

THE BOTTOM LINE

REITs' top tenants

(by ABR, as of 1Q 2005)

Landlord	Tenant	% of annualized base rent
Regency	Kroger	7.89%
Heritage	T.J. Maxx	5.53
DDR	Wal-Mart/Sam's Club	5.51
Regency	Publix	4.93
Kimco	Home Depot	3.70
DDR	Ahold USA	3.23
Pan Pacific	Raley's	3.03
Pan Pacific	Albertsons	2.63
Kimco	Kmart	2.60
Federal Realty	Gap/Old Navy/Banana Republic	2.20

Among neighborhood center landlords, Regency Centers' portfolio is the one most dominated by a single tenant: Kroger, which contributes 8 percent of its annualized base rent. Regency and Kroger topped the list last year, too. Since then, though, Wal-Mart/Sam's Club has moved up two slots, displacing Publix as the third-largest single contributor to a landlord's ABR.

Sources: Merrill Lynch, the companies

REIT dividend yields vs. gov't securities

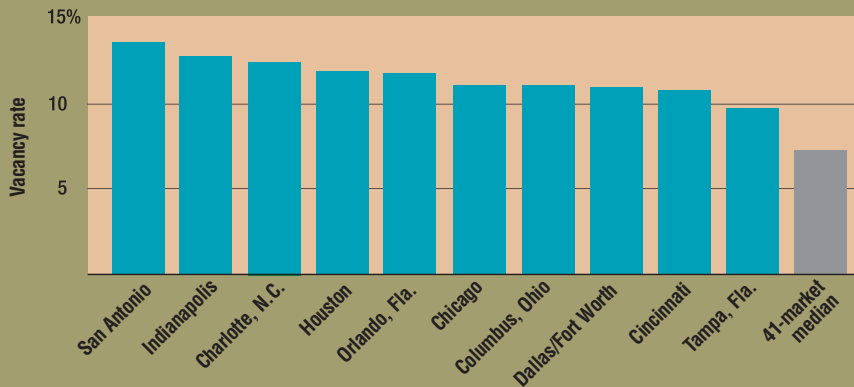


REIT dividend yields are not what they used to be. Since June 2003, the spread between 10-year Treasuries and REITs has narrowed by about 360 basis points, thanks to unrelenting demand for yield performance. Despite the erosion, REITs continue to offer value relative to government bonds for the time being.

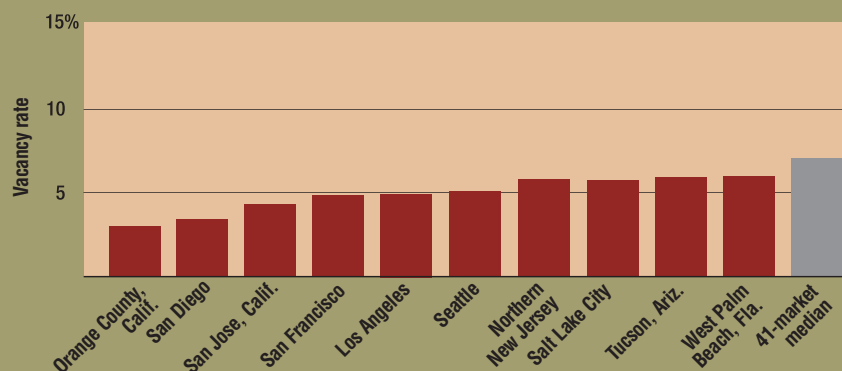
Source: SNL Financial

Rating U.S. metropolitan markets by expected retail vacancy

10 worst markets



10 best markets



Retail landlords in the markets at left will have plenty of elbow room, with some of the highest expected vacancy rates for 2005. Meanwhile, the markets at right are enjoying favorable occupancy rates indeed.

Source: Marcus & Millichap Research Services