

## U.S. REITs

## BofA U.S. REIT Weekly

## Price Objective Change

**Feb 29 – Mar 7: RMZ up +1.2% vs. S&P +1.2%**

Apartments (+4.8%) performed best this week; Manufactured Housing performed the worst (-1.4%). Per BofA's Client Flow Trends report, Real Estate fund flows was - \$200mn as of 2/26 with the 4-week average. of -\$142mn vs -\$224mn from the prior week.

**Initiated coverage on American Healthcare REIT with Buy**

We initiated coverage on American Healthcare REIT (AHR) with a Buy and a \$15 price objective (PO). AHR has a diversified portfolio of healthcare assets dominated by senior housing and skilled nursing facilities. We think the company stands to benefit from senior housing population trends. See our [AHR initiation note](#) for more.

**Hot off the press...BofA's 4Q23 Retail REIT Quarterly**

See our [Retail Quarterly](#) for a full review of 4Q stats. This quarter we kept our tenant watch list largely intact but added The Container Store. We also updated our store closings/openings tracker. Interestingly, Retail REITs polled at an investor conference this week expect sector SS NOI to grow by +2.9% in '25 vs +2.8% implied for '24.

**Retailers announce more store openings for '24 & beyond**

Several major retailers released earnings and discussed store closing/opening plans in '24 and beyond. Target, Ross, Burlington, Nordstrom and A&F announced new store opening plans while Foot Locker plans to modestly reduce its footprint. We will watch for key commentary/updates at BofA's Consumer Conference in Miami next week.

**PLD forecasts port activity rebalancing back to WC**

PLD expects minimal East Coast market share loss in 2024 due to threats of a labor strike coupled with ongoing conflict in the Suez & Panama Canals, offset by several positives. The WC lost 9% market share at the peak but has regained 5%. Continued disruptions illustrate the need for flexible supply chains. See REIT exposure inside.

**Comm infra: moved SBAC to Buy, raised data center PO's**

The Comm Infrastructure team continues to prefer data center (DC) fundamentals over Towers coming out of the 4Q23 earnings season. SBAC was upgraded to Buy and DLR and EQIX's POs were increased. Comm Infrastructure top picks remain AMT (towers), DY (SMID cap), and EQIX (data centers). See more details in the [4Q23 wrap](#).

**Events: we are hosting REITs bull/bear & multiple tours**

First, we are hosting our next U.S. REITs bull/bear on Monday (March 11) at 11AM ET. Second, we are hosting our West Coast (SoCal & San Fran) multi-sector REIT Property Tour on March 18-21. Third, we are hosting our 2-day NYC Retail REIT CEO summit on March 26-27. Lastly, we are hosting our NYC Deep Dive Tour on May 6-7. See our events calendar inside for more upcoming events. Contact your BofA salesperson to register.

Inside: must read research, Spector's Top Picks, estimate & PO changes and more.

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08 March 2024

Equity  
United States  
REITs

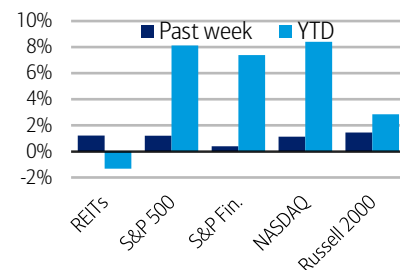
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See Team Page for List of Analysts

**Exhibit 1: REITs vs. Equity Indices<sup>1</sup>**

RMZ up +1.2%



**Source:** Factset, BofA Global Research, priced as of 03/07/24

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**Exhibit 2: Summary of PO Changes**

Updated published estimates after review of models

Ticker	Old PO	New PO
CUBE	\$50.00	\$47.00
EXR	\$170.00	\$155.00
NSA	\$32.00	\$30.00
SLG	\$44.00	\$50.00

**Source:** BofA Global Research; priced as of 03/07/2024

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See section starting with Exhibit 7 for full summary of PO/estimate changes, QRQ codes, key terms spelled out & full Company names

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# Must-read research & our take on news

## Comm. Infrastructure

### 4Q23 earnings wrap: moved SBAC to Buy, raised data center PO's

The Comm Infrastructure team continues to prefer data center (DC) fundamentals over Towers coming out of the 4Q23 earnings season. The team upgraded SBAC to Buy (from Neutral) as green shoots emerge for carrier tower demand in 2H24 and refi rates are materially better than expected. SBAC is trading at multi-year lows, pricing in, we believe, known '24/25 headwinds (Sprint churn/rates). Data Center POs were increased on the back of 1) strong demand; 2) operating leverage; and 3) lower interest rates coming. See more details in our [4Q23 wrap](#).

## Industrial

### PLD published deep dive on East vs West Coast ports

The rising risks of persisting disruptions to the East Coast demonstrates the need for flexible and diverse supply chains. Additionally, the recent inventory destocking efforts may have overshot and increased exposure to supply chain disruptions. PLD estimates East Coast ports will lose 1-2% market share in 2024 driven by threats of a labor strike coupled with ongoing conflict in the Suez and Panama Canals. This follows a volatile 2023 where the West Coast lost 9% market share at the peak from its own labor negotiations, but this temporary shift has largely reversed following the International Longshore and Warehouse Union (ILWU) labor agreement in late 2023. PLD is expecting a smaller East Coast market share loss in 2024 due to the longer-term structural shift towards the East Coast, inventory restocking and a better overall economic outlook. Of REITs we cover, we estimate EGP and PLD have the highest exposure to East/Gulf Coast ports that could be affected by a labor strike at 27% and 25%, respectively. Even in the event of a larger market share shift from East to West Coast, we see both REITs as well-insulated given 1) EGP and PLD have 12% and 20% Southern California exposure, respectively and 2) EGP is less port-dependent given its infill strategy. TRNO and FR (not covered) have higher exposure at approximately 47% and 32%, respectively.

## Retail

### BofA retail REITs 4Q23 quarterly

A key focus during 4Q earnings was SS NOI growth and the building blocks for 2024. The timing of signed rent commencements remains the biggest area of uncertainty, and we estimate stronger growth in '25 as redevelopment and signed but not yet open leases come online. Additionally, we believe store openings will continue to outpace store closings at a healthy clip in 2024. Our tenant watchlist remains largely intact, but we added The Container Store given its recent credit rating downgrade and weaker sales. See [our quarterly](#) for more detail on store openings/closings, commentary from this week's investor conference, and updated operating metrics and REIT portfolio stats.

### Earnings accompanied by mostly store opening, some closing announcements

Several major retailers reported earnings this week, and despite cautious earnings outlooks, most announced plans to expand US footprints in 2024 and beyond. Notable store opening announcements this week: Target announced plans to open 300 mostly full-sized stores over the next decade; Ross Stores expects to open 75 new Ross stores and 15 dd's Discounts in 2024; Burlington announced plans to open approximately 100 net new stores in FY24; Nordstrom plans to open 22 new Rack locations in 2024; Abercrombie & Fitch expects 15 net new stores over the next twelve months (45 openings and 30 closings). Regarding closings, Foot Locker expects to reduce store count by 4% (approx. 100) and square footage by 1% (approx. 130k sq ft).



# Key terms

## Exhibit 3: Key terms

Key terms used throughout the report

Term	Meaning
A&F	Abercrombie & Fitch
AFFO	Adjusted Funds From Operations
ABR	Annual base rent
AI	Artificial Intelligence
Apt	Apartment
BAC	Bank of America Corporation
B&M	Brick and mortar
bp	basis points
B/S	balance sheet
Capex	Capital expenditure
CBRE	Coldwell Banker Richard Ellis
Comm. Infra.	Communication Infrastructure
c/sh	Cents per share
CRE	commercial real estate
DE	Delaware
est	Estimates
FFO	funds from operations
FOMC	Federal Open Market Committee
FL	Florida
IG	Investment Grad
JV	Joint Venture
K	Thousand
LA	Los Angeles
LIRR	Long Island Railroad
M/M	Month over Month
Mgmt	Management
MTM	Mark to market
Nareit	National Association of Real Estate Investment Trusts
NAV	Net Asset Value
NOI	Net Operating Income
NYC	New York City
PA	Pennsylvania
PEGY	Price-to-earnings divided by earnings growth + forward dividend yield
PO	Price Objective
Ppts	percentage points
Q/Q	Quarter over Quarter
QTD	Quarter To Date
RE	Real estate
Rev	Revenue
Resi	Residential
SE	Southeast
SF	square feet
SG&A	Selling, General and Administrative Expenses
SH	Senior housing
SNF	Skilled nursing facility
SoCal	Southern California
St	Street
STEM	Science, technology, engineering and mathematics
SS	Same Store
Telco	telecommunication
WC	West Coast
YA	Year ahead
Y/Y	Year over Year
YTD	Year To Date
AHR	American Healthcare REIT
AMH	American Homes 4 Rent
AMT	American Tower Corp
CUBE	CubeSmart
DLR	Digital Realty Trust Inc
DY	Dycom Industries Inc
EGP	EastGroup Properties
ESRT	Empire State Realty Trust



**Exhibit 3: Key terms**  
Key terms used throughout the report

Term	Meaning
EQIX	Equinix Inc
EXR	Extra Space Storage Inc
FR	First Industrial Realty Trust Inc
KIM	Kimco Realty Corporation
NSA	National Storage Affiliates Trust
PLD	Prologis, Inc.
SBAC	SBA Communications Corp
SLG	SL Green Realty Corp
TRNO	Terreno Realty Corp
WELL	Welltower

**Source:** BofA Global Research

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# BofA U.S. REIT Team Events Calendar

