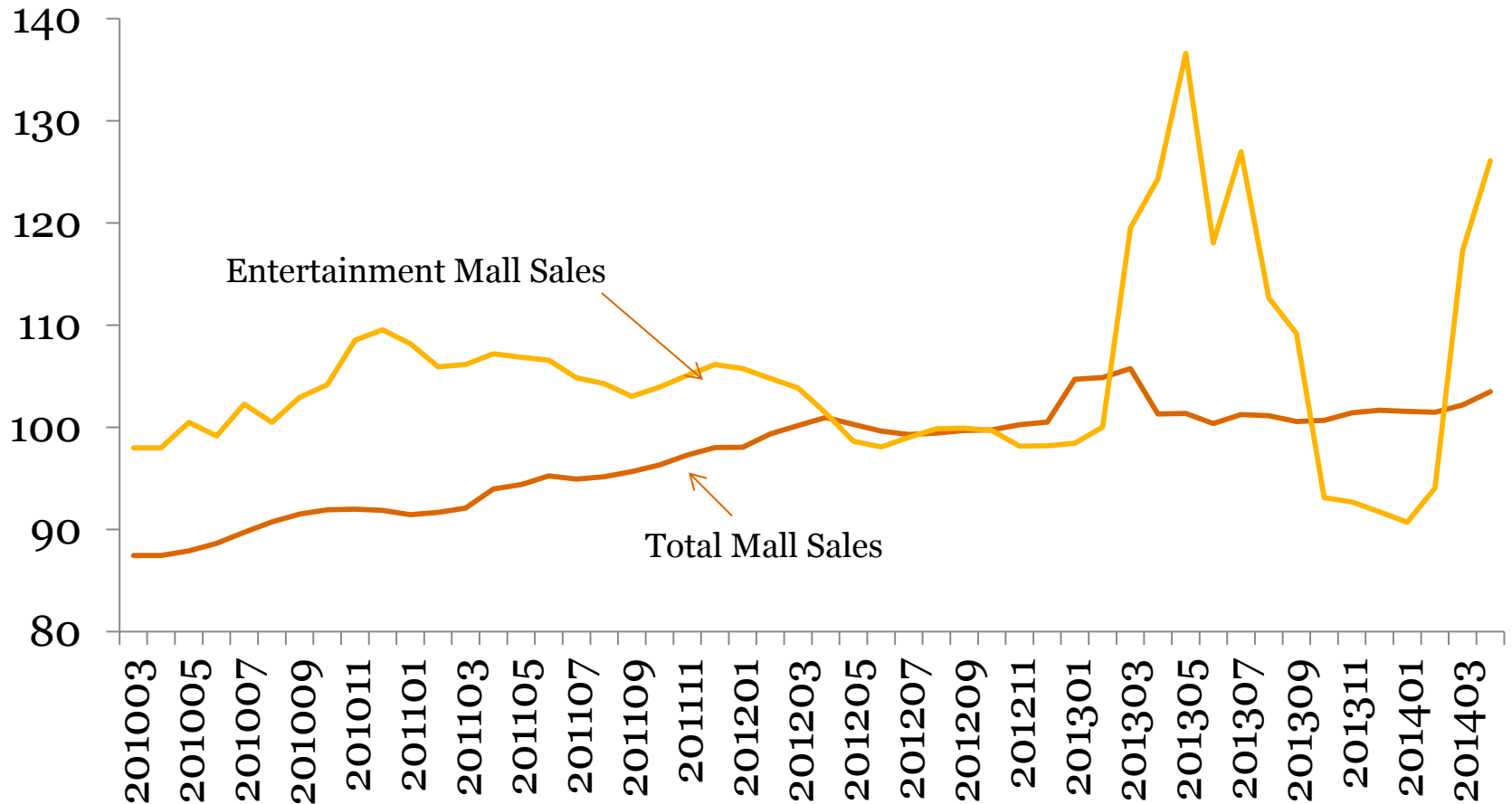


# Total mall sales are up, but entertainment related sales are growing faster

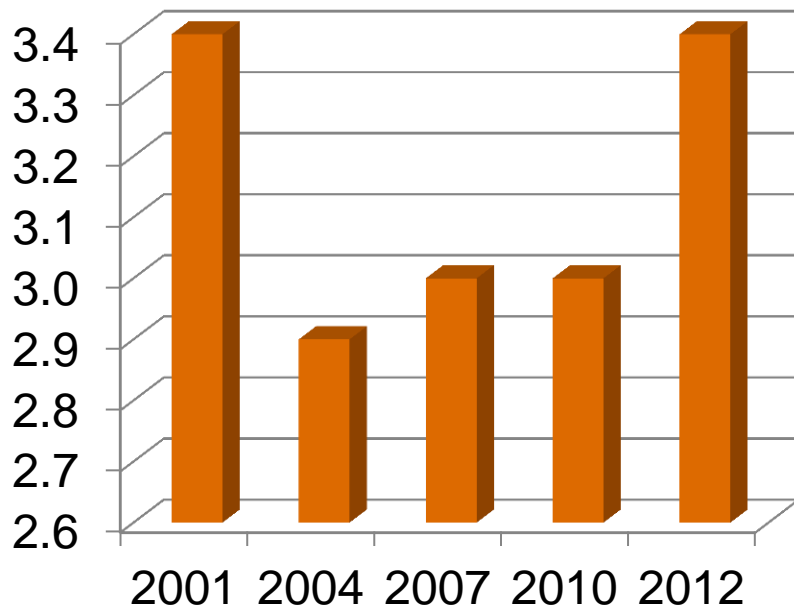
Index 3-Mo MA  
(2012 = 100)



