

FALL 2018

THE NEW ENGLAND COUNCIL



Economic Impact
of **REITs** in
New England

New England Council Members & Friends:

The New England Council is pleased to share with you this report, "The Economic Impact of REITs in New England." A REIT (Real Estate Investment Trust) is a company that owns, operates, or finances income-producing real estate. Modeled after mutual funds, REITs provide all investors the chance to own valuable real estate, present the opportunity to access dividend-based income and total returns, and help communities grow, thrive, and revitalize. As this report shows, these businesses and organizations are having a tremendous economic impact here in New England.

Across the six New England states, REIT-owned properties include everything from commercial properties like office buildings, shopping centers, hotels, data centers, and recreational and entertainment facilities; residential properties such as apartment complexes and rental homes, as well as consumer and commercial storage facilities; more than 3,000 telecom towers; and nearly 1 million acres of timberland. In total, there are more than 13,000 REIT-owned properties in New England, which represent \$94 billion in gross assets, and support more than 100,000 jobs.

The New England Council was fortunate to collaborate with the experts at Nareit to prepare this report. We are also incredibly grateful to American Tower Corporation, a New England Council member and one of the largest REITs headquartered in our region, for their generous support for this publication.

We hope that this report helps stakeholders throughout our region gain a better understanding of the important economic contributions these businesses make in New England. We also hope that it will be a valuable resource for policymakers at the local, state, and federal levels as they craft policies and regulations that will impact these businesses.

Best Regards,

James T. Brett
President & CEO
The New England Council

New England by the **NUMBERS**

Vermont

192

REIT-owned properties

\$802M

Gross-asset value

2,000

REIT-supported jobs

Massachusetts

8,067

REIT-owned properties

\$65.4B

Gross-asset value

65,000

REIT-supported jobs

Connecticut

2,511

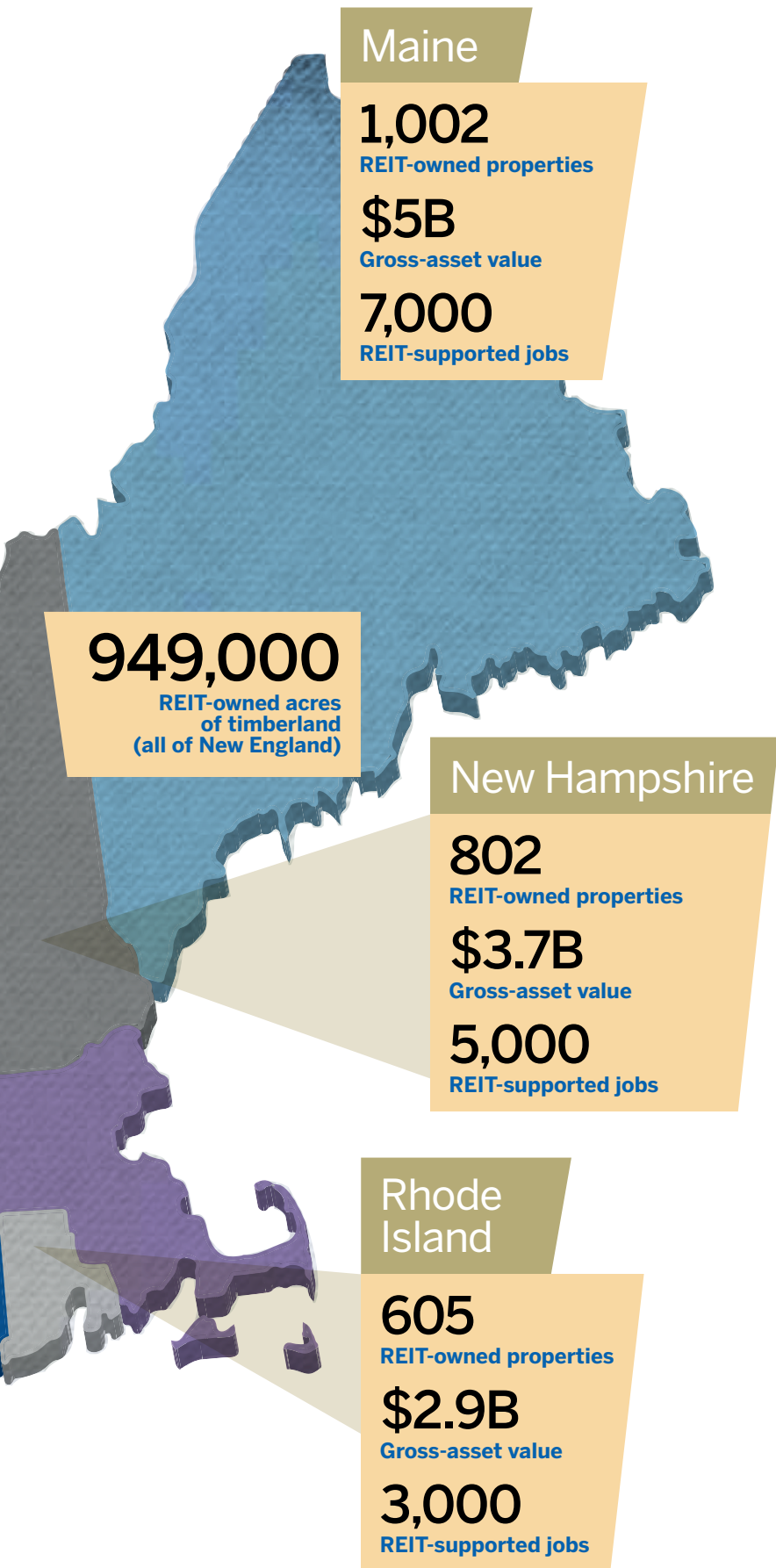
REIT-owned properties

\$16.2B

Gross-asset value

26,000

REIT-supported jobs



Real Estate Working for You

REITs operating as real estate companies help serve the public's interest whether the public is seen individually as members of a community, investors saving for the future, or consumers who require goods and services made available through the use of real estate.

Through the real estate they own and operate, REITs help build and support communities at every level throughout the nation. REITs contributed the equivalent of 2 million full-time jobs, generating \$118.6 billion in labor income.

REITs truly democratize real estate investment, just as Congress intended when it authorized REITs almost 60 years ago. In fact, an estimated 80 million Americans own REITs through their retirement savings and other investment funds.

REITs operating as real estate companies help provide the land, buildings and structures essential to the economy. In total, listed equity REITs own more than 510,000 properties in the U.S. representing approximately \$2 trillion in gross assets. Private and non-listed REITs own an additional \$1 trillion in gross real estate assets, bringing the total value of the real estate owned by REITs to nearly \$3 trillion.

This covers a full range of real estate used by the public which covers where we live, work, shop and relax. What's more, real estate provided by REITs is integral to how we stay in touch with each other, keep healthy, store our data and much more.

Impacting New England

The impact of REIT-owned real estate can be felt throughout New England. REITs own some of the most recognizable real estate across the region including the Prudential Center, Assembly Row, the Needham Broadcast Tower and Sugarloaf Ski Resort.

In total, REITs own more than 13,000 properties in New England, representing \$94 billion in gross assets.

There are currently 16 REITs headquartered in one of the six states making up New England. These companies and the other REITs that own and operate real estate here play a vital role in helping to shape communities, bolster the economy, and preserve the unique characteristics that make New England such a wonderful region.

