

The 2011 ICSC Florida Retail Report



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FLORIDA REGIONAL OVERVIEW

MONDAY, AUGUST 22, 2010 8:00AM - 9:00AM

A panel of leading industry executives will be speaking about the most significant trends in today's market. The executives will discuss macro trends that are at play both nationally and in Florida as well as factors that are impacting the market in various regions across the state.



JOHN CROSSMAN
Crossman & Company



KIERAN QUINN
Guggenheim Partners



SUK SINGH
Darden Restaurants



TIM BECKER
University of Florida



MAYOR RICH CROTTY
Crossman & Company

REPORT AUTHOR



MOLLY DELAHUNTY
Crossman & Company
mdelahunty@crossmanco.com



TABLE OF CONTENTS

STATEWIDE FUNDAMENTALS AND CONSUMER OUTLOOK.....4
GOVERNMENT RELATIONS UPDATE.....9
CAPITAL MARKETS OVERVIEW.....10
THE CAPITAL AND DEAL MARKETS: SHINING STARS EMERGE AMONGST THE DARKNESS...12
IS THE COMMERCIAL PROPERTY MARKET HEADED FOR RECOVERY OR RELAPSE?.....14
UF SURVEY OF EMERGING CONDITIONS.....16

MIAMI.....18
BROWARD / FT. LAUDERDALE.....20
PALM BEACH.....22
NAPLES / COLLIER.....24
FORT MYERS / CAPE CORAL.....26
MARTIN / ST. LUCIE.....28
SARASOTA / BRADENTON.....29
TAMPA / ST. PETERSBURG.....30
LAKELAND / POLK.....32
PASCO / HERNANDO.....33
ORLANDO.....34
DAYTONA BEACH / VOLUSIA37
THE VILLAGES.....38
OCALA / GAINESVILLE.....39
JACKSONVILLE.....40
TALLAHASSEE.....42
THE PANHANDLE.....43

WRITTEN REPORT AUTHORS.....44
ADDITIONAL CONTRIBUTORS.....45

Statewide Fundamentals

18.8 Million People (2010 Census Bureau)
Over 432 Million SF of Shopping Centers

\$15.81

average rental rate
falling from the peak of
over \$19 in 2008

89.33%

occupancy
steady since early 2010

10.6%

unemployment



"While our industry continues to face challenges related to economic weakness, the recovery (positive GDP growth), virtually no new supply, and a growing population appear to be more than offsetting these challenges and we are seeing real improvements in rents, occupancy, and leasing spreads. A recent RBC analysis is particularly encouraging as it reports that its research base of 2,200 retailers plan a total of approximately 72,000 new store openings over the next 24 months"

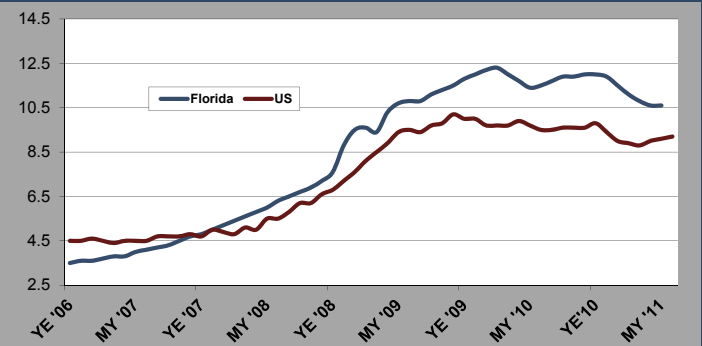
- David Henry
ICSC Chairman & Kimco Realty

Statewide Overview

The retail market in Florida continues an uphill battle to recovery. The state continues to lag slightly behind the rest of the nation, due in large part to the severity of the housing and unemployment struggles. The progress has been slow and intermittent. While anecdotal evidence from many industry experts suggests that the recovery is on its way, much of the statistical information points to Florida having reached the bottom of the market, but not yet seeing solid signs of recovery.

Florida's unemployment rate will continue to be a good indicator of our industry's health. As of June 2011, unemployment for the nation is 9.2%, while the unemployment rate for Florida reported 10.6%, Florida's being 80 basis points better from the same time last year.

UNEMPLOYMENT RATE: US vs FLORIDA

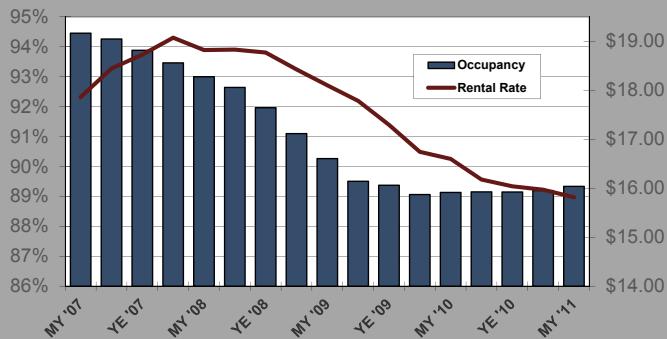


Source: US Department of Labor

Another bright spot in fundamental data across the state is the stability in occupancy. Statewide occupancy has been stable over the past seven quarters. Since the third quarter of 2009, the lowest point was 89.0% and has been slowly increasing to 89.3% currently. Over the last 6 months, about half the markets analyzed in this report had an increase in occupancy. Of those that decreased, only one market was more than -0.3%. The glut of tenant moveouts has ceased to be a significant problem and less tenants are requesting rent relief compared to a year ago.



STATEWIDE HISTORICAL RENT & OCCUPANCY



Source: Power Center & Shopping Center Statistics from CoStar Property Report

As occupancy stabilizes, statewide rental rates continue to fall. Only one market had positive growth in rental rate compared to six months ago. While the numbers show a decline of nearly 5% from a year ago, this decline is attributed to the shrinking difference between quoted and effective rents, as landlords have become more “honest,” rather than an actual decline in deal terms.

Both leasing momentum and capital markets are up. B-class and C-class properties still have steeper hills to climb, while A-class assets are doing spectacular in 2011. There has clearly been an increase in demand for these core properties, especially in stronger markets like Miami. Grocery-anchored retail centers lead the pack across the board in rental rates, occupancy, absorption, ease in finding capital and as prime investment choices. In the rest of the U.S., investors have begun choosing other retail property types that are less risky than grocery-anchored centers.



FLORIDA GROCER MARKET SHARE

	Retailer	% Mkt.
1	Publix	35.64%
2	Walmart SC & NM	25.57%
3	Winn-Dixie	14.41%
4	Other	7.20%
5	Sam's Club	4.60%
6	Costco	4.14%
7	Super Target	2.91%
8	Save-A-Lot	1.72%
9	Whole Foods Market	1.05%
10	Albertson's	1.02%
11	BJ's	0.79%
12	Food Lion	0.59%
13	Aldi	0.22%
14	Piggly Wiggly	0.09%
15	Saverite	0.06%
16	Harris Teeter	0.02%

Source: Shelby MarketCast Powered By Buxton April 2010

“As the ICSC State Director for Florida, I’m happy to say, the reports of retail’s death were greatly exaggerated.

Although business is not where we would like for it to be, there are certainly some very positive signs of improvement. The ICSC Deal Making conferences are showing a 10-20% attendance increase, indicated people are getting much more active.

It has been several years since any new product has come on line and this is starting to slowly develop a pent-up demand for new space. A number of projects that were put on hold several years back are being taken off the shelf and dusted off with many being reconfigured and shown with a different tenant line-up”

- Dale Scott
ICSC Florida Director, Sikon Construction

A Look Around the State

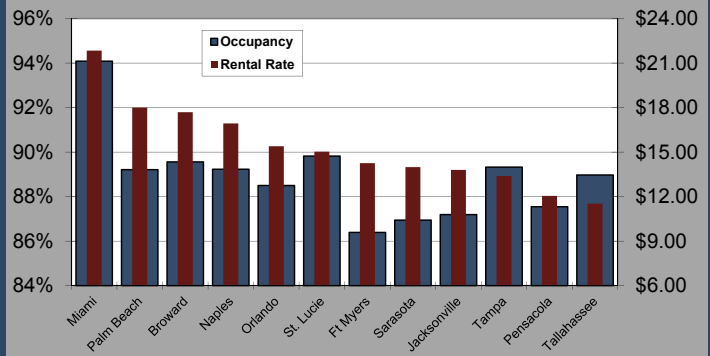
South Florida remains the strongest region in the state, with Miami leading the way as the only market in the state to maintain occupancy above 90% and rental rates above \$20.00 PSF, though the unemployment rate remains the highest in the state. Rental rates have been steady the past three quarters and unemployment has decreased for Broward and Palm Beach in the last six months. This coupled with lack of new product should drive strength into these markets.

The West Coast of Florida has had mixed statistics lately, after having lagged behind the rest of the state for the previous year and a half. The Tampa MSA, Pasco and Hernando counties, and Southwest Florida all experienced decreases in unemployment. Rents are a little scattered, between \$13.39 PSF in Tampa MSA and \$16.93 in Naples, but occupancy has been stable the last seven quarters in Southwest Florida and the last four quarters in Tampa MSA.

The larger submarkets in Central Florida are experiencing stability and growth, while the more secondary and tertiary markets continue to see very little leasing activity and plummeting rental rates as a result of tenant demand being so light. Much of this, not only in Central Florida, is due to stronger national and regional retailers relocating to more of their top-choice locations because overall rental rates are lower than leases they signed at previous locations. Mid-size boxes, discount retailers, and restaurants looking for second/third generation space have been particularly active.

The northern part of Florida is seeing signs of recovery in the first half of 2011. Although Tallahassee's rental rate declined 9%, occupancy increased almost 2% and both rent and occupancy increased for Pensacola retail. Jacksonville looks strong with both rental rates and occupancy inching up so far in 2011. In a state that depends heavily on tourism, the Panhandle has done well contrary to popular belief after the region were affected by BP oil spill last year.

STATEWIDE RETAIL FUNDAMENTALS



Source: Power Center & Shopping Center Statistics from CoStar Property Report

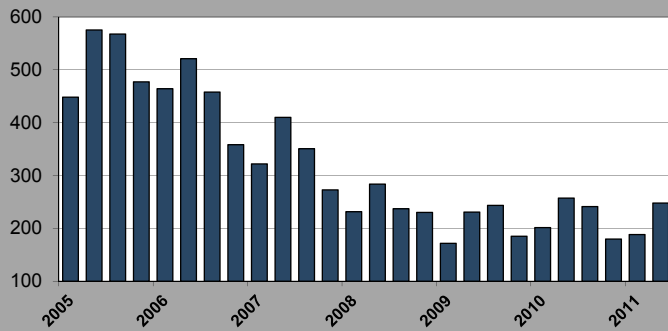
RECENT SHOPPING CENTER SALES

Property Name	City	Anchor	SF	Sale Date	Buyer	Seller
Publix at Brickell Village	Miami	Publix	35,000	Jul-11	Publix Super Markets Inc	Private Seller
Santa Rosa Commons	Pensacola	Target (Shadow), Publix	124,414	Jun-11	Cole Real Estate	Mpirical Development
Ocala Corners	Tallahassee	Publix	86,771	Jun-11	Regency Centers	Charter Hall OBO Macquarie
St Charles Plaza	Haines City	Publix	65,000	Jun-11	Phillips Edison	Century Retail
Shoppes of Apollo Beach	Apollo Beach	Publix	111,606	Jun-11	Lubert-Adler JV Klaff Realty	Paradise Development Group
Lithia Crossings	Valrico	Stein Mart	86,927	Jun-11	Kite Realty Group Trust	United American Realty Corp
Century Town Center	Vero Beach	Marshalls/Homegoods	106,976	Jun-11	Cole Real Estate	Century Retail
Promenade at Coconut Creek	Coconut Creek	Lifestyle Center	265,621	Jun-11	Garrison Investment Group	Stanbery Development
Kendall Hammocks	Miami	Babies R Us	60,497	Jun-11	Private Buyer	N/A
Shenandoah Square	Davie	Publix and Walgreens	123,646	Jun-11	Global Fund Investments	Ramco-Gershenson Properties
Sunshine Plaza	Tamarac	Publix and Old Time Pottery	237,026	Jun-11	Global Fund Investments	Ramco-Gershenson Properties
Collier Commons	Land O Lakes	Publix	187,132	May-11	Publix Super Markets Inc	Primerica Group One Inc
Sawgrass Center	Coral Springs	Publix	83,822	May-11	MEPT	BVT JV WealthCap
Lantana Shopping Center	Lake Worth	Beef O'Brady's	123,610	May-11	BET Investments	Ramco-Gershenson Properties
Promenades	Port Charlotte	Winn-Dixie	280,738	May-11	In-Rel Management Inc	Edens & Avant
Towne Centre at Wesley Chapel	Wesley Chapel	Sweetbay and Beef O'Brady's	69,232	May-11	MEPT	BVT JV WealthCap
Goolsby Pointe	Riverview	Publix	75,345	May-11	MEPT	BVT JV WealthCap
Championsgate Village	ChampionsGate	Publix	62,699	May-11	MEPT	BVT JV WealthCap
North Hills Square	Coral Springs	Walmart Neighborhood	62,841	May-11	Dizengoff	Prudential
Harbor Oaks	Clearwater	Publix	41,837	May-11	The Rosen Group	Rodriguez Investment Group
Wekiva Plaza	Apopka	Publix	80,345	May-11	Publix Super Markets Inc	Private Seller
Northwood Plaza	Clearwater	Publix	199,929	Apr-11	AEW Capital Management	Private Seller
Northpoint	Cape Coral	PetsMart and Bed Bath & Beyond	110,979	Apr-11	Cole Real Estate Investments	North American Properties
Boynton Town Centre	Boynton Beach	Super Target, Best Buy, Michaels	224,000	Mar-11	Morguard Corporation	Semler Co
Best Buy SC	Jacksonville	Best Buy, Ashley Furniture	94,164	Mar-11	Goodman Properties	ARC Properties
Coral Palm Plaza	Pompano Beach	Buy Buy Baby	135,672	Feb-11	Investcorp	JP Morgan
Collection At Vanderbilt	Naples	Lifestyle Fitness	225,000	Feb-11	Globalvest	Wells Fargo/PNC Bank
London Square	Miami	TJ MAXX and Home Goods	299,103	Jan-11	RREEF	Woolbright Development
Tower Shops	Fort Lauderdale	Costco, Home Depot	372,000	Jan-11	Federal Realty	Turnberry Associates

Source: Real Capital Analytics, HFF, L.P., and Crossman & Company Proprietary Research

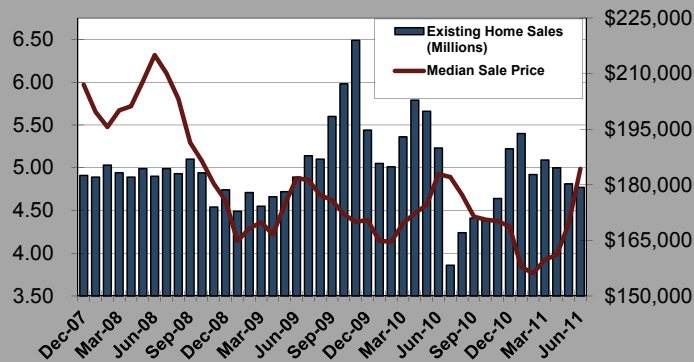


US RESIDENTIAL HOUSING STARTS (Thousands)



Source: US Census Bureau

US EXISTING HOME SALES



Source: National Association of Realtors

The Housing Market

The housing market has been a key sector in Florida to watch since the market downturn began. The residential market is finally showing signs of recovery in existing home sales. Many households would have been going to be foreclosed on or have already lost houses and the ones left standing will likely hold on through the recovery.

New housing starts continue to track at 30-year lows and will not increase until the supply of existing housing inventory is depleted. However, over the last quarter, housing starts made a significant jump up from 188,250 to 247,800 in Florida.

While the volume of sales has decreased since March, median sale prices have been increasing since February of 2011. There has been tremendous absorption of condos in the last year, especially in Miami-Dade, some having been converted into rental apartments or purchased as out-of-town investments.

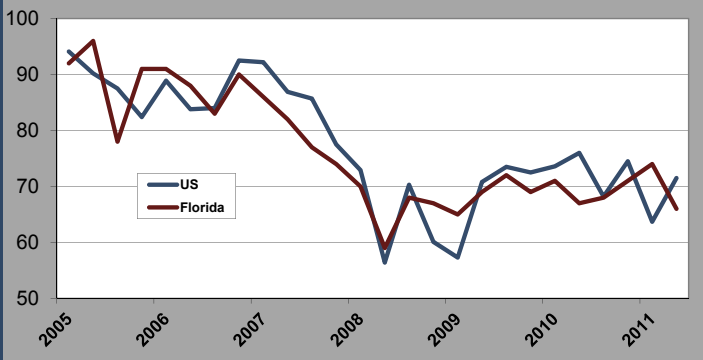
"We will be careful in our underwriting as we have seen a fairly uneven recovery. Tenant mix and borrower strength is more important than ever. The best part of lending in retail is we have two proxies that should be strong indicators of future success - drive-by traffic counts and sales by store. Take advantage of this valuable information when you approach lenders.

