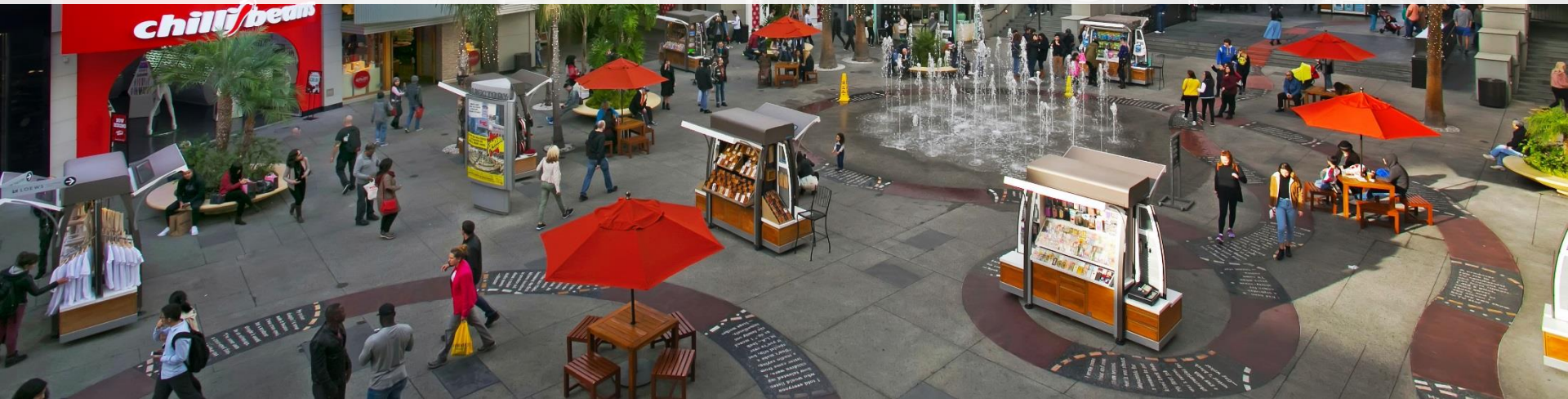




RETAIL ADVANTAGE

RETAIL SECTOR UPDATE – SOCIAL FOCUS



January 2017

CBRE



OVERVIEW

- CAPITAL MARKETS
 - RETAIL TRANSACTION VOLUMES AND COMMENTARY
 - CAPITAL FLOWS
- RETAIL FUNDAMENTALS
- RESTAURANTS RISING
- ONLINE RETAIL UPDATE
- TENANT UPDATE
 - WINNERS, LAGGARDS AND RISING STARS
- Q & A

A photograph of a modern cafe interior with large glass windows, red chairs, and people dining. The cafe has a bright, airy feel with large white dome pendant lights and a warm wooden wall in the background. People are seated at long wooden tables, some facing the windows and others facing each other. The floor is dark and reflective. The overall atmosphere is contemporary and inviting.

RETAIL TRANSACTION VOLUMES AND COMMENTARY

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COMPARISON OF 1H 2016 AND 2015

Sector/Region	Volume			
	\$MM - 2015	YoY - 1H '15 vs. 1H '16	'15 Cap Rate	YoY - 1H '15 vs. 1H '16
US Retail	\$89,862	-17%	6.6%	-6
6-Major-Metro Strip*	\$10,517	2%	6.1%	-16
Non-Major-Metro Strip	\$28,415	12%	7.3%	-5
6 Major Metro Mall & Other	\$24,731	-36%	5.3%	-32
Non-Major-Metro Mall & Other	\$26,199	-30%	6.2%	0

*6-Major Metros include: Boston, Chicago, Washington D.C., Los Angeles, New York City, San Francisco
Source: Real Capital Analytics

HAS THE CHANGE IN RISK PREMIUM IMPACTED PRICING?



NO

CORE PROPERTIES IN MAJOR MARKETS

- Flight to quality
- Historically wide cap rate spread to treasuries
- High quality core retail is difficult to find. Scarcity will keep pricing stable, particularly in the western U.S.



MINIMAL

CORE PROPERTIES IN SECONDARY MARKETS

- Fewer bidders
- Limited buyer conviction
- Financing is still available from lifeco's and banks
- CMBS was back on track prior to 10YT post-election run
- Tempered institutional interest



YES

NON-CORE PROPERTIES IN SECONDARY MARKETS

- Pricing has changed due to financing constraints and higher risk premiums expected
- Cap rates have increased 75 - 150 bps
- Financing is difficult
- Buyer pool is thin
- No institutional interest

US RETAIL INVESTMENT STATS

Submarket	Year	# of Properties	Volume (\$)	PSF	Cap Rate
US	2015	7,486	\$90,511,467,280	\$219	6.55%
	2016*	7,110	\$84,016,127,242	\$224	6.45%
	% change	-5.02%	-7.18%	2.28%	-1.53%
Southern California	2015	700	\$9,747,988,824	\$313	5.67%
	2016*	725	\$8,877,069,140	\$339	5.21%
	% change	3.57%	-8.93%	8.31%	-8.11%

Source: Real Capital Analytics. Based on independent reports of properties and portfolios \$2.5 million and greater.
Data believed to be accurate but not guaranteed.

*Q4 data for 2016 was annualized based off the average of the last 4 years of Q4 results.

SOUTHERN CALIFORNIA RETAIL INVESTMENT STATS

Submarket	Year	# of Properties	Volume (\$)	% of Total	PSF	Cap Rate
Los Angeles	2015	380	\$5,506,320,248	56%	\$405	5.62%
	2016*	411	\$5,441,491,368	61%	\$387	5.24%
	% Change	8.16%	-1.18%		-4.44%	-6.76%
Orange County	2015	93	\$1,651,634,005	17%	\$362	5.26%
	2016*	106	\$996,599,169	11%	\$393	4.97%
	% Change	13.98%	-39.66%		8.56%	-5.51%
Inland Empire	2015	132	\$1,382,400,812	14%	\$226	5.95%
	2016*	105	\$795,426,446	9%	\$216	5.68%
	% Change	-20.45%	-42.46%		-4.42%	-4.54%
San Diego	2015	95	\$1,207,633,759	12%	\$258	6.18%
	2016*	104	\$1,674,955,789	19%	\$363	5.12%
	% Change	9.47%	38.70%		40.70%	-17.15%
SoCal Totals	2015	700	\$9,747,988,824	100%	\$313	5.67%
	2016*	725	\$8,877,069,140	100%	\$339	5.21%
	% Change	3.57%	-8.93%		8.31%	-8.11%

Source: Real Capital Analytics. Based on independent reports of properties and portfolios \$2.5 million and greater.
Data believed to be accurate but not guaranteed.

*Q4 data for 2016 was annualized based off the average of the last 4 years of Q4 results.

ORANGE COUNTY RETAIL INVESTMENT STATS

	Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Full Year
# of Properties	2015	28	21	16	28	93
	2016*	16	14	38	38	106
	% Change	-42.86%	-33.33%	137.50%	35.71%	13.98%
Volume (\$)	2015	\$304,748,032	\$503,522,581	\$132,965,149	\$710,398,243	\$1,651,634,005
	2016*	\$120,534,300	\$100,812,684	\$415,018,455	\$360,233,730	\$996,599,169
	% Change	-60.45%	-79.98%	212.13%	-49.29%	-39.66%
PSF	2015	\$327	\$383	\$416	\$323	\$362
	2016*	\$339	\$389	\$469	\$373	\$393
	% Change	3.67%	1.57%	12.74%	15.48%	8.56%
Cap Rate	2015	\$0	\$0	\$0	\$0	\$0
	2016*	\$0	\$0	\$0	\$0	\$0
	% Change	7.76%	-4.70%	-6.29%	-7.75%	-5.51%

Source: Real Capital Analytics. Based on independent reports of properties and portfolios \$2.5 million and greater.
Data believed to be accurate but not guaranteed.

*Q4 data for 2016 was annualized based off the average of the last 4 years of Q4 results.

RETAIL: GENERAL PRICING & BID SUPPORT TRENDS (DEC. 2016) NATIONAL RETAIL PARTNERS

	PRIMARY MARKETS			SECONDARY MARKETS		
	Core	Core-Plus	Value-Add	Core	Core-Plus	Value-Add
GROCERY ANCHORED						
# BIDS	7-10	3-5	9-11	3-5	2-4	3-5
STABILIZED CAP RATES	4.5-5.5%	6.5-7.0%	6.5-7.5%	4.75-6.0%	7.0-8.0%	7.5-8.5%
VALUE TRENDS	Stable	Stable	Stable	Decreasing	Decreasing	Decreasing
TARGET PRICING METRIC	Cap Rate/IRR	Cap Rate/LIRR	LIRR	Cap Rate/IRR	Cap Rate/LIRR	LIRR
MOST ACTIVE BUYERS	Pensions, Life Co, REIT	REITs, HNW & PE	REITs, PE, HNW, Syndicate	Pensions, Life Co, REIT	REITs, HNW & PE	REITs, PE, HNW, Syndicate
INVESTMENT ACTIVITY LEVEL	Low	Moderate	Low	Low	Moderate	Moderate
INVESTMENT INTEREST	High	Moderate	High	Moderate	Moderate	Moderate
POWER/BOX						
# BIDS	3-5	2-3	4-8	1-3	1-3	3-5
STABILIZED CAP RATES	5.75-6.75%	7.0-8.0%	8.0%+	7.0-8.0%	8.0%+	8.5%+
VALUE TRENDS	Stable	Decreasing	Decreasing	Decreasing	Decreasing	Stable
TARGET PRICING METRIC	Cap Rate/IRR	Cap Rate/LIRR	LIRR	Cap Rate/IRR	Cap Rate/LIRR	LIRR
MOST ACTIVE BUYERS	REITs, Pensions	REITs, HNW & PE	PE, HNW, Syndicate	REITs, Pensions	REITs, HNW & PE	PE, HNW, Syndicate
INVESTMENT ACTIVITY LEVEL	Low/Moderate	Low	Low	Low/Moderate	Low	Low/Moderate
INVESTMENT INTEREST	Moderate	Low	Moderate	Low/Moderate	Low	Low/Moderate
LIFESTYLE						
# BIDS	3-5	2-3	5-7	1-3	1-3	1-3
STABILIZED CAP RATES	5.5-6.5%	6.0-7.5%	7.5-8.5%	7.0%+	8.0%+	9.0%
VALUE TRENDS	Stable	Decreasing	Decreasing	Decreasing	Decreasing	Decreasing
TARGET PRICING METRIC	Cap Rate/IRR	LIRR/Cash on Cash	LIRR	Cap Rate/IRR	LIRR/Cash on Cash	LIRR
MOST ACTIVE BUYERS	REIT/Pensions	HNW & PE	PE, HNW, Syndicate	REIT/Pensions	HNW & PE	PE, HNW, Syndicate
INVESTMENT ACTIVITY LEVEL	Low	Low	Moderate	Low	Low	Low
INVESTMENT INTEREST	Moderate	Low	High	Low	Low	Low

Primary Markets: Top 20 MSA's with populations greater than 2.8 MM with positive job growth and barriers to entry

Secondary Markets: MSA's 20 to 50 with populations greater than 1.0 MM and positive job growth

WHERE ARE THE OPPORTUNITIES TODAY?

URBAN RETAIL

- Look beyond “high street” retail
- Many urban markets are underserved by retailers
- Bigger boxes have scarcity value in urban locations
- Benefits from future densification

SECONDARY MARKETS

- Biggest disconnect today between buyers and sellers
- Traditional buyers are absent from the market
 - ARCP (Cole), RCA, Inland, etc.
- Buy the best center
- Demand a return premium for the lower liquidity

RETAIL CENTERS WHERE NOT ALL BOXES ARE CHECKED

- Strong location with solid demographics is a must have
- Upgrade the center with new and better merchants
- Additional land / vertical development / densification

POWER CENTERS ARE OUT OF FAVOR

- Concerns about internet competition pushed return expectations up and limits the number of buyers
- Yet many of the tenants winning market share continue to expand
- Multiple strong value-focused anchors and higher tenant credit create a regionally dominant center

RISKS IN INVESTING IN RETAIL CENTERS

GROCERY COMPETITION INCREASES

- Watch for multiple brands of Safeway/Albertsons in a trade area where Ceberus could close one
- New grocery stores entering the market or trade area (***Wegman's, HEB, Sprouts, Whole Foods, ALDI, New Seasons Market***)
- Grocers will continue exploring ecommerce, lowering profitability

SHADOW OR FUTURE VACANCIES FROM DEPARTMENT STORE CLOSURES

- Millions of square feet and many stores are at risk
- Large capital expenditures to demise and re-tenant the boxes
- Potential upside in rents and redevelopment for quality centers

WEAK TENANT SALES

- Amazon has lowered profitability margins for most retailers
- Increased capital expenditures and cost of ecommerce negatively impacts retailer margins
- Stores with weak sales at risk of being closed



CAPITAL FLOWS

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CAPITAL MARKETS COMMENTARY

“It’s easy for people to get the idea that following quantitative easing and low interest rates, that’s going to end bad. The facts do not align with that view.” – *John Cheigh, Portfolio Manager at Cohen & Steers*

This kind of move (DOW hitting 20,000) draws people into the market,” he said. “It feels like guys are saying, ‘I’ve got to be there. I can’t miss any more of this rally.’” – *Ian Winer, Head of Equities Trading Wedbush Securities*

“Our approach has been to buy on the election and take profits by the inauguration as some stocks are nearly fully valued,” – *Marc Halle, Head of Global Real Estate Securities at PGIM (Prudential)*

“A rising interest rate environment is usually based on hyperinflation or general inflation or an improving economy, and in this case it’s an improving economy.” – *David Eyzenberg, Founder, Eyzenberg & Company*

“Before the election, the biggest economic fear was that a recession was right around the corner, but now we feel it has been pushed out.” – *Jeanette Rice, Americas Head of Multifamily Research at CBRE*

REAL ESTATE MARKET COMMENTARY

“We think overall it’s going to be a choppy year for REITs,” – *James Sullivan, Managing Director at BTIG Research*

“While the market has shown only limited price movement since the post-election interest rate spike, pricing pushback from buyers remains strong.” – *Spencer Levy, CBRE’s Head of Research, the Americas*

“We may see an increase in liquidity and leverage. If the incoming Trump administration is able to repeal or dilute regulations imposed by Dodd-Frank, Basel III and the like, the floodgates for capital will further expand beyond what we witnessed in 2016.” – *Brian Ward, CEO of Trimont Real Estate Advisors*

CAPITAL MARKETS HIGHLIGHTS

EQUITY MARKETS ARE VOLATILE

- U.S. equities are up in 2016
 - DOW up 13.4%
 - S&P up 9.5%
- REITs up 7.7% but some still trading below NAV
- Markets are weighing political risk and economic cycle concerns

DEBT MARKETS ARE ADJUSTING TO NEW GROWTH EXPECTATIONS

- The 10-year treasury is in the mid 2%’s (U.S. just below 2% J-2016)
- CMBS is finding its footing as it adjusts to new regulations
- Effective debt rates 4.25% → 5.25% (vs. 3.50-4.50% J-2016)

REAL ESTATE ACTIVITY HAS MODERATED AS INVESTORS ARE MORE CAUTIOUS

- 2016 sales activity moderated following a record 2015
- Investors showing concerns around the timing of the economic cycle
- REITs net sellers, while foreign capital continues to deploy to US real estate

LONGER TERM TRENDS CONTINUE TO SUPPORT US REAL ESTATE

- Institutions still under deployed to real estate
- Foreign capital continues to look to the U.S. market that remain relatively more attractive than other geographies, particularly with Brexit adding to European uncertainty
- Real estate captures more alternative investment capital
- High net worth investors targeting real estate investments seeking cash flow yield

Key Metrics	
	Yield
30 Day Libor	0.8%
5 Year Treasury Yield	1.9%
10 Year Treasury Yield	2.45%
Investment Grade Bonds	3.8%
High Yield Bonds	6.3%
SP 500 Value	2,265
2016 Return	12.2%
U.S. REIT Index Value	1,165
2016 Return	7.2%

Source: Bloomberg

REAL ESTATE FUNDAMENTALS AND ACTIVITY

■ Investment sales volume fell in 2016

- 2016 was down 9% in sales volume from 2015

■ Property values remain at or above all-time highs

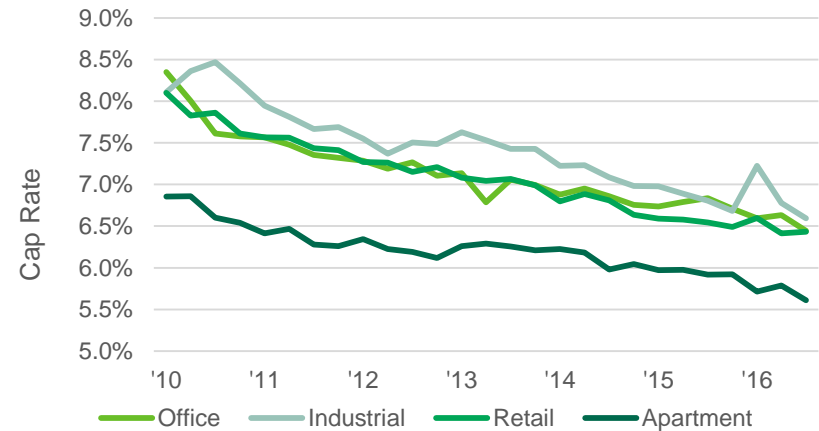
- NOI is well above prior peak for most institutional-quality real estate

Where to Find Returns ⁽¹⁾

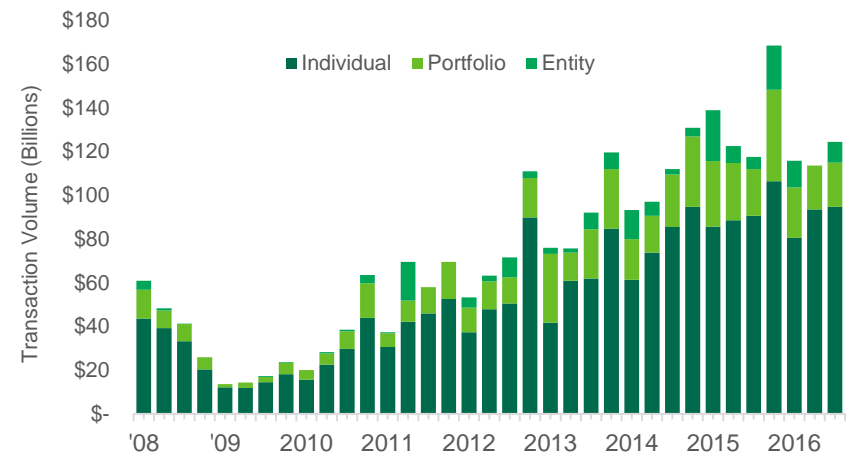
	Yield
German 10 Year Treasury Yield	0.46%
Japanese 10 Year Treasury Yield	0.06%
Swiss 10 Year Treasury Yield	-0.11%
France 10 Year Treasury Yield	0.96%
United Kingdom 10 Year Treasury Yield	1.44%
5 Year Treasury Yield	1.9%
10 Year Treasury Yield	2.4%
Investment Grade Bonds	3.8%
AAA CMBS	2.9%
BBB CMBS	4.2%
High Yield Bonds	6.3%