Source: Nareit analysis of S&P Global Market Intelligence data. Data as of year-end 2017. Totals represent listed equity REITs unless noted.

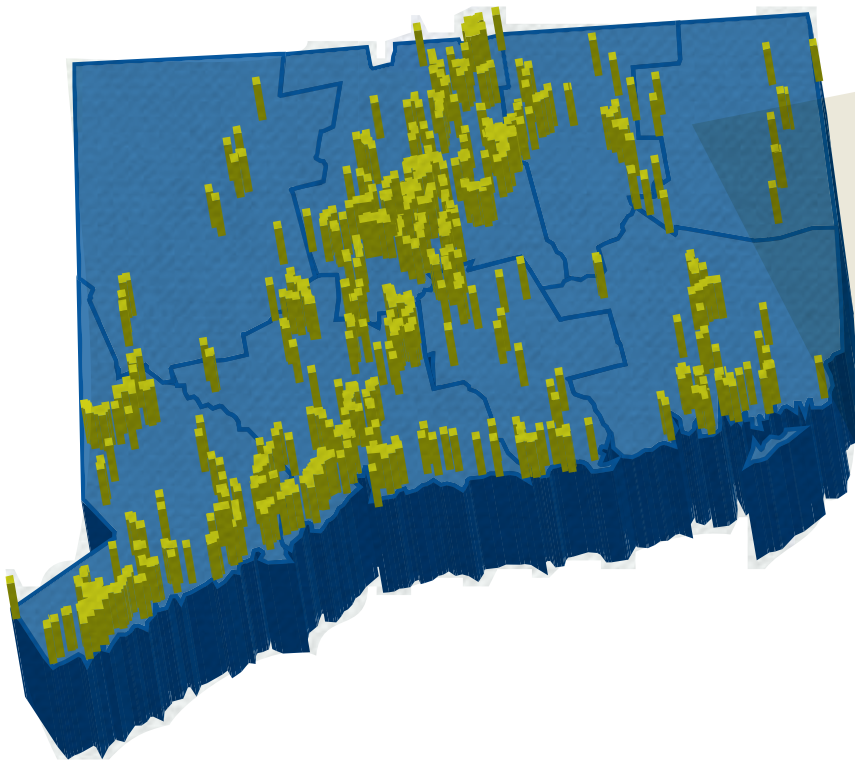
Note: The majority of content in this report has been provided and edited by Nareit



Economic Impact of REITs in

CONNECTICUT

REITs own 2,511 properties in the state.



Properties

Data Centers	4
Health Care	111
Hotels	22
Industrial	37
Mixed-Use	9
Office	27
Outdoor Advertising	1,386
Residential	18
Retail	235
Storage	61
Single-Family Rental Homes	17
Specialty	15
Telecom Towers	569

26,000

Jobs supported
in Connecticut

45%

Of Connecticut
households invest
in REITs

\$16.2B

Of REIT-owned
assets in Connecticut

Business Storage REIT Iron Mountain Adapts to Life in a High-Tech World

Priceless art is a hot topic at Iron Mountain Inc. (NYSE: IRM), but you won't find masterpieces adorning the walls of the company's offices.

Instead, they're all locked away in the ultra-secure storage facilities of Crozier Fine Arts, which was purchased by Iron Mountain in 2015 to add to its array of storage and information management real estate offerings. The Boston-based REIT owns and operates more than 1,400 facilities in over 50 countries around the world.

A small percentage of Iron Mountain's business involves storing unique assets. Even though the company has the master copies of interviews conducted by director Steven Spielberg with Holocaust survivors in connection to the release of the Oscar-winning film

"Schindler's List," Iron Mountain's primary focus lies in providing the real estate to store paper documents and computer tapes for corporate clients.

"We may be a pretty boring business," jokes CEO Bill Meaney, "but we are very durable."

Iron Mountain has set its sights on enhancing its position as a truly global company. Meanwhile, Meaney says, it is working to refine the real estate solutions it can provide to become a one-stop shop for corporate clients.

From Mushrooms on a Mountain

Iron Mountain, which was originally known as Iron Mountain Atomic Storage, took root in 1951 at the hands of former mushroom farmer Herman Knaust. Based in the Hudson River Valley, he initially targeted corporate clientele from the New York metropolitan area.

Knaust offered them a safe place to store documents: an old iron ore mine purchased in the 1930s to farm his fungi. (Hence the Iron Mountain name.)

By 1980, Iron Mountain was eyeing expansion beyond New York. It started with purchases of land and facilities in New England. Eventually, the company was setting up shop in all the major U.S. markets.

Iron Mountain held an initial public offering in 1996, and in 2012, the company's board of directors approved a plan to become a REIT. It began operating as a REIT on the first day of 2014.

Paper Chase and Server Space

As Iron Mountain continues its global expansion, the ever-growing share of work being done digitally and stored in the cloud naturally



Left: Tape Vault
Above: Records Center
Right: Data Center



Iron Mountain owns and operates more than 1,400 facilities in over 50 countries.

raises questions about the viability of its foundation in real estate for retaining paper records.

Meaney, however, takes a more macro view of what it is that Iron Mountain has to offer. He emphasizes providing “enterprise storage solutions” with the ability to address all of a company’s needs through “adjacent” lines of business to paper storage. While its paper storage customers keep their boxes with Iron Mountain for an average of 15 years, the company has seen the entry point of the customer conversation shift from a storage-centric one.

“For most of our customers today, the discussion starts with how Iron Mountain can help your digital transformation,” Meaney says.

That led to Iron Mountain’s entry into data centers, a real estate sector that seems to be a natural fit with the company’s core business. According to Meaney, existing customers actually came to the company in search of digital storage space, which prompted the move into the sector.

Iron Mountain’s expansion in data centers has proceeded deliberately through a mix of development projects and M&A. “We’re very disciplined in terms of our return criteria” for data center assets, Meaney says.

Iron Mountain now leases space to multiple tenants in nine cities in the U.S. as well as London and Singapore.

Highlights

Iron Mountain is headquartered in Boston.

25,000 employees worldwide, 8,000 in North America, more than 800 in New England

Committed to 100% renewable energy through RE100 initiative; member of Renewable Energy Buyer’s Alliance

680 million cubic feet of hardcopy records archived.

30 million film and sound elements protected and preserved.



In terms of what’s next for the business-to-business storage REIT, Meaney says Iron Mountain’s top priority will be maintaining the strength of paper storage-centric business. Ironically, though, communicating with the investment community about the strength of Iron Mountain’s core storage operations will remain one of the company’s greatest challenges, according to Meaney.

He says he recognizes that the “low-tech” nature of the business in an increasingly high-tech world means investors will continue to raise questions—even as Iron Mountain chugs along.

“You can consider us to the enterprise what the self-storage companies are to the consumer,” Meaney says. “The challenge is just getting the equity markets to understand and really appreciate the durability of the business.”

