Crittenden Acquisitions Forecast

Senior Housing REITs

Buyer	2012 Acquisitions Activity	Projected 2013 Acquisitions Activity*
Health Care REIT	$4.9B	$1.5B-$2B
Ventas	$2.7B	$2B
HCP	$2B	$1B
Griffin-American Healthcare REIT (II)	$885M	$1.2B
Medical Properties Trust	$800M	$400M
Senior Housing Properties Trust	$450M	$300-400M
Omega Healthcare Investors	$468M	$200M
LTC Properties	$166M	$150M
Sabra Health Care REIT	$195M	$150M-$200M
National Health Investors	$136M	$100M-$150M
Healthcare Realty Trust	$104M	$100M-$200M
Sentio Healthcare Properties	$60M	$300M

** Projections are based on earnings reports, possible targeted equity raises and individual interviews, as well as subjective editorial assumptions regarding anticipated future performance in the segment.*

AGGRESSIVE BUYERS BOOST SENIOR HOUSING ACTIVITY...

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These and other buyers will encounter Senior Housing Properties Trust, which could buy $300M to $400M of senior housing and medical office buildings this year. **Omega Healthcare** may buy for $200M this year, compared to nearly $500M of action during 2012. Relative newcomers **Care Investment Trust** and **Sabra Health Care REIT** will also vie for properties.

APARTMENT REITs PRIORITIZE SALES BUT REMAIN ACTIVE

Apartment REITs will downsize acquisitions goals and play up sales, but deals will happen. **Mid-America Apartment Communities** will remain fairly aggressive even if it likely won't hit last year's $345M deal volume. **AIMCO, BRE Properties, Home Properties** and **Post Properties** will also be among companies to watch this year.

With a $250M to $300M buy side goal for 2013, secondary Sun Belt market shopper Mid-America Apartment Communities could come within striking distance of last year's activity but short of the company's $387M high-water mark in 2011. The buyer sees more activity in secondary markets and could deepen a presence in Kansas City, following an initial 2012 entry, in addition to Savannah, Ga., and Charleston, S.C. Expect the investor to acquire a Houston property out of its MAA Multifamily I joint venture with Fannie Mae — subsequent to a recent purchase of a 310-unit suburban Atlanta complex from the fund. Outside JV interest purchases, watch for MAAC to shop main markets including Florida, Georgia, South Carolina, Tennessee and Texas. The company also plans $150M to $160M of sales. Also active in and outside the Southeast and Sun Belt regions are REITs Apartment Trust of America, Bell Partners, DeBartolo Development, Federal Capital Partners and Greystar Partners.

The Mid-Atlantic region may heat with demand but, based on projections, this year's overall deal volume could stop short of 2012 activity. Expect buyers to hold cash until later this year, in hopes of better pricing. **Home Properties** plans $200M to $300M of acquisitions and dispositions this year. Sales will happen before Home Properties resuscitates acquisitions during the second or third quarter. During 2012 it acquired a trio of properties for $290M in its core markets of suburban New York, Boston, Baltimore, Chicago, Philadelphia, Florida and, Washington, D.C., where cap rate sweet spots for Class B and C units range from the high-5% to low-6% range. There isn't much product meeting company cap rate thresholds, so expect sales in Washington, D.C., and elsewhere. Home Properties' observations on the Class B and Class C market shouldn't deter Mack-Cali Realty from gearing up a Mid-Atlantic buying spree following more than $400M of apartment buys in five months. Count on additional action from Boston to Washington, D.C., as it sells office buildings to drive regional apartment buys and development.

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DEALMAKER DATABANK

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Correction: TPG Real Estate teamed with DivcoWest to buy most of Mission West Properties' portfolio.

MANUFACTURED HOUSING ACTIVITY ON THE RISE

Richer financing will support an uptick of manufacturing housing trades this year. Dedicated buyers can expect to see increased action from diversified shops nationwide. Cap rates ranging from 6% to 10%-plus, for top-shelf to value-added tertiary market properties, may dip a little more this year if fewer sellers are willing to offer up properties for sale.

Diversified buyers will increase stakes in the all-ages and senior-oriented communities segments. As demographic shifts beef up population growth in the South and West, capital will follow. More investors will buy on the heels of **Federal Capital Partners**, which entered the segment last year. If rental growth and housing prices continue rising, MHCs will be heavily sought out as a higher cap-rate alternative to apartments and houses. Watch for more investors to enter joint ventures, in addition to recapitalizations or preferred equity positions.

Count on an abundance of big portfolio trades and smaller one-off deals this year, owing to CMBS and bank financing that has dipped into high-3% to 5% ranges. Loan packages in the 3% to 4% range also will fuel big buyer action in the MHC and RV park segments. **Equity LifeStyle Properties, Hometown America, Sun Communities** and **UMH Properties** can be expected to scoop more portfolios.

