

Weekly REITcap

Week ended January 26, 2024

Industry Overview

US HG REITs performed in-line this week

The ICE BofA US REITs Index performed in-line with the ICE BofA US Corp Master Index, returning +0.3% vs. +0.3% for US HG this week. On the quality spectrum, single A and BBB rated REITs returned +0.3% and +0.3%, respectively, whereas single A and BBB rated US Corp returned +0.3% and +0.3%, respectively. REITs equities underperformed, returning 0.8%, compared to the S&P 500, which returned 2.4% this week.

This week's best and worst performers

This week's best performing credit in the ICE BofA US HG REIT Index was HPP's 3.25% notes due 2030, returning 3.2%, followed by STOR's 4.50% notes due 2028, returning 2.7%. This week's worst performing credit was VTR's 5.70% notes due 2043, returning -0.5%, followed by GLPI's 4.00% notes due 2031, returning -0.4%.

This week in HG REITs

New issuance continued this week with American Homes 4 Rent (AMH – not rated) issuing \$600mn of 5.5% senior unsecured notes due 2034, upsized from \$400mn and pricing 28bps inside initial price talk at +137bps on January 23rd. On January 24th, our BofA REITs equity research team hosted its State of the U.S. Retail Market & 2024 outlook expert call with CBRE. The U.S. retail real estate market fundamentals are the best they have been in years and deliveries are expected to reach a new low in FY24. The availability rate in neighborhood community & strip centers has fallen by 240bps over the last 5 years. Private capital has continued to grow its share of retail acquisitions over the last couple of years with cap rates starting to rise. Separately, in residential, our equity research team expects apartment supply to peak in 2024, with new supply as % of existing supply to increase by +21bps y/y in 2024 and decrease by -56bps y/y in 2025. The team also expects supply growth in the sunbelt markets to continue to outpace supply growth in gateway markets ([Residential REITs: Apartments REIT supply tracker 25 January 2024](#)). The team expects negative pricing power pressure to last through 2024 in the sunbelt and possibly continue in 2025 given peak supply likely will not hit until the summer of 2024. ([Residential REITs: BofA US Apartment REIT Market Rent Growth Tracker 24 January 2024](#)). The team also published its monthly residential REIT cap rate analysis report and noted since March 2022 market implied cap rates on Apartment REITs have increased +245bps on average, while December 2023 private market cap rates are +47bps higher than March 2022 levels. Spreads have widened significantly since 2022 between the private market and market-implied cap rates, which currently is 181bps compared to an average spread of -3bps from 2011-2019 ([Residential REITs: BofA Apartment REITs cap rate analysis 26 January 2024](#)). Next week, HG REIT earnings resume with five companies (ARE, AVB, BXP, CPT, EQR) reporting (Exhibit 29).

26 January 2024

High Grade Credit
United States
REITs

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Timestamp: 26 January 2024 11:22AM EST

Notable Credit News

HIW extends maturity on its \$750mn revolver

On January 25th, Highwoods Properties Inc. (HIW – not rated) announced it extended the maturity on its \$750mn revolver by three years to 2028. Of note, the company has no consolidated debt maturities until May 2026.

S&P revises ARE's outlook to stable from positive

On January 24th, S&P revised Alexandria Real Estate Equities Inc's (ARE – not rated) outlook to Stable from Positive and affirmed its BBB+ senior unsecured rating. The Stable outlook reflects S&P's view that ARE will maintain above average operating performance supported by its high quality, life science focused portfolio, with Adj. debt to EBITDA remaining in the low 6x area over the next 2 years.

- **Upgrade trigger:** S&P will consider an upgrade if (i) more favorable capital market conditions induce ARE to issue equity to help fund its large development pipeline (ii) Adj. debt to EBITDA declines to and is sustained below 6x, and (iii) it maintains strong operating performance, with SS NOI growth outpacing key rated peers.
- **Downgrade trigger:** Although unlikely over the next two years, S&P will consider a downgrade if (i) ARE's operating performance deteriorates significantly or (ii) Adj. debt to EBITDA rises above 7.5x for a sustained period, due to large debt financed acquisitions.

WELL issues a business update

On January 22nd, Welltower Inc. (WELL – not rated) issued a 4Q23 and FY23 business update.

- **FY23 earnings & operations:** WELL anticipates 2023 normalized FFO/sh at the higher end of its guidance range of \$3.59-3.63 compared to consensus of \$3.61. WELL expects FY23 SS NOI growth at the midpoint of its guidance of 23%-26%. The company expects to achieve FY23 SS revenue growth in-line with its guidance of 9.8%.
- **Capital deployment:** The company completed \$2.8bn of gross investments bringing FY23 total gross investments to \$4.8bn. WELL has ~\$1.2bn of acquisitions under contract, which are expected to close in 1H24. WELL expects to fund previously announced acquisitions and FY24 debt maturities with cash on hand. In addition, WELL believes the capital deployment environment remains attractive as motivated sellers seek near term liquidity and operator solutions.

Sector Performance and Relative Value

Exhibit 1: US REITs Sector Performance

US REITs performed in-line with the US Corp Index this week

	Avg. \$		Current Levels		Weight		% Total Return		
ICE BofA Indices	Value	Rating	STW	YTW	IG	REITs	YTD	QTD	1-wk
US REITs Index	\$90.6	BBB1	121	5.4%	3%	100%	-0.3%	-0.3%	0.3%
US Corp Master	\$92.6	A3	102	5.3%	100%	n.a.	-0.8%	-0.8%	0.3%
5yr US Treasury	\$101.6	n.a.	n.a.	4.0%	n.a.	n.a.	-0.5%	-0.5%	0.2%
10yr US Treasury	\$103.0	n.a.	n.a.	4.1%	n.a.	n.a.	-1.6%	-1.6%	0.2%
30yr US Treasury	\$106.3	n.a.	n.a.	4.4%	n.a.	n.a.	-4.9%	-4.9%	0.0%

ICE BofA US Corp by Rating

REITs - A	\$91.8	n.a.	80	5.0%	1%	24%	-0.7%	-0.7%	0.3%
REITs - BBB	\$90.2	n.a.	136	5.6%	2%	76%	-0.2%	-0.2%	0.3%

US Corp AAA	\$86.4	n.a.	35	4.7%	1%	n.a.	-1.5%	-1.5%	0.2%
US Corp AA	\$90.2	n.a.	52	4.8%	8%	n.a.	-1.1%	-1.1%	0.3%
US Corp A	\$92.7	n.a.	84	5.1%	43%	n.a.	-0.8%	-0.8%	0.3%
US Corp BBB	\$92.7	n.a.	124	5.5%	47%	n.a.	-0.6%	-0.6%	0.3%
US HY Cash Pay BB	\$94.9	n.a.	233	6.5%	n.a.	n.a.	-0.1%	-0.1%	0.5%

Equity Indices

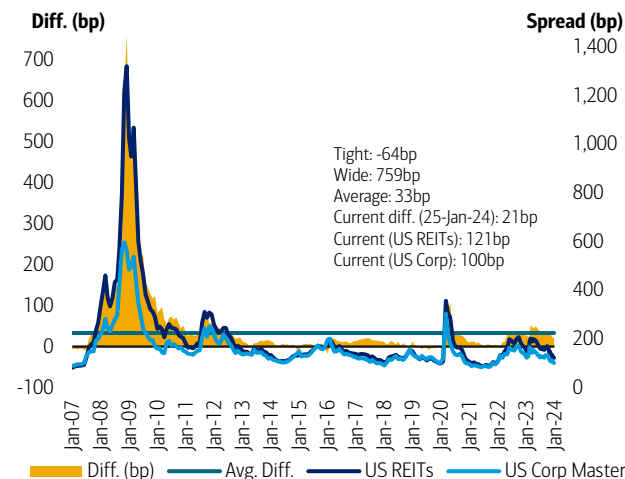
MSCI US REIT Index	-2.9%	3.0%	0.8%
S&P 500 Total Return Index	2.7%	2.7%	2.4%

Source: ICE Data Indices, LLC as of January 25, 2024

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Exhibit 2: US REITs vs. US Corp Master

Current diff. between US REITs and US Corp is 21bps vs. avg. of 33bps.

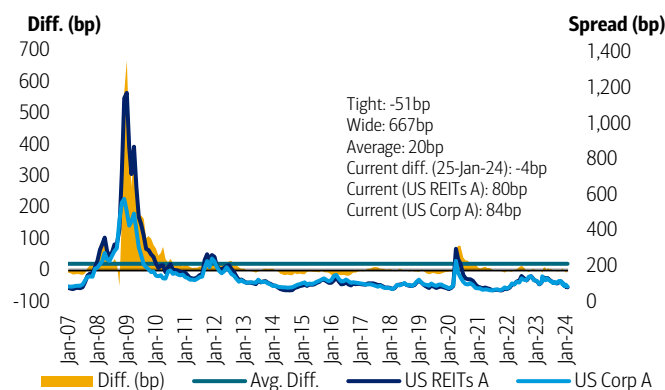


Source: BofA Global Research, ICE Data Indices, LLC

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Exhibit 3: US REITs A vs. US Corp A

Current diff. between US REITs A and US Corp A is -4bps vs. avg. of 20bps.

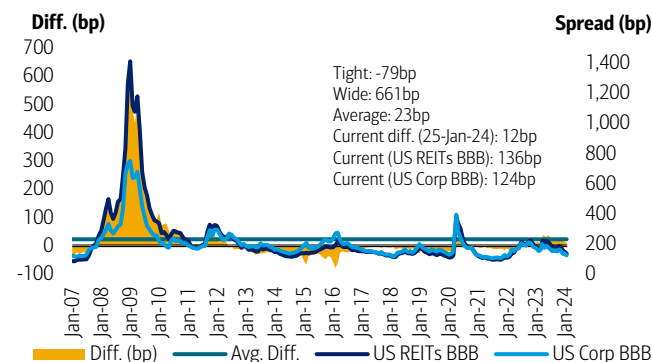


Source: BofA Global Research, ICE Data Indices, LLC

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Exhibit 4: US REITs BBB vs. US Corp BBB

Current diff. between US REITs BBB and US Corp BBB is 12bps vs. avg. of 23bps.