# *Mall Shopping Behavior*

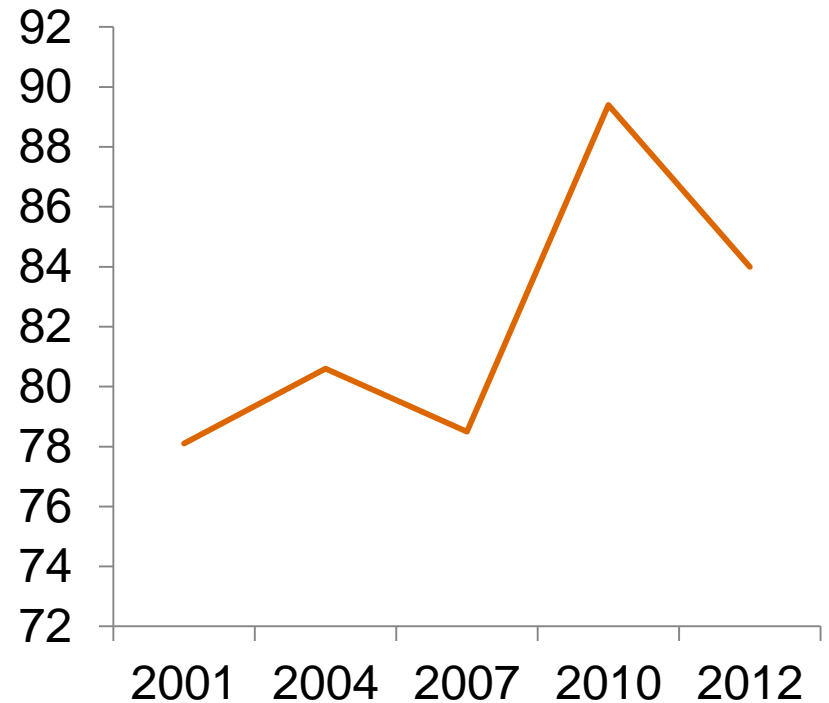
**Number of trips has recovered...