



The Daily REITBeat

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| 26 | 27 | 28 | 29 | 30 | 1 | 2 |
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Tuesday, January 3rd, 2023

The Daily REITBeat is a daily research and news publication that keeps subscribers apprised of pertinent news, data, and trends specifically within the REIT industry.

Brought to you by:



| Index | Friday Closing Price | Change | % Price Change | | | | Total Return YTD |
|------------------------------|-------------------------|--------|----------------|-------|-------|--------|------------------------|
| | | | 1D | 5D | 1M | 3M | |
| Dow Jones Industrial Average | 33147.25 | -73.55 | -0.22 | 0.36 | -4.17 | 15.39 | -8.78 |
| Nasdaq Composite Index | 10466.48 | -11.61 | -0.11 | -0.09 | -8.73 | -1.03 | -33.10 |
| S&P 500 Index | 3839.50 | -9.78 | -0.25 | 0.45 | -5.90 | 7.08 | -19.44 |
| MSCI US REIT Index | 1146.11 | -7.63 | -0.66 | 0.17 | -5.81 | 4.15 | -27.33 |
| FTSE NAREIT REIT Index | 710.93 | -6.13 | -0.85 | 0.21 | -5.64 | 3.06 | -27.46 |
| VIX Index | 21.71 | 0.27 | 1.26 | -1.18 | 5.49 | -31.34 | 26.07 |

MSCI US REIT Index Daily Performance Chart (Friday)



IYR/VNQ Daily Performance Chart (Friday)



REIT/REAL ESTATE HEADLINES

Click on the interactive headlines below to read the source documents or peruse the headlines.

Digital Realty

Ticker: DLR

Announced Matt Mercier has been named Chief Financial Officer effective January 1, 2023 as he succeeds Andrew Power who was recently named Chief Executive Officer

SOURCE: [Digital Realty Appoints Matt Mercier as Chief Financial Officer](#)

Realty Income Corporation

Ticker: O

On Friday, company announced that it has signed a definitive agreement to acquire up to 185 single-tenant retail and industrial properties from subsidiaries of CIM Real Estate Finance Trust, Inc. for approximately \$894 million in cash noting that the transaction is expected to be executed at an approximate 7.1% cash cap rate for the total portfolio, which has a weighted average remaining lease term of approximately 9.2 years with approximately 48% of total portfolio annualized contractual rent derived from investment-grade rated clients

SOURCE: [Realty Income to Acquire Properties from CIM Real Estate Finance Trust, Inc. for \\$894 Million, 7.1% Cash Cap Rate](#)

REIT ANALYST INITIATIONS / UPGRADES / DOWNGRADES / REITERATIONS

UPGRADES

- ▶ **NNN:** Jefferies upgrades to Buy from Hold (raise price target by \$10 to \$52)
- ▶ **PEAK:** Jefferies upgrades to Buy from Hold (raise price target by \$6 to \$29)
- ▶ **NHI:** SMBC Nikko upgrades to Outperform from Neutral (lower price target by \$1 to \$59)
- ▶ **TRNO:** SMBC Nikko upgrades to Outperform from Neutral (raise price target by \$6 to \$63)
- ▶ **VTR:** SMBC Nikko upgrades to Outperform from Neutral (raise price target by \$3 to \$52)
- ▶ **EGP:** SMBC Nikko upgrades to Neutral from Underperform (raise price target by \$5 to \$149)

