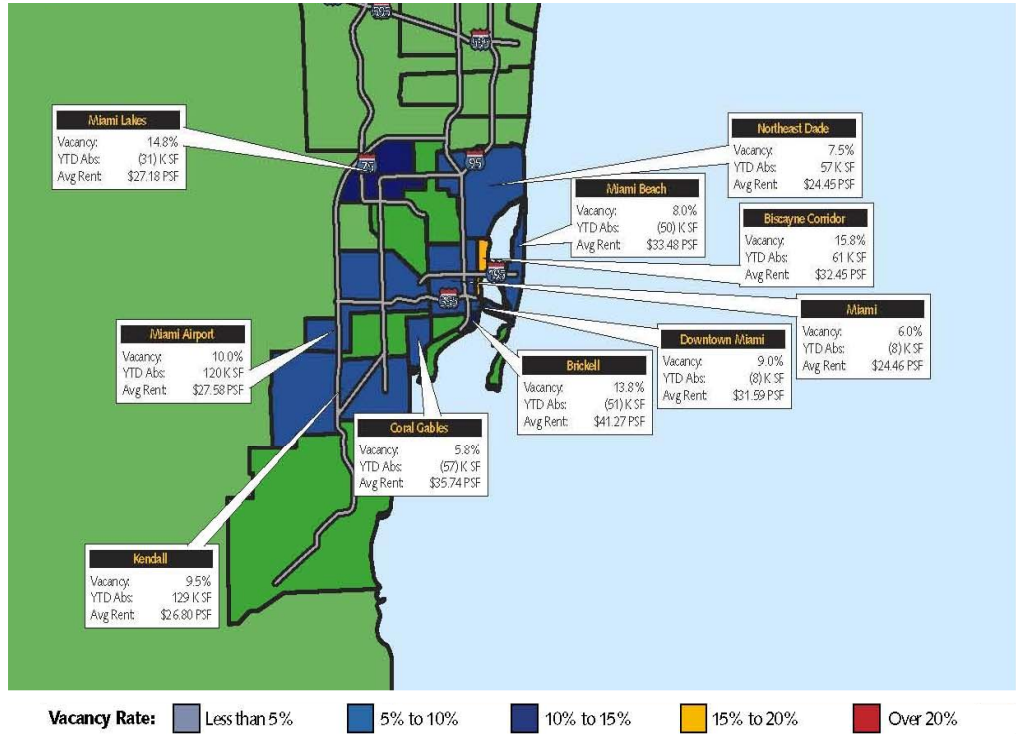
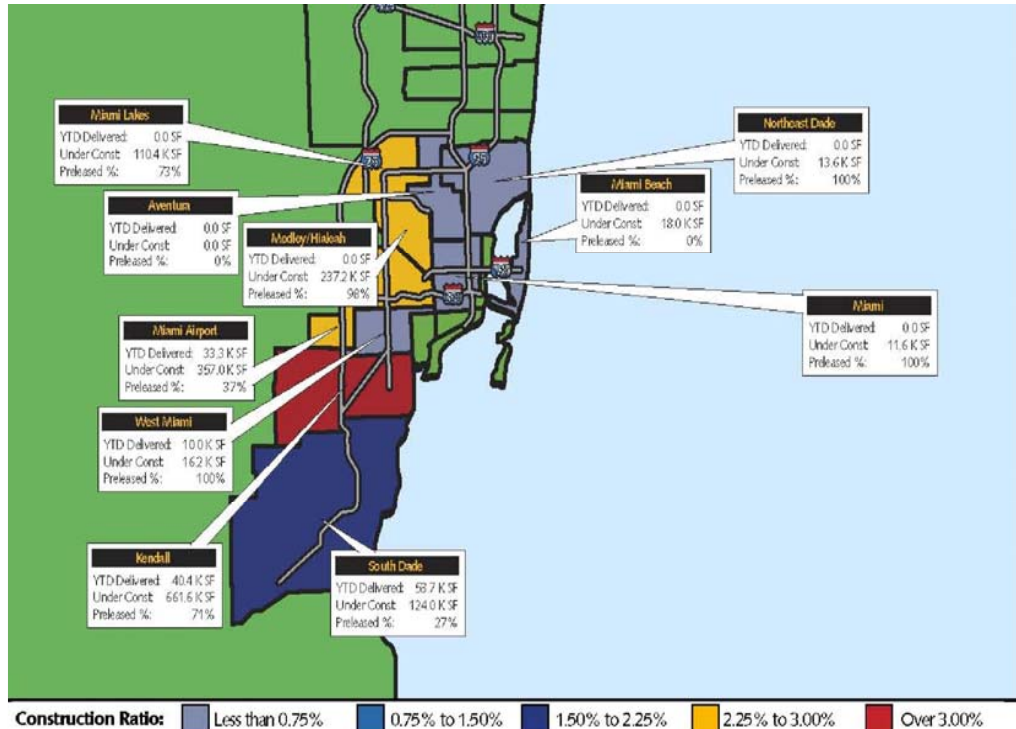


