

# VALUE FOCUS

# REAL ESTATE

Sector Focus: Residential Single Family Real Estate



## Third Quarter 2016

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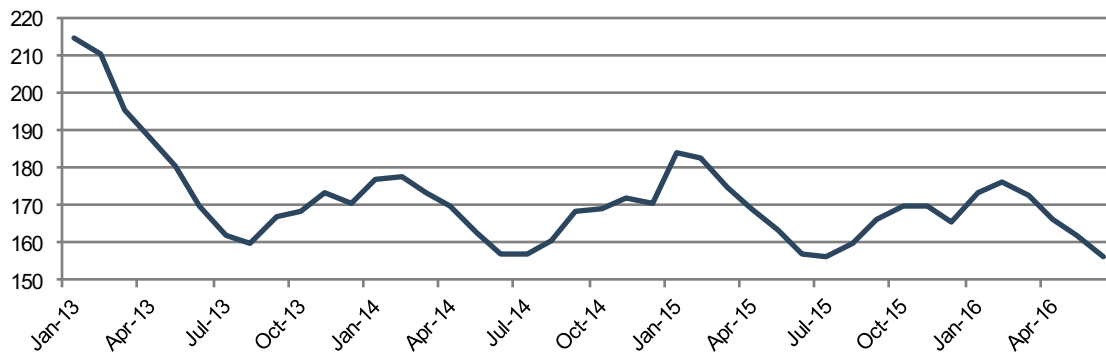
# Residential Single Family Real Estate

The residential housing market continued its trend of slow recovery in the first three quarters of 2016. A stronger economy – characterized by job growth, lower unemployment, and higher incomes – coupled with low mortgage interest rates, created an environment suitable to propel the housing market forward. Despite bolstered demand, a lack of inventory in the housing market has hampered the potential for market growth in 2016.

## Overall Housing Market

In its September meeting, The **Federal Open Markets Committee addressed the issue** of unmatched supply and demand in the residential housing market, citing “limited availability of lots and a shortage of skilled labor” for the slow market growth observed so far in 2016. Despite coming in lower than expected, sales in the first three quarters of 2016 **signal continued recovery** in the housing market. The number of home sales at mid-year was 16.6% higher than at mid-year 2015. The **housing affordability index** (which measures whether or not the median family income qualifies for a mortgage on a median priced home with a 20% down payment) was 163.5 at the end of August 2016. An index value above 100 indicates that the median household income is more than enough to afford such mortgages. This value is in line with the average index for 2016 year-to-date, but is well below the values in early 2013, which reached above 200.

### Housing Affordability Index (composite)



Source: Federal Reserve Bank of St. Louis

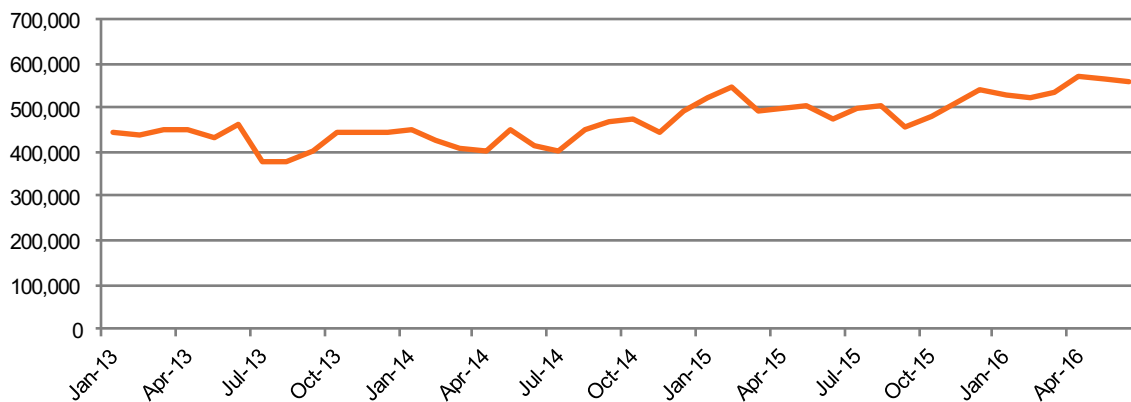
# Residential Single Family Real Estate (continued)

First-time homebuyers made up **30% of purchases** in the first half of the year. Although the overall homeownership rate is approximately 64%, only 35% of people under 35 are homeowners. **According to Zillow**, the financial incentive of renting is a major contributing factor. The company estimates that an individual would need to live in a home for a minimum of 1.8 years before buying becomes more economically advantageous than renting.

## New Home Construction

New home **construction lagged demand** in the first three months of 2016. The annual estimated rate of new home construction was 1.138 million, below the projected 1.5 million homes needed for supply to catch up with demand. Nevertheless, **the market has shown growth** over the prior year. New home sales through September 2016 were approximately 30% higher than the same period in the prior year. The number of new home sales for September 2016 rose 3.1%, from 575,000 units in August to 593,000 units in September. New home sales reached a nine year peak in July 2016 with an estimated 629,000 units sold.

### New Home Sales (monthly sales)



Source: Federal Reserve Bank of St. Louis

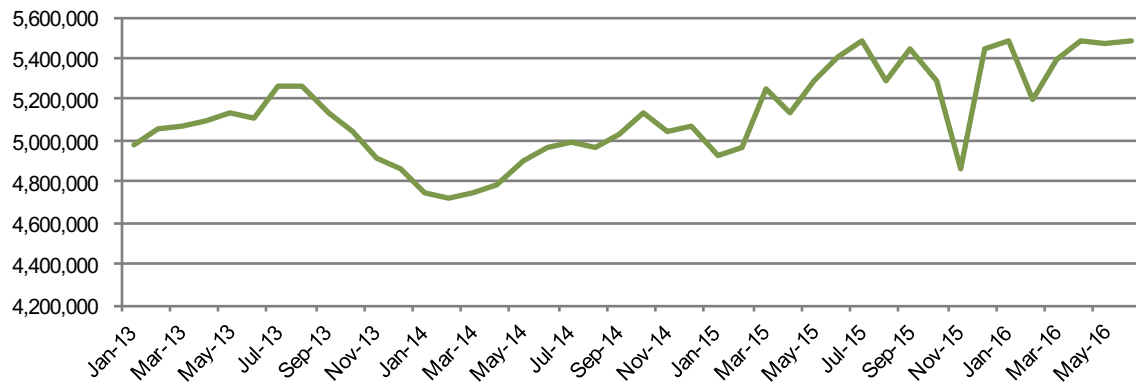
# Residential Single Family Real Estate (continued)

New home construction has **remained low for the lower and middle markets**. In 2015, new homes under \$200,000 made up less than 20% of construction and this trend has continued in 2016. The **median price** of new homes sold in September 2016 was \$313,500, which was 1.9% higher than September 2015.

## Existing Home Sales

The **Mortgage Guaranty Insurance Corporation estimates** existing home sales in the first three quarters of 2016 were between 5.0 and 5.5 million on a seasonally-adjusted annual basis. Permits for single family homes issued in the first nine months of the year rose 8.1% over the same period in 2015, while permits for multi-family housing fell 11.6%. **Low borrowing costs** are one of the contributing factors to the rise in demand. As of September 2016, the average 30-year fixed-rate mortgage offered an interest rate of 3.56%, compared to 3.89% in September 2015.