Sun Communities will bulk up through buys and new construction this year, and should meet or exceed $250M of acquisitions this year. Fresh deals will follow recent expansions into Arizona, Connecticut, Maine, Massachusetts, New Jersey and Wisconsin, for MHCs and RV parks. Sun Communities has acquired $111M worth of properties since January. Count on additional buys in the Mid-Atlantic, Northeast and West, in addition to core markets in the Midwest, South and Southeast regions. Coastal locations will attract the buyer to more deals beyond a recent 10 RV parks portfolio acquisition in Connecticut, Maine and Massachusetts. New Jersey, Ohio, Wisconsin and Virginia are also targets.

Equity raises will also drive growth. UMH Properties' targeted $150M raise will drive one-off acquisitions and portfolio buys throughout the Northeast. On its face, proceeds could support more than $300M of buys. Additional deals this year will follow a nearly $70M purchase of a 1,854-site portfolio in Michigan and Pennsylvania — among company footprint markets. Acquisitions volume in 2012 totaled $115M.

In scouting MHCs, third-largest REIT buyer UMH Properties could approach Equity LifeStyles' volume this year. The REIT leader has close to $400M of available credit, which could support deals in excess of the $25M of activity during 2012. It bought $1.5B during 2011 from Hometown America. A host of private and public buyers will ramp up competition in the MHCs and RV park space, in and outside ELS' core markets of Arizona, California, Florida, the Midwest and Northeast.

MHC specialist and big seller **Hometown America** eyes approximately $100M worth of acquisitions by December, compared to $85M worth of acquisitions in the upper-end segment during 2012. The private buyer focuses on four- and five-star properties in California, Florida and the Northeast, but hasn't yet acquired its first deal of the year. Action should heat later this year for all types of assets, including those designed for 55-year-old-plus occupants in Florida, where smaller buyer **Athena Real Estate** also shops for properties.

Private investor Athena Real Estate plans to home in on 55-plus communities in Florida's primary and secondary markets, including Orlando and Tampa, with the bulk of a $25M to $50M acquisitions target that includes self-storage buildings. Expect the most interest for 100- to 200-site manufactured housing and 200-plus site RV parks. Dealmakers will shop the broader Northeast, Mid-Atlantic and Southeast markets for deals while considering opportunistic purchases in Arizona.

Also count on buyers' courting opportunistic MHC buys as part of a larger strategy. **Federal Capital Partners** plans to ferret out more value-add and recapitalization deals throughout the Mid-Atlantic as part of a $450M acquisitions goal. The buyer has pumped its presence through a joint venture with Horizon Land Co., since entering the market 11 months ago. FCP recently scooped a 75-site property in Delaware for approximately $36,000 per pad. Count on additional portfolio recapitalizations and acquisitions of three- and four-star sites in Delaware, Maryland, North Carolina and Pennsylvania.

MALL CAP RATES INSPIRE JVs

Buyers can be expected to play up joint ventures this year to complement acquisitions and development plans. Joint venture interest demand could spike if cap rates compress from 7% to 8% averages, as a result of increased competition for Class A and Class B malls or if consumers spend less time at the mall. Buyers to watch include **CBL & Associates, GGP, Macerich, Simon Property Group** and **Taubman Centers.**

Whether Macerich will match last year's $1.2B acquisitions pace is unclear, but the company has enough cash and credit to come close. Beyond its $277 psf/$500M fee-simple buy in New York, more deals will happen in primary markets coast-to-coast. The company spent more than $1B on two New York properties between November and January. Looking ahead, approximately $920M of remaining credit and cash from $500M to $1B of anticipated sales will drive volume this year. Redevelopment and development should take a larger chunk of dealmaker attention this year, but activity won't rule out deals similar to 2012 JV interest purchases in California and Colorado that comprised nearly 25 percent of overall deal flow.

If the buyer ramps up Class A action with credit and capital from sales, it will encounter Simon and its Institutional Mall Investors JV with **Miller Capital Advisory**. Independent of the venture, don't be surprised if dealmakers ring up around $3B of action this year, compared to $3.6B of buys during 2012. The IMI JV will shop regional, superregional and upscale retailer-laden malls, plus lifestyle centers this year.

Independent of the venture, Simon has $1B of planned development and redevelopment in the works nationwide. Private buyers including Ashkenazy Acquisition, Glimcher Realty Trust, Mason Real Estate, Rubenstein Real Estate and UP Fieldgate are active nationwide. Don't be surprised to see more capital from the California Public Employees' Retirement System, TIAA-CREF and USAA Real Estate Co., in the sector as potential JV partners. **Canyon-Johnson Urban Funds** will also be an active preferred equity partner following its recapitalization of a pair of suburban Seattle malls. Pennsylvania Real Estate Investment Trust will be among active sellers. Starwood Capital Group, which acquired majority stakes in Westfield nearly a year ago, could be a seller if the price is right.

CBL & Associates, with a $1.2B credit line, may shop additional JV interests past nearly $100M of deals in Bismarck, N.D., and El Centro, Calif., last year, as part of $300M of overall buys. Don't be surprised to see the buyer sell off more assets this year and scout additional interest purchases and fee-simple buys.

Nationally focused GGP should be a net buyer this year, following nearly $500M of JV buyouts and anchor purchases during 2012. Taubman Centers, another big JV interest buyer with $515M of acquisitions last year, could tap $1.5B of credit for acquisitions nationwide.

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