Safety, Income & Growth Inc.

The Ground Lease Company

Q4'17 and Fiscal Year 2017 Earnings Results

February 15, 2018

(NYSE: SAFE)

Forward-Looking Statements and Other Matters

This release may contain forward-looking statements. All statements other than statements of historical fact are forward-looking statements. These forward-looking statements can be identified by the use of words such as “illustrative”, “representative”, “expect”, “plan”, “will”, “estimate”, “project”, “intend”, “believe”, and other similar expressions that do not relate to historical matters. These forward-looking statements reflect the Company’s current views about future events, and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause Company’s actual results to differ significantly from those expressed in any forward-looking statement. The Company does not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: market demand for ground lease capital; the Company’s ability to source new ground lease investments; risks that the rent adjustment clauses in the Company's leases will not adequately keep up with changes in market value and inflation; risks associated with certain tenant and industry concentrations in our initial portfolio; conflicts of interest and other risks associated with the Company's external management structure and its relationships with iStar and other significant investors; risks associated with using debt to fund the Company’s business activities (including changes in interest rates and/or credit spreads, and refinancing and interest rate risks); general risks affecting the real estate industry and local real estate markets (including, without limitation, the potential inability to enter into or renew ground leases at favorable rates, including with respect to contractual rate increases or participating rent); dependence on the creditworthiness of our tenants and their financial condition and operating performance; competition from other developers, owners and operators of real estate (including life insurance companies, pension funds, high net worth investors, sovereign wealth funds, mortgage REITs, private equity funds and separate accounts); unknown liabilities acquired in connection with real estate; and risks associated with our failure to qualify for taxation as a REIT under the Internal Revenue Code of 1986, as amended. Please refer to the section entitled “Risk Factors” in our Prospectus, dated June 27, 2017, filed with the Securities and Exchange Commission (SEC) for further discussion of these and other investment considerations. The Company expressly disclaims any responsibility to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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Section 1 – Earnings

Highlights

- Q4 2017 Results:

	$ in Thousands	Per Share	Aggregated Impact of Certain Material Items Per Share
Net Income (Loss)	($1,342)	($0.07)	+$0.15
FFO[1]	$925	$0.05	+$0.15
AFFO[1]	$1,146	$0.06	+$0.08

Impact of certain material items includes:

- Park Hotels revenue paid annually but has been straight-lined
- Waived G&A expenses
- Certain other one-off expenses

For more detail, please see Impact of Certain Material Items slide.

- Investing Activity:
  - **$34.0MM Great Oaks Ground Lease**: Executed previously announced 3-year forward commitment to purchase a ground lease on a luxury 301-unit multi-family project, which is currently under construction in San Jose, CA, from iStar
  - **$38.5MM Onyx on First**: Subsequent to the end of the quarter, closed a ground lease on a pre-existing 266-unit multi-family property in Washington, D.C.
- Active Pipeline:
  - $72MM from 4 deals currently under LOI
  - $962MM total pipeline[2]

Note: See the Glossary for definitions of capitalized terms used in this presentation.
(1) See the Non-GAAP financial metrics in the FFO/AFFO slide for reconciliations of these measures to GAAP net income.
(2) See Pipeline slide for details.

2017 Earnings Overview

SAFE, formed on April 14, 2017 (inception), completed its initial public offering on June 27, 2017.

	Inception - 12/31/17	Aggregated Impact of Certain Material Items(2)
Net Income (Loss)	($3,669)	+$6,203
per share	($0.25)	+$0.42
FFO(1)	$2,737	+$6,203
per share	$0.19	+$0.42
AFFO(1)	$4,057	+$2,810
per share	$0.28	+$0.19

Note: $ in thousands, except per share information.

(1) See the Non-GAAP financial metrics in the FFO/AFFO slide for reconciliations of these measures to GAAP net income.

(2) See Impact of Certain Material Items slide for additional information.

Income Statement

	Q4'17	Inception – 12/31/17
Revenues:		
Ground lease and other lease income	$6,579	$16,952
Other income	171	258
Total revenues	**$6,750**	**$17,210**
Costs and expenses:		
Interest expense	$3,172	$7,485
Real estate expense	364	1,261
Depreciation and amortization	2,267	6,406
General and administrative[1]	2,273	4,328
Stock based compensation	–	766
Other expense	16	633
Total costs and expenses	**$8,092**	**$20,879**
Net income (loss)	**($1,342)**	**($3,669)**

Note: $ in thousands.

(1) Includes $1.2 million and $2.6 million of expenses associated with management fee and iStar reimbursables for Q4'17 and since inception, respectively. These fees are all waived by our manager until June 30, 2018, but are recorded as expenses under GAAP. See "General & Administrative Breakdown" slide for additional detail on these expenses.

FFO / AFFO

	Q4'17	Inception – 12/31/17
Net income (loss)	($1,342)	($3,669)
Add: Real estate related depreciation and amortization	2,267	6,406
FFO	**$925**	**$2,737**
FFO	$925	$2,737
Less: Straight-line rental income	(1,675)	(4,097)
Add: Amortization of real estate-related intangibles, net	423	1,178
Add: Stock-based compensation	–	766
Add: Acquisition costs	–	381
Add: Non-cash management fee expense	1,234	2,627
Add: Non-cash interest expense	239	465
AFFO	**$1,146**	**$4,057**
Weighted avg. share count	**18,190**	**14,648**
FFO per share	**$0.05**	**$0.19**
AFFO per share	**$0.06**	**$0.28**

Note: $ in thousands. See the Appendix for an explanation of FFO and AFFO.

Impact of Certain Material Items

Effected Net Income Items	Q4'17 Per Share	Inception – 12/31/17 Per Share	Description
Park Hotel Revenue Recognition(1)	$0.04	$0.15	Results from inception to 12/31/17 do not include any percentage rent from the Park Hotels Portfolio, which is paid annually in arrears and is received and recorded by SAFE in the first quarter in respect of the prior year. If the percentage rent payment of $3.0MM received in Q1'17 were straight-lined over 2017, it would have added an additional $750K to results for Q4'17 and $2.1MM to results from inception to 12/31/17.
Waived G&A Expenses	$0.07	$0.18	Already adjusted in AFFO. Related to management expenses that are waived, but expensed under GAAP. See "General & Administrative Breakdown" for additional information.
Other Expense Items	$0.04	$0.09	Includes special audit fees, S-11 resale registration expenses, excess borrowings on the revolver to temporarily finance the Hollywood ground lease, and initial grant of $766k of vested stock to directors.

Note: $ in thousands.
(1) See Asset Summary for description of Park Hotels Portfolio.

