

# VALUE FOCUS

# REAL ESTATE

Sector Focus: Healthcare Facilities



## Second Quarter 2016

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# Healthcare Facilities

As of the most recent data in 2014, healthcare spending in the United States was \$5.4 trillion. Average annual growth in national healthcare expenditures from 2014 to 2024 is expected to be approximately 6.5%. As a share of gross domestic product, **national healthcare expenditure is expected to increase** from 17.5% in 2014 to 19.6% by 2024. This increase is expected to drive demand for healthcare facilities and medical office space in the next decade, which is estimated to rise 19% by 2019.

In general, healthcare offices were able to withstand the economic recession better than many other real estate sectors, due to their connection and importance to the overall healthcare system. Positive fundamentals for the segment in 2015 and the first half of 2016 supported investors' view of the healthcare segment as a relatively stable real estate investment.

The number of medical office properties in 2016 was approximately 51,000, with total annual sales of \$5 billion. Growth and aging in the U.S. population continues to affect growth in the number and size of healthcare facilities. Passage of the Affordable Care Act (ACA) is estimated to expand healthcare coverage to 32 million Americans by 2019. An estimated 64 million square feet will be required to meet this increased demand. **According to Kay Properties and Investments**, the value of existing medical office properties reached \$315 billion in 2016, at an average price per square foot of \$300.

Average rents in the medical office space were \$22.95 per square foot in the third quarter 2015, which was relatively flat compared to the prior year. However, the **asking rent remains 4.1% above** the \$22.16 low observed in early 2013. As of the third quarter of 2015, the **capitalization rate for healthcare facilities** was 7.2%, continuing the slow decline from the 8.0% cap rates observed in 2010. Low cap rates combined with the low interest rates observed in the first half of 2016, have increased demand for medical offices.

## Total Construction Pipeline

|                                     | MOB     | Hospital | Total   |
|-------------------------------------|---------|----------|---------|
| # of Properties                     | 542     | 647      | 1,189   |
| Total SF                            | 38.7M   | 84.4M    | 123.1M  |
| Total Construction Value            | \$18.3B | \$68.3B  | \$86.7B |
| Median SF / Project                 | 45.0k   | 50.0k    | 46.0k   |
| Median Construction Value / Project | \$14.0M | \$37.5M  | \$21.0M |

Source: Colliers

## Healthcare Facilities (continued)

During 2015 the **vacancy rate in medical office buildings** fell 30 basis points from 2014 to 9.5%. This vacancy is on par with the low rate observed in the second quarter 2008, and down from a peak in 2010 of 10.8%. Absorption increased 5.8 million square feet from January to September 2015. Although absorption remains positive, expected absorption for 2015 has slowed from the 8.5 to 10.2 million annual absorption observed in 2012-2014. New construction at year-end 2015 was estimated at 123.1 million square feet nationally, with 69% of the total square footage in hospital construction.

New growth is expected to come from expansion of traditional healthcare spaces (such as hospitals and medical offices) as well as the addition of “retail” medical facilities such as freestanding emergency departments and urgent care centers. According to **Colliers research**, the trend in ambulatory and outpatient care is towards separate, off-campus facilities in less expensive suburban markets. **65% of hospital revenue** is now coming from outpatient services, versus only 35% ten years ago. This acceleration of healthcare systems' investment in newer ambulatory facilities being developed off-campus is the largest healthcare real estate trend (the outpatient setting is easier for patients to receive care and keeps hospital beds open for those who really need them). Facilities include medical office buildings (MOBs), cancer treatment centers, ambulatory surgery centers, diagnostic treatment centers, and rehab facilities. This shift has commanded a need for real estate advisors who are knowledgeable about land use trends and prices, traffic patterns, infrastructure, and rental rates. This increased pace to the **ambulatory model** (in order to be closer to patient populations that health providers want to serve to increase their market share) has led to more competition among larger healthcare systems. There has also been competing demand for capital: hospitals have moved away from using cash, tax-exempt bond issues, or commercial debt to finance facility investments, now relying on investments by publicly traded real estate investment trusts (REITS).

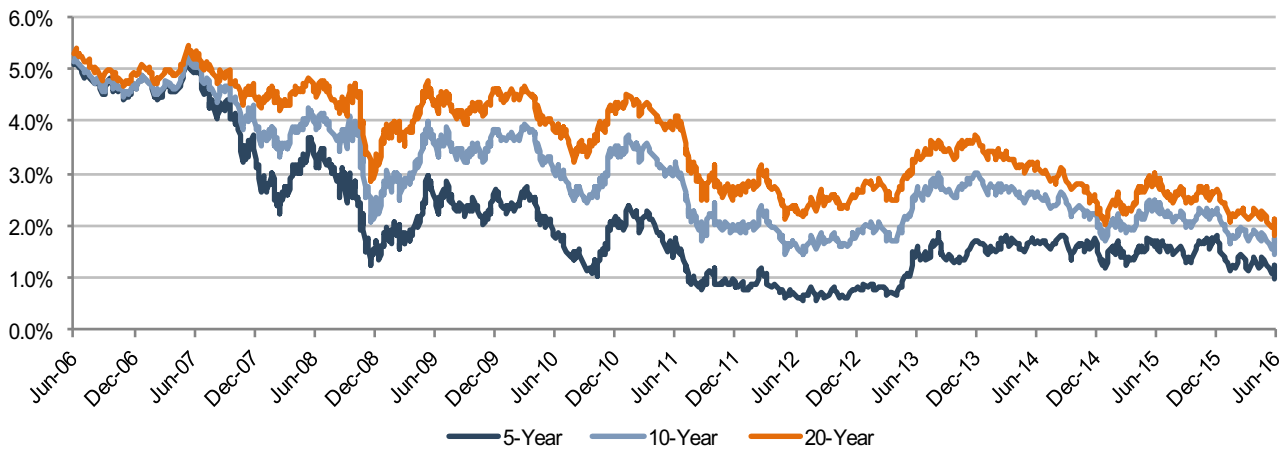
**MOBs remain attractive** to investors, with sales reaching \$6.7 billion in 2013. The average price per square foot for MOBs remained close to \$250 in 2014, \$25 above the sector's peak years from 2006-2008 (prior to the economic downturn). While only 15 million square feet of healthcare properties have been developed since 2011—compared with 41 million square feet in 2008-2009—the demand for MOBs has been growing at a slow, steady, sustainable rate in the past four years. There has also been a relative increase in size of the new facilities, as they are offering more comprehensive medical services under one roof. In the past, 40,000-50,000 square feet was the standard size of a hospital-sponsored MOB, and they generally opened with 85% occupancy, not filling up until three or four years later. The MOBs were multiple-tenant buildings, housing mostly third-party physicians. Projects now open with the same occupancy rate, but **occupy between 120,000 and 150,000 square feet**, with the entire space under one master lease for hospital services and hospital-employed physicians.

## Macro Indicators

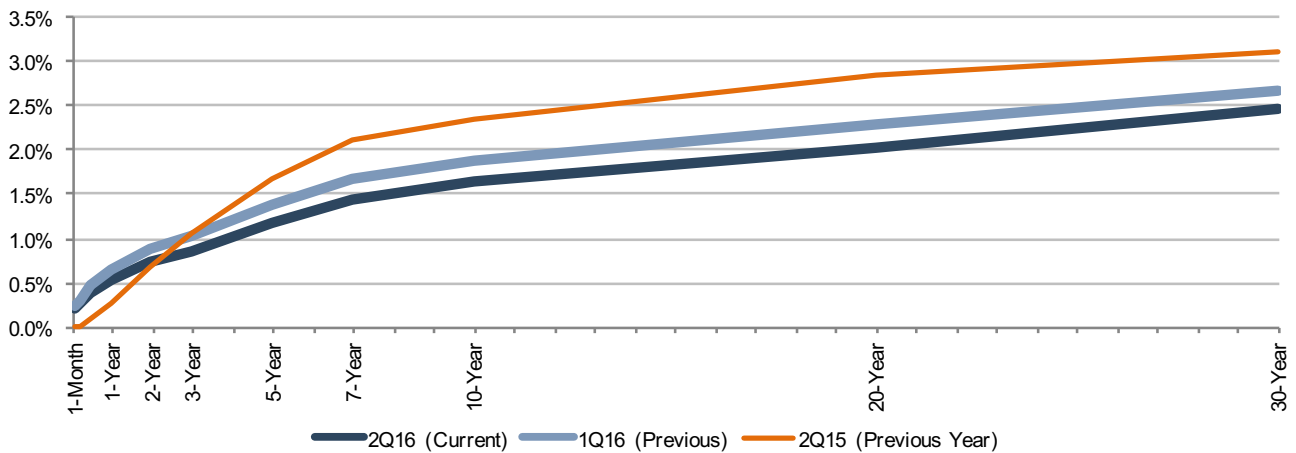
Treasury yields fell during the second quarter on all maturities. Bond prices are negatively correlated with their respective yields, which can shift abruptly due to investor reactions to major variances in reported economic data versus market expectations (e.g., expected inflation, growth, monetary 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



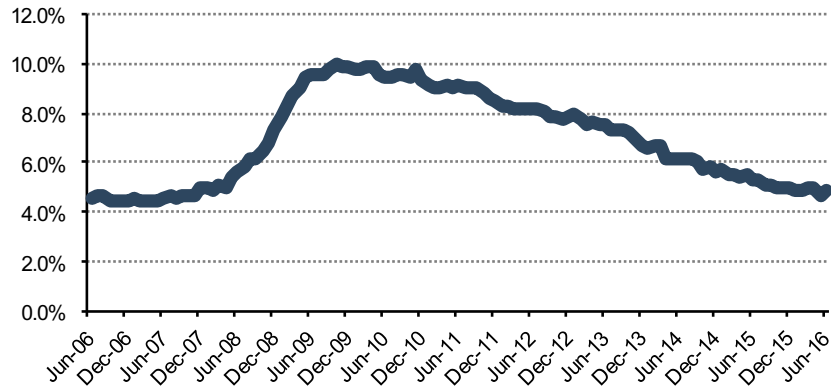
### U.S. Treasury Yield Curve



## Macro Indicators (continued)

### Unemployment

The number of nonfarm payroll jobs increased by 278,000 in June 2016. June's gain follows increases of 144,000 and 11,000 jobs in April and May, respectively. While unemployment has consistently fallen throughout the past several years, the labor force participation rate is also lower relative to pre-recession levels. In June 2016, the labor force participation rate stood at 62.7% (relative to mid- to high- 60s prior to the recession). Excluding the recent trend, the last time the labor force participation rate was lower than its current level was 1977. As job availability increases, the labor force participation may improve as individuals re enter the workforce. This, in turn, could lead to periodic increases in the unemployment rate even as the labor market improves.



