

CoStar Retail Statistics

Year - End 2016

Tucson Retail Market



CoStarTM
The knowledge market

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Methodology

The CoStar Retail Statistics calculates Retail statistics using CoStar Group's base of existing, under construction and under renovation Retail buildings in each given metropolitan area. All Retail building types are included, including Community Center, Freestanding Retail, Neighborhood Center, Power Center, Regional Mall, Specialty Center and Unanchored Strip Center, in both single-tenant and multi-tenant buildings, including owner-occupied buildings. CoStar Group's global database includes approximately 95.6 billion square feet of coverage in 4.4 million properties. All rental rates reported in the CoStar Retail Report are calculated using Triple Net (NNN) rental rates.

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CoStar Group, Inc.

1331 L ST NW • Washington, DC 20005 • (800) 204-5960 • www.costar.com • NASDAQ: CSGP

Terms & Definitions

Anchor Tenant: A large national or regional retailer that serves as a primary draw for a shopping center; a store strategically located in a retail property in order to enhance, bring attention to, or increase traffic at the property. Sometimes called a “destination” tenant, usually these tenants lease at least 25,000 SF.

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year’s net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

Community Center: A shopping center development that has a total square footage between 100,000 – 350,000 SF. Generally will have 2-3 large anchored tenants, but not department store anchors. Community Center typically offers a wider range of apparel and other soft goods than the Neighborhood Center. Among the more common anchors are supermarkets and super drugstores. Community Center tenants sometime contain retailers selling such items as apparel, home improvement/furnishings, toys, electronics or sporting goods. The center is usually configured as a strip, in a straight line, or an “L” or “U” shape.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Freestanding Retail: Single tenant building with a retail tenant. Examples include video stores, fast food restaurant, etc.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

General Retail: Typically are single tenant freestanding general-purpose commercial buildings with parking. Many single retail buildings fall into this use code, especially when they don’t meet any of the more detailed use code descriptions.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that

represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Lifestyle Center: An upscale, specialty retail, main street concept shopping center. An open center, usually without anchors, about 300,000 SF GLA or larger, located near affluent neighborhoods, includes upscale retail, trendy restaurants and entertainment retail. Nicely landscaped with convenient parking located close to the stores.

Mall: The combined retail center types of Lifestyle Center, Regional Mall and Super Regional Mall.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

Neighborhood Center: Provides for the sales of convenience goods (food, drugs, etc.) and personal services (laundry, dry cleaning, etc.) for day-to-day living needs of the immediate neighborhood with a supermarket being the principal tenant. In theory, the typical GLA is 50,000 square feet. In practice, the GLA may range from 30,000 to 100,000 square feet.

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Outlet Center: Usually located in a rural or occasionally in a tourist location, an Outlet Center consists of manufacturer’s outlet stores selling their own brands at a discount. 50,000–500,000 SF. An Outlet Center does not have to be anchored. A strip configuration is most common, although some are enclosed malls and others can be arranged in a village cluster.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Power Center: The center typically consists of several freestanding (unconnected) anchors and only a minimum amount of small specialty tenants. 250,000–600,000 SF. 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.

Released Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate

of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Regional Mall: Provides shopping goods, general merchandise, apparel, and furniture, and home furnishings in full depth and variety. It is 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 center has a GLA of 400,000 square feet, and may range from 300,000 to more than 1,000,000 square feet. Regional centers in excess of 750,000 square feet GLA with three or more department stores are considered Super Regional. (See also: Super Regional Mall).

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Shopping Center: The combined retail center types of Community Center, Neighborhood Center and Strip Center.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Specialty Center: The combined retail center types of Airport Retail, Outlet Center and Theme/Festival Center.

Sports & Entertainment: A facility suited for recreational activities, including: Amusement Facility, Aquatic Facility/Swimming Pool, Bowling Alley, Casino/Gaming Facility, Equestrian Center/Stable, Fitness, Court and Spa Facility, Golf Related, Racetrack, Skating Rink, Ski Resort, Sports Arena/Stadium, and Theatre/Performing Art Facility.

Strip Center: 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.

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other

and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Super Regional Mall: Similar to a regional mall, but because of its larger size, a super regional mall has more anchors, a deeper selection of merchandise, and draws from a larger population base. As with regional malls, the typical configuration is as an enclosed mall, frequently with multiple levels (See also: Regional Mall).

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Theme/Festival Center: These centers typically employ a unifying theme that is carried out by the individual shops in their architectural design and, to an extent, in their merchandise. Sometimes the biggest appeal of these centers is to tourists; they can be anchored by restaurants and entertainment facilities. These centers, generally located in urban areas, tend to be adapted from older, sometimes historic, buildings, and can be part of mixed-use projects. 80,000–250,000 SF.

Under Construction: Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

Tucson's Vacancy Increases to 6.4%

Net Absorption Positive 39,832 SF in the Quarter

The Tucson retail market experienced a slight decline in market conditions in the fourth quarter 2016. The vacancy rate went from 6.1% in the previous quarter to 6.4% in the current quarter. Net absorption was positive 39,832 square feet, and vacant sublease space increased by 32,181 square feet. Quoted rental rates decreased from third quarter 2016 levels, ending at \$14.70 per square foot per year. A total of 8 retail buildings with 199,832 square feet of retail space were delivered to the market in the quarter, with 243,335 square feet still under construction at the end of the quarter.

Net Absorption

Retail net absorption was slightly positive in Tucson fourth quarter 2016, with positive 39,832 square feet absorbed in the quarter. In third quarter 2016, net absorption was positive 153,375 square feet, while in second quarter 2016, absorption came in at positive 118,681 square feet. In first quarter 2016, positive 74,898 square feet was absorbed in the market.

Vacancy

Tucson's retail vacancy rate increased in the fourth quarter 2016, ending the quarter at 6.4%. Over the past four quarters, the market has seen little change in the vacancy rate, with the rate going from 6.4% in the first quarter 2016, to 6.4% at the end of the second quarter 2016, 6.1% at the end of the third quarter 2016, to 6.4% in the current quarter.

The amount of vacant sublease space in the Tucson market has trended down over the past four quarters. At the end of the first quarter 2016, there were 85,750 square feet of vacant sublease space. Currently, there are 65,294 square feet vacant in the market.

Largest Lease Signings

The largest lease signings occurring in 2016 included: the 60,000-square-foot lease signed by Safeway at Silverado Plaza; the 53,678-square-foot deal signed by Cinemark at 1300 E Tucson Marketplace Blvd; and the 53,564-square-foot lease signed by Galaxy Theatres at 50-190 S Houghton Rd.

Rental Rates

Average quoted asking rental rates in the Tucson retail market are down over previous quarter levels, and down from their levels four quarters ago. Quoted rents ended the fourth quarter 2016 at \$14.70 per square foot per year. That compares to \$14.77 per square foot in the third quarter 2016, and \$14.76 per square foot at the end of the first quarter 2016. This represents a 0.5% decrease in rental rates in the current quarter, and a 0.41% decrease from four quarters ago.

Inventory & Construction

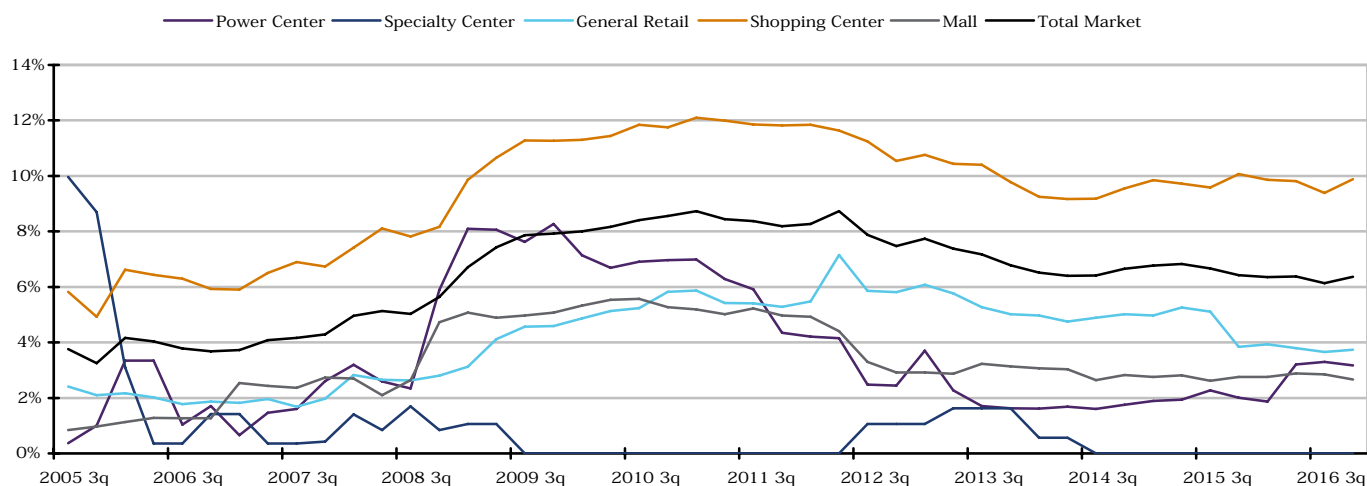
During the fourth quarter 2016, eight buildings totaling 199,832 square feet were completed in the Tucson retail market. Over the past four quarters, a total of 422,710 square feet of retail space has been built in Tucson. In addition to the current quarter, six buildings with 36,229 square feet were completed in third quarter 2016, 10 buildings totaling 144,467 square feet completed in second quarter 2016, and 42,182 square feet in seven buildings completed in first quarter 2016.

There were 243,335 square feet of retail space under construction at the end of the fourth quarter 2016.

Some of the notable 2016 deliveries include: 1795 W Valencia Rd - Fry's Marketplace, a 100,000-square-foot facility that delivered in fourth quarter 2016 and is now 100%

Vacancy Rates by Building Type

2005-2016



Source: CoStar Property®

occupied, and 700 W Wetmore Rd - Precision Toyota, a 63,112-square-foot building that delivered in second quarter 2016 and is now 100% occupied.

Total retail inventory in the Tucson market area amounted to 51,372,543 square feet in 5,286 buildings and 569 centers as of the end of the fourth quarter 2016.

Shopping Center

The Shopping Center market in Tucson currently consists of 553 projects with 23,481,500 square feet of retail space in 1,463 buildings. In this report the Shopping Center market is comprised of all Community Center, Neighborhood Center, and Strip Centers.

After absorbing negative (10,024) square feet and delivering 117,800 square feet in the current quarter, the Shopping Center sector saw the vacancy rate go from 9.4% at the end of the third quarter 2016 to 9.9% this quarter.

Over the past four quarters, the Shopping Center vacancy rate has gone from 9.9% at the end of the first quarter 2016, to 9.8% at the end of the second quarter 2016, to 9.4% at the end of the third quarter 2016, and finally to 9.9% at the end of the current quarter.

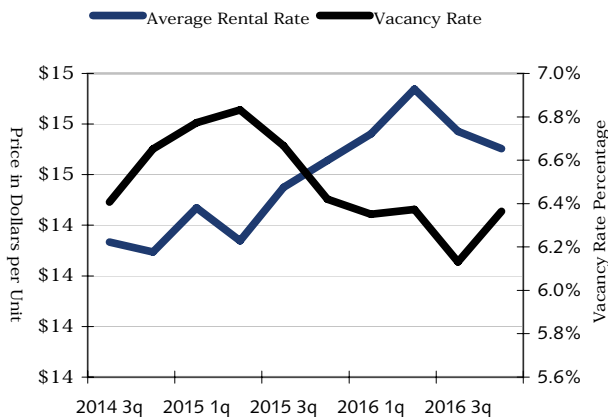
Rental rates ended the fourth quarter 2016 at \$14.61 per square foot, down from the \$14.67 they were at the end of third quarter 2016. Rental rates have trended down over the past year, going from \$14.80 per square foot a year ago to their current levels.