**Existing Home Sales (seasonally adjusted annual basis)**



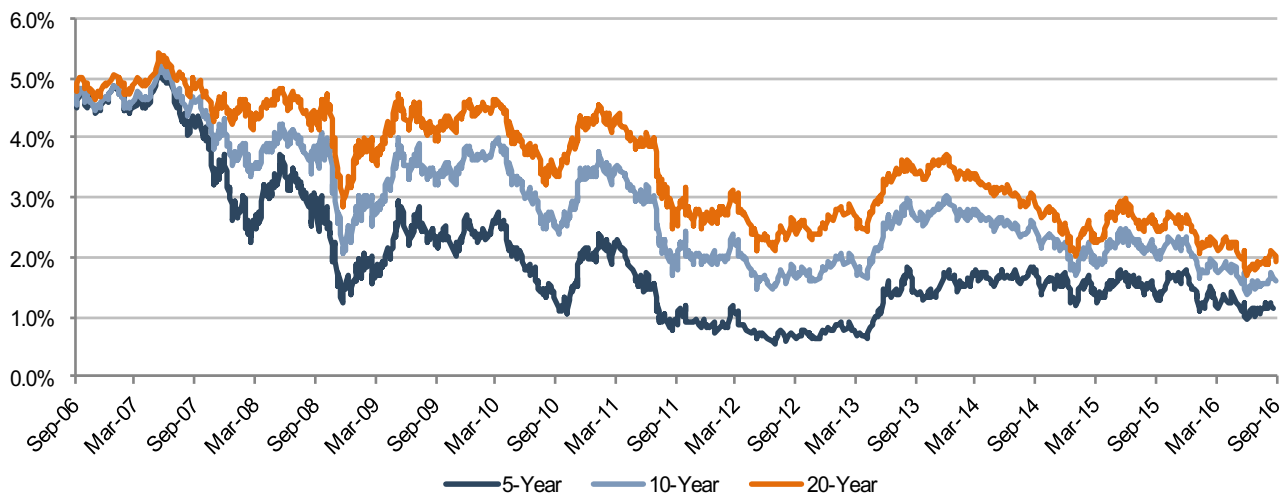
Source: Federal Reserve Bank of St. Louis

The **median home price** rose 5.6% in the first three quarters of the year, well above the historical average rate of appreciation of approximately 3.0%. As of September 2016, the median price of existing homes sold was \$234,000. This high rate of home value appreciation contributed to a 95% sale-to-list percentage observed for the first six months. Regional variation was high, with some markets capturing sales prices above list. In the supply-constrained **San Francisco market**, this percentage rises to 107%.

## Macro Indicators

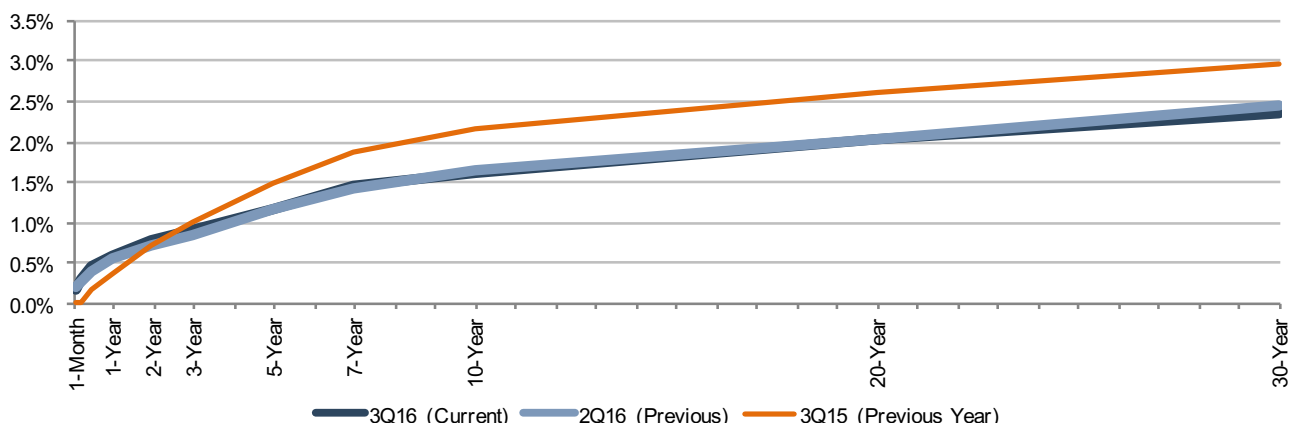
Yield performance through 2015 was mixed as stock market volatility and anticipation of action by the Federal Reserve continued to vary. Yields on 5-year, 10-year, and 20-year Treasuries rose during the third quarter of 2016. Despite rising during the majority of the quarter, bond prices fell in mid-September. As a result, bond prices ended the third quarter with little change from the second quarter. 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

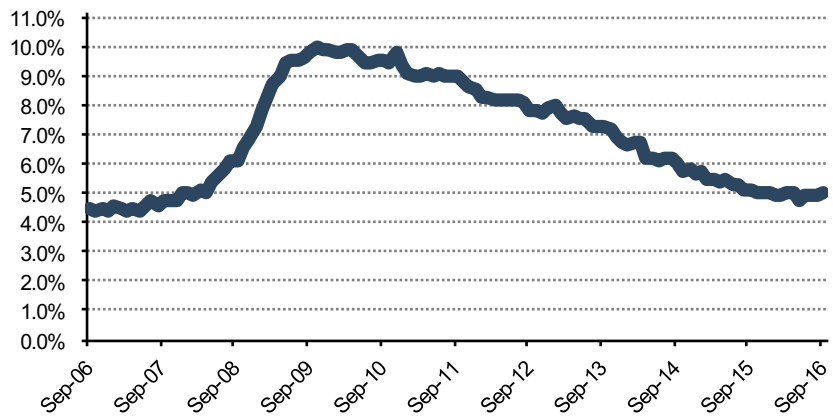


Source: Federal Reserve Statistical Release H.15  
 Note: Figures shown are the average yield for the last month of the quarter.

## Macro Indicators (continued)

### Unemployment

The number of nonfarm payroll jobs increased by 156,000 in September 2016. While unemployment has consistently fallen throughout the past several years, the labor force participation rate is also lower relative to pre-recession levels. In September 2016, the labor force participation rate stood at 62.9% (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 1978. 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

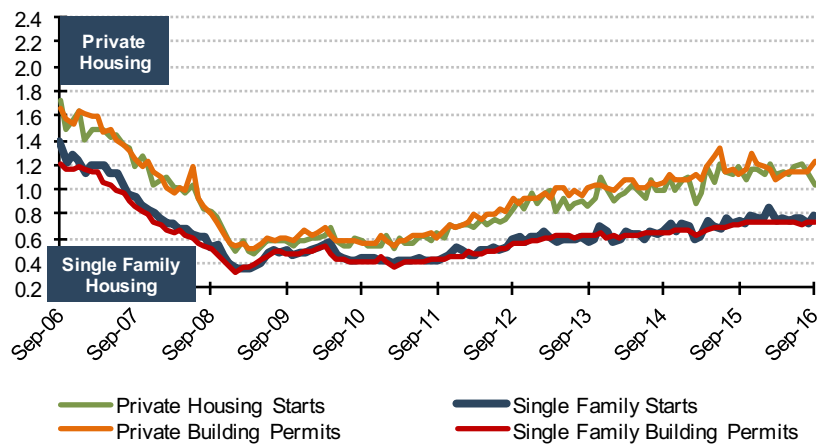
## Macro Indicators (continued)

### 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 1,047,000 units in September 2016, which was 11.9% below the September 2015 level. The seasonally adjusted annual rate of private housing units authorized by building permits (considered the best indicator of future housing starts) was 1,225,000 units in September 2016, 8.5% above the September 2015 level.

According to the National Association of Realtors ("NAR"), existing-home sales (at a seasonally adjusted annual rate) totaled 5.5 million in September 2016, 0.6% above the September 2015 level. First-time home buyers purchased 34% of existing homes, a high not seen by the NAR in over four years. Housing inventory stood at 2.04 million existing homes, representing approximately 4 ½ months of supply at the current sales pace and down 6.8% since September 2015. The national median existing-home price increased 5.6% relative to September 2015. Distressed sales, which include foreclosures and short sales, accounted for approximately 4% of sales in September 2016, down 7.0% from the prior year and reaching a new low since tracking began in October 2008.



Source: U.S. Census Bureau

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

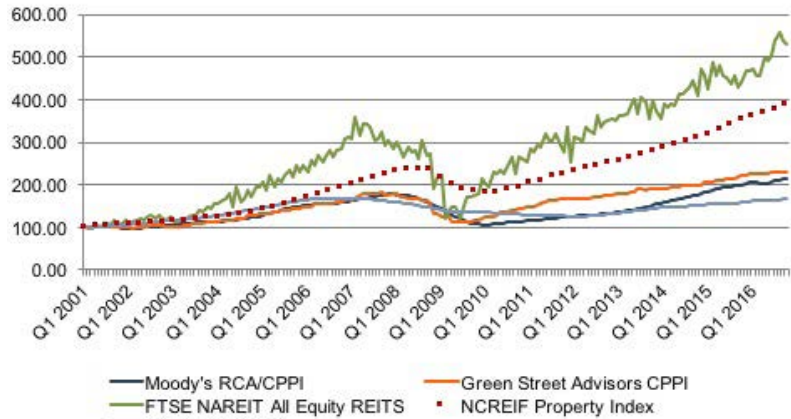
Beginning with January 2004, building permit data reflects the change to the 20,000 place series.

## Industry Performance and M&A Activity

The real estate industry continued the trend moderate improvement during the third quarter of 2016; however, industry returns fell short of the overall market.

