

UNITED STATES HIGHLIGHTS



Volatile Sentiment Muddies Retail's Recovery

ANN T. NATUNEWICZ Manager, Retail Research | USA

MARKET INDICATORS

	Q3 2011	Q4 2011*
VACANCY	↔	↔
NET ABSORPTION	↑	↓
CONSTRUCTION	↓	↔
RENTAL RATE	↓	↔

*Projected, relative to prior period

- After a volatile third quarter, recent data generally reaffirm that the U.S. economy continues a weak but choppy recovery even as bearish trends persist in the employment sector, inflation, and the debt markets.
- The retail sector, so closely tied to consumer sentiment, remains vulnerable and will react to both positive and negative short-term shocks from day-to-day news reporting.
- Bifurcation in property types, shopper preferences, and capital markets is creating upside for economically stable entities while limiting those in riskier circumstances.
- As ground-up development continues to languish, an increasing number of retailers are launching smaller prototypes, affecting the demand for and marketing of retail real estate.
- Landlords and tenants are exhibiting cautious optimism for the balance of 2011, including Holiday, but have provided a conservative initial outlook for 2012.

After an equities run-up in late 2010 and 1H 2011, the U.S. recovery hit a wall during the third quarter. What started with a series of earlier events—Japan's earthquake, the Arab Spring, oil price shocks, and natural disasters destroying commodity crops worldwide—morphed into the Europe liquidity crisis, only to be topped by August's maddening U.S. Congressional Debt Ceiling debate. The resulting global uncertainty—that governments had neither the ability nor the political will to address economic issues—rattled supply chains, consumer confidence, and retail spending, all still weighed down by a weak housing market and prolonged high unemployment.

The reality is that much of the fledgling 2010–1H11 recovery moved ahead of sustained improvement in corporate fundamentals. Recession-weary consumers, tired of pinching pennies (“frugal fatigue”) and responding to pent-up demand, drove enough sales to deplete bare-bones inventories, which generated merchandise reorders in a positive but short-term shock. Cost-cutting measures, not higher revenues, boosted corporate earnings and public sector coffers. Beginning earlier this year, the growth wave began to flatten even as both luxury and the discount sectors outperformed. With less overhead to cut and without further stimuli to demand, consumers and businesses stumbled in Q3, although many economic indicators that slowed in July and August recovered slightly in September. Weary investors now acknowledge that the Great Recession was much deeper than previously believed. Recovery will require a longer-term perspective on the economic and employment growth that leads to retail sales.

U.S. RETAIL MARKET SUMMARY STATISTICS, Q3 2011

Vacancy Rate: 10.8%

Change from Q2 2011: Flat

Net Absorption:

5.1 Million Square Feet

New Construction:

8.2 Million Square Feet

Under Construction:

4.3 Million Square Feet

Asking Rents Per Square Foot

Shopping Center Space: \$15.52

Change from Q2 2011: Flat

*Projected, relative to prior period

Source: CoStar

ECONOMIC OUTLOOK

The third quarter was best characterized by a number of economic shocks that reverberated across property sectors. Any and all economic indicators that could lose ground did so in July and August, sending risk-averse equity investors across income brackets seeking the safety of yield provided by U.S. Treasuries and, to a lesser extent, gold. Recent data have resumed a weak upward trend, but it's still too early to celebrate anything resembling a full-fledged recovery.

Of all the economic data reported, weaker-than-expected GDP growth spooked markets the most. Second quarter numbers confirmed consumer and investor fears: the nascent recovery slowed dramatically to a 1.3% annualized pace of growth. Even worse, Q1's 1.9% rate was revised downward sharply to 0.4%, setting off fears of a "double dip" recession. These figures compare to the 2.9% rate during 2010; GDP needs to grow on average at 2.5%–3% to keep the economy stable. As this report was being finalized, Q3 GDP data revealed that the economy grew at annualized pace of 2.5%. This was significantly higher than both the Street and Colliers Research had projected.

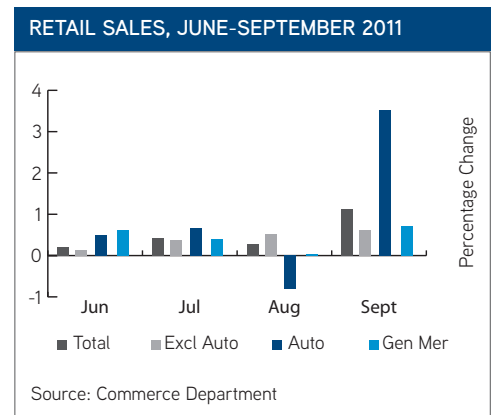
U.S. retail and food services sales ended the quarter up 1.1%, their largest monthly gain since February. The September report was somewhat surprising given current consumer confidence levels but it also revised July and August results upward, suggesting that declines in sentiment were overstated and/or transitory. It's concerning to observe that an outsized 3.6% increase in the auto category

that generated most of September's gain. September results reflected higher volumes but also higher prices driven by a limited supply of Japanese parts. Higher fuel prices have also influenced results. Year-over-year, September retail sales rose 7.8% but gasoline sales were up 20%. So, while September results were mildly comforting, we continue to seek a stronger inflation-moderated, not inflation-adjusted, upward trend.

EMPLOYMENT GROWTH LIMPS ALONG

The trend in employment growth continues to disappoint. With the national unemployment rate unchanged at 9.1%, market analysts sought direction from weekly Initial Unemployment (IU) claims. IU varied between 400,000 and 430,000 for most of the quarter, above the 400,000 threshold consistent with labor market progress, although in recent weeks it dropped to hover in that range. September's jobs report posted a gain of 103,000 jobs and, more importantly, revised growth estimates from July and August (which initially had shown zero growth) higher by 42,000 and 57,000 jobs, respectively.

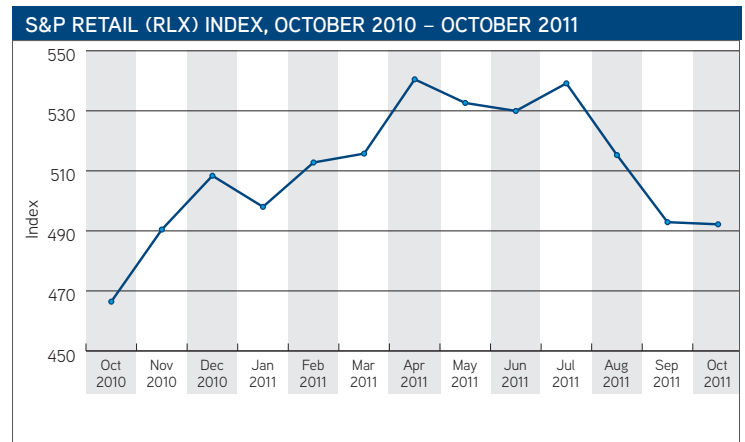
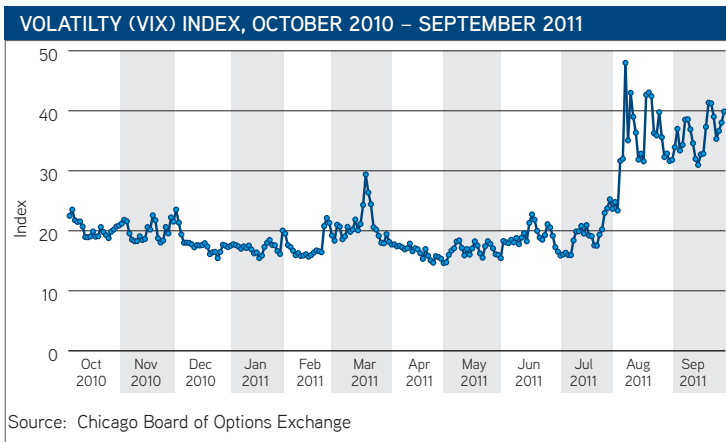
Lower earnings power isn't confined to the unemployed. Over the past few months, average hourly earnings growth slowed, turning negative first in real and then in nominal terms. September data improved slightly but spending power remains constrained. The personal savings rate fell to 4.5%, its lowest level since late 2009, as higher food and gasoline prices forced consumers to spend more.