This will be a long, slow and sometimes sluggish, recovery. Consumers will remain cautious until they see stability in their current employment and consumer demand growth is dependent on more robust job growth. We need more patient equity investors to help de-lever properties that sold or were refinanced in 2005-2007. Reducing debt levels is critical to allow owners to compete at today's rental rates. Real estate is a long term business, something we often forget"

- Kieran Quinn
Guggenheim Partners



CONSUMER CONFIDENCE: US vs FLORIDA



US Data Source: University of Michigan Survey of Consumers / Florida Data Source: University of Florida

Florida has lagged behind the rest of the nation in consumer confidence, which it has traditionally outpaced. The key factors in Florida's lagging consumer confidence revolve around the higher-than average unemployment and dependence on a tourism and construction that continue to struggle.

Consumer confidence has been on a wild ride since mid-2010. Although consumer confidence in Florida has been generally lower than the U.S. statistics throughout the recession, there was an unusual bump up to 74 in March of 2011, while the U.S. reported 63.7. With the recent stock market ups-and-downs and political campaigns heating up, reports of the nation's consumer confidence for the rest of 2011 will likely be much lower as many of us are uncertain of the future.

As the overall economy continues through a slow recovery process, Florida is likely to continue to lag slightly behind the nation for consumer confidence until tourism and migration pick back up significantly and fuel a surge in employment and capital in the state.

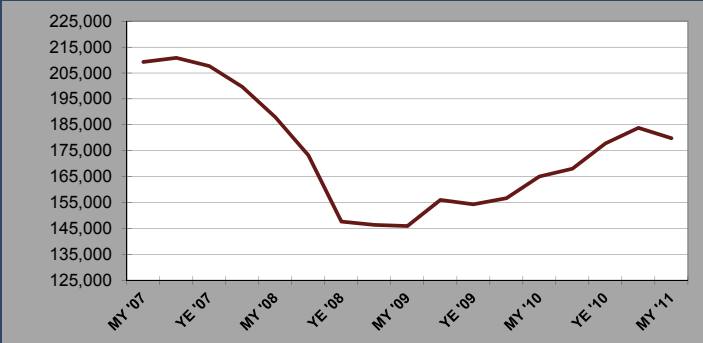
"There is continuing evidence, with both Mom & Pop and national retailers, those that are offering 'value' in their category, or catering to their core demographics/customer, are showing signs that business is improving, albeit, in modest and reasonable measurements. Those with financial resources are proactively looking for and taking advantage of expansion and growth opportunities"

- Daniel Taub
DLC Management Corp

"Consumers continue to be cautious and pessimistic about their own spending, which is also affecting the rate of fundamental improvement"

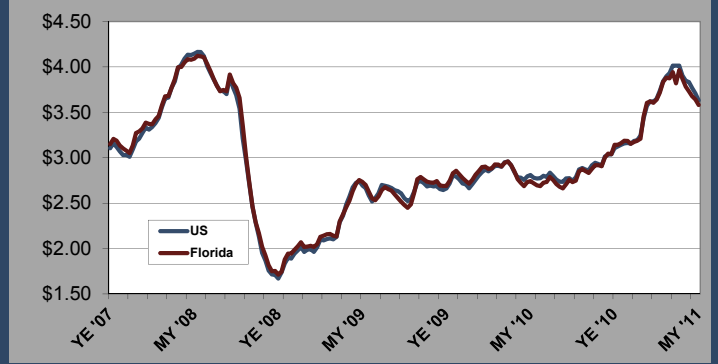
- Tim Becker
University of Florida

TOTAL US NEW AUTOMOBILE SALES



Source: US Census Bureau

HISTORIC GAS PRICES: US vs FLORIDA



Source: US Department of Energy - US Energy Information Administration



ICSC GOVERNMENT RELATIONS FLORIDA UPDATE

STAY UP TO DATE AND GET INVOLVED!

State Issues

Real Estate and Growth Management

This year the Legislature passed two budget conforming bills that virtually eliminate the state oversight role: HB 7207, which provides for the sweeping overhaul of growth management, and SB 2156, which breaks up the Department of Community Affairs (DCA) and sends its Division of Community Planning to a new economic development agency.

Impact Fees

SB 410 was adopted in response to a lawsuit filed by nine counties along with the Florida Association of Counties, the Florida League of Cities and the Florida School Boards Association. They challenged 2009's HB 227, which shifted the burden of proof to cities and counties when builders filed legal challenges against local impact fees on new developments.

Property Tax

SB 2142 will require the state's five water management districts to cut back \$210 million worth of property taxes.

Corporate Income Tax

HB 7185 raises the exemption level for corporate income tax from \$5,000 net income to \$25,000 net income. That move, while costing roughly \$30 million, will exempt 15,000 businesses from having to pay the tax. HB 143 would also allow multi-state corporations to have some of their corporate tax liability shielded if they spend \$250 million or more on capital expenditures.

Federal Issue

Main Street Fairness Bill Introduced in US Congress

On July 29, 2011 Senator Dick Durbin (D-IL) and Representatives John Conyers (D-MI) and Peter Welch (D-VT) introduced the "Main Street Fairness Act" (MSF) in their respective chambers of the U.S. Congress (S. 1452 and H.R. 2701). If enacted, this measure would enable states to require Internet retailers to collect sales tax for all purchases made online. Currently, Internet retailers only have to collect sales taxes in states where they have a physical nexus (store, office, warehouse or distribution center). The legislation is cosponsored by Senators Tim Johnson (D-SD) and Jack Reed (D-RI) in the Senate and Representative Heath Shuler (D-NC) in the House. This is the first time in five years there has been a MSF bill in both houses of Congress.

Most states already have what is known as a "use tax," which requires consumers to pay a tax when they make a remote or online purchase and sales tax is not collected by the retailer. However, few consumers are aware of this tax liability. According to a recent poll conducted by ICSC, 64% percent of consumers either do not know or do not believe they are required to pay sales tax on Internet purchases if not collected by the vendor. This uncollected tax can represent a sizable amount in lost revenue for states. A 2009 University of Tennessee study estimates that in 2012 that number could be as high as \$23 billion.

ICSC has promoted sales tax fairness for over a decade, advocating a level playing field regardless of where the purchase takes place. To learn more about this issue visit www.icsc.org/mainstreetfairness.

**Join Us for the Upcoming Government Relations Event:
ICSC Legislative Days - December 6th and 7th (Tallahassee, Florida)**

Courtesy of HFF, L.P. (Holliday Fenoglio Fowler, L.P.) Retail Capital Markets Team

Capital Markets Trends

The U.S. commercial real estate equity market has continued to favor quality real estate in Tier I markets like New York City, Washington D.C., L.A., Chicago and Boston. According to Real Capital Analytics (RCA), the spread in Cap Rates between Tier I, Tier II and Tier III markets is at an all-time high. The demand for Tier I markets far exceeds supply creating downward pressure on cap rates and further widening the spread in cap rates between secondary and tertiary markets.

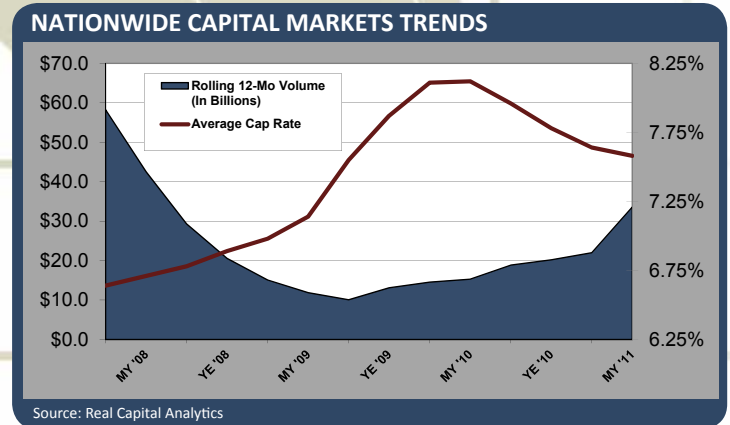
Open Air retail transaction volume is \$15.1 billion as of 2nd quarter 2011 vs. \$3.1 billion during the same period in 2010. Large transactions have returned to set the pace with 130 individual or portfolios valued at \$100 million or greater transacting in the first half of the year across all product types. The standout of this group was the Blackstone purchase of Centro's U.S. assets for \$9.4 billion, the largest deal of the year and second largest retail acquisition in history. Other highlighted transactions include the BVT/Wealth Cap portfolio of mostly grocery anchored centers in Florida and Georgia that traded at a sub-7% cap.

Capital is still primarily focused on opportunities at either end of the risk spectrum—core or distressed—creating a 'bar-bell' effect on demand. A scarcity of desirable product combined with an abundance of uncommitted capital has created a highly competitive investment market for both stabilized and quality distressed assets. In addition to fund allocation requirements, demand is also being driven by investors that are using real estate as a hedge against inflation or by investors that are taking advantage of reduced pricing as in many cases; CRE values have dropped nearly 30% from peak pricing. The increased data points of comparable transactions have made buyers, sellers, and debt providers feel more comfortable in their valuations leading to the narrowing of bid vs. ask spread and eventually to more closing tables.

Despite growing economic concerns both in the U.S and abroad, the debt markets have improved significantly since last August as new capital sources continue to emerge weekly. Banks and life insurance companies have been increasing their leverage levels and tightening spreads through the first half of 2011 and it appears that they will continue to be a stable capital source going forward. Despite challenges with several recent securitizations, CMBS financing will continue to be a primary source of financing for assets in secondary and tertiary markets throughout Florida, albeit at slightly higher rates for the foreseeable future.

Concerns moving forward still revolve around job growth – one of the most important factors to commercial real estate success. The fear of inflation, rising energy/oil prices,

regulatory changes and fears regarding rising costs in health care could hamper the positive momentum if shown to be true.

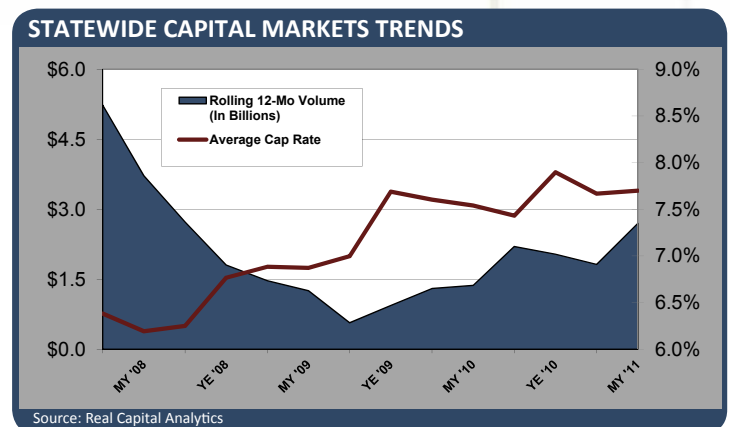


Who are the sellers?

Banks and Servicers thru note sales and REO, Pension Funds adjusting allocations, JV Partnerships that are dissolving or need a liquidity event, Institutional Funds at the end their hold periods, merchant builders particularly groups with maturing construction loans, private owners that believe interest rates will rise leading to corresponding rising in cap rates, REITs looking to 'recycle' capital or prune their portfolios.

Who are the buyers?

Broker-dealer funds, private REITs for core product that are flush with cash, foreign investors for trophy quality assets in major seaboard markets, High Net Worth private investors, public REITs with capital from successful offerings in 2010/2011 and right-sized balance sheets, as well as institutional investors have largely dominated the investment landscape. Opportunistic funds are also plentiful and ready to pounce on distressed assets. The top 5 buyers by dollar volume year-to-date in the Retail sector have been Blackstone, Equity One, Inland Real Estate, Cole Real Estate Investments and USAA Real Estate.





What is Current Equity Pricing?

Investors are still seeking best in class assets but have more pricing clarity due to increased data points in the market for sales of comparable assets and competition for limited product in the market for sale. Health ratios on tenants with above market rents, delinquent balances, or near-term rollover are still being critically analyzed, but adjustments are being made on a tenant-by-tenant basis rather than a very-conservative broad-brush approach. Cap rates are being driven by positive leverage which is helped by lower interest rates. Institutional investors are focused on a combination of the current cash-on-cash yields and internal rates of return (IRR). Private client investors are being driven by cash-on-cash yields and 'price per pound.' For most investors running IRR metrics, reversionary cap rates are being set at 50 to 75 bps above the going-in cap rate.

Current unleveraged / leveraged discount rates are approximately:

- Core: 6.75% - 7.5% / 8.5% - 10%
- Value Add: 8.0% - 10% / 10% - 16%
- Opportunistic: 12+% / 16+%

Who are the Lenders?

For core stabilized assets, Life Companies, Banks, and CMBS lenders have returned to the Florida market. According to CoStar, the second quarter of 2011 saw commercial mortgage loan originations that were 107% higher than second quarter 2010. CMBS lending totaled approximately \$17 billion in the first half of 2011. For assets that require a turnaround or are not stabilized at market occupancy, balance sheet lenders such as banks and debt funds are the primary sources for this type capital.

What is Current Debt Pricing?

Best-in-class sponsorship and reliability of tenancy/income is paramount to obtaining aggressive financing. Real-time current lender underwriting parameters for permanent financing can be seen in the chart below.

What is Next?

Fundamentals have continued to stabilize from an occupancy and rate perspective. Transaction volume will likely continue as an upward trend pending the availability of financing from the debt markets. Cap rates have compressed considerably and for some retail asset classes have fallen to the aggressive leverage-fueled levels of 2006 and 2007 for Tier I markets on Core product. This will eventually lead to yield-driven investors being priced out of Tier I markets and turning to secondary markets as an opportunity for greater returns.

On the distressed side, Florida presents a dichotomy with Orlando and Palm Beach being two of the top markets in the country for percentage increase of outstanding distress and Miami in the top three of percentage of distress worked out. Many properties are producing positive cash flow again after several years of fighting for occupancy and increased rental rates. Distressed retail is now over 50% worked out according to RCA which should only increase pricing as demand remains strong for a limited amount of product.

Development financing options have returned for select multifamily deals, however, has remained scarce for other commercial product types such as retail. Will development debt/equity become more prevalent in second half of 2011 into 2012? It is unlikely that the volumes will be robust in the near term but unique product in strong markets could find their way off the drawing board.

Description:	Several life companies are close to meeting debt allocations for 2011 and are focused on best-in-class assets with quality sponsorship.	CMBS shops are still active and issuing quotes despite the unrest in the capital markets. Despite a widening in spreads, underwriting metrics remain mostly unchanged	Mortgage REITs, and private equity funds providing debt as senior, mezz and note financing	Nationals/regionals most active; some local banks re-entering competitively. Several nationals/regionals offering non-recourse financing for very select assets with strong sponsorship.
Max LTV:	70% LTV	75% LTV (w/ mezzanine)	85% LTV	75% LTV
All-In-Rates:	3.60 - 5.25% (fixed)	5.50 - 6.50% (fixed)	6.00 - 7.50% (fixed/floating)	3.25 - 5.50% (floating or fixed)
Fees:	Mostly PAR	Mostly PAR	Varies	NA
Debt Yields:	9 - 10%	8.5-10%	Varies	NA
Term/Amort:	5-10 year terms; amortization of 30 years. Some interest-only periods available for lower leverage loan requests	5-10 year terms; amortization of 30 years. Full-term interest-only periods available for lower leverage loan requests	2-5 year terms; interest-only or amortization of 30 years	3-5 years; amortization of 25-30 years
Loan Size Preference:	\$5-\$300 MM; most fall under \$100 million	\$10 MM; no upper limit (some will consider \$5 MM min.)	\$10 MM; no upper limit	\$1-\$30 MM without need to syndicate; no limit with syndication

University of Central Florida

56,000 Students

Home of the Dr. P. Phillips School of Real Estate



UCF is now the 2nd largest university in the United States.

