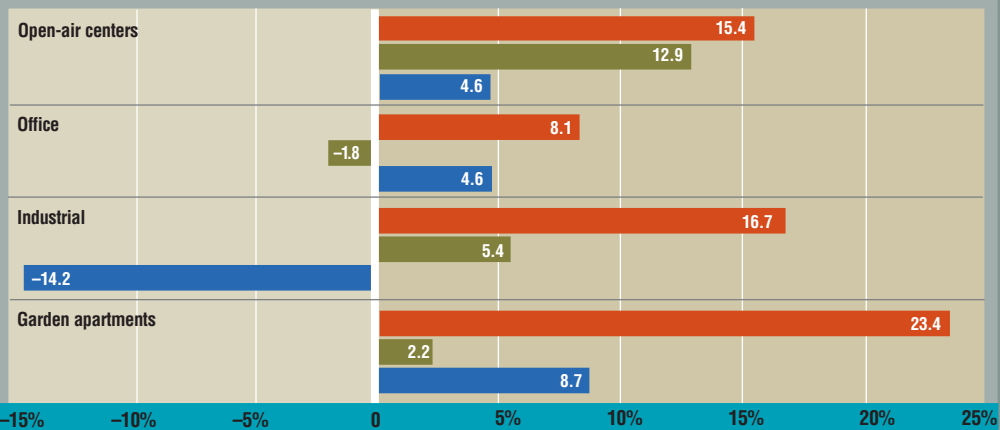


THE BOTTOM LINE

BY DONNA MITCHELL

Year-on-year property prices

2004 2003 2002



Modest improvement in rents and occupancies had a big effect on property price appreciation in 2004. Although cap rate decreases began to slow down in 2004, prices rose about 15 percent for most property types.

Source: Real Capital Analytics

One-year total REIT returns

Retail All REIT



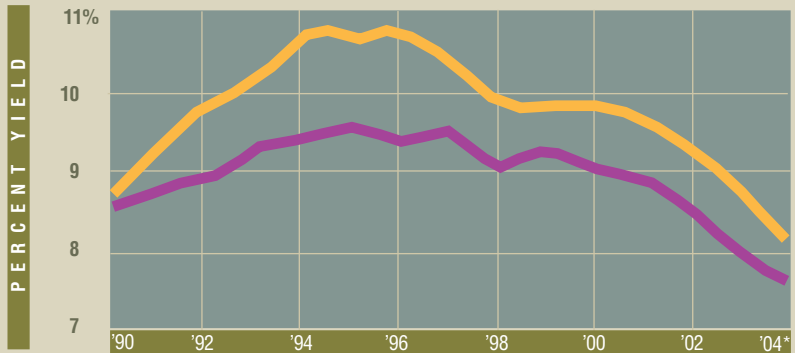
What a difference a year makes. On a one-year total returns basis, retail REITs continue to outperform the overall sector by about 7 percentage points. Year to date, retail REITs are improving, though they are still off their 2004 peak with a -4.5 percent total return as of Jan. 19 after diving to -7.7 percent on Jan. 13.

Source: SNL Financial

“Singles” have more fun

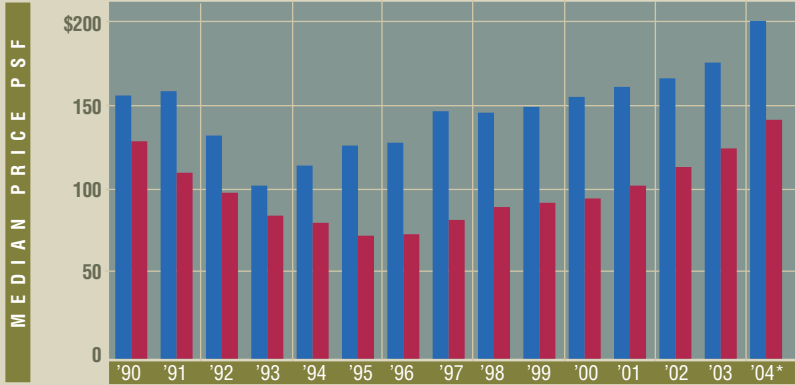
Average cap rate

Single-tenant Multitenant



Retail property sales trends

Single-tenant Multitenant



Single-tenant properties continue to attract investors for two main reasons: Most of the properties are net-leased, which means the tenant bears most of the responsibility for taxes, maintenance and insurance, and the leases are long-term (typically 20 years), giving the landlord a stable, hassle-free income stream. Demand is outpacing supply, though, so median price per square foot is driven up while cap rates get pressed down.

* Pre-year-end projection.

Sources: Marcus & Millichap Research Services; CoStar Group