## Exhibit 4: BofA U.S. REIT Team Hosted Events

List of upcoming REIT events

Date	Event	Location	Sector
Mar 11, 2024	<b>BofA US REIT Bull Bear</b> Please join us for our REIT Bull Bear on March 11th at 11am ET to discuss key debates across all REIT sectors and stocks as well as investor sentiment and positioning. This bull / bear event will be interactive so please feel free to share your views.	Virtual Zoom Meeting	Multi-Sector
Mar 18-21, 2024	<b>Annual West Coast Tour</b> Please join us for this annual multi-sector event. The tour will focus on life science, residential and office sectors in Los Angeles and another California market.	Los Angeles	Multi-Sector
Mar 26-27, 2024	<b>Annual NYC Retail REIT Executive Summit</b> Our 3rd annual NYC Retail REIT Executive Summit will cover all key aspects of retail real estate, including each REITs' strategy and positioning for future growth. We will meet with CEOs and their executive teams from AKR, BRX, FRT, KIM, KRG, PECO, SKT, UE, JLL, and Raider Hill Advisors.	New York City	Retail
Apr 15-16, 2024	<b>Virtual 1x1 meeting w/ Big Byte =&gt; insights into Apartments, SFR &amp; Storage</b> Josh Dennerlein is hosting virtual 1x1s with Shahzeb Zakaria, founder of Big Byte Insights on April 15 & 16, 2024. Big Byte Insights' products provide daily updates on pricing trends for multifamily, single-family rentals, storage and retail. It also provides sentiment analysis for company filings and earnings calls.	Virtual Zoom Meeting	Multi-Sector
May 6-7, 2024	<b>Annual NYC Deep Dive</b> The BofA REIT team will host our annual two-day multi-sector deep dive into the NYC commercial real estate market following 1Q earnings season. The itinerary includes tours of the largest development projects reshaping the skyline across key submarkets. It will also include REIT HQ visits and meetings with private landlords, brokers and others. New York City is the largest single market for US REIT portfolio exposure. This two-day event will provide attendees with a wide range of perspectives on current market conditions and tenant plans to determine how the stocks will perform for the rest of 2024 and beyond. We hope you can join us for the most comprehensive NYC commercial real estate event on the Street.	New York City	Multi-Sector
June 3, 2024	<b>Dinner with AvalonBay Communities</b> BofA will be hosting a dinner with the AvalonBay Communities management team to kick off Nareit REITweek. Please contact your BofA salesperson for more information.	New York City	Residential
Sept 9-12, 2024	<b>BofA's Global Real Estate Week 2024</b> Mark your calendar for BofA's 2024 Global Real Estate Conference Week Sept 9-12. We will kick things off on Sept 9th with a tour and opening evening reception. All events will be in-person. The Global Real Estate Conference week will consist of dinners with corporates, property tours, three days of thematic panel discussions, plus company presentations, 1x1s, and small group meetings.	New York City	Multi-Sector

Source: BofA Global Research

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# Spector's Top REIT Picks & Sector Weightings

## Exhibit 5: Spector's Top REIT Picks & Sector Weightings

AMH, ESRT, KIM, PLD and WELL are on Spector's Top Picks list

### Spector's REIT Top Picks

#### Recommended Strategy:

We continue to recommend quality within REITs which includes quality growth and quality value. That said, with BofA calling for a soft landing / mild deceleration in the U.S., we are also recommending quality risk. In real estate, quality starts with strong and flexible balance sheets. With tight lending conditions expected to persist for some time, we are not recommending REITs with weak balance sheets. We continue to believe higher quality REITs will offer the best earnings and distribution growth. Quality REITs have the following attributes: 1) resilient pricing power; 2) multi-year earnings visibility based on secular drivers of growth; 3) strong and flexible balance sheets; & 4) highest prospect for global inflows resulting in relatively steadier asset values / cap rates despite higher rates.

#### Sector Weightings within REITs\*

<b>Overweight</b>	Healthcare, Industrial & Retail
<b>Equalweight</b>	Residential & Self Storage
<b>Underweight</b>	Office & Triple Nets

### Top Picks in the U.S. REIT Sector

#### AMH (B-1-7, \$42.00 PO)

##### High quality single family rental REIT portfolio with a development platform

AMH owns the second largest single family rental REIT portfolio in the US. We remain positive on AMH's portfolio, limited new supply of single-family homes, structural demographic tailwinds with aging millennials, accretive consolidation/development opportunities, and a strong management. Elevated mortgage rates are also a benefit to single family rental REITs like AMH. We expect demand for single family rentals to remain robust as homeownership becomes less attractive on a relative basis. We also like AMH's for its ability to provide external growth via its development platform.

#### ESRT (C-1-7, \$11.00 PO)

##### NYC focused portfolio with low leverage and improving operations

ESRT owns and operates a NYC-focused portfolio. We believe the Midtown NYC market is seeing the most benefit from return to office mandates and demand for well-located modernized buildings. ESRT has one of the best balance sheets in Office with no floating rate debt. Key catalysts include strength in leasing driving occupancy gains and improving observatory income.

#### KIM (B-1-7, \$24.00 PO)

##### National Strip REIT with track record for external growth and strong management

KIM is the largest Strip REIT focused primarily on grocery-anchored shopping centers in major markets. KIM has a track record for executing larger portfolio acquisitions that is accretive to earnings, including Weingarten in 2021 and more recently RPT in 2023. We believe there will be upside to earnings from growing RPT's occupancy to KIM's levels, marking leases to market, and realizing the spread in RPT's signed-not-opened lease pipeline. We favor KIM based on its scale, strong management team, and ability to take advantage of transaction market dislocation given its strong balance sheet. KIM has low leverage, minimal floating rate debt exposure, and strong cash position bolstered by its investment in Albertsons which KIM expects to monetize. KIM also screens in the Top 10 REITs with the most attractive 2024 PEG and PEGY. Lastly, we value KIM for its mixed-use development pipeline, including ~\$130M to \$210M additional value from land entitled for multifamily development.

#### PLD (B-1-7, \$148.00 PO)

##### Premier global industrial REIT with attractive growth outlook driven by resilient pricing power and development platform

PLD operates the largest global industrial portfolio and property fund business in the most active port and distribution markets in the Americas, Europe and Asia. PLD has the strongest balance sheet in the sector and is well-positioned to benefit from long-term secular growth drivers such as e-commerce demand and the continued pick up in US manufacturing. We expect PLD will continue to generate sector leading SS NOI growth of +8% as it maintains strong pricing power given low availability and its markets screen with stronger rent growth prospects versus peers. Key catalysts include improving economic outlook, higher-than-expected development NOI from early stabilizations, potential upside from external growth opportunities if pricing stabilizes in 2024.

#### WELL (B-1-7, \$129.00 PO)

##### Healthcare REIT focused on senior housing - benefits from cyclical (COVID recovery), secular (aging demographics) and alpha (operating platform rollout)

WELL owns and develops health care facilities across senior housing, skilled nursing/post-acute & medical office buildings. Near term, we believe WELL will benefit the most from accelerating occupancy gains as senior housing recovers from the COVID-19 pandemic. In addition, we believe senior housing rate growth will remain robust in 2024 & beyond. WELL has the highest exposure to senior housing operating assets within our coverage universe and based on our demographic analysis has the best positioned portfolio. Longer term, demographic trends are favorable as baby boomers continue to age. Supply growth will likely be muted for a few years given the pandemic's impact on financing / private market valuations. We remain positive on WELL's external growth outlook and are modeling in the strongest earnings growth within Healthcare. WELL earnings growth also benefits from the roll out of its operating platform which should drive outperformance versus peers.

Source: BofA Global Research

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# Links to referenced BofA reports

## Exhibit 6: Links to key BofA Global Research reports

Please click for link report

Sector	Report title & link
Comm. Infrastructure	<a href="#">4Q23 wrap: Raising SBAC to Buy, lowering CCOI to Neutral, raising DC POs</a>
General	<a href="#">U.S. REITs valuation comp sheet</a>
Healthcare	<a href="#">AHR US: American Healthcare REIT Inc.: Initial Opinion - A cheaper way to play the senior housing beta trade</a>
Residential	<a href="#">BofA's jobless claims tracker – a real time snapshot on the state of Resi demand</a>
Retail	<a href="#">BofA's 4Q23 Retail Quarterly</a>
Self Storage	<a href="#">Self Storage REITs: 4Q23 earnings wrap: disappointing 2024 guides; visibility to remain low until Spring</a>

Source: BofA Global Research

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## PO & Estimate Changes

### Exhibit 7: Summary of PO Changes

Updated published estimates after review of models

Ticker	Old PO	New PO	QRQ	Current Price
CUBE	\$50.00	\$47.00	B-2-7	\$44.58
EXR	\$170.00	\$155.00	B-2-7	\$146.46
NSA	\$32.00	\$30.00	B-3-7	\$37.25
SLG	\$44.00	\$50.00	C-2-8	\$50.61

Source: BofA Global Research; priced as of 03/07/2024

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### Exhibit 8: Summary of estimate changes

Updated published estimates after review of models

Ticker	2024E		2025E		2026E		2027E	
	Old	New	Old	New	Old	New	Old	New
CUBE	\$2.67	\$2.66	\$2.84	\$2.79	\$3.06	\$2.96	\$3.31	\$3.15
EXR	\$8.23	\$8.05	\$8.50	\$8.41	\$8.72	\$8.57	\$8.96	\$8.67
NSA	\$2.58	\$2.47	\$2.63	\$2.57	\$2.65	\$2.66	\$2.69	\$2.76
SLG	\$6.05	\$6.05	\$5.04	\$5.05	\$5.16	\$5.15	\$5.47	\$5.47

Source: BofA Global Research.

Note: This table shows estimate changes >5%

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## Office

SLG (C-2-8): After updating our model for planned dispositions, we are increasing our price objective to \$50.00 from \$44.00. Our \$50 price objective for SLG represents a -20.0% discount (unchanged) to our forward NAV estimate. We derive our NAV estimate by applying a +6.3% (unchanged) cap rate to our forward NOI estimate of \$688M (previously \$738M).

## Self-Storage

CUBE (B-2-7): After updating our model for 4Q23 earnings, we are decreasing our price objective to \$47 from \$50. Our \$47 price objective for CUBE represents a no premium/discount (vs. +5% prior) to our forward NAV estimate given reduced earnings visibility. We derive our NAV estimate by applying a +5.5% (unchanged) cap rate to our forward NOI estimate of \$727mn (\$732mn).

