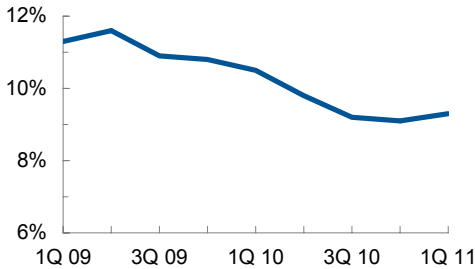




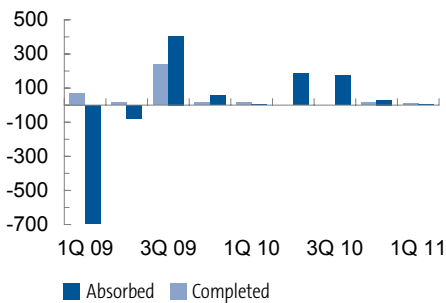
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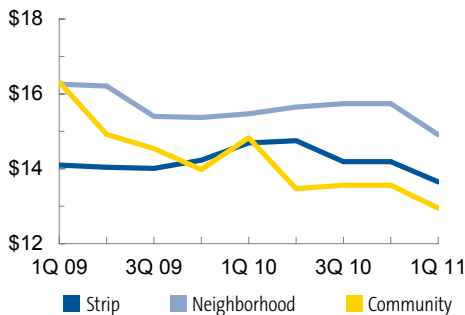
Vacancy Rate



Completions vs. Absorption (in Thousands of SF)



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



Warm and Cold

The momentum that started at the end of 2010 slowed down considerably during the first quarter. Recovery in the retail market is not occurring across all sectors. A minority of tenants remained active looking for growth opportunities. Established tenants are using current conditions to add or improve locations. The driving force is a flight to quality strategy hinged on value. To get deals done tenants are expecting landlords to provide favorable terms and concessions.

A shakeout of weaker retailers is still occurring. Many of these are the result of bankruptcies and poor performing locations being shuttered. This trend is increasing the supply of junior anchor spaces occupied primarily by national retailers. Older unanchored centers are still experiencing losses of failing local retailers. Slow recovery in the job market has amplified the number of start-ups searching for space. The majority of these lack ample amounts of experience and working capital suitable for most landlords to entertain making deals.

Demand for restaurant spaces made it one of the most active categories. Quick-serve and fast-casual concepts were generating the majority of interest. The challenge is a limited supply of former restaurant spaces currently on the market. This shortage is forcing restaurateurs to fund expensive build-outs themselves in spaces that were not previously restaurants or to develop new locations on pad sites. Either way national chains or established local restaurateurs are the most likely to be able to take advantage of growth opportunities.

FORECAST

- Vacancy remains stable.
- Market takes “a breather” to evaluate “grow” or “no grow” decisions.
- Pressure remains on older unanchored centers.

KEY TRANSACTIONS

<p>*Former Pancho's Restaurant sold 6,600 SF at 4301 San Mateo Blvd NE from *Bayshore Properties, Inc.</p>	<p>*Sheplers leased 6,988 SF at 6500 Holly Ave NE from *Daskalos Properties</p>	<p>Planet Fitness leased 12,475 SF at 3621 Menaul Blvd NE from A.A.P.I. Limited Partnership</p>
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* Indicates Transaction Represented by Grubb & Ellis

By Submarket	NET ABSORPTION					Under			ASKING RENT	
	Total SF	Vacant SF	Vacancy %	Current	Year To Date	Construction SF	Neighborhood	Power	Neighborhood	Power
Cottonwood	4,070,851	401,616	9.9%	(29,874)	(29,874)	-	14.62	20.00	-	-
Downtown	580,158	100,193	17.3%	28,165	28,165	-	-	-	-	-
Far Northeast Heights	3,902,636	284,917	7.3%	19,223	19,223	17,500	18.48	-	-	-
North I-25	3,183,553	179,435	5.6%	13,251	13,251	-	13.11	-	-	-
North Valley	981,517	64,284	6.5%	(13,275)	(13,275)	-	13.99	-	-	-
Northeast Heights	4,277,237	595,245	13.9%	(10,458)	(10,458)	15,000	14.34	-	-	-
Rio Rancho	1,801,839	136,431	7.6%	(5,160)	(5,160)	46,595	14.41	-	-	-
South Valley	1,056,944	122,246	11.6%	(5,374)	(5,374)	6,000	9.91	-	-	-
Southeast Heights	2,860,654	237,562	8.3%	1,235	1,235	-	12.27	-	-	-
University	1,036,295	74,999	7.2%	-	-	-	-	-	-	-
Uptown	1,965,899	238,330	12.1%	(1,946)	(1,946)	-	15.00	-	-	-
West Mesa	2,087,650	157,943	7.6%	7,317	7,317	-	16.15	18.50	-	-
Totals	27,805,233	2,593,201	9.3%	3,104	3,104	85,095	14.91	19.24	14.91	19.24

By Property Type	NET ABSORPTION					Under			ASKING RENT	
Total SF	Vacant SF	Vacancy %	Current	Year To Date	Construction SF	Neighborhood	Power	Neighborhood	Power	
Community	2,148,992	175,068	8.1%	(29,925)	(29,925)	-	12.95	-	-	
Free-standing	7,902,203	348,231	4.4%	39,022	39,022	79,095	13.57	-	-	
Neighborhood	7,102,564	1,034,425	14.6%	(31,702)	(31,702)	-	14.91	-	-	
Power	1,299,062	24,435	1.9%	(612)	(612)	-	19.24	-	-	
Showroom	2,023,801	107,971	5.3%	21,951	21,951	-	8.50	-	-	
Specialty/Theme	171,000	-	-	-	-	-	26.50	-	-	
Strip	4,662,833	518,841	11.1%	(4,748)	(4,748)	6,000	13.65	-	-	
Super-regional	2,190,336	275,460	12.6%	(1,308)	(1,308)	-	37.37	-	-	
Urban Retail	304,442	108,770	35.7%	10,426	10,426	-	16.64	-	-	
Totals	27,805,233	2,593,201	9.3%	3,104	3,104	85,095	16.40	16.40	16.40	

