

# VALUE FOCUS

# REAL ESTATE

Sector Focus: The U.S. Hotel Industry



## Fourth Quarter 2016

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## SECTOR FOCUS

# The U.S. Hotel Industry

In 2016, big data and technology took on a big role in hotel management and customer experience. Hotels increasingly employed data collection and analytics to better manage demand and price offerings. For the industry, this analysis is known as “yield management” and revolves around guest behavior and spending. Data analytics is being used to manage pricing, location, and design decisions. Big data is also being integrated with front desk service to provide staff with in-depth profiles of customer preferences in order to make personalized recommendations and provide real-time service. Major hotel chains are beginning to see how the availability of data can impact company performance and metrics.

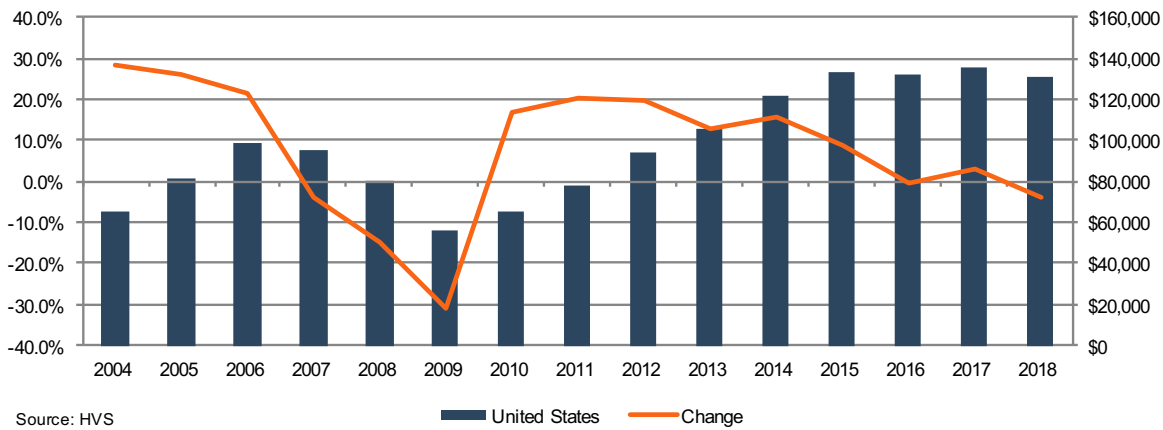
**According to year-end data from Smith Travel Research (STR)**, occupancy in the U.S. hotel industry remained flat in 2016 at 65.5%. However, the industry showed positive fundamental metrics. Average daily rate (ADR) increased 3.1% and revenue per available room (RevPar) increased 3.2% to just below the 30-year U.S. average (3.3%). Supply continued to outpace demand by approximately 0.6 billion roomnights; however, demand showed faster growth over 2015.

Hotel investment demand weakened in 2016 with \$29.1 billion in investment sales. This represents a 34.8% decrease for the year, compared to a 9.7% decrease for real estate overall. Investment sales for 2017 are expected to remain flat, as the market appears to have returned to a normalized level after heightened activity in 2015. Consolidation continues to drive industry trends for lodging, as operators seek cost efficiencies. **JLL estimates** that approximately a third of all full-service branded hotel rooms were involved in M&A activity at the parent company level in 2016. Overall capitalization rates based on historical net income increased from a low of 7.1% in 2015 to 7.6% in 2016.

**Hotel construction activity** as of November 2016 estimated 4,570 projects under contract, which would add approximately 554,500 rooms. The number of rooms in construction rose nearly 30% year-over-year, with 47% of projects being constructed in the 25 largest markets.

# U.S. Hotel Industry (continued)

U.S. Hotel Per Room Value



**STR expects** that U.S. hotel RevPAR will grow 3.8% in 2017 to approximately \$85. Overall U.S. hotel supply and demand are forecast to increase at the same pace of 1.9% over the next year. Industry occupancy reached an all-time high in 2015, and then remained stable in 2016. Industry deceleration and modest fundamentals growth in 2016 are expected to continue in 2017 with a plateau in industry performance, according to PwC. The table on page 3 reflects key performance measures **compiled by PwC and Smith Travel Research** for the years 2006 to projected 2017.

# U.S. Hotel Industry (continued)

## United States Lodging Industry Performance (2006 to 2017)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017P
<b>Occupancy</b>	0.2%	-0.5%	-4.8%	-8.8%	5.4%	4.2%	2.4%	1.5%	3.6%	1.7%	0.0%	-0.9%
<b>ADR</b>	7.5%	6.7%	2.9%	-8.6%	0.0%	3.8%	4.2%	3.9%	4.6%	4.4%	2.9%	2.6%
<b>Nominal RevPar</b>	7.7%	6.1%	-2.0%	-16.7%	5.4%	8.1%	6.7%	5.4%	8.3%	6.3%	2.9%	1.7%
<b>Luxury</b>												
<b>Occupancy</b>	1.0%	0.1%	-4.8%	-7.9%	6.3%	4.8%	3.1%	1.8%	0.9%	0.5%	-0.4%	-1.6%
<b>ADR</b>	9.9%	6.8%	0.0%	-16.9%	1.7%	6.0%	4.5%	5.6%	5.6%	4.2%	1.4%	2.4%
<b>Nominal RevPar</b>	11.0%	6.9%	-4.9%	-23.5%	8.1%	11.0%	7.8%	7.5%	6.5%	4.7%	1.0%	0.8%
<b>Upper Upscale</b>												
<b>Occupancy</b>	-0.1%	-0.2%	-3.5%	-7.1%	6.6%	2.8%	2.3%	1.5%	2.3%	0.7%	-0.4%	-1.4%
<b>ADR</b>	7.1%	5.8%	1.5%	-10.9%	-0.6%	3.7%	4.3%	4.3%	5.0%	4.0%	2.0%	2.1%
<b>Nominal RevPar</b>	7.0%	5.7%	-2.1%	-17.2%	6.0%	6.6%	6.7%	5.9%	7.5%	4.8%	1.6%	0.8%
<b>Upscale</b>												
<b>Occupancy</b>	0.0%	-0.8%	-3.3%	-7.6%	7.3%	4.2%	2.0%	1.1%	3.3%	0.7%	-0.6%	-1.3%
<b>ADR</b>	9.4%	6.2%	1.2%	-10.6%	-1.9%	3.3%	4.3%	4.1%	5.0%	4.9%	2.7%	2.0%
<b>Nominal RevPar</b>	9.4%	5.4%	-2.1%	-17.4%	5.3%	7.7%	6.3%	5.3%	8.4%	5.6%	2.1%	0.7%

Source: PwC and Smith Travel Research

## U.S. Economic Macro Indicators

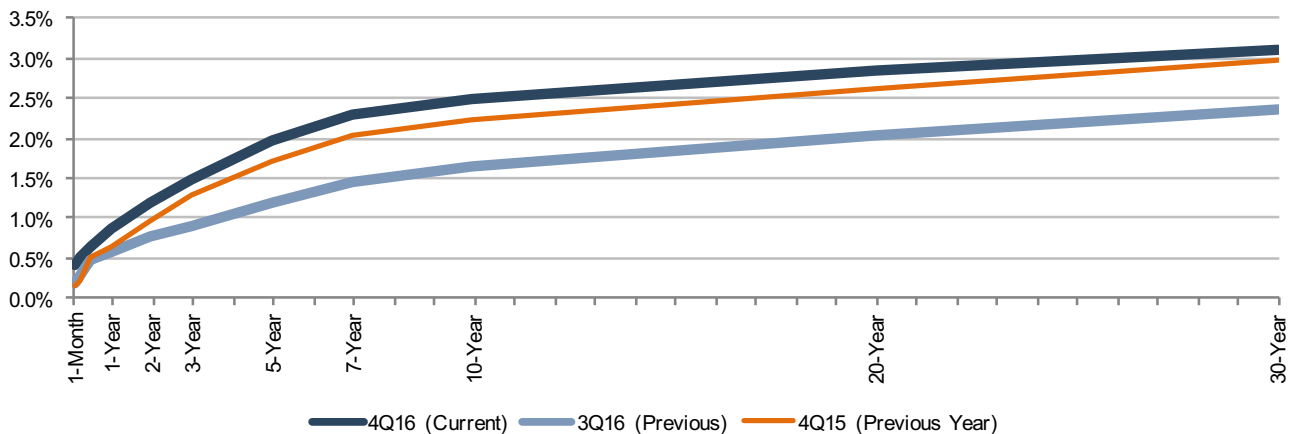
Yields on 5-year, 10-year, and 20-year Treasuries rose during the fourth quarter of 2016, due in part to action taken by the Federal Reserve to increase its target rate. Bond prices are negatively correlated with their respective yields, which can shift abruptly due to investor reactions to major variances in reported economic data versus market expectations (e.g., expected inflation, growth, monetary policy, and other Federal Reserve actions). Economists surveyed by *The Wall Street Journal* anticipate yields to rise over the next several years.

