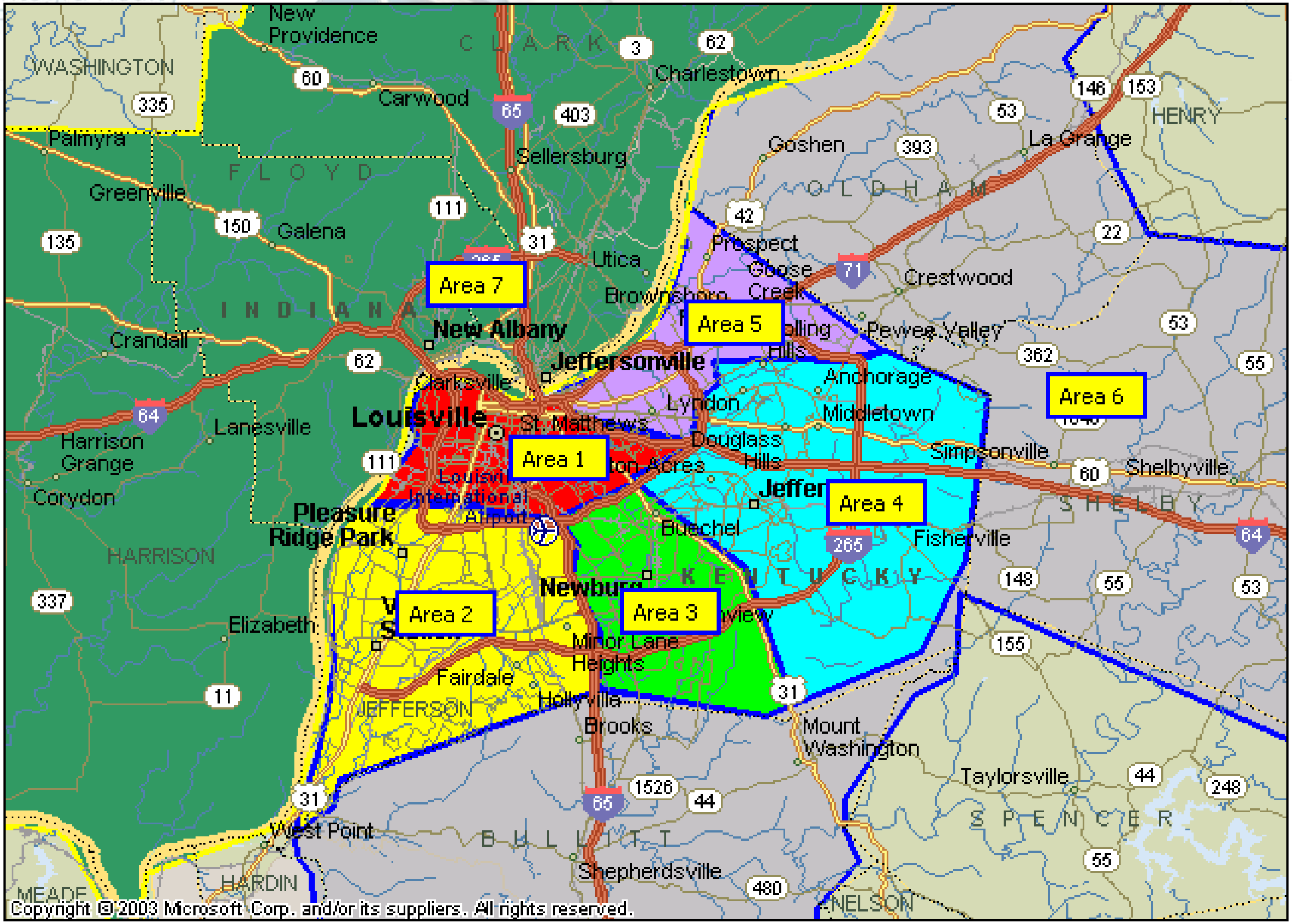
2013 Real Estate Forecasts - Retail

Integra
Realty
Resources

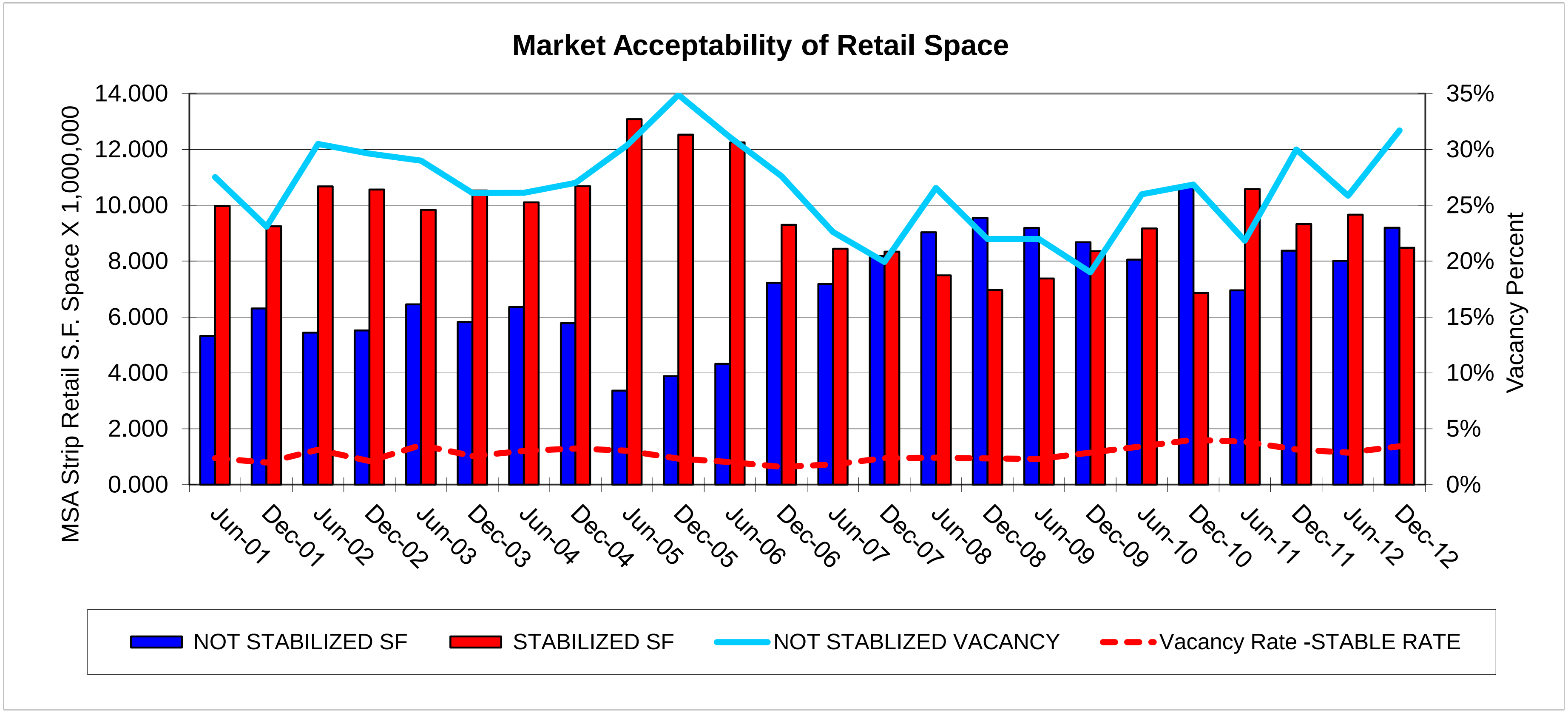
R1

Retail Market Areas

