



UNITED STATES HIGHLIGHTS



Retail Landscape Much Improved, But Tepid Growth Is the Most Many Can Hope For

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2010 began with an abundance of good news for retailers. Figures released by the Bureau of Economic Analysis (BEA) in January indicated strong GDP growth during the final quarter of last year. The final tally showed the United States economy expanded by 5.6 percent (annualized) during the fourth quarter of 2009. The economy also showed further growth during the first quarter of this year, expanding by 3.2 percent, marking the third consecutive quarter of growth.

Reflecting an expanding economy, same-store sales have been on an upward trajectory since late last year. Retail sales surged 1.2 percent in March. During that same month, the U.S. recorded its strongest employment growth in three years as the economy added 162,000 jobs. The Dow Jones index hit 11,000. A number of leading economic indicators were finally beginning to show signs of recovery. Meanwhile, most economists were backing away from predictions of a possible double-dip recession (at least in the short-term).

The optimism that took hold in March, however, seemed to evaporate as April came to an end. Same-store sales stalled as retailers such as JCPenney, Kohl's and Target, who had been

MARKET INDICATORS

	Spring 2010	Fall 2010*
VACANCY	↑	↑
NET ABSORPTION	↑	—
CONSTRUCTION	↓	—
RENTAL RATE	↓	—

*Projected, relative to prior period

U.S. RETAIL MARKET SUMMARY STATISTICS, Q1 2010

Vacancy Rate: **11.02%**
Change from Q4 2009: **0.28**

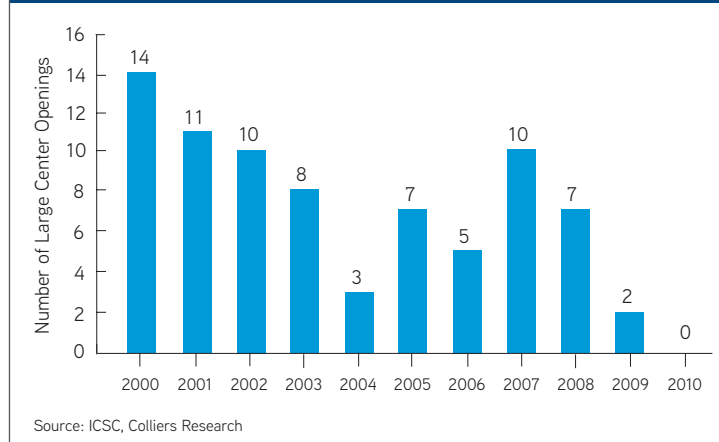
Absorption:
-2.1 Million Square Feet

New Construction:
1.3 Million Square Feet

Under Construction:
6.9 Million Square Feet

Asking Rents Per Square Foot
Shopping Center Space: **\$16.58**
Change from Q4 2009: **-1.34%**