Source: Bloomberg ⁽¹⁾ and Commercial Mortgage Alert ⁽¹⁾ as of January 23, 2016; Real Capital Analytics ⁽²⁾ as of fourth quarter 2016

Cap rates at lows ⁽²⁾



Transaction volume is down in 2016 ⁽²⁾



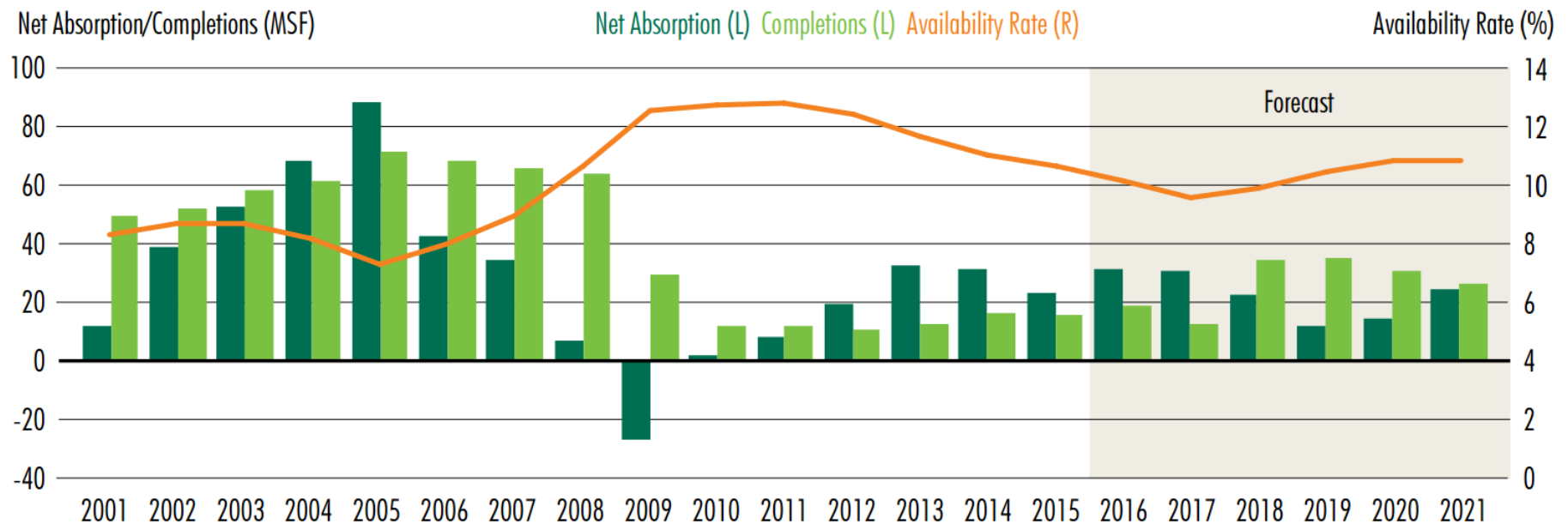


RETAIL FUNDAMENTALS

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DEMAND FAR EXCEEDS SUPPLY

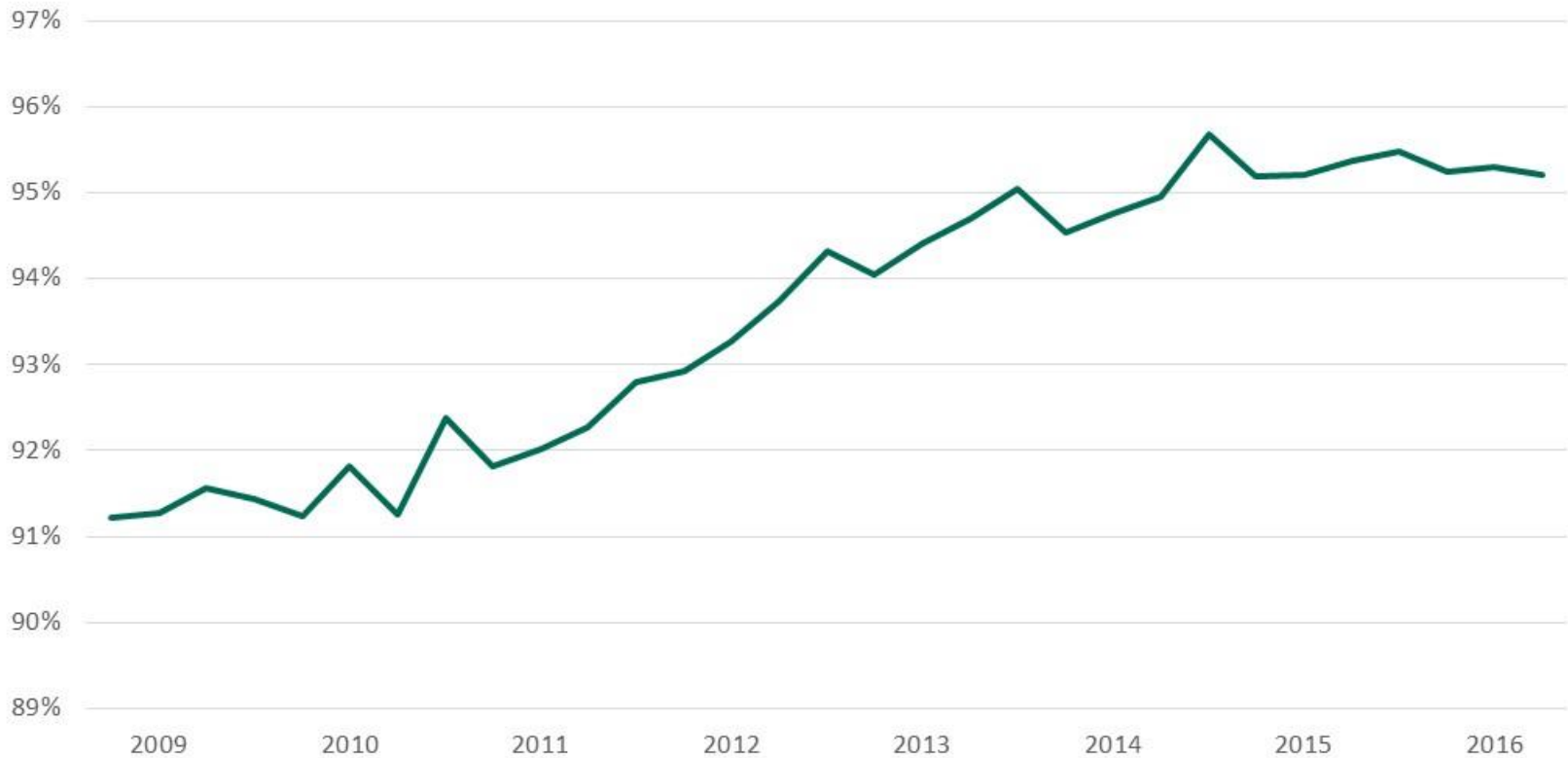
NEIGHBORHOOD, COMMUNITY AND STRIP CENTER RETAIL FORECAST



Source: CBRE Econometric Advisors, Q3 2016.

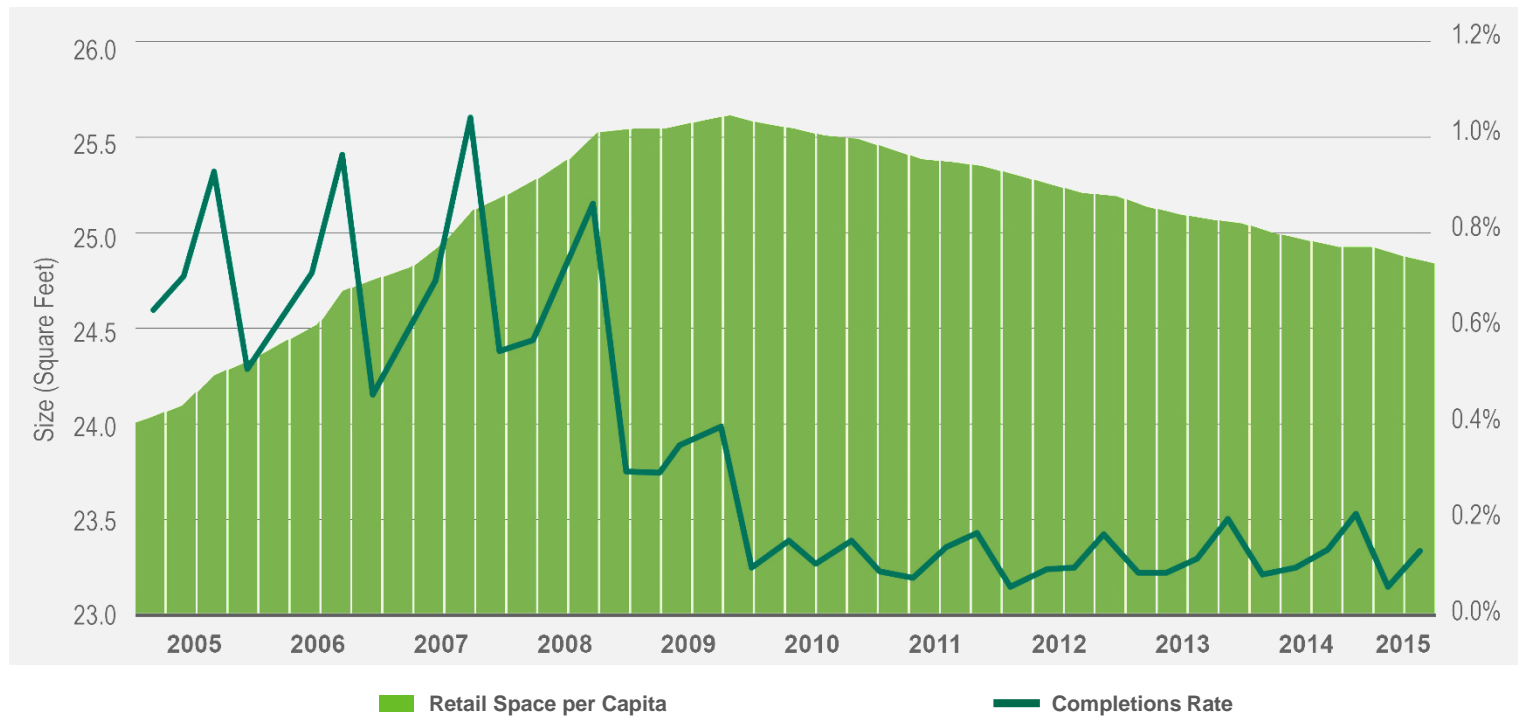
DRIVING OCCUPANCY HIGHER, AND ...

REITS ARE A PROXY FOR HIGH QUALITY CENTERS



Source: SNL

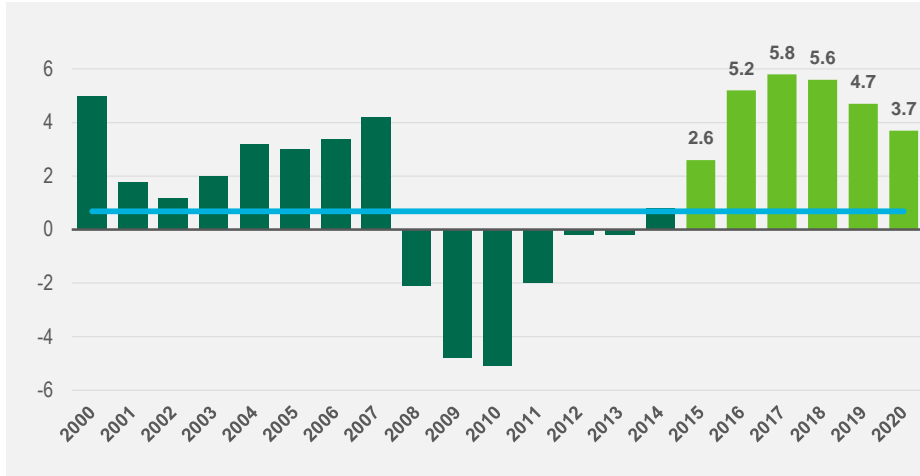
RETAIL SPACE PER CAPITA IS DOWN



Source: CBRE Econometric Advisors, Q2 2015.

RENT GROWTH IS ROBUST

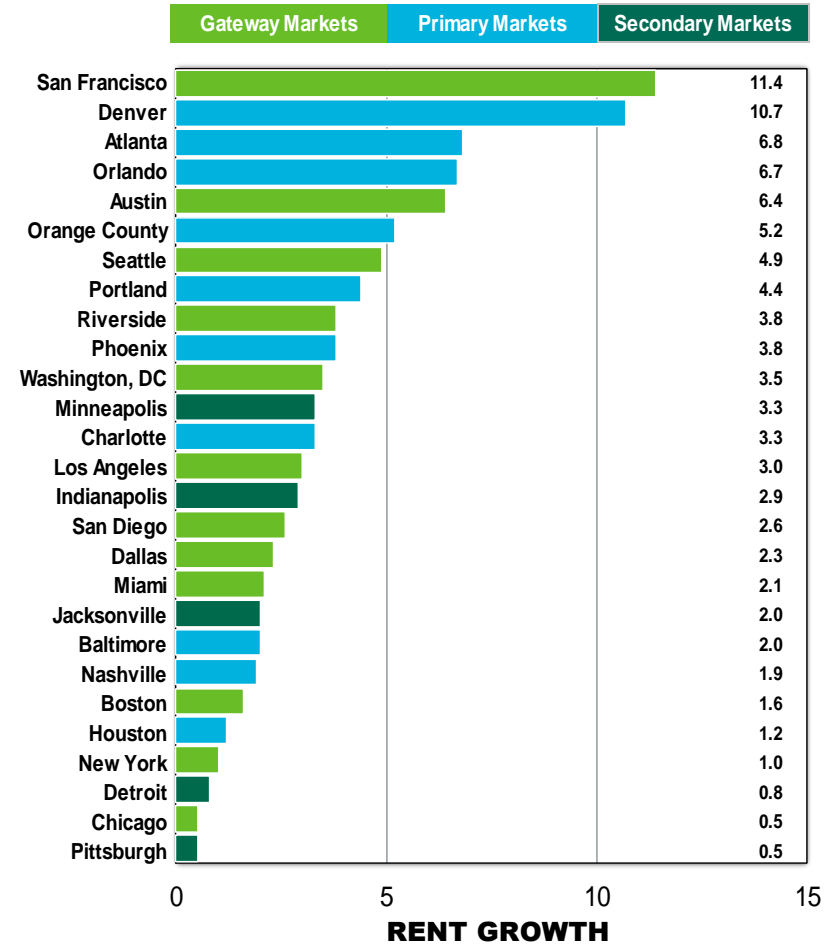
ANNUAL RENT CHANGE FOR NEIGHBORHOOD & COMMUNITY CENTERS



2016 Q2 REIT	Volume (KSF)		Leasing Spreads	
	New	Renew	New	Renew
Brixmor	893	1,174	24.7%	12.5%
DDR	430	1,919	27.7%	7.0%
Equity One	147	303	6.4%	7.3%
Kimco	319	724	29.8%	10.7%
Regency	206	1,150	29.0%	9.1%
Weingarten	211	532	29.4%	14.4%
Average			24.5%	10.2%

*H1-16 results are displayed

PROJECTED ANNUAL RENT GROWTH FOR MAJOR METROS OVER THE NEXT TWO YEARS

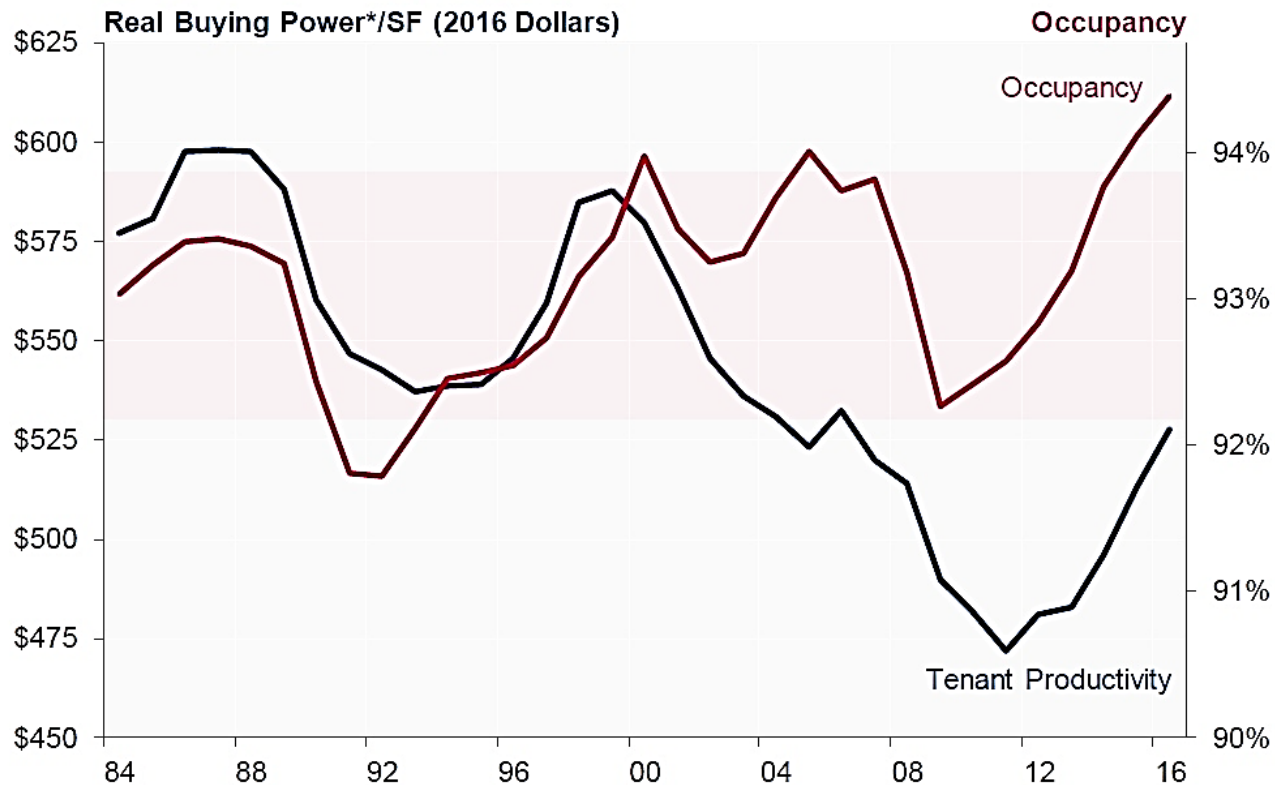


Gateway Markets Primary Markets Secondary Markets

CONNECTED ADVANTAGE | RETAIL SECTOR UPDATE

WELL OCCUPIED, BUT HOW PRODUCTIVE?

