



Single Tenant Retail

Investment Market Report: 4th Quarter 2007

www.LoopNet.com/MarketReports

Commentary

Over the past 12 months, single-tenant retail sales volume totaled \$4.5 billion, an 10% decline versus the same period one year ago. On a quarterly basis, single-tenant retail sales are up 7% from the year ago quarter. While single-tenant retail sales have been relatively flat, multi-tenant retail recorded a 24% increase in year over year activity. Single-tenant retail property sellers have been achieving 95% of their asking price, as compared to 94% one year ago.

On a per-square-foot basis, average pricing for single-tenant retail was up 65% compared to a relatively small 2% increase for multi-tenant. However, the significant increase in pricing for single tenant retail was driven by a flurry of trophy urban retail trades in locations like Manhattan, San Francisco, Beverly Hills, and DC. Correspondingly, average cap rates for single tenant retail fell over 60 basis points in 2007 versus the prior year. Regionally, the Northeast and West continue to produce the highest sales volume. The top single tenant retail assets continue to command premium pricing with the top 20% priced above \$500 per square foot with sub 6.0% cap rates commonplace.

Private investors, many satisfying 1031 requirements, continue to dominate buyer composition, acquiring three quarter of single tenant retail property on a dollar value basis. There has been a notable increase from foreign investors, especially for well located urban retail. Private investors, including developers, represent over half of the disposition marketplace. Retailers, sensing opportunity to take advantage of high pricing, have been active sellers through leasebacks.

Summary Statistics

	Single	Multi
past 12 mos, > \$2.5 mil		
Sales Volume (\$mil)	\$4,598	\$55,080
1 year ago	\$5,099	\$44,417
percent change	-10%	24%
Price Per Sq.Ft.	\$280	\$176
1 year ago	\$170	\$172
percent change	65%	2%
Capitalization Rate	6.51%	6.77%
1 year ago	7.16%	6.94%
basis point change	-65	-17
% of asking price	95.4%	94.2%
1 year ago	94.1%	93.6%

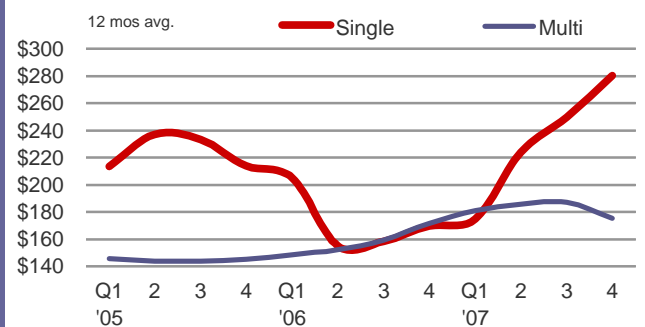
Prices by Age

past 12 mos, > \$5 mil	\$/Sq.Ft.	Cap Rate
0-5 yrs	\$378	6.7%
6-15 yrs	\$262	6.6%
16-30 yrs	\$284	6.8%

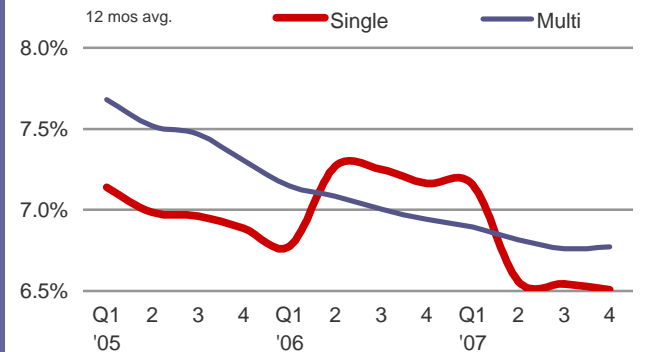
Pricing: Percentile Ranks

past 12 mos, > \$5 mil	\$/Sq.Ft.	Cap Rate
top 10%	\$904	5.5%
	\$574	6.0%
top 30%	\$433	6.5%
median	\$357	6.6%
	\$244	6.9%
bottom 30%	\$208	7.0%
	\$179	7.2%
bottom 10%	\$147	7.3%

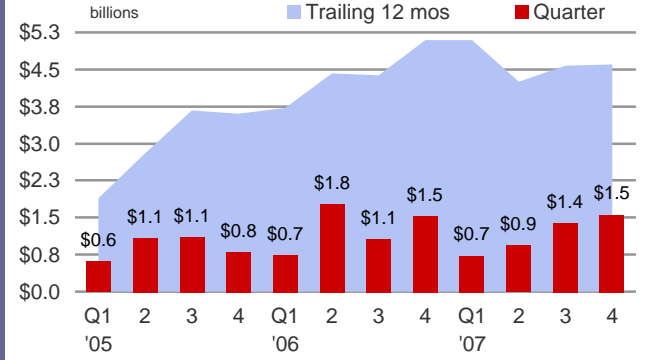
Price Per Sq.Ft.



