

May REITview

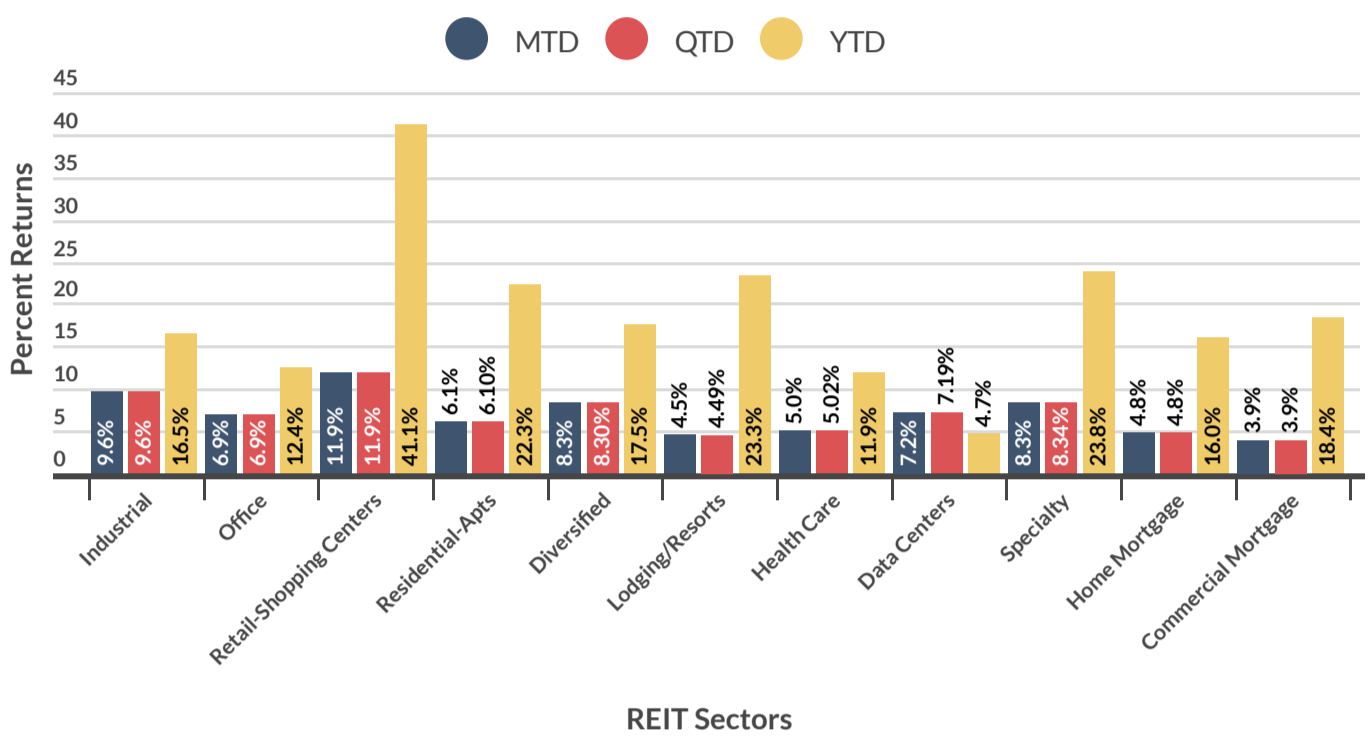
Welcome to our monthly REITview newsletter – where we analyze the latest national trends in real estate investment trusts (REITs) and their implications for investors and the Nevada real estate market. REITs own and often operate a pool of income-producing real estate assets. Investors can purchase a liquid stake in these portfolios – think of them as mutual funds for real estate.

While REITs are not the biggest players in Nevada’s commercial real estate landscape, secondary markets like Las Vegas with above-average population and job growth are likely to attract REITs looking for value and growth opportunities.

The sectors listed below were selected because they include at least 10 REITs each (except for Data Centers, which includes five). They represent more than 95 percent of the 158 Financial Times Stock Exchange (FTSE) REITs currently being traded. It is important to examine both short-term and long-term returns to determine trends.

Surpassing their March gains by almost **3 percent**, the 158 FTSE REITs gained over **8 percent** in April. The Lodging/Resorts sector regained momentum last month, becoming the third best performing sector that RCG tracks, behind the two mREITs--Commercial and Home Mortgage. Shopping Center REITs are close behind, with by far the best year-to-date of any sector at **41.09 percent**. In a phenomenal month for REITs across all sectors, the worst-performing sector was Commercial Mortgage REITs which still returned almost **4 percent**.

