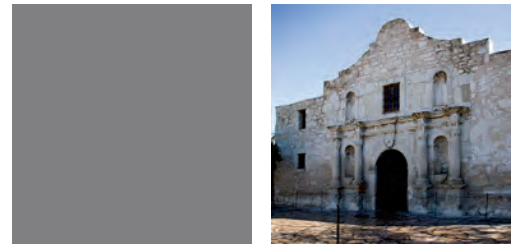


San Antonio Retail Report

Fourth Quarter 2009



TRENDS:

Vacancy Rate



Net Absorption



Construction



Asking Rents



Overview

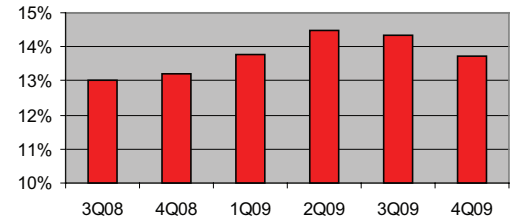
San Antonio's retail market – despite its status as one of the country's least-troubled economies – remains sluggish due to the severe slump that has deflated consumer confidence and, more importantly, clipped consumer spending. Still, area population growth and a recovering housing market continue to attract new and expanding retailers. Local retail centers recorded 262,115 square feet of positive net absorption in the fourth quarter led by the completion of the Alamo Draffhouse phase of development at Park North. In all, the retail market experienced a net gain of 576,964 square feet for the year.

Outpacing demand, new construction delivered nearly 1.1 million square feet of new retail space in 2009. As a result, the citywide vacancy rate climbed to 13.7% compared to 12.9% recorded at the end of 2008. In response, asking rental rates began sliding backwards after posting steady gains over the past decade. At the same time, concessions have been on the rise as owners work to retain traffic-generating retailers. At the close of the fourth quarter, the citywide average quoted triple net rental rate retracted six cents from last quarter to settle at \$17.85 per square foot annually, down twenty-six cents or 1.4% compared to the same quarter last year.

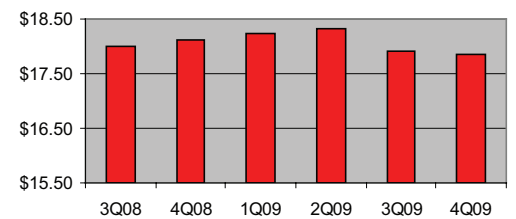
Big-boxed anchored Power Centers experienced the lion's share of activity in 2009 which helped improve the vacancy rate in that category to 7.9% compared to 9.5% a year ago but the impact of the languishing economy was reflected in a drop of asking rents - down \$1.53 to \$23.83 for an annual decline of 6%. All other categories continue to struggle with double-digit vacancy.

Looking ahead, speculative development currently under construction will likely deliver less than half the amount completed in 2009 led by a second Alamo Draffhouse at the Village of Stone Oak. The slowly improving economy will help but the market is expected to remain flat for much of 2010.

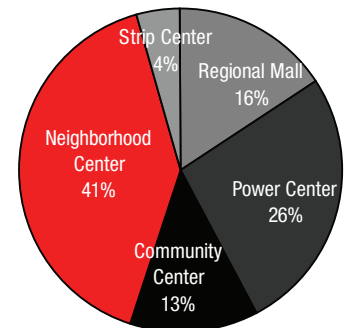
Overall Vacancy (%)



Average Asking Rental Rate



Market Inventory %



Major Lease Transactions

Tenant	Center	Size	Submarket
West Telemarketing	Universal Square	51,310	Northeast
International House of Worship	Crossroads Shopping Center	24,734	Northwest
Planet Fitness	Marbach Shopping Center	22,800	Far West
Tuesday Morning	Leon Creek Shopping Center	14,838	Northwest
Alamo Paint & Body	Shoppers City Mall	12,100	South
Greenhouse Mall	The Vineyard	8,147	Far North Central