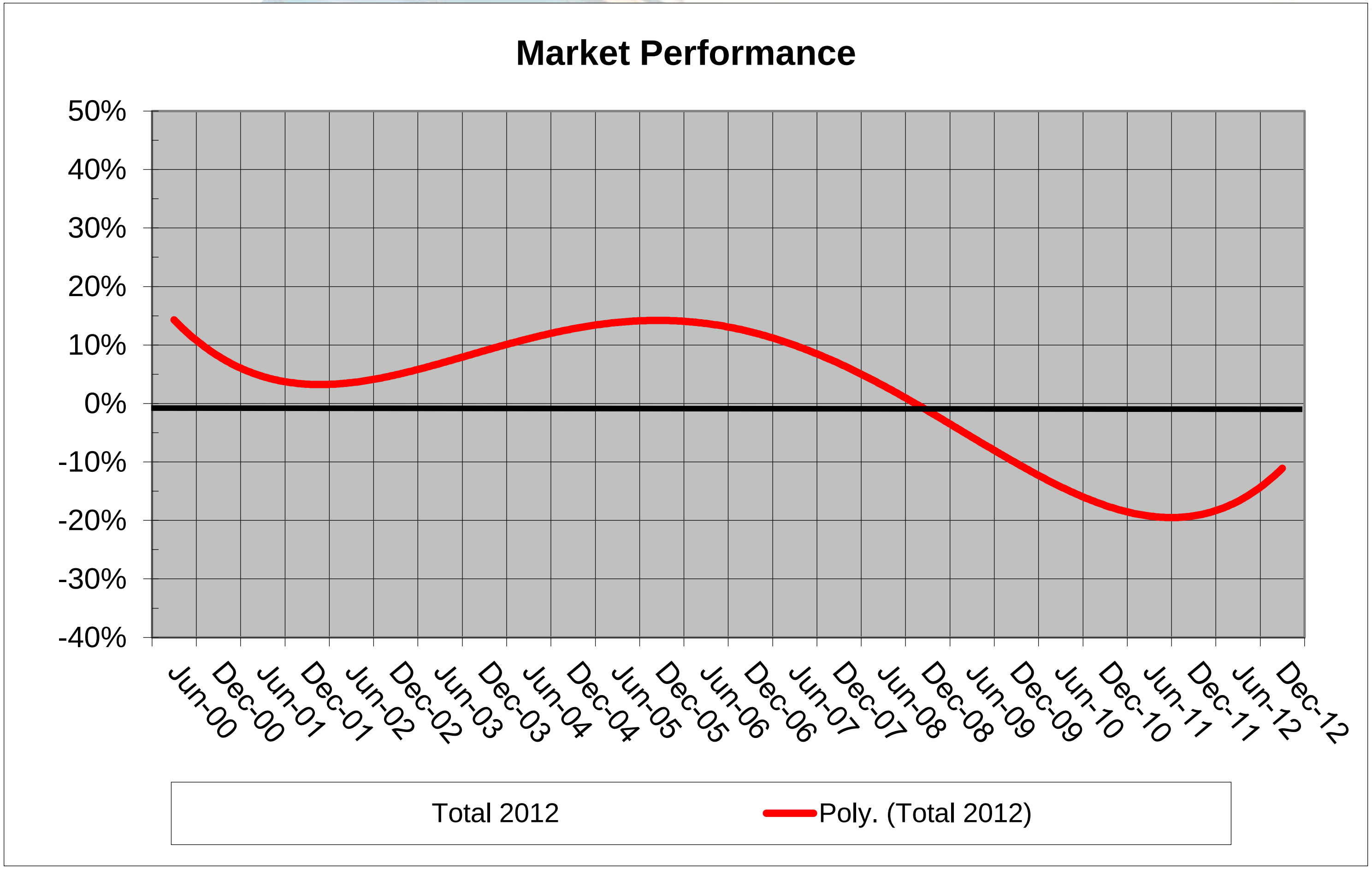


Regional Retail Performance

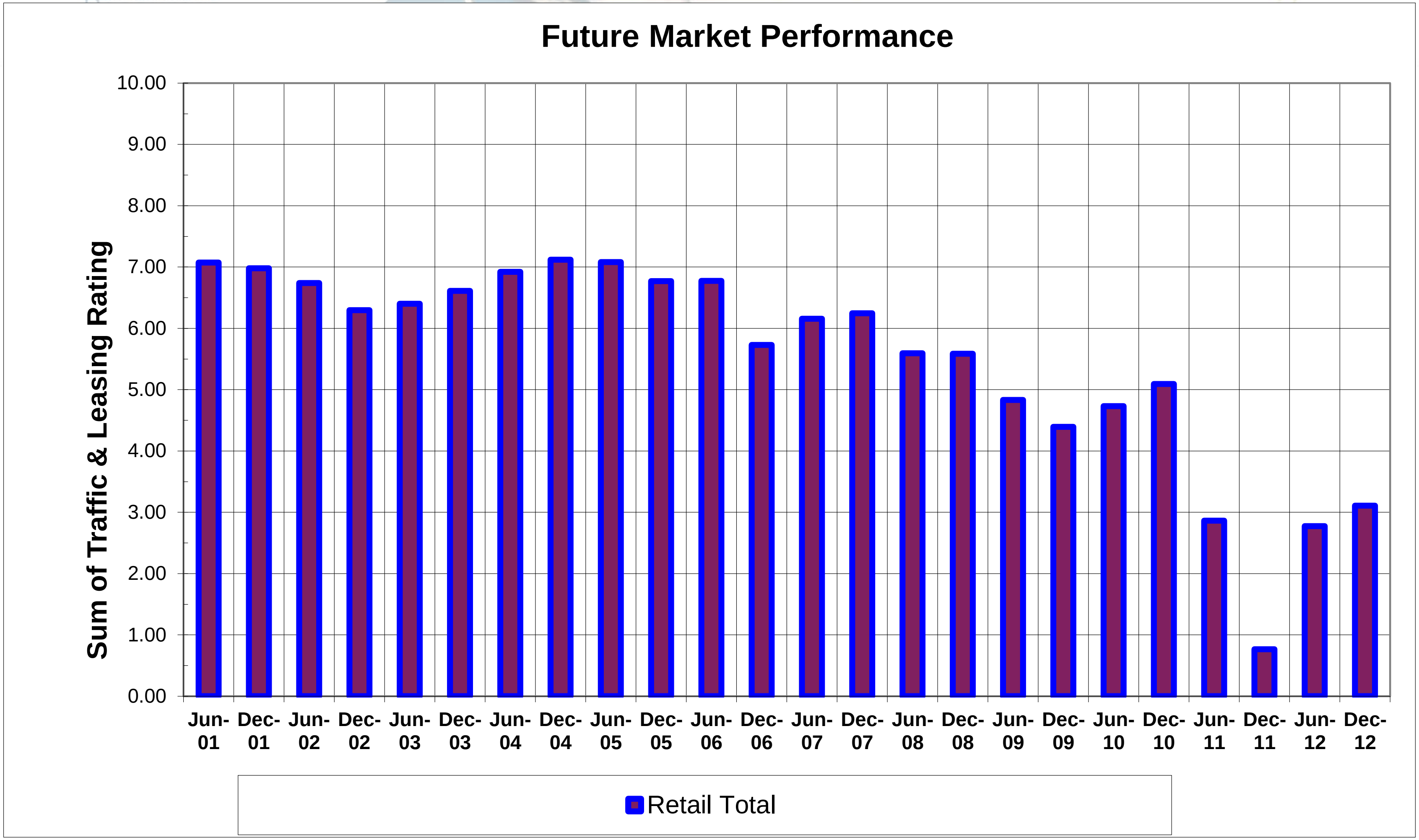
Louisville MSA Retail Performance – Stabilized and Non-Stabilized Occupancy