REAL BUYING POWER PER SF



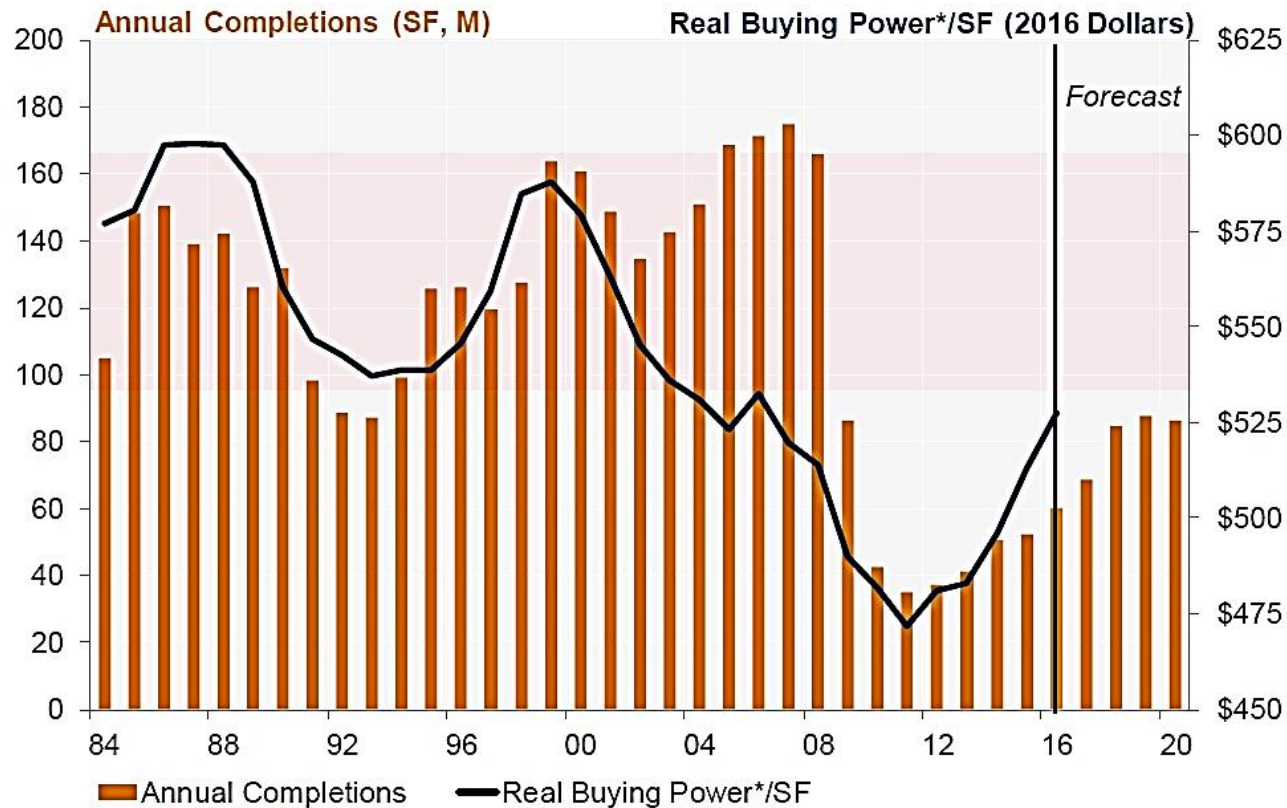
*Median Household Income times Household

Sources: U.S. Census Bureau; Moody's Analytics; CoStar Portfolio Strategy

As of 16Q2

PRODUCTIVITY RISING AS DEVELOPMENT LULLS

REAL BUYING POWER PER SF



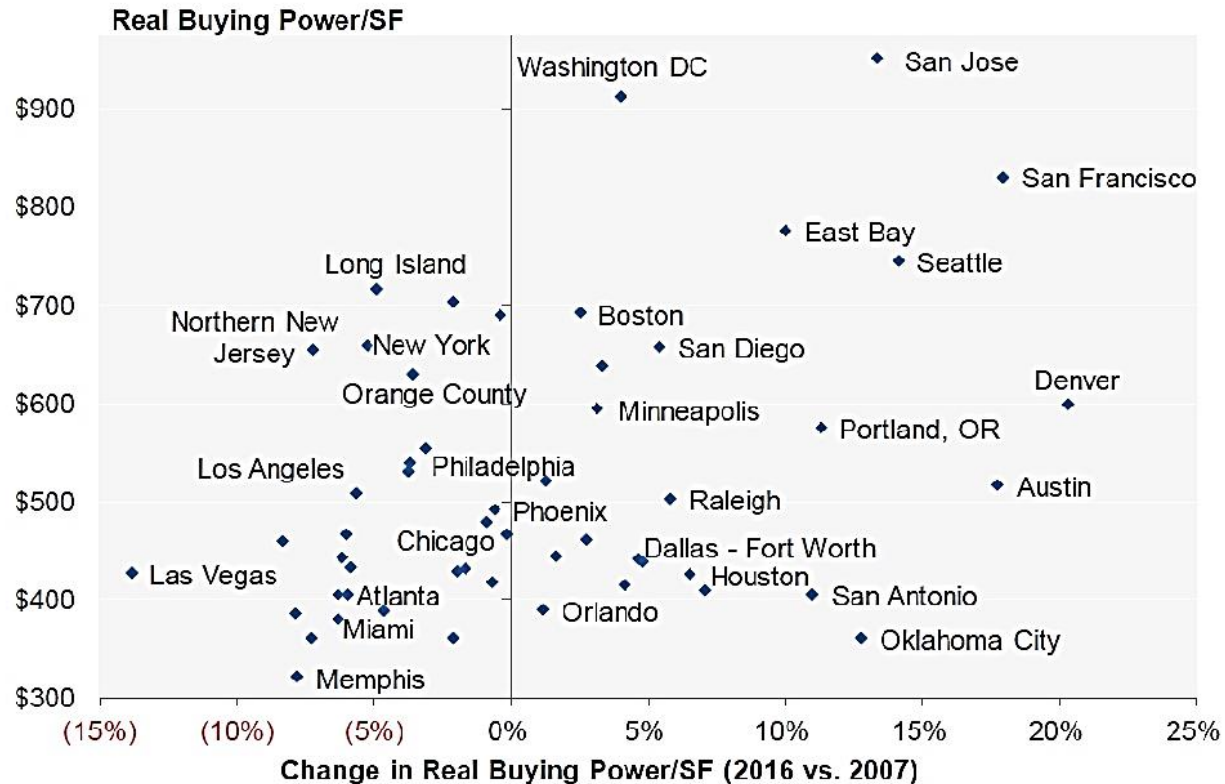
*Median Household Income times Household

Sources: U.S. Census Bureau; Moody's Analytics; CoStar Portfolio Strategy

As of 16Q2

WINNERS & LOSERS

2016 RETAIL PRODUCTIVITY VS. PRICING



Sources: U.S. Census Bureau; Moody's Analytics; CoStar Portfolio Strategy

As of 16Q2

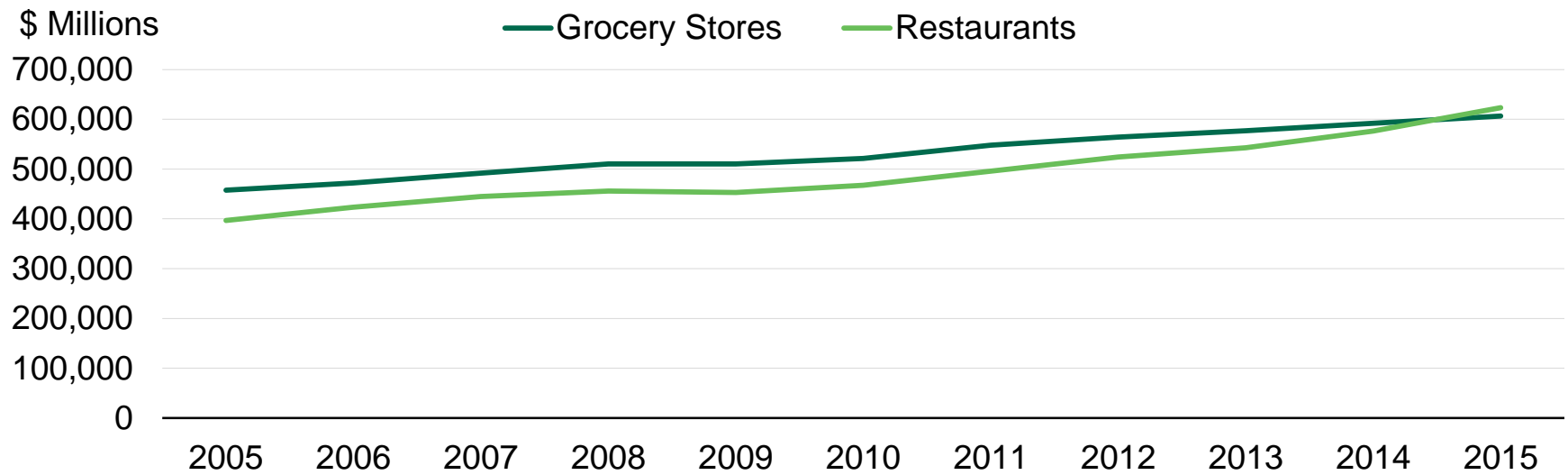


RESTAURANTS RISING



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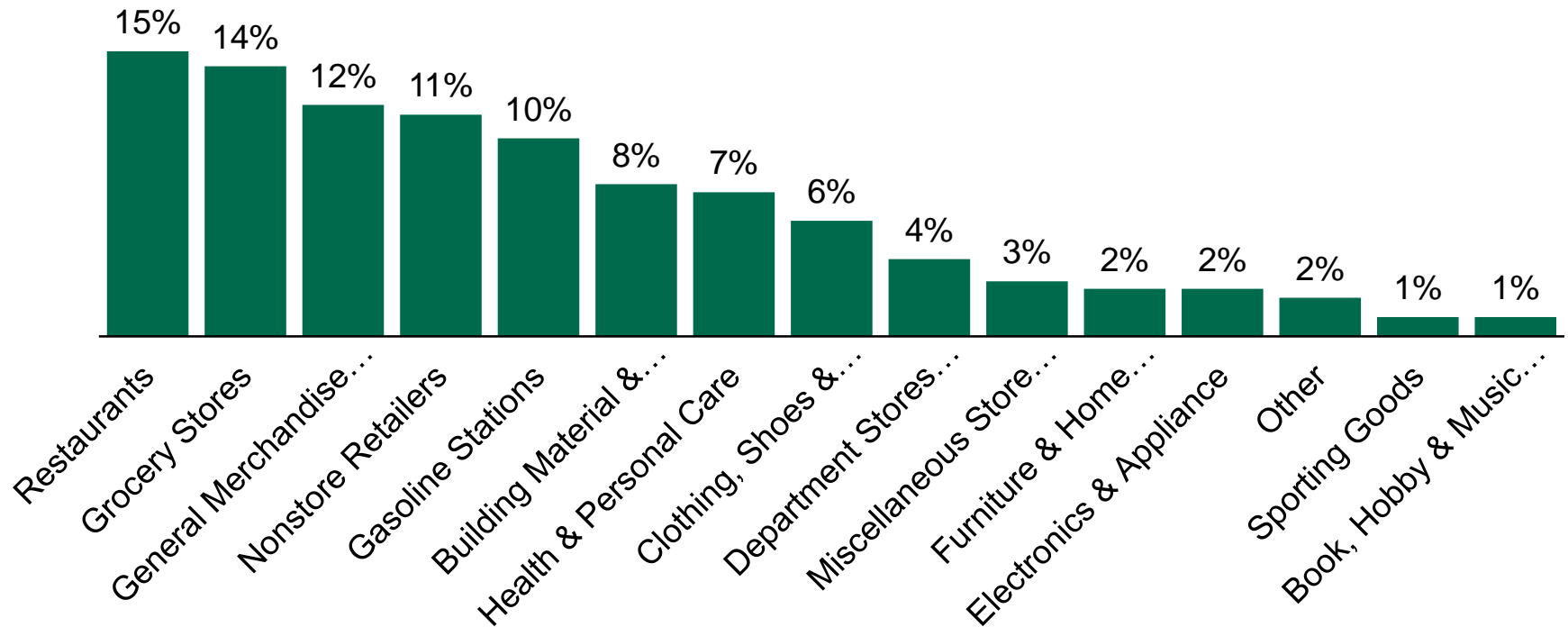
RESTAURANT SALES SURPASS GROCERY STORES FOR THE FIRST TIME IN HISTORY



Source: U.S. Census Bureau, Q1 2016.

RESTAURANTS ARE A DOMINANT RETAIL CATEGORY

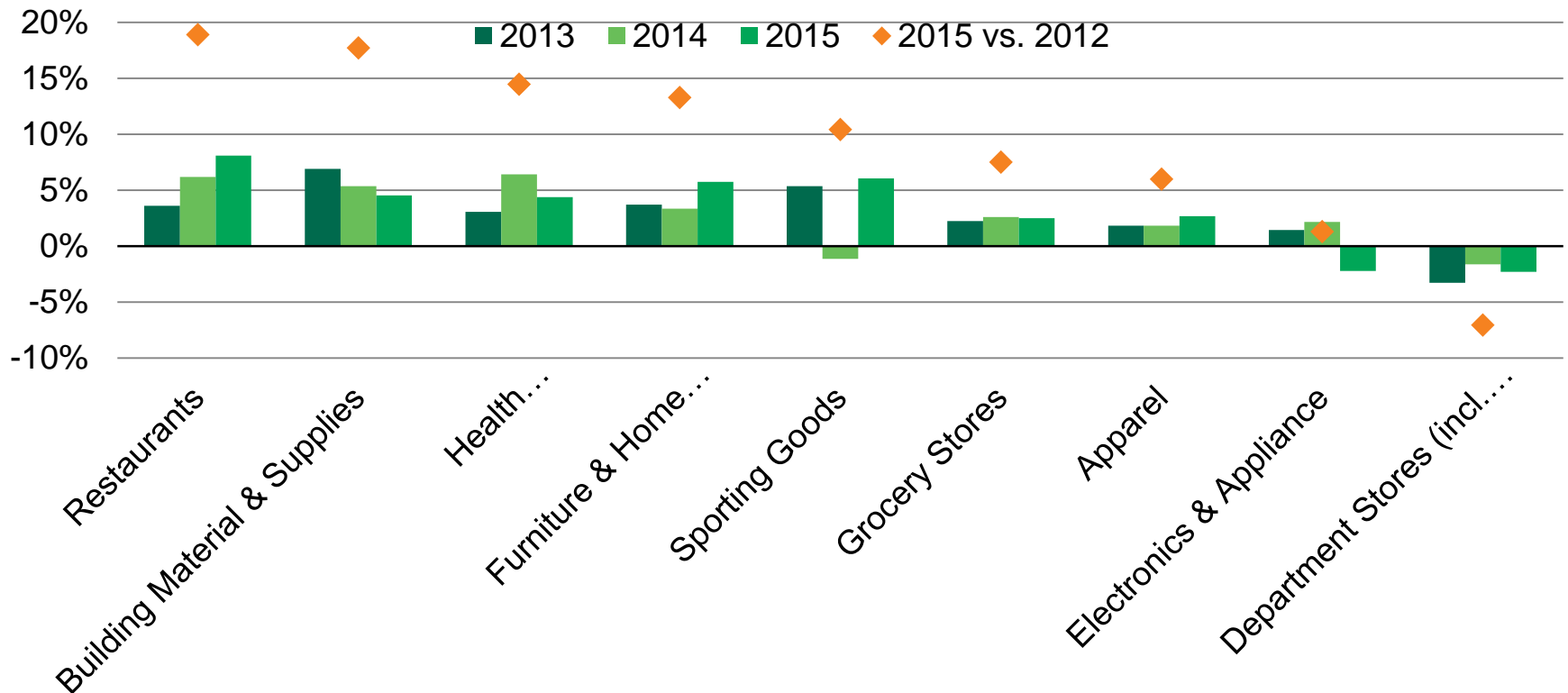
% of total 2015 core
retail sales



Source: U.S. Census Bureau, Q1 2016.

Note: Core Retail Sales excludes motor vehicles and parts dealers.

YEAR-OVER-YEAR RETAIL SALES GROWTH IN SELECT CATEGORIES 2012-2015



Source: U.S. Census Bureau, Q1 2016.

CATEGORY RETAIL SALES: RECESSION SENSITIVITY AND REBOUND BY CATEGORY

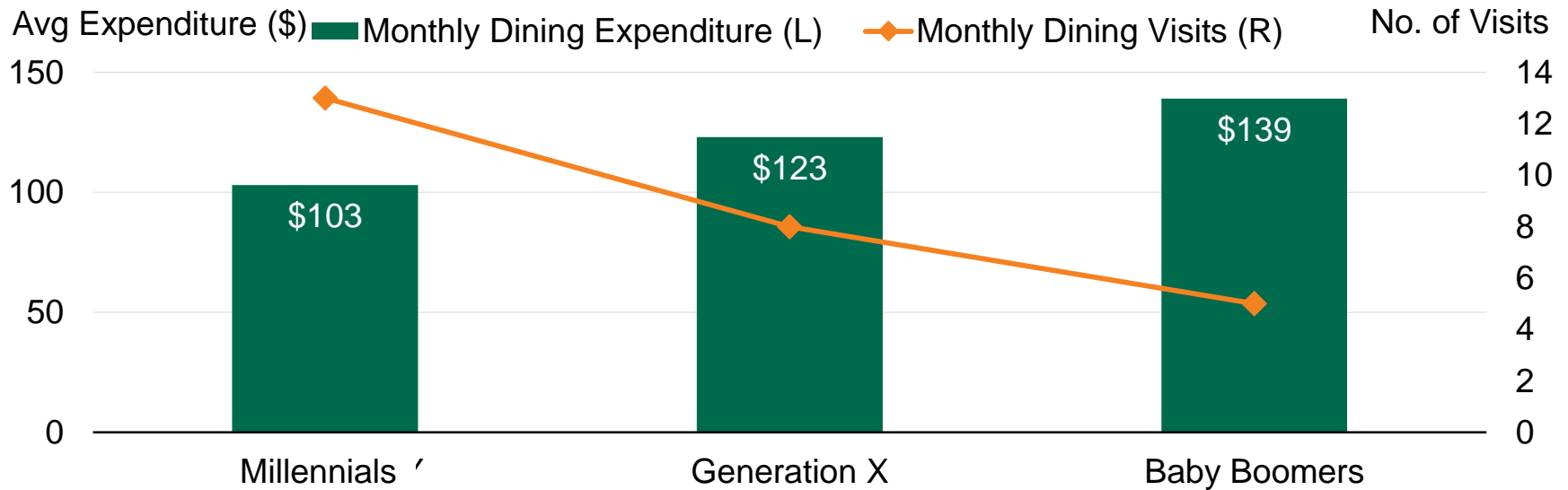


Source: U.S. Census Bureau, Q1 2016.