Source: Bureau of Labor Statistics

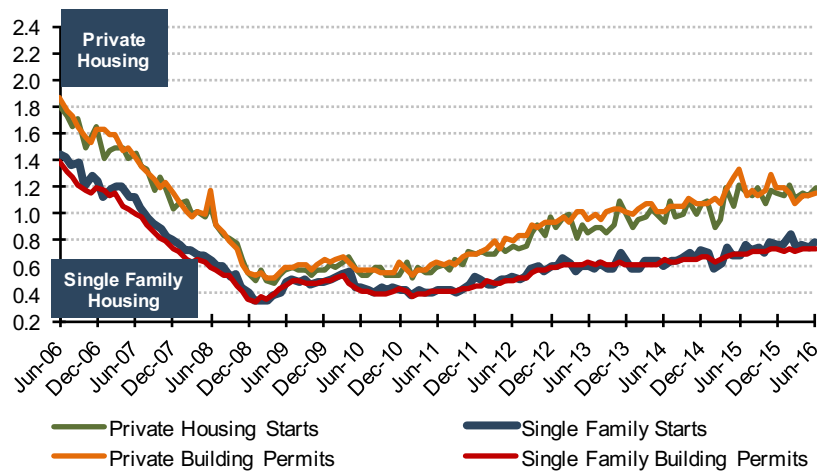
## Macro Indicators (continued)

### 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 1,189,000 units in June 2016 which was 2.0% below the June 2015 level. The seasonally adjusted annual rate of private housing units authorized by building permits (considered the best indicator of future housing starts) was 1,153,000 units in June 2016, 13.6% below the June 2015 level.

According to the National Association of Realtors ("NAR"), existing-home sales (at a seasonally adjusted annual rate) totaled 5.6 million in June 2016, 3.0% above the June 2015 level. Housing inventory stood at 2.12 million existing homes, representing approximately 4½ months of supply at the current sales pace and down 5.8% since June 2015. The national median existing-home price increased 4.8% relative to June 2015. Distressed sales, which include foreclosures and short sales, accounted for approximately 6% of sales in June 2016, down 8.0% from June 2015. The June 2016 data indicate that the housing market recovery continues to improve.



Source: U.S. Census Bureau

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

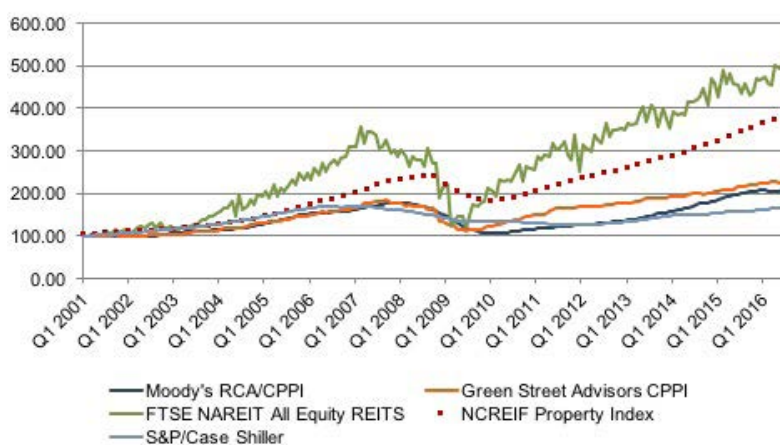
Beginning with January 2004, building permit data reflects the change to the 20,000 place series.

## Industry Performance and M&A Activity

The real estate industry continued the trend of improved fundamentals during the second quarter of 2016, and it appears that M&A activity finally caught up. Real estate showed a continued upward trend in fundamentals and index improvement, alongside positive performance in the broad market. After several consecutive quarters of fundamentals growth, M&A has boomed again. With deal count at one of the highest levels observed in recent years and large deal volume, it appears that confidence in the real estate market's performance is being somewhat restored.

### Commercial Property Price Indices

All commercial real estate price indices posted year-over-year increases in the second quarter, with the strongest growth in the FTSE NAREIT Index (23.6%). All indices showed increases over first quarter 2016 as well. For quarterly growth, the FTSE NAREIT index again led with growth of 7.4%, followed by the Moody's RCA/CPPI (3.7%), NCREIF Property Index (2.0%), and Green Street Advisors (1.9%). In the residential space, the S&P/Case Schiller Index posted growth of 0.5% for the quarter.



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

### REIT Performance Through June 30, 2016

Total REIT returns outperformed broad market U.S. benchmarks during the second quarter, although individual sector returns varied. The highest quarter returns were in the industrial and office sector and all sectors except lodging and resorts showed positive returns. Year-to-date the industrial and office sector also had the highest return at 19.6%. Despite a positive second quarter, residential sector returns remain at negative 0.7% for the year.

|   | Total Return        |       |          |             | Dividend Yield (%) |
|---|---------------------|-------|----------|-------------|--------------------|
|   | Most Recent Quarter | YTD   | One Year | Three Years |                    |
| <b>FTSE NAREIT Sectors</b>                |                     |       |          |             |                    |
| Industrial/Office                         | 15.4%               | 19.6% | 29.3%    | 47.8%       | 3.37%              |
| Retail                                    | 7.3%                | 16.1% | 30.9%    | 51.0%       | 3.29%              |
| Residential                               | 0.9%                | -0.7% | 15.1%    | 47.4%       | 2.97%              |
| Lodging/Resorts                           | -2.8%               | 3.1%  | -13.1%   | 18.9%       | 5.61%              |
| Health Care                               | 12.0%               | 16.3% | 22.2%    | 22.1%       | 5.14%              |
| All Equity REITS                          | 7.4%                | 13.7% | 23.6%    | 44.9%       | 3.59%              |
| <b>US Benchmarks</b>                      |                     |       |          |             |                    |
| S&P 500                                   | 2.5%                | 3.8%  | 4.0%     | 11.7%       | 2.11%              |
| Russell 2000                              | 3.8%                | 2.2%  | -6.7%    | 7.1%        | na                 |
| NASDAQ Composite <sup>1</sup>             | -0.2%               | -2.7% | -1.7%    | 13.9%       | na                 |
| Dow Jones Industrial Average <sup>1</sup> | 2.1%                | 4.3%  | 4.5%     | 9.0%        | na                 |

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

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

### Change in Mortgage Origination Volume by Sector

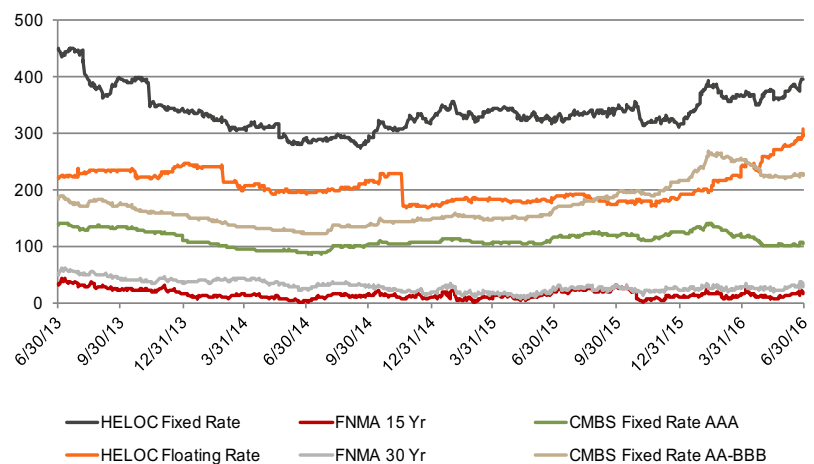
Mortgage originations exhibited varied performance year-over-year. While office (10.8%), single-family (10.6%), and industrial (9.3%) showed improvement, the healthcare sector showed a large decline (-63.7%). For the quarter, single-family housing had the largest increase in origination volume with a 45.7% increase. Originations in all sectors increased from the first quarter of 2016, except healthcare.

|            | Multifamily | Office | Retail | Industrial | Hotel  | Healthcare | Single Family |
|------------|-------------|--------|--------|------------|--------|------------|---------------|
| YOY Change | -1.3%       | 10.8%  | -9.3%  | 9.3%       | -11.5% | -63.7%     | 10.6%         |
| QOQ Change | 18.1%       | 7.0%   | 14.4%  | 1.9%       | 25.7%  | -25.0%     | 45.7%         |

Source: Mortgage Bankers Association

### CMBS Spreads to Swaps

Flat or declining spreads over U.S. Treasuries were observed in most CMBS and other structured real estate products during the second quarter 2016. However, HELOC spreads showed continued expansion with a 29 bp increase for fixed rate products and a 66 bp increase for floating. CMBS spreads declined 27 bp for the AA-BBB class and 12 bp for the AAA class. FNMA products exhibited virtually no change from first quarter.

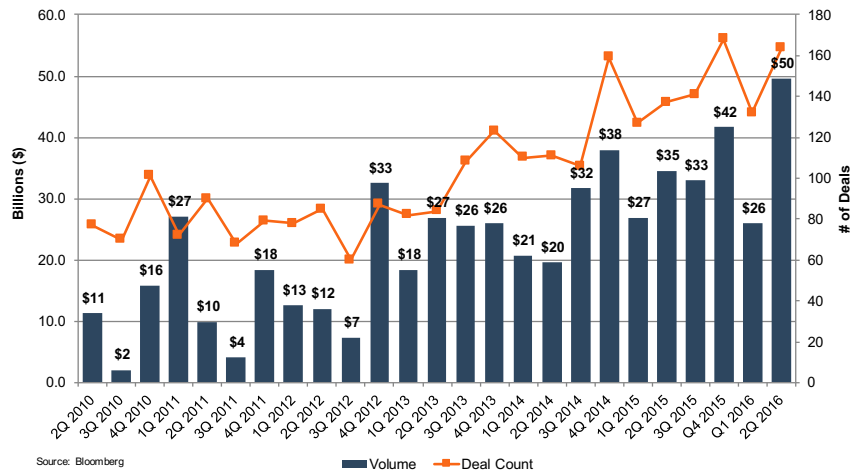




## Industry Performance and M&A Activity (continued)

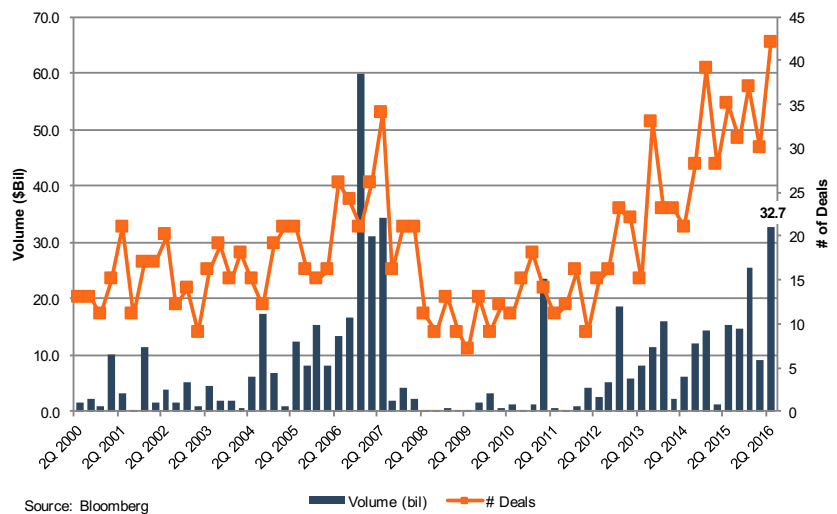
### Global M&A Deals in Real Estate

Global M&A activity regained momentum from the first quarter 2016, rising 91% to \$50 billion. At 164 deals, deal count was at the highest level observed since 2010. Reflecting a strong domestic M&A market, the U.S. led global activity in the second quarter 2016.