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

Retail Market Snapshot

Fourth Quarter 2009



CITYWIDE

	4Q 2009	4Q 2008
All Types		
Inventory	44,777,980	43,594,708
Available	6,144,510	5,643,716
%Vacant	13.7%	12.9%
Average Rent	\$17.85	\$18.11
4Q Absorption	262,115	802,389
YTD Absorption	576,964	2,675,628
Regional Malls		
Inventory	7,126,845	7,117,845
Available	744,313	502,795
%Vacant	10.4%	7.1%
4Q Absorption	0	262,554
YTD Absorption	(174,888)	123,613
Power Centers(250K+ sf)		
Inventory	11,831,130	11,082,691
Available	932,160	1,047,940
%Vacant	7.9%	9.5%
Average Rent	\$23.83	\$25.36
4Q Absorption	272,317	90,711
YTD Absorption	580,623	1,421,119
Community Centers (100K-249K sf)		
Inventory	5,608,192	5,349,012
Available	659,165	456,396
%Vacant	11.8%	8.5%
Average Rent	\$17.97	\$17.54
4Q Absorption	(1,401)	384,186
YTD Absorption	133,685	774,914
Neighborhood Centers (30K-99K sf)		
Inventory	18,243,089	18,100,893
Available	3,413,409	3,213,994
%Vacant	18.7%	17.8%
Average Rent	\$14.15	\$14.20
4Q Absorption	(13,933)	82,726
YTD Absorption	8,526	293,065
Strip Centers (Less than 30K sf)		
Inventory	1,968,724	1,944,267
Available	395,463	422,591
%Vacant	20.1%	21.7%
Average Rent	\$15.90	\$16.40
4Q Absorption	5,132	(17,788)
YTD Absorption	29,018	62,917

CBD / SOUTH

	4Q 2009	4Q 2008
All Types		
Inventory	5,526,881	5,487,303
Available	730,396	532,455
%Vacant	13.2%	9.7%
Average Rent	\$17.09	\$16.52
4Q Absorption	28,120	108,908
YTD Absorption	(144,206)	309,678
Regional Malls		
Inventory	1,861,120	1,861,120
Available	260,600	170,600
%Vacant	14.0%	9.2%
4Q Absorption	0	0
YTD Absorption	(90,000)	(135,966)
Power Centers		
Inventory	500,348	500,348
Available	18,602	35,012
%Vacant	3.7%	7.0%
Average Rent	\$22.41	\$21.41
4Q Absorption	15,435	(8,000)
YTD Absorption	16,410	(13,500)
Community Centers		
Inventory	471,065	471,065
Available	38,762	45,063
%Vacant	8.2%	9.6%
Average Rent	\$21.12	\$19.86
4Q Absorption	9,842	124,851
YTD Absorption	6,301	400,675
Neighborhood Centers		
Inventory	2,593,850	2,554,272
Available	391,254	247,095
%Vacant	15.1%	9.7%
Average Rent	\$15.34	\$14.75
4Q Absorption	1,589	(11,719)
YTD Absorption	(90,424)	40,420
Strip Centers		
Inventory	100,498	100,498
Available	21,178	34,685
%Vacant	21.1%	34.5%
Average Rent	\$16.78	\$16.56
4Q Absorption	1,254	3,776
YTD Absorption	13,507	18,049

NON-CBD / NORTH

	4Q 2009	4Q 2008
All Types		
Inventory	39,251,099	38,107,405
Available	5,414,114	5,111,261
%Vacant	13.8%	13.4%
Average Rent	\$17.93	\$18.29
4Q Absorption	233,995	693,481
YTD Absorption	721,170	2,365,950
Regional Malls		
Inventory	5,265,725	5,256,725
Available	483,713	332,195
%Vacant	9.2%	6.3%
4Q Absorption	0	262,554
YTD Absorption	(84,888)	259,579
Power Centers		
Inventory	11,330,782	10,582,343
Available	913,558	1,012,928
%Vacant	8.1%	9.6%
Average Rent	\$23.89	\$25.55
4Q Absorption	256,882	98,711
YTD Absorption	564,213	1,434,619
Community Centers		
Inventory	5,137,127	4,877,947
Available	620,403	411,333
%Vacant	12.1%	8.4%
Average Rent	\$17.68	\$17.26
4Q Absorption	(11,243)	259,335
YTD Absorption	127,384	374,239
Neighborhood Centers		
Inventory	15,649,239	15,546,621
Available	3,022,155	2,966,899
%Vacant	19.3%	19.1%
Average Rent	\$13.95	\$14.12
4Q Absorption	(15,522)	94,445
YTD Absorption	98,950	252,645
Strip Centers		
Inventory	1,868,226	1,843,769
Available	374,285	387,906
%Vacant	20.0%	21.0%
Average Rent	\$15.85	\$16.39
4Q Absorption	3,878	(21,564)
YTD Absorption	15,511	44,868

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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