### U.S. Treasury Yields



Source: Federal Reserve Statistical Release H.15

### U.S. Treasury Yield Curve



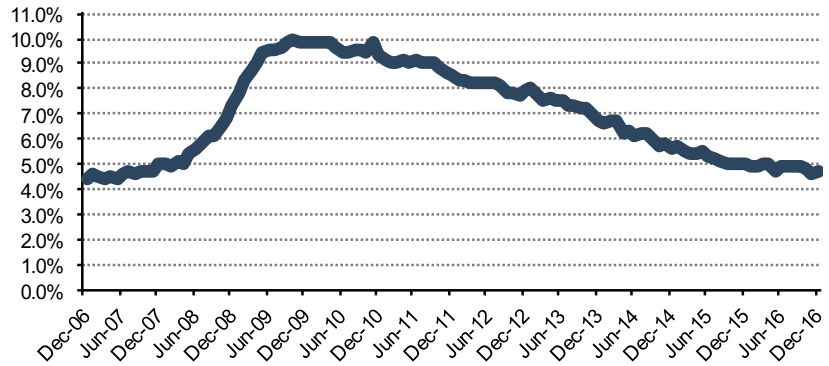
Source: Federal Reserve Statistical Release H.15

Note: Figures shown are the average yield for the last month of the quarter.

## U.S. Economic Macro Indicators (continued)

### Unemployment

The number of nonfarm payroll jobs increased by 156,000 in December 2016. December's gain follows increases of 135,000 and 204,000 jobs in October and November, respectively. During 2008 and 2009, the economy lost nearly 8.7 million nonfarm payroll jobs. Economists surveyed by *The Wall Street Journal* anticipate payroll gains of approximately 165,000 jobs per month over the next year. Population growth adds approximately 122,000 individuals to the workforce per month.



Source: Bureau of Labor Statistics

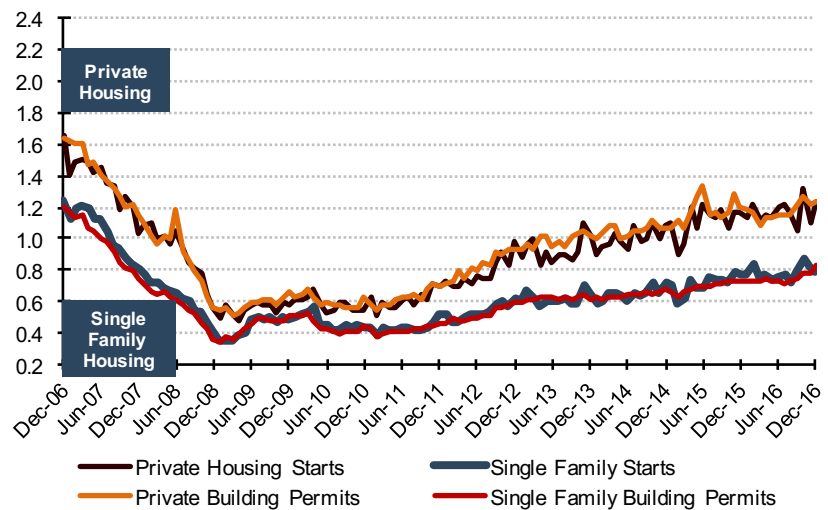
## U.S. Economic Macro Indicators (continued)

### Seasonally Adjusted Annualized Rates of New Housing Starts and Building Permits

(Millions of Units)

According to the U.S. Census Bureau, new privately owned housing starts were at a seasonally adjusted annualized rate of 1,226,000 units in December 2016, 11.3% above the revised November rate of 1,102,000 units and 5.7% above the December 2015 level. The seasonally adjusted annual rate of private housing units authorized by building permits (considered the best indicator of future housing starts) was 1,210,000 units in December 2016, 0.2% below the revised November estimate of 1,212,000 and 0.7% above the December 2015 level.

According to the National Association of Realtors ("NAR"), existing-home sales (at a seasonally adjusted annual rate) totaled 5.5 million in December 2016, 2.8% below the November level of 5.7 million, and 0.7% above the December 2015 level. First-time home buyers purchased 32% of existing homes. Housing inventory stood at 1.65 million existing homes, representing approximately 3.5 months of supply at the current sales pace and down 6.3% since December 2015. Housing inventory is at its lowest level since the NAR began tracking in 1999 and has fallen on a year-over-year basis for 19 straight months. The national median existing-home price increased 4.0% relative to December 2015. Distressed sales, which include foreclosures and short sales, accounted for approximately 7.0% of sales in December 2016, up from 6.0% in November 2016, but down from 8.0% in December 2015.



Source: U.S. Census Bureau

Note: Permits at a given date are generally a leading indicator of future starts.

Beginning with January 2004, building permit data reflects the change to the 20,000 place series.

## Industry Performance and M&A Activity

The real estate industry slowed during the fourth quarter of 2016, falling short of the overall market.

### Commercial Property Price Indices

Commercial real estate price indices posted positive change year-over-year, with all indices showing an increase over 2015. Moody's RCA/CPPI index showed the strongest growth of 9.1%, followed by FTSE NAREIT (8.6%) and NCREIF Property Index (8.0%). Indices increased 6.8% on average over the prior year. Quarterly change was generally flat, with little change in either direction. The highest quarterly growth was in the Moody's RCA/CPPI Index (2.6%) and the lowest was FTSE NAREIT (-3.3%).



Sources: Real Capital Analytics, Green Street Advisors, NAREIT, NCREIF



## Industry Performance and M&A Activity (continued)

### REIT Performance Through December 31, 2016

Total REIT returns slowed from recent quarterly trends and underperformed broad market U.S. benchmarks during the fourth quarter. Similar to prior quarters, most real estate sectors exhibited negative to low growth in Q4 2016. The Lodging/Resorts sector was the only exception, with a quarterly return of 20.4%. Industrial/Office was the only other sector to post positive returns for the quarter; however, at 0.2%, returns showed stagnant growth. The lowest return was in Health Care, which posted a negative 10.8% return. Market benchmarks all showed positive returns for the quarter, though returns varied from 1.7% for the NASDAQ Composite to 8.8% for the Russell 2000.

Total REIT returns for the year of 8.6% finished slightly lower than the 12.3% year-to-date returns observed through Q3 2016. Overall, equity REITs underperformed broad market benchmarks for the year, which showed returns of 8.9% to 21.3% in 2016. Despite low quarterly returns in Q4 2016, Industrial/Office showed the highest one-year return of 25.6%. Lodging/Resorts posted the second highest return with 24.3%. While returns in other sectors tended to be more modest, only the residential sector exhibited negative one year returns at -2.9%.