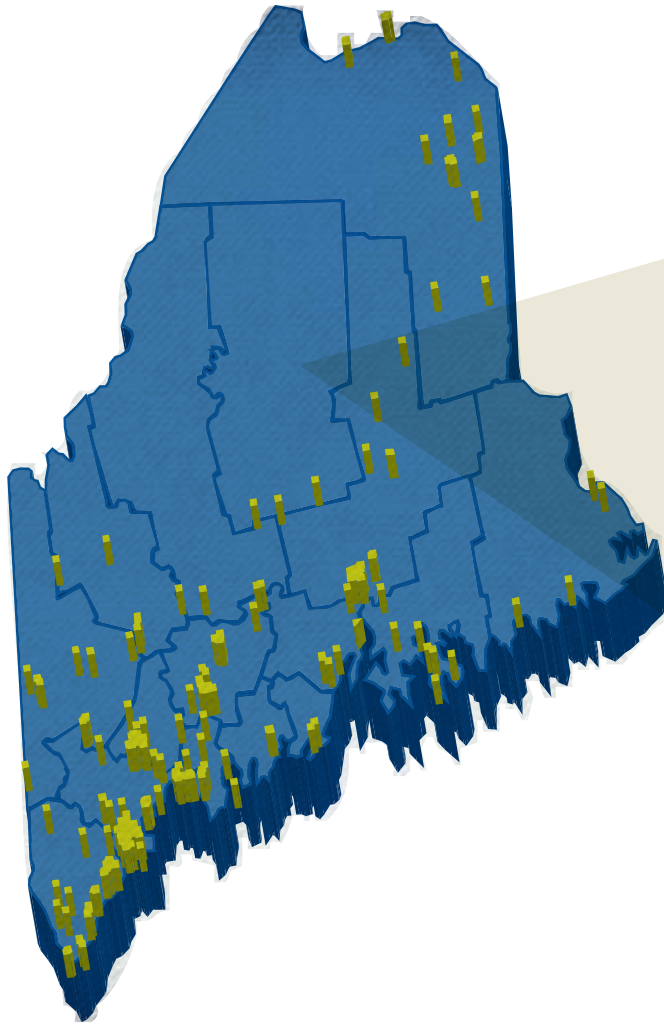


Economic Impact of REITs in

MAINE

Timberland: 839,000 acres

REITs own 1,002 properties in the state.



Properties

Health Care	25
Hotels	4
Industrial	11
Office	4
Residential	11
Retail	109
Storage	5
Specialty	6
Telecom Towers	827

7,000

Jobs supported
in Maine

38%

Of Maine households
invest in REITs

\$5.0B

Of REIT-owned
assets in Maine

Weyerhaeuser's Sustainable Forestry Takes Root in Maine



L

ook closely in mid-January around Greenville, Maine and you may find snow-covered forests becoming learning labs on Weyerhaeuser's land. "Winter Camp," a weeklong tour of

working forests in the state, is a favorite activity that allows forests to become classrooms for University of Maine forestry students. About 20 students spend time with Weyerhaeuser foresters and wildlife biologists to see large and small forestry operations in action, watch people and equipment at work, and better understand the challenges facing the industry today.

“You can read anything in a book but once you actually stand in the woods, it all comes together.”

“You can read anything in a book but once you actually stand in the woods, it all comes together,” says Luke Greenwood, a sophomore with a dual major in forestry and survey engineering technology.

Winter Camp is a perfect example of how this timber REIT supports the region in ways beyond economics. The educational opportunity showcases Weyerhaeuser's rich and diverse forests and provides an up-close view



of the company's commitment to environmental stewardship. Species such as balsam fir, birch, cedar, hemlock, maple, oak, red pine, spruce, and white pine are abundant on the NEARLY 840,000 Weyerhaeuser-owned acres in Maine that is managed by a 40-person team. Hundreds of additional contractors and business suppliers also partner with the company to provide valuable services.

At Weyerhaeuser, environmental stewardship means that 100 percent of the company's lands are certified to sustainable forestry standards prescribed by the Sustainable Forestry Initiative. Examples of Weyerhaeuser's environmental stewardship include:

Signing a Winter Deer Habitat Agreement with the Maine Department of Inland Fisheries and Wildlife to protect and manage conifer stands that shelter herds of white-tailed deer.

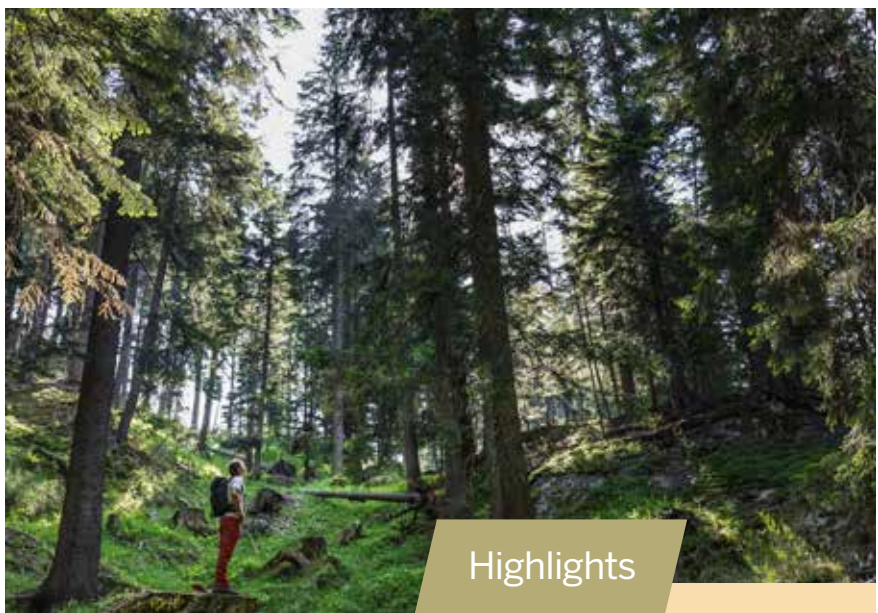
Enhancing habitat for Eastern brook trout by increasing in-stream structure and development of pools through a partnership with the Maine Forest Service.

Creating opportunities for disabled hunters by providing food plots in openings tailored to paraplegic and quadriplegic hunters.

Partnering with the National Wild Turkey Federation and Wildlife Management Institute in Michigan, New Hampshire, and Maine to enhance areas for important game species like grouse, woodcock and many other early successional species in need of young forest habitat.

Gleaning new knowledge on Bicknell's Thrush ecology through alliances with the University of Maine, the Vermont Center for Ecostudies, the U.S. Fish and Wildlife Service, and the Maine Department of Inland Fisheries and Wildlife in Maine.

Additionally, the company has a special management area of nearly 363,000 acres in Maine under a conservation easement that provides public value for biodiversity, recreation and aesthetics. It also provides habitat for important game species such as white-tailed



Highlights

deer, moose, ruffed grouse and American woodcock. Vernal pools are a key habitat feature protected in the forests which support many species of amphibians. The regenerating conifer forests provide winter habitat for the federally -threatened Canada lynx and their prey, the snowshoe hare.

Weyerhaeuser's timberlands are managed to make a wide range of sustainable products that meet society's needs, but the lands also offer the opportunity to provide clean, renewable energy too, such as wind power.

Hiking, hunting, fishing, camping, and access to trails are major recreational benefits of the large land base Weyerhaeuser owns. Many Weyerhaeuser employees volunteer time to support the communities that are linked to these activities and to our timberlands. The company contributed more than \$800,000 in charitable giving in the Maine, Vermont and New Hampshire over the past four years.

The historic forest products industry of Maine was built upon supplying pulpwood to the region's paper manufacturers. Over

100 percent of the company's lands meet sustainable forestry standards.

Weyerhaeuser timberlands provide real-world experience for University of Maine forestry students.

The company contributed more than \$800,000 in charitable giving in Maine, Vermont, and New Hampshire over the past four years.