The Capital and Deal Markets: Finding a New Normal

Randy Anderson, Ph.D., CRE

*Howard Phillips Eminent Scholar Chair and Professor of Real Estate
University of Central Florida*

Joshua Harris, MBA, CAIA

*Director and Ph.D. Candidate, Dr. P. Phillips School of Real Estate
University of Central Florida*

As we look back upon the first half of 2011, we see that the U.S. economy is still fragile and moving in somewhat mixed directions towards an orderly recovery. Gross Domestic Product

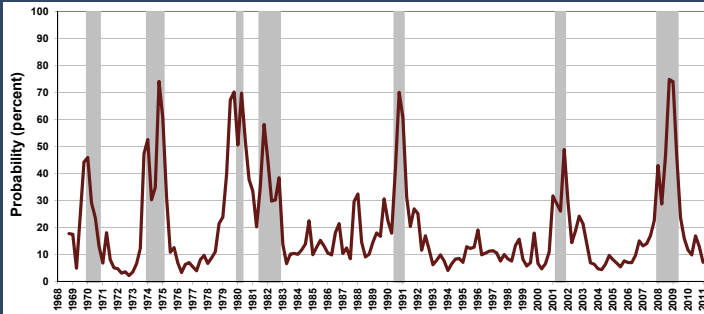
UCF's real estate department was founded in 2005 with the help and funding of the Dr. Phillips Foundation and the Central Florida NAIOP Chapter. They now have both undergraduate and Masters degrees in real estate available; the Masters program will graduate December 2011.

growth has slowed; employment gains are still essentially flat (See Exhibit 1); and consumers feel ever less confident about their economic prospects. The rise in fuel costs combined with the still stagnant job market will reign in consumers in the short run, thus we do not expect to see the continuation of rapid growth in retail sales. Corporate profits and general business sector sentiments are still largely positive, thus economic readings are officially mixed. Overall, we are not an economy in decline, but an economy still moving sideways. In fact, according to the Anxious Index (See Exhibit 2), a survey measure reported

by the Federal Reserve Bank of Philadelphia, the probability of negative GDP growth in the next quarter is only 8.5%, still relatively low and not indicative of a future recession.



THE ANXIOUS INDEX: PROBABILITY OF DECLINE IN REAL GDP IN THE FOLLOWING QUARTER



Source: Federal Reserve Bank of Philadelphia

Exhibit 1

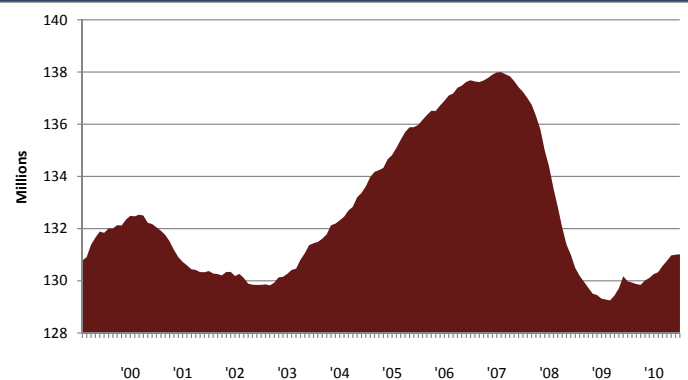
Real estate investors appear to take the optimistic view of the future as transaction volumes continue to grow and pricing remains relatively stable. According to Real Capital Analytics, dollar volume of property sales was \$90.6 billion in the first half of 2011 representing a year over year increase of 104%! Of interest to the ICSC membership, sales of retail properties posted the largest year over year percentage increase of 189%, or \$21.5 billion in volume. Investors' willingness to pursue new acquisitions was in no doubt fueled by better access to debt and equity from the capital markets. CMBS issuances have continued to gain traction and more and more commercial and regional banks have reported increased availability of commercial real estate debt. Thus, we believe the markets are in fact operating in a new normal that will likely persist for some time.

Bifurcation of the transaction market remains but appears to be moderating as investors are showing increased willingness to purchase Class B properties and assets in tertiary markets. Deal "heat" has caused many transactions to close at relatively low cap rates, especially for trophy Class A assets; we suspect increased availability of deals along with worries about the strength of the economic recovery will reduce these pressures and cap rates will rise to rates more favorable to more investors. This will likely draw more buyers to the marketplace meaning increasing deal volume is likely here to stay.

There are good reasons for this increasing interest in acquiring commercial real estate. First, the recession and resulting capital crunch has halted new supply of space in many markets for most asset types; thus recovery in fundamentals is likely to occur as the economy recovers. Second, rents are likely to at least keep pace with the rate of inflation if not grow faster in the near future; fears of potential inflation are very much on the mind of many investors. Finally, the uncertainty of the economic recovery coupled with the low rates of return on bonds and bank savings instruments make the current income potential of commercial real estate very attractive. Many investors require current yield to meet obligations, thus commercial real estate can provide such without the excessive volatility that is possible in the public equity markets.

In summation, we expect the transaction market to remain active for the remainder of the year and likely beyond. Because real estate prices are still well below replacement costs, due in large part to the historic downturn, the deal market is not likely to be effected by a slow growing economy; however a double dip recession, which we do not expect, would have a negative effect to be sure. Investors should still remain cautious and not overpay; it is easy to juice expectations of future rent growth and absorption to make a proforma work, however this practice may catch up with you in due time.

EMPLOYMENT GROWTH REMAINS FLAT



Source: US Bureau of Labor Statistics: Current Employment Statistics

Exhibit 2

Florida State University

40,000 Students

Home of the Center for Real Estate Education & Research



FSU's real estate program was named #2 in the world for their research by the *Journal of Real Estate Finance and Economics*.

"We know that by traditional measures the great recession is over, yet consumer confidence is low and the unemployment rate remains high"

2011: Is the Commercial Property Market Headed for Recovery or Relapse?

Dean Gatzlaff

Mark Bane Professor and Center Director, Center for Real Estate Education & Research, Florida State University

At times like these it is best to stand back and take a broader look at major market trends to assess where the economy is headed. We know that by traditional measures the great recession is over, yet consumer confidence is low and the unemployment rate (9.2% in the US and 11.1% in Florida) remains high. Overall, U.S. Commercial (Moody's/REAL) and U.S. Residential (S&P Case-Shiller) property prices have gradually declined over the past year by approx. 5% and 7%, respectively (Figure 1). The "recovery" has been anemic at best.



REAL ESTATE PRICE INDICES

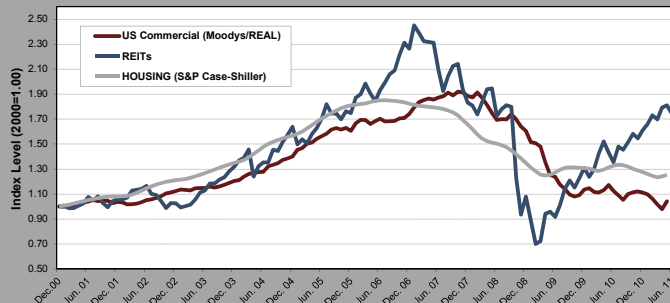


Figure 1

TRENDS IN CONSUMER SENTIMENT & SPENDING

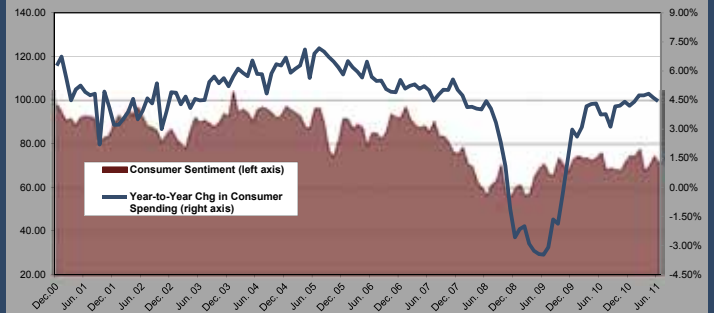


Figure 2

“Households have been very successful at ridding themselves of debt and their balance sheets, as a whole, have been substantially strengthened. Household debt is at pre-recession levels. There have been gains in household wealth, particularly for those above the median income level”

There are good reasons to be optimistic. Households have been very successful at ridding themselves of debt and their balance sheets, as a whole, have been substantially strengthened.

Household debt is at pre-recession levels. There have been gains in household wealth, particularly for those above the median income level. And while the share of households with mortgages in distress and foreclosure is high (30% by some estimates), the share of households entering distress or foreclosure has dropped. In addition, the downturn has brought with it increased business productivity and business balance sheets look surprisingly strong. Bank lending has begun to loosen and many businesses are well positioned to expand, once confidence in the economy is regained.

There are good reasons to be concerned. What economic stability we have enjoyed of late has been buoyed by massive government support—the support of our financial system, relaxed monetary policy, and huge deficit spending by the federal government. The federal deficit has pushed U.S. debt to nearly 70% of GDP, up from less than 40% (its 40-year average) just five years ago. This trend is unsustainable and has potentially created a false stability. Thus, it is not clear how full recovery will unfold as this support diminishes.

To gauge the recovery, and conditions to expect in the commercial real estate market, there are three key measures to watch. Look for (1) increases in consumer confidence levels and spending (Figure 2); (2) declines in the unemployment rate to below 8%; and (3) increases in housing turnover coupled with price increases—all are strong positive signals. And, of course, watch the 2012 election campaigns which will serve as a referendum on resolving the deficit.

University of Florida

52,000 Students

Home of the Bergstrom Center for Real Estate Studies



UF's real estate program was named #3 in the world for their research by the *Journal of Real Estate Finance and Economics*.

UF Survey of Emerging Market Conditions: Q2, 2011

Dr. Wayne Archer

*Executive Director and Professor of Real Estate, Bergstrom Center for Real Estate Studies
University of Florida*

Retail Summary & Conclusions

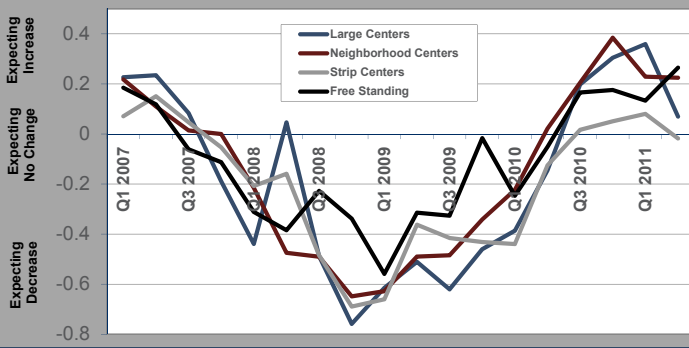
Retail occupancy expectations declined for three of the four retail sectors this quarter with only free-standing retail improving. Respondents continue to believe however that occupancies will remain stable at current levels for all sectors. The expectations for rental rates followed a similar pattern to the occupancy outlook. Respondents continue to believe that rental rates will lag inflation in the near term. Cap rates continue to stabilize across retail property types with the exception of strip centers which increased this quarter. Expectations for future cap rates continue moving toward a declining cap rate environment. The investment outlook in retail remained positive for all sectors but large retail with declined to a mixed time to buy.

Expected Occupancy

The outlook for occupancy in retail properties declined slightly in all sectors except free standing retail where expectations increased. More respondents now believe that future occupancy will remain stable. A decline in consumer sentiment this quarter along with the uncertainty in economic conditions and government gridlock on key issues is impacting the outlook. Respondents continue to say that retailers are now looking to expand into quality locations throughout the state.

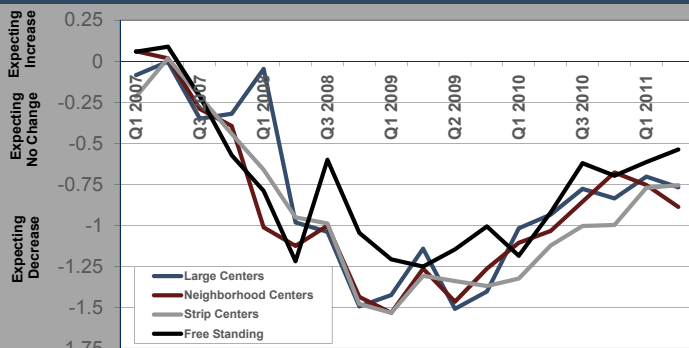


OUTLOOK FOR OCCUPANCY: RETAIL



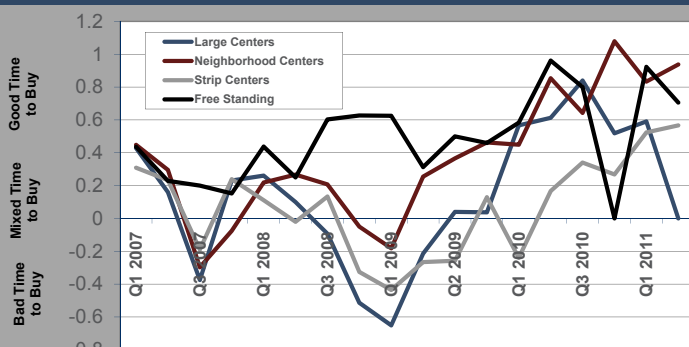
4Q 2010 University of Florida, Bergstrom Center for Real Estate Studies Survey of Emerging Market Conditions

OUTLOOK FOR RENTAL RATES: RETAIL



4Q 2010 University of Florida, Bergstrom Center for Real Estate Studies Survey of Emerging Market Conditions

OUTLOOK FOR INVESTMENT: RETAIL



4Q 2010 University of Florida, Bergstrom Center for Real Estate Studies Survey of Emerging Market Conditions

Expected Rental Rates

Expectations for rental rates stabilized this quarter for all sectors except free standing retail. Respondents believe rents will continue to rise at a pace slower than inflation. However, more respondents are starting to believe that free standing retail rents will start rising at the rate of inflation. This is consistent with the occupancy outlook.

Investment Outlook

The investment outlook for retail properties continues to be positive for all sections except large centers. More respondents believe it is a relative good time to buy across sectors. Improving fundamentals and an abundance of capital for investing in this sector is maintaining expectations in this area.

Retail Cap Rates

Cap rates declined slightly in all sectors this quarter with the exception of strip centers which increased. Cap rates range from less than 8% to almost 10% across categories. Expectations for future cap rates continue to indicate that rates will remain stable or decline in future quarters.

Yields

Required yields decreased this quarter for all property types with the exception of large centers with yields ranging from just below 10% to 12%. Expectations for future yields continue to indicate that respondents believe there will be little to no change in future yields across all property types.

Miami

2.47 Million People

47.6 Million SF of Shopping Centers

\$21.84

average rental rate

the highest statewide this quarter

94.1%

occupancy

steadily rising since year-end 2009

13.9%

unemployment



MIAMI EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	1,301,661	1,311,825	0.77%
Unemployment Rate	13.2%	13.9%	0.70%

Source: Florida Research and Economic Database

"Retailers are realizing that it is far better to take advantage of the 'urban factor' by being out on the street instead of in the mall. It is also true that retail demand, to an extent never seen before, is being driven by the international consumer interested in shopping in an urbanized and diverse community"

- Bernard Zyscovich, FAIA
Zyscovich Architects

"We have seen a significant increase in activity in small shop leasing in the first half of 2011, and our inventory of available shop space in Miami is very low. Several new ground-up retail development projects are on the horizon, and the influx of Latin American buyers and shoppers has boosted our economy"

- Rod Castan
Courtelis Company

Market Overview

One of the most notable changes to Miami-Dade county's economic landscape is the recent election of county Mayor Carlos Gimenez, a former Miami city manager and county commissioner. Gimenez ran on the platform of reducing government spending and balancing the county budget and was sworn in on July 1st, 2011.

A recent report by the Costar Group pointed to a nationwide recovery in commercial real estate, where there's been an overall decrease in vacancies for the past three quarters. According to Costar, Miami-Dade has seen a decrease for five straight quarters.

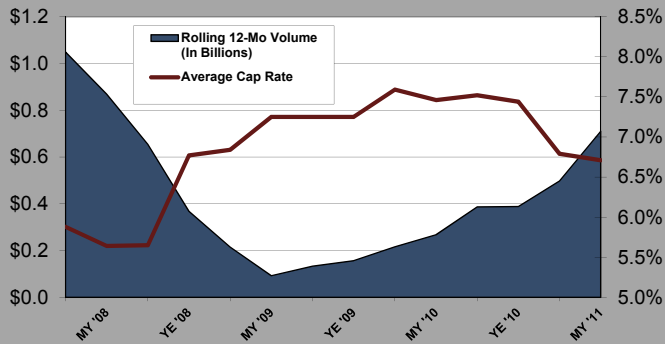
Miami-Dade county's unique ties to Latin America create a more globally linked economy. "It's a story of Miami getting hit harder, but it seems to be recovering at a better rate than the rest of the country," said Chris Macke, Costar's senior real estate strategist. "With international trade ramping up, that's going to disproportionately help Miami." According to Chris Lafakis, an economist for Moody's, "When you get into 2012 and 2013, Miami should be one of the top performers."

"With sales continuing to grow in South Florida, Tijuana Flats is committed to expanding into Dade County. It has been tough to find the premium sites with such low vacancy in all the major markets. We are looking forward to opening locations within the next 12 months. This market has been on our radar for years and we are excited to dive into it full force"

- Matthew Livingston
Tijuana Flats Burrito Co.