**

**Monthly visits to the Mall**

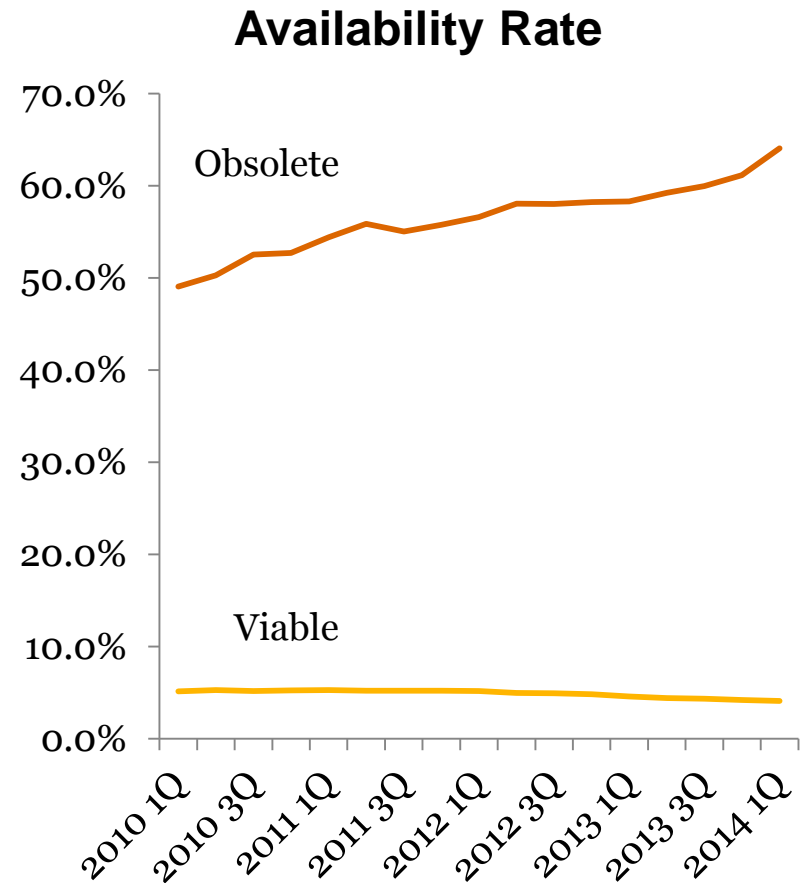
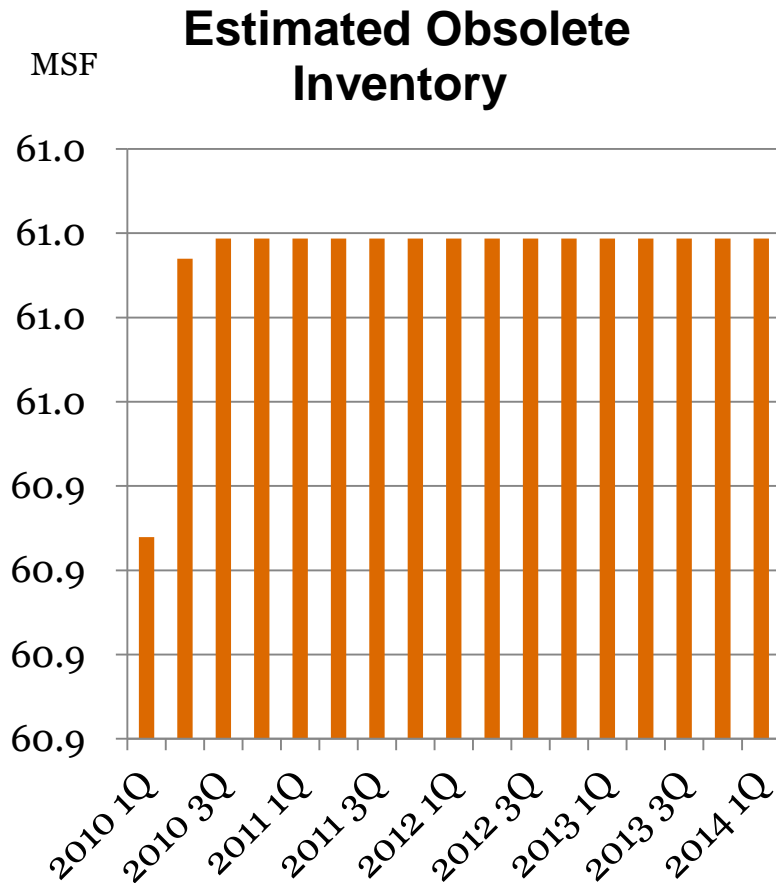