Net absorption in the Shopping Center sector has totaled 221,927 square feet over the past four quarters. In addition to the negative (10,024) square feet absorbed this quarter, positive 112,086 square feet was absorbed in the third quarter 2016, positive 63,607 square feet was absorbed in the second quarter 2016, and positive 56,258 square feet was absorbed in the first quarter 2016.

Power Centers

VACANCY & RENT

Past 10 Quarters



Source: CoStar Property®

The Power Center average vacancy rate was 3.2% in the fourth quarter 2016. With positive 68,518 square feet of net absorption and 66,228 square feet in new deliveries, the vacancy rate went from 3.3% at the end of last quarter to 3.2% at the end of the fourth quarter.

In the third quarter 2016, Power Centers absorbed negative (3,181) square feet, delivered no new space, and the vacancy rate went from 3.2% to 3.3% over the course of the quarter. Rental started the quarter at \$21.86 per square foot and ended the quarter at \$21.31 per square foot.

A year ago, in fourth quarter 2015, the vacancy rate was 2.0%. Over the past four quarters, Power Centers have absorbed a cumulative 35,680 square feet of space and delivered cumulative 75,451 square feet of space. There was no sublease space over that same period, and rental rates have gone from \$21.41 to \$21.39.

At the end of the fourth quarter 2016, there were 138,208 square feet under construction in the Tucson market. The total stock of Power Center space in Tucson currently sits at 3,295,682 square feet in 8 centers comprised of 110 buildings.

General Retail Properties

The General Retail sector of the market, which includes all freestanding retail buildings, except those contained within a center, reported a vacancy rate of 3.7% at the end of fourth quarter 2016. There was a total of 706,605 square feet vacant at that time. The General Retail sector in Tucson currently has average rental rates of \$13.83 per square foot per year. There are 87,377 square feet of space under construction in this sector, with 15,804 square feet having been completed in the fourth quarter. In all, there are a total of 3,639 buildings with 18,895,305 square feet of General Retail space in Tucson.

Specialty Centers

There are currently 2 Specialty Centers in the Tucson market, making up 501,689 square feet of retail space. In this report the Specialty Center market is comprised of Outlet Center, Airport Retail and Theme/Festival Centers.

Specialty Centers in the Tucson market have experienced no net absorption in 2016.

Malls

Malls recorded net absorption of positive 9,740 square feet in the fourth quarter 2016. This net absorption number, combined with no new space that was built in the quarter, caused the vacancy rate to go from 2.9% a quarter ago to 2.7% at the end of the fourth quarter 2016. Rental rates remained unchanged at \$24.00 per square foot during that time. In this report the Mall market is comprised of 6 Lifestyle Center, Regional Mall and Super Regional Malls.

Sales Activity

Tallying retail building sales of 15,000 square feet or larger, Tucson retail sales figures rose during the third quarter 2016

Tucson Retail Market



Overview

in terms of dollar volume compared to the second quarter of 2016.

In the third quarter, seven retail transactions closed with a total volume of \$82,267,000. The seven buildings totaled 253,501 square feet and the average price per square foot equated to \$324.52 per square foot. That compares to four transactions totaling \$16,050,000 in the second quarter 2016. The total square footage in the second quarter was 223,911 square feet for an average price per square foot of \$71.68.

Total retail center sales activity in 2016 was up compared to 2015. In the first nine months of 2016, the market saw 12 retail sales transactions with a total volume of \$100,167,000. The price per square foot averaged \$200.67. In the same first nine months of 2015, the market posted 10 transactions with a total volume of \$99,602,666. The price per square foot averaged \$274.00.

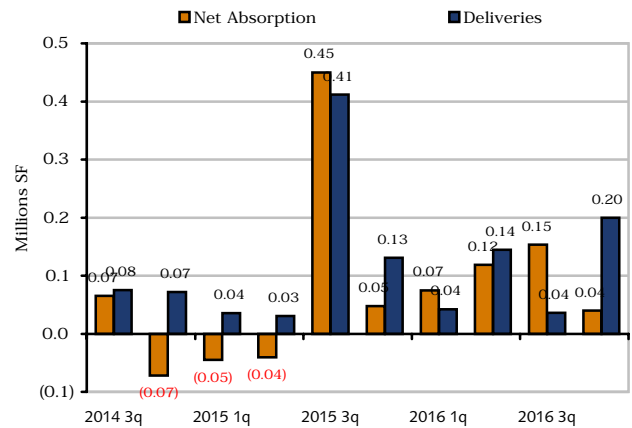
Cap rates have been higher in 2016, averaging 7.03% compared to the same period in 2015 when they averaged 6.38%.

One of the largest transactions that has occurred within the last four quarters in the Tucson market is the sale of Wilmot Plaza in Tucson. This 138,215-square-foot retail center sold for \$47,300,000, or \$342.22 per square foot. The property sold on 9/14/2016.

Reports compiled by: Adam Jarrett, CoStar Senior Research Manager, and James Young, CoStar Research Associate.

ABSORPTION & DELIVERIES

Past 10 Quarters



Source: CoStar Property®

CoStar Submarket Clusters & Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

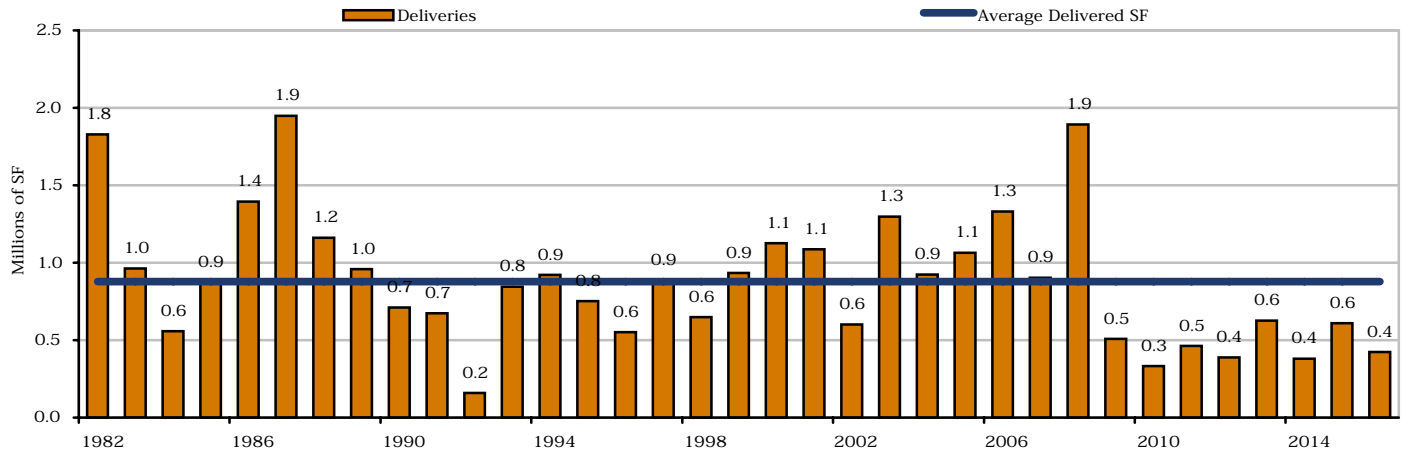
Submarket Clusters	Submarkets
Central Ret	Central East Ret Central West Ret Downtown Tucson Ret East Tucson Ret West Tucson Ret
North Ret	Foothills Ret North/Oro Valley Ret Northeast Tucson Ret Northwest Tucson Ret
South Ret	South Tucson Ret South/SW Outlying Ret Southeast Tucson Ret Southwest Tucson Ret

Tucson Retail Market



Inventory & development

Historical Deliveries 1982 - 2016



Source: CoStar Property® * Future deliveries based on current under construction buildings.

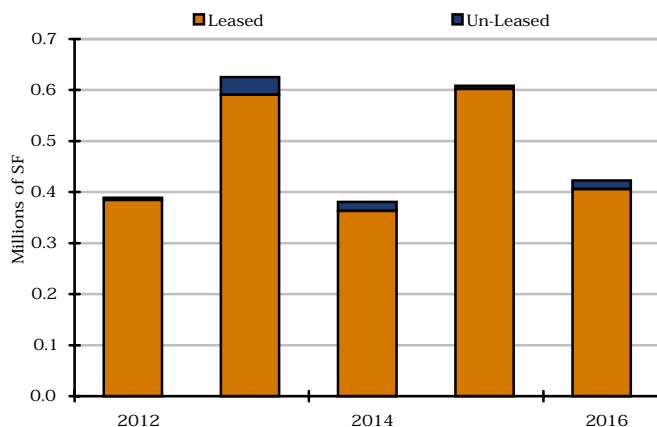
Construction Activity Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Preleased SF	Preleased %	All Existing	U/C
North Ret	1	101,448	101,448	100.0%	15,266	101,448
Central Ret	9	93,127	91,627	98.4%	8,867	10,347
South Ret	2	48,760	48,760	100.0%	8,644	24,380
Totals	12	243,335	241,835	99.4%	9,719	20,278

Source: CoStar Property®

Recent Deliveries

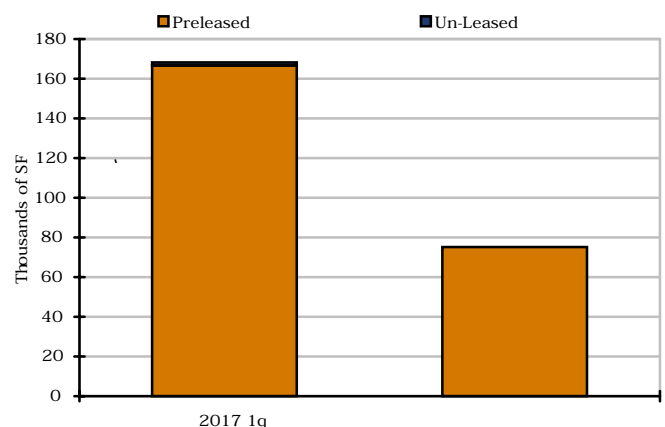
Leased & Un-Leased SF in Deliveries Since 2012



Source: CoStar Property®

Future Deliveries

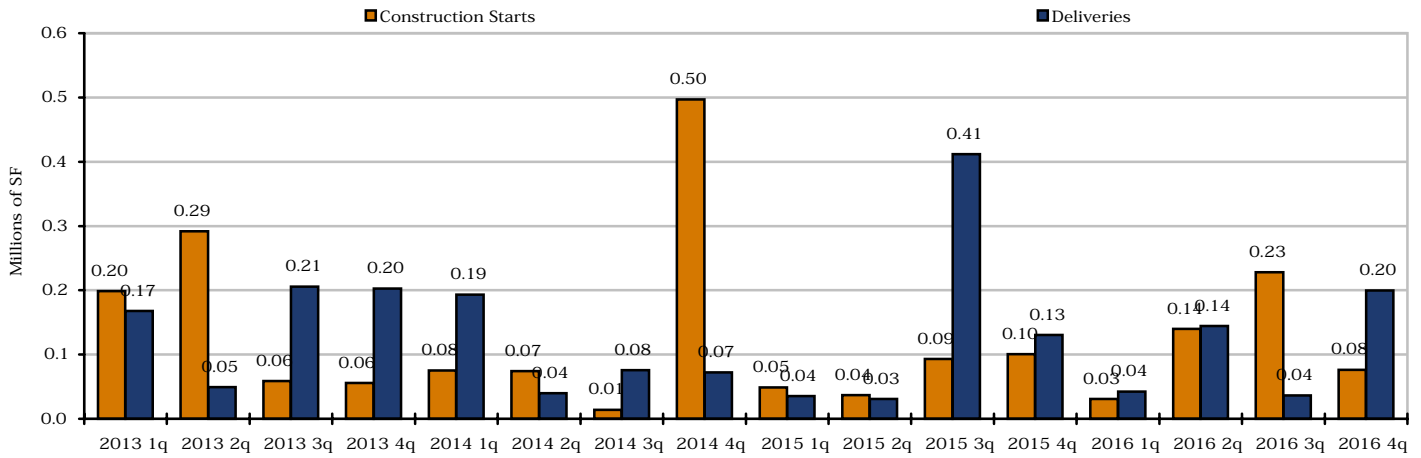
Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

