

SECTOR VIEW

Rating: 2 - NEUTRAL

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Analyst Certification

We, David Harris and David Toti, hereby certify (1) that the views expressed in this research Industry Report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this Industry Report and (2) no part of our compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this Industry Report.

May 14, 2008

<http://www.lehman.com>

REITs Investor Briefing Package

May 2008

The RMS Index (total return) in 2008 is up 9.7% (as of May 12, 2008). This follows a full-year 2007 negative return of 16.8%.

- Employment data are as of March 2008.
- National industrial completions, absorption, and vacancy rates reflect Torto-Wheaton Summer 2008 historical data.
- Metropolitan-specific apartment data currently reflect 1Q08 data.
- NAV estimates reflect 4Q07 data (see pages 45-46).
- Historical trends in cap rates for office, apartment, retail and industrial sectors currently reflect 1Q08 data (see page 16).
- We have also included historical subsector leverage as a percentage of total capitalization (see page 17).

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Investors should consider this report as only a single factor in making their investment decision.

PLEASE SEE IMPORTANT DISCLOSURES BEGINNING ON PAGE 47

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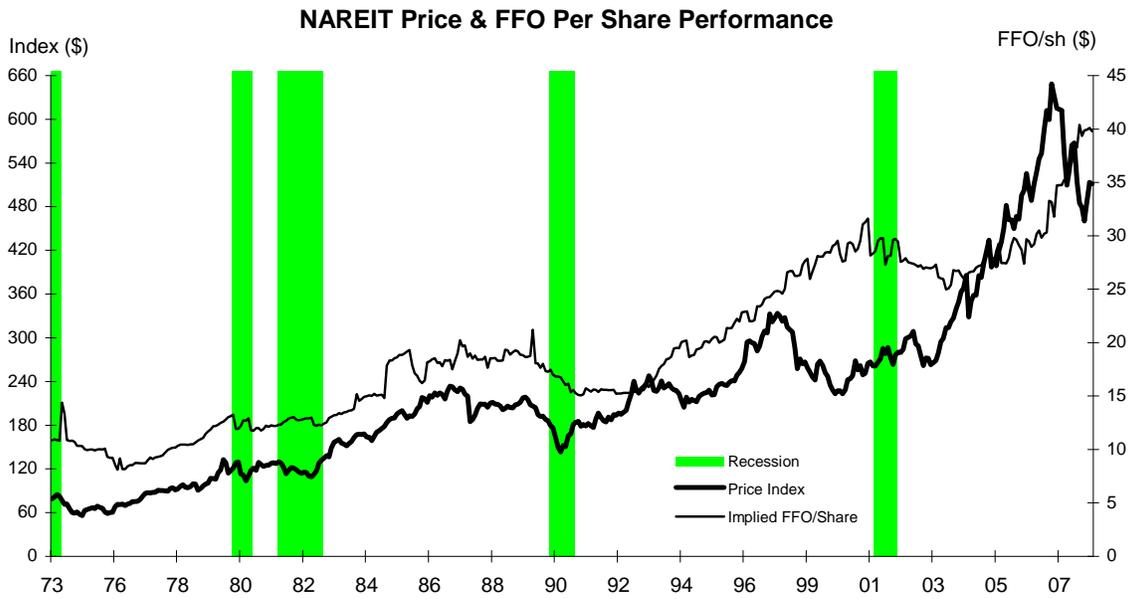
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Industry Valuation

Stock Performance

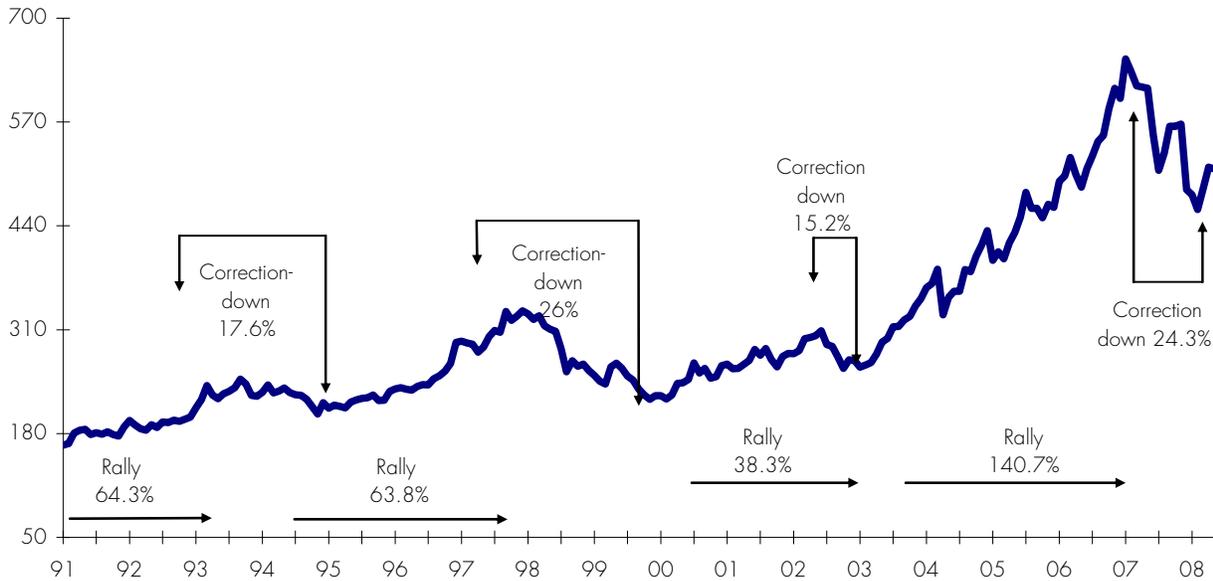
NAREIT Price and FFO Per Share Performance

May 1974 – present



NAREIT Index

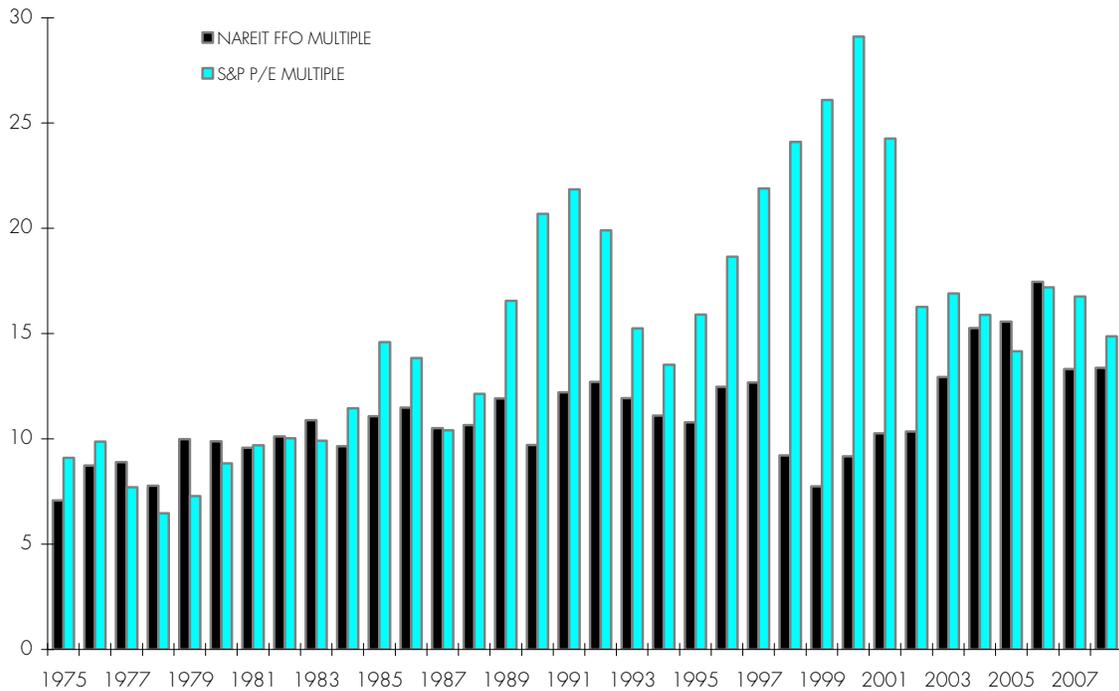
January 1991 – present



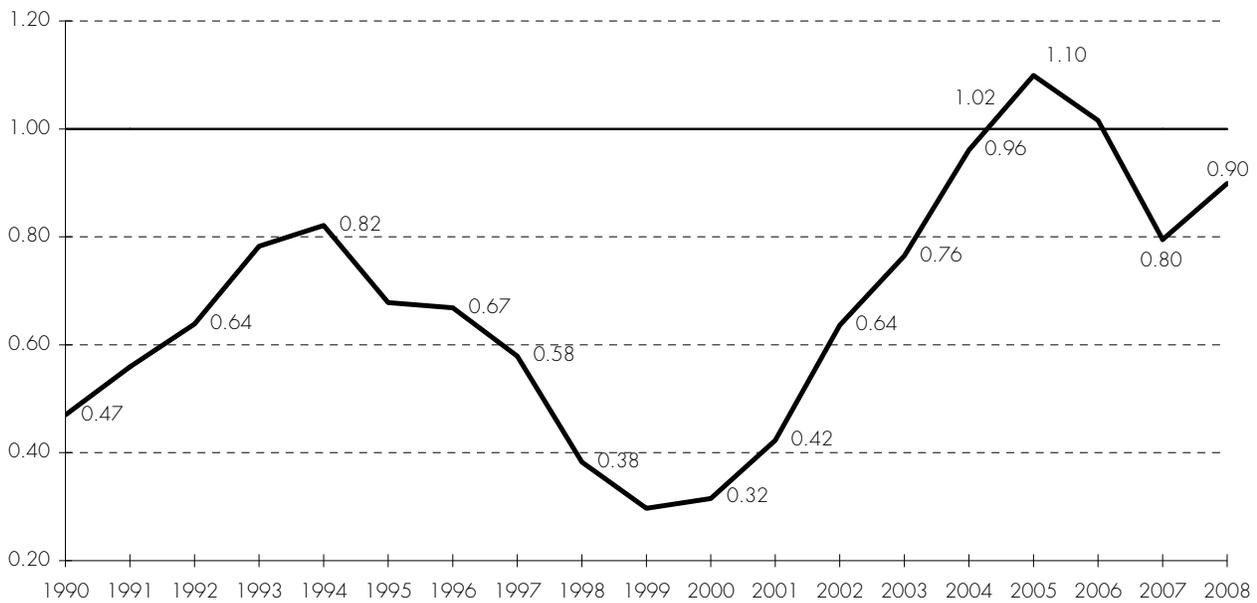
Source: NAREIT, FactSet, and Lehman Brothers

Earnings Multiples

Earnings Multiples Comparison, 1975–present



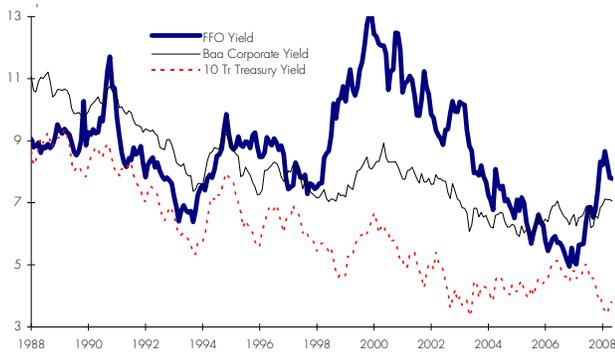
FFO Multiple Relative to S&P 500, 1990–present



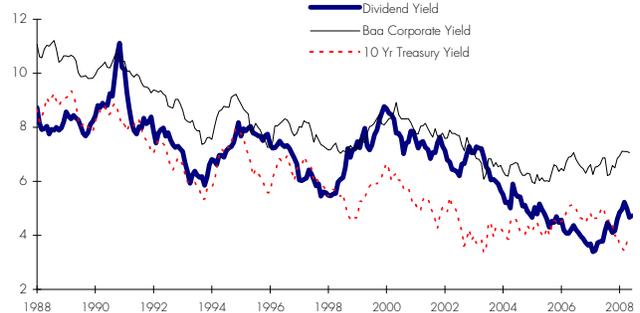
Source: NAREIT, FactSet, and Lehman Brothers

Yield Spreads

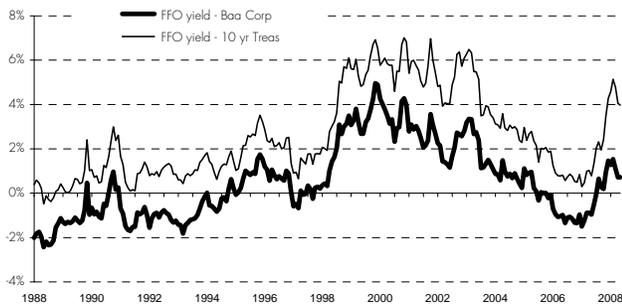
FFO Yield versus 10-Year Treasury and Baa Corp Yield (1988–Present)



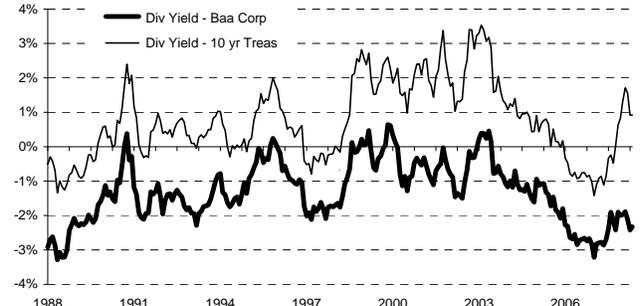
Dividend Yield versus 10-Year Treasury and Baa Corp Yield (1988–Present)



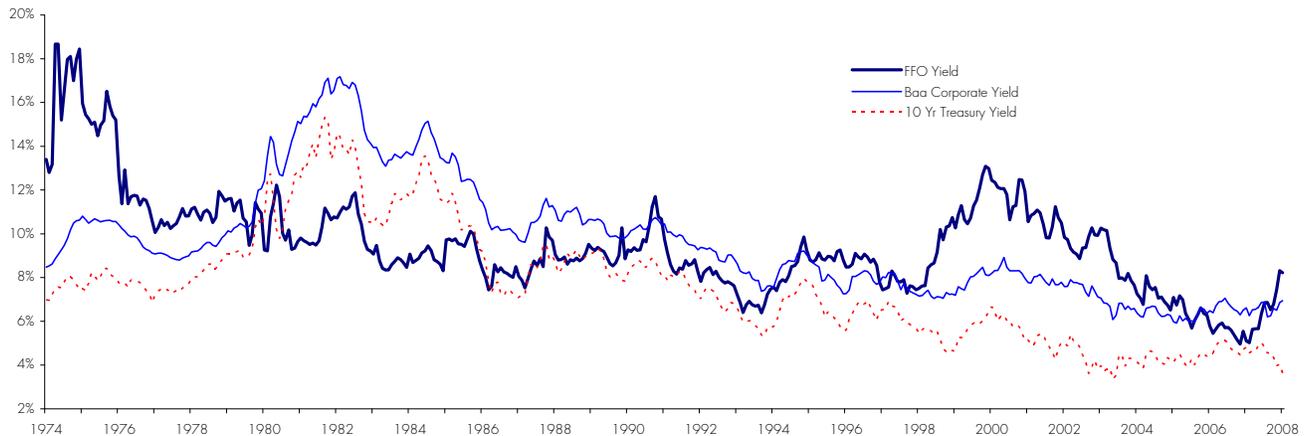
FFO Yield Spread (1988–Present)



Dividend Yield Spread (1988–Present)

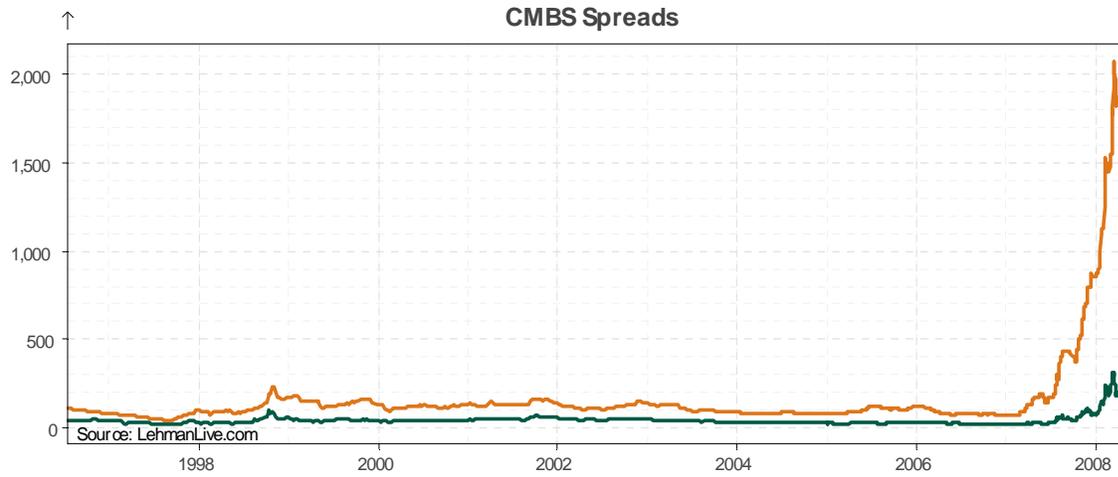


FFO Yield versus 10-Year Treasury and Baa Corporate Yield (1973–Present)



Source: NAREIT, FactSet, and Lehman Brothers

CMBS Spreads (1996–Present)



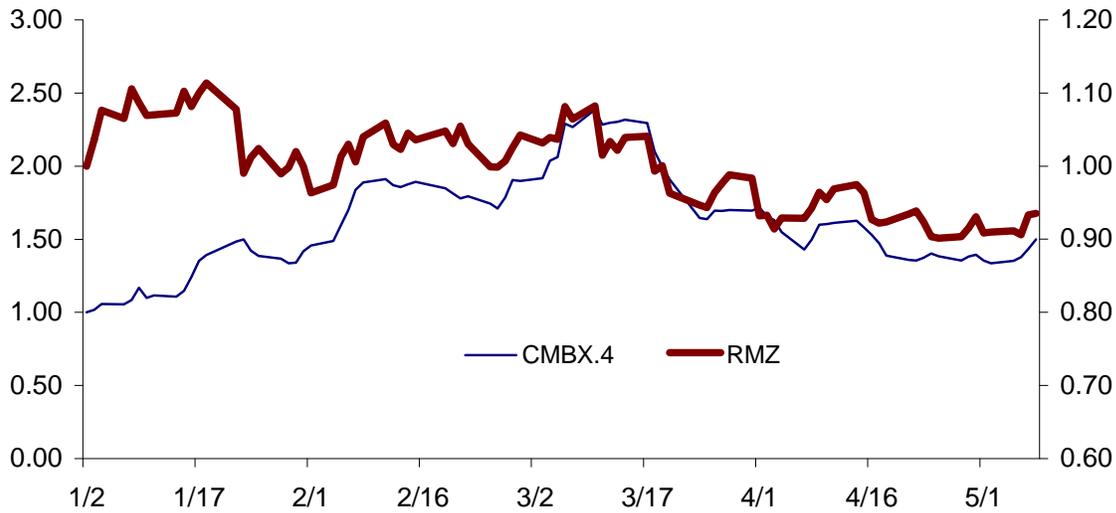
Key	Axis	Name	Last	Minimum	Maximum	Mean	SD	SD Change
—	Left	CMBS Fixed AAA 10 Yr	157.000	18.000	308.000	43.274	40.226	3.685
—	Left	CMBS Fixed BBB 10 Yr	1700.000	42.700	2075.000	219.808	364.533	12.468

Source: Lehman Brothers

CMBS Spreads and RMZ Index (YTD)

