

From: Cyrus, Keith [keith.cyrus@lehman.com]
Sent: Tuesday, January 22, 2008 5:39 PM (GMT)
To: Cyrus, Keith [keith.cyrus@lehman.com]; Cohen, Jonathan [jonathan.cohen@lehman.com]
Cc: Bishop, Michael (GREG Banking) [michael.bishop@lehman.com]; Levin, Scott A [scott.levin@lehman.com]
Subject: RE: archstone

assumes 40% leverage to calculate implied

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> From: Cyrus, Keith
> Sent: Tuesday, January 22, 2008 12:39 PM
> To: Cyrus, Keith; Cohen, Jonathan
> Cc: Bishop, Michael (GREG Banking); Levin, Scott A
> Subject: RE: archstone
>
> a report from june 17th valued avb at a 4.55% cap rate (vs. 4.86 bps
> today) - at the time they were trading at 5.5% discount to NAV - so
> implied cap rate of about 4.70% (vs 7.3% today)
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> From: Cyrus, Keith
> Sent: Tuesday, January 22, 2008 12:10 PM
> To: Cohen, Jonathan
> Cc: Bishop, Michael (GREG Banking); Levin, Scott A
> Subject: RE: archstone
>
> implied is the cap rate that the current stock price implies - the
> nominal cap rate is what green street thinks it should be based on
> their view of private market values (the "applied" rather than
> "implied" cap rate).
>
> mike, can you please try to figure you what avb's implied cap rate and
> what green street valued them at in late may - thanks
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> From: Cohen, Jonathan
> Sent: Tuesday, January 22, 2008 12:07 PM
> To: Cyrus, Keith
> Subject: FW: archstone
>
> I checked the committee memo, but did not see..... Do you know what
> the AVB cap rate was at the time we bought Archstone?
>
> Barron's says AVB is now 6.3%. The file you sent me earlier shows them
> at 4.86% nominal and 7.33% implied. 2 questions How are nominal
> and implied cap rates calculated; and would people say the Green
> Street data is stale since it is dated Nov 30.

>
> Please call if that is easier. Thx.
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> From: Reilly, Gerard
> Sent: Tuesday, January 22, 2008 11:41 AM
> To: Cohen, Jonathan
> Subject: archstone
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> The best comp in avalon bay (avb) can we look at the cap rate of that
> when we bought archstone