Recent Deliveries by Project Size of Year-to-Date Development

Building Size	# Bldgs	GLA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	28	205,920	188,817	91.7%	\$29.23	96,645	109,275
50,000 SF - 99,999 SF	2	116,790	116,790	100.0%	\$0.00	63,112	53,678
100,000 SF - 249,999 SF	1	100,000	100,000	100.0%	\$0.00	0	100,000
250,000 SF - 499,999 SF	0	0	0	0.0%	\$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

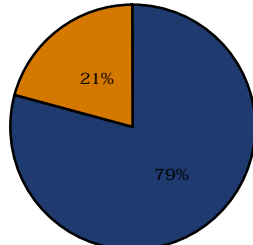
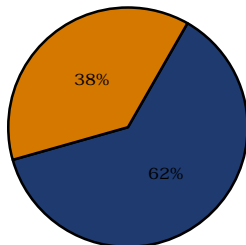
Source: CoStar Property®

Recent Development by Tenancy

Based on GLA Developed for Single & Multi Tenant Use

2016 Deliveries

Currently Under Construction



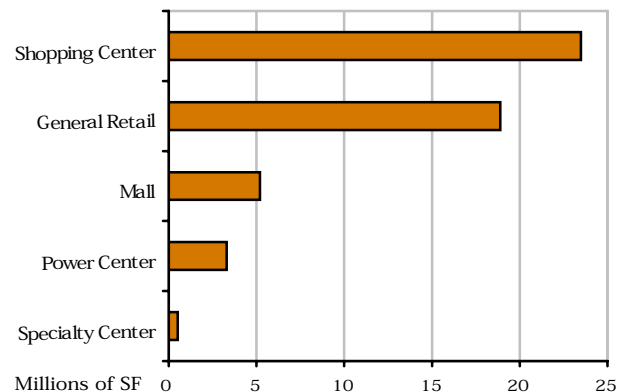
■ Multi ■ Single

■ Multi ■ Single

Source: CoStar Property®

Existing Inventory Comparison

Based on Total GLA



Source: CoStar Property®

Tucson Retail Market



Inventory & development

Select Year-to-Date Deliveries

Based on Project Square Footage

- | | | |
|---|---|---|
| <p>1. 1795 W Valencia Rd - Fry's Marketplace</p> <hr/> Submarket: South Retail Market
RBA: 100,000
Occupied: 100%
Quoted Rate: N/A
Grnd Brk Date: Second Quarter 2016
Deliv Date: Fourth Quarter 2016
Leasing Co: Volk Company
Developer: Wadman Corporation | <p>2. 700 W Wetmore Rd - Precision Toyota</p> <hr/> Submarket: Central Retail Market
RBA: 63,112
Occupied: 100%
Quoted Rate: N/A
Grnd Brk Date: Third Quarter 2015
Deliv Date: Second Quarter 2016
Leasing Co: Rowe Ents, Inc.
Developer: Johnson Carlier | <p>3. 1300 E Tuscon Marketplace Blvd - Cinemark</p> <hr/> Submarket: South Retail Market
RBA: 53,678
Occupied: 100%
Quoted Rate: N/A
Grnd Brk Date: Third Quarter 2016
Deliv Date: Fourth Quarter 2016
Leasing Co: Cinemark USA, Inc.
Developer: Retail West Properties |
| <p>4. 6317 E Broadway Blvd - Nordstrom Rack</p> <hr/> Submarket: Central Retail Market
RBA: 25,077
Occupied: 100%
Quoted Rate: N/A
Grnd Brk Date: Fourth Quarter 2015
Deliv Date: Second Quarter 2016
Leasing Co: Bourn Advisory Services
Developer: Barker Morrissey | <p>5. 3963 S 16th Ave - Chuze Fitness</p> <hr/> Submarket: South Retail Market
RBA: 19,200
Occupied: 100%
Quoted Rate: N/A
Grnd Brk Date: Fourth Quarter 2015
Deliv Date: Second Quarter 2016
Leasing Co: Larsen Baker
Developer: Larsen Baker | <p>6. 5600 E River Rd - Natural Grocers</p> <hr/> Submarket: North Retail Market
RBA: 15,100
Occupied: 100%
Quoted Rate: N/A
Grnd Brk Date: First Quarter 2016
Deliv Date: Third Quarter 2016
Leasing Co: Leadership Circle LLC
Developer: Corstone LLC |
| <p>7. 10580 N Oracle Rd</p> <hr/> Submarket: North Retail Market
RBA: 13,702
Occupied: 100%
Quoted Rate: N/A
Grnd Brk Date: Fourth Quarter 2015
Deliv Date: Second Quarter 2016
Leasing Co: Phoenix Comm'l Advisors
Developer: N/A | <p>8. 3387 N Park Ave - Lin's Grand Buffet</p> <hr/> Submarket: Central Retail Market
RBA: 12,550
Occupied: 100%
Quoted Rate: N/A
Grnd Brk Date: Second Quarter 2016
Deliv Date: Fourth Quarter 2016
Leasing Co: Land Advisors Organization
Developer: N/A | <p>9. 4036 N 1st Ave</p> <hr/> Submarket: Central Retail Market
RBA: 10,200
Occupied: 39%
Quoted Rate: \$20.38
Grnd Brk Date: Third Quarter 2016
Deliv Date: Fourth Quarter 2016
Leasing Co: Commercial Retail Advisors
Developer: N/A |
| <p>10. 11025 N Oracle Rd - Pima Credit Union</p> <hr/> Submarket: North Retail Market
RBA: 10,000
Occupied: 100%
Quoted Rate: N/A
Grnd Brk Date: Fourth Quarter 2015
Deliv Date: Fourth Quarter 2016
Leasing Co: Evergreen Development Co.
Developer: N/A | <p>11. 1580 Tucson Marketplace Blvd</p> <hr/> Submarket: South Retail Market
RBA: 9,223
Occupied: 44%
Quoted Rate: Negotiable
Grnd Brk Date: Second Quarter 2015
Deliv Date: First Quarter 2016
Leasing Co: Land Advisors Organization
Developer: Double AA Builders Ltd. | <p>12. 1340 W Ajo Way - Family Dollar</p> <hr/> Submarket: South Retail Market
RBA: 9,105
Occupied: 100%
Quoted Rate: N/A
Grnd Brk Date: Third Quarter 2015
Deliv Date: First Quarter 2016
Leasing Co: Tucson FDS 711476 LLC
Developer: Marco Contractors, Inc. |
| <p>13. The Shoppes at Tangerine Crossing</p> <hr/> Submarket: North Retail Market
RBA: 8,800
Occupied: 90%
Quoted Rate: \$24.00
Grnd Brk Date: Second Quarter 2016
Deliv Date: Third Quarter 2016
Leasing Co: The Ault Companies
Developer: The Ault Companies | <p>14. 1785 W Valencia Rd</p> <hr/> Submarket: South Retail Market
RBA: 7,800
Occupied: 38%
Quoted Rate: Negotiable
Grnd Brk Date: Second Quarter 2016
Deliv Date: Fourth Quarter 2016
Leasing Co: Volk Company
Developer: N/A | <p>15. 16329 N Oracle Rd - O'Reilly Auto Parts</p> <hr/> Submarket: North Retail Market
RBA: 6,800
Occupied: 100%
Quoted Rate: N/A
Grnd Brk Date: Fourth Quarter 2015
Deliv Date: First Quarter 2016
Leasing Co: Volk Company
Developer: Lechner Construction |

Select Top Under Construction Properties

Based on Project Square Footage

<p>1. 8130 N Cortaro Rd - Arizona Pavilions</p> <p>Submarket: North Retail Market RBA: 101,448 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Third Quarter 2016 Deliv Date: First Quarter 2017 Leasing Co: Preferred Retail Store Dev. Developer: Preferred Retail Store Dev.</p>	<p>2. 737 E Fort Lowell Rd</p> <p>Submarket: Central Retail Market RBA: 42,000 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Fourth Quarter 2016 Deliv Date: Second Quarter 2017 Leasing Co: 3200 N First Avenue Ltd. Developer: N/A</p>	<p>3. NWC I-10 & Kino Pkwy - D&B</p> <p>Submarket: South Retail Market RBA: 36,760 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Third Quarter 2016 Deliv Date: First Quarter 2017 Leasing Co: Land Advisors Organization Developer: N/A</p>
<p>4. 2543 E Grant Rd - The Yard</p> <p>Submarket: Central Retail Market RBA: 19,167 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Fourth Quarter 2016 Deliv Date: Second Quarter 2017 Leasing Co: Common Bond Development Developer: N/A</p>	<p>5. 10 N Wilmot Rd</p> <p>Submarket: Central Retail Market RBA: 14,000 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Third Quarter 2016 Deliv Date: First Quarter 2017 Leasing Co: Bourn Advisory Services Developer: Canyon Building & Design</p>	<p>6. La Jolla Verde Center</p> <p>Submarket: South Retail Market RBA: 12,000 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Fourth Quarter 2016 Deliv Date: Second Quarter 2017 Leasing Co: Conocophillips Co. Developer: N/A</p>
<p>7. 3925 E Fort Lowell Rd - Catalina Pet Hospital</p> <p>Submarket: Central Retail Market RBA: 6,000 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Third Quarter 2016 Deliv Date: First Quarter 2017 Leasing Co: C&WIPICOR Developer: N/A</p>	<p>8. First & Wetmore Square - McAlister's Deli</p> <p>Submarket: Central Retail Market RBA: 3,750 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Third Quarter 2016 Deliv Date: First Quarter 2017 Leasing Co: Larsen Baker Developer: Larsen Baker</p>	<p>9. 5601 E Broadway Blvd - Blaze Pizza</p> <p>Submarket: Central Retail Market RBA: 2,950 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Second Quarter 2016 Deliv Date: First Quarter 2017 Leasing Co: Sands Investment Group Developer: N/A</p>
<p>10. First & Wetmore Square - Starbucks</p> <p>Submarket: Central Retail Market RBA: 2,000 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Third Quarter 2016 Deliv Date: Second Quarter 2017 Leasing Co: Larsen Baker Developer: Larsen Baker</p>	<p>11. 1545 N Stone Ave</p> <p>Submarket: Central Retail Market RBA: 1,760 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Fourth Quarter 2016 Deliv Date: First Quarter 2017 Leasing Co: N/A Developer: N/A</p>	<p>12. 801 E 12th St</p> <p>Submarket: Central Retail Market RBA: 1,500 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Fourth Quarter 2016 Deliv Date: First Quarter 2017 Leasing Co: N/A Developer: N/A</p>