General & Administrative Breakdown

- SAFE's management contract waives 100% of the management fee and reimbursables through June 30, 2018
- Management fee and reimbursables are recorded as GAAP expenses during the waiver period, and offset with an equal credit to equity on the balance sheet
  - — $1.2MM of $2.3MM of Q4'17 G&A are related to expenses that were waived

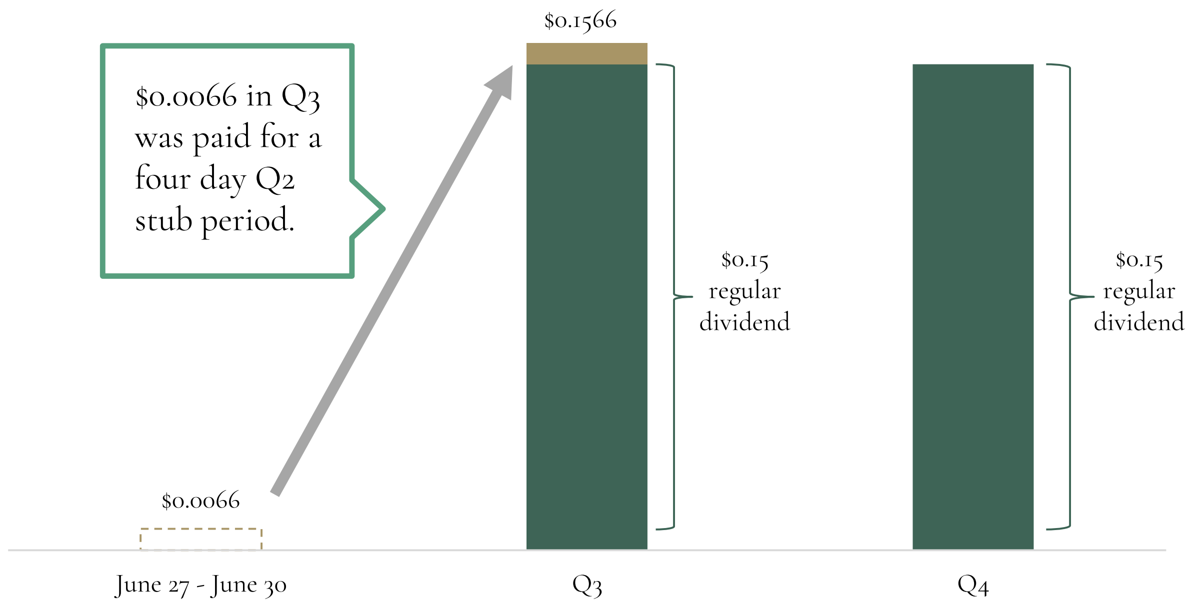
General & Administrative:

	Q4'17	Inception – 12/31/17	Description	Notes
Management fee	$919	$1,988	Fee based on 1% of equity. Paid in the form of SAFE stock.	Waived until 6/30/18. Despite waiver, recorded as an expense offset by a credit to equity.
Reimbursables	315	639	Includes bookkeeping, tax and other services performed by our manager, iStar, which are subject to reimbursement.	Waived until 6/30/18. Recorded as an expense offset by a credit to equity.
Stock grant	–	766	Initial fully vested stock grant to directors in consideration for joining SAFE's board.	Non-cash expense.
Public company and other costs	1,039	1,701	Auditors, legal, listing fees and other expenses.	Settled in cash.
Total	**$2,273**	**$5,094**		

Note: $ in thousands.

Dividends

- $0.15 dividend was declared in the fourth quarter representing an annualized rate of $0.60 per share.



Note: $ given per share.

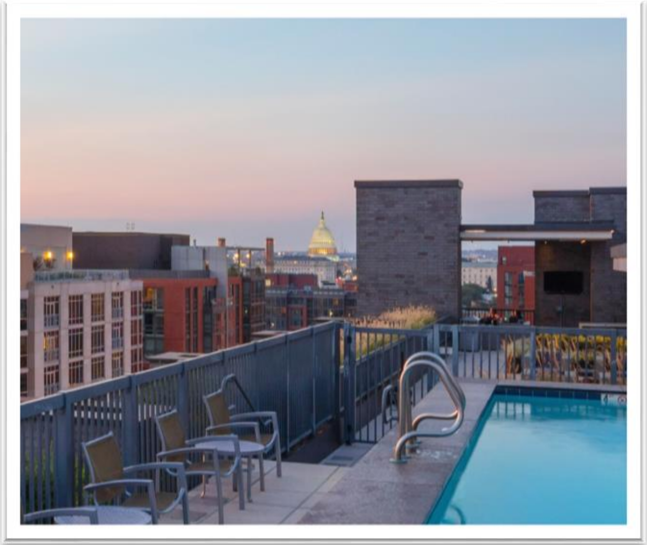
Forward Commitment: Great Oaks

Note: Represents rendering of future construction.

Raleigh Road & Via del Oro – San Jose, CA	
Date Closed	10/17/17
Asset Description	A luxury multi-family project containing 301 units currently under construction in San Jose, CA with an expected completion in December 2019.
Source	Newly created SAFE Ground Lease™ to enable ground-up development.
Forward Commitment	SAFE has committed to purchase the ground lease from iStar[1] on November 1, 2020. iStar owns the land until that time and is the construction lender to the tenant.
Purchase Price	$34.0MM
Rent Escalation Structure	Fixed annual escalations
Basis as % of CPV[2]	26%
Stabilized Ground Rent Coverage[3]	> 5.0x
Lease Term Remaining at SAFE acquisition	96 Years

(1) Transaction approved by the independent members of the Board of Directors of both SAFE and iStar.
(2) See Glossary for general definition of term. Here, basis refers to the agreed upon future purchase price of $34.0MM and the Company's current estimate of CPV.
(3) Estimated ground rent coverage at stabilization, assuming construction is completed within our expected timeframe. Estimates are based on available market information including leasing activity at comparable properties in the market.