Note: "Recession Drop" measures 2009 sales against the maximum annual sales reached between 2005 and 2009;

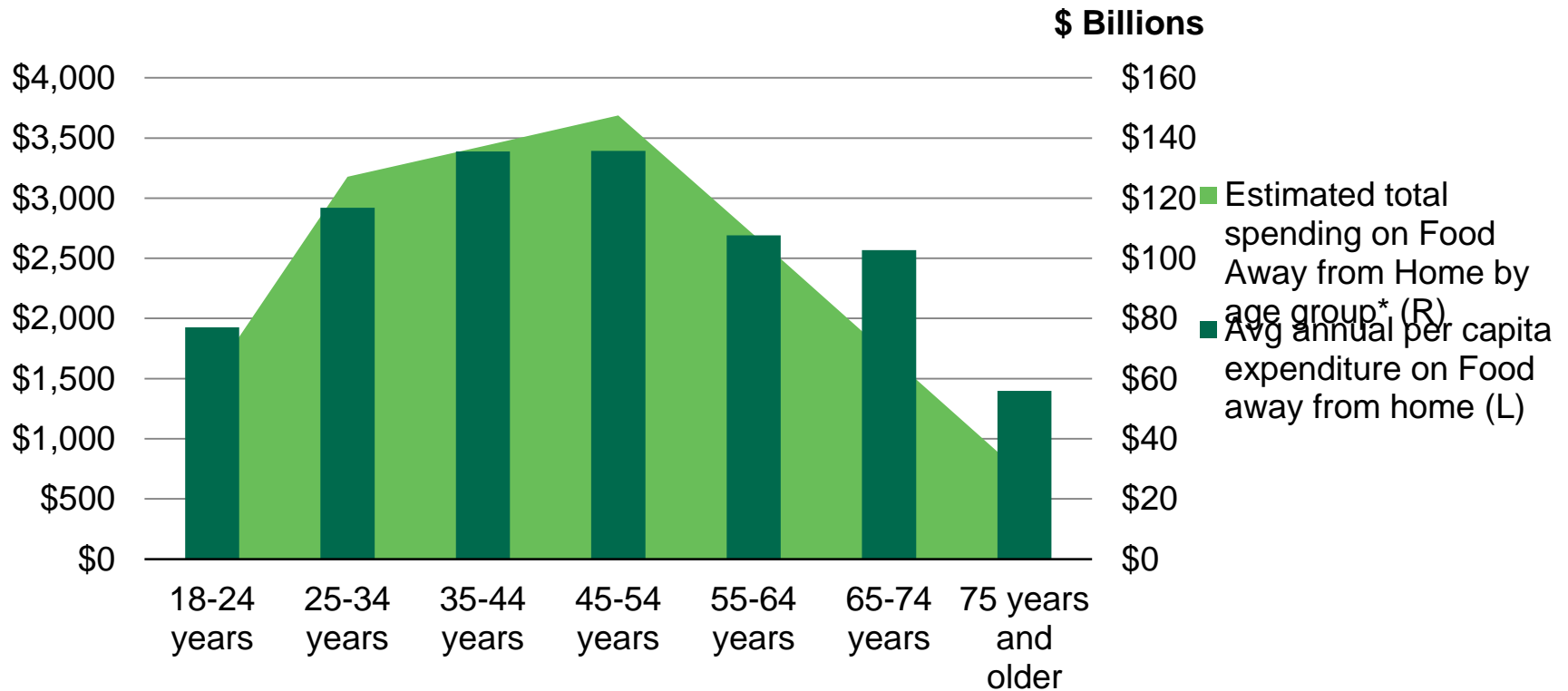
"Post-Recession Growth" measures 2015 sales compared to the same maximum.

MONTHLY DINING OUT HABITS BY GENERATION



Source: TD Bank, 2016.

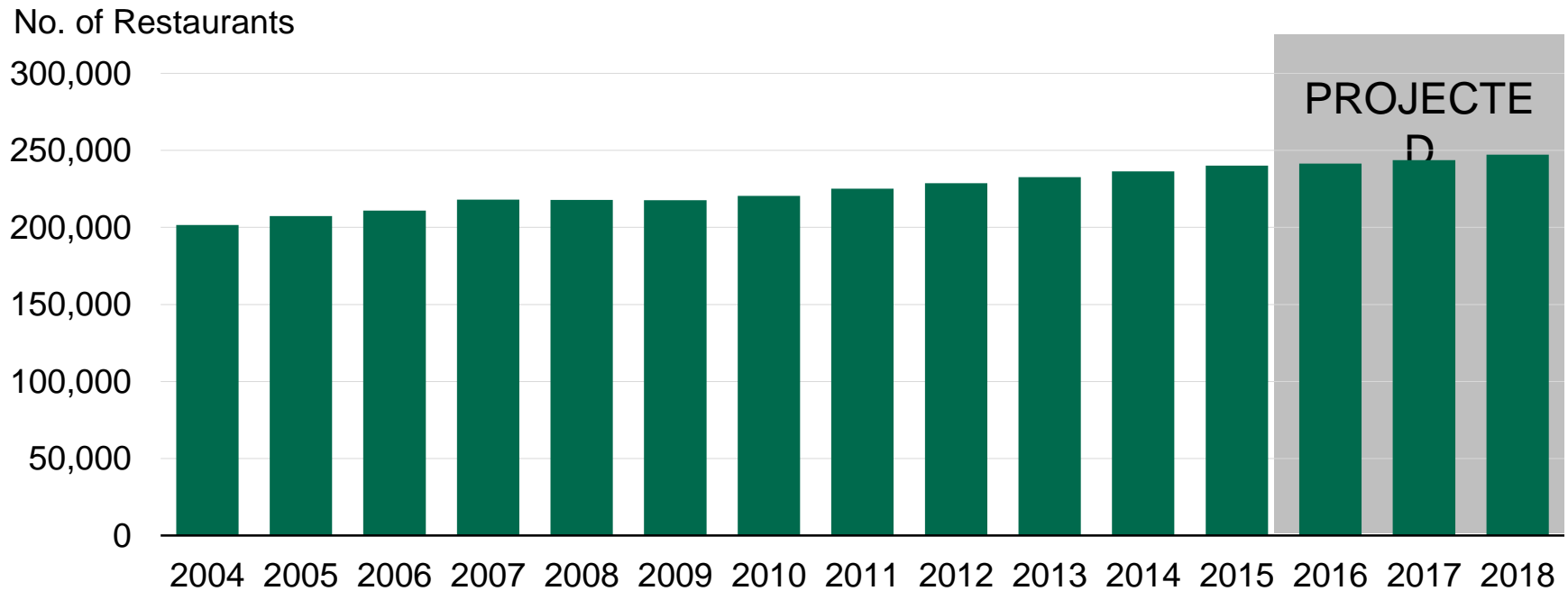
CONSUMER RESTAURANT EXPENDITURE BY GENERATION



Source: U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2013-2014.

Note: *Calculated by multiplying the average annual expenditure on Food Away from Home x total population of the age group.

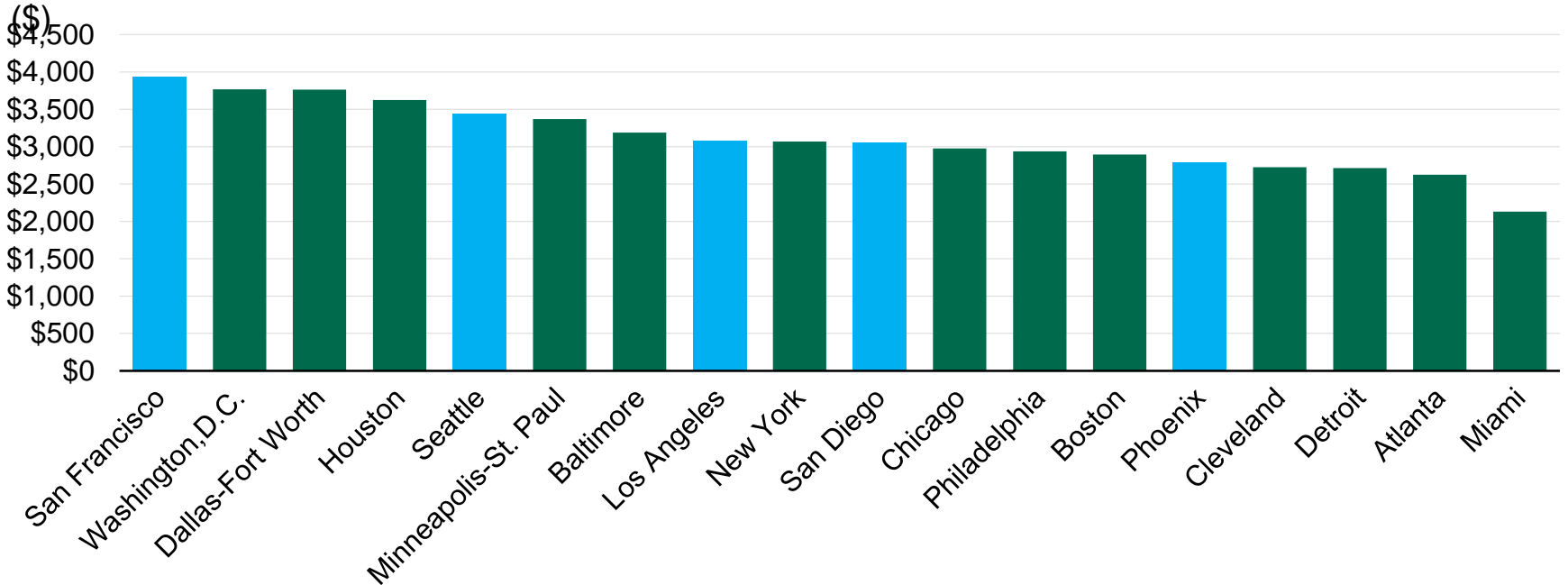
NUMBER OF U.S. FAST FOOD AND QUICK SERVICE RESTAURANTS (ACTUAL AND PROJECTED)



Source: IBISWorld, 2016.

CONSUMER RESTAURANT EXPENDITURE BY CITY

Avg Annual Per
Capita Expenditure



Source: U.S. Bureau of Labor and Statistics Consumer Expenditure Survey, 2013-2014.

RESTAURANT SEGMENTS OVERVIEW & OUTLOOK

M E N U

RESTAURANT SEGMENTS OVERVIEW & OUTLOOK

M E N U

SPECIALTY

Specialize in non-alcoholic drinks, snack foods and/or small prepared meals. Individual items typically under \$10.

TYPICAL SIZE

<2000 sq. ft.

EXAMPLES

Dunkin Donuts, Wetzels Pretzels, chain and independent coffee houses

OUTLOOK

This sector remains in high demand as studies have shown a notable increase in snacking and expenditure on coffee, especially among millennials.



QUICK SERVICE

Dominated by fast-food concepts and characterized by speedy service, convenience and low prices; meals typically under \$10.

TYPICAL SIZE

1,500-3,000 sq. ft.

EXAMPLES

Chick-fil-A, Wendy's, Taco Bell, Sonic, KFC



OUTLOOK

The fast-food segment faces formidable competition from fast casual options. To compete, quick service players must innovate with healthier food options, more customization and, in some cases, investment in refurbishing or rebranding existing spaces

FAST CASUAL

A hybrid of quick- and full-service dining; offer convenience comparable to quick service but focus on higher-quality food, customization, and ambience. Meals typically range from \$8-\$15.

TYPICAL SIZE

1,500-3,000 sq. ft.

EXAMPLES

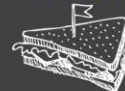
Chipotle, Shake Shack, Blaze Pizza, Sweet Greens

OUTLOOK

Fast Casual continues to expand as a category, though competition between national players will be fierce due to both expansion from existing players and the aggressive entry of new ones. Focus on offering fresh and/or local foods also represents operational risks, making quality control over sourcing and supply chains more challenging and potentially riskier.

CASUAL DINING

Full-service restaurants that offer a lower price point than fine dining establishments. Traditionally kid- and family-friendly, meals typically range from \$10-\$20.



TYPICAL SIZE

6,000-8,000 sq. ft.

EXAMPLES

Applebee's, Red Lobster, Red Robin, Olive Garden

OUTLOOK

As fast casual and fine dining continue to expand in all markets, casual dining is projected to suffer most. Although many markets still benefit from its price point and offerings, the sector will feel the pinch as the hourglass economy continues to increase.

POLISHED CASUAL

Full-service restaurants at a quality and price point above casual dining but below fine dining. Meals typically range from \$12-\$20.

TYPICAL SIZE

6,000-8,000 sq. ft.

EXAMPLES

Yard House, Cheesecake Factory, Brio, Legal Seafood



OUTLOOK

This segment faces better prospects than casual dining as it doesn't compete directly with fast casual. This segment has a wide base of consumers seeking a quality, full-service experience that is more affordable than higher-end fine dining.

FINE DINING

A large category, fine-dining restaurants are known for higher quality food and service than other formats. They can range from high-end, starred independent restaurants to less expensive national chains where entrees typically surpass \$20.

TYPICAL SIZE

6,000-8,000 sq. ft.

EXAMPLES

National Chains: Mastro's, Ruth's Chris Steak House, Fleming's, Spago; Independents: Joe's Stone Crab, Tao Asian Bistro, Old Ebbitt Grill

OUTLOOK

As millennials continue to age and advance in careers and salaries, fine dining tenants offer the next great opportunity for growth.

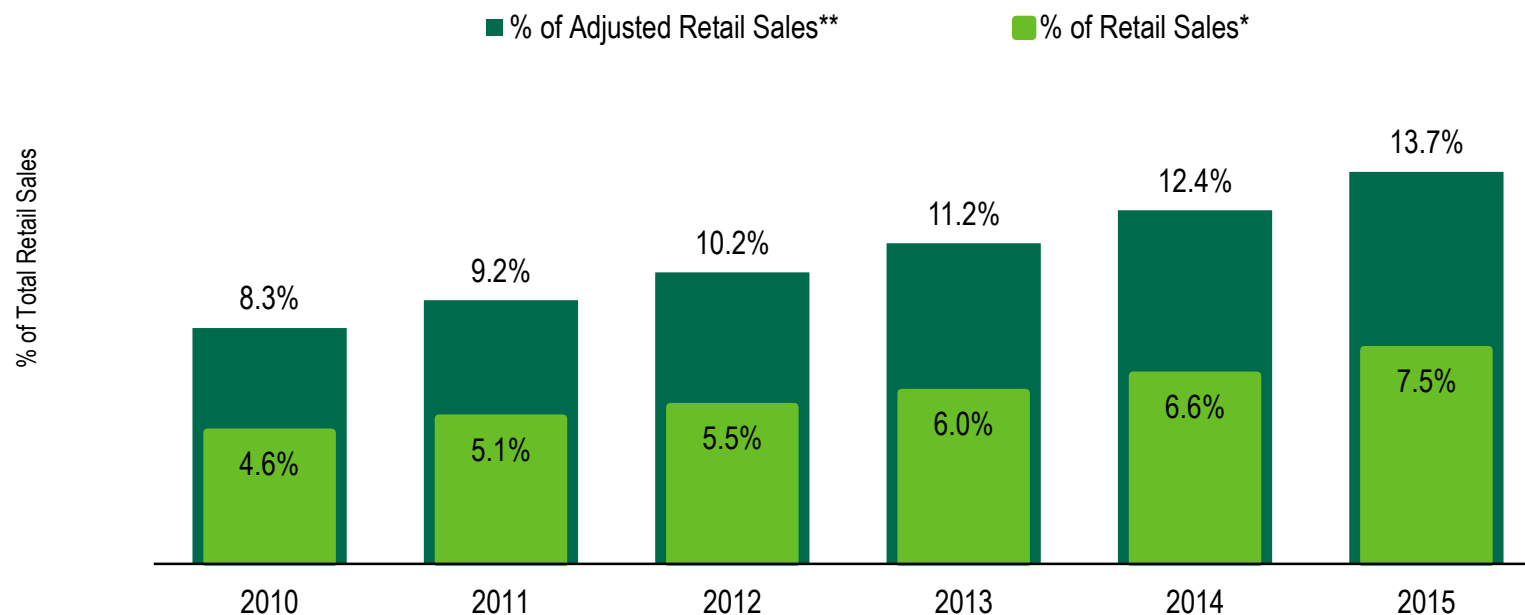
Source: CBRE Research, Q1 2016.