HOUSING MARKETS STILL NOT HELPING

Housing remains a significant drag on consumer demand. As most Americans' single biggest asset, their primary residence is closely tied to their sense of wealth and financial outlook. Consumer confidence tanked with housing values. According to Zillow, 28% of residential mortgages were underwater in Q1 2011. Banks accelerated the pace of foreclosures in August, up to 78,880, down from their August 2010 level but still a 9-month high.

The economy will benefit long-term as troubled residential loans are resolved. In the interim, though, retail performance could worsen as properties move through the system and occupants struggle through the foreclosure process. Retail sales—sluggish as they are—get a short-term bump from what JP Morgan calls "squatters' rent": mortgages not being paid by borrowers still occupying their homes. An estimated \$50 billion will go back into the economy during 2011 as squatters use the money to pay down debt or



purchase consumer goods. A faster, more efficient foreclosure process will either redirect squatters' rent back into replacement housing costs, or increase loan workouts and lower borrower debt service, allowing them to stay in their homes and continue spending. Given regulatory issues, it's hard to predict the ultimate effect on retail.

LIQUIDITY CRISES SPAWN UNCERTAINTY

The European and U.S. debt crises were the lynchpins for the dramatic late summer instability. The U.S. debate and subsequent S&P downgrade were less about the country's ability to pay its bills and more a referendum on political discord. Nevertheless, the uncertain environment translated into an inability to price risk that halted transactions, impacted CBMS issuances, and slowed the credit market recovery. To the extent that liquidity favors safety, debt negotiations will continue to be a significant issue until clear plans are approved and enacted. As this report went to press, equities markets were reacting positively to news that Europe is moving toward some resolution, even if Greece and/or other countries default on their sovereign debt. The U.S. conversation continues this fall.

VOLATILE MARKETS CHALLENGE THE CONSUMER

Consumer confidence took a beating in the third quarter from income uncertainty and higher costs. The Conference Board's Consumer Confidence Index (CCI) slipped into the high 50s in June and July, plunging to 45.2 in August, and barely moving to register 45.4 in September. CCI remains above its level during the depths of the Recession, but any reading below 85 isn't great. The rapidity of its late summer plunge only underscores how vulnerable sentiment is to 24-hour news updates. Also in the September data, consumer expectations improved slightly but reflected increasing worries about future earnings.

Interestingly, spending on "essentials" as a percentage of total retail sales peaked at 84.1% in October 2008 but has dropped steadily since to reach 82.3% in August 2011. The continued strength of luxury sales, given the high concentration of wealth within a relatively small group, lowers the percentage of "essentials" spending even though absolute sales grew. Motor vehicle spending has also lifted sales, although they still lag pre-recession volumes by a wide margin.

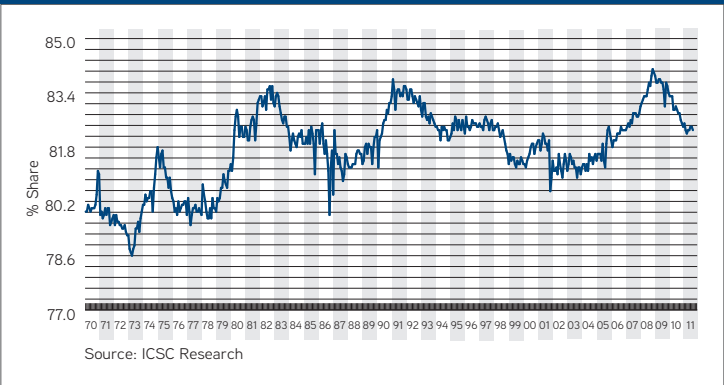
Current Conditions

What follows is an overview of community center operating results for Colliers' U.S. retail markets, along with a short discussion of a few key trends we've been tracking this quarter that could impact our national outlook.

METRO MARKET OPERATING RESULTS

The third quarter U.S. vacancy rate for neighborhood/community centers held at 10.8%, unchanged from last quarter and down slightly (-0.1%) year-over-year from Q3 2010. Vacancy rates have stayed within a narrow range, 10.7%-10.9%, for the past eight quarters, showing little improvement as the recovery plods along.

RETAIL SPENDING ON "ESSENTIALS" AS A % OF TOTAL RETAIL SPENDING



Phoenix, Detroit, and Las Vegas continue to experience vacancy rates above 15%. In the third quarter, Atlanta's vacancy rate moved up 0.4% to 15.1%, a trend not expected to continue given the torrid year-to-date pace of new and renewal leases Colliers is tracking in the market.

Although their vacancy rates are still relatively high, Kansas City (14.0%), Reno (13.5%), Columbus (12.6%), Jacksonville (12.4), and Louisville (11.7%) have all experienced drops in vacancy of at least 100 basis points since year-end 2010. Pittsburgh also recorded significant improvement, from 7.8% to 6.8%, as it posts some of the country's lowest figures.

Third-quarter absorption increased by nearly nine times from Q2, to 5.1 million square feet, its highest level in more than two years. Three-quarters of Colliers' 60 retail markets recorded positive absorption year-to-date, led by Denver (+1.2 million sf), Houston (+749,000) and Greenville/Spartanburg (+623,000). Of the gainers, most markets have increased occupied space by less than 100,000 square feet, small increases but extending positive absorption trends from 2010. Louisville, Chicago, Dallas-Fort Worth, and Orange County are among the markets that have reversed 2010 negative absorption, tracking positive year-to-date. Phoenix continues to struggle with occupancy losses, leading the country with -638,700 square feet absorption year-to-date. Suburban New York—both Northern New Jersey and Westchester County—are experiencing negative absorption trends.