Tucson Retail Market



Figures at a Glance

General Retail Market Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Central Ret	2,301	11,815,467	504,672	536,353	4.5%	43,374	104,111	87,377	\$13.53
North Ret	281	1,972,112	17,999	40,397	2.0%	38,166	29,799	0	\$17.09
South Ret	1,057	5,107,726	128,355	129,855	2.5%	43,011	16,424	0	\$13.28
Totals	3,639	18,895,305	651,026	706,605	3.7%	124,551	150,334	87,377	\$13.83

Source: CoStar Property®

Mall Market Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Leasing Activity
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Central Ret	3	3,692,315	33,660	33,660	0.9%	610	0	0	\$0.00
North Ret	3	1,506,052	104,926	104,926	7.0%	4,018	0	0	\$24.00
South Ret	0	0	0	0	0.0%	0	0	12,000	\$0.00
Totals	6	5,198,367	138,586	138,586	2.7%	4,628	0	12,000	\$24.00

Source: CoStar Property®

Power Center Market Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Leasing Activity
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Central Ret	1	270,271	1,904	1,904	0.7%	12,550	12,550	0	\$0.00
North Ret	4	1,667,493	35,009	35,009	2.1%	(16,903)	0	101,448	\$23.63
South Ret	3	1,357,918	67,466	67,466	5.0%	40,033	62,901	36,760	\$20.23
Totals	8	3,295,682	104,379	104,379	3.2%	35,680	75,451	138,208	\$21.39

Source: CoStar Property®

Shopping Center Market Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Leasing Activity
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Central Ret	334	12,047,868	1,332,316	1,342,031	11.1%	54,866	25,077	5,750	\$13.87
North Ret	109	5,832,368	547,733	547,733	9.4%	115,438	36,557	0	\$16.65
South Ret	110	5,601,264	430,225	430,225	7.7%	51,623	135,291	0	\$13.81
Totals	553	23,481,500	2,310,274	2,319,989	9.9%	221,927	196,925	5,750	\$14.61

Source: CoStar Property®

Specialty Center Market Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Leasing Activity
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Central Ret	0	0	0	0	0.0%	0	0	0	\$0.00
North Ret	2	501,689	0	0	0.0%	0	0	0	\$0.00
South Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Totals									

Source: CoStar Property®

Total Retail Market Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Leasing Activity
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Central Ret	3,138	27,825,921	1,872,552	1,913,948	6.9%	111,400	141,738	93,127	\$13.77
North Ret	752	11,479,714	705,667	728,065	6.3%	140,719	66,356	101,448	\$17.31
South Ret	1,396	12,066,908	626,046	627,546	5.2%	134,667	214,616	48,760	\$14.12
Totals	5,286	51,372,543	3,204,265	3,269,559	6.4%	386,786	422,710	243,335	\$14.70

Source: CoStar Property®



Tucson Retail Market

Figures at a Glance

General Retail Submarket Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Central East Ret	852	3,828,808	183,480	197,045	5.1%	(24,008)	11,960	67,167	\$12.35
Central West Ret	617	3,087,915	110,642	124,558	4.0%	48,790	68,885	1,760	\$10.67
Downtown Tucson Ret	291	1,581,813	111,274	115,474	7.3%	(35,363)	0	1,500	\$18.79
East Tucson Ret	448	2,924,268	95,868	95,868	3.3%	50,724	23,266	16,950	\$14.17
Foothills Ret	89	688,644	4,678	4,678	0.7%	24,809	19,155	0	\$25.77
North/Oro Valley Ret	55	351,229	3,070	3,070	0.9%	10,644	10,644	0	\$16.00
Northeast Tucson Ret	8	54,583	0	0	0.0%	0	0	0	\$0.00
Northwest Tucson Ret	129	877,656	10,251	32,649	3.7%	2,713	0	0	\$15.18
South Tucson Ret	837	3,821,357	112,306	112,306	2.9%	30,413	0	0	\$12.71
South/SW Outlying Ret	67	321,847	7,856	9,356	2.9%	63	2,600	0	\$15.78
Southeast Tucson Ret	53	549,967	0	0	0.0%	3,363	2,019	0	\$18.00
Southwest Tucson Ret	100	414,555	8,193	8,193	2.0%	9,172	11,805	0	\$22.33
West Tucson Ret	93	392,663	3,408	3,408	0.9%	3,231	0	0	\$30.96
Totals	3,639	18,895,305	651,026	706,605	3.7%	124,551	150,334	87,377	\$13.83

Source: CoStar Property®

Mall Submarket Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Central East Ret	1	879,552	0	0	0.0%	0	0	0	\$0.00
Central West Ret	1	1,388,288	27,050	27,050	1.9%	610	0	0	\$0.00
Downtown Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
East Tucson Ret	1	1,424,475	6,610	6,610	0.5%	0	0	0	\$0.00
Foothills Ret	2	983,802	63,146	63,146	6.4%	1,559	0	0	\$0.00
North/Oro Valley Ret	1	522,250	41,780	41,780	8.0%	2,459	0	0	\$24.00
Northeast Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Northwest Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
South Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
South/SW Outlying Ret	0	0	0	0	0.0%	0	0	12,000	\$0.00
Southeast Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Southwest Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
West Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Totals	6	5,198,367	138,586	138,586	2.7%	4,628	0	12,000	\$24.00

Source: CoStar Property®

Power Center Submarket Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Central East Ret	0	12,550	0	0	0.0%	12,550	12,550	0	\$0.00
Central West Ret	1	257,721	1,904	1,904	0.7%	0	0	0	\$0.00
Downtown Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
East Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Foothills Ret	1	258,966	14,361	14,361	5.5%	(12,361)	0	0	\$0.00
North/Oro Valley Ret	1	552,446	8,473	8,473	1.5%	(1,867)	0	0	\$0.00
Northeast Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Northwest Tucson Ret	2	856,081	12,175	12,175	1.4%	(2,675)	0	101,448	\$23.63
South Tucson Ret	1	387,119	12,795	12,795	3.3%	71,767	62,901	36,760	\$0.00
South/SW Outlying Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Southeast Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Southwest Tucson Ret	2	970,799	54,671	54,671	5.6%	(31,734)	0	0	\$20.23
West Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Totals	8	3,295,682	104,379	104,379	3.2%	35,680	75,451	138,208	\$21.39

Source: CoStar Property®

Tucson Retail Market



Figures at a Glance

Shopping Center Submarket Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Central East Ret	147	3,697,027	472,700	480,415	13.0%	(37,565)	0	5,750	\$14.29
Central West Ret	57	2,260,134	229,766	229,766	10.2%	(48,914)	0	0	\$12.98
Downtown Tucson Ret	15	189,379	4,733	4,733	2.5%	3,916	0	0	\$17.62
East Tucson Ret	104	5,424,741	601,633	603,633	11.1%	81,208	25,077	0	\$13.50
Foothills Ret	48	2,824,875	199,410	199,410	7.1%	37,171	0	0	\$18.45
North/Oro Valley Ret	24	1,074,506	161,177	161,177	15.0%	48,805	36,557	0	\$16.69
Northeast Tucson Ret	4	298,515	33,398	33,398	11.2%	9,531	0	0	\$12.40
Northwest Tucson Ret	33	1,634,472	153,748	153,748	9.4%	19,931	0	0	\$15.71
South Tucson Ret	63	2,196,490	217,564	217,564	9.9%	(23,794)	19,200	0	\$13.41
South/SW Outlying Ret	18	1,354,661	89,542	89,542	6.6%	(12,423)	0	0	\$14.41
Southeast Tucson Ret	15	922,941	95,999	95,999	10.4%	(59,534)	8,291	0	\$19.33
Southwest Tucson Ret	14	1,127,172	27,120	27,120	2.4%	147,374	107,800	0	\$10.68
West Tucson Ret	11	476,587	23,484	23,484	4.9%	56,221	0	0	\$17.85
Totals	553	23,481,500	2,310,274	2,319,989	9.9%	221,927	196,925	5,750	\$14.61

Source: CoStar Property®

Specialty Center Submarket Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Central East Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Central West Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Downtown Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
East Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Foothills Ret	0	0	0	0	0.0%	0	0	0	\$0.00
North/Oro Valley Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Northeast Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Northwest Tucson Ret	2	501,689	0	0	0.0%	0	0	0	\$0.00
South Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
South/SW Outlying Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Southeast Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Southwest Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
West Tucson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Totals	2	501,689	0	0	0.0%	0	0	0	\$0.00

Source: CoStar Property®

Total Retail Submarket Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Central East Ret	1,162	8,417,937	656,180	677,460	8.0%	(49,023)	24,510	72,917	\$13.74
Central West Ret	759	6,994,058	369,362	383,278	5.5%	486	68,885	1,760	\$12.18
Downtown Tucson Ret	312	1,771,192	116,007	120,207	6.8%	(31,447)	0	1,500	\$18.56
East Tucson Ret	772	9,773,484	704,111	706,111	7.2%	131,932	48,343	16,950	\$13.65
Foothills Ret	282	4,756,287	281,595	281,595	5.9%	51,178	19,155	0	\$18.87
North/Oro Valley Ret	176	2,500,431	214,500	214,500	8.6%	60,041	47,201	0	\$18.21
Northeast Tucson Ret	25	353,098	33,398	33,398	9.5%	9,531	0	0	\$12.40
Northwest Tucson Ret	269	3,869,898	176,174	198,572	5.1%	19,969	0	101,448	\$16.09
South Tucson Ret	976	6,404,966	342,665	342,665	5.3%	78,386	82,101	36,760	\$13.23
South/SW Outlying Ret	136	1,676,508	97,398	98,898	5.9%	(12,360)	2,600	12,000	\$14.49
Southeast Tucson Ret	111	1,472,908	95,999	95,999	6.5%	(56,171)	10,310	0	\$19.27
Southwest Tucson Ret	173	2,512,526	89,984	89,984	3.6%	124,812	119,605	0	\$15.13
West Tucson Ret	133	869,250	26,892	26,892	3.1%	59,452	0	0	\$18.68
Totals	5,286	51,372,543	3,204,265	3,269,559	6.4%	386,786	422,710	243,335	\$14.70

Source: CoStar Property®



Tucson Retail Market

Figures at a Glance

General Retail Market Statistics

Year-End 2016

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2016 4q	3,639	18,895,305	651,026	706,605	3.7%	(28,402)	3	15,804	7	87,377	\$13.83
2016 3q	3,638	18,909,416	665,716	692,314	3.7%	42,911	4	23,374	6	38,754	\$13.76
2016 2q	3,635	18,890,742	689,953	716,551	3.8%	104,875	7	86,488	7	31,928	\$13.78
2016 1q	3,629	18,809,805	713,891	740,489	3.9%	5,167	4	24,668	10	107,662	\$13.52
2015 4q	3,625	18,785,137	694,390	720,988	3.8%	139,479	6	109,415	9	105,406	\$12.51
2015 3q	3,621	18,890,061	938,793	965,391	5.1%	34,298	4	26,794	9	187,405	\$12.51
2015 2q	3,618	18,882,467	965,497	992,095	5.3%	(70,367)	2	25,202	10	138,366	\$12.15
2015 1q	3,625	18,899,230	916,093	938,491	5.0%	17,583	4	26,186	9	135,877	\$12.18
2014	3,623	18,891,175	925,621	948,019	5.0%	102,214	14	152,128	9	138,105	\$12.05
2013	3,616	18,784,002	913,802	943,060	5.0%	448,163	23	360,669	6	56,742	\$12.43
2012	3,600	18,467,135	990,128	1,074,356	5.8%	(270,371)	14	131,026	11	177,087	\$13.06
2011	3,592	18,648,041	932,542	984,891	5.3%	312,469	21	235,473	3	45,740	\$12.60
2010	3,574	18,424,359	1,053,773	1,073,678	5.8%	(144,208)	13	123,399	10	175,675	\$11.62
2009	3,565	18,337,430	842,541	842,541	4.6%	(224,547)	24	133,641	12	69,482	\$12.94
2008	3,545	18,229,905	492,259	510,469	2.8%	94,473	16	256,178	10	38,781	\$12.53
2007	3,532	17,980,381	355,418	355,418	2.0%	265,135	29	290,702	9	179,161	\$21.75