### Commercial Property Price Indices

Commercial real estate price indices posted mixed results in the third quarter, with most indices showing little change in either direction. For the quarter, the NCREIF Property Index posted the largest increase of 2.9%. Year-over-year changes were more positive with increases in all indices. The largest increase was in the FTSE NAREIT index (20.9%), followed by the NCREIF Property Index (10.4%) and Moody's RCA/CPPI (8.0%).



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

### REIT Performance Through September 30, 2016

Total REIT returns slowed from recent quarterly trends and underperformed broad market U.S. benchmarks during the third quarter, although year to date returns have generally outperformed the market. For the quarter, most real estate sectors exhibited negative to low growth. The highest returns were in industrial/office sector (4.8%), while the lowest were in retail (negative 2.6%). Market benchmarks all showed positive returns for the quarter, though returns varied from 2.8% for the Dow Jones Industrial Average to 10.0% for the NASDAQ Composite.

Year to date total REIT returns of 12.3% are higher than the year to date returns of all market benchmarks. Industrial/office also showed the highest YTD returns of 25.4%. Only the residential sector exhibited negative year to date returns at negative 1.7%.

	Total Return				Dividend Yield (%)
	Most Recent Quarter	YTD	One Year	Three Years	
<b>FTSE NAREIT Sectors</b>					
Industrial/Office	4.8%	25.4%	35.3%	56.3%	3.11%
Retail	-2.6%	13.1%	22.3%	54.1%	3.46%
Residential	-1.0%	-1.7%	6.6%	57.1%	3.05%
Lodging/Resorts	0.1%	3.3%	0.9%	12.1%	5.69%
Health Care	2.6%	19.3%	22.4%	36.2%	5.08%
All Equity REITS	-1.2%	12.3%	20.9%	47.0%	3.70%
<b>US Benchmarks</b>					
S&P 500	3.9%	7.8%	15.4%	11.2%	2.16%
Russell 2000	9.1%	11.5%	15.5%	6.7%	na
NASDAQ Composite <sup>1</sup>	10.0%	7.1%	16.4%	13.5%	na
Dow Jones Industrial Average <sup>1</sup>	2.8%	7.2%	15.5%	9.2%	na

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



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

### Change in Mortgage Origination Volume by Sector

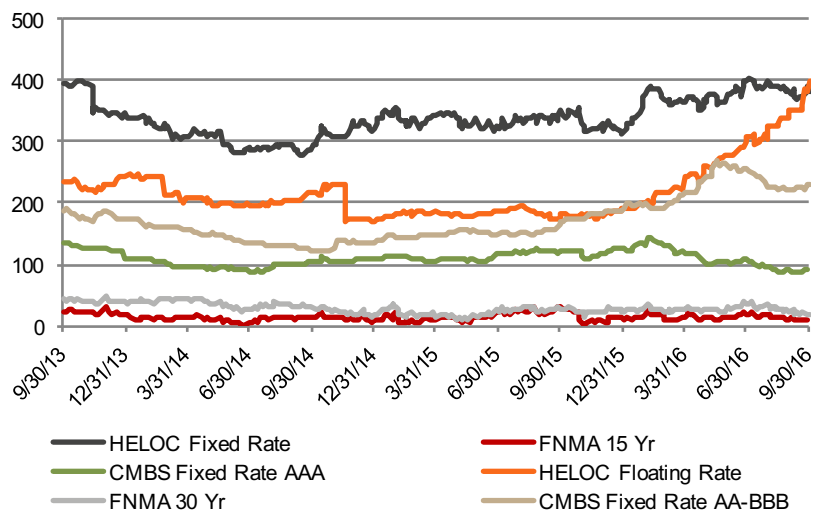
Mortgage originations exhibited varied performance year-over-year, with the industrial, single-family, and multifamily sectors posting large double digit increases, and the healthcare, hotel, retail and office sectors posting decreases. For the quarter, the healthcare sector posted the highest increase (21.2%), but origination volume in the healthcare sector is still down 58.3% year over year. The only sector posting a quarterly decline in origination volume was the hotel sector.

	Multifamily	Office	Retail	Industrial	Hotel	Healthcare	Single Family
YOY Change	25.9%	-4.6%	-22.5%	32.2%	-30.4%	-58.3%	31.7%
QOQ Change	17.9%	17.9%	8.7%	20.0%	-44.5%	21.2%	10.0%

Source: Mortgage Bankers Association

### CMBS Spreads to Swaps

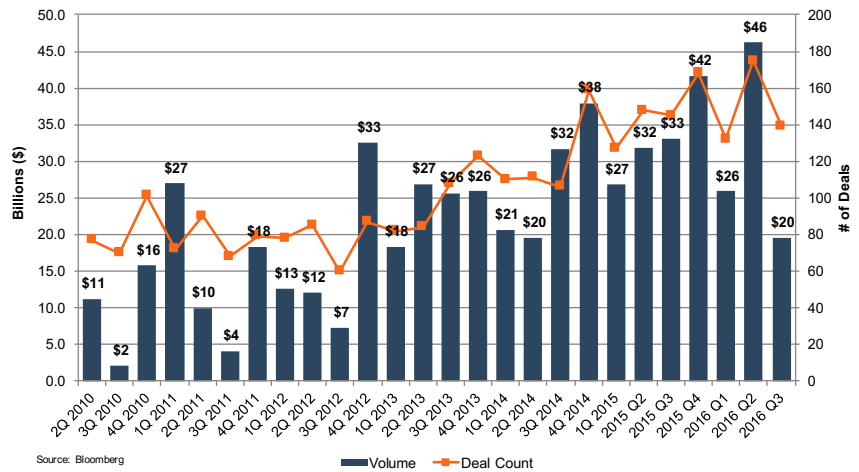
The spreads over U.S. Treasuries in CMBS and other structured real estate product generally fell during the third quarter 2016. Only floating rate HELOCs showed widening spreads over Treasuries, increasing 89 bp to the highest spread in three years. Spreads on other structured real estate tightened 13 bp on average.



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

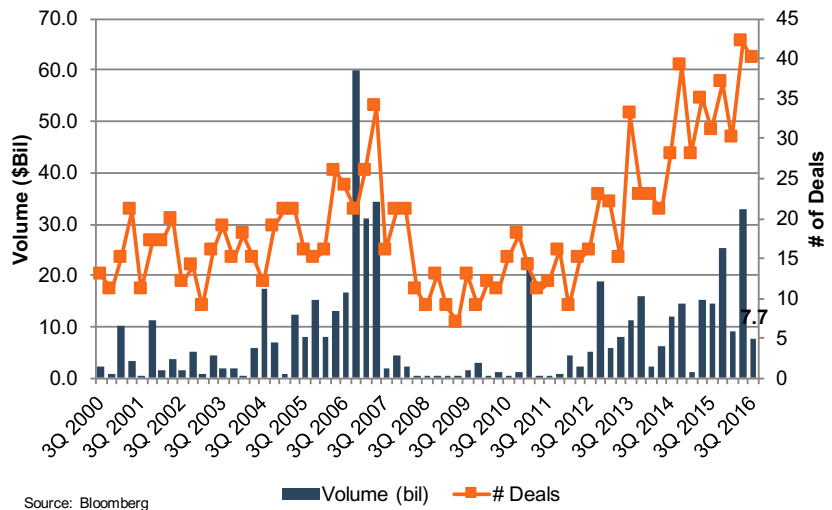
### Global M&A Deals in Real Estate

M&A activity remained robust in the third quarter of 2016, but lost some of the momentum observed in the second quarter. The global deal count fell from 175 in the second quarter of 2016 to 139 in the third quarter. Despite the dip, the number of M&A transactions globally has generally risen since 2012.



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

Deals in the U.S. fell slightly from 42 in the second quarter of 2016 to 40 in the third quarter. Nevertheless, the domestic M&A deal count remains at its highest level since 2000, continuing a positive trajectory that began in 2012.



