

Northgate Transit Center Retail Market Report



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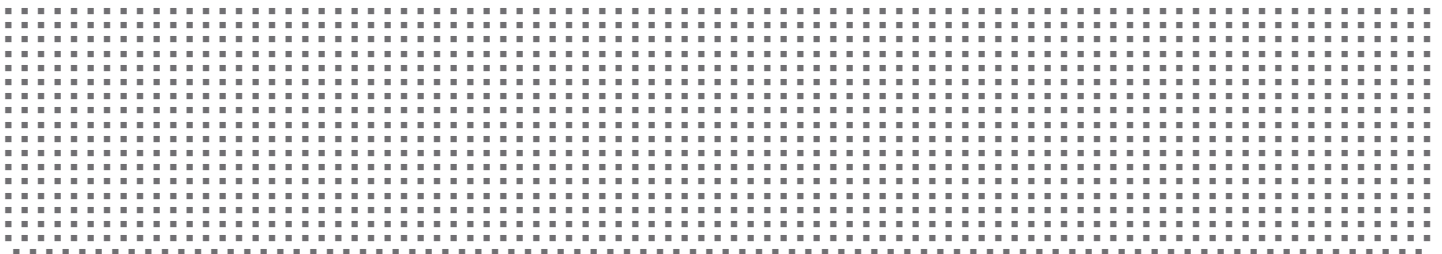


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Nature of the Assignment

The information supplied herein is from sources we deem reliable. It is provided without any representation, warranty or guarantee, expressed or implied as to its accuracy. Prospective Owner, Buyer or Tenant should conduct an independent investigation and verification of all matters deemed to be material, including, but not limited to, statements of value, income, and expenses. **CONSULT YOUR ATTORNEY, ACCOUNTANT, OR OTHER PROFESSIONAL ADVISOR**

Executive Summary

FINDINGS

The best strategy for capturing retail in a new development located on the Northgate Transit Center property is a function of market demand and phasing. The strongest demand for retail space is from a select group of large format, destination oriented retailers. The demand for space from this group is narrow, with only a few that can afford the cost of new construction for mixed-use development. The presence of one or more large format retailers, incorporated into a new mixed-use development, will create enough activity to foster a modest amount demand for other of retail space.

Construction of the light rail station, transit center, and transit oriented development projects on the property will likely span a ten year period of time. Ongoing construction will prove challenging for retailers. It is reasonable to suggest that properly configured retail located on the eastern portion of the property could succeed while construction is taking place on other portions of the property. However, the best strategy for creating successful retail on the western portion of the property is to limit the amount of space and postpone occupancy until construction in the area subsides.

RETAIL FORECAST

Leading economic indicators suggest an increase in hiring for full time positions. As economy moves toward recovery, retail markets across the country are showing some signs of mild improvement. Puget Sound retail markets are experiencing declining vacancy, limited new construction, nominal absorption of vacant space, and stable rental rates. Kidder Mathews' 2011 forecast calls for modestly declining vacancy expected to be 6% by year end, little new construction, absorption of between 500,000 and 1 million square feet, reduced concessions in some submarkets, and generally stable rental rates.

During 2009 and 2010 local investment activity was just a fraction of previous levels; however, during the second half of 2010 the market began to shift. More properties were brought to the market and the gap between bid and ask narrowed. During 2010 capitalization rates declined slightly from 2009 levels, reflecting the improved outlook investors have for the future.

SEATTLE RETAIL MARKET

The inventory of retail space in the City of Seattle totals almost 42 million square feet, in 4,100 buildings. During the last decade, on average 390,000 square feet of new retail space opened each year. Vacancy in the Seattle market is 4%, compared with over 6% for the region as a whole. Asking rental rates are higher in Seattle than elsewhere in the region, currently averaging \$20 per square foot. Asking rates for newer buildings constructed during the last 20 years are roughly \$28 per square foot.

RETAIL MARKET SEGMENTS

A broad range of retail market segments are represented in the Northgate area; regional malls, power centers, strip centers, small shop space, and stand alone stores including big box, warehouse, and grocery stores. Each of these segments plays a role in the future of retail space in the area.

The one million square foot Northgate Mall is a super regional shopping center that is “the” retail attraction in the area. While the recent recession had an impact on Mall revenues across the county, vacancy at Northgate has remained low and the center continues to thrive. Its location, tenant mix, and visibility to Interstate 5 are its strengths. Its ongoing challenge is competition from other malls and shopping centers in the area.

Northgate North and Aurora Village are the two power centers operating in north Seattle. Northgate North is one of a handful of vertical retail centers in the region. Northgate North’s vacancy was as high as 23% in 2010, compared with the regional average of 4.6%. A transaction completed during the first quarter 2011 reduced its vacancy to 8%. Transactions completed during the last few years at Northgate North have garnered rental rates in the low to mid-teens per square foot per year, triple net; well below levels necessary to support new construction.

The big box and warehouse stores commonly locate within power centers or in stand-alone locations. Local stores not in Northgate North can be found along SR 99 or in the Lake City neighborhood. There is a small list of large format retailers who are interested in expanding in Washington, who find the Northgate market attractive, and can afford to occupy new construction.

Grocery stores have a mixed history in the Northgate area, primarily because the competition from stores in other neighborhoods is fierce. It is reasonable that a large format general merchandise retailer locating at the subject would include groceries in its product mix; however, the probability of success is low for a stand-alone or a conventional grocery anchored shopping center in a vertical mixed use environment.

Strip center retail relies on ease of access and convenient surface parking located directly in front of each store. While inconsistent with TOD principles, it is reasonable to believe that if a conventional strip center was developed on the subject it would be successful, providing surface parking was available.

The small shop space segment of the market, not located in the local strip centers or in the Northgate Mall, is not robust. Both Northgate North and Thornton Place have experienced prolonged vacancy in small shop spaces, due primarily to limited foot traffic, inconvenient parking, and limited visibility. In addition, the pool of shop space users who can afford to pay rental rates needed to support new development is limited. The best development strategy for new shop space at the subject is two pronged; new space should be as limited as possible and it must be carefully tied to a destination anchor retailer who is a significant traffic generator.

With the addition of light rail service at the Northgate Station, pedestrian and vehicular traffic in the area will increase the demand for retail services. However, in the transit oriented retail marketplace demand is not adequate on its own to support retail until ridership becomes substantial, perhaps at a level of 50,000 daily boarding’s or greater. Starbucks describes its demand for transit oriented retail as important; but additional day-long traffic is required to support its model. In short, transit ridership contributes to, but requires substantial ridership to make retail viable.

RETAIL SPENDING

The demand for retail goods in the Northgate market is expected to grow as a result of increased population and household incomes. Supply and demand data, for the area that is within one mile of the subject, suggests that potential demand for retail is less than the supply. The data may be indicating that the retail in the Northgate market is inferior or there is more than enough retail space in the area. It is reasonable to assume that the retail offerings are not inferior and that there is a surplus of space needed to meet the demand from the immediate neighborhood.

The supply and demand data paints a different picture for the areas within three and five miles of Northgate. The data suggests that retail sales are leaking outside the market and that there is more demand to be captured at Northgate.

CONSUMER PROFILE

There are almost 380,000 people who live within five miles of Northgate in 170,000 households, with a median household disposable income equal to \$56,000 per year. The median household income is currently \$73,000 per year and is expected to grow to \$86,000 by 2015. The dominant consumer groups are described as Metropolitans, Trendsetters, and Urban Chics. The demographics of the market are considered attractive, but not over-the-top.

LOCATION

While no two retailers are equal, there are commonalities in the site selection criteria of many. They include proximity of housing, foot traffic volume, access to major arterials, site access, vehicular traffic volume, visibility, physical barriers, proximity of major retailers, and cost of land.

The strengths of the subject location include its proximity to a large number of roof tops, easy access to major arterials and Interstate 5, easy site access, tremendous visibility, and close proximity to other major retailers. The location's weaknesses are limited foot traffic, physical barriers to east/west travel and the high cost land.

SITE CONSIDERATIONS

Retailers will be drawn to the property by its visibility to Interstate 5. Development that provides retail signage opportunities will create a retail-friendly environment. The position of the light rail guide way along 1st Avenue NE creates a challenging situation for retail located west of the existing transit center.

Purpose of the Assignment

The purpose of the assignment is to assess the supply and demand for retail space at King County's Northgate Transit Center property.