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Submarket	# of Records/Bldgs	Inventory SqFt (GLA)	Vacant SqFt (GLA)	Vacancy Rate	Occupied SqFt (GLA)	Direct Available	Sublease Available	Total Available	Availability Rate	Net Absorption	Year-to-Date Net Absorption	Weighted Avg. Rate	Weighted Avg. Exp.	Under Construction
Cottonwood														
Community	1/1	183,912	40,557	22.1%	143,355	40,557	0	40,557	22.1%	(31,625)	(31,625)	\$15.00	-	0
Free-standing	23/24	1,060,497	131,307	12.4%	929,190	43,952	0	43,952	4.1%	16,427	16,427	-	-	0
Neighborhood	6/7	553,040	82,560	14.9%	470,480	82,560	0	82,560	14.9%	(16,315)	(16,315)	\$14.62	-	0
Power	5/14	658,200	12,091	1.8%	646,109	12,091	0	12,091	1.8%	0	0	\$20.00	-	0
Showroom	5/10	286,495	0	0.0%	286,495	0	0	0	0.0%	0	0	-	-	0
Strip	13/24	291,079	47,551	16.3%	243,528	47,551	0	47,551	16.3%	2,947	2,947	\$19.86	-	0
Super-regional	1/10	1,037,628	87,550	8.4%	950,078	87,550	0	87,550	8.4%	(1,308)	(1,308)	\$35.00	-	0
Cottonwood Totals:	54/90	4,070,851	401,616	9.9%	3,669,235	314,261	0	314,261	7.7%	(29,874)	(29,874)	\$22.44	-	0
Downtown														
Free-standing	5/5	125,405	2,723	2.2%	122,682	2,723	0	2,723	2.2%	6,119	6,119	\$16.75	-	0
Strip	9/12	173,984	4,570	2.6%	169,414	32,690	0	32,690	18.8%	11,620	11,620	\$7.50	-	0
Urban Retail	13/22	280,769	92,900	33.1%	187,869	92,900	0	92,900	33.1%	10,426	10,426	\$14.36	-	0
Downtown Totals:	27/39	580,158	100,193	17.3%	479,965	128,313	0	128,313	22.1%	28,165	28,165	\$14.11	-	0
Far Northeast Heights														
Community	3/3	241,508	0	0.0%	241,508	2,609	0	2,609	1.1%	2,609	2,609	-	-	0
Free-standing	27/32	1,017,602	35,128	3.5%	982,474	15,000	21,680	36,680	3.6%	0	0	\$14.00	-	17,500
Neighborhood	25/58	1,995,462	200,612	10.1%	1,794,850	208,480	26,506	234,986	11.8%	15,414	15,414	\$18.48	-	0
Showroom	3/3	98,500	0	0.0%	98,500	0	0	0	0.0%	0	0	-	-	0
Strip	22/30	549,564	49,177	8.9%	500,387	49,177	0	49,177	8.9%	1,200	1,200	\$13.63	-	0
Far Northeast Heights Totals:	80/126	3,902,636	284,917	7.3%	3,617,719	275,266	48,186	323,452	8.3%	19,223	19,223	\$17.36	-	17,500
North I-25														
Community	1/10	360,395	20,638	5.4%	339,757	20,638	0	20,638	5.4%	0	0	\$19.00	-	0
Free-standing	29/30	1,519,471	18,344	1.2%	1,501,127	18,344	0	18,344	1.2%	10,373	10,373	\$15.60	-	0
Neighborhood	7/14	462,464	66,444	14.4%	396,020	85,336	0	85,336	18.5%	(17,788)	(17,788)	\$13.11	-	0
Showroom	14/22	533,013	40,111	7.5%	492,902	40,111	0	40,111	7.5%	20,166	20,166	\$15.80	-	0
Strip	15/18	286,210	33,898	11.8%	252,312	37,726	0	37,726	13.1%	500	500	\$12.62	\$6.75	0
North I-25 Totals:	66/94	3,183,553	179,435	5.6%	3,004,118	202,155	0	202,155	6.3%	13,251	13,251	\$14.38	\$6.75	0
North Valley														
Community	1/1	49,000	0	0.0%	49,000	0	0	0	0.0%	0	0	-	-	0
Free-standing	7/7	305,991	0	0.0%	305,991	0	0	0	0.0%	0	0	-	-	0
Neighborhood	5/8	213,842	38,191	17.9%	175,651	53,142	0	53,142	24.9%	(23,850)	(23,850)	\$13.99	-	0
Showroom	1/2	84,691	0	0.0%	84,691	0	0	0	0.0%	0	0	-	-	0
Strip	16/20	327,993	26,093	8.0%	301,900	33,012	0	33,012	10.1%	10,575	10,575	\$14.15	-	0
North Valley Totals:	30/38	981,517	64,284	6.5%	917,233	86,154	0	86,154	8.8%	(13,275)	(13,275)	\$14.07	-	0