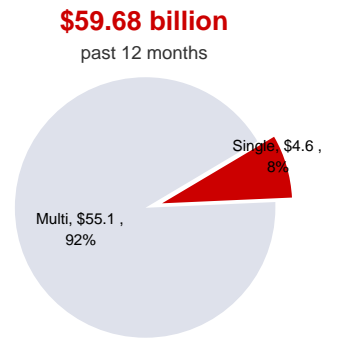
Cap Rate (unleveraged initial yield)



Sales Volume



Market Volume



Data believed to be accurate but not guaranteed; subject to future revision; based on properties & portfolios \$2.5 million and greater. © 2007 All Rights Reserved.

Cap rates: unleveraged initial yield from sales as well as refinancings.



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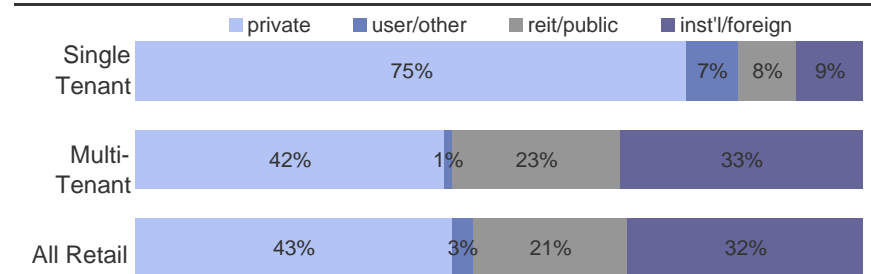
Regions and Markets

past 12 mos

	Single Tenant			Multi-Tenant		
	Volume (mil)	\$/Sq.Ft.	Cap	Volume (mil)	\$/Sq.Ft.	Cap
DC VA burbs	\$101.7	\$316.5	6.8%	\$886.4	\$267.6	6.2%
Philadelphia	\$59.6	\$247.6	6.6%	\$1,036.2	\$164.6	6.7%
DC	\$34.9	\$570.1	5.6%	\$229.0	\$354.6	6.4%
others	\$121.0	\$282.1	6.7%	\$3,506.1	\$155.7	6.8%
Mid-Atlantic	\$317.2	\$312.8	6.7%	\$5,657.7	\$175.9	6.9%
Chicago	\$175.4	\$332.1	6.6%	\$1,915.0	\$219.2	6.9%
St Louis	\$77.4	\$199.8	6.7%	\$1,417.3	\$179.0	7.2%
Minneapolis	\$56.4	\$270.4	7.0%	\$316.0	\$176.8	7.1%
others	\$251.5	\$275.5	6.7%	\$4,225.6	\$128.1	7.3%
Midwest	\$560.6	\$282.8	6.8%	\$7,873.9	\$157.2	7.4%
Manhattan	\$306.2	\$1,359.1	5.2%	\$271.6	\$1,040.9	5.2%
NYC Boroughs	\$221.3	\$586.4	5.7%	\$537.9	\$518.2	6.2%
Boston	\$162.4	\$310.1	6.4%	\$1,287.9	\$333.8	6.5%
others	\$239.6	\$598.6	6.4%	\$3,278.5	\$192.6	6.6%
Northeast	\$929.5	\$721.8	6.2%	\$5,375.8	\$322.9	6.4%
Miami	\$71.5	\$429.8	6.2%	\$1,023.3	\$274.7	6.1%
Atlanta	\$70.5	\$458.4	5.9%	\$3,039.0	\$169.5	7.0%
Tampa	\$61.3	\$329.1	7.3%	\$1,052.1	\$169.2	6.8%
others	\$549.6	\$348.5	6.7%	\$12,499.9	\$144.1	6.9%
Southeast	\$752.9	\$362.5	6.8%	\$17,614.3	\$154.5	6.9%
Denver	\$70.6	\$321.3	6.7%	\$1,120.8	\$221.4	6.6%
Phoenix	\$68.5	\$393.1	6.5%	\$1,203.4	\$236.8	6.4%
Albuquerque	\$41.9	\$329.1	6.0%	\$156.7	\$244.3	7.3%
others	\$197.9	\$329.5	6.6%	\$5,813.4	\$168.0	7.0%
Southwest	\$378.9	\$339.9	6.6%	\$8,294.4	\$183.1	7.0%
Los Angeles	\$367.8	\$565.2	5.7%	\$2,311.3	\$475.4	5.9%
Seattle	\$126.0	\$318.9	6.5%	\$566.2	\$270.2	6.2%
East Bay	\$122.3	\$354.2	6.4%	\$1,118.5	\$295.2	6.0%
others	\$429.1	\$369.5	6.5%	\$6,241.3	\$298.7	6.2%
West	\$1,045.1	\$409.2	5.9%	\$10,237.3	\$336.5	6.1%