The company has nearly 363,000 acres in Maine under a conservation easement for biodiversity, recreation, and aesthetics.

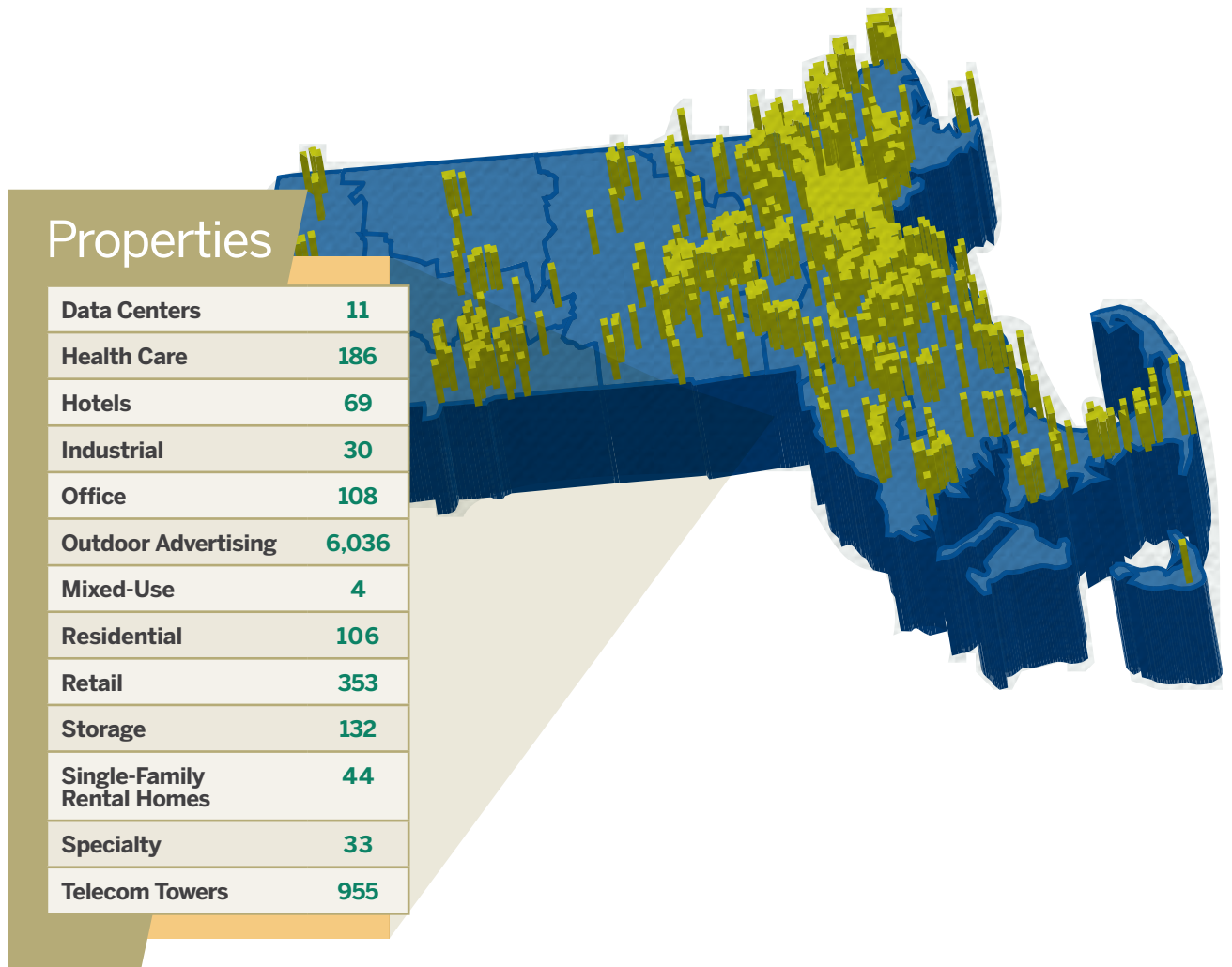
time, demand changed and new markets emerged, but the forests remain. Forests offer the same wonderful source of economic and environmental benefits that make Maine such a unique place to live and work, and Weyerhaeuser's contributions are a vital thread of this state's fabric.



Economic Impact of REITs in

MASSACHUSETTS

REITs own 8,067 properties in the state.



65,000

Jobs supported
in Massachusetts

44%

Of Massachusetts
households invest
in REITs

\$65.4B

Of REIT-owned
assets in Massachusetts

Federal Realty's Assembly Row Revitalizes Massachusetts Community



Assembly Row helped make Somerville, Massachusetts a desirable destination.

Back in 2005, the view from the Assembly Square area of Somerville, Massachusetts, left much to be desired—decaying industrial buildings and brownfields, an obstructed view of the Mystic River, a Massachusetts Bay Transportation Authority (MBTA) Orange Line train that rode directly by but didn't stop.

Named for the site's former Ford Motor Company plant that closed in 1958, Assembly Square's 143 acres of land are bordered by Interstate highway 93, Boston's Charlestown neighborhood and the Mystic River. When Federal Realty Investment Trust (NYSE: FRT)

purchased a portion of the land, it saw untapped potential "that sat three miles outside of the financial district" of downtown Boston, says Don Briggs, executive vice president of development for Federal Realty.

According to Somerville Mayor Joe Curtatone, the community was looking for "transformative development that could bring a local sustainable economy, jobs, and new tax revenues."

Before anything could be built on the site, Federal Realty had to spend \$6.3 million for environmental remediation and make significant investment in infrastructure to serve the site. But that and other challenges along the way

didn't stop Federal Realty and Somerville from working together to create that transformation through Assembly Row.

The public-private partnership on the project, coupled with what Briggs calls Federal Realty's "patient capital" approach to investment, would allow the retail REIT to stay the course during great recession of the 2000s and keep the long-term, evolving vision for Assembly Row moving forward.

The recession challenged Federal Realty's public financing strategy and slowed the project for more than two years. Additionally, federal funding for the site's proposed T-Stop, a critical component to both fostering community



Legoland and an AMC IMAX theater are among the entertainment options attracting visitors from far and wide.

Highlights

support and building a higher-density development, was lost.

Together with the city and state, Federal Realty coordinated the raising of funds for the Assembly stop on the Orange Line, the first MBTA subway station built since 1987. That included more than \$130 million in public funds invested into the entire development's infrastructure.

In 2014, Somerville welcomed the development and its vision of a "live-work-play" environment. It incorporated a balanced plan for 1,700 residential units, 2.5 million square feet of commercial development, restaurants, office space, a hotel, neighborhood amenities, and entertainment draws such as Legoland Discovery Center Boston and an AMC theater. The site also adjoins the preexisting 21-acre Assembly Square Marketplace, a regionally drawing big-box center.

Job creation and enhancing the surrounding community are prominent parts of Assembly Row's identity. Federal Realty has partnered with the City of Somerville on local hiring initiatives and designating 56 apartments as affordable housing. Somerville residents currently hold about 25 percent of the 1,700 permanent positions at Assembly Row, not including those among the 4,700 Partners HealthCare employees set to join them during Phase II of development.

"We still have a lot of growth that's available to us," says Briggs, who foresees expansion at

Federal Realty acquired the property in 2005 and the first phase opened in 2014.

Will include 972,000 square feet of retail space and 2.8 million square feet of office space at completion.

Accessible by the MBTA Orange Line, which transports more than 200,000 workers Monday through Friday.