Although absorption and the pace of negotiations continues to improve for much of the country, the average third quarter rental rate was virtually flat, increasing \$0.03 to \$15.52. Landlords continue to choose occupancy over rent growth, and are working hard to lock in any tenant with a lease expiring in the next year or two. This is particularly noticeable in metro areas with high vacancy rates, and in challenged properties with occupancy approaching a threshold that could trigger kick-outs by major tenants or violate operating covenants.

FOR NOW, RETAIL SALES SUPPORT EXECUTIVE OPTIMISM

Executives on second-quarter earnings calls generally reported strong performances and gave positive outlooks despite discouraging government-reported sales data. Diverging from government trends, September ICSC's Chain Store Sales (excluding Walmart) rose 5.5%, their 23rd consecutive monthly increase. Hurricane Irene, which hit

UNITED STATES | SHOPPING CENTER MARKET STATISTICS

MARKET	IINVENTORY* SEP 30, 2011 (SF)	NEW SUPPLY YTD 2011	UNDER CONSTRUCTION (SF)	VACANCY RATE DEC 31, 2010 (%)	VACANCY RATE SEP 30, 2011 (%)	YTD ABSORPTION 2011 (SF)	QUOTED RENT SEP 30, 2011 (US\$PSF)	YTD CHANGE IN RENT (%)
Atlanta, GA	139,459,000	11,400	447,075	14.70	15.10	-287,836	13.21	-2.08
Bakersfield, CA	9,336,000	0	0	8.30	9.50	38,947	15.24	0.99
Baltimore, MD	45,662,000	36,459	13,610	7.50	8.20	-155,625	18.55	0.32
Boise, ID	13,313,000	8,000	8,260	12.00	11.80	-33,715	11.69	-5.11
Boston, MA	85,583,000	263,145	50,900	7.00	7.10	444,862	15.30	-4.14
Charleston, SC	13,220,000	46,560	5,400	11.00	10.60	146,608	13.79	1.10
Charlotte, NC	50,885,000	73,652	79,102	11.90	11.50	256,864	12.95	-1.22
Chicago, IL	160,785,000	80,004	5,600	12.40	12.10	249,609	15.87	2.52
Cincinnati, OH	34,863,000	214,000	0	14.30	14.50	278,876	10.83	-3.73
Cleveland, OH	48,074,000	20,966	0	12.40	13.40	-177,235	11.14	-3.13
Columbia, SC	15,126,000	3,080	0	8.30	8.90	4,635	11.10	-6.09
Columbus, OH	30,281,000	75,991	18,518	13.60	12.60	124,173	12.70	4.27
Dallas/Ft. Worth, TX	149,110,000	282,254	493,918	13.10	14.30	164,424	13.13	0.92
Denver, CO	69,947,000	468,734	140,411	10.50	9.60	1,150,394	13.86	-3.55
Detroit, MI	70,297,000	47,368	42,000	16.10	15.60	151,408	12.55	1.13
Fresno, CA	24,706,000	0	14,820	11.20	12.30	-305,103	13.37	-2.12
Ft. Lauderdale-Broward, FL	48,325,000	0	41,932	10.50	10.00	476,894	17.66	1.44
Greenville/Spartanburg, SC	30,002,000	251,795	50,100	11.90	10.40	622,626	9.20	-4.27
Hartford, CT	42,592,000	141,839	221,156	8.60	8.70	37,949	13.51	-0.52
Hawaii	17,159,000	0	0	4.10	4.00	-8,828	31.69	-1.18
Houston, TX	149,570,000	445,941	194,238	10.40	9.80	749,016	14.16	-0.35
Indianapolis, IN	39,450,000	9,000	0	12.90	12.10	-45,841	11.87	-0.08
Jacksonville, FL	36,274,000	61,752	5,000	13.60	12.40	262,132	13.44	-2.61
Kansas City, MO-KS	39,046,000	45,000	0	15.10	14.00	157,150	12.18	3.92
Las Vegas, NV	50,739,000	7,730	28,800	15.40	16.00	-396,182	16.88	-6.22
Little Rock, AK	14,952,000	0	0	8.20	8.20	8,675	9.65	11.05
Long Island, NY	50,465,000	329,867	372,747	4.70	5.30	281,345	23.67	-2.23
Los Angeles - Inland Empire, CA	85,140,000	84,200	93,958	11.60	11.50	61,876	17.34	-2.97
Los Angeles, CA	146,298,000	156,188	63,905	6.90	6.80	83,958	22.64	-5.27
Louisville, KY	27,956,000	28,905	10,400	12.70	11.70	301,509	10.95	-2.14
Memphis, TN	30,634,000	313	8,786	12.50	12.70	33,349	10.78	-1.01
Miami/Dade County, FL	44,881,000	55,561	58,780	6.50	5.90	302,339	22.46	1.67
Milwaukee, WI	33,947,000	9,140	42,190	11.50	11.90	116,195	11.78	-4.38
Minneapolis, MN	53,650,000	190,219	10,900	9.60	9.90	-119,519	13.49	-2.39
Nashville, TN	30,141,000	5,724	0	10.70	10.60	106,083	13.67	-0.07
New Jersey - Northern	90,773,000	266,593	222,000	8.70	9.80	-590,243	20.02	1.37
Oakland/East Bay, CA	40,152,000	4,500	30,154	7.30	6.50	305,410	21.11	-5.46
Oklahoma City, OK	26,522,000	56,320	12,736	11.20	10.90	112,463	9.53	-5.55
Omaha, NE	16,586,000	8,127	0	12.10	13.00	-37,107	10.57	-8.41
Orange County, CA	63,563,000	20,222	0	6.60	6.60	47,839	22.38	-3.66
Orlando, FL	62,235,000	99,583	52,703	11.80	11.60	105,985	15.20	-1.75
Palm Beach County, FL	35,842,000	0	0	11.30	10.50	401,280	17.53	-1.74
Philadelphia, PA	148,028,000	712,935	366,544	9.70	9.80	128,552	14.45	-0.48
Phoenix, AZ	103,958,000	114,938	68,143	15.30	16.60	-638,700	14.29	-6.91
Pittsburgh, PA	31,941,000	6,800	150,000	7.80	6.80	398,755	11.29	2.26
Portland, OR	34,612,000	340,775	4,700	8.10	8.20	367,431	17.30	-5.67
Raleigh/Durham/Chapel Hill, NC	37,457,000	451,360	40,800	8.90	9.40	462,798	15.56	2.71
Reno, NV	9,849,000	0	0	14.60	13.50	71,818	15.73	-2.05
Sacramento, CA	50,661,000	20,263	5,000	13.80	14.00	217,877	16.93	-5.63
San Diego, CA	54,174,000	37,788	110,262	7.70	7.70	83,656	21.00	-1.96
San Francisco, CA	9,682,000	0	0	4.80	5.10	-16,209	26.75	-11.42
San Jose/South Bay, CA	29,982,000	151,448	51,000	7.30	7.00	125,379	25.24	-6.69
Savannah, GA	6,395,000	0	0	8.00	9.50	-36,786	14.19	-1.87
Seattle/Puget Sound, WA	56,871,000	28,450	66,354	10.40	10.00	297,548	17.98	-2.12
St. Louis, MO	54,322,000	26,225	235,530	11.00	10.70	85,589	12.61	0.72
Stockton, CA	19,179,000	165,370	13,225	11.10	11.00	183,257	15.31	-1.98
Tampa/St Petersburg, FL	86,780,000	139,181	50,932	11.00	11.00	263,161	13.33	-0.45
Washington, D.C.	82,172,000	259,308	68,373	7.40	7.40	208,077	22.36	-0.13
West Michigan	32,316,000	0	16,364	17.80	17.30	80,399	9.26	-2.32
Westchester County, NY	50,514,000	60,850	176,778	6.40	7.10	-242,543	18.94	1.72
U.S. Total/Average	3,166,434,000	6,425,823	4,264,104	10.69	10.76	7,467,698	15.52	0.00

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

the East Coast the last weekend of August, shifted a percentage of sales from August to September. September also benefitted from a longer Back-to-School (BTS) season as consumers reallocated dollars to shop closer to need.