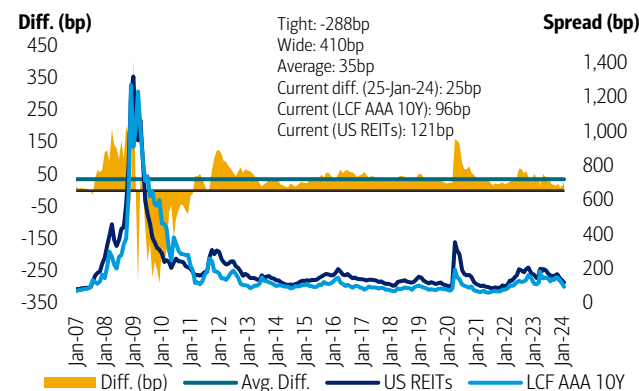


Source: BofA Global Research, ICE Data Indices, LLC

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Exhibit 5: US REITs vs CMBS 10yr

Current diff. between US REITs and CMBS 10yr is 25bps vs. avg. of 35bps.



Source: BofA Global Research, ICE Data Indices, LLC

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Relative Value & Comparable Company

Exhibit 6: Best & Worst Performing Credits -- 1-Week

Best performing credit this week is HPP 3.250% '30s at 3.2% and worst performing is VTR 5.700% '43s at -0.5%

Gainers			Laggards		
Ticker	Description	% TR	Ticker	Description	% TR
1. HPP	3.250% Hudson Pacific Properties LP '01/30	3.2%	1. VTR	5.700% Ventas Realty L.P./Ventas Capital Corp. '09/43	-0.5%
2. STOR	4.500% STORE Capital Corp '03/28	2.7%	2. GLPI	4.000% GLP Capital L.P. and GLP Financing II Inc. '01/31	-0.4%
3. ULFP	4.625% WEA Finance LLC Senior notes '09/48	2.2%	3. FUNOTR	5.250% Trust Fibrauno '01/26	-0.4%
4. FUNOTR	6.390% Trust Fibrauno '01/50	2.1%	4. PEAK	6.750% Healthpeak Properties Inc '02/41	-0.4%
5. SRC	4.000% Spirit Realty LP '07/29	2.1%	5. CCI	5.100% Crown Castle Inc '05/33	-0.3%
6. AVB	4.350% AvalonBay Communities Inc. '04/48	2.0%	6. ARE	5.150% Alexandria Real Estate Equities Inc. '04/53	-0.3%
7. EQR	4.500% EQR Operating Limited Partnership '07/44	1.8%	7. VICI	4.500% VICI Properties LP '05/32	-0.3%
8. PDM	3.150% Piedmont Operating Partnership L.P. '08/30	1.7%	8. WELL	2.750% Welltower Inc '01/31	-0.2%
9. NNN	3.000% National Retail Properties Inc. '04/52	1.7%	9. SITC	3.625% Site Centers Corp '02/25	-0.2%
10. MAA	2.875% Mid-America Apartments L.P. '09/51	1.5%	10. CUBE	2.500% CubeSmart L.P. '02/32	-0.1%

Source: BofA Global Research, ICE Data, LLC

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Exhibit 7: Best & Worst Performing Credits -- Last 30 days

Best performing credit over last 30 days is HPP 4.650% '29s at 7.4% and worst performing is PLD 3.050% '50s at -6.1%

Gainers			Laggards		
Ticker	Description	% TR	Ticker	Description	% TR
1. HPP	4.650% Hudson Pacific Properties LP '04/29	7.4%	1. PLD	3.050% Prologis L.P. '03/50	-6.1%
2. FUNOTR	6.390% Trust Fibrauno '01/50	3.7%	2. EQIX	3.400% Equinix Inc. '02/52	-4.9%
3. HIW	7.650% Highwoods Realty LP '02/34	3.2%	3. PSA	5.350% Public Storage '08/53	-4.6%
4. STOR	4.500% STORE Capital Corp '03/28	2.4%	4. CPT	3.350% Camden Property Trust '11/49	-4.6%
5. SCGAU	5.125% Scentre Group Trust 2 Sub notes '09/30	2.1%	5. AVB	3.900% AvalonBay Communities Inc. '10/46	-4.4%
6. ULFP	2.875% WEA Finance LLC '01/27	1.6%	6. ARE	4.000% Alexandria Real Estate Equities Inc. '02/50	-4.3%
7. KRC	4.250% Kilroy Realty L.P. '08/29	1.6%	7. WELL	5.125% Welltower Inc '03/43	-3.9%
8. PDM	3.150% Piedmont Operating Partnership L.P. '08/30	1.5%	8. KIM	3.700% Kimco Realty Corporation '10/49	-3.8%
9. SRC	4.000% Spirit Realty LP '07/29	1.2%	9. MAA	2.875% Mid-America Apartments L.P. '09/51	-3.6%
10. EPR	4.950% EPR Properties '04/28	1.2%	10. AMH	3.375% American Homes 4 Rent L P '07/51	-3.6%

Source: BofA Global Research, ICE Data, LLC

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Exhibit 8: Best & Worst Performing Credits -- YTD

Best performing credit YTD is HPP 3.250% '30s at 7.3% and worst performing is PLD 3.050% '50s at -4.9%

Gainers			Laggards		
Ticker	Description	% TR	Ticker	Description	% TR
1. HPP	3.250% Hudson Pacific Properties LP '01/30	7.3%	1. PLD	3.050% Prologis L.P. '03/50	-4.9%
2. FUNOTR	6.390% Trust Fibrauno '01/50	3.3%	2. CPT	3.350% Camden Property Trust '11/49	-4.4%
3. STOR	4.500% STORE Capital Corp '03/28	2.3%	3. EQIX	3.400% Equinix Inc. '02/52	-4.0%
4. HIW	3.050% Highwoods Realty Limited Partnership '02/30	1.9%	4. AVB	3.900% AvalonBay Communities Inc. '10/46	-3.8%
5. SCGAU	5.125% Scentre Group Trust 2 Sub notes '09/30	1.8%	5. ARE	5.150% Alexandria Real Estate Equities Inc. '04/53	-3.7%
6. PDM	3.150% Piedmont Operating Partnership L.P. '08/30	1.8%	6. FRT	3.625% Federal Realty Investment Trust '08/46	-3.3%
7. KRC	4.250% Kilroy Realty L.P. '08/29	1.8%	7. WY	4.000% Weyerhaeuser Company '03/52	-3.1%
8. ULFP	2.875% WEA Finance LLC '01/27	1.6%	8. WELL	5.125% Welltower Inc '03/43	-2.9%
9. BNL	2.600% Broadstone Net Lease Inc '09/31	1.5%	9. KIM	3.700% Kimco Realty Corporation '10/49	-2.9%
10. KRG	4.750% Kite Realty Group L.P. '09/30	1.5%	10. VICI	4.750% VICI Properties LP '05/52	-2.8%
11. SRC	4.000% Spirit Realty LP '07/29	1.2%	11. O	4.650% Realty Income Corporation '03/47	-2.8%
12. PECO	2.625% Phillips Edison Grocery Center Operating Partnership I L P '11/31	1.1%	12. PSA	5.350% Public Storage '08/53	-2.7%
13. MAA	2.750% Mid-America Apartments L.P. '03/30	1.1%	13. MAA	2.875% Mid-America Apartments L.P. '09/51	-2.6%
14. SKT	2.750% Tanger Properties Limited Partnership '09/31	1.0%	14. AMH	3.375% American Homes 4 Rent L P '07/51	-2.5%
15. EPR	4.950% EPR Properties '04/28	1.0%	15. NNN	3.100% National Retail Properties Inc. '04/50	-2.5%
16. SITC	3.625% Site Centers Corp '02/25	1.0%	16. CCI	4.000% Crown Castle Inc '11/49	-2.4%
17. OHI	4.500% Omega Healthcare Investors Inc. '04/27	1.0%	17. AMT	2.950% American Towers Corporation '01/51	-2.4%
18. LXP	2.700% Lexington Realty Trust Senior notes '09/30	0.9%	18. ESS	2.650% Essex Portfolio Lp '09/50	-2.3%
19. BRX	3.900% Brixmor Operating Partnership LP '03/27	0.8%	19. SPG	3.800% Simon Property Group L.P. '07/50	-2.0%
20. AVB	3.500% AvalonBay Communities Inc. '11/25	0.7%	20. PEAK	6.750% Healthpeak Properties Inc '02/41	-2.0%

Source: BofA Global Research, ICE Data, LLC

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Exhibit 9: Best & Worst Performing Equities -- 1-Week

Best performing equity this week is VNO at 4.6% and worst performing is SUI at -3.4%

Gainers			Laggards		
Ticker	Description	% TR	Ticker	Description	% TR
1. VNO	Vornado Realty Trust	4.6%	1. SUI	Sun Communities Inc	-3.4%
2. BXP	Boston Properties Inc	4.6%	2. WPC	WP Carey Inc	-3.3%
3. URW	Unibail-Rodamco-Westfield	3.7%	3. WELL	Welltower Inc	-2.9%
4. DLR	Digital Realty Trust Inc	3.5%	4. CPT	Camden Property Trust	-2.9%
5. KIM	Kimco Realty Corp	3.5%	5. ESS	Essex Property Trust Inc	-2.9%
6. SKT	Tanger Factory Outlet Centers	3.4%	6. UDR	UDR Inc	-2.9%
7. PDM	Piedmont Office Realty Trust I	3.4%	7. EQR	Equity Residential	-2.8%
8. AAT	American Assets Trust Inc	3.3%	8. OHI	Omega Healthcare Investors Inc	-2.6%
9. FRT	Federal Realty Investment Trust	3.0%	9. HR	Healthcare Realty Trust Inc	-2.5%
10. CCI	Crown Castle Inc	2.6%	10. MAA	Mid-America Apartment Communities	-2.4%

Source: BofA Global Research, Bloomberg

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Exhibit 10: Best & Worst Performing Equities -- Last 30 days