**But spending a little less time per trip**

**Minutes Spent**

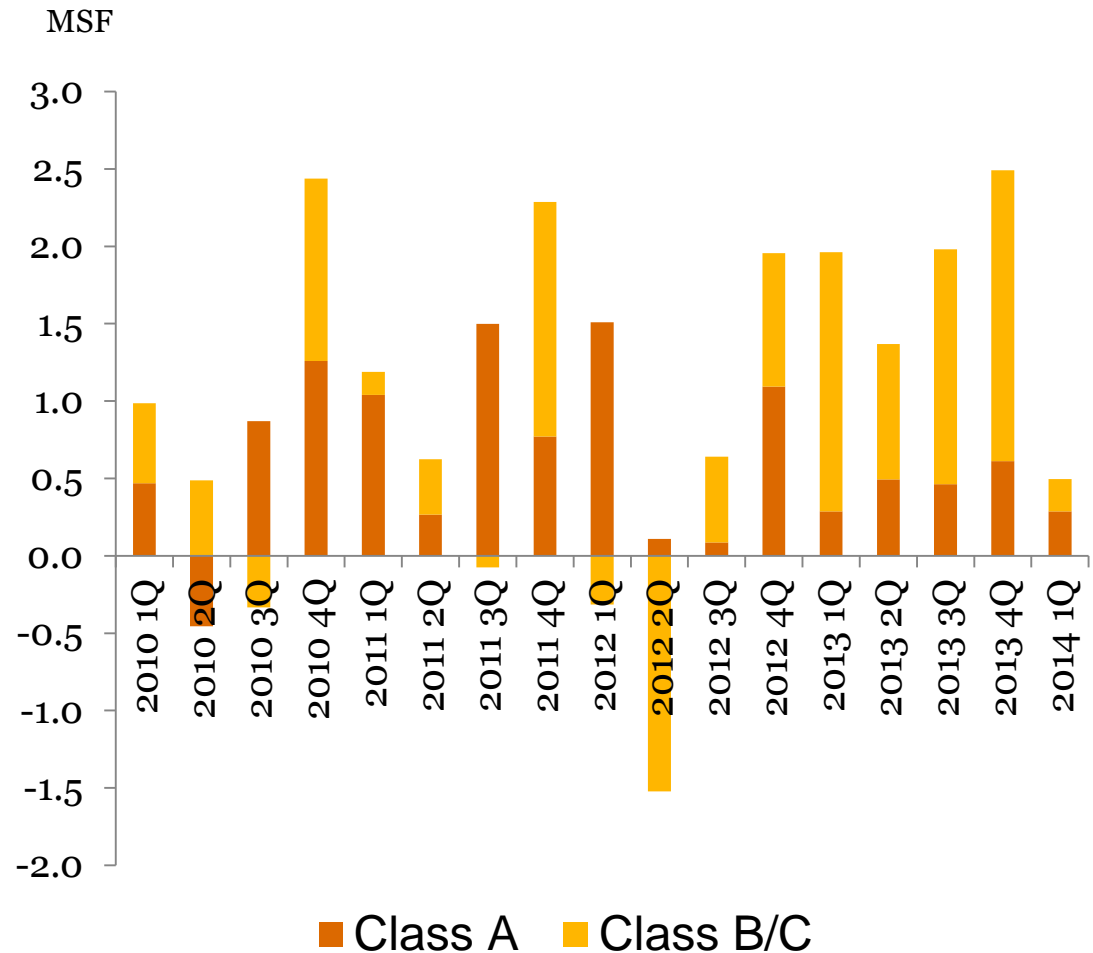


# Nearly 61.0 million square feet of obsolete mall space continues to deteriorate



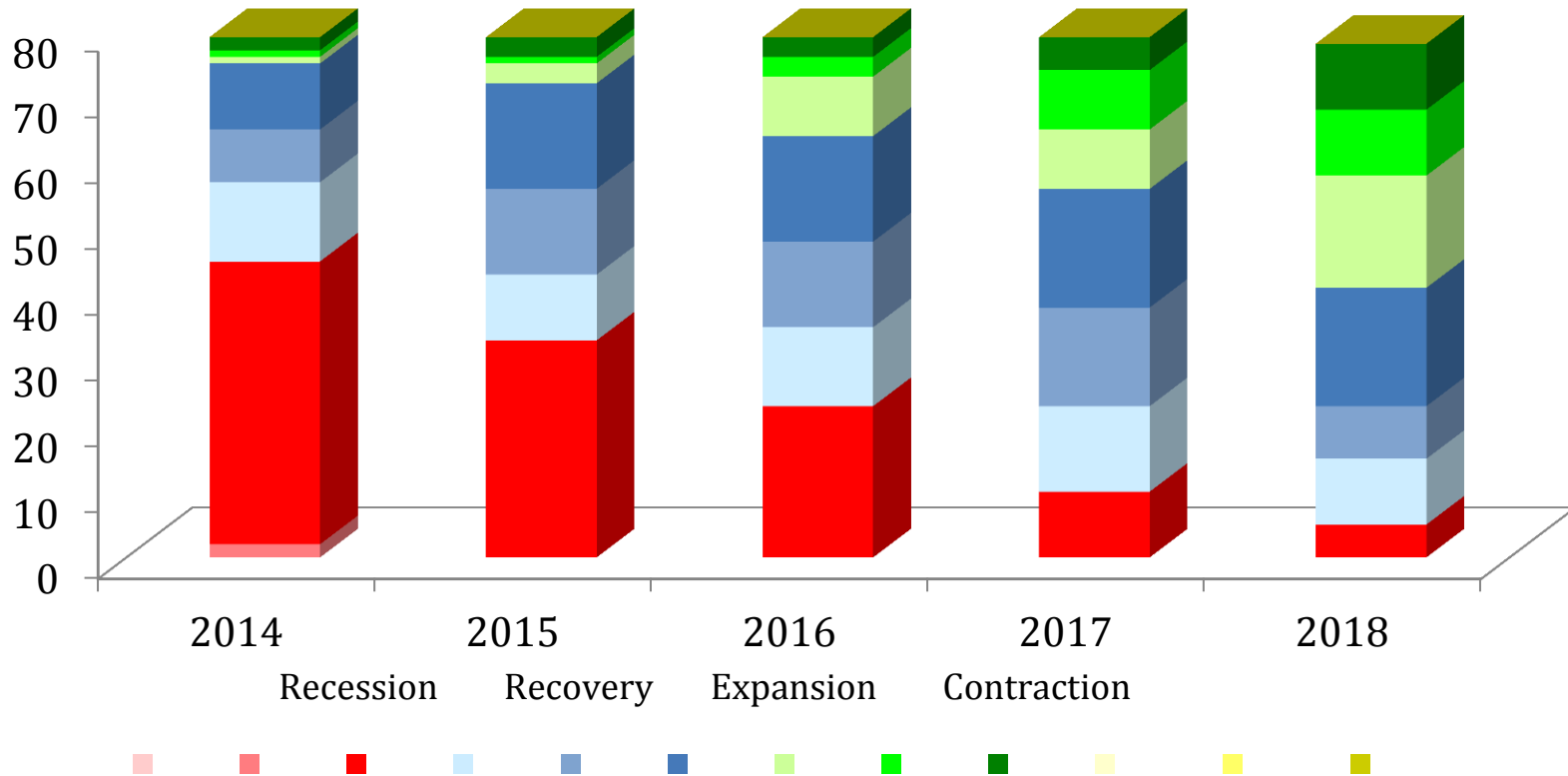