	Total Return			Dividend Yield (%)
	Most Recent Quarter	One Year	Three Years	
<b>FTSE NAREIT Sectors</b>				
Industrial/Office	0.2%	25.6%	56.8%	3.20%
Retail	-10.7%	1.0%	34.7%	3.99%
Residential	-1.2%	-2.9%	59.2%	3.07%
Lodging/Resorts	20.4%	24.3%	24.5%	5.69%
Health Care	-10.8%	6.4%	31.6%	5.41%
All Equity REITS	-3.3%	8.6%	42.4%	3.96%
<b>US Benchmarks</b>				
S&P 500	3.8%	12.0%	8.9%	2.07%
Russell 2000	8.8%	21.3%	6.7%	na
NASDAQ Composite <sup>1</sup>	1.7%	8.9%	10.1%	na
Dow Jones Industrial Average <sup>1</sup>	8.7%	16.5%	8.7%	na

<sup>1</sup> Price only Returns | Source: NAREIT

## Industry Performance and M&A Activity (continued)

### Change in Mortgage Origination Volume by Sector

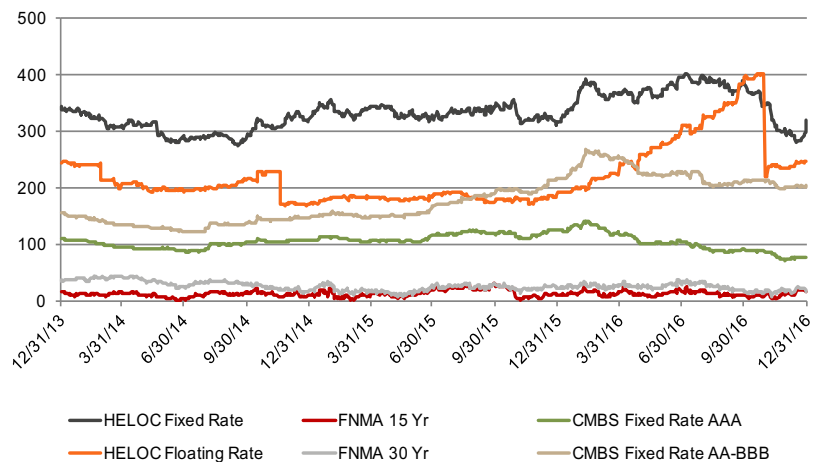
Mortgage originations generally exhibited negative performance year-over-year, with originations falling significantly in the Hotel (-38.6%), Health Care (-23.5%), and Retail (-18.7%) sectors. However, fourth quarter originations showed strong improvement in all but the single-family sector. Health Care posted the largest change over the prior quarter at 120.0%, with Hotel showing growth of 103.5%.

	Multifamily	Office	Retail	Industrial	Hotel	Healthcare	Single Family
YOY Change	-0.7%	6.0%	-18.7%	-4.2%	-38.6%	-23.5%	-4.7%
QOQ Change	16.0%	9.7%	20.5%	81.5%	103.5%	120.0%	-0.3%

Source: Mortgage Bankers Association

### CMBS Spreads to Swaps

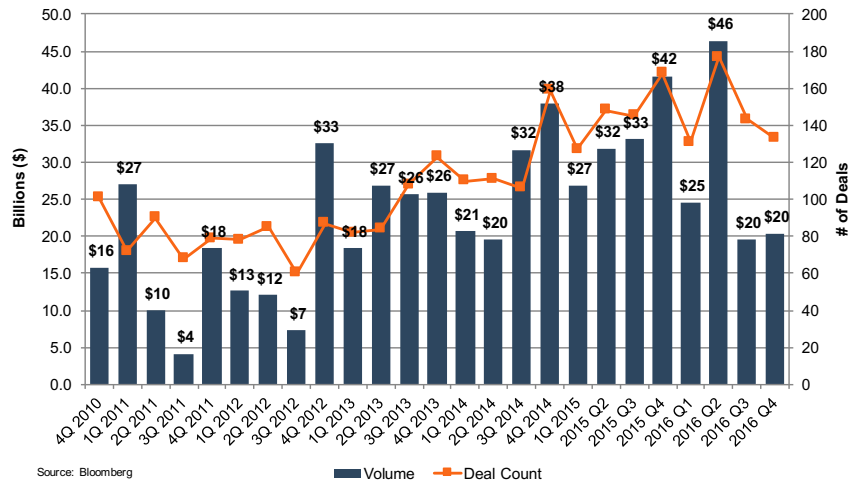
The spreads over U.S. Treasuries in CMBS and other structured real estate products generally fell or remained flat during the fourth quarter of 2016. Floating rate HELOCs exhibited the most tightening, falling 148bp relative to Treasury yields. Fixed rate HELOCs tightened 64bp during the quarter. CMBS and residential spreads exhibited less change, between -15 bps tightening and 6 bps widening.



## Industry Performance and M&A Activity (continued)

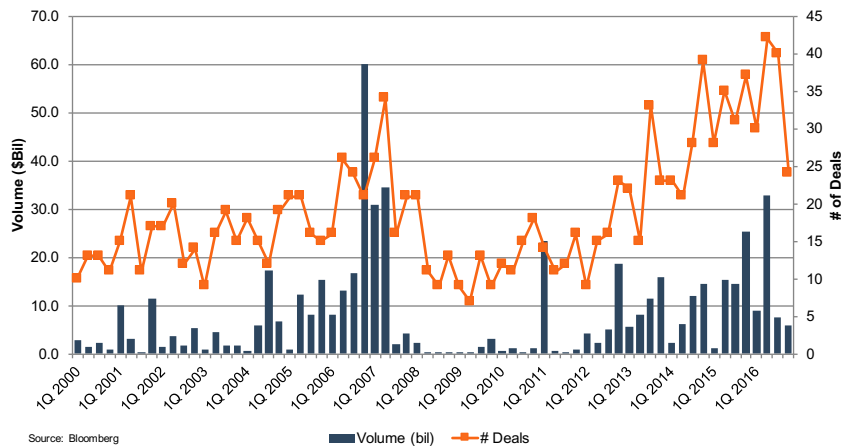
### Global M&A Deals in Real Estate

Global M&A activity slowed in Q4 2016, posting a lower deal count than the prior two quarters. The reported global deal count fell from 143 in the third quarter of 2016 to 133 in the fourth quarter. Despite the dip, the number of M&A transactions globally has generally risen since 2012.



### U.S. M&A Deals in Real Estate

The number of reported deals in the U.S. fell to its lowest point in nine consecutive quarters. Nevertheless, the domestic M&A deal count continues a positive trajectory that began in 2012, although it appears that the trend may be slowing.



# Publicly Traded Companies

## Hospitality

Company Name	Ticker	Price at 12/30/16	% Change		Market Cap	Pref. Stock	Debt	Ent. Value	Debt/ Total Cap.	LTM			LTM Multiple			Forward Multiples	
			QTD	YTD						Rev.	EBITDA	Net Income	EV / Rev	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
<b>Hotel/Hospitality Companies</b>																	
Choice Hotels International Inc	CHH	\$56.05	24.3%	11.2%	\$3,144	\$0	\$661	\$3,805	17%	\$925	\$264	\$139	4.1x	14.4x	22.6x	14.9x	22.9x
Hyatt Hotels Corp	H	\$55.26	12.3%	17.5%	\$7,232	\$0	\$880	\$8,112	11%	\$2,596	\$641	\$204	3.1x	12.7x	35.4x	10.2x	34.0x
InterContinental Hotels Group PLC	IHG	\$36.38	14.4%	14.1%	\$7,128	\$0	\$1,374	\$8,502	16%	\$1,715	\$757	\$414	5.0x	11.2x	17.2x	10.8x	18.7x
Marcus Corp/The	MCS	\$31.50	25.8%	66.1%	\$870	\$0	\$244	\$1,114	22%	\$544	\$114	\$38	2.0x	9.8x	23.0x	10.1x	24.2x
Marriott International Inc/MD	MAR	\$82.68	22.8%	23.3%	\$32,285	\$0	\$7,744	\$40,029	19%	\$3,526	\$2,001	\$780	11.4x	20.0x	41.4x	18.6x	22.8x
Red Lion Hotels Corp	RLH	\$8.35	0.1%	19.1%	\$194	\$0	\$122	\$316	39%	\$158	\$18	-\$5	2.0x	17.8x	nm	17.1x	nm
Vail Resorts Inc	MTN	\$161.31	2.8%	26.0%	\$6,459	\$0	\$1,492	\$7,951	19%	\$1,601	\$449	\$150	5.0x	17.7x	43.1x	17.5x	39.1x
Wyndham Worldwide Corp	WYN	\$76.37	13.4%	5.1%	\$8,231	\$0	\$5,121	\$13,352	38%	\$5,159	\$1,313	\$611	2.6x	10.2x	13.5x	9.7x	13.4x
Hilton Worldwide Holdings Inc	HLT	\$81.60	18.6%	27.1%	\$26,922	\$0	\$9,538	\$36,460	26%	\$7,217	\$2,617	\$348	5.1x	13.9x	77.4x	12.3x	31.1x
<b>Median</b>			<b>14.4%</b>	<b>19.1%</b>					<b>19.3%</b>				<b>4.1x</b>	<b>13.9x</b>	<b>29.2x</b>	<b>12.3x</b>	<b>23.6x</b>

