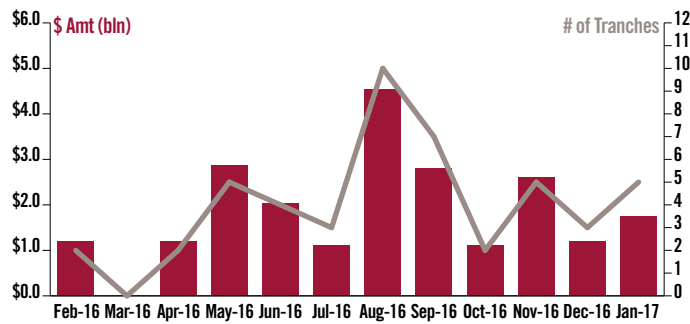


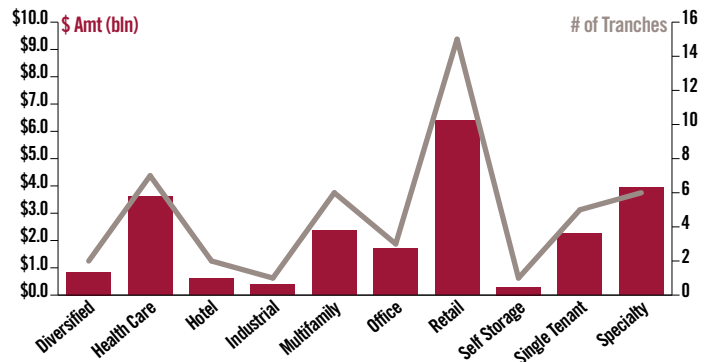
## Market Commentary

- There was significant treasury volatility during January as investors tried to decipher the new administration's policies
- Overall, spreads and all-in costs ended flat to the end of the year despite the volatility in rates
- The month of January saw five debt tranche issuances, totaling \$1.75 billion in gross proceeds
- BBTCM's Real Estate group participated on four of the five debt tranche issuances in January

