. The key question for Retail REITs is how can they sustain pricing power as we exit the year? While we do not expect '24 guidance, we would appreciate more color on the building blocks for earnings growth in 2024. We view this as a key catalyst. In our view shopping center REITs with high quality attributes will prove as the most defensive into year-end. See BofA's assessment of US Shopping Center REITs for our full ranking analysis. We are more cautious on Mall REITs heading into the 2H23 given signs of softer discretionary spending. As a reminder, MAC, SPG and SKT reported declines in tenant sales per sq. ft. last quarter.

- **Last quarter review:** 2Q results were in line to better than expected. 9 REITs beat, KIM met, while SPG & MAC missed. 10 REITs raised earnings guidance while ROIC and MAC maintained. Of the 10 that raised, seven REITs only raised the lower end of guidance and kept the top end. Strip REITs with higher exposure to Bed Bath & Beyond reported a slight drag to leased occupancy in 2Q primarily from rejected leases. Some expect this drag to continue in 2023 given the time to backfill leases / open stores. Positive, all REITs kept or lowered their '23 assumptions for bad debt and bankruptcies. See our 2Q23 Retail Quarterly for more detail.

- **What to watch:** (1) More detail on the building blocks for the expected earn-in to SS revenue growth in 2024 and how this will translate into earnings, (2) any new disclosures around capital expenditures and the bottom-line impact to earnings as this remains an area of confusion, (3) retailers' health and sales performance particularly for the Mall REITs, (4) details on new shopping center deals that closed during 3Q, and (5) further details from Kimco on the integration of RPT given the recent S-4 that was filed.

Self-Storage

- **Big picture:** It has been an unusual year for the Storage sector. 2023 has been marked by inconsistent trends and the emergence of a more price-sensitive new customer in June. The final months of 2023 are critical to determining whether 2023 is a year of normalization following two years of record growth or if demand is weakening. We are approaching easier comps which may help the REITs regain pricing power on the new customer. The key question is the timing around closing the Y/Y street rate gap and what this implies for the setup into 2024. Positively, the existing customer remains healthy. As we wrote in our September Storage BAC card data report, U.S. spending in September was flat M/M which was better than the historical trend of a -1.6% decline from 2014-19. On a Y/Y basis, spending was still down -2.2% but this gap is smaller than the -3.4% Y/Y in August. We are positive on the September improvement but October's trends will be even more crucial. See the latest BofA on USA report for disclaimers and methodology around the BAC data.

- **Last quarter review:** The Storage REITs posted disappointing 2Q23 results except for PSA given their beat & guidance raise. CUBE, EXR and NSA missed and lowered guidance to varying degrees on an expected weaker 2H23. The biggest issues facing the REITs were inconsistent trends in 1H23 and greater price sensitivity from new customers. Positively, the existing customer remained healthy. See our 2Q23 Storage Quarterly here.

- **What to watch:** We will pay close attention to any comments around street rate and new customer demand through October. We look for updates on occupancy, move ins / move outs and web traffic trends. We continue to watch closely for any changes in existing customer behavior. We also look for color on the transaction market, such as thoughts around cap rates and buyer vs seller expectations. Also key to watch: more detail and/or updated guidance from EXR on the LSI merger. Finally, we will pay attention to any commentary around 2023 guidance and the setup into 2024.

Key terms

AFFO: Adjusted Funds From Operations
AI: Artifactial intelligence
BAC: Bank of America Corporation
CMS: Centers for Medicare and Medicaid Services
Comm infra: Communications Infrastructure
DEI: Douglas Emmett Inc.
EBITDA: Earnings before interest taxes depreciation and amortization
EV: Equity value
FFO: Funds From Operations
FX: Foreign exchange
HH: Households
IndRel: Industrial and Labor Relations
JV: Joint Venture
M&A: Merger and acquisition
MLA: Master Lease Agreement
M/M: month over month
MOB: Medical office building
MSA: Metropolitan statistical area
NOI: net operating income
PGRE: Paramount Group
QTD: Quarter to date
RE: Real Estate
RevPAR: Revenue per available room
RevPOR: Revenue per occupied room
RMZ: MSCI US REIT Index
RV: recreational vehicle
SA: Seasoanlly Adjusted
SHOP: Senior Housing Operating Portfolio
SLG: SL Green Realty
SNF: skilled nursing facilities
SPX: S&P 500
SS: Same Store
STAG: Stag Industrial
USDA: United States Department of Agriculture
VNO: Vornado Realty Trust
WC: West Coast
YTD: Year to date
Y/Y: year over year
AMT: American Tower Corporation
AMH: American Homes 4 Rent Class A
BXP: Boston Properties
COLD: Americold Realty Trust, Inc.
CCI: Crown Castle Inc.
CUBE: CubeSmart
DLR: Digital Realty Trust, Inc.
DEI: Douglas Emmett Inc
EGP: EastGroup Properties, Inc.
EQIX: Equinix, Inc.
ELS: Equity LifeStyle Properties, Inc.
EXR: Extra Space Storage Inc.
HST: Host Hotels and Resorts Inc
HPP: Hudson Pacific Properties Inc.
INVH: Invitation Homes, Inc.
ILPT: Industrial Logistics Property Trust
KRC: Kilroy Realty

KIM: Kimco Realty Corp
LXP: LXP Industrial Trust
MAC: Macerich Co Equity
NSA: National Storage Affiliates Trust
OHI: Omega Healthcare Investors Inc
PEB: Pebblebrook Hotel Trust
PGRE: Paramount Group Inc.
PLD: Prologis, Inc.
PK: Park Hotels & Resorts Inc
PSA: Public Storage
REXR: Rexford Industrial Realty, Inc.
ROIC: Retail Opportunity Investments
SBAC: SBA Communications Corp. Class A
SBRA: Sabra Health Care REIT Inc
SHO: Sunstone Hotel Investors Inc
SLG: SL Green Realty Corp
STAG: STAG Industrial Corp
SUI: Sun Communities, Inc.
TPG:TPG Inc
VNO: Vornado Realty Trust
VTR: Ventas, Inc.
WELL: Welltower Inc.

Estimate Changes

Exhibit 1: Summary of estimate changes
Updated published FFO estimates after review of models

	2023		2024		2025		2026		2027	
Ticker	**Old**	**New**	**Old**	**New**	**Old**	**New**	**Old**	**New**	**Old**	**New**
COLD	$1.25	$1.22	$1.43	$1.51	$1.61	$1.78	$1.72	$1.98	$1.83	$2.19
HPP	$1.08	$1.05	$1.48	$1.36	$1.54	$1.54	$1.55	$1.53	$1.51	$1.52

Source: BofA Global Research
Note: COLD uses AFFO estimates.

BofA GLOBAL RESEARCH

COLD (B-1-7)

After reviewing our model, we are changing AFFO estimates for COLD but maintaining our price objective of $36.00. Our $36.00 price objective is derived using a forward EV/EBITDA multiple method. Our PO is based on a forward EV/EBITDA multiple of 21.5x (unchanged) applied to our forward core EBITDA forecast of $584mn.

HPP (B-2-8)

Following a review of of operating conditions in HPP's markets, we are maintaining our price objective of $6.50. Our $6.50 price objective represents a -30% discount (unchanged) to our forward NAV estimate. We derive our NAV estimate by applying a 8.8% (unchanged) cap rate to our forward NOI estimate of $544mn (previously: $547mn).

