

# Weekly REITcap

## Week ended February 9, 2024

### Industry Overview

#### US HG REITs outperformed this week

The ICE BofA US REITs Index outperformed the ICE BofA US Corp Master Index, returning -1.4% vs. -1.5% for US HG this week. On the quality spectrum, single A and BBB rated REITs returned -1.6% and -1.3%, respectively, whereas single A and BBB rated US Corp returned -1.6% and -1.5%, respectively. REITs equities underperformed, returning -1.0%, compared to the S&P 500, which returned 1.9% this week.

#### This week's best and worst performers

This week's best performing credit in the ICE BofA US HG REIT Index was FUNOTR's 6.39% notes due 2050, returning 1.0%, followed by URWFP's 2.875% notes due 2027, returning 0.3%. This week's worst performing credit was AMT's 2.95% notes due 2051, returning -4.3%, followed by EQIX's 3.40% notes due 2052, returning -4.3%.

#### This week in HG REITs

11 companies that we track reported earnings this week, with all but one reporting results in-line with expectations. Kilroy Realty Corp (KRC – not rated) being the sole company to report a slight beat. FY24 guidance, however, continues to miss the Street's expectations. Across all reporting companies FY24 guidance on average has come -1.9% below estimates and represents a -2.1% y/y decrease from FY23 FFO levels. Rexford Industrial Realty (REXR – not rated) reported the biggest guidance miss at -6.7% below estimates. Multifamily issuers continued to voice more negative sentiment. While macro trends continue to support rentership, new supply is expected to weigh on 2024 core growth, with record levels of new deliveries expected in mid-2024 before trending lower to historical averages by 2H25. UDR Inc (UDR – not rated) mentioned it expects ~1% y/y market rent growth in 2024 vs. consensus of 1.7%. In Office, not surprisingly, FY24 FFO/sh outlooks have been the weakest of the REIT subsectors (-5.4% y/y avg.). Asset quality bifurcation persists, with Kilroy Realty Corp (KRC – not rated) stating premier assets are commanding higher rents vs pre-pandemic levels. HIW believes it could see acquisition opportunities at attractive yields in the future as it has seen a handful of quality assets returned to lenders but will be patient on the M&A front. HIW noted during the post-GFC period it did not start buying assets until 2012/13. Healthcare operating recovery continues to progress, with Omega Healthcare Investors (OHI – not rated) issuing FY FFO/sh guidance for the first time since the pandemic as a result of an improving backdrop and greater visibility into its financial performance. OHI expects a timely resolution of its remaining operator restructurings in 2024. Retailers continued to highlight the beneficial supply and demand dynamics supporting positive spreads. Most retailers are focused on redevelopment opportunities given high hurdles for new development. Next week, 4Q23 earnings continue with 14 issuers (ADC, BRX, DLR, ELME, FRT, HR, INVH, KRG, LXP, SITC, SKT, VNO, VTR, WELL) reporting results. Inside, we include earnings summaries for 11 companies and our 4Q23 Earnings Tracker.

**09 February 2024**

High Grade Credit  
United States  
REITs

[View All Content](#)

<a href="#">4Q23 Earnings Recap</a>	2
<a href="#">Sector Performance and Relative Value</a>	9

#### Deleted: 10

<a href="#">Relative Value &amp; Comparable Company Information</a>	12
<a href="#">Select Yield Curve Spread Differentials</a>	14
<a href="#">2024 New Issue</a>	18
<a href="#">4Q23 Earnings Calendar</a>	19
<a href="#">4Q23 Earnings Tracker</a>	20
<a href="#">Industry Cap Rates</a>	20

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# 4Q23 Earnings Recap

## Kimco Realty Corp (KIM)

**4Q23 results in-line with expectations.** On February 8<sup>th</sup>, KIM reported 4Q23 FFO of \$239.4mn (-3.7% q/q; +2.0% y/y) in-line with consensus of \$241.5mn and consolidated EBITDA of \$302.5mn (+0.1% q/q; +4.7% y/y). LTM 4Q23 leverage (incl. pfds), was flat q/q at 6.8x (6.1x net) at PF 3Q23, adjusting for the \$500mn bond issuance in October. LQA 4Q23 leverage (incl. pfds) was flat at 6.7x (6.0x net) from 6.7x (5.9x net) at 3Q23. Reported FCC decreased to 3.9x from 4.3x at 4Q23.

Liquidity decreased to \$2.78bn (\$784mn cash + full availability on \$2.0bn revolver) from \$2.92bn (\$924mn cash + full availability on \$2.0bn revolver) at PF 3Q23.

Adjusting for the RPT acquisition that closed on January 1<sup>st</sup>, \$650mn of bond redemptions and \$224mn of net proceeds from the sale of its remaining ACI shares, PF LTM 4Q23 leverage (incl. pfds) decreased to 6.3x (6.1x net) and PF liquidity decreased to \$1.92bn (\$213mn cash + \$1.1bn available under \$2.0bn revolvers). Of note, KIM issued a new \$200mn term loan in conjunction with the RPT transaction.

**Operating results.** SS NOI excl. redevelopment increased to +3.5% y/y from +2.7% y/y in 4Q23 and +1.8% in 4Q22. SS NOI incl. redevelopment increased to +3.2% y/y from +2.6% y/y in 4Q23 and +1.9% in 4Q22. Blended leasing spreads decreased to +11.2% from +13.4% in 4Q23 but increased from +8.7% in 4Q22. 4Q23 pro rata portfolio occupancy was 96.20% (+70bps q/q; +50bps y/y). Leased vs. economic occupancy spread was 350bps (+20bps q/q; +90bps y/y). 4Q23 consolidated & unconsolidated dispositions totaled \$54mn and acquired an improved parcel at existing shopping center for \$8mn in 4Q23. Subsequent to 4Q23, unconsolidated dispositions totaled \$1.8mn. At 4Q23, KIM's re/development pipeline (incl. pro-rata JV share) totaled \$231.2mn, of which \$134.9mn remains to be funded.

**2024 outlook.** KIM provided FY24 FFO/sh guidance of \$1.54-\$1.58 (-0.6% y/y), including \$0.04 of merger-related expenses, behind consensus of \$1.62. Guidance assumes SS NOI growth of +1.5%+2.5% (-40bps y/y), dispositions (pro rata) of \$350-\$450mn and total acquisitions & structured investments of \$300mn-\$350mn, and capex of \$225mn-\$275mn (+13.6% y/y), of which \$100-\$150mn is redevelopment. The company's signed but not opened pipeline is expected to be back-end weighted, which should accelerate NOI growth beyond 2024. In addition, KIM's combined spreads of >40% on returned boxes from Bed, Bath, Beyond is expected to support future earnings growth. The company expects to return to longer-term growth targets of 3-5%.

**Capital allocation.** Retail redevelopment remains an area of focus given high-single digit to low double digit yields. The company is to redeploy RPT asset sale proceeds of \$250mn-\$350mn in 1H24 at a blended low to mid 8% cap rate towards its redevelopment and structured investment programs. The company highlighted the \$224mn of ACI sale net proceeds will also be partially used to fund its redevelopment programs, as well as debt reduction. In January 2024, KIM approved an extension of its share buyback program for up to \$300mn, of which \$245mn remains available, as of February 28, 2026.

**Maintain Overweight credit recommendation.** We maintain our Overweight recommendation, reflecting our view that the company is one of the highest-quality open air shopping center REITs. The company has additional opportunity to improve occupancy as it integrates the RPT portfolio and recycles capital from non-core sales to higher yielding redevelopments. We believe KIM 10yr benchmarks trading at g-spreads of 120-137bps look attractive relative to ICE BofA BBB US Corporate Index at an OAS of 123bps and the ICE BofA US REIT Index at an OAS of 120bps.

## Exhibit 1: KIM Earnings Snapshot (\$ in millions)

Earnings Snapshot (\$ in millions)

	Quarterly		
	4Q23	4Q23E	4Q22
<b>Occupancy &amp; Spreads</b>			
Leased occupancy	96.2%	95.5%	95.7%
% change y/y	0.5%	-0.2%	1.3%
Cash leasing spread	24.0%	10.0%	30.4%
<b>Operating Data</b>			
SS NOI (excl. redevelopments)	330	333	318
% change y/y	3.2%	4.9%	1.9%
Consolidated NOI	303	303	293
JV NOI	39	39	39
Portfolio NOI	343	342	333
Total revenues	452	460	440
Consolidated EBITDA (as reported)	303	296	289
Adj. EBITDA (BofA Adjusted)	307	290	288
Funds From Operations	239	241	235
<b>Cash Flow Data</b>			
Net income before pfd. dividend	142	108	(47)
Depreciation and amortization	124	132	125
Stock compensation expense	8	6	6
Gain on sale of properties	23	-	4
Equity in income from JVs	(17)	(26)	(17)
Distributions to JVs	21	20	17
Change in working capital	(47)	(43)	52
(Gain)/loss on marketable securities	(11)	-	100
Other	(56)	-	(84)
Operating cash flow	187	198	155
Capex (incl. developments)	(160)	(153)	(125)
Distributions to stockholders	(211)	(210)	(149)
Distributions to NCLs	(50)	-	(8)
Free cash flow	(234)	(165)	(126)
(Acquisitions) and Divestitures	33	(155)	(102)
(Repayment)/Issuance of debt	497	500	(131)
Proceeds from issuance of pfd. stock	-	-	-
Proceeds from issuance of common stock	-	-	1
Other <sup>1</sup>	64	-	384
Cash flow	359	180	26
<b>Liquidity &amp; Balance Sheet</b>			
Unrestricted cash	784	604	150
Revolver commitment	2,000	2,000	2,000
Amount drawn on revolver	-	-	-
Letters of credit	-	-	(1)
Total Liabilities			
<b>Deleted: will</b>			
Gross asset value	22,117	22,219	21,244
Total assets	18,274	18,351	17,826
Secured mortgage debt	354	357	377
Unsecured debt	7,263	7,272	6,781
Total debt	7,617	7,620	7,155
Total Assets			
<b>Deleted: will</b>			
<b>LTM Credit Metrics</b>			
Net Debt/Adj EBITDA	5.7x	5.9x	5.9x
Net Debt+Pfd/Adj EBITDA	6.1x	6.3x	6.3x
Consolidated Secured Debt/Total Assets	1.9%	1.9%	2.1%
Consolidated Debt/Total Assets	42%	42%	40%
Consolidated Debt/Gross Asset Value	34.4%	34.3%	33.7%
Fixed Charge Coverage	4.3x	4.3x	4.7x

1. Includes the monetization of the ACI stake

**Source:** Company reports and BofA Global Research estimates

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## Exhibit 2: KIM Relative Value

KIM bonds trading at STW of 162-199 bps

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	Ticker	Amt. O/S	Ratings	Outlook	Price	YTW	STW	G-Spread	YTW Term	Market Cap	Total Debt	Adj. EBITDA	Total Leverage	Net Leverage	Debt / EV	Liquidity
<b>Kimco Realty Corp (KIM)</b>																
1-5Yr Benchmarks																
1.900% Senior notes due Mar 2028																
10Yr Benchmarks																
4.600% Senior notes due Feb 2033																
6.400% Senior notes due Mar 2034																
15+Yr Benchmarks																
3.700% Senior notes due Oct 2049																
<b>Retail REITs</b>																
1-5Y Benchmarks																
5.375% Federal Realty Investment Trust 05/28																
4.750% Realty Income Corporation 02/29																
3.600% Regency Centers L.P. 02/27																
3.375% Simon Property Group L.P. 12/27																
10Yr Benchmarks																
3.500% Federal Realty Investment Trust 06/30																
5.125% Realty Income Corporation 02/34																
5.250% Regency Centers L.P. 01/34																
6.250% Simon Property Group L.P. 01/34																
15+Yr Benchmarks																
4.500% Federal Realty Investment Trust 12/44																
4.650% Regency Centers L.P. 03/49																
6.650% Simon Property Group L.P. 01/54																
<b>Multifamily Residential REITs</b>																
1-5Y Benchmarks																
1.900% AvalonBay Communities Inc. '12/28																
3.375% Essex Portfolio Lp 04/26																
10Yr Benchmarks																
5.300% AvalonBay Communities Inc. '12/33																
2.650% Essex Portfolio Lp 03/32																
15+Yr Benchmarks																
4.350% AvalonBay Communities Inc. '04/48																
2.650% Essex Portfolio Lp 09/50																
<b>Office &amp; Industrial REITs</b>																
1-5Y Benchmarks																
3.450% Alexandria Real Estate Equities Inc. 04/25																
2.750% Boston Properties Limited Partnership 10/26																
4.875% Prologis L.P. 06/28																
10Yr Benchmarks																
4.750% Alexandria Real Estate Equities Inc. 04/35																
6.500% Boston Properties Limited Partnership 01/34																
5.125% Prologis L.P. 01/34																
15+Yr Benchmarks																
5.625% Alexandria Real Estate Equities Inc. 05/54																
5.250% Prologis L.P. 06/53																
<b>Healthcare REITs</b>																
1-5Y Benchmarks																
2.125% Healthpeak Properties Inc '12/28																
4.250% Welltower Inc 04/28																
10Yr Benchmarks																
5.250% Healthpeak Properties Inc '12/32																
2.750% Welltower Inc 01/32																
<b>Storage REITs</b>																
1-5Y Benchmarks																
0.875% Public Storage 02/26																
10Yr Benchmarks																
5.100% Public Storage 08/33																
Source: Company reports, Bloomberg and ICE Data Indices, LLC																

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## Essex Property Trust Inc (ESS)

**4Q23 results in-line with expectations.** On February 6<sup>th</sup>, ESS (not rated) reported 4Q23 Core FFO of \$254.3mn (+1% q/q; +1% y/y) in-line with consensus of \$253.5mn and Adj. EBITDA of \$325.0mn (+1% q/q; +2% y/y). LTM 4Q23 leverage was flat at 5.6x (5.2x net) from 5.6x (5.3x net) at 3Q23 and LQA 4Q23 leverage decreased to 5.5x (5.2x net) from 5.6x (5.2x net) at 3Q23. Reported interest coverage decreased to 5.66x from 5.73x at 3Q23. Liquidity was flat q/q at \$1.63bn (\$392mn cash + full availability on \$1.24bn revolvers) from \$1.63bn (\$392mn cash + full availability on \$1.24bn revolvers) at 3Q23.