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Hospitality (continued)

Company Name	Ticker	Price at 12/30/16	% Change		Market Cap	Pref. Stock	Debt	Ent. Value	Debt/ Total Cap.	LTM			LTM Multiple			Forward Multiples	
			QTD	YTD						Rev.	EBITDA	Net Income	EV / Rev	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
<b>Real Estate Investment Trusts: Hospitality</b>																	
Ashford Hospitality Prime Inc	AHP	\$13.65	-3.2%	-5.9%	\$354	\$66	\$692	\$1,112	62%	\$403	\$93	\$19	2.8x	12.0x	18.4x	11.1x	28.7x
Ashford Hospitality Trust Inc	AHT	\$7.76	31.7%	23.0%	\$746	\$0	\$3,585	\$4,332	83%	\$1,486	\$410	-\$46	2.9x	10.6x	nm	9.8x	nm
Chatham Lodging Trust	CLDT	\$20.55	6.8%	0.3%	\$786	\$0	\$575	\$1,362	42%	\$290	\$108	\$31	4.7x	12.7x	25.0x	10.4x	26.7x
Chesapeake Lodging Trust	CHSP	\$25.86	12.9%	2.8%	\$1,519	\$0	\$693	\$2,212	31%	\$620	\$185	\$77	3.6x	11.9x	19.8x	12.1x	22.4x
DiamondRock Hospitality Co	DRH	\$11.53	26.7%	19.5%	\$2,310	\$0	\$687	\$2,997	23%	\$897	\$253	\$115	3.3x	11.9x	20.1x	11.6x	20.4x
FelCor Lodging Trust Inc	FCH	\$8.01	24.6%	9.7%	\$1,104	\$368	\$1,286	\$2,758	47%	\$868	\$222	\$3	3.2x	12.4x	315.5x	11.7x	nm
Hersha Hospitality Trust	HT	\$21.50	19.3%	-1.2%	\$900	\$0	\$915	\$1,815	50%	\$465	\$143	\$117	3.9x	12.7x	7.7x	10.5x	10.4x
Hospitality Properties Trust	HPT	\$31.74	6.8%	21.4%	\$5,214	\$280	\$3,112	\$8,606	36%	\$2,047	\$744	\$223	4.2x	11.6x	23.4x	11.5x	26.7x
Host Hotels & Resorts Inc	HST	\$18.84	21.0%	22.8%	\$13,939	\$0	\$3,589	\$17,528	20%	\$5,451	\$1,424	\$762	3.2x	12.3x	18.3x	12.1x	19.1x
LaSalle Hotel Properties	LHO	\$30.47	27.6%	21.1%	\$3,446	\$0	\$1,048	\$4,494	23%	\$1,228	\$389	\$253	3.7x	11.6x	13.6x	11.4x	14.7x
Pebblebrook Hotel Trust	PEB	\$29.75	11.8%	6.2%	\$2,144	\$0	\$1,086	\$3,230	34%	\$814	\$252	\$74	4.0x	12.8x	29.1x	11.9x	45.1x
RLJ Lodging Trust	RLJ	\$24.49	16.5%	13.2%	\$3,029	\$0	\$1,450	\$4,479	32%	\$1,160	\$383	\$200	3.9x	11.7x	15.1x	11.6x	nm
Ryman Hospitality Properties Inc	RHP	\$63.01	30.8%	22.0%	\$3,180	\$0	\$1,451	\$4,631	31%	\$1,146	\$319	\$159	4.0x	14.5x	20.0x	13.5x	21.1x
Sotherly Hotels Inc	SOHO	\$6.79	28.6%	10.2%	\$102	\$0	\$271	\$373	73%	\$153	\$34	\$1	2.4x	11.0x	109.5x	10.2x	75.4x
Strategic Hotels & Resorts Inc	BEE	\$7.00	9.7%	53.2%	\$111	\$0	\$8	\$119	7%	\$37	\$0	\$35	3.2x	nm	3.2x	nm	nm
Summit Hotel Properties Inc	INN	\$16.03	21.8%	34.1%	\$1,400	\$0	\$584	\$1,985	29%	\$474	\$155	\$108	4.2x	12.8x	13.0x	12.2x	15.9x
Sunstone Hotel Investors Inc	SHO	\$15.25	19.2%	22.1%	\$3,302	\$190	\$706	\$4,197	17%	\$1,190	\$336	\$134	3.5x	12.5x	24.6x	13.0x	32.4x
<b>Median</b>			<b>19.3%</b>	<b>19.5%</b>					<b>32%</b>				<b>3.6x</b>	<b>12.1x</b>	<b>19.9x</b>	<b>11.6x</b>	<b>22.4x</b>

Source: S&amp;P Global Market Intelligence

# Publicly Traded Companies

## Residential

Company Name	Ticker	Price at 12/30/16	% Change		Market Cap	Pref. Stock	Debt	Ent. Value	Debt/ Total Cap.	LTM			LTM Multiple			Forward Multiples	
			QTD	YTD						Rev.	EBITDA	Net Income	EV / Rev	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
<b>Real Estate Investment Trusts - Multi-Family</b>																	
American Campus Communities, Inc.	ACC	\$49.77	-2.2%	20.4%	\$6,575	\$0	\$2,523	\$9,097	28%	\$786	\$389	\$99	11.6x	23.4x	66.4x	23.3x	56.4x
Apartment Investment and Management Company	AIV	\$45.45	-1.0%	13.5%	\$7,131	\$125	\$4,260	\$11,516	37%	\$975	\$571	\$430	11.8x	20.2x	16.6x	20.0x	25.8x
Preferred Apartment Communities, Inc.	APTS	\$14.91	10.4%	14.0%	\$381	\$0	\$1,267	\$1,648	77%	\$200	\$106	-\$10	8.2x	15.5x	nm	14.4x	nm
Avalonbay Communities Inc.	AVB	\$177.15	-0.4%	-3.8%	\$24,327	\$0	\$6,760	\$31,087	22%	\$2,052	\$1,322	\$1,034	15.1x	23.5x	23.5x	23.6x	39.4x
Brookfield Real Estate Services Inc.	BRE	\$15.77	-5.0%	7.6%	\$202	\$0	\$63	\$265	24%	\$42	\$34	\$6	6.2x	7.9x	31.6x	nm	nm
Camden Property Trust	CPT	\$84.07	0.4%	9.5%	\$7,354	\$0	\$2,248	\$9,602	23%	\$893	\$505	\$820	10.8x	19.0x	9.0x	19.0x	9.3x
EdR	EDR	\$42.30	-1.9%	11.7%	\$3,090	\$0	\$413	\$3,503	12%	\$289	\$134	\$45	12.1x	26.2x	68.8x	25.9x	61.4x
Equity Residential	EQR	\$64.36	0.0%	-21.1%	\$23,534	\$37	\$8,643	\$32,214	27%	\$2,426	\$1,565	\$4,292	13.3x	20.6x	5.5x	20.5x	55.2x
Essex Property Trust Inc.	ESS	\$232.50	4.4%	-2.9%	\$15,233	\$0	\$5,529	\$20,762	27%	\$1,330	\$898	\$415	15.6x	23.1x	36.7x	21.7x	54.2x
Independence Realty Trust, Inc.	IRT	\$8.92	-0.9%	18.8%	\$615	\$0	\$876	\$1,491	59%	\$153	\$30	-\$10	9.7x	50.5x	nm	20.0x	nm
Mid-America Apartment Communities Inc.	MAA	\$97.92	4.2%	7.8%	\$11,117	\$0	\$3,580	\$14,697	24%	\$1,125	\$636	\$212	13.1x	23.1x	52.4x	23.2x	36.0x
Post Properties Inc.	PPS	\$0.04	-8.8%	-6.1%	\$25	\$0	\$30	\$55	55%	\$2	-\$7	-\$19	27.6x	-7.5x	nm	nm	nm
UDR, Inc.	UDR	\$36.48	1.4%	-2.9%	\$9,749	\$46	\$4,447	\$14,242	31%	\$964	\$606	\$293	14.8x	23.5x	33.3x	22.6x	32.6x
<b>Median</b>			<b>-0.4%</b>	<b>7.8%</b>					<b>27%</b>				<b>12.1x</b>	<b>23.1x</b>	<b>32.4x</b>	<b>21.7x</b>	<b>39.4x</b>