## Mall demand by class

*The shortage of available “A” space is pushing tenants to “B/C” locations*



# Retail market slower to recover...

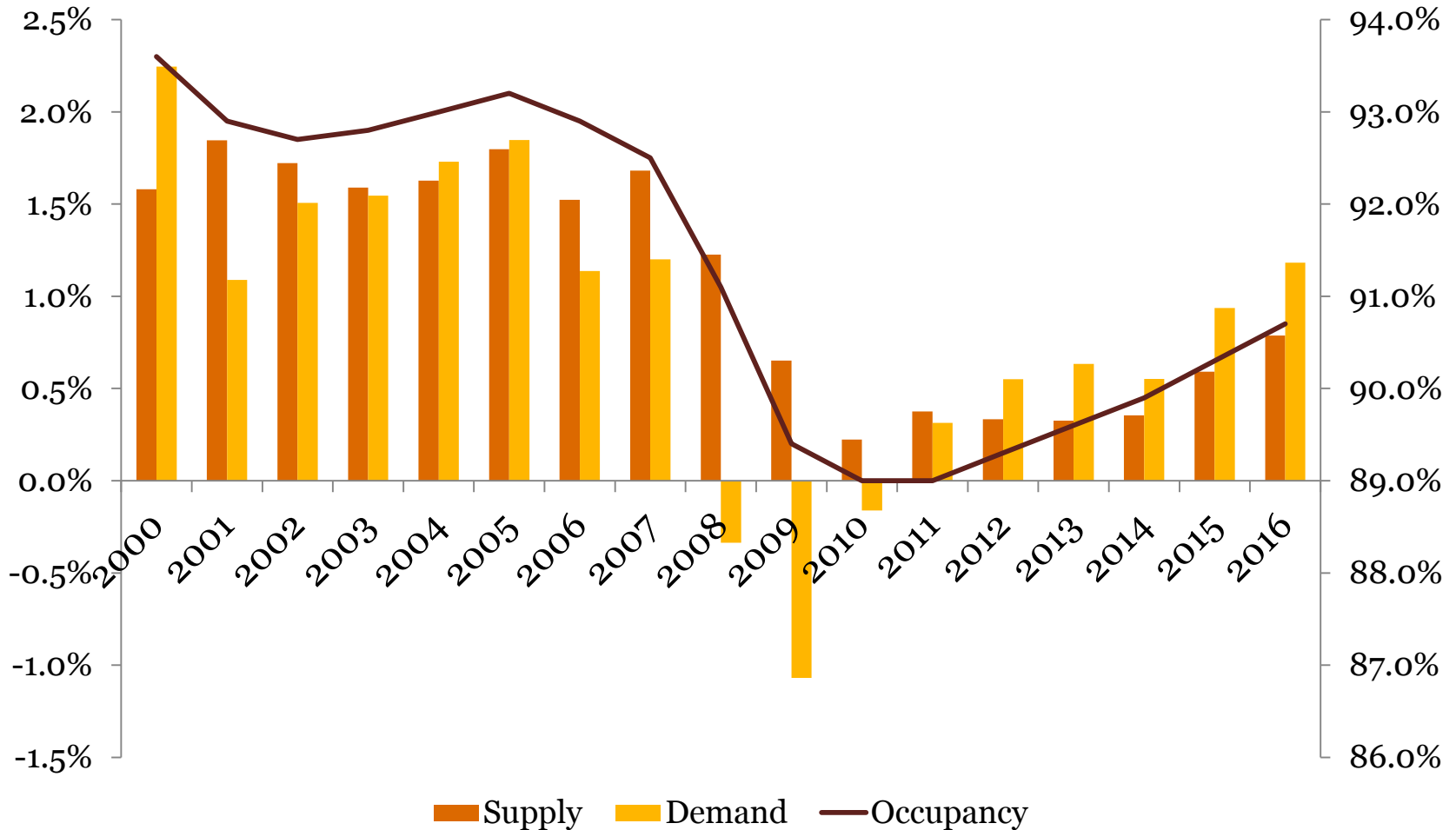
Cumulative #  
of Markets



Source: Reis, PwC Investor Survey



## *...but appears to have turned the corner*

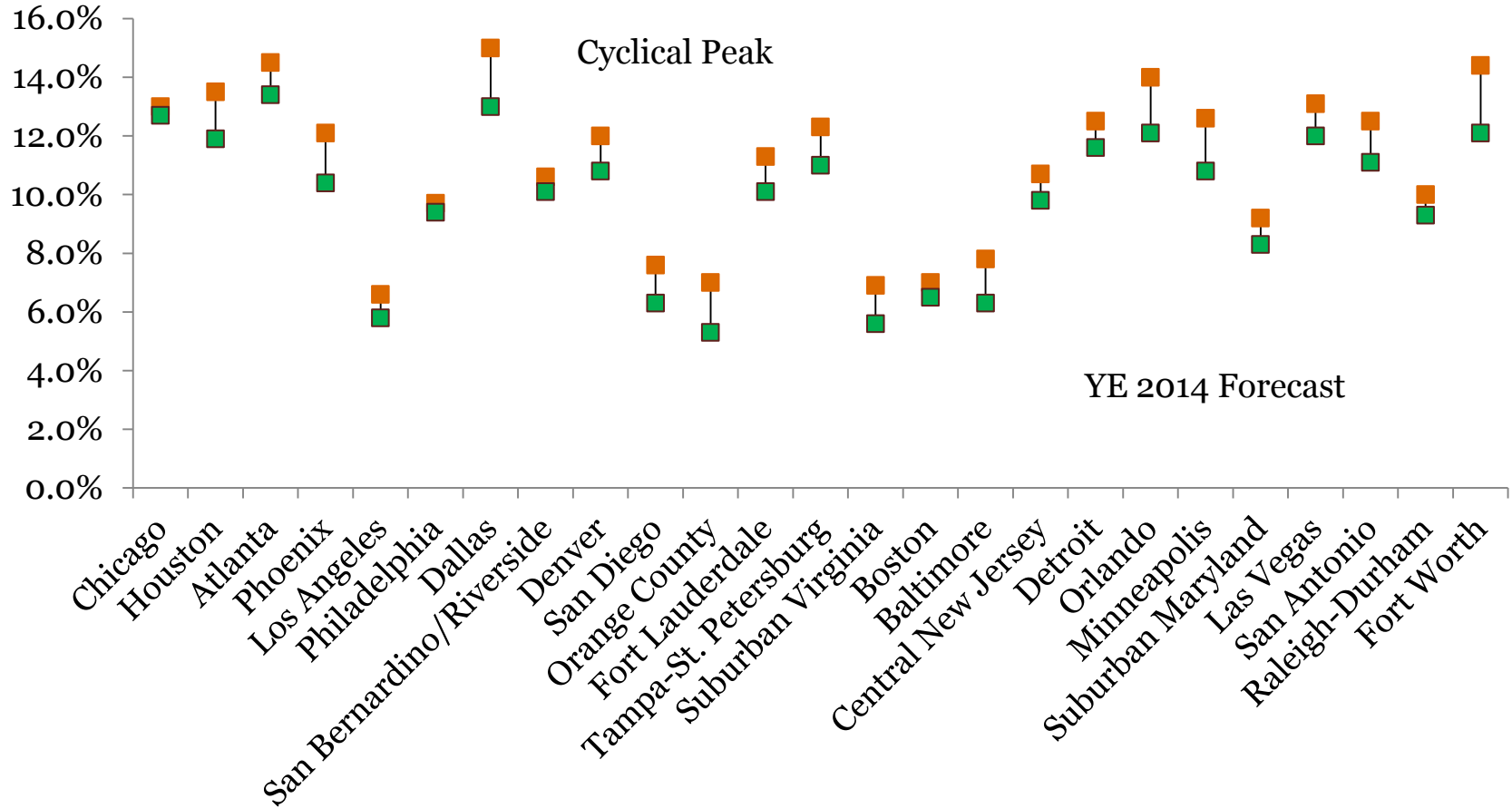