April 2021 REIT Performance (as of April 30, 2021)

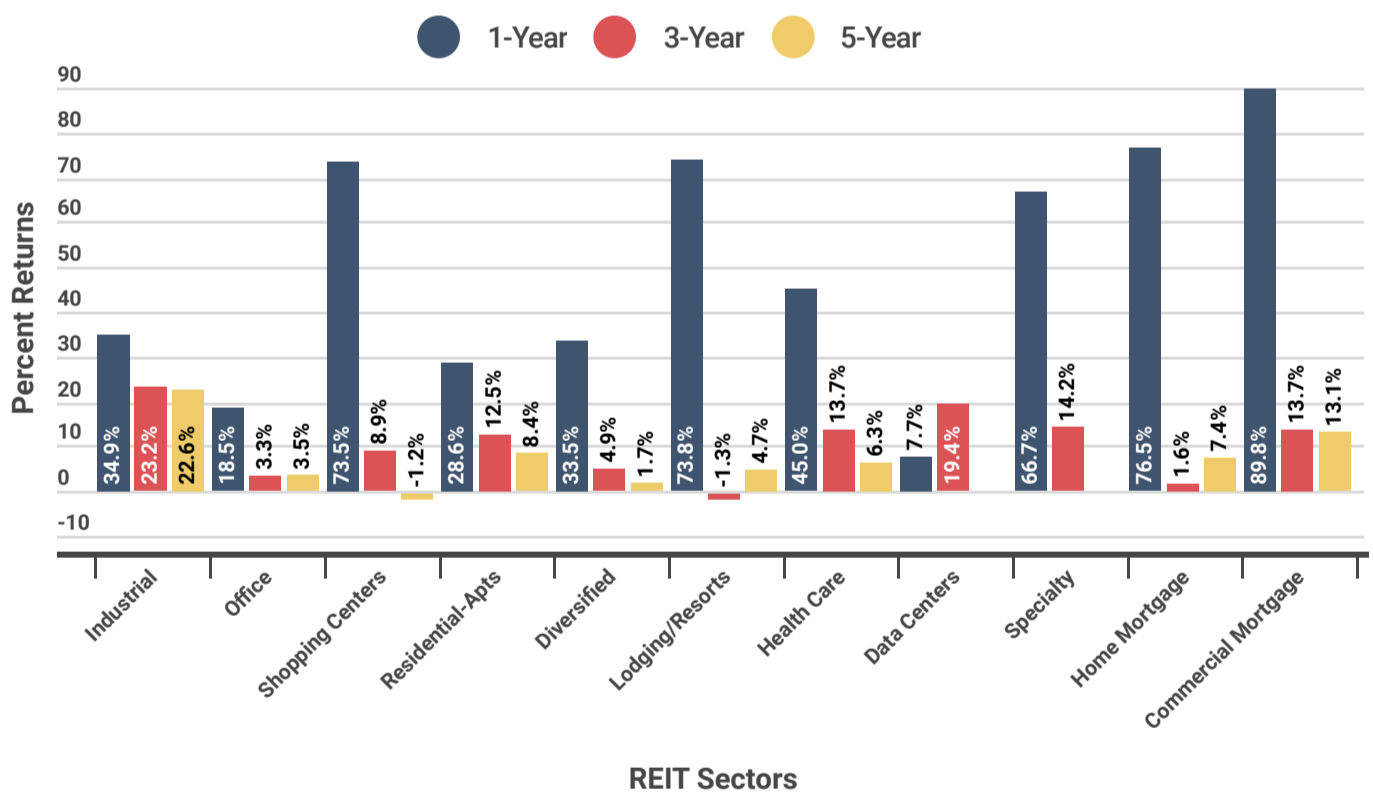


REIT Sectors

What the experts are saying:

- "Mike Kirby, co-founder and director of research at Green Street, [argues] that there is indeed a strong bull case for the industry at this time. "REITs have not looked this cheap in 15 years." ... Kirby said it does appear that the stock market overreacted during the course of the pandemic. The recovery in REIT share prices "has been for the right reasons," he said, given the "very favorable" economic news."--NAREIT, "REITs Seen Benefitting from Economic Recovery, Unleashing of Pent-Up Demand," 4/08/21
- "REIT property sectors had very different performance during each of [three pandemic] time periods. One group of property types was directly impacted by the social distancing measures, and experienced larger stock market declines during the initial phase. This group includes lodging/resort REITs, retail REITs, as well as health care REITs and diversified REITs. The rebound in stock returns among this group generally lagged other sectors during the stabilization period between late March and early November, but this group has had the strongest rally since the news of the vaccine results. Despite the recent recovery, however, these sectors remain about 8% below pre-pandemic levels of the total return index (chart below, dark blue bars).-- Calvin Schnure, chief economist at NAREIT, "REIT Stocks Return to Pre-Pandemic High," 4/28/21