Well-capitalized companies and those experiencing strong sales growth have increased spending to upgrade technology. Online sales increased 10% year-over-year, from 6.1% to 6.4% of overall revenue, for 150+ retailers recently surveyed by PNC. Nordstrom, Macy's, and CVS are among those investing in infrastructure either to help customers find specific merchandise or to improve multichannel integration. In this extended low interest-rate environment, capital spending generates higher returns on investment than share repurchases, although many firms continue to execute buyback programs.

PRIVATE EQUITY INVESTMENTS BOOST CONFIDENCE

Private equity investments boosted confidence in the sector during the third quarter. Barnes & Noble, JCPenney, Dunkin' Brands, B.J.'s Wholesale, 99 Cents Only, and Sur La Table were among those that received an infusion of capital. Stock market volatility lowered share prices enough to make some companies attractive buying opportunities. The increase in recent transactions, and from high-profile investors such as Pershing Square, underscores broader confidence in long-term growth potential for well-positioned firms.

BIFURCATION DRIVES THE TOP TIERS AND STRAINS THE BOTTOM ONES

As uncertainty lingers, risk-averse behavior is driving bifurcation throughout the retail real estate industry. The chart at right breaks out trends observed at the two extremes, the economically "Stable" and the economically "At Risk". Employed, affluent shoppers patronize high-end or credit tenants, which are disproportionately represented in A-quality locations held by top landlords and financed by well-capitalized lenders. On the other side, small businesses in second- or third-tier markets, experiencing weak operating metrics as their customers are burdened by unemployment, and have fewer options to combat rising costs and tightening credit.

In many cases, the "Stable" group can capitalize on opportunities either not available to "At Risk" segments or at more attractive terms. These advantages further widen the gap between the two groups.

BORDERS SPACES RETURN TO MARKET, BUT STORE CLOSINGS TRENDING DOWN

One of the quarter's biggest stories was Borders' liquidation of its remaining 399 stores, with an estimated \$1 billion+ in lease obligations. The stores, many in "A" locations, caught the eye of more than a dozen interested parties including Barnes & Noble and Books-A-Million (which purchased 14 Borders leases), college bookstores, grocers, hgregg, Ross, and luxury discounters. Landlords face significantly tougher economics, as much as 40-50% less rent, backfilling these spaces as Borders' pricier build-outs drove higher rents.

A TALE OF TWO RECOVERIES	
ECONOMICALLY "STABLE"	ECONOMICALLY "AT RISK"
LABOR MARKETS	
<ul style="list-style-type: none"> High demand, salary bidding wars for high-skill talent; 14% of employers report having trouble filling positions (Manpower) Low unemployment rates in the Plains: North Dakota (3.5%), Nebraska (4.2%), South Dakota (4.7%) 	<ul style="list-style-type: none"> Stigma of long-term unemployment Underwater mortgages prevent relocation for a new job Lack of training creates mismatch with current job openings Residential real estate weakness tied to unemployment: Nevada (13.4%), California (12.1%), and Michigan (11.2%)
HOUSING MARKETS	
<ul style="list-style-type: none"> For those who qualify, 30-year mortgage rates dropped below 4% Home prices stabilizing in Mid-Atlantic and other regions that weren't overbuilt 	<ul style="list-style-type: none"> Home prices still declining for condos and in luxury markets, oversupplied markets with high unemployment
CAPITAL MARKETS	
<ul style="list-style-type: none"> Capital available for transactions with conservative underwriting and strong sponsorship Cap rates for Class A properties steadily moving lower 	<ul style="list-style-type: none"> Anything outside Core real estate, gateway cities, hard to get financing Cap rates for B and below have stayed steady or increased
COMPANY SIZE	
<ul style="list-style-type: none"> Large companies posted strong Q2 results, maintaining or expanding their access to multiple capital sources: debt, equity, and CMBS 	<ul style="list-style-type: none"> Small businesses posting weaker sales, can't leverage economies of scale to lower expenses, fight inflation, or absorb price increases NFIB Small Business Optimism Index dropped to 88.1, its 6th consecutive monthly decline, before slight uptick in September
TENANTS	
<ul style="list-style-type: none"> September luxury sales rose 10.4%, well ahead of 5.5% overall gain Dollar stores on track to open a combined 1,300 locations in 2011 Well-capitalized able to reinvest in their businesses, improving competitive advantage 	<ul style="list-style-type: none"> "Mom & Pops" can no longer tap home equity lines Independent retailers close at a faster rate than larger chain stores Middle-market tenants losing their customer, not differentiating themselves
LEASING ACTIVITY	
<ul style="list-style-type: none"> 2011 rents back up to pre-recession levels on many High Streets, including Fifth Avenue and Rodeo Drive 	<ul style="list-style-type: none"> Fewer small business entrepreneurs or operators translate into longer lead times to backfill small to mid-sized vacant spaces.
HOUSEHOLD INCOME GAP	
<ul style="list-style-type: none"> Millionaires control 56% of U.S. wealth. Top 20% of households spend 40% of income on food, shelter, and utilities 	<ul style="list-style-type: none"> Bottom 20% of households spend 56% of income on food, shelter, and utilities



Year-to-date, the pace of chain store closings continues to moderate. ICSC- tracked Q2 closings dropped sharply to 538 versus 1,791 the prior quarter and 1,600 year-over-year. Third-quarter data will include Borders and Payless/Stride Rite among others, but are still expected to lag 2010 closings.

SMALLER PROTOTYPES CONTINUE TO DRIVE GROWTH, ALTER DEMAND FOR REAL ESTATE

During the Recession, portfolio liquidations made up a large percentage of store closings. Retailers that improved their balance sheets since then have lowered the risk for large-scale liquidations. Today, real estate right-sizing represents the bigger trend, with longer-term implications for landlords and tenants. Retailers that expanded rapidly during the heyday of the last decade face more hard choices as problematic leases come up for renewal. Gap is a timely example: their downsizing announcement last week was a mix of store closings (~20% of its U.S. stores during the next two years) and space reduction (one million square feet being subtracted from Old Navy, its largest division, over the same time period).