Source: PwC, CBRE-EA

# *Retail market likely to be very selective about new development*

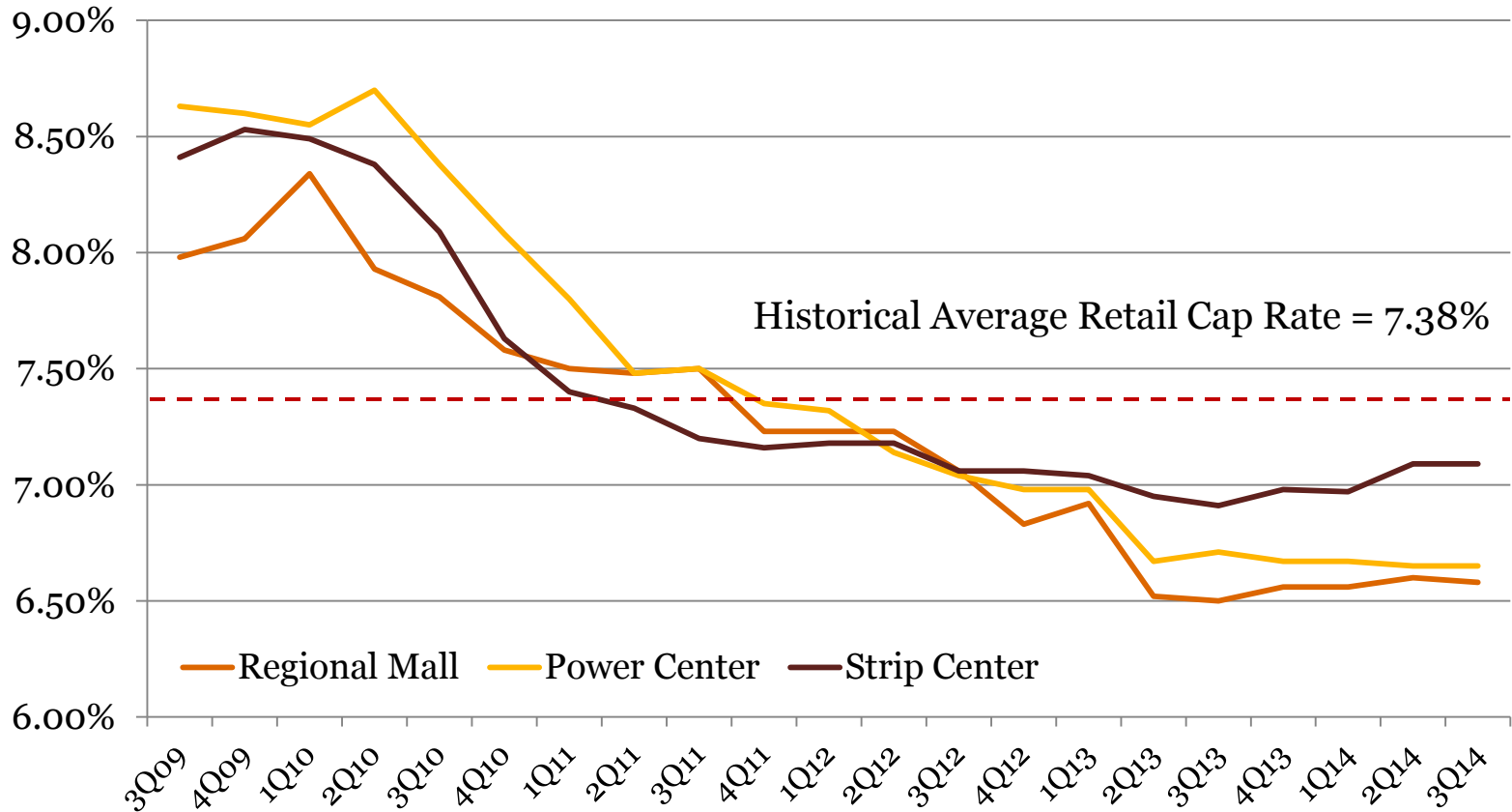
	Supply as % of Inventory	Demand as % of Inventory
San Jose	1.6%	1.9%
Tacoma	1.5%	1.4%
Knoxville	1.4%	1.4%
Omaha	1.0%	1.0%
Austin	1.0%	1.2%
<b><i>Opportunity?</i></b>		
Orlando	0.5%	1.3%
Syracuse	0.1%	0.8%
Palm Beach	0.8%	1.4%
Birmingham	0.2%	0.8%
Phoenix	0.2%	0.8%
<b><i>Risk?</i></b>		
Wichita	0.2%	-0.1%
New Haven	0.2%	0.1%
Tacoma	1.5%	1.4%
Chattanooga	0.2%	0.2%
Omaha	1.0%	1.0%