3Q23 Earnings Calendar

Exhibit 2: 3Q23 Earnings Calendar

Earnings release and conference call dates for the 3Q23 earnings season

Company Name	Ticker	Conf. Call	Conf. Call Time	Conf. Call Number	Passcode	Earnings Release	3Q23 FFOe BofA	3Q23 FFOe Street	2023 FFOe BofA	2023 FFOe Street	2023 Guidance
Week of Oct 16 - 20											
Equity LifeStyle Properties, Inc.	ELS	10/17/2023	11:00 AM	NA		10/16/2023	$0.72	$0.72	$2.86	$2.85	$2.80-2.90
Prologis, Inc.	PLD	10/17/2023	12:00 PM	(877) 897-2615		10/17/2023	$1.26	$1.26	$5.60	$5.59	$5.56-5.60
Crown Castle Inc.	CCI	10/19/2023	10:30 AM	(833) 816-1115		10/18/2023	$0.81	$1.80	$3.65	$7.54	$7.50-7.58
First Industrial Realty Trust, Inc.	FR	10/19/2023	11:00 AM	(877) 870-4263	First Industrial	10/18/2023		$0.61		$2.42	$2.37-2.45
Rexford Industrial Realty, Inc.	REXR	10/19/2023	1:00 PM	(877) 407-0789		10/18/2023	$0.56	$0.56	$2.18	$2.18	$2.13-2.16
SL Green Realty Corp.	SLG	10/19/2023	2:00 PM	NA		10/18/2023	$1.28	$1.26	$5.56	$5.52	$5.30-5.60
Week of Oct 23 - 27											
Alexandria Real Estate Equities, Inc.	ARE	10/24/2023	3:00 PM	(833) 366-1125		10/23/2023	$2.25	$2.24	$8.96	$8.95	$8.93-8.99
Agree Realty Corporation	ADC	10/25/2023	9:00 AM	(866) 363-3979		10/24/2023	$0.98	$0.99	$3.93	$3.94	NA
Brandywine Realty Trust	BDN	10/25/2023	9:00 AM	NA		10/24/2023	$0.28	$0.28	$1.14	$1.15	$1.14-1.18
Retail Opportunity Investments Corp.	ROIC	10/25/2023	9:00 AM	NA		10/24/2023	$0.28	$0.27	$1.08	$1.06	$1.05-1.11
American Assets Trust, Inc.	AAT	10/25/2023	11:00 AM	(833) 630-1956		10/24/2023	$0.54	$0.55	$2.33	$2.35	$2.28-2.36
EastGroup Properties, Inc.	EGP	10/25/2023	11:00 AM	(888) 346-0688	EastGroup	10/24/2023	$1.95	$1.93	$7.66	$7.66	$7.58-7.68
Highwoods Properties, Inc.	HIW	10/25/2023	11:00 AM	(833) 470-1428	052370	10/24/2023	$0.94	$0.93	$3.79	$3.77	$3.69-3.81
Equinix, Inc.	EQIX	10/25/2023	5:30 PM	(517) 308-9482	EQIX	10/25/2023	$2.30	$7.82	$9.58	$31.95	$31.51-32.15
American Tower Corporation	AMT	10/26/2023	8:30 AM	(844) 291-4185	9155827	10/26/2023	$1.08	$2.39	$4.31	$9.80	$9.61-9.79
EPR Properties	EPR	10/26/2023	8:30 AM	NA		10/25/2023	$1.40	$1.38	$5.17	$5.10	$5.05-5.15
Getty Realty Corp.	GTY	10/26/2023	8:30 AM	(877) 423-9813		10/25/2023	$0.55	$0.54	$2.14	$2.12	$2.23-2.24
Kimco Realty Corporation	KIM	10/26/2023	8:30 AM	(888) 317-6003	9938295	10/26/2023	$0.39	$0.39	$1.57	$1.57	$1.55-1.57
Essential Properties Realty Trust, Inc.	EPRT	10/26/2023	10:00 AM	(877) 407-9208		10/25/2023	$0.42	$0.43	$1.72	$1.73	$1.62-1.65
Mid-America Apartment Communities, Inc.	MAA	10/26/2023	10:00 AM	(877) 830-2597	MAA	10/25/2023	$2.25	$2.28	$9.14	$9.24	$9.00-9.28
Industrial Logistics Properties Trust	ILPT	10/26/2023	10:00 AM	(877) 418-4826		10/25/2023		$0.11		$0.46	NA
Invitation Homes, Inc.	INVH	10/26/2023	11:00 AM	(888) 330-2384	7714113	10/25/2023	$0.45	$0.45	$1.79	$1.79	$1.75-1.81
NETSTREIT Corp.	NTST	10/26/2023	11:00 AM	(877) 451-6152		10/25/2023	$0.30	$0.29	$1.16	$1.15	$1.20-1.23
Empire State Realty Trust, Inc. Class A	ESRT	10/26/2023	12:00 PM	(877) 407-3982		10/25/2023	$0.23	$0.22	$0.87	$0.86	$0.83-0.86
AvalonBay Communities, Inc.	AVB	10/26/2023	1:00 PM	(877) 407-9716		10/25/2023	$2.62	$2.63	$10.59	$10.59	$10.46-10.66
Kilroy Realty Corporation	KRC	10/26/2023	1:00 PM	(844) 200-6205	383102	10/25/2023	$1.06	$1.07	$4.51	$4.51	$4.43-4.53
Sun Communities, Inc.	SUI	10/26/2023	2:00 PM	(877) 407-9039		10/25/2023	$2.50	$2.50	$7.08	$7.12	$7.09-7.23
Digital Realty Trust, Inc.	DLR	10/26/2023	5:00 PM	(888) 317-6003	0455927	10/26/2023	$0.34	$1.62	$1.06	$6.63	$6.55-6.65
Cousins Properties Incorporated	CUZ	10/27/2023	10:00 AM	(877) 247-1056		10/26/2023	$0.65	$0.65	$2.63	$2.62	$2.57-2.65
STAG Industrial, Inc.	STAG	10/27/2023	10:00 AM	(877) 407-4018		10/26/2023	$0.56	$0.57	$2.25	$2.26	$2.23-2.27
Camden Property Trust	CPT	10/27/2023	11:00 AM	(888) 317-6003	9996059	10/26/2023	$1.73	$1.73	$6.87	$6.88	$6.83-6.93
LTC Properties, Inc.	LTC	10/27/2023	11:00 AM	(888) 506-0062	273665	10/26/2023		$0.64		$2.63	NA
UDR, Inc.	UDR	10/27/2023	12:00 PM	(877) 423-9813		10/26/2023	$0.63	$0.63	$2.49	$2.49	$2.47-2.51
Essex Property Trust, Inc.	ESS	10/27/2023	1:00 PM	(877) 407-0784		10/26/2023	$3.77	$3.77	$15.05	$15.03	$14.88-15.12
Week of Oct 30 - Nov 3											
Simon Property Group, Inc.	SPG	10/30/2023	5:00 PM	(877) 423-9813	13741427	10/30/2023	$2.98	$2.97	$11.91	$11.87	$11.85-11.95
LXP Industrial Trust	LXP	10/31/2023	8:30 AM	(888) 660-6082	1576583	10/31/2023	$0.17	$0.18	$0.69	$0.69	$0.66-0.70
Urban Edge Properties	UE	10/31/2023	8:30 AM	(877) 407-9716	13740635	10/31/2023		$0.27		$1.18	$1.13-1.16
Piedmont Office Realty Trust, Inc. Class A	PDM	10/31/2023	9:00 AM	(888) 506-0062	860934	10/30/2023		$0.43		$1.75	$1.74-1.80
Brixmor Property Group, Inc.	BRX	10/31/2023	10:00 AM	(877) 704-4453		10/30/2023	$0.50	$0.50	$2.02	$2.03	$1.99-2.04
Equity Commonwealth	EQC	10/31/2023	10:00 AM	NA		10/30/2023	$0.22	$0.22	$0.84	$0.88	NA
Office Properties Income Trust	OPI	10/31/2023	10:00 AM	(877) 328-1172		10/30/2023	$0.99	$0.99	$3.87	$4.07	NA
Vornado Realty Trust	VNO	10/31/2023	10:00 AM	NA		10/30/2023	$0.65	$0.66	$2.62	$2.64	NA