Onyx on First

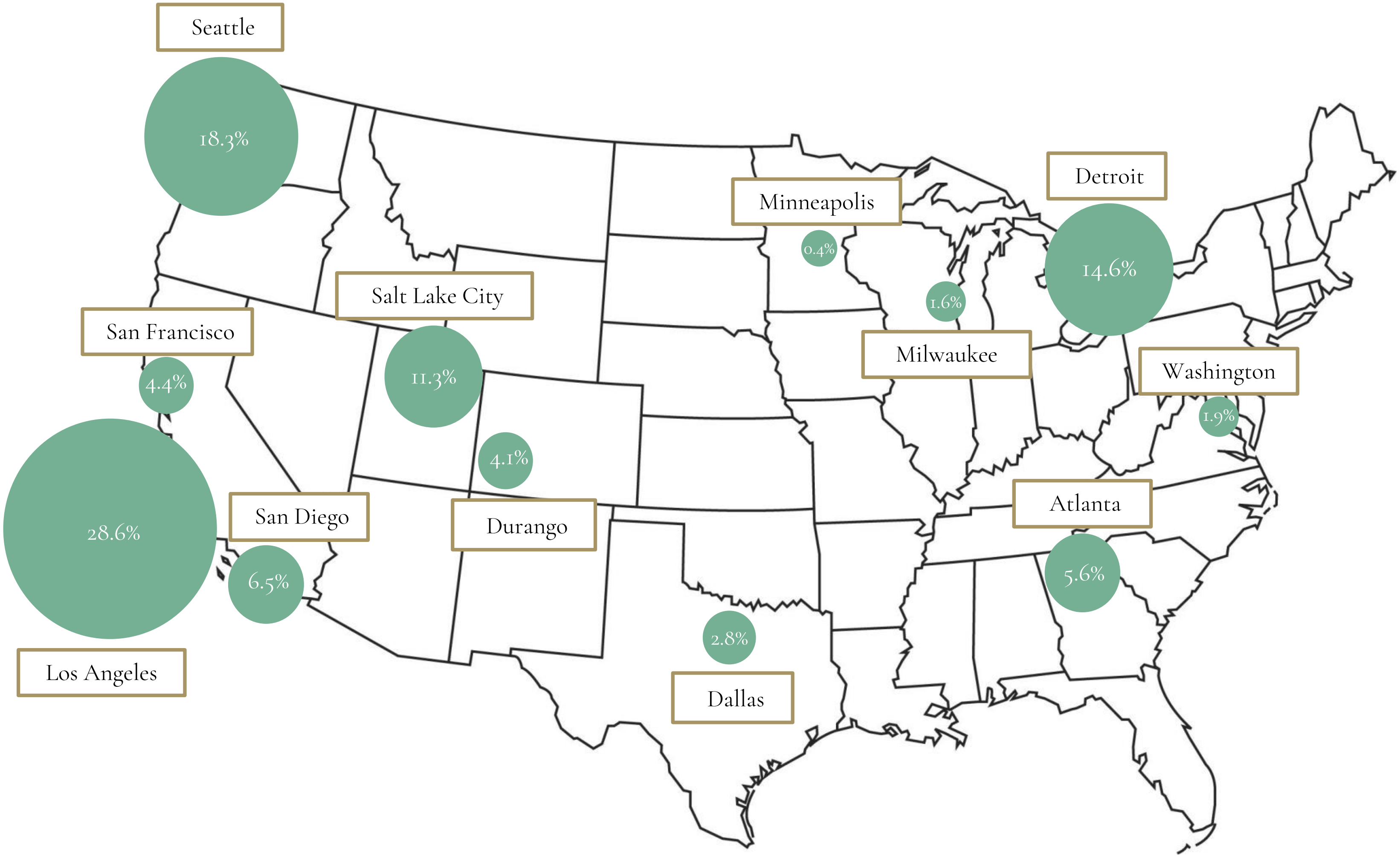


1100 First St. SE – Washington, D.C.

Date Closed	1/25/18
Asset Description	A luxury 14-story multi-family property containing 266 units in Washington, D.C. The property, constructed in 2008, is well-located in the Navy Yard neighborhood, one block from the Navy Yard metro station and a short walk to Nationals Park.
Source	Newly created SAFE Ground Lease™ to enable client acquisition of property.
Purchase Price	$38.5MM
Rent Escalation Structure	Fixed annual escalations + capped CPI lookbacks
Basis as % of CPV[1]	39%
Going In Ground Rent Coverage	3.2x
Lease Term Remaining	99 Years

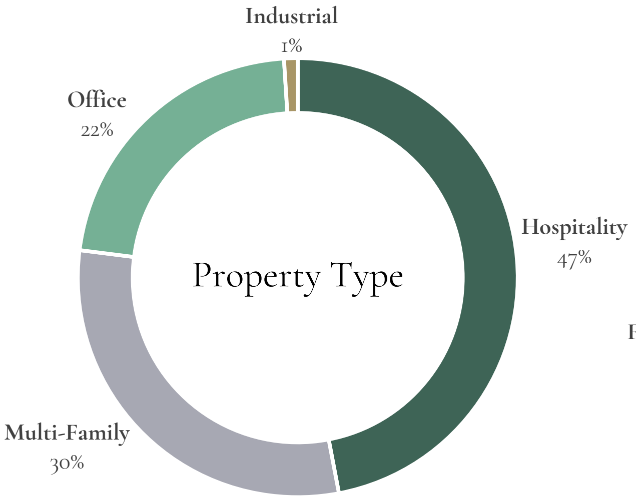
(1) See Glossary for definition of CPV (Combined Property Value).

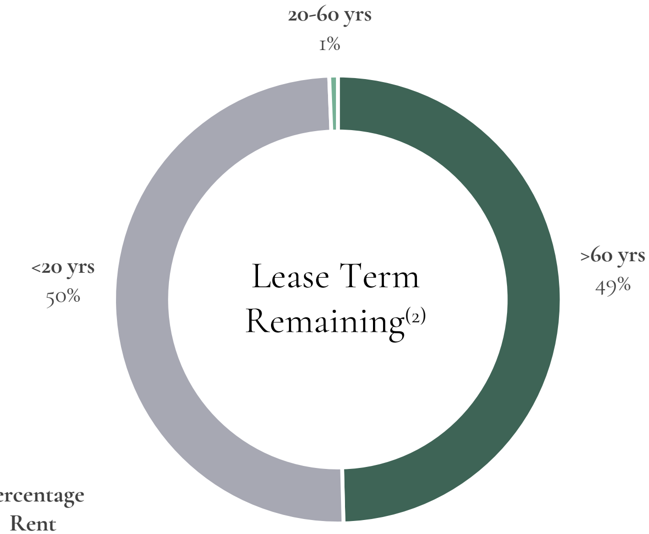
Geographic Diversification by MSA

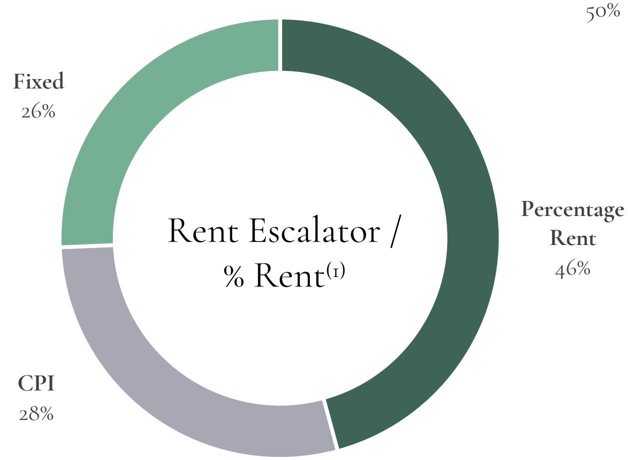


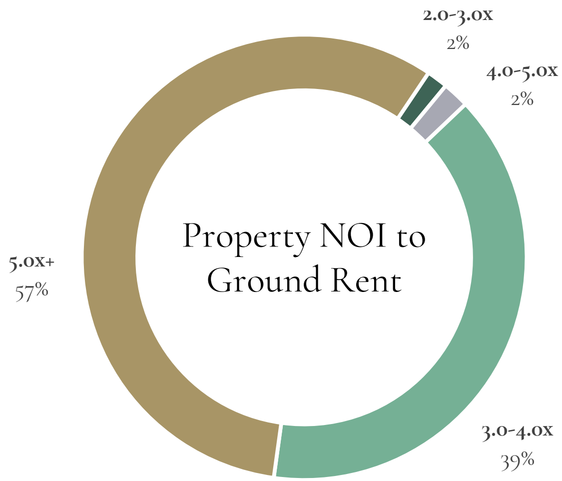
Note: Percentages based on 12/31/17 portfolio which do not yet include the Great Oaks and Onyx ground leases.

