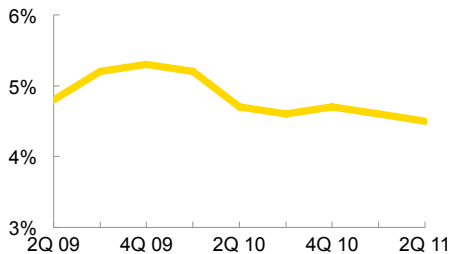


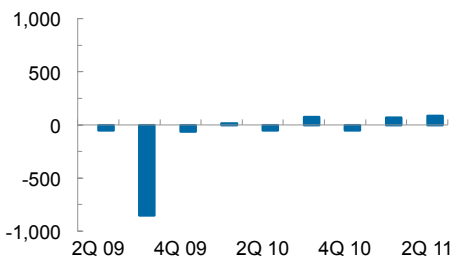
Vacancy Rate Overall



Activity Revving Up

The Twin Cities Retail market posted 84,394 square feet of positive absorption during the first half of 2011. This caused vacancy rates to drop to 4.5 percent, the lowest vacancy rate in two years. Average net asking rates rose by \$0.23 per square foot as well. These factors point towards a retail recovery that should continue to gain momentum through the rest of 2011 and beyond.

Absorption (in Thousands of SF)

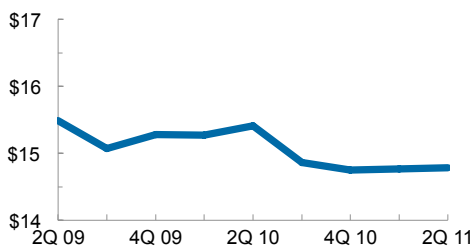


Absorbed

Several new big box retailers have recently entered the Twin Cities market. The largest is probably Gordmans department store. They have signed lease in Woodbury, Burnsville, and Mankato. They are expected to open several other locations throughout the state and Metro area during the next year. They have been successful at backfilling some large retail spaces vacated by retailers like Circuit City and Ultimate Electronics.

If the retail market continues to recover expect to see some new developments break ground in 2012. Many of which were mothballed back in 2009. These new developments if located properly and priced right could result in strong leasing activity during 2012.

Asking Rental Rates (\$/SF/Yr. Full Service)



Neighborhood