EXR (B-2-7): After updating our model for 4Q23 earnings, we are decreasing our price objective to \$155 from \$170. Our \$155 price objective for EXR trades in line with our forward NAV/share estimate. We derive our NAV estimate by applying a +5.4% (unchanged) cap rate to our forward NOI estimate of \$2.3bn (previously \$2.5bn).





NSA (B-3-7): After updating our model for 4Q23 earnings, we are decreasing our price objective to \$30 from \$32. Our \$47 price objective for NSA represents a -5% discount (vs. -10% prior) to our forward NAV estimate as NSA was active on dispositions during and after 4Q, improving leverage and buying back shares. We derive our NAV estimate by applying a +6.7% (unchanged) cap rate to our forward NOI estimate of \$534mn (previously \$627mn).

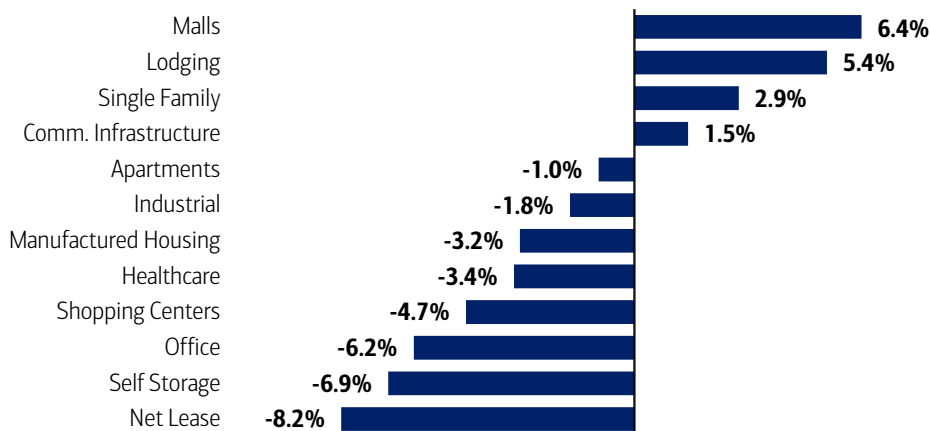


## YTD performance vs. Historical

### Year to date performance

#### Exhibit 9: Subsectors total returns YTD

Malls and Lodging have the highest total returns YTD

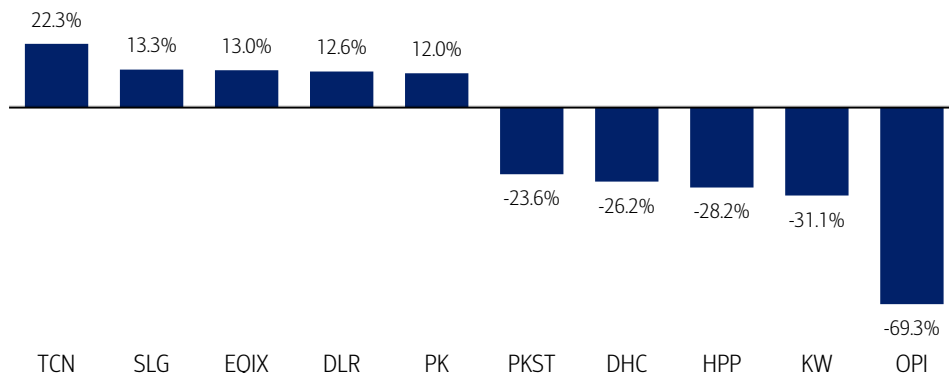


Source: Factset, BofA Global Research, priced as of 03/07/24

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#### Exhibit 10: Top and bottom stocks YTD

TCN and SLG lead the total returns for REIT stocks YTD



Source: Factset, BofA Global Research, priced as of 03/07/24

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## Historical total rates of return

#### Exhibit 11: REITs vs. the broader market

REIT returns vs. that of the broader market indices

Index	Index price	Last Week	Last Month	Last 3 months	year-to-date	last 12 months	last 3 years	last 5 years
<b>REITs</b>	<b>1,232.33</b>	<b>1.2%</b>	<b>3.0%</b>	<b>4.7%</b>	<b>-1.3%</b>	<b>3.3%</b>	<b>4.5%</b>	<b>4.6%</b>
S&P 500	5,157.36	1.2%	4.1%	12.0%	8.1%	29.4%	34.2%	87.6%
NASDAQ	16,273.38	1.1%	4.3%	13.0%	8.4%	41.1%	26.0%	119.3%
Russell 2000	2,084.74	1.5%	6.7%	10.8%	2.8%	11.0%	-4.9%	36.8%
S&P Small Cap 600	1,312.08	0.5%	4.1%	7.5%	-0.5%	6.8%	0.8%	40.2%
S&P Mid Cap 600	2,968.54	2.7%	8.0%	12.8%	6.7%	14.8%	18.1%	59.1%
S&P Utility Index	320.74	2.2%	4.5%	0.4%	-0.4%	-3.0%	6.4%	11.0%

Source: Factset, BofA Global Research, priced as of 03/07/24. REIT returns are price only - not total return

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**Exhibit 12: Historical total rates of return**

Historical total returns for REITs vs. the broader market

Index	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD	Average
RMZ (i)	-38.0%	28.6%	28.5%	8.7%	17.8%	2.5%	30.4%	2.5%	8.6%	5.1%	-4.6%	25.8%	-11.1%	38.8%	-27.3%	9.0%	-1.3%	10.7%
S&P 500	-37.0%	23.5%	12.8%	0.0%	12.9%	26.9%	11.4%	-0.7%	9.5%	19.4%	-6.2%	28.9%	16.3%	26.9%	-19.4%	24.2%	8.1%	9.9%
NASDAQ	-40.5%	43.9%	16.9%	-1.8%	14.9%	34.4%	13.4%	5.7%	7.5%	28.2%	-3.9%	35.2%	43.6%	21.4%	-33.1%	43.4%	8.4%	13.9%
Russell 2000	-34.8%	25.2%	25.3%	-5.5%	11.2%	32.5%	3.5%	-5.7%	19.5%	13.1%	-12.2%	23.7%	18.4%	13.7%	-21.6%	15.1%	2.8%	8.6%
Russell 2000 Value Index	-35.9%	17.7%	22.2%	-7.5%	11.9%	28.0%	2.1%	-9.4%	28.9%	5.8%	-14.6%	19.7%	2.4%	26.3%	-16.3%	11.9%	-0.7%	8.8%
S&P Small Cap 600	-31.1%	23.8%	25.0%	-0.2%	11.4%	35.5%	4.4%	-3.4%	24.7%	11.7%	-9.8%	20.9%	9.6%	25.3%	-17.4%	13.9%	-0.5%	10.3%
S&P Mid Cap 400	-36.2%	35.0%	24.9%	-3.1%	14.2%	27.8%	8.2%	-3.7%	18.7%	14.5%	-12.5%	24.1%	11.8%	23.2%	-14.5%	14.4%	6.7%	9.2%
S&P Utility Index	-29.0%	6.8%	0.9%	14.8%	-2.7%	7.5%	24.3%	-8.4%	12.2%	8.3%	0.5%	22.2%	-2.8%	14.0%	-1.4%	-10.2%	-0.4%	6.6%

Source: Factset, BofA Global Research; (i) Morgan Stanley REIT Index - ticker RMS; priced as of 03/07/24

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**Exhibit 13: Estimated sub-sector total rates of return**

Apartments had the highest total return last week

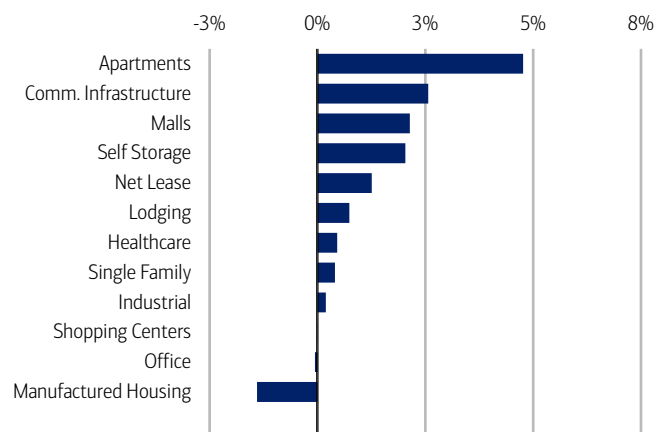
	Last Week	Last Month	Last 3 months	Year-to-date	Last 12 months	Last 3 years	Last 5 years
Apartments	4.8%	5.1%	6.0%	-1.0%	0.9%	3.9%	12.1%
Comm. Infrastructure	2.6%	5.9%	4.0%	1.5%	15.4%	14.3%	44.4%
Malls	2.1%	5.6%	14.5%	6.4%	36.1%	61.9%	10.6%
Self Storage	2.0%	2.5%	6.0%	-6.9%	-2.9%	36.0%	69.1%
Net Lease	1.3%	-1.6%	-2.0%	-8.2%	-12.4%	5.5%	4.9%
Lodging	0.7%	5.6%	14.5%	5.4%	22.1%	17.1%	3.6%
Healthcare	0.5%	4.2%	1.3%	-3.4%	2.4%	-7.1%	2.3%
Single Family	0.4%	5.0%	7.4%	2.9%	19.1%	30.4%	69.8%
Industrial	0.2%	1.0%	8.6%	-1.8%	7.3%	34.6%	92.9%
Shopping Centers	0.0%	-1.0%	-0.4%	-4.7%	6.8%	17.7%	22.3%
Office	-0.1%	3.9%	-0.1%	-6.2%	6.9%	-33.5%	-40.9%
Manufactured Housing	-1.4%	2.7%	-0.2%	-3.2%	-1.1%	6.5%	30.6%
<b>ALL REITS</b>	<b>1.5%</b>	<b>3.3%</b>	<b>4.4%</b>	<b>-1.7%</b>	<b>6.7%</b>	<b>10.6%</b>	<b>18.5%</b>

Source: FactSet and BofA Global Research; Note: sector performance estimates are approximate based on stocks currently in the Morgan Stanley REIT index weighted by market capitalization; however, our market weights may differ from those in the index due to differences in share counts; priced as of 03/07/24