ONLINE RETAIL UPDATE

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E-COMMERCE AND RETAIL SALES



U.S. E-COMMERCE SALES AND GROWTH RATES

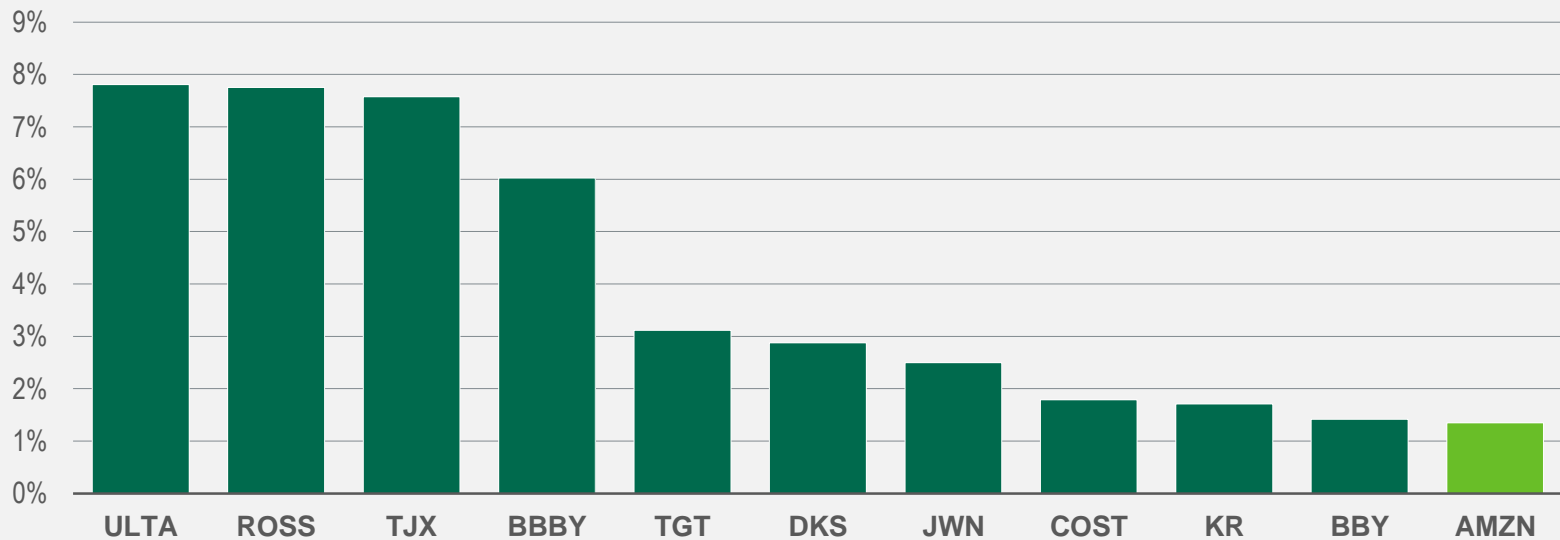
	2010	2011	2012	2013	2014	2015	2016	2017	2018
E-Commerce Sales (\$bn)	\$169	\$199	\$229	\$260	\$298	\$341	\$385	\$432	\$482
Y-o-Y Growth in E-Commerce Sales	16.0%	17.3%	15.1%	13.7%	14.4%	14.6%	12.9%	12.2%	11.6%

Source: US Census Bureau

*Excludes food and beverage services

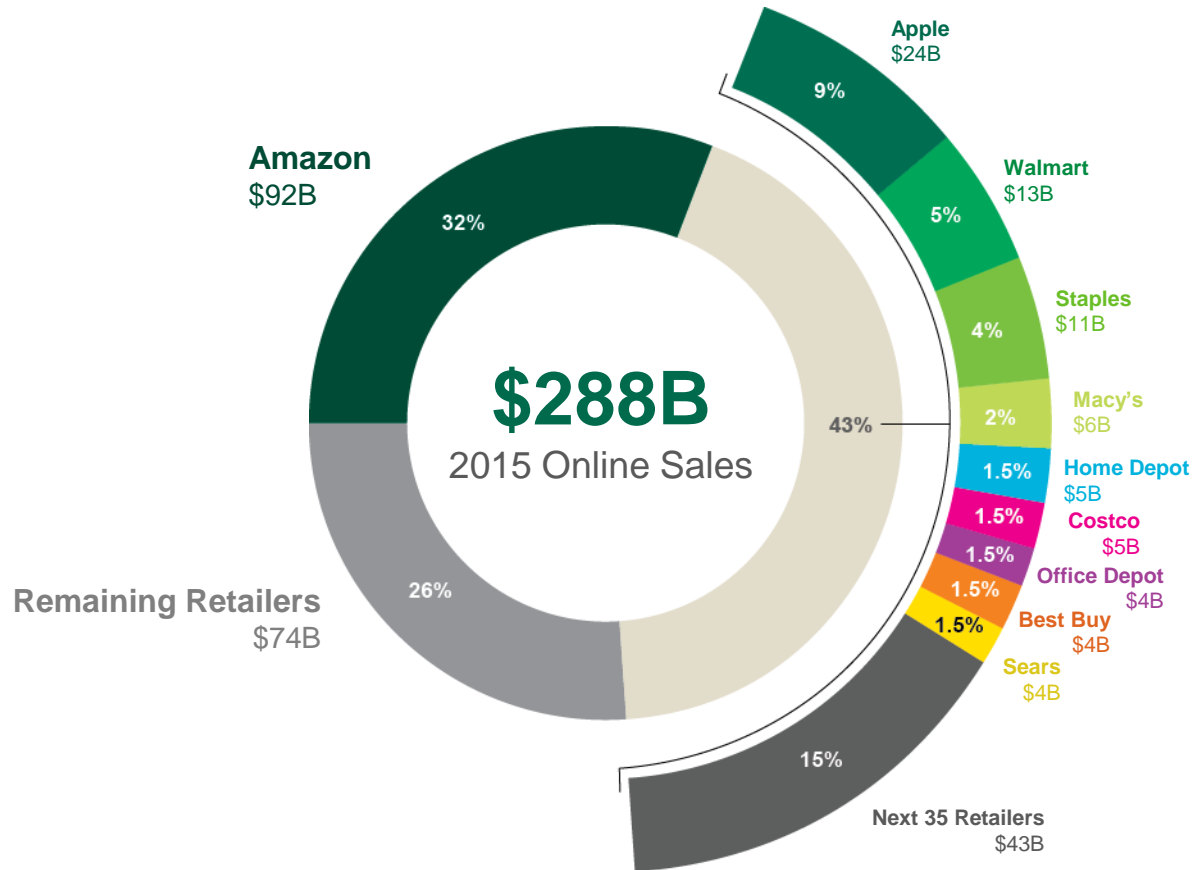
**Excludes food and beverage services, food and beverage stores, motor vehicle and parts dealers, and gasoline store sales

AMAZON'S LOW PROFIT MARGIN IMPACTS RETAILERS' MARGINS



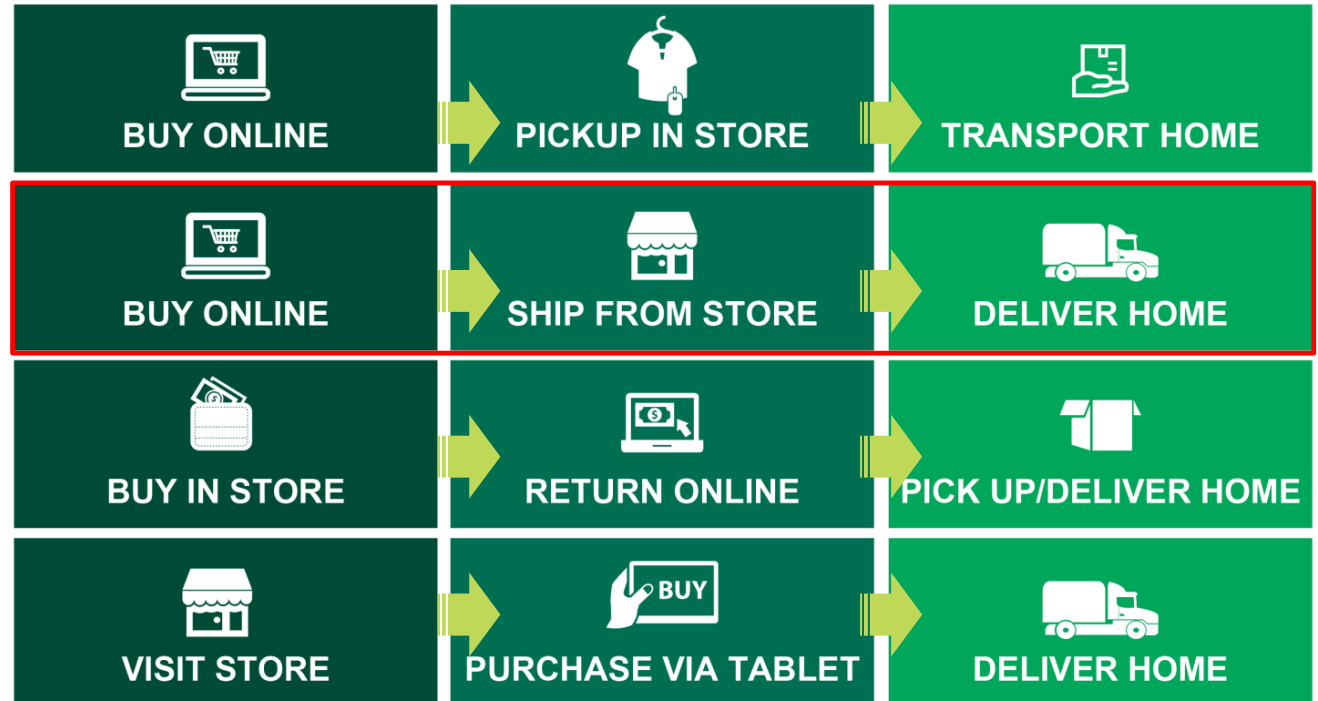
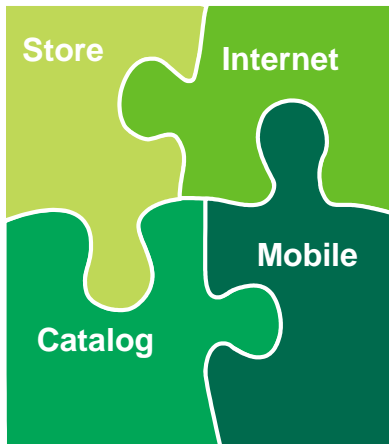
Source: Capital IQ

ONLINE SALES—TOP 100 E-TAILERS FOR 2015



Source: Internet Retailer

THE SHIFT TO OMNICHANNEL RETAILING



ONLINE RETAILERS LOWEST PRICE COMPARISON

HOME & KITCHEN	AMAZON	COSTCO	WALMART	TJ MAXX
KEURIG - 2.0 Coffee Brew Sys w/Carafe	\$115.99	\$124.99	\$109.00	\$99.99
16-piece Dinnerware Set by Over & Back	\$94.11	\$79.99	\$96.99	\$59.99
KitchenAid 11-pc Baking Set	\$75.34	\$44.99	\$93.45	\$36.00
Signature Housewares 5 pc Microwavable Storage Bowls	\$34.50	\$35.99	\$35.99	\$16.99
Hampton Forge Argentum 14-Piece Knife Set	\$57.00	\$89.99	\$69.97	\$79.99
Twin Pack Aluminum Skillets	\$20.99	\$29.99	\$22.40	\$39.99
Waring Belgian Square Waffle Maker	\$59.95	\$44.99	\$39.95	\$39.99
Color Changing LED Flameless Wax Candles with Remote, 5-pack	\$29.99	\$29.99	\$21.99	\$28.99
MARQUIS BY WATERFORD-Set of 4 Wine Glasses	\$34.11	\$44.99	\$41.97	\$59.98
Kathy Ireland Home 4 PC Glass Set	\$35.00	\$44.99	\$49.95	\$15.00
Howard Miller 15-3/4" Round Wall Clock	\$31.43	\$29.99	\$29.38	\$39.99
Taylor® Slim Design Kitchen Scale	\$26.96	\$19.99	\$29.99	\$23.99
Total	3	1	3	5



CLOTHING & SHOES	AMAZON	COSTCO	WALMART	TJ MAXX
Levi's Denim Jacket (Junior Girls)	\$44.99		\$34.99	\$29.99
Ugg Australia Bailey Bow Youth Round Toe Suede Blue Winter Boot	\$139.95		\$95.99	
Khombu Ladies' Winter Boot	\$68.11	\$37.99	\$55.99	\$49.99
Dr. Scholl's Womens' Frida Tech Running Shoe	\$39.97		\$22.87	\$19.99
Lucky Brand Broke Skinny Jeans	\$60.00		\$49.99	\$39.99
David & Young Womens Print Scarf	\$11.95		\$11.95	\$9.99
Adidas Beanie	\$10.16		\$11.95	\$12.99
Maidenform Ladies' Comfort Devotion Bra 2-pack	\$34.12	\$24.99	\$25.88	
Puma® Men's No Show 6-pair Sock	\$14.00	\$9.99	\$23.99	
Total	0	3	1	5



Note: Amazon - FREE standard shipping with \$25 minimum book order or \$49 minimum order on all items across any product category; unlimited FREE two-day shipping on eligible items with Amazon Prime (no minimum required)
 Costco - FREE standard shipping (no minimum required)
 Walmart - FREE standard shipping with \$50 minimum order
 TJ Maxx- FREE standard shipping with \$89 minimum order

ONLINE RETAILERS LOWEST PRICE COMPARISON CONT.

ELECTRONICS, SPORTS & OUTDOORS	AMAZON	COSTCO	WALMART
Canon PowerShot SX530 Digital Camera Bundle	\$309.95	\$279.99	\$450.43
Samsung 55" Class (54.6" Diag.) 4K Ultra HD Curved LED LCD	\$1,297.99	\$1,279.99	\$1,297.99
HP Pavilion 24-b010 23.8" All-In-One Desktop	\$599.99	\$699.99	\$669.00
Samsung 28" 4K Ultra HD Monitor	\$404.95	\$369.99	\$369.00
Bose® Triple Black QuietComfort® 15 Acoustic Noise Cancelling® Headphones	\$289.97	\$239.99	\$299.95
Yamaha EZ-220 61-Lighted Key Keyboard Bundle	\$214.80	\$199.99	\$249.99
Quest Buena Karma 44" Pintail Longboard Skateboard	\$74.21	\$54.99	\$74.21
SportRack 3 Bike Anti-Sway Trunk Mount Bike Rack	\$77.99	\$73.99	\$77.99
Alpen Shasta Ridge Binocular, 10x42	\$189.95	\$149.99	\$190.00
Total	1	7	1



Costco

PET SUPPLIES	AMAZON	COSTCO	WALMART	PETSMART
Jerky Treats® American Beef Dog Snacks, 60 oz 2-pk	\$15.65	\$31.99	\$32.44	\$29.97
Scoop Away Complete Performance Litter, 42 lb Bag	\$20.94	\$14.99	\$15.06	\$22.38
Double Door Folding Coated Steel Wire 42" Dog Crate	\$117.38	\$99.99	\$161.99	\$127.99
Malaga Cat Playground	\$98.18	\$79.99	\$85.11	
Outdoor Chicken or Rabbit Run w/ Mesh Cover by TRIXIE	\$74.28	\$84.99	\$76.99	
Orthopedic Premium Pet Bed - 36 x 40	\$45.47	\$64.99	\$40.99	\$99.99
Nylabone Natural NUBZ Edible Dog Chews 22 ct, 2.6 lb Bag	\$16.48	\$22.99	\$37.21	
Pedigree® Dentastix™ Dog Treats 3 Flavor Variety pk 51 ct	\$20.87	\$25.99	\$31.61	\$21.98
Prevue Pet Products Wrought Iron Select Bird Cage - 18x18x57	\$116.99		\$173.40	\$299.99
Natures Miracle Stain and Odor Remover 64 oz	\$10.22		\$11.64	\$13.54
Exo Terra® Turtle Bank-Small	\$17.51		\$15.59	\$26.99
Wellness Complete Health Natural Canned Grain Free Wet Pate Cat Food	\$30.98		\$54.70	\$50.28
NATURE'S MIRACLE™ Tropical Bloom Scent Pet Carpet Shampoo	\$10.99		\$19.63	\$20.99
Total	8	3	2	0



Amazon

Note: Amazon - FREE standard shipping with \$25 minimum book order or \$49 minimum order on all items across any product category; unlimited FREE two-day shipping on eligible items with Amazon Prime (no minimum required)
 Costco - FREE standard shipping (no minimum required)
 Walmart - FREE standard shipping with \$50 minimum order
 PetSmart - FREE standard shipping with \$49 minimum order or Free shipping coupons/special offers available

ONLINE RETAILERS LOWEST PRICE COMPARISON CONT.

GROCERY & HOUSEHOLD	AMAZON	COSTCO	WALMART	KING SOOPERS
Arizona Green Tea w/Ginseng & Honey 24ct	\$22.05	\$18.69	\$26.56	\$18.48
Starbucks Sumatra Dark Roast 160 K-Cup Pods	\$104.98	\$99.99	\$113.69	\$95.52
Aquafina Pure Water - 32 / 16.9 fl. oz	\$21.50	\$7.18	\$18.00	\$7.05
KIND Nuts & Spices Bars, Caramel Almond & Sea Salt, 1.4 oz, 12ct	\$14.29	\$13.17	\$14.28	\$18.00
Honey Nut Chex® Cereal 12.5 oz. Box	\$2.26	\$1.98	\$2.95	\$3.59
Grandmas Fudge Chocolate Chip Cookies, (60-pack)	\$23.81	\$10.35	\$32.40	\$29.70
Lay's Classic Potato Chips, 15.75 oz	\$3.12	\$4.00	\$3.12	\$5.00
Chex Mix Traditional Snack Mix 36ct	\$15.24	\$12.99	\$14.56	\$24.43
Skippy Peanut Butter, Creamy, 16.3 oz	\$2.57	\$1.94	\$2.57	\$2.49
Brach's Star Brites Peppermint Starlight Mints Value Pack, 58 oz	\$6.70	\$5.69	\$14.09	\$14.75
Trident Sugar Free Gum (Spearmint, 18-piece, 12-pack)	\$7.53	\$7.68	\$16.97	\$12.00
Clorox® Germicidal Bleach 121oz Bottle 3ct	\$18.49	\$15.89	\$11.91	\$12.87
Purell Instant Hand Sanitizer Pump Bottle 8oz 12ct	\$30.44	\$40.99	\$47.29	\$59.88
Glad OdorShield Tall Kitchen Drawstring Fresh Clean Trash Bags, 13 Gallon, 110ct	\$15.29	\$15.59	\$15.29	\$20.61
Seventh Generation 100% Recycled Paper Towels 2-Ply White 8ct	\$22.84	\$19.39	\$30.79	\$23.92
Charmin Ultra Soft Bath Tissue 30x231 Jumbo Rolls 30-pack	\$27.83	\$22.59	\$36.60	\$38.97
Total	4	8	3	3



Note: Amazon - FREE standard shipping with \$25 minimum book order or \$49 minimum order on all items across any product category; unlimited FREE two-day shipping on eligible items with Amazon Prime (no minimum required)

Costco - FREE standard shipping (no minimum required)

Walmart - FREE standard shipping with \$50 minimum order

King Soopers - FREE standard shipping on first order over \$10.00; \$50 minimum order-standard delivery fee \$10.95 for two-hour window or \$15.95 for 30-minute window

ONLINE RETAILERS LOWEST PRICE COMPARISON CONT.

TOILETRIES	AMAZON	COSTCO	WALMART	WALGREENS
Q-tips Cotton Swabs Club-625 ct (Pack of 3)	\$8.99	\$8.99	\$18.99	\$14.37
Neutrogena Makeup Remover Cleansing Towelettes -114 ct	\$21.95	\$14.99	\$24.49	\$20.97
EOS Lip Balm Variety Pack - 5 ct	\$13.40	\$10.99	\$13.30	\$14.98
Dove Deep Moisture Nourishing Body Wash 24 oz (Pack of 3)	\$22.04	\$14.49	\$21.85	\$20.88
Irish Spring Aloe Bar Soap 3.75 oz (Pack of 20)	\$17.45	\$8.49	\$13.33	\$18.60
Nexus Oil Infinite Shampoo 25oz	\$28.00	\$14.99	\$20.52	\$25.90
Nexus Oil Infinite Conditioner 25oz	\$34.95	\$19.99	\$27.68	\$37.01
Amlactin Lotion 20 oz	\$24.45	\$17.89	\$31.87	\$27.82
OLAY Complete All Day UV Moisturizer SPF 15 Normal 6 oz (Pack of 2)	\$15.38	\$14.99	\$21.27	\$20.98
Dove Advanced Care Antiperspirant, Original Clean 2.6 oz (Pack of 4)	\$15.96	\$13.49	\$16.04	\$17.61
Gillette Fusion ProGlide 2-in-1 Shave Gel 6 oz (Pack of 3)	\$13.49	\$11.49	\$15.99	\$13.49
Crest 3D White Whitestrips Professional Effects Dental Whitening Kit	\$33.29	\$39.99	\$36.65	\$39.99
Oral B Pulsar Battery Toothbrush (Pack of 4)	\$21.44	\$14.99	\$17.24	\$23.96
Listerine UltraClean Mouthwash, 1.5 Liters, Cool Mint, 50.72 oz (Pack of 2)	\$16.86	\$10.99	\$12.06	\$20.98
Always Maxi Long/Super With Wings-90 ct	\$23.44	\$11.49	\$27.24	\$16.48
Total	2	14	0	0



Note: Amazon - FREE standard shipping with \$25 minimum book order or \$49 minimum order on all items across any product category; unlimited FREE two-day shipping on eligible items with Amazon Prime (no minimum required)

Costco - FREE standard shipping (no minimum required)

Walmart - FREE standard shipping with \$50 minimum order

Walgreens - FREE standard shipping with \$35 minimum order; FREE standard shipping (no minimum required) by selecting Ship to Store (convenient option)

ONLINE RETAILERS LOWEST PRICE COMPARISON CONT.