Exhibit 2: 3Q23 Earnings Calendar

Earnings release and conference call dates for the 3Q23 earnings season

Company Name	Ticker	Conf. Call	Conf. Call Time	Conf. Call Number	Passcode	Earnings Release	3Q23 FFOe BofA	3Q23 FFOe Street	2023 FFOe BofA	2023 FFOe Street	2023 Guidance
Acadia Realty Trust	AKR	10/31/2023	11:00 AM	NA		10/30/2023	$0.27	$0.27	$1.26	$1.30	$1.28-1.36
Easterly Government Properties Inc	DEA	10/31/2023	11:00 AM	NA		10/31/2023		$0.29		$1.13	$1.12-1.14
Public Storage	PSA	10/31/2023	12:00 PM	(877) 407-9039		10/30/2023	$4.21	$4.21	$16.78	$16.75	$16.40-16.80
Kite Realty Group Trust	KRG	10/31/2023	1:00 PM	NA		10/30/2023	$0.48	$0.48	$1.97	$1.97	$1.96-2.00
Macerich Company	MAC	10/31/2023	1:00 PM	NA		10/31/2023	$0.45	$0.44	$1.80	$1.79	$1.78-1.84
Whitestone REIT	WSR	11/01/2023	8:00 AM	(877) 407-0784	13734726	10/31/2023		$0.23		$0.92	$0.90-0.94
Equity Residential	EQR	11/01/2023	11:00 AM	NA		10/31/2023	$0.98	$0.97	$3.80	$3.79	$3.77-3.83
Phillips Edison & Company, Inc.	PECO	11/01/2023	12:00 PM	(888) 210-4659	2035308	10/31/2023	$0.57	$0.57	$2.30	$2.30	$2.27-2.32
Douglas Emmett, Inc	DEI	11/01/2023	2:00 PM	(888) 349-0488		10/31/2023	$0.43	$0.44	$1.81	$1.83	$1.81-1.85
Armada Hoffler Properties, Inc.	AHH	11/02/2023	8:30 AM	(888) 259-6580	92445802	11/02/2023	$0.32	$0.31	$1.25	$1.25	$1.23-1.27
Boston Properties, Inc.	BXP	11/02/2023	10:00 AM	NA		11/01/2023	$1.85	$1.84	$7.29	$7.28	$7.24-7.29
Diversified Healthcare Trust	DHC	11/02/2023	10:00 AM	(877) 329-4297		11/01/2023	$0.08	$0.08	$0.28	$0.28	NA
InvenTrust Properties Corp	IVT	11/02/2023	10:00 AM	(833) 470-1428	566010	11/01/2023	$0.41	$0.42	$1.67	$1.66	$1.64-1.69
Hudson Pacific Properties, Inc.	HPP	11/02/2023	12:00 PM	(833) 470-1428	214013	11/01/2023	$0.24	$0.23	$1.08	$1.10	NA
Kennedy-Wilson Holdings, Inc.	KW	11/02/2023	12:00 PM	(844) 340-4761		11/01/2023	$0.44	NA	$1.53	NA	NA
National Storage Affiliates Trust	NSA	11/02/2023	1:00 PM	(877) 407-9711		11/01/2023	$0.66	$0.67	$2.65	$2.66	$2.63-2.69
Americold Realty Trust, Inc.	COLD	11/02/2023	5:00 PM	(877) 407-3982		11/02/2023	$0.29	$0.32	$1.25	$1.25	$1.20-1.30
Federal Realty Investment Trust	FRT	11/02/2023	5:00 PM	(844) 826-3035		11/02/2023	$1.62	$1.62	$6.53	$6.52	$6.46-6.58
SBA Communications Corp. Class A	SBAC	11/02/2023	5:00 PM	(877) 692-8955	435962	11/02/2023	$1.15	$3.24	$5.21	$12.93	$12.75-13.11
Physicians Realty Trust	DOC	11/03/2023	10:00 AM	(877) 407-0784		11/03/2023	$0.26	$0.25	$1.01	$1.01	NA
Omega Healthcare Investors, Inc.	OHI	11/3/2023	10:00 AM	(877) 407-9124		11/02/2023	$0.71	$0.69	$2.87	$2.77	NA
Regency Centers Corporation	REG	11/03/2023	11:00 AM	(877) 407-0789		11/02/2023	$1.01	$1.02	$4.14	$4.14	$4.11-4.15
American Homes 4 Rent Class A	AMH	11/03/2023	12:00 PM	(877) 451-6152		11/02/2023	$0.41	$0.41	$1.65	$1.65	$1.62-1.66
Apartment Income REIT Corp	AIRC	11/03/2023	1:00 PM	(888) 259-6580	32498060	11/02/2023		$0.62		$2.40	$2.38-2.44
Week of Nov 6 - Nov 10											
Tanger Factory Outlet Centers, Inc.	SKT	11/07/2023	8:30 AM	(877) 605-1702		11/06/2023	$0.47	$0.48	$1.89	$1.92	$1.86-1.93
Realty Income Corporation	O	11/07/2023	2:30 PM	(833) 816-1264		11/06/2023	$1.01	$1.02	$4.08	$4.11	$4.07-4.15
National Health Investors, Inc.	NHI	11/08/2023	11:00 AM	(800) 909-4195	22027900	11/07/2023		$1.08		$4.37	$4.35-4.39
Tricon Residential Inc	TCN	11/08/2023	11:00 AM	(888) 550-5422	3699415	11/07/2023		$0.14		$0.56	$0.55-0.58
Extra Space Storage Inc.	EXR	11/08/2023	1:00 PM	NA		11/07/2023	$2.05	$1.79	$8.18	$7.86	$8.15-8.35
UMH Properties, Inc.	UMH	11/09/2023	10:00 AM	(877) 513-1898		11/08/2023		$0.22		$0.81	NA

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 3: Companies Mentioned
These are the REITs mentioned in this report