DOWNGRADES

- ▶ **AMH:** Jefferies downgrades to Hold from Buy (lower price target by \$6 to \$32)
- ▶ **CUBE:** Jefferies downgrades to Hold from Buy (lower price target by \$6 to \$41)
- ▶ **INVH:** Jefferies downgrades to Hold from Buy (lower price target by \$7 to \$31)
- ▶ **IRT:** Jefferies downgrades to Hold from Buy (lower price target by \$3 to \$17)
- ▶ **KRC:** Jefferies downgrades to Hold from Buy (lower price target by \$9 to \$39)
- ▶ **LSI:** Jefferies downgrades to Hold from Buy (lower price target by \$26 to \$97)
- ▶ **DEI:** Jefferies downgrades to Underperform from Hold (lower price target by \$4 to \$13)
- ▶ **ESS:** SMBC Nikko downgrades to Neutral from Outperform (lower price target by \$22 to \$228)
- ▶ **PEB:** SMBC Nikko downgrades to Neutral from Outperform (lower price target by \$4 to \$14)
- ▶ **HPP:** SMBC Nikko downgrades to Underperform from Neutral (lower price target by \$2 to \$9)
- ▶ **OHI:** SMBC Nikko downgrades to Underperform from Neutral (lower price target by \$7 to \$27)
- ▶ **PK:** SMBC Nikko downgrades to Underperform from Neutral (lower price target by \$1 to \$11)

Compass Point REIT Reiterations

Buy: DOC (\$21), GMRE (\$12), IRT (\$26), NXRT (\$60), UMH (\$22)

Neutral: CIO (\$8.50), CSR (\$75), DEA (\$17)

Cowen REIT Reiterations

Outperform: AMT (\$279), CCI (\$149), EQIX (\$811), SBAC (\$341)

Market Perform: DLR (\$111)

Jefferies REIT Reiterations

Buy: ADC (\$82), AMT (\$239), CCI (\$157), DLR (\$113), DOC (\$17), EQIX (\$760), FR (\$57), HR (\$23), KIM (\$25), LXP (\$13), MAA (\$186), NSA (\$43), NTST (\$23), O (\$71), PLD (\$130), PSA (\$330), PSTL (\$19), REXR (\$62), STAG (\$38), TRNO (\$66), UDR (\$45), VTR (\$52)

Hold: AIRC (\$35), AKR (\$15), AVB (\$166), BRX (\$23), BXP (\$69), DEA (\$14), EGP (\$152), EQR (\$61), ESS (\$215), EXR (\$149), FRT (\$103), HIW (\$27), HPP (\$8), KRG (\$22), MAC (\$11), MPW (\$10), NXRT (\$45), OFC (\$25), OHI (\$26), ROIC (\$15), RPT (\$10), SBAC (\$284), SBRA (\$12), SITC (\$14), SLG (\$31), SPG (\$110), SRC (\$41), STOR (\$35), WELL (\$64)

SMBC Nikko REIT Reiterations

Outperform: AIRC (\$41), ARE (\$170), AVB (\$180), GLPI (\$58), HR (\$22), HST (\$19), OFC (\$30), PEAK (\$29), SBRA (\$16), UDR (\$43), VICI (\$37)

Neutral: BXP (\$72), CPT (\$118), DEI (\$17), EQR (\$61), FR (\$50), LTC (\$37), MAA (\$158), RHP (\$87), SAFE (\$30)

Stifel Health Care REIT Reiterations

Buy: CTRE (\$24), DOC (\$19), GMRE (\$15), HR (\$25), MPW (\$17), OHI (\$36), PEAK (\$34), SBRA (\$18)

Hold: LTC (\$40), NHI (\$66), VTR (\$46), WELL (\$70)

REITERATIONS▶ **AHT:** Baird reiterates Neutral rating (lower price target by \$2 to \$6)▶ **BHR:** Baird reiterates Neutral rating (lower price target by \$1 to \$5)**2022 REIT PERFORMANCE BY SECTOR**