CMBX.4 Spread Performance

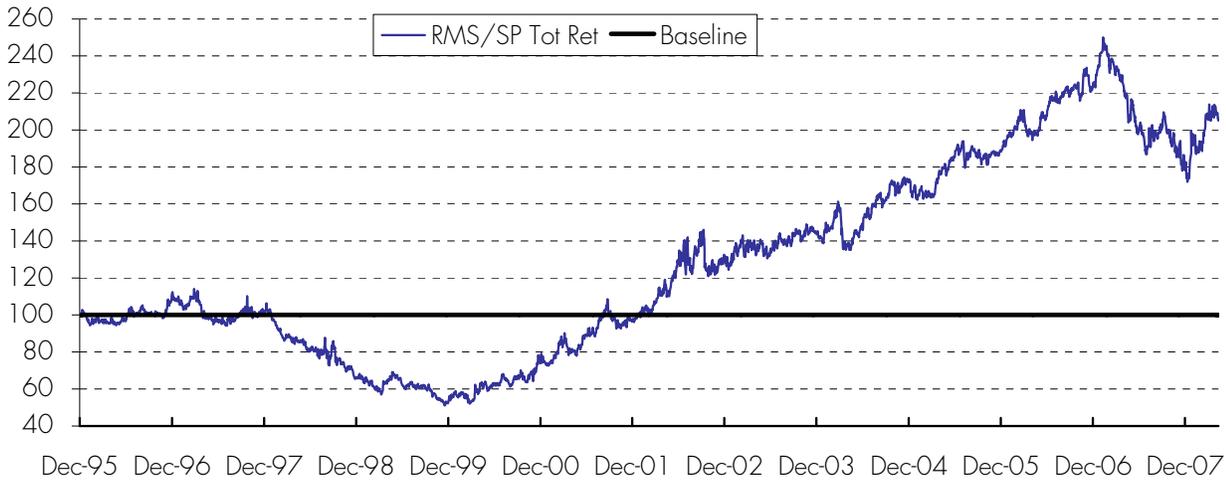
RMZ Performance (Inverted)



Source: Lehman Brothers

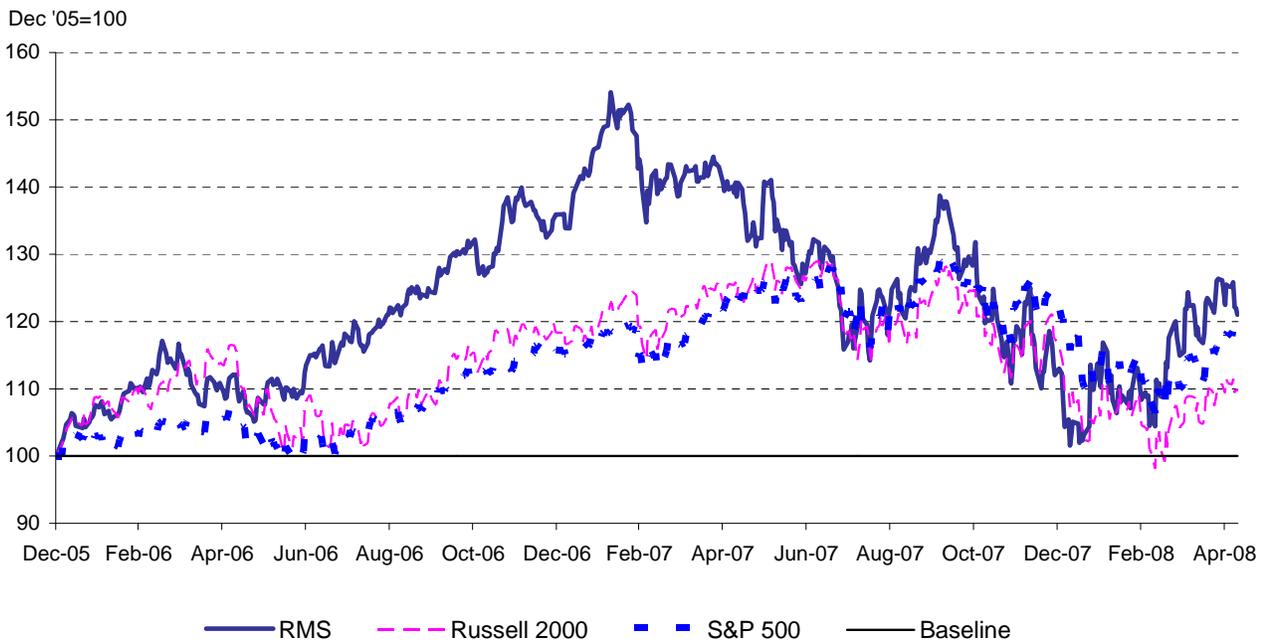
Relative Performance

REIT Total Return Performance Relative to S&P 500 (December 31, 1995 = 100)



Source: NAREIT, FactSet, and Lehman Brothers

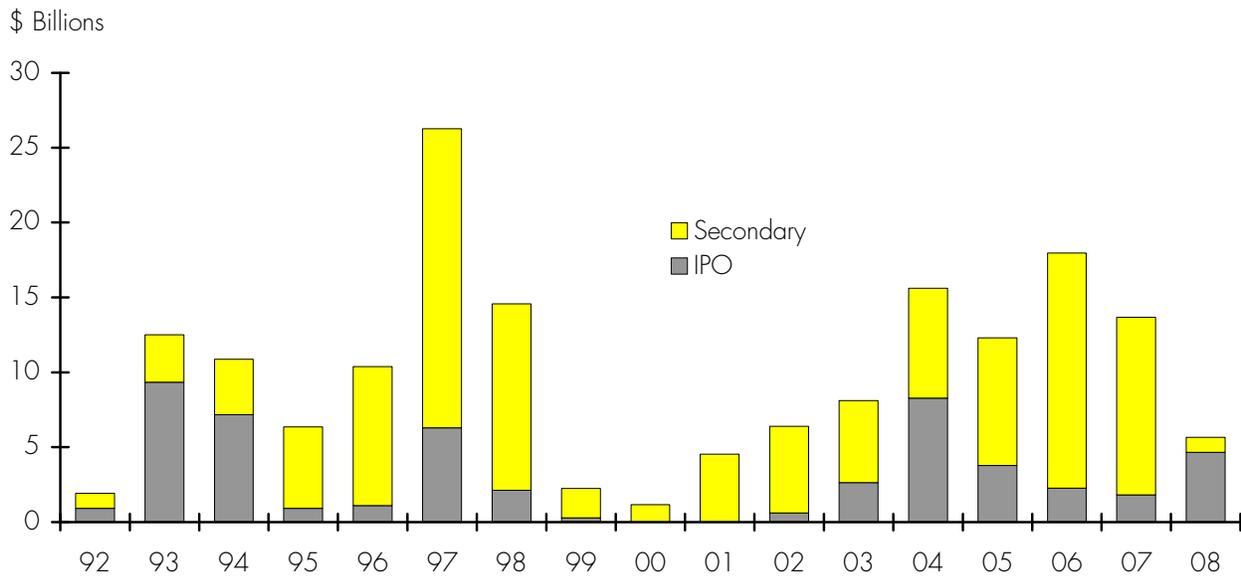
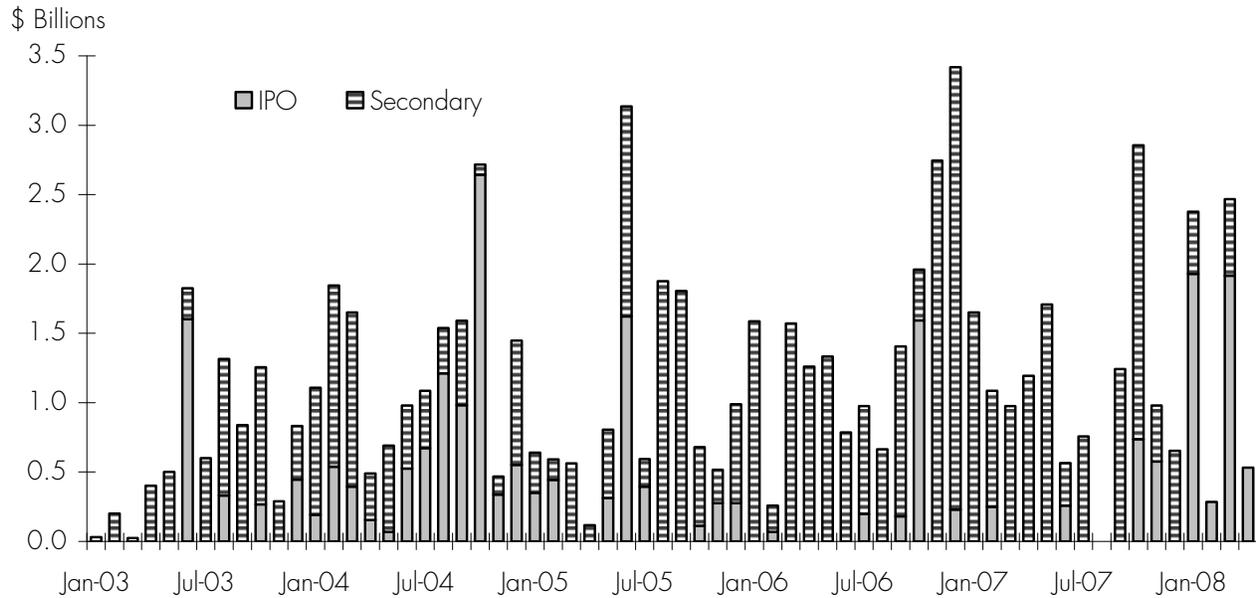
Total Return Performance: RMS versus S&P 500 and Russell 2000 (December 2005 to present)



Source: Bloomberg and Lehman Brothers

Capital Markets

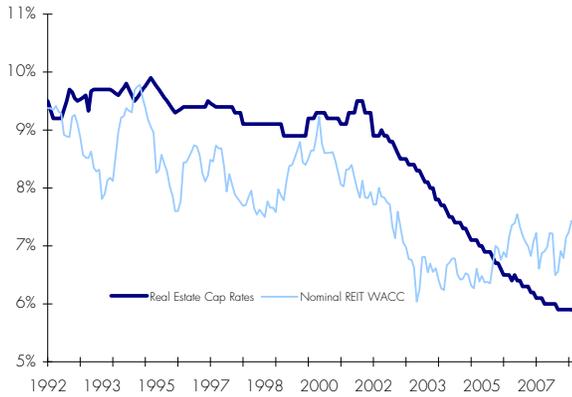
Equity Capital Raised by REITs



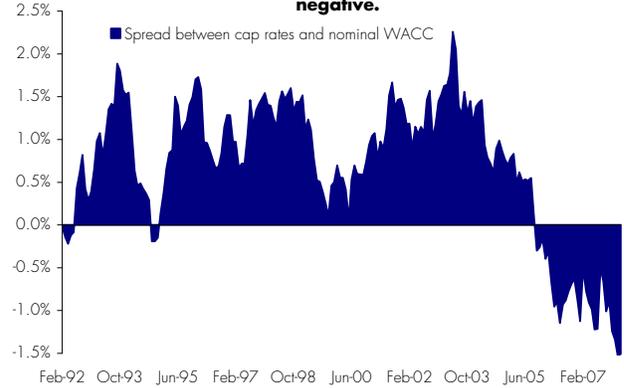
Source: NAREIT, National Real Estate Index, RERC, and Lehman Brothers

Equity Capital Raised by REITs

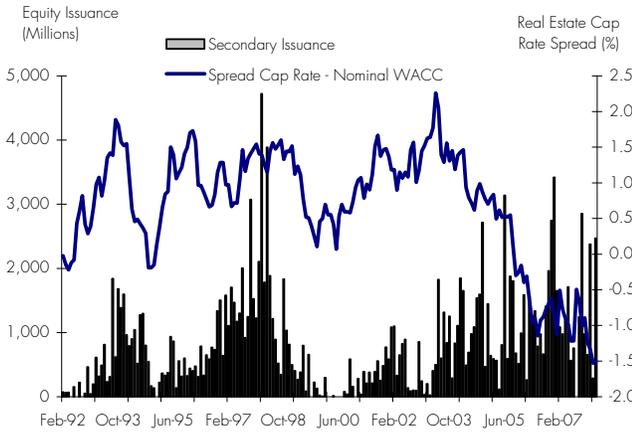
Cost of capital and cap rates remain low.



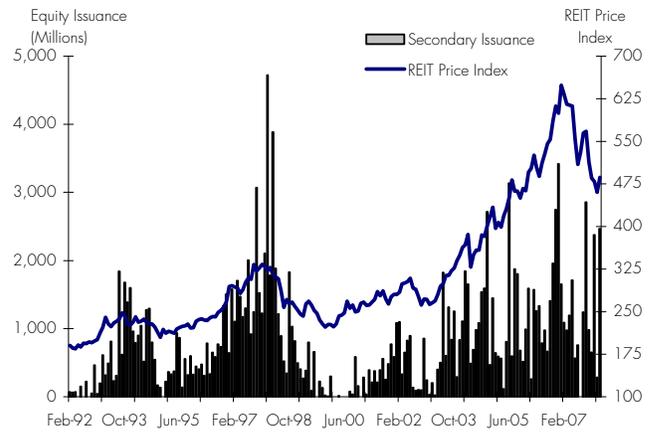
The spread between cap rates and nominal remains negative.



Equity issuance is moderating.

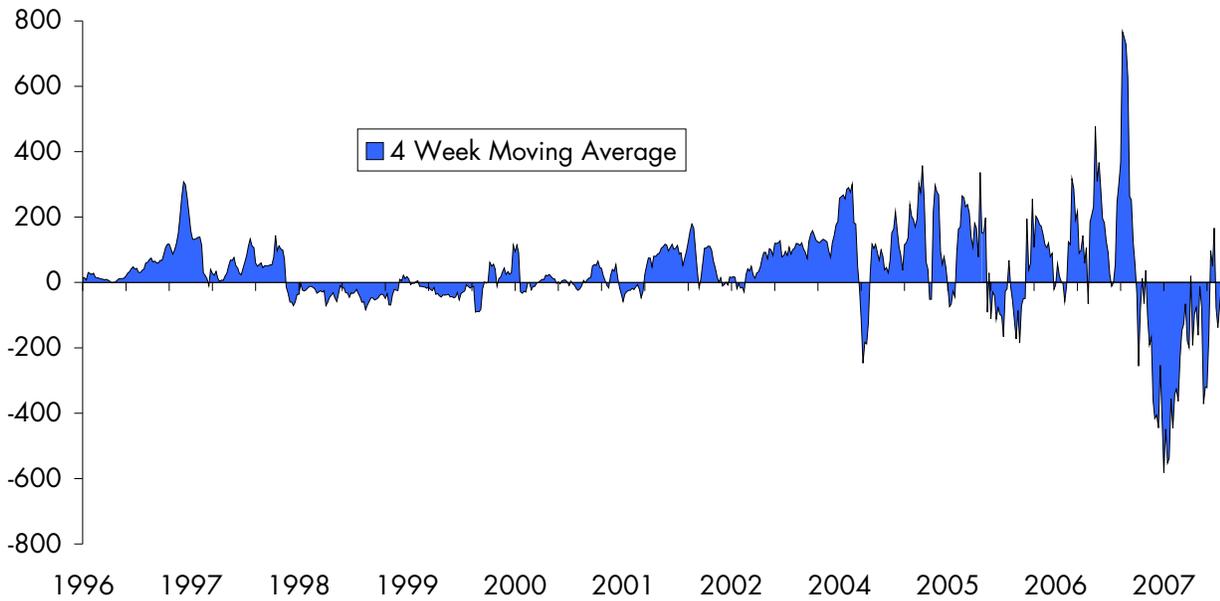


Issuance has fallen in tandem with REIT pricing.



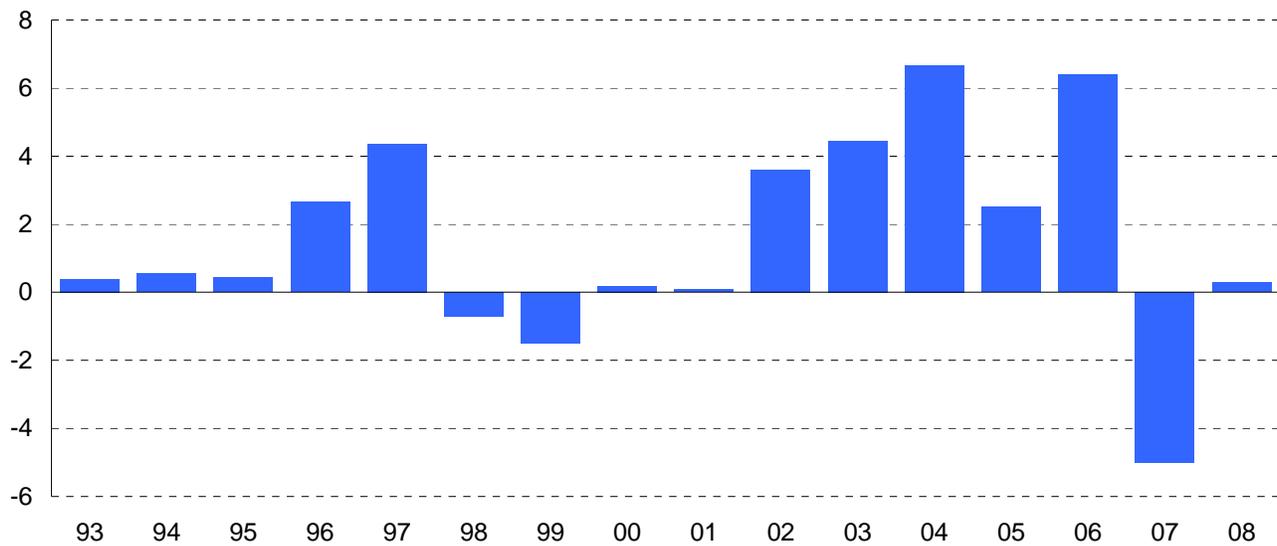
Note: Nominal WACC reflects blend of forward equity (FFO) yield and debt (Baa corporate) yield.
 Source: NAREIT, National Real Estate Index, RERC, NCREIF, and Lehman Brothers

Weekly Inflows and Outflows to Real Estate Mutual Funds (\$ in millions) – Through 1Q08



Annual Inflows and Outflows to Real Estate Mutual Funds (\$ in millions) – Through 1Q08

(\$ billions)



Source: AMG Data Services and Lehman Brothers

REIT Privatizations/Mergers

Major REIT Mergers/Privatizations, 2005–present

Date*	Target	Sub Sector	Acquirer	Merger / Privatization	Premium / Discount*	Forward Multiple*	Equity Value*	Total Value*
Feb-05	PGE	Office	Lightstone	P	10.2%	11.8	\$294m	\$889m
Jun-05	CDX	Indust.	PLD	M	16.1%	14.6	\$3,525m	\$4,845m
Jun-05	GBP	Apt.	ING Clarion	P	14.1%	13.1	\$1,435m	\$2,722m
Jun-05	CRO	Office	DRA Advisors	P	15.4%	13.7	\$937m	\$1,700m
Sep-05	CARS	Spec.	DRA Advisors / KIM	P	9.0%	13.2	\$2,096m	\$3,439m
Oct-05	PP	Office	BDN	M	5.9%	13.9	\$1,998m	\$3,493m
Oct-05	AML	Apt.	MS	P	20.7%	15.0	\$1,179m	\$2,142m
Dec-05	CNT	Indust.	CalPERS / Jones Lang	P	9.1%	19.5	\$2,404m	\$3,266m
Dec-05	ARI	Office	GE / TRZ	P / M	-3.7%	18.5	\$3,109m	\$4,710m
Total / Weighted Average (2005)							\$16,684m	\$26,317m
Feb-06	BED	Indust.	LBA Realty LLC	P	10.9%	16.3	\$424m	\$920m
Feb-06	TCT	Apt.	MS/Sawyer/Onex	P	34.9%	21.0	\$806m	\$1,328m
Mar-06	CRE	Office	Blackstone	P	8.9%	17.6	\$2,855m	\$5,348m
Mar-06	SHU	Storage	PSA	M	2.4%	26.4	\$3,111m	\$5,047m
Jun-06	TRZ	Office	BPO/Blackstone	P / M	17.9%	17.9	\$6,416m ¹	\$8,879m
Jul-06	HTG	Retail	Centro Properties Group	P	3.3%	12.8	\$1,760m	\$3,338m
Jul-06	PNP	Retail	Kimco Realty	P / M	0.0%	16.5	\$2,887m	\$4,017m
Aug-06	RA	Office	SLG Green	P / M	4.5%	17.2	\$3,988m	\$6,188m
Aug-06	GLB	Office	Morgan Stanley	P	8.2%	15.2	\$1,019m	\$1,919m
Aug-06	BNP	Apt.	Babcock & Brown	P	39.2%	17.0	\$313m	\$766m
Oct-06	TSY	Restaurant	GE Capital Solutions	P / M	36.3%	15.2	\$1,152m	\$2,761m
Nov-06	COE	Office	JP Morgan Asset Mgmt	P	12.4%	16.1	\$289m	\$488m
Total / Weighted Average (2006)							\$23,994m	\$38,825m
Feb-07	EOP	Office	Blackstone	P	24.1%	23.8	\$21,667m	\$38,303m
Feb-07	MLS	Retail	SPG/Farallon	P / M	14.0%	10.5	\$1,640m	\$7,900m
Feb-07	NXL	Retail	Centro Properties (ASX)	M	13.0%	16.7	\$3,550m	\$6,200m
Mar-07	SFC	Triple-Net	Macquarie/Kaupthing Bank hf.	P	11.1%	12.5	\$1,559m	\$3,358m
May-07	CEI	Office/Resi	Morgan Stanley	P	5.5%	18.2	\$2,853m	\$6,365m
May-07	ASN	Apt.	Tishman Speyer/Lehman	P	22.7%	26.5	\$15,201m	\$22,484m
Jun-07	APRO	Apt.	Sentinel Omaha LLC	P	24.9%	NA	\$279m	\$535m
Jul-07	RPB	Office	Liberty Property Trust	M	28.0%	34.2	\$435m	\$850m
Nov-07	AFR	Office	Gramercy Capital Corp.	M	30.7%	10.7	\$1,083m	\$3,363m
Total / Weighted Average (2007)							\$48,267m	\$89,357m
Total Value 2005 - 2007							\$88,945m	\$154,499m

*Calculated at date of announcement

1: Equity bid includes bid for Trizec Canada, Inc. at \$30.97/sh.