## LTM Issuance by Month



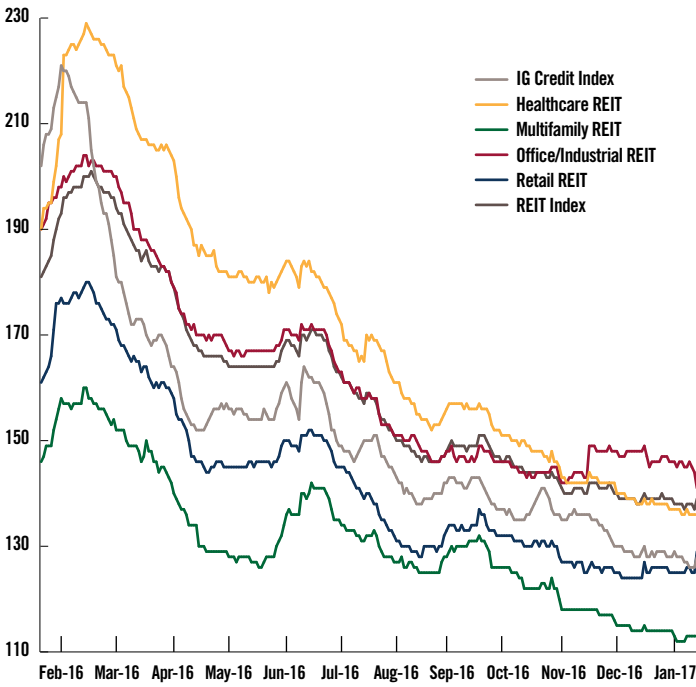
## LTM Issuance by Sector



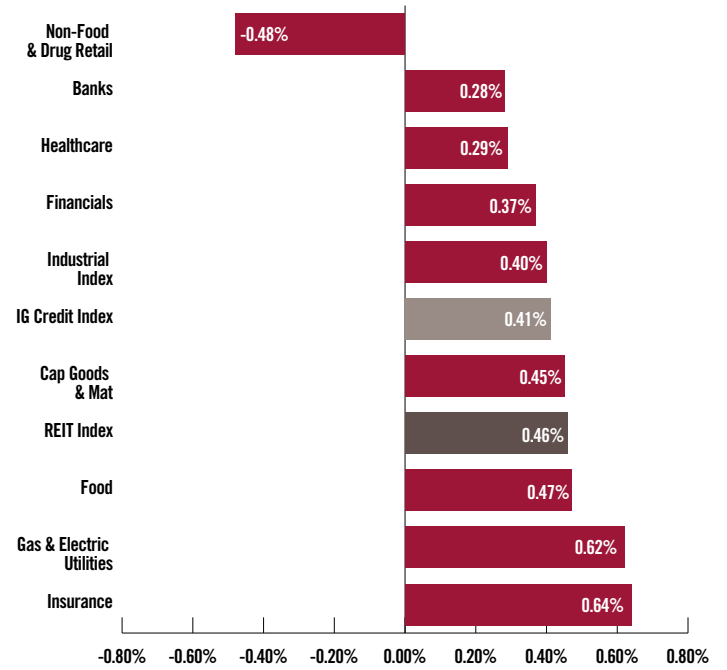
## Recent Issuances of Note

Priced	Issuer	Bond Ticker	Rating	Coupon	Maturity	Tenor (yrs)	Amount (\$mm)	Issue Spread	IPT (bps)	NIC (bps)	Book Cover	Current Spread	Sector
1/30/17	Crown Castle Intl Corp	CCI	Baa3/BBB-/BBB-	4.000%	Mar-27	10.0	\$500	+157	175-180	-1	6.0x	+157	Specialty
1/17/17	Regency Centers LP	REG	Baa1/BBB+/BBB+	3.600%	Feb-27	10.0	\$350	+130	150 area	-9	4.6x	+122	Retail
1/17/17	Regency Centers LP	REG	Baa1/BBB+/BBB+	4.400%	Feb-47	30.0	\$300	+150	175 area	-9	4.3x	+137	Retail
1/10/17	Hospitality Prop Trust	HPT	Baa2/BBB-/NR	4.500%	Jun-23	6.5	\$200 tap	+240	265 area	-10	4.5x	+224	Hotel
1/10/17	Hospitality Prop Trust	HPT	Baa2/BBB-/NR	4.950%	Feb-27	10.0	\$400	+270	300 area	+1	4.5x	+250	Hotel
12/7/16	Epr Properties	EPR	Baa2/BBB-/BBB-	4.750%	Dec-26	10.0	\$450	+260	High 200	+4	2.2x	+237	Diversified
12/6/16	CBL & Associates LP	CBL	Baa3/BBB-/BBB-	5.950%	Dec-26	10.0	\$400	+375	375 area	+35	2.0x	+355	Retail
12/5/16	National Retail Prop Inc	NNN	Baa1/BBB+/BBB+	3.600%	Dec-26	10.0	\$350	+135	160 area	-4	3.1x	+130	Single Tenant
11/15/16	Simon Property Group LP	SPG	A2/A/A	2.350%	Jan-22	5.0	\$550	+75	95-100	Flat	4.4x	+71	Retail
11/15/16	Simon Property Group LP	SPG	A2/A/A	3.250%	Nov-26	10.0	\$750	+105	120-125	+6	2.8x	+101	Retail
11/15/16	Simon Property Group LP	SPG	A2/A/A	4.250%	Nov-46	30.0	\$550	+130	145-150	+6	2.7x	+123	Retail
11/1/16	Kimco Realty Corp	KIM	Baa1/BBB+/BBB+u	2.700%	Mar-24	7.5	\$400	+117	130-135	+3	2.5x	+83	Retail
11/1/16	Kimco Realty Corp	KIM	Baa1/BBB+/BBB+u	4.125%	Dec-46	30.0	\$350	+160	180-185	-5	2.9x	+144	Retail
10/4/16	ERP Operating LP	EQR	Baa1/A-/A-	2.850%	Nov-26	10.0	\$500	+125	140 area	-3	3.0x	+110	Multifamily
10/4/16	Realty Income Corp	O	Baa1/BBB+/BBB+	3.000%	Jan-27	10.5	\$600	+147	170 area	-7	4.2x	+123	Single Tenant
9/28/16	American Tower Corp	AMT	Baa3/BBB-/BBB	2.250%	Jan-22	5.5	\$600	+117	130-135	+5	2.3x	+120	Specialty
9/28/16	American Tower Corp	AMT	Baa3/BBB-/BBB	3.125%	Jan-27	10.5	\$400	+157	175-180	-2	2.8x	+157	Specialty
9/26/16	Avalonbay Communities	AVB	Baa1/A-/NR	2.900%	Oct-26	10.0	\$300	+135	150 area	Flat	3.7x	+103	Multifamily
9/26/16	Avalonbay Communities	AVB	Baa1/A-/NR	3.900%	Oct-46	30.0	\$350	+160	180 area	-5	4.0x	+120	Multifamily
9/15/16	Kite Realty Group LP	KRG	Baa3/BBB-/NR	4.000%	Oct-26	10.0	\$300	+235	240 area	N/A	N/A	+208	Retail
9/14/16	Ventas Realty LP	VTR	Baa1/BBB+/BBB+	3.250%	Oct-26	10.0	\$450	+158	180 area	-5	3.5x	+131	Health Care
9/13/16	Liberty Property LP	LPT	Baa1/BBB-/BBB	3.250%	Oct-26	10.0	\$400	+163	190 area	-13	4.3x	+133	Diversified
8/22/16	Crown Castle Intl Corp	CCI	Baa3/BBB-/BBB-	2.250%	Sep-21	5.0	\$700	+112	135 area	-2	4.4x	+106	Specialty
8/16/16	UDR Inc	UDR	Baa1/BBB+/NR	2.950%	Sep-26	10.0	\$300	+138	155 area	-5	3.3x	+132	Multifamily
8/15/16	Brixmor Operating Part	BRX	Baa3/BBB-/BBB-	3.250%	Sep-23	7.0	\$500	+190	213 area	-17	2.4x	+150	Retail
8/11/16	Spirit Realty LP	SRC	Baa3/BBB-/BBB-	4.450%	Sep-26	10.0	\$300	+295	Low 300	Flat	N/A	+250	Single Tenant
8/9/16	Kimco Realty Corp	KIM	Baa1/BBB+/BBB+u	2.800%	Oct-26	10.0	\$500	+135	155 area	Flat	3.3x	+118	Retail

