

THE BOTTOM LINE

By DONNA MITCHELL

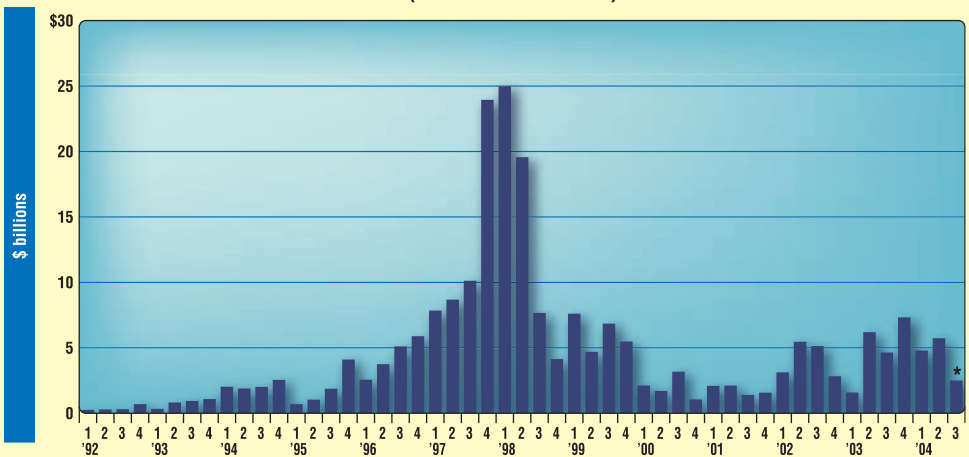
Retail real estate's biggest traders

Past 24 months	Retail traded	Retail sold	Retail acquired	Retail & nonretail Traded
Developers Diversified	4,339	2,658	1,681	4,360
Kimco	1,878	1,334	544	1,883
CBL	1,702	1,300	402	1,702
Rouse	1,383	806	577	1,763
New Plan Excel	1,301	831	470	1,301
Regency	1,265	464	801	1,265
RREEF	1,177	530	647	4,617
Heitman Capital	897	84	813	1,525
Simon	879	557	322	902
Crow Holdings	873	203	670	2,752

Retail real estate buyers that hold their properties for short periods make up a significant portion of the shopping center investment market. Almost one-third of the recent retail property sales were executed by owners who held the properties for less than four years, and of the top 100 shopping center buyers, 59 were also active sellers, according to research by Real Capital Analytics. One reason: Institutional investors that launch funds to buy shopping centers are reaching their investment goals far sooner than expected, prompting them to roll the assets over and start new funds.

Source: Real Capital Analytics

Property acquisitions by REITs (1Q 1992–3Q 2004)



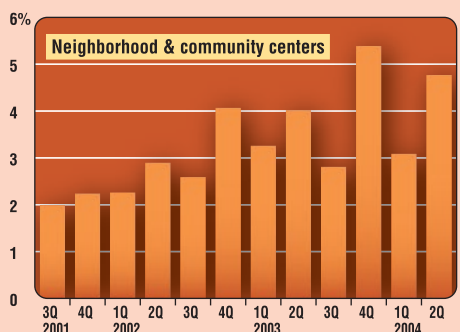
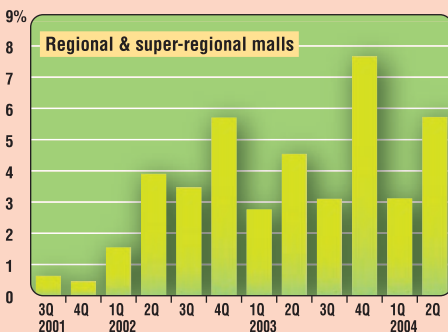
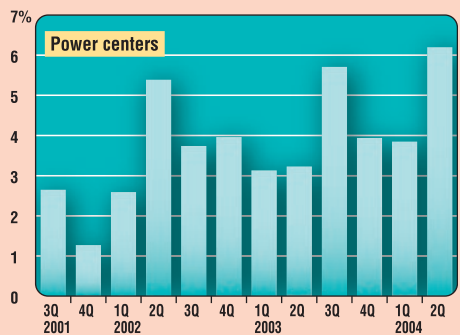
REIT property acquisitions are looking up for 2004. By the end of the second quarter, REITs had bought \$5.7 billion worth, up from \$4.8 billion the previous quarter. Early in the third quarter, deals were running at a healthy \$2.5 billion.

* As of 7/31/04.

Source: NAREIT

NCREIF property index: Returns

Returns on all three major retail property types rose remarkably during the second quarter. The three seemed to have one thing in common: owners motivated by the prospect of achieving a cap-rate return equal to or better than what they had on their books. Power centers in particular broke out of their lull of the two previous quarters, as sellers commanded an average of \$137.34 per square foot for properties that were about 97 percent leased. Preliminary returns on malls were at 5.73 percent, up from an adjusted 3.12 percent; community and neighborhood centers were at 4.77 percent, up from 3.09 percent; and power center returns were at 6.2 percent, up from an adjusted 3.85 percent.



Source: National Council of Real Estate Investment Fiduciaries