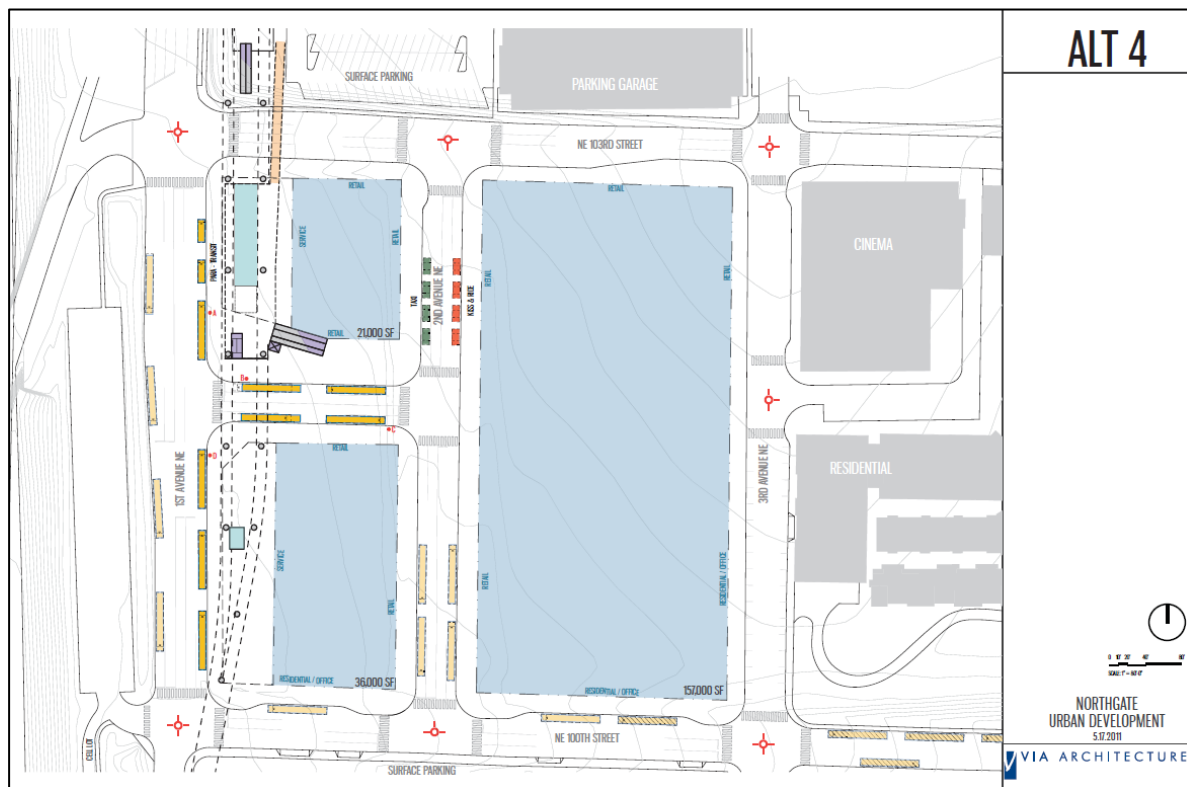
The Northgate Transit Center property is currently the home of one of the region's busiest transit centers. Exhibit P1 shows the current land uses; a bus served transit center and supportive park and ride parking.

Exhibit P2 shows a conceptual reconfiguration of the Northgate Transit Center property. The plan includes the future light rail station along the western property boundary, a redeveloped transit center, and three parcels available for transit oriented development. The western transit oriented development parcels measure 36,000 and 21,000 square feet for the southwest parcel and northwest parcel respectively. The eastern parcel measures 157,000 square feet.

Exhibit P1 – Northgate Transit Center, Current Conditions



Exhibit P2 – Northgate Transit Center Redevelopment Concept Plan



Economic Outlook

Exhibit E1 – LEI & CEI Trends

LEADING ECONOMIC INDICATORS

The Conference Board Leading Economic Index® (LEI) for the U.S. Increases Again

Index Points to Sustained Economic Growth Through the End of the Year

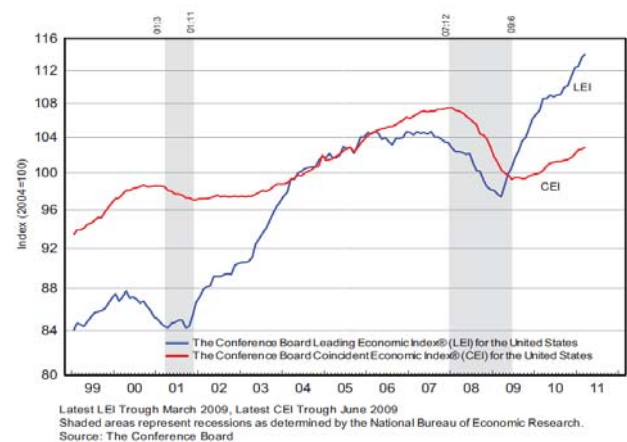
NEW YORK, April 21, 2011...The Conference Board Leading Economic Index® (LEI) for the U.S. increased 0.4 percent in March to 114.1 (2004 = 100), following a 1.0 percent increase in February, and a 0.2 percent increase in January.

Says Ataman Ozyildirim, economist at The Conference Board: “The U.S. LEI continued to increase in March, pointing to strengthening business conditions in the near term. The March increase was led by the interest rate spread and housing permits components, while consumer expectations dropped. The U.S. CEI, a monthly measure of current economic conditions, also continued to rise, led by gains in industrial production and employment.”

Says Ken Goldstein, economist at The Conference Board: “The U.S. LEI continues to point to sustained economic growth through year end. Global disruptions, including unrest in the Middle East, rising oil prices and the Japan earthquake, may have some repercussions. However, it remains to be seen what the impact of these shocks will be on the United States and the broader global economy.”

The Conference Board Coincident Economic Index® (CEI) for the U.S. increased 0.2 percent in March to 102.9 (2004 = 100), following a 0.1 percent increase in February, and a 0.5 percent increase in January. The LEI continues to be at an all-time historical high while the CEI is still about 4.3 percent below its level at the beginning of the most recent recession.

The Conference Board Lagging Economic Index® (LAG) increased 0.4 percent in March to 108.3 (2004 = 100), following a 0.3 percent increase in February, and a 0.4 percent decrease in January. Exhibit E1 shows the long term trends in the indices.



Temporary Employment

When times get tough, temporary jobs are the first to go. And when times get better, temporary jobs are the first to reappear. The pace of growth in the temporary staffing agency industry in the fall of 2010 was the fastest recorded since the industry began keeping statistics back in the mid-1940s.

Companies create temporary jobs to staff up without making a long-term commitment -- a practice that appeals when the economy is uncertain and healthcare requirements are changing

Some predict that temporary jobs and contract jobs will become more the norm. People who would normally only want to work in a permanent, full-time position are going to have to look at contract and temporary positions because that's going to become a bigger part of how companies hire and staff in the future. The move toward temporary jobs is pronounced in finance and accounting industries.

Temporary employment agencies are reporting an increase in companies that have never used temporary services. Of particular note are big increases in the education, nonprofits, healthcare, manufacturing and financial services industries. Further, firms are reporting intent to hire during the first or second quarter of 2011.

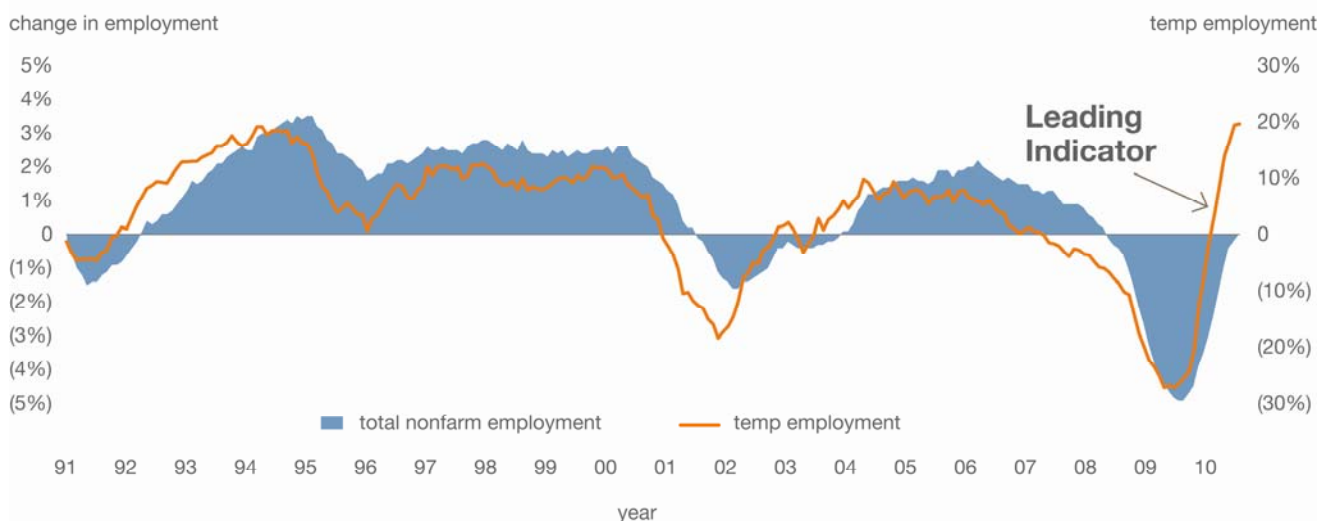
Bureau of Labor and Statistics Employment Trends

The Bureau of Labor and Statistics tracks changes in permanent and temporary employment. Exhibit E2 shows the trends in both since 1991. Temporary employment has been a reliable leading permanent employment indicator over the twenty year period. If history repeats itself, the recent jump in temporary employment is indicating substantial increase in hiring.

Exhibit E2 – Employment Trends

Leading Indicator Signaling Employment Recovery on Horizon

Source: Bureau of Labor and Statistics



Retail Market Overview

2010 NATIONAL PERSPECTIVE

The retail markets are showing some signs of mild improvement. Retail REIT's posted a 33.4% total return in 2010, which outpaced the overall REIT average of 28%. These REIT's, which control a significant share of shopping center supply, were able to deleverage when needed, survive the demand decline through diversification, and as the outlook has improved, attract new capital in at both equity and financing levels. Much as the larger economy is seeing a relatively jobless recovery underway, the retail market is exhibiting signs of stabilization but by no means widespread absorption of vacant space. Employment growth has been slightly positive, but it has been only keeping pace with the natural growth of the work force, with the result being that the unemployment rate on a percentage basis has been fairly static. The local employment situation is better than the nation as a whole.