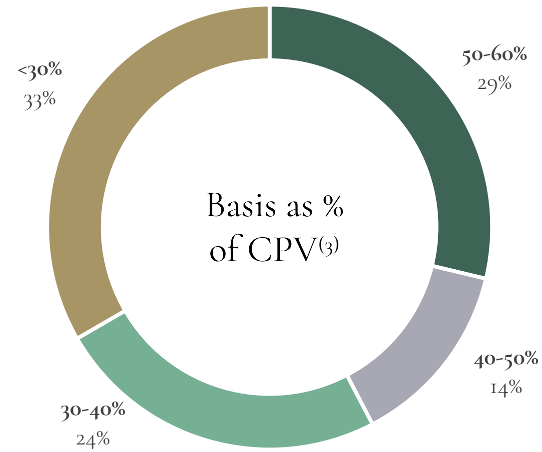
Portfolio Stratification











Note: Charts based on 12/31/17 portfolio which does not yet include the Great Oaks and Onyx ground leases.

(1) Includes Estimated Underlying Property NOI. Additionally, this includes ground rent coverage at stabilization of properties under development, assuming construction is completed within our expected timeframe. Company estimates are based on available market information including leasing activity at comparable properties in the applicable markets.

(2) Weighted based on in-place base rent; assumes leases are fully extended based on in-place rent.

(3) See Glossary for definition of CPV (Combined Property Value).

Portfolio Breakdown

Rent Statistics

Annualized Base Rent	$20.2MM
Prior Year % rent	$3.2MM
Total cash rent	$23.4MM
Total GAAP rent *(including TTM % rent)*	$29.5MM
Total cash rent as % of total ground leases	4.7%
Total GAAP rent as % of total ground leases	5.9%
W.A. Fixed Rent Escalations	1.6%

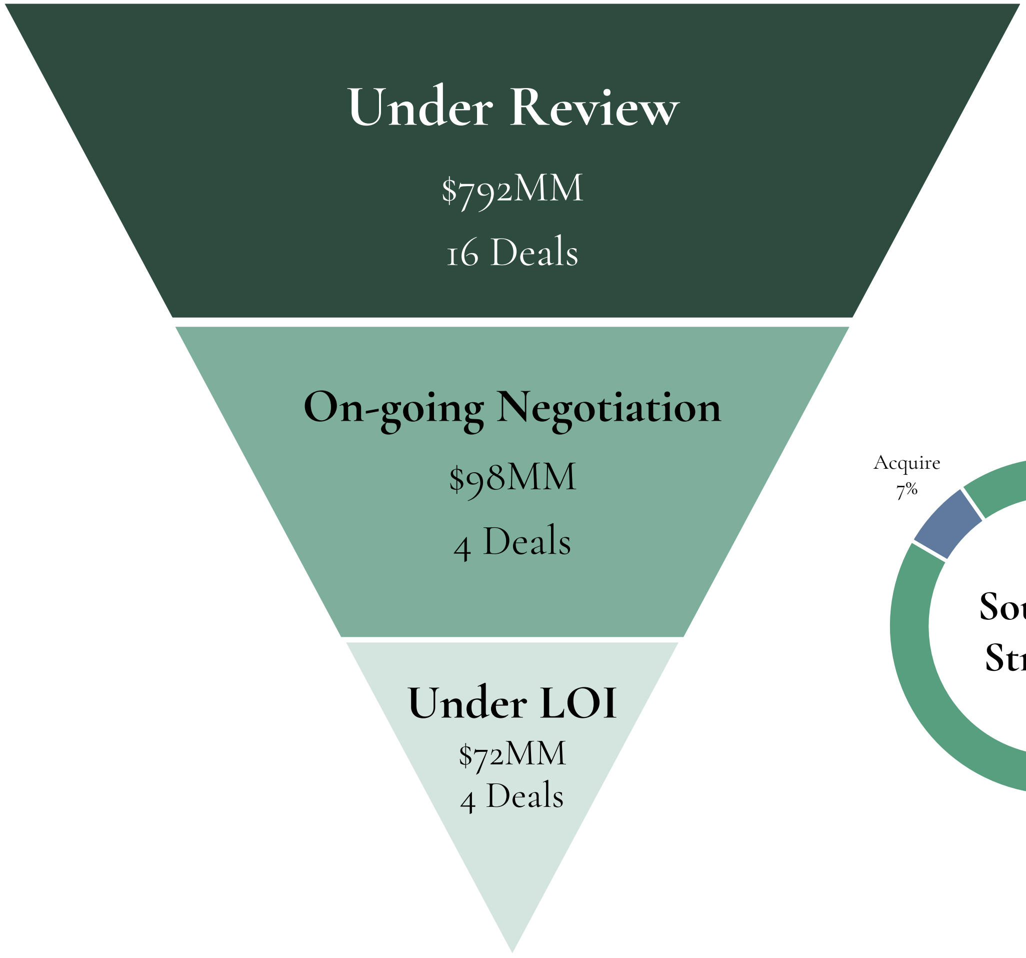
Ground Lease Structure

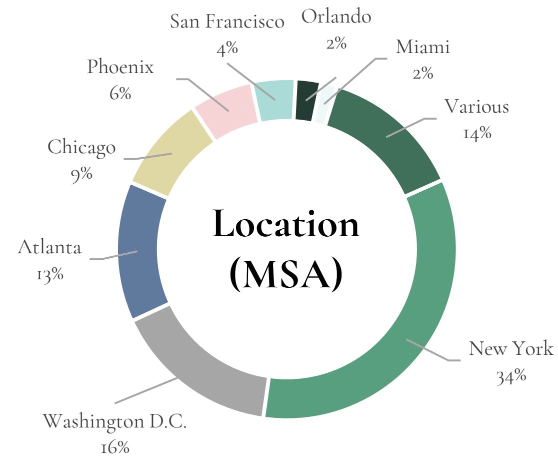
Ground lease basis as % of CPV	33.4%
Underlying Property NOI to ground rent coverage	4.67x
W.A. lease term remaining	49 years
W.A. lease term remaining including extensions	67 years
Total ground leases	$497MM

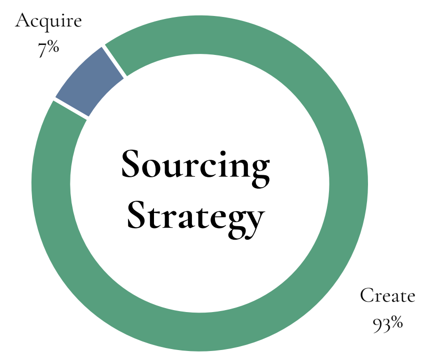
Note: Table based on 12/31/17 portfolio which does not yet include the Great Oaks and Onyx ground leases.