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Submarket	# of Records/Bldgs	Inventory SqFt (GLA)	Vacant SqFt (GLA)	Vacancy Rate	Occupied SqFt (GLA)	Direct Available	Sublease Available	Total Available	Availability Rate	Net Absorption	Year-to-Date Net Absorption	Weighted Avg. Rate	Weighted Avg. Exp.	Under Construction
Northeast Heights														
Community	5/19	620,353	63,233	10.2%	557,120	63,233	0	63,233	10.2%	(1,640)	(1,640)	\$14.09	-	0
Free-standing	38/41	987,462	65,161	6.6%	922,301	72,881	0	72,881	7.4%	6,220	6,220	\$13.91	-	15,000
Neighborhood	13/29	1,052,136	289,620	27.5%	762,516	203,708	0	203,708	19.4%	6,626	6,626	\$14.34	-	0
Showroom	4/5	182,481	15,860	8.7%	166,621	15,860	0	15,860	8.7%	0	0	\$7.70	-	0
Strip	66/87	1,434,805	161,371	11.2%	1,273,434	187,848	0	187,848	13.1%	(21,664)	(21,664)	\$10.26	\$1.68	0
Northeast Heights Totals:	126/181	4,277,237	595,245	13.9%	3,681,992	643,530	0	543,530	12.7%	(10,458)	(10,458)	\$12.71	\$1.68	15,000
Rio Rancho														
Community	1/1	13,500	13,500	100.0%	0	13,500	0	13,500	100.0%	0	0	\$6.00	-	0
Free-standing	13/15	747,587	25,587	3.4%	722,000	13,587	0	13,587	1.8%	0	0	\$16.34	-	46,595
Neighborhood	11/22	756,695	59,291	7.8%	697,404	78,867	0	78,867	10.4%	(5,690)	(5,690)	\$14.41	-	0
Showroom	2/3	56,000	0	0.0%	56,000	0	0	0	0.0%	0	0	-	-	0
Strip	13/18	228,057	38,053	16.7%	190,004	38,053	0	38,053	16.7%	530	530	\$14.05	-	0
Rio Rancho Totals:	40/59	1,801,839	136,431	7.6%	1,665,408	144,007	0	144,007	8.0%	(5,160)	(5,160)	\$13.71	-	46,595
South Valley														
Community	1/1	128,000	20,000	15.6%	108,000	20,000	3,509	23,509	18.4%	0	0	\$8.25	-	0
Free-standing	5/5	344,631	0	0.0%	344,631	24,425	0	24,425	7.1%	0	0	-	-	0
Neighborhood	4/5	316,000	56,691	17.8%	261,309	56,691	0	56,691	17.8%	(2,000)	(2,000)	\$9.91	-	0
Strip	12/14	266,313	45,555	17.1%	220,758	45,555	0	45,555	17.1%	(3,374)	(3,374)	\$10.68	-	6,000
South Valley Totals:	22/25	1,056,944	122,246	11.6%	934,698	146,671	3,509	150,180	14.2%	(5,374)	(5,374)	\$9.92	-	6,000
Southeast Heights														
Community	2/2	312,811	0	0.0%	312,811	0	0	0	0.0%	0	0	-	-	0
Free-standing	19/20	696,899	25,820	3.7%	662,079	11,000	14,820	25,820	3.7%	0	0	\$4.95	-	0
Neighborhood	9/25	783,626	70,234	9.0%	713,392	71,244	0	71,244	9.1%	(550)	(650)	\$12.27	-	0
Showroom	12/26	604,405	52,000	8.6%	552,405	125,785	0	125,785	20.8%	1,785	1,785	\$5.75	-	0
Strip	17/18	336,240	20,340	6.0%	315,900	20,340	0	20,340	6.0%	0	0	\$9.99	-	0
Urban Retail	1/1	23,673	15,870	67.0%	7,803	15,870	0	15,870	67.0%	0	0	\$30.00	-	0
Southeast Heights Totals:	60/92	2,759,654	184,264	6.7%	2,564,390	244,239	14,820	259,059	9.4%	1,235	1,235	\$9.96	-	0
University														
Free-standing	12/15	350,600	14,000	4.0%	336,600	32,000	0	32,000	9.1%	0	0	\$12.75	-	0
Neighborhood	2/2	112,657	24,864	22.1%	87,793	0	24,864	24,864	22.1%	0	0	-	-	0
Showroom	4/10	161,200	0	0.0%	161,200	0	0	0	0.0%	0	0	-	-	0
Strip	19/24	411,838	36,135	8.8%	375,703	31,650	0	31,650	7.7%	0	0	\$15.25	-	0
University Totals:	37/51	1,036,295	74,999	7.2%	961,296	63,650	24,864	88,514	8.5%	0	0	\$14.48	-	0