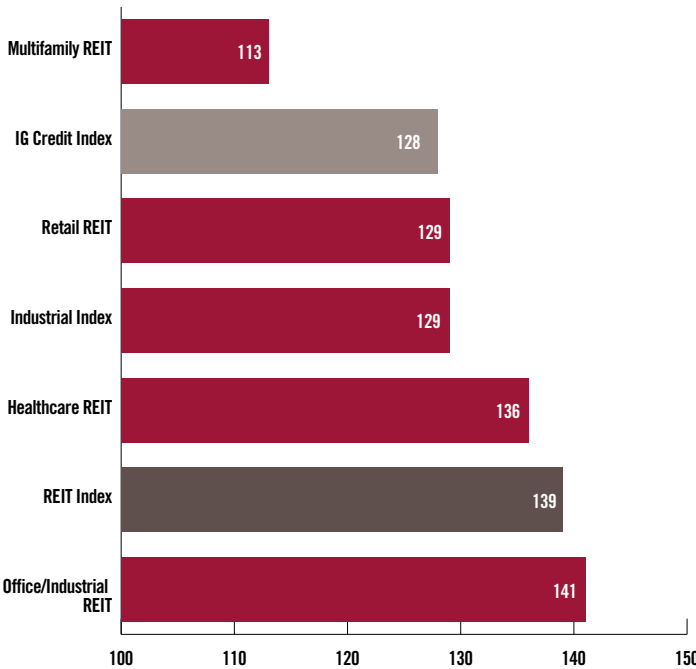
LTM Spread Performance (bps)