# Publicly Traded Companies

## Hospitality

Company Name	Ticker	Price at 9/30/16	% 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	\$45.08	-5.3%	-10.6%	-5.4%	\$2,529	\$0	\$694	\$3,224	22%	\$927	\$236	\$137	3.5x	13.7x	18.5x	12.7x	18.4x
Hyatt Hotels Corp	H	\$49.22	0.2%	4.7%	4.5%	\$6,441	\$0	\$787	\$7,228	11%	\$2,604	\$642	\$200	2.8x	11.3x	32.2x	9.1x	30.3x
InterContinental Hotels Group PLC	IHG	\$31.80	15.5%	-0.3%	16.0%	\$6,230	\$0	\$1,374	\$7,605	18%	\$1,721	\$747	\$735	4.4x	10.2x	8.5x	9.7x	16.4x
Marcus Corp/The	MCS	\$25.04	18.7%	32.0%	29.5%	\$690	\$0	\$250	\$941	27%	\$571	\$125	\$46	1.6x	7.5x	14.9x	8.5x	19.3x
Marriott International Inc/MD	MAR	\$67.33	1.3%	0.4%	-1.3%	\$17,129	\$0	\$3,681	\$20,810	18%	\$2,988	\$1,652	\$738	7.0x	12.6x	23.2x	9.7x	18.6x
Red Lion Hotels Corp	RLH	\$8.34	14.9%	19.0%	-1.9%	\$169	\$0	\$94	\$263	36%	\$150	\$13	-\$9	1.7x	20.8x	nm	14.3x	nm
Starwood Hotels & Resorts Worldwide Inc	HOT	\$123.77	11.3%	78.6%	65.0%	\$8,068	\$0	\$855	\$8,923	10%	\$19,443	\$778	\$281	0.5x	11.5x	28.7x	9.1x	23.8x
Vail Resorts Inc	MTN	\$156.88	13.5%	22.6%	49.9%	\$5,676	\$0	\$646	\$6,322	10%	\$1,583	\$455	\$145	4.0x	13.9x	39.2x	13.9x	38.0x
Wyndham Worldwide Corp	WYN	\$67.33	-5.5%	-7.3%	-6.4%	\$7,398	\$0	\$4,931	\$12,329	40%	\$5,155	\$1,271	\$588	2.4x	9.7x	12.6x	9.0x	11.8x
Hilton Worldwide Holdings Inc	HLT	\$68.79	1.8%	7.1%	0.0%	\$22,696	\$0	\$9,629	\$32,325	30%	\$7,201	\$2,705	\$1,549	4.5x	11.9x	14.7x	10.9x	26.2x
<b>Median</b>			<b>6.5%</b>	<b>5.9%</b>	<b>2.2%</b>					<b>19.8%</b>				<b>3.1x</b>	<b>11.7x</b>	<b>18.5x</b>	<b>9.7x</b>	<b>19.3x</b>

Source: S&amp;P Global Market Intelligence

# Publicly Traded Companies

## Hospitality (continued)

Company Name	Ticker	Price at 9/30/16	% 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	\$14.10	-0.3%	-2.8%	0.5%	\$362	\$66	\$696	\$1,124	62%	\$399	\$83	\$13	2.8x	13.5x	28.9x	11.2x	29.7x
Ashford Hospitality Trust Inc	AHT	\$5.89	9.7%	-6.7%	-3.4%	\$566	\$0	\$3,593	\$4,159	86%	\$1,501	\$426	-\$21	2.8x	9.8x	nm	9.4x	nm
Chatham Lodging Trust	CLDT	\$19.25	-12.4%	-6.0%	-10.4%	\$736	\$0	\$588	\$1,324	44%	\$291	\$108	\$33	4.6x	12.3x	22.1x	10.1x	25.0x
Chesapeake Lodging Trust	CHSP	\$22.90	-1.5%	-9.0%	-12.1%	\$1,345	\$0	\$712	\$2,057	35%	\$621	\$189	\$79	3.3x	10.9x	17.0x	11.2x	19.9x
DiamondRock Hospitality Co	DRH	\$9.10	0.8%	-5.7%	-17.6%	\$1,828	\$0	\$759	\$2,587	29%	\$924	\$258	\$117	2.8x	10.0x	15.7x	10.0x	16.1x
FelCor Lodging Trust Inc	FCH	\$6.43	3.2%	-11.9%	-9.1%	\$889	\$368	\$1,387	\$2,644	52%	\$879	\$220	-\$1	3.0x	12.0x	nm	11.2x	nm
Hersha Hospitality Trust	HT	\$18.02	5.1%	-17.2%	-20.5%	\$765	\$0	\$856	\$1,620	53%	\$476	\$150	\$123	3.4x	10.8x	6.2x	9.4x	8.7x
Hospitality Properties Trust	HPT	\$29.72	3.2%	13.7%	16.2%	\$4,831	\$280	\$3,481	\$8,592	41%	\$2,035	\$690	\$140	4.2x	12.4x	34.4x	11.5x	25.0x
Host Hotels & Resorts Inc	HST	\$15.57	-3.9%	1.5%	-1.5%	\$11,560	\$0	\$3,635	\$15,195	24%	\$5,475	\$1,432	\$799	2.8x	10.6x	14.5x	10.5x	15.8x
LaSalle Hotel Properties	LHO	\$23.87	1.2%	-5.1%	-15.9%	\$2,699	\$0	\$1,334	\$4,033	33%	\$1,233	\$387	\$253	3.3x	10.4x	10.7x	10.2x	11.5x
Pebblebrook Hotel Trust	PEB	\$26.60	1.3%	-5.1%	-25.0%	\$1,917	\$0	\$997	\$2,914	34%	\$813	\$254	\$78	3.6x	11.5x	24.5x	10.7x	40.3x
RLJ Lodging Trust	RLJ	\$21.03	-2.0%	-2.8%	-16.8%	\$2,603	\$0	\$1,478	\$4,082	36%	\$1,164	\$383	\$199	3.5x	10.7x	13.1x	10.6x	nm
Ryman Hospitality Properties Inc	RHP	\$48.16	-4.9%	-6.7%	-2.2%	\$2,431	\$0	\$1,443	\$3,874	37%	\$1,139	\$312	\$150	3.4x	12.4x	16.2x	11.3x	16.1x
Sotherly Hotels Inc	SOHO	\$5.28	-6.4%	-14.3%	-22.4%	\$79	\$0	\$307	\$386	80%	\$154	\$34	\$0	2.5x	11.3x	nm	10.6x	58.7x
Strategic Hotels & Resorts Inc	BEE	\$6.38	16.0%	39.6%	31.0%	\$105	\$0	\$6	\$110	5%	\$21	\$0	\$19	5.3x	nm	5.7x	nm	nm
Summit Hotel Properties Inc	INN	\$13.16	-0.6%	10.1%	12.8%	\$1,149	\$0	\$552	\$1,701	32%	\$474	\$154	\$182	3.6x	11.0x	6.3x	10.4x	13.0x
Sunstone Hotel Investors Inc	SHO	\$12.79	6.0%	2.4%	-3.3%	\$2,770	\$190	\$723	\$3,683	20%	\$1,201	\$340	\$337	3.1x	10.8x	8.2x	11.4x	27.2x
<b>Median</b>			<b>0.8%</b>	<b>-5.1%</b>	<b>-9.1%</b>					<b>36%</b>				<b>3.3x</b>	<b>11.0x</b>	<b>15.1x</b>	<b>10.6x</b>	<b>19.9x</b>