**Operating results.** 4Q23 SS reported revenue growth decreased to +2.9% from +3.2% in 3Q23 and +10.5% in 4Q22. SS NOI growth decreased to +2.3% from +2.7% in 3Q23 and +13.3% in 4Q22. 4Q23 blended leasing spreads decreased to +1.7% from +2.1% in 3Q23 and +3.8% in 4Q22. Preliminary January estimates for blended leasing spreads increased to 2.6%. SS avg. economic occupancy was 96.1% (-30bps q/q; +10bps y/y). Preliminary January estimates for occupancy increased slightly to 96.2%. There were no acquisitions and dispositions in 4Q23. At 4Q23, ESS's development pipeline (incl. pro-rata JV share) totaled \$76mn, of which \$7mn has yet to be funded. In 4Q23, ESS did not repurchase any shares and had \$302.7mn of remaining repurchase capacity, as of February 2<sup>nd</sup>.

**Outlook.** ESS provided 1Q24 Core FFO/sh guidance of \$3.68-\$3.80 (flat y/y) in-line with consensus of \$3.75 and 2024 Core FFO/sh guidance of \$14.76-\$15.30 (flat y/y) behind consensus of \$15.27. Guidance assumes SS revenue growth of +0.70%+2.70% (-270bps y/y), SS NOI of -1.10%+2.30% (-370bps y/y), revenue generating capex of ~\$50mn (-22.1% y/y), structured finance redemptions of \$50-\$150mn and no new development starts.

## Highwoods Properties Inc (HIW)

**4Q23 results in-line with expectations.** On February 6<sup>th</sup>, HIW (not rated) reported 4Q23 FFO of \$106.7mn (+6.9% q/q; +3.5% y/y) and FFO, excl. land sale gains and one-time charges for debt extinguishment pre-development cost write offs, of \$96.5mn in-line with consensus of \$97.7mn. Adj. EBITDA was \$129.9mn (-4.6% q/q; -5.5% y/y). LTM 4Q23 leverage (incl. Pfds) increased to 6.2x (6.2x net) from 6.1x (6.1x net) at PF 3Q23, adjusting for the \$350mn bond issuance in November used to pay down its \$200mn bank term loan and \$36mn of net proceeds received from a JV secured loan. LQA 4Q23 leverage increased 6.5x (6.4x net) from 6.2x (6.2x net) at PF 3Q23. Reported debt service coverage decreased to 3.87x from 4.09x at 3Q23. Liquidity decreased to \$755mn (\$25mn of cash + \$730mn available on \$750mn revolvers) from \$767mn (\$17mn of cash + full availability on \$750mn revolvers) at PF 3Q23. As previously announced in January, HIW extended the maturity on its \$750mn unsecured credit facility to 2028 from 2025.

**Operating results.** GAAP Office leasing spreads decreased to +7.4% from +10.2% in 3Q23 and +9.0% in 4Q22. Cash Office leasing spreads decreased to -4.1% from -1.2% in 3Q23 and -1.9% in 4Q22. SS cash NOI decreased to +0.2% from +2.0% in 3Q23 but increased from +0.0% in 4Q22. SS in-service occupancy was 88.8% at quarter end (+20bps q/q; -220bps y/y). 4Q23 dispositions totaled \$51.0mn, there were no acquisitions in 4Q23. At 4Q23 end, HIW's development pipeline (incl. pro-rata JV share) totaled \$517.6mn, of which \$241.2mn remains to be funded.

**Outlook.** HIW provided FY24 FFO/sh guidance of \$3.46- \$3.64 (-7.4% y/y) in-line with consensus of \$3.57. FY24 FFO/sh guidance assumes SS cash NOI (excl. termination fees) growth of 0.0%+2.0% (+50bps y/y), straight-line rental income of \$10.0mn-\$14.0mn (-48.1% y/y) and average occupancy of 87.0%-89.0% (-93bps y/y). Effects not assumed in FY24 FFO/sh guidance include dispositions of \$75mn-\$200mn (+32.0% y/y) and likely no acquisitions or development announcements.

## Kilroy Realty Corp (KRC)

**4Q23 results ahead of expectations.** On February 5<sup>th</sup>, KRC (not rated) reported 4Q23 FFO of \$129.3mn (-3.6% q/q; -7.6% y/y) ahead of consensus of \$125.2mn and Adj. EBITDA of \$171.4mn (-1.4% q/q; -1.7% y/y) ahead of consensus of \$166.4mn. LTM 4Q23 leverage was flat at 7.0x (6.3x net) from 7.0x (6.1x net) at 3Q23. LQA 4Q23 leverage increased to 7.2x (6.5x net) from 7.1x (6.3x net) at 3Q23. Reported FCC decreased to 3.4x from 3.7x at 3Q23. Liquidity decreased to \$1.61bn (\$510mn cash + full availability under \$1.1bn revolvers) from \$1.72bn (\$619mn cash + full availability under \$1.1bn revolvers) at 3Q23. Adjusting for the subsequent \$400mn bond issuance in January used to pay down \$200mn of its unsecured term loan, PF LTM 4Q23 leverage increased to 7.3x (6.3x net) and PF liquidity increased to \$1.81bn (\$710mn cash + full availability under \$1.1bn revolvers).

**Operating results.** SS GAAP NOI decreased to -10.6% from -5.0% in 3Q23 and +2.1% in 4Q22. SS Cash NOI decreased to -1.2% from +0.2% in 3Q23 and +0.7% in 4Q22. GAAP blended leasing spreads (on leases executed) increased to +21.7% from +16.1% in 3Q23 but decreased from +31.1% in 4Q22. Cash blended leasing spreads (on leases executed) increased to +1.6% from ~0% in 3Q23 but decreased from +12.3% in 4Q22. SS avg. occupancy was 86.3% (-10bps q/q; -490bps y/y). There were no 4Q23 acquisitions and dispositions. At 4Q23 end, KRC's in-process re/development pipeline totaled \$1.1bn, of which \$441mn remains to be funded. As previously announced, on January 21, 2024, John Kilroy retired as CEO and Angela Ma assumed the CEO role. John Kilroy will serve as an advisor through the end of 2024 and will remain Chair of the Board through his current term.

**Outlook.** KRC provided FY24 FFO/sh guidance of \$4.10-\$4.25 (-9.6% y/y) behind consensus of \$4.31. Guidance assumes SS Cash NOI growth of (4.0)% -(6.0)% (-940bps y/y), year-end occupancy of 82.5%-84.0% (-405bps y/y) and total development spend of \$200mn-\$300mn (-36.5% y/y).

## Mid-America Apartment Communities (MAA)

**4Q23 results in-line with expectations.** On February 7<sup>th</sup>, MAA (not rated) reported 4Q23 Core FFO of \$277.8mn (+1% q/q; +1% y/y) in line with consensus of \$276.5mn and reported Adj. EBITDAre of \$319.3mn (+1% q/q; +1% y/y). LTM 4Q23 leverage increased to 3.6x (3.6x net) from 3.5x (3.4x net) at 3Q23 and LQA 4Q23 leverage increased to 3.6x (3.5x net) from 3.5x (3.4x net) at 3Q23. Reported FCC ratio decreased to 7.8x from 8.0x at 3Q23. Liquidity decreased to \$796mn (\$41mn cash + \$755mn available on \$1.25bn revolvers) from \$1.4bn (\$162mn cash + full availability on \$1.25bn revolvers) at 3Q23. Adjusting for the \$350mn note issuance in January to partially pay down its revolver, PF leverage was flat at 3.6x (3.6x net) and PF liquidity increased to \$1.2bn (\$41mn cash + \$1.1bn available on \$1.25bn revolvers).

**Operating results.** 4Q23 SS operating revenue growth decreased to +2.1% from +4.1% in 3Q23 and +13.6% in 4Q22. SS NOI growth decreased to +0.1% from +3.7% in 3Q23 and +16.8% in 4Q22. 4Q23 blended leasing spreads were flat q/q at +1.6% but decreased from +5.7% in 4Q22. SS avg. physical occupancy was 95.5% (-20bps q/q; -20bps y/y). Acquisitions totaled \$210mn and there were no dispositions. At 4Q23, MAA's development pipeline (incl. pro-rata JV share) totaled \$647mn, of which \$256mn has yet to be funded.

**Outlook.** MAA announced 2024 Core FFO/sh guidance of \$8.68-\$9.08 (-3.2% y/y) behind consensus of \$9.14. Guidance assumes average physical occupancy of 95.4-96.0% (+10bps y/y), property revenue growth of 0.15-1.65%, effective rent growth of 6.0-8.0%, NOI growth of (2.80)-+0.20% (-730bps y/y), development investment of \$250mn-\$350mn, acquisition volume of \$350mn-\$450mn and disposition volume of \$50mn-\$150mn.



## Omega Healthcare Investors Inc (OHI)

**4Q23 results in-line with expectations.** On February 7<sup>th</sup>, OHI (not rated) reported 4Q23 Adj. FFO of \$173.5mn (-4.8% q/q; -1.8% y/y) in-line with consensus of \$171.7mn. Adjusting for the effect of acquisitions and dispositions in the period, PF LTM 4Q23 leverage decreased to 5.4x (5.0x net) from 5.8x (5.2x net) at PF 3Q23. PF LQA 4Q23 leverage decreased to 5.5x (5.0x net) from 5.7x (5.1x net) at PF 3Q23. Reported FCC decreased to 3.8x from 4.0x at 3Q23. Liquidity decreased to \$1.87bn (\$443mn cash + \$1.43bn available under \$1.45bn revolvers) from \$1.99bn (\$555mn cash + \$1.43bn available under \$1.45bn revolvers) at 3Q23.

**Operating results.** Occupancy at 3Q23 (reports 1 quarter lag) was 79.1% (+50bps q/q; +290bps y/y). EBITDAR coverage at 3Q23 (reports 1 quarter lag) increased to 1.28x from 1.15x at 2Q23 and 1.04x in 3Q22. Operators with EBITDAR coverage of <1.0x decreased to 13.2% of rents from 27.5% at 2Q23. 4Q23 real estate acquisitions totaled \$51mn, and dispositions totaled \$324mn. At 4Q23, OHI's development pipeline had new builds, renovations and Capex investments of \$751mn, of which \$192mn remains to be funded. In 4Q23, OHI sold 30 facilities leased to LaVie for \$318mn; consideration consisted of \$105mn cash and \$213mn for the payoff of 22 HUD-related mortgages. Guardian Healthcare failed to make its contractual rent payments in 4Q23. OHI remains in discussions to sell or re-lease to another operator the six remaining Guardian facilities.

**Outlook.** As a result of the improving backdrop and greater visibility into its financial performance, OHI provided annual Adj. FFO guidance for the first time since the pandemic. OHI announced FY24 estimated Adj. FFO/sh guidance of \$2.70-\$2.80 (-1.4% y/y) behind consensus of \$2.80.

## Regency Centers Corp (REG)

**4Q23 results in-line with expectations.** On February 8<sup>th</sup>, REG (not rated) reported 4Q23 FFO of \$190.0mn (+4.0% q/q; +4.7% y/y) in-line with consensus of \$188.4mn and reported EBITDAre of \$245.1mn (+6.1% q/q; +8.9% y/y). Adjusting for the UBP acquisition in August 2023, PF 4Q23 leverage increased to 5.0x (4.9x net) from 4.9x (4.8x net) at PF 3Q23 and LQA 4Q23 leverage increased to 5.0x (4.9x net) from 4.9x (4.8x net) at PF 3Q23. FCC decreased to 5.1x from 5.3x at 3Q23. Liquidity decreased slightly to \$1.19bn (\$91mn cash + \$1.10bn available on \$1.25bn revolvers) at 4Q23 from \$1.25bn (\$81mn cash + \$1.17bn available on \$1.25bn revolvers) at 3Q23. Further adjusting for the \$400mn bond issuance in January used pay down its revolver balance and the January revolver upsize to \$1.5bn, PF 4Q23 leverage increased to 5.3x (4.9x net) and liquidity increased to \$1.84bn (\$339mn cash + full availability on \$1.5bn revolvers).