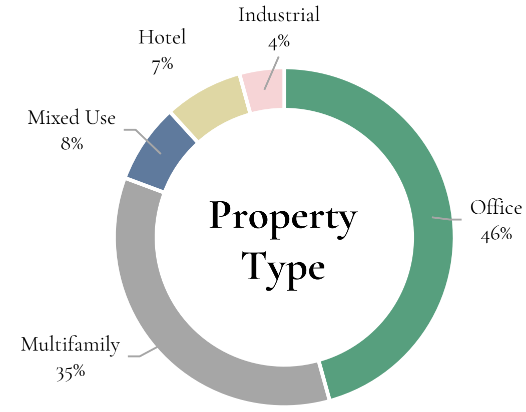
Pipeline (as of Feb 13)

$962MM Pipeline (24 Deals)









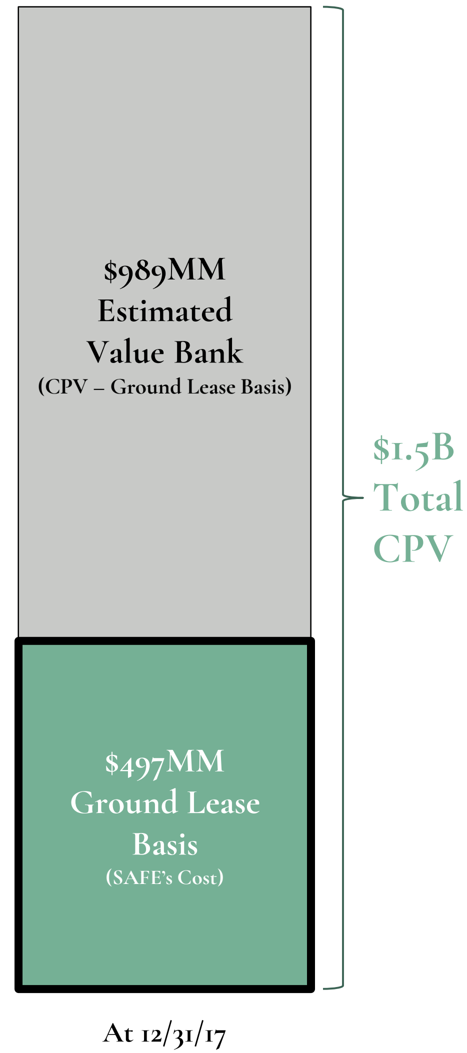
Note: There can be no assurance that SAFE will acquire or originate any of the investments currently being pursued on favorable terms or at all. Percentages are based on estimated ground lease value.

Value Bank of $989MM or $54 per Share

- At the end of the lease, the building returns to SAFE, creating additional potential value to stockholders
- Value Bank is calculated as today's estimated Combined Property Value (CPV) less SAFE's Ground Lease Basis(1)

$1,486MM	Combined Property Value
- $497MM	Ground Lease Basis
$989MM	Value Bank

CBRE conducts independent appraisals of the CPV of each asset(2)



(1) Our ability to recognize value through reversion rights may be limited by the rights of our tenants under some of our ground leases, including tenant rights to purchase the properties or level properties under certain circumstances. See our Current Report on Form 8-K filed with the SEC on February 15, 2018 and "Risk Factors" in our Prospectus, dated June 27, 2017, as updated from time to time in our periodic reports, filed with the SEC, for a further discussion of such tenants rights.

(2) SAFE may utilize management's estimate of CPV for ground lease investments recently acquired that CBRE has not yet appraised. See our 8-K filed February 15, 2018 with the SEC for additional detail on CBRE's valuation and our calculation of Value Bank.

Credit Metrics

As of December 31, 2017

- Target leverage of (i) 25% of CPV and (ii) 2x debt to equity
- Long-term interest rate protection policy
- 12.8 weighted average years of interest protection on our existing debt

Leverage	
Book Debt	$307
Book Equity	$356
Leverage (Debt to Equity)	0.9x
Target	~2.0x
Combined Property Value	$1,486
Debt as % of CPV	20.7%
Target	~25%

Annualized Earnings to Fixed Charges GAAP	
Net income (loss)	($5.4)
Park Hotel Portfolio Percentage Rent (Prior Year)[1]	3.0
Interest Expense	12.7
Earnings Prior to Fixed Charges (A)	$10.3
Interest Expense (B)	$12.7
Earnings to Fixed Charges (A) / (B)	0.8x
Underlying Property NOI (C)	$94[3]
Look-Through FCCR (C) / (B)	7.4

Annualized Fixed Charge Coverage Ratio As Adjusted	
AFFO	**$4.6**
Park Hotel Portfolio Percentage Rent (Prior Year)[1]	3.0
Interest Expense	12.7
Adjusted EBITDA (D)	$20.3[2]
Interest Expense (B)	$12.7
Corporate FCCR (D) / (B)	1.6x
Underlying Property NOI (E)	$94[3]
Look-Through FCCR (E) / (B)	7.4

Note: $ in millions.

(1) Percentage rent for Park Hotels portfolio represents 2016 figures as 2017 percentage rent will only be recorded in Q1'18. See Asset Summary in Appendix for a description of the Park Hotels Portfolio.

(2) Adjusted EBITDA represents annualized AFFO for the quarter ending December 31, 2017 plus percentage rent payments from the prior year for the Park Hotels Portfolio and before annualized interest expense for the quarter ended December 31, 2017. There can be no assurance that the Company will receive percent rent payments in future periods.

(3) Includes One Ally. Underlying Property NOI source: Prospectus, dated December 14, 2017, of the Wells Fargo Commercial Mortgage Trust 2017-C42.

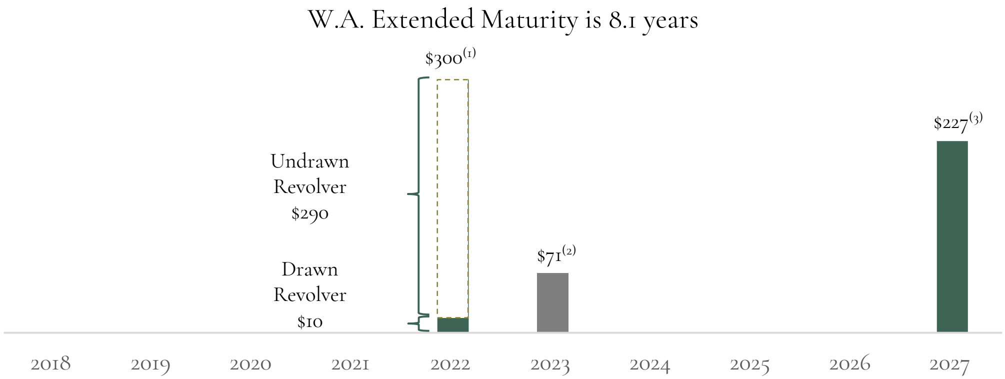
Debt Overview

As of December 31, 2017

Debt Profile

2022		
Jun.[1]	$300	L+135
2023		
Jan.[2]	$71	L+133
2027		
Apr.[3]	$227	3.77%[4]
Total	**$598**	**3.24%[5]**

Debt Maturity Profile



- Utilizing shorter-term, pre-payable secured debt to finance new ground leases
  - During the quarter the Company raised $71 million of debt secured by its two Hollywood ground leases
  - Flexibility to repay enables longer-term strategy for utilizing unsecured debt

Note: $ in millions. For additional information on our debt please see the 10-K.
(1) Initial maturity is June 2020 with two 1-year extensions. As of December 31, 2017 $10.0 million remains outstanding.
(2) Callable without pre-payment penalty beginning January 2021.
(3) April 2027 represents Anticipated Repayment Date. Final maturity is April 2028.
(4) 3.795% coupon effectively locked in and reduced to 3.77% with swap rate lock.
(5) Based on LIBOR of 1.56% at December 31, 2017. Excludes the impact of our interest rate hedges.