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

The upturn in the U.S. M&A market was even stronger, increasing more than 200% over the first quarter 2016. Deal volume totaled \$33 billion for the quarter over 42 deals. Although deal volume remains below the pre-recession peak, this quarter showed the largest number of deals since 2000, indicating heightened activity in the space.



# Publicly Traded Companies

## Hospitality

| Company Name                            | Ticker | Price at 6/30/16 | % Change     |             |               | Market Cap | Pref. Stock | Debt    | Ent. Value | Debt/ Total Cap. | LTM      |         |            | LTM Multiple |              |               | Forward Multiples |               |
|---|--------|------------------|--------------|-------------|---------------|------------|-------------|---------|------------|------------------|----------|---------|------------|--------------|--------------|---------------|-------------------|---------------|
|   |        |                  | QTD          | YTD         | LTM           |            |             |         |            |                  | Rev.     | EBITDA  | Net Income | EV / Rev     | EV / EBITDA  | Price / Earn. | EV / EBITDA       | Price / Earn. |
| <b>Hotel/Hospitality Companies</b>      |        |                  |              |             |               |            |             |         |            |                  |          |         |            |              |              |               |                   |               |
| Choice Hotels International Inc         | CHH    | \$47.62          | -11.6%       | -5.5%       | -12.2%        | \$2,690    | \$0         | \$699   | \$3,389    | 21%              | \$901    | \$231   | \$131      | 3.8x         | 14.6x        | 20.6x         | 13.3x             | 19.5x         |
| Hyatt Hotels Corp                       | H      | \$49.14          | 0.4%         | 4.5%        | -13.3%        | \$6,603    | \$0         | \$884   | \$7,487    | 12%              | \$2,577  | \$652   | \$163      | 2.9x         | 11.5x        | 40.5x         | 9.4x              | 30.3x         |
| InterContinental Hotels Group PLC       | IHG    | \$27.53          | -18.7%       | -13.7%      | -10.6%        | \$5,394    | \$0         | \$365   | \$5,759    | 6%               | \$1,726  | \$737   | \$1,055    | 3.3x         | 7.8x         | 5.1x          | 7.3x              | 14.2x         |
| Marcus Corp/The                         | MCS    | \$21.10          | 10.4%        | 11.2%       | 10.0%         | \$580      | \$0         | \$251   | \$831      | 30%              | \$560    | \$120   | \$43       | 1.5x         | 6.9x         | 13.5x         | 7.5x              | 16.2x         |
| Marriott International Inc/MD           | MAR    | \$66.46          | -7.1%        | -0.9%       | -10.7%        | \$16,896   | \$0         | \$4,060 | \$20,956   | 19%              | \$2,892  | \$1,591 | \$878      | 7.2x         | 13.2x        | 19.2x         | 9.8x              | 18.3x         |
| Red Lion Hotels Corp                    | RLH    | \$7.26           | -12.5%       | 3.6%        | -5.2%         | \$146      | \$0         | \$93    | \$239      | 39%              | \$149    | \$11    | -\$10      | 1.6x         | 22.2x        | nm            | 13.0x             | nm            |
| Starwood Hotels & Resorts Worldwide Inc | HOT    | \$111.23         | 1.8%         | 60.6%       | 60.3%         | \$7,251    | \$0         | \$910   | \$8,161    | 11%              | \$19,678 | \$854   | \$241      | 0.4x         | 9.6x         | 30.1x         | 8.3x              | 21.4x         |
| Vail Resorts Inc                        | MTN    | \$138.23         | 5.0%         | 8.0%        | 26.6%         | \$4,999    | \$0         | \$574   | \$5,573    | 10%              | \$1,515  | \$416   | \$121      | 3.7x         | 13.4x        | 41.4x         | 12.3x             | 33.5x         |
| Wyndham Worldwide Corp                  | WYN    | \$71.23          | -6.8%        | -2.0%       | -13.0%        | \$7,974    | \$0         | \$5,117 | \$13,091   | 39%              | \$5,149  | \$1,252 | \$581      | 2.5x         | 10.5x        | 13.7x         | 9.6x              | 12.5x         |
| Hilton Worldwide Holdings Inc           | HLT    | \$67.59          | -0.9%        | 5.3%        | -18.2%        | \$22,299   | \$0         | \$9,748 | \$32,047   | 30%              | \$7,196  | \$2,686 | \$1,641    | 4.5x         | 11.9x        | 13.6x         | 10.8x             | 25.8x         |
| <b>Median</b>                           |        |                  | <b>-3.8%</b> | <b>4.0%</b> | <b>-10.6%</b> |            |             |         |            | <b>20.0%</b>     |          |         |            | <b>3.1x</b>  | <b>11.7x</b> | <b>19.2x</b>  | <b>9.7x</b>       | <b>19.5x</b>  |

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Hospitality (continued)

| Company Name                                      | Ticker | Price at 6/30/16 | % Change     |              |               | Market Cap | Pref. Stock | Debt    | Ent. Value | Debt/ Total Cap. | LTM     |         |            | LTM Multiple |              |               | Forward Multiples |               |
|---|--------|------------------|--------------|--------------|---------------|------------|-------------|---------|------------|------------------|---------|---------|------------|--------------|--------------|---------------|-------------------|---------------|
|   |        |                  | QTD          | YTD          | LTM           |            |             |         |            |                  | 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    | \$14.14          | 23.8%        | -2.5%        | -5.9%         | \$400      | \$66        | \$769   | \$1,235    | 62%              | \$386   | \$82    | -\$11      | 3.2x         | 15.1x        | nm            | 12.3x             | 29.8x         |
| Ashford Hospitality Trust Inc                     | AHT    | \$5.37           | -13.7%       | -14.9%       | -36.5%        | \$514      | \$0         | \$3,769 | \$4,283    | 88%              | \$1,490 | \$415   | -\$18      | 2.9x         | 10.3x        | nm            | 9.7x              | nm            |
| Chatham Lodging Trust                             | CLDT   | \$21.98          | 3.4%         | 7.3%         | -17.0%        | \$840      | \$0         | \$595   | \$1,436    | 41%              | \$289   | \$109   | \$34       | 5.0x         | 13.1x        | 24.5x         | 11.0x             | 28.5x         |
| Chesapeake Lodging Trust                          | CHSP   | \$23.25          | -12.2%       | -7.6%        | -23.7%        | \$1,372    | \$0         | \$731   | \$2,103    | 35%              | \$621   | \$190   | \$81       | 3.4x         | 11.1x        | 17.0x         | 11.5x             | 20.2x         |
| DiamondRock Hospitality Co                        | DRH    | \$9.03           | -9.2%        | -6.4%        | -29.5%        | \$1,814    | \$0         | \$977   | \$2,790    | 35%              | \$942   | \$261   | \$111      | 3.0x         | 10.7x        | 16.3x         | 10.8x             | 16.0x         |
| FelCor Lodging Trust Inc                          | FCH    | \$6.23           | -22.1%       | -14.7%       | -36.9%        | \$866      | \$368       | \$1,395 | \$2,629    | 53%              | \$877   | \$215   | -\$4       | 3.0x         | 12.2x        | nm            | 11.1x             | nm            |
| Hersha Hospitality Trust                          | HT     | \$17.15          | -18.8%       | -21.2%       | -33.1%        | \$755      | \$0         | \$1,282 | \$2,037    | 63%              | \$484   | \$158   | \$129      | 4.2x         | 12.9x        | 5.9x          | 11.8x             | 8.3x          |
| Hospitality Properties Trust                      | HPT    | \$28.80          | 9.5%         | 10.1%        | -0.1%         | \$4,365    | \$280       | \$3,482 | \$8,127    | 43%              | \$2,004 | \$689   | \$150      | 4.1x         | 11.8x        | 29.1x         | 10.9x             | 24.2x         |
| Host Hotels & Resorts Inc                         | HST    | \$16.21          | -1.5%        | 5.7%         | -18.3%        | \$12,114   | \$0         | \$3,924 | \$16,038   | 24%              | \$5,460 | \$1,421 | \$777      | 2.9x         | 11.3x        | 15.6x         | 11.0x             | 16.4x         |
| LaSalle Hotel Properties                          | LHO    | \$23.58          | -7.1%        | -6.3%        | -33.5%        | \$2,666    | \$0         | \$1,516 | \$4,182    | 36%              | \$1,236 | \$376   | \$143      | 3.4x         | 11.1x        | 18.7x         | 10.6x             | 11.4x         |
| Pebblebrook Hotel Trust                           | PEB    | \$26.25          | -9.3%        | -6.3%        | -38.8%        | \$1,892    | \$0         | \$1,242 | \$3,134    | 40%              | \$822   | \$256   | \$152      | 3.8x         | 12.2x        | 12.5x         | 11.5x             | 39.8x         |
| RLJ Lodging Trust                                 | RLJ    | \$21.45          | -4.3%        | -0.8%        | -28.0%        | \$2,659    | \$0         | \$1,509 | \$4,168    | 36%              | \$1,157 | \$378   | \$198      | 3.6x         | 11.0x        | 13.4x         | 10.8x             | nm            |
| Ryman Hospitality Properties Inc                  | RHP    | \$50.65          | -1.0%        | -1.9%        | -4.6%         | \$2,554    | \$0         | \$1,424 | \$3,978    | 36%              | \$1,118 | \$297   | \$143      | 3.6x         | 13.4x        | 17.8x         | 11.6x             | 17.0x         |
| Sotherly Hotels Inc                               | SOHO   | \$5.64           | 8.0%         | -8.4%        | -20.2%        | \$84       | \$0         | \$307   | \$392      | 78%              | \$150   | \$32    | \$6        | 2.6x         | 12.1x        | 15.1x         | 10.8x             | 62.7x         |
| Strategic Hotels & Resorts Inc                    | BEE    | \$5.50           | 6.8%         | 20.4%        | 2.8%          | \$93       | \$0         | \$6     | \$98       | 6%               | \$4     | \$0     | \$2        | 23.7x        | nm           | 43.7x         | nm                | nm            |
| Summit Hotel Properties Inc                       | INN    | \$13.24          | 12.9%        | 10.8%        | 1.8%          | \$1,156    | \$0         | \$670   | \$1,826    | 37%              | \$480   | \$156   | \$168      | 3.8x         | 11.7x        | 6.9x          | 11.2x             | 13.1x         |
| Sunstone Hotel Investors Inc                      | SHO    | \$12.07          | -11.4%       | -3.4%        | -19.6%        | \$2,614    | \$190       | \$795   | \$3,599    | 22%              | \$1,221 | \$345   | \$361      | 2.9x         | 10.4x        | 7.2x          | 11.1x             | 25.7x         |
| <b>Median</b>                                     |        |                  | <b>-4.3%</b> | <b>-3.4%</b> | <b>-20.2%</b> |            |             |         |            | <b>37%</b>       |         |         |            | <b>3.4x</b>  | <b>11.7x</b> | <b>16.0x</b>  | <b>11.1x</b>      | <b>20.2x</b>  |