**Operating results.** SS NOI (excl. lease termination) decreased to +1.4% y/y from +2.9% in 3Q23 and +4.3% in 4Q22. 4Q23 blended straight line leasing spreads increased to +18.5% y/y from +17.2% in 3Q23 and +15.1% in 4Q22. 4Q23 blended cash leasing spreads increased to +10.0% y/y from +9.3% in 3Q23 and +7.2% in 4Q22. SS leased rate was 95.7% at quarter end (+30bps q/q; +60bps y/y). 4Q23 property acquisitions totaled \$62mn and dispositions totaled \$8mn. Subsequent to 4Q23, REG completed a disposition for \$31mn. At 4Q23, in-process re/development projects had an estimated pro-rata cost of \$468mn, of which \$257mn remains to be funded. In 4Q23, REG did not repurchase shares.

**Outlook.** REG provided 2024 FFO/sh guidance of \$4.14-\$4.20 (+0.5% y/y) slightly behind consensus of \$4.19. Guidance assumes SS NOI (ex. termination fees) of +2.0%-+2.5% (-135bps y/y), re/development spend of +/- \$180mn (+16% y/y), no acquisitions and dispositions of +/- \$100mn at a +/-5.5% cap rate.



## Rexford Industrial Realty Inc (REXR)

**4Q23 results in-line with expectations.** On February 6<sup>th</sup>, REXR (not rated) reported 4Q23 Core FFO of \$118.8mn (+3.3% q/q; +31.5% y/y) in-line with consensus of \$119.1mn and reported Adj. EBITDA of \$152.1mn (+2.8% q/q; +17.5% y/y) Adjusting for the effects of acquisition & disposition activity, PF LTM 4Q23 leverage (incl. Pfds) decreased to 4.3x (4.2x net) from 4.5x (4.3x net) at PF 3Q23. LQA 4Q23 leverage (incl. Pfds) decreased slightly to 4.1x (4.0x net) from 4.2x (4.1x net) at PF 3Q23. Reported FCC increased to 5.94x from 5.81x at 3Q23. 4Q23 liquidity decreased slightly to \$1.03bn (\$33mn of cash + full availability under \$1.0bn revolvers) from \$1.08bn (\$83mn of cash + full availability under \$1.0bn revolvers) at 3Q23.

**Operating results.** GAAP blended leasing spreads decreased to +63.1% from +64.8% in 3Q23 and +77.0% in 4Q22. Cash blended leasing spreads decreased to +45.6% from +51.4% in 3Q23 and +52.4% in 4Q22. SS GAAP NOI decreased to +8.4% from +8.9% y/y but increased from +7.3% in 4Q22. SS cash NOI was flat q/q +9.5% but decreased from +10.7% in 4Q22. Avg. SS occupancy was 97.8% (flat q/q; -20bps y/y). REXR completed 4Q23 property acquisitions of \$189.5mn and dispositions of \$38.6mn. Subsequent to 4Q23, it completed one acquisitions totaling \$84.0mn. 4Q23 quarter-end total redevelopment/repositioning pipeline totaled \$1.8bn, of which \$454.2mn remains to be funded. During 4Q23, REXR issued 5.8mn shares for total net proceeds of \$325.2mn. As of 4Q23, REXR had ~\$927.4 million of remaining capacity under its ATM program. Subsequent to 3Q23, REXR issued 2.7mn share for total net proceeds of \$151.7mn. As February 6, 2024, REXR had ~\$137.7mn of net forward proceeds remaining for settlement under its May 2023 forward equity offering.

**Outlook.** REXR provided 2024 Core FFO/sh guidance of \$2.27-\$2.30 (+4.3% y/y) behind consensus of \$2.45. Guidance assumes average SS occupancy of 96.5%-97.0% (-105bps y/y), GAAP SS NOI of +4.0%+5.0% (-370bps y/y) and cash SS NOI of +7.0%+8.0% (-250bps y/y).

## UDR Inc (UDR)

**4Q23 results in-line with expectations.** On February 6<sup>th</sup>, UDR (not rated) reported 4Q23 Adj. FFO of \$223.8mn (+0.6% q/q; +5.0% y/y) in-line with consensus of \$224.1mn and Adj. EBITDA of \$257.0mn (+1.9% q/q; +4.8% y/y). LTM 4Q23 leverage (incl. pfds) was flat q/q at 5.9x (5.9x net) and LQA 4Q23 leverage (incl. pfds) decreased to 5.7x (5.7x net) from 5.8x (5.8x net) at 3Q23. Reported consolidated FCC ratio decreased to 5.1x from 5.2x. Liquidity decreased slightly to \$965mn (\$3mn cash + \$962mn available on \$1.38bn revolvers) from \$970mn (\$2mn cash + \$968mn available on \$1.38bn revolvers) at 3Q23.

**Operating results.** SS straight-line revenue growth decreased to +2.5% y/y from +5.3% in 3Q23 and +12.1% in 4Q22. SS cash revenue growth decreased to +2.6% y/y from +5.0% in 3Q23 and +10.1% in 4Q22. SS straight-line NOI growth decreased to +2.3% y/y from +6.1% in 3Q23 and +14.5% in 4Q22. SS cash NOI growth decreased to +2.4% y/y from +5.7% in 3Q23 and +11.5% in 4Q22. 4Q23 blended leasing spreads decreased to -0.5% y/y from +1.6% in 3Q23 and +5.4% in 4Q22. SS avg. physical occupancy was 96.9% (+20bps q/q; +10bps y/y). Acquired one property for \$58.3mn at UDR's 51% share and disposed of one property for \$78.6mn gross proceeds. Entered into agreement to sell one community for \$100.0mn gross proceeds, expected to close in 1Q24. At 4Q23, UDR's development pipeline totaled \$333mn, of which \$31mn has yet to be funded. For January 2024, SS occupancy remained above 97% and new lease rate growth improved vs December.

**Outlook.** UDR expects 1Q24 Adj. FFO/sh of \$0.60-\$0.62 in-line with consensus of \$0.61. UDR announced 2024 Adj. FFO/sh guidance of \$2.36-\$2.48 (-2.0% y/y) behind consensus of \$2.49. Guidance assumes SS straight-line revenue growth of 0.0%-3.0% (-470bps y/y), SS straight-line NOI growth of (1.75%)-1.75% (-680bps y/y),



redevelopment/non-recurring investment of \$70mn-\$100mn and developer capital program spend of \$0mn-\$105mn, debt issuances/LOC draws of \$25mn-\$150mn and dispositions and developer capital program maturities of \$100mn-\$250mn.

## **W.P. Carey Inc (WPC)**

**4Q23 results in-line with expectations.** On February 9<sup>th</sup>, WPC reported AFFO of \$261.4mn (-8.1% q/q; +2.4% y/y) in-line with consensus of \$266.3mn. Adjusting for the spin-off of NLOP completed on November 1<sup>st</sup>, PF LTM 4Q23 leverage increased to 6.4x (5.9x net) from 6.1x (5.6x net) at PF 3Q23, further adjusting for the forward equity sales. 4Q23. LQA leverage increased to 6.1x (5.7x net) from 5.9x (5.4x net) at PF 3Q23. Reported interest coverage decreased to 5.3x from 5.7x from 3Q23. Liquidity decreased to \$2.2bn (\$634mn cash + \$1.6bn available under \$2.0bn revolvers) from \$2.6bn (\$574mn cash + full availability under \$2.0bn revolvers) at PF 3Q23, adjusting for the revolver upsize. Further adjusting for the sale of its Spanish office portfolio for \$388mn proceeds closed in January & remaining other office sales expected to close in 1H24, PF LTM 4Q23 leverage decreases to 6.3x (5.7x net) and PF liquidity increases to \$2.7bn (\$721mn cash + full availability on \$2.0bn revolvers).

**Operating results.** 4Q23 SS pro-rata rental income decreased to +2.3% from +3.5% in 3Q23 but increased from +1.0% in 4Q22. 4Q23 SS ABR decreased to +4.1% from +4.2% in 3Q23 but increased from +3.4% in 4Q22. 4Q23 pro-rata occupancy for real estate portfolio was 98.1% (-80bps q/q; -70bps y/y). In 4Q23, investments totaled \$345.6mn and non-office dispositions totaled \$133.6mn. Subsequent to 4Q23, WPC completed \$177.1mn in investment volume. WPC expects the exercise of the U-Haul purchase option during 1Q24, which is expected to generate \$465mn of proceeds. The company has investment projects totaling \$135.6mn, of which \$102.0mn remains to be funded.

**Outlook.** WPC provided 2024 AFFO/sh guidance of \$4.65-\$4.75 (-9.3% y/y) slightly behind consensus of \$4.73. Guidance assumes investment volume of \$1.5bn-\$2.0bn (+34.6% y/y) and disposition volume of \$1.2bn-\$1.4bn, inclusive of \$550mn-\$600mn of office property dispositions expected to close in 1H24.

# Sector Performance and Relative Value

## Exhibit 5: US REITs Sector Performance

US REITs outperformed the US Corp Index this week

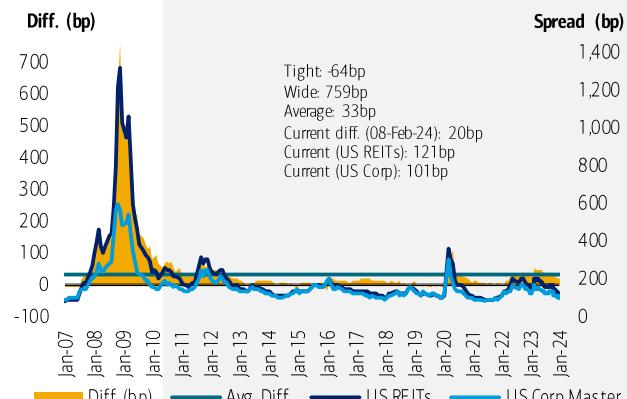
ICE BofA Indices	Avg. \$ Value	Rating	Current Levels		Weight	% Total Return		
			STW	YTW		IG REITs	YTD	QTD
US REITs Index	\$90.4	BBB1	121	5.5%	3%	100%	-0.6%	-0.6%
US Corp Master	\$92.2	A3	101	5.3%	100%	n.a.	-0.9%	-0.9%
5yr US Treasury	\$99.5	n.a.	n.a.	4.1%	n.a.	n.a.	-0.8%	-1.3%
10yr US Treasury	\$102.6	n.a.	n.a.	4.2%	n.a.	n.a.	-1.8%	-2.3%
30yr US Treasury	\$106.5	n.a.	n.a.	4.4%	n.a.	n.a.	-4.6%	-4.2%
ICE BofA US Corp by Rating								
REITs - A	\$91.6	n.a.	84	5.1%	1%	25%	-1.1%	-1.1%
REITs - BBB	\$90.0	n.a.	134	5.6%	2%	75%	-0.4%	-0.4%
US Corp AAA	\$86.0	n.a.	38	4.8%	1%	n.a.	-1.9%	-1.9%
US Corp AA	\$90.1	n.a.	53	4.9%	8%	n.a.	-1.3%	-1.3%
US Corp A	\$92.5	n.a.	85	5.2%	44%	n.a.	-1.0%	-1.0%
US Corp BBB	\$92.5	n.a.	125	5.6%	47%	n.a.	-0.8%	-1.5%
US HY Cash Pay BB	\$94.8	n.a.	225	6.5%	n.a.	n.a.	0.0%	-0.3%
Equity Indices								
MSCI US REIT Index							-3.4%	-3.4%
S&P 500 Total Return Index							4.9%	4.9%
							1.9%	

Source: ICE Data Indices, LLC

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## Exhibit 4: US REITs vs. Deleted: 6

Current diff. between US REITs and US Corp is 20bps vs. avg. of 33bps.

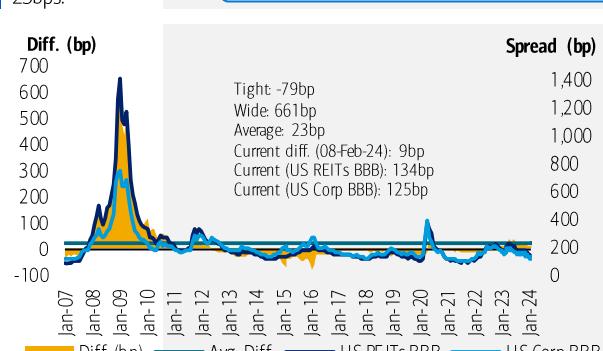


Source: BofA Global Research, ICE Data Indices, LLC

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## Exhibit 5: US REITs A vs. US Corp A

Current diff. between US REITs A and US Corp A is -1bps vs. avg. of 20bps.