PAPERBACK & HARDCOVER BEST SELLERS	AMAZON	BARNES & NOBLE
The Girl on the Train, by Paula Hawkins- paperback	\$9.60	\$9.79
Inferno, by Dan Brown- paperback	\$7.40	\$10.81
A Man Called Ove, by Fredrik Backman- paperback	\$9.04	\$9.52
Sully: My Search for What Really Matters, by by Chesley B. Sullenberger III and Jeffrey Zaslow- paperback	\$12.24	\$12.30
Night School: A Jack Reacher Novel (Jack Reacher Novels), by Lee Child- paperback	\$16.99	\$17.33
The Wrong Side of Goodbye, by by Michael Connelly- paperback	\$15.29	\$15.99
Killing the Rising Sun: How America Vanquished World War II Japan, by Bill O'Reilly and Martin Dugard- hardcover	\$18.00	\$18.75
Fantastic Beasts and Where to Find Them: The Original Screenplay, by J.K. Rowling- hardcover	\$14.99	\$14.98
The Whistler, by John Grisham, by Michael Connelly- hardcover	\$17.71	\$17.37
Escape Clause, by John Sandford- hardcover	\$17.40	\$17.74
Cross the Line (Alex Cross Series #24), by by James Patterson- hardcover	\$18.75	\$18.93
Hamilton: The Revolution, by Lin-Manuel Miranda and Jeremy McCarter- hardcover	\$27.00	\$28.12
Total	10	2



Note: Amazon - FREE standard shipping with \$25 minimum book order or \$49 minimum order on all items across any product category; unlimited FREE two-day shipping on eligible items with [Amazon Prime](#) (no minimum required)

Barnes & Nobles - FREE standard shipping with \$25 minimum order



TENANT UPDATE



CBRE

RECENT RETAILER NEWS

Best Buy's digital sales, which account for 11% of its revenue, helped the retailer deliver a surprise lift in comparable-store sales for the quarter, as it reported more measured gains in consumer electronics, computing and mobile phones, and appliances. The bricks-and-mortar electronics chain on Tuesday said its U.S. online sales grew 23.7% during its fiscal second quarter, marking the second-straight quarter of nearly 24 percent growth.

About 42% of **Home Depot's** online orders and almost 90% of its online returns for the second quarter were handled by its stores, executives said this week as they announced a 9.3% increase in net profit to \$2.4 billion, on a 6.6% increase in revenue. Many in the retail industry believe fulfilling online orders from physical stores can provide store owners an advantage over online competitors like Amazon.com Inc., allowing brick-and-mortar shops to serve as both showrooms and well-located mini-distribution centers.

Walmart Stores Inc. is reaping the benefits of spending heavily to improve stores and draw shoppers, a sign that retailers need to work hard to lure customers in an era of fast-changing shopping behavior. Walmart, previously the poster child of staid retailers, reported strong second-quarter results on Thursday, with sales at established stores up for the eighth consecutive quarter and more shoppers visiting for the seventh period in a row.

TJX says its business model—buying closeout goods and selling them at discounted prices - is helping win over shoppers. “We are convinced that we are attracting new customers, driving more-frequent visits to our stores, and gaining market share,” says CEO Ernie Herrman. In addition to T.J. Maxx, the company operates the HomeGoods, Marshalls and Sierra Trading Post chains.

Ross Store Inc. posted stronger-than-expected results for its latest quarter, defying mounting concerns for the wider retail sector, as same-store sales eclipsed company forecasts. Ross posted a 4% climb in same-store sales, well above the 1% to 2% range predicted by the chain

Mr. Johnson, CEO of **Foot Locker**, said visits to the company's nearly 1,000 U.S. stores were higher in the quarter, despite weak shopping trends at department stores and other mall chains. He said Foot Locker locations, along with Apple Inc. shops, are one of the few stores that still draw shoppers willing to line up for products. “The malls are far from dead, regardless of what's going on with the anchors,” Mr. Johnson said, adding that the company's customers are still driven to malls “as a place for social interaction with their friends.”

SAME STORE SALES GROWTH BY TENANT

Anchor Tenants		Q3 '16	Q3 '15	Credit Ratings
Barnes & Noble	▲	0.2%	-0.3%	NR
Bed Bath & Beyond	▼	-1.4%	-0.4%	A-
Best Buy	▲	1.8%	0.8%	BBB-
Big Lots	▼	0.0%	2.6%	BBB
Burlington Stores	▲	3.7%	2.8%	BB-
Costco	▲	1.0%	-1.0%	A+
Dick's Sporting Goods	▲	3.0%	1.5%	NR
Dollar Tree	▲	1.8%	1.7%	BB+
Gap	▼	-8.0%	-2.0%	BB+
Home Depot	▲	6.5%	6.1%	A
JC Penny	▼	-0.8%	6.4%	B
Kohls	▼	-1.7%	1.0%	BBB
Kroger	▼	-0.2%	1.0%	BBB
Macy's	▲	-3.3%	-3.9%	BBB
Michael's	▼	-2.0%	1.5%	B+
Nordstrom	▲	2.4%	0.9%	BBB+
Office Depot	▼	-2.0%	3.0%	B-
Petco		N/A	N/A	B
Ross	▲	7.0%	3.0%	A-
Sears	▼	-7.4%	-7.4%	CCC+
Sprouts	▼	1.3%	5.8%	NR
Staples	▼	-4.0%	-2.0%	BBB-
Target	▼	-1.1%	2.4%	A
TJX	■	5.0%	5.0%	A+
Walmart	▲	1.1%	0.9%	AA
Whole Foods	▼	-2.6%	-0.2%	BBB-

Source: eMarketer

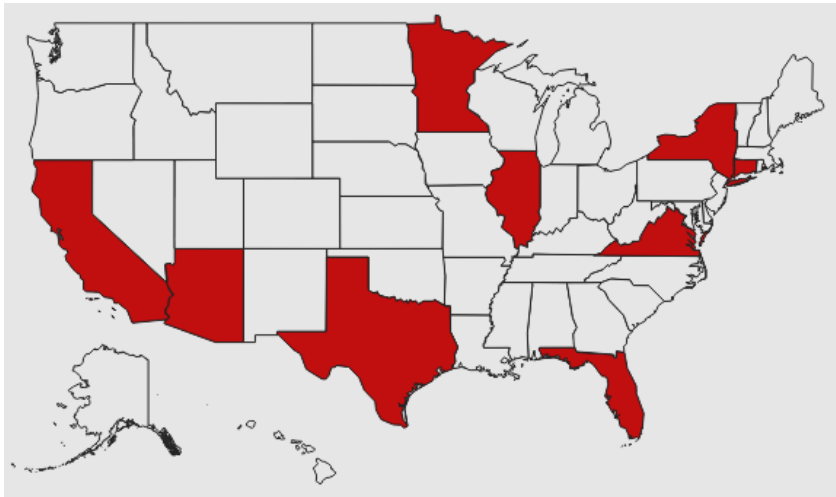
STORE OPENINGS & CLOSINGS

Barnes & Noble

Store Concentration: 11.1% (California), 7.9% (Texas), 6.3% (New York), 6.2% (Florida)

Stores Closing In: Arizona (3), California (2), Minnesota (2)

Common Nearby Retailers: Bob's Discount Furniture, Carmike Cinemas, Best Buy Mobile, Kitchen Collection, At Home



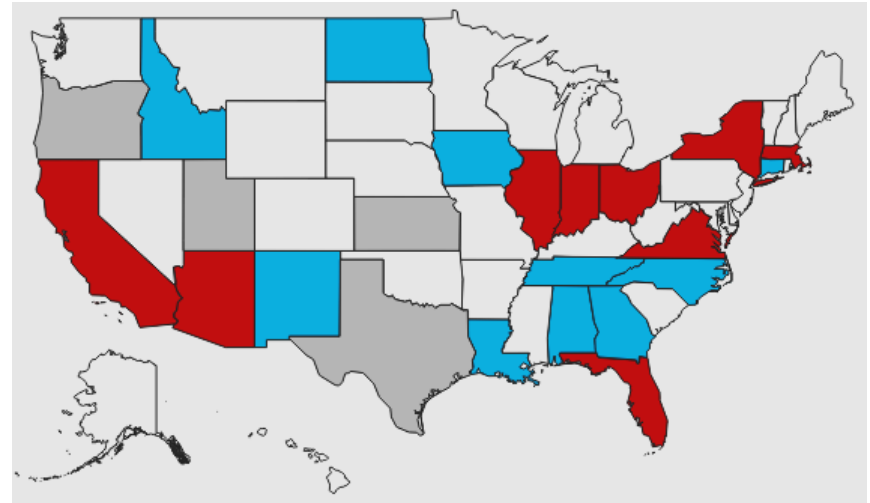
Bed Bath & Beyond

Store Concentration: 10.5% (California), 7.7% (Texas), 7.4% (Florida), 6.3% (New York)

Stores Opening In: Alabama (2), Tennessee (1), North Dakota (1)

Stores Closing In: California (4), Arizona (3), Florida (3)

Common Nearby Retailers: Starbucks, Michaels, Old Navy US, Mattress Firm, Ross Dress For Less



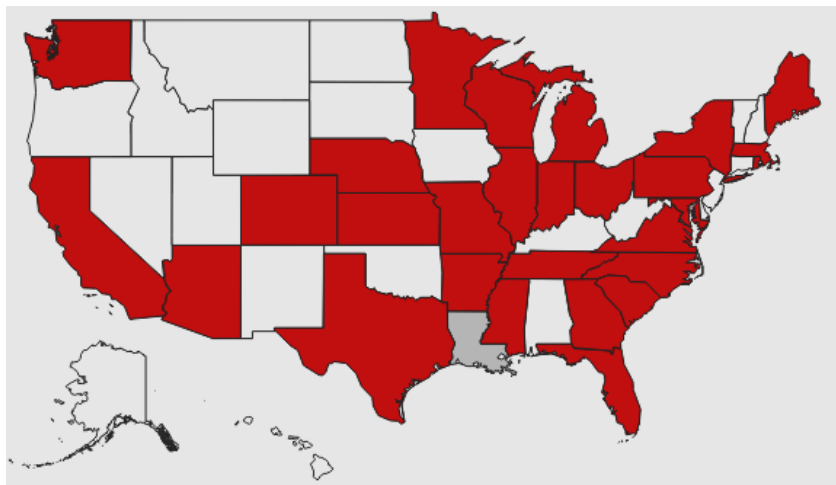
STORE OPENINGS & CLOSINGS (CONT.)

Best Buy

Store Concentration: 9.8% (Texas), 9.5% (Florida), 7.1% (California), 4.1% (Illinois)

Stores Closing In: Florida (15), Texas (7), California (4)

Common Nearby Retailers: Barnes & Noble, Kitchen Collection, Younkers, Carson Pirie Scott, Carmike Cinemas



Big Lots

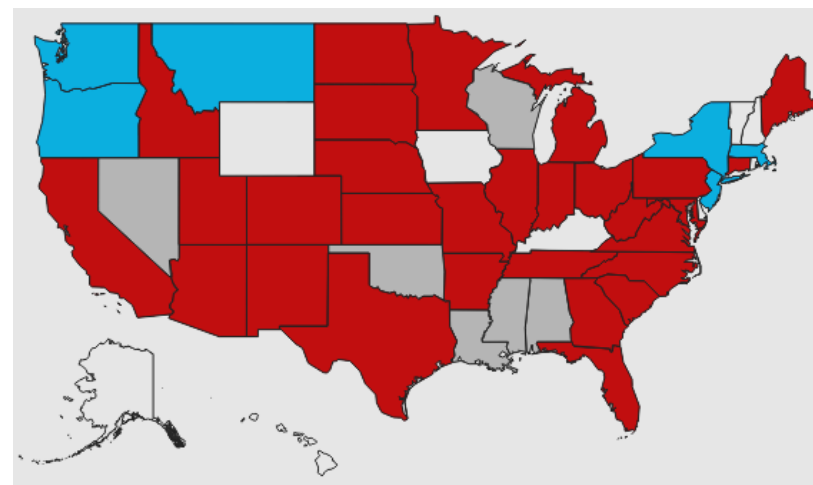
Store Concentration: 10.8% (California), 8.0% (Texas), 7.1% (Florida), 6.6% (Ohio)

Stores Opening In: New Jersey (3), Washington (2), New York (2)

Stores Closing In: California (13), Ohio (11), Florida (7)

Common Nearby Retailers: CVS, Aaron's, O'Reilly Auto Parts, Mattress Firm, Applebee's

Frequently Replacing: Walmart, Conn's



STORE OPENINGS & CLOSINGS (CONT.)

Burlington

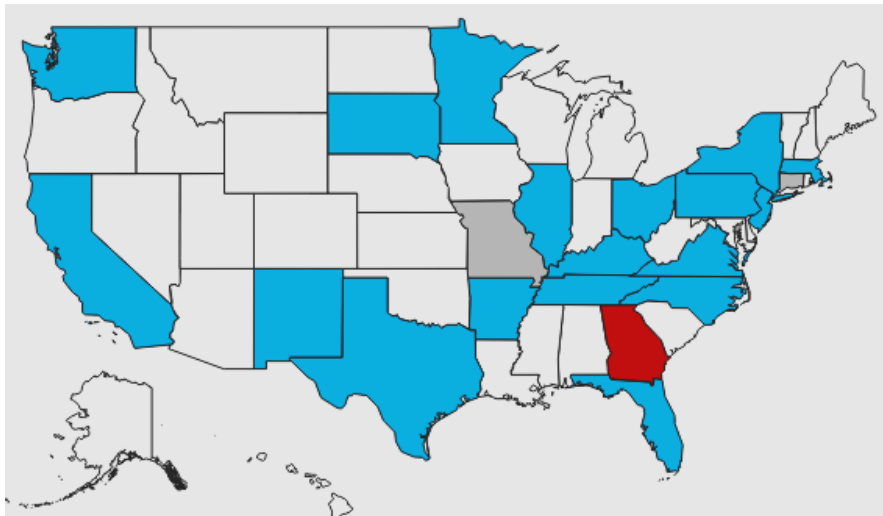
Store Concentration: 11.1% (California), 9.4% (Texas), 7.1% (Florida), 6.2% (New York)

Stores Opening In: Washington (5), Florida (5), Pennsylvania (4)

Stores Closing In: Puerto Rico (2), Georgia (1)

Common Nearby Retailers: Bath & Body Works, Finish Line, Foot Locker, Ross Dress For Less, Kay Jewelers

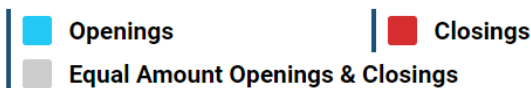
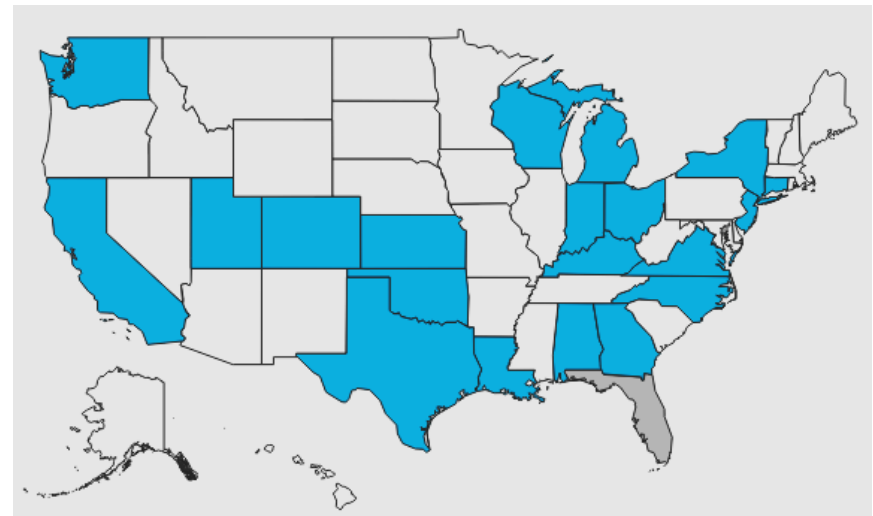
Frequently Replacing: Home Depot, Kmart, Halloween City, Jo-Ann, J. C. Penney



Costco

Store Concentration: 24.7% (California), 6.1% (Washington), 5.5% (Texas), 4.7% (Florida) **Stores Opening In:** Wisconsin (4), Texas (3), Ohio (2)

Common Nearby Retailers: Target, Lowe's Home Centers US, Chipotle Mexican Grill, Sleep Train, Ross Dress For Less



STORE OPENINGS & CLOSINGS (CONT.)