Miami, Florida

Retail Report/1st Quarter 2008



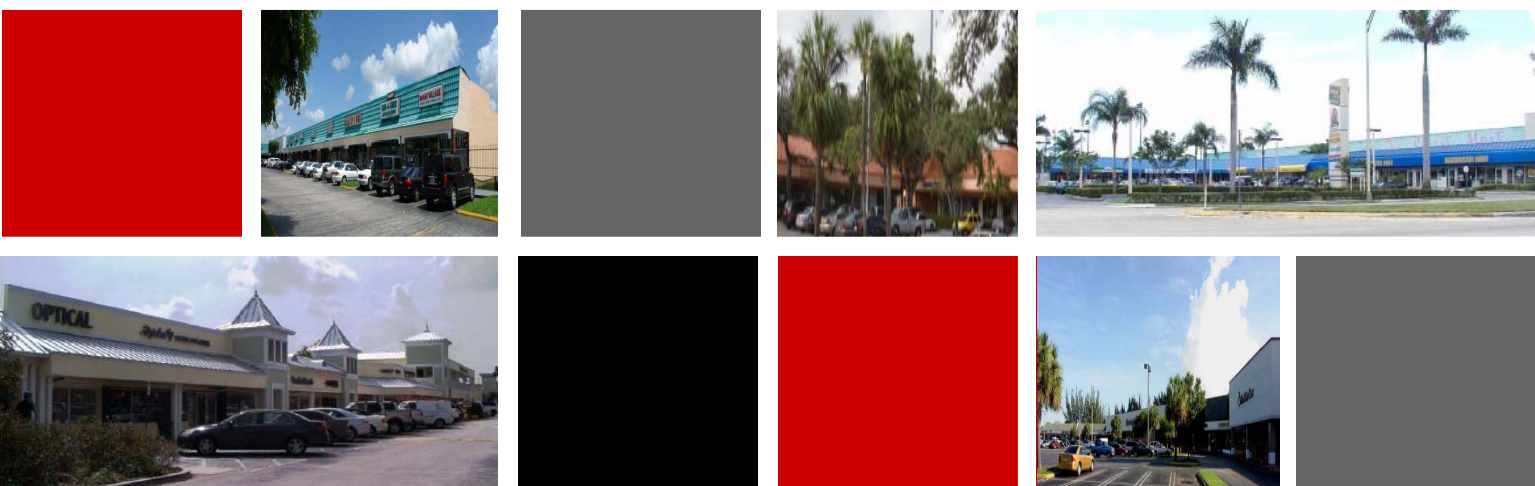
Source: CoStar Property®

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The retail real estate market remains healthy. The market absorbed over 175,000 square feet in the first quarter 2008, while the vacancy rate marginally increased to 3.7% from a 3.6% rate. A relatively small amount of new retail space was delivered to the market this quarter, but 2.3 million square feet is currently under construction for delivery during 2008 and 2009.