Source: BofA Global Research, ICE Data Indices, LLC

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## Exhibit 6: US REITs BB vs. Deleted: 7

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



Source: BofA Global Research, ICE Data Indices, LLC

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## Exhibit 7: US REITs vs CMBS 10yr

Current diff. between US REITs and CMBS 10yr is 28bps vs. avg. of 35bps.



Source: BofA Global Research, ICE Data Indices, LLC

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# Best & Worst Performers



### Exhibit 10: Best & Worst Performing Credits -- 1-Week

Best performing credit this week is FUNOTR 6.390% '50s at 1.0% and worst performing is AMT 2.950% '51s at -4.3%

Gainers			Laggards		
Ticker	Description	% TR	Ticker	Description	% TR
1.FUNOTR	6.390% Trust Fibrauno '01/50	1.0%	1. AMT	2.950% American Towers Corporation '01/51	-4.3%
2.URWFP	2.875% WEA Finance LLC '01/27	0.3%	2. EQIX	3.400% Equinix Inc. '02/52	-4.3%
3.VICI	3.500% VICI Properties LP '02/25	0.2%	3. PLD	2.125% Prologis L.P. '10/50	-4.2%
4.SCGAU	5.125% Scentre Group Trust 2 Sub notes '09/30	0.2%	4. SPG	3.250% Simon Property Group L.P. '09/49	-4.2%
5.SITC	3.625% Site Centers Corp '02/25	0.1%	5. ARE	5.150% Alexandria Real Estate Equities Inc. '04/53	-4.1%
6.BRX	3.850% Brixmor Operating Partnership LP '02/25	0.0%	6. NNN	4.800% National Retail Properties Inc. '10/48	-4.1%
7.HR	3.100% Healthcare Realty Holdings L.P. '08/26	0.0%	7. URWFP	4.625% WEA Finance LLC Senior notes '09/48	-4.0%
8.KRC	4.375% Kilroy Realty L.P. '10/25	0.0%	8. ESS	2.650% Essex Portfolio Lp '09/50	-3.9%
9.KRG	4.000% Kite Realty Group L.P. '03/25	0.0%	9. AVB	4.150% AvalonBay Communities Inc. '07/47	-3.9%
10.EPR	4.500% EPR Properties '04/25	0.0%	10. FRT	3.625% Federal Realty Investment Trust '08/46	-3.8%

Source: BofA Global Research, ICE Data, LLC

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### Exhibit 11: Best & Worst Performing Credits -- Last 30 days

Best performing credit over last 30 days is AAT 3.375% '31s at 1.8% and worst performing is ARE 5.150% '53s at -4.2%

Gainers			Laggards		
Ticker	Description	% TR	Ticker	Description	% TR
1.AAT	3.375% American Assets Trust L P '02/31	1.8%	1.ARE	5.150% Alexandria Real Estate Equities Inc. '04/53	-4.2%
2.SCGAU	4.750% Scentre Group Trust 2 Sub notes '09/26	1.5%	2.PLD	2.125% Prologis L.P. '10/50	-3.4%
3.STOR	2.700% STORE Capital Corp '12/31	1.5%	3.AMT	2.950% American Towers Corporation '01/51	-3.1%
4.URWFP	4.625% WEA Finance LLC Senior notes '09/48	1.3%	4.PSA	5.350% Public Storage 08/53	-3.1%
5.GAIF	3.400% GAIF Bond Issuer Pty Limited '09/26	1.3%	5.SPG	5.850% Simon Property Group L.P. '03/53	-2.5%
6.SITC	3.625% Site Centers Corp '02/25	1.1%	6.VTR	4.875% Ventas Realty L.P./Ventas Capital Corp. '04/49	-2.4%
7.PDM	9.250% Piedmont Operating Partnership L.P. '07/28	1.0%	7.WY	4.000% Weyerhaeuser Company '03/52	-2.3%
8.KRG	4.750% Kite Realty Group L.P. '09/30	1.0%	8.KRC	2.650% Kilroy Realty L.P. '11/33	-2.3%
9.EPR	4.950% EPR Properties '04/28	0.8%	9.EQIX	2.950% Equinix Inc. '09/51	-2.1%
10.TERRAF	4.962% Cibanco S A Institucion De Banca Multiple Trust '07/29	0.8%	10.O	4.650% Realty Income Corporation '03/47	-2.1%

Source: BofA Global Research, ICE Data, LLC

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### Exhibit 12: Best & Worst Performing Credits -- YTD

Best performing credit YTD is FUNOTR 6.390% '50s at 5.4% and worst performing is PLD 5.250% '53s at -5.5%

Gainers			Laggards		
Ticker	Description	% TR	Ticker	Description	% TR
1.FUNOTR	6.390% Trust Fibrauno '01/50	5.4%	1.PLD	5.250% Prologis L.P. '06/53	-5.5%
2.SCGAU	5.125% Scentre Group Trust 2 Sub notes '09/30	3.5%	2.ARE	5.150% Alexandria Real Estate Equities Inc. '04/53	-5.3%
3.STOR	2.700% STORE Capital Corp '12/31	2.7%	3.CPT	3.350% Camden Property Trust '11/49	-4.2%
4.URWFP	2.875% WEA Finance LLC '01/27	2.5%	4.FRT	3.625% Federal Realty Investment Trust '08/46	-4.1%
5.SITC	3.625% Site Centers Corp '02/25	1.5%	5.AMT	2.950% American Towers Corporation '01/51	-4.0%
6.HIW	2.600% Highwoods Realty Limited Partnership '02/31	1.5%	6.PSA	5.350% Public Storage 08/53	-3.8%
7.PDM	9.250% Piedmont Operating Partnership L.P. '07/28	1.4%	7.EQIX	3.400% Equinix Inc. '02/52	-3.7%
8.KRG	4.750% Kite Realty Group L.P. '09/30	1.4%	8.VICI	4.750% VICI Properties LP '05/52	-3.7%
9.GAIF	3.400% GAIF Bond Issuer Pty Limited '09/26	1.3%	9.KIM	3.700% Kimco Realty Corporation '10/49	-3.3%
10.AAT	3.375% American Assets Trust L P '02/31	1.3%	10.WY	4.000% Weyerhaeuser Company '03/52	-3.1%
11.PECO	2.625% Phillips Edison Grocery Center Operating Partnership I L P '11/31	1.2%	11.O	4.650% Realty Income Corporation '03/47	-3.0%
12.OHI	4.500% Omega Healthcare Investors Inc. '04/27	1.1%	12.SPG	5.850% Simon Property Group L.P. '03/53	-2.8%
13.MAA	2.750% Mid-America Apartments L.P. '03/30	1.0%	13.KRC	2.650% Kilroy Realty L.P. '11/33	-2.7%
14.EPR	4.950% EPR Properties '04/28	1.0%	14.AVB	4.150% AvalonBay Communities Inc. '07/47	-2.7%
15.AVB	3.500% AvalonBay Communities Inc. '11/25	0.9%	15.NNN	3.100% National Retail Properties Inc. '04/50	-2.5%
16.SKT	3.125% Tanger Properties Limited Partnership '09/26	0.9%	16.ESS	2.650% Essex Portfolio Lp '09/50	-2.5%
17.KRC	4.250% Kilroy Realty L.P. '08/29	0.8%	17.MAA	2.875% Mid-America Apartments L.P. '09/51	-2.5%
18.CDP	2.250% Corporate Office Properties LP '03/26	0.8%	18.AMH	3.375% American Homes 4 Rent L P '07/51	-2.4%
19.BRX	3.850% Brixmor Operating Partnership LP '02/25	0.7%	19.WELL	5.125% Welltower Inc '03/43	-2.4%
20.CUBE	4.000% CubeSmart L.P. '11/25	0.7%	20.INWH	2.700% Invitation Homes Operating Partnership Lp '01/34	-2.3%

Source: BofA Global Research, ICE Data, LLC

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**Exhibit 13: Best & Worst Performing Equities -- 1-Week**

Best performing equity this week is URW at 6.7% and worst performing is HR at -6.0%

Gainers			Laggards		
Ticker	Description	% TR	Ticker	Description	% TR
1. URW	Unibail-Rodamco-Westfield	6.7%	1. HR	Healthcare Realty Trust Inc	-6.0%
2. HIW	Highwoods Properties Inc	6.2%	2. ADC	Agree Realty Corp	-5.3%
3. OHI	Omega Healthcare Investors Inc	3.7%	3. VICI	VICI Properties Inc	-4.4%
4. SPG	Simon Property Group Inc	3.4%	4. PEAK	Healthpeak Properties Inc	-4.4%
5. DLR	Digital Realty Trust Inc	2.2%	5. DOC	Physicians Realty Trust	-4.3%
6. SITC	SITE Centers Corp	2.1%	6. O	Realty Income Corp	-3.8%
7. RYN	Rayonier Inc	1.5%	7. ARE	Alexandria Real Estate Equities	-3.7%
8. SCG	Scentre Group	1.1%	8. PDM	Piedmont Office Realty Trust Inc	-3.6%
9. EQIX	Equinix Inc	1.1%	9. VTR	Ventas Inc	-3.6%
10. PLD	Prologis Inc	0.9%	10. NNN	National Retail Properties Inc	-3.5%

Source: BofA Global Research, Bloomberg

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**Exhibit 14: Best & Worst Performing Equities -- Last 30 days**

Best performing equity this week is GMG at 11.0% and worst performing is KRC at -14.8%

Gainers			Laggards		
Ticker	Description	% TR	Ticker	Description	% TR
1. GMG	Goodman Group	11.0%	1. KRC	Kilroy Realty Corp	-14.8%
2. DLR	Digital Realty Trust Inc	10.0%	2. SAFE	Safehold Inc	-11.0%
3. URW	Unibail-Rodamco-Westfield	6.7%	3. EPR	EPR Properties	-10.9%
4. EQIX	Equinix Inc	6.5%	4. AMT	American Tower Corp	-10.4%
5. SCG	Scentre Group	6.3%	5. EXR	Extra Space Storage Inc	-10.2%
6. HIW	Highwoods Properties Inc	2.8%	6. O	Realty Income Corp	-10.2%
7. SITC	SITE Centers Corp	2.3%	7. PEAK	Healthpeak Properties Inc	-10.0%
8. SPG	Simon Property Group Inc	1.3%	8. DOC	Physicians Realty Trust	-9.8%
9. RYN	Rayonier Inc	0.9%	9. PDM	Piedmont Office Realty Trust Inc	-8.9%
10. BRX	Brixmor Property Group Inc	0.6%	10. CDP	COPT Defense Properties	-8.6%

Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

**Exhibit 15: Best & Worst Performing Equities -- YTD**

Best performing equity this week is DLR at 9.3% and worst performing is KRC at -12.2%

Gainers			Laggards		
Ticker	Description	% TR	Ticker	Description	% TR
1. DLR	Digital Realty Trust Inc	9.3%	1. KRC	Kilroy Realty Corp	-12.2%
2. GMG	Goodman Group	6.4%	2. SAFE	Safehold Inc	-12.0%
3. EQIX	Equinix Inc	6.2%	3. EPR	EPR Properties	-11.6%
4. SCG	Scentre Group	4.8%	4. EXR	Extra Space Storage Inc	-10.5%
5. HIW	Highwoods Properties Inc	4.8%	5. AMT	American Tower Corp	-10.3%
6. URW	Unibail-Rodamco-Westfield	4.7%	6. HR	Healthcare Realty Trust Inc	-9.6%
7. SITC	SITE Centers Corp	1.1%	7. PEAK	Healthpeak Properties Inc	-9.1%
8. SPG	Simon Property Group Inc	1.0%	8. DOC	Physicians Realty Trust	-9.0%
9. HST	Host Hotels & Resorts Inc	0.4%	9. LXP	LXP Industrial Trust	-9.0%
10. OHI	Omega Healthcare Investors Inc	-0.1%	10. CDP	COPT Defense Properties	-8.9%
11. BRX	Brixmor Property Group Inc	-0.6%	11. VTR	Ventas Inc	-8.7%
12. FRT	Federal Realty Investment Trust	-1.0%	12. GLPI	Gaming and Leisure Properties	-8.0%
13. PLD	Prologis Inc	-1.2%	13. ADC	Agree Realty Corp	-7.5%
14. AAT	American Assets Trust Inc	-1.5%	14. ESS	Essex Property Trust Inc	-7.5%
15. RYN	Rayonier Inc	-1.6%	15. BXP	Boston Properties Inc	-7.3%
16. ROIC	Retail Opportunity Investments	-2.0%	16. REG	Regency Centers Corp	-7.3%
17. AMH	American Homes 4 Rent	-2.6%	17. ARE	Alexandria Real Estate Equities	-7.0%
18. EQR	Equity Residential	-3.2%	18. O	Realty Income Corp	-7.0%
19. SKT	Tanger Factory Outlet Centers	-3.5%	19. VICI	VICI Properties Inc	-6.9%
20. WELL	Welltower Inc	-3.5%	20. AVB	AvalonBay Communities Inc	-6.8%