# Retail vacancy rates improve in the 25 largest markets





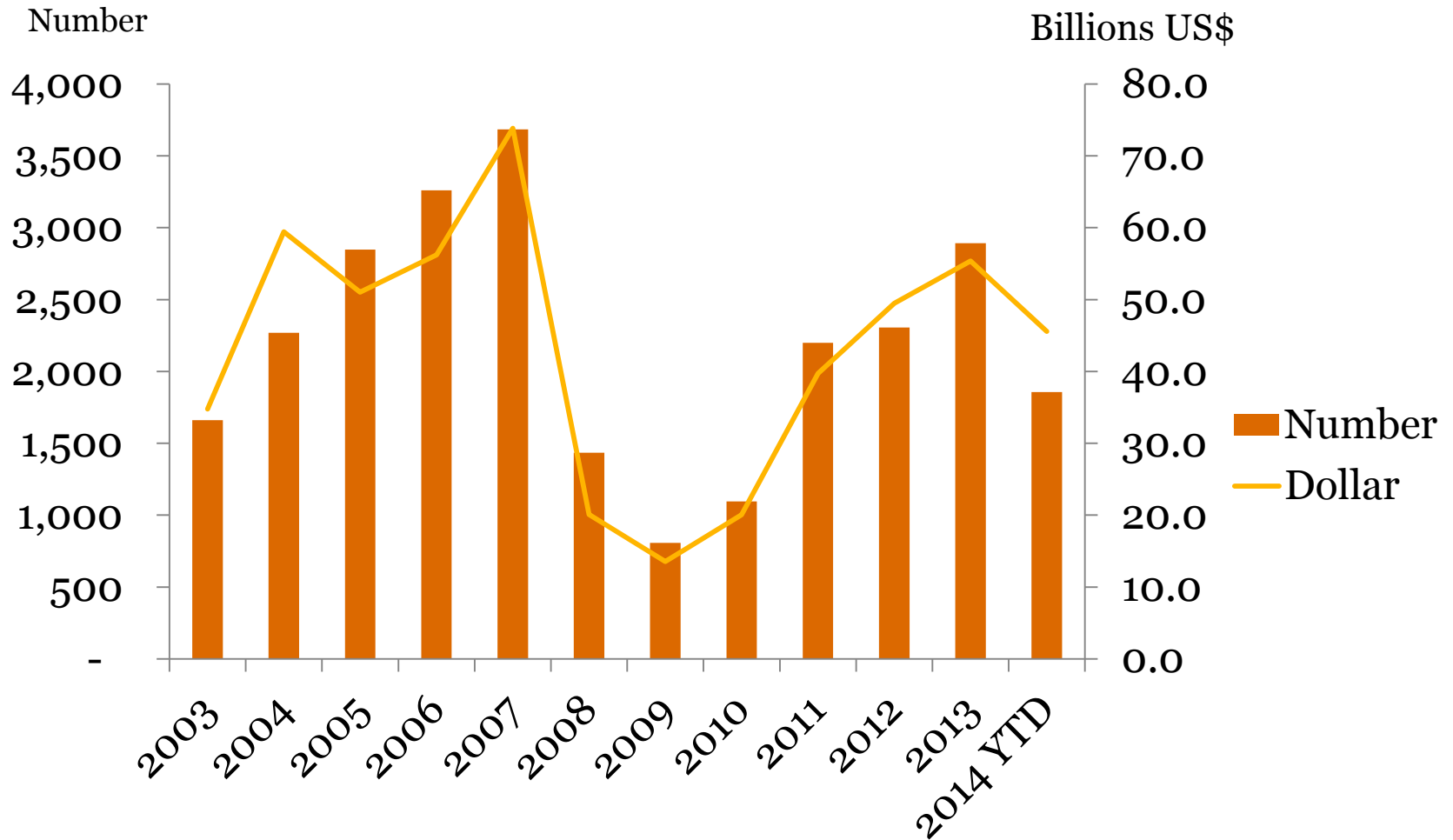
# *Retail cap rates trend downward over the past five years, but flattened over the past four quarters*



Source: PwC Real Estate Investor Survey



# Investors show renewed interest in retail



Source: PwC, Real Capital Analytics