Ticker	PO	Rating	QRQ	Price
AMH	43.00	BUY	B-1-7	$34.81
AMT	220.00	BUY	B-1-7	$164.24
BXP	75.00	BUY	B-1-7	$56.20
CCI	115.00	NEUTRAL	B-2-7	$94.31
COLD	36.00	BUY	B-1-7	$27.46
CUBE	51.00	BUY	B-1-7	$38.38
DEI	10.00	UNDERPERFORM	B-3-8	$12.00
DLR	132.00	BUY	B-1-7	$124.44
EGP	206.00	BUY	B-1-7	$165.65
ELS	81.00	BUY	A-1-7	$64.30
EQIX	850.00	BUY	B-1-7	$743.33
EXR	146.00	BUY	B-1-7	$120.11
HPP	6.50	NEUTRAL	B-2-8	$5.82
HST	18.00	UNDERPERFORM	B-3-7	$16.06
INVH	41.00	BUY	B-1-7	$32.66
KIM	24.00	BUY	B-1-7	$17.23
KRC	40.00	NEUTRAL	B-2-7	$30.15
LXP	10.00	UNDERPERFORM	B-3-8	$8.33
MAC	13.50	NEUTRAL	C-2-8	$10.91
NSA	33.00	UNDERPERFORM	B-3-7	$31.14
OHI	36.00	BUY	B-1-7	$33.90
PEB	16.00	NEUTRAL	C-2-8	$13.32
PGRE	5.00	NEUTRAL	B-2-8	$4.31
PK	15.00	NEUTRAL	C-2-7	$12.02
PLD	149.00	BUY	B-1-7	$109.65
PSA	310.00	BUY	B-1-7	$272.96
REXR	69.00	BUY	B-1-7	$48.64
ROIC	17.00	BUY	B-1-7	$11.93
SBAC	245.00	NEUTRAL	B-2-7	$199.93
SBRA	16.00	BUY	B-1-7	$14.22
SHO	10.00	UNDERPERFORM	B-3-7	$9.47
SLG	36.00	NEUTRAL	C-2-8	$34.93
STAG	36.00	UNDERPERFORM	B-3-7	$34.40
SUI	128.00	NEUTRAL	B-2-7	$105.54
TPG	31.00	BUY	C-1-7	$30.18
VNO	24.00	NEUTRAL	C-2-8	$21.56
VTR	48.00	NEUTRAL	B-2-7	$42.77
WELL	93.00	BUY	B-1-7	$85.00

Source: BofA Global Research, prices as of 10/12/2023

BofA GLOBAL RESEARCH

[i]Relative within REITs, we view each REIT sector (i.e., office, apartments, retail, etc.) as either overweight (will outperform the RMZ rate of change in a twelve month period), underweight (will underperform the RMZ rate of change in a twelve month period), or equal weight (will be in line with RMZ rate of change over a twelve month period). The MSCI US REIT Index (RMZ) is a free float market capitalization weighted index that is comprised of Equity REIT securities that belong to the MSCI US Investable Market 2500 Index. The MSCI US REIT Index includes only REIT securities that are of reasonable size in terms of full and free float-adjusted market capitalization. MSCI began calculating the index on June26, 2005. The AMEX had previously been calculating the index with a base level of 200, as of December 30, 1994.

Price objective basis & risk

American Homes 4 Rent (AMH)

Our $43 PO for AMH trades at a 5% premium to our forward NAV estimate. We now apply a 5.0% cap rate to our forward stabilized NOI estimate. We derive current cap rates from Zillow based on median home prices and rents per MSA. Upside and downside risks to our PO are: inability to obtain financing for further acquisitions, acquisition pace of homes faster/slower than expected, home price appreciation faster/slower than expected (impacting the number of homes that can be acquired), transaction cap rates in its markets are higher/lower than what we're applying in the NAV, and stabilized NOI generated from its homes is higher/lower than expected.

American Tower Corp. (AMT)
Our PO of $220 is based on a 20x '24E AFFO multiple, a premium to the broader REIT sector (approx. 18x 2024E AFFO multiple) and tower peers. We believe AMT should trade at a higher multiple than the broader REIT sector as well as CCI and SBAC for its 1) peer leading AFFO/sh growth, 2) international exposure, 3) relatively small remaining Sprint churn impact, and 4) relative shielding from domestic carrier moderation due to its holistic MLA contract structure.
Risks: With contract-based pricing and margins a function of fixed tower economics, the biggest moving part to the tower story is future lease demand. Weaker-than-expected wireless subscriber growth could engender concern regarding the rate of future tower lease growth and negatively affect the stock. Delayed network upgrades among national carriers or slower market launches from new carriers could have a negative effect on the growth trajectory of wireless towers. With more than half its towers located outside the US, AMT is exposed to foreign currency fluctuations that could affect results and be negative for shares. Lastly, AMT's floating rate exposure (approx. 15%) will be a headwind to earnings in this higher interest rate environment.

Americold Realty Trust (COLD)
Our $36 price objective is derived using a forward EV/EBITDA multiple method. We believe this is the simplest method for valuing COLD but recognize there are several methods to determine valuation. Our PO is based on a forward EV/EBITDA multiple of 21.5x applied to our forward EBITDA forecast of $584mn. We back out our forward net debt assumption of $2.8bn from our applied EV of $12.5bn to arrive at a market capitalization of $9.8bn.

Downside risks to our PO are: increasing supply, development spending on large automated facilities, operational risks, and cold storage customers bringing more of their inventory to in-house cold storage networks.

Boston Properties (BXP)
Our price objective for BXP of $75 is -5% discount to our forward 12-month NAV estimate. We apply a 6.8% cap rate to our forward 12-month NOI estimate of $2.03B to calculate our NAV. We apply this cap rate based on our view of private market transaction comps in BXP's markets. Risks to our price objective are development leasing, operating conditions in BXP's office markets and development yields below our expectations. Further, a prolonged period of tight credit market conditions could weigh on access to capital, borrowing costs, and direct real estate values.

Crown Castle Inc (CCI)
Our $115 PO is based on a weighted approx. 16x 2024E AFFO multiple. We apply a 17x multiple to CCI's macro tower business (70% weighting given business exposure), a discount to both AMT and SBAC, as we expect lower organic 2024 growth from its tower business. We apply a 20x multiple to CCI's small cell business (10% weighting) and a 12x multiple to CCI's fiber business (20% weighting), a discount to the macro tower business based on higher business risks and capital intensity. We view the CCI story as a 'show me story' as we see the recent 2023E reduction in Tower leasing, increased interest rates, absence of 1x 2023 Sprint payments, elevated Sprint churn, and fiber business headwinds challenging AFFO/sh growth during the next couple years. We view CCI's small cell exposure and double digit revenue expectations positively, but note on the margin it will not drive revenue at scale (10% revenue exposure).

Upside risks to our PO are better line-of-sight to fiber new leasing and lower than historical churn, elevated domestic tower activity, increased small cell adoption leading to outsized growth, and faster than expected interest rate cuts.

Downside risks to our PO are further domestic tower activity pull back, lower than expected Services revenue, decline in small cell adoption and use, continued headwinds in fiber new leasing and increased churn, and further interest rate increases.

CubeSmart (CUBE)
Our price objective for CUBE of $54 assumes a 5% premium to our forward NAV/share estimate given a strong balance sheet, strong management team, and stable NY market conditions. We derive our NAV from applying the 5.2% cap rate to our forward NOI estimate. We use a 5.2% rate based on our view of interest rates over the next year and current private market/transaction comps. Downside risks to our PO are a significant systemic negative inflection in storage fundamentals and higher interest rates, while upside risks are a loosening of the debt markets and a better-than-expected performance driven by increased external growth and consumer demand for self storage space.