Source: S&amp;P Global Market Intelligence

# Publicly Traded Companies

## Residential

| Company Name  | Ticker | Price at 6/30/16 | % Change    |             |              | Market Cap | Pref. Stock | Debt    | Ent. Value | Debt/ Total Cap. | LTM     |         |            | LTM Multiple |              |               | Forward Multiples |               |
|---|--------|------------------|-------------|-------------|--------------|------------|-------------|---------|------------|------------------|---------|---------|------------|--------------|--------------|---------------|-------------------|---------------|
|   |        |                  | QTD         | YTD         | LTM          |            |             |         |            |                  | 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    | \$52.87          | 13.8%       | 27.9%       | 40.3%        | \$6,897    | \$0         | \$2,318 | \$9,214    | 25%              | \$769   | \$379   | \$94       | 12.0x        | 24.3x        | 73.2x         | 23.6x             | 59.9x         |
| Apartment Investment and Management Company         | AIV    | \$44.16          | 6.0%        | 10.3%       | 19.6%        | \$6,916    | \$159       | \$4,076 | \$11,151   | 37%              | \$964   | \$566   | \$342      | 11.6x        | 19.7x        | 20.2x         | 19.4x             | 25.1x         |
| Preferred Apartment Communities, Inc.               | APTS   | \$14.72          | 16.5%       | 12.5%       | 47.9%        | \$354      | \$0         | \$865   | \$1,219    | 71%              | \$151   | \$75    | -\$5       | 8.0x         | 16.3x        | nm            | 10.6x             | nm            |
| Avalonbay Communities Inc.                          | AVB    | \$180.39         | -4.5%       | -2.0%       | 12.8%        | \$24,743   | \$0         | \$6,415 | \$31,158   | 21%              | \$1,997 | \$1,290 | \$797      | 15.6x        | 24.2x        | 31.0x         | 23.6x             | 40.1x         |
| Brookfield Real Estate Services Inc.                | BRE    | \$14.98          | 1.9%        | 2.2%        | -0.3%        | \$192      | \$0         | \$66    | \$258      | 26%              | \$41    | \$33    | \$7        | 6.2x         | 7.9x         | 27.8x         | nm                | nm            |
| Camden Property Trust                               | CPT    | \$88.42          | 5.9%        | 15.2%       | 19.0%        | \$7,692    | \$0         | \$2,835 | \$10,527   | 27%              | \$939   | \$528   | \$586      | 11.2x        | 19.9x        | 13.1x         | 20.8x             | 9.8x          |
| EdR   | EDR    | \$46.14          | 10.3%       | 21.8%       | 47.1%        | \$3,114    | \$0         | \$386   | \$3,500    | 11%              | \$272   | \$124   | \$44       | 12.9x        | 28.1x        | 70.2x         | 25.9x             | 67.0x         |
| Equity Residential                                  | EQR    | \$68.88          | -8.0%       | -15.6%      | -1.8%        | \$25,176   | \$37        | \$8,975 | \$34,188   | 26%              | \$2,614 | \$1,696 | \$4,208    | 13.1x        | 20.2x        | 6.0x          | 21.8x             | 59.1x         |
| Essex Property Trust Inc.                           | ESS    | \$228.09         | -1.8%       | -4.7%       | 7.3%         | \$14,924   | \$0         | \$5,525 | \$20,449   | 27%              | \$1,292 | \$873   | \$278      | 15.8x        | 23.4x        | 53.6x         | 21.3x             | 53.1x         |
| Independence Realty Trust, Inc.                     | IRT    | \$8.18           | 20.3%       | 8.9%        | 8.6%         | \$388      | \$0         | \$942   | \$1,330    | 71%              | \$142   | \$69    | \$57       | 9.4x         | 19.3x        | 6.8x          | 17.8x             | nm            |
| Mid-America Apartment Communities Inc.              | MAA    | \$106.40         | 4.8%        | 17.2%       | 46.1%        | \$8,034    | \$0         | \$3,593 | \$11,627   | 31%              | \$1,067 | \$603   | \$223      | 10.9x        | 19.3x        | 36.0x         | 18.3x             | 39.1x         |
| Post Properties Inc.                                | PPS    | \$0.04           | -12.5%      | -15.2%      | -12.5%       | \$23       | \$0         | \$23    | \$45       | 50%              | \$1     | -\$10   | -\$15      | 66.2x        | -4.5x        | nm            | nm                | nm            |
| UDR, Inc.   | UDR    | \$36.92          | -3.5%       | -1.7%       | 15.3%        | \$9,863    | \$46        | \$4,382 | \$14,291   | 31%              | \$937   | \$575   | \$208      | 15.3x        | 24.9x        | 47.4x         | 22.7x             | 33.0x         |
| <b>Median</b>                                       |        |                  | <b>4.8%</b> | <b>8.9%</b> | <b>15.3%</b> |            |             |         |            | <b>27%</b>       |         |         |            | <b>12.0x</b> | <b>19.9x</b> | <b>31.0x</b>  | <b>21.3x</b>      | <b>40.1x</b>  |

Source: S&amp;P Global Market Intelligence

# Publicly Traded Companies

## Healthcare

| Company Name                         | Ticker | Price at 6/30/16 | % Change |        |        | Market Cap | Pref. Stock | Debt     | Ent. Value | Debt/ Total Cap. | LTM      |         |            | LTM Multiple |             |               | Forward Multiples |               |
|--------------------------------------|--------|------------------|----------|--------|--------|------------|-------------|----------|------------|------------------|----------|---------|------------|--------------|-------------|---------------|-------------------|---------------|
|                                      |        |                  | QTD      | YTD    | LTM    |            |             |          |            |                  | Rev.     | EBITDA  | Net Income | EV / Rev     | EV / EBITDA | Price / Earn. | EV / EBITDA       | Price / Earn. |
| <b>Healthcare Facilities</b>         |        |                  |          |        |        |            |             |          |            |                  |          |         |            |              |             |               |                   |               |
| Community Health Systems, Inc.       | CYH    | \$12.05          | -34.4%   | -54.6% | -80.9% | \$1,359    | \$0         | \$17,518 | \$18,877   | 93%              | \$19,233 | \$2,097 | -\$1,452   | 1.0x         | 9.0x        | nm            | 8.6x              | 63.7x         |
| HCA Holdings, Inc.                   | HCA    | \$77.01          | -1.4%    | 13.9%  | -15.1% | \$30,115   | \$0         | \$31,327 | \$61,442   | 51%              | \$40,684 | \$7,962 | \$2,383    | 1.5x         | 7.7x        | 12.6x         | 7.5x              | 11.5x         |
| LifePoint Health, Inc.               | LPNT   | \$65.37          | -5.9%    | -10.9% | -24.8% | \$2,838    | \$0         | \$2,710  | \$5,548    | 49%              | \$5,853  | \$642   | \$135      | 0.9x         | 8.6x        | 21.0x         | 7.4x              | 18.2x         |
| Tenet Healthcare Corp.               | THC    | \$27.64          | -4.5%    | -8.8%  | -52.2% | \$2,745    | \$0         | \$16,476 | \$19,221   | 86%              | \$19,630 | \$2,276 | -\$231     | 1.0x         | 8.4x        | nm            | 7.9x              | 22.9x         |
| Universal Health Services Inc.       | UHS    | \$134.10         | 7.0%     | 12.2%  | -5.6%  | \$13,013   | \$0         | \$3,558  | \$16,572   | 21%              | \$9,424  | \$1,694 | \$700      | 1.8x         | 9.8x        | 18.6x         | 9.8x              | 18.3x         |
| AdCare Health Systems, Inc.          | ADK    | \$1.84           | -25.8%   | -26.1% | -46.8% | \$37       | \$59        | \$114    | \$210      | 54%              | \$27     | \$7     | -\$20      | 7.9x         | 28.9x       | nm            | nm                | nm            |
| Brookdale Senior Living Inc.         | BKD    | \$15.44          | 0.1%     | -16.4% | -55.5% | \$2,869    | \$0         | \$6,361  | \$9,230    | 69%              | \$4,262  | \$798   | -\$327     | 2.2x         | 11.6x       | nm            | 11.6x             | nm            |
| Capital Senior Living Corp.          | CSU    | \$17.67          | -3.8%    | -15.3% | -27.9% | \$529      | \$0         | \$818    | \$1,347    | 61%              | \$431    | \$79    | -\$14      | 3.1x         | 17.1x       | nm            | 14.9x             | nm            |
| Five Star Quality Care Inc.          | FVE    | \$2.34           | 4.5%     | -26.4% | -51.3% | \$116      | \$0         | \$94     | \$210      | 45%              | \$1,131  | \$33    | -\$44      | 0.2x         | 6.4x        | nm            | 8.3x              | nm            |
| Alliance Healthcare Services, Inc.   | AIQ    | \$6.24           | -12.5%   | -32.0% | -66.6% | \$66       | \$0         | \$606    | \$672      | 90%              | \$494    | \$118   | \$8        | 1.4x         | 5.7x        | 8.0x          | nm                | nm            |
| Quest Diagnostics Inc.               | DGX    | \$81.41          | 12.7%    | 14.4%  | 12.3%  | \$11,516   | \$0         | \$3,872  | \$15,388   | 25%              | \$7,498  | \$1,475 | \$828      | 2.1x         | 10.4x       | 13.9x         | 10.4x             | 16.0x         |
| Laboratory Corp. of America Holdings | LH     | \$130.27         | 10.5%    | 5.4%   | 7.5%   | \$13,340   | \$0         | \$5,714  | \$19,054   | 30%              | \$9,192  | \$1,699 | \$632      | 2.1x         | 11.2x       | 21.1x         | 9.9x              | 14.8x         |
| RadNet, Inc.                         | RDNT   | \$5.34           | 9.7%     | -13.6% | -20.2% | \$252      | \$0         | \$651    | \$904      | 72%              | \$859    | \$103   | \$11       | 1.1x         | 8.8x        | 23.4x         | 6.7x              | 17.8x         |
| DaVita HealthCare Partners Inc.      | DVA    | \$77.32          | 5.9%     | 10.9%  | -2.7%  | \$15,808   | \$0         | \$8,810  | \$24,618   | 36%              | \$14,347 | \$2,540 | \$361      | 1.7x         | 9.7x        | 43.8x         | 9.7x              | 20.5x         |