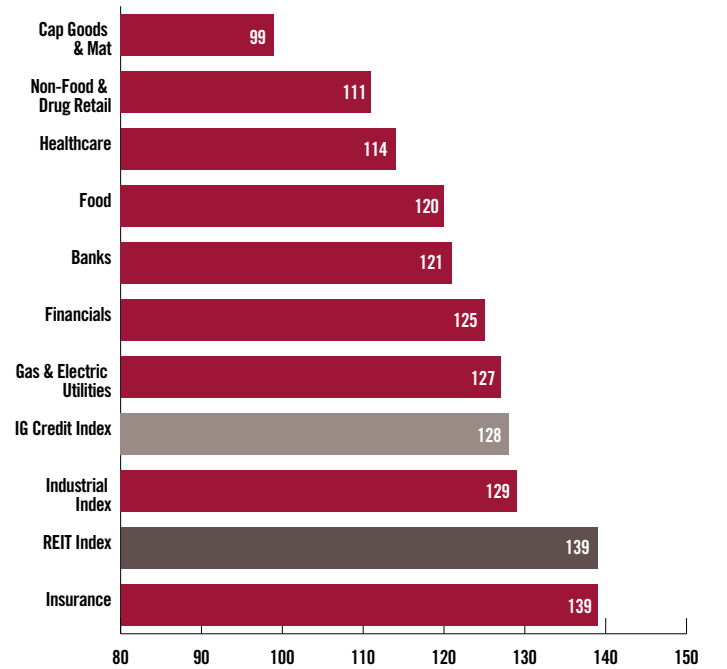
YTD Total Bond Return by Industry (%)



Month-End REIT Spreads (bps)



Month-End Spreads by Industry (bps)