Recent Highlights

Turnover in the anchor store segment continues, with stronger chains filling in the stronger locations left behind by the collapse of failed chains. An example of this is Sports Authority and to a lesser extent Dick's Sporting Goods taking former Joe's Sporting Goods spaces. Walgreens, Best Buy, Ross, Winco, Dollar Tree and local chains such as Bartell Drugs have expanded. There has been some continued contraction in the food store segment, although Wal-Mart continues to expand and is looking to introduce smaller format stores into trade areas where they have not been able to build a standard format.

Retail Sales

The all important 2010 holiday season wrapped up with improved retail sales. On a national level, the average year-over-year change for the ISCS-Goldman Sachs Weekly Chain Store Sales Index was 3.5% for the last nine weeks of 2010. While this is by no means strong growth, it is a move in a positive direction. Local performance for 2010 will be released by the State Department of Revenue in the second quarter 2011, and we expect it to reflect performance in line with and perhaps slightly above the national level.

Investment Activity

On a national basis, cap rates for shopping centers have improved significantly in the last year. The average cap rate reported by PwC in their quarterly survey is 7.63% for the fourth quarter 2010. This is down 100 basis points from the recent high point of 8.63% in the fourth quarter 2009, although it remains 46 points above the low point at the peak of the market in the third quarter 2007. The current rate is just below the 5- and 10-year averages of 7.67% and 8.34%, respectively.

As expected, investment activity increased in the second half of the year. An increased volume of properties were brought to market and the bid to ask gap for pricing generally narrowed. On the larger scale, institutional investors pursued anchored properties, with particular interest in Class "A", core assets. National passive investors were the key buyers of single tenant properties, especially those under \$5 million. There was less activity with respect to unanchored strip centers.

2010 REGIONAL OVERVIEW

Inventory

In the greater Puget Sound area there is 196.9 million square feet of retail space. At year end, approximately 6.75% of the space is vacant. The average asking rental rate equals \$17.21 per square foot, triple net, down from a high in 2008 of \$22.46 per square foot. Since 2007 there has been seven million square feet of new retail space added to the market.



Vacant Space/Vacancy Rate

In the Puget Sound markets, during 2010 the overall vacancy rate continued to increase, moving up by 45 basis points from 6.3% to 6.75%. The vacancy rate fell in Seattle to 4.34% and in Pierce County to 6.91%, while it increased in the balance of King, Snohomish and Thurston Counties. The total available space is about 165 basis points higher, closer to 8.4%, when one accounts for owner/user space and sublet availabilities. Overall vacancy is driven by anchor spaces. Five percent of the market includes properties with contiguous spaces of 20,000 square feet or larger, and these properties account for about 30% of all vacancy. The average vacancy for the balance of the market, representing 95% of the inventory, is 6.2%.

New Construction Activity

Retail development activity is naturally low right now as the market awaits demand to re-absorb excess vacant space, and most retailers are reluctant to pay rents that would make new construction feasible. Less than 60,000 square feet is under construction as of year-end 2010. New development in 2011 will be build-to-suit or owner/user oriented. This follows the 2010 trend, which saw four new food stores by Winco schedule to open in early 2011. Of the four stores two are new construction and two adaptive re-use of former Home Base stores.

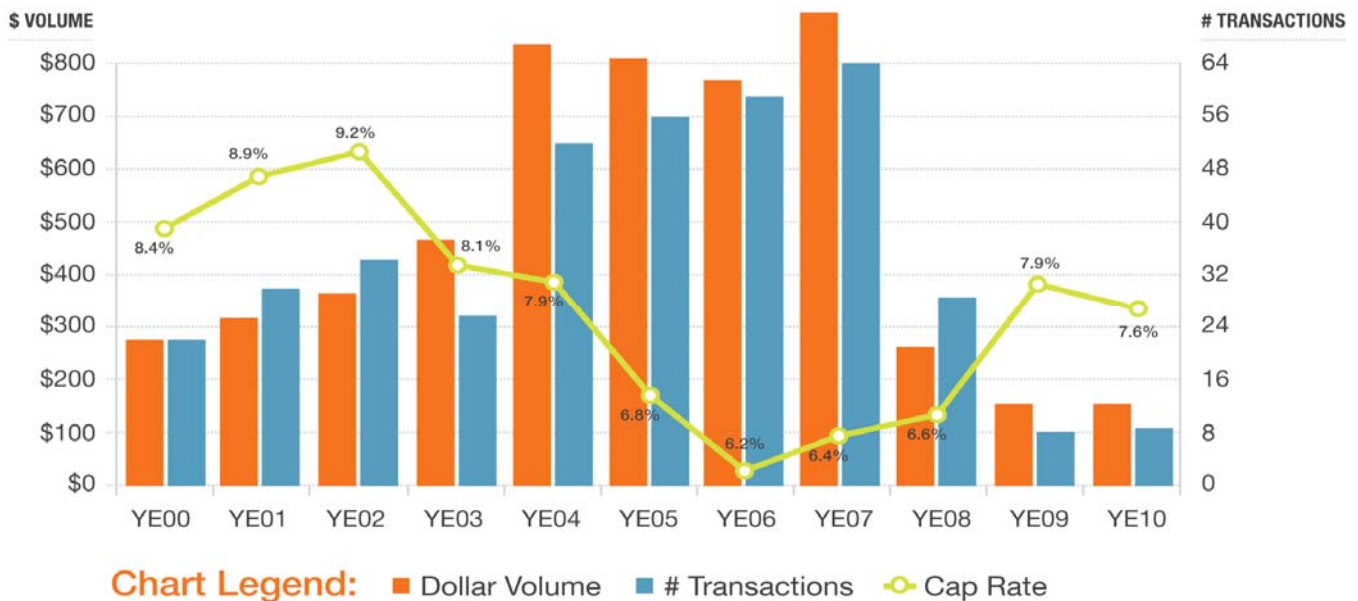
Rent Forecast

Retail rents have declined from the peak in 2007 and 2008. Outside of a few core trade areas with atypically strong fundamentals, 2010 saw reduced face rents and significantly higher concessions in the form of free rent and tenant improvement allowances. In some cases, these concessions were extraordinary, in order to secure the “only available tenant.” With mild economic improvement and increased retail sales, rents are expected to improve in 2011, with the first order of business being reduced concessions. This will vary widely by location, with stronger trade areas likely to maintain existing rent levels and weaker areas seeing a broader level of discounts. Retail rents in the Seattle CBD range between \$30 and \$75/square foot/year, NNN, and rents in suburban grocery anchored centers range between \$20 and \$35/square foot/year, NNN, depending on property location and condition.

Market Demand/Net Absorption

The region's net absorption of retail space for the 2010 was negative 255,919 square feet. However, there are a number of anchor deals in the pipeline and more leasing activity in general, which his expected to result in positive absorption for 2011, perhaps on the order of 500,000 to 1,000,000 square feet.

Exhibit MO 1 – Investment Sales Trends



Local Investment Activity

As shown in Exhibit MO1, during 2010 investment sales activity is still anemic, however, during the second half of the year the market began to shift. More properties were brought to the market and the gap between bid and ask narrowed. Most of the closed sale activity was in two primary segments; anchored centers and single tenant properties. In each case, there was a fairly deep pool of buyers and financing was more readily available when compared to 2009. Capitalization rates have corrected since 2009 when uncertainty drove rates upward from all-time lows.

Notable local transactions include the City of Federal Way purchased the former Toys"R"Us property for a future performing arts facility. The former Circuit City in Tukwila was acquired by a local investor. The former Costco Home Store in Kirkland was acquired by the City of Kirkland for public use. The former Kmart in Wenatchee was acquired and will be repositioned by a local theater chain. The commercial component of the Newmark Tower condominiums in Seattle's CBD was acquired by Target for an urban store. The former Levitz store in Lakewood was acquired by a local furniture store, which relocated from across the freeway when the former Home Base store was acquired by Winco.

SEATTLE OVERVIEW

As on May 2011, the Seattle retail market consists of 41.8 million square feet of the regions total space inventory. As shown in Exhibit MO2, the Seattle's inventory consists of 4,107 buildings. More than one half of the buildings, measuring 18.6 million square feet, were constructed before 1951. During the period between 1982 and 2001, a total of 8.4 million square feet, or 420,000 square feet per year of new retail space was constructed in Seattle. Since 2002, 3.9 million square feet or 390,000 square feet per year, have been added to the retail space inventory. Since 2006, Seattle's inventory has grown by one million square feet.

In Seattle the vacancy rate is lower than the region as a whole, measuring just less than 4%. Asking rental rates are higher in Seattle than elsewhere in the region, currently averaging \$19.80 per square foot. Asking rates for buildings constructed during the last 20 years are roughly \$28 per square foot.