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**Exhibit 14: Sub-sector total returns (past week)<sup>i</sup>**

Apartments performed the best

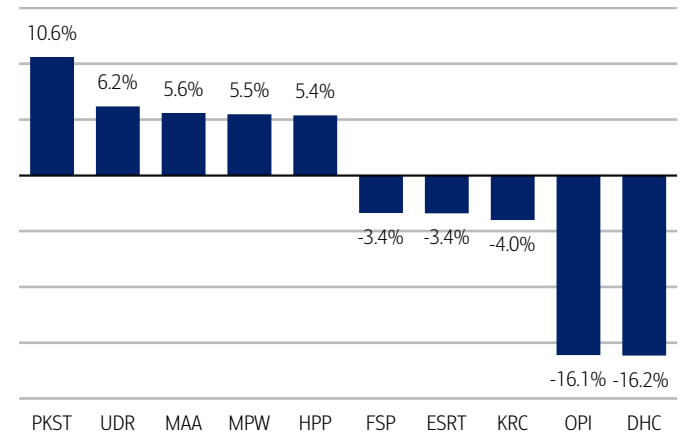


Source: Factset, BofA Global Research, priced as of 03/07/24

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**Exhibit 15: Top and bottom stocks (past week)**

PKST performed best



Source: Factset, BofA Global Research, priced as of 03/07/24

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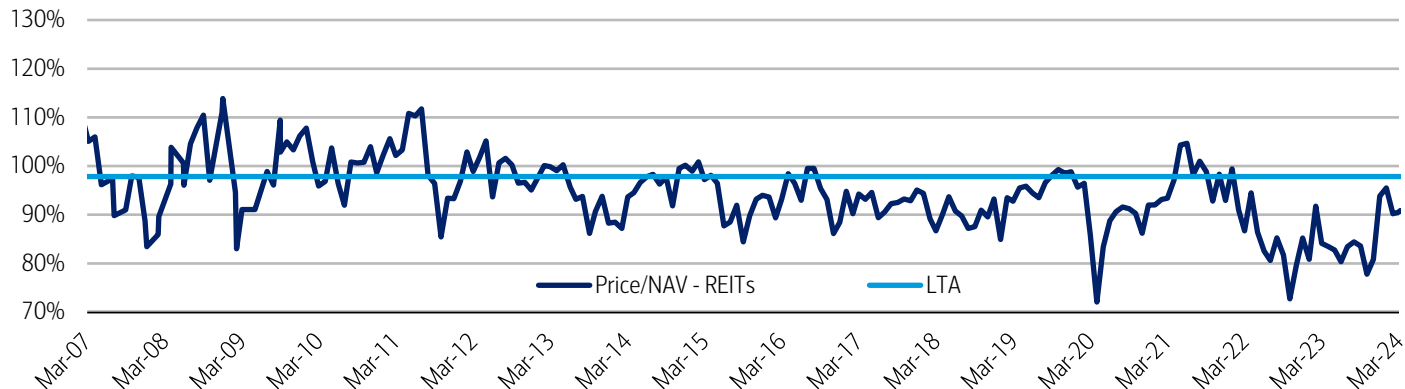
# Valuation highlights and REIT distribution rate comparisons

As of the Mar 7 close, REITs traded at 91% of NAV, above their long-term average of 98%. REITs traded at an adjusted funds from operations (AFFO) multiple of 20.2x vs. the long-term average of 17.2x. The distribution rate for REITs is 3.97%, -12bp below the 10-year Treasury yield (4.09%) and -171bp below BAA Corp Bond yield. The distribution rate spread versus the S&P 500 dividend yield is +262bp (3.97% versus 1.35%), below the spread's long-term average of +321bp.

## Price to net asset value (NAV)

### Exhibit 16: Total REITs - historical price to NAV

As of Mar-07, REITs traded at 91% of NAV, below their LTA of 98%



Source: FactSet and BofA Global Research

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### Exhibit 17: Market cap weighted price to NAV for selected real estate sectors

Historical price to NAV for REIT sub sectors from '99 to '24 YTD

	Total REITs	Apartments	Shopping Centers	Regional Malls	Office <sup>(1)</sup>	Industrial	Self Storage
Dec-99	78%	85%	67%	75%	76%	80%	79%
Dec-00	90%	97%	92%	78%	97%	97%	79%
Dec-01	97%	105%	114%	95%	97%	92%	104%
Dec-02	98%	91%	109%	110%	87%	98%	99%
Dec-03	119%	111%	121%	133%	112%	119%	113%
Dec-04	114%	112%	118%	114%	111%	122%	113%
Dec-05	101%	100%	106%	101%	99%	101%	108%
Dec-06	108%	107%	114%	102%	107%	114%	108%
Dec-07	83%	78%	87%	81%	75%	98%	90%
Dec-08	114%	108%	115%	94%	114%	113%	150%
Dec-09	106%	107%	105%	106%	104%	109%	108%
Dec-10	99%	102%	96%	101%	96%	102%	103%
Dec-11	93%	92%	90%	95%	90%	91%	105%
Dec-12	95%	89%	98%	97%	94%	97%	101%
Dec-13	88%	84%	94%	85%	92%	92%	88%
Mar-14	94%	93%	98%	89%	98%	99%	96%
Jun-14	98%	97%	99%	95%	101%	100%	98%
Sep-14	98%	98%	100%	96%	99%	97%	97%
Dec-14	100%	99%	101%	101%	100%	102%	99%
Mar-15	97%	95%	102%	95%	98%	94%	98%
Jun-15	88%	90%	89%	85%	86%	84%	92%
Sep-15	84%	86%	84%	84%	79%	81%	94%
Dec-15	94%	97%	98%	86%	91%	94%	105%
Mar-16	93%	92%	97%	88%	87%	86%	102%
Jun-16	93%	90%	98%	87%	91%	96%	100%
Sep-16	95%	94%	96%	93%	96%	101%	91%
Dec-16	88%	90%	89%	84%	89%	92%	90%
Mar-17	94%	98%	90%	87%	96%	85%	97%

**Exhibit 17: Market cap weighted price to NAV for selected real estate sectors**

Historical price to NAV for REIT sub sectors from '99 to '24 YTD

	Total REITs	Apartments	Shopping Centers	Regional Malls	Office <sup>(1)</sup>	Industrial	Self Storage
Jun-17	89%	91%	84%	81%	90%	95%	94%
Sep-17	93%	93%	87%	78%	89%	103%	96%
Dec-17	95%	91%	87%	89%	92%	102%	100%
Mar-18	87%	81%	85%	83%	83%	92%	93%
Jun-18	91%	86%	81%	85%	89%	100%	98%
Sep-18	88%	91%	94%	94%	90%	101%	91%
Dec-18	93%	93%	93%	91%	87%	105%	93%
Mar-19	93%	95%	95%	86%	89%	99%	92%
Jun-19	94%	96%	90%	86%	89%	105%	98%
Sep-19	98%	101%	91%	81%	89%	113%	108%
Dec-19	99%	98%	97%	87%	94%	117%	94%
Mar-20	86%	89%	80%	76%	82%	90%	92%
Jun-20	89%	80%	88%	90%	85%	104%	90%
Sep-20	91%	83%	86%	80%	83%	104%	95%
Dec-20	92%	94%	87%	89%	89%	98%	89%
Mar-21	93%	96%	91%	94%	89%	95%	96%
Jun-21	105%	107%	100%	107%	99%	110%	106%
Sep-21	99%	100%	84%	86%	92%	107%	102%
Dec-21	93%	92%	85%	79%	84%	105%	94%
Mar-22	87%	86%	86%	79%	84%	90%	89%
Jun-22	83%	83%	83%	71%	77%	85%	87%
Sep-22	82%	80%	83%	78%	71%	86%	86%
Dec-22	85%	91%	88%	91%	78%	85%	77%
Mar-23	84%	85%	84%	87%	70%	90%	80%
Jun-23	80%	82%	74%	76%	67%	84%	81%
Sep-23	84%	82%	81%	84%	85%	84%	85%
Dec-23	94%	100%	90%	98%	93%	84%	93%
<b>Mar-24</b>	<b>91%</b>	<b>91%</b>	<b>87%</b>	<b>98%</b>	<b>84%</b>	<b>90%</b>	<b>92%</b>

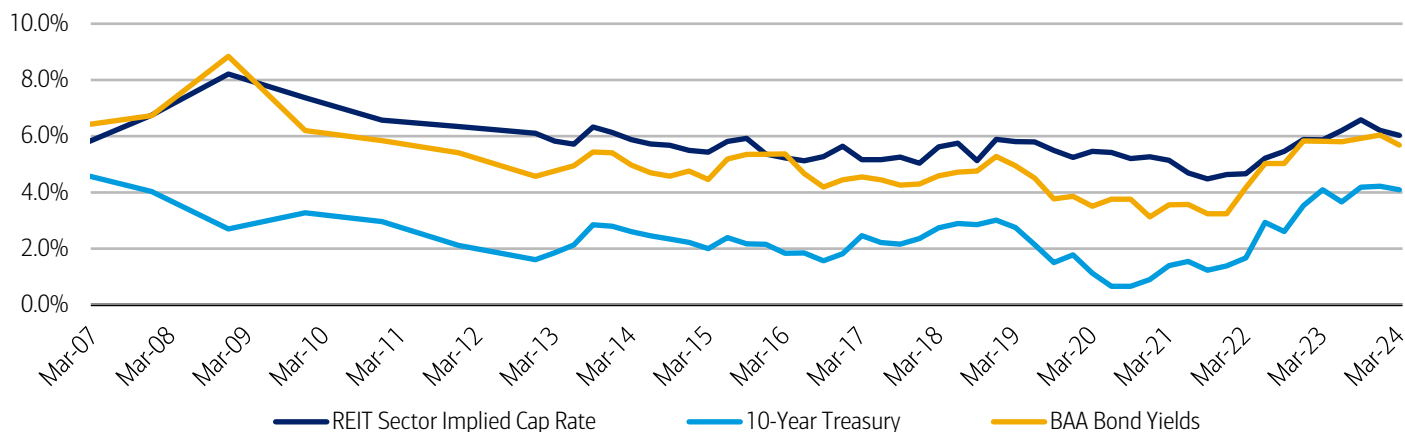
Source: FactSet and BofA Global Research. Note: (1) Price/NAV's for Aug-96 through Jun-02 are for the office/industrial sector

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Current cap rate is at 6.0%, 10-year yield is at 4.09% and the current BAA yield is at 5.68%. The current spread between cap rates and the 10-year yield is +193 bp vs. the historical average of +320 bp.