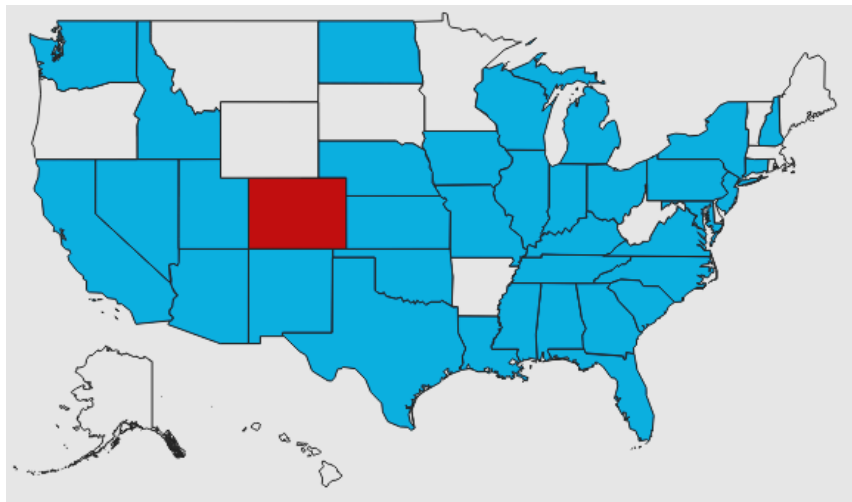
Dick's Sporting Goods

Store Concentration: 6.5% (California), 6.2% (Ohio), 6.2% (Pennsylvania), 6.0% (New York)

Stores Opening In: California (8), Florida (7), Illinois (5)

Stores Closing In: Colorado (1)

Common Nearby Retailers: Starbucks, GameStop, Finish Line, Bath & Body Works, Victoria's Secret



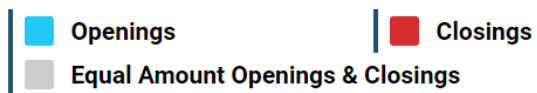
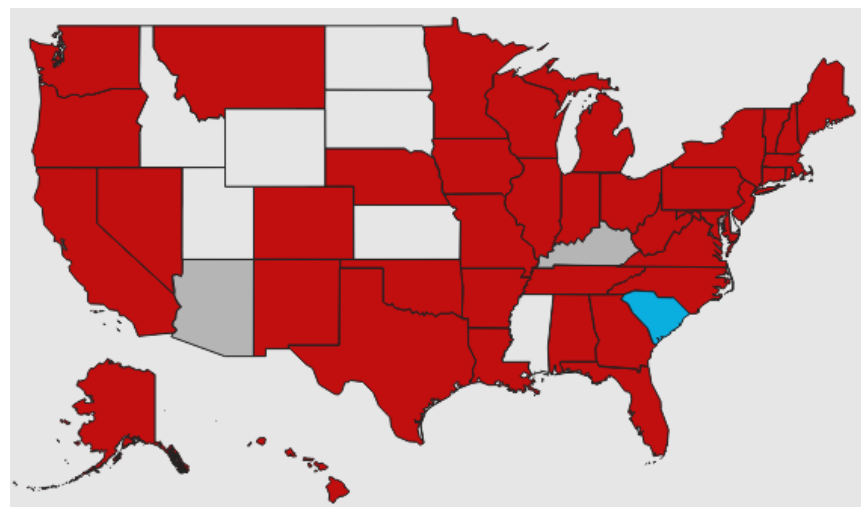
Gap

Store Concentration: 6.8% (California), 4.9% (New York), 4.0% (Texas), 3.4% (Florida)

Stores Opening In: South Carolina (9), District of Columbia (1)

Stores Closing In: New York (7), New Jersey (5), Washington (5)

Common Nearby Retailers: Bath & Body Works, Finish Line, Lids, Kay Jewelers, Express



STORE OPENINGS & CLOSINGS (CONT.)

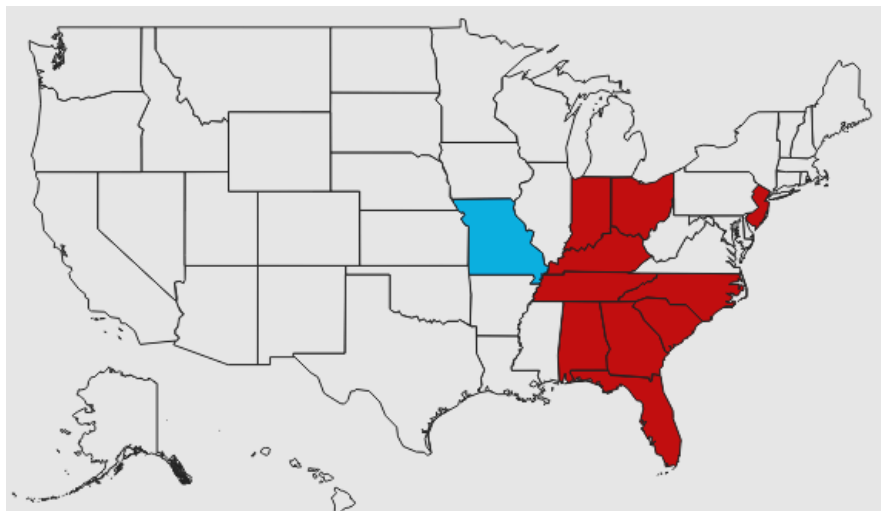
hhgregg, Inc.

Store Concentration: 15.9% (Florida), 12.3% (Ohio), 8.4% (Pennsylvania), 8.4% (Illinois)

Stores Opening In: Missouri (1)

Stores Closing In: Florida (3), Indiana (2), Ohio (2)

Common Nearby Retailers: GameStop, Starbucks, Mattress Firm, PetSmart, Panera Bread



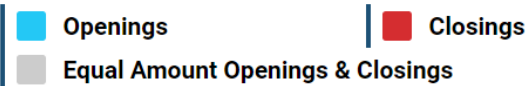
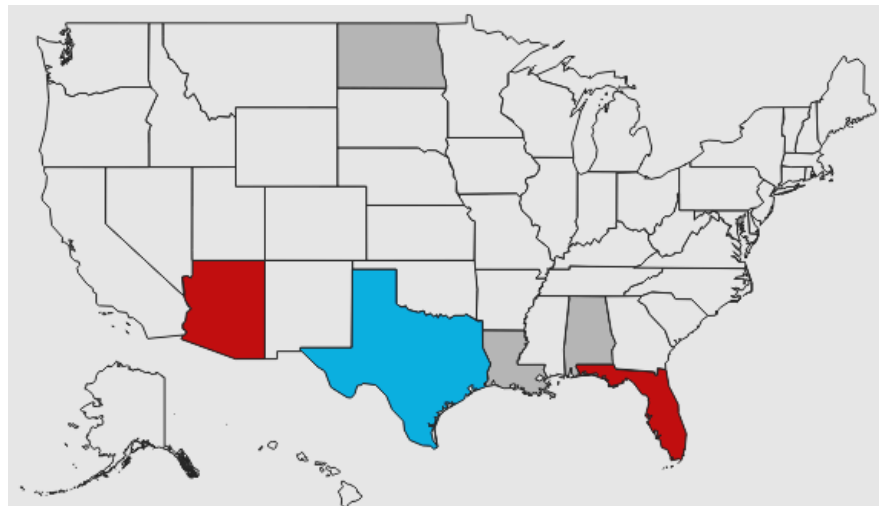
Home Depot

Store Concentration: 10.8% (California), 8.3% (Texas), 7.0% (Florida), 4.6% (New York)

Stores Opening In: Texas (1)

Stores Closing In: Florida (3), Virgin Islands (2), Arizona (1)

Common Nearby Retailers: Starbucks, McDonald's US, GameStop, Dollar Tree, Wendy's



STORE OPENINGS & CLOSINGS (CONT.)

Kohl's

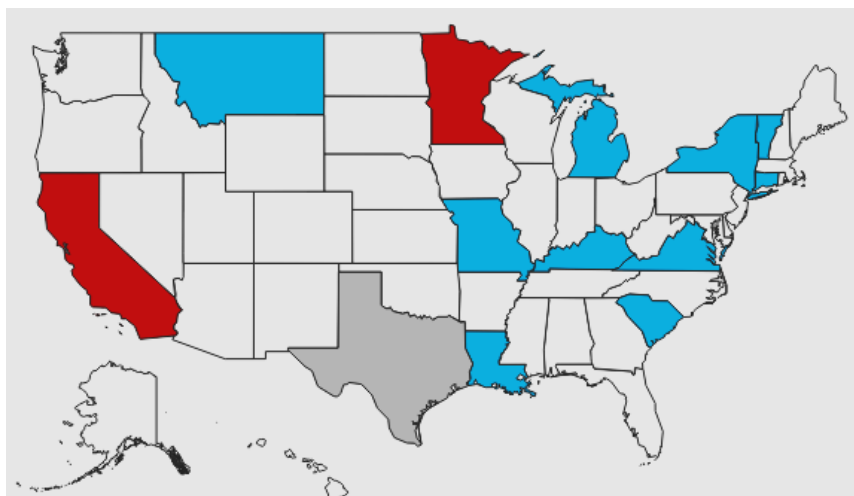
Store Concentration: 10.8% (California), 7.3% (Texas), 5.6% (Illinois), 5.0% (Ohio)

Stores Opening In: Virginia (1), Vermont (1), South Carolina (1)

Stores Closing In: California (1), Minnesota (1)

Common Nearby Retailers: Starbucks, GameStop, McDonald's US, Target, Dollar Tree.

Frequently Replacing: Kmart



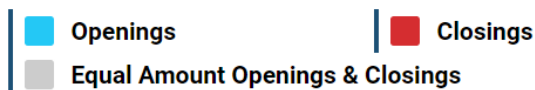
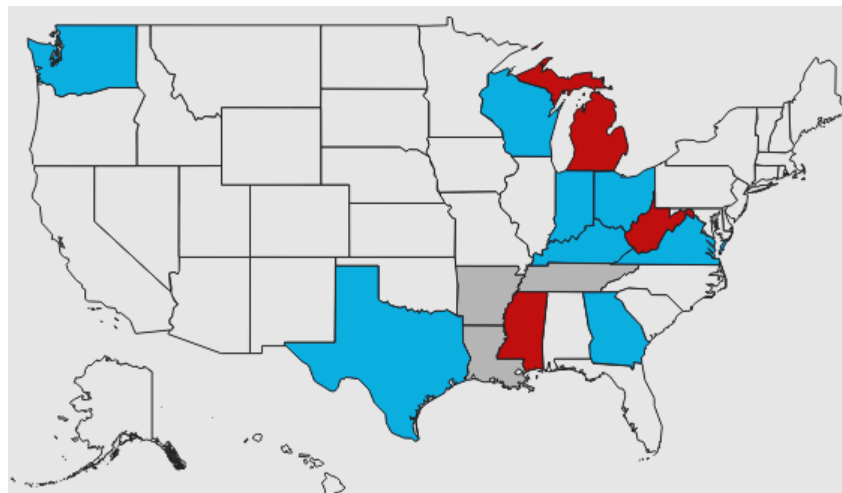
Kroger

Store Concentration: 16.3% (Ohio), 16.1% (Texas), 13.1% (Georgia), 9.8% (Michigan)

Stores Opening In: Texas (10), Ohio (10), Kentucky (9)

Stores Closing In: Mississippi (3), West Virginia (2), Michigan (1)

Common Nearby Retailers: Starbucks, McDonald's US, Walgreens, Wendy's, CVS



STORE OPENINGS & CLOSINGS (CONT.)

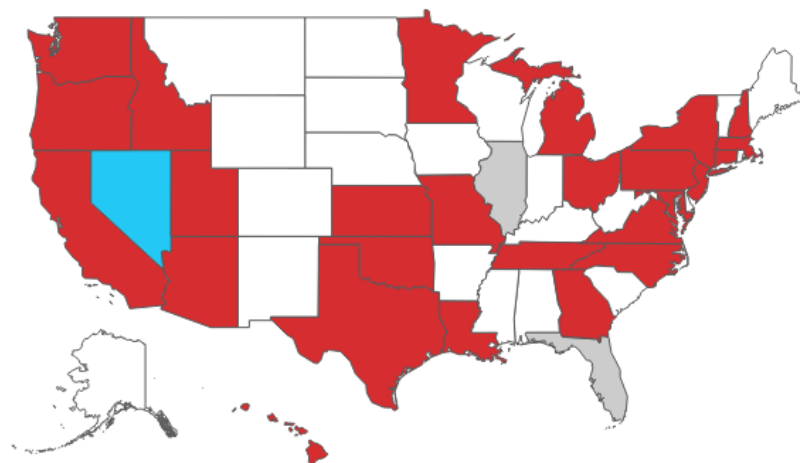
Macy's

Store Concentration: 15.6% (California), 8.2% (Florida), 7.0% (Texas), 6.4% (New York)

Stores Opening In: Nevada (1)

Stores Closing In: New York (6), Virginia (6), California (5), Ohio (5), Pennsylvania (4), New Jersey (3), Multiple More

Common Nearby Retailers: Sunglass Hut, Starbucks, Victoria's Secret , Bath & Body Works , Kay Jewelers

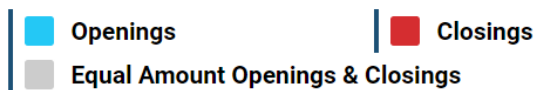
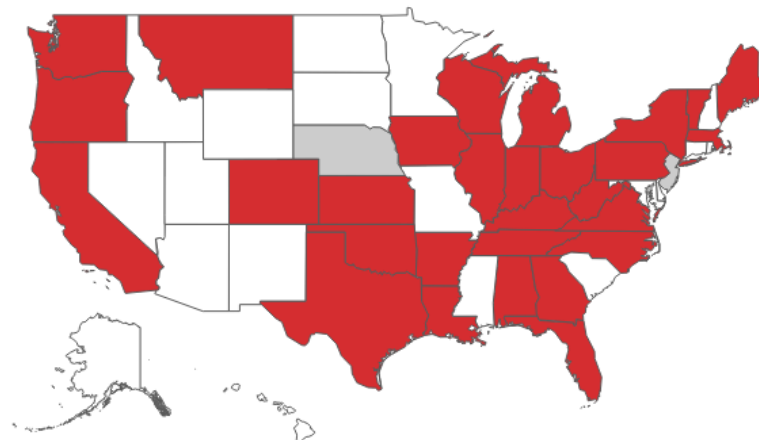


Sears

Store Concentration: 11.0% (California), 8.3% (Texas), 7.3% (Florida), 5.2% (New York)

Stores Closing In: Pennsylvania (10), New York (7), Ohio (6), Multiple More

Common Nearby Retailers: Sunglass Hut, Bath & Body Works , Victoria's Secret , Kay Jewelers, Journeys



STORE OPENINGS & CLOSINGS (CONT.)

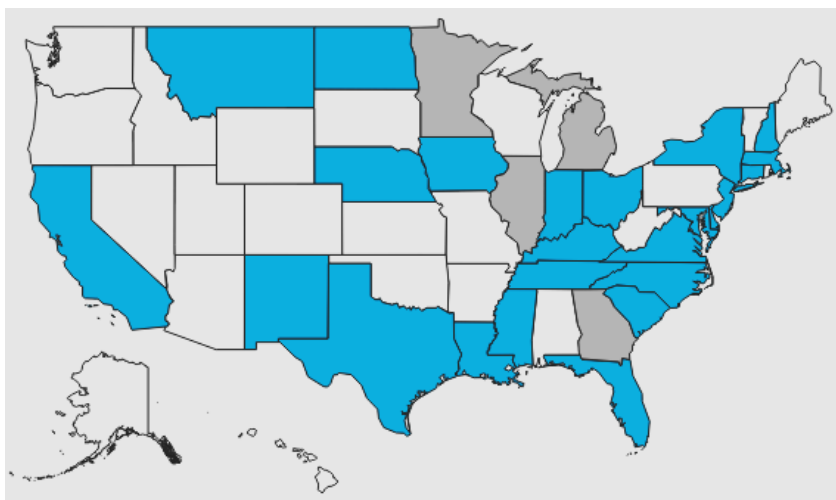
Michael's

Store Concentration: 11.1% (California), 6.8% (Florida), 6.7% (Texas), 5.1% (New York)

Stores Opening In: New York (5), Texas (3), Florida (3)

Common Nearby Retailers: Starbucks, Ross Dress For Less, Target, McDonald's US, Petco

Frequently Replacing: Sears, Best Buy



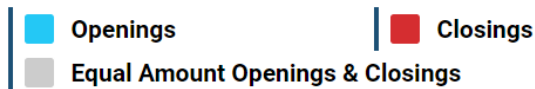
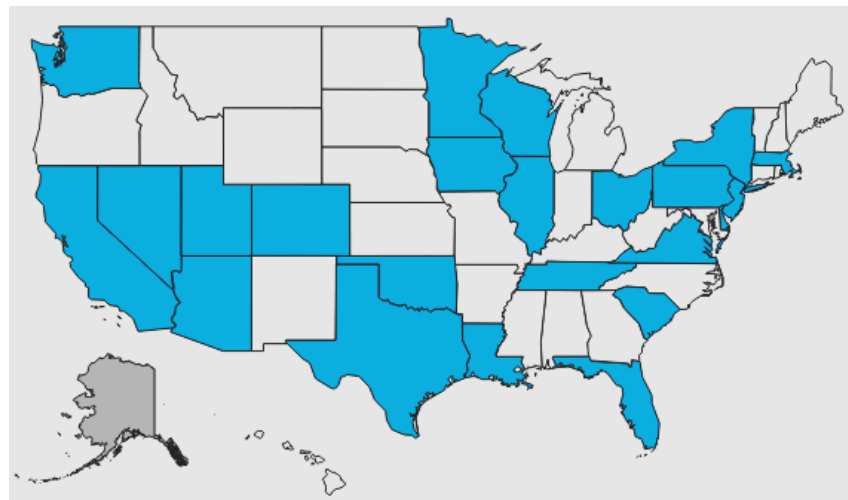
Nordstrom

Store Concentration: 27.4% (California), 6.8% (Florida), 6.8% (Texas), 6.0% (Washington)

Stores Opening In: Wisconsin (1), Puerto Rico (1), Minnesota (1)

Stores Closing In: Alaska (1), Florida (1), Georgia (1)

Common Nearby Retailers: Starbucks, Finish Line, Victoria's Secret, Gap, Lids



STORE OPENINGS & CLOSINGS (CONT.)

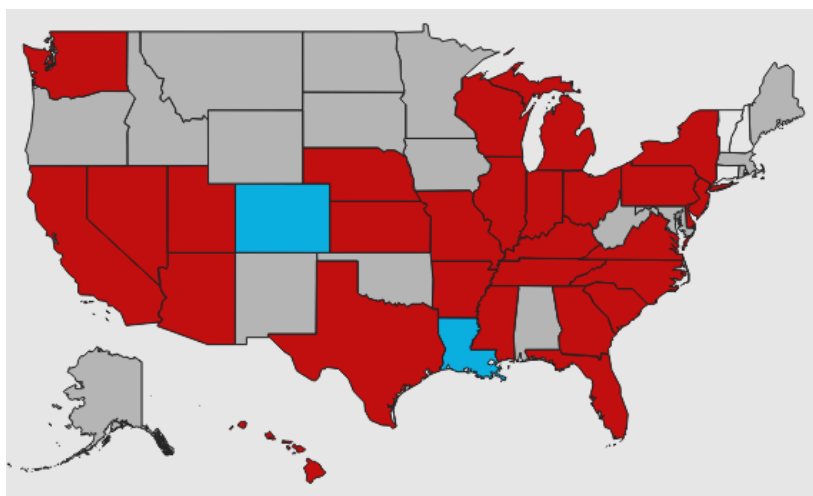
Office Depot

Store Concentration: 15.5% (Texas), 13.1% (Florida), 12.6% (California), 4.5% (Georgia)

Stores Opening In: Louisiana (1), Colorado (1)

Stores Closing In: Florida (10), California (9), Texas (9)

Common Nearby Retailers: Starbucks, McDonald's US, Dollar Tree, Mattress Firm, Walgreens



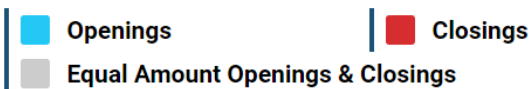
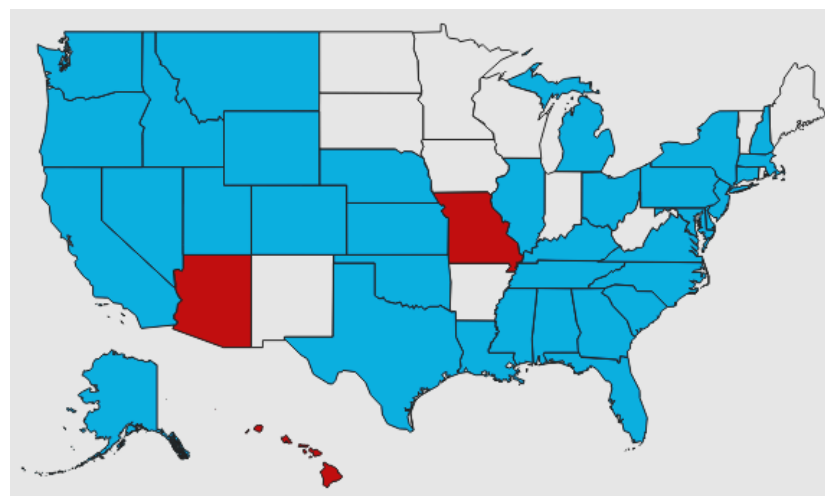
Petco

Store Concentration: 16.5% (California), 8.7% (Texas), 5.5% (New York), 5.2% (Florida)

Stores Opening In: California (39), Texas (24), New York (17)

Stores Closing In: Hawaii (8), Arizona (1), Missouri (1)

Common Nearby Retailers: Party City, Barnes & Noble, Halloween City, Ruby Tuesday, Best Buy Mobile



STORE OPENINGS & CLOSINGS (CONT.)