Source: S&amp;P Global Market Intelligence

# Publicly Traded Companies

## Residential

Company Name	Ticker	Price at 9/30/16	% 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	\$50.87	-3.8%	23.1%	40.4%	\$6,637	\$0	\$2,466	\$9,103	27%	\$785	\$389	\$102	11.6x	23.4x	65.1x	23.3x	57.6x
Apartment Investment and Management Company	AIV	\$45.91	4.0%	14.7%	24.0%	\$7,190	\$125	\$4,174	\$11,489	36%	\$968	\$568	\$336	11.9x	20.2x	21.4x	20.0x	26.1x
Preferred Apartment Communities, Inc.	APTS	\$13.51	-8.2%	3.3%	24.2%	\$339	\$0	\$1,022	\$1,361	75%	\$175	\$91	-\$6	7.8x	15.0x	nm	11.9x	nm
Avalonbay Communities Inc.	AVB	\$177.84	-1.4%	-3.4%	1.7%	\$24,420	\$0	\$6,662	\$31,081	21%	\$2,017	\$1,297	\$947	15.4x	24.0x	25.8x	23.6x	39.5x
Brookfield Real Estate Services Inc.	BRE	\$16.60	10.8%	13.2%	23.4%	\$213	\$0	\$67	\$279	24%	\$42	\$34	-\$2	6.6x	8.3x	nm	nm	nm
Camden Property Trust	CPT	\$83.74	-5.3%	9.1%	13.3%	\$7,320	\$0	\$2,217	\$9,537	23%	\$947	\$536	\$840	10.1x	17.8x	8.7x	18.9x	9.3x
EdR	EDR	\$43.14	-6.5%	13.9%	30.9%	\$3,151	\$0	\$338	\$3,489	10%	\$280	\$127	\$46	12.5x	27.6x	69.2x	25.8x	62.6x
Equity Residential	EQR	\$64.33	-6.6%	-21.2%	-14.4%	\$23,516	\$37	\$8,731	\$32,284	27%	\$2,524	\$1,631	\$4,219	12.8x	19.8x	5.6x	20.6x	55.2x
Essex Property Trust Inc.	ESS	\$222.70	-2.4%	-7.0%	-0.3%	\$14,586	\$0	\$5,578	\$20,164	28%	\$1,319	\$897	\$300	15.3x	22.5x	48.6x	21.0x	51.9x
Independence Realty Trust, Inc.	IRT	\$9.00	10.0%	19.8%	24.8%	\$653	\$0	\$878	\$1,531	57%	\$155	\$76	\$35	9.9x	20.2x	18.5x	20.5x	nm
Mid-America Apartment Communities Inc.	MAA	\$93.99	-11.7%	3.5%	14.8%	\$7,100	\$0	\$3,638	\$10,739	34%	\$1,081	\$611	\$216	9.9x	17.6x	32.9x	16.9x	34.5x
Post Properties Inc.	PPS	\$0.04	21.4%	3.0%	-20.9%	\$27	\$0	\$30	\$57	52%	\$0	\$0	\$0	#DIV/0!	#DIV/0!	nm	nm	nm
UDR, Inc.	UDR	\$35.99	-2.5%	-4.2%	4.4%	\$9,611	\$46	\$4,396	\$14,054	31%	\$971	\$608	\$222	14.5x	23.1x	43.4x	22.3x	32.1x
<b>Median</b>			<b>-2.5%</b>	<b>3.5%</b>	<b>14.8%</b>					<b>28%</b>				<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>29.3x</b>	<b>20.6x</b>	<b>39.5x</b>

Source: S&amp;P Global Market Intelligence

# Publicly Traded Companies

## Healthcare

Company Name	Ticker	Price at 9/30/16	% 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	\$11.54	-4.2%	-56.5%	-73.0%	\$1,311	\$0	\$15,663	\$16,974	92%	\$18,767	\$1,918	-\$1,583	0.9x	8.9x	nm	7.8x	61.0x
HCA Holdings, Inc.	HCA	\$75.63	-1.8%	11.8%	-2.2%	\$28,637	\$0	\$32,368	\$61,005	53%	\$41,098	\$8,091	\$2,552	1.5x	7.5x	11.2x	7.4x	11.3x
LifePoint Health, Inc.	LPNT	\$59.23	-9.4%	-19.3%	-16.5%	\$2,450	\$0	\$2,794	\$5,244	53%	\$6,130	\$661	\$131	0.9x	7.9x	18.7x	7.0x	16.5x
Tenet Healthcare Corp.	THC	\$22.66	-18.0%	-25.2%	-38.6%	\$2,255	\$0	\$16,749	\$19,004	88%	\$19,787	\$2,277	-\$210	1.0x	8.3x	nm	7.9x	18.8x
Universal Health Services Inc.	UHS	\$123.22	-8.1%	3.1%	-1.3%	\$12,000	\$0	\$3,623	\$15,622	23%	\$9,606	\$1,701	\$702	1.6x	9.2x	17.1x	9.2x	16.8x
AdCare Health Systems, Inc.	ADK	\$2.08	13.0%	-16.5%	-38.1%	\$41	\$62	\$78	\$181	43%	\$28	\$8	-\$18	6.6x	21.5x	nm	nm	nm
Brookdale Senior Living Inc.	BKD	\$17.45	13.0%	-5.5%	-24.0%	\$3,244	\$0	\$6,348	\$9,593	66%	\$4,265	\$803	-\$310	2.2x	12.0x	nm	12.0x	nm
Capital Senior Living Corp.	CSU	\$16.80	-4.9%	-19.5%	-16.2%	\$504	\$0	\$825	\$1,329	62%	\$438	\$79	-\$23	3.0x	16.9x	nm	14.7x	nm
Five Star Quality Care Inc.	FVE	\$1.91	-18.4%	-39.9%	-38.2%	\$95	\$0	-\$9	\$86	-10%	\$1,129	\$28	-\$23	0.1x	3.1x	nm	3.4x	nm
Alliance Healthcare Services, Inc.	AIQ	\$6.86	9.9%	-25.3%	-29.7%	\$74	\$0	\$613	\$687	89%	\$500	\$118	\$2	1.4x	5.8x	31.0x	nm	nm
Quest Diagnostics Inc.	DGX	\$84.63	4.0%	19.0%	37.7%	\$11,765	\$0	\$3,665	\$15,430	24%	\$7,503	\$1,471	\$678	2.1x	10.5x	17.4x	10.4x	16.6x
Laboratory Corp. of America Holdings	LH	\$137.48	5.5%	11.2%	26.7%	\$14,064	\$0	\$5,431	\$19,496	28%	\$9,295	\$1,791	\$657	2.1x	10.9x	21.4x	10.1x	15.7x
RadNet, Inc.	RDNT	\$7.40	38.6%	19.7%	33.3%	\$344	\$0	\$640	\$984	65%	\$875	\$102	\$4	1.1x	9.6x	77.6x	7.3x	24.7x
DaVita HealthCare Partners Inc.	DVA	\$66.07	-14.5%	-5.2%	-8.7%	\$13,670	\$0	\$8,573	\$22,243	39%	\$14,550	\$2,492	\$716	1.5x	8.9x	19.1x	8.7x	17.5x

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Healthcare (continued)

Company Name	Ticker	Price at 9/30/16	% 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	\$0.02	-11.5%	155.6%	91.7%	\$68	\$0	-\$1	\$67	-1%	\$0	-\$3	-\$28	1601.6x	-19.3x	nm	nm	nm
AmerisourceBergen Corporation	ABC	\$80.78	1.8%	-22.1%	-15.0%	\$19,217	\$0	\$2,542	\$21,759	12%	\$144,759	\$1,869	\$1,645	0.2x	11.6x	11.7x	9.9x	14.6x
Cardinal Health, Inc.	CAH	\$77.70	-0.4%	-13.0%	1.1%	\$24,860	\$0	\$3,326	\$28,186	12%	\$117,709	\$3,085	\$1,390	0.2x	9.1x	17.9x	8.6x	14.8x
Henry Schein, Inc.	HSIC	\$162.98	-7.8%	3.0%	22.8%	\$13,331	\$0	\$1,468	\$14,799	10%	\$11,302	\$967	\$498	1.3x	15.3x	26.8x	15.1x	24.8x
McKesson Corporation	MCK	\$166.75	-10.7%	-15.5%	-9.9%	\$37,636	\$0	\$5,033	\$42,669	12%	\$189,131	\$4,454	\$1,959	0.2x	9.6x	19.2x	8.5x	13.2x
Patterson Companies, Inc.	PDCO	\$45.94	-4.1%	1.6%	6.2%	\$4,449	\$0	\$1,053	\$5,502	19%	\$4,968	\$412	\$186	1.1x	13.3x	23.9x	12.3x	18.8x
Adeptus Health Inc.	ADPT	\$43.05	-16.7%	-21.0%	-46.7%	\$704	\$0	\$219	\$923	24%	\$404	\$38	\$85	2.3x	24.6x	8.3x	13.3x	34.9x
Air Methods Corp.	AIRM	\$31.49	-12.1%	-24.9%	-7.6%	\$1,199	\$0	\$929	\$2,128	44%	\$1,151	\$290	\$104	1.8x	7.3x	11.6x	7.4x	12.1x
InfuSystem Holdings, Inc.	INFU	\$2.78	6.9%	-7.9%	0.7%	\$63	\$0	\$39	\$102	38%	\$67	\$18	\$2	1.5x	5.8x	35.4x	nm	nm
Addus HomeCare Corporation	ADUS	\$26.16	50.1%	12.4%	-16.0%	\$297	\$0	\$34	\$332	10%	\$382	\$26	\$8	0.9x	12.5x	38.2x	10.7x	19.9x
Almost Family Inc.	AFAM	\$36.77	-13.7%	-3.8%	-8.2%	\$382	\$0	\$145	\$527	27%	\$615	\$46	\$17	0.9x	11.3x	22.6x	9.8x	15.3x
Amedisys Inc.	AMED	\$47.44	-6.0%	20.7%	24.9%	\$1,591	\$0	\$85	\$1,677	5%	\$1,391	\$79	\$41	1.2x	21.1x	38.6x	15.6x	31.7x
Chemed Corp.	CHE	\$141.07	3.5%	-5.8%	5.7%	\$2,284	\$0	\$130	\$2,414	5%	\$1,572	\$215	\$106	1.5x	11.2x	21.4x	10.2x	19.5x
LHC Group, Inc.	LHCG	\$36.88	-14.8%	-18.6%	-17.6%	\$669	\$0	\$108	\$778	14%	\$882	\$81	\$35	0.9x	9.6x	19.4x	9.2x	17.9x
Diversicare Healthcare Services Inc.	DVCR	\$10.00	20.5%	22.7%	-0.8%	\$64	\$0	\$61	\$125	49%	\$389	\$19	-\$2	0.3x	6.7x	nm	nm	nm
The Ensign Group, Inc.	ENSG	\$20.13	-4.2%	-11.0%	-5.6%	\$1,015	\$0	\$148	\$1,163	13%	\$1,595	\$123	\$45	0.7x	9.5x	22.4x	7.4x	14.8x
Kindred Healthcare Inc.	KND	\$10.22	-9.5%	-14.2%	-35.1%	\$871	\$0	\$3,269	\$4,140	79%	\$7,255	\$550	-\$603	0.6x	7.5x	nm	4.3x	13.9x
National Healthcare Corp.	NHC	\$65.99	1.9%	7.0%	8.4%	\$1,008	\$0	-\$27	\$981	-3%	\$923	\$105	\$52	1.1x	9.3x	19.5x	nm	nm
CVS Health Corporation	CVS	\$88.99	-7.1%	-9.0%	-7.8%	\$94,882	\$0	\$27,435	\$122,317	22%	\$172,701	\$12,839	\$5,108	0.7x	9.5x	18.6x	9.4x	15.3x