**Implied cap rate analysis****Exhibit 18: REIT Implied Cap Rates**

Historical REIT Implied Cap Rates vs. U.S. 10-year Treasury and BAA Bond Yields. Implied cap rates continue to compress over the long term



Source: Factset and BofA Global Research

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**Exhibit 19: REIT implied cap rates**

Historical REITs implied cap rates from '04 to '24 YTD

	<b>Total REITs</b>	<b>Apartments</b>	<b>Shopping Centers</b>	<b>Regional Malls</b>	<b>Office</b>	<b>Industrial</b>	<b>Self Storage</b>
Dec-04	6.8%	6.1%	6.6%	6.3%	7.1%	5.9%	6.6%
Dec-05	6.4%	5.7%	6.4%	6.2%	6.7%	6.5%	5.4%
Dec-06	5.6%	5.3%	5.8%	5.9%	5.5%	6.1%	5.9%
Dec-07	6.7%	6.7%	6.8%	6.6%	6.7%	6.5%	7.3%
Dec-08	8.2%	7.9%	8.5%	8.6%	8.3%	8.9%	7.3%
Dec-09	7.4%	6.5%	8.2%	7.7%	7.3%	7.7%	7.6%
Dec-10	6.6%	5.4%	7.5%	7.1%	6.6%	7.2%	6.6%
Dec-11	6.3%	5.4%	7.3%	6.3%	6.7%	7.1%	5.7%
Dec-12	6.1%	5.6%	6.8%	5.9%	6.3%	6.5%	5.7%
Mar-13	5.8%	5.4%	6.5%	5.7%	5.7%	6.1%	5.5%
Jun-13	5.7%	5.3%	6.4%	5.8%	6.0%	6.2%	5.5%
Sep-13	6.3%	5.8%	7.1%	6.2%	6.4%	6.8%	5.8%
Dec-13	6.1%	5.8%	6.8%	5.8%	6.1%	6.5%	5.7%
Mar-14	5.9%	5.5%	6.5%	5.9%	6.0%	6.1%	5.4%
Jun-14	5.7%	5.3%	6.3%	5.5%	5.8%	6.0%	5.3%
Sep-14	5.7%	5.1%	6.3%	5.5%	5.8%	6.1%	5.3%
Dec-14	5.5%	5.1%	6.1%	5.3%	5.5%	5.9%	5.2%
Mar-15	5.4%	4.9%	5.9%	5.3%	5.4%	6.0%	5.1%
Jun-15	5.8%	5.1%	6.4%	5.7%	5.9%	6.5%	5.4%
Sep-15	5.9%	5.2%	6.6%	5.7%	6.3%	6.7%	5.2%
Dec-15	5.4%	4.8%	6.0%	5.5%	5.7%	6.0%	4.6%
Mar-16	5.2%	5.0%	5.8%	5.3%	6.0%	6.5%	4.5%
Jun-16	5.1%	5.1%	5.8%	5.4%	5.8%	5.8%	4.6%
Sep-16	5.3%	5.0%	5.7%	5.2%	5.5%	5.4%	5.1%
Dec-16	5.6%	5.3%	6.0%	5.6%	5.8%	5.8%	5.6%
Mar-17	5.2%	4.9%	6.0%	5.5%	5.4%	5.7%	5.1%
Jun-17	5.2%	4.8%	6.5%	5.9%	5.7%	4.9%	5.6%
Sep-17	5.3%	4.9%	6.2%	6.1%	5.8%	5.0%	5.5%
Dec-17	5.0%	4.9%	6.2%	6.0%	5.1%	5.1%	5.3%
Mar-18	5.6%	5.5%	6.7%	6.1%	6.1%	6.0%	5.6%
Jun-18	5.7%	5.3%	6.8%	6.0%	5.8%	5.0%	5.3%
Sep-18	5.1%	5.1%	6.3%	5.7%	5.8%	5.1%	5.5%
Dec-18	5.9%	4.9%	6.3%	5.7%	6.1%	5.1%	5.3%
Mar-19	5.8%	4.8%	6.0%	6.0%	6.0%	5.0%	5.5%
Jun-19	5.8%	4.7%	6.0%	6.3%	5.9%	5.0%	5.1%
Sep-19	5.5%	4.5%	5.9%	6.5%	5.6%	4.4%	4.6%
Dec-19	5.2%	4.5%	5.7%	6.5%	5.6%	5.2%	5.4%
Mar-20	5.5%	4.9%	6.3%	7.2%	6.0%	4.9%	5.4%
Jun-20	5.4%	5.3%	6.4%	8.0%	6.3%	4.4%	5.3%
Sep-20	5.2%	5.4%	6.3%	8.1%	6.5%	4.1%	5.0%
Dec-20	5.3%	4.9%	6.7%	7.4%	6.2%	4.3%	5.0%
Mar-21	5.1%	4.4%	6.3%	7.1%	6.0%	4.3%	4.8%
Jun-21	4.7%	3.9%	5.9%	6.6%	5.8%	3.8%	4.2%
Sep-21	4.5%	4.0%	5.9%	6.8%	5.7%	3.6%	3.8%
Dec-21	4.6%	4.1%	6.2%	6.8%	6.1%	3.4%	4.1%
Mar-22	4.7%	4.4%	6.1%	6.8%	5.6%	3.7%	4.1%
Jun-22	5.2%	4.9%	7.9%	7.7%	6.5%	4.2%	4.5%
Sep-22	5.5%	5.4%	6.7%	8.1%	7.2%	4.3%	4.6%
Dec-22	5.9%	6.1%	6.6%	7.6%	8.0%	4.8%	5.5%
Mar-23	5.9%	6.3%	6.7%	7.8%	8.3%	4.6%	5.3%
Jun-23	6.2%	6.4%	7.5%	8.5%	8.8%	4.9%	5.8%
Sep-23	6.6%	6.3%	7.0%	7.9%	7.9%	4.8%	5.8%
Dec-23	6.2%	6.7%	6.8%	7.4%	8.0%	5.2%	6.2%
<b>Mar-24</b>	<b>6.0%</b>	<b>6.4%</b>	<b>6.9%</b>	<b>6.8%</b>	<b>8.2%</b>	<b>4.8%</b>	<b>5.8%</b>

Source: Factset and BofA Global Research

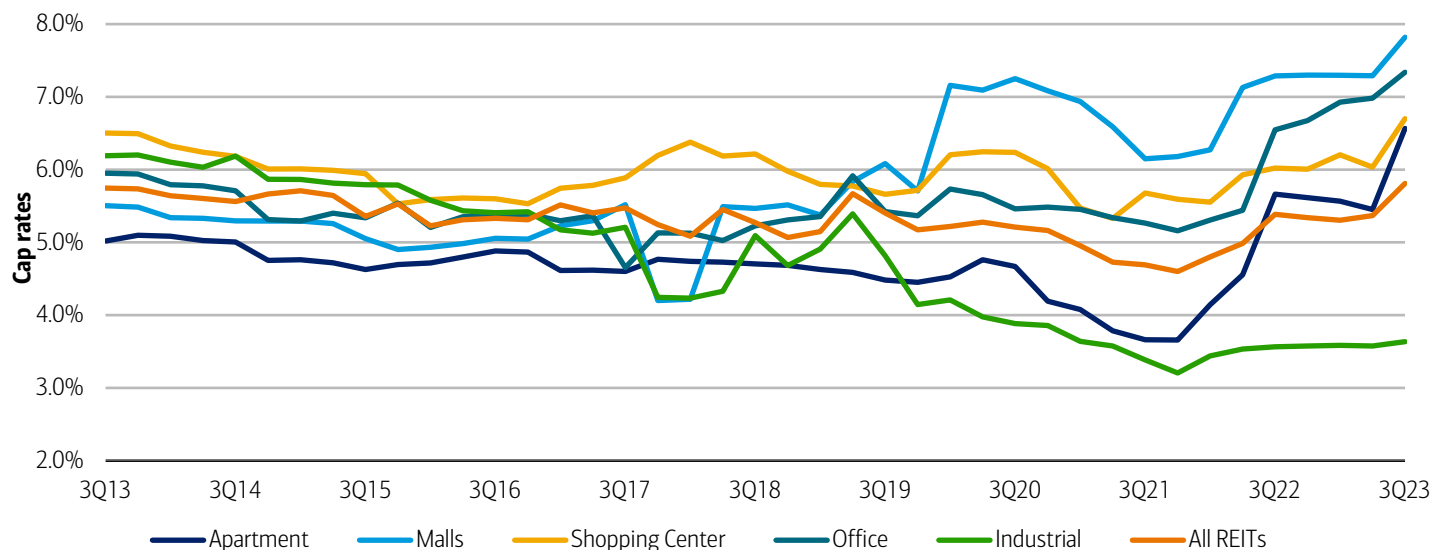
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## BofA cap rate trends by sector

### Exhibit 20: Historical BofA market-weighted sector average applied cap rates

Mall applied cap rates expanded and Industrial cap rates contracted over the two years