LARGE SHOPPING CENTER OPENINGS, 2000 - 2010



Construction of shopping centers has all but ground to a halt

UNITED STATES | SHOPPING CENTER MARKET STATISTICS

MARKET	INVENTORY* MAR. 31, 2010 (SF)	NEW SUPPLY Q1 2010 (SF)	UNDER CONSTRUCTION (SF)	ABSORPTION Q1 2010 (SF)	VACANCY RATE (%) DEC. 31, 2009	VACANCY RATE (%) MAR. 31, 2010	QUOTED RENT (U.S.\$ PSF) MAR. 31, 2010	YTD CHANGE IN RENT (%)
Atlanta, GA	138,760,000	48,000	358,000	(279,000)	14.70	14.60	14.26	(2.79)
Baltimore, MD	46,786,000	0	143,000	182,000	8.70	8.50	18.86	0.59
Boston, MA	85,744,000	0	491,000	(125,000)	8.10	8.00	16.04	0.31
Charlotte, NC	50,591,000	15,000	50,000	(183,000)	10.40	12.00	13.09	4.39
Chicago, IL	165,119,000	60,000	31,000	(612,000)	11.70	12.20	16.34	(1.98)
Cincinnati, OH	33,151,000	0	0	61,000	13.40	13.00	11.61	2.11
Cleveland, OH	51,178,000	25,000	28,000	(50,000)	12.10	12.40	11.68	0.26
Columbia, SC	15,272,000	1,000	66,000	7,000	—	9.30	10.62	—
Columbus, OH	27,893,000	14,000	218,000	83,000	15.00	14.10	11.33	0.00
Dallas/Ft. Worth, TX	152,529,000	185,000	986,000	(347,000)	13.00	13.20	13.66	(2.15)
Denver, CO	69,529,000	9,000	345,000	369,000	10.90	10.30	15.06	0.07
Detroit, MI	71,185,000	26,000	221,000	(199,000)	16.20	16.70	13.08	(0.15)
Greenville/Spartanburg, SC	28,820,000	0	0	55,000	12.30	12.20	10.12	(1.08)
Hartford, CT	41,680,000	6,000	83,000	87,000	8.60	8.50	13.98	0.50
Houston, TX	146,622,000	95,000	117,000	668,000	12.20	11.70	14.22	(9.20)
Indianapolis, IN	38,167,000	10,000	16,000	23,000	13.80	13.90	12.17	(1.06)
Jacksonville, FL	34,525,000	0	85,000	(18,000)	13.20	13.00	14.11	(3.62)
Kansas City, MO-KS	40,142,000	12,000	99,000	100,000	13.50	13.70	12.04	(1.07)
Las Vegas, NV	51,557,000	22,000	270,000	(353,000)	13.80	14.70	19.37	(11.19)
Los Angeles - Inland Empire, CA	85,440,000	67,000	77,000	(65,000)	11.70	11.90	20.17	(3.59)
Los Angeles, CA	143,363,000	37,000	399,000	(279,000)	6.40	6.70	24.42	0.45
Memphis, TN	29,339,000	0	99,000	133,000	12.60	12.90	11.32	(2.25)
Miami/Dade County, FL	44,169,000	81,000	0	129,000	7.20	7.10	22.30	(3.80)
Milwaukee, WI	33,813,000	14,000	249,000	6,000	11.20	11.30	12.71	0.00
Minneapolis, MN	53,842,000	54,000	0	(45,000)	9.80	9.90	13.80	0.95
Nashville, TN	29,431,000	0	46,000	25,000	11.00	11.10	14.39	(3.10)
New Jersey - Northern	90,291,000	3,000	138,000	(141,000)	8.10	8.20	19.94	0.05
Oakland/East Bay, CA	42,950,000	35,000	3,000	43,000	7.80	7.40	23.99	(3.85)
Orange County, CA	60,746,000	0	0	(209,000)	6.10	6.50	23.84	(2.53)
Orlando, FL	61,670,000	5,000	213,000	108,000	11.80	11.70	16.33	(1.39)
Palm Beach County, FL	35,394,000	1,000	20,000	(47,000)	11.10	11.20	19.01	(3.60)
Philadelphia, PA	146,868,000	321,000	443,000	(105,000)	10.00	10.30	14.87	1.02
Phoenix, AZ	99,574,000	74,000	294,000	(669,000)	13.90	14.90	16.00	(3.15)
Portland, OR	34,404,000	0	0	(41,000)	8.00	8.10	18.40	(0.70)
Raleigh/Durham/Chapel Hill, NC	38,398,000	0	100,000	2,000	9.20	9.50	15.88	(1.91)
Reno, NV	10,846,000	0	0	(51,000)	—	14.70	16.86	—
Sacramento, CA	48,392,000	70,000	0	87,000	13.60	13.80	18.29	(4.34)
San Diego, CA	57,135,000	0	59,000	27,000	7.40	7.50	22.23	(0.71)
San Francisco, CA	10,016,000	0	12,000	(25,000)	4.30	5.10	28.62	1.24
San Jose/South Bay, CA	30,740,000	0	38,000	(87,000)	6.20	6.60	26.81	2.92
Seattle/Puget Sound, WA	53,955,000	45,000	62,000	(102,000)	8.80	9.50	19.03	(0.83)
St. Louis, MO	51,936,000	0	8,000	174,000	11.60	11.20	12.56	(0.79)
Tampa/St Petersburg, FL	86,343,000	6,000	19,000	(228,000)	11.00	11.40	13.80	(1.99)
Washington, DC	81,663,000	0	987,000	(219,000)	7.50	7.90	22.12	1.84
U.S. TOTAL/AVERAGE	2,749,968,000	1,341,000	6,873,000	(2,110,000)	10.74%	11.02%	16.58	-1.34

*Community and Neighborhood Centers. Source: CoStar, Colliers Research

recording positive comparables for the last few months, suddenly saw their figures back in the red. A number of chains that had seen double-digit improvement in March (BJ's Wholesale, Costco, Macy's, Saks) suddenly saw their same-store-sales drop to the low single digits. Meanwhile, stock market volatility returned in early May amid concerns over the Greek financial crisis. Expectations of a weak April sales report further dampened the mood.