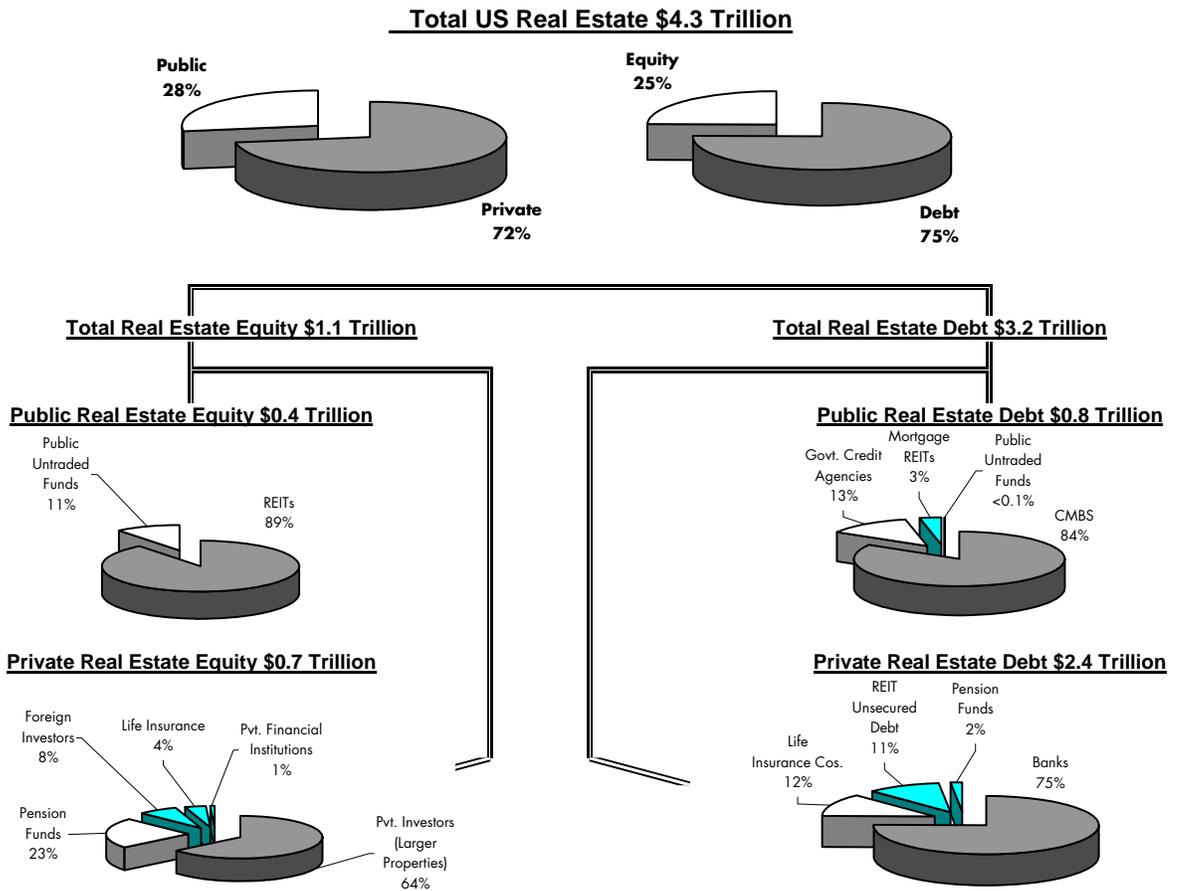
*Calculated at date of announcement.

1: Equity bid includes bid for Trizec Canada, Inc. at \$30.97/sh.

Source: Company data, SNL Financial, and Lehman Brothers

Real Estate Securitization

Total U.S. Real Estate – \$4.3 Trillion



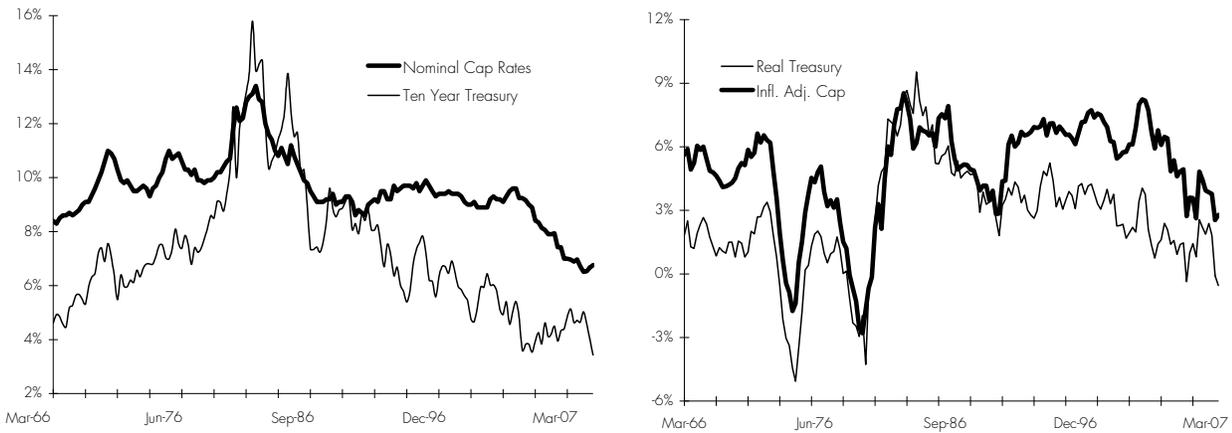
Source: PWC/ULI and Lehman Brothers

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Real Estate Fundamentals

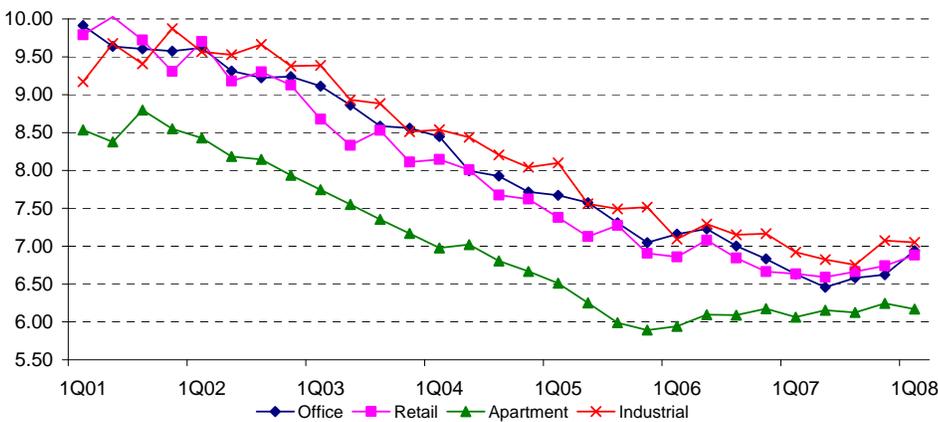
Cap Rates and Leverage

Cap Rates versus 10-Year Treasury Yields (1966 – present)



Source: National Real Estate Index, RERC, FactSet, and Lehman Brothers.

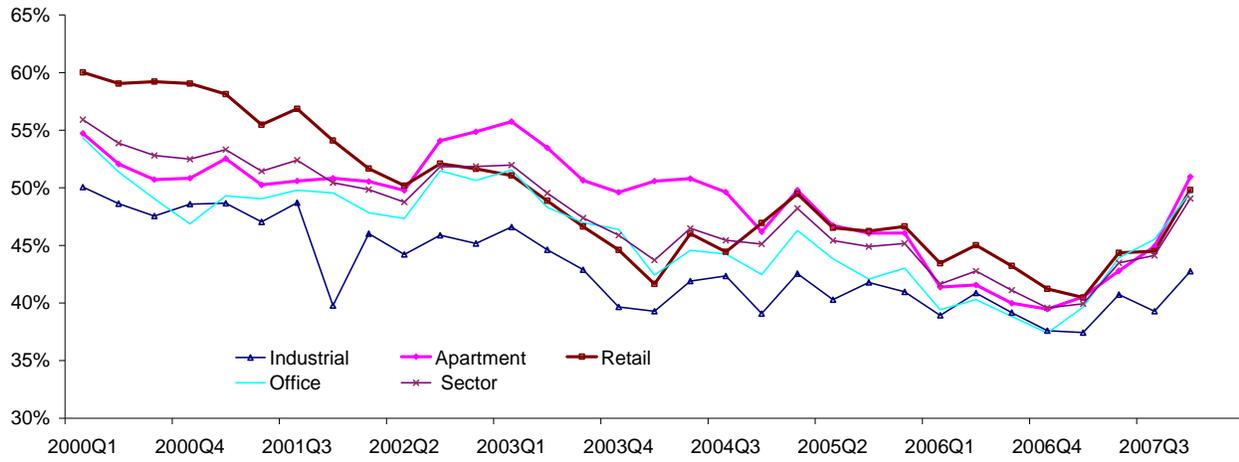
Historical Cap Rates by Sector



Source: Real Capital Analytics

Historical Leverage by Sector

Debt / Tot. Cap



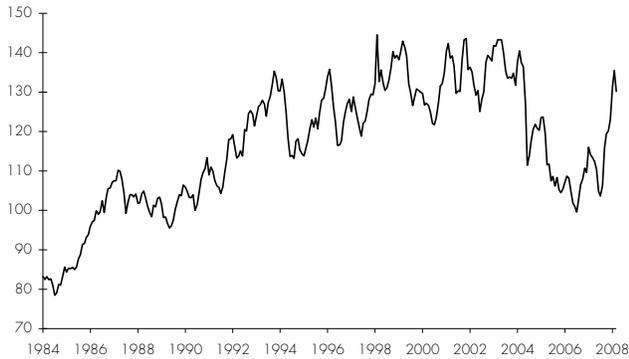
Source: SNL

Apartments

Housing Affordability Index

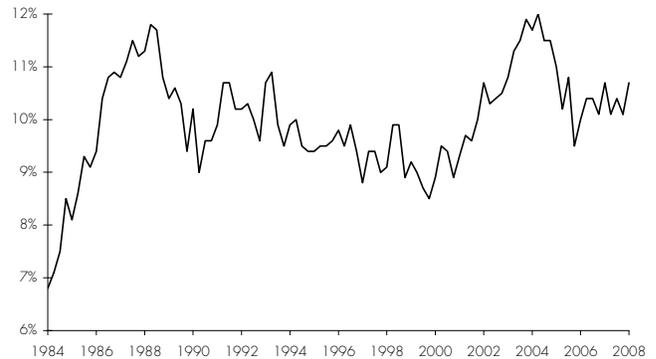
January 1984 – March 2008

Jun 1990 = 100



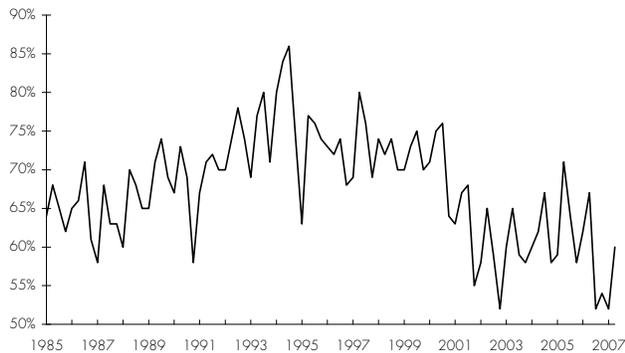
Vacancy Rate – Structures with Five-Plus Units

January 1984 – March 2008



Percentage of Completed Units Absorbed Within Three Months

March 1985 – June 2007



Sources: U.S. Bureau of the Census, NCREIF, U.S. Department of Commerce, National Association of Realtors, and Lehman Brothers

Employment Growth, Household Formation, and Housing Starts

	Employment Change (Y/Y) (000)	Household Formations (Y/Y) (000)	HH Form. / Empl. Chg.	Housing Starts (000)	Starts/ HH Form.
Atlanta	36.0	52.7	1.5	31.9	0.6
Austin	16.0	14.1	0.9	15.8	1.1
Baltimore	12.8	3.1	0.2	4.4	1.4
Birmingham	1.3	4.3	3.2	3.3	0.8
Boston	0.3	4.1	15.0	8.3	2.0
Charlotte	9.7	21.9	2.3	16.3	0.7
Chicago	16.8	29.8	1.8	21.8	0.7
Cincinnati	0.4	3.0	8.2	5.0	1.7
Cleveland	0.2	-2.7	-12.7	3.3	-1.2
Columbus	5.3	6.6	1.3	3.9	0.6
Dallas	31.9	40.8	1.3	29.3	0.7
Denver	7.5	19.6	2.6	7.7	0.4
Detroit	-37.0	-6.5	0.2	3.7	-0.6
Houston	41.8	38.1	0.9	44.4	1.2
Indianapolis	5.9	10.0	1.7	6.3	0.6
Kansas City	3.6	7.4	2.0	7.3	1.0
Las Vegas	-7.2	21.8	-3.0	15.2	0.7
Los Angeles	-15.9	6.6	-0.4	17.3	2.6
Memphis	6.1	6.6	1.1	6.1	0.9
Miami	-6.3	2.5	-0.4	10.9	4.4
Minneapolis	-11.6	15.2	-1.3	8.9	0.6
Nashville	-0.6	11.2	-19.9	10.6	0.9
Oakland	-6.5	5.1	-0.8	4.9	1.0
Orlando	11.7	17.2	1.5	12.3	0.7
Philadelphia	5.6	9.4	1.7	13.4	1.4
Phoenix	-7.5	44.5	-6.0	20.7	0.5
Pittsburgh	0.1	-0.2	-1.9	4.2	-23.6
Portland	2.6	14.7	5.7	8.6	0.6
Raleigh	6.9	14.6	2.1	14.5	1.0
Richmond	-1.7	5.2	-3.1	5.2	1.0
Riverside	1.5	37.1	24.0	12.6	0.3
Salt Lake City	15.8	7.9	0.5	3.7	0.5
San Antonio	13.6	11.0	0.8	11.7	1.1
San Diego	6.9	4.2	0.6	6.3	1.5
San Francisco	-6.7	6.9	-1.0	7.2	1.0
San Jose	-3.0	6.2	-2.0	3.0	0.5
Seattle	21.8	21.1	1.0	16.4	0.8
St. Louis	7.7	7.7	1.0	7.5	1.0
Tampa	3.5	15.0	4.2	9.2	0.6
Tucson	-1.7	7.0	-4.2	3.0	0.4
Washington DC	15.1	21.2	1.4	17.4	0.8
Total / Average	203.0	566.0	0.8	463.3	0.3

Note: Employment data, Housing formation and Single housing starts are as of 1Q08.

Source: RFA, DRI, and Lehman Brothers

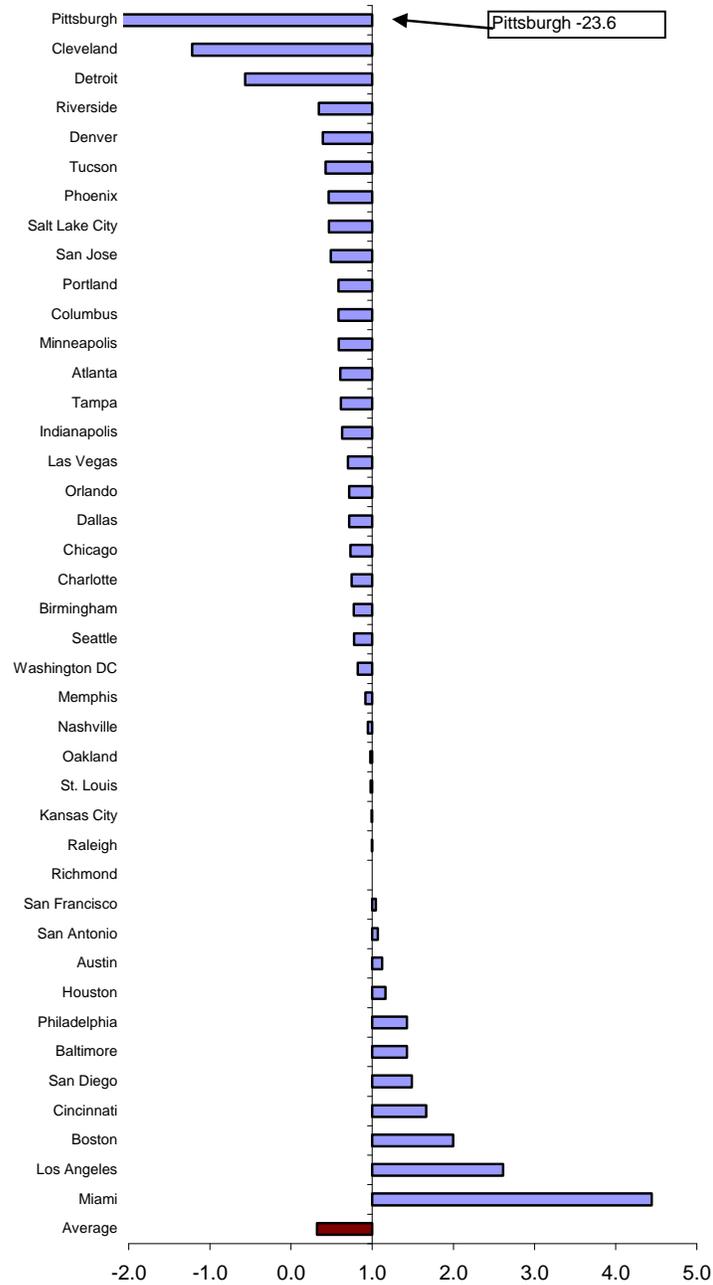
Multifamily Starts, Occupancy, and Rents

	Multifamily Starts (000)	Occupancy	Average Market Rent	Rent Y/Y % Change
Atlanta	11.6	94.0%	\$801	2.5%
Austin	5.9	95.7%	\$817	6.1%
Baltimore	1.3	95.3%	\$1,026	2.4%
Birmingham	0.5	95.8%	\$701	1.2%
Boston	2.9	96.4%	\$1,395	2.7%
Charlotte	3.2	95.5%	\$736	3.0%
Chicago	13.5	95.4%	\$1,079	4.1%
Cincinnati	1.1	94.5%	\$743	1.0%
Cleveland	0.3	94.7%	\$715	4.1%
Columbus	1.2	95.2%	\$663	2.0%
Dallas	10.1	94.6%	\$759	4.0%
Denver	2.5	88.9%	\$591	0.0%
Detroit	0.5	95.4%	\$847	7.6%
Ft. Lauderdale	1.9	95.1%	\$1,142	0.0%
Houston	12.9	93.1%	\$722	3.8%
Indianapolis	1.4	93.3%	\$660	2.7%
Kansas City	1.7	92.6%	\$701	2.8%
Las Vegas	4.8	95.7%	\$844	1.0%
Los Angeles	11.7	97.2%	\$1,534	3.1%
Memphis	1.0	92.3%	\$681	1.1%
Miami	6.5	97.0%	\$1,042	2.4%
Minneapolis	1.8	96.2%	\$913	3.7%
Nashville	1.4	95.1%	\$768	3.4%
Orlando	5.0	94.5%	\$829	(0.5%)
Philadelphia	2.5	96.2%	\$1,099	4.3%
Phoenix	4.4	93.3%	\$764	0.7%
Pittsburgh	0.6	97.2%	\$872	5.7%
Portland	3.0	95.8%	\$858	8.1%
Richmond	0.4	96.7%	\$795	4.0%
Riverside	3.8	95.6%	\$1,071	2.1%
Salt Lake City	1.1	98.1%	\$801	9.6%
San Antonio	4.4	94.3%	\$662	3.4%
San Diego	3.2	97.6%	\$1,283	3.6%
San Francisco	5.0	96.3%	\$1,957	11.9%
San Jose	2.2	97.6%	\$1,634	10.0%
Seattle	7.1	96.4%	\$1,014	8.2%
St. Louis	1.1	92.5%	\$741	1.8%
Tampa	2.9	94.1%	\$805	(0.4%)
Tucson	0.2	95.6%	\$629	2.1%
Washington DC	4.0	96.6%	\$1,267	3.8%
Total/Average	150.6	95.2%	\$924	3.6%

Note: Multifamily Starts is as of 1Q08. Occupancy and Rents are from MP/F Yieldstar as of 4Q07.