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Healthcare (continued)

| Company Name                         | Ticker | Price at 6/30/16 | % Change |        |        | Market Cap | Pref. Stock | Debt     | Ent. Value | Debt/ Total Cap. | LTM       |          |            | LTM Multiple |             |               | Forward Multiples |               |
|--------------------------------------|--------|------------------|----------|--------|--------|------------|-------------|----------|------------|------------------|-----------|----------|------------|--------------|-------------|---------------|-------------------|---------------|
|                                      |        |                  | QTD      | YTD    | LTM    |            |             |          |            |                  | Rev.      | EBITDA   | Net Income | EV / Rev     | EV / EBITDA | Price / Earn. | EV / EBITDA       | Price / Earn. |
| Fresenius Medical Care AG & Co. KGAA | FMS    | \$0.03           | 100.0%   | 188.9% | 62.5%  | \$77       | \$0         | -\$2     | \$75       | -3%              | \$0       | -\$3     | -\$53      | 1457.5x      | -24.9x      | nm            | nm                | nm            |
| AmerisourceBergen Corporation        | ABC    | \$79.32          | -8.9%    | -23.5% | -25.4% | \$17,121   | \$0         | \$1,963  | \$19,084   | 10%              | \$142,111 | \$1,760  | \$1,509    | 0.1x         | 10.8x       | 11.3x         | 8.7x              | 14.3x         |
| Cardinal Health, Inc.                | CAH    | \$78.01          | -4.6%    | -12.6% | -6.7%  | \$25,417   | \$0         | \$3,082  | \$28,499   | 11%              | \$112,423 | \$2,941  | \$1,369    | 0.3x         | 9.7x        | 18.6x         | 8.7x              | 14.9x         |
| Henry Schein, Inc.                   | HSIC   | \$176.80         | 2.3%     | 11.8%  | 24.4%  | \$14,509   | \$0         | \$1,569  | \$16,078   | 10%              | \$11,122  | \$958    | \$492      | 1.4x         | 16.8x       | 29.5x         | 16.4x             | 26.9x         |
| McKesson Corporation                 | MCK    | \$186.65         | 18.3%    | -5.4%  | -17.0% | \$42,126   | \$0         | \$5,604  | \$47,730   | 12%              | \$187,716 | \$4,458  | \$1,797    | 0.3x         | 10.7x       | 23.4x         | 9.5x              | 14.8x         |
| Patterson Companies, Inc.            | PDCO   | \$47.89          | 3.4%     | 5.9%   | -1.6%  | \$4,626    | \$0         | \$922    | \$5,548    | 17%              | \$4,526   | \$384    | \$184      | 1.2x         | 14.4x       | 25.1x         | 12.4x             | 19.6x         |
| Adeptus Health Inc.                  | ADPT   | \$51.66          | -3.1%    | -5.2%  | -45.6% | \$841      | \$0         | \$180    | \$1,021    | 18%              | \$407     | \$46     | \$93       | 2.5x         | 22.1x       | 9.0x          | 14.7x             | 41.8x         |
| Air Methods Corp.                    | AIRM   | \$35.83          | -0.9%    | -14.5% | -13.3% | \$1,375    | \$0         | \$924    | \$2,299    | 40%              | \$1,146   | \$310    | \$117      | 2.0x         | 7.4x        | 11.8x         | 8.0x              | 13.7x         |
| InfuSystem Holdings, Inc.            | INFU   | \$2.60           | -28.0%   | -13.9% | -18.5% | \$59       | \$0         | \$37     | \$96       | 39%              | \$68      | \$16     | \$3        | 1.4x         | 6.1x        | 20.6x         | nm                | nm            |
| Addus HomeCare Corporation           | ADUS   | \$17.43          | 0.1%     | -25.1% | -37.4% | \$198      | \$0         | \$24     | \$222      | 11%              | \$363     | \$24     | \$9        | 0.6x         | 9.2x        | 22.1x         | 7.2x              | 13.2x         |
| Almost Family Inc.                   | AFAM   | \$42.61          | 15.4%    | 11.5%  | 6.8%   | \$442      | \$0         | \$141    | \$584      | 24%              | \$586     | \$42     | \$19       | 1.0x         | 14.0x       | 22.9x         | 10.9x             | 17.8x         |
| Amedisys Inc.                        | AMED   | \$50.48          | 5.9%     | 28.4%  | 27.1%  | \$1,687    | \$0         | \$104    | \$1,791    | 6%               | \$1,358   | \$83     | \$38       | 1.3x         | 21.5x       | 44.1x         | 16.7x             | 33.7x         |
| Chemed Corp.                         | CHE    | \$136.31         | 0.3%     | -9.0%  | 4.0%   | \$2,257    | \$0         | \$130    | \$2,387    | 5%               | \$1,566   | \$217    | \$108      | 1.5x         | 11.0x       | 20.8x         | 10.1x             | 18.8x         |
| LHC Group, Inc.                      | LHCG   | \$43.28          | 22.2%    | -4.4%  | 13.2%  | \$784      | \$0         | \$107    | \$892      | 12%              | \$854     | \$79     | \$34       | 1.0x         | 11.3x       | 23.3x         | 10.5x             | 21.0x         |
| Diversicare Healthcare Services Inc. | DVCR   | \$8.30           | -7.6%    | 1.8%   | -35.7% | \$53       | \$0         | \$61     | \$114      | 54%              | \$390     | \$21     | -\$1       | 0.3x         | 5.4x        | nm            | nm                | nm            |
| The Ensign Group, Inc.               | ENSG   | \$21.01          | -7.9%    | -7.2%  | -17.7% | \$1,094    | \$0         | \$93     | \$1,186    | 8%               | \$1,518   | \$123    | \$48       | 0.8x         | 9.6x        | 23.0x         | 7.6x              | 15.5x         |
| Kindred Healthcare Inc.              | KND    | \$11.29          | -7.2%    | -5.2%  | -44.4% | \$961      | \$0         | \$3,388  | \$4,349    | 78%              | \$7,226   | \$571    | \$68       | 0.6x         | 7.6x        | 14.2x         | 4.6x              | 15.3x         |
| National Healthcare Corp.            | NHC    | \$64.74          | 4.8%     | 4.9%   | -0.4%  | \$989      | \$0         | -\$22    | \$966      | -2%              | \$917     | \$107    | \$53       | 1.1x         | 9.0x        | 18.6x         | nm                | nm            |
| CVS Health Corporation               | CVS    | \$95.74          | -8.0%    | -2.1%  | -8.7%  | \$102,827  | \$0         | \$25,611 | \$128,438  | 20%              | \$166,729 | \$12,356 | \$4,814    | 0.8x         | 10.4x       | 21.4x         | 9.9x              | 16.5x         |

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Healthcare (continued)

| Company Name                        | Ticker | Price at 6/30/16 | % Change     |               |              | Market Cap | Pref. Stock | Debt     | Ent. Value | Debt/ Total Cap. | LTM       |         |            | LTM Multiple |             |               | Forward Multiples |               |
|-------------------------------------|--------|------------------|--------------|---------------|--------------|------------|-------------|----------|------------|------------------|-----------|---------|------------|--------------|-------------|---------------|-------------------|---------------|
|                                     |        |                  | QTD          | YTD           | LTM          |            |             |          |            |                  | Rev.      | EBITDA  | Net Income | EV / Rev     | EV / EBITDA | Price / Earn. | EV / EBITDA       | Price / Earn. |
| Character Group plc                 | CCT    | \$4.75           | -0.5%        | 1.6%          | -0.1%        | \$102      | \$0         | -\$15    | \$87       | -17%             | \$106     | \$13    | \$10       | 0.8x         | 6.6x        | 10.4x         | 5.9x              | 10.3x         |
| Express Scripts Holding Company     | ESRX   | \$75.80          | 9.8%         | -13.3%        | -14.8%       | \$47,966   | \$0         | \$14,828 | \$62,795   | 24%              | \$101,412 | \$6,748 | \$2,682    | 0.6x         | 9.3x        | 17.9x         | 8.6x              | 11.9x         |
| PharMerica Corporation              | PMC    | \$24.66          | 13.5%        | -29.5%        | -25.9%       | \$758      | \$0         | \$352    | \$1,110    | 32%              | \$2,064   | \$131   | \$30       | 0.5x         | 8.5x        | 25.4x         | 8.7x              | 13.2x         |
| MEDNAX, Inc.                        | MD     | \$72.43          | 10.9%        | 1.1%          | -2.3%        | \$6,665    | \$0         | \$1,379  | \$8,043    | 17%              | \$2,988   | \$649   | \$334      | 2.7x         | 12.4x       | 20.0x         | 12.0x             | 17.9x         |
| Acadia Healthcare Company, Inc.     | ACHC   | \$55.40          | -0.1%        | -11.3%        | -29.3%       | \$4,843    | \$0         | \$3,538  | \$8,381    | 42%              | \$2,348   | \$498   | \$146      | 3.6x         | 16.8x       | 33.1x         | 13.8x             | 23.0x         |
| Magellan Health, Inc.               | MGLN   | \$65.77          | -2.8%        | 6.7%          | -6.1%        | \$1,619    | \$0         | \$114    | \$1,733    | 7%               | \$4,740   | \$209   | \$37       | 0.4x         | 8.3x        | 44.1x         | 5.8x              | 21.1x         |
| Providence Service Corp.            | PRSC   | \$44.88          | -12.1%       | -4.3%         | 1.4%         | \$659      | \$78        | \$212    | \$949      | 22%              | \$1,751   | \$117   | \$78       | 0.5x         | 8.1x        | 8.5x          | 12.2x             | 27.0x         |
| HEALTHSOUTH Corp.                   | HLS    | \$38.82          | 4.0%         | 11.5%         | -15.7%       | \$3,494    | \$0         | \$3,314  | \$6,808    | 49%              | \$3,432   | \$784   | \$218      | 2.0x         | 8.7x        | 16.0x         | 8.6x              | 15.1x         |
| Select Medical Holdings Corporation | SEM    | \$10.87          | -6.7%        | -8.7%         | -32.9%       | \$1,427    | \$0         | \$2,988  | \$4,414    | 68%              | \$4,178   | \$438   | \$148      | 1.1x         | 10.1x       | 9.7x          | 9.4x              | 17.9x         |
| <b>Median</b>                       |        |                  | <b>61.1%</b> | <b>108.6%</b> | <b>44.8%</b> |            |             |          |            | <b>25%</b>       |           |         |            | <b>1.1x</b>  | <b>9.7x</b> | <b>20.7x</b>  | <b>9.4x</b>       | <b>17.8x</b>  |