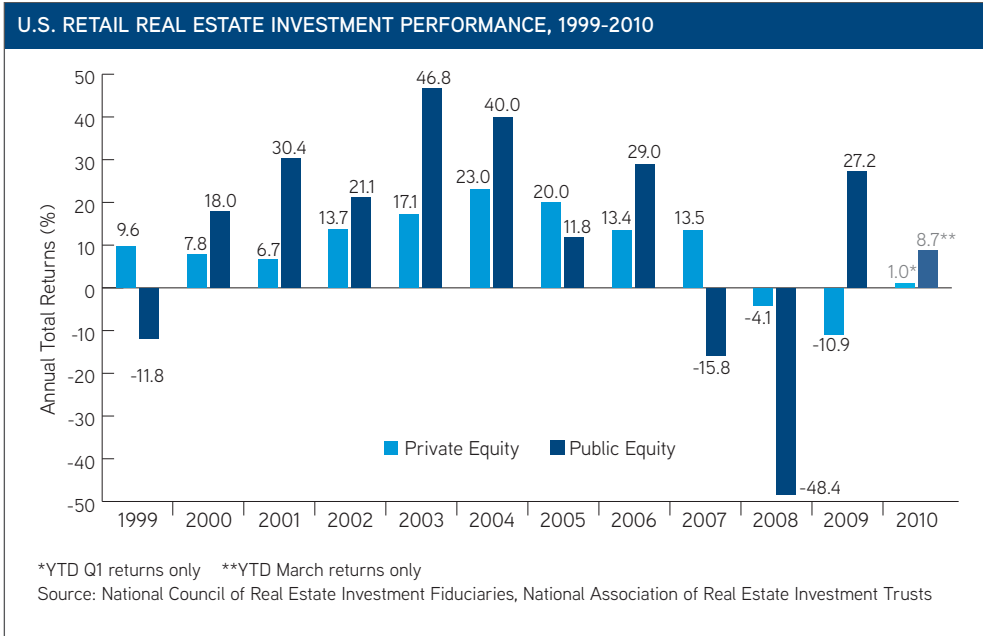
The good news is that April's U.S. retail sales report surprised most—indicating growth of 0.4 percent, a level that was twice the consensus estimate. The bad news is that much of it was fueled by a 6.9 percent jump in building/garden equipment that offset falling sales in apparel, furniture and sporting goods. Without the building/garden equipment surge, total retail sales would have been down 0.3 percent month over month.

It is important to note that much of the near-euphoria that gripped the market in March was simply over-exuberance. While the March jobs report indicated that the economy added 162,000 jobs, 48,000 of these were temporary positions with the Census Bureau. 33 states saw unemployment decrease, 17 states still recorded increases in unemployment. While the March surge in retail sales came as a welcome relief to retailers, poor weather during January and February may have played a role in building pent-up demand. Likewise, early tax refunds certainly played a role in this spike.

The fact remains that the economy continues to face significant challenges; however, Colliers believes that consumer sales will continue to show modest improvement throughout 2010. This does not mean that there won't be setbacks as we saw in April. The trend will be gradual—those whose expectations were unrealistically raised by March's performance will be disappointed. We also believe those who have reverted to extreme pessimism after April's numbers are equally off-base.

FEAR FACTOR FADING

Ultimately it is the consumer that will determine the pace of the U.S. recovery; there continues to be positive news on this front.



Though April's sales numbers were disappointing for most retail categories, they remained in positive territory—marking the seventh consecutive month of increased retail sales. Consumers are spending more.

Consumer confidence remains on an upward trend. The Conference Board's Consumer Confidence Index (CCI) bottomed out at 25.3 in February 2009. It has since been on a general upward trajectory, reaching 57.9 by April 2010. This marks the highest level recorded since September 2008 when the financial crisis swung into full-gear. It was at this time that we began to see the mass layoffs that eventually cost the U.S. economy roughly 8.4 million jobs. As the employment picture deteriorated, so too did consumer sentiment and spending as fear increasingly began to dominate consumer decisions.

One tell-tale sign that the "fear factor" is dissipating is that the personal savings rate is decreasing. At the peak of the last cycle the personal savings rate had hit an all-time low of .8 percent as consumers binged on cheap and easy credit and by August 2008, it stood at 1.7 percent. Following the near financial collapse of September 2008, the personal savings rate began to increase sharply, peaking at 6.4 percent in May 2009. Since then, the rate has slowly dropped as the pace of layoffs has declined. As of March it stood at 2.7 percent.

There is yet another sign that consumers are slowly returning to their old habits. Consumer credit outstanding inched higher in March after having rapidly declined over the course of 2009. The latest data from the Federal Reserve indicates that as of March 2010, the total amount of consumer credit outstanding stood at \$2.451 trillion, or roughly up one percent. While personal income has also posted modest increases as of late (0.3 percent in March); these gains do not explain the recent increases in consumer spending. Retail sales are up because consumers are beginning to save less and borrow more.

