



RETAIL MARKET SURVEY

Savannah, GA

Year End 2008

OVERVIEW

Of the nearly 2.8 million square feet surveyed, overall lease rates remained steady at an average of \$11.12 per square foot on a triple net basis for larger space and \$21.47 per square foot on a triple net basis for smaller space. Taxes, insurance, and common area maintenance, or triple net pass throughs, fell slightly from an average of \$2.99 per square foot to \$2.80 per square foot. Overall vacancy spiked to 21.21 percent, up from 13.19 percent, as retailers both large and small feel the effects of tightened credit markets and a decrease in consumer spending. With vacancies increasing, expect a slight decrease in lease rates as landlords renegotiate existing leases and offer more incentives to attract creditworthy tenants.



SOUTHSIDE

The Southside saw overall vacancy increase from 7.81 percent to 18.04 percent, mainly attributed to the bankruptcies and subsequent store closings of large retailers such as Circuit City, Linens N' Things, and Goody's. Average lease rates fell slightly to \$10.95 per square foot, triple net, for larger space while average rates for smaller space increased to \$23.13 per square foot, triple net. Landlords will look to backfill these larger vacancies with better capitalized retailers expanding into this market, though it is likely several storefronts will stay empty for the foreseeable future.

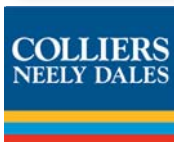
EASTSIDE & THE ISLANDS

The overall vacancy rate climbed to 19.79 percent while lease rates for large and small space decreased to an average of \$11.94 per square foot and \$19.40 per square foot, triple net, respectively. Phase I of the redevelopment at 1800 Victory Dr., with tenants Verizon Wireless and IHOP, will be complete 2Q 2009. Phase II will consist of over 65,000 sq. ft. of anchor tenant space. Redevelopment of the Piggly Wiggly anchored Norwood Shopping Center on Skidaway Rd. is underway, and Food Lion is moving forward with a new grocery at the intersection of Skidaway & E. Derenne Ave.



WESTSIDE

While overall vacancy fell from 2007, from 39.58 percent to 35.96 percent, the Westside submarket continues to experience extended lease up periods in smaller, unanchored centers. Average lease rates for larger spaces remain steady at \$10.46 per square foot, triple net, while rates for smaller space fell slightly to \$18.33 per square foot on a triple net basis. Publix looks to move forward with a new center in Godley Station with an expected delivery date in Spring 2010, and Food Lion, who opened one of its redesigned groceries in Port Wentworth last year, will open another in Garden City along Dean Forest road in early 2009.



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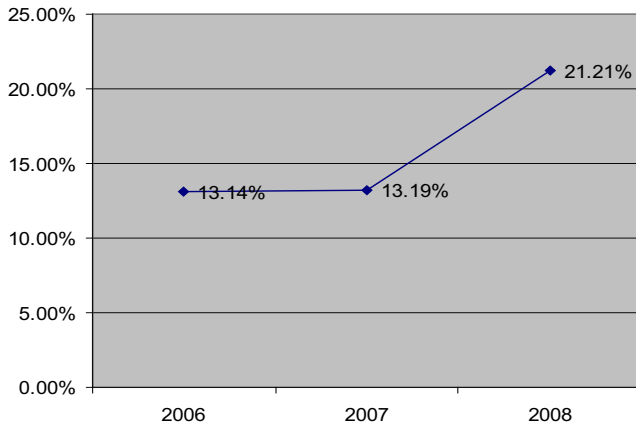
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Total Market Vacancy Rate

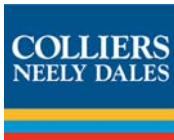


Average Lease Rate



Savannah Retail Market

Quick Stats	Eastside			Entire Market
	Southside	& Islands	Westside	
Total Space	1,665,563	683,614	422,260	2,761,437
Total Number of Centers Surveyed	18	8	17	43
Total Available Space	298,995	135,310	151,844	585,753
Total Market Vacancy Rate	18.04%	19.79%	35.96%	21.21%
Average Vacancy Rate Per Center	16.40%	21.36%	32.04%	23.51%
Average Rate, Larger Space, NNN	\$10.95	\$11.94	\$10.44	\$11.12
Average Rate, Smaller Space, NNN	\$23.13	\$19.40	\$18.36	\$21.47
Rental Rate Range	\$6.75-\$35.00	\$6.50-\$30.00	\$14.00-22.50	\$6.50-35.00
Average NNN Charges	\$2.80	\$2.77	\$2.84	\$2.80



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