

**Residential REITS**

The article in Bloomberg provided figures for the number of houses acquired by the largest single family, residential REITS, who are enjoying 6-7% yields, similar to the high yield bonds. The interesting part of the investments is the yield does not include the potential rental increase as well as price appreciation. They have been accelerating their acquisition spree as home prices start to creep up.

We believe these institutional buyers are also contributing to the pricing trend. They are purchasing 3 bed, 2 bath homes, which we read are trading at a lower price/rent multiple, relative to smaller units.

Notably, 2 of the figures below, B. Wayne Hughes and Thomas Barrack are USC alums, so a short shout out there! Fight on!

<b>Company Name</b>	<b>Houses Acquired</b>	<b>Purchase Price</b>	<b>Average Price</b>	<b>Notable Figure</b>
Blackstone	17,000	\$2.7BB	158,824	Steven Schwarzman
American Homes 4 Rent	10,000	\$1.5BB	150,000	B. Wayne Hughes
Colony Capital	8,000	N/A	N/A	Thomas Barrack
Waypoint Homes	3,000;10,000 by 2013	N/A	N/A	N/A

Source: <http://www.bloomberg.com/news/2013-02-13/billionaire-hughes-chasing-blackstone-as-u-s-rental-king.html>