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Healthcare (continued)

Company Name	Ticker	Price at 9/30/16	% 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	\$4.90	3.2%	4.8%	-3.2%	\$104	\$0	-\$15	\$89	-16%	\$114	\$13	\$10	0.8x	6.6x	10.1x	6.0x	10.6x
Express Scripts Holding Company	ESRX	\$70.53	-7.0%	-19.3%	-12.9%	\$44,449	\$0	\$14,667	\$59,116	25%	\$101,600	\$6,839	\$2,743	0.6x	8.6x	16.2x	8.1x	11.0x
PharMerica Corporation	PMC	\$28.07	13.8%	-19.8%	-1.4%	\$864	\$0	\$384	\$1,248	31%	\$2,077	\$131	\$34	0.6x	9.5x	25.3x	9.7x	15.0x
MEDNAX, Inc.	MD	\$66.25	-8.5%	-7.5%	-13.7%	\$6,096	\$0	\$1,377	\$7,473	18%	\$3,094	\$662	\$340	2.4x	11.3x	18.0x	11.1x	16.4x
Acadia Healthcare Company, Inc.	ACHC	\$49.55	-10.6%	-20.7%	-25.2%	\$4,332	\$0	\$3,634	\$7,965	46%	\$2,603	\$544	-\$1	3.1x	14.6x	nm	13.1x	20.6x
Magellan Health, Inc.	MGLN	\$53.73	-18.3%	-12.9%	-3.1%	\$1,321	\$0	\$245	\$1,566	16%	\$4,842	\$238	\$70	0.3x	6.6x	18.9x	5.2x	17.3x
Providence Service Corp.	PRSC	\$48.63	8.4%	3.6%	11.6%	\$705	\$78	\$238	\$1,021	23%	\$1,784	\$125	\$84	0.6x	8.2x	8.4x	13.2x	29.3x
HEALTHSOUTH Corp.	HLS	\$40.57	4.5%	16.5%	5.7%	\$3,642	\$0	\$3,313	\$6,955	48%	\$3,576	\$817	\$229	1.9x	8.5x	15.9x	8.8x	15.8x
Select Medical Holdings Corporation	SEM	\$13.50	24.2%	13.4%	25.1%	\$1,775	\$0	\$2,972	\$4,747	63%	\$4,211	\$452	\$125	1.1x	10.5x	14.2x	10.1x	22.2x
<b>Median</b>			<b>44.3%</b>	<b>89.1%</b>	<b>64.7%</b>					<b>24%</b>				<b>1.1x</b>	<b>9.5x</b>	<b>19.0x</b>	<b>9.3x</b>	<b>16.6x</b>

Source: S&amp;P Global Market Intelligence



## Publicly Traded Companies

### Healthcare (continued)

Company Name	Ticker	Price at 9/30/16	% 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	\$74.77	-1.8%	9.9%	10.4%	\$26,761	\$1,006	\$13,376	\$41,144	33%	\$4,134	\$2,088	\$878	10.0x	19.7x	30.5x	18.7x	38.5x
HCP, Inc.	HCP	\$37.95	7.3%	-0.8%	1.9%	\$17,745	\$0	\$11,042	\$28,787	38%	\$2,626	\$1,777	-\$30	11.0x	16.2x	nm	17.4x	30.6x
Healthcare Realty Trust Incorporated	HR	\$34.06	-2.7%	20.3%	37.1%	\$3,946	\$0	\$1,406	\$5,352	26%	\$405	\$228	\$52	13.2x	23.5x	76.2x	23.2x	78.2x
LTC Properties Inc.	LTC	\$51.99	0.5%	20.5%	21.8%	\$2,039	\$0	\$589	\$2,628	22%	\$157	\$140	\$82	16.7x	18.8x	24.7x	18.0x	23.5x
Omega Healthcare Investors Inc.	OHI	\$35.45	4.4%	1.3%	0.9%	\$6,858	\$0	\$4,487	\$11,344	40%	\$877	\$838	\$303	12.9x	13.5x	22.6x	14.5x	20.3x
Ventas, Inc.	VTR	\$70.63	-3.0%	25.2%	26.0%	\$24,816	\$0	\$11,122	\$35,937	31%	\$3,410	\$1,790	\$566	10.5x	20.1x	43.8x	19.3x	34.7x
<b>Median</b>			<b>-0.7%</b>	<b>15.1%</b>	<b>16.1%</b>					<b>32%</b>				<b>11.9x</b>	<b>19.2x</b>	<b>30.5x</b>	<b>18.3x</b>	<b>32.7x</b>

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate

Company Name	Ticker	Price at 9/30/16	% 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	\$13.40	-2.5%	27.9%	37.2%	\$659	\$0	\$488	\$1,147	43%	\$244	\$51	\$46	4.7x	22.5x	14.3x	18.1x	15.6x
Brandywine Realty Trust	BDN	\$15.62	-7.0%	14.3%	26.8%	\$2,735	\$0	\$1,799	\$4,534	40%	\$541	\$231	-\$10	8.4x	19.6x	nm	15.6x	56.7x
Cousins Properties Incorporated	CUZ	\$10.44	0.4%	10.7%	13.2%	\$2,194	\$0	\$778	\$2,973	26%	\$370	\$197	\$99	8.0x	15.1x	22.2x	14.1x	47.4x
Douglas Emmett Inc	DEI	\$36.63	3.1%	17.5%	27.5%	\$5,532	\$0	\$5,138	\$10,670	48%	\$718	\$435	\$80	14.9x	24.5x	69.3x	22.6x	76.9x
Investors Real Estate Trust	IRET	\$5.95	-8.0%	-14.4%	-23.1%	\$724	\$139	\$940	\$1,802	52%	\$166	\$86	\$72	10.9x	21.1x	10.1x	15.1x	13.8x
Lexington Realty Trust	LXP	\$10.30	1.9%	28.8%	27.2%	\$2,441	\$94	\$2,065	\$4,600	45%	\$434	\$359	\$108	10.6x	12.8x	22.6x	13.0x	28.7x
National Retail Properties, Inc.	NNN	\$50.85	-1.7%	27.0%	40.2%	\$7,475	\$575	\$2,116	\$10,166	21%	\$519	\$461	\$216	19.6x	22.0x	34.6x	21.5x	41.0x
PS Business Parks Inc.	PSB	\$113.57	7.1%	29.9%	43.1%	\$3,076	\$920	\$249	\$4,245	6%	\$384	\$247	\$121	11.0x	17.2x	25.4x	17.3x	64.6x
Public Storage	PSA	\$223.14	-12.7%	-9.9%	5.4%	\$38,692	\$4,018	\$368	\$43,078	1%	\$2,589	\$1,844	\$1,403	16.6x	23.4x	27.6x	23.7x	33.2x
Retail Properties of America, Inc.	RPAI	\$16.80	-0.6%	13.7%	19.2%	\$3,978	\$0	\$2,251	\$6,229	36%	\$586	\$369	\$152	10.6x	16.9x	26.3x	17.0x	103.9x
Vornado Realty Trust	VNO	\$101.21	1.1%	1.3%	11.9%	\$19,111	\$1,038	\$11,755	\$31,904	37%	\$2,477	\$1,209	\$491	12.9x	26.4x	38.9x	25.6x	76.1x
W. P. Carey Inc.	WPC	\$64.53	-7.0%	9.4%	11.6%	\$6,823	\$0	\$4,608	\$11,431	40%	\$922	\$730	\$271	12.4x	15.7x	25.2x	15.6x	24.1x
<b>Median</b>			<b>-0.6%</b>	<b>13.7%</b>	<b>19.2%</b>					<b>36%</b>				<b>12.4x</b>	<b>17.2x</b>	<b>26.3x</b>	<b>17.3x</b>	<b>41.0x</b>