Source: CoStar Property®

Mall Market Statistics

Year-End 2016

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2016 4q	6	5,198,367	138,586	138,586	2.7%	9,740	0	0	1	12,000	\$24.00
2016 3q	6	5,198,367	148,326	148,326	2.9%	1,559	0	0	0	0	\$24.00
2016 2q	6	5,198,367	148,326	149,885	2.9%	(6,671)	0	0	0	0	\$24.20
2016 1q	6	5,198,367	141,655	143,214	2.8%	0	0	0	0	0	\$24.20
2015 4q	6	5,198,367	141,655	143,214	2.8%	(6,868)	0	0	0	0	\$24.20
2015 3q	6	5,198,367	134,787	136,346	2.6%	33,954	1	25,000	0	0	\$24.20
2015 2q	6	5,173,367	143,741	145,300	2.8%	(2,640)	0	0	1	25,000	\$24.35
2015 1q	6	5,173,367	141,101	142,660	2.8%	3,710	0	0	1	25,000	\$26.80
2014	6	5,173,367	144,811	146,370	2.8%	23,160	1	7,500	0	0	\$26.80
2013	6	5,165,867	162,030	162,030	3.1%	107,261	2	122,120	0	0	\$24.01
2012	6	5,043,747	147,171	147,171	2.9%	103,278	0	0	0	0	\$24.00
2011	6	5,043,747	250,449	250,449	5.0%	18,974	1	3,617	0	0	\$25.44
2010	6	5,040,130	265,806	265,806	5.3%	26,587	3	38,830	1	3,617	\$25.67
2009	6	5,001,300	253,563	253,563	5.1%	(10,410)	1	7,235	2	35,930	\$29.05
2008	6	4,994,065	194,438	235,918	4.7%	414,809	14	528,804	1	7,235	\$35.48
2007	5	4,465,261	121,923	121,923	2.7%	(7,713)	4	58,074	13	521,933	\$38.00

Source: CoStar Property®

Power Center Market Statistics

Year-End 2016

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2016 4q	8	3,295,682	104,379	104,379	3.2%	68,518	2	66,228	2	138,208	\$21.39
2016 3q	8	3,229,454	106,669	106,669	3.3%	(3,181)	0	0	4	204,436	\$21.31
2016 2q	8	3,229,454	103,488	103,488	3.2%	(43,130)	0	0	1	12,550	\$21.86
2016 1q	8	3,229,454	60,358	60,358	1.9%	13,473	1	9,223	0	0	\$21.86
2015 4q	8	3,220,231	64,608	64,608	2.0%	8,470	0	0	1	9,223	\$21.41
2015 3q	8	3,220,231	73,078	73,078	2.3%	(10,534)	0	0	1	9,223	\$21.30
2015 2q	8	3,220,231	62,544	62,544	1.9%	3,844	1	5,555	1	9,223	\$23.06
2015 1q	8	3,214,676	60,833	60,833	1.9%	(4,650)	0	0	1	5,555	\$22.70
2014	8	3,214,676	56,183	56,183	1.7%	3,104	1	7,199	1	5,555	\$20.52
2013	8	3,207,477	52,088	52,088	1.6%	46,590	3	20,746	0	0	\$20.49
2012	8	3,186,731	77,932	77,932	2.4%	256,398	4	204,700	2	14,085	\$20.32
2011	8	2,982,031	127,550	129,630	4.3%	212,753	2	144,714	0	0	\$24.01
2010	7	2,837,317	195,589	197,669	7.0%	46,211	2	10,234	1	4,441	\$26.73
2009	7	2,827,083	199,687	233,646	8.3%	(53,508)	2	14,529	1	5,614	\$26.44
2008	7	2,812,554	165,609	165,609	5.9%	382,045	10	486,939	2	14,529	\$32.57
2007	7	2,325,615	55,695	60,715	2.6%	56,992	6	79,277	5	249,292	\$32.92

Source: CoStar Property®

Tucson Retail Market



Figures at a Glance

Shopping Center Market Statistics

Year-End 2016

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2016 4q	553	23,481,500	2,310,274	2,319,989	9.9%	(10,024)	3	117,800	2	5,750	\$14.61
2016 3q	552	23,363,700	2,185,650	2,192,165	9.4%	112,086	2	12,855	5	123,550	\$14.67
2016 2q	551	23,350,845	2,286,812	2,291,396	9.8%	63,607	3	57,979	5	130,655	\$14.85
2016 1q	550	23,292,866	2,239,431	2,297,024	9.9%	56,258	2	8,291	5	72,034	\$14.68
2015 4q	549	23,284,575	2,227,318	2,344,991	10.1%	(93,399)	2	21,249	6	76,270	\$14.80
2015 3q	549	23,263,326	2,225,759	2,230,343	9.6%	31,904	0	0	3	24,549	\$14.78
2015 2q	549	23,263,326	2,257,663	2,262,247	9.7%	28,848	0	0	1	7,147	\$14.73
2015 1q	549	23,263,326	2,284,205	2,291,095	9.8%	(61,697)	1	9,235	1	7,147	\$14.79
2014	549	23,254,091	2,194,688	2,220,163	9.5%	246,730	10	213,709	2	16,382	\$14.64
2013	547	23,040,382	2,202,695	2,253,184	9.8%	283,682	10	121,881	7	183,595	\$14.52
2012	545	22,918,501	2,379,527	2,414,985	10.5%	339,894	9	53,353	4	69,654	\$14.67
2011	545	22,865,148	2,696,318	2,701,526	11.8%	54,635	9	79,065	6	78,697	\$14.32
2010	544	22,786,083	2,660,756	2,677,096	11.7%	31,923	9	159,706	8	85,161	\$15.04
2009	544	22,626,377	2,510,646	2,549,313	11.3%	(377,912)	10	353,492	12	210,634	\$16.62
2008	540	22,272,885	1,750,562	1,817,909	8.2%	260,757	48	619,822	11	261,003	\$18.41
2007	535	21,653,063	1,400,811	1,458,844	6.7%	270,177	35	474,178	39	580,181	\$19.90

Source: CoStar Property®

Specialty Center Market Statistics

Year-End 2016

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2016 4q	2	501,689	0	0	0.0%	0	0	0	0	0	\$0.00
2016 3q	2	501,689	0	0	0.0%	0	0	0	0	0	\$16.42
2016 2q	2	501,689	0	0	0.0%	0	0	0	0	0	\$16.42
2016 1q	2	501,689	0	0	0.0%	0	0	0	0	0	\$16.42
2015 4q	2	501,689	0	0	0.0%	0	0	0	0	0	\$16.42
2015 3q	2	501,689	0	0	0.0%	360,000	1	360,000	0	0	\$0.00
2015 2q	1	141,689	0	0	0.0%	0	0	0	1	360,000	\$12.00
2015 1q	1	141,689	0	0	0.0%	0	0	0	1	360,000	\$12.00
2014	1	141,689	0	0	0.0%	2,305	0	0	1	360,000	\$12.65
2013	1	141,689	2,305	2,305	1.6%	(800)	0	0	0	0	\$12.65
2012	1	141,689	1,505	1,505	1.1%	(1,505)	0	0	0	0	\$14.00
2011	1	141,689	0	0	0.0%	0	0	0	0	0	\$0.00
2010	1	141,689	0	0	0.0%	0	0	0	0	0	\$0.00
2009	1	141,689	0	0	0.0%	1,200	0	0	0	0	\$14.44
2008	1	141,689	1,200	1,200	0.8%	(600)	0	0	0	0	\$15.00
2007	1	141,689	600	600	0.4%	1,405	0	0	0	0	\$15.00

Source: CoStar Property®

Total Retail Market Statistics

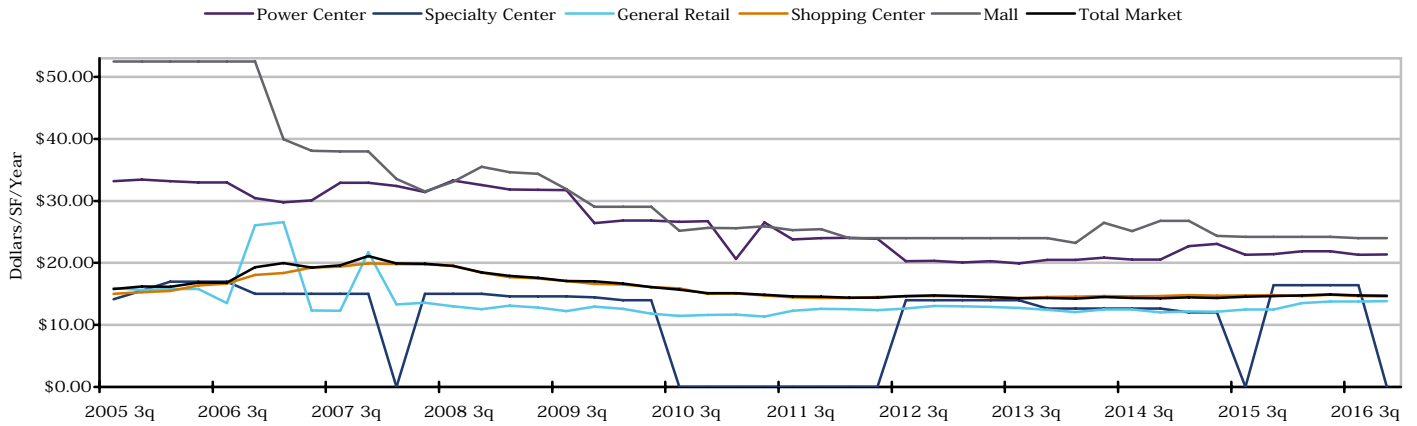
Year-End 2016

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2016 4q	5,286	51,372,543	3,204,265	3,269,559	6.4%	39,832	8	199,832	12	243,335	\$14.70
2016 3q	5,280	51,202,626	3,106,361	3,139,474	6.1%	153,375	6	36,229	15	366,740	\$14.77
2016 2q	5,275	51,171,097	3,228,579	3,261,320	6.4%	118,681	10	144,467	13	175,133	\$14.94
2016 1q	5,266	51,032,181	3,155,335	3,241,085	6.4%	74,898	7	42,182	15	179,696	\$14.76
2015 4q	5,259	50,989,999	3,127,971	3,273,801	6.4%	47,682	8	130,664	16	190,899	\$14.66
2015 3q	5,253	51,073,674	3,372,417	3,405,158	6.7%	449,622	6	411,794	13	221,177	\$14.55
2015 2q	5,248	50,681,080	3,429,445	3,462,186	6.8%	(40,315)	3	30,757	14	539,736	\$14.34
2015 1q	5,254	50,692,288	3,402,232	3,433,079	6.8%	(45,054)	5	35,421	13	533,579	\$14.47
2014	5,251	50,674,998	3,321,303	3,370,735	6.7%	377,513	26	380,536	13	520,042	\$14.29
2013	5,232	50,339,417	3,332,920	3,412,667	6.8%	884,896	38	625,416	13	240,337	\$14.33
2012	5,201	49,757,803	3,596,263	3,715,949	7.5%	427,694	27	389,079	17	260,826	\$14.75
2011	5,180	49,680,656	4,006,859	4,066,496	8.2%	598,831	33	462,869	9	124,437	\$14.54
2010	5,150	49,229,578	4,175,924	4,214,249	8.6%	(39,487)	27	332,169	20	268,894	\$15.10
2009	5,127	48,933,879	3,806,437	3,879,063	7.9%	(665,177)	37	508,897	27	321,660	\$17.05
2008	5,094	48,451,098	2,604,068	2,731,105	5.6%	1,151,484	88	1,891,743	24	321,548	\$18.50
2007	5,009	46,566,009	1,934,447	1,997,500	4.3%	585,996	74	902,231	66	1,530,567	\$21.09