Estimated 21,000 construction jobs generated by the full buildout.

Assembly Row continuing into the next decade.

In addition to bringing in Partners HealthCare, the second phase of development will include an additional 167,000 square feet of retail, 450 apartments, 134 condos and a boutique hotel, along with plans for a grocery store and a third entertainment anchor.

"Assembly Row is the model of a partnership between the city, the private sector with Federal Realty Investment Trust, the community at large, and the state and federal government," Curtatone says. "The future for Somerville is strong. Without this project, our future would be in doubt. So, we have a lot to thank Federal Realty and the community for."



A look at Somerville before (top) and after (below) Assembly Row.

Boston Properties' 888 Boylston Takes Sustainability to New Level

In a city renowned for its landmarks, Boston Properties, Inc. has added the wind turbines atop its 888 Boylston Street building in Boston's Back Bay to a diverse list of sights.

Bryan Koop, Boston Properties' executive vice president for the Boston region, says the wind turbines have become a "real design feature" of the city and epitomize the bold goals set out for the building.

Indeed, from the get-go, the mission for 888 Boylston was clear—it would be Boston's most sustainable building.

Completed in 2016, 888 Boylston marks the final chapter in the development of Boston's Prudential Center, a mixed-use 23-acre site that first opened in 1965 and was acquired by Boston Properties in 1998.

"We wanted to make sure we got it exactly right," Koop says.

Building on Experience

Although building the city's most sustainable building was a lofty goal, Boston Properties is no stranger to thinking big when it comes to sustainability.

Koop says 888 Boylston builds on Boston



Interior and exterior of 888 Boylston Street.



Highlights

The building is a key part of Boston's skyline.

Properties' earlier milestones in sustainability: 77 CityPoint in Waltham, Massachusetts; Atlantic Wharf, Boston; and Weston Corporate Center in Weston, Massachusetts.

Koop describes 77 CityPoint in Waltham, Massachusetts, built in 2008, as New England's first speculative green building. "To build on a speculative basis was highly unusual—it was a real moment in time in the history of sustainability in New England," Koop points out.

Weston Corporate Center, meanwhile, features the nation's first deep water cooling system in an office building, courtesy of two on-site former quarry ponds. Built in 2010, the center also features the largest privately owned, ground-mounted solar array in Massachusetts, the company notes.

A third sustainability milestone was the construction in 2011 of Atlantic Wharf, Boston's first green skyscraper, according to Koop.

"At 888, we took everything we'd learned from those projects and put it in one box," observes Ben Myers, sustainability manager at Boston Properties. Koop adds, "it's one real giant leap for our company in terms of our progression in sustainability."

Unique Sustainability Features

Tenants that have already settled at 888 Boylston include the Italian marketplace Eataly, located in the Prudential Center's former food court. "They have been a huge success already," says Koop. Athletic clothing manufacturer Under Armour is leasing

retail space, as is Tesla Motors Inc. Other tenants include professional services company Accenture and Natixis Global Asset Management.

Austin Blackmon, the City of Boston's chief of environment, energy and open space, describes 888 Boylston as "one of the most innovative green buildings in Boston."

"They're at the vanguard of green buildings," Blackmon adds, in reference to Boston Properties.

Measure and Verify

While the construction phase may be over at 888 Boylston, the learning process isn't. Myers describes the property as a "living laboratory" for sustainable design.

"What's really important now is that we measure and verify the performance that we set out to achieve," Myers says. The company has installed 46 meters throughout the building to monitor every large motor, he notes.

Koop adds that 888 Boylston not only enables the company to improve upon its own internal sustainability record and build "innovation muscle" for future projects, but functions as an important public education tool as well. He estimates that the company hosts an average of a tour per week for groups, including college architectural design schools, university sustainability departments and even grade school students.

"We have a team specifically designated to educational tours—we've never had that in any of our buildings," Koop effuses. The fact that others in the industry are seeking to emulate 888 Boylston is a "supreme compliment," he says.

The 17-story 888 building consists of a three-story retail base, a 14-story office tower and two levels of subgrade parking. The building's sustainability features include:

A cutting-edge chilled beam system that circulates 100 percent fresh air throughout the building;

A tight, high-performance thermal envelope encasing the building;

A rainwater harvesting system that collects water from the roof, providing 20 percent of the water consumed by the building;

A "living wall" in the lobby where plants are irrigated by water collected from the roof;

14 vertical axis wind turbines and a 120kW solar photovoltaic system on the roof capable of providing enough clean power for 15 homes;

LED lighting throughout all common areas; and

Floor to ceiling windows providing ample natural light and an upward curve on north-facing windows that allows more light to penetrate the core of the building.

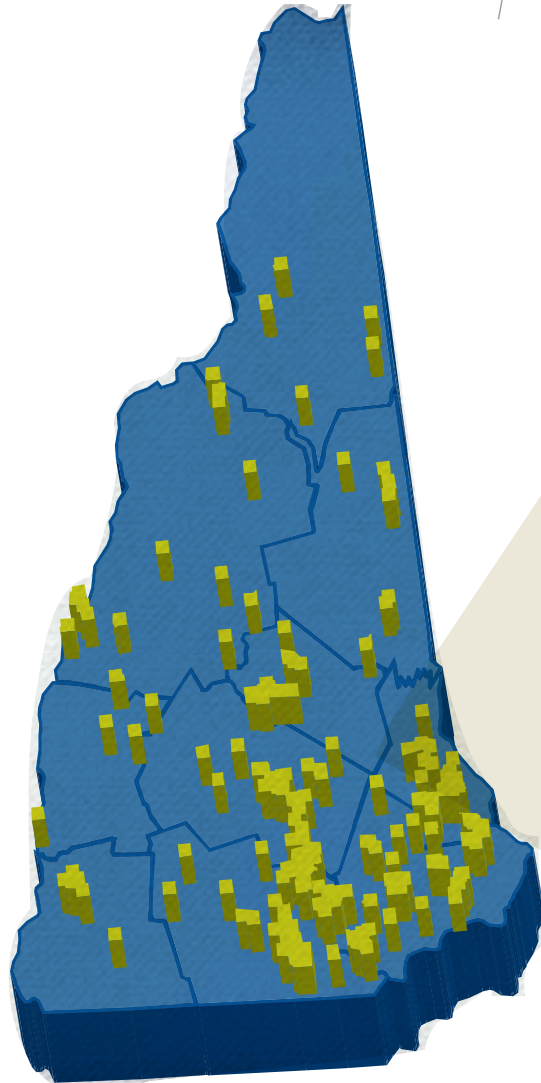


Economic Impact of REITs in

NEW HAMPSHIRE

Timberland: 24,000 acres

REITs own 802 properties in the state.