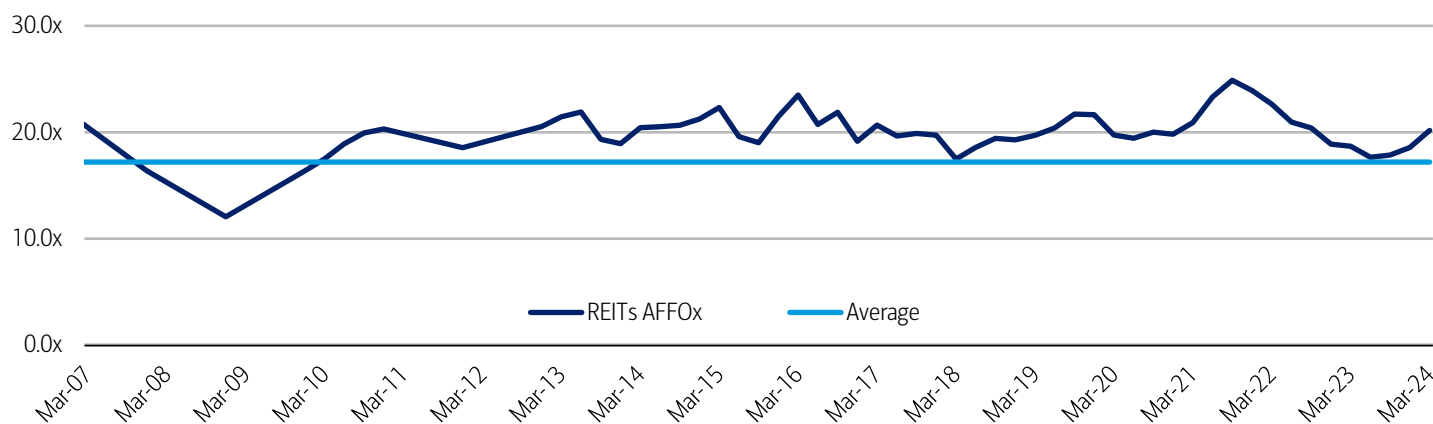
Source: FactSet, BofA Global Research

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## Price to AFFO

### Exhibit 21: Price to AFFO (Rolling twelve months)

As of Mar-07 close, REITs traded at AFFOx of 20.2x vs. LTA of 17.2x



Source: FactSet and BofA Global Research

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### Exhibit 22: Price to AFFO (Rolling twelve months)

Historical REIT AFFOx for '02 to '24 YTD

	All REITs	Apartment	Health Care	Industrial	Office	Malls	Shopping Centers	Self Storage	Comm. Infrastructure	Manufactured Homes
Dec-02	9.9x	11.9x	10.7x	10.0x	6.8x	9.7x	8.0x	10.2x	NA	5.8x
Dec-03	12.7x	14.2x	14.1x	14.1x	9.7x	12.6x	10.9x	15.1x	NA	13.1x
Dec-04	14.7x	17.2x	15.4x	16.2x	11.3x	14.9x	14.4x	15.7x	5.3x	9.8x
Dec-05	16.6x	20.0x	14.4x	16.0x	13.6x	17.2x	15.0x	17.4x	6.4x	13.0x
Dec-06	21.8x	24.3x	16.1x	17.1x	24.6x	21.5x	19.4x	23.5x	10.8x	14.0x
Dec-07	16.4x	17.3x	16.0x	14.5x	18.9x	16.4x	14.5x	17.8x	12.9x	12.8x
Dec-08	12.1x	13.3x	11.5x	10.4x	12.2x	8.7x	11.6x	14.9x	11.3x	10.8x
Dec-09	16.4x	20.0x	15.4x	19.8x	17.8x	12.9x	14.2x	16.9x	17.0x	15.4x
Mar-10	17.5x	20.7x	14.9x	23.0x	17.6x	15.6x	17.2x	18.4x	20.3x	16.6x

**Exhibit 22: Price to AFFO (Rolling twelve months)**

Historical REIT AFFOx for '02 to '24 YTD

	All REITs	Apartment	Health Care	Industrial	Office	Malls	Shopping Centers	Self Storage	Comm. Infrastructure	Manufactured Homes
Jun-10	18.9x	23.5x	15.4x	21.6x	19.8x	16.4x	17.2x	19.4x	21.6x	16.4x
Sep-10	19.9x	25.6x	17.1x	23.9x	19.6x	18.0x	17.7x	21.0x	19.9x	17.0x
Dec-10	20.3x	26.7x	15.9x	27.2x	20.3x	18.7x	18.2x	18.9x	16.8x	17.4x
Dec-11	18.6x	20.7x	14.1x	21.7x	18.4x	18.9x	18.9x	20.8x	16.3x	15.0x
Dec-12	20.5x	20.7x	17.4x	27.2x	22.1x	21.0x	21.1x	20.8x	16.5x	13.9x
Mar-13	21.5x	20.7x	19.3x	30.3x	22.6x	21.2x	22.4x	21.6x	18.4x	15.7x
Jun-13	21.9x	21.8x	18.7x	32.1x	24.2x	21.9x	21.5x	21.8x	15.6x	16.5x
Sep-13	19.3x	18.8x	15.9x	27.8x	22.8x	18.4x	19.2x	20.7x	13.6x	15.1x
Dec-13	18.9x	18.4x	14.2x	28.8x	21.5x	18.7x	19.6x	19.7x	11.5x	14.3x
Mar-14	20.4x	20.5x	14.9x	31.1x	24.6x	19.7x	18.5x	21.3x	13.3x	15.6x
Jun-14	20.5x	21.6x	15.8x	28.2x	24.4x	20.7x	19.3x	21.7x	13.3x	16.7x
Sep-14	20.7x	22.5x	15.7x	26.6x	24.7x	20.8x	19.4x	21.5x	15.8x	17.4x
Dec-14	21.2x	22.9x	16.8x	24.8x	26.3x	21.8x	19.8x	22.2x	16.8x	18.2x
Mar-15	22.3x	23.9x	16.8x	25.1x	27.0x	23.2x	23.2x	23.3x	17.0x	20.5x
Jun-15	19.6x	21.0x	14.1x	21.1x	24.2x	19.9x	20.2x	21.0x	15.9x	19.3x
Sep-15	19.0x	20.6x	13.5x	18.9x	23.0x	19.1x	19.5x	22.6x	14.7x	19.6x
Dec-15	21.5x	24.3x	13.5x	23.0x	25.4x	19.9x	22.5x	26.3x	NA	21.3x
Mar-16	23.5x	22.3x	14.0x	20.1x	NA	20.4x	22.7x	26.2x	16.4x	22.7x
Jun-16	20.7x	22.3x	15.3x	23.7x	21.5x	19.3x	23.0x	25.7x	19.5x	22.7x
Sep-16	21.9x	22.5x	16.7x	26.2x	26.0x	20.8x	24.1x	22.2x	20.0x	23.5x
Dec-16	19.2x	20.7x	14.3x	24.6x	22.3x	17.7x	20.7x	19.3x	16.8x	20.5x
Mar-17	20.7x	22.5x	16.2x	23.8x	24.8x	18.0x	21.3x	21.2x	21.0x	23.0x
Jun-17	19.7x	22.9x	16.4x	24.8x	21.9x	15.3x	18.8x	19.7x	20.4x	23.5x
Sep-17	19.9x	23.0x	16.5x	27.1x	22.0x	14.7x	19.2x	19.5x	20.3x	24.2x
Dec-17	19.7x	22.0x	15.8x	25.7x	22.3x	15.9x	19.2x	20.2x	20.0x	23.7x
Mar-18	17.5x	19.5x	12.6x	21.6x	20.5x	15.1x	16.7x	18.7x	16.2x	21.8x
Jun-18	18.6x	20.7x	14.0x	23.2x	22.0x	14.7x	17.1x	20.3x	17.3x	23.7x
Sep-18	19.4x	21.9x	15.7x	21.0x	22.9x	16.0x	18.6x	20.0x	19.4x	24.4x
Dec-18	19.3x	22.6x	17.1x	22.1x	21.4x	15.7x	18.3x	20.8x	16.0x	24.5x
Mar-19	19.7x	23.3x	17.3x	22.1x	21.7x	15.2x	18.7x	20.8x	16.3x	27.0x
Jun-19	20.4x	23.4x	18.3x	22.6x	22.7x	13.8x	19.1x	22.3x	17.2x	29.1x
Sep-19	21.7x	25.0x	20.0x	24.9x	22.4x	12.9x	18.8x	25.2x	18.0x	32.3x
Dec-19	21.7x	24.4x	18.8x	26.0x	24.0x	13.1x	20.4x	21.3x	17.1x	34.7x
Mar-20	19.7x	22.3x	17.3x	23.3x	20.3x	11.2x	17.8x	20.6x	17.9x	31.9x
Jun-20	19.4x	19.5x	17.4x	25.4x	17.1x	7.5x	15.1x	20.8x	22.0x	29.6x
Sep-20	20.0x	19.2x	16.1x	27.2x	16.8x	7.5x	14.7x	21.5x	23.4x	31.6x
Dec-20	19.8x	21.6x	17.2x	25.6x	18.3x	10.0x	17.0x	21.3x	20.1x	27.2x
Mar-21	20.9x	25.1x	18.7x	24.4x	19.5x	12.7x	22.2x	22.2x	20.3x	28.2x
Jun-21	23.3x	27.9x	21.3x	28.0x	21.4x	14.6x	23.0x	25.0x	21.4x	30.6x
Sep-21	24.9x	29.8x	21.6x	30.9x	21.9x	13.8x	21.6x	27.5x	22.8x	35.4x
Dec-21	23.9x	28.2x	19.1x	32.5x	20.1x	13.9x	19.4x	25.7x	24.6x	30.0x
Mar-22	22.6x	26.7x	19.5x	29.0x	20.3x	12.2x	21.4x	24.9x	22.6x	27.8x
Jun-22	21.0x	22.9x	19.9x	24.6x	17.9x	9.8x	18.8x	20.8x	24.1x	25.8x
Sep-22	20.4x	21.4x	17.5x	25.1x	14.2x	8.8x	16.7x	22.6x	23.1x	24.4x
Dec-22	18.9x	18.3x	18.6x	21.8x	12.1x	10.3x	17.7x	19.0x	21.1x	23.5x
Mar-23	18.7x	17.3x	18.0x	24.5x	11.4x	10.2x	17.0x	18.5x	19.5x	23.6x
Jun-23	17.7x	17.4x	17.1x	23.2x	10.3x	9.4x	15.3x	16.6x	18.3x	21.6x
Sep-23	17.9x	17.6x	17.7x	22.9x	12.3x	10.5x	16.8x	16.8x	18.7x	21.9x
Dec-23	18.6x	16.5x	18.6x	23.5x	12.5x	11.7x	17.2x	17.5x	20.5x	24.2x
<b>Mar-24</b>	<b>20.2x</b>	<b>18.4x</b>	<b>20.9x</b>	<b>26.4x</b>	<b>12.2x</b>	<b>13.6x</b>	<b>17.5x</b>	<b>19.1x</b>	<b>22.0x</b>	<b>24.2x</b>