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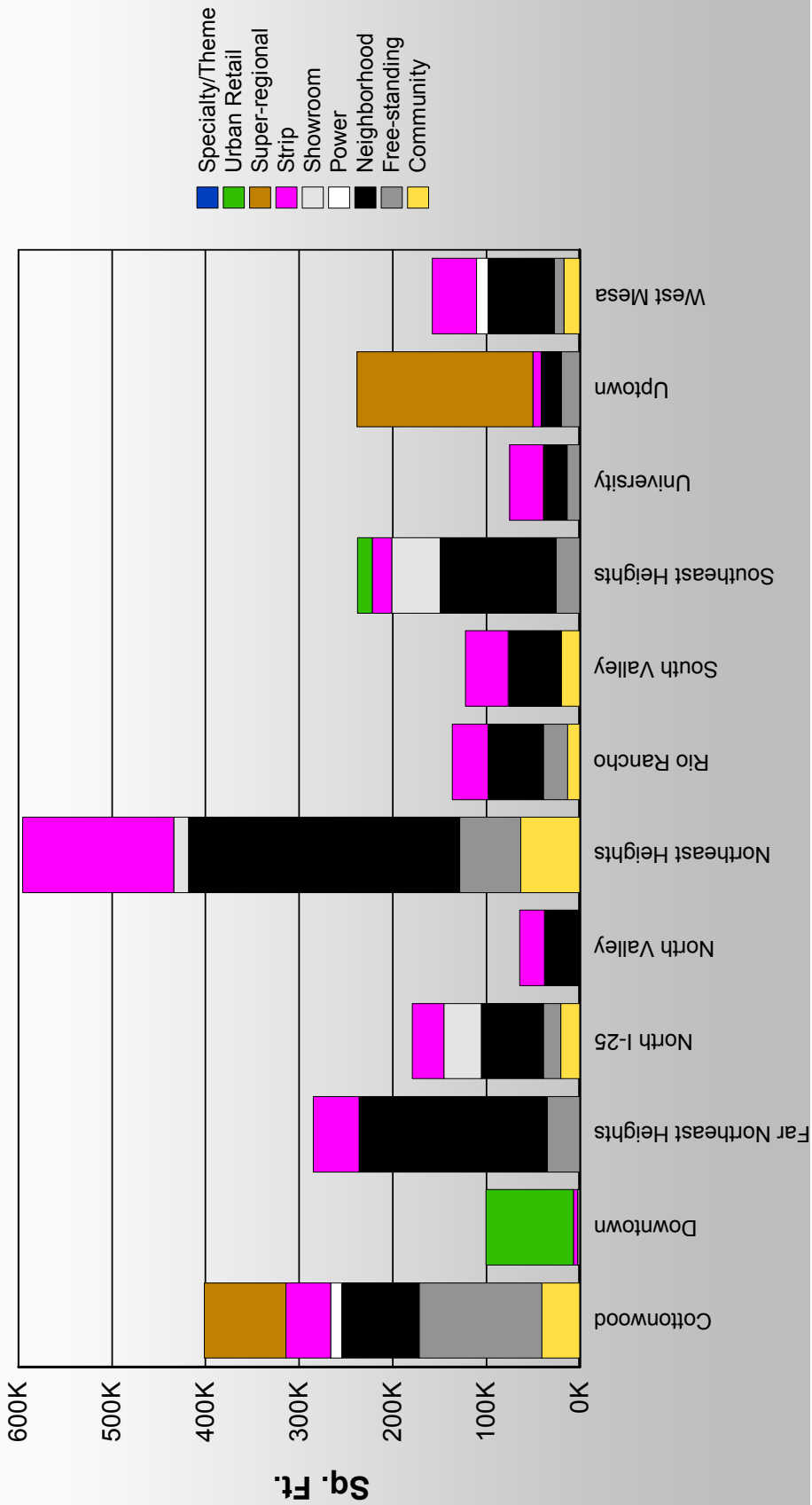
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Uptown														
Free-standing	4/4	94,200	20,060	21.3%	74,140	13,460	0	13,460	14.3%	0	0	-	-	0
Neighborhood	1/6	51,028	21,408	42.0%	29,620	21,408	0	21,408	42.0%	1,436	1,436	\$15.00	-	0
Power	1/5	466,680	0	0.0%	466,680	0	0	0	0.0%	0	0	-	-	0
Specialty/Theme	1/1	171,000	0	0.0%	171,000	34,367	0	34,367	20.1%	0	0	\$26.50	-	0
Strip	2/2	30,283	8,952	29.6%	21,331	8,952	0	8,952	29.6%	(3,382)	(3,382)	\$31.00	-	0
Super-regional	1/5	1,152,708	187,910	16.3%	964,798	126,807	0	126,807	11.0%	0	0	\$39.00	-	0
Uptown Totals:	10/23	1,965,899	238,330	12.1%	1,727,569	204,994	0	204,994	10.4%	(1,946)	(1,946)	\$33.70	-	0
West Mesa														
Community	1/1	219,513	17,140	7.8%	202,373	17,140	0	17,140	7.8%	731	731	\$7.57	-	0
Free-standing	2/21	649,858	10,101	1.6%	639,757	0	0	0	0.0%	(117)	(117)	-	-	0
Neighborhood	11/28	702,614	71,212	10.1%	631,402	72,637	0	72,637	10.3%	11,015	11,015	\$16.15	-	0
Power	1/7	174,182	12,344	7.1%	161,838	12,344	0	12,344	7.1%	(612)	(612)	\$18.50	-	0
Showroom	1/1	17,016	0	0.0%	17,016	0	0	0	0.0%	0	0	-	-	0
Strip	16/27	324,467	47,146	14.5%	277,321	35,919	0	35,919	11.1%	(3,700)	(3,700)	\$20.72	-	0
West Mesa Totals:	51/85	2,087,650	157,943	7.6%	1,929,707	138,040	0	138,040	6.6%	7,317	7,317	\$16.48	-	0
NM - Albuquerque Totals:	603/903	27,704,233	2,539,903	9.2%	25,164,330	2,491,280	91,379	2,582,659	9.3%	3,104	3,104	\$16.40	\$2.38	85,095

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Submarket	# of Records/Bldgs	Inventory SqFt (GLA)	Vacant SqFt (GLA)	Vacancy Rate	Occupied SqFt (GLA)	Direct Available	Sublease Available	Total Available	Availability Rate	Net Absorption	Year-to-Date Net Absorption	Weighted Avg. Rate	Weighted Avg. Exp.	Under Construction
NM - Albuquerque														
Community	16/39	2,148,982	175,068	8.1%	1,973,924	177,677	3,509	181,186	8.4%	(29,925)	(29,925)	\$12.95	-	0
Free-standing	203/219	7,902,203	348,231	4.4%	7,542,972	247,372	36,500	283,872	3.6%	39,022	39,022	\$13.57	-	79,095
Neighborhood	94/204	7,001,564	981,127	14.0%	6,020,437	934,073	51,370	985,443	14.1%	(31,702)	(31,702)	\$14.91	-	0
Power	7/26	1,299,062	24,435	1.9%	1,274,627	24,435	0	24,435	1.9%	(612)	(612)	\$19.24	-	0
Showroom	46/82	2,023,801	107,971	5.3%	1,915,830	181,756	0	181,756	9.0%	21,951	21,951	\$8.50	-	0
Specialty/Theme	1/1	171,000	0	0%	171,000	34,367	0	34,367	20.1%	0	0	\$26.50	-	0
Strip	220/294	4,662,833	518,841	11.1%	4,143,992	568,473	0	568,473	12.2%	(4,748)	(4,748)	\$13.65	\$2.38	6,000
Super-regional	2/15	2,190,336	275,460	12.6%	1,914,876	214,357	0	214,357	9.8%	(1,308)	(1,308)	\$37.37	-	0
Urban Retail	14/23	304,442	108,770	35.7%	195,672	106,770	0	108,770	35.7%	10,426	10,426	\$16.64	-	0
NM - Albuquerque Totals:	603/903	27,704,233	2,539,903	9.2%	25,164,330	2,491,280	91,379	2,582,659	9.3%	3,104	3,104	\$16.40	\$2.38	85,095
Totals (All Markets):	603/903	27,704,233	2,539,903	9.2%	25,164,330	2,491,280	91,379	2,582,659	9.3%	3,104	3,104	\$16.40	\$2.38	85,095