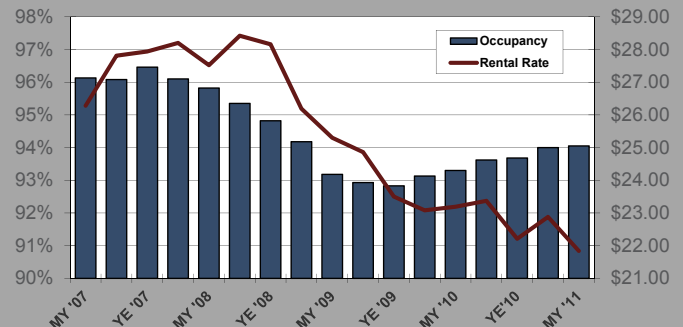


MIAMI CAPITAL MARKETS TRENDS



Source: Real Capital Analytics

MIAMI HISTORICAL RENT & OCCUPANCY



Power Center & Shopping Center Statistics From CoStar Property Report

Market Makers

Miami Airport Village

Courtelis Company & The Easton Group - Miami
500,000 SF Mixed Use
Opening '12

Publix at Hialeah

Boos Development / Publix Owned - Hialeah
Publix - 39,000 SF, Open

Publix at Plaza DeLeon

Global Fund Investments / Publix Owned - Miami
Publix - 47,000 SF, Open

Retail Redevelopment

Courtelis Company - Palmetto Bay
17,000 SF - Fuddrucker's Restaurant, Preschool

The Palms Town & Country

Flagler Development Group - Kendall
700,000 SF - Publix, Kohl's, Nordstrom Rack
Phase I Open, Phase II Under Construction

The Shoppes at Midtown Miami

Developers Diversified Realty - Miami
630,000 SF - Target, Ross, Marshalls, West Elm, Loehmann's
Opening Fall-10

The Westchester

Midwood Investment & Development - Westchester
200,000 SF - Publix, TJ Maxx, Home Depot
Under Construction

Vicenza Plaza

Courtelis Company - Hialeah Gardens
74,000 SF - Wal-Mart Neighborhood Market, Chase Bank
Opening Summer-12

MIAMI MSA RETAIL LEASING DATA

Submarket Name	Inventory	Occupancy Rate			Rental Rate		
		YE 10	MY11	Change	YE 10	MY11	Change
Aventura	2,317,260	93.9%	96.6%	2.7%	\$34.15	\$31.53	-7.7%
Biscayne Corridor	332,673	77.7%	81.3%	3.6%	\$16.15	\$22.12	37.0%
Brickell	136,102	100.0%	100.0%	0.0%	\$51.47	\$45.00	-12.6%
Coconut Grove	440,714	98.0%	97.7%	-0.3%	\$28.90	\$27.74	-4.0%
Coral Gables	455,601	95.2%	92.3%	-2.9%	\$38.00	\$33.36	-12.2%
Coral Way	731,603	95.3%	93.4%	-1.9%	\$26.35	\$28.35	7.6%
Downtown Miami	276,988	58.6%	58.6%	0.0%	\$15.00	\$15.00	0.0%
Kendall	8,965,890	92.4%	92.8%	0.4%	\$25.73	\$25.90	0.7%
Medley / Hialeah	5,609,812	95.2%	95.8%	0.6%	\$20.23	\$19.91	-1.6%
Miami	2,211,620	95.2%	94.5%	-0.7%	\$14.61	\$13.70	-6.2%
Miami Airport	5,711,910	92.8%	93.1%	0.3%	\$19.89	\$19.07	-4.1%
Miami Beach	1,279,127	96.7%	95.5%	-1.2%	\$45.64	\$45.64	0.0%
Miami Lakes	2,236,737	93.9%	93.8%	-0.1%	\$21.23	\$20.53	-3.3%
Miami-Dade Central County	1,052,385	93.6%	93.0%	-0.6%	\$15.22	\$15.51	1.9%
Northeast Dade	5,666,417	94.2%	94.5%	0.3%	\$19.64	\$20.34	3.6%
Outlying Miami-Dade County	239,829	86.7%	88.2%	1.5%	\$22.28	\$22.68	1.8%
South Dade	5,854,059	91.8%	93.0%	1.2%	\$20.16	\$19.04	-5.6%
West Miami	4,081,681	96.7%	97.2%	0.5%	\$26.24	\$26.13	-0.4%
Miami-Dade Market Total	47,600,408	93.7%	94.1%	0.4%	\$22.21	\$21.84	-1.7%

Power Center & Shopping Center Market Statistics From CoStar Property

Broward / Ft. Lauderdale

1.74 Million People

52.9 Million SF of Shopping Centers

\$17.69

average rental rate

the third highest statewide this quarter

89.6%

occupancy

relatively stable since year end 2009

9.5%

unemployment



BROWARD COUNTY EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	986,391	987,898	0.15%
Unemployment Rate	10.1%	9.5%	-0.60%

Source: Florida Research and Economic Database

Market Overview

Broward County, with a stabilized population of over 1.7 million, continues to play an integral role in the South Florida regional economy. The Atlantic Ocean to the east and the Everglades system to the west create natural boundaries for the region, which is largely built-out, so future growth will increasingly take the form of urban infill development and redevelopment.

Port Everglades remains one of South Florida's strongest economic engines with annual operating revenues of more than \$66 million. More than 5,300 ships call at Port Everglades in a year forming the basis of a diverse maritime operation that includes a thriving cruise industry and a reputation as the "world's best cruise port."

Nova Southeastern University is the nation's seventh largest, not-for-profit, independent university, with more than 28,000 students and 103,000 alumni on a sprawling, 300-acre Fort Lauderdale-Davie campus.

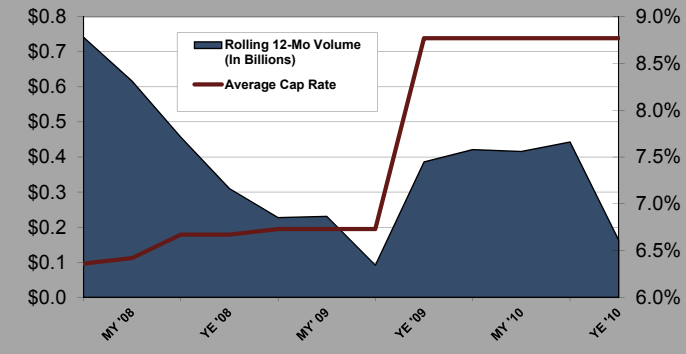
Retail development in Broward County is still very limited with less than a handful of smaller retail projects and banks coming out of the ground. Kohls, Aldi, Dicks Sporting Goods, and HH Gregg aggressively pushed into South Florida during 2010 and 2011 but have focused on second generation space. These retailers are pumping new life into some older, very well located centers that are being redeveloped to accommodate them. Michaels, Pet Supermarket, Ross, Toys R Us/Babies R Us and Winn Dixie have also been active in various submarkets.

"Job growth and wage earner security will go a long way to increase consumer confidence and increase retail sales as we move forward in the economic recovery"

- James Fried
Aztec Group

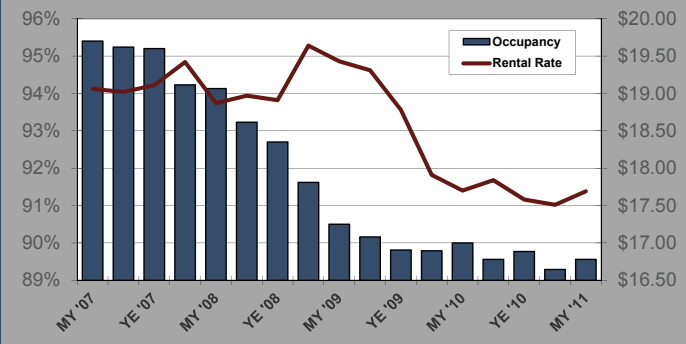


BROWARD CAPITAL MARKETS TRENDS



Source: Real Capital Analytics

BROWARD HISTORICAL RENT & OCCUPANCY



Power Center & Shopping Center Statistics From CoStar Property Report

Market Makers

Bal Harbour Square

Ramco Gershenson - Ft. Lauderdale
147,483 SF Redevelopment - Michael's, PetSmart, ULTA, Chase Bank, Chipotle, Pei Wei Asian Diner
Opening Fall '11

Coral Landings III

Stiles - Coral Springs
155,000 SF Redevelopment
Aldi, Opening 4Q11

Coral Square Mall

941,000 SF
Kohl's - 99,000 SF, Opening '11

The Fountains

Developers Diversified Realty - Plantation
477,000 SF Redevelopment
Completed - Kohl's, Marshalls/
HomeGoods
Dick's Sporting Goods, Jo-Ann Fabrics

Pembroke Crossing

Prudential - Pembroke Pines
289,000 SF Redevelopment - Old Navy, Babies R Us, Dick's, PetSmart, ULTA
Opened Summer '11

Pompano Beach Publix

Brandon Partners - Pompano Beach
Redevelopment, Publix - 54,000 SF
Opening '12

Regions Bank Plaza

Ft. Lauderdale
Former Winn-Dixie Redevelopment -
Dick's

Sunshine Plaza

Global Fund Investments - Tamarac
Marshalls - 27,720 SF, Opening Late '12

The Publix at Galleria

Ft. Lauderdale
Publix - 28,000 SF, Opened Aug-'11

"We've noticed increased demand for retail sites in A+ locations throughout Broward and Miami-Dade County. In fact, multiple offers have been made on spaces we've been pursuing for our clients and that hasn't been the case for several years. The very best sites continue to be leased at a premium"

- Matthew Martinez
Beacon Hill Property Group

BROWARD RETAIL LEASING DATA

Submarket Name	Inventory	Occupancy Rate			Rental Rate		
		YE10	MY11	Change	YE10	MY11	Change
Commercial Blvd	1,371,900	89.0%	94.7%	5.7%	\$10.11	\$14.25	41.0%
Cypress Creek	1,377,722	88.1%	88.2%	0.1%	\$11.90	\$12.67	6.5%
Downtown Fort Lauderdale	1,113,828	97.2%	96.4%	-0.8%	\$22.70	\$23.01	1.4%
Fort Lauderdale	6,102,472	91.3%	91.4%	0.1%	\$19.69	\$20.23	2.7%
Hallandale	1,864,140	90.4%	92.1%	1.7%	\$15.52	\$15.51	-0.1%
Hollywood	5,702,254	90.9%	91.9%	0.9%	\$19.41	\$18.58	-4.3%
NW Broward / Coral Springs	7,306,859	88.0%	86.5%	-1.5%	\$16.92	\$15.67	-7.4%
Outlying Broward	2,127,557	90.2%	90.3%	0.1%	\$19.89	\$19.97	0.4%
Plantation	7,597,924	87.3%	86.1%	-1.2%	\$14.38	\$15.47	7.6%
Pompano Beach	8,395,436	90.8%	88.9%	-2.0%	\$18.07	\$17.13	-5.2%
Sawgrass Park	1,288,656	93.1%	93.8%	0.7%	\$14.03	\$15.28	8.9%
Southwest Broward	8,617,262	89.2%	90.0%	0.9%	\$21.54	\$21.93	1.8%
Broward Market Total	52,866,010	89.8%	89.6%	-0.2%	\$17.58	\$17.69	0.6%

Power Center & Shopping Center Market Statistics From CoStar Property

Palm Beach

1.29 Million People

38.8 Million SF of Shopping Centers

\$18.00

average rental rate

the second highest statewide this quarter

89.2%

occupancy

steadily increasing for the past four quarters

11.0%

unemployment



PALM BEACH EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	623,480	620,316	-0.51%
Unemployment Rate	11.5%	11.0%	-0.50%

Source: Florida Research and Economic Database

Market Overview

Palm Beach County is showing noticeable improvement thus far in 2011. Stabilized vacancy rates and extremely low construction rates are a couple of signs to the recovering market. Population growth, however, has been the key factor to the improvement, driving both local employment and retail demand.

A large influx of wealthy retirees in addition to a steady flow of migration has boosted employment growth. The increase in affordable housing and the aging of the population will mainly draw retirees and younger working class citizens, as an increasing amount of job opportunities open up in the healthcare industry. In fact, Palm Beach County will mass some of the strongest population growth in the nation.

As Palm Beach sees a number of jobs return, the metro should soon see vacancy rates get better as well. Currently, we are seeing a stabilization of occupancy levels. The miniscule construction rate (0.8%) in the metro should, however, transform this stabilization into an improvement. In other words, the lack of new space being built will lower the levels of retail supply, which will ultimately help the high vacancy rates to recover in the near future.

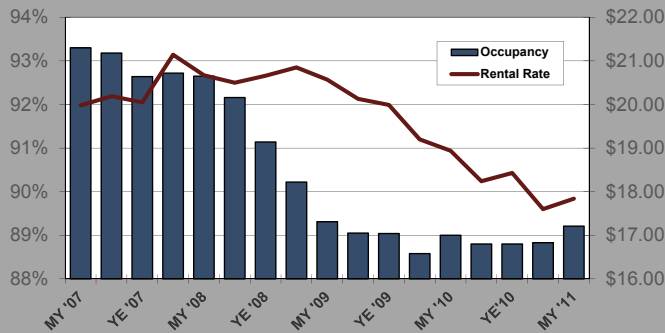
In other news, Palm Beach County has experienced a wave of restaurant expansion, (Chipotle, Chick fil A, Pollo Tropical, McDonalds, Yum Brands and Five Guys Burgers as well as many others). Electronics stores (HHGregg), fitness centers (YouFit), and career colleges are also rapidly popping up all over the South Florida market. In addition, discount retailers have been expanding aggressively as we have seen a number of Dollar Tree, Dollar General, and Family Dollar stores open up in the past year.

"Values for core properties have rebounded, perhaps at a rate that is faster than anticipated. Overall yields on a relative basis are, however, attractive to the institutional investor. Despite the improved core valuations, there continues to be a significant volume of distressed investment opportunities for transitional assets. This level of activity should continue to increase through the end of the year"

- Casey Cummings
RAM Realty Services

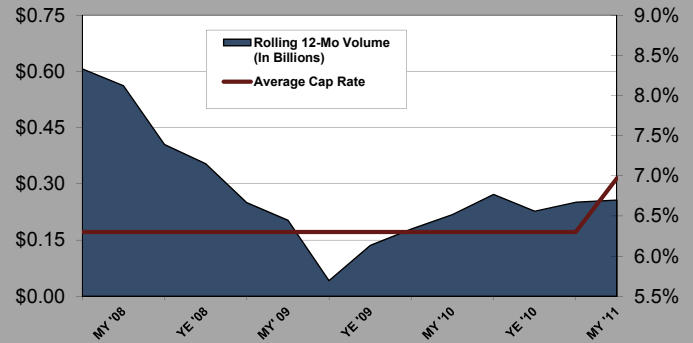


PALM BEACH HISTORICAL RENT & OCCUPANCY



Power Center & Shopping Center Statistics From CoStar Property Report

PALM BEACH CAPITAL MARKETS TRENDS



Source: Real Capital Analytics

Market Makers

Frenchman's Crossing

Land Design South - Palm Beach Gardens
62,000 SF - Publix Anchored
Opening Late-10

Legacy Place

GLL Real Estate by The Sembler Company -
Palm Beach Gardens
Shoe Carnival - 11,633 SF, Opening 1Q12

Publix at Lake Worth

Brandon Partners - Lake Worth
28,000 SF free-standing Publix
Opened Apr-'11

Publix at Palm Beach Plaza

T.L. Pittman - West Palm Beach
Redevelopment, Publix - 45,000 SF

Publix at Riviera Beach

Brandon Partners - Riviera Beach
28,000 SF free-standing Publix
Opening Late '11

Shoppes At Woolbright

Woolbright Development - Boynton Beach
156,814 SF - Publix Anchored

Whitworth Farms

Monroe's Prestige Group - Boynton Beach
112,375 SF - Publix Anchored

"The last three years have been extremely difficult for Florida's shopping center industry. Nevertheless, all of us at Woolbright Development are strong believers in the long-term growth outlook for Florida's future. The worst of this crisis is behind us and our best days are ahead of us"

- Duane Stiller
Woolbright Development

"Capital markets in the Southeast continue trends we have witnessed since the start of 2010, as core properties receive the majority of attention from investors and lenders, and cap rates maintain a steady decline since their peak in November of 2009"

- Whitney Knoll
Newmark Knight Frank



PALM BEACH RETAIL LEASING DATA

Submarket Name	Inventory	Occupancy Rate			Rental Rate		
		YE 10	MY 11	Change	YE 10	MY 11	Change
Boca Raton	5,234,756	92.2%	90.8%	-1.4%	\$25.32	\$24.11	-4.8%
Boynton / Lantana	6,045,195	86.9%	86.7%	-0.2%	\$18.44	\$18.08	-1.9%
Delray Beach	4,055,361	88.7%	88.0%	-0.7%	\$16.87	\$16.14	-4.3%
Jupiter	2,865,882	91.9%	93.0%	1.1%	\$21.68	\$20.83	-3.9%
North Palm Beach	4,536,455	87.5%	87.9%	0.3%	\$15.65	\$16.08	2.8%
Palm Beach	2,889,264	86.0%	89.8%	3.8%	\$20.03	\$19.78	-1.2%
Palm Springs / Lake Worth	1,383,745	92.5%	92.7%	0.2%	\$13.00	\$12.90	-0.8%
Royal Palm Beach / Wellington	4,605,166	90.1%	91.1%	0.9%	\$17.41	\$18.03	3.5%
West Palm Beach	7,150,865	87.3%	87.8%	0.5%	\$15.66	\$15.63	-0.2%
Palm Beach Market Total	38,766,689	88.8%	89.2%	0.4%	\$18.43	\$18.00	-2.4%

Power Center & Shopping Center Market Statistics From CoStar Property

Naples / Collier

333,000 People

11.6 Million SF of Shopping Centers

\$16.93

average rental rate
the fourth highest
statewide this quarter

89.2%

occupancy
relatively stable since
year-end 2009

11.3%

unemployment



NAPLES EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	144,936	138,631	-4.55%
Unemployment Rate	11.5%	11.3%	-0.20%

Source: Florida Research and Economic Database

Market Overview

The economy is gradually warming up in Collier County, as it is in many of Florida's retirement and vacation hotspots. The County, which blossomed to 333,000 residents over the past two decades, has now slowed down its projections to 400,000 residents by 2020. (Florida Demographic Database, August 2010). Collier County remains attractive for residential and retail growth given its quality of life, beautiful beaches, and upscale environment.