Source: Factset and BofA Global Research

BofA GLOBAL RESEARCH

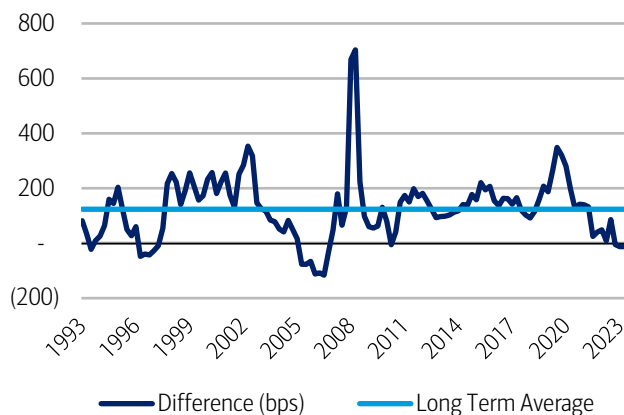




## REIT distribution rate analysis

### Exhibit 23: REIT Distribution rate vs. 10Yr. Treasury Yield

As of Mar-07, distribution rate for REITs is -12 bps below 10Yr Treasury Yield

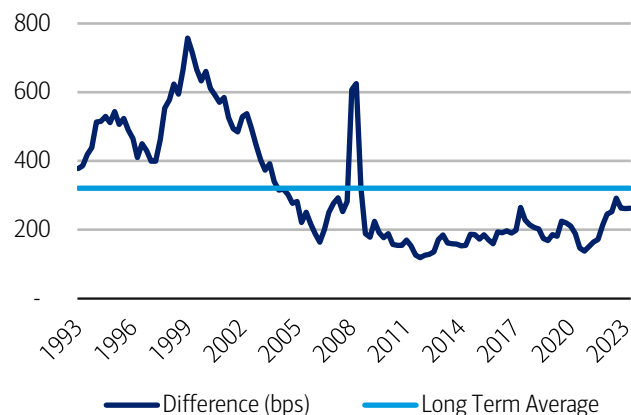


Source: FactSet, Bloomberg and BofA Global Research

BofA GLOBAL RESEARCH

### Exhibit 24: REIT Distribution rate vs. S&P 500 Yield

As of Mar-07, distribution rate for REITs is +262 bps above S&P 500 yield

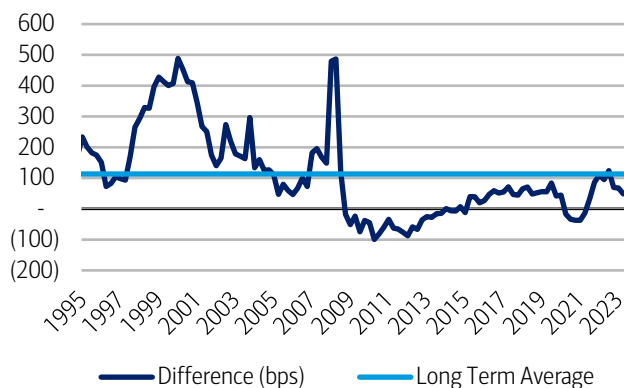


Source: FactSet, Bloomberg and BofA Global Research

BofA GLOBAL RESEARCH

### Exhibit 25: REIT Distribution rate vs. S&P Utility Yield

As of Mar-07, distribution rate for REITs is +48 bps above S&P 500 utility yield

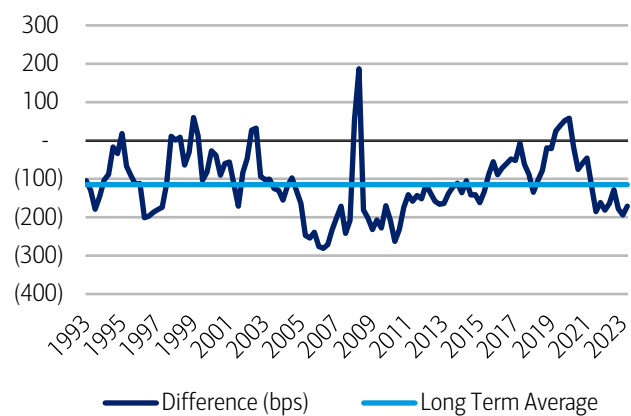


Source: FactSet, Bloomberg and BofA Global Research

BofA GLOBAL RESEARCH

### Exhibit 26: REIT Distribution rate vs. US Corp BAA Yield

As of Mar-07, distribution rate for REITs is -171 bps below US Corp BAA yield



Source: FactSet, Bloomberg and BofA Global Research

BofA GLOBAL RESEARCH

### Exhibit 27: Historical Yield Spreads (average: 1993 - present)

Historical spreads of REIT distribution rate vs. 10yr, S&P 500 dividend yield, S&P Utility yield and US Corp BAA yield

	Current	Average	Min	Max
REIT Distribution Rate vs 10YR	-12	124	-116	704
REIT Distribution Rate vs S&P 500 Dividend Yield	262	321	109	757
REIT Distribution Rate vs S&P Utility Yield	48	113	-99	489
REIT Distribution Rate vs US Corp BAA Yield	-171	-115	-281	187

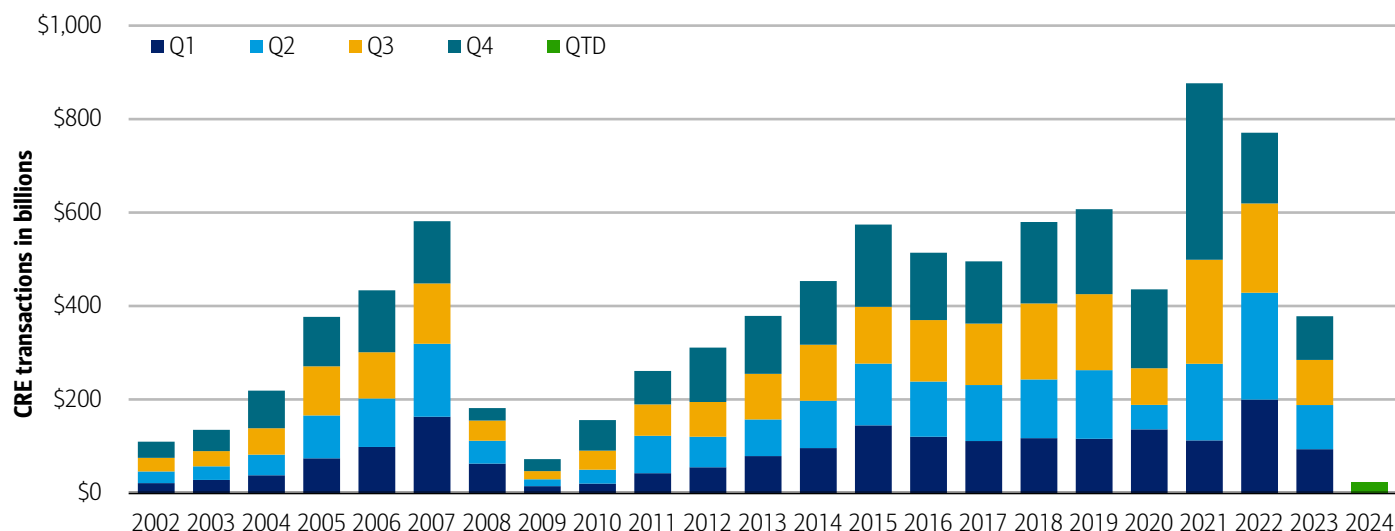
Source: FactSet, Bloomberg and BofA Global Research. The distribution rate may include non-income items, such as return of principal or loans proceeds or borrowing

BofA GLOBAL RESEARCH

# Capital and Transaction flows

## Exhibit 28: Commercial real estate (CRE) transactions (\$bn)

Overall transactions for Jan-24 totaled to \$23bn.



Source: Real Capital Analytics, BofA Global Research; Note: Updated as of January '24 data; Properties and portfolios \$2.5 million and greater; Prior to 2005, RCA primarily captured sales valued at \$5M and above

BofA GLOBAL RESEARCH

## Exhibit 29: Companies Mentioned

These are the REITs mentioned in this report

Ticker	PO	Rating	QRQ	Price
AHR	15.00	BUY	C-1-7	\$13.80
AMH	42.00	BUY	B-1-7	\$36.52
AMT	240.00	BUY	B-1-7	\$204.73
CUBE	47.00	NEUTRAL	B-2-7	\$44.58
DY	149.00	BUY	B-1-9	\$137.97
EGP	210.00	BUY	B-1-7	\$180.41
EQIX	1000.00	BUY	B-1-7	\$906.06
ESRT	11.00	BUY	C-1-7	\$9.63
EXR	155.00	NEUTRAL	B-2-7	\$146.46
KIM	24.00	BUY	B-1-7	\$19.36
NSA	30.00	UNDERPERFORM	B-3-7	\$37.25
PLD	148.00	BUY	B-1-7	\$132.74
SBAC	260.00	BUY	B-1-7	\$218.13
SLG	50.00	NEUTRAL	C-2-8	\$50.61
WELL	129.00	BUY	B-1-7	\$92.04

Source: BofA Global Research, prices as of 3/7/2024

BofA GLOBAL RESEARCH

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 June 26, 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 Healthcare REIT Inc. (AHR)



Our \$15 price objective is derived using an AFFO multiple. We apply a 14x AFFO multiple our 2024 AFFO estimate of \$1.05. Our applied multiple is based on AHR's relative mix of healthcare real estate exposure and our view on its portfolio quality relative to publicly traded peers. Although we do not use a NAV approach to derive our PO, we calculated a one year forward NAV of \$21.

Risks: AHR's reliance on Trilogy & govt reimbursement risk via SNF exposure.