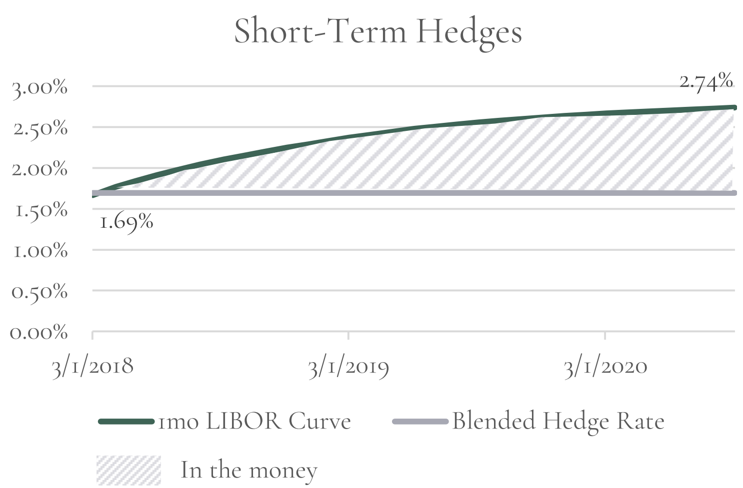
Interest Rate Hedges

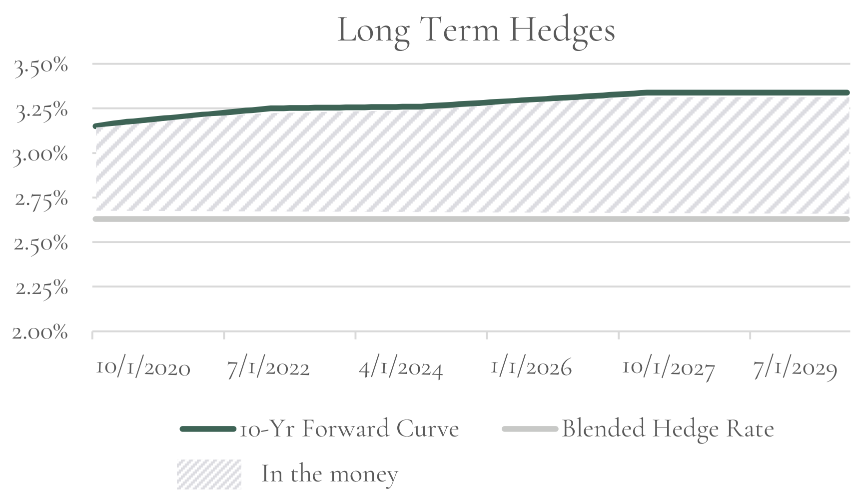
As of December 31, 2017

- SAFE enters into hedging contracts to mitigate the impact of interest rate fluctuations

Short-Term Hedges	Start Date	Term	Notional ($MM)	Blended Hedge Rate
Total	8/1/17	3Y	$105	1.69%

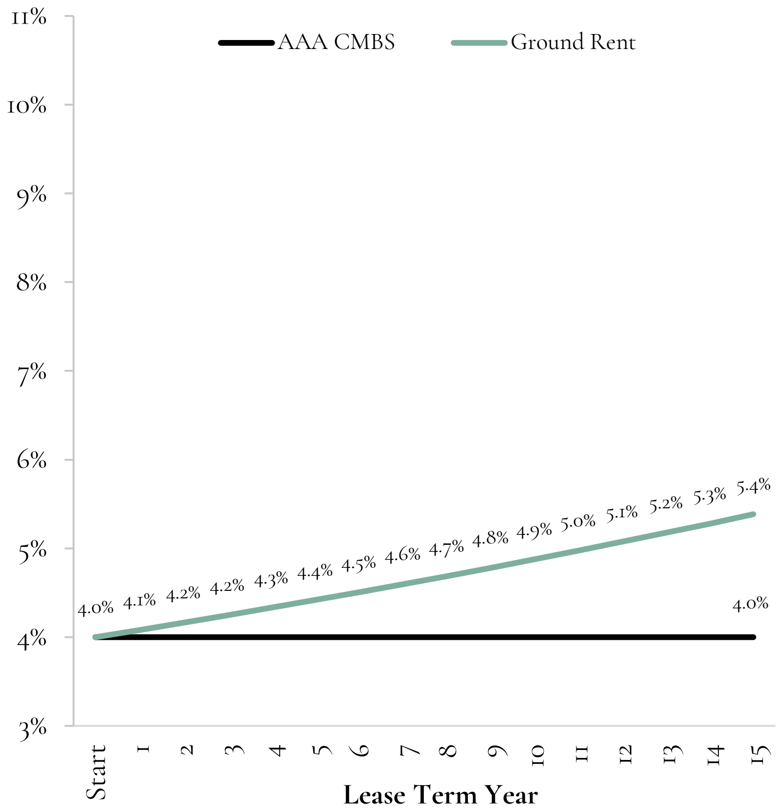
Long-Term Hedges	Start Date	Term	Notional ($MM)	Blended Hedge Rate
Total	10/1/20	10Y	$127	2.63%