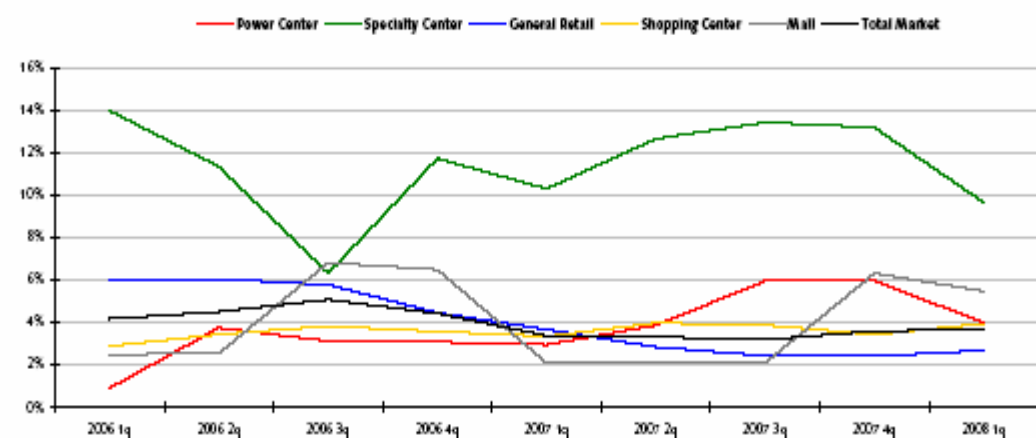
The retail market now totals over 86 million square feet in over 5,600 retail properties; the net absorption increased the amount of retail space by .2%. During 2008 and 2009, the expectations are for at least 4 million square feet of retail space being delivered principally driven by demand by the national “Big Box” retailer chains and grocery stores. These retailers have committed to the few available sites available in the market.

“Big Box” retailers, such as Target, Lowes, Publix, Fresh Market, 24 Hour Fitness, Kohl’s, Whole Foods, T. J. Maxx, Marshalls, Ross Dress for Less, WalMart, and Costco to name a few, are looking for locations of 25,000 – 120,000 square feet. Many of these retailers have committed to sites and will be delivering new stores to the market in 2008 and 2009.

In the First Quarter 2008, rental rates for small shop space in new shopping centers is in the \$35.00 – \$45.00 per square foot range on a triple net basis, up significantly from new centers being delivered just two years ago. Based on retailer reports of a small increase from holiday sales, rental rates should hold for new projects in the immediate future. Rental rates for small shop space in older shopping centers have been increasing now approaching the mid to upper \$20.00’s per square foot on a triple net basis. The average quoted rental rate for retail properties has increased to \$30.59 per square foot per year from \$30.45 per square foot per year in the Fourth Quarter 2007. Due to the current low vacancy rate in the market, it appears that rates will remain stable.

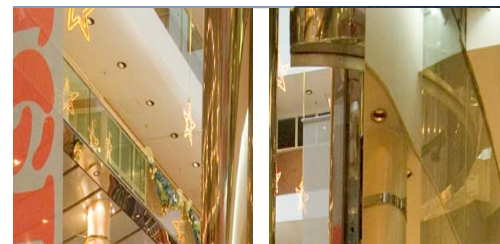
With tightening in the credit markets, sales of shopping centers continued on a slow pace. Only three (3) sales of \$4,600,000 or greater were closed in the first quarter for an aggregate price of \$46,300,000 for a combined total of 202,000 square feet. Two sales were for single tenant retail properties (one freestanding Walgreens Drug Store) of approximately 15,000 square feet each. Airport Plaza was the one major retail sale in the first quarter, selling for \$37,000,000.00 for the 170,000 square foot shopping center. Sales velocity during 2008 is expected to be slow. Until the spread between sellers and buyers expectations narrow and credit markets loosen up, buyers will be sitting on the sidelines.