Best performing equity over last 30 days is DLR at 4.9% and worst performing is SAFE at -9.3%

Gainers			Laggards		
Ticker	Description	% TR	Ticker	Description	% TR
1. DLR	Digital Realty Trust Inc	4.9%	1. SAFE	Safehold Inc	-9.3%
2. AAT	American Assets Trust Inc	3.1%	2. SBRA	Sabra Health Care REIT Inc	-8.4%
3. PDM	Piedmont Office Realty Trust	2.4%	3. EPR	EPR Properties	-7.8%
4. GMG	Goodman Group	1.7%	4. AMT	American Tower Corp	-6.7%
5. EQIX	Equinix Inc	1.4%	5. EXR	Extra Space Storage Inc	-6.7%
6. SITC	SITE Centers Corp	0.9%	6. RYN	Rayonier Inc	-6.5%
7. BXP	Boston Properties Inc	0.6%	7. GLPI	Gaming and Leisure Properties	-6.4%
8. FRT	Federal Realty Investment Trust	0.1%	8. SUI	Sun Communities Inc	-5.8%
9. ROIC	Retail Opportunity Investments	0.1%	9. AVB	AvalonBay Communities Inc	-5.6%
10. URW	Unibail-Rodamco-Westfield	0.0%	10. PLD	Prologis Inc	-5.4%

Source: BofA Global Research, Bloomberg

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Exhibit 11: Best & Worst Performing Equities -- YTD

Best performing equity YTD is DLR at 5.7% and worst performing is SAFE at -12.2%

Gainers			Laggards		
Ticker	Description	% TR	Ticker	Description	% TR
1. DLR	Digital Realty Trust Inc	5.7%	1. SAFE	Safehold Inc	-12.2%
2. AAT	American Assets Trust Inc	5.5%	2. EPR	EPR Properties	-7.9%
3. PDM	Piedmont Office Realty Trust I	3.8%	3. RYN	Rayonier Inc	-7.4%
4. BXP	Boston Properties Inc	1.9%	4. SBRA	Sabra Health Care REIT Inc	-7.4%
5. SITC	SITE Centers Corp	1.6%	5. AMT	American Tower Corp	-7.3%
6. VNO	Vornado Realty Trust	1.3%	6. EXR	Extra Space Storage Inc	-7.2%
7. EQIX	Equinix Inc	1.2%	7. GLPI	Gaming and Leisure Properties	-6.7%
8. SKT	Tanger Factory Outlet Centers	0.8%	8. SUI	Sun Communities Inc	-6.6%
9. FRT	Federal Realty Investment Trust	0.6%	9. AVB	AvalonBay Communities Inc	-5.9%
10. HST	Host Hotels & Resorts Inc	0.5%	10. OHI	Omega Healthcare Investors Inc	-5.7%
11. ROIC	Retail Opportunity Investments	0.5%	11. ESS	Essex Property Trust Inc	-5.7%
12. URW	Unibail-Rodamco-Westfield	0.4%	12. HPP	Hudson Pacific Properties Inc	-5.5%
13. SPG	Simon Property Group Inc	0.1%	13. PLD	Prologis Inc	-5.3%
14. MAA	Mid-America Apartment Communities	-0.8%	14. LXP	LXP Industrial Trust	-5.2%
15. BRX	Brixmor Property Group Inc	-0.8%	15. ADC	Agree Realty Corp	-5.2%
16. GMG	Goodman Group	-1.5%	16. VTR	Ventas Inc	-4.8%
17. PECO	Phillips Edison & Co Inc	-1.7%	17. CDP	COPT Defense Properties	-4.6%
18. DOC	Physicians Realty Trust	-1.9%	18. REG	Regency Centers Corp	-4.5%
19. HIW	Highwoods Properties Inc	-1.9%	19. PSA	Public Storage	-4.4%
20. KIM	Kimco Realty Corp	-2.1%	20. VICI	VICI Properties Inc	-4.3%

Source: BofA Global Research, Bloomberg

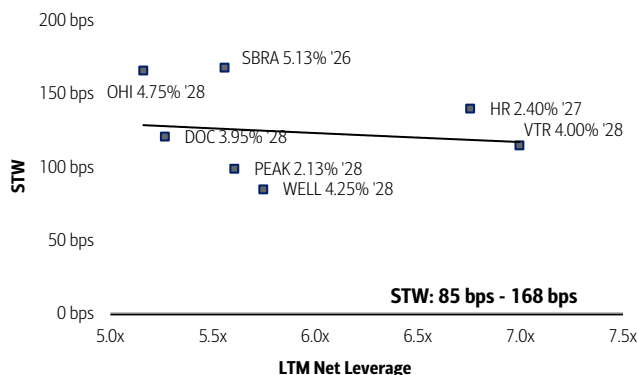
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Relative Value & Comparable Company Information

Exhibit 12: Healthcare REITs 3-5 Yr

Healthcare REITs 3-5 Yr trading at STW: 85 bps - 168 bps

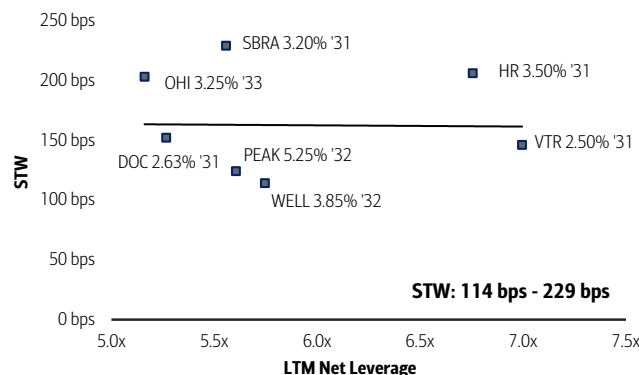


Source: Company reports and BofA Global Research

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Exhibit 13: Healthcare REITs 7-10 Yr

Healthcare REITs 7-10 Yr trading at STW: 114 bps - 229 bps

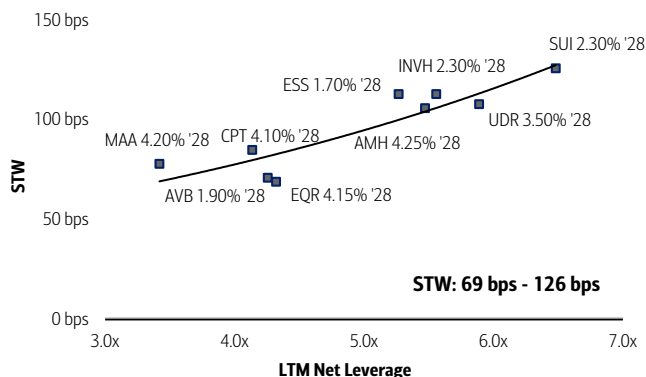


Source: Company reports and BofA Global Research

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Exhibit 14: Multifamily/Single Family Rental REITs 3-5 Yr

Multifamily/Single Family Rental REITs 3-5 Yr trading at STW: 69 bps - 126 bps

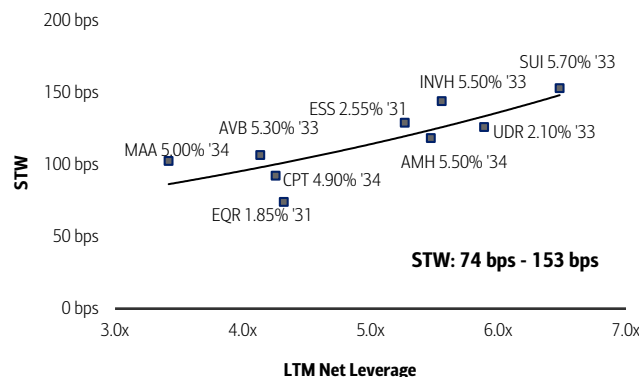


Source: Company reports and BofA Global Research

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Exhibit 15: Multifamily/Single Family Rental REITs 7-10 Yr

Multifamily/Single Family Rental REITs 7-10 Yr trading at STW: 74 bps - 153 bps

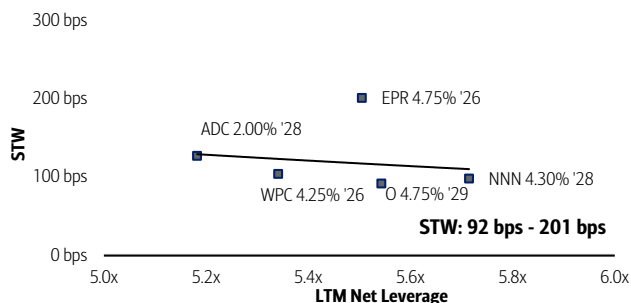


Source: Company reports and BofA Global Research

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Exhibit 16: Net Lease REITs 3-5 Yr

Net Lease REITs 3-5 Yr trading at STW: 92 bps - 201 bps

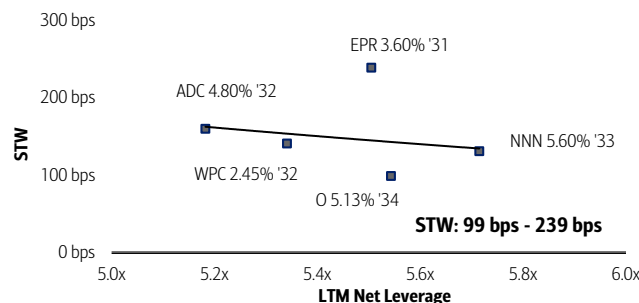


Source: Company reports and BofA Global Research

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Exhibit 17: Net Lease REITs 7-10 Yr

Net Lease REITs 7-10 Yr trading at STW: 99 bps - 239 bps

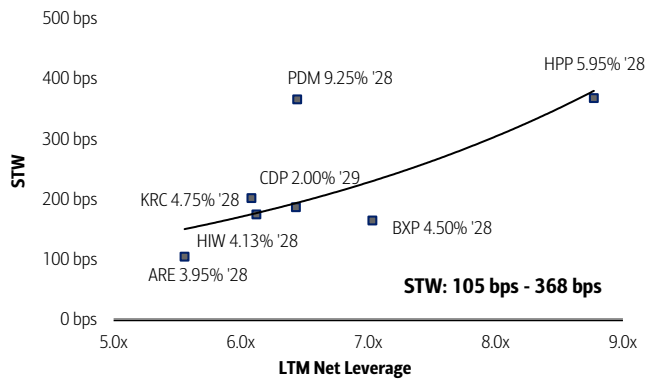


Source: Company reports and BofA Global Research

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Exhibit 18: Office REITs 3-5 Yr