Exhibit MO2 - Seattle Retail Inventory

Year Built	Bldgs	Rentable SF	Vacancy	Avg Rate
Unknown	232	2,143,016	0.1%	\$21.00
1882-1891	1	3,552	0.0%	\$0.00
1892-1901	90	672,720	1.5%	\$18.27
1902-1911	318	2,676,704	5.5%	\$18.64
1912-1921	314	2,659,450	3.6%	\$17.28
1922-1931	615	5,869,297	2.9%	\$21.32
1932-1941	242	929,183	5.5%	\$14.73
1942-1951	502	3,703,682	2.6%	\$17.11
1952-1961	406	3,854,385	4.1%	\$14.69
1962-1971	422	4,099,320	4.2%	\$13.33
1972-1981	267	2,898,235	3.2%	\$17.78
1982-1991	253	3,065,169	3.6%	\$19.53
1992-2001	237	5,323,497	2.6%	\$28.09
2002-2011	208	3,921,860	6.7%	\$27.14
	4107	41,820,070	3.8%	\$19.73

Shopping Malls



NATIONAL TRENDS

A SLOW-HEALING U.S. ECONOMY CONTINUES TO POSITIVELY IMPACT BOTH THE SPENDING HABITS OF CONSUMERS AND THE PERFORMANCE OF THE NATIONAL REGIONAL MALL MARKET.

After rising on a quarterly basis from the third quarter of 2007 through the second quarter of 2010, the vacancy rate for the U.S. regional mall market posted another quarterly decline at year-end 2010. According to Reis, the vacancy rate dipped ten basis points to 8.7% during the fourth quarter of 2010 mainly due to a lack of supply growth and an improvement in leasing activity.

In terms of sales, same-store sales rose 4.2% in January 2011 on a year over-year basis, as per the Bank of Tokyo-Mitsubishi UFJ. In addition, it appears that spending at luxury stores greatly outpaced that at stores with lower price points. At Neiman Marcus, same-store retail sales increased 6.0% year over year in January 2011. Other department stores that reported strong performances for that time period include Dillards (+6.0%), Saks (+4.4%), and Nordstrom (+4.8%).

On the other hand, weaker year over-year same-store retail sales were reported by JC Penney (-1.2%), Stein Mart (-1.2%), Kohl's (+1.4%), and Bon Ton (+0.3%). In an effort to improve profits, JC Penney recently announced it will close five department stores in Georgia, Illinois, Iowa, North Carolina, and Virginia; shut down a home store in Duluth, Georgia; and exit its catalog business. In addition, the retailer is closing call centers in Grand Rapids and Albuquerque. "Challenges persist

for retail property owners even though consumer spending has improved," comments an investor.

Despite concerns regarding the "choppiness" of this sector's near-term performance, a sizable number of investors remain interested in acquiring stable, dominant regional malls. Unfortunately, most of these assets are owned by publically traded companies, which are content to "hold" them as the economy recovers. "Only lesser quality malls are being marketed now," notes a participant. According to surveyed investors, overall capitalization (cap) rates for lesser-quality malls are well above those of Class-A+ malls. As shown in Exhibit M1, the average overall cap rate for Class-A+ malls stands at 6.45% while it is 8.18% for Class-B+ regional malls. Over the past eight quarters, the spread has averaged 161 basis points between these two mall classifications.

**Exhibit M1 – National Regional Mall Market
Average Overall Cap Rates, Class-A+ Class-B+**

Quarter	Malls	Malls
1Q11	6.45%	8.18%
4Q10	6.53%	8.38%
3Q10	6.70%	8.58%
2Q10	6.93%	8.68%
1Q10	7.33%	8.78%
4Q09	7.40%	8.88%
3Q09	6.81%	8.25%
2Q09	6.57%	7.88%

Source: PwC Real Estate Investor Survey

PUGET SOUND SHOPPING MALLS

Costar Inc. categorizes shopping malls in the Puget Sound markets as Super Regional Malls and Regional Malls.

Super Regional Malls

Super regional and regional malls are similar, except super regional malls are larger, have more anchors, a deeper selection of merchandise, and draws from a larger population base. The typical configuration for a super regional mall is an enclosed mall, frequently with multiple levels.

As shown on the Exhibit M2, the super regional malls in the Puget Sound area are Everett, Alderwood, Northgate, Bellevue Square, Southcenter, Federal Way, Auburn Super Mall, South Hill, Tacoma, and Kitsap. Not including the Seattle CBD, Puget Sound Malls contain

12.3 million square feet of space and are currently 98% leased. Since the 3rd quarter of 2007 the super regional malls have added by 1.3 million square feet of new space, or approximately 260,000 square feet per year. Big expansions include Westfield's addition of 400,000 square feet to its mall in Southcenter and Simon's 100,000 square foot expansion of the Northgate Mall.

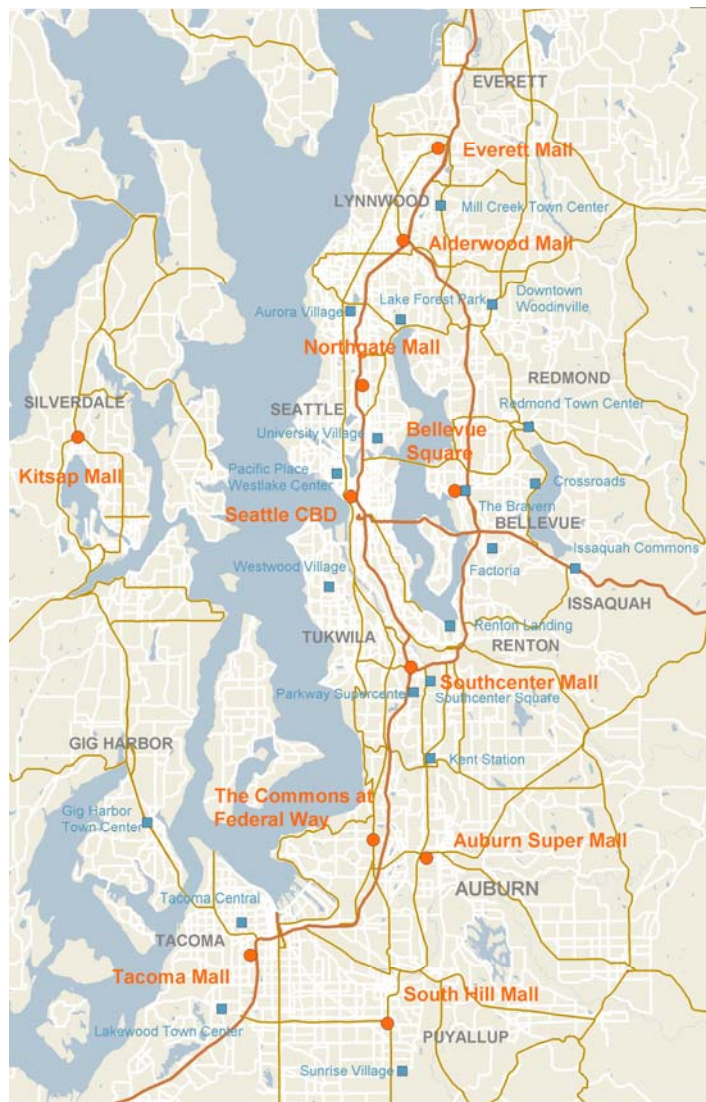
Since 2007, vacancy has remained steady, floating between 1.5% and 2.5%. Asking rental rates currently average \$19.11 per square foot, triple net. In 2007, asking rates were as high as \$26.73 per square foot, dropping to a low of \$16.01 in early 2010.

Northgate Mall

The Northgate Mall, originally built in 1950, was the nation's first regional shopping centers to be described as a mall. Today it is one of the region's most prominent super regional malls and measures just over one million square feet. According to Simon Properties, the mall is currently 100% leased and has had virtually no vacancy since 2006 (other market participants believe that vacancies do exist). Rental rates for small shop spaces are as high as \$70 per square foot gross, including operating expenses and marketing fees. Larger anchor tenants pay substantially less. For example in 2008 Barnes & Noble leased its two level stores for \$20 per square foot gross, including a substantial tenant improvement package paid by the landlord. Ground leases completed for the 2008 expansion included pads for Macaroni Grill and Stanford's with shared parking in common with other tenants. The Macaroni Grill lease was for a 7,000 square foot building pad with a rental rate of \$150,000 per year or \$21.42 per square foot per year of pad area. The Stanford's 10,000 square foot pad was leased for \$200,000 per year or \$20 per square foot per year. The parking area for the two restaurants, at five spaces per 1000 square feet of leasable area, occupies an additional 30,000 square feet of land area.

The Northgate Mall's direct competitors are Alderwood, Seattle CBD, and Bellevue Square. The mall also competes with other retail in the area including larger centers like Northgate North, University Village, Aurora Village, Lake Forest Park, and centers located along SR 99 and in Lake City.

Exhibit M2 – Puget Sound Shopping Center Map



Regional Malls

Regional malls provide shopping goods, general merchandise, apparel, furniture, and home furnishings in full depth and variety. They are built around the full-line department store with a minimum GLA of 100,000 square feet, as the major drawing power. For even greater comparative shopping, two, three, or more department stores may be included. In theory a regional mall has a GLA of 400,000 square feet, and may range from 300,000 to more than 1,000,000 square feet. Regional malls in excess of 750,000 square feet GLA with three or more department stores are considered Super Regional.