Louisville MSA Retail Overall Performance

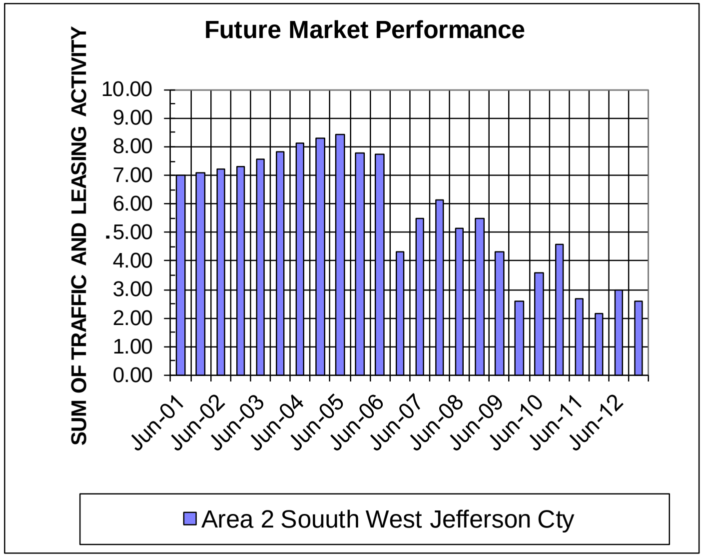


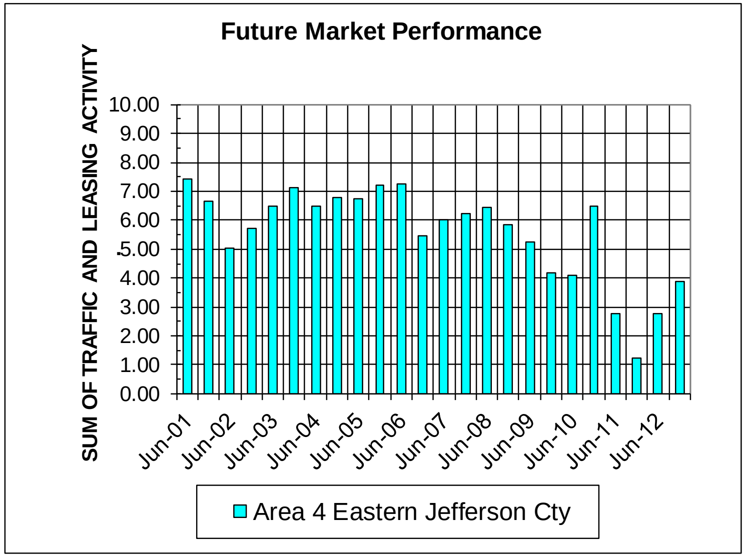
Market Participants Expectations on Current Inventory