Source: M/PF-TWR Research and Lehman Brothers

Total Housing Starts to Household Formations

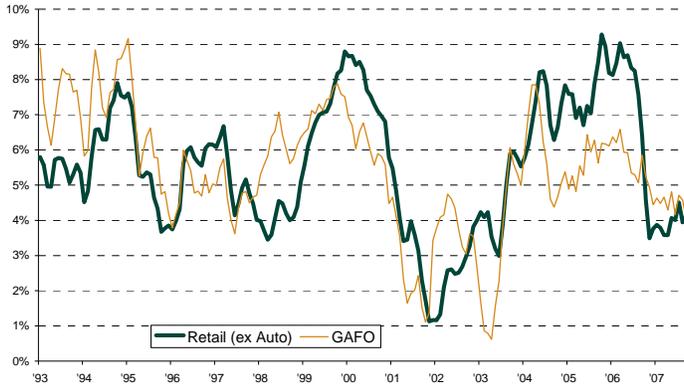


Source: RFA, DRI, and Lehman Brothers

Retail

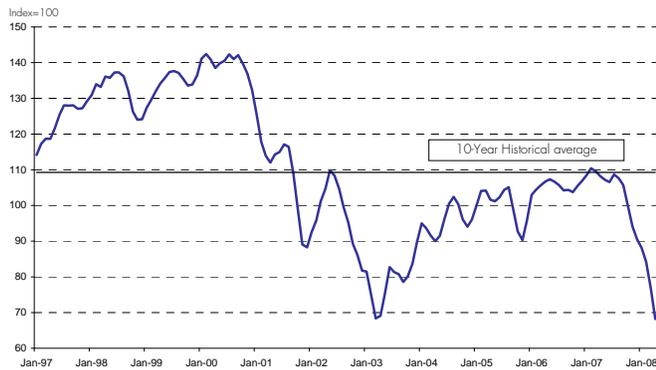
Retail Sales (three-month moving average of year-over-year percentage change)

January 1994 – March 2008.



U.S. Consumer Confidence Bounces (three-month moving average)

January 1995 – April 2008



Volume of Private Commercial Construction Put in Place

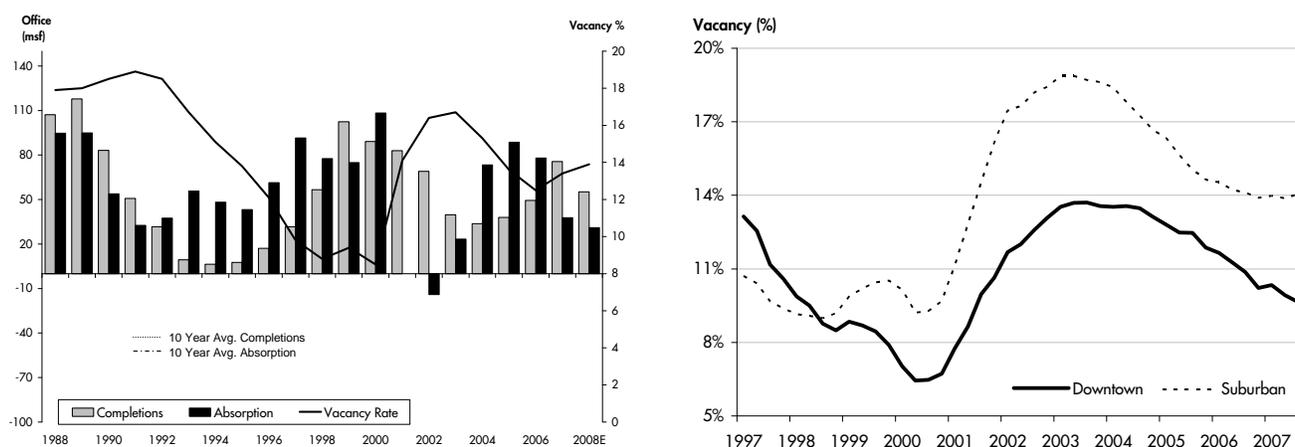
January 1989 – December 2007



Source: U.S. Department of Commerce, DRI, and Lehman Brothers

Office

National Office Market Supply, Demand, and Vacancy



*2007 and 2008 Absorption and Vacancy Rates reflect Lehman estimates.

Office Market Outlook – 10 Best Office Markets Ranked by Year-End 2008E Vacancy

Market	YE 2006A	YE 2007E	YE 2008E	One-year Change (bps)	Two-year Change (bps)
New York	6.5	6.2	7.6	140	110
Honolulu	9.3	9.2	8.6	-60	-70
Los Angeles	10.0	9.7	9.5	-20	-50
Long Island	10.0	9.5	9.6	10	-40
Raleigh	14.7	12.2	10.2	-200	-450
Charlotte	14.3	11.8	10.4	-140	-390
Tucson	11.1	10.7	10.5	-20	-60
Washington, DC	9.1	10.7	11.0	30	190
Boston	11.9	11.7	11.0	-70	-90
Orlando	8.6	13.3	11.8	-150	320

10 Worst Office Markets Ranked by Year-End 2008E Vacancy

Market	YE 2006A	YE 2007E	YE 2008E	One-year Change (bps)	Two-year Change (bps)
Las Vegas	9.4	20.6	25.7	510	1630
Detroit	21.1	21.2	24.1	290	300
Wilmington	16.2	20.7	21.9	120	570
Cincinnati	20.6	21.0	20.8	-20	20
West Palm Beach	10.4	16.3	20.6	430	1020
Dallas	22.3	22.0	20.0	-200	-230
Cleveland	17.4	18.8	19.2	40	180
Columbus	17.2	18.1	19.2	110	200
Jacksonville	16.1	18.0	18.9	90	280
Edison	20.4	20.4	18.9	-150	-150

Source: Torto Wheaton Research (historical) and Lehman Brothers (projections)

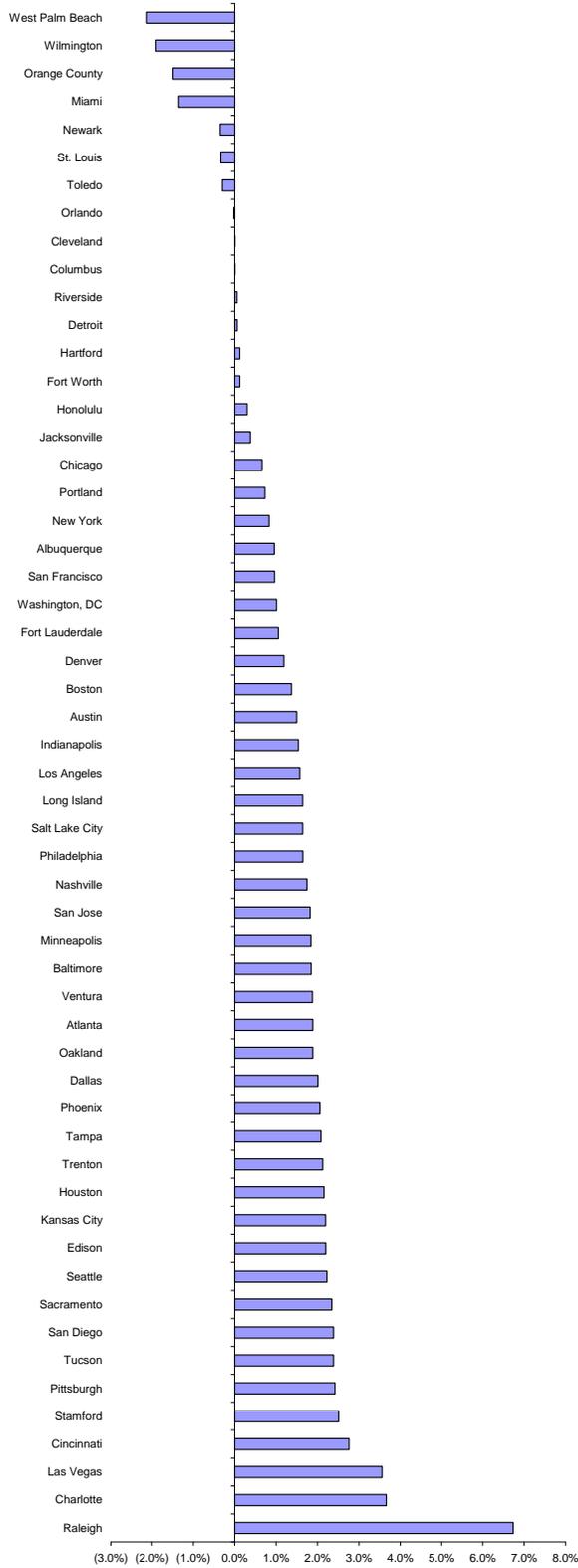
Projected 2005-08E Market Supply and Demand Fundamentals

Markets (in millions of Sq Ft.)	2005 Completions	Stock 2005	2005 Absorption	Vacancy Level	2005 Vacancy	2006 Completions	Stock 2006	2006 Absorption	Vacancy Level	2006 Vacancy	2007 Completions	Stock 2007	2007 Absorption	Vacancy Level	2007 Vacancy	2008 Completions	Stock 2008	2008 Absorption	Vacancy Level	2008 Vacancy
Albuquerque	0.4	12.3	0.4	1.9	15.8%	0.4	12.6	0.4	1.9	14.9%	0.3	13.0	0.1	2.1	16.2%	0.1	13.1	0.2	2.0	15.1%
Atlanta	1.2	125.7	3.4	21.7	17.3%	2.2	127.9	2.1	21.9	17.1%	2.2	130.0	2.5	22.0	16.9%	1.4	131.5	2.2	21.0	16.0%
Austin	0.4	31.3	1.4	5.5	17.7%	0.4	31.7	2.0	4.0	12.7%	1.7	33.5	0.5	5.5	16.3%	1.7	35.1	1.0	6.4	18.1%
Baltimore	1.9	47.6	1.7	6.0	12.6%	2.2	49.8	2.1	6.1	12.3%	2.1	52.0	1.0	7.4	14.2%	0.9	52.9	0.8	7.7	14.6%
Boston	1.7	153.9	5.1	22.2	14.4%	1.1	154.9	4.7	18.4	11.9%	2.0	156.9	2.2	18.4	11.7%	0.6	157.6	1.5	17.3	11.0%
Charlotte	0.7	35.1	1.5	5.1	14.5%	1.3	36.4	1.2	5.2	14.3%	0.5	36.9	1.4	4.4	11.8%	0.7	37.6	1.1	3.9	10.4%
Chicago	2.9	218.0	4.2	36.8	16.9%	1.1	219.1	4.2	33.7	15.4%	1.3	220.4	1.5	33.9	15.4%	0.7	221.1	1.0	34.5	15.6%
Cincinnati	0.4	32.3	0.4	5.7	17.5%	0.8	33.1	-0.4	6.8	20.6%	1.3	34.4	1.0	7.2	21.0%	0.4	34.8	0.4	7.2	20.8%
Cleveland	0.1	36.6	-0.1	6.9	18.9%	0.2	36.8	0.7	6.4	17.4%	0.5	37.3	0.0	7.0	18.8%	0.3	37.6	0.1	7.2	19.2%
Columbus	0.4	28.4	0.3	5.5	19.4%	0.4	28.8	0.9	4.9	17.2%	0.3	29.0	0.0	5.3	18.1%	0.4	29.5	0.0	5.7	19.2%
Dallas	0.7	142.3	3.6	33.2	23.3%	2.1	144.5	2.9	32.2	22.3%	2.9	147.3	3.0	32.4	22.0%	1.7	149.1	4.3	29.8	20.0%
Denver	0.4	86.6	2.1	14.6	16.9%	0.5	87.1	2.4	12.7	14.6%	0.5	87.6	1.0	12.8	14.6%	1.2	88.7	1.0	13.5	15.2%
Detroit	0.8	71.1	0.9	14.1	19.8%	1.2	72.3	0.1	15.2	21.1%	0.5	72.8	0.0	15.4	21.2%	0.4	73.2	-1.7	17.6	24.1%
Edison	0.3	35.6	0.2	7.6	21.5%	0.0	35.6	0.5	7.3	20.4%	0.8	36.4	0.8	7.4	20.4%	0.6	37.0	1.0	7.0	18.9%
Fort Lauderdale	0.5	25.6	1.4	2.5	9.7%	0.6	26.1	0.3	2.7	10.3%	1.4	27.5	0.3	3.8	13.8%	0.6	28.1	0.8	3.6	12.9%
Fort Worth	0.5	24.5	0.7	3.2	13.0%	0.1	24.6	0.4	3.0	12.0%	0.5	25.1	0.0	3.6	14.2%	0.4	25.4	0.1	3.8	14.9%
Hartford	0.0	26.0	0.1	4.7	18.1%	0.1	26.2	0.7	4.2	16.0%	0.0	26.2	0.0	4.2	16.2%	0.1	26.2	0.0	4.3	16.5%
Honolulu	0.0	10.7	0.1	1.2	11.6%	0.0	10.7	0.3	1.0	9.3%	0.0	10.7	0.0	1.0	9.2%	0.0	10.7	0.1	0.9	8.6%
Houston	0.8	136.2	2.2	23.3	17.1%	1.2	137.5	6.5	18.0	13.1%	1.6	139.0	3.0	17.1	12.3%	2.8	141.9	0.4	19.6	13.8%
Indianapolis	0.1	29.3	0.8	4.7	15.9%	0.9	30.3	0.8	4.8	15.8%	0.8	31.1	0.5	5.2	16.8%	0.3	31.4	0.1	5.5	17.5%
Jacksonville	0.5	18.8	0.3	3.6	19.1%	0.5	19.4	1.0	3.1	16.1%	0.5	19.9	0.1	3.6	18.0%	0.1	20.0	-0.1	3.8	18.9%
Kansas City	0.4	45.0	1.6	7.2	16.0%	0.5	45.5	-0.1	7.8	17.1%	1.0	46.5	1.0	7.7	16.6%	0.8	47.2	0.5	8.0	16.9%
Las Vegas	1.8	22.7	1.9	2.5	10.8%	1.3	24.1	1.6	2.3	9.4%	4.6	28.7	1.0	5.9	20.6%	3.8	32.5	1.3	8.3	25.7%
Long Island	0.2	29.3	-0.9	3.4	11.5%	0.5	29.8	0.9	3.0	10.0%	0.4	30.1	0.5	2.9	9.5%	0.2	30.4	0.2	2.9	9.6%
Los Angeles	0.8	177.4	4.9	20.4	11.5%	0.3	177.7	2.9	17.8	10.0%	2.3	180.0	2.8	17.5	9.7%	1.6	181.6	1.5	17.3	9.5%
Miami	0.4	39.0	1.9	3.7	9.5%	0.6	39.5	0.6	3.6	9.2%	1.1	40.6	-0.5	5.4	13.3%	1.4	42.0	-0.3	7.1	16.8%
Minneapolis	0.0	64.1	1.4	10.8	16.8%	0.2	64.3	1.0	10.0	15.5%	0.3	64.6	1.2	9.2	14.3%	0.1	64.7	1.3	8.2	12.6%
Nashville	0.1	26.2	1.0	2.4	9.3%	0.8	27.0	0.4	2.8	10.5%	1.3	28.3	0.5	3.6	12.7%	1.5	29.8	0.3	4.8	16.0%
New York	0.3	419.6	7.1	32.3	7.7%	2.9	422.5	8.0	27.5	6.5%	2.5	424.9	3.5	26.3	6.2%	3.9	428.9	-2.5	32.6	7.6%
Newark	0.3	43.8	0.9	6.0	13.7%	0.1	43.9	0.5	5.6	12.8%	0.3	44.2	-0.2	6.1	13.8%	0.4	44.6	0.1	6.4	14.3%
Oakland	0.4	49.8	1.6	6.4	12.8%	1.0	50.8	-0.8	8.1	16.0%	0.5	51.3	1.0	7.7	15.0%	0.7	52.0	1.2	7.2	13.8%
Orange County	0.1	60.4	2.3	4.5	7.4%	1.1	61.4	0.5	5.1	8.3%	2.9	64.4	-1.0	8.4	13.0%	1.9	66.2	0.3	9.9	14.9%
Orlando	1.0	29.0	1.7	3.2	11.0%	1.4	30.4	2.0	2.6	8.6%	1.7	32.1	0.0	4.3	13.3%	0.8	32.9	1.2	3.9	11.8%
Philadelphia	1.7	102.4	2.5	14.3	14.1%	1.4	103.7	2.6	13.1	12.6%	2.8	106.5	1.8	14.2	13.3%	1.8	108.3	0.4	15.6	14.4%
Phoenix	1.8	60.8	4.2	8.1	13.4%	2.8	63.6	3.3	7.6	11.9%	7.4	71.0	1.5	13.6	19.2%	1.9	72.9	2.6	12.9	17.7%
Pittsburgh	0.4	52.2	1.2	9.4	18.0%	0.8	52.9	1.0	9.2	17.3%	0.3	53.2	1.3	8.4	15.7%	0.2	53.4	0.3	8.3	15.5%
Portland	0.2	39.1	0.6	5.6	14.4%	0.4	39.5	1.1	5.0	12.7%	0.6	40.1	0.3	5.3	13.3%	0.4	40.5	0.9	4.8	11.9%
Raleigh	0.5	29.5	1.1	4.8	16.1%	1.1	30.6	1.4	4.5	14.7%	1.4	32.1	2.2	3.9	12.2%	1.6	33.7	2.2	3.4	10.2%
Riverside	0.9	19.5	1.1	1.8	9.2%	0.9	20.4	1.1	1.6	7.6%	0.7	21.2	0.0	2.5	11.7%	1.4	22.5	1.1	2.8	12.3%
Sacramento	1.1	40.1	1.8	5.7	14.3%	1.0	41.0	0.4	6.4	15.5%	1.2	42.3	1.0	6.8	16.0%	0.7	43.0	0.9	6.5	15.2%
Salt Lake City	0.6	26.5	2.0	3.5	13.1%	0.8	27.4	1.3	3.0	11.0%	1.5	28.8	0.5	4.0	13.9%	0.6	29.5	0.8	3.9	13.2%
San Diego	2.0	48.2	2.3	5.0	10.3%	2.1	50.4	0.4	6.7	13.2%	3.8	54.2	1.3	9.2	16.9%	1.5	55.7	0.2	10.5	18.8%
San Francisco	0.3	81.3	4.1	10.7	13.1%	0.1	81.4	2.0	8.8	10.8%	0.5	81.9	0.8	8.8	10.7%	1.4	83.3	0.0	10.5	12.6%
San Jose	0.1	34.9	-0.7	5.5	15.7%	0.2	35.1	0.8	4.9	14.0%	1.3	36.4	0.7	5.5	15.2%	0.5	36.9	0.5	5.7	15.4%
Seattle	0.3	76.1	2.2	8.9	11.7%	0.5	76.6	2.2	7.2	9.4%	2.4	79.0	1.8	8.0	10.1%	2.5	81.5	0.2	10.3	12.6%
St. Louis	0.8	38.7	1.0	6.6	17.0%	0.3	39.0	1.0	5.9	15.2%	0.4	39.4	-0.1	6.4	16.3%	0.2	39.6	0.5	6.1	15.4%
Stamford	0.3	31.7	0.5	4.8	15.2%	0.3	32.1	0.9	4.3	13.3%	0.1	32.2	0.8	3.6	11.3%	0.4	32.6	0.2	3.9	11.9%
Tampa	0.5	34.1	2.0	3.9	11.4%	0.6	34.7	0.5	4.0	11.6%	1.6	36.3	0.8	4.9	13.4%	1.4	37.7	0.7	5.6	14.8%
Toledo	0.2	15.5	0.3	2.1	13.8%	0.2	15.8	0.1	2.3	14.6%	0.2	15.9	0.0	2.6	16.6%	0.0	16.0	0.2	2.5	15.6%
Trenton	0.3	10.8	-0.3	1.4	12.6%	0.4	11.2	0.6	1.2	10.3%	0.9	12.1	0.3	1.9	15.4%	0.4	12.5	0.3	1.9	15.4%
Tucson	0.1	7.6	0.2	0.8	9.9%	0.4	8.0	0.3	0.9	11.1%	0.2	8.2	0.2	0.9	10.7%	0.3	8.4	0.2	0.9	10.5%
Ventura	0.1	5.2	0.3	0.3	6.1%	0.2	5.4	0.1	0.4	6.8%	0.5	5.9	0.1	0.7	12.6%	0.3	6.2	-0.1	1.1	18.1%
Washington, DC	5.6	257.0	7.7	23.9	9.3%	8.0	265.0	7.8	24.1	9.1%	7.8	272.8	2.8	29.2	10.7%	5.6	278.4	4.0	30.6	11.0%
West Palm Beach	0.5	23.9	0.9	2.3	9.4%	0.5	24.4	0.2	2.5	10.4%	0.9	25.3	-0.5	4.1	16.3%	1.2	26.5	0.0	5.5	20.6%
Wilmington	0.2	12.2	0.0	2.0	16.1%	0.4	12.6	0.3	2.0	16.2%	0.4	13.0	-0.2	2.7	20.7%	0.3	13.3	0.1	2.9	21.9%
LB Sum of Markets	39.2	3,381.6	91.2	464.0	13.7%	51.5	3,433.1	80.5	435.2	12.7%	77.4	3,510.5	45.4	471.7	13.4%	57.0	3,567.5	35.4	494.9	13.9%