Rather than reduce the size of existing stores, retailers are opening smaller ones. Several bellwether tenants, including Walmart, Target, Publix, and Best Buy, announced and/or opened smaller prototype stores in 2011. With the slow recovery in consumer demand, and the need to further reduce costs, many more retailers are testing concepts to roll out in the next several years.

Like everything else, evolving demand for real estate space will affect retail players differently. The potential benefits to retailers are significant. Smaller stores cover more markets with less square footage, lowering operational costs and creating expansion opportunities in space-constrained projects. They allow retailers to better tailor their product mix and retreat from stocking SKUs they can't supply at a comparative advantage as competitors converge into their space to grab market share. Alternative footprints can also help differentiate retail space: smaller spaces serve as transaction locations — the physical meeting place between buyers and sellers — as larger stores evolve into high-profile brand showrooms. Finally, there is evidence

that shoppers trust a purchase decision more if they have fewer choices — a bit of game theory. While lower prices and an attractive value proposition drives sales at dollar stores, Trader Joe's, and low- to mid-tier restaurant chains, tighter assortments/menus also deserve credit for better focusing the consumer.

Smaller-tenant footprints present both opportunities and challenges to landlords. Those that own smaller spaces located in retail or food deserts can sign on smaller tenants (depending on vacancy rates and pent-up demand), increase cash flows and property values. Retailers that move toward more on-line fulfillment, with less need for suburban locations, may increase their High Street presence. High Street landlords continue to benefit as tenants willingly pay a premium for well-trafficked locations. In both cases, tenants' changing real estate needs require landlords and brokers to redefine their site sourcing criteria, how they identify prospective tenants, and how they market space.

The net effect of so many smaller prototypes will be a gradual return of large spaces to the market, and an evolution of ground-up development. Store closings will be less predictable: large-scale liquidations replaced by strategic store pruning of both successful and struggling concepts. Carving up a large space into smaller uses is possible but difficult to execute. Smaller prototypes force owners, developers, and lenders to rethink the feasibility of their development model. Drawing up a plan with four or five 25,000–40,000-square-foot boxes only make sense if there are enough potential tenants to re-lease the space if one or more go dark. Those large credit tenants, even if they paid little or no rent, also reassured lenders of a project's viability. In their absence, and with smaller replacements, ground-up development looks that much more risky.

Beginning with this Quarterly Report, Colliers is providing updates and insights on trends affecting key segments of the retail industry.



UP ON THE HILL

Despite its well-publicized summer gridlock, the U.S. and Washington generated some key retail-related policy news.

In late August Amazon.com and California agreed on the Main Street Fairness Act, requiring the company to begin collecting sales tax next fall. Amazon dropped its push to repeal the measure, first passed in June, in exchange for adding approximately 10,000 California jobs and supporting the Marketplace Equity Act, federal Internet sales-tax legislation. If passed, the federal Act will eliminate some of the pricing advantage online retailers have over bricks-and-mortar, and reinforce real estate's place in multichannel distribution.

On October 1, the Fed capped the swipe fee for debit cards at \$0.24, halving banks' revenue stream from current fees and making debit cards more expensive to administer. Bank of America immediately announced that it would begin charging its customers \$5/month to use debit cards for shopping. Wells Fargo, Chase, and some regional banks are also testing their own fee plans. Customer outcry has been swift, but it's unclear whether an additional \$60/year will deter them from the convenience of debit cards. Retailers hope they ante up: shoppers tend to buy more when they use plastic. Higher fees are likely to hurt

smaller merchants, who may opt out of accepting debit cards and risk forfeiting sales to larger competitors.

Real estate owners continue to monitor the status of proposed changes to carried interest tax provisions. Carried interest, the return earned by project investors, is currently taxed at a maximum 15% capital gains rate versus being treated as ordinary income, which would be taxed at 35%. Opponents argue that increasing the tax rate would destroy investment incentives by not fairly compensating developers or owners for downside risk. Backed by the ICSC, the carried interest provision has either been removed or voted down several times. It has been reintroduced as a component of the President’s Jobs Plan, which is being debated by Congress this fall.

 **GROCERY BEAT**

So far in this recovery, the grocery sector has fared well; everyone has to eat. Unlike what occurred with power centers, grocery-anchored retail centers weren’t overbuilt, and they represent the majority of recent ground-up development activity. On the investment side, grocery-anchored projects – and the steady traffic they generate – are seen as stable, recession-proof assets.

Despite their success, grocers have had to adjust to current market conditions to remain profitable. One of their biggest challenges is food inflation, which USDA forecasts to be in the +3.5–4.5% range for 2011, as compared with +0.3% in 2010. Publicly traded grocery chains all cited rising commodities prices that impacted Q2 margins. Supervalu in particular had a tough quarter, revising full-year guidance down sharply. Citigroup reported that August food-at-home prices increased for the eighth month, their largest increase since December 2008. Colliers believes that food inflation, driven by fuel inflation (because of transport costs), will remain problematic through 2012.

Grocers have adapted their mix to better serve a constrained consumer and compete in an increasingly crowded marketplace. Several large chains, including Kroger and Safeway, have grown and improved their private-label lines to increase comfort with “trading down” from branded products. To assist fixed-income shoppers, grocers now stock smaller packages of essential goods such as laundry detergent. As drugstores, discounters, and big boxes share their space, traditional grocers are deepening their fresh foods, organic, ethnic, and wellness assortments. These products are not top-of-mind with their competitors except for Whole Foods, which continues its impressive growth.



Even with a U.S. population growing at 1% per year, and consumers transferring dollars from restaurants to home, the current pace of grocery-related real estate expansion, both traditional and in new formats, is not sustainable. Looking ahead, Colliers believes that grocery operators on the margins, either in highly competitive markets or with older prototypes more expensive to operate, are vulnerable to closings in the next couple of years.

 **RESTAURANTS**

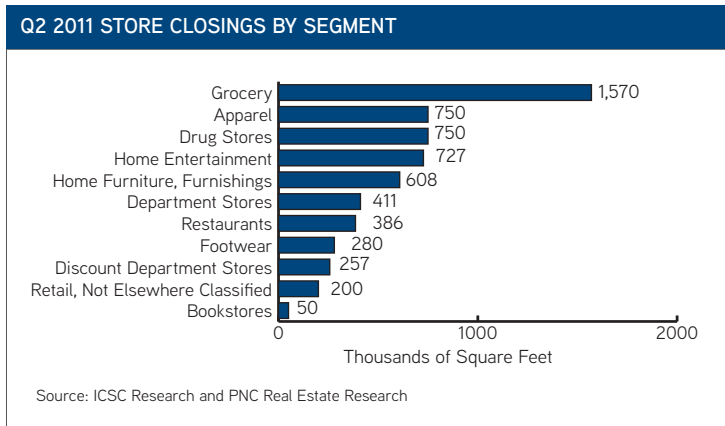
Restaurant chains also face inflation risks, and the discretionary nature of their offering makes them more vulnerable than grocers to a fickle consumer. Chipotle, despite generating double-digit quarterly sales comp increases, increased menu prices and added a surcharge for guacamole, and is one of many chains struggling with higher beef prices.