SLOW JOB GROWTH = FRUGALITY HERE FOR A WHILE

The most significant factor in determining consumer confidence and sales will be the job market, and more positive news is on the horizon. After peaking at 10.1 percent in October 2009, the U.S. unemployment rate has slowly moved downward. The latest data (April 2010) indicates a current unemployment rate of 9.9 percent. While the March U.S. jobs report saw the greatest employment gain in three years, April's numbers were even better with the economy adding another 290,000 jobs. Since December, the economy has added just over 570,000 positions, however, at least 114,000 of these jobs were Census Bureau positions. Subtract those from the mix, and the total amount of employment

YEAR-TO-DATE SALES ENDING MARCH – U.S. CONSUMER

	2010	2009	ANNUAL CHANGE (%)
All Stores	1,007,359	951,798	5.8
Motor Vehicle and Parts Dealers	174,534	162,001	7.7
Gasoline Stations	95,005	74,824	27.0
Food and Beverage Stores	144,511	140,103	3.1
Grocery Stores	130,398	126,478	3.1
Health and Personal Care Stores	63,830	62,038	2.9
Building Material and Garden Equipment Stores	58,905	60,844	(3.2)
General Merchandise Stores	139,413	133,817	4.2
Department Stores (excluding leased departments)	40,713	40,086	1.6
Clothing and Accessories Stores	46,154	44,425	3.9
Furniture, Home Furnishings, Electronics and Appliance Stores	47,229	47,299	(0.1)
Furniture and Home Furnishing Stores	22,466	22,248	1.0
Electronics and Appliance Stores	24,763	25,051	(1.1)
Sporting Goods, Hobby, Book and Music Stores	20,178	19,257	0.8
Miscellaneous Store Retailers	26,169	25,973	0.8
Nonstore Retailers	80,115	71,356	12.3
Food Services and Drinking Places	111,316	109,861	1.3

Source: U.S. Census Bureau. All values are expressed in millions of U.S. dollars and are not seasonally adjusted.

growth during the first four months of 2010 equates to 5.4 percent of all of the jobs lost during the recession. At the current rate of job growth it will take just over six years to replace all of the jobs that were claimed by the recession. Most economists do expect the rate of job creation to accelerate going forward, but—as we have cautioned—this recovery period will be a long and slow affair. In the meantime, expect consumers to continue to gradually increase spending as job growth improves; however, don't look for them to completely abandon frugality just yet.

RETAIL CONTRACTION WINDING DOWN, BUT NOT OVER

According to the International Council of Shopping Centers (ICSC), 4,763 store closings were reported for 2009, or 31% fewer than was experienced in 2008. There were a number of factors behind this decline. Merger and acquisition activity helped to mitigate retail failures. “White knight” buyers saved chains like Filene's, Eddie Bauer, J. Jill and Ritz Camera, and credit returned to the marketplace. Retailers struggling with debt issues, including Rite Aid and Borders, were

able to refinance looming debt, while others aggressively slashed costs, jobs and inventories to improve their bottom lines. In addition, many retailers aggressively renegotiated leases with landlords.

The good news is that store closures are expected to continue to dwindle in 2010. The bad news is that the contraction is not yet over. The ongoing bankruptcy and liquidation of Movie Gallery will mean the closure of over 1,900 stores (Hollywood Video and Movie Gallery's namesake concept) and the return of as much as ten million square feet of space to the market. Blockbuster Video may close as many as 1,000 of its stores through the end of the year—a move that would add another five million square feet of vacant space to the market.

Contraction in the grocery sector is already beginning to occur and is expected to escalate heading into 2011. Grocery price wars are beginning to take their toll on regional grocery store players as they face stiff competition from non-unionized discounters and non-traditional grocery retailers getting into the game.

A number of major retailers such as Sears/K-Mart are looking to offload real estate to raise capital. These moves could also potentially result in space being returned to the marketplace. Department stores such as Macy's/Bloomingdales, Nordstrom and Saks Fifth Avenue are shifting their growth plans to off-price concepts, while others are shuttering underperforming department stores. Despite this trend, look for overall store closures to continue to decrease in the coming year.