Buyer Composition

past 12 mos.; rounded; may not sum to 100%



Top Buyers

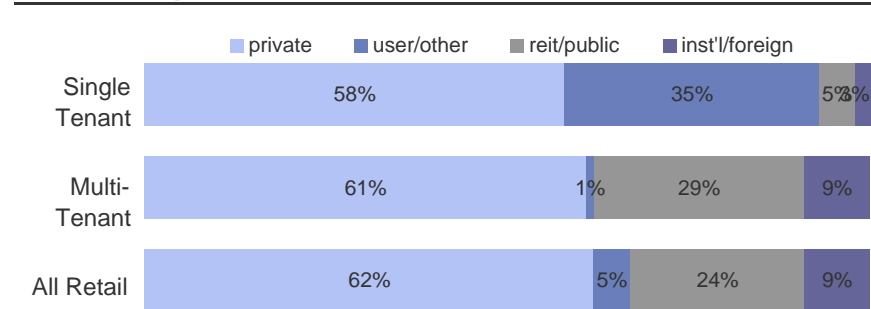
- Inland Real Estate
- Cole Capital Partners
- National Retail Properties
- Claudio Del Vecchio
- Dividend Capital Trust
- Westridge Realty Advisors
- Cinescape Property LLC
- Aegon
- Festival Companies
- Marc Ittah Trust (Beverly Hills, CA)

Top Sellers

- SunTrust Bank
- Pep Boys
- Chesterfield Hill LLC (CA)
- Tedeschi Realty Corporation
- Citigroup
- Logans Roadhouse Inc (Nashvi
- Ekstrand Enterprises
- Torreon Capital
- Lexington Corporate Properties
- National Retail Properties