Properties

Health Care	49
Hotels	8
Industrial	11
Office	3
Outdoor Advertising	247
Mixed-Use	1
Residential	7
Retail	123
Storage	24
Specialty	6
Telecom Towers	323

5,000

Jobs supported
in New Hampshire

46%

Of New Hampshire
households invest
in REITs

\$3.7B

Of REIT-owned
assets in New Hampshire

How American Tower Keeps Up with Technical Innovation

A

growing number of REITs are focused on serving the digital age, buying or developing real estate infrastructure assets such as cellphone towers, data centers and fiber lines. These players are

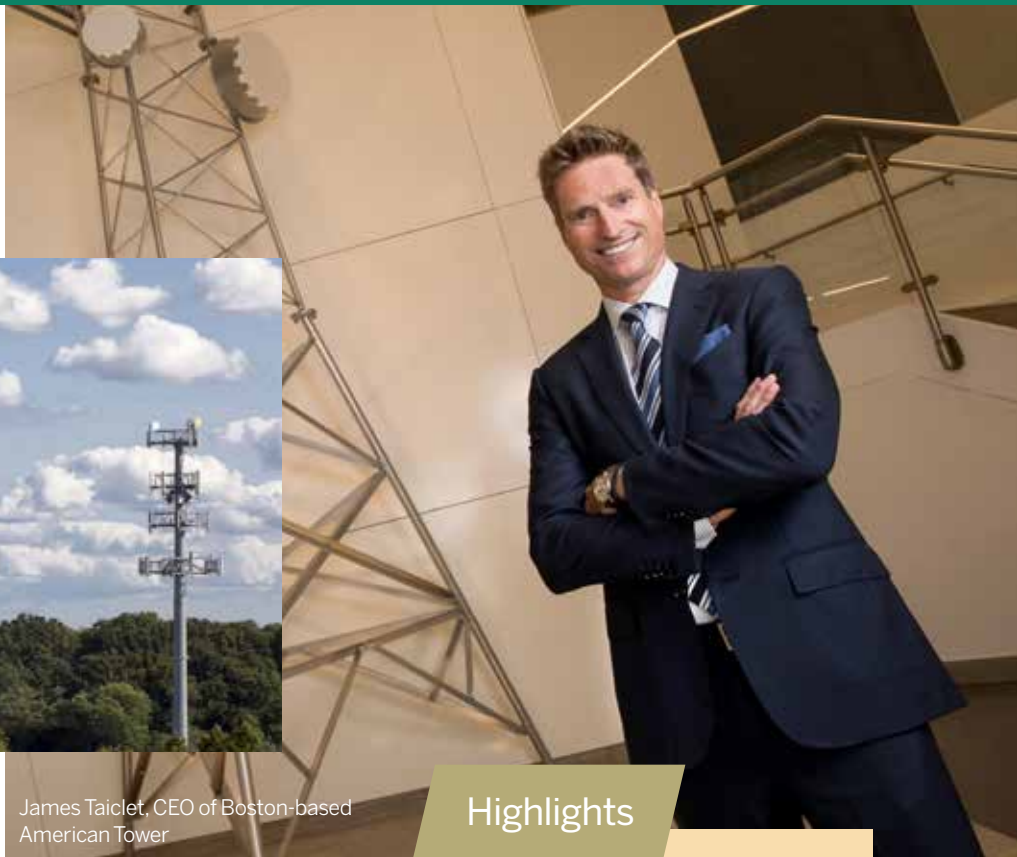
helping companies meet skyrocketing demand for data fueled by fast-growing industries such as cloud services, social media, gaming, analytics, and entertainment. Several such players are based in New England, including Boston-headquartered, American Tower Corporation.

American Tower, a REIT that owns and operates approximately 170,000 towers and related communications real estate in 16 countries, is leveraging consumers' accelerating demand for more data in order to be able to do everything on the go, from streaming movies to making payments to playing video games. Its REIT structure offers a way to help mobile operators off-load capital-intensive network infrastructure costs and instead concentrate on their core competency as mobile carriers. Meanwhile, investors can collect a nice dividend.

"The digital infrastructure REITs have really transitioned over the last couple of years from being viewed solely as telecom or Internet-based stocks—largely owned by telecom media and technology investors—to more of a hybrid, where they are more readily accepted and owned by REIT-oriented investors," says Frederick Moran, an analyst for Burke & Quick Partners in Delray Beach, Florida.

"The digital infrastructure REITs have a fairly recession-proof steady demand from customers like the Internet, big industry, or wireless telecom that need to invest in order to fuel growth," Moran says. "You have a secular demand trend that will continue unabated at a time when supply is harder and harder to keep up with."





James Taiclet, CEO of Boston-based American Tower

Highlights

American Tower is headquartered in Boston.

This Massachusetts founded company has grown from a new idea of sharing infrastructure which is economical and environmentally sound to the largest REIT in the world.

A Fortune 500 company and part of the S&P 500.

American Tower operates in 16 countries on five continents.



“Infrastructure REITs are the most efficient and effective way to drive the deployment of mobile telephony services and the mobile Internet.”

Some infrastructure REITs such as American Tower are trending towards increased globalization. “Infrastructure REITs such as American Tower are the most efficient and effective way to drive the deployment of mobile telephony services and the mobile Internet not only in the United States, but also around the world,” says Jim Taiclet, chairman and CEO of American Tower.

In addition to the U.S., American Tower has expanded its global footprint, and currently has a presence in Asia, Europe, Latin America and Africa. During the first half of 2018, American Tower added another 20,000 sites in India, which further expanded its presence in that market.

According to Taiclet, the next phase of growth is “the leading edge of the next generation of design and implementation of the mobile internet [5G will] enable things and devices and capabilities that we haven’t even thought of today. That future mobile network, which we can be literally on the ground floor of as a real estate provider, makes this job very interesting.”

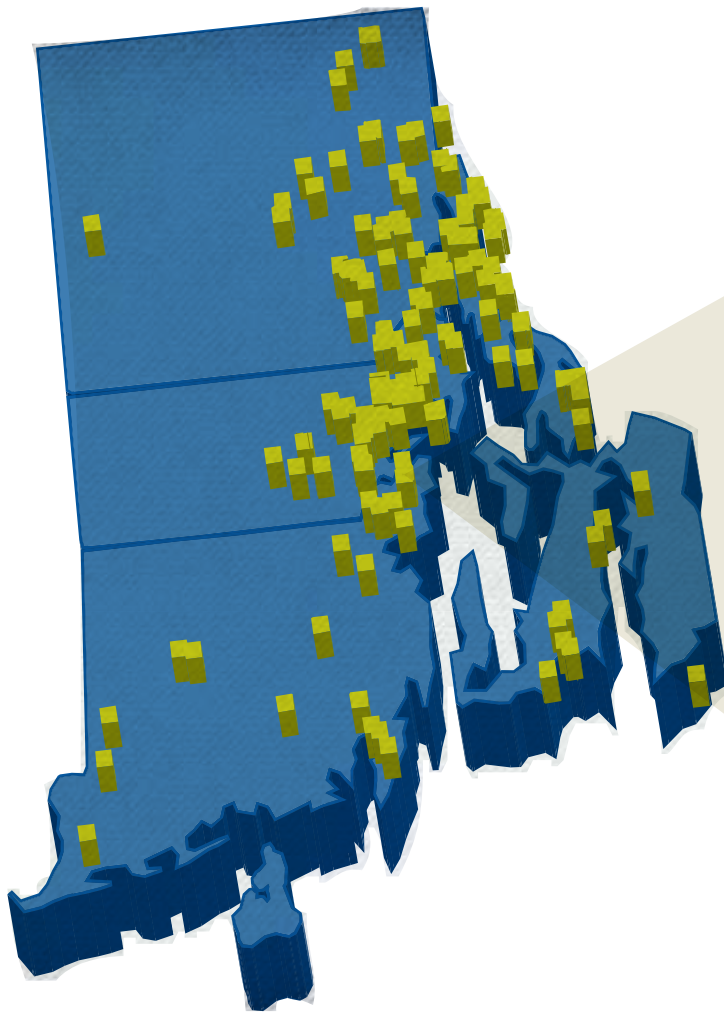




Economic Impact of REITs in

RHODE ISLAND

REITs own 605 properties in the state.