Source: CoStar Property®

Historical Rental Rates

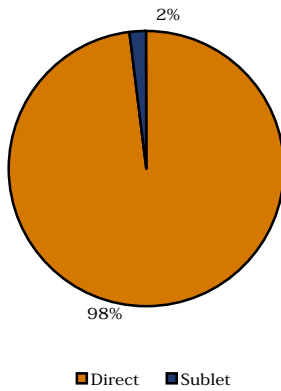
Based on NNN Rental Rates



Source: CoStar Property®

Vacancy by Available Space Type

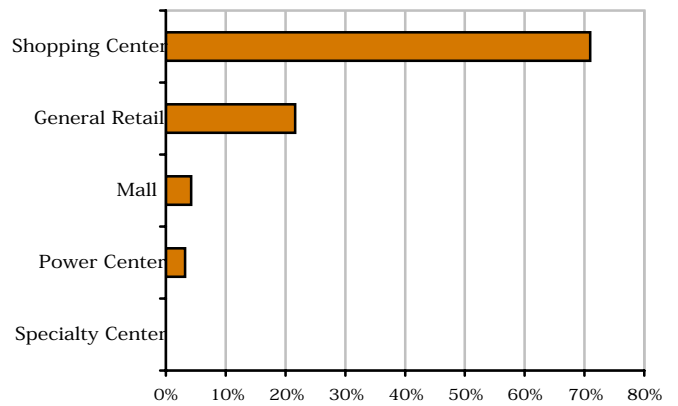
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

Vacancy by Building Type

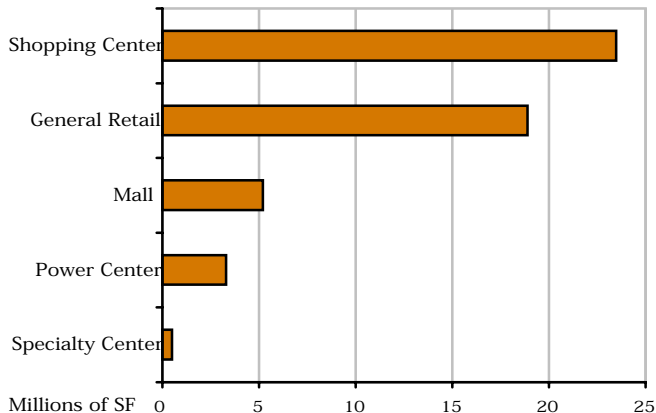
Percent of All Vacant Space by Building Type



Source: CoStar Property®

GLA By Building Type

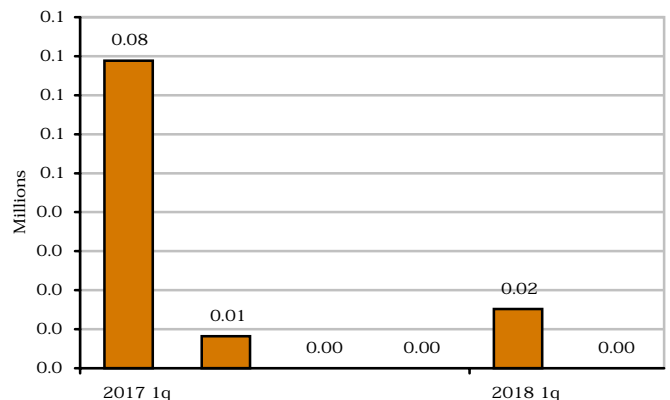
Ratio of Total GLA by Building Type



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



* Includes Under Construction Spaces

Source: CoStar Property®

Tucson Retail Market



Leasing Activity

Select Top Retail Leases Based on Leased Square Footage For Deals Signed in 2016

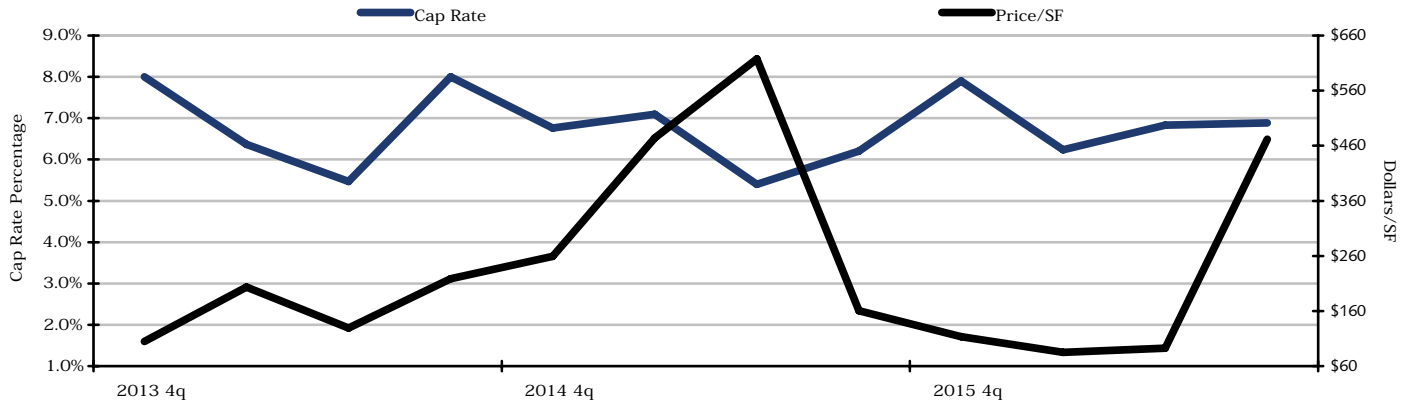
Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company	
1	Silverado Plaza	East Tucson Ret	60,000	1st	Safeway	N/A	DDR Corp.
2	1300 E Tuscon Marketplace Blvd	South Tucson Ret	53,678	1st	Cinemark	N/A	N/A
3	50-190 S Houghton Rd	East Tucson Ret	53,564	2nd	Galaxy Theatres	N/A	Commercial Retail Advisors LLC
4	Speedway Retail Center	Central East Ret	29,211	1st	Midtown Mercantile Merchants	KW Commercial	Cushman & Wakefield PICOR
5	7140-7250 E Broadway Blvd	East Tucson Ret	21,580	3rd	Balls Outlet	N/A	Larsen Baker
6	6431 N Thornydale Rd	Northwest Tucson Ret	19,500	1st	Tucson Furniture Connexion	N/A	Larsen Baker
7	5045 E Speedway Blvd	Central East Ret	18,000	1st	Speedway Antique Mall	Tucson Realty & Trust	Volk Company
8	4910 N 1st Ave*	Foothills Ret	16,043	3rd	Walgreens	N/A	N/A
9	6235-6241 E 22nd St	East Tucson Ret	16,000	1st	Factory Motor Parts	Cushman & Wakefield PICOR	Rein & Grosseohme LLC
10	5600 E River Rd	Foothills Ret	15,100	1st	Natural Grocers	N/A	N/A
11	3741 W Ina Rd	Northwest Tucson Ret	14,000	3rd	Peter Piper Pizza	N/A	NAI Horizon - Tucson Branch
12	4625 N Oracle Rd	Central West Ret	13,845	1st	Party City	N/A	NAI Horizon - Tucson Branch
13	4601 E Broadway Blvd*	Central East Ret	12,343	3rd	Community Partnership of So. AZ	N/A	N/A
14	406-425 E Wetmore Rd	Central West Ret	9,895	2nd	Ace Hardware	De Rito Partners, Inc.	Larsen Baker
15	SW Cortara Rd & Arizona Pavillions Dr	Northwest Tucson Ret	9,835	2nd	Dollar Tree	SRS Real Estate Partners	Volk Company
16	18805 S 119 Frontage Rd	South/SW Outlying Ret	9,750	2nd	Dollar Tree	SRS Real Estate Partners	Volk Company
17	7850-7960 N Oracle Rd	Foothills Ret	9,231	1st	Autozone	N/A	CBRE
18	Regency Plaza*	Northwest Tucson Ret	9,000	2nd	Twice As Nice Family Fashion	N/A	Cushman & Wakefield PICOR
19	8310-8340 N Thornydale Rd	Northwest Tucson Ret	8,800	2nd	UFC Gym	NAI Horizon - Tucson Branch	Phoenix Commercial Advisors
20	2424 E Grant Rd	Central East Ret	8,379	3rd	America's Mattress	N/A	CBRE
21	3840-3870 W River Rd	Foothills Ret	8,246	3rd	Parisi Speed School	N/A	Larsen Baker
22	4501-4525 E 22nd St	Central East Ret	8,235	3rd	Hermitage No-Kill Cat Shelter, Inc.	N/A	Cushman & Wakefield PICOR
23	60 N Alvernon Way	Central East Ret	8,147	3rd	JJ & G Consulting Services LLC	Realty Executives Tucson Elite	Tucson Realty & Trust
24	3085 E Valencia Rd	South Tucson Ret	7,930	1st	JustTrucks.com	N/A	Cushman & Wakefield PICOR
25	Oracle Village Plaza	Foothills Ret	7,630	1st	Boxing, Inc.	N/A	Volk Company
26	1700 S 6th Ave	South Tucson Ret	7,528	1st	LA Tires & Wheels	N/A	Cushman & Wakefield PICOR
27	70 N Harrison Rd	East Tucson Ret	7,262	2nd	TMCOne	Cushman & Wakefield PICOR	DuWest Realty
28	4805-4897 E Speedway Blvd	Central East Ret	6,735	1st	CPEC	N/A	Richard H Huff Realty, Inc
29	2635 E Broadway Blvd	Central East Ret	6,030	3rd	Discount Mattress	N/A	Long Realty Company
30	4766-4790 E Grant Rd	Central East Ret	6,000	1st	Joy Buffet	Red Point Development, Inc.	Volk Company
31	3662 W Ina Rd	Northwest Tucson Ret	5,817	3rd	Southern Arizona Urgent Care LLC	Cushman & Wakefield PICOR	CBRE
32	4640 E Broadway Blvd	Central East Ret	5,612	1st	Ace Hardware	De Rito Partners, Inc.	Volk Company
33	6095 E Broadway Blvd	East Tucson Ret	5,500	3rd	Bear Tracks Holdings LLC	Direct Deal	Volk Company
34	1430-1438 N Oracle Rd	Central West Ret	5,354	3rd	Granite Granite	N/A	Long Realty Company
35	4185 W Ina Rd	Northwest Tucson Ret	5,100	4th	J & L Family Automotive Repair LLC	N/A	Cushman & Wakefield PICOR
36	405 E Wetmore Rd	Central West Ret	5,070	4th	Osher Lifelong Learning Institute	Volk Company	Larsen Baker
37	7090 N Oracle Rd	Foothills Ret	5,025	1st	Table Talk	N/A	CBRE
38	5526-5546 E Grant Rd	East Tucson Ret	4,960	1st	Med-Tech	N/A	Oxford Realty Advisors
39	4040 E 22nd St	South Tucson Ret	4,900	2nd	Denny's	N/A	Volk Company
40	Valencia Commerce Center	South Tucson Ret	4,680	1st	Altered Tails Barnhart Clinic	Long Realty Company	CBRE