Future growth is largely dependent upon job creation and snowbird relocations. Collier County is actively working on holding and expanding Arthrex, an international medical equipment company headquartered in North Naples. Arthrex plans to grow its facilities for over 1,500 employees.

2011 is showing signs of promise in both the housing and tourism markets. Though the median price of a residential unit (\$175,000) is down 4% from 2010, the number of sales in May 2011 was 94% better than May 2007, and available inventory is down to 7,541 residential units.

Most importantly, taxable sales in Collier County rose 6% for the year (March 2010-March 2011) according to the Florida Department of Revenue, and this bodes well for retailers looking forward.

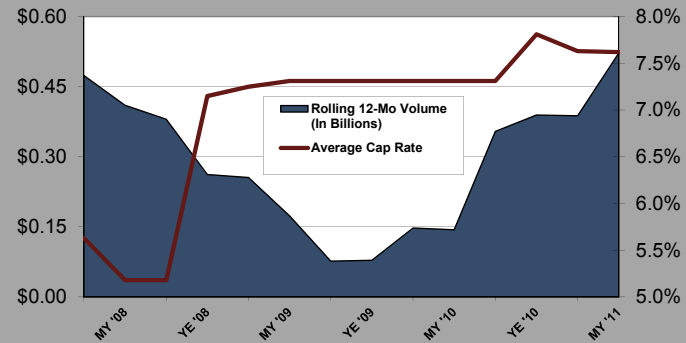
One of the hotspots for retail continues to be The Mercato which recently added Chipotle Mexican Grill, Sperry Topsider, Rocky Patel Burn Cigar Lounge, Yogurbella, Charming Charlies, and Bio NY apparel. Pikolino's, an international shoe store from Spain, is planning its first U.S. location in Naples at Mercato.

Fifth Avenue South is a growth hot spot in central downtown Naples with the formation of its new Business Improvement District and the expansion of several existing businesses. These include The Inn on Fifth, which will redevelop the property across from its existing location with a Chase Bank and additional boutique hotel rooms, and Fifth Avenue Design Gallery.

New development in East Naples is being proposed on US 41 and 951 and starting with a Chase Bank. A 170,000 sq. ft. retail development project is also proposed on 40 acres at Wilson and Golden Gate Blvd. in Golden Gate Estates.



SOUTHWEST FLORIDA CAPITAL MARKETS TRENDS



Source: Real Capital Analytics

"The well performing anchored properties are seeing some small shop absorption. However, rents continue to remain down 20%-30% from their peak"

- Ryan Joyce
Kite Realty Group

"There is a light at the end of the tunnel, but the market in the southeast region is still unsteady. Retailers such as Dick's Sporting Goods and HH Gregg are now making their way into South Florida for the first time. They are taking advantage of the more desirable spaces that are now being leased at lower rates. When the market does bounce back, we will have a whole new list of clientele in the area and more retail options for the consumer"

- Terry Salzman
SRS Real Estate Partners



Market Makers

Brooks Village
The Sembler Company - Naples
65,960 - Publix, Walgreens
Completion '10

Promenade at Naples
GLL Real Estate by The Sembler Company - Naples
Golfsmith - 35,000 SF
Jo-Ann Fabrics - 25,000 SF



NAPLES RETAIL LEASING DATA							
Submarket Name	Inventory	Occupancy Rate			Rental Rate		
		YE10	MY11	Change	YE10	MY11	Change
East Naples	2,168,441	87.8%	85.7%	-2.1%	\$15.34	\$15.06	-1.8%
Golden Gate	670,885	93.3%	92.9%	-0.4%	\$15.58	\$15.78	1.3%
Lely	418,034	58.4%	58.5%	0.1%	\$14.45	\$14.55	0.7%
Marco Island	796,510	93.1%	94.6%	1.5%	\$17.51	\$18.82	7.5%
Naples	525,794	92.5%	93.3%	0.8%	\$16.48	\$16.08	-2.4%
North Naples	6,418,167	89.1%	90.7%	1.5%	\$18.90	\$18.18	-3.8%
Outlying Collier County	647,417	93.7%	93.0%	-0.7%	\$11.88	\$11.93	0.4%
Naples Market Total	11,645,248	88.7%	89.2%	0.5%	\$17.27	\$16.93	-2.0%

Power Center & Shopping Center Market Statistics From CoStar Property

Fort Myers / Cape Coral

615,124 People

26.6 Million SF of Shopping Centers

\$14.26

average rental rate

down from a peak of over \$20 in 2006

86.4%

occupancy

stable for the seventh consecutive quarter

11.5%

unemployment



FT. MYERS / CAPE CORAL EMPLOYMENT

	YE10	MY11	Change
Workforce Size	274,752	269,450	-1.97%
Unemployment Rate	12.5%	11.6%	-0.90%

Source: Florida Research and Economic Database

Market Overview

The Southwest Florida economy showed continued signs of improvement through the midway point of 2011. Home sales continued to increase, air traffic increased, hotel occupancy increased, new foreclosures were down, and home prices and unemployment improved slightly. Lee County new home permits are expected to improve in the coming quarters due to the improvements in the economy and busy winter buying season, which will eventually lead to improvements in the retail sector. These highlights, accompanied with the recent release of the 2010 U.S. Census and BEBR figures showing renewed growth in Southwest Florida's population, bode well for the housing and retail industry, as well as the overall economy moving forward.

The City of Fort Myers is in the process of renovating the Downtown River District, spending approximately \$68MM to renovate the utility infrastructure and streetscape. The renovations are expected to bring a new livelihood in the form of retail, restaurants and nightlife to the River District. The remaining portion of the redevelopment should commence in December 2011 and attract national tenants and restaurateurs.

"The renaissance of The Downtown River District has been a powerful, tangible example of how modern infrastructure, outstanding design and The Arts and Culture can drive economy in a city. The best is yet to come. As any downtown goes, so goes the rest of the city"

- Mayor Randy Henderson
City of Fort Myers

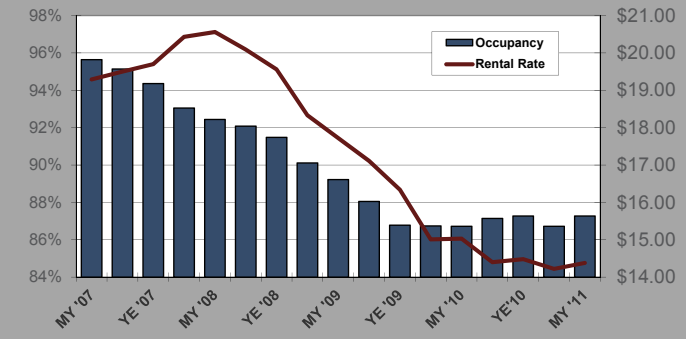
Florida Gulf Coast University (FGCU), an emerging economic driver in Southwest Florida, has become the largest regional school in the Southwest Florida area. Over the course of the past six years FGCU has added in excess of 900 students per year. FGCU officials project the student population to be between 20,000 – 22,000 students by 2018. The growth of FGCU continues to add a consumer base to retail centers in south Lee County such as Gulf Coast Town Center and Miramar Outlet Mall.

The housing market, which is Southwest Florida's primary industry, is showing signs of returning to a healthy state, however there are headwinds which still remain. Feeder markets in the Midwest and Northeast are still suffering from depressed economies and real estate markets, essentially trapping residents in their current homes and prohibiting them from purchasing homes in Southwest Florida. There is a significant amount of commercial and residential unlisted bank REO (AKA Shadow Inventory) held by banks, which still need to be released to the market.

Lastly, local job creation is still not strong enough to significantly diminish unemployment.



SOUTHWEST FLORIDA HISTORICAL RENT & OCCUPANCY



Power Center & Shopping Center Statistics From CoStar Property Report

“Florida continues to be a priority state for Beall’s Outlet. ‘Right sizing’ our stores is a major focus. We recently completed relocations and expansions in Lehigh Acres, Melbourne, Marianna and Bartow. Seven more projects are slated for October 2011 openings in Fort Myers, Ocala, Tampa, Stuart, Lake City, Marco Island and Poinciana. In the last 2 months, we also completed remodels in Pensacola (2), St. Cloud, St. Augustine and Clermont. Our prototypical ‘sweet spot’ is 25,000 SF.”

- Jim Simpson
Bealls Outlet

Market Makers

Alico Commons
Endeavor Real Estate Group - Fort Myers
110676 SF - Publix, CVS
Completion 2010

Colonial Square and Village Walk
Inland Diversified - Fort Myers
272,358 SF - Kohl’s, Sports Authority
Acquired 4Q10

Estero Crossings
The Wilder Companies - Estero
310,000 SF Open-Air Retail

Gulf Plaza & Milton Street Plaza
Cape Coral
70,000 SF - Sweetbay
Completion Aug-10

Patriot Plaza
Grubb & Ellis - Cape Coral
225,000 SF Veteran’s Medical Facility
Opening 2Q11

Publix at Eagle Landing
Halvorsen - Ft. Myers
70,000 SF Publix Anchored
Opening Late ‘11

Shoppes at DelPrado
North American Development Group
& Paradise Ventures - North Ft. Myers
66,560 Publix, Walgreens
Opening 3Q12

University Plaza
Jacobs Group - Fort Myers
Opening Mid ‘12



“In general, we’ve seen activity significantly increase at our better properties while we still struggle with those located in less desirable areas or on the fringe of the major retail corridors. We are working with multiple national restaurant chains that are new to the area which is a positive sign”

- Matthew Yaniglos, SCDP
LandQwest Commercial

FORT MYERS RETAIL LEASING DATA

Submarket Name	Inventory	Occupancy Rate			Rental Rate		
		YE10	MY11	Change	YE10	MY11	Change
Bonita Springs	2,269,509	83.2%	79.9%	-3.3%	\$14.80	\$13.90	-6.1%
Cape Coral	4,616,528	85.1%	85.5%	0.3%	\$14.56	\$13.88	-4.7%
Charlotte County	4,638,165	90.1%	90.3%	0.2%	\$14.33	\$13.72	-4.3%
City of Ft Myers	2,837,174	84.9%	86.8%	1.8%	\$11.85	\$11.83	-0.2%
Estero	923,872	82.8%	83.6%	0.8%	\$13.45	\$13.33	-0.9%
Lehigh	678,805	90.9%	91.1%	0.2%	\$16.13	\$16.20	0.4%
North Ft Myers	1,382,118	87.8%	87.3%	-0.5%	\$10.16	\$9.94	-2.2%
South Ft Myers / San Carlos	8,718,757	86.4%	85.4%	-0.9%	\$14.85	\$14.91	0.4%
The Islands	506,421	98.4%	98.7%	0.3%	\$34.14	\$37.45	9.7%
Ft Myers Market Total	26,571,349	86.7%	86.4%	-0.3%	\$14.49	\$14.26	-1.6%

Power Center & Shopping Center Market Statistics From CoStar Property

Martin / St. Lucie

424,107 People

10.7 Million SF of Shopping Centers

\$15.03
average rental rate

down 9% since
year-end 2010

89.8%
occupancy

higher than statewide
average this quarter

12.5%
unemployment

PORT ST. LUCIE EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	186,673	187,038	0.20%
Unemployment Rate	13.4%	12.5%	-0.90%

Source: Florida Research and Economic Database

Market Overview

Martin and St. Lucie Counties are located along the eastern coast of Florida, known as the Treasure Coast. Some would suggest the Treasure Coast is making its way to becoming the "Research Coast," and with good reason.

WHERE'S THE RETAIL? WHERE THE JOBS ARE!

Research bio-tech companies like Torrey Pines and Vaccine and Gene Therapy Institute Florida (VGTI) are set to create an estimated 420 jobs by 2013. In addition, Digital Domain's 150,000 SF corporate office and production studio will soon be completed with plans to hire an estimated 500 people by 2013. Job creation continues to drive retail markets along the Treasure Coast. St. Lucie West and Tradition are a good example of this.

Rent ranges from \$12.00 PSF - \$25.00 PSF NNN. Market rental rates have remained constant over the past 6 months, however occupancy continues to decrease. It has been indicated that the increase in vacancy levels is due in large part to many retailers unable to pay their rent due to overall poor economic conditions.

Due to lack of pre-leasing activity in the market, many proposed retail centers have either pushed back construction dates, or remain "on-hold" indefinitely.

Most of the retail leasing transactions are occurring in the St. Lucie West Blvd corridor, Jensen Beach Blvd/US1 corridor (includes the Jensen Beach Mall) and the Monterey Road/US1 corridor in Stuart.



Market Makers

Harbor Point

North American Development Group & Michael Collard Properties - Vero Beach
92,000 SF - Publix Anchored
Opening Fall-12

Jensen Beach Retail

DeBartolo - Jensen Beach
50,000 SF Retail - Planned

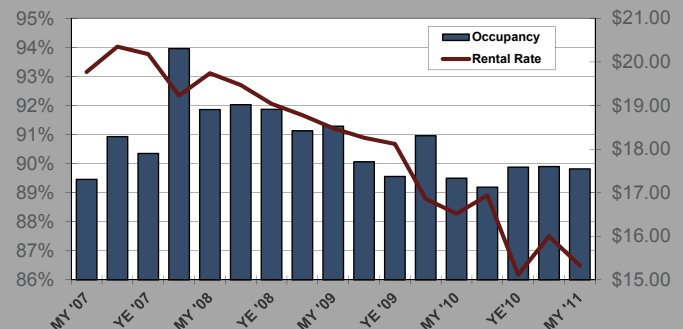
Ocean Breeze Plaza

Century Retail
Redevelopment - Publix

Rivergate Plaza

The Sembler Company
Port St. Lucie
89,400 SF Redevelopment
Publix Anchored

ST. LUCIE HISTORICAL RENT & OCCUPANCY



Power Center & Shopping Center Statistics From CoStar Property Report

Sarasota / Bradenton

702,281 People

19.2 Million SF of Shopping Centers



SARASOTA MSA RETAIL LEASING DATA

Submarket Name	Inventory	Occupancy Rate			Rental Rate		
		YE10	MY11	Change	YE10	MY11	Change
Manatee	7,695,238	89.0%	87.0%	-2.0%	\$12.53	\$12.42	-0.9%
Manatee Outlying	595,670	90.4%	90.0%	-0.4%	\$15.46	\$15.92	3.0%
Sarasota	8,412,328	88.1%	88.3%	0.3%	\$15.63	\$16.06	2.7%
Sarasota Outlying	2,464,240	85.8%	81.4%	-4.4%	\$10.97	\$11.37	3.6%
Sarasota Market Total	19,167,476	88.2%	86.9%	-1.3%	\$13.78	\$13.99	1.5%

Power Center & Shopping Center Market Statistics From CoStar Property

Market Makers

Cortez Commons

MLG Commercial by LandQwest Commercial - Bradenton
Big Lots - 39,795 SF
Completion Mid '11

Jacaranda Commons

North American Development Group - Venice
94,700 SF - Publix, CVS

Plaza Venezia

Michael Collard Properties - Venice
80,000 SF - Publix Anchored
Opening 4Q12

Siesta Promenade

Benderson Development - Sarasota
261,600 SF Office/Retail

University Groves

W. G. Mills - Sarasota
180,000 SF
Opening Fall '11

University Park Center

Benderson Development - Sarasota
Kohl's, Fresh Market

University Parkway Shopping Center

Heritage Development Company - Sarasota
Walmart Supercenter, Walgreens
Opening Winter '11

University Town Center Phase II

Benderson Development - Sarasota
1.8 Million SF Mixed-Use - Nordstrom, Muvico

US-41 & Wood Street Publix

Shagbark Properties - Sarasota
46,000 SF free-standing Publix
Opening Fall '11



"Since 2007, our industry, tenants, vendors and customers have adjusted to significant changes in the Florida economy. State and local governments must now make similar, significant adjustments for permanent recovery to occur"

- Seth Layton
The Sembler Company

Market Overview

Sarasota and Manatee counties follow a lineal form of development through the county.