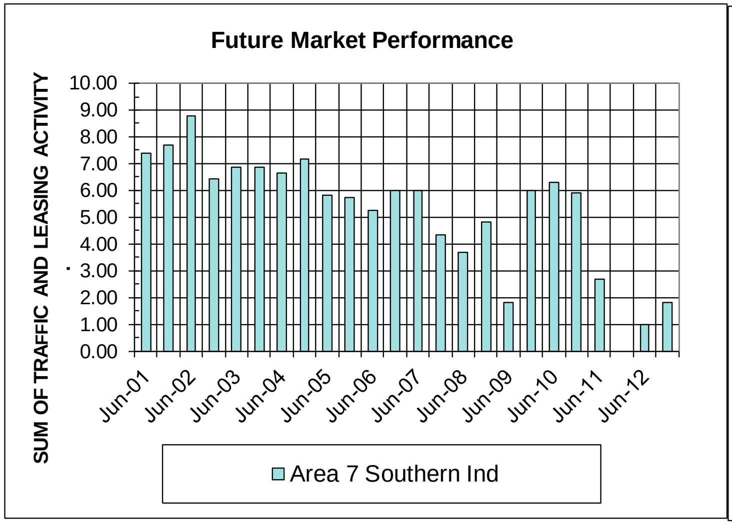


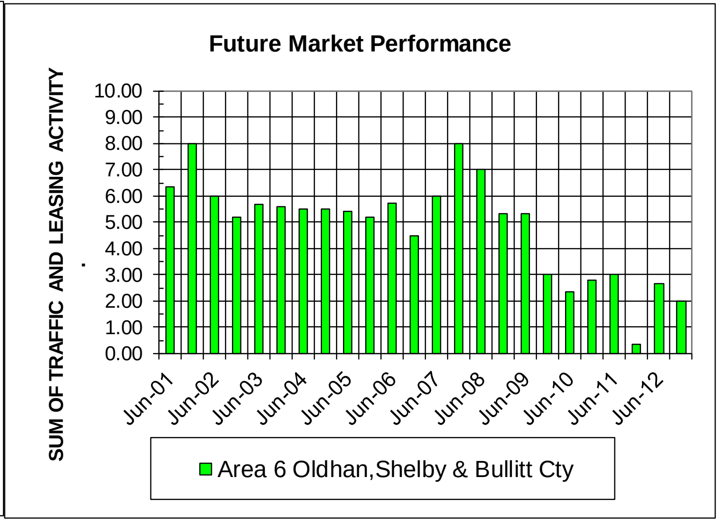
R6

Area Participants Expectations on Current Activity

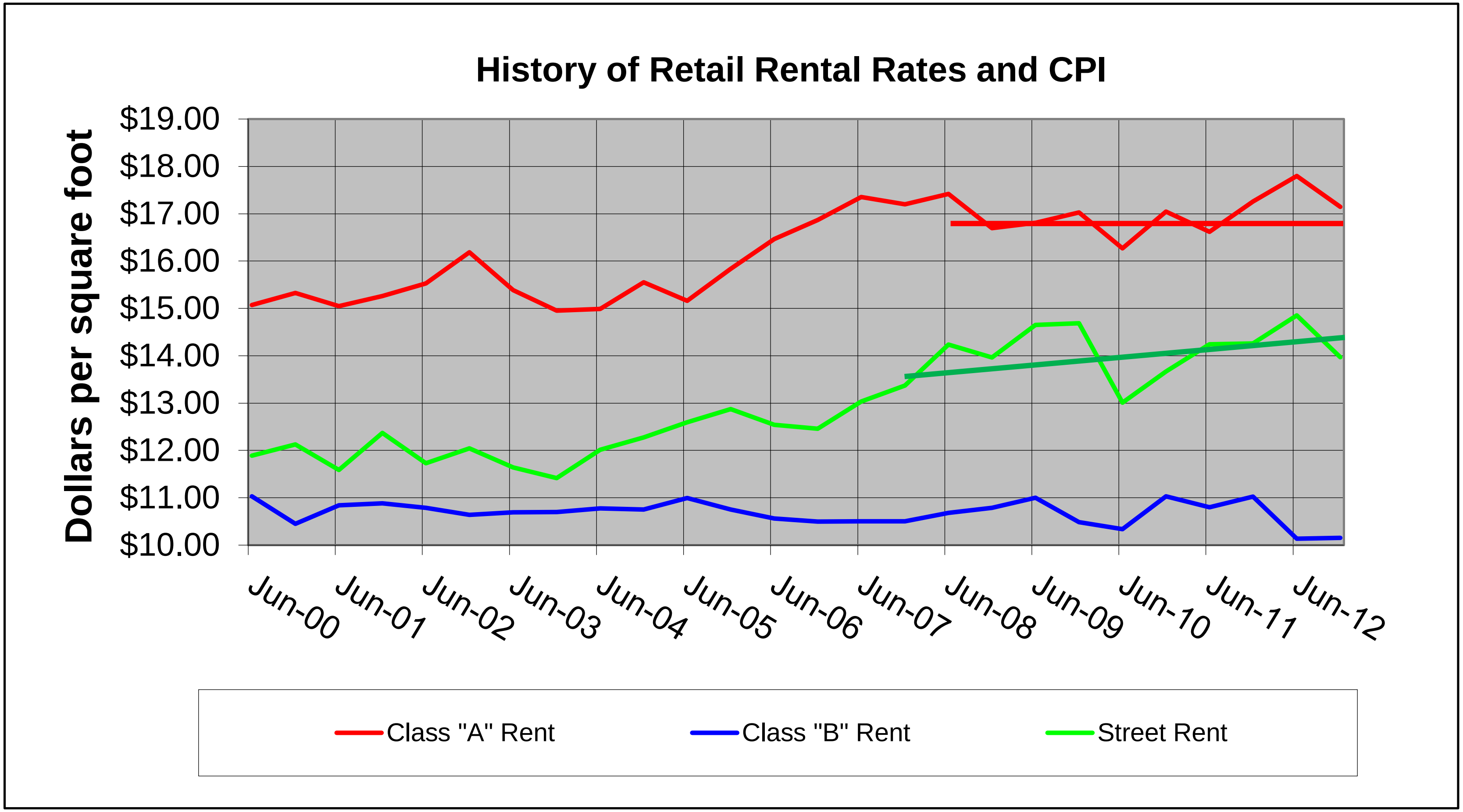