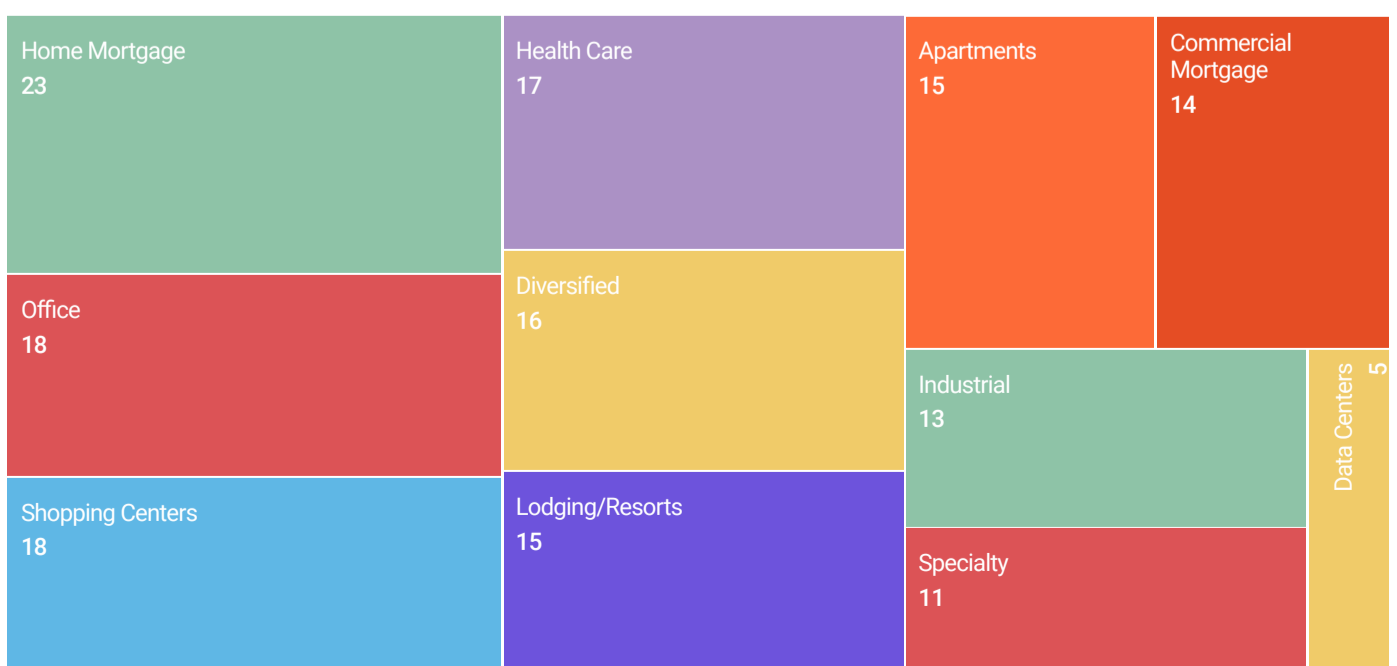
Compound Annual Total Returns (as of April 30, 2021)



REIT Sectors

- "We continue to see the gaming triple-net REIT space as attractive, on a relative basis within the triple net space, a yield basis relative to US equity market yields, and relative to operator trading levels. Accordingly we reaffirm our Buy ratings on each of the three [triple-net gaming REITs] (GLPI / VICI / MGP) and our price targets for GLPI (\$54 from \$51), MGP (\$40 from \$38), and VICI (\$35 from \$33) are all up."--Deutsche Bank Research, "Recapping the Gaming REITs 1Q21 Prints & Calls," 4/30/21
- "U.S. real estate investment trusts may be a relatively roomy place to hunt for buying opportunities, but some REITs are more crowded bets than others, research from a Citigroup unit shows. ... A 'crowded trade' is usually one where the deployment of a large amount of capital to purchase or sell an asset or a group of assets with similar characteristics can result in a significant change in the price of the assets. 'This has included modestly increased crowding levels in apartments and shopping centers and modestly lower levels in office, data centers, and malls,' the analysts said in the report. 'Single family, industrial, and specialty REITs remain the most 'crowded' as of April 15.'--MarketWatch, "REITs are one of the least 'crowded' spots for investors, but some REITs are more crowded bets than others, Citi says," 4/22/21

Number of REITs Tracked



Data Source: National Association of Real Estate Investment Trusts (NAREIT)