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate (continued)

Company Name	Ticker	Price at 9/30/16	% 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	\$27.26	-11.7%	-11.0%	0.2%	\$4,888	\$0	\$1,505	\$6,393	24%	\$490	\$297	\$98	13.0x	21.5x	49.8x	21.1x	61.1x
DCT Industrial Trust Inc.	DCT	\$48.55	1.1%	29.9%	44.2%	\$4,377	\$0	\$1,653	\$6,029	27%	\$380	\$254	\$112	15.9x	23.7x	39.1x	22.4x	107.0x
Duke Realty Corporation	DRE	\$27.33	2.5%	30.0%	43.5%	\$9,586	\$0	\$3,132	\$12,718	25%	\$914	\$484	\$289	13.9x	26.3x	33.2x	22.4x	97.9x
EastGroup Properties Inc.	EGP	\$73.56	6.7%	32.3%	35.8%	\$2,408	\$0	\$985	\$3,394	29%	\$248	\$151	\$92	13.7x	22.5x	26.3x	20.4x	44.6x
Extra Space Storage Inc.	EXR	\$79.41	-14.2%	-10.0%	2.9%	\$9,989	\$0	\$4,138	\$14,127	29%	\$970	\$558	\$292	14.6x	25.3x	34.2x	21.8x	34.2x
First Industrial Realty Trust Inc.	FR	\$28.22	1.4%	27.5%	34.7%	\$3,298	\$0	\$1,378	\$4,676	29%	\$373	\$241	\$141	12.5x	19.4x	23.4x	18.9x	29.2x
Prologis, Inc.	PLD	\$53.54	9.2%	24.7%	37.6%	\$28,213	\$78	\$14,378	\$42,669	34%	\$2,755	\$1,786	\$888	15.5x	23.9x	31.8x	27.1x	30.9x
Life Storage, Inc.	LSI	\$88.94	-15.2%	-17.1%	-5.7%	\$4,127	\$0	\$339	\$4,465	8%	\$400	\$251	\$97	11.2x	17.8x	42.5x	17.2x	35.8x
STAG Industrial, Inc.	STAG	\$24.51	2.9%	32.8%	34.6%	\$1,750	\$214	\$1,001	\$2,965	34%	\$243	\$166	-\$18	12.2x	17.9x	nm	17.3x	nm
<b>Median</b>			<b>2.9%</b>	<b>24.7%</b>	<b>34.6%</b>					<b>34%</b>				<b>12.2x</b>	<b>17.9x</b>	<b>37.1x</b>	<b>17.3x</b>	<b>33.4x</b>

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate (continued)

Company Name	Ticker	Price at 9/30/16	% 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	\$43.38	2.2%	13.1%	6.2%	\$1,970	\$0	\$1,057	\$3,027	35%	\$286	\$164	\$32	10.6x	18.5x	61.7x	17.8x	58.6x
Boston Properties Inc.	BXP	\$136.29	3.3%	6.9%	15.1%	\$20,947	\$200	\$11,021	\$32,168	34%	\$2,548	\$1,528	\$503	12.6x	21.1x	41.6x	21.2x	63.9x
CoreSite Realty Corporation	COR	\$74.04	-16.5%	30.5%	43.9%	\$2,474	\$115	\$666	\$3,254	20%	\$381	\$191	\$53	8.5x	17.1x	46.5x	15.6x	49.8x
Corporate Office Properties Trust	OFC	\$28.35	-4.1%	29.9%	34.8%	\$2,686	\$199	\$2,192	\$5,077	43%	\$576	\$300	\$46	8.8x	17.0x	58.3x	17.3x	nm
Digital Realty Trust Inc.	DLR	\$97.12	-10.9%	28.4%	48.7%	\$14,263	\$1,013	\$6,415	\$21,691	30%	\$2,082	\$1,018	\$315	10.4x	21.3x	45.3x	18.0x	96.7x
Empire State Realty Trust, Inc.	ESRT	\$20.95	10.3%	15.9%	23.0%	\$3,220	\$8	\$2,463	\$5,691	43%	\$664	\$304	\$44	8.6x	18.7x	73.7x	17.1x	nm
Equity Commonwealth	EQC	\$30.22	3.7%	9.0%	10.9%	\$3,794	\$119	-\$210	\$3,703	-6%	\$536	\$269	\$264	6.9x	13.8x	14.4x	14.7x	19.8x
First Potomac Realty Trust	FPO	\$9.15	-0.5%	-19.7%	-16.8%	\$532	\$0	\$785	\$1,317	60%	\$167	\$92	-\$38	7.9x	14.3x	nm	14.9x	nm
Franklin Street Properties Corp.	FSP	\$12.60	2.7%	21.7%	17.2%	\$1,340	\$0	\$936	\$2,275	41%	\$244	\$125	\$22	9.3x	18.2x	60.7x	17.7x	64.6x
Government Properties Income Trust	GOV	\$22.62	-1.9%	42.5%	41.4%	\$1,609	\$0	\$1,213	\$2,822	43%	\$254	\$136	\$43	11.1x	20.8x	370x	16.4x	29.8x
Highwoods Properties Inc.	HIW	\$52.12	-1.3%	19.5%	34.5%	\$5,140	\$29	\$2,260	\$7,428	30%	\$660	\$331	\$519	11.3x	22.4x	9.9x	18.4x	9.9x
Hudson Pacific Properties, Inc.	HPP	\$32.87	12.6%	16.8%	14.2%	\$3,896	\$0	\$3,756	\$7,652	49%	\$627	\$242	\$8	12.2x	31.6x	476.7x	21.4x	209.8x
Kilroy Realty Corp.	KRC	\$69.35	4.6%	9.6%	6.4%	\$6,395	\$192	\$2,509	\$9,096	28%	\$616	\$359	\$290	14.8x	25.3x	22.1x	22.3x	51.0x
Liberty Property Trust	LPT	\$40.35	1.6%	30.0%	28.1%	\$5,921	\$0	\$3,303	\$9,224	36%	\$767	\$439	\$242	12.0x	21.0x	24.5x	18.8x	33.3x
Mack-Cali Realty Corp.	CLI	\$27.22	0.8%	16.6%	44.2%	\$2,440	\$0	\$2,439	\$4,879	50%	\$625	\$303	\$70	7.8x	16.1x	34.7x	16.4x	24.7x
Piedmont Office Realty Trust Inc.	PDM	\$21.77	1.1%	15.3%	21.7%	\$3,162	\$0	\$1,886	\$5,048	37%	\$552	\$262	\$203	9.1x	19.3x	15.5x	16.9x	nm
Select Income REIT	SIR	\$26.90	3.5%	35.7%	41.5%	\$2,404	\$0	\$2,416	\$4,821	50%	\$462	\$337	\$103	10.4x	14.3x	23.4x	14.3x	19.7x
<b>Median</b>			<b>2.3%</b>	<b>25.5%</b>	<b>31.6%</b>					<b>44%</b>				<b>9.8x</b>	<b>16.8x</b>	<b>19.4x</b>	<b>15.6x</b>	<b>19.7x</b>

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate (continued)