MERGER & ACQUISITION ACTIVITY TAKING OFF

Merger and acquisition activity has dramatically increased from 2009 levels. So far, most of this activity has concentrated around restaurant chains, although a number of major retailers are expected to trade hands before the end of the year. In the past few months, Rubio's Fresh Mexican Grill, Dave & Buster's, On the Border, Fuddrucker's, Papa Murphy's, Wingstop and Carl's Jr./Hardee's have all sold to private equity groups. California Pizza Kitchen is reportedly seeking a buyer and market speculation is that a number of restaurant chains like Jack in the Box, Jamba Juice, Red Robin and McCormick & Schmick's may be among the next targets of private equity investors. Expect acquisition activity to continue to escalate throughout the next year as private capital remains very receptive to many of the retailing opportunities that now present themselves.

THE RETURN OF CREDIT AND CAPITAL

Another factor that will help to reduce retail failures is the increasing availability of credit in the marketplace. In April, bookseller Borders secured a new \$700 million credit facility that replaces the chain's existing credit arrangement, which would have matured next year. Grocery giant SUPERVALU recently completed a credit amendment that pushes back \$1.5 billion in revolving credit from June 2011 to June 2015. Zale's, the jewelry chain that many analysts had speculated would go bankrupt, also recently secured a new \$150 million loan from Golden Gate Capital, the same private equity firm that bought J. Jill, Eddie Bauer and On the Border. Though real estate and small business lending remains relatively difficult to secure, the lending

atmosphere has otherwise loosened considerably. As the economy continues to recover, as tepid as this recovery may be, look for more liquidity in the marketplace.

EXPANSION PLANS RAMPING UP

Mom-and-pop retailers have been disproportionately hit by this downturn. Retail or restaurant start-ups have a significant failure rate even in good economic times, but there is generally a solid pool of new businesses to take their place. This pool has largely disappeared thanks to the lack of start-up funding. The one area where Colliers sees mom-and-pop activity is in the fast food/fast casual franchise restaurant arena. Nearly every major operator in this field is counting on franchise growth to fuel expansion plans in the coming years. Most chains are dropping their initial capital requirements to attract new franchisees. Quizno's recently launched a franchise initiative where their initial franchise fees dropped as low as \$13,500.

Lower priced restaurant chains are also now back expanding thanks to well-capitalized private investment groups looking to open multiple units at a time while rents are cheap. Though players like Buffalo Wild Wings, Five Guys Burgers and Fries and Smashburger may be getting the most media attention, there are dozens of chains with plans for 50 or more new stores in the coming year.

Colliers has seen a huge increase in planned new retail stores in just the past three months. Though 2010 expansion will continue to be dominated by discounters and off-price retailers, in the past few months we have also seen mid-price chains up their growth plans. Dollar stores still account for the lion's share of expected growth in 2010. Dollar General has plans for 600 new stores for this year alone. Dollar Tree/Deal\$ has 235 stores planned. Family Dollar is hoping to open as many as 200 units. In aggregate, we will likely see dollar store chains add as many as 1,500 new stores in 2010.

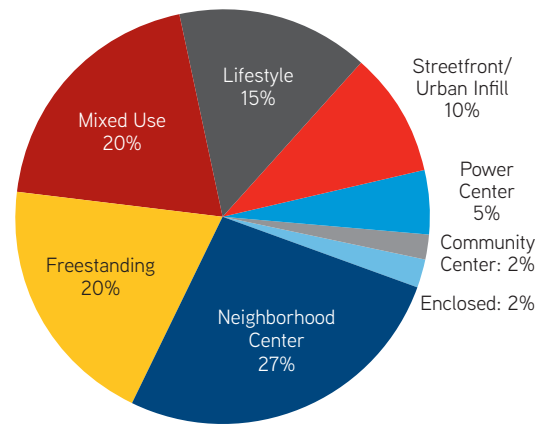
Growth is also coming from retailers who are increasingly willing to experiment with their footprint templates to take advantage of deals and to cash in on more vibrant urban markets. BJ's Wholesale, Cabela's, Costco, Petco, Target and numerous restaurant chains are all experimenting with smaller footprints. In many cases, it is to gain entry to urban markets from which they were previously priced out. In terms of retail product type, urban streetfront retail in dense markets like Manhattan, Chicago and San Francisco will be the first to recover.