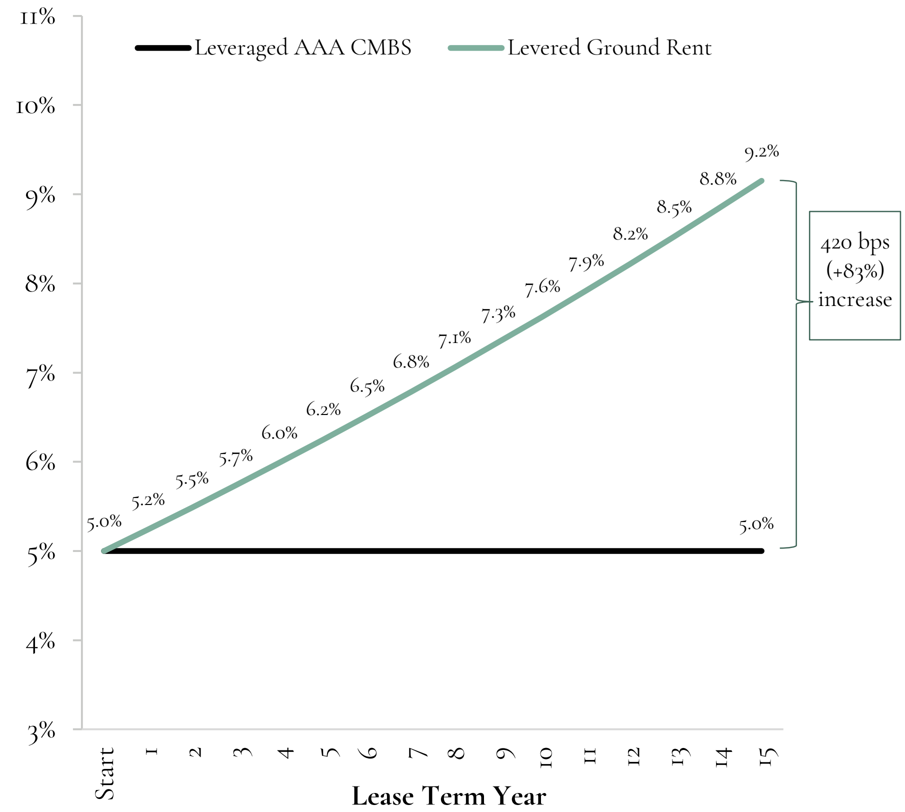


GLs Offer Interest Rate Protection

Ground leases produce a growing income stream versus similar risk fixed debt



Adding fixed rate leverage amplifies the bumps

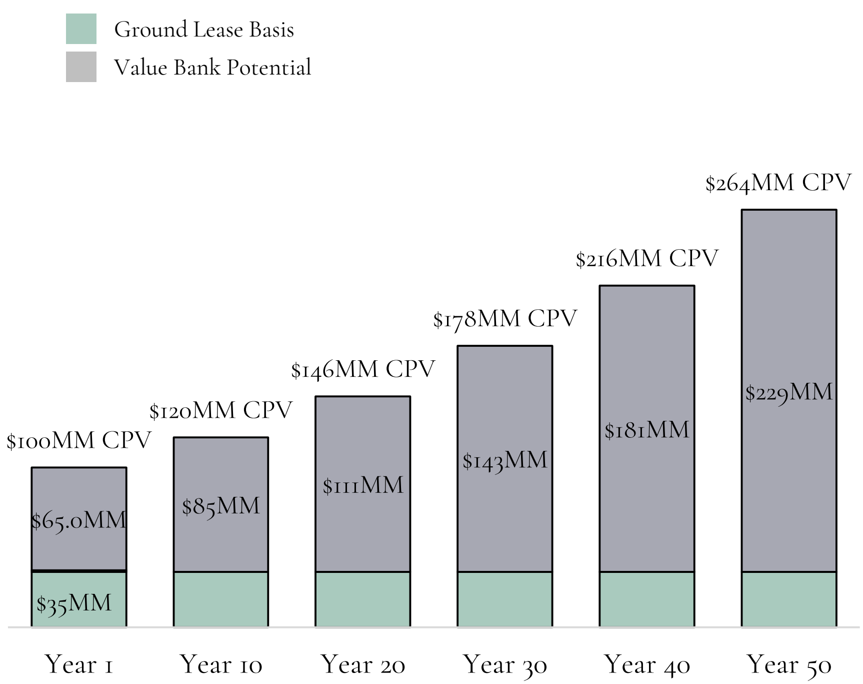


Note:
Charts reflect an illustrative example with the following assumptions: ROA of 4.0%, annual bumps of 2.0%, leverage of 2.0x debt to equity and fixed-rate liabilities of 3.5%.

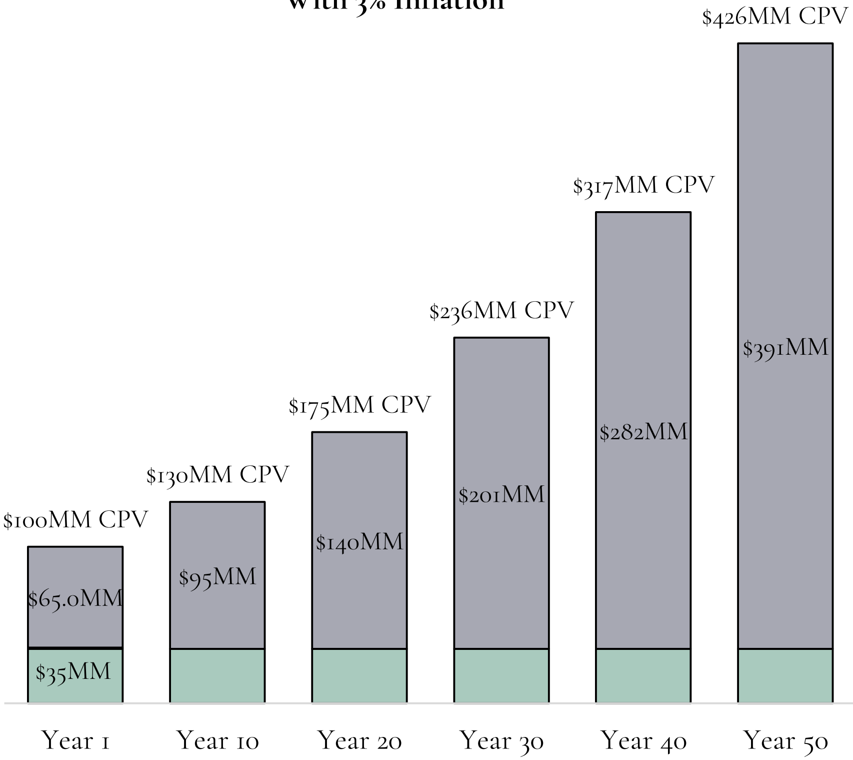
GLs Offer Inflation Protection

In conjunction with income streams, inflation has a magnifying effect on Value Bank which can create significant additional upside

With 2% Inflation



With 3% Inflation



Note:
Assumes a $100MM building is bifurcated into a $35MM ground lease and $65MM leasehold. Assumes real estate values (CPV) grow over long periods of time with inflation.

Balance Sheet

	As of December 31, 2017	As of September 30, 2017
Assets		
Real estate		
Real estate, gross	$413,145	$413,145
Accumulated depreciation	(4,253)	(2,752)
Real estate, net	408,892	410,393
Real estate-related intangibles, net[1]	80,766	81,955
Ground lease assets, net	489,658	492,348
Cash and cash equivalents	168,214	91,327
Other assets	12,682	8,735
Total assets	$670,554	$592,410
Liabilities and Equity		
Liabilities:		
Debt obligations, net	$307,074	$227,396
Accounts payable and other liabilities	7,545	6,783
Total liabilities	$314,619	$234,179
Equity:		
Common stock	$182	$182
Additional paid-in capital	364,919	363,465
Retained earnings (deficit)	(9,246)	(5,173)
AOCI	80	(243)
Total equity	$355,935	$358,231
Total liabilities and equity	$670,554	$592,410

Note: $ in thousands.

(1) "Real estate-related intangibles, net" represents real estate-related intangible assets of $139MM and $140MM for the periods ended December 31 and September 30, 2017, respectively, less real estate-related intangible liabilities of $58MM for the periods ended December 31 and September 30, 2017, respectively.

Appendix

Appendix

Asset Summary

Property	Location (MSA)	Property Type	Lease Expiration / As Extended	Rent Escalation Structure	Ground Rent Coverage
6201 Hollywood (North)	Los Angeles, CA	Multi-Family	2104 / 2104	% of CPI	>6.0x[(2)]
6200 Hollywood (South)	Los Angeles, CA	Multi-Family	2104 / 2104	% of CPI	>5.4x[(2)]
Doubletree Seattle Airport[(1)†]	Seattle, WA	Hospitality	2025 /2035	% Rent	3.2x
One Ally Center	Detroit, MI	Office	2114 / 2174	Fixed w/ Inflation Protection	6.0x[(3)]
Hilton Salt Lake[†]	Salt Lake City, UT	Hospitality	2025 / 2035	% Rent	3.7x
LifeHope Medical Campus	Atlanta, GA	Office	2116 / 2176	Fixed	3.5x[(2)]
Doubletree Mission Valley[†]	San Diego, CA	Hospitality	2025 / 2035	% Rent	5.4x
Doubletree Durango[†]	Durango, CO	Hospitality	2025 /2035	% Rent	3.3x
Doubletree Sonoma[†]	San Francisco, CA	Hospitality	2025 / 2035	% Rent	5.5x
Northside Forsyth Hospital Medical Center	Atlanta, GA	Office	2115 / 2175	Fixed w/ Inflation Protection	3.0x[(2)]
Dallas Market Center: Sheraton Suites	Dallas, TX	Hospitality	2114 / 2114	Fixed	2.3x[(4)(5)]
The Buckler Apartments	Milwaukee, WI	Multi-Family	2112 / 2112	Fixed	9.2x[(2)]
NASA/JPSS Headquarters	Washington, D.C.	Office	2075 / 2105	Fixed	4.9x
Lock Up Self Storage Facility	Minneapolis, MN	Industrial	2037 / 2037	Fixed	6.6x[(4)]
Dallas Market Center: Marriott Courtyard	Dallas, TX	Hospitality	2026 / 2066	% Rent	17.9x[(4)]
Total / Weighted Avg.			**49 / 67 yrs**		**4.7x**

