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CADENCE CAPITAL GROUP DISCUSSES REIT MARKET WITH REIT.COM

New York, NY. Scott Robinson, Managing Partner of Capital Group, LLC (“Cadence Capital”) recently discussed current trends in the US real estate investment trusts (REITs) sector with *REIT.com*.

The public markets for real estate securities, specifically REITs, tend to move in advance of underlying fundamentals. Property types with shorter lease terms, such as lodging and multifamily, may experience a shorter gap; while property types with longer lease terms, notably office, would experience a longer gap.

Additionally, the movement of direct commercial real estate is generally less volatile than the REIT market, because the direct market valuations are typically determined by appraisals, or internal readjustments based on yield expectations, as compared to stock prices. The stock prices reflect the ever-changing yield expectations of many different investors, which results in greater volatility in valuations. Cadence Capital believes the REIT market will be faced with a higher than normal level of volatility during 2010, stemming from an uncertain outlook for commercial property fundamentals and inconsistent acquisition opportunities for REITs. As a result, real estate securities fund managers need to have a deep understanding of property fundamentals.

Further, most REIT investors have not adequately distinguished between top-tier and average management teams; REIT valuations continue to move up and down in relative terms. As property fundamentals begin to bottom-out, investors will come to appreciate high-caliber management teams and their ability to out-perform the broader REIT sector.

Scott Robinson, Managing Partner of Cadence Capital, believes that those companies with deep operating and leasing teams, have better access to accretive acquisitions and communicate more effectively with investors will be rewarded with higher earnings multiples. Conversely, average management teams will be penalized with lower multiples.

Cadence Capital Group, LLC is a New York-based real estate capital advisory and investment management firm. Through a unique combination of experienced and skilled real estate professionals, extensive industry contacts and relevant insight, Cadence Capital has the specialized skills required to help their clients successfully navigate the structural changes in the financial and capital markets. Cadence Capital’s area of specialties includes securities and property investing, as well as risk assessment, and strategic investing. Please visit www.cadencecapitalgroup.com