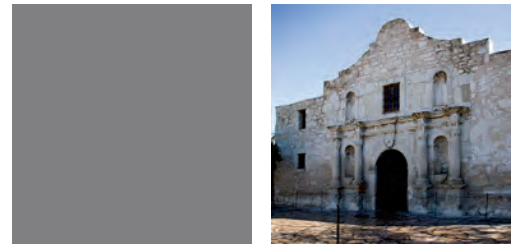


San Antonio Retail Report

Second Quarter 2009



TRENDS:

Vacancy Rate



Net Absorption



Construction



Asking Rents

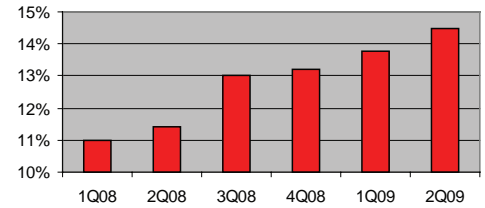


Overview

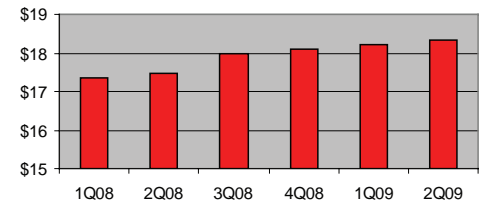
The San Antonio retail vacancy rate climbed to 14.5% at the close of the second quarter, which is a marked increase from the 11.4% vacancy rate recorded a year ago. Large vacancies left behind by victims of the national recession reduce the need for additional new space. Speculative development continues to expand the citywide inventory but at a dramatically reduced pace. Less than 849,000 square feet of new retail space has been delivered to the area in the first half of this year with less than 250,000 square feet expected to come online by year's end. In the second quarter, nearly 677,000 square feet of new retail space came online led by the addition of Woodlake Crossing (305,231 sf) featuring Target, Ross Dress for Less, Best Buy and others. The successful pre-leasing of the new northeast power center contributed to the 366,981 square feet of positive net absorption experienced in the second quarter.

Although the recession was in full swing in other parts of the country last year at this time, the San Antonio market remained largely unaffected and continued moving through a strong expansion phase. The impact of higher-priced new projects floated up average rental rates and now that the market is feeling the impact of a sluggish economy quoted rental rates have begun to reflect the downturn. At the close of the second quarter, the citywide average quoted triple net rental rate for retail space in San Antonio inched up to \$18.33 per square foot annually. Compared to a year ago, the average rent is up eighty-six cents or 4.9% increase but the ten-cent gain over last quarter registers a growth rate of less than one percent. Easing construction will certainly help the market recover by reducing the pressure of new supply but store closures will continue to present a challenge through the remainder of the year.

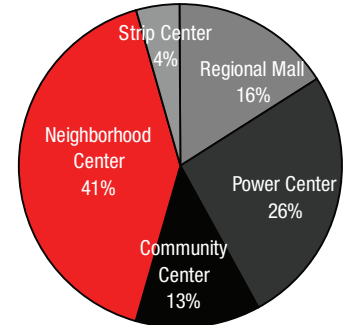
Overall Vacancy (%)



Average Asking Rental Rate



Market Inventory %



Major Lease Transactions

Tenant	Center	Size	Submarket
Big Lots	Bandera Festival	29,875	Northwest
Planet Fitness	Leon Creek Shopping Center	25,574	Northwest
Workforce Solutions Alamo	Marbach Plaza	15,000	Far West
All Nations Church	Waterford Square	10,206	Northeast
Trinity Title of Texas	La Arcata Retail Center	9,888	Far North Central
Bar & Grill	1039 NE Loop 410	8,500	North Central

*All rents are per SF/per YR unless otherwise noted.