Source: BofA Global Research, Bloomberg

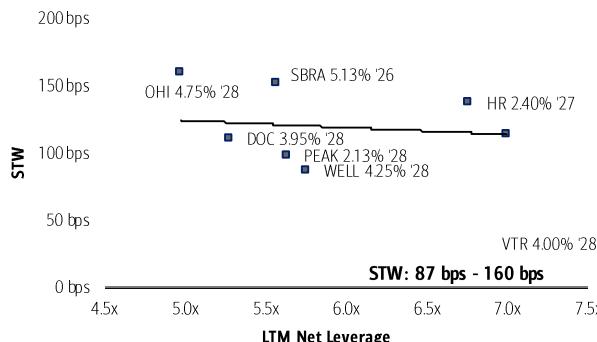
BofA GLOBAL RESEARCH



## Relative Value & Comparable Company Information

### Exhibit 14: Healthcare REITs 3-5 Yr

Healthcare REITs 3-5 Yr trading at STW: 87 bps - 160 bps

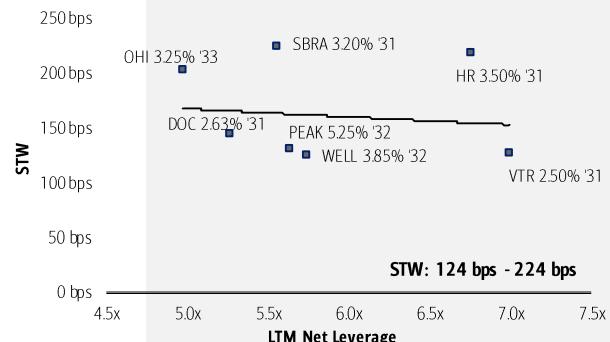


Source: Company reports and BofA Global Research

### Exhibit 15: Healthcare Deleted: 16

Healthcare REITs 7-10 Yr

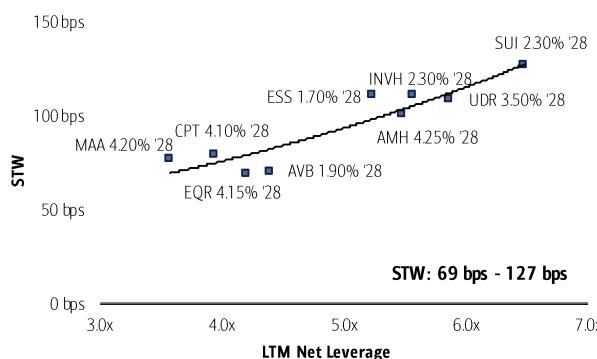
**Deleted: 17**



Source: Company reports and BofA Global Research

### Exhibit 16: Multifamily/Single Family Rental REITs 3-5 Yr

Multifamily/Single Family Rental REITs 3-5 Yr trading at STW: 69 bps - 127 bps

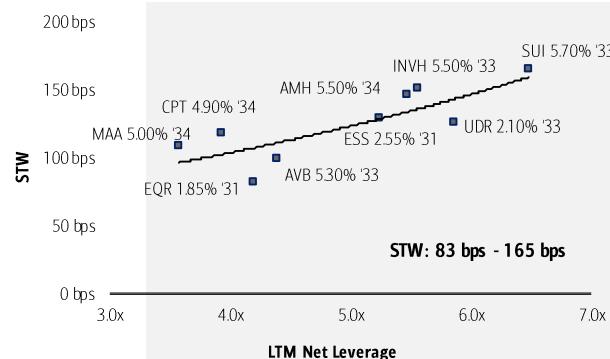


Source: Company reports and BofA Global Research

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### Exhibit 17: Multifamily Deleted: 18

Multifamily/Single Family  
Deleted: 19

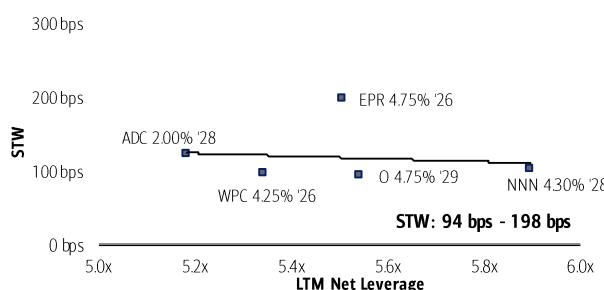


Source: Company reports and BofA Global Research

BofA GLOBAL RESEARCH

### Exhibit 18: Net Lease REITs 3-5 Yr

Net Lease REITs 3-5 Yr trading at STW: 94 bps - 198 bps



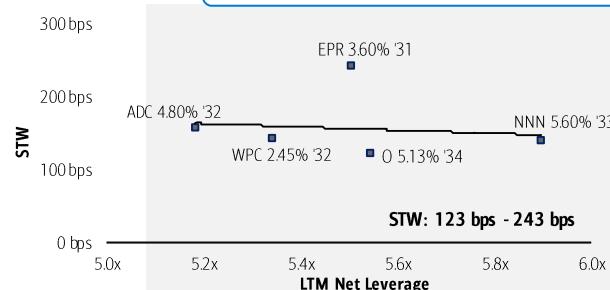
Source: Company reports and BofA Global Research

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### Exhibit 19: Net Lease Deleted: 20

Net Lease REITs 7-10 Yr

**Deleted: 21**



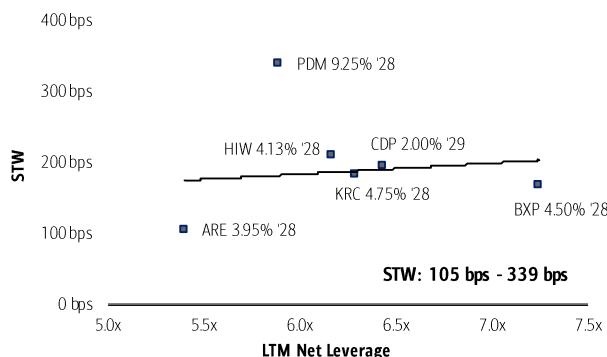
Source: Company reports and BofA Global Research

BofA GLOBAL RESEARCH

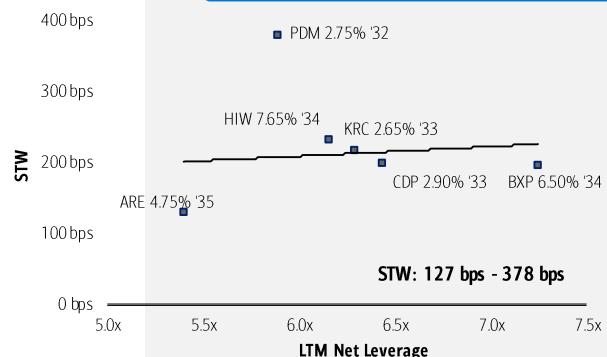


**Exhibit 20: Office REITs 3-5 Yr**

Office REITs 3-5 Yr trading at STW: 105 bps - 339 bps

**Exhibit 21: Office REITs 7-10 Yr**

Office REITs 7-10 Yr trading at STW: 127 bps - 378 bps

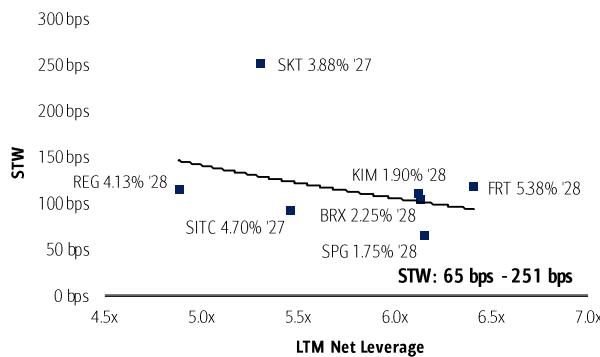


Source: Company reports and BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 22: Retail REITs 3-5 Yr**

Retail REITs 3-5 Yr trading at STW: 65 bps - 251 bps

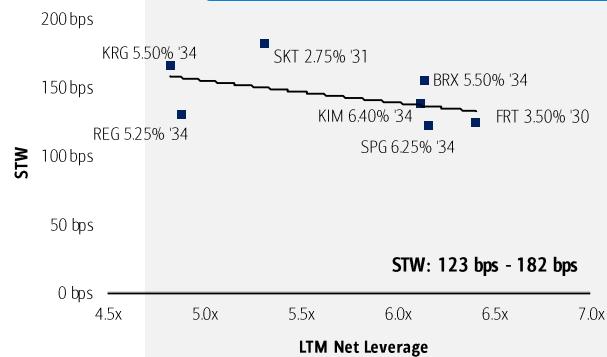


Source: Company reports and BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 23: Retail REITs 7-10 Yr**

Retail REITs 7-10 Yr trading at STW: 123 bps - 182 bps

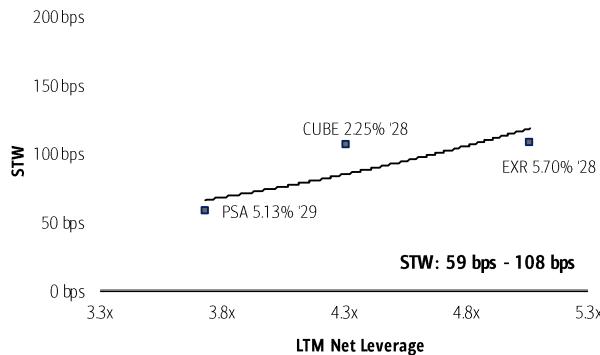


Source: Company reports and BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 24: Self Storage REITs 3-5 Yr**

Self Storage REITs 3-5 Yr trading at STW: 59 bps - 108 bps

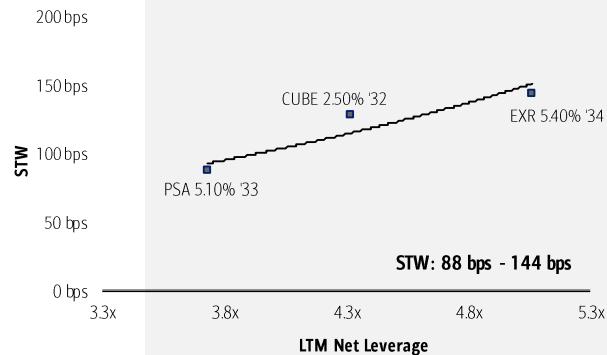


Source: Company reports and BofA Global Research

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**Exhibit 25: Self Storage REITs 7-10 Yr**