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Healthcare (continued)

| Company Name                                     | Ticker | Price at 6/30/16 | % Change     |              |              | Market Cap | Pref. Stock | Debt     | Ent. Value | Debt/ Total Cap. | LTM     |         |            | LTM Multiple |              |               | Forward Multiples |               |
|--|--------|------------------|--------------|--------------|--------------|------------|-------------|----------|------------|------------------|---------|---------|------------|--------------|--------------|---------------|-------------------|---------------|
|  |        |                  | QTD          | YTD          | LTM          |            |             |          |            |                  | 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    | \$76.17          | 10.6%        | 12.0%        | 16.1%        | \$27,192   | \$1,006     | \$13,547 | \$41,746   | 32%              | \$4,036 | \$2,067 | \$725      | 10.3x        | 20.2x        | 37.5x         | 18.9x             | 39.2x         |
| HCP, Inc.  | HCP    | \$35.38          | 9.1%         | -7.5%        | -3.0%        | \$16,526   | \$0         | \$11,248 | \$27,774   | 40%              | \$2,629 | \$1,811 | -\$66      | 10.6x        | 15.3x        | nm            | 16.8x             | 28.5x         |
| Healthcare Realty Trust Incorporated             | HR     | \$34.99          | 14.1%        | 23.6%        | 50.4%        | \$4,012    | \$0         | \$1,416  | \$5,428    | 26%              | \$398   | \$226   | \$67       | 13.7x        | 24.1x        | 59.5x         | 23.5x             | 80.3x         |
| LTC Properties Inc.                              | LTC    | \$51.73          | 14.7%        | 19.9%        | 24.4%        | \$1,973    | \$0         | \$584    | \$2,557    | 23%              | \$152   | \$134   | \$80       | 16.9x        | 19.0x        | 24.8x         | 17.5x             | 23.4x         |
| Omega Healthcare Investors Inc.                  | OHI    | \$33.95          | -2.2%        | -2.9%        | -1.1%        | \$6,388    | \$0         | \$4,569  | \$10,958   | 42%              | \$854   | \$818   | \$304      | 12.8x        | 13.4x        | 21.0x         | 14.0x             | 19.4x         |
| Ventas, Inc.                                     | VTR    | \$72.82          | 15.7%        | 29.0%        | 17.3%        | \$24,623   | \$0         | \$11,444 | \$36,067   | 32%              | \$3,369 | \$1,755 | \$440      | 10.7x        | 20.5x        | 56.0x         | 19.3x             | 35.8x         |
| <b>Median</b>                                    |        |                  | <b>12.4%</b> | <b>15.9%</b> | <b>16.7%</b> |            |             |          |            | <b>32%</b>       |         |         |            | <b>11.8x</b> | <b>19.6x</b> | <b>37.5x</b>  | <b>18.2x</b>      | <b>32.2x</b>  |

Source: S&amp;P Global Market Intelligence



## Publicly Traded Companies

### Commercial Real Estate

| Company Name                       | Ticker | Price at 6/30/16 | % Change    |              |              | Market Cap | Pref. Stock | Debt     | Ent. Value | Debt/ Total Cap. | LTM     |         |            | LTM Multiple |              |               | Forward Multiples |               |
|------------------------------------|--------|------------------|-------------|--------------|--------------|------------|-------------|----------|------------|------------------|---------|---------|------------|--------------|--------------|---------------|-------------------|---------------|
|                                    |        |                  | QTD         | YTD          | LTM          |            |             |          |            |                  | Rev.    | EBITDA  | Net Income | EV / Rev     | EV / EBITDA  | Price / Earn. | EV / EBITDA       | Price / Earn. |
| <b>Diversified REITs</b>           |        |                  |             |              |              |            |             |          |            |                  |         |         |            |              |              |               |                   |               |
| Armada Hoffer Properties, Inc.     | AHH    | \$13.74          | 21.1%       | 31.1%        | 37.5%        | \$647      | \$0         | \$448    | \$1,095    | 41%              | \$256   | \$51    | \$42       | 4.3x         | 21.5x        | 15.2x         | 17.3x             | 16.0x         |
| Brandywine Realty Trust            | BDN    | \$16.80          | 19.1%       | 23.0%        | 26.5%        | \$2,940    | \$0         | \$1,788  | \$4,729    | 38%              | \$564   | \$252   | \$3        | 8.4x         | 18.8x        | 1119.2x       | 16.3x             | 61.0x         |
| Cousins Properties Incorporated    | CUZ    | \$10.40          | 0.8%        | 10.3%        | 0.2%         | \$2,185    | \$0         | \$763    | \$2,948    | 26%              | \$376   | \$201   | \$141      | 7.8x         | 14.6x        | 15.5x         | 14.0x             | 47.2x         |
| Douglas Emmett Inc                 | DEI    | \$35.52          | 18.1%       | 13.9%        | 31.8%        | \$5,250    | \$0         | \$5,093  | \$10,343   | 49%              | \$685   | \$413   | \$60       | 15.1x        | 25.0x        | 87.4x         | 21.9x             | 74.5x         |
| Investors Real Estate Trust        | IRET   | \$6.47           | -10.3%      | -6.9%        | -9.4%        | \$783      | \$139       | \$957    | \$1,879    | 51%              | \$170   | \$88    | \$40       | 11.0x        | 21.3x        | 19.4x         | 15.8x             | 15.0x         |
| Lexington Realty Trust             | LXP    | \$10.11          | 18.9%       | 26.4%        | 19.2%        | \$2,376    | \$94        | \$2,151  | \$4,621    | 47%              | \$433   | \$357   | \$127      | 10.7x        | 12.9x        | 18.7x         | 13.1x             | 28.1x         |
| National Retail Properties, Inc.   | NNN    | \$51.72          | 11.3%       | 29.1%        | 47.7%        | \$7,449    | \$575       | \$1,962  | \$9,986    | 20%              | \$507   | \$450   | \$220      | 19.7x        | 22.2x        | 33.8x         | 21.1x             | 41.7x         |
| PS Business Parks Inc.             | PSB    | \$106.08         | 4.2%        | 21.3%        | 47.0%        | \$2,872    | \$920       | \$253    | \$4,046    | 6%               | \$380   | \$243   | \$127      | 10.6x        | 16.7x        | 22.5x         | 16.5x             | 60.3x         |
| Public Storage                     | PSA    | \$255.59         | -6.4%       | 3.2%         | 38.6%        | \$44,314   | \$4,180     | \$235    | \$48,729   | 0%               | \$2,540 | \$1,811 | \$1,376    | 19.2x        | 26.9x        | 32.2x         | 26.8x             | 38.0x         |
| Retail Properties of America, Inc. | RPAI   | \$16.90          | 7.2%        | 14.4%        | 21.3%        | \$4,000    | \$0         | \$2,148  | \$6,148    | 35%              | \$590   | \$375   | \$157      | 10.4x        | 16.4x        | 25.4x         | 16.7x             | 104.5x        |
| Vornado Realty Trust               | VNO    | \$100.12         | 6.5%        | 0.2%         | 5.5%         | \$18,900   | \$1,277     | \$11,413 | \$31,590   | 36%              | \$2,489 | \$1,223 | \$617      | 12.7x        | 25.8x        | 30.6x         | 25.4x             | 75.3x         |
| W. P. Carey Inc.                   | WPC    | \$69.42          | 12.9%       | 17.7%        | 17.8%        | \$7,280    | \$0         | \$4,439  | \$11,720   | 38%              | \$908   | \$714   | \$182      | 12.9x        | 16.4x        | 40.0x         | 16.0x             | 25.9x         |
| <b>Median</b>                      |        |                  | <b>7.2%</b> | <b>17.7%</b> | <b>21.3%</b> |            |             |          |            | <b>35%</b>       |         |         |            | <b>12.7x</b> | <b>16.7x</b> | <b>30.6x</b>  | <b>16.7x</b>      | <b>41.7x</b>  |

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate (continued)

| Company Name                       | Ticker | Price at 6/30/16 | % Change     |              |              | Market Cap | Pref. Stock | Debt     | Ent. Value | Debt/ Total Cap. | LTM     |         |            | LTM Multiple |              |               | Forward Multiples |               |
|------------------------------------|--------|------------------|--------------|--------------|--------------|------------|-------------|----------|------------|------------------|---------|---------|------------|--------------|--------------|---------------|-------------------|---------------|
|                                    |        |                  | QTD          | YTD          | LTM          |            |             |          |            |                  | Rev.    | EBITDA  | Net Income | EV / Rev     | EV / EBITDA  | Price / Earn. | EV / EBITDA       | Price / Earn. |
| <b>Industrial REITs</b>            |        |                  |              |              |              |            |             |          |            |                  |         |         |            |              |              |               |                   |               |
| CubeSmart                          | CUBE   | \$30.88          | -6.6%        | 0.8%         | 33.3%        | \$5,482    | \$0         | \$1,373  | \$6,855    | 20%              | \$475   | \$285   | \$92       | 14.4x        | 24.0x        | 59.8x         | 22.6x             | 69.2x         |
| DCT Industrial Trust Inc.          | DCT    | \$48.04          | 20.6%        | 28.6%        | 52.8%        | \$4,320    | \$0         | \$1,702  | \$6,023    | 28%              | \$372   | \$249   | \$105      | 16.2x        | 24.1x        | 41.2x         | 22.4x             | 105.9x        |
| Duke Realty Corporation            | DRE    | \$26.66          | 19.2%        | 26.8%        | 43.6%        | \$9,223    | \$0         | \$3,390  | \$12,613   | 27%              | \$921   | \$474   | \$253      | 13.7x        | 26.6x        | 36.4x         | 22.2x             | 95.5x         |
| EastGroup Properties Inc.          | EGP    | \$68.92          | 15.8%        | 23.9%        | 22.6%        | \$2,218    | \$0         | \$1,053  | \$3,271    | 32%              | \$243   | \$147   | \$89       | 13.5x        | 22.2x        | 24.9x         | 19.7x             | 41.8x         |
| Extra Space Storage Inc.           | EXR    | \$92.54          | 0.0%         | 4.9%         | 41.9%        | \$11,587   | \$0         | \$3,949  | \$15,536   | 25%              | \$910   | \$517   | \$246      | 17.1x        | 30.1x        | 47.1x         | 24.0x             | 39.9x         |
| First Industrial Realty Trust Inc. | FR     | \$27.82          | 21.3%        | 25.7%        | 48.5%        | \$3,251    | \$0         | \$1,539  | \$4,790    | 32%              | \$372   | \$239   | \$123      | 12.9x        | 20.0x        | 26.4x         | 19.4x             | 28.8x         |
| Prologis, Inc.                     | PLD    | \$49.04          | 12.3%        | 14.3%        | 32.2%        | \$25,764   | \$78        | \$15,025 | \$40,868   | 37%              | \$2,618 | \$1,692 | \$867      | 15.6x        | 24.2x        | 29.7x         | 25.9x             | 28.3x         |
| Life Storage, Inc.                 | LSI    | \$104.92         | -10.8%       | -2.2%        | 20.7%        | \$4,865    | \$0         | \$935    | \$5,800    | 16%              | \$370   | \$227   | \$133      | 15.7x        | 25.6x        | 36.5x         | 22.4x             | 42.2x         |
| STAG Industrial, Inc.              | STAG   | \$23.81          | 18.8%        | 29.1%        | 19.1%        | \$1,624    | \$214       | \$954    | \$2,791    | 34%              | \$236   | \$162   | -\$22      | 11.8x        | 17.2x        | nm            | 16.3x             | nm            |
| <b>Median</b>                      |        |                  | <b>12.3%</b> | <b>14.3%</b> | <b>20.7%</b> |            |             |          |            | <b>34%</b>       |         |         |            | <b>15.6x</b> | <b>24.2x</b> | <b>33.1x</b>  | <b>22.4x</b>      | <b>35.3x</b>  |