| Sector | ↑/↓ | (%) |
|----------------------------|-----|-------|
| Gaming REITs | ↑ | 7.44 |
| Net Lease REITs | ↓ | 11.47 |
| Hotel REITs | ↓ | 15.25 |
| Shopping Center REITs | ↓ | 16.09 |
| Farmland REITs | ↓ | 20.69 |
| Timber REITs | ↓ | 21.56 |
| Health Care REITs | ↓ | 25.50 |
| Mall REITs | ↓ | 25.81 |
| Billboard REITs | ↓ | 25.88 |
| Storage REITs | ↓ | 28.40 |
| Manufactured Housing REITs | ↓ | 29.95 |
| Data Center REITs | ↓ | 29.97 |
| Cell Tower REITs | ↓ | 30.43 |
| Industrial REITs | ↓ | 31.96 |
| Single Family Rental REITs | ↓ | 35.18 |
| Apartment REITs | ↓ | 35.24 |
| Office REITs | ↓ | 40.26 |
| Cannabis REITs | ↓ | 48.05 |

LAST WEEK'S REIT PERFORMANCE BY SECTOR

| Sector | ↑/↓ | (%) |
|----------------------------|-----|------|
| Billboard REITs | ↑ | 0.47 |
| Mall REITs | ↑ | 0.42 |
| Shopping Center REITs | ↓ | 0.11 |
| Manufactured Housing REITs | ↓ | 0.27 |
| Health Care REITs | ↓ | 0.29 |
| Apartment REITs | ↓ | 0.45 |
| Data Center REITs | ↓ | 0.54 |
| Hotel REITs | ↓ | 0.62 |
| Cell Tower REITs | ↓ | 0.62 |
| Single Family Rental REITs | ↓ | 0.72 |
| Industrial REITs | ↓ | 0.78 |
| Gaming REITs | ↓ | 0.79 |
| Storage REITs | ↓ | 0.80 |
| Office REITs | ↓ | 0.93 |
| Farmland REITs | ↓ | 0.93 |
| Net Lease REITs | ↓ | 1.52 |
| Timber REITs | ↓ | 1.67 |
| Cannabis REITs | ↓ | 4.22 |

FRIDAY'S REIT PERFORMANCE BY SECTOR

| Sector | ↑/↓ | (%) |
|----------------------------|-----|------|
| Hotel REITs | ↑ | 0.88 |
| Farmland REITs | ↑ | 0.41 |
| Mall REITs | ↑ | 0.13 |
| Gaming REITs | ↓ | 0.01 |
| Cannabis REITs | ↓ | 0.02 |
| Shopping Center REITs | ↓ | 0.09 |
| Health Care REITs | ↓ | 0.17 |
| Office REITs | ↓ | 0.26 |
| Net Lease REITs | ↓ | 0.28 |
| Billboard REITs | ↓ | 0.39 |
| Apartment REITs | ↓ | 0.48 |
| Industrial REITs | ↓ | 1.03 |
| Storage REITs | ↓ | 1.04 |
| Timber REITs | ↓ | 1.11 |
| Single Family Rental REITs | ↓ | 1.14 |
| Data Center REITs | ↓ | 1.30 |
| Manufactured Housing REITs | ↓ | 1.33 |
| Cell Tower REITs | ↓ | 1.84 |

2023 TOP 10 REIT MOVERS

| Ticker | UP/DOWN | (%) | Ticker | DOWN | (%) |
|--------|---------|-------|--------|------|-------|
| GEO | ↑ | 41.29 | PW | ↓ | 94.27 |
| GLPI | ↑ | 15.95 | ILPT | ↓ | 86.95 |
| GTY | ↑ | 7.05 | NYC | ↓ | 83.32 |
| FPI | ↑ | 5.48 | DHC | ↓ | 79.07 |
| LTC | ↑ | 4.27 | DBRG | ↓ | 67.17 |
| WSR | ↑ | 4.07 | SAFE | ↓ | 64.16 |
| ADC | ↑ | 0.84 | CIM | ↓ | 63.53 |
| BHM | ↓ | 0.60 | STAR | ↓ | 62.05 |
| APLE | ↓ | 1.80 | IIPR | ↓ | 61.45 |
| CXW | ↓ | 2.29 | HPP | ↓ | 60.62 |