VACANCY RATES BY BUILDING TYPE 2006-2008



Source: CoStar Property®

Select Top Retail Leases—2008



| Building | Submarket | SF | Qtr | Tenant Name |
|-----------------------------------|--------------------------|--------|-----|--------------------------------|
| 1 Cocowalk | Coconut Grove | 49,123 | 1st | Muvico |
| 2 London Square 400-520 | Kendall | 19,297 | 1st | Perfect Balance Fitness |
| 3 Intracoastal Mall | Aventura | 13,222 | 1st | The Water Club |
| 4 Intracoastal Mall | Aventura | 8,450 | 1st | Mattress Firm |
| 5 Dadeland Plaza | Kendall | 7,875 | 1st | N/A |
| 6 Intracoastal Mall | Aventura | 5,881 | 1st | Flamma Brazilian Steakhouse |
| 7 Westland Commons | Medley/Hialeah | 5,610 | 1st | Mattress Firm |
| 8 Quail Heights Plaza | South Dade | 5,000 | 1st | N/A |
| 9 Dixie Plaza | Northeast Dade | 5,000 | 1st | N/A |
| 10 1801 SW 8th St | Miami | 4,700 | 1st | N/A |
| 11 16375 Biscayne Blvd | Aventura | 4,250 | 1st | DWades Place |
| 12 16375 Biscayne Blvd | Aventura | 4,250 | 1st | Fogovivo Brazilian Steak House |
| 13 Mall at 163rd | Northeast Dade | 3,900 | 1st | Mattress Firm |
| 14 Intracoastal Mall | Aventura | 3,600 | 1st | Liquors Outlet |
| 15 Royal Oaks Plaza | Miami Lakes | 3,576 | 1st | N/A |
| 16 910 Collins Ave | Miami Beach | 3,500 | 1st | N/A |
| 17 Eagle Nest Center | Miami Lakes | 3,382 | 1st | Mystic Nail Salon |
| 18 Kendall Mall | Kendall | 2,925 | 1st | ABC Childcare center |
| 19 1678 Collins Ave | Miami Beach | 2,898 | 1st | Beach, Wine and Liquors, Inc |
| 20 Cutler Hammock Shopping Center | South Dade | 2,400 | 1st | Royce Cleaners |
| 21 3119 Coral Way | Coral Way | 2,142 | 1st | Just The Funny |
| 22 London Square 600-610 | Kendall | 2,098 | 1st | Sea Siam Connections |
| 23 Mary Brickell Village | Brickell | 2,000 | 1st | Massage Envy #0704 |
| 24 London Square 400-520 | Kendall | 1,956 | 1st | Soccer Locker |
| 25 Westend @ 87th | Miami Airport | 1,711 | 1st | Dermaxax, LLC |
| 26 Cocowalk | Coconut Grove | 1,700 | 1st | Starbucks |
| 27 611 Lincoln Rd | Miami Beach | 1,500 | 1st | Darkroom Productions |
| 28 Tamiami Trails Shops | Miami Airport | 1,500 | 1st | Robeks Juice |
| 29 Sabina Shopping Center | Outlying Miami-Dade Cnty | 1,420 | 1st | Huri's Dollar Store, Inc. |
| 30 Shoppes of Paradise Lakes | Kendall | 1,400 | 1st | Pinkies Nail Spa |
| 31 Coral Reef Village | South Dade | 1,080 | 1st | Mass Nutrition |
| 32 3174 W 76th St | Outlying Miami-Dade Cnty | 1,062 | 1st | Omar Furniture |
| 33 Hammock Plaza | Kendall | 954 | 1st | AAA |
| 34 Hammock Plaza | Kendall | 954 | 1st | Millionaire Nails |
| 35 Cocowalk | Coconut Grove | 895 | 1st | Azul |
| 36 1510 Alton Rd | Miami Beach | 800 | 1st | Jeff Mitchell |
| 37 Cocowalk | Coconut Grove | 609 | 1st | Onda Love |
| 38 Cocowalk | Coconut Grove | 580 | 1st | Kouture One |
| 39 Cocowalk | Coconut Grove | 511 | 1st | Saverio Di Ricci |
| 40 Cocowalk | Coconut Grove | 480 | 1st | Goldiamore |

Source: CoStar Property®
* Renewal