Like grocers, restaurants face the trade-off of higher prices versus lower traffic or average ticket. To provide customers with “value”, many chains have expanded their promotional activity with special menus or pricing during high traffic day parts slots such as Happy Hour. Group deals, such as Maggiano’s “Buy 1, Get 1 Free” entrée program, have also driven stronger sales. Middle-market chains are feeling the squeeze more than ever. Sbarro, Friendly’s, Perkins/Marie Callander, Chevy’s, and Ruby Tuesday were among the retailers that filed Chapter 11 and/or closed stores during the quarter.

Even as the recession punishes some chains, restaurants still represent some of retail’s best growth stories. BJ’s, Chipotle, Capital Grille, Kona Grill, Morton’s, and Bonefish Grill have each had successive quarters of comp sales growth and are moving forward with aggressive expansion plans nationwide. Industry-wide, expansions may include more space dedicated to carry-out service as people place more food orders using the internet or with their smart phone.

Among the other trends Colliers is watching: 1) the transition of some food truck operators to bricks-and-mortar space as they seek out a more permanent base to extend hours of operation and increase revenues; 2) growth in “flex-casual” dining, which combines some of fast

CONTINUED ON PAGE 10



UNITED STATES | RETAILER REPORT CARD

RETAILER	MOST RECENT REPORTING PERIOD	% CHG IN Y-O-Y SALES (MOST RECENT QTR)	% CHG IN Y-O-Y SALES PREVIOUS QTR	COMMENTS	OUTLOOK
DEPARTMENT STORES					
Belk	Q2 2012	5.2	5.1	continuing 1H11 momentum and investments in ecommerce	
Dillard's	Q2 2011	6.0	2.0	flat margins disappoint in Q2; earnings miss while competition beats	
JCPenney	Q2 2011	1.5	3.8	new CEO, increased Pershing Square & VNO stakes instill confidence	
Macy's	Q2 2011	6.4	5.4	one of the sector's most bullish heading into Holiday	
Nordstrom	Q2 2011	7.3	6.5	multichannel technology investments driving integration, sales growth	
Neiman Marcus	Q4 2012	11.0	7.3	muddy Q4 results, but core shopper has returned with a vengeance	
Saks Fifth Avenue	Q2 2011	15.5	10.2	Off 5th hitting tough y-o-y comps; full-line and SaksDirect doing well	
Sears (U.S.)	Q2 2011	(1.2)	(5.2)	Q2 online sales +30%, yet unsustainable working capital burn rate	
The Bon-Ton	Q2 2011	(1.5)	(1.2)	weak Q2 but losses narrowing as company tweaks merchandise mix	
DISCOUNTERS					
99 Cents Only	Q2 2012	6.7	5.9	Ares-led deal ended bidding war; big growth ahead for smallest dollar chain	
Big Lots	Q2 2011	(1.5)	(3.6)	merchandising and execution tweaks slowly beginning to kick in	
BJ's Wholesale	Q2 2011	7.8	6.3	members increased weekly shopping in Q2; Leonard Green closed 9/30	
Cost Plus	Q2 2011	2.8	5.5	well-positioned with Consumables driving two-thirds of net income	
Costco (U.S. with/excl fuel)	Q4 2011	10.0/6.0	10.0/6.0	feeling confident enough to raise membership fees by 10%	
Dollar General	Q2 2011	5.9	5.4	record Q2 earnings on continued strong fundamentals	
Dollar Tree	Q2 2011	4.7	7.1	stock price up 50% in past year but still a "value" stock	
DSW	Q2 2011	12.3	10.8	8th consecutive quarter of at or near double-digit comp sales growth	
Family Dollar	Q4 2011	5.6	4.7	record Q4 and fiscal 2011 earnings	
Kohl's	Q2 2011	1.9	1.3	Q2 accounting issues resolved, getting a boost from limited-edition J Lo	
Ross	Q2 2011	5.0	3.0	well-received product, strong inventory mgmt, entering Chicago	
Target	Q2 2011	3.9	2.0	best sales growth since 07; big future upsides in CityTarget, Canada	
TJ Maxx	Q2 2012	4.0	2.0	hitting tough y-o-y comps; well-positioned/flexible on Holiday inventory	
Tuesday Morning	Q4 2011	(4.5)	0.7	vulnerable with discretionary (vs. need-based) merchandise mix	
Walmart	Q2 2012	(0.9)	(1.1)	economy hurting core shoppers; not delivering on lowest price promise	
SPECIALTY APPAREL					
The Gap	Q2 2011	(2.0)	(3.0)	two qtrs of down comps; going back to redefine Gap brand, close more stores	
Limited Brands	Q2 2011	9.0	15.0	Victoria's Secret, Bath & Body product newness; well-managed inventory	
The Buckle	Q2 2011	8.9	8.1	product offering stands out in a crowded discretionary category	
Hot Topic	Q2 2011	2.6	0.2	earnings miss in Q2, debt-free balance sheet, facing intense competition	
HOME					
Bed Bath & Beyond	Q2 2011	5.6	7.0	Q2 beat on both more customer transactions and higher average ticket	
Home Depot (U.S.)	Q2 2011	3.5	(0.7)	Core categories delivering in weak housing market; widening lead over Lowe's	
Lowe's	Q2 2011	(0.3)	(3.3)	organization focus on increasing market share, cutting costs	
Pier 1	Q2 2012	10.8	10.2	8th consecutive quarter of comp store gains; having a very good Halloween	
Williams-Sonoma	Q2 2011	6.5	7.0	continues capturing share in a tenuous home goods environment	
HOBBY					
Barnes & Noble	Q1 2012	2.0	4.6	losses shrinking as Nook and BN.com help quadruple digital sales	
Best Buy	Q2 2011	(2.8)	(2.4)	dropped full-year earnings guidance after disappointing Q2	
Cabela's	Q2 2011	4.4	8.9	comp sales up on higher average ticket; ammo and gun sales down	
GameStop (U.S.)	Q2 2011	(9.1)	5.3	weakening business; could Best Buy acquire to distract from its own issues?	
Office Depot (N. America)	Q2 2011	(1.0)	(1.0)	higher average ticket offset by lower customer traffic; new CEO and reorg	
OfficeMax	Q2 2011	(0.3)	(2.8)	better-than-expected Q2 results, but weak small business demand hurts	
PetSmart	Q2 2011	5.0	6.3	premium products well received; 2012 exclusive dog toy deal with Toys "R" Us	
Staples	Q2 2011	flat	(2.0)	strongest performer in a weak sector; customer accounts down, avg order up	

UNITED STATES | RETAILER REPORT CARD (CONTINUED)