GROCERY BATTLE TO HEAT UP

With consumers exhibiting more discipline in their spending habits and an emphasis value and frugality grocery stores are a rare sanctuary of growth, albeit modest. Target, after adding over 150 of its P-Fresh grocery concepts to existing stores in 2009, will be adding at least another 350 this year. Though 7-Eleven is known as a convenience store operator, the chain is expanding its fresh food offerings. And it has plans to open at least 250 new stores in 2010, 350 in 2011 and as many as 400 in 2012. Dollar stores, while already rapidly expanding, are augmenting their stores with small grocery components to complement

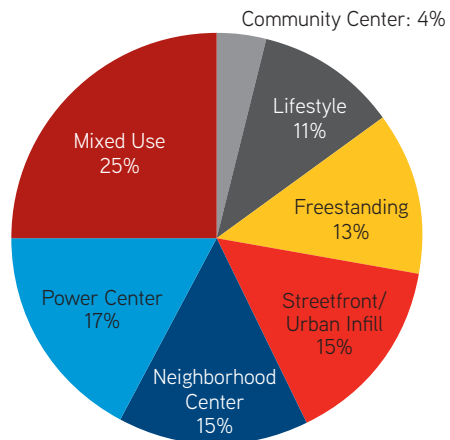
METRO AREAS INDICATING DOMINANT FORM OF DEVELOPMENT

2010

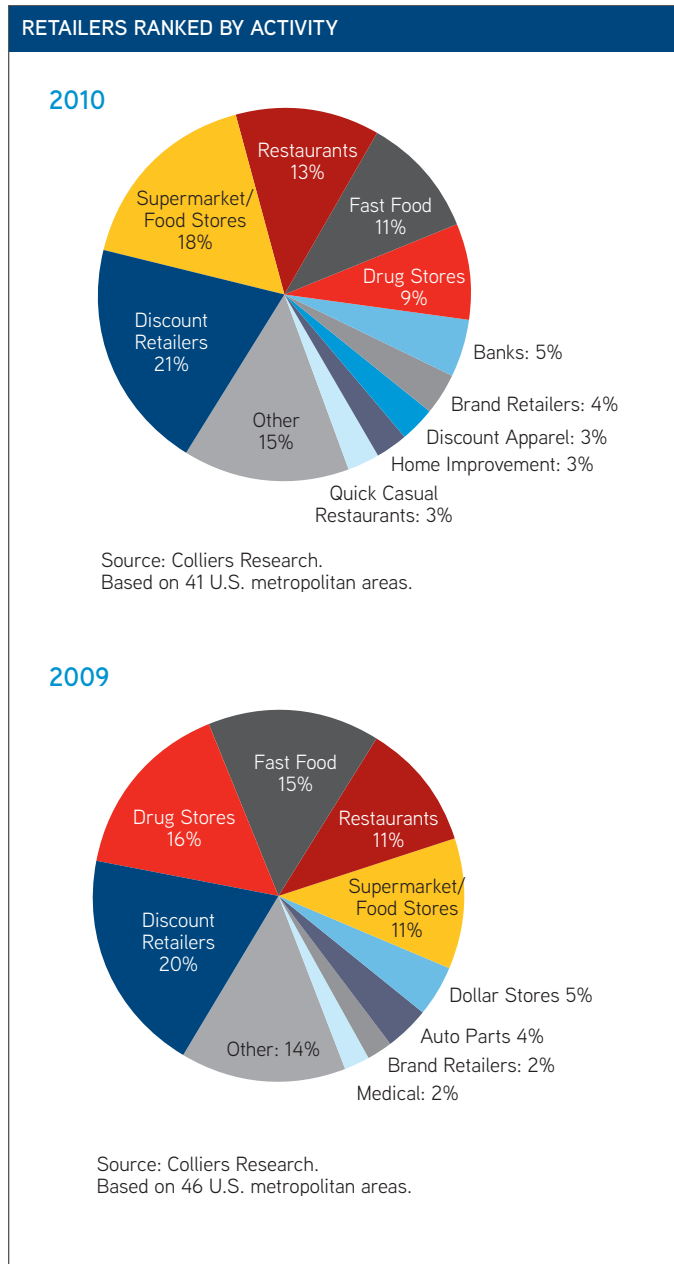


Source: Colliers Research. Based on 41 U.S. metropolitan areas.

2009



Source: Colliers Research. Based on 46 U.S. metropolitan areas.



their exist offerings. Meanwhile, Walgreen’s recently hired the executive who oversaw the launch of Tesco’s Fresh & Easy concept in the Southwest and is planning on testing larger grocery components with a greater selection of pre-made and fresh foods. With the company’s recent acquisition of the Duane Reade chain in New York, Walgreen’s has already begun testing this concept. If the results are positive, Walgreen’s may begin rolling out this new offering to all 7,150+ of their stores by 2011. CVS also recently announced plans to follow Walgreen’s lead, by adding to their own grocery offerings in a number of test markets in the coming months. There are also rumored to be a few discount grocery chains that plan public offerings to fund massive growth plans through 2012 that could also bring hundreds of additional stores to the U.S.