Office REITs 3-5 Yr trading at STW: 105 bps - 368 bps

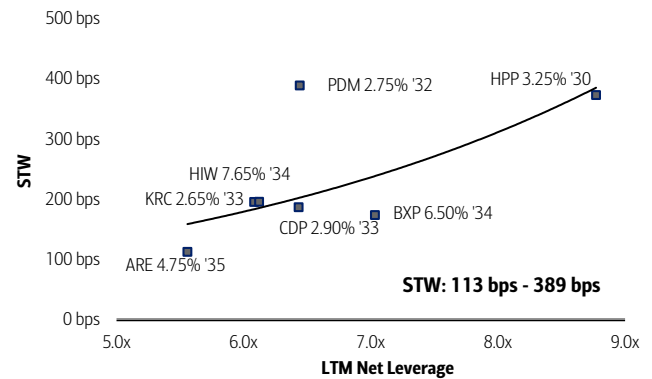


Source: Company reports and BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 19: Office REITs 7-10 Yr

Office REITs 7-10 Yr trading at STW: 113 bps - 389 bps

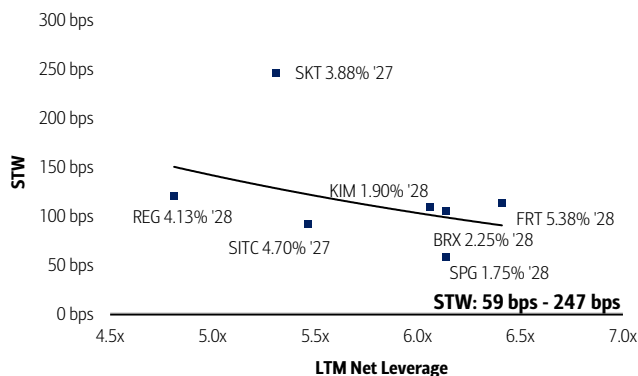


Source: Company reports and BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 20: Retail REITs 3-5 Yr

Retail REITs 3-5 Yr trading at STW: 59 bps - 247 bps

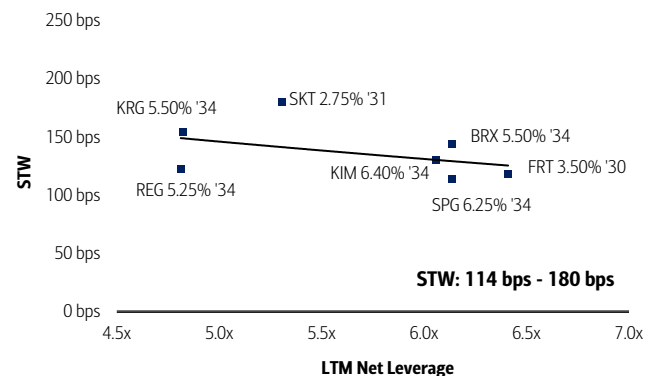


Source: Company reports and BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 21: Retail REITs 7-10 Yr

Retail REITs 7-10 Yr trading at STW: 114 bps - 180 bps

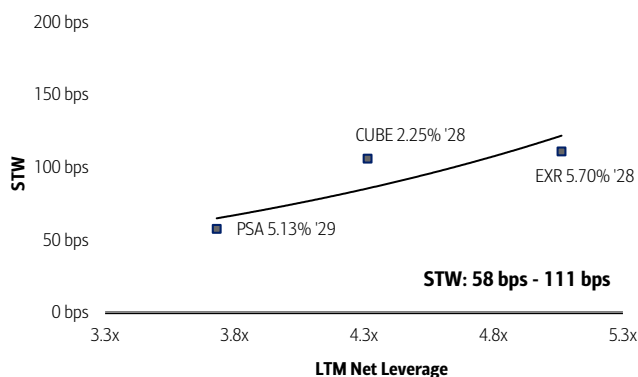


Source: Company reports and BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 22: Self Storage REITs 3-5 Yr

Self Storage REITs 3-5 Yr trading at STW: 58 bps - 111 bps

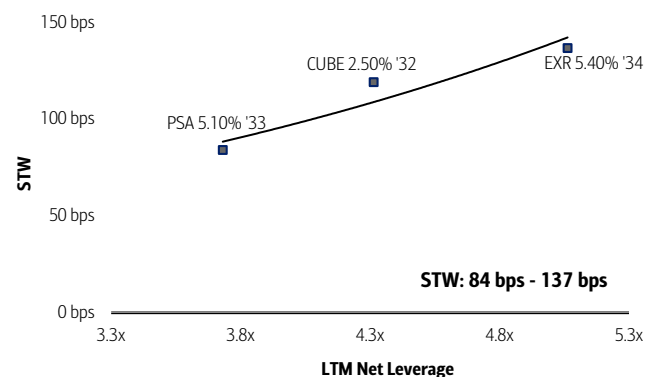


Source: Company reports and BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 23: Self Storage REITs 7-10 Yr

Self Storage REITs 7-10 Yr trading at STW: 84 bps - 137 bps



Source: Company reports and BofA Global Research

BofA GLOBAL RESEARCH

Select Yield Curve Spread Differentials

Exhibit 24: Select 2s/5s Spread Difference

Mean Spread differential is 23bps, Median spread differential is 23bps

Issuer	Reference 5-year bond	Duration	Price	YTW	STW	Reference 2-year bond	Duration	Price	YTW	STW	Difference				
											Duration	Price	YTW	STW	
Healthcare															
OHI	3.625% Senior notes due 10/2029	5.7	88.30	6.09%	205	5.250% Senior notes due 1/2026	1.7	99.39	5.58%	122	4.0	(11.09)	0.5%	83	
HR	2.050% Senior notes due 2/2030	6.1	87.03	5.66%	161	3.100% Senior notes due 8/2026	2.5	95.30	5.53%	129	3.5	(8.26)	0.1%	32	
WELL	2.050% Senior notes due 1/2029	5.0	87.31	4.96%	92	4.250% Senior notes due 4/2026	2.2	98.64	4.91%	60	2.8	(11.33)	0.1%	32	
PEAK	2.125% Senior notes due 12/2028	4.9	87.59	5.04%	99	3.250% Senior notes due 7/2026	2.5	96.01	4.99%	74	2.4	(8.41)	0.1%	25	
VTR	4.400% Senior notes due 1/2029	5.0	96.44	5.22%	118	4.125% Senior notes due 1/2026	2.0	97.79	5.32%	96	3.0	(1.35)	(0.1%)	22	
Mean											3.1	(8.09)	0.1%	39	
Multifamily/Single Family Rental															
UDR	4.400% Senior notes due 1/2029	5.0	96.10	5.30%	125	2.950% Senior notes due 9/2026	2.6	94.81	5.11%	89	2.4	1.29	0.2%	36	
ESS	4.000% Senior notes due 3/2029	5.1	94.97	5.13%	109	3.375% Senior notes due 4/2026	2.2	96.44	5.09%	79	2.9	(1.47)	0.0%	30	
CPT	3.150% Senior notes due 7/2029	5.4	91.90	4.86%	82	5.850% Senior notes due 11/2026	2.7	102.74	4.75%	54	2.7	(10.84)	0.1%	28	
AVB	1.900% Senior notes due 12/2028	4.9	87.74	4.76%	71	2.950% Senior notes due 5/2026	2.3	95.98	4.82%	54	2.6	(8.24)	(0.1%)	17	
EQR	4.150% Senior notes due 12/2028	4.9	97.48	4.74%	69	2.850% Senior notes due 11/2026	2.8	95.09	4.77%	57	2.1	2.39	(0.0%)	12	
MAA	3.950% Senior notes due 3/2029	5.1	96.28	4.77%	73	4.000% Senior notes due 11/2025	1.8	98.20	5.05%	64	3.3	(1.92)	(0.3%)	9	
Mean											2.7	(3.13)	(0.0%)	22	
Net Lease															
EPR	3.750% Senior notes due 8/2029	5.6	88.51	6.23%	218	4.560% Senior notes due 8/2026	2.6	96.27	6.15%	181	3.0	(7.76)	0.1%	37	
NNN	4.300% Senior notes due 10/2028	4.7	96.96	5.03%	98	4.000% Senior notes due 11/2025	1.8	97.97	5.19%	78	2.9	(1.01)	(0.2%)	20	
WPC	3.850% Senior notes due 7/2029	5.5	93.37	5.26%	122	4.250% Senior notes due 10/2026	2.7	97.53	5.25%	104	2.8	(4.16)	0.0%	18	
O	4.750% Senior notes due 2/2029	5.1	99.20	4.93%	91	0.750% Senior notes due 3/2026	2.1	91.28	5.11%	78	2.9	7.91	(0.2%)	13	
Mean											2.9	(1.25)	-0.1%	22	
Office															
ARE	4.500% Senior notes due 7/2029	5.5	96.53	5.23%	119	4.300% Senior notes due 1/2026	2.0	98.50	5.11%	75	3.5	(1.97)	0.1%	44	
BXP	4.500% Senior notes due 12/2028	4.9	95.00	5.69%	165	3.650% Senior notes due 2/2026	2.0	96.37	5.58%	123	2.8	(1.37)	0.1%	42	
KRC	4.750% Senior notes due 12/2028	4.9	95.60	5.80%	175	4.375% Senior notes due 10/2025	1.7	97.46	5.98%	152	3.2	(1.87)	(0.2%)	23	
HIW	3.050% Senior notes due 2/2030	6.1	83.98	6.27%	222	3.875% Senior notes due 3/2027	3.1	93.01	6.40%	225	3.0	(9.04)	(0.1%)	(3)	
Mean											3.1	(3.56)	(0.0%)	27	
Retail															
FRT	3.200% Senior notes due 6/2029	5.4	90.31	5.29%	125	1.250% Senior notes due 2/2026	2.1	92.36	5.22%	88	3.3	(2.05)	0.1%	37	
SPG	2.450% Senior notes due 9/2029	5.6	88.21	4.87%	83	3.300% Senior notes due 1/2026	2.0	96.95	4.94%	58	3.7	(8.75)	(0.1%)	25	
BRX	4.125% Senior notes due 5/2029	5.3	94.51	5.33%	128	4.125% Senior notes due 6/2026	2.4	97.15	5.41%	115	2.9	(2.65)	(0.1%)	13	
REG	2.950% Senior notes due 9/2029	5.6	89.19	5.19%	114	3.900% Senior notes due 11/2025	1.8	96.96	5.73%	130	3.9	(7.77)	(0.5%)	(16)	
KIM	1.900% Senior notes due 3/2028	4.1	88.07	5.17%	110	3.250% Senior notes due 8/2026	2.6	94.82	5.45%	122	1.5	(6.74)	(0.3%)	(12)	
Mean											3.1	(5.59)	(0.2%)	9	
Self Storage															
EXR	4.000% Senior notes due 6/2029	5.4	94.33	5.22%	118	3.500% Senior notes due 7/2026	2.4	96.39	5.10%	85	3.0	(2.06)	0.1%	33	
PSA	5.125% Senior notes due 1/2029	4.9	102.32	4.59%	57	0.875% Senior notes due 2/2026	2.1	92.55	4.73%	38	2.8	9.77	(0.1%)	19	
CUBE	4.375% Senior notes due 2/2029	5.1	96.73	5.12%	107	4.000% Senior notes due 11/2025	1.8	97.65	5.38%	97	3.3	(0.92)	(0.3%)	10	
Mean											3.0	2.26	(0.1%)	21	
US Corporates - Bloomberg Valuation (BVAL)															
US Corp IG		5.0	90			2.0		76			3.0	n.a.	n.a.	14	
US Corp BBB		5.0	104			2.0		83			3.0	n.a.	n.a.	20	
Mean											3.0	(3.69)	(0.0%)	23	
Median											2.9	(2.06)	(0.0%)	23	
Min											1.5	(11.33)	(0.5%)	(16)	
Max											4.0	9.77	0.5%	83	