The Puget Sound regional mall market consists of 7.3 million square feet of space. In 2007 vacancy in the

regional malls was 3.6%; by 2009 it had increased to 9.8%, and since has dropped to 8.5%. Since 2007, 361,000 square feet of new space has been added to the market. In King County the regional mall market measures 3.2 million square feet. Vacancy in 2006 was 3%. It reached a high in early 2009 of 8%, but has since dropped to 5.3%. Since 2006, only 60,000 square feet of new space has been added to the King County regional mall market.

Power Centers

The typical power center consists of several freestanding (unconnected) anchors and only a minimum amount of small specialty tenants. At 250,000 to 600,000 square feet, a Power Center is dominated by several large anchors, including discount department stores, off-price stores, warehouse clubs, or "category killers," i.e., stores that offer tremendous selection in a particular merchandise category at low prices.



POWER CENTER NATIONAL TRENDS

SENSING THAT THE SLOW-MOVING ECONOMIC RECOVERY WILL CONTINUE TO IMPROVE CONSUMER CONFIDENCE AND SPENDING, SEVERAL POWER CENTERS HAVE RECENTLY TRADED.

In one first-quarter deal, Columbus Pacific Properties acquired Cottonwood Commons, an 84,545-square-foot center anchored by Bed, Bath & Beyond, Cost Plus World Market, and Petco, located in Albuquerque, New Mexico and adjacent to Cottonwood Mall. Although the sale price was not disclosed, the asset was 86% leased at the time of sale. In a separate deal, the buyer purchased the adjacent empty Wal-Mart building/site and plans to combine it with Cottonwood Commons.

On the East Coast, investment adviser RREEF purchased the 360,000 square-foot London Square located in Kendall, Florida for an offshore client for roughly \$265 per square foot. Developed in 2008, this power center was 99% occupied and is anchored by Ross Dress for Less, TJ Maxx, and Home Goods and also includes a 60,700-square-foot, three-story office

building. According to the broker, this deal represents the largest transaction involving an open-air shopping center in Florida since 2008.

Elsewhere in Florida, Federal Realty Investment Trust, procured the 392,000-square-foot Tower Shops located in Davie (a town in Broward County) for \$178.00 per square foot. Tenants at this power center include TJ Maxx, Ross Dress for Less, Michaels, and Old Navy. Plus, a Best Buy is slated to open soon. According to the buyer, the center's redevelopment possibilities, prominent market position, earnings potential, and infill location" were reasons for its purchase.

Further north along the East Coast, Prestige Properties acquired DSW Plaza in Lake Grove, NY for roughly \$191 per square foot. Located directly across from the 1.4-million-square-foot Smith Haven Mall on Long Island, this power center fronts a heavily trafficked roadway and is anchored by a DSW shoe store, Toys"R" Us, Staples, and Michaels, as well as Tuesday Morning and Golfsmith. According to the selling broker, a high number of bids were received for the asset, which is located in one of the country's most densely populated and wealthiest areas.

For investors looking to acquire power centers, survey participants reveal that average overall capitalization (cap) rates remain on a downward trend. The average overall cap rate slipped 28 basis points this quarter to reach 7.80% – 75 basis points lower than a year ago. At the same time, surveyed investors have become more confident with regard to expectations for near-term rent growth. The average initial-year market rent change rate assumption turned positive this quarter after being negative for the past six consecutive quarters. Still, it stands a long way from its survey peak of 3.21%, reported in the third quarter of 2006.

Source: PwC Real Estate Investor Survey

PUGET SOUND POWER CENTERS

In the Puget Sound area there is 5.8 million square feet of retail space located in power centers. Of the total space, 4.6% is vacant today. In 2007 vacancy stood at 1.9% and by 2009 it had increased to 6.3%. Since 2007 approximately 600,000 square feet of power center space has been added to the market inventory.

COMPETING POWER CENTERS

There are two power centers located in North Seattle that have a total of 663,000 square feet of space. They are Northgate North and Aurora Village. Total vacancy in the two centers has been low; ranging from 1.2% in 2006 to a high in 2009 of 8.2%. Today vacancy is 4.8%.

Aurora Village

Aurora Village is a conventional 361,000 square foot suburban power center anchored by Costco and Home Depot. The center is 100% leased and has not reported vacancy since 2007.

Northgate North

Northgate North is a 302,000 square foot, two building, multi-level retail facility with structured parking at three spaces per 1,000 square feet of space. The center is currently 23.1% vacant; however, there is a transaction underway that will significantly reduce this figure. In 2008 the center was reporting vacancy of 5.8%, down from the earlier high of 16.9% in 2006. The balance of the vacancy at the center has historically been smaller shop spaces. Asking rental rates at Northgate North are currently \$22.39 per square foot. The most recent new occupancy was in 2009 when Sports Authority's occupied 46,338 square feet previously occupied by GI Joes. Sports Authority is paying \$12 per square foot, flat over a ten year lease term. The lease included \$1.2 million in tenant improvements that were used at the tenant's discretion. A tenant is in discussions with the center to occupy a large portion of the existing vacant space and may enter into a 10 year lease with an average rental rate in between \$15 and \$16 per square foot, triple net or approximately \$20 gross.

Big Box, Warehouse, and Grocery Retailers



BIG BOX & WAREHOUSE

A big box retail stores offer a wide range of products, sometimes targeting a specific product segment such as home improvements, toys, or office supplies. They are no-frills discount stores that sell in volume and are considered category killers. They can also be warehouse stores that offer a wide range of products, such as clothing, groceries, home improvement, home furnishings, or books.

Big box retailers commonly locate within a formal power center or in stand-alone locations. One methodology for assessing the demand for big box retail is to determine which retailers are seeking to expand into a region and to identify those not in the subject area. The universe of tenants seeking to expand into Washington State has been contrasted to the tenants that are currently in the Northgate marketplace. The following list represents a first cut at identifying potential big box retailers, 30,000 square feet and larger, who could location in the Northgate area.

- | | |
|-------------------------|----------------------|
| AMF Bowling | Jo-Ann Super Stores |
| Bally Total Fitness | Kmart |
| Broyhill | Kohl's |
| Burlington Coat Factory | Life Time Fitness |
| Club One | Marshalls |
| Dick's Sporting Goods | McClendon's Hardware |
| Famous Labels | Nordstrom Rack |

- Wal-Mart
- Fred Meyer Stores (Unlikely)
- Fry's Electronics

- Off Broadway Shoe Warehouse
- Powerhouse Gym

GROCERY STORES

Grocery stores have a mixed history in the Northgate area. A&P, Thriftway, and QFC all have operated in the market over the years. The Northgate QFC is the only grocer who continues to operate in the immediate area. The competitive landscape includes a number of grocers located in the local neighborhoods. The demand for groceries is being met in Lake City by Fred Meyer and QFC, in Wedgewood by Safeway and QFC, in Roosevelt by Whole Foods and QFC, in Haller Lake to the northwest by the Oak Tree Market, Grocery Outlet, Albertsons, Safeway, and QFC. The proposed Vita-Milk development located in the Green Lake neighborhood is off-again, on-again with grocers; the most recent of which is rumored to be the PCC.



Geographic constraints also play an important role in the demand for groceries in Northgate. Barriers to access include I-5 to the west and south, uneven topography that restricts east/west travel to-and -from areas to the east.

Grocers not currently in the Northgate market who have expressed interest in expanding in Washington include the following:

- | | |
|-------------------------|------------------|
| Haggen Food & Pharmacy | Market of Choice |
| Sprouts Farmers Markets | Trader Joe's |

Strip Center Retail

A strip center is an attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores. Open canopies may connect the storefronts, but a strip center does not have enclosed walkways linking the stores. A strip center may be configured in a straight line, or have an "L" or "U" shape.



NATIONAL TRENDS

ACQUIRING STRIP SHOPPING CENTERS REMAINS STRONGLY IN FAVOR AMONG MOST INVESTORS AT THIS POINT IN THE CYCLE.

At yearend 2010, we closed on a \$100 million community center, and we are currently under contract for a \$50.0-million center," shares a participant. For many buyers, the belief that both the economy and this sector's underlying fundamentals are bumping along the bottom is a main reason to deploy capital now. Low interest rates and the return of debt are other factors.

Based on data from Real Capital Analytics (RCA), the volume of strip shopping center sales climbed throughout 2010, rising 57.0% above 2009's level. In addition, the number of assets sold in 2010 was 22.0% above the total sold in 2009. Nevertheless, strip shopping center deals closed and offered for sale in 2010 are well below those recorded during the peak of the cycle in 2007. In fact, sales volume totaled over \$15.0 billion in just the first quarter of 2007. By comparison, sales volume for all of 2010 was \$13.1 billion.

Strip shopping centers are being acquired as single assets and portfolios. In one recent single-asset sale, Village Commons in West Palm Beach, Florida sold for roughly \$152 per square foot. This 169,053-square-foot center was anchored by a Publix food store. In a portfolio trade, seven shopping centers totaling 650,000 square feet sold for about \$115 per square foot. The seven assets are located in Florida, Georgia, and Oregon, have a combined average occupancy rate of 91.0%, and were purchased by a division of an Israel based investment company.