Digital Realty Trust Inc (DLR)
Our PO of $132 is based on a target 2024E core FFO multiple of 19x. This multiple is a premium to the broader REIT sector, but at a discount to data center peer, EQIX. We believe DLR should trade a premium to other REITs due to it being exposed to global pricing power and secular digital transformation tailwinds, much like EQIX. Yet, we believe DLR deserves a slight discount to EQIX due to its external funding model and lower forecasted core FFO/sh growth.

Downside risks to our price objective are increased competition, customer consolidation or bankruptcies. As a real estate company, Digital Realty remains exposed to excessive new supply in its markets, rising construction and capital costs, real estate values, and rising interest rates.

Douglas Emmett (DEI)
Our price objective of $10 for DEI is a -15% discount to our forward NAV estimate. For our NAV, we apply a 7.3% blended cap rate to our estimate of $552 of forward 12-month NOI. We use a 7.3% cap rate for DEI based on our view of asset values in DEI's submarkets, comparable transaction comps, and interest rates over the next year. Upside risks to our PO are better than expected operations and asset sale prices in DEI's markets. A key risk is DEI's focus on acquiring office assets on the West Side of LA, as pricing could be high due to high demand and competitive bids. Additional downside risks are operating conditions below our expectations and rising interest rates placing upward pressure on cap rates. Finally, a prolonged period of tight credit markets could weigh on DEI's access to capital, borrowing costs, and direct real estate values.

EastGroup Properties (EGP)
Our $206 price objective for EGP reflects our forward NAV estimate. We believe there is a secular demand tailwind for warehouse space and EGP's strong regional platform. We apply a 4.1% cap rate to our forward nominal cash NOI estimate of $458M to calculate our NAV. We use this cap rate for EGP based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of EGP. Downside risks to our price objective are a slower recovery in operating fundamentals and tenant demand, excess supply, and a slowdown in development opportunities. A tightening in credit markets could also weigh on access to capital, borrowing costs, and portfolio real estate values.

Equinix, Inc. (EQIX)

Our $850 price objective is based on a target multiple of appx. 24x 2024E AFFO/share. Our target multiple is a premium to the broader average REIT multiple of 16x as we believe EQIX's superior AFFO/sh growth, pricing power tailwinds, and competitive moat still merit a similar relative valuation premium to other REITs.

The risks to our price objective are 1) a prolonged downturn in Enterprise IT spending, 2) meaningful exposure to the financial industry, and 3) fluctuating FX rates.

Equity LifeStyle Properties (ELS)
Our $81 price objective for ELS trades in line with our forward NAV estimate. We derive our NAV estimate by applying a 3.7% cap rate to our forward NOI estimate. We use a 3.7% rate based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of ELS. Downside risks to our PO: declining affordable manufactured housing and RV fundamentals as well as higher interest rates, while upside risks are better than expected fundamentals and accretive acquisition opportunities as well as lower interest rates.

Extra Space Storage, Inc. (EXR)
Our price objective for EXR of $155 trades in line with our forward NAV/share estimate. We apply a 5.2% cap rate to our forward nominal NOI estimate to calculate our NAV. We apply this cap rate based on our view of private market/transaction comps, and the market concentration of EXR. Downside risks to our PO are a significant systemic negative inflection in storage fundamentals and higher interest rates, while upside risks are more than forecast accretive acquisitions and a better-than-expected fundamental performance driven by increased consumer demand for self-storage space.

Host Hotels & Resorts Inc. (HST)
Our $18 PO is based on approx. 9x our 2024E adjusted EBITDA, consistent with the group's multiple range and history. We believe this multiple is warranted given HST's asset quality, best-in-class management team and significant equity market liquidity, which helps differentiate the company from peers, offset by meaningful Top 25 market exposure, particularly in urban cores that are underperforming due to the pandemic.

Risks to the upside are: 1) better-than-expected RevPAR growth, and 2) better-than-expected earnings growth from a pick up in M&A activity. Risks to the downside are: 1) a weakening in the overall economic environment, leading to lower levels of business travel and depressed leisure spending, 2) higher-than-expected room supply growth, and 3) unforeseen circumstances, such as war or acts of terrorism.

Hudson Pacific Properties, Inc. (HPP)
Our $6.50 price objective for HPP is a -30.0% discount to our forward NAV estimate. We apply a 8.8% cap rate to our forward NOI estimate of $544M. We use a 8.8% cap rate for HPP based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of HPP. The upside risk to our PO is better-than-expected operations and asset values across HPP's markets. The downside risks are operating conditions and asset values in HPP's markets below our expectations. Further, a prolonged period of tight credit market conditions could weigh on access to capital, borrowing costs and direct real estate values. HPP earns more than 60% of its revenue from assets in the San Francisco Bay Area, adding regional concentration risk.

Invitation Homes Inc (INVH)
Our $41 PO for INVH trades in line with our forward NAV estimate. We apply a 5.0% cap rate to our forward stabilized NOI estimate. We derived current cap rates based on our view of interest rates over the next year, current private market/transaction comps, and INVH's current market exposure. Upside and downside risks to our PO are: access to financing, lower/higher interest rates, high/lower macro growth, lower/higher mortgage availability for homeowners, home price appreciation faster/slower than expected

(impacting the number of homes that can be acquired and/or NAV), acquisition pace of homes faster/slower than expected, transaction cap rates in its markets are lower/higher than what we're applying in the NAV, and stabilized NOI generated from its homes is higher/lower than expected.

Kilroy Realty Corporation (KRC)

Our $40 price objective for KRC is a -15.0% discount to our forward NAV estimate. This discount reflects uncertainty over office demand and development leasing in the current environment. We apply a 7.5% cap rate to our forward NOI estimate of $714M. We use a 7.5% cap rate for KRC based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of KRC. Downside risks to our PO are operating conditions, development leasing and investment yields below our expectations. Further, should credit market conditions weaken, it could weigh on KRC's access to capital, borrowing costs, and direct real estate values.

Kimco Realty (KIM)

Our $24 price objective assumes the stock trades at a 0% premium to our forward NAV estimate. We apply a 6.1% cap rate to our forward NOI estimate. We use a 6.1% cap rate for KIM based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of KIM. The risks to KIM achieving our price objective are a significant slowdown in retail sales, a rise in retailer bankruptcies and a sharp increase in long-term interest rates. Upside risk to our price objective is a faster and stronger-than-expected macro-economic recovery.

LXP Industrial Trust (LXP)

Our LXP price objective of $10.00 applies a -20% discount to our forward 12-month NAV estimate. We apply a 5.5% cap rate to our forward nominal cash NOI estimate of $290M to calculate our NAV. Upside risks to our PO are operating conditions and investment yields above our expectations, higher-than-forecast dividend growth and lower interest rates. Downside risks to our PO are operating conditions and investment yields below our expectations, and a prolonged period of tight credit market conditions, and rising interest rates.

Macerich (MAC)

Our $13.50 price objective assumes the stock trades in line with our forward NAV estimate given our view of improving leasing conditions and strong management, offset by the risk from a tougher lending environment. To get to our forward NAV we apply a 7.3% cap rate to our forward NOI estimate. We use 7.3% cap rate for MAC based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of MAC. The risks to MAC achieving our price objective are a significant slowdown in retail sales, a rise in retailer bankruptcies and a sharp increase in long-term interest rates. Upside risk to our price objective is a faster than expected macro-economy recovery.