Walmart, as measured by the most recent Forbes top 1,000 list, is the largest company in the world. It also now earns 51 percent of its income from grocery sales. Though the chain is looking to Brazil and China for the bulk of its growth plans this year, it apparently is laying the groundwork for considerable U.S. expansion in 2010.

Walmart’s Marketside concept has been the subject of expansion rumors for years. Currently only four of these roughly 15,000 square foot mini-groceries exist. All were delivered to the Phoenix market a few years back as Tesco began to launch its like-sized Fresh & Easy concept. Yet, after the initial opening of these four stores, Walmart backed away from growing the concept any further.

Walmart is still officially quiet on its plans for Marketside. However, there is growing agreement that the chain is quietly seeking a large number of sites within a number of major markets. Walmart recently substantially increased its capital expenditures budget for 2011 supporting this thesis. Based on this information it is not inconceivable that Walmart may be looking to open as many as 400 of these stores annually over the next few years.

This is not the only impact that Walmart is having on the grocery industry. While it is clear that many retailers are trying to enter the grocery sector, the sector itself is shrinking from price deflation. In 2009, most publicly-traded regional grocery chains reported increased traffic, transactions and shipping tonnage to their stores, but decreased sales. Grocery consolidation has already begun with the recent bankruptcy of Arizona’s Basha’s chain and the sale of Virginia’s Ukrop’s. This trend is anticipated to escalate in the coming months as non-unionized discounters increasingly put the squeeze on unionized chains. Smaller regional chains will be at the greatest risk, though large mid-price-point grocers will also struggle.

VACANCY SURVEY

While the overall vacancy rate for the markets that Colliers tracks increased from 10.7 percent to 11.0 percent during the first quarter, the good news is that the worst of the hemorrhaging is behind us. We expect overall vacancy to likely increase yet again during the second quarter. However, by the end of this year, vacancy levels for the U.S. retail market will begin to stabilize. Clear signs of recovery will begin to show in 2011.

In terms of individual market performance, there are already a few trade areas that are ahead of the curve. Though vacancy levels are elevated in every market that we track, there remain a few markets where vacancy remains below the nine percent level including; Baltimore, Boston, Hartford, Los Angeles, Miami/Dade County, Northern New Jersey, Oakland/East Bay, Orange County (CA), San Diego, San Francisco, San Jose/South Bay and Washington DC.

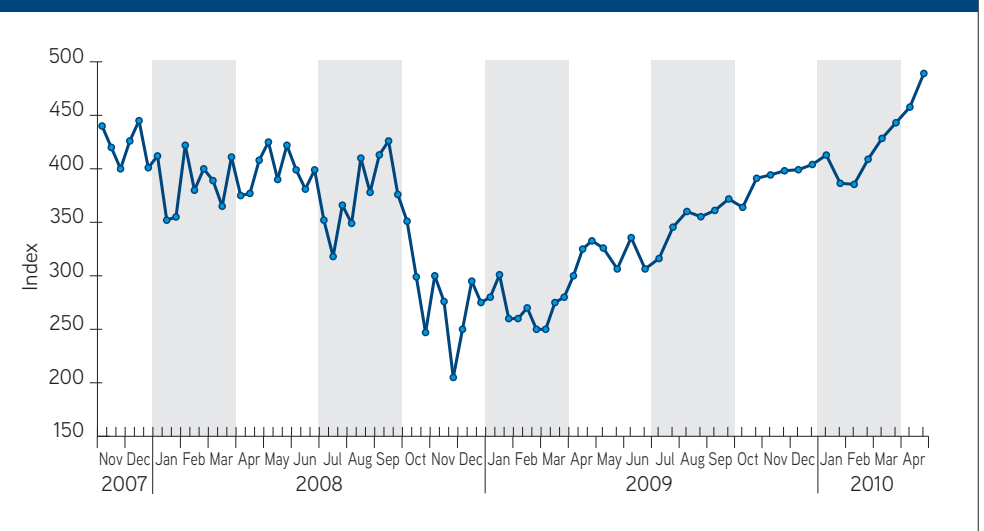
Based upon current vacancy and construction levels, current unemployment and expected job growth levels, housing growth and retailer expansion plans of which we are aware, the markets where we expect the strongest performance through the remainder of 2010 are: Washington DC, San Diego, Boston, New York City, Northern New Jersey, San Francisco, Los Angeles, Seattle, Orange County (CA) and Philadelphia.

On the other side of that equation, there are a few hard-hit U.S. markets where stabilization may not begin to take place until early next year. In nearly every case, these are either former residential boom markets where economic reversals have been the sharpest, or they are Rust Belt markets where a struggling industrial base has helped to undermine overall economic fundamentals. The markets we see as facing the greatest challenges in the year to come are; Las Vegas, Cleveland, Jacksonville, Orlando, Cincinnati, Phoenix, Tampa/St. Petersburg and Sacramento.

