

# THE EAST COAST RETAIL INVESTMENT TEAM

a Division of Lavista Associates, Inc.

## EXPERIENCE COUNTS

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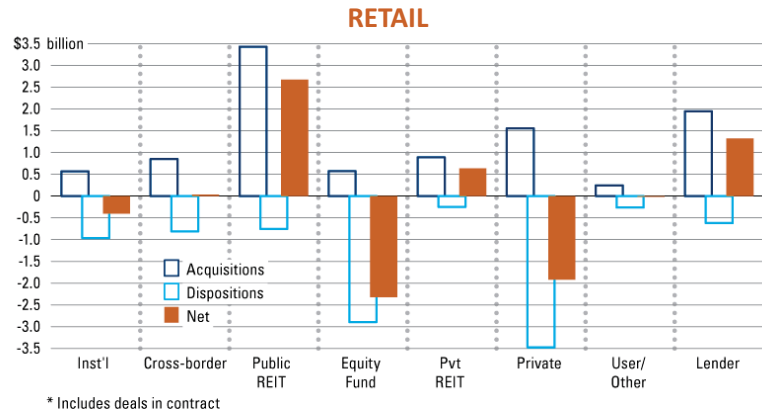
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### REIT's Continue to Dominate Acquisitions

While capital trends in the retail sector are generally consistent with those being seen in most property types, one distinct difference is evident- the REITs have assumed a dominant role in acquisitions in 2010. Public REITs have

acquired or are set to acquire almost \$3.5 billion of assets versus \$1.0 billion of dispositions. Simon Property Group continues to lead the way with the pending acquisition of Prime Outlets from Lightstone Group, a transaction which accounts for \$2.2 billion of the net change in portfolio holdings. While private REITs have been the only other prominent net buyer, lender portfolios have also augmented holdings by \$1.5 billion via foreclosures.

2010 YTD NET, ACQUISITIONS AND DISPOSITIONS  
CHANGE TO PORTFOLIO HOLDINGS



### Key Market Spotlight :: NASHVILLE



Nashville is home to a bustling business environment characterized by a centralized geographic location, quality workforce, low taxes, and grand opportunities for growth enhanced by a surprisingly diverse economy. Over the last decade, the city has experienced tremendous development in industry sectors including health care, tourism, publishing, and notably, music. Pair this success with low unemployment, substantial international investment, and a well-trained labor force, and it is no mystery why the business climate in Nashville is envied by cities around the US.

- ◆ **Nashville is home to the largest metropolitan area in the central south.**
- ◆ **Tennessee was named the 2009 State of the Year by Business Facilities magazine, a national economic development publication.**
- ◆ **In 2009, Tennessee had 16,700 new jobs and \$3.1 billion in new capital investments, according to the Tennessee Department of Economic and Community Development.**
- ◆ **Middle Tennessee's tax climate is consistently ranked among the lowest in the country.**
- ◆ **Business Facilities named Nashville one of the top 10 U.S. metro areas for quality of life, cost of living and economic growth potential.**

 **ICSC** Renaissance Nashville Hotel & Convention Center  
Tennessee / Kentucky July 20-21, 2010

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## Average Retail Cap Rate



Source: Real Capital Analytics



Source: Real Capital Analytics

## Top Grocery Anchored Deal

### Evans Exchange

Evans, Georgia  
106,949 SF  
\$19,400,000  
(\$181.39/SF)  
June '10

Buyer: Cole Real Estate Investments  
Seller: Evans Middle Hd Partners, LLC  
Cap Rate: 8.54%  
Anchor Tenants: Home Depot & Food Lion

## Retailer Highlights



In the wake of a still struggling economy, the Walt Disney Co. has decided to close its ESPN Zone restaurants in Washington, DC, Las Vegas, Chicago, Baltimore, and New York. The closures leave about 1,000 workers jobless and 200,000 square feet of retail space ready to fill. Having already closed its locations in Atlanta and Denver, the most recent closures leave only two ESPN Zone locations: Los Angeles and Anaheim, CA.

Source: Real Capital Analytics

## Bi-Lo Uses GE Capital Financing to Come Out of Bankruptcy

GE Capital has supplied \$150 million in capital to enable the restructuring of financing to Bi-Lo, the South Carolina-based super market chain. Bi-Lo, one of the largest chains in the Southeast, and the number 2 grocer in South Carolina, also received debtor-in-possession financing from GE in early May.

Originally founded in 1964, Bi-Lo was a performing retail chain when it filed Chapter 11 in March of 2009. Unable to refinance debt maturities of \$260 million in a difficult debt market last year, Bi-Lo declared bankruptcy, closing 9 of its stores. Now still 200 locations strong and with a restructured business plan, the company is ready once again to focus on being one of the dominant grocers in the Southeast.



## Global Continues Noteworthy Pursuits

Global Fund Investments and MMG Equity Partners have acquired a mortgage on the Village Shoppes at Pine Plaza, a 234,169 sf shopping center just west of Ft. Lauderdale. The Sunrise, Florida asset is anchored by Winn-Dixie, Sunrise Cinema, and Family Dollar, but has a low overall occupancy due to the loss of small-shop tenants. Assessed at \$16.26 million in 2010, Village Shoppes is not the first center on which Global has acquired the note, but rather the third in the past nine months. ([www.globalfundinvestments.com](http://www.globalfundinvestments.com))

### KEY RETAIL INDICATORS

- VACANCY RATES
- RENTAL RATES
- NEW DEVELOPMENT
- CAP RATES

Source: Real Capital Analytics

### ACTIVE LENDERS

- Standard Life Insurance
- Protective Life Insurance
- New York Life
- Prudential

### CURRENT DEBT RATES

As of 07/06/10

	CURRENT	1 MO AGO	6 MOS AGO	1 YR AGO
5-Year T Note	1.79%	2.09%	2.38%	2.51%
10-Year T Note	2.97%	3.29%	3.68%	3.55%
30-Day Libor	0.35%	0.35%	0.32%	0.31%
Prime	3.25%	3.25%	3.25%	3.25%

Source: Bloomberg & Yahoo! Finance

### THE EAST COAST RETAIL INVESTMENT TEAM

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The East Coast Retail Investment Team, led by Whitney Knoll, is one of the leading investment sales brokerage teams in the industry, focusing specifically on shopping center investment sales. The team has been involved in the assignment of more than 250 retail transactions totaling 33 million square feet and \$3.1 billion over 38 years of experience. The Team is anchored by an additional 35 years of retail sales and leasing experience, 15 years of retail underwriting experience, and 15 years of marketing experience, all of which are essential to the retail investment sale process.

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