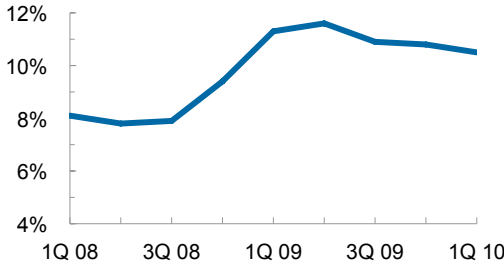


Vacancy Rate

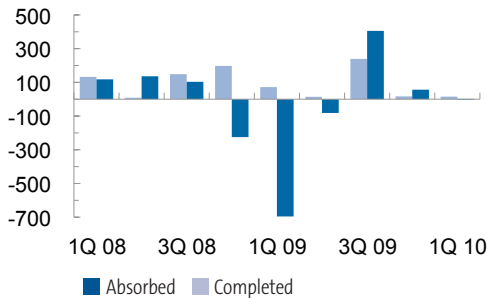


Heading Towards Growth

During periods of prolonged economic slowdowns, the focus for many retailers is survival. Under performing locations are shuttered, costs are reduced, and prices are discounted. Over the last few quarters, vacancy began to stabilize and confidence is beginning to slowly increase. Many retailers are now returning to growth mode resulting in a major uptick of activity during the quarter.

Most noticeable was the return of local retailers to the market. After a rough 2009 many local tenants were forced to cease operations altogether. This process looks to have abated. Many established local retailers are seeking expansion opportunities and taking advantage of discounted rates. Since competition for tenants remains high, asking rates by landlords are expected to stay low over the next few quarters.

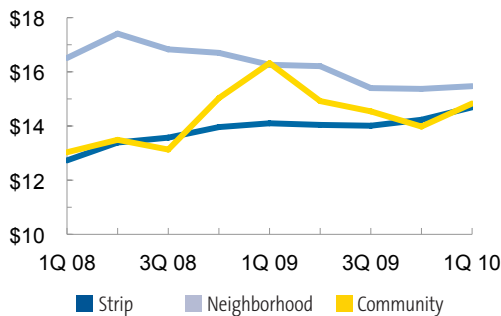
Completions vs. Absorption (in Thousands of SF)



A handful of national retailers are also positioning themselves for growth opportunities. These include casual dining, quick serve restaurants, discount department, and dollar stores who have begun to actively search for new locations. Many of these are likely to be new retail concepts to the market.

Even though same store sales are trending upward for many retailers, one last round of closures may still occur to shakeout any remaining weakness. As consumers become more value conscious, specialty retailers who leased spaces in new retail projects over the prior two years may succumb to pressure from paying high rents and lower sales.

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



FORECAST

- Retailers slowly look for expansion opportunities.
- Landlords embrace rate concessions.
- One last round of closures becomes necessary to pave way for full recovery.

KEY TRANSACTIONS

Lessee/Buyer	Lessor/Seller	Property	Size (SF)/Price
Family Dollar*	Tri-State Commercial	5401 Central NW	14,197
Former Blockbuster Video	SHAD, LLC*	8601 Golf Course NW	6,100

■ Leasing ■ Sales

(R) = Renewal (S) = Sublease

* Indicates Transaction Represented by Grubb & Ellis

Retail Trends Report—First Quarter 2010

Albuquerque, NM



By Submarket	Total SF	Vacant SF	Vacancy %	NET ABSORPTION		Under Construction SF	ASKING RENT	
				Current Qtr	Year To Date		Neighborhood	Power
Cottonwood	4,070,851	380,086	9.3%	(6,323)	(6,323)	-	17.17	24.00
Downtown	552,038	121,117	21.9%	23,703	23,703	-	-	-
Far Northeast Heights	3,887,636	314,180	8.1%	10,681	10,681	-	16.95	-
North I-25	3,200,883	300,250	9.4%	(19,750)	(19,750)	-	12.50	-
North Valley	968,540	64,063	6.6%	(4,375)	(4,375)	-	14.47	-
Northeast Heights	4,257,339	653,494	15.3%	40,962	40,962	-	15.69	-
Rio Rancho	1,790,271	112,152	6.3%	(16,340)	(16,340)	-	13.21	-
South Valley	1,017,346	101,667	10.0%	-	-	-	9.83	-
Southeast Heights	2,757,869	193,621	7.0%	(30,643)	(30,643)	-	13.32	-
University	1,018,295	75,860	7.4%	6,000	6,000	-	-	-
Uptown	1,952,699	369,017	18.9%	(1,715)	(1,715)	-	15.00	-
West Mesa	2,087,767	214,723	10.3%	(323)	(323)	-	19.36	18.50
Totals	27,561,534	2,900,230	10.5%	1,877	1,877	-	15.47	18.92

By Property Type	Total SF	Vacant SF	Vacancy %	Current Qtr	Year To Date	Under Construction SF	ASKING RENT	
							Neighborhood	Power
Community	2,148,992	211,274	9.8%	(1,628)	(1,628)	-	14.83	-
Free-standing	7,819,812	473,407	6.1%	29,278	29,278	-	10.85	-
Neighborhood	7,063,622	1,045,815	14.8%	(15,420)	(15,420)	-	15.47	-
Power	1,299,062	17,531	1.3%	-	-	-	18.92	-
Showroom	2,006,156	167,139	8.3%	(21,750)	(21,750)	-	10.85	-
Specialty/Theme	171,000	9,792	5.7%	224	224	-	26.50	-
Strip	4,558,112	447,481	9.8%	11,250	11,250	-	14.69	-
Super-regional	2,190,336	392,427	17.9%	(4,242)	(4,242)	-	37.38	-
Urban Retail	304,442	135,364	44.5%	4,165	4,165	-	16.61	-
Totals	27,561,534	2,900,230	10.5%	1,877	1,877	-	16.76	-

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.

Direct Vacant: This is the vacancy rate in space offered on the market directly by the landlord 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 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.*