While many foreign investors retreated from acquiring U.S. commercial real estate assets during the recession, many have renewed their interest in buying American properties. RCA reports that purchases by foreign investors jumped 210% between midyear 2009 and midyear 2010. With so many domestic and foreign investors vying for strip shopping center assets at a time when interest rates remain at historically low levels, average overall capitalization (cap) rates remain on a downward and. As shown in Exhibit SC1, this market's average overall cap rate has declined over the past five quarters and stands at 7.40% this quarter. Source: PwC Real Estate Investor Survey

Exhibit SC1 – National Strip Shopping Center Market Overall Capitalization Rate Trends

Quarter	Average	(Basis Points)
1Q11	7.40%	- 23
4Q10	7.63%	- 46
3Q10	8.09%	- 29
2Q10	8.38%	- 11
1Q10	8.49%	- 4
4Q09	8.53%	+ 12
3Q09	8.41%	+ 50
2Q09	7.91%	+ 28
1Q09	7.63%	+ 35
1Q08	7.28%	—

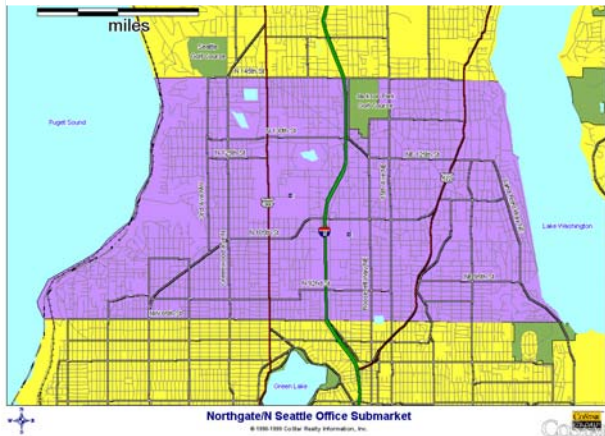
PUGET SOUND STRIP CENTERS

The Puget Sound Strip Center market measures a total of 13.6 million square feet, in 1,300 buildings. Approximately 600,000 square feet of new space has been added to the market since 2007. Currently vacancy stands at 12%, having moved steadily upward from 6.5% in 2007. Asking rental rates have consistently declined since 2008; moving from a high of \$21.84 to \$18.08 today.

NORTHGATE STRIP CENTER MARKET

As shown in Exhibit SC2, the Northgate Strip Center retail market consists of the area bounded by NE 145th Street on the North, Lake Washington to the west, NE 80th Street to the South, and Puget Sound on the West.

Exhibit SC2 – Northgate Strip Center Market



The market consists of 263,000 square feet of space, a figure that has remained the same since 2006. Vacancy in the market during 2006 was as low as 3.6%, but by the end of 2010 it had increased to 9.8%. During the first quarter of 2011 vacancy had dropped to 8%. The vacancy in strip centers located close to the Northgate Mall consists primarily of interior space, with little end cap vacancy. During the last five years asking rental rates have ranged from between \$20 and \$25 dollars.

Small Shop Retail



Retail center anchor tenants are often a break even or losing proposition. The viability of small shop spaces in retail centers is the key to profitability. It is instructive to look to the success of shop space offerings in the market to understand the characteristics of demand. The most significant shop space offering in the Northgate area is Thornton Place. It is a new project having opened its doors in 2009 and is located directly adjacent to the subject.

Thornton Place is a 5-acre mixed-use development that contains 50,000 square feet of retail/commercial space, a multiplex theater, 55 low income apartments, 224 market rate apartments, and 109 condominiums.

The retail/commercial space consists of approximately twenty spaces that can be divided or combined, with the smallest spaces measuring 800 square feet and the largest 8,500 square feet. Roughly 1/3rd of the spaces are vented for restaurant uses.

According to the projects leasing agent, until recently of the 50,000 square feet of retail/commercial space, approximately 14,700 square feet or 30% was available. This figure was recently cut in half when UW Physicians committed to space in the project. Rental rates for transactions that have been completed since opening range from \$30 to \$40 per square foot, per year, triple net. Current asking rates are \$32 per square foot, per year, triple. Operating expenses are \$7.30 per square foot per year. Landlord is delivering spaces in vanilla shell condition.

Demographics



Understanding consumer behavior is the key to determining the potential for retail sales. The demographics presented below describe the characteristics of the consumers of retail goods and services who would likely make purchases from retail stores located on the subject.

ONE MILE MARKET

Key Demographics

The key demographic data for the area located within one mile of the subject, current and projected are shown in Exhibit D1.

Exhibit D1 – Demographic Trends

	2010	2015	Change
Population	25,7072	27,333	7.0%
Daytime Population	11,997	NA	
Households	12,445	13,236	6.3%
Median HH Income	\$60,387	\$75,067	24.3%
Average HH Income	\$72,878	\$85,491	17.3%
Median Age	37.7	38.7	2.6%

Compared to the City of Seattle projected population change of 5%, the one mile market is expected to faster. The median household income in the one mile market is less than the City as a whole; with the 2010 City total equal to \$64,294.

Psychographics

According to ESRI and as shown in Exhibit D2, the top three consumer groups that live within the market area are described as Metropolitans, Old and Newcomers, and Trendsetters; groups that make up more that 57% of the population.

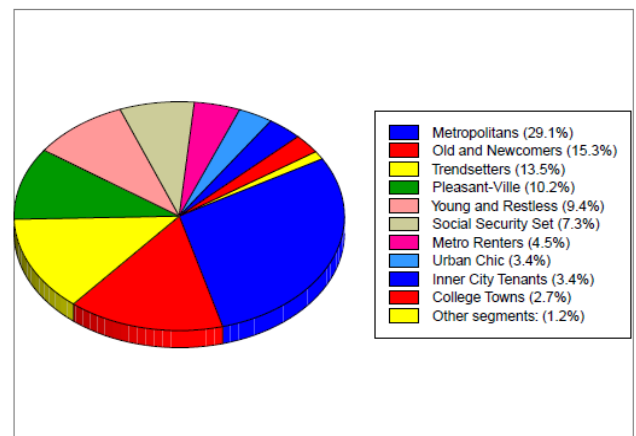
Metropolitans

Metropolitans residents favor city living in older neighborhoods. Approximately half of the households are composed of singles who live alone or with others. However, married-couple families comprise 40 percent of the households. The median age is 37.7 years. Over half of employed persons hold professional or management positions. These neighborhoods are an eclectic mix of single-family homes and multiunit structures, with a median home value of \$215,587. The median household income is \$62,812. Residents lead busy, active lifestyles. They travel frequently and participate in numerous civic activities. They enjoy going to museums and zoos and listening to classical music and jazz on the radio. Refinishing furniture and playing a musical instrument are favorite hobbies. Exercise includes yoga, using Rollerblades, and hiking/backpacking.

Old and Newcomers

Old and Newcomers neighborhoods are in transition, populated by those who are starting their careers or retiring. The proportion of householders in their 20s or aged 75 years or older is higher than the national level. The median age is 37.1 years. Spread throughout metropolitan areas of the United States, these neighborhoods have more single-person and shared households than families. Many residents have moved in the last five years. Over sixty percent of households are occupied by renters; approximately half live in mid-rise or high-rise buildings. Residents have substantial life insurance policies and investments in certificates of deposit, bonds, and annuities. Leisure activities include roller skating, using Rollerblades, playing golf, gambling at casinos, playing bingo, and attending college ball games. They listen to classic hits on the radio. Many

Exhibit D2 – Top Tapestry Segments



residents are members of fraternal orders or school boards.

Trendsetters

These neighborhoods are located primarily on the West Coast. On the cutting edge of urban style, Trendsetters residents are young, diverse, mobile, educated professionals with substantive jobs. The median age is 35.5 years. More than half of the households are single-person or shared. Most still rent, preferring upscale, multiunit dwellings in older city districts. The median household income is \$64,002. Residents are spenders; they shop in stores, online, and via the phone. They own the latest laptop computers, cell phones, and MP3 players, and use the Internet daily. Exercise includes playing tennis, volleyball, baseball, and golf as well as ice skating, snorkeling, and yoga. Leisure activities include traveling, attending rock concerts, and reading biographies. Residents also enjoy syndicated TV shows such as Access Hollywood and Seinfeld.

Exhibit D3 – Retail Sales Demand

Industry Summary

	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	\$306,189,072	\$384,673,016	\$-78,483,944	-11.4	274
Total Retail Trade (NAICS 44-45)	\$261,429,080	\$336,646,321	\$-75,217,241	-12.6	201
Total Food & Drink (NAICS 722)	\$44,759,992	\$48,026,695	\$-3,266,703	-3.5	73

amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and

Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector.