Properties

Health Care	30
Hotels	5
Office	5
Outdoor Advertising	287
Mixed-Use	1
Residential	3
Retail	39
Storage	15
Single-Family Rental Homes	30
Specialty	4
Telecom Towers	186

3,000

Jobs supported
in Rhode Island

41%

Of Rhode Island
households invest
in REITs

\$2.9B

Of REIT-owned
assets in Rhode Island

Ventas Resuscitates South Street Landing

On Nov. 29, 2017, Rhode Island Governor Gina Raimondo and Providence Mayor Jorge Elorza joined the presidents of Brown University, Rhode Island College and the University of Rhode Island for a ribbon-cutting ceremony at the completed South Street Landing.

“For years, this building sat vacant, and now it is humming with high-level academic and professional activity,” Rhode Island Secretary of Commerce Stefan Pryor explains. About 136,000 square feet of the building’s 268,000 serves as administrative offices for Brown University, housing more than 400 employees. The remaining 132,000 square feet house the state-of-the-art Rhode Island Nursing Education Center (NEC). Once a former power station, facilities now include classrooms and cutting-edge laboratories catering to more than 600 students, all within close proximity to Brown’s Warren Alpert Medical School.

“South Street Landing is a visible example of the progress occurring here in Rhode

Island,” Pryor says.

South Street Landing merges the old with new, the public with private. Its diverse collaborators include multiple learning institutions, the city and state, and strategic partners Ventas, Inc., (NYSE: VTR) and developer Wexford Science & Technology, LLC. The massive \$220 million redevelopment project represents the first phase in a rebirth of Providence’s historic Jewelry District—the gateway to a new innovation hub—and a wave of economic opportunity for the state.

The high-tech Nursing Education Center now stands where huge coal-powered turbines first created electricity to power much of the city and surrounding area.

Construction on the original South Street Station, also known as the Narragansett Electric Lighting Company (NELCo) Power Station or Dynamo House, first began in 1912 and led into the following decade. NELCo expanded South Street Power Station as its electricity production grew more than 500 percent in its first decade of operation. As new technologies emerged, South Street Power

Station was eventually phased out over the coming decades and officially decommissioned in 1995.

Moving Parts, Strategic Partners

After previous attempts by the city to redevelop the site faltered in the wake of the recession, developer Dick Galvin of the Boston-based firm CV Properties LLC saw an opportunity to bring South Street into larger plans to increase Brown University’s student housing and utilized unlocked riverfront lands created by

One of the student public spaces at South Street Landing.



The massive \$220 million redevelopment project represents the first phase in a rebirth of Providence’s historic Jewelry District.



Highlights

The cafe area at South Street Landing.

the relocation of I-195 highway. Collaborative talks between the nursing programs at the University of Rhode Island and Rhode Island College had also started to develop to meet the increased need and caliber of its training programs.

Wexford Science & Technology, LLC, an “innovation district” developer specializing in strategic opportunities with top-tier research urban universities, also saw Providence’s potential.

“We saw what South Street Landing and Dynamo House, which is a historic building at South Street Landing, could become,” says Tom Osha, Wexford’s senior vice president of innovation and economic development. “Its position, the opportunity to revitalize the Jewelry District, the history—all of that really attracted us, and certainly the opportunity to work with great research universities”.

In September 2016, health care REIT Ventas acquired the bulk of the life science and medical real estate assets of Wexford from affiliates of Blackstone Real Estate Partners VIII L.P. for \$1.5 billion. The move made Ventas and Wexford strategic partners with an exclusive pipeline agreement on future developments.

Launching an Innovation District

South Street Landing’s launch aligns with Providence’s larger plans to position itself as a world-class innovation city.

“We are creating a hub for life science research, for innovation, for entrepreneurship, economic innovation,” says Bob Probst, Ventas executive vice president and CFO. “Our real estate really is the backbone of a campus that brings those parties together to stimulate economic expansion and to bring the talent together to cluster here, which will be the driver of innovation and economic growth for the communities.”

South Street Landing’s proponents credit these developments with providing tangible benefits to the community at a lower cost to the state than would have otherwise been possible. According to Wexford, for every dollar the state invested in the project, private investors and Brown University invested more than two, making the state’s \$68 million investment 31 percent of the project’s total \$220 million cost.

So far, the benefits from the state’s collaboration with private partners include: the reopening of the west bank of the Providence River through an extended River Walk; a new

South Street Landing is a former power station originally developed in 1912.

The site remains on the National Register of Historic Places for Providence, Rhode Island.

The 268,000 square foot redevelopment now includes offices, classrooms and state-of-the-art laboratories.

The project is a central part of Providence’s goal of becoming a hub for companies focused on life sciences and innovation.

pedestrian bridge across the river; more than \$5 million in income and sales tax revenue for the state and city during construction and \$1.1 million annually thereafter for Rhode Island; and the addition of 500 construction jobs and 375 indirect jobs during construction, producing \$92 million in income. South Street Landing is expected to create 540 jobs generating \$29 million in annual earnings.

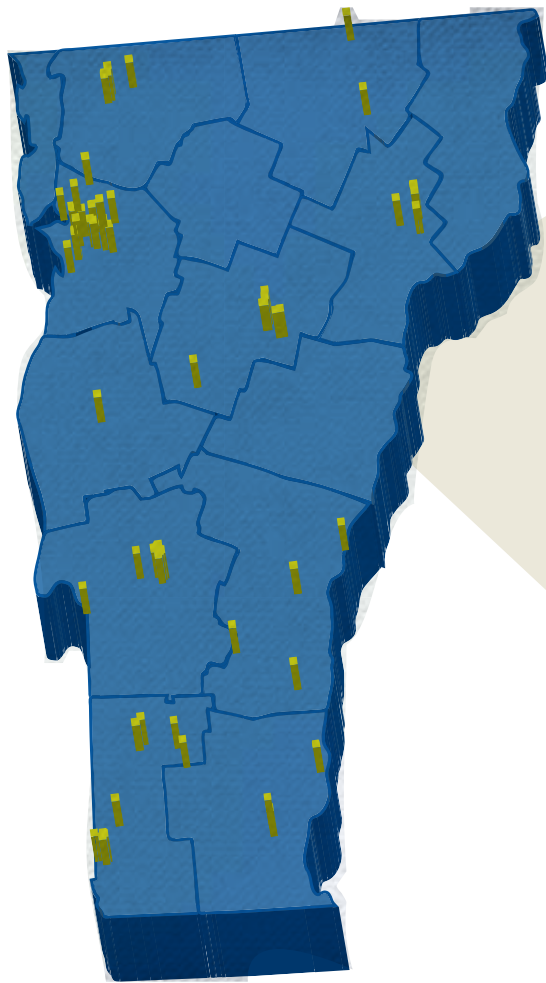


Economic Impact of REITs in

VERMONT

Timberland: 86,000 acres

REITs own 192 properties in the state.



Properties

Health Care	5
Hotels	4
Industrial	3
Office	2
Retail	18
Storage	4
Single-Family Rental Homes	4
Specialty	1
Telecom Towers	151

2,000

Jobs supported
in Vermont

41%

Of Vermont
households invest
in REITs

\$802M

Of REIT-owned assets
in Vermont

Experiential Properties Essential to EPR Properties' Portfolio

The mix of properties owned by EPR Properties (NYSE: EPR) may seem a bit quirky on the surface: not many REITs invest in schools, movie theatres, Top Golf sites and ski resorts. But to EPR's President and CEO Greg Silvers, it makes perfect sense.