Retail Market Snapshot

Second Quarter 2009



CITYWIDE

	2Q 2009	2Q 2008
All Types		
Inventory	44,458,358	39,983,198
Available	6,429,814	4,549,666
%Vacant	14.5%	11.4%
Average Rent	\$18.33	\$17.47
2Q Absorption	366,981	268,344
YTD Absorption	231,700	619,262
Regional Malls		
Inventory	7,126,845	6,862,845
Available	744,313	334,082
%Vacant	10.4%	4.9%
2Q Absorption	5,000	37,326
YTD Absorption	(174,888)	37,326
Power Centers(250K+ sf)		
Inventory	11,499,065	8,947,573
Available	1,184,616	445,162
%Vacant	10.3%	5.0%
Average Rent	\$25.33	\$25.11
2Q Absorption	220,053	159,192
YTD Absorption	260,772	342,589
Community Centers (100K-249K sf)		
Inventory	5,636,180	4,685,393
Available	673,437	382,687
%Vacant	11.9%	8.2%
Average Rent	\$18.09	\$16.57
2Q Absorption	94,625	40,540
YTD Absorption	143,313	68,165
Neighborhood Centers (30K-99K sf)		
Inventory	18,250,901	17,703,060
Available	3,415,269	3,085,166
%Vacant	18.7%	17.4%
Average Rent	\$14.20	\$14.00
2Q Absorption	37,288	10,586
YTD Absorption	(10,859)	124,237
Strip Centers (Less than 30K sf)		
Inventory	1,945,367	1,784,327
Available	412,179	302,569
%Vacant	21.2%	17.0%
Average Rent	\$16.33	\$15.95
2Q Absorption	10,015	20,700
YTD Absorption	13,362	46,945

CBD / SOUTH

	2Q 2009	2Q 2008
All Types		
Inventory	5,526,460	5,100,430
Available	774,349	293,774
%Vacant	14.0%	5.8%
Average Rent	\$17.02	\$15.53
2Q Absorption	27,118	29,672
YTD Absorption	(188,580)	63,297
Regional Malls		
Inventory	1,861,120	1,861,120
Available	260,600	10,600
%Vacant	14.0%	0.6%
2Q Absorption	0	24,034
YTD Absorption	(90,000)	24,034
Power Centers		
Inventory	500,348	500,348
Available	34,037	23,512
%Vacant	6.8%	4.7%
Average Rent	\$21.41	\$20.39
2Q Absorption	579	3,500
YTD Absorption	975	(2,000)
Community Centers		
Inventory	471,065	158,106
Available	48,604	22,914
%Vacant	10.3%	14.5%
Average Rent	\$22.45	\$15.43
2Q Absorption	0	0
YTD Absorption	(3,541)	(5,590)
Neighborhood Centers		
Inventory	2,593,429	2,502,134
Available	408,676	220,063
%Vacant	15.8%	8.8%
Average Rent	\$15.20	\$14.62
2Q Absorption	13,222	(1,435)
YTD Absorption	(108,267)	32,580
Strip Centers		
Inventory	100,498	78,722
Available	22,432	16,685
%Vacant	22.3%	21.2%
Average Rent	\$16.78	\$14.48
2Q Absorption	13,317	3,573
YTD Absorption	12,253	14,273

NON-CBD / NORTH

	2Q 2009	2Q 2008
All Types		
Inventory	38,931,898	34,882,768
Available	5,655,465	4,255,892
%Vacant	14.5%	12.2%
Average Rent	\$18.47	\$17.68
2Q Absorption	339,863	238,672
YTD Absorption	420,280	555,965
Regional Malls		
Inventory	5,265,725	5,001,725
Available	483,713	323,482
%Vacant	9.2%	6.5%
2Q Absorption	5,000	13,292
YTD Absorption	(84,888)	13,292
Power Centers		
Inventory	10,998,717	8,447,225
Available	1,150,579	421,650
%Vacant	10.5%	5.0%
Average Rent	\$25.51	\$25.39
2Q Absorption	219,474	155,692
YTD Absorption	259,797	344,589
Community Centers		
Inventory	5,165,115	4,527,287
Available	624,833	359,773
%Vacant	12.1%	7.9%
Average Rent	\$17.70	\$16.62
2Q Absorption	94,625	40,540
YTD Absorption	146,854	73,755
Neighborhood Centers		
Inventory	15,657,472	15,200,926
Available	3,006,593	2,865,103
%Vacant	19.2%	18.8%
Average Rent	\$14.03	\$13.90
2Q Absorption	24,066	12,021
YTD Absorption	97,408	91,657
Strip Centers		
Inventory	1,844,869	1,705,605
Available	389,747	285,884
%Vacant	21.1%	16.8%
Average Rent	\$16.31	\$16.01
2Q Absorption	(3,302)	17,127
YTD Absorption	1,109	32,672

Statistical information is calculated on multi-tenant centers totaling 20,000 s.f. and larger (including both leaseable and separately owned inline space). Totals and vacancy numbers include regional malls. Average rental rates reflect asking rates quoted on an annual triple net basis weighted by the total square footage of the center. Average rental rates do NOT include rates for regional malls.

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