CORPORATE PROPERTY ASSOCIATES 14

2004 SECOND QUARTER REPORT

Generating Income for Investors Since 1997

CPA®:14

A MEMBER OF THE

W. P. CAREY

GROUP

Dear Fellow CPA®:14 Shareholders,

We are pleased to provide you with CPA®:14's second quarter financial results. Among the highlights were:

- Net income increased by $239,000 to $8.9 million, as compared to the similar period in 2003. This was the result of increases in lease revenues and income from equity investments, as well as a decrease in general and administrative expenses.

- Total revenue increased to approximately $32.5 million, as compared to $30.5 million for the comparable period a year ago.

- In April, CPA®:14, along with two affiliates, CPA®:16 – Global and CPA®:15, purchased 78 retail self-storage and truck rental facilities operated under the U-Haul brand name for $312 million. The facilities are located in 69 cities in 24 states. All 78 locations contain a truck rental facility, and all but one contains a self-storage facility. Under the terms of the two separate bond-type net lease agreements the self-storage facilities will be leased for an initial term of 20 years. The truck rental facilities will be leased for an initial term of 10 years. CPA®:14 owns a 11.54% interest in the facilities, while CPA®:16 – Global owns a 30.77% interest and CPA®:15 owns a 57.69% interest.

- In June, the Board of Directors approved and increased the second quarter dividend to $.1897 per share payable on July 15 to shareholders of record as of June 30. This equates to an annualized yield of 6.7% based on its current net asset value (NAV), or 7.6%, based on its initial share price of $10.00.

- CPA®:14 announced that the Federal Reserve Board's recent decision to increase the federal funds rate by an additional 25 basis points to 1-1/2 percent would have a negligible impact on the borrowing costs of the company.

We would like to remind you about CPA®:14's Dividend Reinvestment and Share Purchase Plan

(DRIP), which enables you to reinvest your quarterly dividends in new CPA®:14 shares at its current NAV of $11.30 per share and enjoy the effects of compounding returns. It's a convenient and cost effective way to increase your investment portfolio. For more information on how you can take advantage of this program please call our transfer agent at 1-888-241-3737 and request your DRIP participation card and prospectus.

In our continuing effort to reduce investor related expenses, we are now able to deliver your investor related correspondence electronically. If you would like to receive future investor correspondence via e-mail, please register by sending an e-mail to CPA14@wpcarey.com.

If you have been pleased with your investment experience in CPA®:14, we encourage you to view www.CPA16Global.com the homepage to W. P. Carey's newest publicly held non-traded real estate investment trust (REIT), where you will find more information on CPA®:14's affiliate REIT, CPA®:16 – Global.

On behalf of the entire CPA®:14 family, we wish you and your family the very best and thank you again for your continued support.

With best regards,

Most sincerely,

Wm. Polk Carey
Chairman

Gordon F. DuGan
Vice Chairman

P.S. Please direct any change of address, name and transfer instructions, as well as lost check inquiries to CPA®:14's transfer agent:

W. P. Carey & Co. LLC
c/o Phoenix American Financial Services
2401 Kerner Boulevard, San Rafael, CA 94901
1-888-241-3737 • www.phxa.com/wpc

This is neither an offer to sell nor a solicitation of an offer to buy CPA®:16 - Global. Such an offer is made only by CPA®:16 - Global's Prospectus.

Condensed Consolidated Statements of Cash Flows (Unaudited)

(in thousands)	Six Months Ended June 30, 2004	2003
Cash flows from operating activities:		
Net income	$ 17,894	$ 19,270
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,290	11,794
Straight-line rent adjustments	(2,282)	(1,989)
Income from equity investments in excess of distributions received	(455)	(997)
Issuance of shares in satisfaction of current and accrued performance fees	4,008	3,314
Minority interest in income	812	882
Funds released from escrow	—	1,120
Unrealized loss on derivatives, net	909	104
Unrealized loss on foreign currency transactions, net	272	—
Gain on foreign currency transactions, net	(726)	(169)
Decrease in prepaid rents and security deposits	(987)	(2,269)
Change in other operating assets and liabilities, net	(1,134)	(1,666)
Net cash provided by operating activities	30,601	29,394
Cash flows from investing activities:		
Distributions from operations of equity investments in excess of equity income	1,423	564
Purchases of real estate and equity investments and additional capitalized costs	(15,665)	(35,798)
Distributions of mortgage financing proceeds received from equity investee	—	8,722
Payment of value added taxes from purchase of real estate	(1,617)	(924)
Payment of deferred acquisition fees	(3,266)	(2,373)
Net cash used in investing activities	(19,125)	(29,809)
Cash flows from financing activities:		
Proceeds from mortgages	—	4,852
Funds released by mortgage lenders	167	—
Payments on mortgage principal	(5,354)	(4,451)
Distributions to minority interest partner	(1,427)	(1,833)
Contributions from minority interest partner	111	—
Proceeds from issuance of shares, net of costs	2,607	217
Deferred financing costs	—	(266)
Dividends paid	(25,380)	(25,011)
Purchase of treasury stock	(1,876)	(1,138)
Net cash used in financing activities	(31,152)	(27,630)
Effect of exchange rate changes on cash	(344)	564
Net decrease in cash and cash equivalents	(20,020)	(27,481)
Cash and cash equivalents, beginning of period	54,675	74,107
Cash and cash equivalents, end of period	$ 34,655	$ 46,626