Source: Bloomberg, ICE Data Indices, LLC, BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 25: Select 5s/10s Spread Difference

Mean Spread differential is 17bps, Median spread differential is 17bps

Issuer	Reference 10-year bond	Duration	Price	YTW	STW	Reference 5-year bond	Duration	Price	YTW	STW	Difference				
											Duration	Price	YTW	STW	
Healthcare															
WELL	4.500% Senior notes due 12/2034	10.9	90.61	5.60%	151	2.050% Senior notes due 1/2029	5.0	87.31	4.96%	92	5.9	3.30	0.6%	59	
PEAK	5.250% Senior notes due 12/2032	8.9	99.30	5.35%	124	2.125% Senior notes due 12/2028	4.9	87.59	5.04%	99	4.0	11.71	0.3%	25	
OHI	3.250% Senior notes due 4/2033	9.2	79.82	6.15%	203	3.625% Senior notes due 10/2029	5.7	88.30	6.09%	205	3.5	(8.48)	0.1%	(2)	
Mean											4.5	2.18	0.3%	27	
Industrial															
PLD	5.125% Senior notes due 1/2034	9.7	100.62	5.04%	91	4.375% Senior notes due 2/2029	5.0	98.54	4.71%	66	4.7	2.08	0.3%	25	
Mean											4.7	2.08	0.3%	25	
Multifamily/Single Family Rental															
MAA	5.000% Senior notes due 3/2034	10.1	98.85	5.15%	102	3.950% Senior notes due 3/2029	5.1	96.28	4.77%	73	5.0	2.56	0.4%	29	
CPT	4.900% Senior notes due 1/2034	10.0	97.79	5.19%	107	4.100% Senior notes due 10/2028	4.7	96.67	4.90%	85	5.3	1.12	0.3%	22	
AVB	5.300% Senior notes due 12/2033	9.6	101.94	5.04%	92	1.900% Senior notes due 12/2028	4.9	87.74	4.76%	71	4.8	14.20	0.3%	21	
SUI	5.700% Senior notes due 1/2033	9.0	100.42	5.64%	153	5.500% Senior notes due 1/2029	4.9	100.54	5.37%	136	4.1	(0.12)	0.3%	17	
ESS	2.650% Senior notes due 3/2032	8.1	82.42	5.34%	125	4.000% Senior notes due 3/2029	5.1	94.97	5.13%	109	3.0	(12.54)	0.2%	16	
AMH	3.625% Senior notes due 4/2032	8.2	88.37	5.39%	130	4.900% Senior notes due 2/2029	5.1	98.76	5.18%	114	3.2	(10.39)	0.2%	16	
INVH	2.700% Senior notes due 1/2034	10.0	79.51	5.38%	124	2.300% Senior notes due 11/2028	4.8	87.90	5.18%	113	5.2	(8.39)	0.2%	11	
UDR	2.100% Senior notes due 6/2033	9.4	76.03	5.39%	126	4.400% Senior notes due 1/2029	5.0	96.10	5.30%	125	4.4	(20.06)	0.1%	1	
Mean											4.4	(4.20)	0.2%	17	
Net Lease															
NNN	5.600% Senior notes due 10/2033	9.5	101.15	5.44%	131	4.300% Senior notes due 10/2028	4.7	96.96	5.03%	98	4.8	4.19	0.4%	33	
ADC	2.600% Senior notes due 6/2033	9.4	78.31	5.60%	148	2.000% Senior notes due 6/2028	4.4	87.13	5.33%	127	5.0	(8.82)	0.3%	21	
WPC	2.250% Senior notes due 4/2033	9.2	76.74	5.51%	139	3.850% Senior notes due 7/2029	5.5	93.37	5.26%	122	3.7	(16.63)	0.3%	17	
O	5.125% Senior notes due 2/2034	10.1	100.10	5.11%	99	4.750% Senior notes due 2/2029	5.1	99.20	4.93%	92	5.0	0.90	0.2%	7	
Mean											4.6	(5.09)	0.3%	20	
Office															
KRC	2.650% Senior notes due 11/2033	9.8	74.83	6.10%	196	4.750% Senior notes due 12/2028	4.9	95.60	5.80%	175	4.9	(20.77)	0.3%	21	
BXP	6.500% Senior notes due 1/2034	9.7	104.59	5.87%	174	4.500% Senior notes due 12/2028	4.9	95.00	5.69%	165	4.9	9.59	0.2%	9	
ARE	2.950% Senior notes due 3/2034	10.1	81.92	5.28%	112	4.500% Senior notes due 7/2029	5.5	96.53	5.23%	119	4.6	(14.61)	0.0%	(7)	
HIW	7.650% Senior notes due 2/2034	9.8	111.41	6.08%	196	3.050% Senior notes due 2/2030	6.1	83.98	6.27%	222	3.7	27.43	(0.2%)	(26)	
Mean											4.5	0.41	0.1%	(1)	
Retail															
SPG	6.250% Senior notes due 1/2034	9.7	107.40	5.26%	114	2.450% Senior notes due 9/2029	5.6	88.21	4.87%	83	4.1	19.19	0.4%	31	
KIM	6.400% Senior notes due 3/2034	9.9	107.26	5.44%	130	1.900% Senior notes due 3/2028	4.1	88.07	5.17%	110	5.8	19.19	0.3%	20	
BRX	5.500% Senior notes due 2/2034	10.1	99.49	5.56%	144	4.125% Senior notes due 5/2029	5.3	94.51	5.33%	128	4.8	4.99	0.2%	16	
REG	5.250% Senior notes due 1/2034	10.0	99.29	5.34%	122	2.950% Senior notes due 9/2029	5.6	89.19	5.19%	114	4.3	10.09	0.2%	8	
Mean											4.7	13.37	0.3%	19	
Self Storage															
PSA	5.100% Senior notes due 8/2033	9.3	101.03	4.96%	84	5.125% Senior notes due 1/2029	4.9	102.32	4.59%	58	4.4	(1.29)	0.4%	26	
EXR	5.400% Senior notes due 2/2034	10.0	99.34	5.49%	137	3.900% Senior notes due 4/2029	5.2	94.09	5.22%	117	4.8	5.25	0.3%	20	
CUBE	2.500% Senior notes due 2/2032	8.1	81.96	5.28%	119	4.375% Senior notes due 2/2029	5.1	96.73	5.12%	107	3.0	(14.77)	0.2%	12	
Mean											4.1	(3.60)	0.3%	19	
US Corporates - Bloomberg Valuation (BVAL)															
US Corp IG		10.0					5.0				90	5.0	n.a.	n.a.	19
US Corp BBB		10.0					5.0				104	5.0	n.a.	n.a.	27
Mean											4.5	(0.04)	0.2%	17	
Median											4.7	1.12	0.3%	17	
Min											3.0	(20.77)	(0.2%)	(26)	
Max											5.9	27.43	0.6%	59	

Source: Bloomberg, ICE Data Indices, LLC, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 26: Select 10s/30s Spread Difference