National Storage Affiliates Trust (NSA)

Our price objective for NSA of $33 trades at a -15% discount to our forward NAV estimate given our view of heightened risk exposure to NSA's secondary/tertiary markets from weaker macroeconomic conditions and challenges to operating an internally/externally managed platform through these conditions. We apply a 6.5% cap rate to our forward nominal NOI estimate to calculate our NAV. We apply this cap rate based on NSA's current market implied cap rate, our view of private market/transaction comps, and the market concentration of NSA.

Downside risks to our PO are a significant systemic negative inflection in storage fundamentals and higher interest rates, while upside risks are more than forecast accretive acquisitions and a better-than-expected fundamental performance driven by increased consumer demand for self-storage space.

OMEGA Healthcare (OHI)
Our $36 price objective for OHI is derived by applying an adjusted funds from operations (AFFO) multiple to our 2024 forward AFFO estimate. We use a target AFFO multiple of 12.0x to our 2024 AFFO estimate, to be slightly above OHI's historical average of 11x. Risks to our price objective are increased government reimbursement pressure, better-/weaker-than-expected SNF demand from the aging of America, operator issues may rise again, volume/pricing of acquisition opportunities, and more / less government support. The pace of occupancy recovery post COVID is also a key risk.

Paramount Group (PGRE)
Our price objective of $5.00 for PGRE is a -20% discount to our NAV estimate. This discount reflects above average leverage and below average earnings visibility due to large future lease expirations. We apply a blended 8.1% cap rate to our forward NOI estimate of $372M. Downside risks to our PO are weaker than expected office conditions in New York and San Francisco and yields on investment below our expectations. Upside risks to our PO are better-than-expected comparable asset sale prices, operating conditions, and leasing progress across the office portfolio.

Park Hotels & Resorts Inc. (PK)
Our $15 PO is based on 9x our 2024E adjusted EBITDA estimate, which is in-line with peers and consistent with historical Lodging REIT trading levels.

Risks to the upside are: 1) better than expected RevPAR growth, and 2) better than expected macroeconomic conditions and accelerated corporate demand recovery. Risks to the downside are: 1) weakening in the overall economic environment leading to a delay in the re-starting of business travel and depressed leisure spending, 2) a resurgence in cases of COVID-19 both of which can delay Park's RevPAR recovery.

Pebblebrook Hotel Trust (PEB)
Our $16 PO is based on approximately 14x our 2024E EBITDA estimate, a premium to Lodging REITs peers that is consistent with historical trends. We believe this is supported by 1) the early stage of the lodging cycle, and 2) PEB's highly flexible portfolio that is largely unencumbered by debt or brands.

Upside risks to our PO are: 1) an accelerating RevPAR environment, driven by better macroeconomic data, 2) greater-than-expected margin expansion, and 3) accretive acquisitions.

Downside risks to our PO are: 1) a longer than expected recovery, 2) a second wave of the COVID-19 outbreak, 3) structural decline in urban gateway lodging demand, and 4) rate pressure across the industry from lower than anticipated demand.

Prologis, Inc. (PLD)
Our $149 PO for PLD is based on our forward 12-month NAV estimate. The estimate reflects the value of PLD's global platform and balance sheet offset by trade war fears. We apply a 4.0% cap rate to our forward 12-month NOI forecast of $6.139B to calculate our NAV. We view a slowdown in global trade and economic growth, a negative impact on real estate values from Brexit, operating conditions below our expectations, and heightened geopolitical tensions as downside risks to our PO. Tightening in credit markets could also weigh on access to capital, borrowing costs, and portfolio real estate values. Upside risks to our PO are better-than-expected operating conditions, an improved global trade outlook, and downward pressure on cap rates around the globe.

Public Storage, Inc. (PSA)
Our $340 PO applies a 7.5% premium to our forward NAV estimate. We apply a 7.5% premium due to the strength of PSA's balance sheet, investments in technology, and portfolio's scale. We apply a 5.0% cap rate to our forward nominal NOI estimate to

calculate our NAV. We use a 5.0% rate based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of PSA. Downside risks to our PO are a significant systemic negative inflection in storage fundamentals and higher interest rates, while upside risks are a loosening of the debt markets and a better-than-expected fundamental performance driven by increased consumer demand for self storage space.

Retail Opportunity Investments Corp. (ROIC)
Our $17 PO is in line with our forward NAV estimate as we believe this more reflective of market conditions and our view of improved earnings visibility for ROIC (previously we applied a -5% discount). We apply a 6.4% cap rate to our forward NOI estimate based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of ROIC. Downside risks to ROIC achieving our price objective are a significant downturn in retail sales, a rise in retailer bankruptcies, and a sharp increase in long-term interest rates. Upside risks to our price objective are a faster and stronger-than-expected recovery in the retail market and a faster pace in upgrading the quality of the portfolio recovery.

Rexford Industrial Realty (REXR)
Our $69 price objective for REXR is our forward NAV estimate. This reflects the value of REXR's unique operating and acquisition platform in its infill Southern California industrial markets. We apply a 3.8% cap rate to our forward nominal cash NOI estimate of $730M to calculate our NAV. We use this cap rate for REXR based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of REXR. Downside risks to our price objective are operating conditions below our expectations, a rise in cap rates in REXR's markets above our expectations, and failure by REXR to successfully execute on its investment strategy.

Sabra Health Care (SBRA)
Our $16.00 price objective for SBRA is derived by applying a 11.0x AFFO multiple to forward 2023 AFFO estimate as we look to earnings growth beyond 2022. We believe a 11.0x AFFO multiple is more consistent with SBRA's recent historical AFFO multiple which we think it deserves due to its similar growth rate. Upside and downside risks to our price objective are more / less acquisition, cap rates vs. SBRA's cost of capital, shifting industry trends, demand vs. supply for senior housing assets and interest rates.

SBA Communications Corporation (SBAC)
Our $245 price objective is based on a 18x 2024E AFFO/sh multiple, a slight discount to AMT. We expect slower domestic growth, elevated Sprint churn, and increased interest rates will inhibit AFFO/sh growth vs. peers in 2024+ and believe SBAC should trade at a lower multiple than our top pick AMT.

Upside risks to our PO are increased domestic deployments, particularly from TMUS and DISH, in 2H24, faster than expected interest rate cuts, and outsized growth in SBAC's international profile.

Downside risks to our PO are further domestic tower activity pull back, lower than expected Services revenue, increased international churn, regulatory pressures from international laws, and further interest rate increases.

SL Green Realty (SLG)
Our $36 price objective for SLG is a -20.0% discount to our forward NAV estimate. This discount reflects above average leverage, development risk and below average earnings visibility from known tenant move outs. We apply a 6.3% cap rate to our forward NOI estimate of $751M. Our cap rate is based on our view of current private market / transaction comps, and the market exposure of SLG. Upside risks to our PO are better-than-expected operating conditions and investment yields. Downside risks to our PO are

operating conditions and investment yields below our expectations. A prolonged period of tight credit market conditions could also weigh on these shares.

STAG Industrial (STAG)

Our STAG price objective of $36 represents our forward 12-month NAV estimate. Our NAV estimate is based on a blended 6.1% cap rate for the portfolio. Upside risks to our PO are higher-than-forecast dividend growth rates, stronger acquisition volumes and lower interest rates. The downside risks to our PO are that operating conditions in STAG's core markets, STAG's ability to complete acquisitions, or STAG's pricing on acquisitions are below our expectations, as well as rising interest rates.