Source: S&amp;P Global Market Intelligence

# Publicly Traded Companies

## Healthcare

Company Name	Ticker	Price at 12/30/16	% Change		Market Cap	Pref. Stock	Debt	Ent. Value	Debt/ Total Cap.	LTM			LTM Multiple			Forward Multiples	
			QTD	YTD						Rev.	EBITDA	Net Income	EV / Rev	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
<b>Healthcare Facilities</b>																	
Community Health Systems, Inc.	CYH	\$5.59	-51.6%	-78.9%	\$636	\$0	\$15,941	\$16,577	96%	\$18,438	\$1,985	-\$1,721	0.9x	8.4x	nm	7.6x	29.6x
HCA Holdings, Inc.	HCA	\$74.02	-2.1%	9.4%	\$27,734	\$0	\$32,398	\$60,132	54%	\$41,490	\$8,164	\$2,890	1.4x	7.4x	9.6x	7.3x	11.0x
LifePoint Health, Inc.	LPNT	\$56.80	-4.1%	-22.6%	\$2,281	\$0	\$2,823	\$5,104	55%	\$6,364	\$727	\$122	0.8x	7.0x	18.7x	6.8x	15.8x
Tenet Healthcare Corp.	THC	\$14.84	-34.5%	-51.0%	\$1,479	\$0	\$16,802	\$18,281	92%	\$19,621	\$2,282	-\$192	0.9x	8.0x	nm	7.6x	12.3x
Universal Health Services Inc.	UHS	\$106.38	-13.7%	-11.0%	\$10,314	\$0	\$3,656	\$13,970	26%	\$9,766	\$1,698	\$702	1.4x	8.2x	14.7x	8.3x	14.5x
AdCare Health Systems, Inc.	ADK	\$1.46	-29.8%	-41.4%	\$29	\$61	\$82	\$173	48%	\$27	\$11	-\$7	6.3x	15.5x	nm	nm	nm
Brookdale Senior Living Inc.	BKD	\$12.42	-28.8%	-32.7%	\$2,311	\$0	\$6,156	\$8,467	73%	\$4,239	\$796	-\$404	2.0x	10.6x	nm	10.6x	nm
Capital Senior Living Corp.	CSU	\$16.05	-4.5%	-23.1%	\$481	\$0	\$877	\$1,358	65%	\$446	\$76	-\$28	3.0x	17.9x	nm	15.0x	nm
Five Star Quality Care Inc.	FVE	\$2.70	41.4%	-15.1%	\$134	\$0	\$2	\$136	2%	\$1,128	\$23	-\$22	0.1x	6.0x	nm	5.4x	nm
Alliance Healthcare Services, Inc.	AIQ	\$9.60	39.9%	4.6%	\$103	\$0	\$608	\$711	85%	\$506	\$124	\$0	1.4x	5.7x	nm	nm	nm
Quest Diagnostics Inc.	DGX	\$91.90	8.6%	29.2%	\$12,741	\$0	\$3,528	\$16,269	22%	\$7,515	\$1,406	\$645	2.2x	11.6x	19.8x	11.0x	18.0x
Laboratory Corp. of America Holdings	LH	\$128.38	-6.6%	3.8%	\$13,223	\$0	\$5,619	\$18,843	30%	\$9,437	\$1,831	\$732	2.0x	10.3x	18.1x	9.8x	14.6x
RadNet, Inc.	RDNT	\$6.45	-12.8%	4.4%	\$300	\$0	\$652	\$951	68%	\$885	\$107	\$7	1.1x	8.9x	41.5x	7.0x	21.5x
DaVita HealthCare Partners Inc.	DVA	\$64.20	-2.8%	-7.9%	\$12,673	\$0	\$8,731	\$21,404	41%	\$14,733	\$2,493	\$880	1.5x	8.6x	14.4x	8.4x	17.0x

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Healthcare (continued)

Company Name	Ticker	Price at 12/30/16	% Change		Market Cap	Pref. Stock	Debt	Ent. Value	Debt/ Total Cap.	LTM			LTM Multiple			Forward Multiples	
			QTD	YTD						Rev.	EBITDA	Net Income	EV / Rev	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
Fresenius Medical Care AG & Co. KGAA	FMS	\$0.04	52.2%	288.9%	\$112	\$0	-\$1	\$111	0%	\$0	-\$4	-\$4	nm	-28.0x	nm	nm	nm
AmerisourceBergen Corporation	ABC	\$78.19	-3.2%	-24.6%	\$17,013	\$0	\$1,713	\$18,727	9%	\$146,850	\$2,069	\$1,428	0.1x	9.1x	11.9x	8.6x	14.1x
Cardinal Health, Inc.	CAH	\$71.97	-7.4%	-19.4%	\$23,035	\$0	\$3,666	\$26,701	14%	\$121,546	\$3,139	\$1,427	0.2x	8.5x	16.1x	8.2x	13.7x
Henry Schein, Inc.	HSIC	\$151.71	-6.9%	-4.1%	\$12,211	\$0	\$1,572	\$13,783	11%	\$11,572	\$987	\$507	1.2x	14.0x	24.1x	14.0x	23.1x
McKesson Corporation	MCK	\$140.45	-15.8%	-28.8%	\$31,754	\$0	\$4,158	\$35,912	12%	\$190,884	\$4,622	\$2,258	0.2x	7.8x	14.1x	7.1x	11.1x
Patterson Companies, Inc.	PDCO	\$41.03	-10.7%	-9.2%	\$3,926	\$0	\$1,084	\$5,010	22%	\$5,387	\$444	\$187	0.9x	11.3x	21.0x	11.2x	16.8x
InfuSystem Holdings, Inc.	INFU	\$2.55	-8.3%	-15.6%	\$58	\$0	\$38	\$95	39%	\$65	\$10	\$0	1.5x	9.4x	nm	nm	nm
Addus HomeCare Corporation	ADUS	\$35.05	34.0%	50.6%	\$399	\$0	-\$14	\$384	-4%	\$401	\$31	\$12	1.0x	12.3x	33.2x	12.4x	26.6x
Almost Family Inc.	AFAM	\$44.10	19.9%	15.4%	\$457	\$0	\$141	\$598	24%	\$624	\$39	\$18	1.0x	15.2x	25.9x	11.2x	18.4x
Amedisys Inc.	AMED	\$42.63	-10.1%	8.4%	\$1,431	\$0	\$86	\$1,517	6%	\$1,418	\$81	\$37	1.1x	18.6x	38.4x	14.1x	28.5x
Chemed Corp.	CHE	\$160.41	13.7%	7.1%	\$2,602	\$0	\$89	\$2,692	3%	\$1,577	\$219	\$109	1.7x	12.3x	23.9x	11.4x	22.2x
LHC Group, Inc.	LHCG	\$45.70	23.9%	0.9%	\$831	\$0	\$94	\$924	10%	\$900	\$84	\$37	1.0x	11.0x	22.7x	10.9x	22.2x
Diversicare Healthcare Services Inc.	DVCR	\$10.40	4.0%	27.6%	\$66	\$0	\$66	\$132	50%	\$426	\$19	-\$2	0.3x	6.8x	nm	nm	nm
The Ensign Group, Inc.	ENSG	\$22.21	10.3%	-1.9%	\$1,125	\$0	\$124	\$1,248	10%	\$1,655	\$119	\$50	0.8x	10.5x	22.5x	7.9x	16.4x
Kindred Healthcare Inc.	KND	\$7.85	-23.2%	-34.1%	\$669	\$0	\$3,331	\$3,999	83%	\$7,220	\$546	-\$664	0.6x	7.3x	nm	4.2x	10.6x
National Healthcare Corp.	NHC	\$75.79	14.9%	22.8%	\$1,148	\$0	-\$15	\$1,133	-1%	\$927	\$104	\$51	1.2x	10.9x	22.7x	nm	nm
CVS Health Corporation	CVS	\$78.91	-11.3%	-19.3%	\$84,153	\$0	\$24,475	\$108,628	23%	\$177,526	\$13,050	\$5,317	0.6x	8.3x	15.8x	8.4x	13.6x
Character Group plc	CCT	\$5.10	4.1%	9.1%	\$108	\$0	-\$7	\$101	-7%	\$121	\$14	\$11	0.8x	7.3x	10.0x	6.8x	11.0x