Mean Spread differential is -1bps, Median spread differential is 0bps

Issuer	Reference 30-year bond	Duration	Price	YTW	STW	Reference 10-year bond	Duration	Price	YTW	STW	Difference				
											Duration	Price	YTW	STW	
Healthcare															
VTR	4.875% Senior notes due 4/2049	25.2	85.13	6.03%	152	2.500% Senior notes due 9/2031	7.6	81.37	5.54%	146	17.6	3.76	0.5%	6	
WELL	4.950% Senior notes due 9/2048	24.6	92.00	5.55%	103	4.500% Senior notes due 12/2034	10.9	90.61	5.60%	151	13.8	1.39	(0.1%)	(48)	
Mean											15.7	2.57	0.2%	(21)	
Industrial															
PLD	5.250% Senior notes due 6/2053	29.4	99.89	5.26%	89	5.125% Senior notes due 1/2034	9.7	100.62	5.04%	91	19.7	(0.73)	0.2%	(2)	
Mean											19.7	(0.73)	0.2%	(2)	
Multifamily/Single Family Rental															
EQR	4.000% Senior notes due 8/2047	23.5	77.32	5.78%	125	1.850% Senior notes due 8/2031	7.5	81.48	4.82%	74	16.0	(4.16)	1.0%	51	
AVB	4.350% Senior notes due 4/2048	24.2	84.37	5.53%	100	5.300% Senior notes due 12/2033	9.6	101.94	5.04%	92	14.6	(17.57)	0.5%	8	
AMH	4.300% Senior notes due 4/2052	28.2	79.55	5.78%	136	3.625% Senior notes due 4/2032	8.2	88.37	5.39%	130	20.0	(8.82)	0.4%	6	
MAA	2.875% Senior notes due 9/2051	27.7	63.63	5.43%	99	5.000% Senior notes due 3/2034	10.1	98.85	5.15%	102	17.5	(35.22)	0.3%	(3)	
ESS	2.650% Senior notes due 9/2050	26.6	58.62	5.69%	121	2.650% Senior notes due 3/2032	8.1	82.42	5.34%	125	18.5	(23.80)	0.3%	(4)	
CPT	3.350% Senior notes due 11/2049	25.8	71.44	5.42%	92	4.900% Senior notes due 1/2034	10.0	97.79	5.19%	107	15.8	(26.35)	0.2%	(15)	
Mean											17.1	(19.32)	0.4%	7	
Net Lease															
NNN	3.000% Senior notes due 4/2052	28.2	63.93	5.54%	112	5.600% Senior notes due 10/2033	9.5	101.15	5.44%	131	18.8	(37.22)	0.1%	(19)	
O	4.650% Senior notes due 3/2047	23.2	90.15	5.40%	87	4.900% Senior notes due 7/2033	9.5	97.01	5.31%	118	13.7	(6.86)	0.1%	(31)	
Mean											16.2	(22.04)	0.1%	(25)	
Office															
ARE	5.150% Senior notes due 4/2053	29.2	92.51	5.68%	131	2.950% Senior notes due 3/2034	10.1	81.92	5.28%	112	19.1	10.59	0.4%	19	
Mean											19.1	10.59	0.4%	19	
Retail															
REG	4.650% Senior notes due 3/2049	25.2	84.97	5.79%	128	5.250% Senior notes due 1/2034	10.0	99.29	5.34%	122	15.2	(14.32)	0.4%	6	
SPG	6.650% Senior notes due 1/2054	29.5	116.13	5.53%	115	6.250% Senior notes due 1/2034	9.7	107.40	5.26%	114	19.8	8.73	0.3%	0	
KIM	3.700% Senior notes due 10/2049	25.7	72.14	5.80%	130	6.400% Senior notes due 3/2034	9.9	107.26	5.44%	130	15.8	(35.12)	0.4%	0	
Mean											16.9	(13.57)	0.4%	2	
Self Storage															
PSA	5.350% Senior notes due 8/2053	29.0	101.38	5.26%	87	5.100% Senior notes due 8/2033	9.3	101.03	4.96%	84	19.8	0.34	0.3%	3	
Mean											19.8	0.34	0.3%	3	
US Corporates - Bloomberg Valuation (BVAL)															
US Corp IG		30.0			103		10.0			109	20.0	n.a.	n.a.	(6)	
US Corp BBB		30.0			123		10.0			131	20.0	n.a.	n.a.	(8)	
Mean											17.2	(11.6)	0.3%	(1)	
Median											17.6	(7.8)	0.3%	0	
Min											13.7	(37.2)	-0.1%	(48)	
Max											20.0	10.6	1.0%	51	

Source: Bloomberg, ICE Data Indices, LLC, BofA Global Research

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**Exhibit 27: HG REITs Relative Value**
HG REITs trading at STW of 74bps - 389bps