The original and more mature area through this region is the US-41 corridor. This was the focus of activity with its access to the beaches and resorts. This attracted people and development close by the airport and the university. Both of the existing Westfield malls are on the US-41 corridor.

New growth in the county is now along I-75 and its intersection running north and south on the eastern border of the two county area. The majority of growth has been at the intersections. The southern Sarasota county area (Bee Ridge & Clark Road) is mature and mostly built out, while the north end (SR 64/SR 70) is newer and less developed. The proposed development of the mall on University Parkway has caused it to become the epicenter of retail in the eastern core.

For a non-metro market area, Sarasota/Bradenton has had significant expansion of big boxes based on the projected Benderson mall plans for eastern county (University Parkway and I-75). This has attracted tenants such as Super Wal-Mart, Stein Mart, Ross, Guitar Center, and Home Depot.

MANATEE-SARASOTA EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	310,755	301,928	-2.92%
Unemployment Rate	11.6%	10.9%	-0.70%

Source: Florida Research and Economic Database

Tampa / St. Petersburg

2.73 Million People
97.5 Million SF of Shopping Centers

\$13.39

average rental rate

down from a peak of over \$16 in late 2008

89.3%

occupancy

the third highest statewide this quarter

11.1%

unemployment



TAMPA MSA EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	1,303,676	1,301,000	-0.21%
Unemployment Rate	12.0%	11.1%	-0.90%

Source: Florida Research and Economic Database



“Leasing activity, although slower than we would like, has increased somewhat in Pinellas and Hillsborough. Rent levels are still lower than 2 years ago, but well-located space is getting hard to find. We see serious competition for prime spaces between the new hamburger, self-serve yogurt, and health/fitness concepts”

- Cary Anderson
Regency Centers

Market Overview

The Tampa Bay/St. Petersburg area is a progressive, dynamic, and growing region. The Bay Area’s top economic drivers include tourism and healthcare report slow-moving signs of recovery. The residential development market shows signs of growth this year with the mixed-use redevelopment project called Encore with plans to build a “city within a city”. Encore, the 40-acre square project is located northeast of downtown Tampa and is planned to construct multi-family buildings this year named, Trio with 143-units and Ella with 160-units. Construction is expected to start on Reed at Encore, which is an apartment building for seniors in 2012.

St. Joseph’s Women’s Hospital, part of the BayCare health system unveiled their \$75 Million, 125,000 SF expansion this year. The BayCare health system is the market leader in the Tampa Bay area. BayCare is the leader in the hospital and health care services and continues to expand with over 100 facilities. The BayCare Health system is the areas second largest employer, the largest employer being Publix.

“With the pending completion of the Riverwalk in Downtown Tampa and the need for more hospitality and service type businesses, we are seeing the redevelopment of several projects that will have new restaurants, retail, and service based concepts popping up.

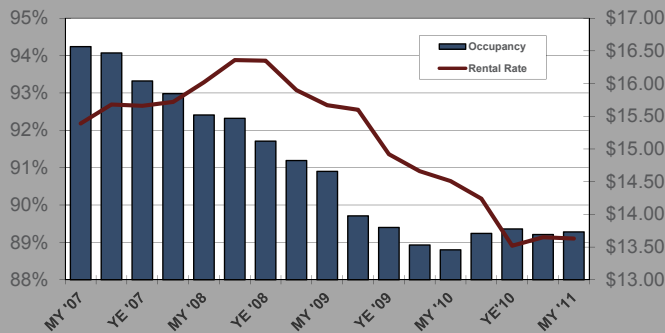
Tampa/St. Pete has yet to get a major discount retailer center dedicated solely to discount or outlet shopping. It’s a void that we need to fill to help drive retail sales in our marketplace”

- Jason Donald
Cushman & Wakefield (Tampa)

Gov. Rick Scott rejected federal funding for the high-speed rail, which was the proposed rail system connecting Tampa to Orlando despite studies showing the high-speed rail profitability. Tampa’s light-rail project proposed to transit hubs and lines stretching from Citrus to Sarasota counties lack funding and remains only a vision and in need of a short-term solution. However, finally after years of delay and debate, construction on Central Florida’s SunRail commuter train kicked off with a ground breaking on the railroad tracks near downtown Orlando. Perhaps, the success of SunRail will provide the support needed for the proposed high-speed and light-rail developments.

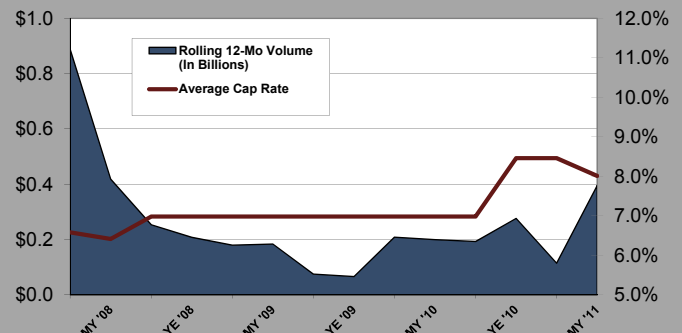


TAMPA HISTORICAL RENT & OCCUPANCY



Power Center & Shopping Center Statistics From CoStar Property Report

TAMPA CAPITAL MARKETS TRENDS



Source: Real Capital Analytics

Market Makers

Crossroads

The Sembler Company - St. Petersburg
27,712 SF - West Marine

Marketplace Shopping Center

Regency Centers - Tyrone
LA Fitness - 46,820 SF, Opened Jan-11

MetWest International

MetLife by Florida Retail Partners - Tampa
Price Waterhouse Coopers - 250,000 SF
New Tower Opening Apr-'13

Pavilion Crossing

Michael Collard Properties - Riverview
68,400 SF - Publix Anchored
Opening 4Q11

University Plaza

The Sembler Company - Tampa
12,019 SF - CitiTrends

Valrico Commons

North American Development Group
& Primerica Group One- Valrico
125,000 SF - Publix, Chase Bank
Opening 3Q11



"Construction activity has remained steady over the past 12 months primarily fueled by self-funded National Retailers, REITs, and Health Care. Costs have increased over their lows last year and we expect this trend to continue as construction activity picks up in the future"

- John McCaugherty
Hawkins Construction

TAMPA MSA RETAIL LEASING DATA

Submarket Name	Inventory	Occupancy Rate			Rental Rate		
		YE10	MY11	Change	YE10	MY11	Change
Bayside	1,226,090	90.7%	91.2%	0.0%	\$12.65	\$12.47	-1.4%
Clearwater CBD	536,765	96.7%	95.3%	-1.4%	\$12.76	\$12.76	0.0%
East Tampa	5,569,986	91.7%	92.2%	0.5%	\$14.12	\$14.75	4.4%
Gateway	1,732,878	93.0%	91.8%	-1.1%	\$18.11	\$17.55	-3.1%
Hernando County	4,462,076	90.6%	90.5%	-0.1%	\$12.33	\$12.02	-2.5%
Manatee	7,695,238	89.0%	87.0%	-2.0%	\$12.53	\$12.42	-0.9%
Manatee Outlying	595,670	90.4%	90.0%	-0.4%	\$15.46	\$15.92	3.0%
Mid-Pinellas	6,239,892	90.1%	89.5%	-0.6%	\$12.97	\$12.79	-1.4%
North Pinellas	7,720,211	88.1%	89.1%	1.0%	\$15.45	\$14.47	-6.3%
Northeast Tampa	5,273,885	90.8%	91.2%	0.4%	\$13.76	\$13.50	-1.9%
Northwest Tampa	9,674,352	91.9%	91.0%	-0.9%	\$16.26	\$15.84	-2.6%
Pasco County	11,524,363	87.4%	87.0%	-0.5%	\$11.98	\$12.23	2.0%
Polk County	12,065,261	88.6%	89.6%	1.0%	\$13.65	\$13.38	-2.0%
Sarasota	8,412,328	88.1%	88.3%	0.3%	\$15.63	\$16.06	2.7%
Sarasota Outlying	2,464,240	85.8%	81.4%	-4.4%	\$10.97	\$11.37	3.6%
South Pinellas	7,695,963	88.6%	90.3%	1.7%	\$11.29	\$11.58	2.6%
South Tampa	1,747,699	93.7%	93.3%	-0.4%	\$13.81	\$13.43	-2.8%
St Petersburg CBD	232,801	79.8%	85.4%	5.6%	\$11.62	\$8.40	-27.7%
Tampa CBD	304,246	66.1%	62.6%	-3.5%	\$0.00	\$0.00	0.0%
Westshore	2,340,855	88.9%	89.7%	0.7%	\$17.35	\$17.35	0.0%
Tampa Market Total	97,514,799	89.4%	89.3%	-0.1%	\$13.52	\$13.39	-0.9%

Power Center & Shopping Center Market Statistics From CoStar Property

Lakeland / Polk

602,095 People

12.1 Million SF of Shopping Centers

\$13.38

average rental rate

down 2% since year-end 2010

89.6%

occupancy

above the statewide average this quarter

11.7%

unemployment

Market Overview

The Lakeland/ Polk County market has seen a consistent increase in activity throughout the first half of 2011. Tenants are continuing to take advantage of reduced rents and the mass of opportunities available to them. Both housing and unemployment continues to trend downward for the fourth consecutive quarter, but they still remain high leaving the overall economic outlook uncertain.

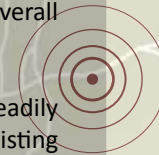
The number of Tenants asking for rent relief continues to steadily decrease which could be a sign of coming stability. The existing Tenants who have weathered the downturn up to this point have reworked their operations and learned how to stay profitable in such a challenging market. Those same Tenants continue to progress while many of their competitors are not adapting and closing, creating a greater market share and potential opportunity for expansion.

There is, however great cause for optimism with the much anticipated opening of the Legoland theme park in Winter Haven later this year. The park will add over 800 new jobs and will attract millions of visitors to the area giving the market a substantial economic boost. This will likely increase the overall speed of the recovery.

LAKELAND EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	274,482	272,201	-0.84%
Unemployment Rate	12.5%	11.7%	-0.80%

Source: Florida Research and Economic Database



"Polk County may be the most exciting market in Florida at this time. The opening of Legoland, the CSX Integrated Logistics Center, USF Poly Tech, and expanded facilities at the Heart of Florida Medical Center will establish a solid and diversified economic foundation in education, transportation, healthcare, and tourism. New jobs will need housing and new households will need retail and commercial development"

- Bill Owen
W.H. Owen Consulting

Market Makers

City Centre at Posner Park
Trammell Crow Company - Davenport
450,000 SF - Under Construction

Gresham Village
Watkins Retail Group - Lakeland
89,831 SF - Publix Anchored, Planned





Pasco / Hernando

637,475 People

15.9 Million SF of Shopping Centers

\$12.23
pasco
average rental rate

\$12.02
hernando
average rental rate

Market Overview

Pasco County was once considered to be a semirural bedroom community for Tampa Bay but has moved toward a more diverse economy with established residential growth fueling retail services. It now has the 13th largest school district in Florida and new homes are again being built.

Pasco County Commission just approved a revision of the County's impact fee structure with a new ordinance to be based on Mobility Fees. This will result in a slight increase in new construction fees in urban areas, while fees in rural areas would see a drop except for some types of retail and office uses, who could see a fee increase in those areas.

The widening of SR 54 towards Zephyrhills is still ongoing, as is the widening of I-75 by the SR 54 exit and a new Walmart Neighborhood Market is scheduled to open next to Sam's Club at Seven Oaks on SR 56 in Wesley Chapel.

Village Lakes Shopping Center on SR 54 in Land O'Lakes welcomed Beall's Outlet into a portion the former Walmart space while its long time anchor, Sweetbay Supermarket, announced plans to close the store. Further east on SR 54, the 187,132 sf Colliers Commons Shopping Center in Land O'Lakes was sold to Publix for \$28 million earlier this year.

The 236-bed Medical Center of Trinity on SR 54 is scheduled to open in mid-November with all private rooms and even a Starbucks. A four-story medical building is nearing completion adjacent to hospital.

Sweet Tomatoes restaurant opened in former Outback space on US 19 in Port Richey, near the Aldi supermarket that opened last fall north of Gulfview Mall. The first Wawa convenience store/gas in Pasco County will open on the former Denny's site by the Walmart Supercenter at the corner of US 19 and Ridge Road.

In Hernando County, the Oak Hill Hospital's \$50 million expansion is on track, resulting in an increase of more than 70 jobs on site. The Airport Industrial Park and Airport Corporate Park by the county airport are experiencing growth with new manufacturing and distribution businesses.

One of the largest centers on US 19 in Spring Hill, the 226,000 sf Nature Coast Commons Center which is shadow anchored by JC Penney's, was recently sold to Cole Real Estate Investments for \$29 million.

Market Makers

Aldi Grocery Store
Aldi Florida - Port Richey
16,000 SF
Opening Sept-10

Hays Towne Center
Dunphy Properties - Land O'Lakes
105,000 SF - Publix Anchored
Opening 2Q11

Suncoast Crossings
Regency Centers - Brooksville
McDonalds - Opened Early-11

Terra Bella
Boyd Development - Land O'Lakes
8 acres Retail in Mixed Use
Opening '11

PASCO COUNTY EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	197,496	196,015	-0.76%
Unemployment Rate	13.0%	12.0%	-1.00%

Source: Florida Research and Economic Database

HERNANDO COUNTY EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	63,404	62,854	-0.88%
Unemployment Rate	14.5%	13.8%	-0.70%

Source: Florida Research and Economic Database

Zephyr Commons (Phase I)
North American Development Group
- Zephyrhills
105,743 SF - Publix, Staples

Orlando

2.1 Million People

71.9 Million SF of Shopping Centers

\$15.39

average rental rate

\$0.40 below the statewide average this quarter

88.5%

occupancy

relatively stable over the past four quarters

10.4%

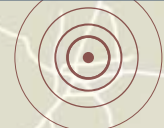
unemployment



ORLANDO MSA EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	1,124,171	1,125,342	0.10%
Unemployment Rate	11.3%	10.4%	-0.90%

Source: Florida Research and Economic Database



"It is interesting how resilient a market can be when the basic commercial real estate fundamentals are right. We are working on an urban infill mixed use development called Mills Park. The site has established permanent and daytime population bases and traffic patterns. It is a boutique grocery anchored site with opportunity for a few restaurants and small shops. Asking low \$30s, with estimated NNN's to be around \$8/SF, we have seen a heavy demand from strong national users and have been collecting unsolicited offers at asking price. I think that was the problem in the boom years...we overlooked the basics"

- Jill Rose
Pelloni Development Corporation

Market Overview

While the economy works to correct itself, the Orlando market has shown a lot of positive momentum in 2011. Creative Village, a 68-acre downtown development, had its ground breaking putting the live, work and play community underway. It will include retail shops, restaurants, entertainment establishments and multiple parks and greenspace. Creative Village will also have access to the new Commuter Rail. The Commuter Rail also had its groundbreaking this year making these two projects the big push jobs growth throughout Central Florida. The completed Amway Center brought new life to downtown and Church Street district with new restaurants and nightlife.

"After a multi-year slumber, the bank debt markets are stirring with activity as the strong independent and regional banks have aggressive loan growth goals. The most sought after projects will be the highest quality retail properties with strong locations, functional designs and a reliable stream of cashflow from well-established tenants. Credit tenant lease income streams can again command LTV ratios in the 75% range. Speculative projects or projects relying on the sale of outparcels will be tougher to finance"

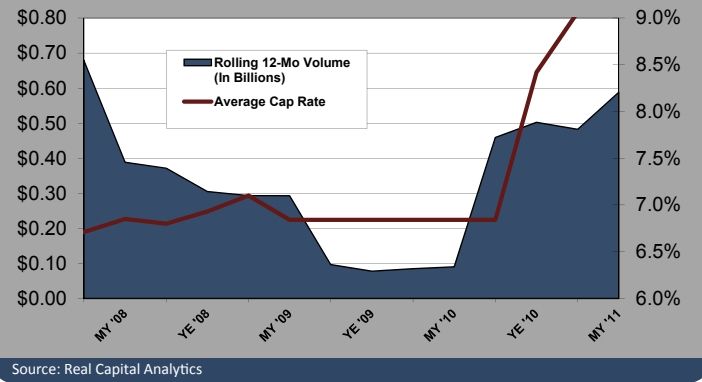
- Steve Cohen
American Momentum Bank

While landlords have continued to be aggressive with leasing, many retailers downsized or fought for survival. Small shop leasing and franchise opportunities are on the rise with most of the focus being on the primary markets opening many opportunities for small and new business owners to take advantage of deals in the secondary and tertiary markets. The discount retailers like Dollar Tree stepped it up, while Toys R Us and Babies R Us tested their cobranded concepts and Best Buy downsized their footprint.