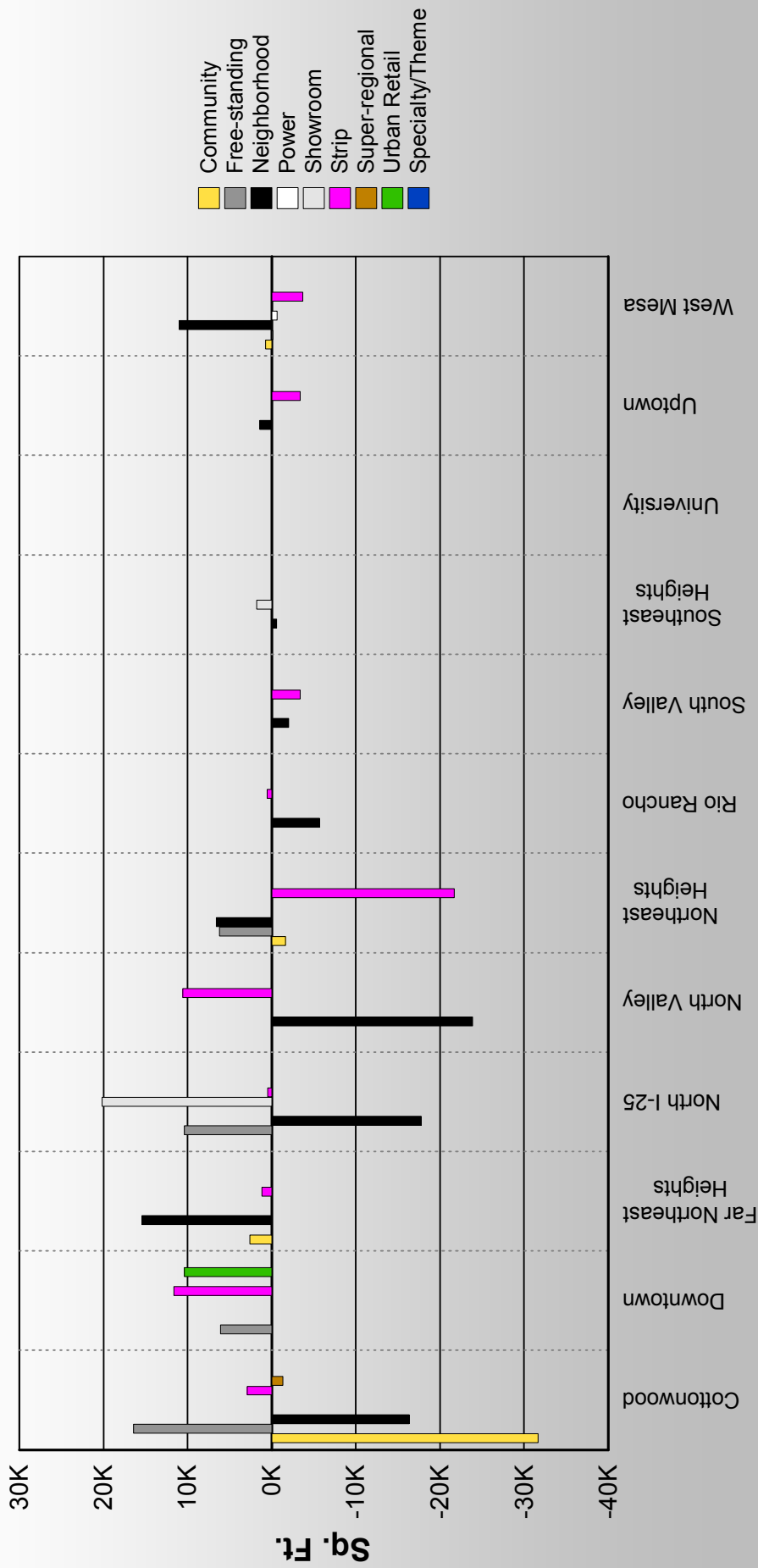
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Total Vacant Space

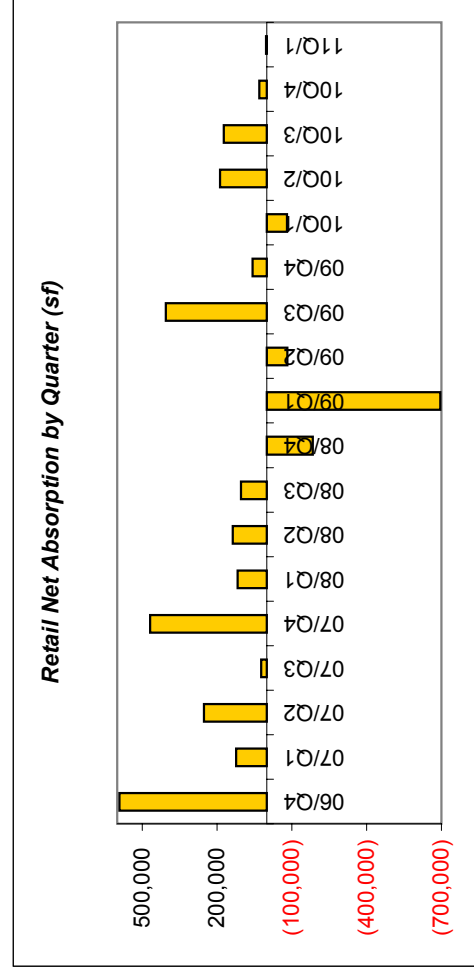
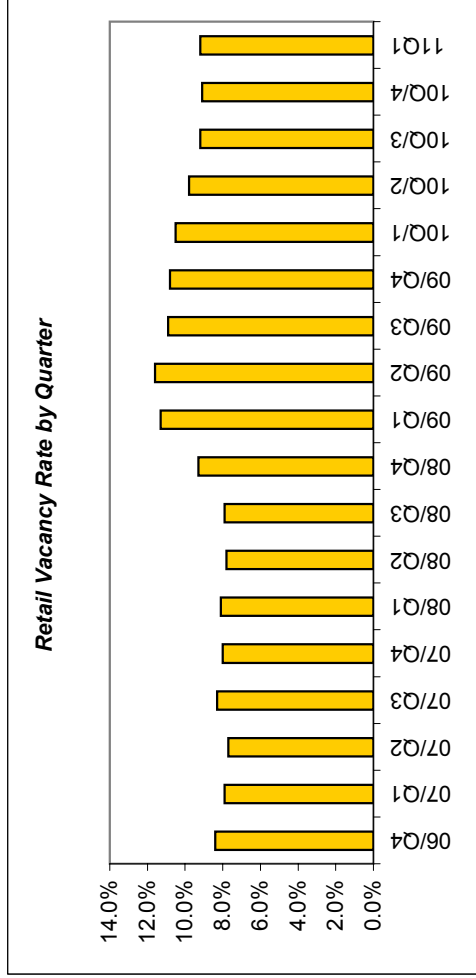


