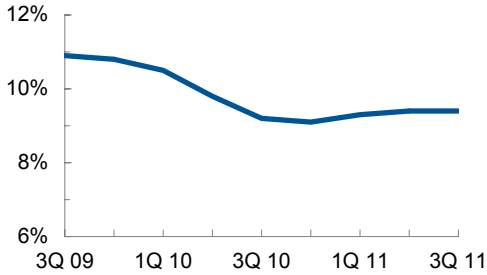
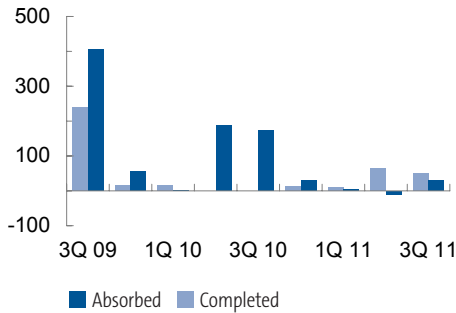


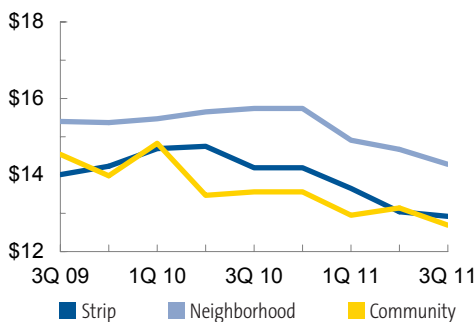
Vacancy Rate



Completions vs. Absorption (in Thousands of SF)



Asking Rental Rates (\$/SF/Yr. Triple Net)



Variable Conditions

The overall retail market delivered modest results with positive moves barely offsetting negative ones. A majority of the new space taken occurred in freestanding buildings smaller than 20,000 square feet. CVS Pharmacy and Goodwill both opened new stores which accounted for over 31,000 square feet of new completions. The closing of two Borders bookstores added 44,500 square feet of junior anchor space back on the market.

Missing from the third quarter this year was an influx of new national retailers opening stores for the upcoming holiday season. Over the last two years vacancy decreased at least 50 basis points from the second quarter to the third quarter. This year the trend stopped with vacancy increasing slightly. The few retailers that did open new stores were in-line shop spaces in super-regional malls and a wide variety of restaurant concepts across many property types.

Compared to a year ago overall asking rates declined thirteen percent. Several factors are driving the asking rates down. Landlords of new retail projects have slowly filled spaces over the year and now there is less space available with higher rates driving up the averages. To secure these new tenants, however, rates were significantly reduced from their peaks. The number of spaces available in older centers has steadily increased and landlords have had to discount rates dramatically to spur activity. With such a prolonged recovery tenants are expecting attractive terms and are not afraid to request them.

FORECAST

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

KEY TRANSACTIONS

<p>*Hero Dental leased 7,493 SF at 5000 Menaul Blvd from GNJ, LLC</p>	<p>The Salvation Army purchased 24,000 SF at 12601 Central Ave NE from *Main Bank</p>	<p>Baillos leased 30,000 SF at 10420 Coors Blvd NW from Cottonwood Phase 5, LLC</p>
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* Indicates Transaction Represented by Grubb & Ellis

Retail Trends Report—Third Quarter 2011

Albuquerque, NM



By Submarket	Total SF	Vacant SF	Vacancy %	NET ABSORPTION		ASKING RENT		
				Current	Year To Date	Under Construction	Neighborhood	Power
Cottonwood	4,070,851	417,226	10.2%	1,931	(45,484)	-	\$13.51	\$20.00
Downtown	580,158	109,383	18.9%	-	18,975	-	-	-
Far Northeast Heights	3,920,136	314,723	8.0%	(4,814)	6,917	-	\$16.40	-
North I-25	3,183,553	209,443	6.6%	(13,066)	(16,757)	-	\$13.33	-
North Valley	981,517	66,083	6.7%	(5,932)	(15,074)	-	\$16.93	-
Northeast Heights	4,292,237	640,545	14.9%	28,127	(40,758)	-	\$14.10	-
Rio Rancho	1,864,834	117,538	6.3%	22,618	76,728	74,000	\$10.94	-
South Valley	1,056,944	110,403	10.4%	5,668	6,469	6,000	\$12.00	-
Southeast Heights	2,860,654	212,574	7.4%	-	26,223	-	\$11.43	-
University	1,036,295	52,750	5.1%	-	22,249	-	-	-
Uptown	1,965,899	232,103	11.8%	(4,105)	4,281	-	\$15.00	-
West Mesa	2,087,650	140,115	6.7%	-	25,145	-	\$16.06	\$18.50
Totals	27,900,728	2,622,886	9.4%	30,427	68,914	80,000	\$14.28	\$19.45

By Property Type	ASKING RENT							
Community	2,148,992	226,668	10.5%	40	(81,525)	-	\$12.69	
Free-standing	7,981,298	293,384	3.7%	54,978	172,964	-	\$13.79	
Neighborhood	7,102,564	1,070,244	15.1%	(23,494)	(67,521)	-	\$14.28	
Power	1,299,062	16,270	1.3%	-	7,553	74,000	\$19.45	
Showroom	2,023,801	76,343	3.8%	-	53,579	-	\$8.35	
Specialty/Theme	171,000	22,543	13.2%	(22,543)	(22,543)	-	\$26.50	
Strip	4,679,233	544,622	11.6%	10,468	(14,129)	6,000	\$12.92	
Super-regional	2,190,336	264,482	12.1%	10,978	9,670	-	\$26.75	
Urban Retail	304,442	108,330	35.6%	-	10,866	-	\$17.57	
Totals	27,900,728	2,622,886	9.4%	30,427	68,914	80,000	\$14.96	

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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