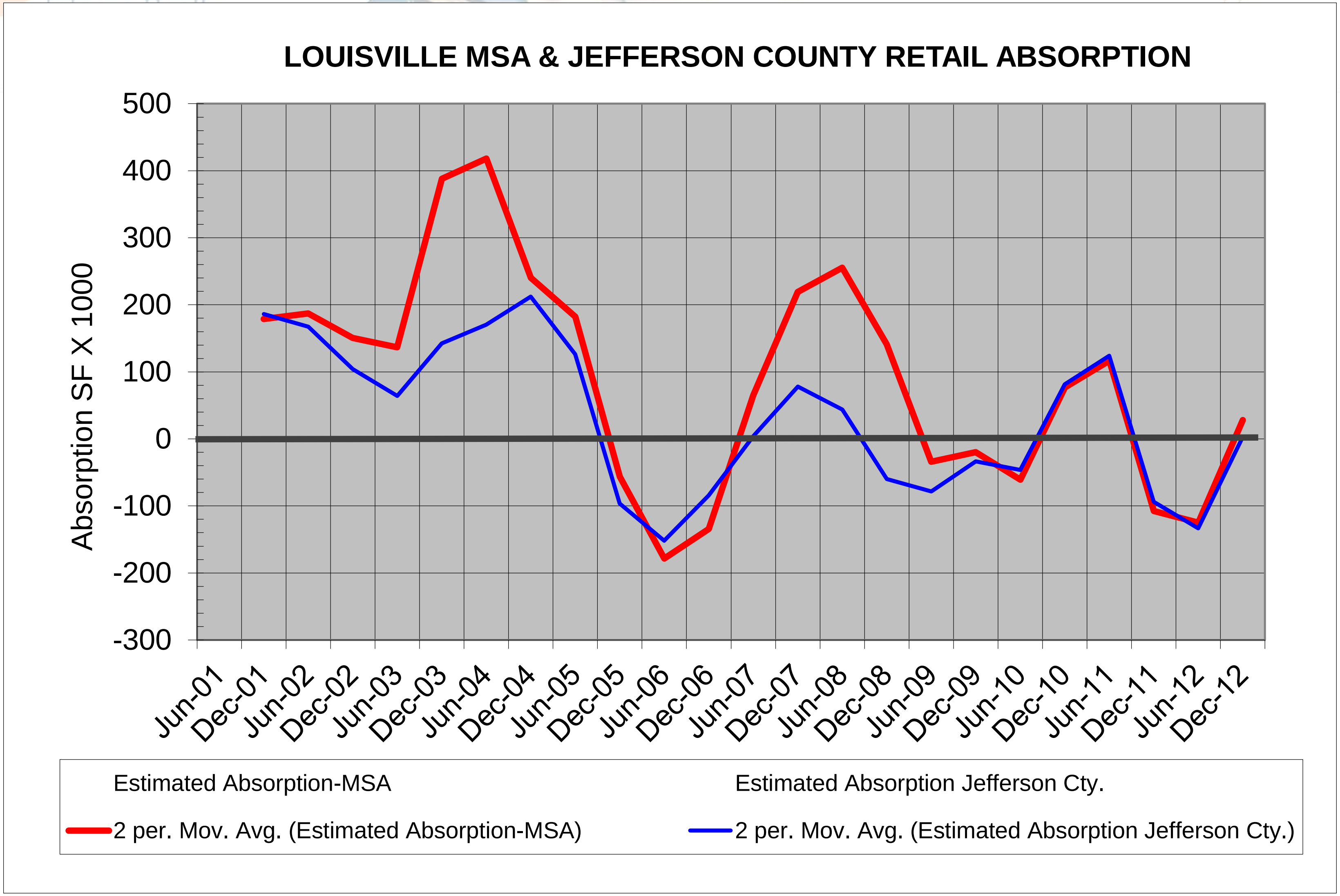




Louisville MSA Retail Rental Rates Compared to CPI



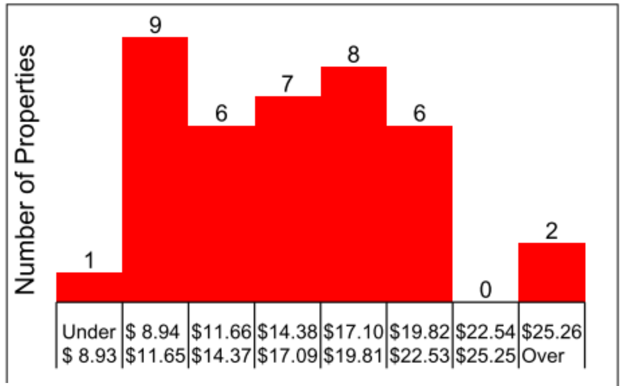
Space Absorption in MSA and Jefferson County



