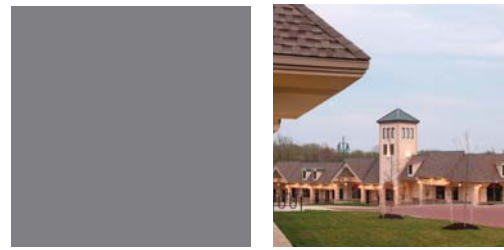


# Retail Market



# DELAWARE Market Conditions

Q3  
2011

## Major Lease Transactions

Tenant:	Size (SF):	Location	Submarket:	Quarter:
Forman Mills	49,500 SF	N. Market Street	Wilmington	Q3
Kids First Swim School	6,500 SF	Lantana Square	Suburban Wilmington	Q3
Guitar Center	14,535 SF	Brandywine Town Center	Suburban Wilmington	Q3

## Average Vacancy Rates and Asking Rents

Property Class:	Vacancy Rate (avg):	Asking Rents (avg): Quoted
Shopping Center	9.2%	\$15.16
Overall Retail* <small>* Includes Free Standing Buildings</small>	6.7%	\$15.79

## Absorption

Property Class:	Absorption:
Shopping Centers	36,275

## Cap Rate

The average cap rate for retail sales in the Philadelphia MSA is:

**8.25%**

## New Castle County Submarket Vacancy, Lease Rate and Inventory

	Vacancy:	Quoted Lease Rate:	Inventory:
North	8%	17.01	5,742,174
South	6.9%	14.93	13,682,386
West	7.8%	19.43	4,007,717
CBD	3.8%	12.96	5,251,614
		<b>Total:</b>	<b>28,683,891</b>

## Q3 2011 Market Conditions for Office, Retail and Industrial Markets

NAI Emory Hill is pleased to present this Q3 2011 market review with rates, inventory, vacancies and absorption for office, industrial and retail.

For more information about the current market in Delaware and around the world, contact one of our agents.

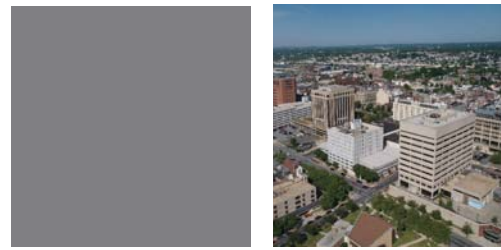


OFFICE ■ INDUSTRIAL ■ RETAIL ■ MULTIFAMILY ■ MEDICAL ■ LAND ■ INVESTMENT

\*In a low-activity market, it is not uncommon that a few transactions with values that are escalated due to their lease terms will alter the averages in such a way that a property of lower classification seems to demand higher rent than properties that traditionally command higher rent. Such is the case with Class C Office in the CBD, compared to Class B.

Information contained herein has been obtained from the following sources: CoStar, Integra Realty Resources, and PricewaterhouseCoopers.

# Office Market



## Major Sale Transactions

Tenant:	Size (SF):	Submarket:	Quarter:
101 Bellevue Parkway	70,000 SF	Suburban Wilmington	Q3

## Average Vacancy Rates

Property Class:	Vacancy Rate (avg):	Quoted Full Service Lease Rate (avg):
Class A	11.4%	\$24.67 / SF
Class B	11.9%	\$21.01 / SF
Class C	6.2%	\$17.34 / SF
Average	10.9%	\$22.06 / SF

## Absorption

Property Class:	Absorption (in SF):
Class A	(1,808)
Class B	(173,387)
Class C	125,232
Average	(300,427)

## Cap Rate

The average cap rate for office sales in the Wilmington MSA is:

**8.00%**  
to  
**8.5%**

## New Castle County Submarket Vacancy and Lease Rate Detail

	Class A:		Class B:		Class C:	
	Vacancy:	Quoted Full Service Lease Rate:	Vacancy:	Quoted Full Service Lease Rate:	Vacancy:	Quoted Full Service Lease Rate:
North	7.4%	\$23.79 / SF	14.7%	\$22.11 / SF	6.6%	\$19.32 / SF
South	9.1%	\$18.77 / SF	12.8%	\$21.85 / SF	6.2%	\$16.46 / SF
West	9.6%	\$26.06 / SF	5.4%	\$23.70 / SF	5.2%	\$19.93 / SF
CBD	14.1%	\$27.02 / SF	12.8%	\$18.40 / SF	6.1%	\$17.06 / SF*

## Office Inventory

	Class A:	Class B:	Class C:	Total:
North	2,396,890	2,481,768	694,833	5,573,491
South	3,013,990	4,252,064	1,371,022	8,643,076
West	1,353,829	2,327,223	536,169	4,217,221
CBD	7,006,801	4,414,043	1,945,341	13,366,185
			<b>Total:</b>	<b>31,799,973</b>

# Industrial Market



## Major Lease Transactions

Tenant:	Size (SF):	Submarket:	Quarter:
Parkway, State of Delaware	62,400 SF	New Castle	Q3
Tile Market	55,960 SF	Newport	Q3
Goodwill	60,000 SF	New Castle	Q3

## Sale Transactions

Tenant:	Size (SF):	Submarket:
Insteel	33.9 Acres	Wilmington

## Average Vacancy Rates

Property Class:	Vacancy Rate (avg):	Quoted Lease Rate (avg):
Flex	13.6%	\$6.27 / SF
Warehouse	10%	\$4.30 / SF
Total	10.4%	\$4.52 / SF

## Absorption

Property Class:	Absorption:
Industrial	6,342 SF

## Cap Rate

The average cap rate for industrial sales in the Wilmington MSA is:

**9.00%**  
to  
**9.5%**

## Inventory

Property Class:	Inventory
Flex	4,925,504 SF
Warehouse	26,004,740 SF
Total	30,930,244 SF