Self Storage REITs 7-10 Yr trading at STW: 88 bps - 144 bps



Source: Company reports and BofA Global Research

BofA GLOBAL RESEARCH



## Select Yield Curve Spread Differentials

### Exhibit 28: Select 2s/5s Spread Difference

Mean Spread differential is 28bps, Median spread differential is 25bps

Issuer	Reference 5-year bond	Duration	Price	YTW STW	Reference 2-year bond	Difference						
						Duration	Price	YTW STW	Duration	Price	YTW STW	
<b>Healthcare</b>												
OHI	3.625% Senior notes due 10/2029	5.6	88.50	6.06%	193	5.250% Senior notes due 1/2026	1.9	99.24	5.67%	116	3.7 (10.74)	0.4%
HR	2.050% Senior notes due 2/2030	6.0	86.50	5.79%	166	3.100% Senior notes due 8/2026	2.5	95.55	5.44%	106	3.5 (9.05)	0.3%
WELL	2.050% Senior notes due 1/2029	4.9	86.93	5.08%	93	4.250% Senior notes due 4/2026	2.1	98.41	5.04%	58	2.8 (11.48)	0.0%
PEAK	2.125% Senior notes due 12/2028	4.8	87.32	5.13%	98	3.250% Senior notes due 7/2026	2.4	95.83	5.09%	70	2.4 (8.51)	0.0%
VTR	4.400% Senior notes due 1/2029	4.9	96.00	5.33%	118	4.125% Senior notes due 1/2026	1.9	97.52	5.49%	98	3.0 (1.52)(0.2%)	20
Mean											3.1 (8.26) 0.1%	44
<b>Multifamily/Single Family Rental</b>												
UDR	4.400% Senior notes due 1/2029	5.0	95.68	5.40%	126	2.950% Senior notes due 9/2026	2.6	94.61	5.23%	86	2.4 1.07	0.2%
CPT	3.150% Senior notes due 7/2029	5.4	91.58	4.95%	81	5.850% Senior notes due 11/2026	2.6	102.43	4.86%	51	2.7 (10.85)	0.1%
ESS	4.000% Senior notes due 3/2029	5.1	95.00	5.13%	99	3.375% Senior notes due 4/2026	2.2	96.18	5.25%	80	2.9 (1.18)(0.1%)	19
AVB	1.900% Senior notes due 12/2028	4.8	87.40	4.87%	71	2.950% Senior notes due 5/2026	2.3	95.74	4.97%	54	2.6 (8.33)(0.1%)	17
EQR	4.150% Senior notes due 12/2028	4.8	97.06	4.84%	69	2.850% Senior notes due 11/2026	2.7	94.80	4.91%	57	2.1 2.26(0.1%)	12
MAA	3.950% Senior notes due 3/2029	5.1	95.74	4.90%	76	4.000% Senior notes due 11/2025	1.8	97.99	5.20%	64	3.3 (2.25)(0.3%)	12
Mean											2.7 (3.21)(0.1%)	22
<b>Net Lease</b>												
EPR	3.750% Senior notes due 8/2029	5.5	88.18	6.32%	219	4.560% Senior notes due 8/2026	2.5	96.19	6.21%	175	3.0 (8.01)	0.1%
WPC	3.850% Senior notes due 7/2029	5.4	92.84	5.39%	125	4.250% Senior notes due 10/2026	2.6	97.33	5.35%	99	2.8 (4.49)	0.0%
NNN	4.300% Senior notes due 10/2028	4.7	96.35	5.19%	103	4.000% Senior notes due 11/2025	1.8	97.73	5.36%	80	2.9 (1.38)(0.2%)	23
O	4.750% Senior notes due 2/2029	5.0	98.63	5.06%	94	0.750% Senior notes due 3/2026	2.1	91.22	5.22%	75	2.9 7.41(0.2%)	19
Mean											2.9 (1.62) 0.0%	28
<b>Office</b>												
BXP	4.500% Senior notes due 12/2028	4.8	94.53	5.82%	166	3.650% Senior notes due 2/2026	2.0	96.40	5.60%	110	2.8 (1.88)	0.2%
KRC	4.750% Senior notes due 12/2028	4.9	94.96	5.96%	181	4.375% Senior notes due 10/2025	1.6	97.60	5.92%	133	3.2 (2.64)	0.0%
ARE	4.500% Senior notes due 7/2029	5.5	96.31	5.28%	115	4.300% Senior notes due 1/2026	1.9	98.32	5.22%	71	3.5 (2.01)	0.1%
HW	3.050% Senior notes due 2/2030	6.0	83.44	6.41%	228	3.875% Senior notes due 3/2027	3.1	92.82	6.50%	221	3.0 (9.37)(0.1%)	7
Mean											3.1 (3.98) 0.1%	39
<b>Retail</b>												
FRT	3.200% Senior notes due 6/2029	5.4	89.85	5.41%	127	1.250% Senior notes due 2/2026	2.0	92.30	5.33%	84	3.3 (2.45)	0.1%
SPG	2.450% Senior notes due 9/2029	5.6	87.73	4.99%	86	3.300% Senior notes due 1/2026	1.9	96.69	5.12%	61	3.7 (8.97)(0.1%)	25
BRX	4.125% Senior notes due 5/2029	5.3	93.83	5.49%	135	4.125% Senior notes due 6/2026	2.3	96.91	5.54%	113	2.9 (3.08)(0.1%)	22
KIM	1.900% Senior notes due 3/2028	4.1	87.76	5.29%	110	3.250% Senior notes due 8/2026	2.5	94.80	5.49%	111	1.5 (7.04)(0.2%)	(1)
REG	2.950% Senior notes due 9/2029	5.6	88.97	5.25%	111	3.900% Senior notes due 11/2025	1.7	96.76	5.90%	132	3.9 (7.79)(0.6%)	(21)
Mean											3.1 (5.86)(0.2%)	14
<b>Self Storage</b>												
EXR	4.000% Senior notes due 6/2029	5.4	93.82	5.34%	120	3.500% Senior notes due 7/2026	2.4	95.97	5.32%	91	3.0 (2.15)	0.0%
PSA	5.125% Senior notes due 1/2029	4.9	101.79	4.71%	59	0.875% Senior notes due 2/2026	2.0	92.34	4.91%	43	2.8 9.45(0.2%)	16
CUBE	4.375% Senior notes due 2/2029	5.0	96.26	5.23%	109	4.000% Senior notes due 11/2025	1.8	97.50	5.50%	94	3.3 (1.24)(0.3%)	15
Mean											3.0 2.02(0.1%)	20
<b>US Corporates - Bloomberg Valuation (BVAL)</b>												
US Corp IG		5.0			90		2.0			64	3.0 n.a.	n.a.
US Corp BBB		5.0			104		2.0			77	3.0 n.a.	n.a.
Mean											3.0 (3.93)(0.0%)	28
Median											2.9 (2.64)(0.1%)	25
Min											1.5 (11.48)(0.6%)	(21)
Max											3.9 9.45	0.4%

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

BofA GLOBAL RESEARCH



**Exhibit 29: Select 5s/10s Spread Difference**

Mean Spread differential is 25bps, Median spread differential is 28bps

Issuer	Reference 10-year bond	Duration	Price	YTW	STW	Reference 5-year bond	Difference						
							Duration	Price	YTW	STW	Duration	Price	YTW
<b>Healthcare</b>													
WELL	4.500% Senior notes due 12/2034	10.8	90.55	5.61%	146	2.050% Senior notes due 1/2029	4.9	86.93	5.08%	93	5.9	3.62	0.5%
PEAK	5.250% Senior notes due 12/2032	8.9	98.60	5.45%	130	2.125% Senior notes due 12/2028	4.8	87.32	5.13%	98	4.0	11.28	0.3%
OHI	3.250% Senior notes due 4/2033	9.2	79.75	6.17%	202	3.625% Senior notes due 10/2029	5.6	88.50	6.06%	193	3.5	(8.75)	0.1%
Mean											4.5	2.05	0.3%
<b>Industrial</b>													
PLD	5.125% Senior notes due 1/2034	9.7	99.68	5.17%	99	4.375% Senior notes due 2/2029	5.0	97.93	4.85%	70	4.7	1.75	0.3%
Mean											4.7	1.75	0.3%
<b>Multifamily/Single Family Rental</b>													
CPT	4.900% Senior notes due 1/2034	9.9	96.50	5.36%	118	4.100% Senior notes due 10/2028	4.7	96.45	4.96%	80	5.3	0.05	0.4%
MAA	5.000% Senior notes due 3/2034	10.1	97.98	5.26%	108	3.950% Senior notes due 3/2029	5.1	95.74	4.90%	76	5.0	2.24	0.4%
INVH	2.700% Senior notes due 1/2034	9.9	78.27	5.58%	141	2.300% Senior notes due 11/2028	4.8	87.63	5.27%	111	5.2	(9.36)	0.3%
AVB	5.300% Senior notes due 12/2033	9.6	100.97	5.17%	99	1.900% Senior notes due 12/2028	4.8	87.40	4.87%	71	4.8	13.57	0.3%
ESS	2.650% Senior notes due 3/2032	8.1	82.09	5.41%	127	4.000% Senior notes due 3/2029	5.1	95.00	5.13%	99	3.0	(12.90)	0.3%
AMH	3.625% Senior notes due 4/2032	8.2	87.89	5.48%	134	4.900% Senior notes due 2/2029	5.0	98.26	5.30%	115	3.2	(10.37)	0.2%
SUI	5.700% Senior notes due 1/2033	8.9	99.28	5.80%	165	5.500% Senior notes due 1/2029	4.9	99.53	5.61%	149	4.0	(0.25)	0.2%
UDR	2.100% Senior notes due 6/2033	9.4	75.85	5.43%	127	4.400% Senior notes due 1/2029	5.0	95.68	5.40%	126	4.4	(19.82)	0.0%
Mean											4.3	(4.61)	0.3%
<b>Net Lease</b>													
NNN	5.600% Senior notes due 10/2033	9.4	100.36	5.55%	139	4.300% Senior notes due 10/2028	4.7	96.35	5.19%	103	4.8	4.01	0.4%
ADC	2.600% Senior notes due 6/2033	9.4	77.77	5.70%	154	2.000% Senior notes due 6/2028	4.4	86.94	5.41%	123	5.0	(9.17)	0.3%
O	5.125% Senior notes due 2/2034	10.0	97.87	5.40%	123	4.750% Senior notes due 2/2029	5.0	98.63	5.06%	94	5.0	(0.75)	0.3%
WPC	2.250% Senior notes due 4/2033	9.1	76.40	5.58%	143	3.850% Senior notes due 7/2029	5.4	92.84	5.39%	125	3.7	(16.44)	0.2%
Mean											4.6	(5.59)	0.3%
<b>Office</b>													
KRC	2.650% Senior notes due 11/2033	9.8	73.48	6.33%	216	4.750% Senior notes due 12/2028	4.9	94.96	5.96%	181	4.9	(21.47)	0.4%
BXP	6.500% Senior notes due 1/2034	9.7	102.86	6.11%	194	4.500% Senior notes due 12/2028	4.8	94.53	5.82%	166	4.9	8.33	0.3%
ARE	2.950% Senior notes due 3/2034	10.1	81.26	5.38%	120	4.500% Senior notes due 7/2029	5.5	96.31	5.28%	115	4.6	(15.05)	0.1%
HW	7.650% Senior notes due 2/2034	9.7	108.24	6.49%	231	3.050% Senior notes due 2/2030	6.0	83.44	6.41%	228	3.7	24.80	0.1%
Mean											4.5	(0.85)	0.2%
<b>Retail</b>													
SPG	6.250% Senior notes due 1/2034	9.7	106.32	5.40%	123	2.450% Senior notes due 9/2029	5.6	87.73	4.99%	86	4.1	18.60	0.4%
KIM	6.400% Senior notes due 3/2034	9.8	106.37	5.55%	138	1.900% Senior notes due 3/2028	4.1	87.76	5.29%	110	5.8	18.61	0.3%
BRX	5.500% Senior notes due 2/2034	10.0	98.34	5.72%	154	4.125% Senior notes due 5/2029	5.3	93.83	5.49%	135	4.8	4.51	0.2%
REG	5.250% Senior notes due 1/2034	9.9	98.34	5.47%	129	2.950% Senior notes due 9/2029	5.6	88.97	5.25%	111	4.3	9.36	0.2%
Mean											4.7	12.77	0.3%
<b>Self Storage</b>													
PSA	5.100% Senior notes due 8/2033	9.2	100.36	5.05%	88	5.125% Senior notes due 1/2029	4.9	101.79	4.71%	59	4.4	(1.43)	0.3%
EXR	5.400% Senior notes due 2/2034	10.0	98.35	5.62%	144	3.900% Senior notes due 4/2029	5.1	93.72	5.31%	117	4.8	4.63	0.3%
CUBE	2.500% Senior notes due 2/2032	8.0	81.23	5.42%	128	4.375% Senior notes due 2/2029	5.0	96.26	5.23%	109	3.0	(15.03)	0.2%
Mean											4.1	(3.95)	0.3%
<b>US Corporates - Bloomberg Valuation (BVAL)</b>													
US Corp IG		10.0			118		5.0			90	5.0	n.a.	n.a.
US Corp BBB		10.0			135		5.0			104	5.0	n.a.	n.a.
Mean											4.5	(0.57)	0.3%
Median											4.7	0.05	0.3%
Min											3.0	(21.47)	0.0%
Max											5.9	24.80	0.5%

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

BofA GLOBAL RESEARCH



**Exhibit 30: Select 10s/30s Spread Difference**

Mean Spread differential is 1bps, Median spread differential is 2bps

Issuer	Reference 30-year bond	Duration	Price	YTW STW	Reference 10-year bond	Difference					
						Duration	Price	YTW STW	Duration	Price	YTW STW
<b>Healthcare</b>											
VTR	4.875% Senior notes due 4/2049	25.2	84.61	6.08%	158	2.500%	Senior notes due 9/2031	7.6	82.19	5.40%	127
WELL	4.950% Senior notes due 9/2048	24.6	91.74	5.57%	106	4.500%	Senior notes due 12/2034	10.8	90.55	5.61%	146
Mean											15.7
PLD	5.250% Senior notes due 6/2053	29.4	98.10	5.38%	102	5.125%	Senior notes due 1/2034	9.7	99.68	5.17%	99
Mean											19.7
<b>Multifamily/Single Family Rental</b>											
EQR	4.000% Senior notes due 8/2047	23.5	77.11	5.80%	128	1.850%	Senior notes due 8/2031	7.5	80.77	4.96%	83
AMH	4.300% Senior notes due 4/2052	28.2	78.54	5.87%	146	3.625%	Senior notes due 4/2032	8.2	87.89	5.48%	134
AVB	4.350% Senior notes due 4/2048	24.2	84.31	5.53%	102	5.300%	Senior notes due 12/2033	9.6	100.97	5.17%	99
ESS	2.650% Senior notes due 9/2050	26.6	58.37	5.72%	125	2.650%	Senior notes due 3/2032	8.1	82.09	5.41%	127
MAA	2.875% Senior notes due 9/2051	27.6	63.61	5.44%	100	5.000%	Senior notes due 3/2034	10.1	97.98	5.26%	108
CPT	3.350% Senior notes due 11/2049	25.7	71.47	5.42%	93	4.900%	Senior notes due 1/2034	9.9	96.50	5.36%	118
Mean											17.1 (18.80)
<b>Net Lease</b>											
NNN	3.000% Senior notes due 4/2052	28.2	63.87	5.55%	114	5.600%	Senior notes due 10/2033	9.4	100.36	5.55%	139
O	4.650% Senior notes due 3/2047	23.1	89.82	5.43%	91	4.900%	Senior notes due 7/2033	9.4	96.61	5.36%	120
Mean											16.2 (21.64)
<b>Office</b>											
ARE	5.150% Senior notes due 4/2053	29.2	90.75	5.81%	145	2.950%	Senior notes due 3/2034	10.1	81.26	5.38%	120
Mean											19.1
<b>Retail</b>											
SPG	6.650% Senior notes due 1/2054	29.4	113.73	5.68%	133	6.250%	Senior notes due 1/2034	9.7	106.32	5.40%	123
REG	4.650% Senior notes due 3/2049	25.1	84.73	5.81%	131	5.250%	Senior notes due 1/2034	9.9	98.34	5.47%	129
KIM	3.700% Senior notes due 10/2049	25.7	71.72	5.84%	135	6.400%	Senior notes due 3/2034	9.8	106.37	5.55%	138
Mean											16.9 (13.62)
<b>Self Storage</b>											
PSA	5.350% Senior notes due 8/2053	29.5	99.72	5.37%	98	5.100%	Senior notes due 8/2033	9.2	100.36	5.05%	88
Mean											20.3 (0.64)
<b>US Corporates - Bloomberg Valuation (BVAL)</b>											
US Corp IG		30.0			109			10.0		118	20.0
US Corp BBB		30.0			130			10.0		135	n.a.
Mean											(9)
Median											17.3 (11.6)
Min											0.3%
Max											2

