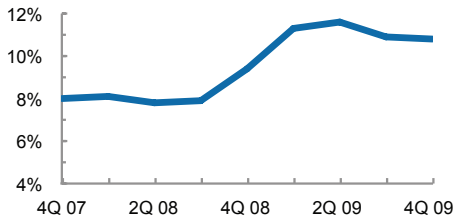


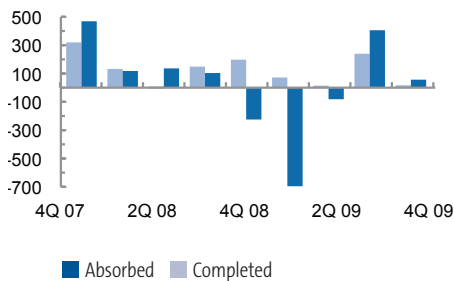
### Vacancy Rate

Quarterly



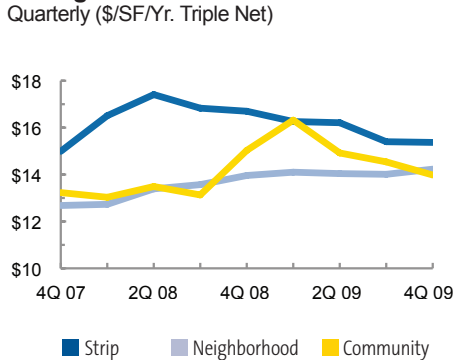
### Completions vs. Absorption

Quarterly (in Thousands of SF)



### Asking Rental Rates

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



## Bouncing off the Bottom

In today's market many consider less bad as a positive outcome. During the fourth quarter the retail market showed some resiliency and gave hope for more good things to come. Total absorption of space was positive for a second consecutive quarter. A majority of this activity occurred in retail categories related to the housing market. Two new furniture stores and a home improvement retailer occupied over 55,000 square feet of combined space. New construction accounted for the balance of space absorbed. A new Walgreens and a small strip center provided for another 29,000 square feet of occupancy.

The market appears to be entering a stabilization phase. Available space is declining and is now less than the vacant space on the market. When this occurs it usually means deals have been made to occupy some of the vacant space on the market over the next few quarters. As a result vacancy is likely to decrease slightly barring any major retailers closing.

Compared to the first three quarters the year ended with much higher activity levels. Ebbing job losses are giving consumers more confidence to increase spending. This is spurring some retailers to take advantage of opportunities in the market which were vacated a year ago and are priced attractively. Expect some of the prime locations to be absorbed before the next holiday season. Former national video store locations may provide additional options for new retailers looking to open in the Albuquerque metropolitan area.

### FORECAST

- Retailers begin searching for market opportunities.
- Rate concessions remain key to getting deals done.
- Speculative construction is dormant.

### KEY TRANSACTIONS

Lessee/Buyer	Lessor/Seller	Property	Size (SF)/Price
Walgreens	Peterson Properties, LLC	8011 Ventura NE	16,840
Ace Hardware	NC Stores, LLC	5410 Academy*	13,824
Home Life Furnishings	MAH Cottonwood, LLC	3731 Ellison NW	35,650

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

# Retail Trends Report—Fourth 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	365,593	9.0%	40,086	(88,488)	-	\$17.16	\$24.00
Downtown	552,038	144,820	26.2%	(2,698)	(35,709)	-	-	-
Far Northeast Heights	3,868,151	319,640	8.3%	16,917	4,743	-	\$15.46	-
North I-25	3,200,883	280,500	8.8%	(16,415)	(1,298)	-	\$12.37	-
North Valley	968,540	59,688	6.2%	131	28,459	-	\$19.86	-
Northeast Heights	4,275,066	738,982	17.3%	(5,416)	(16,210)	-	\$15.72	-
Rio Rancho	1,780,006	85,225	4.8%	3,628	17,939	-	\$14.34	-
South Valley	1,017,346	101,667	10.0%	(7,000)	(12,506)	-	\$9.83	-
Southeast Heights	2,730,090	138,428	5.1%	1,742	(125,906)	-	\$13.46	-
University	1,011,266	81,860	8.1%	17,950	32,862	-	-	-
Uptown	2,012,699	427,302	21.2%	(7,268)	(157,769)	-	\$15.00	-
West Mesa	2,072,386	199,019	9.6%	14,824	77,642	15,381	\$19.52	\$18.50
<b>Totals</b>	<b>27,567,367</b>	<b>2,965,813</b>	<b>10.8%</b>	<b>56,481</b>	<b>(278,493)</b>	<b>15,381</b>	<b>\$15.37</b>	<b>\$18.92</b>

By Property Type	Total SF	Vacant SF	Total Vacancy %	Current	Year To Date	Under Construction	ASKING RENT	
							Neighborhood	Power
Community	2,337,332	356,452	15.3%	1,852	170,092	-	\$13.98	-
Free-standing	7,858,120	543,001	6.9%	38,214	(100,607)	15,381	\$10.50	-
Neighborhood	6,920,915	918,913	13.3%	(31,486)	(186,739)	-	\$15.37	-
Power	1,299,062	17,531	1.3%	34,314	23,719	-	\$18.92	-
Showroom	2,006,156	145,389	7.2%	-	(18,480)	-	\$10.60	-
Specialty/Theme	171,000	10,016	5.9%	-	484	-	\$26.50	-
Strip	4,480,588	446,797	10.0%	12,043	5,887	-	\$14.23	-
Super-regional	2,190,336	388,185	17.7%	4,242	(156,193)	-	\$37.43	-
Urban Retail	303,858	139,529	45.9%	(2,698)	(16,656)	-	\$17.25	-
<b>Totals</b>	<b>27,567,367</b>	<b>2,965,813</b>	<b>10.8%</b>	<b>56,481</b>	<b>(278,493)</b>	<b>15,381</b>	<b>\$16.61</b>	

## RETAIL TERMS AND DEFINITIONS

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

**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.*