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate (continued)

| Company Name                       | Ticker | Price at 6/30/16 | % Change    |              |              | Market Cap | Pref. Stock | Debt     | Ent. Value | Debt/ Total Cap. | LTM     |         |            | LTM Multiple |              |               | Forward Multiples |               |
|------------------------------------|--------|------------------|-------------|--------------|--------------|------------|-------------|----------|------------|------------------|---------|---------|------------|--------------|--------------|---------------|-------------------|---------------|
|                                    |        |                  | QTD         | YTD          | LTM          |            |             |          |            |                  | Rev.    | EBITDA  | Net Income | EV / Rev     | EV / EBITDA  | Price / Earn. | EV / EBITDA       | Price / Earn. |
| <b>Office REITs</b>                |        |                  |             |              |              |            |             |          |            |                  |         |         |            |              |              |               |                   |               |
| American Assets Trust, Inc.        | AAT    | \$42.44          | 7.3%        | 10.7%        | 8.2%         | \$1,927    | \$0         | \$1,049  | \$2,976    | 35%              | \$281   | \$160   | \$37       | 10.6x        | 18.6x        | 52.0x         | 17.5x             | 57.4x         |
| Boston Properties Inc.             | BXP    | \$131.90         | 4.1%        | 3.4%         | 9.0%         | \$20,261   | \$200       | \$10,804 | \$31,265   | 35%              | \$2,552 | \$1,545 | \$611      | 12.3x        | 20.2x        | 33.2x         | 20.6x             | 61.9x         |
| CoreSite Realty Corporation        | COR    | \$88.69          | 28.2%       | 56.4%        | 95.2%        | \$2,696    | \$115       | \$665    | \$3,477    | 19%              | \$366   | \$182   | \$48       | 9.5x         | 19.1x        | 56.3x         | 16.7x             | 59.7x         |
| Corporate Office Properties Trust  | OFC    | \$29.57          | 12.6%       | 35.5%        | 25.6%        | \$2,799    | \$199       | \$2,186  | \$5,184    | 42%              | \$584   | \$299   | \$109      | 8.9x         | 17.4x        | 25.8x         | 17.7x             | nm            |
| Digital Realty Trust Inc.          | DLR    | \$108.99         | 23.4%       | 44.1%        | 63.5%        | \$16,002   | \$1,290     | \$6,164  | \$23,456   | 26%              | \$1,971 | \$965   | \$153      | 11.9x        | 24.3x        | 104.6x        | 19.4x             | 108.5x        |
| Empire State Realty Trust, Inc.    | ESRT   | \$18.99          | 8.5%        | 5.1%         | 11.3%        | \$2,322    | \$8         | \$2,420  | \$4,750    | 51%              | \$661   | \$298   | \$39       | 7.2x         | 15.9x        | 59.6x         | 14.3x             | nm            |
| Equity Commonwealth                | EQC    | \$29.13          | 3.4%        | 5.0%         | 13.5%        | \$3,656    | \$119       | \$87     | \$3,862    | 2%               | \$581   | \$288   | \$208      | 6.7x         | 13.4x        | 17.6x         | 15.4x             | 19.0x         |
| First Potomac Realty Trust         | FPO    | \$9.20           | 1.2%        | -19.3%       | -10.7%       | \$534      | \$15        | \$817    | \$1,367    | 60%              | \$169   | \$92    | -\$36      | 8.1x         | 14.8x        | nm            | 15.4x             | nm            |
| Franklin Street Properties Corp.   | FSP    | \$12.27          | 16.3%       | 18.6%        | 8.5%         | \$1,229    | \$0         | \$882    | \$2,111    | 42%              | \$242   | \$125   | \$23       | 8.7x         | 16.9x        | 54.0x         | 16.4x             | 62.9x         |
| Government Properties Income Trust | GOV    | \$23.06          | 30.5%       | 45.3%        | 24.3%        | \$1,640    | \$0         | \$1,217  | \$2,857    | 43%              | \$251   | \$135   | \$49       | 11.4x        | 21.1x        | 33.6x         | 16.6x             | 30.4x         |
| Highwoods Properties Inc.          | HIW    | \$52.80          | 10.5%       | 21.1%        | 32.2%        | \$5,143    | \$29        | \$2,260  | \$7,432    | 30%              | \$644   | \$324   | \$517      | 11.5x        | 22.9x        | 9.9x          | 18.4x             | 10.0x         |
| Hudson Pacific Properties, Inc.    | HPP    | \$29.18          | 0.4%        | 3.7%         | 2.9%         | \$2,898    | \$0         | \$4,100  | \$6,997    | 59%              | \$614   | \$228   | \$5        | 11.4x        | 30.7x        | 543.7x        | 19.6x             | 186.3x        |
| Kilroy Realty Corp.                | KRC    | \$66.29          | 8.4%        | 4.8%         | -1.3%        | \$6,111    | \$192       | \$2,356  | \$8,659    | 27%              | \$595   | \$347   | \$341      | 14.6x        | 25.0x        | 17.9x         | 21.2x             | 48.7x         |
| Liberty Property Trust             | LPT    | \$39.72          | 19.1%       | 27.9%        | 23.3%        | \$5,824    | \$0         | \$3,174  | \$8,998    | 35%              | \$775   | \$443   | \$279      | 11.6x        | 20.3x        | 20.9x         | 18.3x             | 32.8x         |
| Mack-Cali Realty Corp.             | CLI    | \$27.00          | 15.1%       | 15.6%        | 46.5%        | \$2,420    | \$0         | \$2,393  | \$4,813    | 50%              | \$595   | \$278   | -\$48      | 8.1x         | 17.3x        | nm            | 16.2x             | 24.5x         |
| Piedmont Office Realty Trust Inc.  | PDM    | \$21.54          | 5.8%        | 14.1%        | 22.5%        | \$3,126    | \$0         | \$2,019  | \$5,144    | 39%              | \$562   | \$265   | \$214      | 9.2x         | 19.4x        | 14.6x         | 17.2x             | nm            |
| Select Income REIT                 | SIR    | \$25.99          | 13.6%       | 31.1%        | 25.9%        | \$2,323    | \$0         | \$2,445  | \$4,768    | 51%              | \$459   | \$338   | \$105      | 10.4x        | 14.1x        | 22.1x         | 14.1x             | 19.0x         |
| <b>Median</b>                      |        |                  | <b>9.7%</b> | <b>22.6%</b> | <b>24.2%</b> |            |             |          |            | <b>45%</b>       |         |         |            | <b>9.8x</b>  | <b>16.8x</b> | <b>18.3x</b>  | <b>15.6x</b>      | <b>19.0x</b>  |

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate (continued)