4Q'22 TOP 10 REIT MOVERS

| Ticker | UP | (%) | Ticker | DOWN | (%) |
|--------|----|-------|--------|------|-------|
| GEO | ↑ | 42.21 | PW | ↓ | 62.98 |
| MAC | ↑ | 41.81 | RVIC | ↓ | 52.72 |
| SVC | ↑ | 40.46 | NYC | ↓ | 45.20 |
| VRE | ↑ | 40.11 | ILPT | ↓ | 40.55 |
| HHC | ↑ | 37.97 | DHC | ↓ | 34.67 |
| RPT | ↑ | 32.80 | AHT | ↓ | 34.36 |
| CORR | ↑ | 31.45 | CMCT | ↓ | 23.32 |
| SRG | ↑ | 31.15 | WMC | ↓ | 18.59 |
| SKT | ↑ | 31.14 | SLG | ↓ | 16.04 |
| SPG | ↑ | 30.90 | CIO | ↓ | 15.95 |

DECEMBER TOP 10 REIT MOVERS

| Ticker | UP | (%) | Ticker | DOWN | (%) |
|--------|----|-------|--------|------|-------|
| BHR | ↑ | 11.38 | CORR | ↓ | 39.60 |
| PLYA | ↑ | 6.18 | DHC | ↓ | 34.67 |
| AGNC | ↑ | 3.60 | AHT | ↓ | 31.34 |
| RVIC | ↑ | 3.57 | PW | ↓ | 26.85 |
| HHC | ↑ | 2.52 | CBL | ↓ | 24.33 |
| GTY | ↑ | 2.51 | DBRG | ↓ | 24.19 |
| CHCT | ↑ | 1.53 | NYC | ↓ | 22.71 |
| ADC | ↑ | 1.40 | NXDT | ↓ | 20.04 |
| EPRT | ↑ | 1.12 | CIM | ↓ | 19.71 |
| WSR | ↑ | 0.84 | ILPT | ↓ | 19.66 |

LAST WEEK'S TOP 10 REIT MOVERS

| Ticker | UP | (%) | Ticker | DOWN | (%) |
|--------|----|------|--------|------|-------|
| PLYA | ↑ | 7.05 | NYC | ↓ | 12.38 |
| BHR | ↑ | 5.38 | CIM | ↓ | 10.42 |
| PK | ↑ | 5.08 | NYMT | ↓ | 9.22 |
| PEB | ↑ | 4.77 | PMT | ↓ | 7.19 |
| IVT | ↑ | 4.18 | HASI | ↓ | 6.94 |
| HR | ↑ | 3.49 | MFA | ↓ | 6.46 |
| DEA | ↑ | 3.18 | BXMT | ↓ | 5.79 |
| WH | ↑ | 3.15 | NLY | ↓ | 5.60 |
| PINE | ↑ | 3.14 | ARI | ↓ | 5.36 |
| RLJ | ↑ | 3.02 | NXDT | ↓ | 5.08 |

FRIDAY'S TOP 10 REIT MOVERS

| Ticker | UP | (%) | Ticker | DOWN | (%) |
|--------|----|------|--------|------|------|
| AHT | ↑ | 2.76 | WMC | ↓ | 8.90 |
| PLYA | ↑ | 2.51 | NYC | ↓ | 8.76 |
| ACRE | ↑ | 1.88 | CORR | ↓ | 3.69 |
| HST | ↑ | 1.52 | CIM | ↓ | 3.51 |
| PINE | ↑ | 1.49 | HASI | ↓ | 3.34 |
| NXDT | ↑ | 1.45 | ILPT | ↓ | 3.25 |
| CLPR | ↑ | 1.43 | IVR | ↓ | 2.82 |
| SITC | ↑ | 1.34 | CIO | ↓ | 2.67 |
| CBL | ↑ | 1.14 | SAFE | ↓ | 2.22 |
| PK | ↑ | 1.11 | CUBE | ↓ | 2.19 |