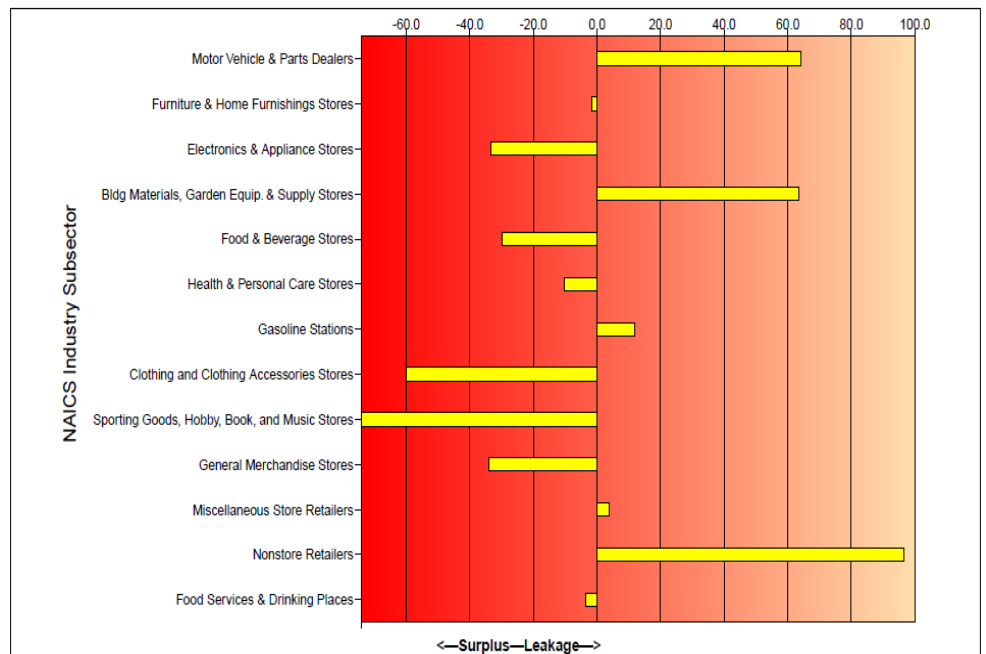
While the data suggests that the market is over retailled, there are market segments that are being under served, as shown in Exhibit D4. They include motor vehicle and parts dealers, building materials, garden equipment and supplies, gas stations, and non-store retailer.

Retail Potential

According to CCIM's Site to do Business and as shown in Exhibit D3, there is a total of \$384 million in retail expenditures made annually by consumers living within one mile of the subject. Of this figure \$336 million is in retail trade and \$48 million is in food and drink. The retail gap data indicates there is \$78 million more retail supply than is needed by consumers within the one mile market. Or simply, there is more retail space than is needed to service the consumers within one mile of the subject. The gap is being made up by consumers who live outside of the market.

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected

Exhibit D4 – Retail Leakage/Surplus Factor by



THREE MILE MARKET

Key Demographics

Exhibit D5 shows the key demographic data for the area located within three mile of the subject, current and projected are as follows:

Exhibit D5 – Demographic Trends

	2010	2015	Change
Population	205,587	215,309	4.7%
Daytime Population	57,587	NA	
Households	93,848	98,579	5.0 %
Median HH Income	\$67,945	\$81,671	20.2%
Average HH Income	\$83,154	\$97,373	17.1%
Median Age	37.6	37.9	.75%

As the distance from the subject increases the median household incomes increase. Within the three mile radius of the subject the median household income is \$67,945 compared with the City-side figure of \$64,294.

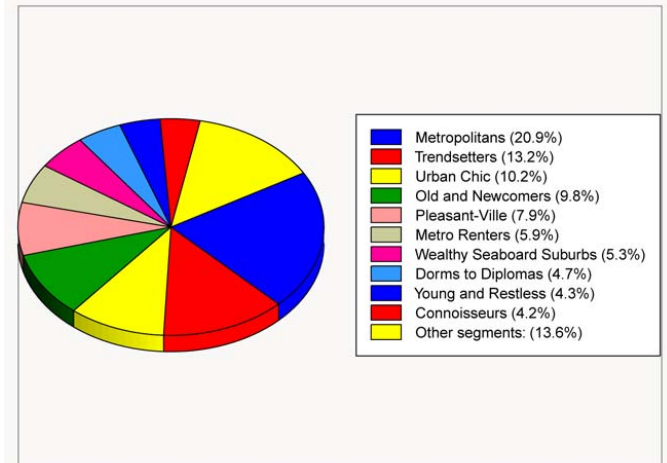
Psychographics

According to ESRI and as shown in Exhibit D6, the top three consumer groups that live within the market area are described as Metropolitans, Trendsetters, and Urban Chic; groups that make up more than 44% of the population. (The characteristics of the Metropolitans and Trendsetters are described in the previous section)

Urban Chic

Urban Chic residents are well-educated professionals living an urban, exclusive lifestyle. Most own expensive single-family homes with a median value of \$659,997. Married-couple families and singles comprise most of these households. The median age is 42 years. Urban Chic residents travel extensively, visit museums, attend dance performances, play golf, and go hiking. They use the Internet frequently to trade or track investments or to shop, buying concert and sports tickets, clothes, flowers, and books. They appreciate a good cup of coffee while reading a book or newspaper and prefer to listen to classical music, all talk, or public radio programs. Civic minded, residents are likely to volunteer in their communities.

Exhibit D6 – Top Tapestry Segments



Retail Potential

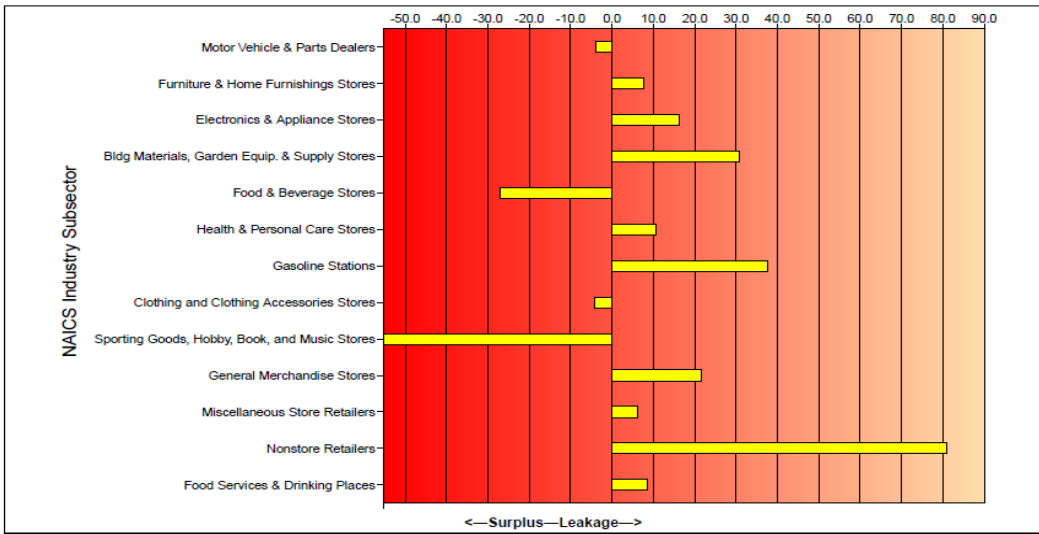
As shown in Exhibit D7, there is a total of \$2.7 billion in retail expenditures made annually by consumers living within three miles of the subject. Of this figure \$2.4 billion is in retail trade and \$352 million is in food and drink. The retail surplus is \$113 million and this amount is being spent outside the market area. The data suggests there is a modest amount of demand for more retail space in the market.

The segments that are most under served, as shown in Exhibit D8, building materials, garden equipment and supplies, gas stations, and non-store retailers.

Exhibit D7 – Retail Sales Demand

Industry Summary	Demand	Supply	Retail Gap	Leakage/Surplus Factor	Number of Businesses
	(Retail Potential)	(Retail Sales)			
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	\$2,882,082,024	\$2,768,948,930	\$113,133,094	2.0	1,829
Total Retail Trade (NAICS 44-45)	\$2,463,151,029	\$2,416,368,843	\$46,782,186	1.0	1,182
Total Food & Drink (NAICS 722)	\$418,930,995	\$352,580,087	\$66,350,908	8.6	647

Exhibit D8 – Retail Leakage/Surplus Factor by Industry Sector



FIVE MILE MARKET

Key Demographics

The key demographic data for the area located within three mile of the subject, current and projected are shown in Exhibit D9.

Exhibit D9 - Demographic Trends

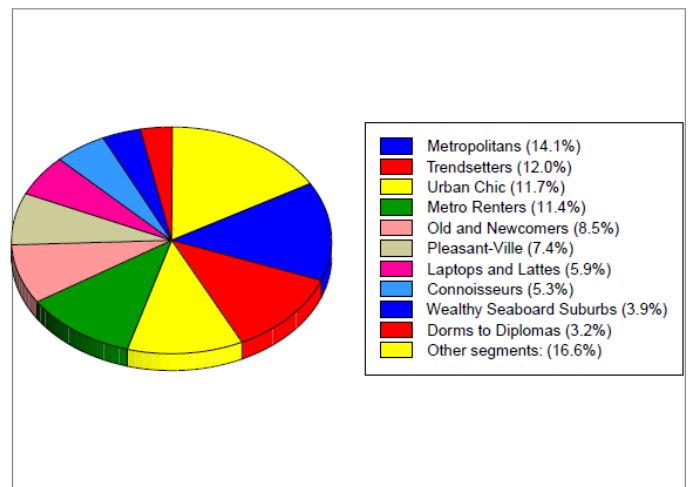
	2010	2015	Change
Population	377,298	394,463	4.5%
Daytime Population	132,509	NA	
Households	171,605	180,276	5.0 %
Median HH Income	\$72,841	\$85,882	17.9%
Average HH Income	\$89,454	\$104,852	17.2%
Median Age	37.6	37.9	.75%

Within the five mile radius of the subject the median household income is \$72,841 compared with the City-side figure of \$64,294.