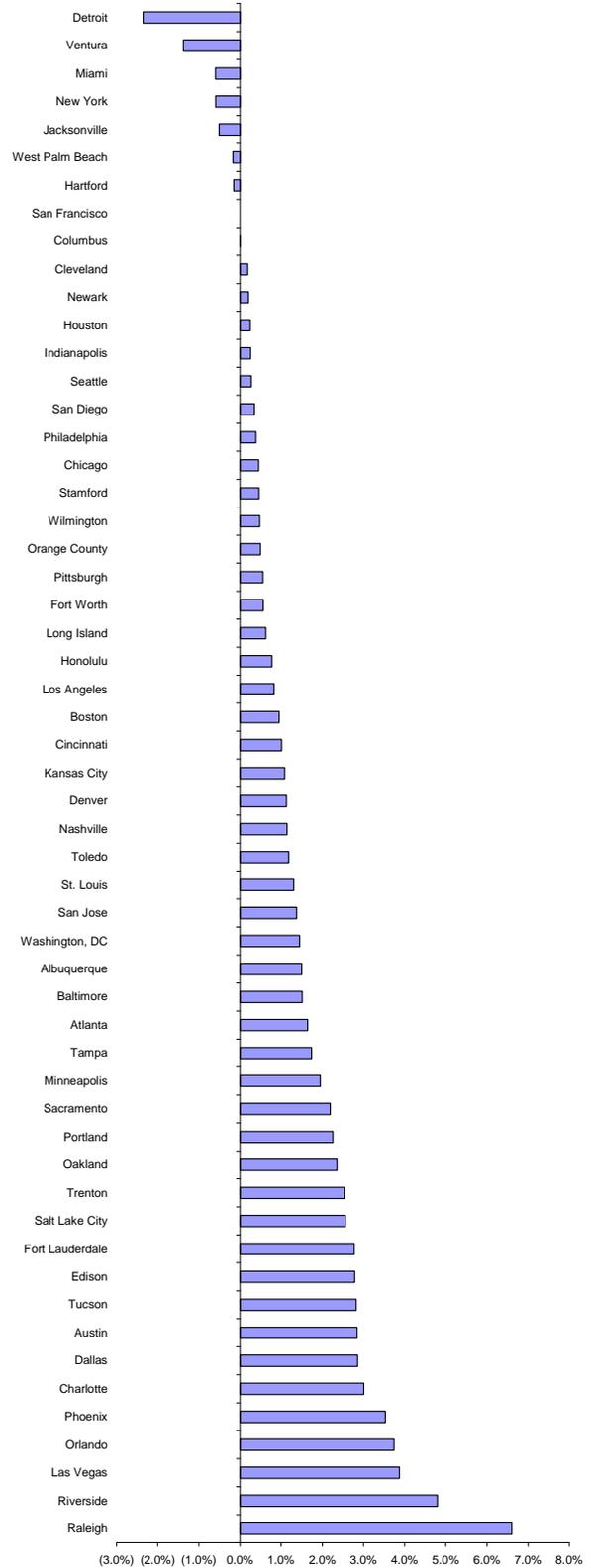
Notes: 2007 and 2008 completion data are based on Torto Wheaton estimates; 2007 and 2008 absorption and vacancy numbers are based on Lehman Brothers estimates

Source: Torto Wheaton Research (historical) and Lehman Brothers (projections)

Expected 2007 Absorption as a Percentage of Stock



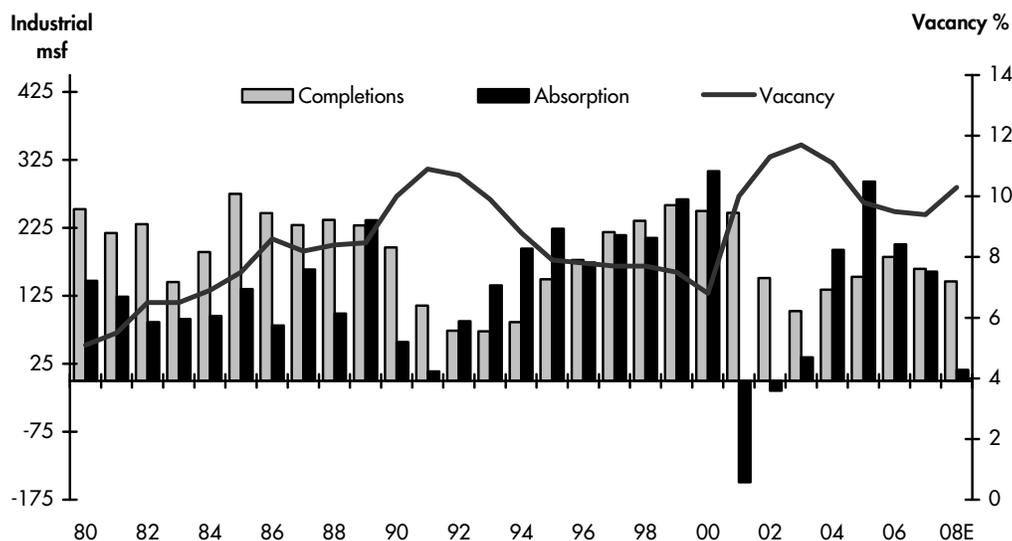
Expected 2008 Absorption as a Percentage of Stock



Source: Torto Wheaton Research (historical) and Lehman Brothers (projections)

Warehouse and Industrial

Sum of Markets Industrial Market Supply, Demand, and Vacancy



Industrial Market Outlook – 10 Best Industrial Markets Ranked by Projected Year-End 2008 Vacancy

Market	Vacancy (%)			Change vs. 2007A (bps)	
	2007A	2008E	2009E	1-Year	2-Year
Los Angeles	4.6	4.8	4.8	20	20
Salt Lake City	5.4	6.0	7.5	60	210
San Francisco	5.5	7.4	8.0	190	250
Tucson	5.5	4.5	4.6	-100	-90
Orange County	5.6	6.0	4.8	40	-80
Portland	5.7	7.6	9.1	190	340
Tampa	6.0	8.4	8.5	240	250
Ventura	6.2	6.8	7.2	60	100
Albuquerque	6.4	6.5	5.3	10	-110
Las Vegas	6.4	9.5	10.4	310	400
Sum of Markets	9.4	10.3	10.7	90	130

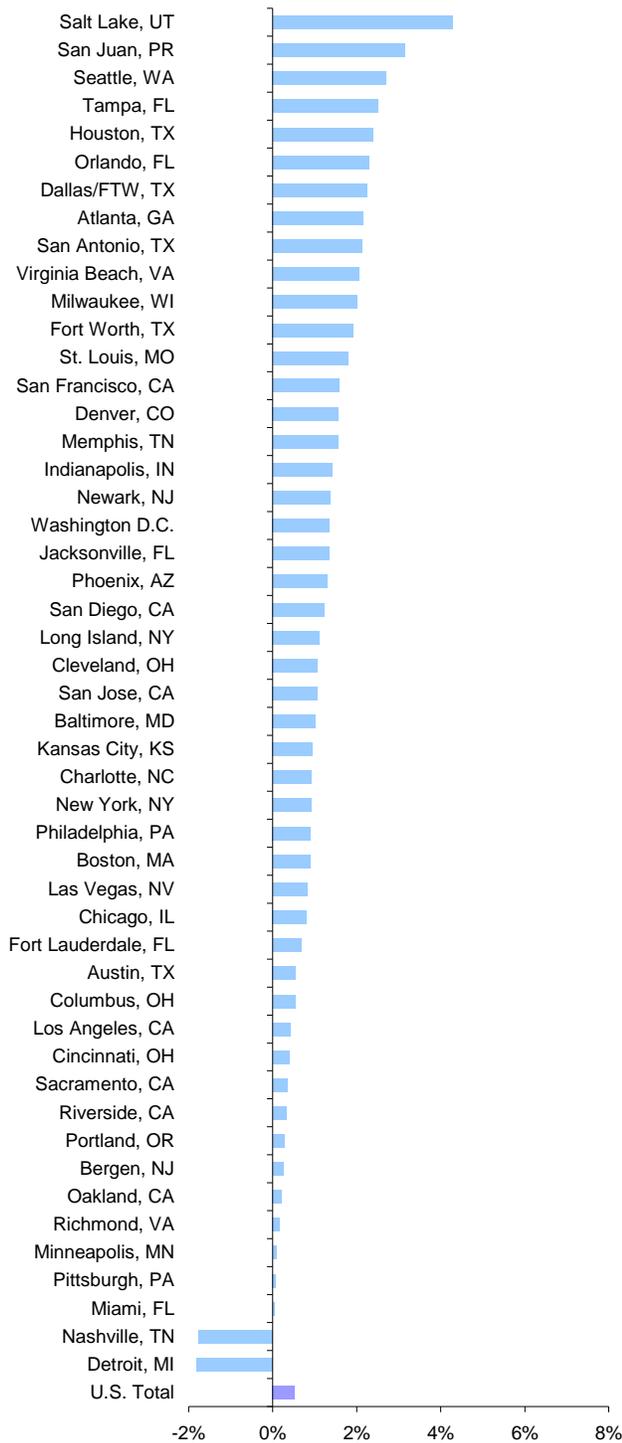
Industrial Market Outlook – 10 Worst Industrial Markets Ranked by Projected Year-End 2008 Vacancy

Market	Vacancy (%)			Change vs. 2007A (bps)	
	2007A	2008E	2009E	1-Year	2-Year
Ann Arbor	20.3	18.1	12.0	-220	-830
Memphis	20.3	18.6	19.5	-170	-80
Detroit	16.6	19.4	20.1	280	350
Pittsburgh	15.4	13.3	13.8	-210	-160
Boston	14.4	14.6	14.3	20	-10
Wilmington	13.4	14.6	16.7	120	330
Baltimore	13.3	13.3	13.3	0	0
Vallejo	13.3	13.5	15.6	20	230
Columbus	13.2	13.5	11.9	30	-130
Atlanta	12.9	13.2	13.5	30	60
Sum of Markets	9.4	10.3	10.7	90.0	130.0

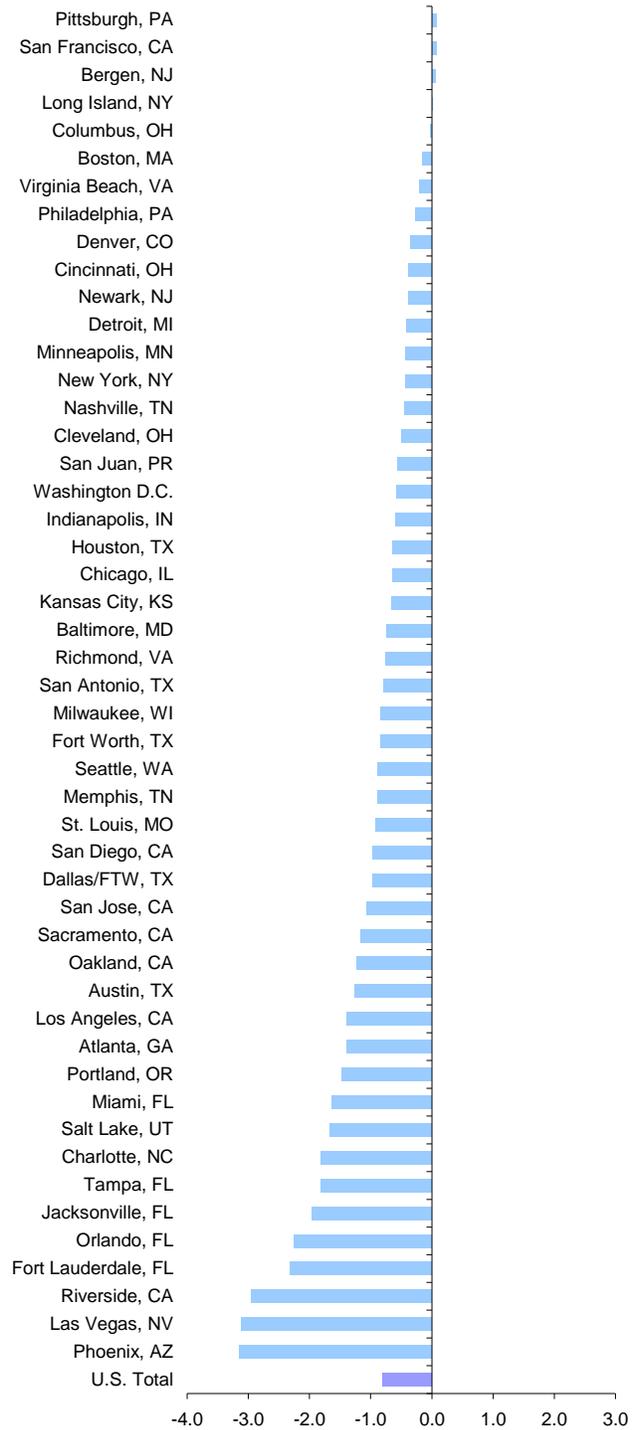
Source: Torto Wheaton Research and Lehman Brothers

Regional Employment - March 2008

Trailing 12-Month Employment Growth



Employment Momentum



Source: U.S. Bureau of Labor Statistics and Lehman Brothers

Metropolitan Area Employment Trends as of March 2008 (continued)

	Job Level (000s)	Most Recent Year % Change	3-Year Trend	Momentum (Absolute Change in %)	Jobs Created Recent Year (000s)
Akron, OH	336.1	0.4%	0.3%	0.07	1.3
Albany, NY	444.8	0.1%	0.4%	(0.27)	0.6
Albuquerque, NY	397.2	0.3%	2.1%	(1.79)	1.3
Allentown, PA	342.2	0.1%	1.1%	(0.99)	0.4
Ann Arbor, MI	198.4	(1.6%)	(1.0%)	(0.68)	(3.3)
Atlanta, GA	2,471.2	1.1%	2.5%	(1.39)	26.4
Austin, TX	773.3	2.9%	4.2%	(1.25)	21.8
Baltimore, MD	1,317.9	0.7%	1.4%	(0.74)	8.9
Baton Rouge, LA	371.8	0.6%	2.4%	(1.79)	2.3
Bergen, NJ	902.3	0.3%	0.3%	0.05	3.1
Birmingham, AL	532.0	(0.1%)	1.1%	(1.25)	(0.7)
Boston, MA	2,471.9	1.0%	1.2%	(0.15)	25.6
Buffalo, NY	542.3	0.2%	0.2%	(0.01)	1.1
Charlotte, NC	867.8	1.7%	3.5%	(1.81)	14.5
Chattanooga, TN	247.3	0.1%	1.1%	(0.98)	0.2
Chicago, IL	4,505.8	0.4%	1.0%	(0.65)	16.1
Cincinnati, OH	1,037.2	0.1%	0.5%	(0.38)	1.5
Cleveland, OH	1,055.2	(0.6%)	(0.1%)	(0.50)	(6.3)
Columbia, SC	369.6	1.6%	1.8%	(0.14)	5.9
Columbus, OH	939.4	1.1%	1.1%	(0.03)	9.9
Dallas/FTW, TX	2,975.4	2.0%	3.0%	(0.97)	58.2
Dayton, OH	397.4	(1.2%)	(0.9%)	(0.37)	(5.0)
Denver, CO	1,241.1	1.6%	2.0%	(0.36)	19.7
Des Moines, IA	321.5	1.7%	2.3%	(0.51)	5.5
Detroit, MI	1,910.1	(2.3%)	(1.9%)	(0.41)	(45.3)
El Paso, TX	276.1	2.6%	2.2%	0.39	7.1
Fort Lauderdale, FL	789.3	(1.2%)	1.1%	(2.31)	(9.8)
Fort Wayne, IN	212.7	(2.0%)	0.4%	(2.44)	(4.4)
Fort Worth, TX	877.1	2.0%	2.9%	(0.83)	17.4
Fresno, CA	308.4	0.8%	2.1%	(1.33)	2.4
Gary, IN	280.5	0.1%	0.9%	(0.76)	0.3
Grand Rapids, MI	389.3	(0.0%)	(0.0%)	(0.02)	(0.1)
Greensboro, NC	376.0	1.2%	1.3%	(0.15)	4.4
Greenville, SC	323.3	2.6%	2.7%	(0.03)	8.3
Harrisburg, PA	330.5	0.9%	1.1%	(0.25)	2.8
Hartford, CT	558.5	1.5%	1.3%	0.21	8.3
Honolulu, HI	459.8	0.6%	1.5%	(0.91)	2.6
Houston, TX	2,599.0	3.2%	3.8%	(0.64)	80.1
Indianapolis, IN	912.1	0.8%	1.4%	(0.59)	7.1
Jacksonville, FL	634.6	(0.1%)	1.9%	(1.96)	(0.6)
Kansas City, KS	1,014.9	0.8%	1.4%	(0.65)	7.8
Knoxville, TN	338.1	0.8%	1.4%	(0.55)	2.7
Lansing, MI	224.4	(0.6%)	(0.6%)	(0.00)	(1.4)
Las Vegas, NV	925.5	(0.3%)	2.9%	(3.12)	(2.4)
Lexington, KY	255.1	0.5%	1.3%	(0.84)	1.2
Little Rock, AR	348.0	1.0%	1.8%	(0.80)	3.3
Los Angeles, CA	5,608.8	(0.6%)	0.8%	(1.39)	(35.3)
Louisville, KY	626.4	1.9%	1.6%	0.30	11.4