Jefferson County Neighborhood Centers Rents, Rent Growth Rates and Vacancy

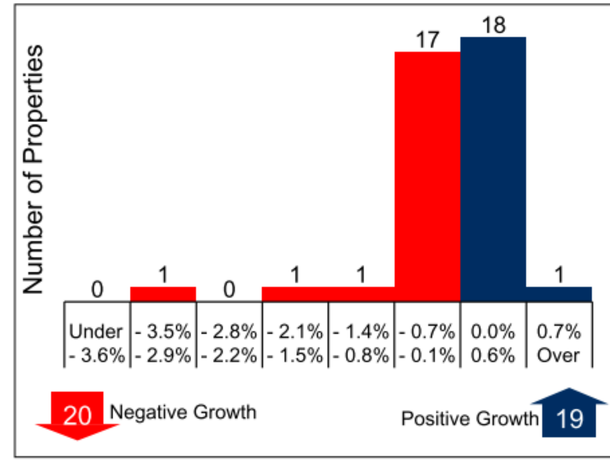
Nonanchor Asking Rent Distribution

Low	25%	Mean	Median	75%	High
$ 9.90	$11.70	$16.07	$16.32	$18.45	$40.00



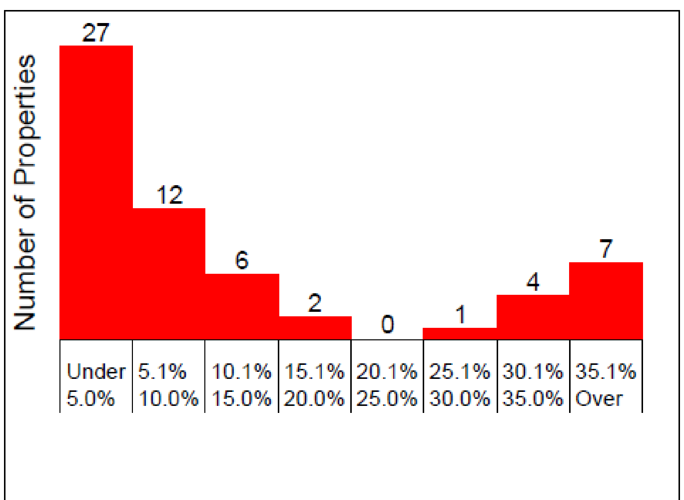
Nonanchor Asking Rent Growth Rate Distribution

Low	25%	Mean	Median	75%	High
- 2.0%	- 0.1%	- 0.1%	- 0.1%	0.0%	0.3%



Vacancy Rate Distribution

Low	25%	Mean	Median	75%	High
0.0%	0.0%	11.7%	5.4%	14.1%	53.6%



2012 Neighborhood Strip Centers Vacancy, Rent and Rent Increases

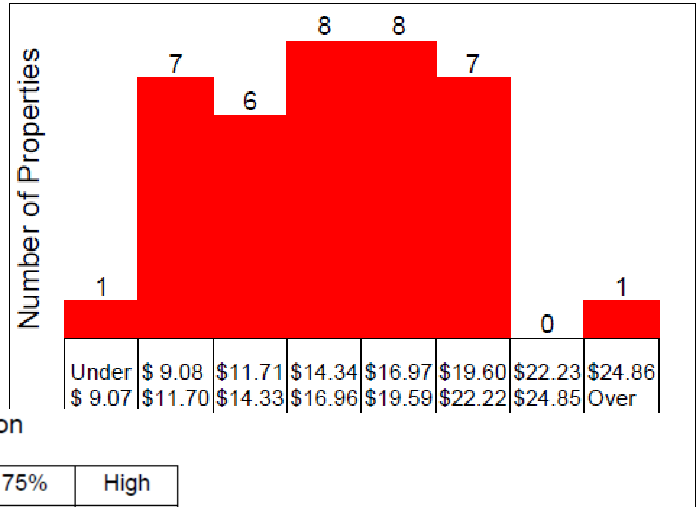
Average Metro Lease Terms

Anchor/ Nonanchor	CRD %	Free Rent (mos)	Expenses $ (Commercial)	Lease Term (yrs)	Leasing Commission %	Tenant Improvements $
A	- 6.6%	5.2	$ 2.50	8.5	4.9%	$ 9.40
N	- 6.2%	5.1	$ 2.50	3.6	5.7%	$ 7.90

Jefferson County Community Centers Rents, Rent Growth Rates and Vacancy

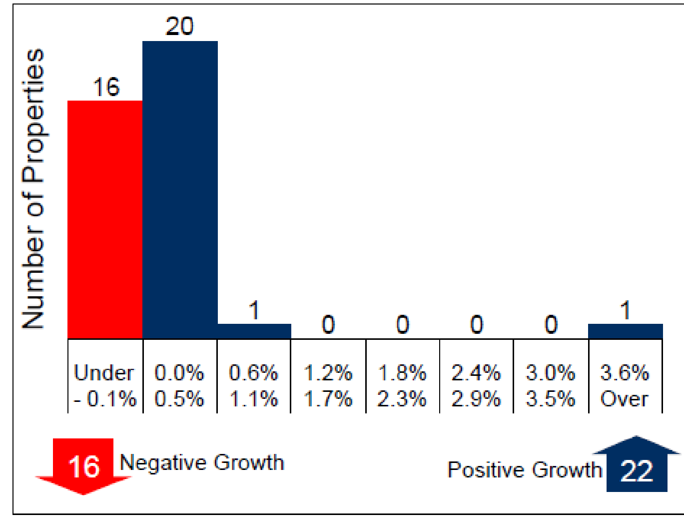
Nonanchor Asking Rent Distribution

Low	25%	Mean	Median	75%	High
$ 9.59	$13.20	$16.18	$16.13	$19.80	$27.49



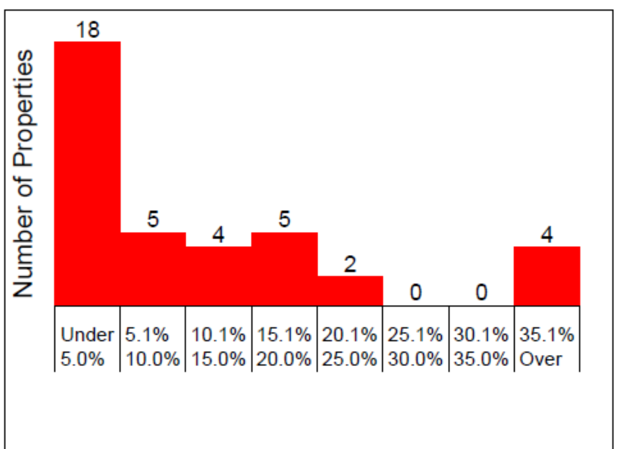
Nonanchor Asking Rent Growth Rate Distribution

