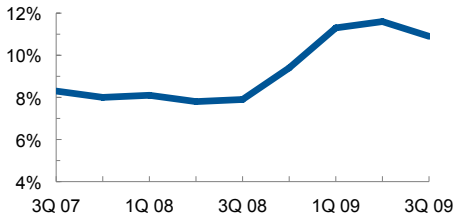


Vacancy Rate

Quarterly

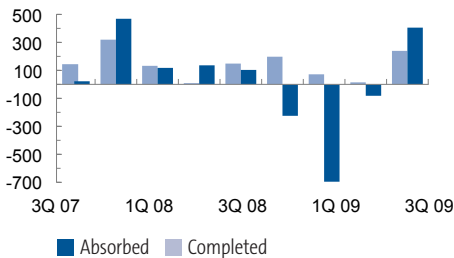


Strong Numbers Hide Market Stagnation

The retail looks like it roared back to life but not really. Overall absorption of space was just over 400,000 square feet. This high level of absorption has not been seen since the fourth quarter of 2007. A majority of this activity occurred in new projects in the pharmacy and grocery sectors. From a product type perspective, this activity occurred in several new free-standing stores and a new community center anchored by a new Super Wal-Mart Grocery.

Completions vs. Absorption

Quarterly (in Thousands of SF)

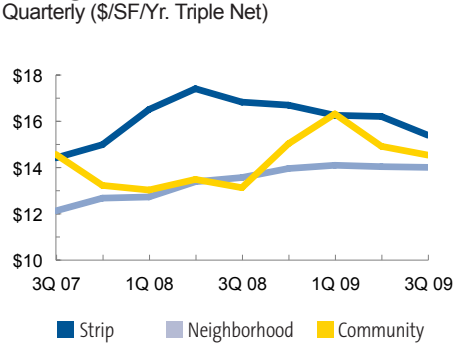


Without these moves, the market is struggling to grow. Keeping existing tenants is the challenge. Older unanchored centers are seeing an increase in local tenants closing compared to a year ago. Local tenants who are in the market are finding it hard to get off the ground because they must fund their own tenant improvements and demonstrate to landlords they are creditworthy. Those who can are shying away from higher priced new projects in favor of well anchored older centers with more affordable rates.

Many national tenants are not in growth mode and are focusing on cost cutting measures in order to position themselves for the holiday season. This is bad news for new projects delivered over the last year. Rate concessions may be necessary to compete with older centers. Besides pharmacy and grocery, the only other national retailers in growth mode are a select group of quick serve restaurants and discount stores.

Asking Rental Rates

Quarterly (\$/SF/Yr. Triple Net)



FORECAST

- Overall activity declines until after the holiday season
- Rate concessions increase in new and unanchored centers

KEY TRANSACTIONS

Lessee/Buyer	Lessor/Seller	Property	Size (SF)/Price
CVS Pharmacy	SG Ellison	4340 San Mateo NE*	14,000
CVS Pharmacy	SG Ellison	9640 Menaul NE*	13,645
Dress for Less	Pros Real Estate, LLC	Atrisco Plaza	30,389
Trader Joe's	Hunt Uptown Development	ABQ Uptown	14,000

■ Leasing ■ Sales (R) = Renewal (S) = Sublease * Indicates Transaction Represented by Grubb & Ellis

Retail Trends Report—Third Quarter 2009

Albuquerque, NM



By Submarket	Total SF	Vacant SF	Total Vacancy %	NET ABSORPTION		Under Construction	ASKING RENT	
				Current	Year To Date		Neighborhood	Power
Airport	23,089	23,089	100.0%	-	(2,252)	-	-	-
Cottonwood	4,055,807	405,679	10.0%	(16,397)	(128,574)	-	\$17.17	\$24.00
Downtown	552,038	142,122	25.7%	(3,919)	(33,011)	-	-	-
Far Northeast Heights	3,837,433	305,839	8.0%	20,385	(12,174)	30,718	\$15.59	-
North I-25	3,200,883	264,085	8.3%	10,998	15,117	-	\$12.26	-
North Valley	968,540	59,819	6.2%	48,461	28,328	-	\$19.88	-
Northeast Heights	4,275,066	733,566	17.2%	207,395	(10,794)	-	\$15.87	-
Rio Rancho	1,780,006	88,853	5.0%	26,188	14,311	-	\$14.13	-
South Valley	1,017,346	94,667	9.3%	(1,400)	(5,506)	-	\$9.83	-
Southeast Heights	2,740,090	140,170	5.1%	53,431	(127,648)	-	\$13.34	-
University	1,011,266	99,810	9.9%	5,784	14,912	-	-	-
Uptown	2,012,699	420,034	20.9%	16,706	(150,501)	-	\$15.00	-
West Mesa	2,072,386	213,843	10.3%	37,765	62,818	15,381	\$19.24	\$18.50
Totals	27,546,649	2,991,576	10.9%	405,397	(334,974)	46,099	\$15.40	\$22.28

By Property Type	Total SF	Vacant SF	Total Vacancy %	Current	Year To Date	Under Construction	ASKING RENT	
							Neighborhood	Power
Community	2,337,332	358,304	15.3%	221,771	168,240	-	\$14.54	-
Free-standing	7,841,280	564,375	7.2%	51,539	(138,821)	32,221	\$12.22	-
Neighborhood	6,907,037	873,549	12.6%	47,641	(155,253)	13,878	\$15.40	-
Power	1,299,062	51,845	4.0%	(5,803)	(10,595)	-	\$22.28	-
Showroom	2,016,156	145,389	7.2%	51,300	(18,480)	-	\$10.60	-
Specialty/Theme	171,000	10,016	5.9%	2,706	484	-	\$42.50	-
Strip	4,480,588	458,840	10.2%	45,256	(6,156)	-	\$14.01	-
Super-regional	2,190,336	392,427	17.9%	-	(160,435)	-	\$37.52	-
Urban Retail	303,858	136,831	45.0%	(9,013)	(13,958)	-	\$16.93	-
Totals	27,546,649	2,991,576	10.9%	405,397	(334,974)	46,099	\$17.25	

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RETAIL TERMS AND DEFINITIONS

Inventory: Retail inventory includes all multi-tenant, single tenant, and owner occupied buildings at least 10,000 square feet.

Vacancy and Availability: The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease vacant. The availability rate is the amount of space available for lease divided by the inventory.

Direct Vacant: This is the vacancy rate in space offered on the market directly by the landlord/owner in single and multi-tenant buildings. This excludes vacant space offered for sublease and vacant space that is not offered on the market, for whatever reason.

Net Absorption: The net change in physically occupied space over a period of time.

Asking Rent: The dollar amount asked by landlords for available space expressed in dollars per square foot per year in most parts of the country and dollars per square foot per month in areas of California and selected other markets. Retail rents are per square foot per year, NNN. The asking rent for each building in the market is weighted by the amount of available space in the building.