Source: U.S. Bureau of Labor Statistics and Lehman Brothers

Metropolitan Area Employment Trends as of March 2008 (continued)

	Job Level (000s)	Most Recent Year % Change	3-Year Trend	Momentum (Absolute Change in %)	Jobs Created Recent Year (000s)
Madison, WI	344.2	0.6%	0.7%	(0.10)	1.9
Memphis, TN	639.6	0.2%	1.1%	(0.88)	1.5
Miami, FL	1,067.2	(0.3%)	1.3%	(1.63)	(3.3)
Milwaukee, WI	844.7	(0.2%)	0.7%	(0.83)	(1.3)
Minneapolis, MN	1,785.4	0.8%	1.2%	(0.42)	13.3
Nashville, TN	766.5	1.4%	1.9%	(0.45)	10.9
Long Island, NY	1,256.1	0.9%	0.9%	0.02	11.4
New Haven, CT	273.0	(0.3%)	0.5%	(0.75)	(0.8)
New Orleans, LA	525.0	1.9%	(5.0%)	6.94	9.8
New York, NY	8,539.2	0.8%	1.2%	(0.43)	65.5
Newark, NJ	1,025.1	(0.0%)	0.3%	(0.38)	(0.4)
Oakland, CA	1,038.5	(0.8%)	0.4%	(1.23)	(8.6)
Oklahoma City, OK	570.4	0.5%	1.5%	(1.05)	2.7
Omaha, NE	463.2	1.3%	1.4%	(0.07)	6.1
Orlando, FL	1,108.8	0.4%	2.7%	(2.26)	4.4
Philadelphia, PA	2,804.5	0.5%	0.7%	(0.27)	13.3
Phoenix, AZ	1,916.9	(0.2%)	2.9%	(3.14)	(4.3)
Pittsburgh, PA	1,139.4	0.7%	0.6%	0.07	7.9
Portland, OR	1,038.5	0.9%	2.3%	(1.47)	8.9
Providence, RI	565.9	(1.6%)	(0.3%)	(1.26)	(9.2)
Raleigh, NC	525.5	3.6%	4.9%	(1.37)	18.1
Richmond, VA	633.5	0.5%	1.3%	(0.76)	3.3
Riverside, CA	1,253.3	(1.7%)	1.2%	(2.95)	(21.7)
Rochester, NY	510.2	0.1%	0.0%	0.09	0.7
Sacramento, CA	903.6	0.1%	1.2%	(1.16)	0.8
Salt Lake, UT	646.5	2.2%	3.9%	(1.67)	14.1
San Antonio, TX	845.3	2.3%	3.1%	(0.79)	18.9
San Diego, CA	1,303.4	(0.1%)	0.8%	(0.96)	(1.7)
San Francisco, CA	997.4	2.1%	2.0%	0.07	20.2
San Jose, CA	911.8	0.8%	1.9%	(1.06)	7.2
San Juan, PR	757.3	(1.6%)	(1.0%)	(0.56)	(12.3)
Scranton, PA	260.6	0.4%	0.7%	(0.24)	1.1
Seattle, WA	1,752.5	2.1%	3.0%	(0.88)	35.7
Springfield, MO	203.2	1.2%	2.7%	(1.42)	2.5
St. Louis, MO	1,342.9	(0.4%)	0.5%	(0.92)	(5.4)
Syracuse, NY	321.3	1.0%	0.6%	0.40	3.2
Tampa, FL	1,301.2	(1.3%)	0.5%	(1.82)	(17.3)
Toledo, OH	321.0	(1.2%)	(0.4%)	(0.73)	(3.8)
Tucson, AZ	381.2	(1.9%)	1.5%	(3.46)	(7.5)
Tulsa, OK	426.0	(0.1%)	2.1%	(2.17)	(0.3)
Virginia Beach, VA	774.7	0.9%	1.1%	(0.20)	7.1
Washington D.C.	2,995.4	0.8%	1.3%	(0.57)	22.5
West Palm Beach, FL	586.4	(1.3%)	0.7%	(2.04)	(7.7)
Wichita, KS	303.5	1.1%	2.2%	(1.02)	3.4
Wilmington, NC	147.9	1.4%	4.5%	(3.06)	2.1
Youngstown, OH	236.9	(0.3%)	(0.5%)	0.29	(0.6)
U.S. Total	93,992	0.5%	1.3%	(0.81)	489.2

Source: U.S. Bureau of Labor Statistics and Lehman Brothers

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REIT Company Statistics

Lehman Brothers REIT Coverage Universe

Residential REITs

Company	Tkr	Rating	Price 5/9/2008	Target Price	** Target Meth	Equity Mkt. Cap. (\$mil.)	Adjusted EBITDA/TEV	NAV	P/NAV	FFO Per Share			P/FFO Ratio			FAD			FAD Payout		Debt/ Tot. Cap.	Dividend Rate	Yield
										2007A	2008E	2009E	2007A	2008E	2009E	2007A	2008E	2009E	2008E	2009E			
Apartment REITs																							
Apartment Inv. & Mgmt.	AIV	3	\$37.97	\$32	10.0x	\$4,018	6.7%	\$48.60	78.1%	\$3.17	\$3.20	\$3.40	12.0	11.9	11.2	\$2.28	\$2.15	\$2.31	112%	104%	67.6%	\$2.40	6.3%
Avalon Bay	AVB	2	\$38.49	\$105	21.0x	\$2,978	8.2%	\$96.00	40.1%	\$4.61	\$5.00	\$5.30	8.4	7.7	7.3	\$4.39	\$4.76	\$4.98	75%	72%	53.6%	\$3.57	9.3%
Camden Properties	CPT	2	\$49.26	\$54	14.8x	\$2,768	6.9%	\$70.80	69.6%	\$3.66	\$3.65	\$3.80	13.5	13.5	13.0	\$2.96	\$2.86	\$2.98	98%	94%	53.2%	\$2.80	5.7%
Equity Residential	EQR	1	\$41.65	\$43	17.6x	\$11,994	6.3%	\$47.40	87.9%	\$2.40	\$2.45	\$2.60	17.4	17.0	16.0	\$2.15	\$2.18	\$2.34	88%	82%	45.1%	\$1.93	4.6%
Essex Property	ESS	1	\$117.00	\$125	20.8x	\$3,202	4.9%	\$114.00	102.6%	\$5.60	\$6.00	\$6.30	20.9	19.5	18.6	\$4.92	\$5.26	\$5.56	78%	73%	39.9%	\$4.08	3.5%
Post Properties	PPS	2	\$36.20	\$38	22.7x	\$1,601	6.1%	\$51.30	70.6%	\$2.00	\$1.68	\$1.92	18.1	21.6	18.9	\$1.59	\$1.38	\$1.64	130%	110%	43.1%	\$1.80	5.0%
UDR, Inc.	UDR	2	\$24.03	\$25	16.1x	\$3,380	3.3%	\$24.20	99.3%	\$1.70	\$1.55	\$1.65	14.1	15.5	14.6	\$1.40	\$1.33	\$1.45	99%	91%	52.3%	\$1.32	5.5%
Manufact'd Home REITs																							
Equity Lifestyle Properties	ELS	2	\$49.23	\$51	15.9x	\$1,486	5.8%	\$50.30	97.9%	\$3.05	\$3.21	\$3.50	16.1	15.4	14.1	\$2.57	\$2.89	\$3.16	28%	25%	56.0%	\$0.80	1.6%
Sun Communities	SUI	2	\$19.00	\$25	9.0x	\$394	7.3%	\$25.30	75.1%	\$2.24	\$2.77	\$2.85	8.5	6.9	6.7	\$2.37	\$2.46	\$2.55	102%	99%	75.1%	\$2.52	13.3%

** Target price methodology based on 2008 FFO/share estimates

Note: 1 - Overweight; 2 - Equal weight; 3 - Underweight

Source: Company data, SNL, and Lehman Brothers

Retail REITs

Company	Tkr	Rating	Price 5/9/2008	Target Price	** Target Meth	Equity Mkt. Cap.(\$mil.)	Adjusted EBITDA/TEV	NAV	P/NAV	FFO Per Share			P/FFO Ratio			FAD			FAD Payout		Debt/ Tot. Cap.	Dividend Rate	Yield
										2007A	2008E	2009E	2007A	2008E	2009E	2007A	2008E	2009E	2008E	2009E			
Regional Mall REITs																							
General Growth	GGP	2	\$41.20	\$45	12.8x	\$12,185	8.6%*	\$48.50	84.9%	\$3.71	\$3.51	\$3.70	11.1	11.7	11.1	\$1.78	\$2.73	\$2.80	73%	72%	69.3%*	\$2.00	4.9%
Macerich	MAC	1	\$73.15	\$83	16.3x	\$6,208	5.9%*	\$66.10	110.7%	\$4.60	\$5.10	\$5.45	15.9	14.4	13.4	\$2.96	\$3.38	\$3.68	95%	87%	56.0%*	\$3.20	4.4%
Pennsylvania REIT	PEI	2	\$26.23	\$33	9.1x	\$1,089	7.6%*	\$43.80	59.9%	\$3.90	\$3.65	\$3.71	6.7	7.2	7.1	\$2.63	\$2.45	\$2.77	93%	82%	69.3%*	\$2.28	8.7%
Simon Property Group	SPG	1	\$99.53	\$110	17.1x	\$27,963	5.9%*	\$85.30	116.7%	\$5.90	\$6.45	\$6.85	16.9	15.4	14.5	\$4.57	\$5.09	\$5.44	71%	66%	47.0%*	\$3.60	3.6%
Shopping Center REITs																							
Developers Diversified	DDR	1	\$40.63	\$55	13.9x	\$4,888	6.6%	\$46.90	86.6%	\$3.79	\$3.95	\$4.20	10.7	10.3	9.7	\$3.58	\$3.73	\$4.06	74%	68%	59.5%	\$2.76	6.8%
Federal Realty Trust	FRT	2	\$79.75	\$82	21.1x	\$4,707	4.8%	\$72.70	109.7%	\$3.63	\$3.89	\$4.18	22.0	20.5	19.1	\$2.89	\$3.25	\$3.48	75%	70%	26.2%	\$2.44	3.1%
Kimco Realty	KIM	2	\$39.49	\$40	14.5x	\$10,213	4.8%	\$33.10	119.3%	\$2.59	\$2.75	\$2.95	15.3	14.3	13.4	\$2.16	\$2.25	\$2.40	71%	67%	43.0%	\$1.60	4.1%
Kite Realty Group	KRG	2	\$14.09	\$16	12.3x	\$526	5.0%	\$15.50	90.9%	\$1.26	\$1.30	\$1.40	11.2	10.8	10.0	\$0.91	\$1.04	\$1.15	79%	72%	56.2%	\$0.82	5.8%
Self-Storage REITs																							
Public Storage	PSA	2	\$86.26	\$84	16.5x	\$14,635	6.7%	\$69.20	124.7%	\$4.98	\$5.10	\$5.35	17.3	16.9	16.1	\$4.30	\$4.74	\$4.97	46%	44%	26.3%	\$2.20	2.6%
Extra Space Storage	EXR	1	\$16.87	\$18	15.0x	\$1,231	6.7%	\$16.00	105.4%	\$1.09	\$1.20	\$1.26	15.4	14.0	13.4	\$1.04	\$1.13	\$1.19	88%	84%	53.9%	\$1.00	5.9%
U-Store-It Trust	YSI	2	\$12.22	\$12	13.4x	\$766	6.8%	\$11.80	103.6%	\$0.86	\$0.90	\$0.95	14.3	13.6	12.9	\$0.73	\$0.77	\$0.81	94%	89%	58.0%	\$0.72	5.9%

*Based on Quarterly Run Rate, Not Seasonally Adjusted

** Target price methodology based on 2008 FFO/share estimates

Note: 1 - Overweight; 2 - Equal weight; 3 - Underweight

Source: Company data, SNL, and Lehman Brothers

Commercial REITs

Company	Tkr	Rating	Price 5/9/2008	Target Price	** Target Meth	Equity Mkt. Cap.(\$mil.)	Adjusted EBITDA/TEV	FFO Per Share			P/FFO Ratio			FAD			FAD Payout		Debt/ Tot. Cap.	
								*2007A	2008E	2009E	*2007A	2008E	2009E	*2007A	2008E	2009E	2008E	2009E		
Office REITs																				
Boston Properties	BXP	1	\$97.76	\$105	22.6x	\$13,664	4.5%	\$91.50	\$4.62	\$4.65	\$4.95	21.2	21.0	19.7	\$3.58	\$3.65	\$3.74	75%	73%	29.6%
Brookfield Properties Corp.	BPO	2	\$20.33	\$21	14.0x	\$8,154	5.7%	\$20.70	\$1.57	\$1.50	\$1.60	13.0	13.5	12.7	\$0.85	\$1.00	\$1.07	56%	52%	64.0%
Cousins	CUZ	2	\$26.77	\$25	25.6x	\$1,403	3.3%	\$24.30	\$0.92	\$0.98	\$1.12	29.2	27.4	24.0	\$0.48	\$0.71	\$0.97	209%	152%	42.7%
Douglas Emmett	DEI	1	\$24.22	\$26	20.8x	\$3,996	3.8%	\$24.30	\$1.17	\$1.25	\$1.42	20.7	19.3	17.0	\$0.72	\$0.72	\$0.80	104%	94%	38.9%
Duke Realty Corp.	DRE	2	\$25.10	\$26	9.8x	\$3,867	9.2%	\$28.10	\$2.73	\$2.65	\$2.85	9.2	9.5	8.8	\$2.23	\$2.15	\$2.34	89%	82%	58.5%
Liberty Property	LYR	3	\$35.19	\$29	9.1x	\$3,370	6.0%	\$35.50	\$3.18	\$3.19	\$3.25	11.1	11.0	10.8	\$2.25	\$2.38	\$2.33	105%	107%	51.4%
Mack-Cali	CLI	3	\$38.00	\$33	9.4x	\$3,061	6.6%	\$41.90	\$3.56	\$3.51	\$3.52	10.7	10.8	10.8	\$2.54	\$2.57	\$2.57	100%	100%	44.5%
Maguire Properties	MPG	2	\$17.50	\$16	21.4x	\$955	5.5%	\$16.90	\$0.41	\$0.75	\$0.95	42.8	23.4	18.4	(\$0.83)	(\$0.80)	(\$0.45)	-200%	-359%	85.0%
SL Green	SLG	2	\$94.75	\$100	16.1x	\$5,789	3.8%	\$84.50	\$5.78	\$6.22	\$6.45	16.4	15.2	14.7	\$4.61	\$4.51	\$4.77	70%	66%	58.9%
Vornado Realty	VNO	1	\$92.48	\$100	13.6x	\$16,239	5.0%	\$82.20	\$5.90	\$7.35	\$6.35	15.7	12.6	14.6	\$4.36	\$5.74	\$4.30	63%	84%	50.3%
Warehouse Distribution REITs																				
AMB Property Corp.	AMB	3	\$56.98	\$50	12.8x	\$5,881	4.6%	\$50.30	\$3.50	\$3.90	\$4.16	16.3	14.6	13.7	\$2.88	\$3.29	\$3.52	63%	59%	32.8%
ProLogis Trust*	PLD	3	\$61.75	\$55	11.7x	\$16,226	5.0%	\$56.50	\$4.61	\$4.70	\$5.00	13.4	13.1	12.4	\$4.03	\$4.05	\$4.31	51%	48%	22.9%
Data Center REITs																				
DuPont Fabros Tech., Inc.	DFT	1	\$18.35	\$21	16.6x	\$1,222	na	\$20.40	-\$2.65	\$1.26	\$1.54	na	14.5	11.9	\$0.12	\$0.82	\$1.18	92%	64%	19.5%
Healthcare REITs																				
Ventas	VTR	2	\$46.73	\$46	16.4x	\$6,246	5.9%	\$41.90	\$3.07	\$2.80	\$2.95	15.2	16.7	15.8	\$2.50	\$2.67	\$2.88	77%	71%	35.0%
Healthcare Property Investors	HCP	1	\$34.48	\$35	15.1x	\$7,824	5.2%	\$34.40	\$2.14	\$2.32	\$2.58	16.1	14.9	13.4	\$1.74	\$1.83	\$2.00	99%	91%	51.0%

*FFO includes gains on sale

** Target price methodology based on 2008 FFO/share estimates

Note: 1 - Overweight; 2 - Equal weight; 3 - Underweight

Source: Company data, SNL, and Lehman Brothers

Industry Valuation Universe

Apartment REITs

Company	TKR	Price 5/9/2008	Valuation										Balance Sheet			FFO / Share Growth %						
			Div.	Adjusted	NAV /	PRICE /	FV / Adj	NOI /	Value Per	FFO/share				'08E Payout Ratio (FFO)	Debt / Tot. Cap.	FR Debt / Tot. Debt	Interest Coverage	2008 / 2007	2009 / 2008	Mult. / Gr. Rate		
			Yield (1)	EBITDA / FV (2)	SHARE NAV	NAV	EBITDA FV	FV (3)	Apt (4)	'06A	'07A	'08E	'09E								'08E	'09E
Avalon Bay Communities	AVB	\$38.49	9.3%	8.2%	\$96.00	40%	12.1	10.2%	\$108.61	\$4.24	\$4.61	\$4.98	\$5.34	7.7	7.2	71.7%	53.6%	32.4%	4.0	8.0	7.2	1.0
BRE Properties	BRE	\$47.62	4.7%	5.5%	\$56.30	85%	18.2	6.4%	\$147.45	\$2.67	\$2.59	\$2.77	\$2.90	17.2	16.4	81.2%	45.9%	11.3%	2.8	6.9	4.7	3.5
Essex Property Trust	ESS	\$117.00	3.5%	4.9%	\$114.00	103%	20.2	5.7%	\$179.03	\$5.01	\$5.58	\$6.02	\$6.27	19.4	18.7	67.8%	39.9%	22.1%	2.7	7.9	4.2	4.5
Equity Residential	EQR	\$41.65	4.6%	6.3%	\$47.40	88%	16.0	6.5%	\$149.13	\$2.27	\$2.39	\$2.48	\$2.61	16.8	16.0	77.8%	45.1%	19.9%	2.6	3.8	5.2	3.0
Camden Property Trust	CPT	\$49.26	5.7%	6.9%	\$70.80	70%	14.5	7.4%	\$78.73	\$3.88	\$3.66	\$3.64	\$3.79	13.5	13.0	76.9%	53.2%	5.7%	2.8	[0.5]	4.1	3.2
Colonial Properties	CLP	\$23.00	8.7%	6.6%	\$31.90	72%	15.1	7.3%	\$77.74	\$3.80	\$1.76	\$2.18	\$2.21	10.6	10.4	91.7%	64.7%	3.8%	2.1	23.9	1.4	7.6
UDR, Inc.	UDR	\$24.03	5.5%	3.3%	\$24.20	99%	30.6	6.0%	\$155.66	\$1.68	\$1.71	\$1.54	\$1.63	15.6	14.7	85.7%	52.9%	14.5%	1.7	[9.9]	5.8	2.5
Post Properties	PPS	\$36.20	5.0%	6.1%	\$51.30	71%	16.5	7.8%	\$120.73	\$1.87	\$2.00	\$1.86	\$1.99	19.5	18.2	96.8%	43.1%	23.0%	2.7	[7.0]	7.0	2.6
Home Properties	HWE	\$49.43	5.3%	5.5%	\$52.60	94%	18.1	6.7%	\$115.84	\$3.07	\$3.20	\$3.39	\$3.57	14.6	13.8	77.9%	49.0%	1.4%	2.2	5.9	5.3	2.6
Mid-America	MAA	\$54.09	4.5%	5.9%	\$54.80	99%	17.0	6.8%	\$72.27	\$3.33	\$3.55	\$3.78	\$4.03	14.3	13.4	65.1%	48.5%	21.6%	2.8	6.5	6.6	2.0
Apartment Invest. & Mgmt.	AIV	\$37.97	6.3%	6.7%	\$48.60	78%	15.0	7.8%	\$96.35	\$2.90	\$3.17	\$3.25	\$3.42	11.7	11.1	73.8%	67.6%	23.1%	2.1	2.5	5.2	2.1
Weighted Average (11)			5.4%	6.0%	\$57.53	83%	17.4	7.0%	\$129.24	\$2.95	\$3.02	\$3.15	\$3.32	15.1	14.3	77.7%	50.1%	17.8%	2.6	3.5	5.2	3.0

Notes:

(1) Dividend yield is based on the current quarterly dividend annualized.