Condensed Consolidated Balance Sheets

(in thousands, except share amounts)	June 30, 2004 (Unaudited)	December 31, 2003 (Note)
Assets:		
Land and buildings, net of accumulated depreciation of $73,531 at June 30, 2004 and $62,105 at December 31, 2003	$ 992,709	$ 1,010,438
Net investment in direct financing leases	115,424	114,907
Equity investments	135,186	120,388
Cash and cash equivalents	34,655	54,675
Marketable securities	6,653	6,792
Other assets, net	39,928	38,547
Total assets	$ 1,324,555	$ 1,345,747
Liabilities, Minority Interest and Shareholders' Equity:		
Liabilities:		
Mortgage notes payable	$ 691,709	$ 702,175
Accrued interest	4,385	4,461
Due to affiliates	4,139	4,559
Accounts payable and accrued expenses	4,529	5,968
Prepaid rental income and security deposits	18,538	19,607
Deferred acquisition fees payable to affiliate	19,985	22,530
Dividends payable	12,772	12,662
Total liabilities	756,057	771,962
Minority interest	26,852	27,356
Commitments and contingencies		
Shareholders' equity:		
Common stock, $.001 par value; authorized, 120,000,000 shares; issued and outstanding, 68,306,747 shares at June 30, 2004 and 67,694,702 shares at December 31, 2003	68	68
Additional paid-in capital	612,995	606,380
Dividends in excess of accumulated earnings	(71,632)	(64,036)
Accumulated other comprehensive income	9,224	11,150
	550,655	553,562
Less, treasury stock at cost, 1,011,903 shares at June 30, 2004 and 802,642 shares at December 31, 2003	(9,009)	(7,133)
Total shareholders' equity	541,646	546,429
Total liabilities, minority interest and shareholders' equity	$ 1,324,555	$ 1,345,747

Note: The balance sheet at December 31, 2003 has been derived from the audited consolidated financial statements at that date.

Condensed Consolidated Statements of Income (Unaudited)

(in thousands, except share and per share amounts)	Three Months Ended June 30, 2004	Three Months Ended June 30, 2003	Six Months Ended June 30, 2004	Six Months Ended June 30, 2003
Revenues:				
Rental income	$ 28,193	$ 26,753	$ 56,442	$ 53,312
Interest income from direct financing leases	3,319	3,234	6,707	6,463
Other operating income	948	518	1,168	3,169
	32,460	30,505	64,317	62,944
Operating expenses:				
Depreciation	5,846	5,617	11,705	11,213
General and administrative	1,552	2,170	3,354	4,331
Property expenses	5,798	4,277	10,664	8,869
	13,196	12,064	25,723	24,413
Income from continuing operations before other interest income, minority interest, equity investments, interest expense and (loss) gain	19,264	18,441	38,594	38,531
Other interest income	280	401	611	826
Minority interest in income	(406)	(410)	(812)	(882)
Income from equity investments	3,578	3,354	6,945	6,492
Interest expense	(13,471)	(12,975)	(26,989)	(25,762)
Income from continuing operations before (loss) gain	9,245	8,811	18,349	19,205
Unrealized loss on derivative instruments, net	(853)	(314)	(909)	(104)
Gain on foreign currency transactions, net	513	169	454	169
Net income	$ 8,905	$ 8,666	$ 17,894	$ 19,270
Basic and diluted earnings per share:	$ .13	$ .13	$ .27	$ .29
Weighted average shares outstanding – basic and diluted	67,339,075	66,578,604	67,234,339	66,465,459

CPA®

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