



Blue Vault Partners Nontraded REIT Industry Review – Overview of 4th Quarter Report

Total Industry Stats:

- There were 48 nontraded REIT programs analyzed for the 4th Quarter of 2009
- Of the 48 programs, 30 were effective, fundraising nontraded REITs and 18 were closed to new investments
- Total assets for all nontraded REITs, both open and closed, was \$68 billion as of Dec. 31, 2009

Effective, Fundraising Nontraded REIT Stats:

- Total assets for the 30 effective, fundraising REITs was \$17 billion as of the period ending December 31, 2009
 - The top five effective nontraded REITs ranked in order of total assets were:
 - Wells Real Estate Investment Trust II, Inc. - \$5,374.1 million
 - CNL Lifestyle Properties, Inc. - \$2,672.1 million
 - Healthcare Trust of America, Inc. - \$1,673.5 million
 - Corporate Property Associates 17 – Global, Inc. - \$1,067.9 million
 - CB Richard Ellis Realty Trust - \$1,059.0 million
- Total real estate related assets only for the 30 effective, fundraising REITs was \$13 billion as of the period ending December 31, 2009
- Of the 30 effective, fundraising nontraded REITs:
 - 5 had not broken escrow as of the period ending December 31, 2009
 - 4 had broken escrow but had not acquired properties or reported significant operating results for the period ending December 31, 2009
 - 2 owned properties but have not declared distributions to stockholders for the 12-month period ending December 31, 2009
- The average distribution yield for the 19 nontraded REIT programs that had declared distributions for the period ending December 31, 2009 was 6.52% while the median was 6.50%
- Among the 19 nontraded REIT programs that had declared distributions for the period ending December 31, 2009, the lowest distribution yield declared was 5.0% while the highest was 8.0%
 - The top five effective nontraded REITs ranked in order of distribution yields were:
 - Apple REIT Nine, Inc. – 8.00%

- Cornerstone Healthcare Plus REIT, Inc. – 7.50%
 - Healthcare Trust of America, Inc. - 7.25%
 - Strategic Storage Trust, Inc. – 7.20%
 - Behringer Harvard Multifamily REIT I, Inc. – 7.00%
- Among the 19 nontraded REIT programs that had declared distributions for the period ending December 31, 2009, the median Year to Date 2009 Distribution / FFO Ratio was 140%.
 - The top five effective nontraded REITs ranked in order of lowest to highest Year to Date 2009 Distribution / FFO Ratio were:
 - KBS Real estate Investment Trust II, Inc. – 94%
 - American Realty Capital Trust, Inc. – 107%
 - Wells Real Estate Investment Trust II, Inc. – 108%
 - Corporate Property Associates 17 – Global, Inc. – 114%
 - CNL Lifestyle Properties, Inc. – 128%
- Among the 19 nontraded REIT programs that had declared distributions for the period ending December 31, 2009, the median Year to Date 2009 Distribution / Modified FFO (MFFO) Ratio was 144%.
 - The top five effective nontraded REITs ranked in order of lowest to highest Year to Date 2009 Distribution / MFFO Ratio were:
 - KBS Real estate Investment Trust II, Inc. – 90%
 - American Realty Capital Trust, Inc. – 92%
 - Wells Real Estate Investment Trust II, Inc. – 101%
 - CNL Lifestyle Properties, Inc. – 109%
 - Cole Credit Property Trust III, Inc. – 134%
- Among the 19 nontraded REIT programs that were fundraising and had broken escrow as of the period ending December 31, 2009, \$6.4 billion in both new dollars and reinvested dividends were raised in 2009.
- Among the 19 nontraded REIT programs that were fundraising and had broken escrow as of the period ending December 31, 2009, the average number of months fundraising was 29 while the median was 23.
- Among the 19 nontraded REIT programs that reported the usage of debt for the period ending December 31, 2009, the average Debt to Total Real Estate Assets ratio was 39% while the median was 32%.
- For these open and effective REITs, none have adjusted their initial price per share since they are currently fundraising.