TOP 10 REIT VOLUME DISPARITIES VS 30-DAY AVERAGE (FRIDAY)

| Ticker | UP | (%) | Ticker | DOWN | (%) |
|--------|----|--------|--------|------|-------|
| CMCT | ↑ | 611.37 | INDT | ↓ | 65.00 |
| CBL | ↑ | 258.74 | CUBE | ↓ | 64.42 |
| CLPR | ↑ | 239.16 | WELL | ↓ | 63.61 |
| LXP | ↑ | 220.10 | DHC | ↓ | 62.95 |
| NYC | ↑ | 193.14 | VRE | ↓ | 56.66 |
| WMC | ↑ | 148.10 | GEO | ↓ | 56.10 |
| CIM | ↑ | 94.92 | FSP | ↓ | 55.32 |
| CIO | ↑ | 71.65 | CSR | ↓ | 55.03 |
| ACRE | ↑ | 63.96 | KRC | ↓ | 54.57 |
| AIRC | ↑ | 61.02 | ADC | ↓ | 54.31 |

REIT / REAL ESTATE ARTICLES

APARTMENT REITS/REAL ESTATE

- ▶ WSJ Apartment Rent Growth Slowdown Outlook Article: <https://www.wsj.com/articles/apartment-rent-increases-slow-a-relief-to-tenants-after-two-years-of-steep-rises-11672701414>
- ▶ Washington STWD Apartment Rental Growth Analysis Article: <https://www.washingtonpost.com/business/2023/01/02/starwood-rents-apartments-private-investors/>
- ▶ Seeking Alpha MAA Article: <https://seekingalpha.com/article/4567159-mid-america-apartment-communities-an-extraordinary-dividend-increase>
- ▶ Seeking Alpha EQR Article: <https://seekingalpha.com/article/4567386-equity-residential-stock-trading-cheap-sam-zell-favorite-valuation-metric>

HEALTH CARE REITS

- ▶ GlobeSt.com Jefferies Health Care REITs Outlook Article: <https://www.globest.com/2022/12/30/ready-to-bet-on-healthcare-reits/>
- ▶ Seeking Alpha OHI Article: <https://seekingalpha.com/article/4567224-omega-healthcare-buy-the-drop-on-this-10-percent-yield>

INDUSTRIAL REITS

- ▶ Seeking Alpha STAG Article: <https://seekingalpha.com/article/4567397-stag-industrial-stock-solid-reit-fairly-valued>

LODGING REITS/REAL ESTATE

- ▶ Phoenix BHR Four Seasons Scottsdale Financing Article: <https://www.bizjournals.com/phoenix/news/2023/01/03/dallas-reit-financing-four-seasons-scottsdale.html>

MALL & RETAIL REITS/REAL ESTATE

- ▶ GlobeSt.com CTO The Collection at Forsyth Acquisition Article: <https://www.globest.com/2022/12/30/cto-realty-growth-buys-atlanta-lifestyle-center-for-96m/>

MANUFACTURED HOUSING REITS

- ▶ Seeking Alpha ELS Article: <https://seekingalpha.com/article/4567153-equity-lifestyle-properties-a-recession-resistant-dividend-growth-rockstar>

NET LEASE REITS

- ▶ GlobeSt.com O CIM Real Estate Single-Tenant Portfolio Transaction Article: <https://www.globest.com/2023/01/03/realty-income-buys-185-retail-industrial-assets-for-894m/>
- ▶ Commercial Property Executive O CIM Real Estate Single-Tenant Portfolio Transaction Article: <https://www.commercialsearch.com/news/realty-income-buys-894m-portfolio/>
- ▶ Seeking Alpha PINE Article: <https://seekingalpha.com/article/4567270-alpine-income-property-stock-consider-climbing-5-7-percent-yield-2023>