RETAILER	MOST RECENT REPORTING PERIOD	% CHG IN Y-O-Y SALES (MOST RECENT QTR)	% CHG IN Y-O-Y SALES PREVIOUS QTR	COMMENTS	OUTLOOK
RESTAURANTS					
Applebee's	Q2 2011	3.1	3.9	parent DineEquity continues to sell off company-owned units	- / - / +
BJ's Restaurants	Q2 2011	6.9	7.8	Q2 earnings up 30%; menu offerings position them to outperform	- / - / +
Bob Evans	Q1 2012	(1.7)	0.5	foods business, cost management could overcome softening restaurant sales	- / - / +
Brinker Int'l	Q4 2011	2.6	0.1	firing on all cylinders, reaffirmed corporate goal to double earnings by 2016	- / - / +
Buffalo Wild Wings	Q2 2011	5.7	5.9	"confident" that it can achieve 12% unit growth in 2012	- / - / +
Burger King	Q2 2011	(5.3)	(6.0)	corporate focus on int'l expansion; U.S./Canada only region with negative comps	- / - / +
Cheesecake Factory	Q2 2011	0.8	2.3	Q3 miss; increasing '12 openings, including first in Middle East	- / - / +
Grand Lux Café	Q2 2011	0.9	flat	1 new location planned for 2012	- / - / +
Chipotle	Q2 2011	11.3	10.0	traffic, sales surge despite price hikes; 155-165 new stores planned for 2012	- / - / +
Darden	Q1 2011	2.8/5.1	2.2/5.3	new store openings, traffic increases offset higher operating expenses	- / - / +
Denny's	Q2 2011	2.0	(1.7)	first quarter of total operating revenue growth since Q4 06	- / - / +
Domino's	Q3 2011	3.0	4.8	still reaping benefits from new crust, cheese, and sauce blends	- / - / +
Dunkin Brands	Q2 2011	3.2	n/a	one of 2011's few successful global IPOs; Bain/Carlyle private equity investors	- / - / +
Einstein Noah	Q2 2011	(0.8)	1.6	waiting for Q3 results after they implemented summer price hikes	- / - / +
Kona Grill, Inc.	Q2 2011	9.1	7.6	higher traffic and larger average check despite raising prices	- / - / +
Krispy Kreme	Q2 2011	5.8	2.2	Q2 performance best in six years; expanding into the U.K.	- / - / +
McDonald's (U.S.)	Q2 2011	4.5	2.9	successful new beverages and Big Mac/ Quarter Pounder promotions	- / - / +
Morton's	Q2 2011	8.2	7.5	accelerating 2011 CapEx for new stores and renovations to drive future sales	- / - / +
O'Charley's, Inc.	Q2 2011	0.4	(1.4)	comp sales back in the black after 4 years, still highly vulnerable to inflation	- / - / +
OSI Restaurant (total)	Q2 2011	n/a	n/a	menu changes, successful promotions driving market share growth	- / - / +
P.F. Chang's	Q2 2011	n/a	n/a	guest traffic dropped after company passed through price increases	- / - / +
P.F. Chang's	Q2 2011	(2.5)	0.5	higher beef prices may hurt 2012 margins	- / - / +
Pei Wei	Q2 2011	(2.7)	(0.2)	all five Fiscal Year 2011 new stores are already open	- / - / +
Panera Bread	Q2 2011	4.4	3.3	bakery-cafes stealing market share from fast food and casual dining	- / - / +
Ruby Tuesday, Inc.	Q1 2012	(4.1)	(0.1)	hurt by Hurricane Irene; testing new promotions to raise same-store-sales	- / - / +
Ruth's Hospitality	Q2 2011	n/a	n/a	traffic, average check both higher; Florida and California leading the portfolio	- / - / +
Ruth's Chris	Q2 2011	5.8	5.2	upper-income brackets driving results, but still focused on prix fixe value	- / - / +
Mitchell's Fish Market	Q2 2011	(1.4)	(2.7)	menu expansion of non-seafood items to expand customer appeal	- / - / +
Starbucks (U.S.)	Q3 2011	8.0	7.0	customers love new Android app; prior technology investments paying off	- / - / +
Yum! Brands (U.S.)	Q3 2011	(3.0)	(4.0)	Q3 hit hard by inflation; divested A&W, Long John Silver's to focus on China	- / - / +
GROCERS					
Kroger (with/excl fuel)	Q2 2011	9.3/5.3	10.0/3.8	sales at all 18 retail sales divisions comped higher in Q2	- / - / +
Safeway (with/excl. fuel)	Q3 2011	7.4/1.5	7.1/0.5	beat analyst estimates but strong private-label brands weighing on margins	- / - / +
Supervalu	Q1 2012	(1.8)	(3.9)	comps improving on better traffic, more effective promotions	- / - / +
Winn-Dixie	Q4 2011	3.2	(0.5)	larger baskets offsetting fewer transactions, with some cost pass-throughs	- / - / +
Whole Foods	Q3 2011	8.4	7.8	grabbing market share even as some consumers trade down	- / - / +
PHARMACY					
CVS	Q2 2011	2.0	2.6	came in at low end of guidance; best-positioned retail clinics in the sector	- / - / +
Rite-Aid	Q2 2012	2.2	0.8	30% fewer scripts filled than WAG & CVS; weak 1/3 of stores drag on results	- / - / +
Walgreens	Q4 2011	4.4	4.1	strong growth, but could lose 7.3% of annual sales if it leaves ESRX network	- / - / +

* Sources: Company Reports, Colliers Research

casual's mostly self-serve platform with the full-service program that accompanies a more leisurely dinner offering, and 3) outsized growth in the bakery-café sector, as Starbucks and Panera continue to gain market share in a low-growth environment, a likely result of their place as virtual "offices" for entrepreneurs and job seekers.

DRUGSTORES

Chain drugstore growth continues to be driven by the needs of an aging U.S. population. Interestingly, the five states with the highest chain drugstore count per capita are all located in the Northeast (Rhode Island, Delaware, Massachusetts, New Hampshire, and West Virginia, plus the District of Columbia), not in traditional retirement meccas such as Florida, Arizona, and North Carolina. Without access to individual store data, this suggests further room for expansion in the Sun Belt and other newer, rapidly graying areas.

Chain drugstores are closely watching the prescription drug market and the fast-approaching "patent cliff." Pharmacy sales drive around two-thirds of chain drugstore revenues, and in 2010 133 "blockbuster" drugs accounted more than one-third of the \$860 billion in total worldwide pharmaceutical sales. Within the next 12 months, patents will expire on Viagra, Lipitor, Plavix, and Singulair, just to name a few. EvaluatePharma estimates the expirations could jeopardize \$250 billion in sales between now and 2015. Lower-margin generic drugs will eat into profits, even as Americans of all ages fill more prescriptions.