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

BofA GLOBAL RESEARCH



### Exhibit 31: HG REITs Relative Value

HG REITs trading at STW of 83bps - 378bps

HG REITS	Ticker	Rating	Outlook	Description	Term	Amt.	Price	YTW	STW	G-Spread	Reference Bond			Market Cap (\$mn)	Adj EBITDA (\$mn)	EBITDA (\$mn)	Debt+Pfd / Net D+Pfd / EBITDA	EBITDAFC Ratio	Liquidity (\$mn)	Revolver Availability
Brixmor Operating Partnership LP	BRX	Baa3 / BBB	S / S	5.5% '02/34	100	400	98.34	5.7%	154	155	6,790	11,713	8,02	6.9%	4.3%	6.3x	61x	4.1x	1344	100%
Federal Realty Investment Trust	FRT	Baa1 / BBB+	S / S	3.5% '05/30	63	400	90.10	5.4%	124	120	8,201	12,985	7,07	6.3%	3.4%	6.5x	64x	3.6x	1298	96%
Kimco Realty Corporation	KIM	Baa1 / BBB+	S / S	6.4% '03/34	98	500	106.37	5.5%	138	138	13,331	21,667	1,330	6.7%	3.6%	6.3x	61x	5.3x	1921	84%
Kite Realty Group LP.	KRG	Baa3 / BBB-	S / NR	5.5% '03/34	101	350	97.44	5.8%	166	167	4,699	7,440	554	6.7%	3.9%	5.2x	4.8x	5.3x	1313	100%
Regency Centers LP	REG	Baa1 / BBB+	P / S	5.25% '01/34	99	400	98.34	5.5%	129	129	11,619	16,091	881	6.2%	2.7%	5.3x	4.9x	5.5x	1839	100%
Site Centers Corp.	SITC	Baa3 / BBB-	N / N	4.7% '05/27	33	450	98.34	5.2%	91	95	2,869	4,763	347	6.3%	2.7%	5.5x	3.7x	829	84%	
Tanger Properties Limited Partnership	SKT	Baa3 / BBB-	S / S	2.75% '09/31	76	400	80.76	5.9%	182	185	2,798	4,071	236	5.2%	3.5%	6.1x	5.3x	4.9x	709	100%
Simon Property Group LP.	SPG	A3 / A-	S / S	6.25% '01/34	97	500	106.32	5.4%	123	101	47,538	73,380	4,069	7.2%	3.5%	6.3x	6.2x	4.5x	8705	96%
<b>Average</b>							<b>97.03</b>	<b>5.6%</b>	<b>138</b>	<b>137</b>	<b>12,246</b>	<b>19,014</b>	<b>1,116</b>	<b>6.4%</b>	<b>3.6%</b>	<b>5.9k</b>	<b>5.7x</b>	<b>46x</b>	<b>2,245</b>	<b>95%</b>
<b>Multi-family/Single Family Rentals</b>																				
American Homes 4 Rent LP	AMH	Baa2 / BBB	S / S	5.5% '02/34	100	600	98.96	5.6%	146	147	14,501	19,781	840	5.3%	2.2%	5.6x	55x	4.0x	1,320	100%
AvalonBay Communities Inc.	AVB	A3 / A	S / S	5.3% '12/33	96	400	100.97	5.2%	99	99	24,747	32,395	1,740	6.3%	2.5%	4.6x	4.4x	6.9x	2,648	100%
Camden Property Trust	CPT	A3 / A-	S / S	4.9% '01/34	99	400	96.50	5.4%	118	119	10,046	13,650	899	5.9%	2.9%	4.3x	39x	5.9x	1,560	100%
ERP Operating Limited Partnership	EQR	A3 / A-	S / S	1.85% '08/31	75	500	50.9%	83	79	73	31,011	17,774	626	2.4%	4.2x	6.1x	2137	83%		
Essex Portfolio Lp	ESS	Baa1 / BBB+	S / S	2.55% '06/31	74	300	82.79	5.4%	129	125	15,222	21,324	1,110	6.7%	2.9%	5.6x	52x	5.3x	1,627	100%
Invitation Homes Operating Partnership Lp	INVH	Baa3 / BBB	P / S	5.5% '08/33	93	350	98.74	5.7%	151	147	20,663	27,952	1,413	5.8%	3.1%	6.1x	56x	4.4x	1,763	100%
Mid-America Apartments LP	MAA	A3 / A-	S / S	5.6% '03/34	101	350	97.98	5.3%	108	109	14,914	19,618	1,259	5.9%	2.3%	3.6x	7.6x	1,146	88%	
Sun Communities Operating LP	SUI	Baa3 / BBB	S / S	5.7% '01/33	89	400	99.28	5.8%	165	161	15,132	23,049	1,207	3.8%	3.3%	6.5x	3.7x	1,741	56%	
UDR Inc	UDR	Baa1 / BBB+	S / S	2.1% '06/33	94	300	75.85	5.4%	127	130	12,584	19,356	998	6.1%	3.0%	5.9x	5.3x	965	70%	
<b>Average</b>							<b>92.43</b>	<b>5.6%</b>	<b>125</b>	<b>124</b>	<b>16,703</b>	<b>23,131</b>	<b>1,250</b>	<b>5.8%</b>	<b>2.7%</b>	<b>5.2x</b>	<b>5.0x</b>	<b>55x</b>	<b>1,656</b>	<b>89%</b>
<b>Office</b>																				
Alexandria Real Estate Equities Inc.	ARE	Baa1 / BBB+	S / S	4.75% '04/35	112	500	93.96	5.5%	127	131	20,260	35,188	1,997	6.9%	3.5%	6.2x	54x	4.7x	6518	100%
Boston Properties Limited Partnership	BXP	Baa2 / BBB	S / N	6.5% '01/34	97	750	102.86	6.1%	194	192	11,240	27,974	1,990	6.1%	5.5%	7.7x	7.2x	3.2x	2,640	100%
COPT Defense Properties LP	CDP	Baa3 / BBB	S / S	2.9% '12/33	98	400	76.36	6.1%	196	193	2,706	5,009	348	5.1%	4.9%	7.0x	64x	4.8x	729	88%
Higwood Realty LP	HWW	Baa2 / BBB	S / N	7.6% '02/34	97	350	108.24	6.5%	231	232	2,583	5,872	525	6.3%	5.5%	6.2x	3.8x	755	97%	
Kilroy Realty LP	KRC	Baa2 / BBB	N / N	2.65% '11/33	98	450	73.48	6.3%	216	214	4,107	8,790	708	6.3%	5.9%	7.3x	63x	3.7x	1,810	100%
Piedmont Operating Partnership LP.	PDM	Baa3 / BBB-	N / N	2.75% '04/32	81	300	69.42	7.9%	378	374	813	2,684	317	5.5%	7.0%	5.9x	2.9x	652	109%	
Vornado Realty LP	VNO	Baa1 / BBB	S / N	3.4% '06/31	73	350	76.04	7.8%	358	357	5,411	14,700	792	4.4%	5.7%	12.1x	10.8x	1.8x	2,895	76%
<b>Average</b>							<b>85.77</b>	<b>6.6%</b>	<b>243</b>	<b>242</b>	<b>6,732</b>	<b>14,317</b>	<b>954</b>	<b>5.8%</b>	<b>5.4%</b>	<b>7.5x</b>	<b>6.9x</b>	<b>36x</b>	<b>2,286</b>	<b>96%</b>
<b>Healthcare</b>																				
Physician's Realty LP	DOC	Baa2 / BBB	RuR+Wtch Pos2.625%	'11/31	77	500	81.73	5.6%	143	148	2,859	4,779	340	6.3%	4.2%	5.8x	53x	4.2x	1446	100%
Healthcare Realty Holdings LP	HR	Baa2 / BBB	S / S	3.5% '03/31	71	299	76.00	6.3%	217	213	5,812	11,405	812	6.0%	4.8%	6.8x	3.1x	1,289	84%	
Omega Healthcare Investors Inc.	OHI	Baa3 / BBB+	S / S	3.25% '04/33	92	700	79.75	6.2%	202	199	7,336	12,192	939	5.6%	4.2%	5.4x	50x	3.9x	1,872	99%
Healthpeak Properties Inc	PEAK	Baa1 / BBB+	S / S	5.25% '12/32	89	750	98.60	5.5%	130	126	9,600	17,041	1,209	5.5%	4.1%	5.7x	56x	4.7x	2,398	76%
Sabra Health Care LP	SRBA	Baa1 / BBB	S / S	3.2% '12/31	78	800	80.70	6.4%	224	222	3,101	5,439	421	6.6%	4.4%	5.6x	56x	3.7x	1,001	97%
Ventas Realty LP/Ventas Capital Corp.	VTR	Baa1 / BBB+	S / S	2.5% '09/31	75	500	82.19	5.4%	127	132	18,353	31,721	1,865	4.1%	4.2%	7.2x	7.0x	3.4x	3,136	98%
Welltower Inc	WELL	Baa1 / BBB+	S / S	3.85% '06/32	84	550	89.82	5.4%	124	107	48,605	62,977	2,344	3.7%	2.6%	6.8x	57x	3.7x	6582	100%
<b>Average</b>							<b>84.11</b>	<b>5.8%</b>	<b>167</b>	<b>164</b>	<b>13,667</b>	<b>20,788</b>	<b>1,133</b>	<b>6.0%</b>	<b>4.1%</b>	<b>6.2x</b>	<b>5.8x</b>	<b>38x</b>	<b>2,532</b>	<b>93%</b>
<b>Self Storage</b>																				
CubeSmart LP	CUBE	Baa2 / BBB	S / S	2.5% '02/32	80	500	81.23	5.4%	128	100	1,001	13,017	694	6.6%	2.3%	4.3x	43x	7.4x	842	98%
Extra Space Storage Public Storage	EXR	Baa2 / BBB+	S / S	5.4% '02/34	100	600	98.35	5.6%	144	145	31,591	43,695	2,188	7.2%	2.6%	5.2x	51x	4.5x	2,333	99%
<b>Average</b>							<b>93.31</b>	<b>5.4%</b>	<b>120</b>	<b>108</b>	<b>41,323</b>	<b>50,677</b>	<b>2,104</b>	<b>7.1%</b>	<b>1.9%</b>	<b>4.5x</b>	<b>4.4x</b>	<b>70x</b>	<b>1,764</b>	<b>99%</b>
<b>Net Lease</b>																				
Agree LP	ADC	Baa1 / BBB	S / S	4.8% '10/32	86	300	98.85	5.7%	156	153	5,794	8,218	467	9.2%	2.7%	5.2x	52x	5.5x	957	95%
EPR Properties	EPR	Baa2 / BBB	S / S	3.6% '11/31	78	400	82.16	6.6%	243	233	3,190	6,229	552	7.7%	4.6%	5.8x	55x	3.5x	1,173	100%
National Retail Properties Inc.	NNN	Baa1 / BBB+	S / S	5.6% '10/33	94	500	100.96	5.5%	139	134	7,222	11,663	751	9.1%	3.8%	5.9x	59x	4.5x	969	88%
Realty Income Corporation	O	A3 / A-	S / S	5.125% '02/34	100	800	97.87	5.4%	123	126	43,917	64,178	3,625	8.9%	3.3%	5.8x	55x	5.5x	5,103	100%
W. P. Carey Inc	WPC	Baa1 / BBB+	S / S	2.45% '02/32	80	350	80.08	5.6%	144	141	12,985	19,630	1,239	8.1%	4.0%	6.3x	57x	4.2x	2,720	100%
<b>Average</b>							<b>90.85</b>	<b>5.8%</b>	<b>161</b>	<b>158</b>	<b>14,542</b>	<b>21,982</b>	<b>1,327</b>	<b>8.0%</b>	<b>3.7%</b>	<b>5.8x</b>	<b>5.6x</b>	<b>46x</b>	<b>2,184</b>	<b>97%</b>
<b>Other</b>																				
Digital Realty Trust LP.	DLR	Baa2 / BBB	S / S	3.6% '07/29	54	900	92.79	5.1%	101	72	4,711	46,718	2,451	4.6%	2.6%	7.2x	68x	4.4x	3,066	52%
Host Hotels & Resorts LP.	HST	Baa3 / BBB-	S / S	2.9% '12/31	79	450	83.02	5.6%	147	145	13,884	17,381	1,579	3.0%	2.4%	2.7x	21x	1Q1x	2,416	100%
<b>Average</b>							<b>87.91</b>	<b>5.4%</b>	<b>124</b>	<b>108</b>	<b>30,051</b>	<b>41,033</b>	<b>2,015</b>	<b>3.8%</b>	<b>2.9%</b>	<b>50x</b>	<b>4.4x</b>	<b>72x</b>	<b>2,741</b>	<b>76%</b>