(2) Adjusted EBITDA / FV: Adj; EBITDA = EBITDA less capex and straightline rents, FV = Firm value equals market equity + total debt + preferred equity - cash on hand - other significant assets (primarily construction in progress).

(3) Net Operating Income (NOI) / Firm value represents the implied capitalization rate on net income from real estate operations.

(4) Firm Value divided by average square feet owned in 2007Q4.

(5) First Call consensus estimates.

(6) Debt to total capital ratio treats all preferred stock (perpetual & conv.) as debt.

(7) FR debt = floating rate debt.

(8) Interest coverage = EBITDA / interest expense.

(9) Per share growth rates based on First Call consensus estimates.

(10) 2009 FFO multiple estimates divided by 2009 per share FFO growth rate.

(11) Weighted average is based on each company's individual equity market cap.

Source: Company data, SNL, and Lehman Brothers

Manufactured Housing REITs

Company	TKR	Price 5/9/2008	Valuation											Balance Sheet			FFO / Share Growth %					
			Div. Yield	Adjusted EBITDA / FV	NAV / SHARE	PRICE / NAV	FV / Adj EBITDA	NOI / FV	Value Per Sq. Ft.	FFO/share				FFO Multiple	06 Payout Ratio (FFO)	Debt / Tot. Cap.	FR Debt / Tot. Debt	Interest Coverage	2008 / 2007	2009 / 2008	Mult. / Gr. Rate	
			(1)	(2)			(3)	(4)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(6)	(7)	(8)	(9)	(9)	(10)	
Equity Lifestyle Properties	ELS	\$49.23	1.6%	5.8%	\$50.30	98%	17.2	7.3%	\$38.77	\$2.72	\$3.05	\$3.20	\$3.48	15.4	14.1	25.0%	56.0%	6.8%	1.9	4.9	8.7	1.6
Sun Communities	SUI	\$19.00	13.3%	7.3%	\$25.30	75%	13.7	9.0%	\$31.20	\$1.72	\$2.24	\$2.78	\$2.88	6.8	6.6	90.6%	75.1%	17.6%	1.8	24.1	3.6	1.8
Weighted Average (11)			4.1%	6.1%	\$45.06	93%	16.4	7.7%	\$37.18	\$2.51	\$2.88	\$3.11	\$3.35	13.6	12.6	38.8%	60.0%	9.1%	1.9	8.9	7.7	1.7

Notes:

(1) Dividend yield is based on the current quarterly dividend annualized.

(2) Adjusted EBITDA / FV: Adj. EBITDA = EBITDA less capex and straightline rents, FV = Firm value equals market equity + total debt + preferred equity + cash on hand + other significant assets (primarily construction in progress).

(3) Net Operating Income (NOI) / Firm value represents the implied capitalization rate on net income from real estate operations.

(4) Firm Value divided by average square feet owned in 2007Q4.

(5) First Call consensus estimates.

(6) Debt to total capital ratio treats all preferred stock (perpetual & conv.) as debt.

(7) FR debt = floating rate debt.

(8) Interest coverage = EBITDA / interest expense.

(9) Per share growth rates based on First Call consensus estimates.

(10) 2009 FFO multiple estimates divided by 2009 per share FFO growth rate.

(11) Weighted average is based on each company's individual equity market cap.

Source: Company data, SNL, and Lehman Brothers

Shopping Center REITs

Company	TKR	Price 5/9/2008	Valuation										Balance Sheet			FFO / Share Growth %						
			Div. Yield	Adjusted EBITDA / FV	NAV / SHARE	PRICE / NAV	FV / Adj EBITDA	NOI / FV	Value Per Sq. Ft.	FFO/share				FFO Multiple	'08 Payout Ratio (FFO)	Debt / Tot. Cap.	FR Debt / Tot. Debt	Interest Coverage	2008 / 2007	2009 / 2008	Mult. / Gr. Rate	
			(1)	(2)				(3)	(4)	'06A	'07E	'08E	'09E	'08E	'09E	(5)	(6)	(7)	(8)	(9)	(9)	(10)
Federal Realty	FRT	\$79.75	3.1%	4.8%	\$72.70	110%	20.8	5.8%	\$297.77	\$3.26	\$3.63	\$3.90	\$4.21	20.4	18.9	62.6%	26.2%	12.5%	2.8	11.3	7.9	2.4
Kimco Realty	KIM	\$39.49	4.1%	4.8%	\$33.10	119%	21.0	6.2%	\$216.08	\$2.21	\$2.59	\$2.74	\$2.97	14.4	13.3	58.4%	43.0%	8.8%	2.2	5.8	8.4	1.6
Regency Realty	REG	\$67.66	4.3%	5.3%	\$69.80	97%	18.9	6.7%	\$206.59	\$3.88	\$4.20	\$4.58	\$4.89	14.8	13.8	63.3%	38.6%	7.2%	3.2	8.2	6.8	2.0
Kite Realty Group	KRG	\$14.09	5.8%	5.0%	\$15.50	91%	20.0	7.4%	\$112.02	\$1.16	\$1.26	\$1.30	\$1.37	10.8	10.3	63.1%	56.2%	25.7%	2.3	8.6	5.4	1.9
Equity One	EQY	\$24.01	5.0%	5.0%	\$21.90	110%	20.0	6.6%	\$153.62	\$1.48	\$1.34	\$1.43	\$1.51	16.8	15.9	83.9%	40.3%	11.5%	2.2	(9.5)	5.6	2.8
Developers Diversified	DDR	\$40.63	6.8%	6.6%	\$46.90	87%	15.3	7.5%	\$100.21	\$3.41	\$3.79	\$3.94	\$4.18	10.3	9.7	70.1%	59.5%	14.7%	2.4	11.1	6.1	1.6
Weingarten Realty	WRI	\$35.56	5.9%	8.5%	\$34.50	103%	11.8	7.1%	\$75.78	\$2.83	\$3.06	\$3.21	\$3.38	11.1	10.5	65.4%	48.7%	10.6%	3.0	8.1	5.3	2.0
Weighted Average (11)			4.7%	5.6%	\$46.57	106.2%	18.7	6.6%	\$188.42	\$2.84	\$3.16	\$3.36	\$3.60	14.5	13.5	64.0%	43.0%	10.7%	2.6	7.3	7.2	1.9

Notes:

(1) Dividend yield is based on the current quarterly dividend annualized.

(2) Adjusted EBITDA / FV: Adj. EBITDA = EBITDA less capex and straightline rents, FV = Firm value equals market equity + total debt + preferred equity - cash on hand - other significant assets (primarily construction in progress).

(3) Net Operating Income (NOI) / Firm value represents the implied capitalization rate on net income from real estate operations.

(4) Firm Value divided by average square feet owned in 2007Q4.

(5) First Call consensus estimates.

(6) Debt to total capital ratio treats all preferred stock (perpetual & conv.) as debt.

(7) FR debt = floating rate debt.

(8) Interest coverage = EBITDA / interest expense.

(9) Per share growth rates based on First Call consensus estimates.

(10) 2009 FFO multiple estimates divided by 2009 per share FFO growth rate.

(11) Weighted average is based on each company's individual equity market cap.

Source: Company data, SNL, and Lehman Brothers

Regional Mall REITs

Company	TKR	Price 5/9/2008	Valuation							Balance Sheet				FFO / Share Growth %								
			Div. Yield	Adjusted EBITDA / FV	NAV / SHARE	PRICE / NAV	FV / Adj EBITDA	NOI / FV	Value Per Sq. Ft.	FFO/share				'06 Payout Ratio (FFO)	Debt / Tot. Cap.	FR Debt / Tot. Debt	Interest Coverage	2008 / 2007	2009 #####	Mult. / Gr. Rate		
			(1)	(2)			(3)	(4)	'06A	'07E	'08E	'09E	'08E	'09E	(5)	(6)	(7)	(8)	(9)	(9)	(10)	
Taubman Centers	TCO	\$54.94	3.0%	5.4%	\$46.00	119%	18.6	5.5%	\$375.86	\$2.56	\$2.87	\$3.07	\$3.27	17.9	16.8	54.1%	44.2%	11.0%	2.6	7.0	6.5	2.6
Macerich Company	MAC	\$73.15	4.4%	5.9%	\$66.10	111%	17.0	6.0%	\$159.82	\$4.35	\$4.64	\$5.07	\$5.48	14.4	13.3	63.1%	56.0%	12.6%	2.3	9.3	8.1	1.7
Simon Property Group	SPG	\$99.53	3.6%	5.9%	\$85.30	117%	16.8	5.8%	\$191.84	\$5.39	\$5.80	\$6.43	\$6.96	15.5	14.3	56.0%	47.0%	13.3%	2.8	10.9	8.2	1.7
General Growth Properties	GGP	\$41.20	4.9%	8.6%	\$48.50	85%	11.7	6.6%	\$199.78	\$3.06	\$3.76	\$3.51	\$3.78	11.7	10.9	57.0%	69.3%	12.6%	2.2	(6.6)	7.7	1.4
Tanger Factory Outlet	SKT	\$38.86	3.9%	5.4%	\$35.70	109%	18.3	6.9%	\$250.59	\$2.24	\$2.48	\$2.65	\$2.85	14.7	13.6	57.4%	36.7%	4.4%	3.9	6.9	7.5	1.8
CBL & Associates	CBL	\$26.10	8.4%	7.4%	\$26.00	100%	13.6	7.7%	\$110.61	\$3.34	\$3.12	\$3.48	\$3.67	7.5	7.1	62.6%	68.2%	21.2%	2.3	11.5	5.5	1.3
Glimcher Realty Trust	GRT	\$12.88	9.9%	9.1%	\$17.40	74%	11.0	9.2%	\$117.47	(\$0.64)	\$1.37	\$2.03	\$2.15	6.3	6.0	63.1%	77.7%	14.2%	2.6	48.2	5.9	1.0
Pennsylvania REIT	PEI	\$26.23	8.7%	7.6%	\$43.80	60%	13.1	9.5%	\$119.37	\$3.62	\$3.84	\$3.64	\$3.75	7.2	7.0	62.6%	69.3%	13.4%	2.6	(5.2)	3.0	2.3
Weighted Average (11)			4.3%	6.6%	\$66.43	106.9%	15.6	6.2%	\$199.20	\$4.28	\$4.70	\$5.05	\$5.45	14.1	13.0	57.4%	54.1%	13.1%	2.6	6.6	7.7	1.7

Notes:

(1) Dividend yield is based on the current quarterly dividend annualized.

(2) Adjusted EBITDA / FV: Adj. EBITDA = EBITDA less capex and straightline rents, FV = Firm value equals market equity + total debt + preferred equity - cash on hand - other significant assets (primarily construction in progress).

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(4) Firm Value divided by average square feet owned in 2007Q4.

(5) First Call consensus estimates.

(6) Debt to total capital ratio treats all preferred stock (perpetual & conv.) as debt.

(7) FR debt = floating rate debt.

(8) Interest coverage = EBITDA / interest expense.

(9) Per share growth rates based on First Call consensus estimates.

(10) 2009 FFO multiple estimates divided by 2009 per share FFO growth rate.

(11) Weighted average is based on each company's individual equity market cap.

Source: Company data, SNL, and Lehman Brothers

Storage/Outlet REITs

Company	TKR	Price 5/9/2008	Valuation											Balance Sheet			FFO / Share Growth %					
			Div. Yield	Adjusted EBITDA / FV	NAV / SHARE	PRICE / NAV	FV / Adj EBITDA	NOI / FV	Value Per Sq. Ft.	FFO/share				FFO Multiple	'08E Payout Ratio (FFO)	Debt / Tot. Cap.	FR Debt / Tot. Debt	Interest Coverage	2008 / 2007	2009 / 2008	Mult. / Gr. Rate	
			(1)	(2)			(3)	(4)	'06A	'07E	'08E	'09E	'08E	'09E	(5)	(6)	(7)	(8)	(9)	(9)	(10)	
Public Storage, Inc.	PSA	\$86.26	2.6%	6.7%	\$69.20	125%	14.8	6.1%	\$143.10	\$3.57	\$4.78	\$5.20	\$5.53	16.6	15.6	42.3%	26.1%	19.5%	18.8	8.8	6.3	2.5
Extra Space Storage	EXR	\$16.87	5.9%	6.7%	\$16.00	105%	15.0	6.8%	\$143.64	\$0.95	\$1.09	\$1.18	\$1.27	14.3	13.3	84.7%	53.9%	8.9%	2.4	8.3	7.6	1.7
Sovran Self Storage	SSS	\$43.68	5.8%	7.4%	\$50.80	86%	13.4	8.5%	\$67.44	\$3.23	\$3.39	\$3.50	\$3.67	12.5	11.9	72.0%	37.1%	18.6%	3.2	3.2	4.9	2.5
U-Store-It Trust	YSI	\$12.22	5.9%	6.8%	\$11.80	104%	14.6	7.6%	\$61.05	\$0.87	\$0.84	\$0.90	\$0.97	13.6	12.6	80.0%	57.3%	34.7%	1.9	7.1	7.8	1.6
Weighted Average (11)			3.1%	6.8%	\$61.97	120%	14.8	6.4%	\$135.41	\$3.25	\$4.27	\$4.64	\$4.93	16.1	15.1	48.5%	30.0%	19.4%	16.0	8.4	6.4	6.7

Notes:

(1) Dividend yield is based on the current quarterly dividend annualized.

(2) Adjusted EBITDA / FV: Adj. EBITDA = EBITDA less capex and straightline rents, FV = Firm value equals market equity + total debt + preferred equity + cash on hand - other significant assets (primarily construction in progress).

(3) Net Operating Income (NOI) / Firm value represents the implied capitalization rate on net income from real estate operations.

(4) Firm Value divided by average square feet owned in 2007Q4.

(5) First Call consensus estimates.

(6) Debt to total capital ratio treats all preferred stock (perpetual & conv.) as debt.

(7) FR debt = floating rate debt.

(8) Interest coverage = EBITDA / interest expense.

(9) Per share growth rates based on First Call consensus estimates.

(10) 2009 FFO multiple estimates divided by 2009 per share FFO growth rate.

(11) Weighted average is based on each company's individual equity market cap.

Source: Company data, SNL, and Lehman Brothers

Office REITs

Company	TKR	Price 5/9/2008	Valuation						Balance Sheet					'08 Payout Ratio (FFO)	Debt / Tot. Cap.	FR Debt / Tot. Debt	Interest Coverage	2008 / 2007	2009 / 2008	Mult. / Gr. Rate		
			Div. Yield (1)	Adjusted EBITDA / FV (2)	NAV / SHARE	PRICE / NAV	FV / Adj EBITDA (3)	NOI / FV (4)	Value Per Sq. Ft.	'06A	'07E	'08E	'09E								'08E	'09E
Douglas Emmett	DEI	\$24.22	3.1%	3.83%	\$24.30	100%	26.1	4.6%	\$587.42	NA	NA	\$1.17	\$1.31	20.7	18.5	na	44.6%	5.8%	2.2	na	12.0	1.5
SL Green	SIG	\$94.75	3.3%	3.78%	\$84.50	112%	26.4	4.5%	\$599.39	\$4.16	\$4.61	\$5.78	\$6.21	16.4	15.3	50.7%	58.9%	11.9%	1.8	25.4	7.4	2.1
Vornado Realty	VNO	\$92.48	3.9%	4.97%	\$82.20	113%	20.1	5.4%	\$319.14	\$5.21	\$5.51	\$5.89	\$6.66	15.7	13.9	54.1%	50.3%	7.3%	2.9	6.9	13.1	1.1
Boston Properties	BXP	\$97.76	2.8%	4.51%	\$91.50	107%	22.2	5.2%	\$562.63	\$4.17	\$4.25	\$4.62	\$4.61	21.2	21.2	59.0%	29.6%	0.5%	3.4	8.7	(0.2)	n/a
Brookfield Property Corp.	BPO	\$20.33	2.8%	5.69%	\$20.70	98%	17.6	5.5%	\$348.10	\$1.23	\$1.25	\$1.57	\$1.52	12.9	13.4	36.8%	64.0%	12.3%	2.1	25.6	(3.2)	n/a
Maguire Properties	MFG	\$17.50	9.1%	5.50%	\$16.90	104%	18.2	5.7%	\$301.69	\$2.12	\$1.96	\$0.41	\$0.68	42.7	25.7	235.3%	85.0%	13.6%	1.3	(79.1)	65.9	0.4
Alexandria Real Estate	ARE	\$102.40	3.0%	5.61%	\$90.80	113%	17.8	6.5%	\$389.10	\$4.82	\$5.16	\$5.61	\$6.09	18.3	16.8	51.2%	47.4%	23.2%	3.1	8.7	8.6	2.0
Kilroy Realty	KRC	\$52.44	4.4%	4.75%	\$62.20	84%	21.1	7.0%	\$226.82	\$1.95	\$3.48	\$3.18	\$3.38	16.5	15.5	68.6%	41.5%	13.2%	4.0	(8.6)	6.3	2.5
Duke Realty	DRE	\$25.10	7.6%	9.20%	\$28.10	89%	10.9	8.0%	\$60.85	\$2.40	\$2.48	\$2.74	\$2.69	9.2	9.3	71.4%	58.5%	11.8%	4.2	10.5	(1.8)	n/a
Brandywine Realty Trust	BDN	\$18.20	9.7%	6.76%	\$21.80	83%	14.8	7.8%	\$155.48	\$2.44	\$2.49	\$2.55	\$2.50	7.1	7.3	70.4%	67.0%	7.6%	2.4	2.4	(2.0)	n/a
Mack Cali Realty	CLI	\$38.00	6.7%	6.63%	\$41.90	91%	15.1	8.0%	\$151.28	\$3.57	\$3.73	\$3.56	\$3.51	10.7	10.8	72.9%	44.5%	10.3%	3.0	(4.6)	(1.4)	n/a
Parkway Properties	PKY	\$38.49	6.8%	6.94%	\$44.60	86%	14.4	8.8%	\$111.12	\$4.16	\$4.10	\$4.00	\$4.09	9.6	9.4	63.6%	63.0%	7.7%	2.5	(2.4)	2.3	4.2
Liberty Property Trust	LRY	\$35.19	7.1%	6.00%	\$35.50	99%	16.7	8.0%	\$81.76	\$3.20	\$3.12	\$3.18	\$3.16	11.1	11.1	79.1%	51.4%	19.0%	2.8	1.9	(0.6)	n/a
Weighted Average (11)			4.3%	5.2%	\$66.29	104%	20.1	5.9%	\$375.21	\$3.64	\$3.85	\$4.31	\$4.58	16.5	14.9	55.4%	47.9%	8.6%	2.9	5.7	5.5	0.8

Notes:

(1) Dividend yield is based on the current quarterly dividend annualized.

(2) Adjusted EBITDA / FV: Adj. EBITDA = EBITDA less capex and straight-line rents, FV = Firm value equals market equity + total debt + preferred equity + cash on hand - other significant assets (primarily construction in progress).

(3) Net Operating Income (NOI) / Firm value represents the implied capitalization rate on net income from real estate operations.

(4) Firm Value divided by average square feet owned in 2007Q4.

(5) First Call consensus estimates.

(6) Debt to total capital ratio treats all preferred stock (perpetual & conv.) as debt.

(7) FR debt = floating rate debt.

(8) Interest coverage = EBITDA / interest expense.

(9) Per share growth rates based on First Call consensus estimates.

(10) 2009 FFO multiple estimates divided by 2009 per share FFO growth rate.

(11) Weighted average is based on each company's individual equity market cap.