Company Name	Ticker	Price at 9/30/16	% 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	\$419.60	2.5%	9.2%	12.2%	\$2,143	\$0	\$817	\$2,960	28%	\$223	\$136	\$88	13.3x	21.7x	24.2x	nm	nm
CBL & Associates Properties Inc.	CBL	\$12.14	30.4%	-1.9%	-11.7%	\$2,073	\$0	\$4,662	\$6,736	69%	\$1,066	\$698	\$82	6.3x	9.7x	25.3x	9.3x	20.2x
Cedar Realty Trust, Inc.	CDR	\$7.20	-3.1%	1.7%	15.9%	\$591	\$191	\$705	\$1,486	47%	\$152	\$84	\$13	9.8x	17.6x	46.1x	17.8x	nm
DDR Corp.	DDR	\$17.43	-3.9%	3.5%	13.3%	\$6,339	\$350	\$4,929	\$11,619	42%	\$1,024	\$668	\$120	11.3x	17.4x	52.9x	17.0x	285.1x
EPR Properties	EPR	\$78.74	-2.4%	34.7%	52.7%	\$5,010	\$6	\$2,099	\$7,115	30%	\$465	\$407	\$220	15.3x	17.5x	22.8x	16.6x	25.6x
Federal Realty Investment Trust	FRT	\$153.93	-7.0%	5.4%	12.8%	\$10,995	\$10	\$2,879	\$13,884	21%	\$790	\$503	\$260	17.6x	27.6x	42.3x	27.0x	47.7x
General Growth Properties, Inc	GGP	\$27.60	-7.4%	1.4%	6.3%	\$24,419	\$242	\$14,053	\$38,714	36%	\$2,555	\$1,806	\$1,246	15.1x	21.4x	19.6x	17.3x	55.3x
Getty Realty Corp.	GTY	\$23.93	11.6%	39.5%	51.5%	\$808	\$0	\$296	\$1,103	27%	\$115	\$75	\$50	9.6x	14.7x	16.2x	16.0x	21.1x
Hospitality Properties Trust	HPT	\$29.72	3.2%	13.7%	16.2%	\$4,831	\$280	\$3,481	\$8,592	41%	\$2,035	\$690	\$140	4.2x	12.4x	34.4x	11.5x	25.0x
Kimco Realty Corporation	KIM	\$28.95	-7.7%	9.4%	18.5%	\$12,160	\$0	\$5,071	\$17,231	29%	\$1,176	\$725	\$680	14.6x	23.8x	17.9x	21.1x	52.9x
Kite Realty Group Trust	KRG	\$27.72	-1.1%	6.9%	16.4%	\$2,311	\$0	\$1,818	\$4,129	44%	\$355	\$218	\$9	11.6x	19.0x	271.6x	17.1x	nm
Pennsylvania Real Estate Investment Trust	PEI	\$23.03	7.4%	5.3%	16.1%	\$1,601	\$0	\$1,859	\$3,460	54%	\$423	\$234	-\$27	8.2x	14.8x	nm	15.4x	142.5x
Ramco-Gershenson Properties Trust	RPT	\$18.74	-4.4%	12.8%	24.9%	\$1,485	\$92	\$1,053	\$2,630	40%	\$265	\$165	\$67	9.9x	15.9x	22.0x	16.0x	30.2x
Realty Income Corporation	O	\$66.93	-3.5%	29.6%	41.2%	\$17,306	\$398	\$4,951	\$22,655	22%	\$1,079	\$978	\$306	21.0x	23.2x	56.5x	22.9x	62.0x
Regency Centers Corporation	REG	\$77.49	-7.5%	13.8%	24.7%	\$8,097	\$325	\$2,038	\$10,460	19%	\$651	\$417	\$127	16.1x	25.1x	63.9x	22.1x	53.8x
Retail Opportunity Investments Corp.	ROIC	\$21.96	1.3%	22.7%	32.8%	\$2,391	\$0	\$1,303	\$3,693	35%	\$225	\$143	\$30	16.4x	25.7x	79.5x	22.6x	82.9x

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate (continued)

Company Name	Ticker	Price at 9/30/16	% 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	\$66.60	7.9%	29.9%	28.7%	\$1,425	\$180	\$902	\$2,507	36%	\$213	\$140	\$45	11.8x	17.9x	31.6x	17.1x	nm
Simon Property Group Inc.	SPG	\$207.01	-4.6%	6.5%	12.7%	\$65,048	\$43	\$22,904	\$87,996	26%	\$5,390	\$3,981	\$1,837	16.3x	22.1x	35.4x	22.4x	33.1x
SL Green Realty Corp.	SLG	\$108.10	1.5%	-4.3%	-0.1%	\$10,845	\$222	\$8,949	\$20,015	45%	\$1,833	\$1,032	\$318	10.9x	19.4x	34.1x	17.2x	nm
Tanger Factory Outlet Centers Inc.	SKT	\$38.96	-3.0%	19.1%	18.2%	\$3,703	\$0	\$1,613	\$5,316	30%	\$468	\$260	\$278	11.4x	20.5x	13.3x	19.6x	39.4x
Taubman Centers, Inc.	TCO	\$74.41	0.3%	-3.0%	7.7%	\$4,494	\$0	\$2,842	\$7,336	39%	\$603	\$324	\$127	12.2x	22.7x	35.4x	19.6x	49.3x
The Macerich Company	MAC	\$80.87	-5.3%	0.2%	5.3%	\$11,615	\$0	\$5,180	\$16,795	31%	\$1,121	\$666	\$895	15.0x	25.2x	13.0x	27.7x	121.6x
Urstadt Biddle Properties Inc.	UBA	\$22.22	-10.3%	15.5%	18.6%	\$799	\$204	\$291	\$1,294	22%	\$114	\$66	\$51	11.3x	19.5x	15.7x	19.2x	36.5x
Washington Real Estate Investment Trust	WRE	\$31.12	-1.1%	15.0%	24.8%	\$2,291	\$0	\$1,249	\$3,541	35%	\$315	\$181	\$176	11.2x	19.6x	13.0x	19.5x	19.4x
Weingarten Realty Investors	WRI	\$38.98	-4.5%	12.7%	17.7%	\$4,983	\$0	\$2,201	\$7,184	31%	\$563	\$373	\$242	12.8x	19.2x	20.6x	19.5x	22.4x
<b>Median</b>			<b>-4.5%</b>	<b>15.0%</b>	<b>18.6%</b>					<b>31%</b>				<b>11.3x</b>	<b>19.5x</b>	<b>15.7x</b>	<b>19.5x</b>	<b>22.4x</b>

Source: S&amp;P Global Market Intelligence

## Publicly Traded Companies

### Commercial Real Estate (continued)

Company Name	Ticker	Price at 9/30/16	% 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	\$36.24	2.0%	9.3%	20.5%	\$2,928	\$0	\$1,643	\$4,571	36%	\$215	\$123	\$62	21.2x	37.1x	47.3x	31.9x	39.7x
CBRE Group, Inc.	CBG	\$27.98	5.7%	-19.1%	-12.6%	\$9,143	\$0	\$3,303	\$12,446	27%	\$12,948	\$1,100	\$488	1.0x	11.3x	18.7x	8.3x	12.8x
Jones Lang LaSalle Incorporated	JLL	\$113.79	16.8%	-28.8%	-20.9%	\$5,141	\$0	\$1,187	\$6,328	19%	\$6,533	\$647	\$349	1.0x	9.8x	14.7x	9.9x	14.3x
Kennedy-Wilson Holdings, Inc.	KW	\$22.55	18.9%	-6.4%	1.7%	\$2,537	\$0	\$5,332	\$7,869	68%	\$720	\$252	\$19	10.9x	31.2x	133.5x	25.9x	nm
Realty Holdings Corp.	RLGY	\$25.86	-10.9%	-29.5%	-31.3%	\$3,752	\$0	\$3,675	\$7,427	49%	\$5,765	\$761	\$165	1.3x	9.8x	22.7x	9.8x	16.9x
<b>Median</b>			<b>4.0%</b>	<b>-17.9%</b>	<b>-14.8%</b>					<b>59%</b>				<b>6.1x</b>	<b>20.5x</b>	<b>78.1x</b>	<b>17.8x</b>	<b>16.9x</b>

Source: S&amp;P Global Market Intelligence

# Mercer Capital

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## Contact Us

### Matthew R. Crow, CFA, ASA

901.685.2120  
crowm@mercercapital.com

### Timothy R. Lee, ASA

901.322.9740  
leet@mercercapital.com

### Madeleine G. Davis

901.322.9788  
davism@mercercapital.com

### Megan Richards

901.322.9767  
richardsm@mercercapital.com

## MERCER CAPITAL

### Memphis

5100 Poplar Avenue, Suite 2600  
Memphis, Tennessee 38137  
901.685.2120

### Dallas

12201 Merit Drive, Suite 480  
Dallas, Texas 75251  
214.468.8400

### Nashville

102 Woodmont Blvd., Suite 231  
Nashville, Tennessee 37205  
615.345.0350

[www.mercercapital.com](http://www.mercercapital.com)