Source: CoStar Property®

* Renewal

The Optimist Sales Index

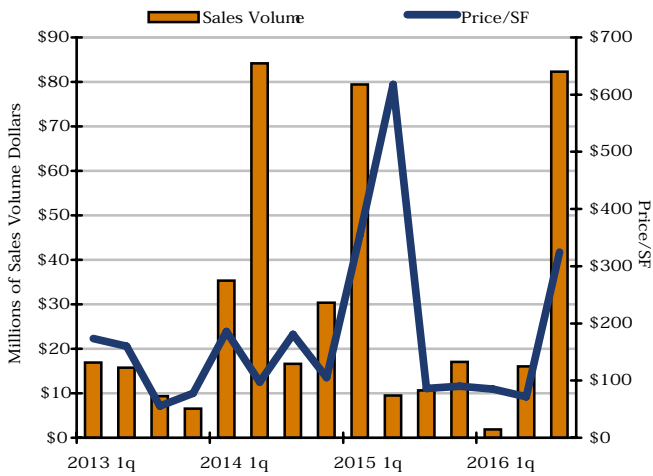
Average of Two Highest Price/SF's and Two Lowest Cap Rates



Source: CoStar COMPS®

Sales Volume & Price

Based on Retail Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Sales Analysis by Building Size

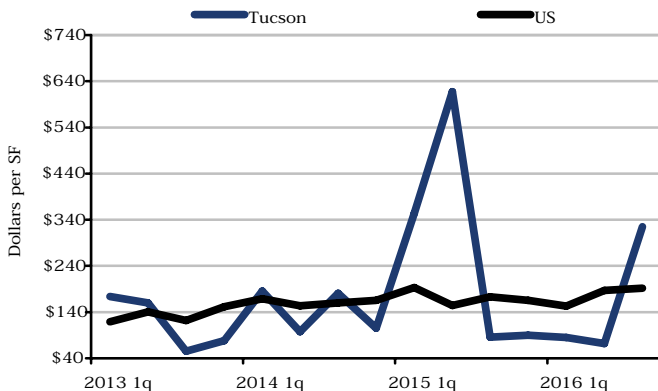
Based on Retail Building Sales From Oct. 2015 - Sept. 2016

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 25,000 SF	63	540,792	\$151,088,901	\$ 279.38	6.55%
25K-99K SF	5	272,555	\$17,628,000	\$ 64.68	6.83%
100K-249K SF	2	241,707	\$60,100,000	\$248.65	6.35%
>250K SF	-	0	\$0	\$ -	-

Source: CoStar COMPS®

U.S. Price/SF Comparison

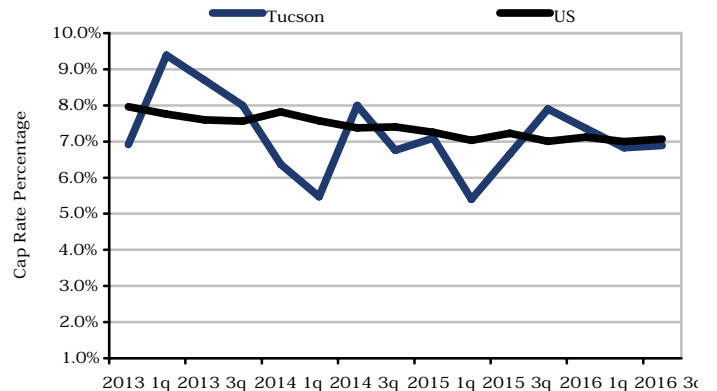
Based on Retail Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Cap Rate Comparison

Based on Retail Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Tucson Retail Market



Sales Activity

Select Top Sales

Based on Sales from October 2015 Through December 2016

1. Wilmot Plaza



Tucson

Price: **\$47,300,000**
 Price/SF: **\$342.22**
 Cap Rate: **N/A**
 RBA: **138,215**
 Date: **9/14/2016**
 Year Built: **2015**
 Buyer: **DSW Wilmot Plaza LP**
 Seller: **Bourn Companies**

2. Northgate Plaza



Tucson

Price: **\$12,800,000**
 Price/SF: **\$123.68**
 Cap Rate: **6.35%**
 RBA: **103,492**
 Date: **10/29/2015**
 Year Built: **1981**
 Buyer: **Stromiga, Inc.**
 Seller: **Strategic Realty Trust, Inc.**

3. San Dorado



Oro Valley

Price: **\$11,282,000**
 Price/SF: **\$549.54**
 Cap Rate: **6.05%**
 RBA: **20,530**
 Date: **8/12/2016**
 Year Built: **2014**
 Buyer: **Samuel Charles Rhea**
 Seller: **Kitchell Corp./Mark-Taylor**

4. Plaza Centro



Tucson

Price: **\$8,700,000**
 Price/SF: **\$366.56**
 Cap Rate: **6.09%**
 RBA: **23,734**
 Date: **7/28/2016**
 Year Built: **2013**
 Buyer: **Crow Holdings Capital**
 Seller: **Oasis Tucson**

5. Plaza Antigua - Trader Joe's



Tucson

Price: **\$7,975,000**
 Price/SF: **\$393.81**
 Cap Rate: **N/A**
 RBA: **20,251**
 Date: **8/5/2016**
 Year Built: **2004**
 Buyer: **The Kroenke Group**
 Seller: **Oakdale Farms, Inc.**

6. 605 W Ajo Way - Walgreens



Tucson

Price: **\$7,750,000**
 Price/SF: **\$534.85**
 Cap Rate: **5.56%**
 RBA: **14,490**
 Date: **3/3/2016**
 Year Built: **2003**
 Buyer: **Sigmund J Lichter**
 Seller: **Shamie Development Co.**

7. Santa Cruz Plaza - Burlington Coat



Tucson

Price: **\$7,500,000**
 Price/SF: **\$98.37**
 Cap Rate: **8.64%**
 RBA: **76,240**
 Date: **6/22/2016**
 Year Built: **1983**
 Buyer: **Agree Realty Corporation**
 Seller: **LNR Partners LLC**

8. La Cholla Plaza



Tucson

Price: **\$6,450,000**
 Price/SF: **\$86.64**
 Cap Rate: **5.02%**
 RBA: **74,445**
 Date: **5/19/2016**
 Year Built: **2001**
 Buyer: **Black Lion Investment**
 Seller: **Transwest Partners/NCH Corp.**

9. Dove Mountain Centre - Walgreens



Marana

Price: **\$5,466,600**
 Price/SF: **\$368.87**
 Cap Rate: **5.25%**
 RBA: **14,820**
 Date: **10/1/2015**
 Year Built: **2008**
 Buyer: **Evelyn Kerber**
 Seller: **Cottonwood Properties, Inc.**



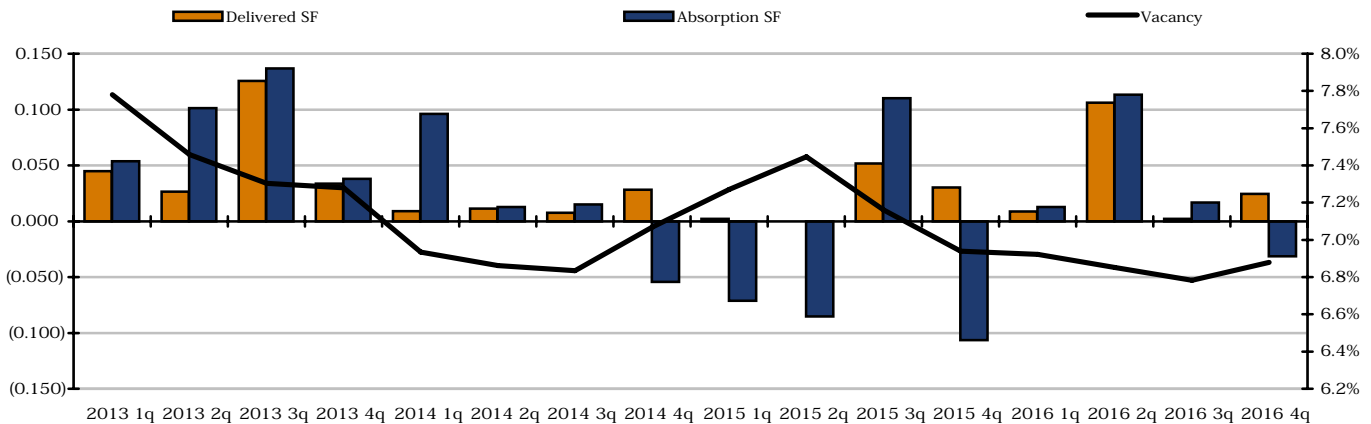
Tucson Retail Market

Central Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

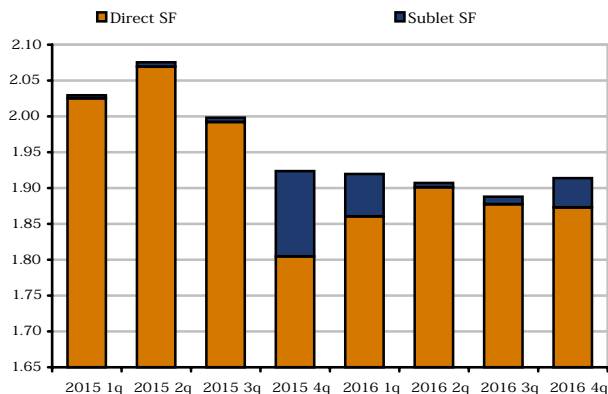
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

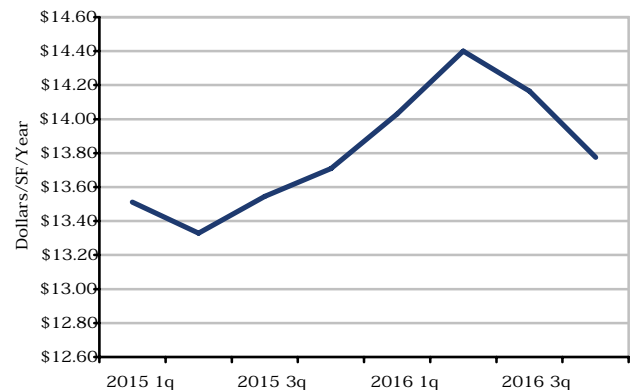
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 4q	3,138	27,825,921	1,913,948	6.9%	(31,440)	3	24,510	9	93,127	\$13.77
2016 3q	3,137	27,831,326	1,887,913	6.8%	16,721	1	2,200	8	53,210	\$14.16
2016 2q	3,137	27,833,826	1,907,134	6.9%	113,242	6	106,265	4	19,460	\$14.40
2016 1q	3,132	27,733,112	1,919,662	6.9%	12,877	2	8,763	6	106,265	\$14.03
2015 4q	3,130	27,724,349	1,923,776	6.9%	(106,505)	4	30,298	7	111,978	\$13.71
2015 3q	3,127	27,905,203	1,998,125	7.2%	110,070	5	51,794	6	99,183	\$13.55
2015 2q	3,123	27,872,609	2,075,601	7.4%	(85,298)	0	0	8	70,147	\$13.33
2015 1q	3,131	27,911,719	2,029,413	7.3%	(71,278)	1	2,088	6	54,781	\$13.51
2014 4q	3,132	27,927,762	1,974,178	7.1%	(54,235)	3	28,320	3	11,911	\$13.16
2014 3q	3,132	27,915,448	1,907,629	6.8%	15,096	1	7,629	4	30,408	\$13.43
2014 2q	3,131	27,907,819	1,915,096	6.9%	12,817	2	11,200	3	23,949	\$13.86
2014 1q	3,130	27,915,539	1,935,633	6.9%	96,131	1	9,002	4	26,329	\$13.68
2013 4q	3,131	27,916,066	2,032,291	7.3%	37,933	3	33,576	3	20,202	\$13.86
2013 3q	3,128	27,882,490	2,036,648	7.3%	136,792	3	125,598	3	33,576	\$13.84
2013 2q	3,126	27,780,977	2,071,927	7.5%	101,316	4	26,532	6	159,174	\$13.70
2013 1q	3,126	27,767,923	2,160,189	7.8%	53,857	4	44,789	9	180,706	\$14.06