Closed Nontraded REIT Stats:

- Total assets for the 18 closed nontraded REITs was \$51 billion as of the period ending December 31, 2009
 - The top five nontraded REITs ranked in order of total assets were:

- Inland American Real Estate Trust, Inc. - \$11,328.2 million
 - Inland Western Retail Real Estate Trust, Inc. - \$6,928.4 million
 - Behringer Harvard REIT I, Inc. - \$4,680.6
 - Piedmont Office Realty Trust, Inc. - \$4,395.3 million
 - Cole Credit Property Trust II, Inc. - \$3,413.1 million
- Total real estate related assets only for the 18 closed nontraded REITs was \$45 billion as of the period ending December 31, 2009
- Of the 18 closed nontraded REITs:
 - 1 REIT owned properties but did not declare distributions to stockholders for the 12-month period ending December 31, 2009
- The average distribution yield for the 17 closed nontraded REIT programs that had declared distributions for the period ending December 31, 2009 was 5.89% while the median was 6.20%
- Among the 17 closed nontraded REIT programs that had declared distributions for the period ending December 31, 2009, the lowest distribution yield declared was 2.3% while the highest was 8.3%
 - The top five closed nontraded REITs ranked in order of distribution yields were:
 - Corporate Property Associates 14, Inc. – 8.3%
 - Apple REIT Six, Inc. – 8.2%
 - Apple REIT Seven, Inc. – 7.4%
 - Corporate Property Associates 15, Inc. – 7.3%
 - Apple REIT Eight, Inc. & Lightstone Value Plus Real Estate Investment Trust , Inc. (Tied) – 7.0%
- Among the 17 closed nontraded REIT programs that reported the usage of debt for the period ending December 31, 2009, the average Debt to Total Real Estate Assets ratio was 50% while the median was 57%.
- Among the 17 closed nontraded REIT programs that had declared distributions for the period ending December 31, 2009, the median Year to Date 2009 Distribution / FFO Ratio was 136%.
 - The top five closed nontraded REITs ranked in order of lowest to highest Year to Date 2009 Distribution / FFO Ratio were:
 - Whitestone REIT – 54%
 - Inland Western Retail Real Estate Trust, Inc. – 60%
 - Hines REIT, Inc. – 77%
 - Piedmont Office Realty Trust, Inc. – 83%
 - Apple REIT Six, Inc. & Credit Property Trust II, Inc. (Tied) – 128%
- Among the 17 closed nontraded REIT programs that had declared distributions for the period ending December 31, 2009, the median Year to Date 2009 Distribution / MFFO Ratio was 106%.
 - The top five closed nontraded REITs ranked in order of lowest to highest Year to Date 2009 Distribution / MFFO Ratio were:
 - Inland Western Retail Real Estate Trust, Inc. – 43%
 - Whitestone REIT – 54%
 - Corporate Property Associates 15, Inc. – 72%

- Corporate Property Associates 14, Inc. – 79%
 - Piedmont Office Realty Trust, Inc. – 88%
- Of the 18 closed REITs analyzed through Dec. 31, 2009, 10 have conducted valuations and have adjusted their initial price per share. Of those that have adjusted their values:
 - 2 have been valuing their shares on an annual basis since 2006:
 - 1 currently has a price that is \$1.80 higher than its initial price of \$10.00
 - 1 currently has a price that is \$0.08 higher than its initial price of \$10.00
 - 2 have been valuing their shares on an annual basis since 2007:
 - 1 currently has a price that is \$0.70 higher than its initial price of \$10.00
 - 1 is currently in the process of listing. Current pricing depends on the share class and market value for the day.
 - 3 have been valuing their shares on an annual basis since 2008
 - 1 currently has a price that is \$3.15 lower than its initial price of \$10.00
 - 1 currently has a price that is \$4.85 lower than its initial price of \$10.00
 - 1 currently has a price that is \$0.80 lower than its initial price of \$10.00
 - 3 have been valuing their shares on an annual basis since 2009
 - 1 currently has a price that is \$1.97 lower than its initial price of \$10.00
 - 1 currently has a price that is \$2.83 lower than its initial price of \$10.00
 - 1 currently has a price that is \$0.03 lower than its initial price of \$10.00