BofA GLOBAL RESEARCH

# 2024 New Issue

## Exhibit 32: 2024 REITs Unsecured New Issue

\$7.5bn of REITs Unsecured New Issue YTD in 2024

Date	Ticker	Name	Description	Amount (\$mn)	Coupon	Maturity	Current			
							At Issue	STW	Price	
									Yield	
									STW	
1/3/2023	CPT	Camden Property Trust	Sr. Unsec Nts	400	4.90%	1/15/2034	105	96.70	5.36%	123
1/3/2023	MAA	Mid-America Apartments LP	Sr. Unsec Nts	350	5.00%	3/15/2034	112	98.18	5.26%	112
1/3/2023	SUI	Sun Communities	Sr. Unsec Nts	500	5.50%	1/15/2029	155	99.64	5.61%	154
1/8/2023	REG	Regency Centers LP	Sr. Unsec Nts	400	5.25%	1/15/2034	130	98.34	5.49%	136
1/8/2023	O	Realty Income	Sr. Unsec Nts	450	4.75%	2/15/2029	95	98.63	5.09%	102
1/8/2023	O	Realty Income	Sr. Unsec Nts	800	5.13%	2/15/2034	125	97.87	5.39%	125
1/9/2023	KRC	Kilroy Realty Corp	Sr. Unsec Nts	400	6.25%	1/15/2036	238	97.89	6.55%	236
1/9/2023	BRX	Brixmor Property Group	Sr. Unsec Nts	400	5.50%	2/15/2034	150	98.54	5.72%	159
1/12/2023	KRG	Kite Realty Group	Sr. Unsec Nts	350	5.50%	3/1/2034	170	97.64	5.84%	171
1/16/2023	EXR	Extra Space Storage	Sr. Unsec Nts	600	5.40%	2/1/2034	135	98.39	5.61%	148
1/18/2023	PLD	Prologis LP	Sr. Unsec Nts	800	5.00%	3/15/2034	92	98.74	5.19%	105
1/18/2023	PLD	Prologis LP	Sr. Unsec Nts	450	5.25%	3/15/2054	98	97.49	5.40%	106
1/23/2023	AMH	American Homes 4 Rent LP	Sr. Unsec Nts	600	5.50%	2/1/2034	137	99.16	5.64%	151
2/1/2024	ARE	Alexandria Real Estate Equities	Sr. Unsec Nts	400	5.25%	5/15/2036	140	97.76	5.53%	131
2/1/2024	ARE	Alexandria Real Estate Equities	Sr. Unsec Nts	600	5.63%	5/15/2054	150	96.79	5.85%	150
<b>Aggregate Issuance</b>										
Healthcare										
Industrial										
Multifamily										
Net Lease										
Office										
Retail										
Self Storage										
Other <sup>1</sup>										
<b>Total</b>										
<b>Total USD New Issue</b>										
--										
1,250										
1,850										
1,250										
1,400										
1,150										
600										
--										
<b>7,500</b>										
<b>7,500</b>										

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 33: BofA HG REITs 4Q23 Earnings Calendar

14 companies report earnings next week

Company	Ticker	Date	Time	Conf.	Conference Call				Consensus	
					Date	Time	Phone	Pin	EBITDA (\$mn)	Adj. FFO/sh
<b>Week of Feb 12-16</b>										
Federal Realty Investment Trus	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	0.61
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	662	0.94
Invitation Homes Inc	IN VH	2/13	Aft-mkt	Conf.	2/14	11:00 am	1-888-330-2384	7714113	359	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	0.76
Digital Realty Trust Inc	DLR	2/15	Aft-mkt	Conf.	2/15	5:00 pm	+1 (888) 317-6003		669	1.65
Tanger Inc	SKT	2/15	Aft-mkt	Conf.	2/16	8:30 am	1-877-605-1702		68	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
<b>Week of Feb 19-23</b>										
Sun Communities Inc	SUI	2/20	Aft-mkt	Conf.	2/21	11:00 am	(877) 407-9039		256	1.31
Public Storage	PSA	2/20	Aft-mkt	Conf.	2/21	12:00 pm	(877) 407-9039		822	4.13
Realty Income Corp	O	2/20	Aft-mkt	Conf.	2/21	2:00 pm	(833) 816-1264		960	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	754	0.63
American Homes 4 Rent	AMH	2/22	Aft-mkt	Conf.	2/23	12:00 pm	(877) 451-6152		211	0.42
<b>Week of Feb 26 - Mar 1</b>										
Gaming and Leisure Properties	GLPI	2/27	Aft-mkt	Conf.	2/28	10:00 am	1-877/407-0784		333	0.93
Sabra Health Care REIT Inc	SBRA	2/27	Aft-mkt	Conf.	2/28	1:00 pm	888-596-4144		104	0.33
Extra Space Storage Inc	EXR	2/27	Aft-mkt	Conf.	2/28	1:00 pm	+1 844-543-0451	778866	573	2.01
EPR Properties	EPR	2/28	16:15	Conf.	2/29	8:30 am	+1 844-543-0451	216311	126	1.16
CubeSmart	CUBE	2/29	Aft-mkt	Conf.	3/1	11:00 am	1 (888) 575-5163	14924806	168	0.68

**Source:** Company reports, Bloomberg and BofA Global Research

BofA GLOBAL RESEARCH



# 4Q23 Earnings Tracker

## Exhibit 34: BofA HG REITs 4Q23 Earnings Tracker

The average 4Q23 FFO/sh surprise was 0.4%

Company	Ticker	FFO/sh Results	4Q23 FFO/sh			2024E FFO/sh			
			Actual	Cons.	Surprise	2023 FFO/sh	New Guide	Change	2024E Cons.
<b>Retail</b>									
Kimco Realty Corp	KIM	in-line	0.39	0.39	0.5%	1.57	1.56	-0.6%	1.62
Regency Centers Corp	REG	in-line	1.02	1.01	0.5%	4.15	4.17	0.5%	4.19
Simon Property Group Inc <sup>1</sup>	SPG	in-line	3.38	3.34	1.3%	11.88	11.98	0.8%	12.20
Average: 0.8%						0.2%		-2.0%	
<b>Multifamily/Single Family Rental</b>									
AvalonBay Communities Inc	AVB	in-line	2.74	2.74	0.0%	10.63	10.78	1.4%	10.99
Camden Property Trust	CPT	in-line	1.72	1.72	0.0%	6.82	6.69	-1.9%	6.82
Equity Residential	EQR	in-line	1.00	1.00	0.0%	3.78	3.85	1.9%	3.87
Essex Property Trust Inc	ESS	in-line	3.83	3.81	0.5%	15.03	15.03	0.0%	15.27
Mid-America Apartment Communities	MAA	in-line	2.32	2.31	0.6%	9.17	8.88	-3.2%	9.14
UDR Inc	UDR	in-line	0.63	0.63	0.2%	2.47	2.42	-2.0%	2.49
Average: 0.2%						-0.6%		-1.9%	
<b>Office</b>									
Alexandria Real Estate Equities	ARE	in-line	2.28	2.29	-0.5%	8.97	9.47	5.6%	9.46
Boston Properties Inc	BXP	in-line	1.82	1.81	0.8%	7.28	7.10	-2.5%	7.22
Hightwoods Properties <sup>2</sup>	HIW	in-line	0.90	0.91	-0.7%	3.83	3.55	-7.4%	3.57
Kilroy Realty Corp	KRC	slight beat	1.08	1.05	2.9%	4.62	4.18	-9.6%	4.31
Piedmont Office Realty Trust Inc	PDM	in-line	0.41	0.41	-0.8%	1.74	1.51	-13.2%	1.53
Average: 0.3%						-5.4%		-1.3%	
<b>Industrial</b>									
Prologis Inc	PLD	in-line	1.26	1.26	0.0%	5.61	5.49	-2.1%	5.49
Rexford Industrial Realty Inc	REXR	in-line	0.56	0.56	0.6%	2.19	2.29	4.3%	2.45
Average: 0.3%						1.1%		-3.4%	
<b>Healthcare</b>									
Healthpeak Properties Inc	PEAK	in-line	0.46	0.45	1.9%	1.78	1.76	-1.1%	1.80
Omega Healthcare Investors Inc	OHI	in-line	0.68	0.67	1.5%	2.79	2.75	-1.4%	2.80
Average: 1.7%						-1.3%		-2.0%	
<b>Net Lease</b>									
WP Carey Inc	WPC	in-line	1.19	1.22	-2.5%	5.18	4.70	-9.3%	4.73
Average: -2.5%						-9.3%		-0.6%	
Total average: 0.4%						-2.1%		-1.9%	

1. SPG 4Q23 FFO/sh excl. \$0.31 of one-time gains; FY23 FFO/sh excl. \$0.63 of one-time gains

2. HIW 4Q23 FFO/sh excl. land sale gains and one-time charges for debt extinguishment pre-development cost write offs

Source: Company reports, Bloomberg and BofA Global Research

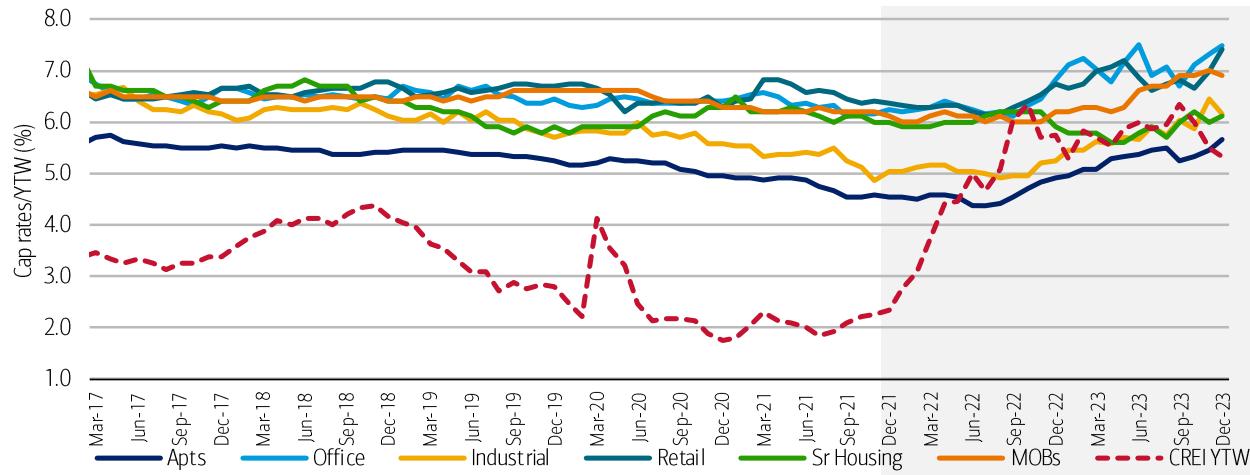
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# Industry Cap Rates

## Exhibit 33: 3-mo rolling average cap rates (%)

Cap rates increased across all asset classes in 2023

Deleted: 35



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

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### Important Disclosures

#### Credit opinion history

##### Kimco Realty Corporation / KIM

Company	Date <sup>R1</sup>	Action	Recommendation	Deleted: <sup>R1</sup>
Kimco Realty Corporation / KIM	31-Jan-2021		Overweight	
	02-Mar-2021	Extended Review	NA	
	24-Mar-2022	Coverage Reinstatement	Overweight	

Table reflects credit opinion history as of previous business day's close.<sup>R1</sup> First date of recommendation within the last 36 months, if for an issuer or within the last 12 months, if for a security or loan. The investment opinion system is contained at the end of the report under the heading "BofA Global Research Credit Opinion Key."

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#### Corporate Credit Issuer Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R2</sup>	Count	Percent	Deleted: <sup>R2</sup>
Buy	144	37.21%	Buy	119	82.64%	
Hold	193	49.87%	Hold	163	84.46%	
Sell	50	12.92%	Sell	37	74.00%	

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