		YTW										Net									
HG REITs	Ticker	Rating	Outlook	Description	Term	Amt.	Price	YTW	STW	G-Spread	Market		Adj.EBITDA	EBITDA	Debt+Pfd /		D+Pfd /	FCC	Liquidity	Revolver	
											Cap (\$mn)	EV (\$mn)	(\$mn)	Margin %	Debt / EV	EBITDA	EBITDA	Ratio	(\$mn)	Availability	
Retail																					
Brixmor Operating Partnership LP	BRX	Baa3 / BBB	S / S	5.5% '02/34	10.1	400	99.49	5.6%	145	144		6,890	11,813	802	65%	42%	6.3x	6.1x	4.1x	1,344	100%
Federal Realty Investment Trust	FRT	Baa1 / BBB+	S / S	3.5% '06/30	6.4	400	90.76	5.2%	118	117		8,488	13,273	707	63%	34%	6.5x	6.4x	3.6x	1,298	96%
Kimco Realty Corporation	KIM	Baa1 / BBB+	S / S	6.4% '03/34	9.9	500	107.26	5.4%	130	129		14,099	21,513	1,187	67%	35%	6.8x	6.1x	4.9x	2,924	100%
Kite Realty Group L.P.	KRG	Baa3 / BBB-	S / NR	5.5% '03/34	10.1	350	98.75	5.7%	155	154		4,827	7,567	554	67%	38%	5.2x	4.8x	5.3x	1,313	100%
Regency Centers LP	REG	Baa1 / BBB+	P / S	5.25% '01/34	10.0	400	99.29	5.3%	123	121		12,292	16,715	884	63%	25%	5.0x	4.8x	5.8x	1,397	100%
Site Centers Corp	SITC	Baa3 / BBB-	N / N	4.7% '06/27	3.3	450	98.95	5.0%	92	95		2,906	4,801	347	63%	36%	5.5x	5.5x	3.7x	829	84%
Tanger Properties Limited Partnership	SKT	Baa3 / BBB-	S / S	2.75% '09/31	7.6	400	81.07	5.9%	180	175		2,960	4,233	236	52%	34%	6.1x	5.3x	4.9x	709	100%
Simon Property Group LP.	SPG	A3 / A-	S / S	6.25% '01/34	9.7	500	107.40	5.3%	115	114		46,854	71,805	3,958	72%	35%	6.3x	6.1x	4.5x	8,916	96%
Average								97.87	5.4%	132	131	12,414	18,965	1,084	64%	35%	6.0x	5.6x	4.6x	2,341	97%
Multifamily/Single Family Rentals																					
American Homes 4 Rent LP	AMH	Baa2 / BBB	S / S	5.5% '02/34	9.8	600	101.48	5.3%	119	115		14,371	19,650	840	53%	23%	5.6x	5.5x	4.0x	1,320	100%
AvalonBay Communities Inc.	AVB	A3 / A-	S / S	5.3% '12/33	9.6	400	101.94	5.0%	93	92		25,141	32,445	1,715	63%	25%	4.7x	4.3x	6.6x	2,930	99%
Camden Property Trust	CPT	A3 / A-	S / S	4.9% '01/34	10.0	400	97.79	5.2%	107	106		10,431	14,215	898	60%	27%	4.3x	4.1x	6.0x	1,340	98%
ERP Operating Limited Partnership	EQR	A3 / A-	S / S	1.85% '08/31	7.5	500	81.48	4.8%	74	67		23,041	31,078	1,748	61%	24%	4.3x	4.3x	6.1x	2,038	80%
Essex Portfolio LP	ESS	Baa1 / BBB+	S / S	2.55% '06/31	7.4	300	83.02	5.4%	129	126		15,542	21,595	1,110	67%	29%	5.6x	5.3x	5.4x	1,627	100%
Invitation Homes Operating Partnership LP	INVH	Baa3 / BBB	P / S	5.5% '08/33	9.6	350	99.45	5.6%	144	144		20,354	28,243	1,413	58%	31%	6.1x	5.6x	4.4x	1,763	100%
Mid-America Apartments L.P.	MAA	A3 / A-	S / S	5% '03/34	10.1	350	98.85	5.1%	103	101		15,849	20,349	1,256	59%	22%	3.5x	3.4x	7.7x	1,407	100%
Sun Communities	SUI	Baa3 / BBB	S / S	5.7% '01/33	8.7	400	100.42	5.6%	153	153		15,188	23,105	1,207	38%	33%	6.5x	6.5x	3.7x	1,741	56%
UDR Inc	UDR	Baa1 / BBB+	S / S	2.1% '06/33	9.4	300	76.03	5.4%	126	127		12,962	19,676	986	61%	29%	5.9x	5.9x	5.4x	970	70%
Average								93.39	5.3%	116	114	16,987	23,373	1,241	58%	27%	5.2x	5.0x	5.5x	1,682	89%
Office																					
Alexandria Real Estate Equities Inc.	ARE	Baa1 / BBB+	S / S	4.75% '04/35	11.2	500	95.27	5.3%	113	120		21,513	36,351	1,935	69%	31%	5.8x	5.6x	4.9x	5,532	100%
Boston Properties Limited Partnership	BXP	Baa2 / BBB	S / N	6.5% '01/34	9.7	750	104.59	5.9%	174	147		12,593	29,012	1,963	61%	52%	7.6x	7.2x	3.3x	2,591	100%
COPT Defense Properties LP	CDP	Baa3 / BBB-	S / S	2.9% '12/33	9.9	400	77.12	6.0%	187	180		2,789	5,092	348	51%	48%	7.0x	6.4x	4.8x	729	88%
Highwoods Realty LP	HIW	Baa2 / BBB	S / N	7.65% '02/34	9.8	350	111.41	6.1%	196	194		2,437	5,725	533	63%	56%	6.1x	6.1x	4.0x	767	100%
Hudson Pacific Properties LP	HPP	Ba1 / BB+	N / N	3.25% '01/30	6.0	400	78.69	7.8%	373	387		1,247	5,854	463	50%	63%	8.9x	8.8x	1.9x	864	88%
Kilroy Realty L.P.	KRC	Baa2 / BBB	N / N	2.65% '11/33	9.8	450	74.83	6.1%	196	197		4,629	9,214	711	62%	56%	7.3x	6.1x	3.9x	1,919	100%
Piedmont Operating Partnership L.P.	PDM	Baa3 / BBB-	N / N	2.75% '04/32	8.2	300	68.97	8.0%	389	356		915	2,981	320	55%	71%	6.6x	6.4x	3.2x	648	100%
Vornado Realty LP	VNO	Ba1 / BBB-	S / N	3.4% '06/31	7.4	350	79.73	7.0%	286	289		5,871	15,159	792	44%	55%	12.1x	10.8x	1.8x	2,895	76%
Average								86.33	6.5%	239	234	6,499	13,674	883	57%	54%	7.7x	7.2x	3.5x	1,993	94%
Industrial																					
Lexington Realty Trust	LXP	Baa2 / BBB-	N / S	2.375% '10/31	7.7	400	79.79	5.7%	158	151		2,782	4,374	238	70%	41%	7.9x	6.5x	3.7x	935	100%
Prologis L.P.	PLD	A3 / A	S / S	5.25% '03/54	30.2	450	99.02	5.3%	94	93		120,212	153,964	6,001	74%	19%	4.9x	4.9x	8.7x	6,984	100%
Rexford Industrial Realty L.P	REXR	Baa2 / BBB+	S / S	2.15% '09/31	7.6	400	79.46	5.5%	142	135		11,422	14,117	558	71%	16%	4.3x	4.2x	6.2x	1,083	100%
Average								86.09	5.5%	131	126	44,805	57,485	2,266	72%	25%	5.7x	5.2x	6.2x	3,001	100%
Healthcare																					
Physicians Realty LP	DOC	Baa2 / BBB	RuR+/Wtch Pos	2.625% '11/31	7.8	500	81.47	5.6%	152	148		3,190	5,110	340	63%	39%	5.8x	5.3x	4.2x	1,446	100%
Healthcare Realty Holdings LP	HR	Baa2 / BBB	S / S	3.5% '03/31	7.1	299	76.73	6.1%	206	201		6,357	11,950	812	60%	46%	6.8x	6.8x	3.1x	1,289	84%
Omega Healthcare Investors Inc.	OHI	Baa3 / BBB-	S / S	3.25% '04/33	9.2	700	79.82	6.2%	203	201		7,120	12,091	927	107%	44%	5.8x	5.2x	3.9x	1,985	99%
Healthpeak Properties Inc	PEAK	Baa1 / BBB+	S / S	5.25% '12/32	8.9	750	99.30	5.3%	124	121		10,788	18,099	1,187	55%	37%	5.7x	5.6x	4.6x	2,639	86%
Sabra Health Care LP	SBRA	Ba1 / BBB-	S / S	3.2% '12/31	7.9	800	80.65	6.4%	229	224		3,080	5,418	421	66%	44%	5.6x	5.6x	3.7x	1,001	97%
Ventas Realty LP/Ventas Capital Corp.	VTR	Baa1 / BBB+	S / S	2.5% '09/31	7.6	500	81.37	5.5%	146	141		19,333	32,700	1,865	41%	41%	7.2x	7.0x	3.4x	3,136	98%
Welltower Inc	WELL	Baa1 / BBB+	S / S	3.85% '06/32	8.4	550	90.69	5.2%	114	109		49,044	63,377	2,344	37%	25%	6.8x	5.7x	3.7x	6,582	100%
Average								84.29	5.8%	168	164	14,130	21,249	1,128	61%	40%	6.3x	5.9x	3.8x	2,583	95%
Self Storage																					
CubeSmart L.P.	CUBE	Baa2 / BBB	S / S	2.5% '02/32	8.1	500	81.96	5.3%	119	114		10,295	13,356	694	66%	22%	4.3x	4.3x	7.4x	842	98%
Extra Space Storage	EXR	Baa2 / BBB+	S / S	5.4% '02/34	10.0	600	99.34	5.5%	137	136		32,952	45,057	2,188	72%	25%	5.2x	5.1x	4.5x	2,333	99%
Public Storage	PSA	A2 / A	S / S	5.1% '08/33	9.3	700	101.03	5.0%	84	83		85,448	98,345	3,431	74%	9%	3.9x	3.7x	9.2x	2,115	99%
Average								94.11	5.2%	113	111	42,898	52,252	2,104	71%	19%	4.5x	4.4x	7.0x	1,764	99%
Net Lease																					
Agree LP	ADC	Baa1 / BBB	S / S	4.8% '10/32	8.7	300	93.83	5.7%	160	133		6,019	8,443	467	92%	27%	5.2x	5.2x	5.5x	957	95%
EPR Properties	EPR	Baa3 / BBB-	S / S	3.6% '11/31	7.8	400	82.63	6.5%	239	222		3,370	6,409	552	77%	44%	5.8x	5.5x	3.5x	1,173	100%
National Retail Properties Inc.	NNN	Baa1 / BBB+	S / S	5.6% '10/33	9.5	500	101.15	5.4%	131	130		7,571	11,794	739	91%	36%	5.8x	5.7x	4.6x	1,177	100%
Realty Income Corporation	O	A3 / A-	S / S	5.125% '02/34	10.1	800	100.10	5.1%	99	98		46,314	66,574	3,625	89%	31%	5.8x	5.5x	5.5x	5,103	100%
Spirit Realty LP	SRC	Baa2 / A-	RuR+/Wtch Pos	2.7% '02/32	8.1	2	82.72	5.4%	128	132		5,989	9,876	691	92%	39%	5.8x	5.6x	4.6x	1,534	100%
W. P. Carey Inc	WPC	Baa1 / BBB+	S / S	2.45% '02/32	8.0	350	80.44	5.5%	141	131		13,941	20,444	1,215	81%	37%	6.2x	5.3x	4.2x	2,864	100%
Average								90.15	5.6%	150	141	13,867	20,590	1,215	87%	36%	5.8x	5.5x	4.6x	2,135	99%
Other																					
Digital Realty Trust L.P.	DLR	Baa2 / BBB	S / S	3.6% '07/29	5.4	900	93.21	5.0%	100	97		45,080	63,548	2,451	46%	27%	7.2x	6.8x	4.4x	3,066	52%
Host Hotels & Resorts LP.	HST	Baa3 / BBB-	S / S	2.9% '12/31	7.9	450	83.53	5.5%	142	141		14,078	17,575	1,579	30%	24%	2.7x	2.1x	10.1x	2,416	100%
Average								88.37	5.3%	121	119	29,579	40,562	2,015	38%	25%	5.0x	4.4x	7.2x	2,741	76%





Exhibit 27: HG REITs Relative Value

HG REITs trading at STW of 74bps - 389bps

HG REITs	Ticker										Net											
		YTW									Market	Adj.EBITDA	EBITDA	Debt+Pfd /		D+Pfd /	FCC	Liquidity	Revolver			
		Rating	Outlook	Description	Term	Amt.	Price	YTW	STW	G-Spread	Cap (\$mn)	EV (\$mn)	(\$mn)	Margin %	Debt / EV	EBITDA	EBITDA	Ratio	(\$mn)	Availability		

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2024 New Issue

Exhibit 28: 2024 REITs Unsecured New Issue

\$6.5bn of REITs Unsecured New Issue YTD in 2024

Date	Ticker	Name	Description	Amount (\$mn)	Coupon	Maturity	At Issue STW	Current		
								Price	Yield	STW
1/3/2023	CPT	Camden Property Trust	Sr. Unsec Nts	400	4.90%	1/15/2034	105	97.79	5.19%	100
1/3/2023	MAA	Mid-America Apartments LP	Sr. Unsec Nts	350	5.00%	3/15/2034	112	98.85	5.15%	96
1/3/2023	SUI	Sun Communities	Sr. Unsec Nts	500	5.50%	1/15/2029	155	100.54	5.37%	128
1/8/2023	REG	Regenry Centers LP	Sr. Unsec Nts	400	5.25%	1/15/2034	130	99.29	5.34%	116
1/8/2023	O	Realty Income	Sr. Unsec Nts	450	4.75%	2/15/2029	95	99.20	4.93%	84
1/8/2023	O	Realty Income	Sr. Unsec Nts	800	5.13%	2/15/2034	125	100.10	5.11%	92
1/9/2023	KRC	Kilroy Realty Corp	Sr. Unsec Nts	400	6.25%	1/15/2036	238	99.53	6.31%	205
1/9/2023	BRX	Brixmor Property Group	Sr. Unsec Nts	400	5.50%	2/15/2034	150	99.49	5.56%	138
1/12/2023	KRG	Kite Realty Group	Sr. Unsec Nts	350	5.50%	3/1/2034	170	98.75	5.66%	147
1/16/2023	EXR	Extra Space Storage	Sr. Unsec Nts	600	5.40%	2/1/2034	135	99.34	5.49%	130
1/18/2023	PLD	Prologis LP	Sr. Unsec Nts	800	5.00%	3/15/2034	92	99.67	5.04%	85
1/18/2023	PLD	Prologis LP	Sr. Unsec Nts	450	5.25%	3/15/2054	98	99.02	5.31%	91
1/23/2023	AMH	American Homes 4 Rent LP	Sr. Unsec Nts	600	5.50%	2/1/2034	137	101.48	5.30%	119
Aggregate Issuance										
Healthcare				--						
Industrial				1,250						
Multifamily				1,850						
Net Lease				1,250						
Office				400						
Retail				1,150						
Self Storage				600						
Other1				--						
Total				6,500						
Total USD New Issue				6,500						