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Year-to-Date Net Absorption

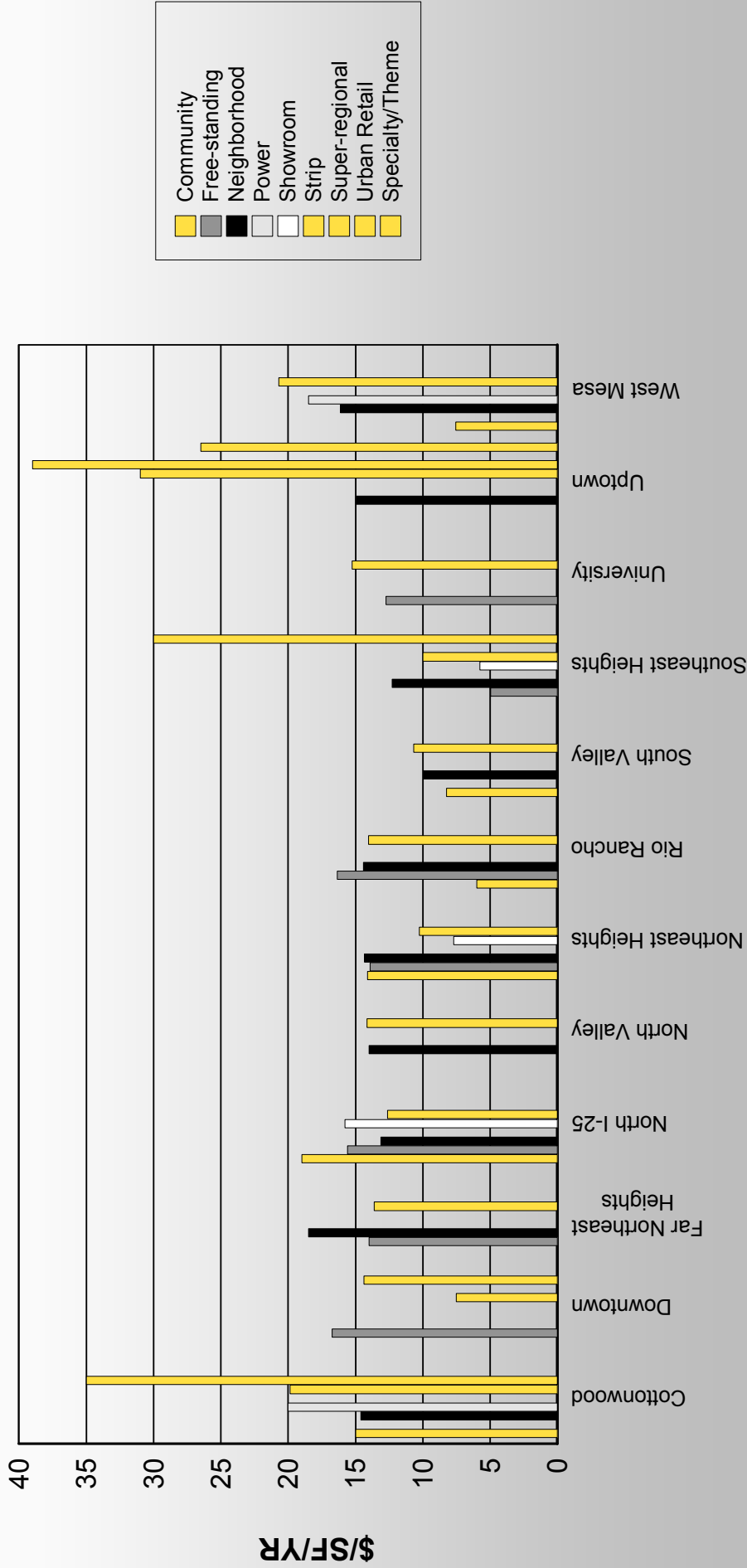


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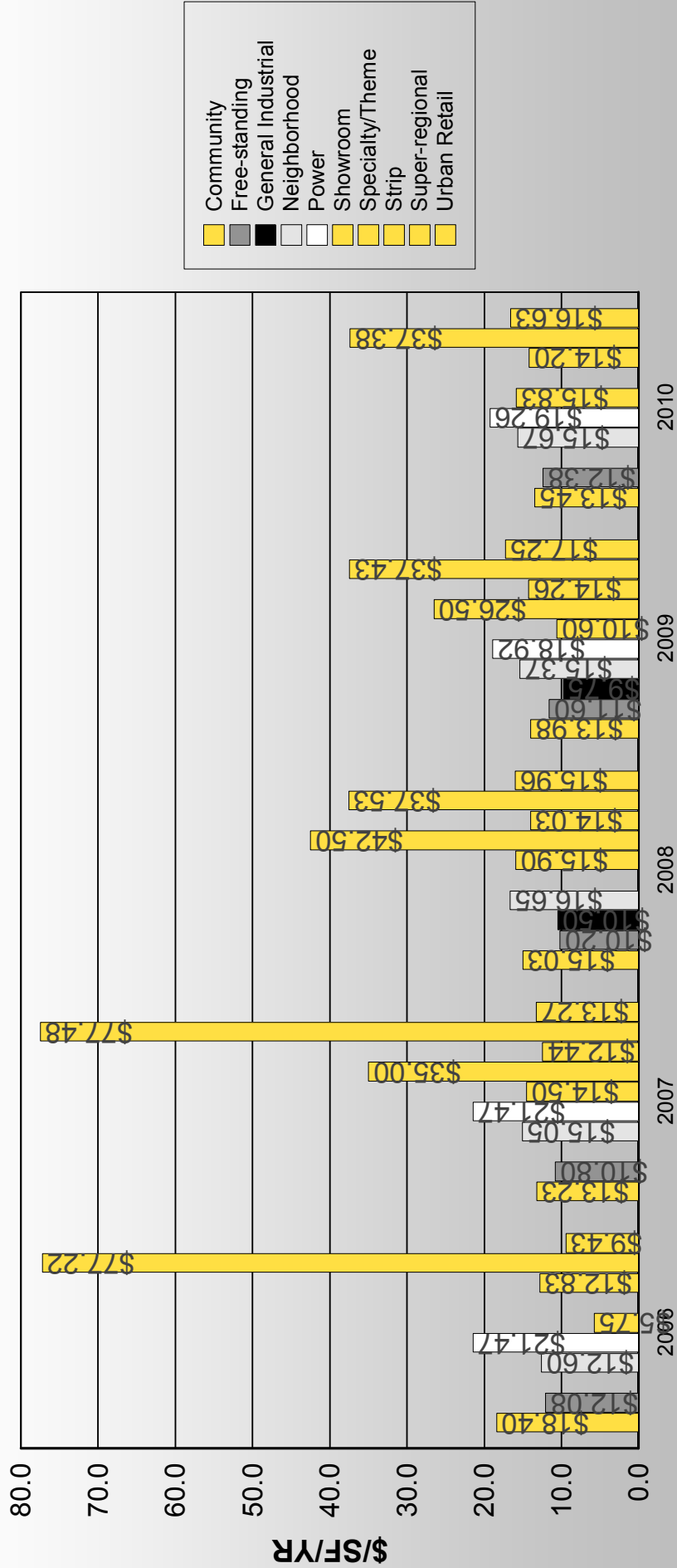
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Weighted Average Rent