With tourism recovering, the Peabody on I-Drive completed a 32-story, 1,641 bedroom expansion and the Wizarding World of Harry Potter opened at Universal.



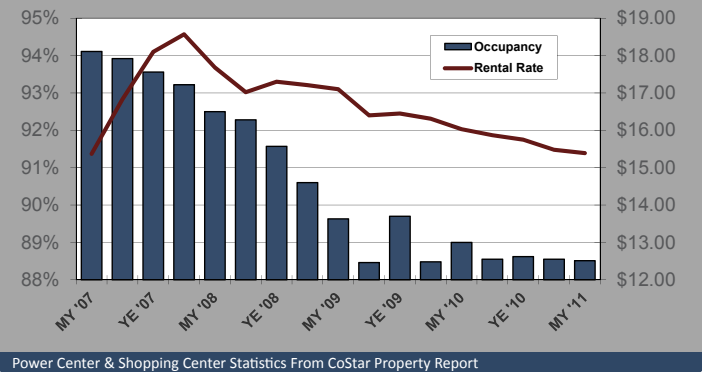
ORLANDO CAPITAL MARKETS TRENDS



"We're being contacted by national and regional retailers bringing their concepts to Florida, and are also seeing renewed interest from established retailers whose expansion plans had been on hold"

- Christie Alexander
NAI Realvest

ORLANDO HISTORICAL RENT & OCCUPANCY



"Although the market dynamics based on job growth and household formation have not generally been conducive for significant new retail development in Central Florida, there are some signs of life in certain areas. In the tourist corridor, the Orlando Premium Outlets has expansion plans, Unicorp's I-Walk project is moving through the approval process featuring attractions like a rotating observation tower, Madame Tussaud's wax museum, and 200,000 SF other retail. Tourism visitation has increased since about mid-year 2010, resulting in positive year over year comparisons in both hotel occupancies and average room rates, yielding some optimism"

- Dave Darsey & Owen Beitsch
Real Estate Research Consultants

"As more and more projects are 'going green', owners and brokers need to avoid claims of 'green-washing'. That is, over stating the sustainability of the project, on issues such as reduced power costs and the value such designation adds to a project. While there are some rating systems currently available, such as the US Green Building Council's designations of 'Certified' and 'Gold', there is no commonly accepted definition of what makes a project 'green'. Be sure to consult with an expert to know how to describe your project"

- Terry Delahunty, Esq., LEED AP
GrayRobinson, P.A.

"Tenants are still difficult to come by for vacant space. We are seeing a lot more leasing activity in the third quarter of the year compared to 1st and 2nd quarters. However, most qualified leads have come through a strategic plan - traditional cold calling and canvassing and not just relying on answering the phone."

- Willow Shambeck
Cursor Realty Corp



Market Makers

Casselberry Commons

Developers Diversified Realty - Casselberry
215,135 SF Redevelopment - Publix, TJ Maxx, Ross, Stein Mart

Black Lake Village

Equinox Development Properties - Orlando
6 acres - Joe's Crab Shack, Texas Roadhouse

Current at Lee Vista

Developers Diversified Realty - Orlando
682,000 SF - Target

Eagle Creek Town Center

Emerson International - Lake Nona
200,000 SF - Grocery Anchored
Construction planned 1Q12

I-Drive Pad Sites

Equinox Development Properties - Orlando
9 acres for 6 outparcels - Walgreens, WaWa, Taco Bell

Lake Nona Planned Development

Tavistock - Lake Nona
7 Million SF Commercial Entitlements
Nearly \$2 Billion Invested in New Construction

Orlando Fashion Square

PREIT by Crossman & Company - Orlando
Disney Entrepreneur Center - 22,000 SF, Opened Apr-11

Orlando Premium Outlets

Simon - Orlando
80,000 SF Expansion Planned, Construction '12

Saxon Crossings

Michael Collard Properties by Forness Properties - Orange City
Hobby Lobby - 50,000 SF

University Plaza

North American Development Group - Winter Park
77,918 SF Redevelopment - Publix, Chase Bank
Completion Apr-11

Winter Garden Village

The Sembler Company - Winter Garden
New leases: Men's Wearhouse, Red Mango, Smile Brand Dental
Opening 2011

Winter Park Village

Casto - Winter Park
New leases: Taps, Lime Fresh, Ginger, Soccer Locker, Music Lab,
Mon Creperie, The Bar Method Fitness Studio, Sprint

ORLANDO MSA RETAIL LEASING DATA

Submarket Name	Inventory	Occupancy Rate			Rental Rate		
		YE10	MY11	Change	YE10	MY11	Change
436 Corridor	4,568,205	93.5%	93.7%	0.2%	\$18.70	\$18.20	-2.7%
Altamonte / Douglas	2,400,886	87.0%	89.0%	2.0%	\$13.69	\$12.68	-7.4%
Brevard County	12,880,026	87.8%	87.2%	-0.7%	\$11.66	\$11.66	0.0%
Casselberry	3,629,284	86.4%	86.4%	0.0%	\$14.55	\$14.03	-3.6%
Downtown	86,939	98.8%	98.7%	-0.1%	\$16.00	\$16.00	0.0%
Kissimmee	3,223,528	90.3%	89.9%	-0.4%	\$17.13	\$16.00	-6.6%
Lake County	6,225,319	90.8%	89.7%	-1.1%	\$16.48	\$17.06	3.5%
Lake Mary	2,208,564	93.5%	91.6%	-1.9%	\$18.81	\$17.72	-5.8%
Lee Road	469,143	93.6%	91.6%	-2.0%	\$10.06	\$15.36	52.7%
Longwood	1,068,533	88.7%	88.1%	-0.6%	\$15.03	\$12.73	-15.3%
Maitland	700,918	85.2%	84.2%	-1.0%	\$14.74	\$15.18	3.0%
Maitland Center	1,522,313	87.1%	87.1%	0.0%	\$19.62	\$20.16	2.7%
Metro West	1,358,952	88.4%	88.7%	0.3%	\$15.66	\$15.31	-2.2%
North Orlando Outlier	724,602	87.7%	83.7%	-4.0%	\$13.74	\$13.86	0.9%
Orlando Airport	200,874	76.6%	76.6%	0.0%	\$17.31	\$15.70	-9.3%
Orlando Central Park	3,653,769	81.1%	82.0%	1.0%	\$12.94	\$12.22	-5.6%
Sanford	2,041,398	86.3%	89.1%	2.8%	\$18.09	\$17.30	-4.4%
South Orange	780,774	87.9%	86.1%	-1.8%	\$15.39	\$16.19	5.2%
South Orlando Outlier	7,594,093	91.4%	90.2%	-1.2%	\$20.09	\$19.47	-3.1%
Tourist Corridor	5,619,930	85.5%	86.8%	1.3%	\$20.85	\$20.35	-2.4%
University	371,557	92.5%	94.5%	2.0%	\$23.50	\$20.41	-13.1%
University Research	236,571	93.7%	91.3%	-2.4%	\$17.69	\$18.19	2.8%
West Colonial	6,318,663	86.3%	87.2%	0.9%	\$13.22	\$13.22	0.0%
West Outlier	1,578,442	N/A	89.9%	N/A	N/A	\$13.57	N/A
West University	1,392,266	84.9%	87.5%	2.6%	\$17.91	\$17.81	-0.6%
Winter Park	1,101,513	93.4%	94.5%	1.1%	\$19.78	\$18.12	-8.4%
Orlando Market Total	71,957,062	88.6%	88.5%	-0.1%	\$15.75	\$15.39	-2.3%

Power Center & Shopping Center Market Statistics From CoStar Property



Daytona Beach / Volusia

1,084,882 People



Market Makers

Destination Daytona

Bruce Rossmeyer - Daytona Beach
100,000 SF Mixed Use - Harley-Davidson,
Entertainment Restaurants & Retail

DAYTONA MSA EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	252,649	254,896	0.88%
Unemployment Rate	12.2%	11.0%	-1.20%

Source: Florida Research and Economic Database

Market Overview

The Daytona Beach / Deltona market is finally starting to see recovery and there's plenty more to come. The exciting announcement that the long-awaited commuter rail project known as SunRail will move forward created a buzz around DeLand and DeBary, the two northernmost stops on the planned transit line connecting western Volusia County with the Orlando metropolitan area.

Daytona Beach continues to drive tourism with nearly 9 million annual visitors. The Ocean Center's expansion in 2009 has already generated increased traffic from major national conventions and has brought in popular musical talent including Usher and Elton John. Directly across from the Ocean Center and surrounded by 2,000 hotel rooms including the Wyndham Ocean Walk Resort and the Hilton Daytona Beach, Ocean Walk Village hosts over 2 million visitors annually. These projects lie in the heart of Daytona Beach's proposed "E-Zone" development, which will include additional hotels, shops, and restaurants as well as a multi-million dollar renovation of the world-famous Daytona Beach Pier.

Ormond Beach and Port Orange see improving retail fundamentals, including the recently redeveloped Ormond Beach Mall anchored by Publix Super Markets and the grand opening of The Pavilion at Port Orange. Ormond Beach also remains home to Bruce Rossmeyer's Daytona Harley-Davidson and the family's adjacent mixed-use development Destination Daytona, complete with entertainment-oriented restaurants and retail.

Beach Street Riverfront will continue to be a family-friendly destination, complete with new retail and residential projects. Bruce Rossmeyer's Daytona Harley-Davidson dealership on Beach Street will be converted into the new Daytona Harley-Davidson Museum Store, contributing to the excitement of Bike Week and Biketoberfest and drawing visitors year-round.

Daytona Beach will experience growth surrounding Florida Hospital's 135-acre Memorial Medical Center as the project's renovation in 2009 opened the trade area to additional medical, industrial, and residential projects. International Speedway Corporation continues to drive significant economic development, seeing strong fan turnout for the signature races. International Speedway Boulevard is thriving as a retail corridor, seeing declining vacancy rates and a new BJ's Brewhouse, Applebee's, and Buffalo Wild Wings.

"From its bold, geometric shapes and electrifying colors, to its picturesque setting at the heart of Daytona Beach, The Ocean Walk Shoppes & Movies offer visitors one of the most unique shopping and entertainment experiences on Florida's east coast."

- Kim Ellis
Ocean Walk Shoppes & Movies

The Villages

Market Makers

Brownwood

The Villages
350,000 SF Town Center
Construction Jul-11

Colony Plaza

The Villages
130,515 SF - Publix Anchored

La Plaza Grande

The Villages
326,150 SF - Belk, Publix

Lake Sumter Landing

The Villages
510,555 SF Town Center - Barnes & Noble,
Coldwater Creek, Starbucks, Panera, Jos A Bank

Spanish Springs

The Villages
375,455 SF Town Center - Chicos, Ruby Tuesday, Panera Bread

Village Crossroads

The Benchmark Group - Lady Lake
160,000 SF - Best Buy, JoAnn, PetsMart, BB&B



Market Overview

The Villages is the largest single site residential development in the United States, spanning over 26,000 acres in adjoining Sumter, Lake and Marion counties. Home to more than 84,000 residents, The Villages has a projected build out of more than 105,000 residents by the year 2017.

The Villages retail market is stable and growing. Net retail absorption has been steadily increasing and occupancy rates within the boundaries of The Villages development are near 98%, which is up slightly over 2010. Development of Brownwood, the third town center inside The Villages, will commence in August 2011. Brownwood is one part of a massive 300+ acre mixed use regional commercial development which will serve both the southwestern section of The Villages and the surrounding area.

The primary economic drivers for the community are discretionary time and income of the area's retired residents, The Villages Health System, and the professional and service support economy created by the nearly four million SF of commercial space in the area. Additionally a 90,000 SF VA Clinic opened in late October 2010 and The Villages will deliver a 55,000 square foot addition to its medical campus in September 2011 which will house the Moffitt Cancer Center.

Year to date residential growth is on par with 2010 and is showing no signs of slowing down in the coming year. Locating within The Villages borders offers many unique competitive advantages over sites in the surrounding area. Most of the retailers located inside The Villages accessible to its residents via golf cart, which is their primary means of transportation, are reaping the benefits with increased comparable sales year over year.



Ocala / Gainesville

578,634 People



"Activity continues to increase with local and national players. It's really exciting to see local entrepreneurs taking the initiative to re-engage the economy"

- Bartow McDonald
Sperry Van Ness

GAINESVILLE EMPLOYMENT DATA			
	YE10	MY11	Change
Workforce Size	140,161	138,290	-1.35%
Unemployment Rate	8.3%	8.3%	0.00%

Source: Florida Research and Economic Database

OCALA EMPLOYMENT DATA			
	YE10	MY11	Change
Workforce Size	132,122	133,035	0.69%
Unemployment Rate	14.0%	12.6%	-1.40%

Source: Florida Research and Economic Database

Market Overview

The bad news: The available square footage of retail space is up over 25% from a year ago to nearly 735,000 SF. The average listing is on the market 16 months. Very few closings have occurred this year.

The good news: Removing the recent 23,000 SF Border's vacancy that is already currently in LOI negotiations, available square footage only increased just over 1% from last quarter. Rates are stabilizing, having only dipped 2.10% from a year ago to \$15.25/SF NNN. Gainesville is nearing the bottom in terms of negative absorption and lease rates.

"As an area developer in Orlando, Gainesville, and Tallahassee, I am finding that the soft commercial real estate market is allowing for unprecedented opportunities for the franchise prospects we are working with. The availability of tenant improvement monies, free rent and attractive leasing terms have allowed us to continue our aggressive growth in Florida in the right locations at the right price"

- Samuel Osborne
Tropical Smoothie

The issue continues to be that while stabilization of inventory and rates are near, very little retail leasing is occurring. With home prices locally having dipped 18% from a year ago and unemployment up 1% in June, consumer net worth, and thus spending, is impeding retailer growth.

The continuing buzz in Gainesville is the large collaborative effort to become an innovation Mecca for the region. Innovation Gainesville is a strong campaign to help identify a number of sites within the county that can be fast tracked for the development of technical and innovative type companies outside the area. Innovation Square is a development site located between the University of Florida and downtown Gainesville that is serving as the poster child for this movement. The master idea is to become a community where large technical and innovation type companies want to locate their business to by offering incentives, sites, and a high quality of living for their employees and owners.

Jacksonville

1.4 Million People

38.1 Million SF of Shopping Centers



\$13.80

average rental rate

relatively stable the past four quarters

87.2%

occupancy

up 1% since year-end 2010

10.3%

unemployment



JACKSONVILLE EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	684,486	695,538	1.59%
Unemployment Rate	11.0%	10.3%	-0.70%

Source: Florida Research and Economic Database

Market Overview

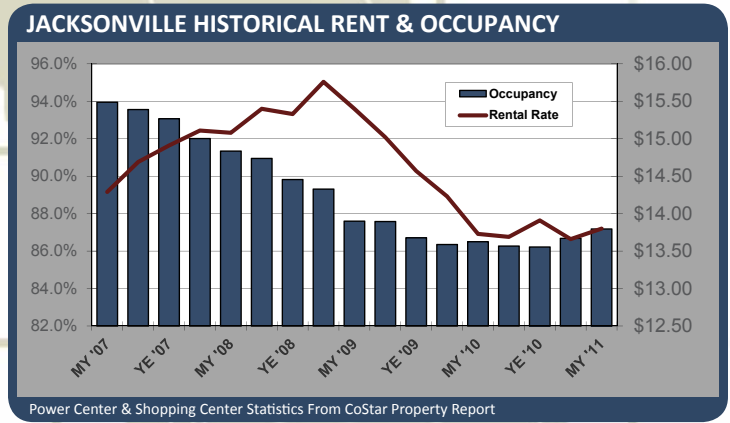
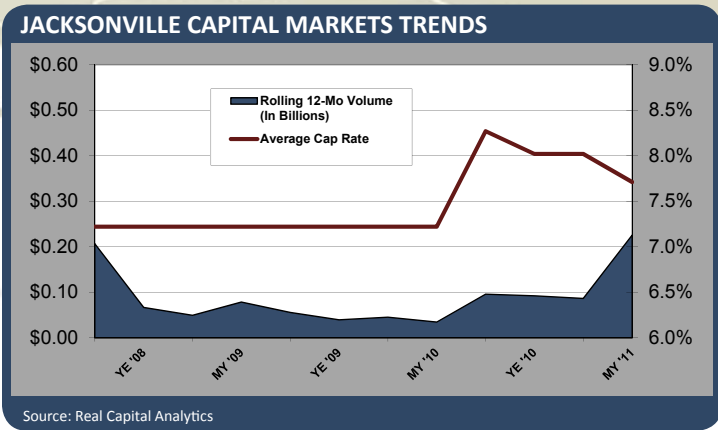
Jacksonville is hungry, happy, and healthy. That is apparent with all of the new restaurant openings Jacksonville has seen in 2011 and health/fitness projects that will be coming on-line in 2012. The Beaches area is enjoying an entire new shift of restaurants including Nippers Grill on Intracoastal, Smash Burger, Hurricane Wings, and MShack.