1. Other includes Data Centers, Hospitality and Real Estate/Mortgage REITs, Wireless and Broadcast towers, Gaming

Source: BofA Global Research

BofA GLOBAL RESEARCH

4Q23 Earnings Calendar

Exhibit 29: BofA HG REITs 4Q23 Earnings Calendar

5 companies report earnings next week

Company	Ticker	Date	Time	Est. / Conf.	Conference Call				Consensus	
					Date	Time	Phone	Pin	EBITDA (\$mn)	Adj. FFO/sh
Week of Jan 29- Feb 2										
Alexandria Real Estate Equities	ARE	1/29	Aft-mkt	Conf.	1/30	3:00 pm	(833) 366-1125		435	2.29
Boston Properties Inc	BXP	1/30	Aft-mkt	Conf.	1/31	10:00 am	+1 844-543-0451	213257	487	1.81
Equity Residential	EQR	1/30	Aft-mkt	Conf.	1/31	11:00 am			465	0.99
AvalonBay Communities Inc	AVB	1/31	Aft-mkt	Conf.	2/1	1:00 pm	(877) 407-9716		441	2.74
Camden Property Trust	CPT	2/1	Aft-mkt	Conf.	2/2	11:00 am	(888) 317-6003	5105539	228	1.72
Week of Feb 5- 9										
Simon Property Group Inc	SPG	2/5	Aft-mkt	Conf.	2/5	5:00 pm	1-877-423-9813	13743637	1,245	3.34
Kilroy Realty Corp	KRC	2/5	Aft-mkt	Conf.	2/6	1:00 pm	+1 833-470-1428	550315,8245	168	1.05
Highwoods Properties Inc	HIW	2/6	Aft-mkt	Conf.	2/7	11:00 am	(833) 470-1428	433619	131	0.91
Rexford Industrial Realty Inc	REXR	2/6	Aft-mkt	Conf.	2/7	1:00 pm	1-877-407-0789		144	0.56
UDR Inc	UDR	2/6	Aft-mkt	Conf.	2/7	1:00 pm	1-877-423-9813		261	0.63
Essex Property Trust Inc	ESS	2/6	Aft-mkt	Conf.	2/7	2:00 pm	(877) 407-0784		296	3.81
Kimco Realty Corp	KIM	2/8	Bef-mkt	Conf.	2/8	8:30 am	1-888-317-6003	7499858	294	0.39
Piedmont Office Realty Trust I	PDM	2/7	Aft-mkt	Conf.	2/8	9:00 am	(888) 506-0062	935915	80	0.41
First Industrial Realty Trust	FR	2/7	Aft-mkt	Conf.	2/8	10:00 am	(877) 870-4263	First Industrial	106	0.62
Mid-America Apartment Communities	MAA	2/7	Aft-mkt	Conf.	2/8	10:00 am	(800) 343-4849	MAA	316	2.31
Omega Healthcare Investors Inc	OHI	2/7	Aft-mkt	Conf.	2/8	10:00 am	(877) 407-9124		222	0.64
Regency Centers Corp	REG	2/8	Aft-mkt	Conf.	2/9	11:00 am			230	1.02
COPT Defense Properties	OFC	2/8	Aft-mkt	Conf.	2/9	12:00 pm	+1 844-543-0451	405254	91	0.61
Phillips Edison & Co Inc	PECO	2/8	Aft-mkt	Conf.	2/9	12:00 pm	(888) 210-4659	2035308	98	0.56
Healthpeak Properties Inc	PEAK	2/7		Est.					302	0.45
WP Carey Inc	WPC	2/9		Est.					341	1.22
Week of Feb 12-16										
Federal Realty Investment Trust	FRT	2/12	Aft-mkt	Conf.	2/12	5:00 pm	844-826-3035		181	1.64
SITE Centers Corp	SITC	2/13	Bef-mkt	Conf.	2/13	8:00 am	888-317-6003	3657488	77	0.26
Brixmor Property Group Inc	BRX	2/12	Aft-mkt	Conf.	2/13	10:00 am	1 877 704 4453		200	0.50
Vornado Realty Trust	VNO	2/12	Aft-mkt	Conf.	2/13	10:00 am	1 (888) 317-6003	3199730	179	0.60
Agree Realty Corp	ADC	2/13	Aft-mkt	Conf.	2/14	9:00 am	(866) 363-3979		117	0.98
Welltower Inc	WELL	2/13	Aft-mkt	Conf.	2/14	9:00 am	(888) 340-5024	8230248	661	0.94
Invitation Homes Inc	INVH	2/13	Aft-mkt	Conf.	2/14	11:00 am	1-888-330-2384	7714113	358	0.45
Kite Realty Group Trust	KRG	2/13	Aft-mkt	Conf.	2/14	1:00 pm			137	0.49
LXP Industrial Trust	LXP	2/15	Bef-mkt	Conf.	2/15	8:30 am	1 (888) 660-6082	1576583	61	0.17
Ventas Inc	VTR	2/14	Aft-mkt	Conf.	2/15	1:00 pm	(888) 330-3576	7655497	459	0.75
Digital Realty Trust Inc	DLR	2/15	Aft-mkt	Conf.	2/15	5:00 pm	+1 (888) 317-6003		672	1.65
Tanger Inc	SKT	2/15	Aft-mkt	Conf.	2/16	8:30 am	1-877-605-1702		69	0.49
Elme Communities	ELME	2/15	Aft-mkt	Conf.	2/16	10:00 am	888-506-0062	558089	32	0.25
Healthcare Realty Trust Inc	HR	2/16	Bef-mkt	Conf.	2/16	11:00 am	+1 404 975 4839	926364	197	0.39
Week of Feb 19-23										
Sun Communities Inc	SUI	2/20	Aft-mkt	Conf.	2/21	11:00 am	(877) 407-9039		258	1.30
Realty Income Corp	O	2/20	Aft-mkt	Conf.	2/21	2:00 pm	(833) 816-1264		961	1.04
Host Hotels & Resorts Inc	HST	2/21	Aft-mkt	Conf.	2/22	10:00 am	888-506-0062	122755	374	0.44
VICI Properties Inc	VICI	2/22	Aft-mkt	Conf.	2/23	10:00 am	+1 833-470-1428	819681, 6017	753	0.63
American Homes 4 Rent	AMH	2/22	Aft-mkt	Conf.	2/23	12:00 pm	(877) 451-6152		210	0.42
Public Storage	PSA	2/21		Est.					826	4.13
Sabra Health Care REIT Inc	SBRA	2/21		Est.					104	0.33
CubeSmart	CUBE	2/22		Est.					168	0.68
Extra Space Storage Inc	EXR	2/22		Est.					577	2.01
Gaming and Leisure Properties	GLPI	2/23		Est.					333	0.93
Week of Feb 26 - Mar 1										
EPR Properties	EPR	2/28	Aft-mkt	Conf.	2/29	8:30 am	+1 844-543-0451	216311	126	1.16

Source: Company reports, Bloomberg and BofA Global Research

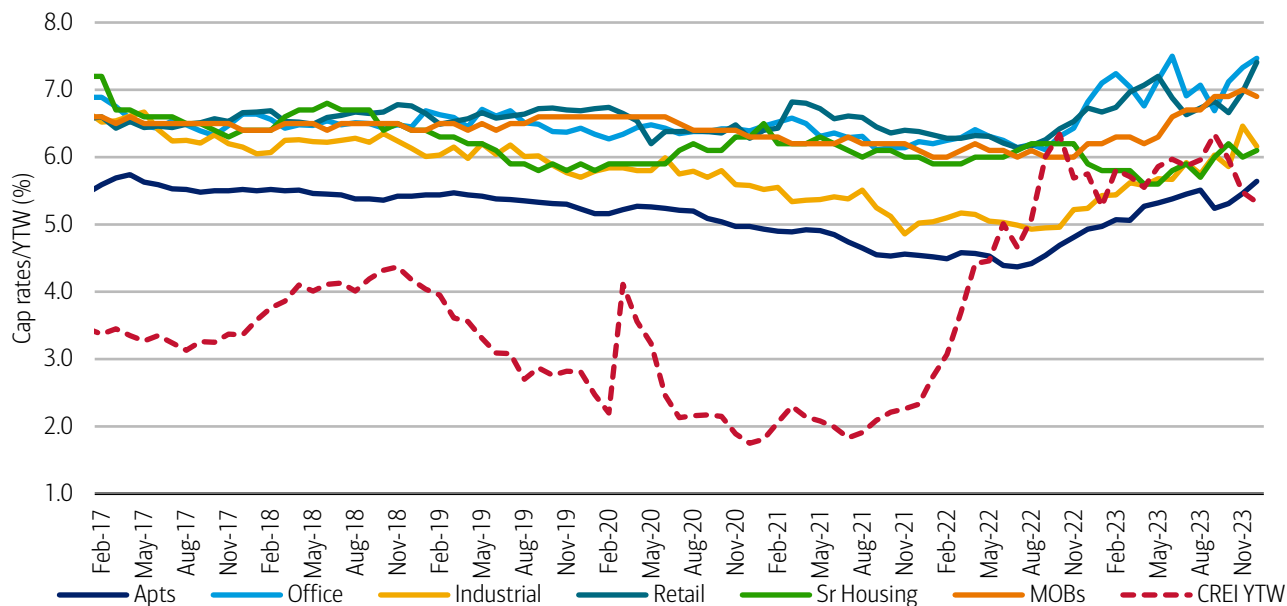
BofA GLOBAL RESEARCH



Industry Cap Rates

Exhibit 30: 3-mo rolling average cap rates (%)

Cap rates increased across all asset classes in 2023



Source: Bloomberg, ICE Data Indices, LLC, RCA, BofA Global Research

BofA GLOBAL RESEARCH

Disclosures

Important Disclosures

BofA Global Research Credit Opinion Key

BofA Global Research provides recommendations on an issuer's bonds (including corporate and sovereign external debt securities), loans, capital securities, equity preferreds and CDS as described below. Convertible securities are not rated. An issuer level recommendation may also be provided for an issuer as explained below. BofA Global Research credit recommendations are assigned using a three-month time horizon.

Issuer Recommendations: If an issuer credit recommendation is provided, it is applicable to bonds and capital securities of the issuer except bonds and capital securities specifically referenced in the report with a different credit recommendation. Where there is no issuer credit recommendation, only individual bonds and capital securities with specific recommendations are covered. Loans, CDS and equity preferreds are rated separately and issuer recommendations do not apply to them.

BofA Global Research credit recommendations are assigned using a three-month time horizon:

Overweight: Spreads and/or excess returns are likely to outperform the relevant and comparable market over the next three months.

Marketweight: Spreads and/or excess returns are likely to perform in-line with the relevant and comparable market over the next three months.

Underweight: Spreads and/or excess returns are likely to underperform the relevant and comparable market over the next three months.

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