Source: S&amp;P Global Market Intelligence



## Publicly Traded Companies

### Healthcare (continued)

Company Name	Ticker	Price at 12/30/16	% Change		Market Cap	Pref. Stock	Debt	Ent. Value	Debt/ Total Cap.	LTM			LTM Multiple			Forward Multiples	
			QTD	YTD						Rev.	EBITDA	Net Income	EV / Rev	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
Express Scripts Holding Company	ESRX	\$68.79	-2.5%	-21.3%	\$42,417	\$0	\$13,813	\$56,230	25%	\$100,288	\$7,102	\$3,404	0.6x	7.9x	12.5x	7.7x	10.8x
PharMerica Corporation	PMC	\$25.15	-10.4%	-28.1%	\$774	\$0	\$384	\$1,158	33%	\$2,091	\$129	\$22	0.6x	9.0x	35.8x	9.0x	13.5x
MEDNAX, Inc.	MD	\$66.66	0.6%	-7.0%	\$6,174	\$0	\$1,726	\$7,900	22%	\$3,183	\$661	\$325	2.5x	12.0x	19.0x	11.8x	16.5x
Envision Healthcare Holdings, Inc.	EVHC	\$63.29	29.8%	59.0%	\$7,434	\$0	\$3,387	\$10,821	31%	\$3,696	\$796	-\$19	2.9x	13.6x	nm	16.4x	14.8x
Acadia Healthcare Company, Inc.	ACHC	\$33.10	-33.2%	-47.0%	\$2,896	\$0	\$3,652	\$6,548	56%	\$2,811	\$580	\$6	2.3x	11.3x	471.5x	10.8x	13.8x
Magellan Health, Inc.	MGLN	\$75.25	40.1%	22.0%	\$1,749	\$0	\$308	\$2,057	15%	\$4,837	\$237	\$78	0.4x	8.7x	22.5x	6.9x	24.2x
Providence Service Corp.	PRSC	\$38.05	-21.8%	-18.9%	\$539	\$78	\$270	\$887	30%	\$1,579	\$74	\$92	0.6x	11.9x	5.9x	11.4x	22.9x
HEALTHSOUTH Corp.	HLS	\$41.24	1.7%	18.5%	\$3,703	\$0	\$3,231	\$6,935	47%	\$3,646	\$820	\$248	1.9x	8.5x	15.0x	8.8x	16.1x
Select Medical Holdings Corporation	SEM	\$13.25	-1.9%	11.3%	\$1,753	\$0	\$2,944	\$4,697	63%	\$4,217	\$448	\$115	1.1x	10.5x	15.2x	10.0x	21.8x
<b>Median</b>			<b>46.8%</b>	<b>154.0%</b>					<b>26%</b>				<b>1.1x</b>	<b>9.1x</b>	<b>19.0x</b>	<b>8.8x</b>	<b>16.2x</b>

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Healthcare (continued)

Company Name	Ticker	Price at 12/30/16	% Change		Market Cap	Pref. Stock	Debt	Ent. Value	Debt/ Total Cap.	LTM			LTM Multiple			Forward Multiples	
			QTD	YTD						Rev.	EBITDA	Net Income	EV / Rev	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
<b>Real Estate Investment Trusts: Healthcare</b>																	
Health Care REIT, Inc.	HCN	\$66.93	-10.5%	-1.6%	\$24,264	\$1,006	\$13,870	\$39,141	35%	\$4,183	\$2,107	\$1,078	9.4x	18.6x	22.5x	17.8x	34.5x
HCP, Inc.	HCP	\$29.72	-21.7%	-22.3%	\$13,897	\$0	\$11,187	\$25,083	45%	\$2,129	\$1,283	\$628	11.8x	19.5x	22.1x	15.1x	24.0x
Healthcare Realty Trust Incorporated	HR	\$30.32	-11.0%	7.1%	\$3,513	\$0	\$1,226	\$4,740	26%	\$411	\$233	\$86	11.5x	20.4x	41.1x	20.5x	69.6x
LTC Properties Inc.	LTC	\$46.98	-9.6%	8.9%	\$1,843	\$0	\$586	\$2,428	24%	\$162	\$144	\$85	15.0x	16.9x	21.6x	16.6x	21.2x
Omega Healthcare Investors Inc.	OHI	\$31.26	-11.8%	-10.6%	\$6,100	\$0	\$4,754	\$10,854	44%	\$901	\$822	\$366	12.0x	13.2x	16.6x	13.8x	17.9x
Ventas, Inc.	VTR	\$62.52	-11.5%	10.8%	\$22,139	\$0	\$11,454	\$33,593	34%	\$3,447	\$1,833	\$649	9.7x	18.3x	34.1x	18.0x	30.7x
<b>Median</b>			<b>-11.2%</b>	<b>2.7%</b>					<b>35%</b>				<b>11.7x</b>	<b>18.5x</b>	<b>22.3x</b>	<b>17.2x</b>	<b>27.3x</b>

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate

Company Name	Ticker	Price at 12/30/16	% Change		Market Cap	Pref. Stock	Debt	Ent. Value	Debt/ Total Cap.	LTM			LTM Multiple			Forward Multiples	
			QTD	YTD						Rev.	EBITDA	Net Income	EV / Rev	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
<b>Diversified REITs</b>																	
Armada Hoffer Properties, Inc.	AHH	\$14.57	8.7%	39.0%	\$788	\$0	\$490	\$1,278	38%	\$258	\$60	\$43	4.9x	21.4x	18.4x	20.2x	16.9x
Brandywine Realty Trust	BDN	\$16.51	5.7%	20.9%	\$2,892	\$0	\$1,822	\$4,713	39%	\$516	\$215	\$40	9.1x	21.9x	71.9x	16.2x	60.0x
Cousins Properties Incorporated	CUZ	\$8.51	-18.5%	-9.8%	\$3,348	\$7	\$688	\$4,042	17%	\$259	\$133	\$79	15.6x	30.3x	42.3x	19.2x	38.6x
Douglas Emmett Inc	DEI	\$36.56	-0.2%	17.3%	\$5,540	\$0	\$5,346	\$10,886	49%	\$750	\$456	\$85	14.5x	23.8x	64.9x	23.1x	76.7x
Investors Real Estate Trust	IRET	\$7.13	19.8%	2.6%	\$868	\$139	\$931	\$1,937	48%	\$188	\$96	\$72	10.3x	20.2x	12.1x	16.3x	16.6x
Lexington Realty Trust	LXP	\$10.80	4.9%	35.0%	\$2,561	\$94	\$1,786	\$4,441	40%	\$429	\$355	\$96	10.3x	12.5x	26.8x	12.5x	30.1x
National Retail Properties, Inc.	NNN	\$44.20	-13.1%	10.4%	\$6,503	\$920	\$1,804	\$9,227	20%	\$534	\$472	\$240	17.3x	19.5x	27.2x	19.5x	35.7x
PS Business Parks Inc.	PSB	\$116.52	2.6%	33.3%	\$3,160	\$1,110	\$64	\$4,334	1%	\$387	\$249	\$128	11.2x	17.4x	24.7x	17.7x	66.3x
Public Storage	PSA	\$223.50	0.2%	-9.8%	\$38,764	\$4,368	\$53	\$43,185	0%	\$2,617	\$1,865	\$1,454	16.5x	23.2x	26.7x	23.8x	33.2x
Retail Properties of America, Inc.	RPAI	\$15.33	-8.8%	3.8%	\$3,630	\$0	\$1,974	\$5,604	35%	\$580	\$367	\$167	9.7x	15.3x	21.8x	15.2x	94.8x
Vornado Realty Trust	VNO	\$104.37	3.1%	4.4%	\$19,725	\$1,038	\$11,920	\$32,683	36%	\$2,676	\$1,398	\$907	12.2x	23.4x	21.7x	26.2x	78.5x
W. P. Carey Inc.	WPC	\$59.09	-8.4%	0.2%	\$6,280	\$0	\$4,317	\$10,598	41%	\$909	\$728	\$268	11.7x	14.6x	23.5x	14.5x	22.0x
<b>Median</b>			<b>0.2%</b>	<b>4.4%</b>					<b>35%</b>				<b>11.7x</b>	<b>17.4x</b>	<b>24.7x</b>	<b>17.7x</b>	<b>35.7x</b>