Low	25%	Mean	Median	75%	High
- 0.4%	- 0.3%	0.4%	0.0%	0.4%	4.3%



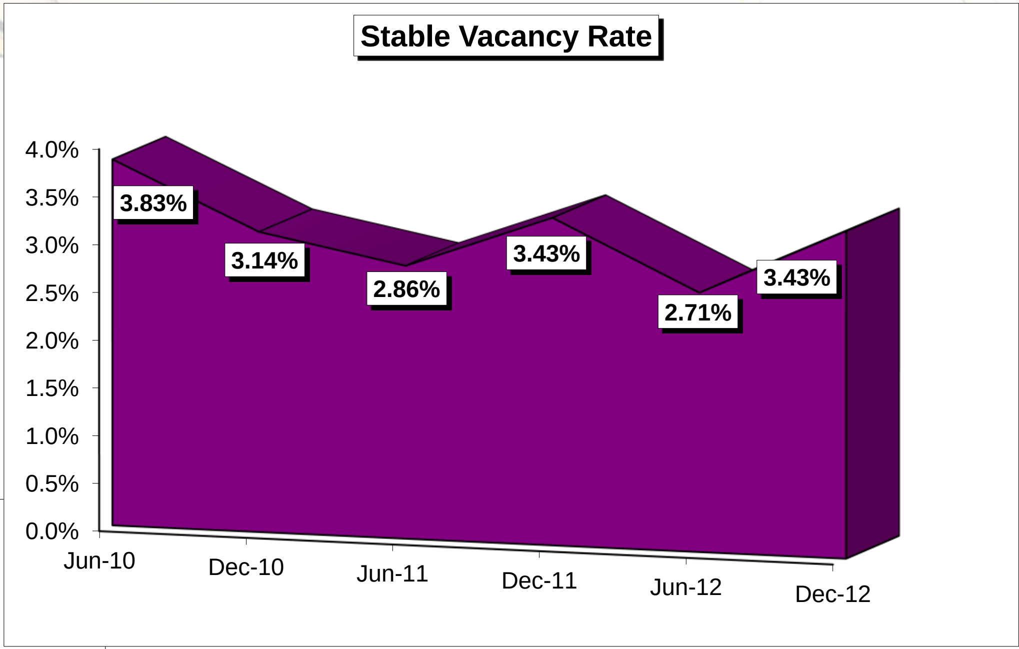
Vacancy Rate Distribution

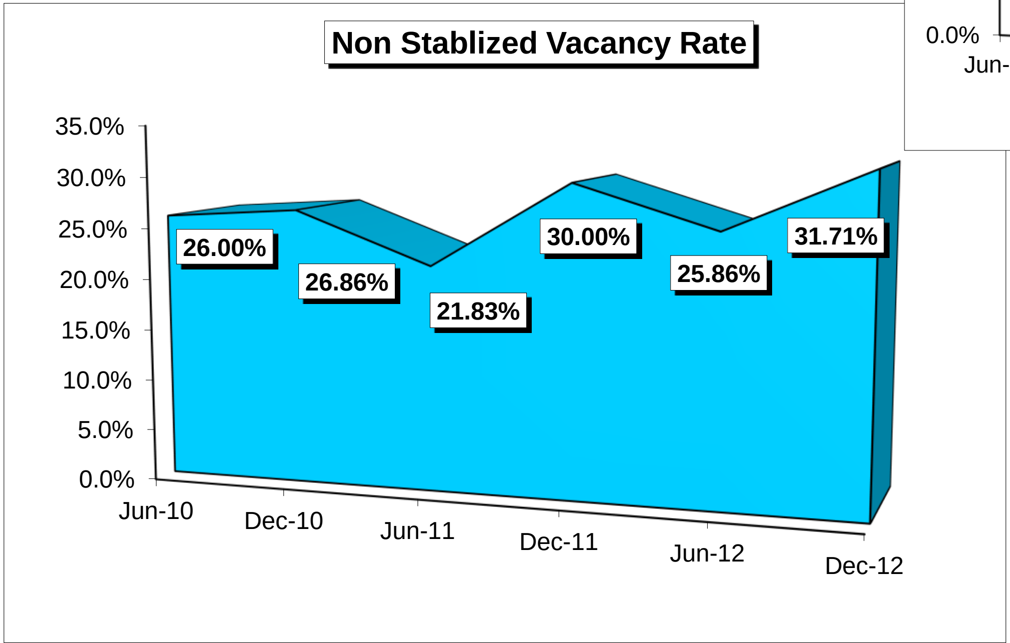
Low	25%	Mean	Median	75%	High
0.0%	1.8%	10.0%	5.0%	14.4%	47.2%