Sun Communities (SUI)

Our $128 price objective for SUI trades in line with our forward NAV estimate. We derive our NAV estimate by applying a 5.4% cap rate to our forward NOI estimate. We use a 5.4% rate based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of SUI. Downside risks to our PO are declining affordable manufactured housing and RV fundamentals as well as higher interest rates, while upside risks are better than expected fundamentals and accretive acquisition opportunities as well as lower interest rates.

Sunstone Hotel Investors (SHO)

Our $10 price objective is based on approx 12x our 2024E adjusted EBITDA estimate versus SHO's historical range of 6-17x, which is in-line with peers and consistent with historical Lodging REIT trading levels.

Upside risks to our price objective are: 1) accretive acquisitions and 2) a better than expected economic recovery. Downside risks to our PO are: 1) greater-than-expected economic weakness, which may lead to further declines in travel demand, 2) overpaying for hotel acquisitions, and 3) acts or threats of terrorism.

Ventas, Inc. (VTR)

Our $48 price objective for VTR is derived by applying an AFFO multiple to our 2024 forward AFFO estimate as we look to a more normalized earnings period. We apply a target AFFO multiple of 20.0x, which reflects the current market conditions.

Upside risks to our price objective are better-than-expected senior housing fundamentals, declining interest rates, and lower tenant risk.
Downside risks to our price objective are weaker-than-expected senior housing fundamentals, increased tenant credit risk, and rising interest rates.

Vornado Realty (VNO)

Our $24 price objective for VNO is a -20% discount to our forward NAV estimate. This discount reflects below-average earnings visibility as VNO vacates space for redevelopment in the Penn District. We apply a 7.8% blended cap rate to our forward NOI estimate of $1,073M to calculate our NAV. We use this cap rate based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of VNO. Upside / downside risks to our PO are operating conditions, investment yields, development leasing and an economic outlook above / below our expectations. Tight credit market conditions could also weigh on VNO's shares.

Welltower (WELL)

Our $93 price objective for WELL is now derived by applying a AFFO Multiple to our 2024 forward AFFO estimate as we look to a more normalized earnings period. We use a target AFFO multiple of 25.0x and we believe this is warranted given: (1) depressed earnings due to the COVID pandemic, (2) our expectations of a multi-year period of above average earnings growth driven by a rebound in senior housing as the COVID pandemic fades. Upside risks to our PO are better-than-expected senior housing or medical office building performance, higher-than-forecast dividend growth and lower interest rates. Downside risks to our PO are further public-pay reimbursement cuts, a more competitive acquisitions environment, weaker-than-expected senior housing fundamentals, increased tenant credit risk, and rising interest rates.

Analyst Certification

We, Jeffrey Spector, Camille Bonnel, Dany Asad, David W. Barden, CFA, Joshua Dennerlein and Shaun C. Kelley, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - REITs Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Agree Realty Corp	ADC	ADC US	Joshua Dennerlein
	Alexandria Real Estate Equities	ARE	ARE US	Joshua Dennerlein
	American Homes 4 Rent	AMH	AMH US	Jeffrey Spector
	Americold Realty Trust	COLD	COLD US	Joshua Dennerlein
	AvalonBay Communities Inc	AVB	AVB US	Joshua Dennerlein
	Boston Properties	BXP	BXP US	Jeffrey Spector
	Brixmor Property Group	BRX	BRX US	Jeffrey Spector
	COPT Defense Properties	CDP	CDP US	Camille Bonnel
	Cousins Properties Inc.	CUZ	CUZ US	Camille Bonnel
	CubeSmart	CUBE	CUBE US	Jeffrey Spector
	EastGroup Properties	EGP	EGP US	Jeffrey Spector
	Empire State Realty Trust	ESRT	ESRT US	Camille Bonnel
	Equity LifeStyle Properties	ELS	ELS US	Jeffrey Spector
	Equity Residential	EQR	EQR US	Jeffrey Spector
	Essential Properties	EPRT	EPRT US	Joshua Dennerlein
	Extra Space Storage, Inc.	EXR	EXR US	Jeffrey Spector
	Federal Realty	FRT	FRT US	Jeffrey Spector
	Highwoods Properties	HIW	HIW US	Camille Bonnel
	Invitation Homes Inc	INVH	INVH US	Joshua Dennerlein
	Kimco Realty	KIM	KIM US	Jeffrey Spector
	Kite Realty Group	KRG	KRG US	Jeffrey Spector
	OMEGA Healthcare	OHI	OHI US	Joshua Dennerlein
	Phillips Edison & Company	PECO	PECO US	Jeffrey Spector
	Prologis, Inc.	PLD	PLD US	Camille Bonnel
	Public Storage, Inc.	PSA	PSA US	Jeffrey Spector
	Regency	REG	REG US	Jeffrey Spector
	Retail Opportunity Investments Corp.	ROIC	ROIC US	Jeffrey Spector
	Rexford Industrial Realty	REXR	REXR US	Camille Bonnel
	Sabra Health Care	SBRA	SBRA US	Joshua Dennerlein
	Simon Property	SPG	SPG US	Jeffrey Spector
	UDR, Inc.	UDR	UDR US	Joshua Dennerlein
	Welltower	WELL	WELL US	Joshua Dennerlein
NEUTRAL				
	Acadia Realty Trust	AKR	AKR US	Jeffrey Spector
	Camden Property Trust	CPT	CPT US	Joshua Dennerlein
	EPR Properties	EPR	EPR US	Joshua Dennerlein
	Essex Property Trust, Inc.	ESS	ESS US	Joshua Dennerlein
	Getty Realty Corp.	GTY	GTY US	Joshua Dennerlein
	Healthpeak Properties, Inc.	PEAK	PEAK US	Joshua Dennerlein
	Hudson Pacific Properties, Inc.	HPP	HPP US	Camille Bonnel
	InvenTrust Properties	IVT	IVT US	Jeffrey Spector
	Kennedy Wilson	KW	KW US	Joshua Dennerlein
	Kilroy Realty Corporation	KRC	KRC US	Camille Bonnel
	Macerich	MAC	MAC US	Jeffrey Spector
	Mid-America Apartment Communities, Inc.	MAA	MAA US	Joshua Dennerlein
	Paramount Group	PGRE	PGRE US	Camille Bonnel
	Realty Income	O	O US	Jeffrey Spector
	SL Green Realty	SLG	SLG US	Camille Bonnel
	Sun Communities	SUI	SUI US	Joshua Dennerlein
	Ventas, Inc.	VTR	VTR US	Jeffrey Spector
	Veris Residential Inc	VRE	VRE US	Joshua Dennerlein
	Vornado Realty	VNO	VNO US	Camille Bonnel
UNDERPERFORM				
	American Assets Trust	AAT	AAT US	Camille Bonnel
	Armada Hoffler Properties	AHH	AHH US	Camille Bonnel
	Brandywine Realty	BDN	BDN US	Camille Bonnel
	Diversified Healthcare Trust	DHC	DHC US	Joshua Dennerlein
	Douglas Emmett	DEI	DEI US	Camille Bonnel
	Equity Commonwealth	EQC	EQC US	Camille Bonnel
	LXP Industrial Trust	LXP	LXP US	Camille Bonnel
	Medical Properties Trust, Inc.	MPW	MPW US	Joshua Dennerlein
	National Storage Affiliates Trust	NSA	NSA US	Jeffrey Spector
	NetSTREIT	NTST	NTST US	Joshua Dennerlein