| Company Name                              | Ticker | Price at 6/30/16 | % Change |        |        | Market Cap | Pref. Stock | Debt     | Ent. Value | Debt/ Total Cap. | LTM     |         |            | LTM Multiple |             |               | Forward Multiples |               |
|---|--------|------------------|----------|--------|--------|------------|-------------|----------|------------|------------------|---------|---------|------------|--------------|-------------|---------------|-------------------|---------------|
|   |        |                  | QTD      | YTD    | LTM    |            |             |          |            |                  | Rev.    | EBITDA  | Net Income | EV / Rev     | EV / EBITDA | Price / Earn. | EV / EBITDA       | Price / Earn. |
| <b>Retail REITs</b>                       |        |                  |          |        |        |            |             |          |            |                  |         |         |            |              |             |               |                   |               |
| Alexander's Inc.                          | ALX    | \$409.23         | 7.7%     | 6.5%   | -0.2%  | \$2,090    | \$0         | \$777    | \$2,866    | 27%              | \$218   | \$134   | \$86       | 13.2x        | 21.4x       | 24.4x         | nm                | nm            |
| CBL & Associates Properties Inc.          | CBL    | \$9.31           | -21.2%   | -24.7% | -42.5% | \$1,590    | \$0         | \$4,793  | \$6,383    | 75%              | \$1,077 | \$704   | \$118      | 5.9x         | 9.1x        | 13.4x         | 8.8x              | 15.5x         |
| Cedar Realty Trust, Inc.                  | CDR    | \$7.43           | 2.8%     | 4.9%   | 16.1%  | \$634      | \$191       | \$690    | \$1,514    | 46%              | \$150   | \$85    | \$20       | 10.1x        | 17.9x       | 32.2x         | 18.2x             | nm            |
| DDR Corp.                                 | DDR    | \$18.14          | 3.4%     | 7.7%   | 17.3%  | \$6,598    | \$350       | \$5,016  | \$11,964   | 42%              | \$1,029 | \$670   | \$240      | 11.6x        | 17.9x       | 27.5x         | 17.5x             | 296.7x        |
| EPR Properties                            | EPR    | \$80.68          | 22.0%    | 38.0%  | 47.3%  | \$5,131    | \$6         | \$1,994  | \$7,132    | 28%              | \$449   | \$393   | \$212      | 15.9x        | 18.1x       | 24.2x         | 16.6x             | 26.3x         |
| Federal Realty Investment Trust           | FRT    | \$165.55         | 6.2%     | 13.3%  | 29.2%  | \$11,738   | \$10        | \$2,887  | \$14,635   | 20%              | \$775   | \$494   | \$253      | 18.9x        | 29.6x       | 46.3x         | 28.5x             | 51.3x         |
| General Growth Properties, Inc            | GGP    | \$29.82          | 1.1%     | 9.6%   | 16.2%  | \$26,337   | \$242       | \$14,241 | \$40,820   | 35%              | \$2,568 | \$1,815 | \$696      | 15.9x        | 22.5x       | 37.9x         | 18.2x             | 59.7x         |
| Getty Realty Corp.                        | GTY    | \$21.45          | 7.7%     | 25.1%  | 31.1%  | \$723      | \$0         | \$313    | \$1,036    | 30%              | \$117   | \$73    | \$48       | 8.9x         | 14.1x       | 15.0x         | 15.1x             | 18.9x         |
| Hospitality Properties Trust              | HPT    | \$28.80          | 9.5%     | 10.1%  | -0.1%  | \$4,365    | \$280       | \$3,482  | \$8,127    | 43%              | \$2,004 | \$689   | \$150      | 4.1x         | 11.8x       | 29.1x         | 10.9x             | 24.2x         |
| Kimco Realty Corporation                  | KIM    | \$31.38          | 9.5%     | 18.6%  | 39.2%  | \$13,169   | \$0         | \$5,164  | \$18,333   | 28%              | \$1,180 | \$727   | \$801      | 15.5x        | 25.2x       | 16.4x         | 22.4x             | 57.3x         |
| Kite Realty Group Trust                   | KRG    | \$28.03          | 1.3%     | 8.1%   | 14.5%  | \$2,337    | \$0         | \$1,819  | \$4,156    | 44%              | \$353   | \$218   | \$13       | 11.8x        | 19.1x       | 183.7x        | 17.2x             | nm            |
| Pennsylvania Real Estate Investment Trust | PEI    | \$21.45          | -1.2%    | -1.9%  | 0.5%   | \$1,490    | \$0         | \$1,890  | \$3,381    | 56%              | \$430   | \$235   | -\$62      | 7.9x         | 14.4x       | nm            | 15.1x             | 132.7x        |
| Ramco-Gershenson Properties Trust         | RPT    | \$19.61          | 9.7%     | 18.1%  | 20.2%  | \$1,554    | \$92        | \$1,103  | \$2,749    | 40%              | \$266   | \$166   | \$88       | 10.3x        | 16.5x       | 17.7x         | 16.7x             | 31.6x         |
| Realty Income Corporation                 | O      | \$69.36          | 11.5%    | 34.3%  | 56.3%  | \$17,869   | \$398       | \$5,123  | \$23,390   | 22%              | \$1,061 | \$963   | \$296      | 22.1x        | 24.3x       | 60.3x         | 23.6x             | 64.2x         |
| Regency Centers Corporation               | REG    | \$83.73          | 11.5%    | 22.9%  | 42.0%  | \$8,173    | \$325       | \$1,879  | \$10,377   | 18%              | \$623   | \$395   | \$175      | 16.6x        | 26.3x       | 46.7x         | 21.9x             | 58.1x         |
| Retail Opportunity Investments Corp.      | ROIC   | \$21.67          | 7.8%     | 21.1%  | 38.7%  | \$2,180    | \$0         | \$1,148  | \$3,328    | 34%              | \$216   | \$136   | \$30       | 15.4x        | 24.5x       | 72.2x         | 20.3x             | 81.8x         |

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate (continued)

| Company Name                            | Ticker | Price at 6/30/16 | % Change    |              |              | Market Cap | Pref. Stock | Debt     | Ent. Value | Debt/ Total Cap. | LTM     |         |            | LTM Multiple |              |               | Forward Multiples |               |
|---|--------|------------------|-------------|--------------|--------------|------------|-------------|----------|------------|------------------|---------|---------|------------|--------------|--------------|---------------|-------------------|---------------|
|   |        |                  | QTD         | YTD          | LTM          |            |             |          |            |                  | Rev.    | EBITDA  | Net Income | EV / Rev     | EV / EBITDA  | Price / Earn. | EV / EBITDA       | Price / Earn. |
| Saul Centers Inc.                       | BFS    | \$61.71          | 16.1%       | 20.4%        | 25.5%        | \$1,302    | \$180       | \$905    | \$2,387    | 38%              | \$212   | \$140   | \$45       | 11.3x        | 17.0x        | 28.7x         | 16.3x             | nm            |
| Simon Property Group Inc.               | SPG    | \$216.90         | 5.4%        | 11.6%        | 25.4%        | \$67,113   | \$44        | \$23,098 | \$90,255   | 26%              | \$5,353 | \$3,939 | \$1,752    | 16.9x        | 22.9x        | 38.3x         | 23.0x             | 34.6x         |
| SL Green Realty Corp.                   | SLG    | \$106.47         | 11.1%       | -5.8%        | -3.1%        | \$10,673   | \$222       | \$9,375  | \$20,270   | 46%              | \$1,852 | \$1,048 | \$447      | 10.9x        | 19.3x        | 23.9x         | 17.5x             | nm            |
| Tanger Factory Outlet Centers Inc.      | SKT    | \$40.18          | 11.5%       | 22.9%        | 26.8%        | \$3,819    | \$0         | \$1,490  | \$5,309    | 28%              | \$462   | \$256   | \$253      | 11.5x        | 20.7x        | 15.1x         | 19.6x             | 40.7x         |
| Taubman Centers, Inc.                   | TCO    | \$74.20          | 5.4%        | -3.3%        | 6.8%         | \$4,478    | \$0         | \$2,697  | \$7,174    | 38%              | \$595   | \$326   | \$139      | 12.1x        | 22.0x        | 32.3x         | 19.1x             | 49.1x         |
| The Macerich Company                    | MAC    | \$85.39          | 8.0%        | 5.8%         | 14.5%        | \$12,680   | \$0         | \$4,915  | \$17,595   | 28%              | \$1,194 | \$724   | \$915      | 14.7x        | 24.3x        | 13.9x         | 29.1x             | 128.4x        |
| Urstadt Biddle Properties Inc.          | UBA    | \$24.78          | 15.5%       | 28.8%        | 32.7%        | \$827      | \$204       | \$308    | \$1,340    | 23%              | \$115   | \$67    | \$51       | 11.7x        | 20.1x        | 16.3x         | 19.9x             | 40.7x         |
| Washington Real Estate Investment Trust | WRE    | \$31.46          | 7.7%        | 16.3%        | 21.2%        | \$2,295    | \$0         | \$1,274  | \$3,569    | 36%              | \$314   | \$179   | \$97       | 11.4x        | 19.9x        | 23.7x         | 19.7x             | 19.6x         |
| Weingarten Realty Investors             | WRI    | \$40.82          | 8.8%        | 18.0%        | 24.9%        | \$5,122    | \$0         | \$2,319  | \$7,441    | 31%              | \$556   | \$368   | \$234      | 13.4x        | 20.2x        | 21.9x         | 20.1x             | 23.4x         |
| <b>Median</b>                           |        |                  | <b>8.8%</b> | <b>18.0%</b> | <b>24.9%</b> |            |             |          |            | <b>31%</b>       |         |         |            | <b>11.7x</b> | <b>20.1x</b> | <b>21.9x</b>  | <b>19.9x</b>      | <b>23.4x</b>  |

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate (continued)

| Company Name                         | Ticker | Price at 6/30/16 | % Change      |               |               | Market Cap | Pref. Stock | Debt    | Ent. Value | Debt/ Total Cap. | LTM      |         |            | LTM Multiple |              |               | Forward Multiples |               |
|--------------------------------------|--------|------------------|---------------|---------------|---------------|------------|-------------|---------|------------|------------------|----------|---------|------------|--------------|--------------|---------------|-------------------|---------------|
|                                      |        |                  | QTD           | YTD           | LTM           |            |             |         |            |                  | Rev.     | EBITDA  | Net Income | EV / Rev     | EV / EBITDA  | Price / Earn. | EV / EBITDA       | Price / Earn. |
| <b>Property Management Companies</b> |        |                  |               |               |               |            |             |         |            |                  |          |         |            |              |              |               |                   |               |
| Acadia Realty Trust                  | AKR    | \$35.52          | 1.4%          | 7.1%          | 22.0%         | \$2,543    | \$0         | \$1,699 | \$4,243    | 40%              | \$223    | \$138   | \$70       | 19.0x        | 30.7x        | 36.6x         | 29.6x             | 38.9x         |
| CBRE Group, Inc.                     | CBG    | \$26.48          | -7.7%         | -23.4%        | -28.4%        | \$8,653    | \$0         | \$3,253 | \$11,906   | 27%              | \$12,467 | \$1,119 | \$533      | 1.0x         | 10.6x        | 16.2x         | 7.9x              | 12.2x         |
| Jones Lang LaSalle Incorporated      | JLL    | \$97.45          | -15.8%        | -39.0%        | -43.0%        | \$4,397    | \$0         | \$1,197 | \$5,593    | 21%              | \$6,329  | \$687   | \$411      | 0.9x         | 8.1x         | 10.7x         | 8.8x              | 12.2x         |
| Kennedy-Wilson Holdings, Inc.        | KW     | \$18.96          | -12.6%        | -21.3%        | -22.9%        | \$2,156    | \$0         | \$5,222 | \$7,378    | 71%              | \$690    | \$238   | \$36       | 10.7x        | 31.1x        | 59.2x         | 24.3x             | nm            |
| Realty Holdings Corp.                | RLGY   | \$29.02          | -18.0%        | -20.9%        | -37.9%        | \$4,237    | \$0         | \$3,757 | \$7,994    | 47%              | \$5,789  | \$778   | \$169      | 1.4x         | 10.3x        | 25.1x         | 10.5x             | 18.9x         |
| <b>Median</b>                        |        |                  | <b>-15.3%</b> | <b>-21.1%</b> | <b>-30.4%</b> |            |             |         |            | <b>59%</b>       |          |         |            | <b>6.0x</b>  | <b>20.7x</b> | <b>42.1x</b>  | <b>17.4x</b>      | <b>18.9x</b>  |

Source: S&amp;P Global Market Intelligence

# Mercer Capital

Real Estate  
Industry Services

Mercer Capital has expertise providing business valuation and financial advisory services to companies in the real estate industry.

## Industry Segments

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- Valuations for purchase accounting and impairment testing
- Fairness and solvency opinions
- Litigation support for economic damages and valuation and shareholder disputes

Contact a Mercer Capital professional to discuss your needs in confidence.

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