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate (continued)

Company Name	Ticker	Price at 12/30/16	% Change		Market Cap	Pref. Stock	Debt	Ent. Value	Debt/ Total Cap.	LTM			LTM Multiple			Forward Multiples	
			QTD	YTD						Rev.	EBITDA	Net Income	EV / Rev	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
<b>Industrial REITs</b>																	
CubeSmart	CUBE	\$26.77	-1.8%	-12.6%	\$4,820	\$0	\$1,535	\$6,355	24%	\$507	\$309	\$88	12.5x	20.6x	54.8x	20.9x	60.0x
DCT Industrial Trust Inc.	DCT	\$47.88	-1.4%	28.1%	\$4,358	\$0	\$1,660	\$6,019	28%	\$397	\$269	\$93	15.2x	22.4x	46.8x	22.4x	105.5x
Duke Realty Corporation	DRE	\$26.56	-2.8%	26.4%	\$9,421	\$0	\$2,908	\$12,329	24%	\$918	\$499	\$312	13.4x	24.7x	30.2x	21.7x	95.2x
EastGroup Properties Inc.	EGP	\$73.84	0.4%	32.8%	\$2,418	\$0	\$1,033	\$3,451	30%	\$253	\$155	\$96	13.6x	22.3x	25.3x	20.7x	44.8x
Extra Space Storage Inc.	EXR	\$77.24	-2.7%	-12.4%	\$9,718	\$0	\$4,343	\$14,061	31%	\$1,005	\$649	\$366	14.0x	21.7x	26.5x	21.7x	33.3x
First Industrial Realty Trust Inc.	FR	\$28.05	-0.6%	26.8%	\$3,280	\$0	\$1,384	\$4,663	30%	\$378	\$245	\$121	12.3x	19.0x	27.1x	18.8x	29.0x
Prologis, Inc.	PLD	\$52.79	-1.4%	23.0%	\$27,906	\$78	\$14,366	\$42,350	34%	\$2,739	\$1,806	\$1,210	15.5x	23.5x	23.1x	26.9x	30.5x
Life Storage, Inc.	LSI	\$85.26	-4.1%	-20.5%	\$3,956	\$0	\$1,658	\$5,614	30%	\$432	\$272	\$85	13.0x	20.6x	46.4x	21.6x	34.3x
STAG Industrial, Inc.	STAG	\$23.87	-2.6%	29.4%	\$1,804	\$145	\$1,132	\$3,081	37%	\$250	\$172	\$35	12.3x	18.0x	52.3x	18.0x	nm
<b>Median</b>			<b>-2.6%</b>	<b>23.0%</b>					<b>34%</b>				<b>13.0x</b>	<b>20.6x</b>	<b>46.4x</b>	<b>21.6x</b>	<b>32.4x</b>

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate (continued)

Company Name	Ticker	Price at 12/30/16	% Change		Market Cap	Pref. Stock	Debt	Ent. Value	Debt/ Total Cap.	LTM			LTM Multiple			Forward Multiples	
			QTD	YTD						Rev.	EBITDA	Net Income	EV / Rev	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
<b>Office REITs</b>																	
American Assets Trust, Inc.	AAT	\$43.08	-0.7%	12.3%	\$1,966	\$0	\$1,037	\$3,003	35%	\$291	\$166	\$33	10.3x	18.1x	60.3x	17.7x	58.2x
Boston Properties Inc.	BXP	\$125.78	-7.7%	-1.4%	\$19,342	\$200	\$11,569	\$31,111	37%	\$2,561	\$1,532	\$513	12.1x	20.3x	37.7x	20.5x	59.0x
CoreSite Realty Corporation	COR	\$79.37	7.2%	39.9%	\$2,652	\$115	\$753	\$3,520	21%	\$400	\$203	\$59	8.8x	17.4x	45.2x	16.9x	53.4x
Corporate Office Properties Trust	OFC	\$31.22	10.1%	43.0%	\$2,958	\$199	\$1,934	\$5,091	38%	\$576	\$297	\$11	8.8x	17.2x	258.6x	17.4x	nm
Digital Realty Trust Inc.	DLR	\$98.26	1.2%	29.9%	\$15,617	\$1,013	\$6,026	\$22,657	27%	\$2,159	\$1,160	\$426	10.5x	19.5x	36.6x	18.8x	97.9x
Empire State Realty Trust, Inc.	ESRT	\$20.19	-3.6%	11.7%	\$3,130	\$8	\$1,860	\$4,998	37%	\$672	\$315	\$52	7.4x	15.9x	59.7x	15.0x	nm
Equity Commonwealth	EQC	\$30.24	0.1%	9.1%	\$3,796	\$119	-\$845	\$3,070	-28%	\$501	\$258	\$233	6.1x	11.9x	16.3x	12.2x	19.8x
First Potomac Realty Trust	FPO	\$10.97	19.9%	-3.8%	\$640	\$0	\$752	\$1,392	54%	\$163	\$89	-\$1	8.6x	15.7x	nm	15.7x	nm
Franklin Street Properties Corp.	FSP	\$12.96	2.9%	25.2%	\$1,390	\$0	\$893	\$2,283	39%	\$249	\$125	\$8	9.2x	18.3x	165.9x	17.7x	66.5x
Government Properties Income Trust	GOV	\$19.07	-15.7%	20.1%	\$1,357	\$0	\$1,233	\$2,590	48%	\$258	\$138	\$58	10.0x	18.7x	23.5x	15.1x	25.1x
Highwoods Properties Inc.	HIW	\$51.01	-2.1%	17.0%	\$5,111	\$29	\$2,069	\$7,210	29%	\$669	\$351	\$524	10.8x	20.5x	9.7x	17.9x	9.7x
Hudson Pacific Properties, Inc.	HPP	\$34.78	5.8%	23.6%	\$4,737	\$0	\$3,460	\$8,197	42%	\$640	\$256	\$29	12.8x	32.0x	165.5x	22.9x	222.0x
Kilroy Realty Corp.	KRC	\$73.22	5.6%	15.7%	\$6,752	\$194	\$2,144	\$9,090	24%	\$638	\$372	\$294	14.3x	24.4x	23.0x	22.3x	53.8x
Liberty Property Trust	LPT	\$39.50	-2.1%	27.2%	\$5,806	\$0	\$3,404	\$9,211	37%	\$747	\$430	\$357	12.3x	21.4x	16.3x	18.7x	32.6x
Mack-Cali Realty Corp.	CLI	\$29.02	6.6%	24.3%	\$2,603	\$0	\$2,640	\$5,243	50%	\$632	\$310	\$117	8.3x	16.9x	22.2x	17.6x	26.3x
Piedmont Office Realty Trust Inc.	PDM	\$20.91	-4.0%	10.8%	\$3,037	\$0	\$2,008	\$5,045	40%	\$556	\$249	\$108	9.1x	20.3x	28.1x	16.9x	nm
Select Income REIT	SIR	\$25.20	-6.3%	27.1%	\$2,254	\$0	\$2,426	\$4,679	52%	\$462	\$334	\$116	10.1x	14.0x	19.4x	13.8x	18.4x
<b>Median</b>			<b>-5.1%</b>	<b>18.9%</b>					<b>46%</b>				<b>9.6x</b>	<b>17.1x</b>	<b>23.8x</b>	<b>15.4x</b>	<b>18.4x</b>

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate (continued)