Source: CoStar Property®

Tucson Retail Market

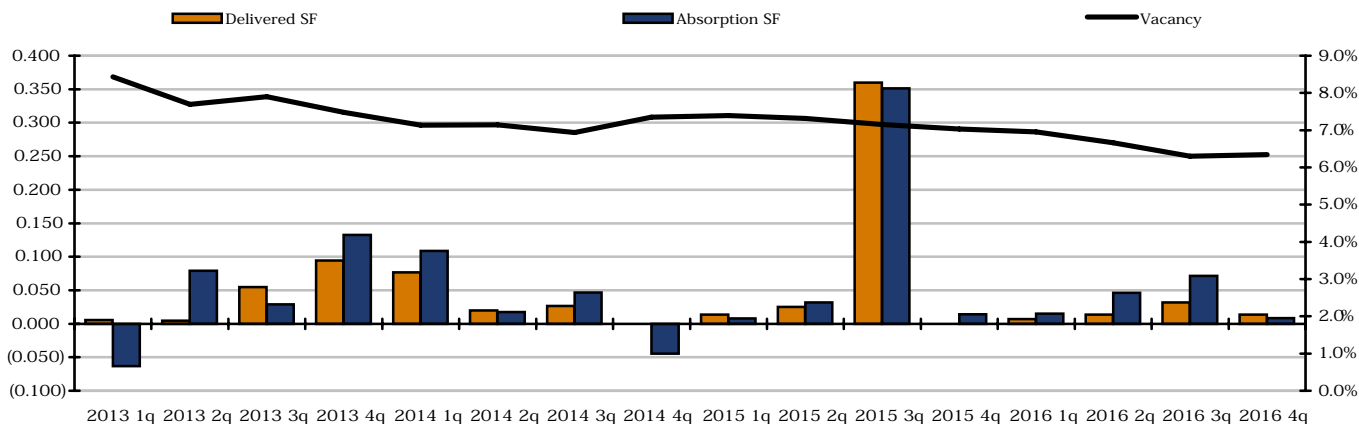


North Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

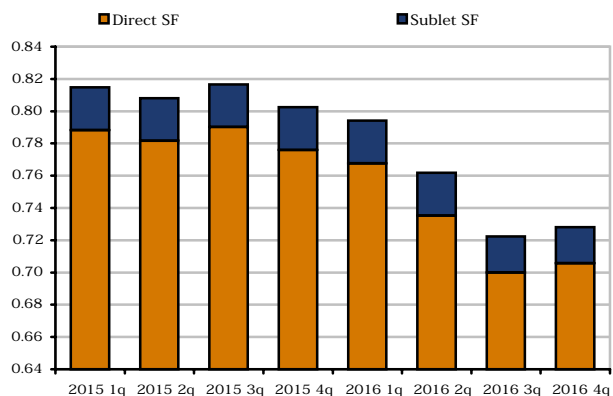
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

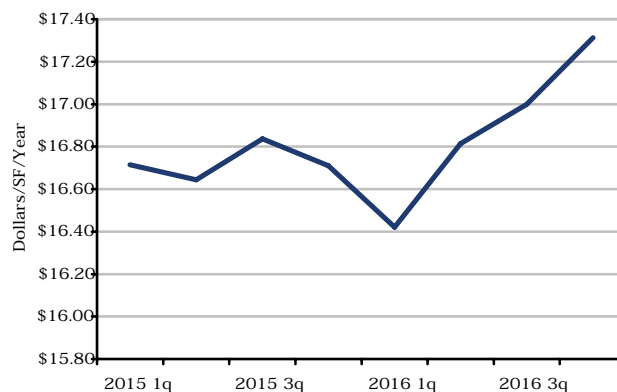
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 4q	752	11,479,714	728,065	6.3%	8,194	2	13,844	1	101,448	\$17.31
2016 3q	750	11,465,870	722,415	6.3%	71,427	4	32,010	3	115,292	\$17.00
2016 2q	746	11,433,860	761,832	6.7%	46,088	1	13,702	6	45,854	\$16.81
2016 1q	745	11,420,158	794,218	7.0%	15,010	1	6,800	5	46,912	\$16.42
2015 4q	744	11,413,358	802,428	7.0%	14,222	0	0	3	30,502	\$16.71
2015 3q	744	11,413,358	816,650	7.2%	351,463	1	360,000	0	0	\$16.84
2015 2q	743	11,053,358	808,113	7.3%	31,923	2	25,202	1	360,000	\$16.64
2015 1q	741	11,028,156	814,834	7.4%	8,057	2	13,753	3	385,202	\$16.71
2014 4q	739	11,014,403	809,138	7.3%	(44,672)	0	0	5	398,955	\$16.61
2014 3q	739	11,014,403	764,466	6.9%	46,578	4	26,400	1	4,653	\$16.70
2014 2q	735	10,988,003	784,644	7.1%	17,241	2	19,728	5	31,053	\$16.56
2014 1q	734	10,968,775	782,657	7.1%	108,742	4	76,631	6	46,128	\$15.92
2013 4q	730	10,892,144	814,768	7.5%	132,452	4	94,520	6	96,359	\$15.84
2013 3q	726	10,797,624	852,700	7.9%	28,769	3	54,595	7	163,151	\$15.66
2013 2q	723	10,743,029	826,874	7.7%	78,900	1	4,552	8	159,155	\$16.16
2013 1q	723	10,742,948	905,693	8.4%	(63,284)	1	5,618	6	84,007	\$16.20

Source: CoStar Property®

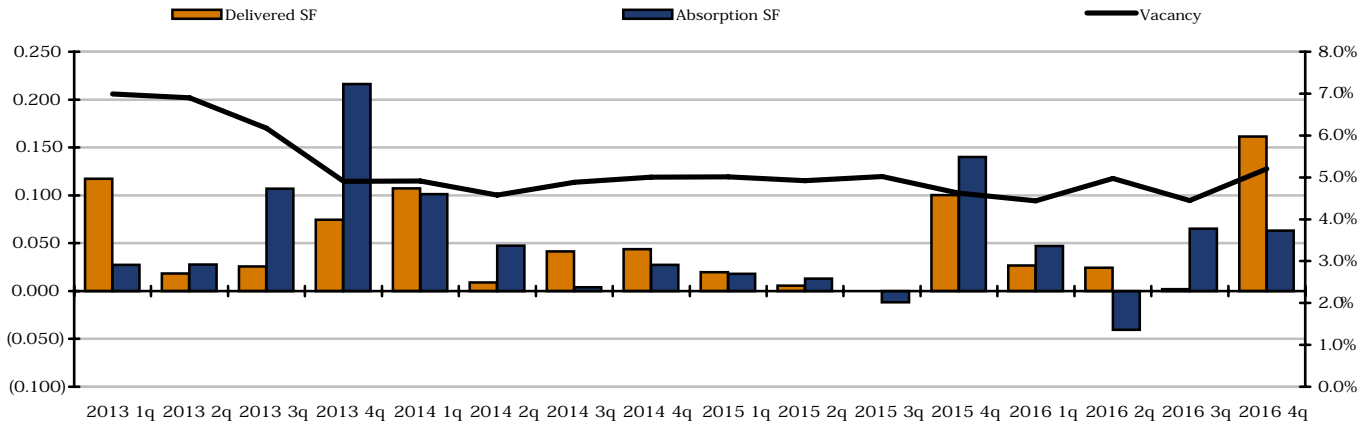


Tucson Retail Market

South Market
Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

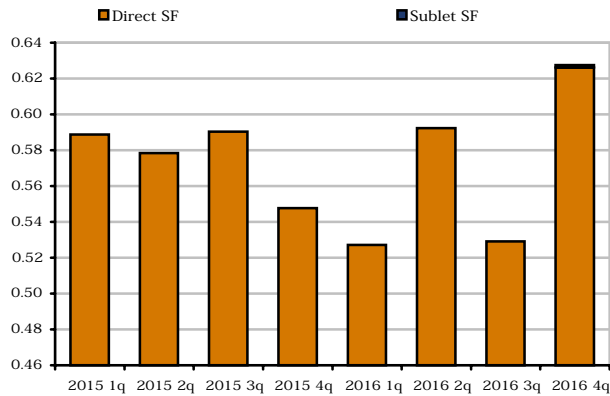
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

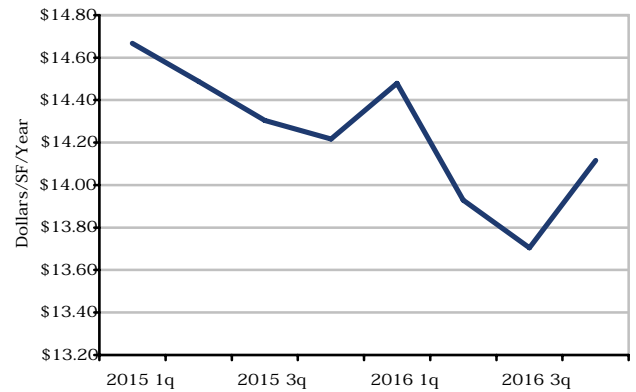
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 4q	1,396	12,066,908	627,546	5.2%	63,078	3	161,478	2	48,760	\$14.12
2016 3q	1,393	11,905,430	529,146	4.4%	65,227	1	2,019	4	198,238	\$13.70
2016 2q	1,392	11,903,411	592,354	5.0%	(40,649)	3	24,500	3	109,819	\$13.93
2016 1q	1,389	11,878,911	527,205	4.4%	47,011	4	26,619	4	26,519	\$14.48
2015 4q	1,385	11,852,292	547,597	4.6%	139,965	4	100,366	6	48,419	\$14.22
2015 3q	1,382	11,755,113	590,383	5.0%	(11,911)	0	0	7	121,994	\$14.30
2015 2q	1,382	11,755,113	578,472	4.9%	13,060	1	5,555	5	109,589	\$14.49
2015 1q	1,382	11,752,413	588,832	5.0%	18,167	2	19,580	4	93,596	\$14.67
2014 4q	1,380	11,732,833	587,419	5.0%	27,249	3	43,719	5	109,176	\$14.37
2014 3q	1,377	11,689,114	570,949	4.9%	3,849	3	41,413	5	60,101	\$13.86
2014 2q	1,374	11,647,701	533,385	4.6%	47,540	1	9,100	8	101,514	\$13.76
2014 1q	1,373	11,638,601	571,825	4.9%	101,177	2	107,394	6	49,999	\$13.66
2013 4q	1,371	11,531,207	565,608	4.9%	216,322	8	74,613	4	123,776	\$13.90
2013 3q	1,363	11,456,594	707,317	6.2%	106,986	1	25,578	11	190,589	\$13.78
2013 2q	1,362	11,431,016	788,725	6.9%	27,576	2	18,200	12	216,167	\$14.22
2013 1q	1,360	11,412,816	798,101	7.0%	27,277	4	117,245	3	27,300	\$14.33

Source: CoStar Property®