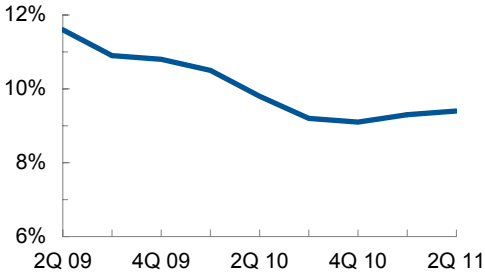


Vacancy Rate



Small Stumble

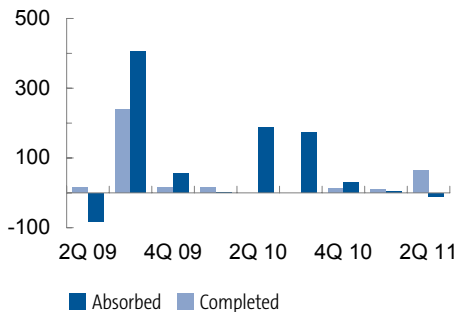
The losses outweighed the positives producing a slight vacancy increase for the second consecutive quarter. A handful of national retailers shuttered locations as a result of bankruptcies and a desire to close under-performing stores. Anchor and junior anchor spaces from 15,000 to 45,000 square feet comprised the majority of store closings. These included an Ultimate Electronics, a Smith's Grocery, and a Basset Furniture store. Combine this with the upcoming closure of two Borders bookstores and the supply of junior anchor spaces is expected to increase.

A shortage of anchor and junior spaces, however, has existed in the retail market over the last year. This recent surge of closings should help to increase the supply and provide opportunities. Look for many of these spaces to quickly get reabsorbed before the holiday season begins. Activity for well-anchored shop space remains strong as many tenants seek to improve or add to existing locations. Older centers are still experiencing higher tenant losses.

One factor keeping vacancy below ten percent is a lack of new construction. New retail projects delivered over the last year have primarily been free-standing buildings for pharmacies. Only one new multi-tenant retail project has started so far this year in Rio Rancho. The overhang of vacant space in new retail centers delivered since the recession began was less than 200,000 square feet. This new space is slowly getting absorbed and is around 75 percent vacant.

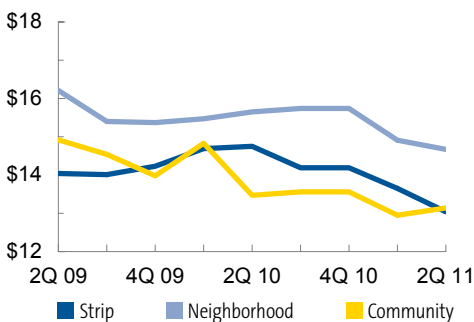
Completions vs. Absorption

(in Thousands of SF)



Asking Rental Rates

(\$/SF/Yr. Triple Net)



FORECAST

- Vacancy increases slightly.
- Asking rates trend downwards.
- Demand for older centers declines.

KEY TRANSACTIONS

<p>*Staples leased 15,374 SF at 3339 Central Ave NE from a *private investor</p>	<p>*Farmer's Market purchased 8,279 SF at 10020 Coors Bypass NW from Enchantment Land Certified Development Company</p>	<p>Molina leased 6,000 SF at 7317 Central Ave NE from a *private investor</p>
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* Indicates Transaction Represented by Grubb & Ellis

Retail Trends Report—Second Quarter 2011

Albuquerque, NM



By Submarket	Total SF	Vacant SF	Vacancy %	NET ABSORPTION		Under Construction	ASKING RENT	
				Current	Year To Date		Neighborhood	Power
Cottonwood	4,070,851	419,157	10.3%	(17,541)	(47,415)	-	\$14.61	\$20.00
Downtown	580,158	109,383	18.9%	(9,190)	18,975	-	-	-
Far Northeast Heights	3,902,636	292,409	7.5%	(7,492)	11,731	17,500	\$17.58	-
North I-25	3,183,553	196,377	6.2%	(16,942)	(3,691)	-	\$13.55	-
North Valley	981,517	60,151	6.1%	4,133	(9,142)	-	\$16.93	-
Northeast Heights	4,277,237	653,672	15.3%	(58,427)	(68,885)	15,000	\$14.10	-
Rio Rancho	1,801,839	123,756	6.9%	12,675	7,515	62,995	\$14.33	-
South Valley	1,056,944	116,071	11.0%	6,175	801	6,000	\$10.06	-
Southeast Heights	2,860,654	212,574	7.4%	24,988	26,223	-	\$11.43	-
University	1,036,295	52,750	5.1%	22,249	22,249	-	-	-
Uptown	1,965,899	227,998	11.6%	10,332	8,386	-	\$15.00	-
West Mesa	2,087,650	140,115	6.7%	17,828	25,145	-	\$16.06	\$18.50
Totals	27,805,233	2,604,413	9.4%	(11,212)	(8,108)	101,495	\$14.67	\$19.45

By Property Type	ASKING RENT							
Community	2,148,992	226,708	10.5%	(51,640)	(81,565)	-	\$13.14	
Free-standing	7,902,203	315,862	4.0%	32,369	71,391	79095	\$13.79	
Neighborhood	7,102,564	1,046,750	14.7%	(12,325)	(44,027)	-	\$14.67	
Power	1,299,062	16,270	1.3%	8,165	7,553	-	\$19.45	
Showroom	2,023,801	76,343	3.8%	31,628	53,579	-	\$8.35	
Specialty/Theme	171,000	-	-	-	-	-	\$26.50	
Strip	4,662,833	538,690	11.6%	(19,849)	(24,597)	22400	\$13.04	
Super-regional	2,190,336	275,460	12.6%	-	(1,308)	-	\$26.75	
Urban Retail	304,442	108,330	35.6%	440	10,866	-	\$17.57	
Totals	27,805,233	2,604,413	9.4%	(11,212)	(8,108)	101495	\$15.20	

RETAIL TERMS AND DEFINITIONS

Total SF: Retail inventory includes all multi-tenant and single tenant buildings at least 10,000 square feet. Shopping malls are not included in calculations.

Retail Building Classifications: Super Regional Centers are properties with greater than two million square feet of space, drawing from a trade area encompassing multiple smaller submarkets. Sub Regional centers include centers of 500,000 square feet or greater that service one main submarket exclusively. Single Tenant retail includes power center tenants in free-standing centers as well as stand-alone retailers. Large Strip Centers are car oriented strip retail centers of 150,000 square feet or greater. Small Strip Centers are centers of 50,000 to 150,000 square feet, and include

many local and grocery anchored centers.

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.

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 reported on a triple net basis where all costs including, but not limited to, real estate taxes, insurance and common area maintenance are borne by the tenant on a pro rata basis.

** Grubb & Ellis statistics are audited annually and may result in revisions to previously reported quarterly and final year-end figures.*

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