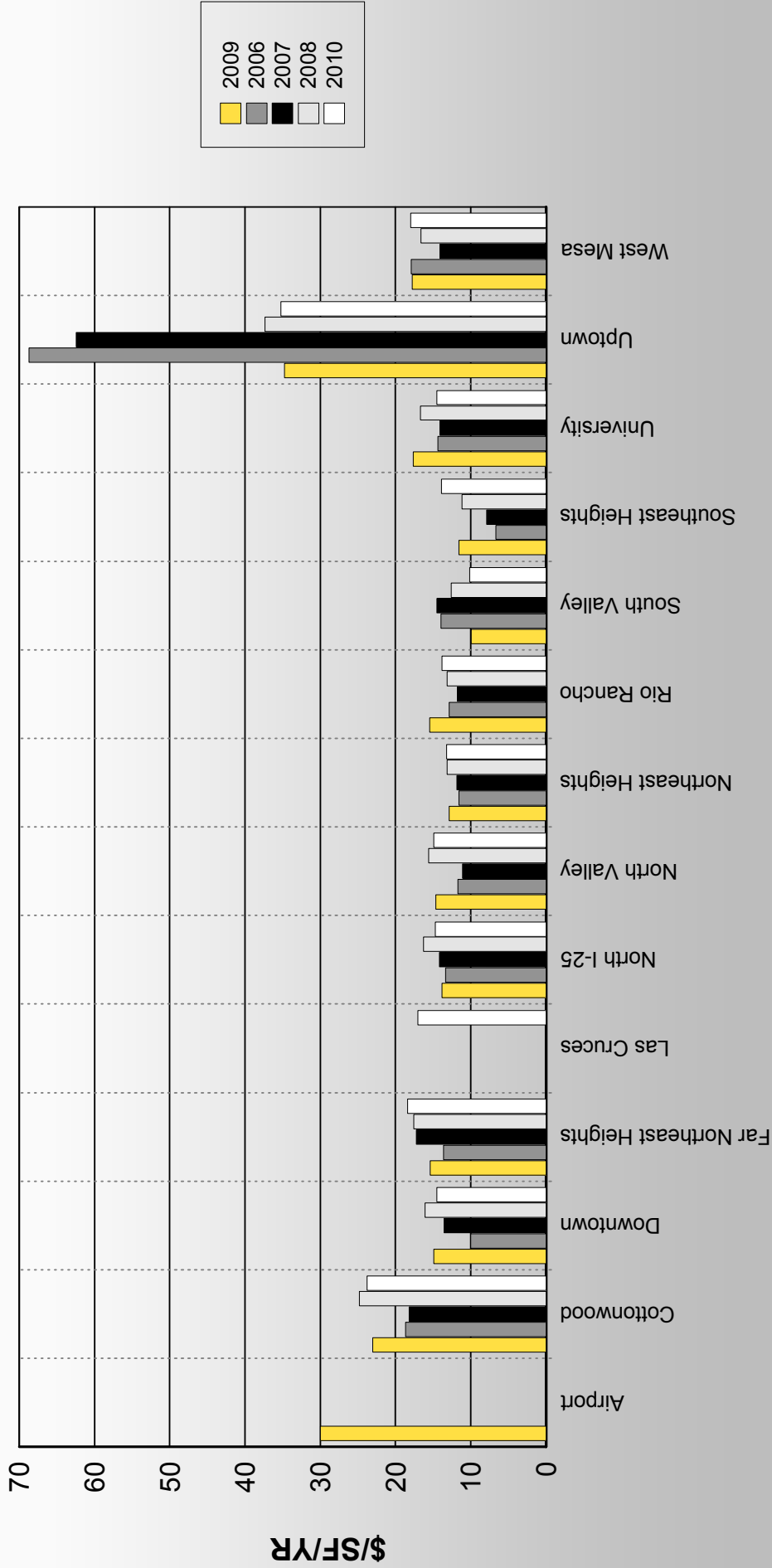
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Historical Rents by Subtype