Under construction at the world-famous St. Johns Town Center in the Southeast quadrant of the city, the rush is on for the opening of BJ's Brewhouse at Butler Boulevard and Gate Parkway and Season's 52 across between Capital Grill and Butler Boulevard. Over in the Orange Park market, look for Buffalo Wild Wings to open in the former Johnny Carino's space and Logan's Roadhouse Grill at River City Marketplace on the Northside of town.

Sleiman Enterprises is developing Villages of Amelia, a retail power center in Yulee (Nassau County). Conveniently located at the intersection of AIA (SR 200) and Chester Road, the center is only minutes away from beautiful Amelia Island and Fernandina Beach, and only 20 miles away from St. Mary's, GA. This 400,000 SF project is currently under construction and will be anchored by Publix, Kohl's and TJ Maxx, which are projected to open 1Q12.

Shopping center sales and joint ventures have been the rule for 2011 as the Centro portfolio of 5 Jacksonville centers were sold to Blackstone as part of a 595 property portfolio; Three of the Sleiman properties were joint ventured with Weingarten Realty; and Cole Investments purchased 3 properties in the St. Augustine market. These are some really deep pockets investing in Jacksonville.

The Jacksonville market is strong and a rebound from the economic depression of the past 3 years is finally unwinding from the deep recession. Although lease rates and cap rates have been reflective of the market, we expect that trend to change as few development are on the drawing board for the next couple of years.



Market Makers

Parkway Shops
 Ramco-Gershenson - Northside
 360,000 SF - Opening '11

Seminole Shoppes
 Regency Centers - Jacksonville
 73,240 SF - Publix Anchored
 Publix Opened Sept-10, Inline 2Q11

The Fountains
 Sleiman Enterprises/Weingarten - West Intracoastal
 400,000 SF - Academy Sports + Outdoors, LA Fitness

Villages of Amelia
 Sleiman Enterprises - Yulee
 400,000 SF - Publix, Kohl's, TJ Maxx
 Opening 1Q12

"Retail demand in Florida continues to rebound as prime opportunities in high quality anchored shopping centers are drying up. The density in South Florida has translated to a faster recovery, but Jacksonville, Tampa, and Orlando each have a submarket or two that are also seeing some very positive trends right now"

- JJ Bujalski
 Ramco-Gershenson

"Aggressive retailers are acting with renewed interest in backfiling locations that ensure their growth plans are met for 2010 and 2011. As demand for retail real estate continues to increase, and without new supply coming on line, we expect this trend to accelerate"

- David Dieterle
 Developers Diversified Realty

JACKSONVILLE RETAIL LEASING DATA

Submarket Name	Inventory	Occupancy Rate			Rental Rate		
		YE10	MY11	Change	YE10	MY11	Change
Arlington	2,646,680	82.4%	81.5%	-0.9%	\$12.40	\$11.99	-3.3%
Baker County	523,548	99.6%	99.7%	0.1%	\$9.24	\$10.72	16.0%
Beaches	3,370,396	86.0%	86.7%	0.7%	\$17.74	\$16.84	-5.1%
Butler / Baymeadows	1,816,263	87.7%	90.6%	2.9%	\$16.32	\$16.70	2.3%
Downtown Northbank	1,396,884	88.4%	87.8%	-0.7%	\$8.48	\$10.16	19.7%
Downtown Southbank	61,205	89.0%	65.4%	-23.6%	N/A	\$23.00	N/A
Mandarin	3,381,833	90.4%	89.7%	-0.7%	\$16.68	\$15.54	-6.8%
Northeast Jacksonville	1,019,437	84.2%	86.0%	1.8%	\$11.87	\$11.06	-6.8%
Northwest Jacksonville	1,599,254	77.9%	80.0%	2.1%	\$6.88	\$6.88	0.0%
Orange Park / Clay County	5,301,379	83.7%	85.7%	2.0%	\$13.57	\$13.36	-1.5%
Riverside	5,019,957	92.3%	92.3%	0.0%	\$12.29	\$12.29	0.0%
San Marco	946,830	70.3%	74.9%	4.6%	\$11.87	\$13.27	11.8%
Southside	7,681,677	85.9%	87.1%	1.2%	\$14.56	\$14.36	-1.4%
St Johns County	3,366,470	91.5%	91.8%	0.3%	\$16.10	\$16.65	3.4%
Jacksonville Market Total	38,131,813	86.2%	87.2%	1.0%	\$13.91	\$13.80	-0.8%

Power Center & Shopping Center Market Statistics From CoStar Property



Tallahassee

321,876 People

6.7 Million SF of Shopping Centers

TALLAHASSEE COUNTY EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	193,290	193,290	0.00%
Unemployment Rate	8.7%	8.6%	-0.1%

Source: Florida Research and Economic Database

Market Overview

Tallahassee remains extremely stable, as it is supported by almost 70,000 students from three different universities as well as a very highly educated government-related workforce. The city recently hired the former Miami International Airport director to head up its airport development plans, and infrastructure improvements around the metropolitan area continue on-track for future economic growth.

Close-to-campus retailers are aggressively looking for space. The Loft's on Gaines, a retail/condo development is nearing completion. College Town, within walking distance to FSU, is proposing a 2013 delivery of 58,000 SF mixed-use and under LOI for rates holding in the upper \$20-low \$30 PSF range. University Square, a 24,000 SF retail/office development, has been approved by the City and will be constructed at the "gateway of FSU" on the corner of W. Tennessee Street and Stadium Drive.

The Midtown area of Tallahassee has seen a definite increase of leasing activity since the beginning of 2011. The bar business has been expanding with the MidTown Filling Station and The Tap Room doing the backfilling previous spaces.

The North Tallahassee retail market has seen the entry of new retailers. Hobby Lobby backfilled space vacated by Publix in the Killlearn Shopping Center and Publix relocated to the Village Square Shopping Center. Panera Bread is under construction on an outparcel and will be open Q4 2011.

East Tallahassee retail planning is in the works with Mahan Village with 160,000 SF of retail/commercial planned. This project will have Publix and Academy Sports, which boasts to be their flagship store into the market.

\$11.53

average rental rate

down 9% since
year-end 2010

89.0%

occupancy

almost 2% increase
since year-end 2010

8.6%

unemployment

TALLAHASSEE RETAIL LEASING DATA

Submarket Name	Inventory	Occupancy Rate			Rental Rate		
		YE10	MY11	Change	YE10	MY11	Change
Downtown Tallahassee	79,108	\$0.98	98.1%	0.2%	\$12.00	\$12.00	0.00%
East Tallahassee	1,334,238	\$0.93	90.3%	-2.7%	\$14.75	\$9.87	-33.08%
Gadsden County	293,967	\$0.75	77.9%	3.0%	\$6.44	\$6.48	0.62%
Jefferson County	10,183	\$1.00	100.0%	0.0%	\$0.00	\$0.00	0.00%
NE Tallahassee	490,299	\$0.89	89.0%	0.5%	\$14.23	\$14.11	-0.84%
Northeast Leon County	1,692,995	\$0.82	87.6%	6.1%	\$14.49	\$14.59	0.69%
Northwest Leon County	396,008	\$0.80	81.4%	1.9%	\$9.27	\$9.35	0.86%
NW Tallahassee	461,460	\$0.97	96.7%	-0.7%	\$13.20	\$13.64	3.33%
SE Tallahassee	483,738	\$0.85	85.6%	0.2%	\$8.91	\$8.97	0.67%
Southeast Leon County	760,001	\$0.86	86.9%	1.0%	\$11.14	\$11.73	5.30%
Southwest Leon County	126,788	\$0.86	81.7%	-3.8%	\$11.21	\$9.00	-19.71%
SW Tallahassee	35,145	\$0.86	85.5%	0.0%	\$0.00	\$0.00	0.00%
Wakulla County	157,541	\$0.91	95.2%	3.8%	\$10.34	\$10.34	0.00%
West Tallahassee	909,972	\$0.91	91.1%	-0.1%	\$14.16	\$14.35	1.34%
Tallahassee Market Total	7,231,443	\$0.87	89.0%	1.7%	\$12.58	\$11.53	-9.10%

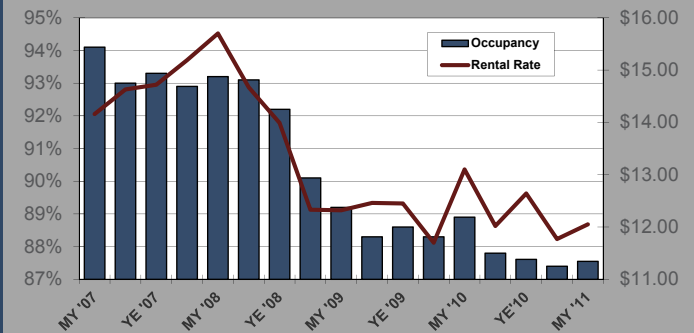
Power Center & Shopping Center Market Statistics From CoStar Property



The Panhandle



PENSACOLA HISTORICAL RENT & OCCUPANCY



Power Center & Shopping Center Statistics From CoStar Property Report

Market Overview

The Panama City/ Lynn Haven/ Panama City Beach MSA possess a year round population of 170,000 and attracts over six million visitors annually. The region is currently experiencing one of the best years on record for tourism. Visitors have returned to vacation on the sugary white sand beaches after a disappointing 2010 that was marred by the BP Deepwater Horizon oil spill.

Additionally, the area has become much easier to access since the opening of Northwest Florida Beaches International Airport (ECP) in May, 2010. ECP's opening also marked the arrival of Southwest Airlines which began service to the area. In the first year of operation ECP has experienced tremendous increases in both passenger counts and market share.

Panama City's major retail corridor, 23rd Street, has softened in recent years lead by Wal-Mart's exit to develop a Super Center in Lynn Haven, but has recently received positive news with the announcement of several national retailers back-filling vacant spaces and occupancy rates on the rise. The enclosed Panama City Mall remains reasonably healthy and recently gained momentum by attracting Bed, Bath & Beyond to relocate. The majority of retail development has been focused at Simon's lifestyle center, Pier Park, which opened on Panama City Beach in 2008.

PANAMA CITY EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	90,348	93,944	3.83%
Unemployment Rate	11.6%	9.5%	-2.10%

Source: Florida Research and Economic Database

PENSACOLA MSA EMPLOYMENT DATA

	YE10	MY11	Change
Workforce Size	212,330	214,922	1.21%
Unemployment Rate	10.7%	10.2%	-0.50%

Source: Florida Research and Economic Database

The Destin and Fort Walton Beach (population of 322,956) markets have rebounded after a soft 2010 summer and the oil spill challenges. The retail markets are stable and there are not any significant vacancies localized in any one property. The Destin Commons lifestyle center and the ever-popular Silver Sands Outlet Center in Sandestin remain as the premier shopping destination of northwest Florida. Eglin Air Force Base continues to gain missions while other military bases face downsizing or closure. The Army's 7th Special Forces Airborne Group is locating its training and operations center at Eglin and the Air Force's new F-35 will be based out of Eglin with 59 planes and crews. This is expected to increase the overall population by more than 8,000 people.

WRITTEN REPORT AUTHORS

MIAMI

ASHLEY THORNBURG

Crossman & Company

athornburg@crossmanco.com

BROWARD

ALAN KARRH

Stiles

alan.karrh@stiles.com

PALM BEACH

BRYAN COHEN

Cohen Commercial

bryancohen@cohencommercial.com

NAPLES / COLLIER

ROD CASTAN

Courtelis Company

rcastan@courtelis.com

FORT MYERS / CAPE CORAL

CARL BARRACO & DOUG MESCHKO

Land Solutions, Inc.

cbarraco@landsolutions.net

MARTIN / ST. LUCIE

JANINE LANDOLINA

Treasure Coast Commercial RE, Inc.

ileaseit@gmail.com

SARASOTA / BRADENTON

PAUL RUTLEDGE & BARBARA CARNES

Casto

prutledge@castolp.com

TAMPA / ST. PETERSBURG

TRACY HARRISON

Crossman & Company

tharrison@crossmanco.com

LAKELAND / POLK

CRAIG KATTERFIELD

Crossman & Company

ckatterfield@crossmanco.com

PASCO / HERNANDO

LILL HANSON

American Intl Commercial Realty

lhanson@amicor-realty.com

ORLANDO

COURTNEY KOWALCHUK

Crossman & Company

ckowalchuk@crossmanco.com

DAYTONA BEACH / VOLUSIA

WHITAKER LEONHARDT

Crossman & Company

wleonhardt@crossmanco.com

THE VILLAGES

SCOTT RENICK

The Villages

scott.renick@thevillages.com

OCALA / GAINESVILLE

BEAU BEERY

AMJ, Inc. of Gainesville

beau@amjinc.com

JACKSONVILLE

GENEVA HENDERSON

Lat Purser & Associates

geneva.henderson@latpurser.com

TALLAHASSEE

J.R. LONG

Structure Commercial Real Estate

jr@structureiq.net

THE PANHANDLE

FRANCIZ RENTZ

Sperry Van Ness

frentz@svn.com



ADDITIONAL CONTRIBUTORS

AMERICAN INTL COMMERCIAL REALTY
AMERICAN MOMENTUM BANK
AMJ INC. OF GAINESVILLE
ASSET ADVISORS AND MANAGERS
AZTEC GROUP
BEALLS OUTLET / BEALLS DEPT STORES
BEACON HILL PROPERTY GROUP
CASTO
CITY OF DAYTONA BEACH
CITY OF FORT MYERS
COHEN COMMERCIAL
COLLIERS INTERNATIONAL
CURSOR REALTY CORP
CUSHMAN & WAKEFIELD (TAMPA)
COURTELIS COMPANY
CROSSMAN & COMPANY
DARDEN RESTAURANTS
DEVELOPERS DIVERSIFIED REALTY
DLC MANAGEMENT
DOUGLAS PROPERTY AND DEVELOPMENT
EAST COAST RETAIL INVESTMENT TEAM
EMERSON INTERNATIONAL
EQUINOX DEVELOPMENT PROPERTIES
EQUITY ONE
FLORIDA RETAIL PARTNERS
FLORIDA STATE UNIVERSITY
FORNESS PROPERTIES
GLOBAL FUND INVESTMENTS
GRAYROBINSON, P.A.
GRUBB & ELLIS LANDAUER
GUGGENHEIM PARTNERS
HAWKINS CONSTRUCTION
HFF (HOLLIDAY FENOGLIO FOWLER, L.P.)
ICSC

KIMCO REALTY
KITE REALTY GROUP
LANDQWEST COMMERCIAL
LAND SOLUTIONS, INC.
LAT PURSER & ASSOCIATES
MICHAEL COLLARD PROPERTIES
NAI REALVEST
NEWMARK KNIGHT FRANK
NORTH AMERICAN DEVELOPMENT GROUP
OCEAN WALK SHOPPES & MOVIES
OFFICE DEPOT
PELLONI DEVELOPMENT CORPORATION
PUBLIX SUPER MARKETS
RAM REAL ESTATE
RAMCO-GERSHENSON
REAL ESTATE RESEARCH CONSULTANTS
REGENCY CENTERS
S.A. CASEY CONSTRUCTION
THE SEMBLER COMPANY
SIKON CONSTRUCTION
SPERRY VAN NESS / SKYE COMMERCIAL RE
SRS REAL ESTATE PARTNERS
STILES
STRUCTURE COMMERCIAL REAL ESTATE
TERRANOVA CORPORATION
TIJUANA FLATS BURRITO CO.
TREASURE COAST COMMERCIAL RE, INC.
TROPICAL SMOOTHIE
UNIVERSITY OF CENTRAL FLORIDA
UNIVERSITY OF FLORIDA
THE VILLAGES
W. H. OWEN CONSULTING
WOOLBRIGHT DEVELOPMENT



www.crossmanco.com

HFF[®]

Holliday Fenoglio Fowler, L.P.

www.hfflp.com

For questions, comments or to request additional copies of the report please contact Molly Delahunty at mdelahunty@crossmanco.com or 407-581-6220.

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