Note: Ranked by Total GAAP Income. See Glossary for definitions.
[†]Park Hotels Portfolio Asset which is on a single master lease.
(1) A majority of the land underlying this property is owned by a third party and is ground leased to us through 2044 subject to changes in the CPI; however, our tenant pays this cost directly to the third party.
(2) Calculated using Estimated Underlying Property NOI.
(3) Underlying Property NOI source: Prospectus, dated December 14, 2017, of the Wells Fargo Commercial Mortgage Trust 2017-C42.
(4) Underlying Property NOI is based on TTM September 30, 2017 figures.
(5) Coverage negatively impacted in current quarter due to ongoing renovations.

Appendix

Glossary

Ground Lease Basis	Ground Lease Basis is the historical purchase price paid by SAFE to acquire or originate a ground lease.
Combined Property Value (CPV)	The current combined value of the land, buildings and improvements relating to a commercial property, as if there was no Ground Lease on the land at the property. CPV is based on independent appraisals by CBRE. The Company will use management estimates for recently acquired and originated ground leases for which appraisals from CBRE are not yet available.
Basis as % of CPV	Calculated as our Ground Lease Basis divided by CPV. We believe the metric is an indicative measure of the safety of our position in a real estate property's capital structure and represents our last-dollar economic exposure to the underlying property values.
Value Bank	Calculated as the difference between CPV and Ground Lease Basis. We believe Value Bank represents additional potential value to SAFE stockholders through the reversion rights embedded in standard ground leases.
Ground Rent Coverage	The ratio of the Underlying Property's NOI to the annualized base rental payment due to us. We believe the metric is indicative of our seniority in a property's cash flow waterfall. Underlying Property NOI is based on information reported to us by our tenants without any independent investigation or verification by us.
Funds from Operations (FFO)	FFO is calculated in accordance with the National Association of Real Estate Investment Trusts (NAREIT) which defines FFO as net income (determined in accordance with GAAP), excluding gains or losses from sales of depreciable operating property, plus real estate-related depreciation and amortization.
Adjusted Funds from Operations (AFFO)	Calculated by adding (or subtracting) to FFO the following items: straight-line rental income, the amortization of real estate-related intangibles, stock-based compensation, acquisition costs, non-cash management fees, and expense reimbursements, the amortization of deferred financing costs and other expenses related to debt obligations.
FCCR, as adjusted	Fixed Charge Coverage Ratio calculated as annualized adjusted EBITDA divided by annualized fixed interest charges.
Adjusted EBITDA	Calculated as the sum of annualized AFFO prior to interest expense and the prior year rent payments from Park Hotels Portfolio.

Appendix

Glossary – *(cont'd)*

Underlying Property NOI	With respect to a property, the net operating income of the commercial real estate being operated at the property without giving effect to any rent paid or payable under our ground lease. Net operating income is calculated as property-level revenues less property-level operating expenses as reported to us by the tenant, or as otherwise publicly available. We rely on net operating income as reported to us by our tenants without any independent investigation by us., or as otherwise publicly available.
Leverage	The ratio of book debt to book equity.
Estimated Underlying Property NOI	Management utilizes (i) estimated underlying property net operating income (NOI) in situations where actual underlying property NOI is unavailable and (ii) projected stabilized property NOI when a project is under development. These figures are based on leasing activity at the property and may include other available market information, such as comparable properties or third party valuations.

Appendix

Explanation of FFO and AFFO

We present FFO and AFFO because we consider them to be important supplemental measures of our operating performance and believe that they are frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. FFO is a widely recognized non-GAAP financial measure for REITs that we believe, when considered with financial statements determined in accordance with GAAP, is useful to investors in understanding financial performance and providing a relevant basis for comparison among REITs.

We compute Funds From Operations (FFO) in accordance with the National Association of Real Estate Investment Trusts, or NAREIT, which defines FFO as net income (loss) (determined in accordance with GAAP), excluding gains or losses from sales of depreciable operating property, plus real estate-related depreciation and amortization. We compute Adjusted Funds From Operations (AFFO) by adding (or subtracting) to FFO the following items: straight-line rental income, the amortization of real estate-related intangibles, non-cash management fees and expense reimbursements, stock-based compensation, acquisition costs and the amortization of deferred financing costs and other expenses related to debt obligations.

We consider AFFO to be a useful metric when evaluating the key drivers of our long term operating performance, which are relatively straightforward. Our Ground Lease investments generate rental income and our tenants are typically responsible for all property level expenses. As a result, we incur minimal property level cash expenses that are not reimbursed. Furthermore, we subtract straight-line rent because it represents non-cash GAAP income, which creates a material difference between our GAAP rental income recorded and the cash rent we receive, particularly due to the very long duration of our leases. AFFO is presented prior to the impact of the amortization of lease intangibles, non-cash management fees and expense reimbursements, and stock-based compensation. We also add back acquisition expenses incurred for the acquisition of Ground Leases due to the long-term nature of our Ground Lease business. Our Ground Lease assets typically have long-term leases (typically 30-99 years) and acquisition expenses will only affect our operations in periods in which Ground Leases are acquired.

In addition, we believe FFO and AFFO are useful to investors as they capture features particular to real estate performance by recognizing that real estate has generally appreciated over time or maintains residual value to a much greater extent than do other depreciable assets.

Investors should review FFO and AFFO, along with GAAP net income (loss), when trying to understand the operating performance of an equity REIT like us. However, because FFO and AFFO exclude depreciation and amortization and do not capture the changes in the value of our properties that result from use or market conditions, which have real economic effect and could materially impact our results from operations, the utility of FFO and AFFO as measures of our performance is limited. There can be no assurance that FFO and AFFO as presented by us is comparable to similarly titled measures of other REITs. FFO and AFFO do not represent cash generated from operating activities and should not be considered as alternatives to net income (loss) (determined in accordance with GAAP) or to cash flow from operating activities (determined in accordance with GAAP). FFO and AFFO are not indicative of cash available to fund ongoing cash needs, including the ability to make cash distributions to our stockholders. Although FFO and AFFO are measures used for comparability in assessing the performance of REITs, as the NAREIT White Paper only provides guidelines for computing FFO, the computation of FFO and AFFO may vary from one company to another.