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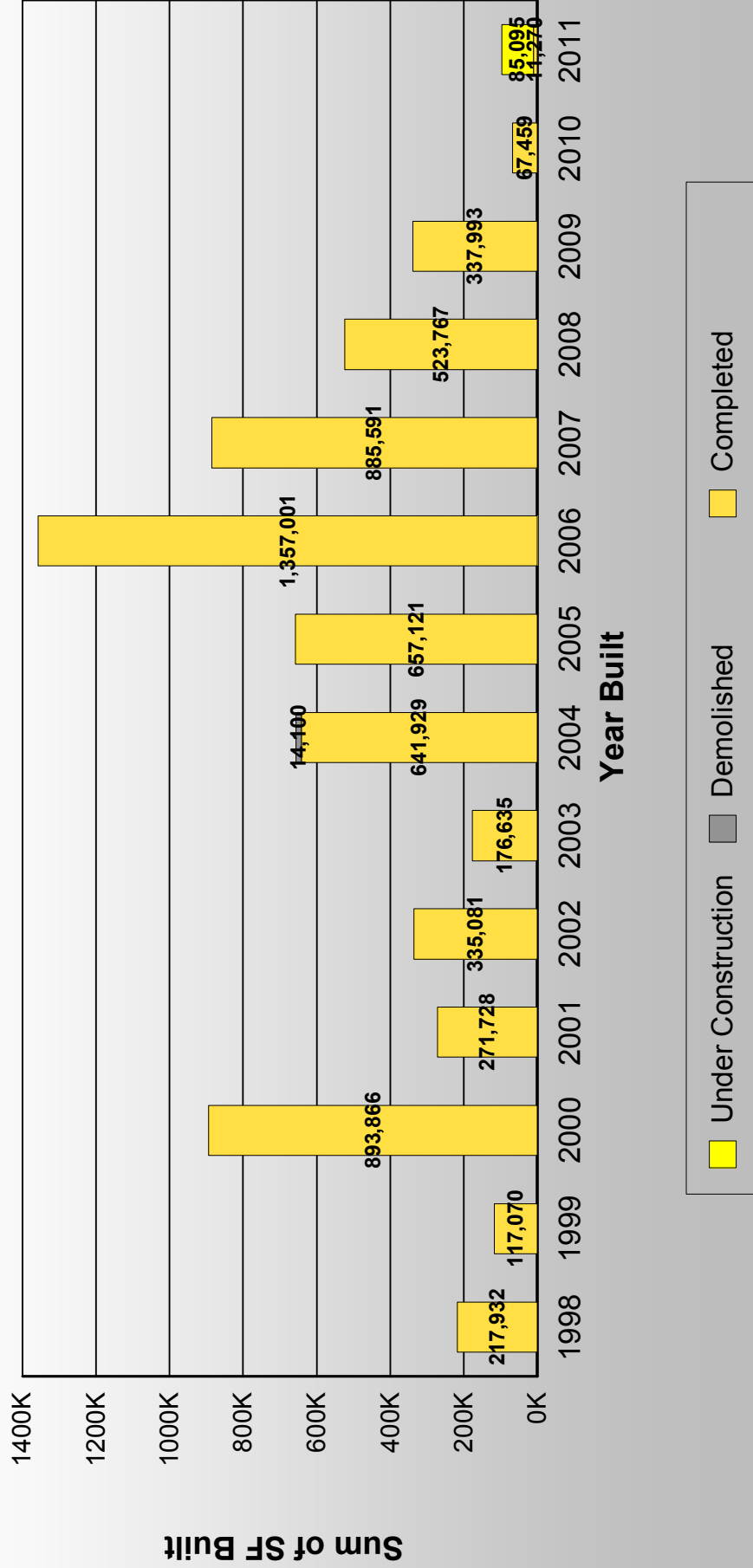
Historical Rents by Submarket



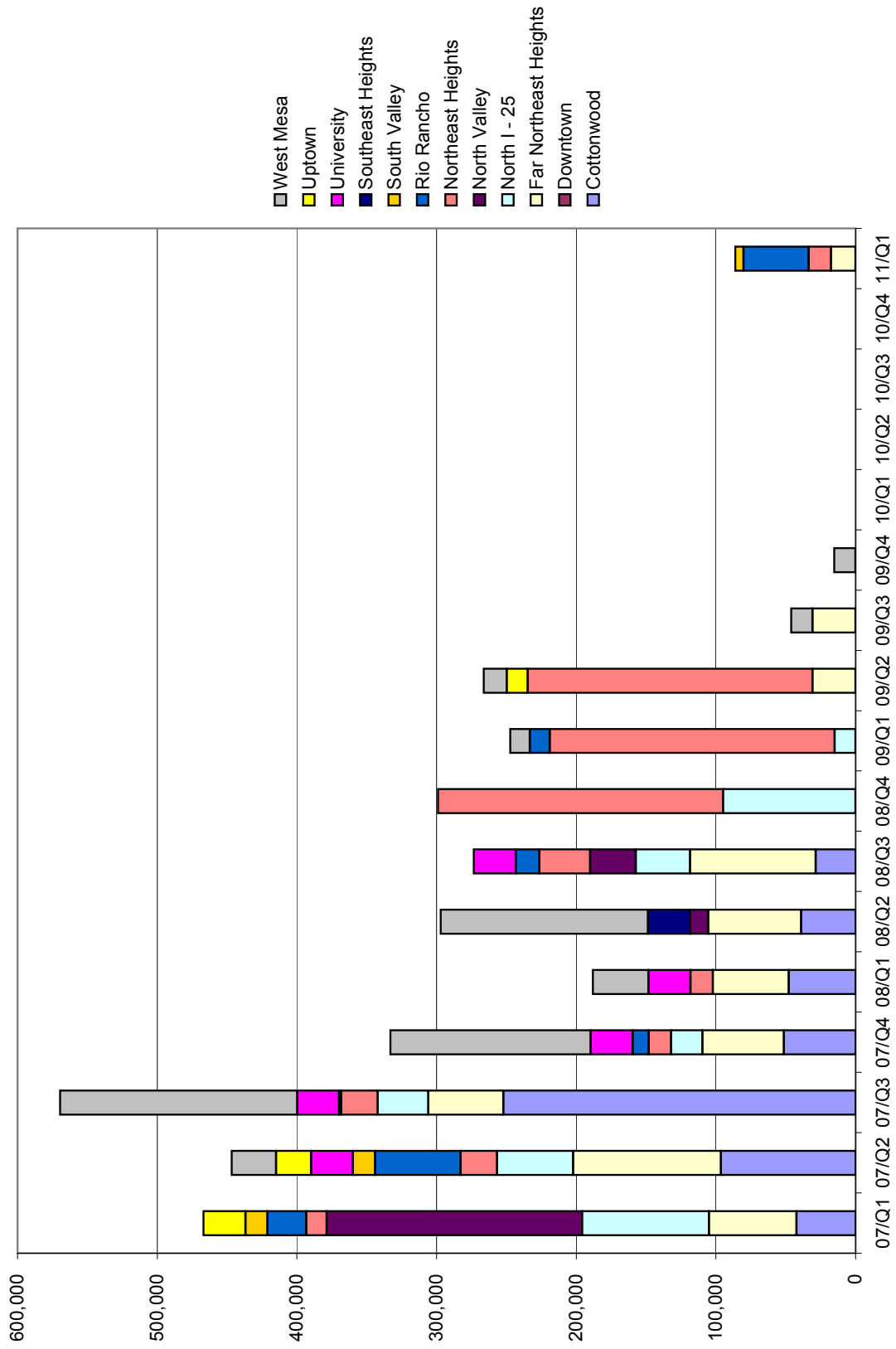
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Completed and Projected Construction by Year



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