Psychographics

According to ESRI and as shown in Exhibit D10, the top three consumer groups that live within the market area are described as Metropolitans, Trendsetters, and Urban Chic; groups that make up more that 37% of the population. (The characteristics of the groups are described I the previous section)

Exhibit D10 – Top Tapestry Segments



Retail Potential

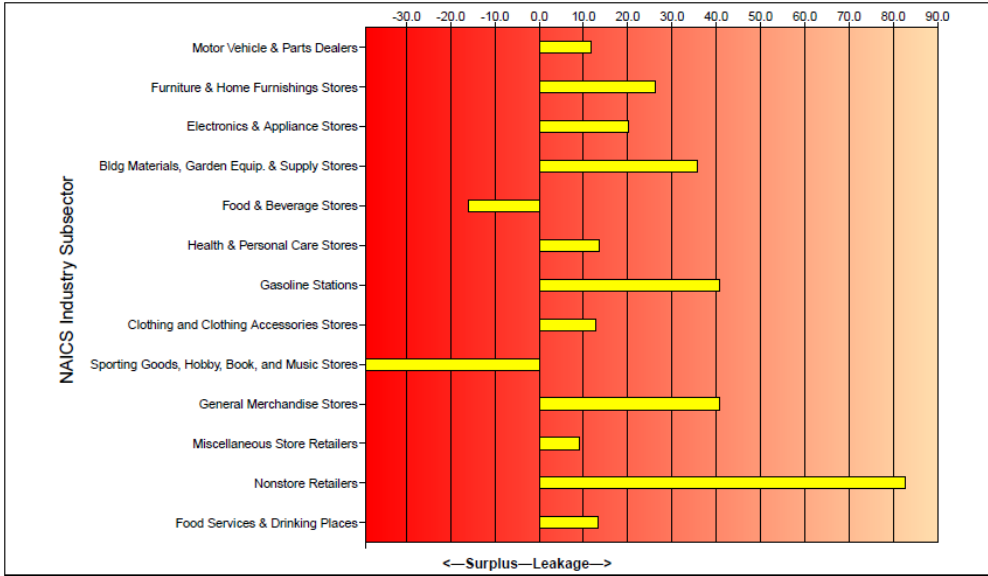
As shown in Exhibit D11, there is a total of \$4.3 billion in retail expenditures made annually by consumers living within three miles of the subject. Of this figure \$3.7 billion is in retail trade and \$640 million is in food and drink. The retail surplus is \$1.4 billion and this amount is being spent outside the market area. The data suggests there may be demand for more retail space in the market.

The retail segments that are most under served, as shown in Exhibit D12, furniture and home furnishings, building materials, garden equipment and supplies, gas stations, general merchandise, and non-store retailers.

Exhibit D11 – Retail Sales Demand

Industry Summary	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	\$5,764,809,232	\$4,354,874,688	\$1,409,934,544	13.9	3,232
Total Retail Trade (NAICS 44-45)	\$4,926,488,061	\$3,714,698,047	\$1,211,790,014	14.0	2,128
Total Food & Drink (NAICS 722)	\$838,321,171	\$640,176,641	\$198,144,530	13.4	1,104

Exhibit D12 – Retail Sales Leakage/Surplus Factor by Industry Sector



Location Analysis

In retail site selection, location is multi-faceted. Its elements include, among other factors, proximity of housing, foot traffic volume, access to major arterials, site access, vehicular traffic volume, visibility, physical barriers, proximity of major retailers, and cost of land.

PROXIMITY OF HOUSING

The subject is located at the center of Seattle's northend. There are 94,000 households, each with an average household size of 2.13. The average family income is \$101,567, with an average disposable income of \$70,290. The number of owner occupied housing units is 49,650 and the number of renters is 44,198.

FOOT TRAFFIC

Today the subject is primarily an automobile served destination. Foot traffic on the sidewalks in the immediate have only limited use. The number of housing units within the ¼ mile, considered easy walking distance, measures approximately 500 households. The number of households in the immediate area, by itself, is not adequate to support local service retail. Within a ½ mile of the subject, a distance considered at the outer limits for walking, there are approximately 3,000 households.

In the transit oriented retail marketplace, until ridership becomes substantial (50,000 daily boarding's or greater), demand is not adequate on its own to support retail. Starbucks describes its demand for transit oriented retail as important; however, additional day-long traffic is required to support its model. In short, transit ridership contributes to, but does not make retail viable.

ACCESS TO MAJOR ARTERIALS

The subject has excellent access to major arterials and Interstate 5. The properties access is a major drawing card for retailers.

SITE ACCESS

The site is well served by surface streets and signaled intersections that surround the site. Significant development on the site may trigger signal improvements at the intersection of 5th Avenue NE and 100th Street.

TRAFFIC COUNTS

Generally retailers like traffic volume, and the more the better; however over congested roadways are a problem as customers are not able to reach their destination. As shown in Exhibit L1, the traffic volume on Interstate 5 exceeds an average of 175,000 daily vehicles per day. Traffic volume on Northgate Way (105th) exceeds 30,000 vehicles per day. Trips on 1st Avenue NE, directly adjacent to the subject, are approximately 12,500 per day. Similarly, trips on 5th Avenue NE are about 12,500 per day.

VISIBILITY

The visibility of the subject from Interstate 5 is unique. If development of the property offers retailers visibility from Interstate 5, from a retail perspective, the site becomes valuable.

PHYSICAL BARRIERS

Access to the subject is influenced by physical barriers. East/west travel across Interstate 5 is facilitated by over/under passes at Northgate Way and North 92nd Street, however, the freeway does create a barrier that diminishes access. Similar barrier exists along State Route 99 to the west of the subject. East/west travel is restricted by topography to the east of the subject. Under improved roads in the neighborhoods to the east of the subject also limit access.

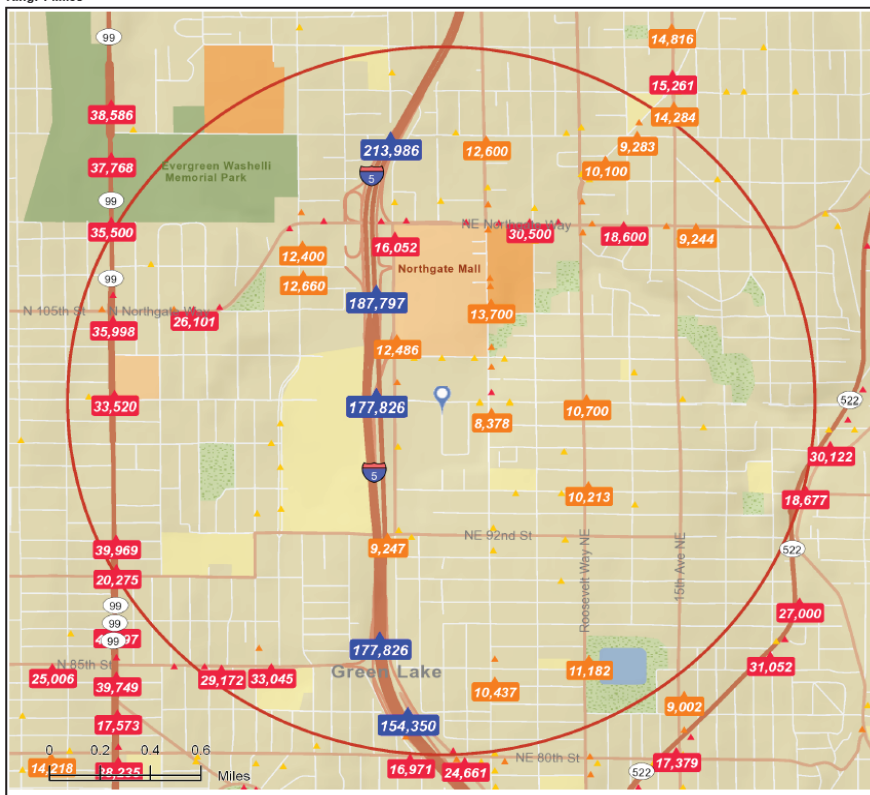
PROXIMITY OF MAJOR RETAILERS

Retail site selection criteria often require proximity to other certain retailers. From this perspective, the sites proximity to the Northgate Mall and Northgate North make it attractive.

COST OF LAND

Land in the Northgate area zoned to accommodate retail with easy access and visibility to Interstate 5 has increased in value beyond the \$60 to \$70 per square foot milestone where structured parking is feasible to develop. The cost of land is high enough so as to prohibit some retailers from entering the market.

Exhibit L1 – Traffic Counts



Methodology

This study is based on research and analysis of the following:

- national economic conditions,
- Puget Sound and Seattle retail markets,
- national, regional, and local malls,
- power centers
- warehouse, big box, and grocery stores,
- strip centers,
- small shop spaces,
- demographic and psychographic data
- retail sales supply and demand, and
- Location factors.

- Rolland Jones, Kidder Mathews, Retail Tenant and Landlord Representation
- Brian Nelson, Kidder Mathews, Retail Tenant Representation
- Pete Ferran, Ferran Retail Consulting, Grocery Store Consulting
- Darrell Vange, Ravenhurst Development, Big Box Development Consulting

In addition, real estate representatives from the following entities were contacted to obtain current market data: Simon Properties, CBRE, Kidder Mathews Valuation Advisory Services, and JSH Properties.

Using the research data as a foundation, retail specialists were engaged to identify opportunities in the marketplace. Input from the following individuals helped to formulate the study finding:

- Dave Speers, Kidder Mathews – Retail Brokerage and Development
- Pat Lindsay, Kidder Mathews, Retail Tenant Representation and Investment Sales