Company Name	Ticker	Price at 12/30/16	% Change		Market Cap	Pref. Stock	Debt	Ent. Value	Debt/ Total Cap.	LTM			LTM Multiple			Forward Multiples	
			QTD	YTD						Rev.	EBITDA	Net Income	EV / Rev	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
<b>Retail REITs</b>																	
Alexander's Inc.	ALX	\$426.87	1.7%	11.1%	\$2,180	\$0	\$788	\$2,968	27%	\$227	\$139	\$86	13.1x	21.3x	25.2x	nm	nm
CBL & Associates Properties Inc.	CBL	\$11.50	-5.3%	-7.0%	\$1,964	\$0	\$4,640	\$6,604	70%	\$1,028	\$668	\$173	6.4x	9.9x	11.4x	9.1x	19.1x
Cedar Realty Trust, Inc.	CDR	\$6.53	-9.3%	-7.8%	\$557	\$191	\$702	\$1,450	48%	\$151	\$82	\$9	9.6x	17.6x	62.3x	17.4x	nm
DDR Corp.	DDR	\$15.27	-12.4%	-9.3%	\$5,550	\$350	\$4,954	\$10,855	46%	\$1,017	\$665	\$60	10.7x	16.3x	92.5x	15.9x	249.8x
EPR Properties	EPR	\$71.77	-8.9%	22.8%	\$4,568	\$6	\$2,248	\$6,822	33%	\$481	\$421	\$225	14.2x	16.2x	20.3x	15.9x	23.4x
Federal Realty Investment Trust	FRT	\$142.11	-7.7%	-2.7%	\$10,202	\$10	\$2,938	\$13,150	22%	\$802	\$513	\$250	16.4x	25.6x	40.8x	25.6x	44.0x
General Growth Properties, Inc	GGP	\$24.98	-9.5%	-8.2%	\$22,101	\$242	\$12,353	\$34,696	36%	\$2,598	\$1,856	\$1,288	13.4x	18.7x	17.2x	15.5x	50.0x
Getty Realty Corp.	GTY	\$25.49	6.5%	48.6%	\$865	\$0	\$288	\$1,153	25%	\$115	\$77	\$38	10.0x	15.1x	22.5x	16.8x	22.5x
Hospitality Properties Trust	HPT	\$31.74	6.8%	21.4%	\$5,214	\$280	\$3,112	\$8,606	36%	\$2,047	\$744	\$223	4.2x	11.6x	23.4x	11.5x	26.7x
Kimco Realty Corporation	KIM	\$25.16	-13.1%	-4.9%	\$10,694	\$0	\$5,049	\$15,742	32%	\$1,172	\$766	\$379	13.4x	20.5x	28.2x	19.3x	46.0x
Kite Realty Group Trust	KRG	\$23.48	-15.3%	-9.4%	\$1,962	\$0	\$1,815	\$3,776	48%	\$354	\$218	\$1	10.7x	17.3x	nm	15.7x	nm
Pennsylvania Real Estate Investment Trust	PEI	\$18.96	-17.7%	-13.3%	\$1,318	\$0	\$1,871	\$3,190	59%	\$412	\$228	-\$11	7.7x	14.0x	nm	14.2x	117.3x
Ramco-Gershenson Properties Trust	RPT	\$16.58	-11.5%	-0.2%	\$1,314	\$92	\$1,023	\$2,430	42%	\$261	\$164	\$60	9.3x	14.8x	22.0x	14.7x	26.7x
Realty Income Corporation	O	\$57.48	-14.1%	11.3%	\$14,864	\$398	\$5,242	\$20,504	26%	\$1,103	\$998	\$316	18.6x	20.6x	47.1x	20.7x	53.2x
Regency Centers Corporation	REG	\$68.95	-11.0%	1.2%	\$7,205	\$325	\$1,621	\$9,151	18%	\$646	\$404	\$165	14.2x	22.6x	43.7x	19.3x	47.9x
Retail Opportunity Investments Corp.	ROIC	\$21.13	-3.8%	18.0%	\$2,309	\$0	\$1,185	\$3,495	34%	\$237	\$153	\$33	14.7x	22.9x	70.5x	21.4x	79.7x

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate (continued)

Company Name	Ticker	Price at 12/30/16	% Change		Market Cap	Pref. Stock	Debt	Ent. Value	Debt/ Total Cap.	LTM			LTM Multiple			Forward Multiples	
			QTD	YTD						Rev.	EBITDA	Net Income	EV / Rev	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
Saul Centers Inc.	BFS	\$66.61	0.0%	29.9%	\$1,425	\$180	\$914	\$2,520	36%	\$217	\$140	\$45	11.6x	18.0x	31.5x	17.2x	nm
Simon Property Group Inc.	SPG	\$177.67	-14.2%	-8.6%	\$55,831	\$43	\$23,128	\$79,002	29%	\$5,435	\$3,999	\$1,839	14.5x	19.8x	30.4x	20.1x	28.4x
SL Green Realty Corp.	SLG	\$107.55	-0.5%	-4.8%	\$10,897	\$222	\$7,218	\$18,337	39%	\$1,782	\$983	\$261	10.3x	18.7x	41.7x	15.8x	nm
Tanger Factory Outlet Centers Inc.	SKT	\$35.78	-8.2%	9.4%	\$3,400	\$0	\$1,736	\$5,137	34%	\$477	\$264	\$194	10.8x	19.5x	17.6x	18.9x	36.2x
Taubman Centers, Inc.	TCO	\$73.93	-0.6%	-3.6%	\$4,468	\$0	\$3,025	\$7,492	40%	\$610	\$322	\$130	12.3x	23.3x	34.2x	20.0x	49.0x
The Macerich Company	MAC	\$70.84	-12.4%	-12.2%	\$10,181	\$0	\$5,137	\$15,319	34%	\$1,085	\$645	\$517	14.1x	23.8x	19.7x	25.3x	106.5x
Urstadt Biddle Properties Inc.	UBA	\$24.11	8.5%	25.3%	\$863	\$204	\$292	\$1,359	21%	\$118	\$70	\$34	11.5x	19.4x	25.6x	20.2x	39.6x
Washington Real Estate Investment Trust	WRE	\$32.69	5.0%	20.8%	\$2,438	\$0	\$1,118	\$3,556	31%	\$313	\$178	\$119	11.4x	20.0x	20.4x	19.6x	20.4x
Weingarten Realty Investors	WRI	\$35.79	-8.2%	3.5%	\$4,583	\$0	\$2,477	\$7,061	35%	\$550	\$361	\$239	12.8x	19.6x	19.2x	19.1x	20.6x
<b>Median</b>			<b>5.0%</b>	<b>20.8%</b>					<b>31%</b>				<b>11.5x</b>	<b>19.6x</b>	<b>20.4x</b>	<b>19.6x</b>	<b>20.6x</b>

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate (continued)

Company Name	Ticker	Price at 12/30/16	% Change		Market Cap	Pref. Stock	Debt	Ent. Value	Debt/ Total Cap.	LTM			LTM Multiple			Forward Multiples	
			QTD	YTD						Rev.	EBITDA	Net Income	EV / Rev	EV / EBITDA	Price / Earn.	EV / EBITDA	Price / Earn.
<b>Property Management Companies</b>																	
Acadia Realty Trust	AKR	\$32.68	-9.8%	-1.4%	\$2,643	\$0	\$1,772	\$4,415	40%	\$222	\$124	\$73	19.9x	35.7x	36.3x	30.8x	35.8x
CBRE Group, Inc.	CBG	\$31.49	12.5%	-8.9%	\$10,333	\$0	\$3,981	\$14,315	28%	\$13,072	\$1,205	\$572	1.1x	11.9x	18.1x	9.5x	14.5x
Jones Lang LaSalle Incorporated	JLL	\$101.04	-11.2%	-36.8%	\$4,568	\$0	\$1,564	\$6,131	26%	\$6,804	\$651	\$318	0.9x	9.4x	14.4x	9.6x	12.7x
Kennedy-Wilson Holdings, Inc.	KW	\$20.50	-9.1%	-14.9%	\$2,393	\$0	\$5,474	\$7,867	70%	\$714	\$221	\$6	11.0x	35.6x	427.3x	25.9x	nm
Realty Holdings Corp.	RLGY	\$25.73	-0.5%	-29.8%	\$3,670	\$0	\$3,576	\$7,246	49%	\$5,810	\$761	\$213	1.2x	9.5x	17.2x	9.5x	16.8x
<b>Median</b>			<b>-4.8%</b>	<b>-22.4%</b>					<b>59%</b>				<b>6.1x</b>	<b>22.6x</b>	<b>222.3x</b>	<b>17.7x</b>	<b>16.8x</b>

Source: S&amp;P Global Market Intelligence



# Mercer Capital

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