LUXURY

Luxury, both full-price and outlet, remains the savior of the retail sector. The rich are getting richer both globally and in the U.S.: the top 25% of wage earners control between 40–50% of consumer spending. Since the disastrous Holiday 2008, Saks Fifth Avenue and others have repaired vendor relationships, which were strained by deep discounting. They have returned to focus on their Core shopper, who has remained loyal — if somewhat less conspicuous — in her consumption patterns. World-wide, Asian markets are driving luxury's growth, while here in the U.S. high-end retailers increasingly look to growth in their outlet program to sustain their profitability.

Full-price luxury shopping offers its own value proposition: one based less on absolute price and more on providing a unique, timeless offering. Retailer branding places renewed emphasis on craftsmanship, making it easier for both affluent and aspirational shoppers to justify a couture purchase as an "investment." The difference between today's luxury shopper and one shopping several years ago is the volume of items purchased. Where before people might buy three or four new handbags a season, today only one or two make it home from the shop. This behavior only reinforces the quest for quality and need for each piece to be "special."

YEAR-END OUTLOOK

The real estate industry learned the hard way in 2008 that it's better to under-promise and outperform. 2011 YTD guidance suggests few downside surprises, although Q3 earnings are being announced as this report is released. For the prior quarter, nearly two-thirds of companies in Colliers' Retailer Report Card either reaffirmed or raised 2H11 guidance. Their outlooks at the time ranged from optimistic (Tiffany & Co., Macy's, Chipotle, Pier 1, and Buffalo Wild Wings) to cautiously optimistic (Cost Plus, SuperValu, and Saks Fifth Avenue) to cautionary (Abercrombie & Fitch, Lowe's).

Few retailers have volunteered 2012 guidance, citing too much uncertainty in future business conditions. Looking ahead, those that are forced to provide 2012 guidance early will be very conservative. Colliers expects many to reevaluate and raise estimates at least once, maybe twice, during 2012.

CEOs are already hinting at CapEx pullbacks for new store openings, although with the exception of Lowe's very few have revealed their plans. Much of 2010 and 2011 year-over-year growth came from realized operational efficiencies and better inventory management, so in 2012 there aren't huge, quick cuts that can be made. With sourcing capital problematic, reducing capital expenditures to preserve liquidity still appears to be a sensible solution.

At a national level, Colliers believes that operating metrics should stay relatively flat but net absorption, following such a strong Q3, is almost certain to decline even if Q4 goes well. There could also be marginal downward pressure on rents in select markets, as competition intensifies among landlords to land high-profile tenants.

HOLIDAY 2011

Nearly a dozen sources released holiday forecasts within the past month, each reflecting an outlook influenced by the most current economic conditions. The four major advance surveys predicted muted sales performance, held back by consumer confidence, higher prices, and tough comps against last year's surprisingly strong sales.

ShopperTrak, the most bullish, predicts 3.0% growth in November-December GAFO versus its 2010 sales of +4.1%. The NRF is projecting a 2.8% increase in holiday sales, just over half 2010's increase of 5.2%. Deloitte forecasts a 2.5–3.0% rise in November-January sales following a 5.9% gain last year, with non-store (online, catalog & interactive TV) expected to increase 14%. ICSC projects a gain of 2.2% in shopping center sales in November-December, after a 5.0% increase last year that followed back-to-back declines.

Any bad news during the selling season could jolt the market and accelerate markdowns. Retailers placed holiday orders last spring, when economic sentiment was still good, and may be forced to reduce prices to move inventory although not nearly at 2008 fire sale levels.

Seasonal "creep" has been accelerating for the past decade as retailers push to increase sales. With a troubled economy and jumpy shoppers, it's now a survival tool. Costco was one of several major retailers



to roll out Christmas SKUs before Labor Day. Retailers balance inventory management with making merchandise available whenever customers feel the urge to spend, the earlier the better to protect profit margins. ShopperTrak is predicting a 2.2% drop in mall traffic as shoppers make more trips with a purpose, increasing sales conversion opportunities provided that the item is in stock. Impulse shopping could be one of the season's silver linings, as shoppers splurge on affordable luxuries.

Hot, "must-have" gifts are always retailers' best bet to inspire shoppers. If the season turns promotional then all things technology, including the ubiquitous smartphone, will fly off the shelves. Last month Amazon announced Kindle Fire, its long-awaited, \$199 response to the iPad. Fire reportedly generates a razor-thin profit margin as Amazon banks on device and digital content sales to drive higher Web traffic. For its initial November fulfillment, Fire's pre-orders already exceed those for all three other Kindle products combined. Apparel, accessories, and jewelry are also expected to do well with greater product newness and luxury brands' introduction of more approachable price points. And Toys "R" Us hopes a little nostalgia will drive sales: they're going retro with limited-edition Cabbage Patch Kids®.

More so than ever, consumer sentiment will make or break 2011 holiday sales. If news remains subdued but positive, we expect that sales will come in at the more optimistic end of the various predictions, maybe even surpassing 3.0% year-over-year growth. Going the other way, too many negative headlines will keep growth closer to 2.0%. Either way, it won't be 2006 or even 2010, but it won't be 2008 either.

STILL TAKING THE LONG-TERM VIEW

Commercial real estate remains a good investment in a low interest rate environment, especially for entities searching for yield or deals that have strong sponsorship, solid underwriting, and moderate leverage. Europe's turmoil makes U.S. real estate look more attractive, although Core properties in gateway cities are now priced high enough to cut into returns, limiting appeal to institutional investors such as pension funds. With entrenched players and a prevailing cautious outlook, opportunities come at the margins, by watching vulnerable property types and product categories. The upside of the third quarter slowdown could be distressed asset sales, as lenders tire of waiting for markets to surge.

Despite a volatile stock market, jittery consumers, and a disappointingly slow broad-based recovery, retail real estate is far better positioned today than it was three years ago. Retailers have stronger balance sheets, better-managed inventory systems, and are well underway to rationalizing their real estate portfolios. The wealthy consumer, while not relevant to all retail space, still has enough income and confidence to drive sales, and at a level likely to spill over into other categories.

In our view, the economy continues to be in a trough, where the indicators can easily jump between positive and negative indicators. The size of the "dip" isn't as important at the moment as the lack of momentum drawing the economy out of its general malaise. Absent a confidence-inspiring, market-lifting debt deal in either Europe or the U.S., we predict that the year will end much the same way as it began: in a slow growth mode with a wait-and-see attitude for 2012.

512 offices in 61 countries on 6 continents

United States: 125
Canada: 38
Latin America: 18
Asia Pacific: 214
EMEA: 117

- \$1.5 billion in annual revenue
- 979 million square feet under management
- Over 12,500 professionals and staff
- 347 Retail professionals in 63 U.S. Offices

COLLIERS INTERNATIONAL

601 Union Street, Suite 4800
Seattle, WA 98101
TEL +1 206 695 4200

FOR MORE INFORMATION

Ann T Natunewicz
Manager, Retail Research | USA
TEL +1 202 742 1105
EMAIL Ann.Natunewicz@colliers.com

Ross J. Moore, Chief Economist, and
K.C. Conway, EMD, Market Analytics,
contributed data to this report.

Copyright © 2011 Colliers International.

The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.



Accelerating success.