



PRESS RELEASE

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NATIONAL
ASSOCIATION
OF
REAL ESTATE
INVESTMENT
TRUSTS®

REAL ESTATE COMPANY EARNINGS ROSE IN FIRST QUARTER

REITs Fared Better Than Most Other Companies

Washington, D.C. -- Earnings per share of real estate investment trusts (REITs) and other publicly traded real estate companies increased in the first quarter of 2002 when compared to the same period last year, according to data assembled by the National Association of Real Estate Investment Trusts® (NAREIT).

Earnings are measured by net income per share as reported under generally accepted accounting principles (GAAP). This measure, commonly known as "bottom-line" GAAP net income, includes extraordinary items, results of discontinued operations and cumulative effects of changes in accounting principles (all defined by GAAP). Net income per share for all reporting equity REITs increased 9.5 percent on average in the first quarter when compared with the same period last year (Exhibit 1). Net income per share growth for all equity REITs and other non-REIT publicly traded real estate companies combined was 16.7 percent on average in the first quarter.

Complete first quarter results are based on data for 124 publicly traded real estate companies with a combined equity market capitalization of \$164.5 billion, which represents 87 percent of total industry capitalization. Average earnings per share growth rates are weighted by equity market capitalization. Excluding the lodging/resorts sector, which was still affected by a slowdown in travel and tourism linked to economic uncertainty and September 11, net income per share for all equity REITs and other publicly traded real estate companies combined increased 21.1 percent on average in the first quarter.

(more)



Funds from operations (FFO) per share for all reporting equity REITs was up 1.0 percent on average in the first quarter 2002 when compared to the year earlier period (Exhibit 2). FFO per share for all equity REITs and other non-REIT publicly traded real estate companies combined declined .3 percent on average in the first quarter, including a 34 percent decline in average FFO per share for the lodging/resorts sector. When lodging/resort companies are removed, FFO per share grew 4.6 percent.

"Quarterly earnings growth for real estate stocks has weakened over the past year, confirming a moderate economic recovery and higher vacancy rates," said Michael R. Grupe, NAREIT Senior Vice President for Research and Investment Affairs. "Even so, earnings for most real estate companies fared better than other sectors of corporate America. According to First Call, earnings growth for the 482 companies from the S&P 500 (96 percent) that have reported earnings so far for the quarter declined 12 percent."

Complete first quarter FFO results are based on data for 150 publicly traded companies with a combined first quarter equity market capitalization of \$181.6 billion. Average FFO per share growth rates are weighted by equity market capitalization.

Approximately 80 percent of the companies tracked by industry analysts met or exceeded their consensus FFO per share estimates for the first quarter. Forty eight percent of the companies exceeded their expected level of FFO per share, while another 31 percent of the companies met their consensus estimates.

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The National Association of Real Estate Investment Trusts® (NAREIT) is the national trade association for REITs and publicly traded real estate companies. Members are real estate investment trusts (REITs) and other businesses that own, operate and finance income-producing real estate, as well as those firms and individuals who advise, study and service those businesses. Visit our web site at www.nareit.com.

Exhibit 1
Year-over-Year Net Income per Share Growth for Real Estate Stocks
(Net Income by Property Sector; First Quarter 2002)

Sector	Number of Companies	Equity Market Capitalization (Mar 2002) ¹	Year-over-Year Percent Change ²	
			2001:Q4 ³	2002:Q1
Property Sector				
Industrial/Office	28	48,407,575		13.39
Office	16	29,683,881		21.36
Industrial	5	9,383,610		3.11
Mixed Industrial/Office	7	9,340,084		-1.58
Retail	29	30,039,748		6.47
Shopping Centers	17	13,749,360		11.82
Regional Malls	7	14,042,926		5.73
Free Standing	5	2,247,462		-21.67
Residential	18	27,433,248		-6.69
Apartments	14	25,127,565		-4.37
Manufactured Homes	4	2,305,683		-31.96
Diversified	9	10,586,023		-17.23
Lodging/Resorts	2	2,160,960		0.68
Health Care	5	5,442,748		22.46
Self Storage	3	5,701,950		124.00
Specialty	3	6,433,715		-2.47
Equity Totals by Property Sector	97	136,205,966		9.48
Public Real Estate Companies	7	19,314,945		67.39
Equity REIT and Public Real Estate Totals	104	155,520,911		16.67
(Adjusted for Lodging/Resorts)	95	143,760,307		21.12
Commercial Property Financing	4	753,445		28.58
Home Property Financing	10	4,075,184		148.64
Mortgage Totals	14	4,828,630		129.91
Hybrid Totals	6	4,155,144		-2.65
Industry Totals	124	164,504,685		19.51

Notes:

¹ Equity market capitalization in thousands of dollars including only those companies for which data are available.

² Weighted average growth rates using end-of-period equity market capitalizations.

³ Data not available on a comparable basis.

Exhibit 2
Year-over-Year FFO per Share Growth for Real Estate Stocks
(Funds from Operations by Property Sector; First Quarter 2002)

Sector	Number of Companies	Equity Market Capitalization (Mar 2002) ¹	Year-over-Year Percent Change ²	
			2001:Q4	2002:Q1
Property Sector				
Industrial/Office	30	49,044,869	-10.42	5.18
Office	17	30,061,530	-15.03	6.60
Industrial	6	9,643,255	-7.05	3.92
Mixed Industrial/Office	7	9,340,084	0.94	1.92
Retail	34	32,921,791	11.60	1.87
Shopping Centers	19	14,801,137	16.52	3.12
Regional Malls	10	15,873,192	8.22	1.11
Free Standing	5	2,247,462	-1.05	-0.96
Residential	21	32,862,917	-2.94	0.97
Apartments	17	30,557,234	-3.01	0.82
Manufactured Homes	4	2,305,683	-2.06	3.01
Diversified	9	10,586,023	8.65	6.90
Lodging/Resorts	12	8,857,656	-44.77	-34.13
Health Care	8	6,647,893	4.07	-2.09
Self Storage	3	5,701,950	7.65	11.75
Specialty	4	6,446,324	10.37	-3.56
Equity Totals by Property Sector	121	153,069,422	-2.15	0.97
Public Real Estate Companies	7	19,314,945	2.61	-9.97
Equity REIT and Public Real Estate Totals	128	172,384,367	-1.75	-0.26
(Adjusted for Lodging/Resorts)	109	153,927,066	1.53	4.56
Commercial Property Financing	4	753,445	1.03	47.81
Home Property Financing	10	4,075,184	133.96	148.64
Mortgage Totals	14	4,828,630	101.42	132.91
Hybrid Totals	8	4,373,831	11.71	1.98
Industry Totals	150	181,586,828	1.71	3.34

Notes:
¹ Equity market capitalization in thousands of dollars including only those companies for which data are available.

² Weighted average growth rates using end-of-period equity market capitalizations.