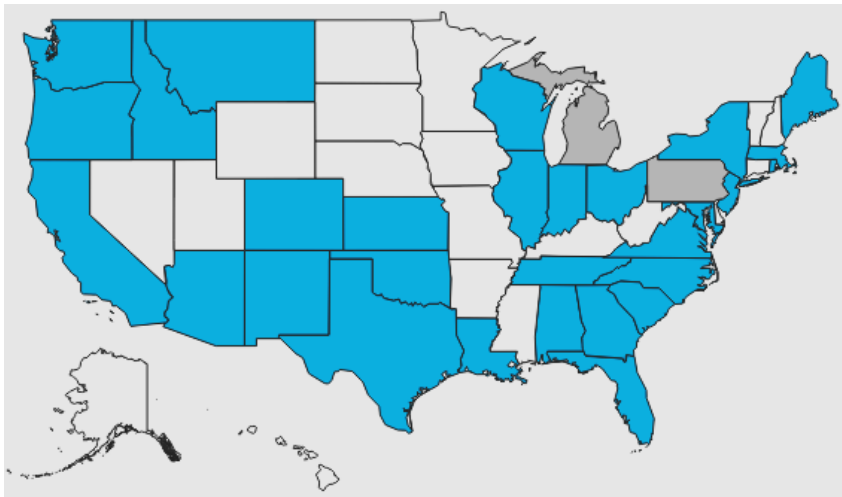
PetSmart

Store Concentration: 10.6% (California), 8.5% (Texas), 5.9% (Florida), 4.1% (Illinois)

Stores Opening In: California (15), Florida (9), Texas (7)

Stores Closing In: Puerto Rico (2)

Common Nearby Retailers: Starbucks, GameStop, Target, Mattress Firm, McDonald's US

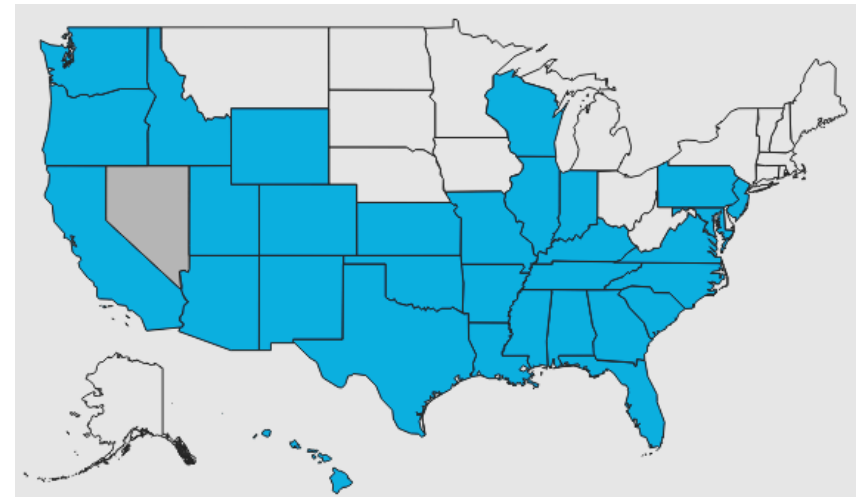


Ross

Store Concentration: 21.5% (California), 13.7% (Texas), 11.8% (Florida), 4.7% (Arizona)

Stores Opening In: Illinois (20), California (19), Florida (12)

Common Nearby Retailers: Mattress Firm, Target, Chipotle Mexican Grill, Petco, Old Navy US



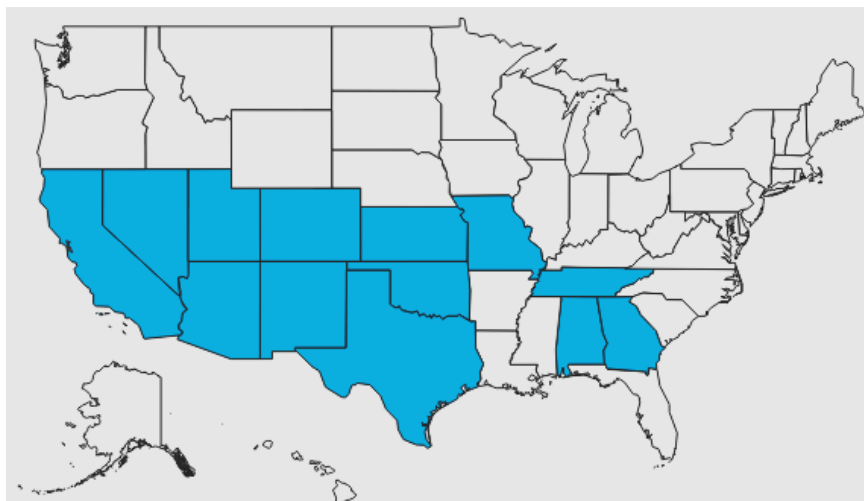
STORE OPENINGS & CLOSINGS (CONT.)

Sprouts

Store Concentration: 38.1% (California), 16.2% (Texas), 12.1% (Colorado), 12.1% (Arizona)

Stores Opening In: California (15), Texas (10), Georgia (10)

Common Nearby Retailers: CVS, Chipotle Mexican Grill, Mattress Firm, Ross Dress For Less, Target

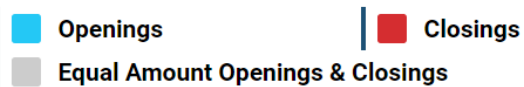
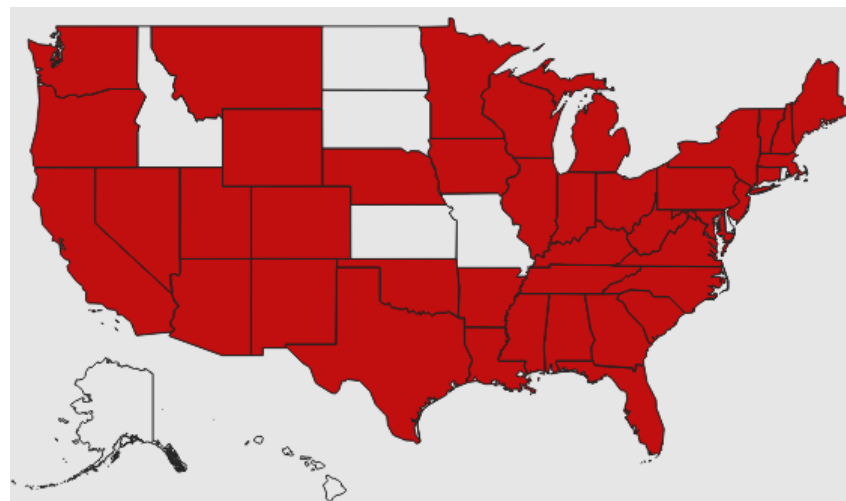


Staples

Store Concentration: 13.8% (California), 8.7% (New York), 6.8% (Pennsylvania), 6.0% (Florida)

Stores Closing In: California (27), New York (15), Florida (14)

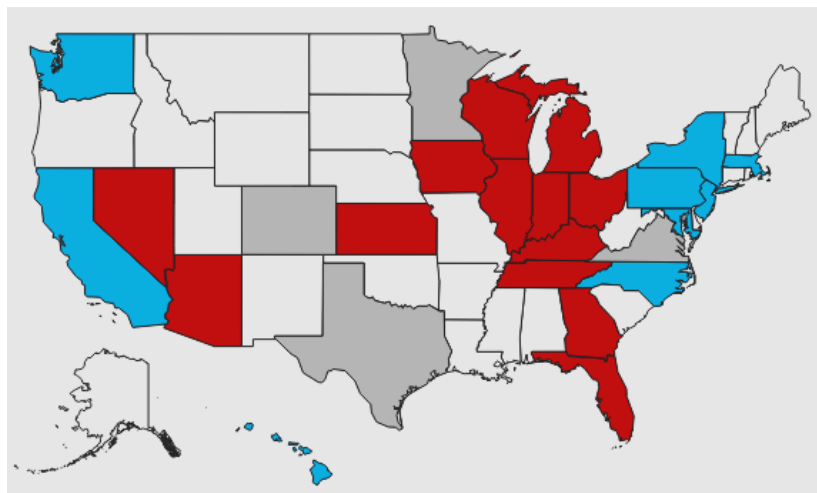
Common Nearby Retailers: CVS, Petco, Chipotle Mexican Grill, Target, Applebee's



STORE OPENINGS & CLOSINGS (CONT.)

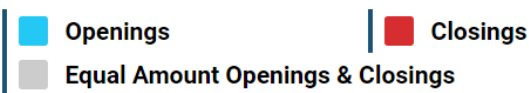
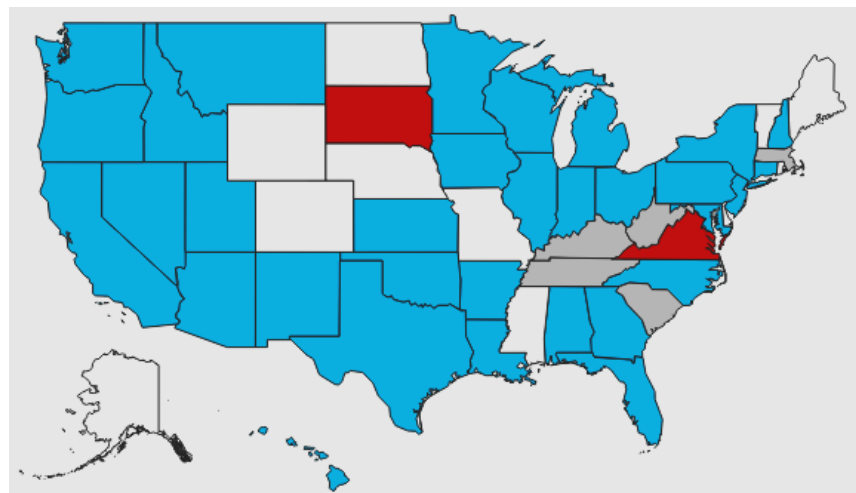
Target

Store Concentration: 15.2% (California), 8.3% (Texas), 6.8% (Florida), 5.0% (Illinois)
Stores Opening In: California (9), Massachusetts (3), Pennsylvania (2)
Stores Closing In: Michigan (4), Georgia (3), Ohio (3)
Common Nearby Retailers: Mattress Firm, Chipotle Mexican Grill, Ross Dress For Less, CVS, Petco



TJ Maxx

Store Concentration: 9.7% (California), 7.6% (Florida), 6.4% (New York), 5.4% (Texas)
Stores Opening In: Florida (14), California (14), Texas (12)
Stores Closing In: South Dakota (1), Virginia (1)
Common Nearby Retailers: Starbucks, GameStop, Dollar Tree, McDonald's US, Ross Dress For Less
Frequently Replacing: Best Buy



STORE OPENINGS & CLOSINGS (CONT.)

Walmart

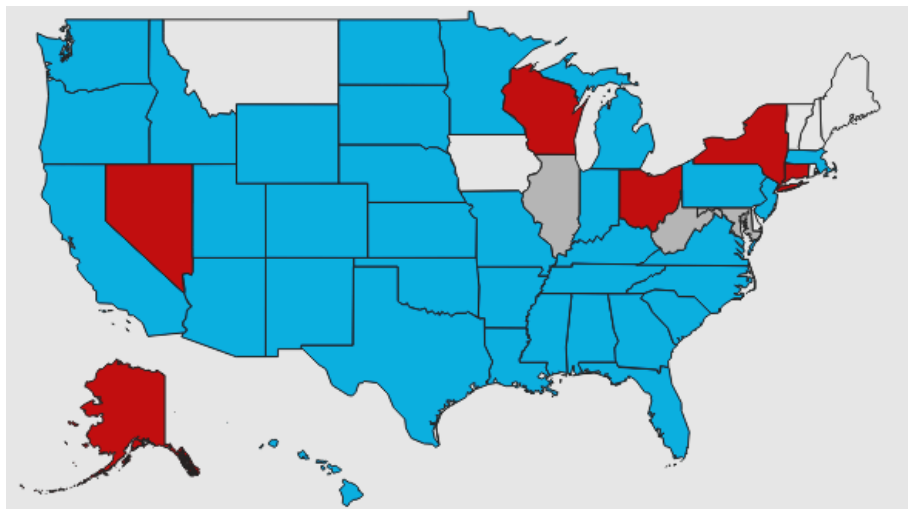
Store Concentration: 10.8% (Texas), 6.8% (Florida), 6.0% (California), 4.2% (Georgia)

Stores Opening In: Florida (29), Texas (28), Georgia (16)

Stores Closing In: Wisconsin (4), New York (2), Alaska (1)

Common Nearby Retailers: McDonald's US, Dollar Tree, Starbucks, Burger King US, Wendy's

Frequently Replacing: Kmart

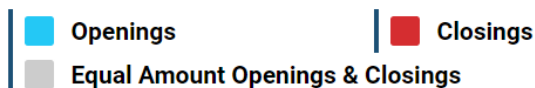
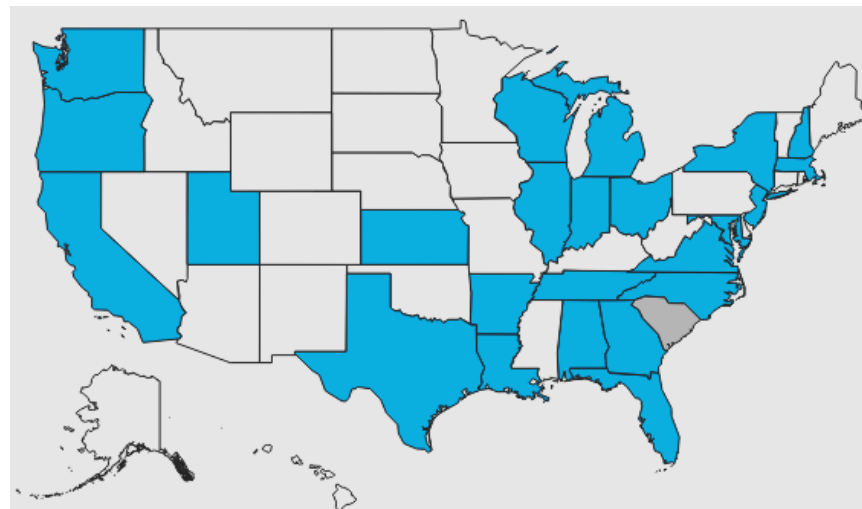


Whole Foods

Store Concentration: 19.0% (California), 6.9% (Massachusetts), 6.7% (Texas), 6.0% (Florida)

Stores Opening In: California (8), Texas (7), Florida (6)

Common Nearby Retailers: Chipotle Mexican Grill, CVS, Mattress Firm, Petco, Chico's



RETAIL TENANTS OWNED BY P.E. FIRMS

Tenant	PE Firm	Ownership %	Public?	Credit Rating
99 Cents Only	Ares Management	Majority	Private	F1
Albertsons	Cerberus Capital Management	Majority	Private	D1
AMC Entertainment	Apollo Global Management	Majority	Yes (Ticker: AMC)	C1
BJ's Wholesale	CVC Capital Partners/LGP	Majority	Private	N/A
Guitar Center	Ares Management	Majority	Private	N/A
Haggen	The Comvest Group	Majority	Private	N/A
Jo-Ann Stores	LGP	Majority	Private	D1
Marsh Supermarkets	Sun Capital Partners	Majority	Private	N/A
Michaels Stores	Bain Capital/Blackstone	Majority	Yes (Ticker: MIK)	C1
Neiman Marcus	Ares Management	Majority	Private	D2
Party City	Thomas H. Lee Partners/Advent	Majority	Yes (Ticker: PRTY)	C2
Petco	LGP/TPG Capital	Majority	Private	N/A
PetSmart	BC Partners	Majority	Private	C2
ShopKo	Sun Capital Partners/Manchester Securities/KLA	Majority	Private	N/A
Smart & Final	Ares Management	Majority	Yes (Ticker: SFS)	C1
Toys "R" Us	Bain Capital	Majority	Private	E1

Source: Creditintell

WATCH LIST TENANTS

Retailer	Revolver Maturity Date	TTM Interest Coverage	Credit Rating
Tops Holding Corp.	12/14/2017	1.56	E2
99 Cents Only Stores	1/13/2017	1.03	F1
Gordmans Stores	6/28/2020	4.52	E1
Sears Holdings	7/20/2020	-1.88	F1
HHGregg	7/29/2018	-1.49	D1
The Bon-Ton Stores	12/12/2018	1.9	E2
J.C. Penney Company	6/20/2019	1.54	D2
Sportsman's Warehouse Holdings	8/1/2018	3.46	D1
Claire's Stores	9/20/2017	0.94	E1
Toys "R" Us	3/21/2019	1.67	E1

Source: Creditintell

RISING STARS: RETAIL

OFF/AISLE™

BIRCHBOX♦

BAUBLEBAR



CHELSEA
— COLLECTIVE —


BONOBOS



KENDRA
SCOTT

JUSTFAB

KIT  ACE



THINKGEEK
JOIN IN. GEEK OUT.



RENT THE RUNWAY



WARBY PARKER
eyewear

RISING STARS: FOOD & BEVERAGE





Q & A



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THANK YOU

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