OFFICE REITS/REAL ESTATE

- ▶ WSJ Office Space Potential Recession Outlook Article: <https://www.wsj.com/articles/office-owners-already-reeling-from-remote-work-now-face-recession-risk-in-2023-11672710408>
- ▶ NY Post JLL Manhattan Office Leasing Update Article: <https://nypost.com/2023/01/02/landlords-celebrate-manhattans-premium-lease-boom-in-2022/>
- ▶ CoStar NYC REIT Status Article: <https://www.costar.com/article/981152369/new-york-city-reit-time-to-move-beyond-one-market-one-property-type>
- ▶ MarketWatch NYC REIT Conversion Article (Friday): <https://www.marketwatch.com/story/nyc-reit-to-give-up-reit-status-sets-reverse-stock-split-as-cre-recovery-remains-challenged-01672399415>
- ▶ Seeking Alpha DEA Article: <https://seekingalpha.com/article/4567343-easterly-government-properties-great-tenant-some-portfolio-questions>
- ▶ Seeking Alpha BDN Article: <https://seekingalpha.com/article/4567442-brandywine-realty-trust-10-year-low-p-ffo>

OTHER REIT SECTOR ARTICLES

- ▶ S&P Global Weekly Real Estate Headlines Recap Article: <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/year-in-review-10-most-read-real-estate-articles-in-2022-73488431>
- ▶ Seeking Alpha Hoya Weekly Real Estate Recap Article: <https://seekingalpha.com/article/4567226-good-riddance-2022>
- ▶ Seeking Alpha REIT Stock Trades Analysis Articles: <https://seekingalpha.com/article/4566977-what-i-learned-from-my-biggest-losers-of-2022> and <https://seekingalpha.com/article/4567143-my-biggest-reit-losers-in-2022>
- ▶ Seeking Alpha REIT Stock Trade Ideas Articles: <https://seekingalpha.com/article/4567303-3-top-blue-chip-reits-for-2023> and <https://seekingalpha.com/article/4567412-the-buy-hold-and-go-fishing-reit-portfolio>

BLOOMBERG ECONOMIC CALENDAR

* 09:45: Dec. S&P Global US Manufacturing PM, est. 46.2, prior 46.2

* 10:00: Nov. Construction Spending MoM, est. -0.4%, prior -0.3%

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David Auerbach has been in the securities business for over 20 years serving as an institutional trader specializing in REITs (Real Estate Investment Trust), Equity and Preferred stocks, MLPs, ETFs, and Closed End Funds. He has spent his entire career in Dallas, TX.

David is the managing director of Armada ETF Advisors, the sub-advisor behind the Residential REIT Income ETF (Ticker: HAUS). David is also a consultant with IRRealized, LLC focused on corporate access in the REIT industry. David left World Equity Group in February 2022 after 2½ years when, in November 2019, he departed Esposito Securities after 6½ years in December 2018 where he helped to build out the REIT/Real Estate platform with institutional investors and Equity REITs and worked with ETF issuers on seeding, relationship building, and order execution. David also specialized in Closed End Fund stocks handling large blocks of trades in highly illiquid names. He also built a niche working with partners in handling new preferred offerings.

Prior to joining Esposito Securities, David spent 11 years at Green Street Advisors as a Vice President of Institutional Trading handling REIT order execution and sales trading on behalf of institutional clients, hedge funds, pension funds, and other investors. Before that, David worked at Financial Marketplace Inc. for 2 years as a retail investment adviser.

David has been quoted by Bloomberg, WSJ, Financial Times, REIT.com, and GlobeSt.com among others. He has been a featured guest on such networks as Yahoo Finance, TD Ameritrade and Bloomberg.

David graduated from the University of Texas at Austin in May 1999 with a BBA in Finance and graduated from Southern Methodist University in May 2005 with an MBA in Finance. He currently holds FINRA Series 7, 24, 55, and 63 registrations.

In his free time, you can find David traveling across the country on his quest to attend as many Phish concerts as possible.

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