OCCUPANCY GROWTH/NET ABSORPTION TRENDS

In terms of net absorption, the U.S. retail market remained in negative territory during the first quarter of 2010, recording just over 2.1 million square feet of occupancy losses. The Chicago, Dallas, Las Vegas and Phoenix markets all recorded losses in excess of 300,000 square feet. But the news is not all bad. Of the 43 markets that we track, 47 percent recorded positive occupancy growth. At this time last year this number stood at 14 percent. While only two markets, Denver and Houston, recorded in excess of 300,000 square feet of positive net absorption, there were a number of trade areas that experienced occupancy growth of at least 100,000 square feet including; Baltimore, Kansas City, Memphis, Orlando and St. Louis.

S&P RETAIL INDEX (RLX), NOV. 2007 – APR. 2010



CONSTRUCTION OUTLOOK

Last year, retail construction levels dropped to the lowest levels in 25 years, with approximately 110 million square feet of retail space delivered to the U.S. marketplace. Look for those levels to drop even further in 2010: no more than 70 million square feet of new space will be delivered through the end of this year. While there may be a few markets that prove to be exceptions, we don't anticipate any significant rental rate growth that would justify new construction until 2012 at the earliest. Though shopping center declines have slowed, and may have already bottomed for stabilized core assets, retail real estate pricing remains anywhere from 35 percent to 50 percent below peak-of-market values recorded from 2005 to 2007. Existing properties can still be had at prices well below replacement costs. Expect little retail development for at least the next three years. What little development there will be will mostly be in the form of urban redevelopment projects and a limited number of single tenant build-to-suits.

RENTAL RATE TRENDS

Retail asking rates are still trending downward, though the rate of decline is slowing. Shopping center rents in our surveyed markets dropped by just over 1.3 percent over the first quarter of this year. In a marketplace where flat is the new up, this actually comes as good news. Since 2006 asking rates have

fallen by as much as 40 percent in some markets. Much of this has been driven by the expanding number of retailers seeking rental rate reductions over the past 24 months. With rental rates depressed it should not come as a surprise that healthy retailers are taking the currently environment to upgrade where possible. Class A properties in nearly every market we survey can now be had at what used to be Class B pricing. The good news for investors and landlords is that the rate of decline has been slowing; the bad news is that most markets will still not record significant rental rate increases before 2012. However, with an increasing pool of tenants looking to expand and take advantage of current market conditions, this window of opportunity is sure to close – quickly.



480 offices in 61 countries on 6 continents

United States: 135
Canada: 39
Latin America: 17
Asia Pacific: 194
EMEA: 95

- \$1.9 billion in annual revenue
- 2.4 billion square feet under management
- Over 15,000 professionals

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Glossary

Community Shopping Center – Usually configured as a strip often in a straight line or “L” or “U” shape. Anchor tenant is typically a discount department store (i.e. Wal-Mart, Target), supermarket or super drug store. A community center typically offers a wider range of apparel and other soft goods than a neighborhood center does. Total gross leasable area is often between 100,000 and 400,000 square feet.

Neighborhood Shopping Center – These centers are designed to provide convenience shopping for the day-to-day needs of consumers in the immediate neighborhood. Anchors are likely to be supermarkets or drugstores. Other tenants might include stores providing sundries, snacks and personal services. Generally, neighborhood centers are 30,000-150,000 SF in size and are configured as strip centers without an enclosed walkway or mall area, but may possibly have a canopy to connect the storefronts.

Power Center – These centers are designed to provide tremendous selection in a particular merchandise category at low prices. Anchors are likely to be category killers, home improvement stores, discount department stores, warehouse clubs or

off-price stores. Generally, regional centers are 250,000-600,000 SF in size and are configured with several freestanding (unconnected) anchors and a minimal number of small specialty tenants.

Lifestyle Center – Non-anchored, open-air specialty center with high concentration of mall type fashion, home, restaurant and entertainment retailers.

Rents – All retail rents in this report are quoted on an annual, triple net per square foot basis.

Cap Rate – (Or going-in cap rate) Capitalization rates in this survey are based on multi-tenant institutional grade buildings fully leased at market rents. Cap rates are calculated by dividing net operating income (NOI) by purchase price.

Land – Price per square foot for typical grocery anchored neighborhood center (fully serviced & entitled/zoned).

Note: **SF** = Square Feet
PSF = Per Square Foot



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