US - REITs Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	NNN REIT Inc	NNN	NNN US	Joshua Dennerlein
	Office Properties Income Trust	OPI	OPI US	Camille Bonnel
	Peakstone Realty Trust	PKST	PKST US	Joshua Dennerlein
	Physicians Realty Trust	DOC	DOC US	Joshua Dennerlein
	Spirit Realty Capital	SRC	SRC US	Joshua Dennerlein
	STAG Industrial	STAG	STAG US	Camille Bonnel
	Tanger Factory	SKT	SKT US	Jeffrey Spector
	WP Carey	WPC	WPC US	Joshua Dennerlein

North America - Telecom Services Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	American Tower Corp.	AMT	AMT US	David W. Barden, CFA
	AT&T Inc.	T	T US	David W. Barden, CFA
	Cogent	CCOI	CCOI US	David W. Barden, CFA
	Digital Realty Trust Inc	DLR	DLR US	David W. Barden, CFA
	Dycom Industries, Inc.	DY	DY US	Alexander Waters
	Equinix, Inc.	EQIX	EQIX US	David W. Barden, CFA
	Quebecor Inc.	YQBRB	QBR/B CN	Matthew Griffiths, CFA
	Rogers Communications	RCI	RCI US	David W. Barden, CFA
	Rogers Communications	YRCIB	RCI/B CN	David W. Barden, CFA
	TELUS Corporation	YT	T CN	David W. Barden, CFA
	TELUS Corporation	TU	TU US	David W. Barden, CFA
	T-Mobile US	TMUS	TMUS US	David W. Barden, CFA
NEUTRAL				
	BCE Inc.	YBCE	BCE CN	David W. Barden, CFA
	BCE Inc.	BCE	BCE US	David W. Barden, CFA
	Crown Castle Inc	CCI	CCI US	David W. Barden, CFA
	SBA Communications Corporation	SBAC	SBAC US	David W. Barden, CFA
	Uniti Group Inc	UNIT	UNIT US	David W. Barden, CFA
	Verizon Communications Inc.	VZ	VZ US	David W. Barden, CFA
UNDERPERFORM				
	Cogeco Communications Inc.	YCCA	CCA CN	Matthew Griffiths, CFA
	Dish Network Corporation	DISH	DISH US	David W. Barden, CFA
	Lumen Technologies Inc.	LUMN	LUMN US	David W. Barden, CFA

US - Gaming, Lodging and Leisure Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Apple Hospitality REIT Inc.	APLE	APLE US	Dany Asad
	Boyd Gaming Corp	BYD	BYD US	Shaun C. Kelley
	Choice Hotels International	CHH	CHH US	Dany Asad
	DraftKings, Inc.	DKNG	DKNG US	Shaun C. Kelley
	Hilton Worldwide	HLT	HLT US	Shaun C. Kelley
	Hyatt Hotels	H	H US	Shaun C. Kelley
	Marriott International Inc.	MAR	MAR US	Shaun C. Kelley
	Ryman Hospitality Properties	RHP	RHP US	Shaun C. Kelley
	Soho House & Co Inc	SHCO	SHCO US	Shaun C. Kelley
	Vail Resorts, Inc	MTN	MTN US	Shaun C. Kelley
	VICI Properties	VICI	VICI US	Shaun C. Kelley
	Wyndham Hotels & Resorts, Inc.	WH	WH US	Dany Asad
NEUTRAL				
	Caesars Entertainment Inc	CZR	CZR US	Shaun C. Kelley
	Hilton Grand Vacations Inc	HGV	HGV US	Dany Asad
	Las Vegas Sands	LVS	LVS US	Shaun C. Kelley
	Marriott Vacations Worldwide	VAC	VAC US	Shaun C. Kelley
	MGM Resorts International	MGM	MGM US	Shaun C. Kelley

US - Gaming, Lodging and Leisure Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Park Hotels & Resorts Inc.	PK	PK US	Dany Asad
	Pebblebrook Hotel Trust	PEB	PEB US	Shaun C. Kelley
	Penn Entertainment	PENN	PENN US	Shaun C. Kelley
	Wynn Resorts Ltd	WYNN	WYNN US	Shaun C. Kelley
UNDERPERFORM				
	DiamondRock Hospitality	DRH	DRH US	Dany Asad
	Gaming & Leisure Properties, Inc.	GLPI	GLPI US	Shaun C. Kelley
	Host Hotels & Resorts Inc.	HST	HST US	Shaun C. Kelley
	Playa Hotels & Resorts	PLYA	PLYA US	Shaun C. Kelley
	Red Rock Resorts, Inc.	RRR	RRR US	Shaun C. Kelley
	RLJ Lodging Trust	RLJ	RLJ US	Dany Asad
	Sportradar Holding AG	SRAD	SRAD US	Shaun C. Kelley
	Summit Hotel Properties	INN	INN US	Dany Asad
	Sunstone Hotel Investors	SHO	SHO US	Dany Asad
	Travel + Leisure Co	TNL	TNL US	Dany Asad

Disclosures

Important Disclosures

Equity Investment Rating Distribution: Leisure - Hotel/Lodging Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships R1	Count	Percent
Buy	16	61.54%	Buy	12	75.00%
Hold	3	11.54%	Hold	2	66.67%
Sell	7	26.92%	Sell	5	71.43%

Equity Investment Rating Distribution: REITs (Real Estate Investment Trusts) Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships R1	Count	Percent
Buy	46	49.46%	Buy	38	82.61%
Hold	29	31.18%	Hold	22	75.86%
Sell	18	19.35%	Sell	15	83.33%

Equity Investment Rating Distribution: Telecommunications Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships R1	Count	Percent
Buy	53	49.07%	Buy	38	71.70%
Hold	30	27.78%	Hold	20	66.67%
Sell	25	23.15%	Sell	13	52.00%

Equity Investment Rating Distribution: Global Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships R1	Count	Percent
Buy	1869	53.48%	Buy	1046	55.97%
Hold	828	23.69%	Hold	461	55.68%
Sell	798	22.83%	Sell	370	46.37%

R1 Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. VOLATILITY RISK RATINGS, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. INVESTMENT RATINGS reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster[R2]
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

[R2]Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

INCOME RATINGS, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend. *Coverage Cluster* is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Global Research report referencing the stock.

Price Charts for the securities referenced in this research report are available on the Price Charts website, or call 1-800-MERRILL to have them mailed.
BofAS or one of its affiliates acts as a market maker for the equity securities recommended in the report: American Homes 4Rent, American Tower, Americold Realty Tr, Boston Properties, Crown Castle Inc, CubeSmart, Digital Realty Trust, Douglas Emmett, EastGroup, Equinix, Equity Lifestyle, Extra Space Storage, Host Hotels, Hudson Pacific, Invitation Homes, Kilroy Realty, Kimco Realty, LXP Industrial Trust, Macerich, National Storage, OMEGA Healthcare, Paramount Group, Park Hotels & Resort, Pebblebrook, Prologis, Inc., Public Storage, Retail Oppty Invest., Rexford, Sabra Health Care, SBA Comm. Corp., SL Green, STAG Industrial, Sun Communities, Sunstone Hotel Inv, Ventas Inc., Vornado, Welltower.
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