## Detailed Trading Performance by Sector

REIT DEBT ISSUANCE UPDATE

Ticker	Coupon	Maturity	Amount Outstanding (\$mm)	Ratings			Tuesday, January 31, 2017					Previous OAS (bps)		Spread Change (bps)		Last 12 Months (bps)	
				Moody's	S&P	Fitch	T-Spread	G-Spread	OAS	Price	YTW	5 Days	30 Days	5 Days	30 Days	Tights	Wides
<b>SPECIALTY</b>																	
ACC	3.750%	4/15/23	\$400	Baa2	BBB	NR	153	138	135	\$101.53	3.46%	135	142	0	-7	135	221
ACC	4.125%	7/1/24	\$400	Baa2	BBB	NR	126	145	144	\$102.47	3.73%	143	139	+1	+5	139	223
AMT	2.250%	1/15/22	\$600	Baa3	BBB-	BBB	127	128	129	\$95.67	3.20%	123	122	+6	+7	107	123
AMT	4.700%	3/15/22	\$700	Baa3	BBB-	BBB	132	130	133	\$106.78	3.25%	131	130	+2	+3	113	233
AMT	3.500%	1/31/23	\$1,000	Baa3	BBB-	BBB	160	143	145	\$99.85	3.53%	135	136	+10	+9	129	245
AMT	5.000%	2/15/24	\$1,000	Baa3	BBB-	BBB	133	153	158	\$107.34	3.80%	157	156	+1	+2	140	251
AMT	4.000%	6/1/25	\$750	Baa3	BBB-	BBB	144	157	157	\$100.60	3.91%	161	161	-4	-4	143	242
AMT	4.400%	2/15/26	\$500	Baa3	BBB-	BBB	159	166	168	\$102.52	4.06%	165	167	+3	+1	145	250
AMT	3.375%	10/15/26	\$1,000	Baa3	BBB-	BBB	155	156	158	\$94.86	4.02%	159	164	-1	-6	143	184
AMT	3.125%	1/15/27	\$400	Baa3	BBB-	BBB	158	158	159	\$92.48	4.05%	156	161	+3	-2	148	166
CCI	4.875%	4/15/22	\$850	Baa3	BBB-	BBB-	135	131	135	\$107.56	3.28%	137	136	-2	-1	126	294
CCI	5.250%	1/15/23	\$1,650	Baa3	BBB-	BBB-	163	147	151	\$109.01	3.55%	148	155	+3	-4	142	303
CCI	3.849%	4/15/23	\$1,000	Baa2	BBB	BBB	151	131	134	\$102.27	3.44%	134	140	-0	-6	120	223
CCI	4.450%	2/15/26	\$900	Baa3	BBB-	BBB-	153	161	162	\$103.28	4.00%	162	158	+0	+4	150	248
CCI	3.700%	6/15/26	\$750	Baa3	BBB-	BBB-	154	157	160	\$97.58	4.01%	158	153	+2	+7	147	189
CCI	4.000%	3/1/27	\$500	NR	BBB-	BBB-	161	160	162	\$99.36	4.08%	N/A	N/A	N/A	N/A	N/A	N/A
DLR	3.950%	7/1/22	\$500	Baa2	BBB	BBB	125	120	120	\$103.72	3.17%	128	134	-8	-14	118	239
DLR	3.625%	10/1/22	\$300	Baa2	BBB	BBB	139	132	118	\$101.50	3.32%	129	128	-11	-10	118	241
DLR	4.750%	10/1/25	\$450	Baa2	BBB	BBB	164	174	176	\$104.54	4.11%	176	184	+0	-8	174	295
EDR	4.600%	12/1/24	\$250	Baa3	BBB-	NR	214	229	232	\$99.92	4.61%	217	233	+15	-1	217	310
RYN	3.750%	4/1/22	\$325	Baa3	BBB-	NR	190	188	189	\$99.61	3.83%	185	202	+4	-13	184	261
WY	4.625%	9/15/23	\$500	Baa2	BBB-	NR	125	98	132	\$108.56	3.18%	132	117	0	+15	116	250
WY	8.500%	1/15/25	\$300	Baa2	BBB-	WD	153	167	176	\$130.33	4.00%	194	187	-18	-11	185	318
WY	6.950%	10/1/27	\$300	Baa2	BBB-	WD	192	190	211	\$121.55	4.39%	211	209	0	+2	202	334
WY	7.375%	3/15/32	\$1,250	Baa2	BBB-	WD	223	206	215	\$128.75	4.70%	207	229	+8	-14	207	401
WY	6.875%	12/15/33	\$275	Baa2	BBB-	WD	176	217	226	\$123.11	4.85%	216	235	+10	-9	216	378

## BB&T Capital Markets

BB&T Capital Markets offers a full spectrum of capital and advisory solutions including equity and debt underwriting, M&A advisory, corporate banking, and sales and trading. Headquartered in Richmond, Va., with offices throughout the U.S., we have specific expertise within eight distinct industry verticals including Automotive Aftermarket; Commercial & Industrial; Education; Energy; Food & Agribusiness; Healthcare Finance; Logistics & Transportation Services; and Real Estate. Our commitment to industry expertise, combined with our resources as one of the nation's largest financial institutions, strategically positions BB&T Capital Markets to build lasting relationships and contribute measurably to the long-term success of each client.

## Real Estate Group

BBTCM's Real Estate Group is led by an experienced banking team focused on serving the broad needs of Real Estate Investment Trusts (REITs) and private real estate sponsors. Our corporate and investment bankers are experts in all aspects of REITs and commercial real estate, allowing us to provide a comprehensive suite of capital markets solutions ranging from corporate lending, equity and debt underwriting, joint venture equity placements, and merger and acquisition advisory. This unique teaming enables us to serve clients with financing options that are optimized for their specific needs and strategic initiatives.

### Core services include:

- At-the-market offerings
- Entity-level recapitalizations
- Follow-on equity offerings
- Initial public offerings
- Joint venture equity
- M&A advisory
- Preferred stock offerings
- Sale leasebacks
- Senior debt offerings
- Stock repurchase programs

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