#### **American Homes 4 Rent (AMH)**

Our \$42 PO for AMH trades in line with our forward NAV estimate. We now apply a 5.0% cap rate to our forward stabilized NOI estimate. We use 5.0% cap rate based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of AMH. 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 \$240 is based on a 22x '24E AFFO multiple, a premium to the broader REIT sector (approx. 18.5x 2024E AFFO multiple) and tower peers. We believe AMT should trade at a higher multiple than the broader REIT sector as well as Tower peer group 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.

#### **CubeSmart (CUBE)**

Our forward NAV derived PO of \$47 trades at a in line to our forward NAV estimate. We derive our NAV from applying a 5.5% cap rate to our forward NOI estimate. We use a 5.5% rate based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of CUBE. 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.

#### **Dycom Industries, Inc. (DY)**

Our \$149 price objective is based on a FY25E EV/EBITDA multiple of approx. 9x. An 8.5x EV/EBITDA multiple is slightly above DY's average consensus EV/EBITDA (t+1) multiple of approx. 8x since January 2021. It is also a discount to its largest competitor implied consensus multiple of approx. 10x (current multiple of approx. 9.0x). Since 2021, DY has traded at an approx. 2.0x average discount on an EV/EBITDA(t+1) basis. Going forward, we believe DY should trade at a discount to its peer given exposure to oil and gas sector opportunities, which DY does not possess to the same extent.

Downside risks are: 1) an abrupt slowdown in carrier capex throughout the US, 2) fixed wireless access taking a strong share vs. traditional wireline, 3) adverse weather



impacting days in the field, 4) macro events impacting customer financial health, and 5) delays in government funding.

### **EastGroup Properties (EGP)**

Our \$210 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 \$485M 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.

### **Empire State Realty Trust (ESRT)**

Our price objective of \$11 for ESRT is a -10% discount to our forward NAV estimate.

This discount reflects uncertainty over net effective rent growth and cap rates in Manhattan, return of tourism to NYC, and NYC office asset values. We apply a blended 8.2% cap rate to our forward NOI estimate of \$417M. We use a 8.2% cap rate based on our view of interest rates over the next year, current and expected private market/transaction comps, and the market exposure of ESRT. Downside risks to our PO are NYC office market conditions and NOI from the Empire State Building Observatory below expectations. Upside risks to our PO are better-than-expected operating conditions for the Observatory and leasing progress across the office portfolio, and an even stronger market for NYC office asset trades that pushes market cap rates lower.

### **Equinix, Inc. (EQIX)**

Our \$1,000 price objective is based on a target multiple of approximately 26x 2025E AFFO/share. Our target multiple is a premium to the broader average REIT multiple of 18.5x 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.

### **Extra Space Storage, Inc. (EXR)**

Our price objective for EXR of \$155 trades in line with our forward NAV/share estimate given limited earnings visibility. We apply a 5.4% 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.

### **Kimco Realty (KIM)**

Our \$24 price objective assumes the stock trades at a 5% premium to our forward NAV estimate given KIM's scale, strong management team, and flexible balance sheet. We apply a 6.3% cap rate to our forward NOI estimate. We use a 6.3% 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.

### **National Storage Affiliates Trust (NSA)**



Our price objective for NSA of \$30 trades at a -5% discount to our forward NAV estimate given our view of 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 6.7% cap rate to our forward nominal NOI estimate of \$534M 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.

#### **Prologis, Inc. (PLD)**

Our \$148 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 4.1% cap rate to our forward 12-month NOI forecast of \$6.36B to calculate our NAV. We view a slowdown in global trade and economic growth, 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.

#### **SBA Communications Corporation (SBAC)**

Our \$260 price objective is based on a approx. 19.5x 2024E AFFO/share multiple, a discount to its closest tower peer. Relative to historical levels, SBAC is trading at or near its historic lows. We expect slower domestic growth (relative to prior years), elevated Sprint churn, and increased interest rates will inhibit AFFO/share growth versus peers in 2024+, but believe at current levels SBAC's stock price is attractive.

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

#### **SL Green Realty (SLG)**

Our \$50 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 \$688M. 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.

#### **Welltower (WELL)**

Our \$129 price objective for WELL is now derived by running a 5 year forward analysis of WELL's growth prospects under various scenarios. Our base case implies a share price of \$152 in 2028. Then we discount that share price back using a discount rate of 4.28% (the 10-year Treasury rate as of 02.26.2024) to back into our PO of \$129. 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, Alexander Waters, Camille Bonnel, David W. Barden, CFA and Joshua Dennerlein, 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
<b>BUY</b>				
	Agree Realty Corp	ADC	ADC US	Joshua Dennerlein
	Alexandria Real Estate Equities	ARE	ARE US	Joshua Dennerlein
	American Healthcare REIT Inc.	AHR	AHR 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
	EastGroup Properties	EGP	EGP US	Jeffrey Spector
	Empire State Realty Trust	ESRT	ESRT US	Camille Bonnel
	Equity Residential	EQR	EQR US	Jeffrey Spector
	Essential Properties	EPRT	EPRT US	Joshua Dennerlein
	Federal Realty	FRT	FRT US	Jeffrey Spector
	Invitation Homes Inc	INVH	INVH US	Joshua Dennerlein
	Kimco Realty	KIM	KIM US	Jeffrey Spector
	Kite Realty Group	KRG	KRG US	Jeffrey Spector
	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
	Rexford Industrial Realty	REXR	REXR US	Camille Bonnel
	Sabra Health Care	SBRA	SBRA US	Joshua Dennerlein
	Simon Property	SPG	SPG US	Jeffrey Spector
	Ventas, Inc.	VTR	VTR US	Jeffrey Spector
	Welltower	WELL	WELL US	Joshua Dennerlein
<b>NEUTRAL</b>				
	Acadia Realty Trust	AKR	AKR US	Jeffrey Spector
	CubeSmart	CUBE	CUBE US	Jeffrey Spector
	EPR Properties	EPR	EPR US	Joshua Dennerlein
	Equity LifeStyle Properties	ELS	ELS US	Jeffrey Spector
	Essex Property Trust, Inc.	ESS	ESS US	Joshua Dennerlein
	Extra Space Storage, Inc.	EXR	EXR US	Jeffrey Spector
	Getty Realty Corp.	GTY	GTY US	Joshua Dennerlein
	Highwoods Properties	HIW	HIW US	Camille Bonnel
	InvenTrust Properties	IVT	IVT US	Jeffrey Spector
	Kilroy Realty Corporation	KRC	KRC US	Camille Bonnel
	Macerich	MAC	MAC US	Jeffrey Spector
	OMEGA Healthcare	OHI	OHI US	Joshua Dennerlein
	Realty Income	O	O US	Jeffrey Spector
	Retail Opportunity Investments Corp.	ROIC	ROIC US	Jeffrey Spector
	SL Green Realty	SLG	SLG US	Camille Bonnel
	Sun Communities	SUI	SUI US	Joshua Dennerlein
	UDR, Inc.	UDR	UDR US	Joshua Dennerlein
	Veris Residential Inc	VRE	VRE US	Joshua Dennerlein
	Vornado Realty	VNO	VNO US	Camille Bonnel
<b>UNDERPERFORM</b>				
	American Assets Trust	AAT	AAT US	Camille Bonnel
	Armada Hoffer Properties	AHH	AHH US	Camille Bonnel
	Camden Property Trust	CPT	CPT US	Joshua Dennerlein
	Douglas Emmett	DEI	DEI US	Camille Bonnel
	Healthpeak Properties, Inc.	DOC	DOC US	Joshua Dennerlein
	Hudson Pacific Properties, Inc.	HPP	HPP US	Camille Bonnel
	Kennedy Wilson	KW	KW US	Joshua Dennerlein
	LXP Industrial Trust	LXP	LXP US	Camille Bonnel
	Medical Properties Trust, Inc.	MPW	MPW US	Joshua Dennerlein
	Mid-America Apartment Communities, Inc.	MAA	MAA US	Joshua Dennerlein
	National Storage Affiliates Trust	NSA	NSA US	Jeffrey Spector
	NetSTREIT	NTST	NTST US	Joshua Dennerlein
	NNN REIT Inc	NNN	NNN US	Joshua Dennerlein
	Paramount Group	PGRE	PGRE US	Camille Bonnel
	Peakstone Realty Trust	PKST	PKST US	Joshua Dennerlein



**US - REITs Coverage Cluster**

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	STAG Industrial	STAG	STAG US	Camille Bonnel
	Tanger Inc	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
<b>BUY</b>				
	American Tower Corp.	AMT	AMT US	David W. Barden, CFA
	AT&T Inc.	T	T 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
	SBA Communications Corporation	SBAC	SBAC US	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
<b>NEUTRAL</b>				
	BCE Inc.	YBCE	BCE CN	David W. Barden, CFA
	BCE Inc.	BCE	BCE US	David W. Barden, CFA
	Cogent	CCOI	CCOI US	David W. Barden, CFA
	Crown Castle Inc	CCI	CCI US	David W. Barden, CFA
	Verizon Communications Inc.	VZ	VZ US	David W. Barden, CFA
<b>UNDERPERFORM</b>				
	Cogeco Communications Inc.	YCCA	CCA CN	Matthew Griffiths, CFA
	Lumen Technologies Inc.	LUMN	LUMN US	David W. Barden, CFA
	Uniti Group Inc	UNIT	UNIT US	David W. Barden, CFA

# Disclosures

## Important Disclosures

**Equity Investment Rating Distribution: REITs (Real Estate Investment Trusts) Group (as of 31 Dec 2023)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	40	46.51%	Buy	33	82.50%
Hold	27	31.40%	Hold	21	77.78%
Sell	19	22.09%	Sell	16	84.21%

**Equity Investment Rating Distribution: Telecommunications Group (as of 31 Dec 2023)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	57	51.82%	Buy	43	75.44%
Hold	27	24.55%	Hold	17	62.96%
Sell	26	23.64%	Sell	12	46.15%

**Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)**

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

<sup>R1</sup> 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 <sup>R2</sup>
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

<sup>R2</sup>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.

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