Seller Composition

past 12 mos.; rounded; may not sum to 100%



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Recent Transactions

Date	Address	Location	Tenant	Yr Blt	Sq.Ft.	Price	\$/Sq.Ft.	Cap	Buyer
Jan-08	Stop & Shop	Westfield, NJ	Stop & Shop	1963	24,867	\$4,300,000	\$173	-	Stop & Shop (Ahold)
Jan-08	Smokey Bones BBQ	San Antonio, TX	Smokey Bones BBQ	2000	8,095	\$2,500,000	\$309	6.4%	Prosperity Bank (El Campo, TX)
Jan-08	Russ's Mkt	Lincoln, NE	Anthony Horan, M.D.	1991	50,184	\$4,744,444	\$95	7.0%	Dubois LLC (Lincoln, NE)
Dec-07	175 Timacuan Blvd	Lake Mary, FL	Fifth Third Bank	2002	14,638	\$3,600,000	\$246	-	Orange Bank Of Florida (Orlando, FL)
Dec-07	Dominick's	Chicago, IL	Dominick's Finer Foooc	2005	50,664	\$23,000,000	\$454	-	Sandor Development Co
Dec-07	Applebees	Lake In The Hills, IL	Applebee's	1997	5,042	\$2,500,000	\$496	7.0%	Lapa K & Kirit Shah (Glenview, IL)
Dec-07	Walgreens	Foxfield, CO	Walgreens	2007	14,920	\$6,600,000	\$442	-	Washington Sauare Associates LLC (S
Dec-07	Safeway	Olympia, WA	Safeway Stores Inc	1962	26,918	\$3,303,333	\$123	-	City Of Olympia (Olympia, WA)
Dec-07	Walgreens	Chicago, IL	Walgreens	1946	15,800	\$4,050,000	\$256	-	201 Chicago Acquisition LLC (New Yor
Dec-07	Pep Boys	Jacksonville, FL	Pep Boys	1989	16,164	\$3,135,700	\$194	-	National Retail Properties
Dec-07	Whole Foods Market	Pasadena, CA	Whole Foods Market	2007	76,770	\$54,000,000	\$703	5.3%	Marc Ittah Trust (Beverly Hills, CA)
Dec-07	Super Stop & Shop	Coventry, RI	Stop & Shop	1990	66,322	\$11,922,000	\$180	6.3%	Siva Chatam Management
Dec-07	101 Kirkland Ave	Kirkland, WA	Bank of America	1965	8,824	\$7,800,000	\$884	-	RDMSRMK 101 LLC (Spokane, WA)
Dec-07	Bally Total Fitness	Federal Way, WA	Bally Total Fitness	1980	32,482	\$3,975,000	\$122	-	Kelly-Smith Investments LLC (Kirkland,
Dec-07	Rite Aid	Fullerton, CA	Rite Aid Drug	1960	18,425	\$3,400,000	\$185	-	Robert Smith (Cypress, CA)
Dec-07	2323 S Decatur Blvd	Las Vegas, NV	Borders Books	1995	15,200	\$3,550,000	\$234	7.0%	McClellan Investments NW Co LLC
Dec-07	Rite Aid	New York, NY	Rite Aid Drug	1962	10,330	\$10,500,000	\$1,016	-	Allan Howard Goldman (New York, NY)
Dec-07	Tyson's Fitness Equation	McLean, VA	Fitness Equation	1978	33,474	\$14,000,000	\$418	-	Altus Realty Partners
Dec-07	1530 S Harbor Blvd	Fullerton, CA	Pep Boys	1987	21,633	\$5,434,000	\$251	-	National Retail Properties
Dec-07	855 W Mission Ave	Escondido, CA	Pep Boys	1983	22,750	\$8,436,500	\$371	-	National Retail Properties
Dec-07	Pep Boys	Oceanside, CA	Pep Boys	1989	20,189	\$7,834,500	\$388	-	National Retail Properties
Dec-07	Pep Boys	Rancho Cucamonga, C	Pep Boys	1986	21,783	\$5,389,500	\$247	-	National Retail Properties
Dec-07	Pep Boys	Phoenix, AZ	Pep Boys	1971	23,010	\$2,642,938	\$115	-	National Retail Properties
Dec-07	Pep Boys	Glendale, AZ	Pep Boys	1990	23,058	\$4,995,601	\$217	-	National Retail Properties
Dec-07	Pep Boys	Tempe, AZ	Pep Boys	1975	16,710	\$3,003,014	\$180	-	National Retail Properties
Dec-07	Pep Boys	Artesia, CA	Pep Boys	1982	22,750	\$5,761,000	\$253	-	National Retail Properties
Dec-07	Pep Boys	West Covina, CA	Pep Boys	1983	22,789	\$6,523,000	\$286	-	National Retail Properties
Dec-07	Pep Boys	Anaheim, CA	Pep Boys	1983	17,554	\$5,250,000	\$299	-	National Retail Properties
Dec-07	Publix	Birmingham, AL	Publix Super Markets	2006	45,600	\$8,230,000	\$180	6.6%	State Farm
Nov-07	Thomasville & Drexel Heritag	Raleigh, NC	Thomasville & Drexel	2005	36,000	\$10,200,000	\$283	7.0%	HHP Raleigh LLC (Los Angeles, CA)