"We think of it as almost 'social infrastructure' for people to create experiences with their friends, family and colleagues as well as places to get an education," says Silvers.

EPR has \$6.8 billion in investments in 400 locations in 43 states, the District of Columbia and Canada. Their 25 ski properties, most of which are in New England, represent 10 percent of the company's portfolio, are 100 percent occupied and include 16,000 acres of skiable land.

While skiers may rave about their exploits on the slopes of Park City or Aspen, Silvers says most only get to "destination" resorts once or twice a year.

"Our decision to invest in daily accessible resorts within a three-hour drive of major metro areas is because we know that skiers will visit those resorts four to six times per year," says Silvers. "Local resorts are more resilient to economic shocks because people may still do a day trip or a weekend trip to a ski resort even when they won't fly to a long-distance resort."

From January 2017 through January 2018, Silvers says EPR's New England ski resorts had more than 1 million admissions. Nationally, EPR's ski resorts had 1.96 million admissions.

"We focus on family-oriented demographics, in particular older millennials with young families who are beginning to be old enough

to ski and baby boomers who want to create memories with their kids and grandkids," says Silvers.

EPR's resorts also benefit their communities with employment opportunities.

"Ski resorts are generally the economic driver of the area and increase employment

overall," says Silvers.

Increasingly, ski resorts are expanding their economic impact on the surrounding region year-round, says Brian Moriarty, vice president of corporate communications for EPR.

"The National Ski Area Association says that some resorts get as much as 40 percent of



Ski resort fun is not limited to winter any more. Pictured is Jiminy Peak in Hancock, Massachusetts.



EPR Ski Resorts in New England

State	EPR Ski Resort
Massachusetts	Jiminy Peak
Maine	Sunday River
Maine	Sugarloaf
New Hampshire	Mount Sunapee
New Hampshire	Loon Mountain
Vermont	Mt. Snow
Vermont	Okemo

Highlights

their revenue during the summer season,” says Moriarty. “All of our ski areas are transitioning into year-round resorts. The natural terrain lends itself to outdoor activities.”

Zip lines, mountain coasters and mountain biking are popular summer and shoulder season activities at ski resorts. Some resorts are adding summer concert series, culinary events and wedding facilities, says Silvers.

“We like to cross-fertilize opportunities to make our tenants stronger, so we’re connecting live performance venues and water park operators with our ski resorts,” says Silvers. “I like to call it creating ‘emotional ownership’ for our customers so they can say that’s where we ski, that’s where we go to concerts and that’s where we go to enjoy the outdoors in the spring, summer and fall.”

While investors may have heard more about big-name ski resort owners such as Vail Resorts, Silvers says EPR’s regional operators, particularly throughout New England, take great pride in their work.

“They’re highly vested in the performance of their property and in what local people think about it because they’re of the community themselves,” says Silvers. “We’ve had great success identifying high quality operators in regional markets that are well-known and valued by their community.”

EPR upgrades existing ski resorts with higher quality food and beverage service and other improvements that enhance the

customer experience.

“Building loyalty with a season pass for local ski operators and tying the pass into a network of ski resorts makes it more convenient to ski more often and drives underlying cash flow of the properties,” says Silvers.

Since ski mountains can’t be built, EPR’s growth in that property sector must be opportunistic. Many family-owned resorts have been in operation for 35 to 50 years, which provides EPR with an abundance of data to predict revenue streams. Since the company sold a few resort properties last year, they’re looking to acquire more to keep ski resorts in their mix of leisure and entertainment properties.

EPR owns 25 ski properties totaling 16,000 acres of skiable land.

EPR’s New England ski resorts attract more than 1 million visitors per year.

As much as 40 percent of a ski resort’s revenue can come from the summer season.

Zip lines, mountain coasters, and mountain biking are just some of the non-skiing activities attracting visitors.



A Six Pack of New England-Based REITs Managed by The RMR Group

The RMR Group Inc. (Nasdaq: RMR) is an alternative asset management company headquartered in Newton, Massachusetts. The company manages six REITs through an operating subsidiary.

Government Properties Income Trust (Nasdaq: GOV) is a REIT that primarily owns properties located throughout the U.S. that are majority leased to the U.S. government and other government tenants and office properties in the metropolitan Washington, D.C. market area that are leased to government and private sector tenants. As of March 31, 2018, GOV's portfolio included 107 properties containing approximately 17.3 million square feet.

Hospitality Properties Trust (Nasdaq: HPT) is a REIT that owns a diverse portfolio of hotels and travel centers located in 45 states, Puerto Rico and Canada. HPT's properties are operated under long-term management or lease agreements. As of March 31, 2018, HPT's portfolio included 522 properties consisting of 323 hotels and 199 travel centers.

Industrial Logistics Properties Trust (Nasdaq: ILPT) is a REIT that owns and leases industrial and logistics properties throughout the U.S. As of March 31, 2018, ILPT's portfolio included 266 buildings, leasable land parcels and easements with 28.5 million square feet.

Select Income REIT (Nasdaq: SIR) is a REIT that primarily owns office properties that are net leased to single tenants. As of March 31, 2018, SIR owned 100 properties with 17.0 million square feet.

Senior Housing Properties Trust (Nasdaq: SNH) is a REIT that owns senior living communities, medical office buildings and wellness centers throughout the U.S. As of March 31, 2018, SNH's portfolio included 305 senior living communities and 129 medical office properties.

Tremont Mortgage Trust (Nasdaq: TRMT)



is a real estate finance company that focuses primarily on originating and investing in first mortgage loans secured by middle market and transitional commercial real estate. Tremont

Mortgage Trust is managed by Tremont Realty Advisors LLC, an SEC registered investment adviser, which is an indirect subsidiary of The RMR Group Inc.



REITs Headquartered in **NEW ENGLAND**

American Tower Corporation

Boston, MA
www.americantower.com

Boston Properties, Inc.

Boston, MA
www.bostonproperties.com

CYS Investments, Inc.

Waltham, MA
www.cysiniv.com

Ellington Residential Mortgage REIT

Old Greenwich, CT
www.ellington.com

Franklin Street Properties Corp.

Wakefield, MA
www.fspreit.com

Government Properties Income Trust

Newton, MA
www.govreit.com

Hospitality Properties Trust

Newton, MA
www.hptreit.com

Industrial Logistics Properties Trust

Newton, MA
www.ilptreit.com

Iron Mountain

Boston, MA
www.ironmountain.com

Plymouth Industrial REIT, Inc.

Boston, MA
www.plymouthreit.com

Select Income REIT

Newton, MA
www.sirreit.com

Senior Housing Properties Trust

Newton, MA
www.snhreit.com

STAG Industrial, Inc.

Boston, MA
www.stagindustrial.com

Starwood Property Trust, Inc.

Greenwich, CT
www.starwood.com

Tremont Mortgage Trust

Newton, MA
www.trmtreit.com

Urstadt Biddle Properties, Inc.

Greenwich, CT
www.ubproperties.com

THE NEW ENGLAND COUNCIL

The Council is a non-partisan alliance of businesses, academic and health institutions, and public and private organizations throughout New England formed to promote economic growth and a high quality of life in the New England region.

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