Source: Company data, SNL, and Lehman Brothers

Warehouse and Industrial REITs

Company	TKR	Price 5/12/2008	Div. Yield (1)	Valuation						Balance Sheet				FFO / Share Growth %								
				Adjusted EBITDA / FV	NAV / SHARE	PRICE / NAV	FV / Adj EBITDA	NOI / FV	Value Per Sq. Ft.	FFO/share				'08 Payout Ratio (FFO)	Debt / Tot. Cap.	FR Debt / Tot. Debt	Interest Coverage	2008 / 2007	2009 / 2008	Mult. / Gr. Rate (10)		
				(2)			(3)	(4)	'06A	'07E	'08E	'09E	'08E								'09E	
AMB Property Corp.	AMB	\$56.98	3.7%	4.6%	\$50.30	113%	21.9	6.3%	\$128.09	\$3.12	\$3.51	\$3.95	\$4.18	14.4	13.6	52.7%	42.7%	32.8%	3.3	12.5	5.8	2.3
Prologis Trust	PLD	\$61.75	3.4%	5.0%	\$56.50	109%	20.1	6.4%	\$97.86	\$3.69	\$4.61	\$4.79	\$5.19	12.9	11.9	43.2%	46.1%	22.9%	3.6	3.9	8.4	1.4
First Industrial Realty Trust	FR	\$30.17	9.5%	9.6%	\$34.80	87%	10.5	8.4%	\$49.87	\$4.13	\$4.64	\$4.71	\$5.05	6.4	6.0	61.1%	61.0%	15.4%	3.1	1.5	7.2	0.8
Weighted Average (11)			3.8%	5.2%	\$53.57	109%	19.9	6.5%	\$102.32	\$3.58	\$4.34	\$4.58	\$4.93	12.9	12.0	46.7%	46.2%	24.9%	3.5	5.9	7.6	1.6

Notes:

(1) Dividend yield is based on the current quarterly dividend annualized.

(2) Adjusted EBITDA / FV: Adj. EBITDA = EBITDA less capex and straightline rents, FV = Firm value equals market equity + total debt + preferred equity - cash on hand - other significant assets (primarily construction in progress).

(3) Net Operating Income (NOI) / Firm value represents the implied capitalization rate on net income from real estate operations.

(4) Firm Value divided by average square feet owned in 2007/Q4.

(5) First Call consensus estimates.

(6) Debt to total capital ratio treats all preferred stock (perpetual & conv.) as debt.

(7) FR debt = floating rate debt.

(8) Interest coverage = EBITDA / interest expense.

(9) Per share growth rates based on First Call consensus estimates.

(10) 2009 FFO multiple estimates divided by 2009 per share FFO growth rate.

(11) Weighted average is based on each company's individual equity market cap.

Source: Company data, SNL, and Lehman Brothers

Data Center REITs

Company	TKR	Price 5/9/2008	Valuation													Balance Sheet			FFO / Share Growth %					
			Div. Yield (1)	Adjusted EBITDA / FV (2)	NAV / SHARE	PRICE / NAV	FV / Adj EBITDA (3)	NOI / FV (4)	Value Per Sq. Ft.	FFO/share				FFO Multiple			'08E Payout Ratio (FFO)	Debt / Tot. Cap. (6)	FR Debt / Tot. Debt (7)	Interest Coverage (8)	2007 / 2006 (9)	2008 / 2007 (9)	2009 / 2008 (9)	Mult. / Gr. Rate (10)
										'06A	'07E (5)	'08E (5)	'09E (5)	'07E	'08E	'09E								
Digital Realty	DLR	\$39.45	3.1%	4.7%	\$32.80	120%	21.3	6.4%	\$309.1	\$1.63	\$2.05	\$2.39	\$2.74	19.2	16.5	14.4	51.9%	38.1%	21.5%	3.8	25.8	16.6	14.6	1.0
Dupont Fabros	DFT	\$18.35	4.1%	n/a	\$20.40	90%	n/a	7.8%	\$1,115.8	n/a	n/a	\$1.23	\$1.42	na	14.9	12.9	61.0%	19.5%	32.6%	0.9	na	na	15.4	0.8
Weighted Average (11)			3.4%	4.7%	\$29.07	111%	21.3	6.8%	\$551.61	\$1.63	\$1.14	\$1.43	\$2.04	19.2	16.0	14.0	54.6%	32.5%	24.8%	2.9	25.8	#VALUE!	14.9	1.8

Notes:

(1) Dividend yield is based on the current quarterly dividend annualized.

(2) Adjusted EBITDA / FV: Adj. EBITDA = EBITDA less capex and straightline rents, FV = Firm value equals market equity + total debt + preferred equity - cash on hand - other significant assets (primarily construction in progress).

(3) Net Operating Income (NOI) / Firm value represents the implied capitalization rate on net income from real estate operations.

(4) Firm Value divided by average square feet owned in 2007Q4.

(5) First Call consensus estimates.

(6) Debt to total capital ratio treats all preferred stock (perpetual & conv.) as debt.

(7) FR debt = floating rate debt.

(8) Interest coverage = EBITDA / interest expense.

(9) Per share growth rates based on First Call consensus estimates.

(10) 2009 FFO multiple estimates divided by 2009 per share FFO growth rate.

(11) Weighted average is based on each company's individual equity market cap.

Source: Company data, SNL, and Lehman Brothers

Diversified REITs

Company	TKR	Price 5/9/2008	Valuation											Balance Sheet			FFO / Share Growth %					
			Div. Yield	Adjusted EBITDA / FV	NAV / SHARE	PRICE / NAV	FV / Adj EBITDA	NOI / FV	Value Per Sq. Ft.	FFO/share				FFO Multiple	'08 Payout Ratio (FFO)	Debt / Tot. Cap.	FR Debt / Tot. Debt	Interest Coverage	2008 / 2007	2009 / 2008	Mult. / Gr. Rate	
			(1)	(2)			(3)	(4)	(5)	(5)	(5)		(6)	(7)	(8)	(9)	(9)	(10)				
Cousins Properties	CUZ	\$26.77	5.5%	3.3%	\$24.30	110%	26.4	6.4%	\$146.51	\$1.07	\$0.92	\$0.99	\$1.27	27.0	21.1	149.5%	42.7%	6.2%	3.1	7.6	28.3	0.7
Washington REIT	WRE	\$34.75	5.0%	4.5%	\$32.20	108%	22.2	6.7%	\$214.95	\$2.12	\$2.31	\$2.37	\$2.48	14.7	14.0	73.0%	44.9%	14.5%	2.7	2.6	4.6	3.0
Weighted Average (11)			5.2%	3.9%	\$28.54	109%	24.2	6.6%	\$183.21	\$1.63	\$1.67	\$1.73	\$1.92	20.4	17.3	108.5%	43.9%	10.7%	2.8	4.9	15.6	2.0

Notes:

(1) Dividend yield is based on the current quarterly dividend annualized.

(2) Adjusted EBITDA / FV: Adj. EBITDA = EBITDA less capex and straightline rents, FV = Firm value equals market equity + total debt + preferred equity - cash on hand - other significant assets (primarily construction in progress).

(3) Net Operating Income (NOI) / Firm value represents the implied capitalization rate on net income from real estate operations.

(4) Firm Value divided by average square feet owned in 2007Q4.

(5) First Call consensus estimates.

(6) Debt to total capital ratio treats all preferred stock (perpetual & conv.) as debt.

(7) FR debt = floating rate debt.

(8) Interest coverage = EBITDA / interest expense.

(9) Per share growth rates based on First Call consensus estimates.

(10) 2009 FFO multiple estimates divided by 2009 per share FFO growth rate.

(11) Weighted average is based on each company's individual equity market cap.

Source: Company data, SNL, and Lehman Brothers

Healthcare REITs

Company	TKR	Price 5/9/2008	Valuation										Balance Sheet				2008 / 2007	2009 / 2008	Mult. / Gr. Rate		
			Div. Yield	Adjusted EBITDA / FV	NAV / SHARE	PRICE / NAV	FV / Adj EBITDA	NOI / FV	Value Per Sq. Ft.	FFO/share			FFO Multiple		'08 Payout Ratio (FFO)	Debt / Tot. Cap.				FR Debt / Tot. Debt	Interest Coverage
			(1)	(2)			(3)	(4)	'07A	'08E	'09E	'08E	'09E	(5)	(6)	(7)				(8)	(9)
Ventas	VTR	\$46.73	4.4%	5.89%	\$41.90	112%	17.0	6.5%	\$770.91	\$3.07	\$2.82	\$3.03	16.6	15.4	72.7%	35.0%	11.3%	2.6	(8.1)	7.4	2.1
Healthcare Property Investors	HCP	\$34.48	5.3%	5.22%	\$34.40	100%	19.1	6.7%	\$646.14	\$2.14	\$2.27	\$2.40	15.2	14.4	80.2%	51.0%	35.9%	2.3	6.1	5.7	2.5
Weighted Average (11)			4.9%	5.5%	\$37.73	105%	18.2	6.6%	\$701.53				15.8	14.8	76.9%	43.9%	25.0%	2.5	(0.2)	6.5	2.3

Notes:

(1) Dividend yield is based on the current quarterly dividend annualized.

(2) Adjusted EBITDA / FV: Adj. EBITDA = EBITDA less capex and straightline rents, FV = Firm value equals market equity + total debt + preferred equity - cash on hand - other significant assets (primarily construction in progress).

(3) Net Operating Income (NOI) / Firm value represents the implied capitalization rate on net income from real estate operations.

(4) Firm Value divided by average square feet owned in 2007Q4.

(5) First Call consensus estimates.

(6) Debt to total capital ratio treats all preferred stock (perpetual & conv.) as debt.

(7) FR debt = floating rate debt.

(8) Interest coverage = EBITDA / interest expense.

(9) Per share growth rates based on First Call consensus estimates.

(10) 2009 FFO multiple estimates divided by 2009 per share FFO growth rate.

(11) Weighted average is based on each company's individual equity market cap.

Source: Company data, SNL, and Lehman Brothers

NAV Summary by Sector

Company Name		Price 5/9/2008	4Q 2007 NAV	Premium / (Discount)	Assumed Cash NOI Cap Rate
Apartment REITs					
Apartment Inv. & Mgmt. Company	AIV	\$37.97	\$48.6	(21.9%)	7.00%
Avalon Bay Communities	AVB	\$38.49	\$96.0	(59.9%)	5.50%
BRE Properties	BRE	\$47.62	\$56.3	(15.4%)	5.75%
Camden Property Trust	CPT	\$49.26	\$70.8	(30.4%)	6.00%
Colonial Properties	CLP	\$23.00	\$31.9	(27.9%)	6.25%
Equity Residential	EQR	\$41.65	\$47.4	(12.1%)	6.00%
Essex Property Trust	ESS	\$117.00	\$114.0	2.6%	5.75%
Home Properties	HME	\$49.43	\$52.6	(6.0%)	6.50%
Mid-America Apartment Comm.	MAA	\$54.09	\$54.8	(1.3%)	6.75%
Post Properties	PPS	\$36.20	\$51.3	(29.4%)	6.00%
UDR, Inc.	UDR	\$24.03	\$24.2	(0.7%)	6.00%
Average			\$57.5	(16.7%)	6.10%

Manufactured Home Community REITs

Equity Lifestyle Properties	ELS	\$49.23	\$50.3	(2.1%)	7.25%
Sun Communities	SUI	\$19.00	\$25.3	(24.9%)	8.25%
Average			\$45.1	(6.9%)	7.80%

Shopping Center REITs

Developers Diversified	DDR	\$40.63	\$46.9	(13.4%)	7.00%
Equity One	EQY	\$24.01	\$21.9	9.6%	7.00%
Federal Realty	FRT	\$79.75	\$72.7	9.7%	6.25%
Kimco Realty	KIM	\$39.49	\$33.1	19.3%	7.00%
Kite Realty Group	KRG	\$14.09	\$15.5	(9.1%)	7.00%
Regency Realty	REG	\$67.66	\$69.8	(3.1%)	6.50%
Weingarten Realty	WRI	\$35.56	\$34.5	3.1%	7.25%
Average			\$46.6	6.2%	6.90%

Regional Mall REITs

CBL & Associates	CBL	\$26.10	\$26.0	0.4%	7.75%
General Growth Properties	GGP	\$41.20	\$48.5	(15.1%)	6.25%
Glimcher Realty Trust	GRT	\$12.88	\$17.4	(26.0%)	8.50%
Macerich Company	MAC	\$73.15	\$66.1	10.7%	6.25%
Pennsylvania REIT	PEI	\$26.23	\$43.8	(40.1%)	7.75%
Simon Property Group	SPG	\$99.53	\$85.3	16.7%	6.25%
Tanger Factory Outlet	SKT	\$38.86	\$35.7	8.9%	7.25%
Taubman Centers	TCO	\$54.94	\$46.0	19.4%	6.00%
Average			\$66.4	6.9%	7.00%

Source: Company data, SNL, and Lehman Brothers

Company Name		Price 5/9/2008	4Q 2007 NAV	Premium / (Discount)	Assumed Cash NOI Cap Rate
Office REITs					
Alexandria Real Estate	ARE	\$102.40	\$90.8	12.8%	7.00%
Boston Properties	BXP	\$97.76	\$91.5	6.8%	5.50% ⁽¹⁾
Brandywine Realty	BDN	\$18.20	\$21.8	(16.5%)	7.25%
Brookfield Properties Corp.	BPO	\$20.33	\$20.7	(1.8%)	5.50% ⁽¹⁾
Douglas Emmett Inc.	DEI	\$24.22	\$24.3	(0.3%)	4.66%
Duke Realty	DRE	\$25.10	\$28.1	(10.7%)	7.50%
Kilroy Realty	KRC	\$52.44	\$62.2	(15.7%)	6.25%
Liberty Property Trust	LYR	\$35.19	\$35.5	(0.9%)	8.00%
Mack Cali Realty	CLI	\$38.00	\$41.9	(9.3%)	7.50%
Maguire Properties	MPG	\$17.50	\$16.9	3.6%	5.75%
Parkway Properties	PKY	\$38.49	\$44.6	(13.7%)	8.25%
SL Green	SLG	\$94.75	\$84.5	12.1%	4.75%
Vornado Realty	VNO	\$92.48	\$82.2	12.5%	5.82% ⁽²⁾
Average			\$49.6	4.3%	6.40%

Warehouse & Distribution REITs

AMB Property Corp.	AMB	\$56.98	\$50.3	13.3%	7.00%
First Industrial Realty Trust	FR	\$30.17	\$34.8	(13.3%)	7.75%
ProLogis Trust	PLD	\$61.75	\$56.5	9.3%	7.00%
Average			\$47.2	8.8%	7.30%

Data Center REITs

Digital Realty Trust, Inc.	DLR	\$39.45	\$32.8	20.3%	7.25%
DuPont Fabros Technology, Inc.	DFT	\$18.35	\$20.4	(10.0%)	7.00%
Average			\$26.6	11.2%	7.10%

Diversified REITs

Cousins Properties	CUZ	\$26.77	\$24.3	10.2%	7.25% ⁽¹⁾
Washington REIT	WRE	\$34.75	\$32.2	7.9%	7.00%
Average			\$28.5	9.0%	6.80%

Self-Storage REITs

Extra Space Storage	EXR	\$16.87	\$16.0	5.4%	7.00%
Public Storage	PSA	\$86.26	\$69.2	24.7%	7.25%
U-Store-It	YSI	\$12.22	\$11.8	3.6%	7.75%
Sovran Self Storage, Inc.	SSS	\$43.68	\$50.8	(14.0%)	7.75%
Average			\$62.0	20.3%	7.40%

(1) Blended cap rate.

(2) Blended NYC and DC office only cap rate.

Note: Premium / Discount is weighted by companies' equity market cap

Source: Company data, SNI, and Lehman Brothers

Important Disclosures:

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Avalon Bay Communities (AVB): Lehman Brothers Inc. is associated with specialist firm Van der Moolen who makes a market in Avalon Bay Communities stock. At any given time, the associated specialist may have "long" or "short" inventory position in the stock; and the associated specialist may be on the opposite side of orders executed on the Floor of the Exchange in the stock.

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Sector Coverage Universe

Below is the list of companies that constitute the sector coverage universe:

AMB Property Corp (AMB)	Apartment Invt & Mgmt (AIV)
Avalon Bay Communities (AVB)	Boston Properties (BXP)
Brookfield Properties Corp. (BPO)	Camden Property Trust (CPT)
Cousins Properties (CUZ)	Developers Diversified Realty (DDR)
Douglas Emmett Inc. (DEI)	Duke Realty Corp. (DRE)
DuPont Fabros Technology, Inc. (DFT)	Equity Lifestyle Properties (ELS)
Equity Residential (EQR)	Essex Property Trust (ESS)
Extra Space Storage (EXR)	Federal Realty Investment Trust (FRT)
General Growth Properties (GGP)	Kimco Realty (KIM)
Kite Realty Group Trust (KRG)	Liberty Property Trust (LRY)
Macerich Co (MAC)	Mack-Cali Realty (CLI)
Maguire Properties (MPG)	Pennsylvania REIT (PEI)
Post Properties (PPS)	ProLogis (PLD)
Public Storage (PSA)	Simon Property Group (SPG)
SL Green Realty (SLG)	Sun Communities (SUI)
UDR, Inc. (UDR)	U-Store-It Trust (YSI)
Vornado Realty Trust (VNO)	

Mentioned Company	Ticker	Price (12-May-2008)	Stock / Sector Rating
AMB Property Corp	AMB	US\$ 58.47	3-Underweight / 2-Neutral
Apartment Invt & Mgmt	AIV	US\$ 39.83	3-Underweight / 2-Neutral
Avalon Bay Communities	AVB	US\$ 102.47	2-Equal weight / 2-Neutral
Boston Properties	BXP	US\$ 99.74	1-Overweight / 2-Neutral
Brookfield Properties Corp.	BPO	US\$ 20.26	2-Equal weight / 2-Neutral
Camden Property Trust	CPT	US\$ 51.26	2-Equal weight / 2-Neutral
Cousins Properties	CUZ	US\$ 27.76	2-Equal weight / 2-Neutral
Developers Diversified Realty	DDR	US\$ 41.73	1-Overweight / 2-Neutral
Douglas Emmett Inc.	DEI	US\$ 24.54	1-Overweight / 2-Neutral
Duke Realty Corp.	DRE	US\$ 25.71	2-Equal weight / 2-Neutral
DuPont Fabros Technology, Inc.	DFT	US\$ 18.64	1-Overweight / 2-Neutral
Equity Lifestyle Properties	ELS	US\$ 50.64	2-Equal weight / 2-Neutral
Equity Residential	EQR	US\$ 43.31	1-Overweight / 2-Neutral
Essex Property Trust	ESS	US\$ 120.36	1-Overweight / 2-Neutral

Extra Space Storage	EXR	US\$ 16.77	1-Overweight / 2-Neutral
Federal Realty Investment Trust	FRT	US\$ 82.91	2-Equal weight / 2-Neutral
General Growth Properties	GGP	US\$ 42.29	2-Equal weight / 2-Neutral
Kimco Realty	KIM	US\$ 40.88	2-Equal weight / 2-Neutral
Kite Realty Group Trust	KRG	US\$ 14.19	2-Equal weight / 2-Neutral
Liberty Property Trust	LRY	US\$ 36.59	3-Underweight / 2-Neutral
Macerich Co	MAC	US\$ 73.93	1-Overweight / 2-Neutral
Mack-Cali Realty	CLI	US\$ 38.11	3-Underweight / 2-Neutral
Maguire Properties	MPG	US\$ 16.96	2-Equal weight / 2-Neutral
Pennsylvania REIT	PEI	US\$ 27.47	2-Equal weight / 2-Neutral
Post Properties	PPS	US\$ 36.61	2-Equal weight / 2-Neutral
ProLogis	PLD	US\$ 64.13	3-Underweight / 2-Neutral
Public Storage	PSA	US\$ 89.53	2-Equal weight / 2-Neutral
Simon Property Group	SPG	US\$ 100.80	1-Overweight / 2-Neutral
SL Green Realty	SLG	US\$ 95.62	2-Equal weight / 2-Neutral
Sun Communities	SUI	US\$ 19.06	2-Equal weight / 2-Neutral
UDR, Inc.	UDR	US\$ 25.05	2-Equal weight / 2-Neutral
U-Store-It Trust	YSI	US\$ 12.78	2-Equal weight / 2-Neutral
Vornado Realty Trust	VNO	US\$ 95.90	1-Overweight / 2-Neutral

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1-Positive - sector coverage universe fundamentals/valuations are improving.

2-Neutral - sector coverage universe fundamentals/valuations are steady, neither improving nor deteriorating.

3-Negative - sector coverage universe fundamentals/valuations are deteriorating.

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