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Nov-07	Sunbelt Rentals - Jacksonvil	Jacksonville, FL	Sunbelt Rentals	2001	22,200	\$3,866,667	\$174	6.6%	Coxco2 LLC (Amelia Island, FL)
Nov-07	International Jewlery Center	Miami, FL	International Jewlery C	1956	96,779	\$10,266,667	\$106	-	Columbus Properties Inc
Nov-07	Bed Bath & Beyond	Glendale, AZ	Bed, Bath, and Beyon	1999	50,693	\$5,821,110	\$115	-	National Retail Properties
Nov-07	151 Campanelli Dr	Middleboro, MA	Eastern Savings Bank	1989	58,000	\$9,050,000	\$156	-	New Boston Fund
Nov-07	Best Buy	Fredericksburg, VA	Best Buy	1996	46,457	\$7,900,000	\$170	-	Shiner Capital Partners LLC (Chicago,
Nov-07	Sapporo Restaurant	Las Vegas, NV	Sapporo	2006	11,550	\$8,450,000	\$732	7.0%	Nerio Family Trust (Huntington Beach,
Nov-07	Circuit City Store	Santa Maria, CA	Circuit City	1995	19,014	\$4,500,000	\$237	7.0%	Hamilton Chase-Aanta Maria LLC (Sol
Nov-07	Encino Buca di Beppo	Encino, CA	Bucca di Beppo Rest	1950	6,322	\$3,100,000	\$490	4.0%	Blau Family LLC (Encino, CA)
Nov-07	LaSalle Bank	Lake in the Hills, IL	LaSalle Bank	2004	6,600	\$5,175,000	\$784	5.9%	North Randall Road Props LLC (Palo A
Nov-07	Passage Palace	Brooklyn, NY	Passage Palace	1988	26,000	\$4,900,000	\$188	8.0%	Rabin Alexander LLC
Nov-07	Office Depot	Dallas, TX	Office Depot	-	30,054	\$5,000,000	\$166	7.0%	Cirrus Group
Nov-07	Gold's Gym South Beach	Miami Beach, FL	Gold's Gym	1941	12,500	\$5,000,000	\$400	-	Drew Chesler
Nov-07	Best Buy	Davenport, IA	Best Buy	1998	46,086	\$7,000,000	\$152	6.6%	Watkins Investments
Nov-07	Banco Popular 116th St	New York, NY	Banco Popular	1920	6,895	\$7,545,833	\$1,094	-	Bermuda Realty LLC
Nov-07	Albertsons	Napa, CA	Albertson's Inc.	1997	65,413	\$10,475,000	\$160	5.3%	Hu Family Trust (Napa, CA)
Nov-07	Banco Popular	Bronx, NY	Banco Popular	1921	8,251	\$5,845,833	\$708	-	Bermuda Realty LLC
Nov-07	Banco Popular	Brooklyn, NY	Banco Popular	1955	5,254	\$3,545,833	\$675	-	Bermuda Realty LLC
Nov-07	Banco Popular	Bronx, NY	Banco Popular	1920	15,110	\$10,745,833	\$711	-	Bermuda Realty LLC
Nov-07	Van Nuys Plywood & Lumbe	Van Nuys, CA	Van Nuys Plywood &	1982	27,000	\$7,900,000	\$293	-	Aym Investment LLC (Anaheim, CA)
Nov-07	Pep Boys	Orlando, FL	Pep Boys	1991	23,405	\$3,692,428	\$158	-	National Retail Properties
Nov-07	Ralphs	Los Angeles, CA	Ralphs Grocery Comp	1996	45,000	\$21,100,000	\$469	-	HKBY LLC (Porter Ranch, CA)
Nov-07	7-Eleven	Phoenix, AZ	7-Eleven, Inc.	1999	3,182	\$3,650,000	\$1,147	6.8%	John Scorci (San Jose, CA)
Nov-07	Compass Bank	Casa Grande, AZ	Compass Bank	1986	5,142	\$3,425,000	\$666	-	Pivotal 650 California St LLC (Phoenix,
Nov-07	Hanes Mall Outparcel	Winston Salem, NC	Vitamin Shoppe	2006	9,960	\$4,800,000	\$482	-	Winston I LLC (Durham, NC)
Nov-07	Advance Auto Parts	Valley Stream, NY	Advance Auto Parts	2007	10,000	\$5,200,000	\$520	6.7%	Merrick 56 Realty LLC
Nov-07	Carls Furniture	Stuart, FL	Carl's Furniture	1979	33,464	\$10,874,200	\$325	-	Panattoni Development
Nov-07	La Z Boy	Tucson, AZ	La Z Boy	2002	16,945	\$4,435,000	\$262	-	Ronald Hernandez
Nov-07	LA Z BOY	Tucson, AZ	La Z Boy	2003	21,878	\$5,322,500	\$243	-	Ronald Hernandez
Nov-07	Henry Lehr	Westport, CT	Henry Lehr	1920	2,359	\$5,550,000	\$2,353	-	21 Main Street Realty LLC (Westport, C
Oct-07	fmr Oriental Manor Catering	Brooklyn, NY	American Place	1929	30,000	\$7,100,000	\$237	-	1818 86th Street Holding LLC (Brookly