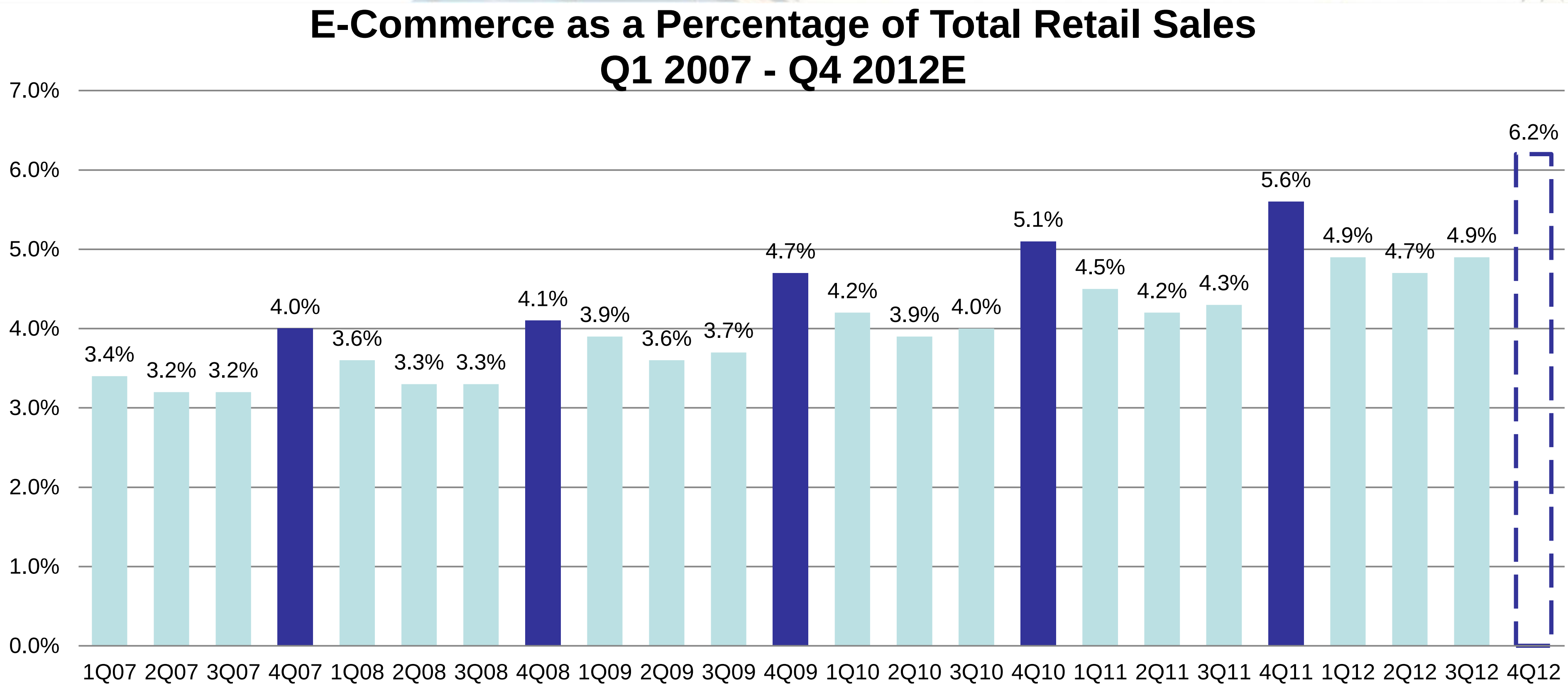
2012 Community Centers Vacancy,
Rent and Rent Increases

Retail Vacancy for Space Above and Below the Market Average





Retail Properties



Note: The 4Q12 forecast assumes 6% retail growth from the previous quarter and 15% e-commerce growth from the same quarter a year ago.

Area Recent Retail Sales

Significant Local Retail Sales										
Date	**Property Name**	**Local**	**sq. ft.**	**Price in $**	**$/sq. ft.**	**Buyer**	**Type**	**Occupancy**	**Cap Rate**	**Comment**
Jul-09	BB&T Bank	Louisville	4,000	2,640,000	660	by Stan Johnson Company	Bank	100%		
Aug-09	Springhurst Towne Center	Louisville	422,035	42,400,000	100	The Hocker Group LLC	Strip			
Feb-10	Hunters Ridge	Louisville	26,565	4,700,000	177	Hunter Ridge LLC	Strip	60%		
Mar-10	CVS	Louisville	10,125	1,380,700	136	by Stan Johnson Co	Portfolio			
Mar-10	Garden Ridge	Louisville	162,000	4,000,000	25	Garden Ridge LP	Big Box			
Sep-10	Tractor Supply	Sellersburg	19,097	2,606,061	136	Cole Real Estate Investments	Single Tenant	100%		
Oct-10	Walgreens	Louisville	14,820			by Hogan Real Estate	Single Tenant	100%		
Nov-10	Dixie Depot Plaza	Louisville	7,964	2,000,000	251	by Cooper Commercial Investment Group	Strip	100%		
Feb-11	CVS	Louisville	12,000	999,768	83	by Stan Johnson Co	Drug	100%		
Dec-11	Springhurst Towne Center	Louisville	422,035	78,000,000	185	CalSTRS	Strip	100%	6.5%	
Jan-12	CVS	Sellersburg	13,325	4,882,893	366	The Landes Group	Drug	100%	6.5%	
Feb-12	Central Station	Louisville	146,570	10,850,000	74	Stream Realty Partners Inc.	Strip	85%		
Mar-12	Mount Washington Commons	Mount Washington,	14,600	3,037,000	208	TJ Development LLC	Strip	93%		
May-12	Blankenbaker Place	Louisville	88,275	12,474,890	141		Strip			default
Jun-12	Stonefield Square	Louisville	90,887			Viking Partners	Strip	90%	8.3%	default
Oct-12	Walgreens	La Grange	14,455	5,859,375	405		Drug	100%	9.8%	default
Dec-12	Hurstbourne Forum	Louisville	139,661	7,050,000	50	Altus REA from C-III Asset Management	Strip	51%		
Dec-12	Prospect Village Shopping Center	Prospect	153,000	19,500,000	127	Kroger Inc.	Strip	88%	6.0%	

Regional Retail Sales GA,TN, NC and SC										
Number of Transactions	**Date**	**Average sq ft**	**Total sq ft**	**Year Built**	**Total Price in $**	**Average Price in $**	**Average of $/sq ft**	**Cap Rate Qualifier**	**Land Area in Acres**	**Occupancy**
34	2009	36,416	946,818	1995	$91,824,907	$3,992,387	$192.27	8.5%	5.8	91%
64	2010	62,259	1,681,002	1998	$145,996,692	$5,839,868	$186.56	8.5%	11.8	97%

Integra Realty Resources

A Look Into 2013 and Beyond

1. Slightly higher sales transaction volumes
2. Stable interest rate environment
3. Stable cap rate environment
4. Multifamily construction activity increases overbuilding risk
5. Continued changing dynamics influenced by E-commerce
6. Improved industrial demand along with the economy
7. Concern about office absorption

Local expertise nationally