



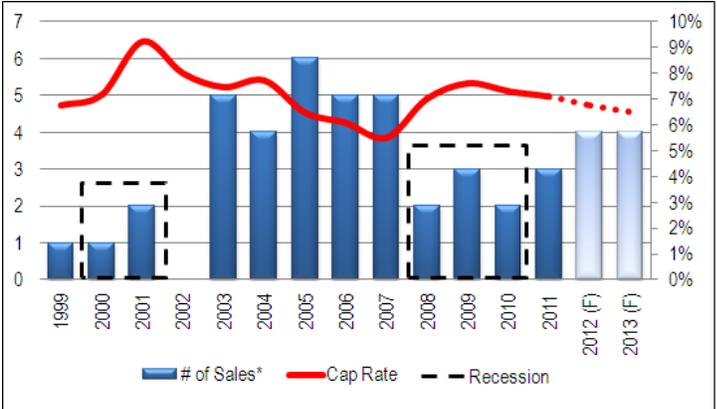
Woolbright's 2011 South Florida Large Transaction Sales Report

The South Florida large transaction market (sale price greater than \$50.0M) has remained at activity levels consistent with its 10-year average of 3 per annum despite the Great Recession and frozen capital markets. In fact, during a 3-month period (Dec. '10 – Mar. '11), three large transactions were made by yield-seeking investors for a total cost of \$220.4M (\$246/SF). For those three large trades (London Square in Kendall, Tower Shops in Davie and Boynton Town Center in Boynton Beach), cap rates averaged 7.18%. However, the recent sale of Aventura Square by Turnberry Associates at a cap rate sub 6% brings the 2011 average cap rate for large transactions in South Florida down to 6.89%. While it is unlikely that cap rates for large shopping centers will remain sub 6%, downward cap rate compression should occur as institutional demand for centers of all sizes, and in particular for large transactions, far exceeds supply.

The market for large transactions in South Florida appears to have recovered and should see moderate growth initially and then likely at an accelerated pace in the coming years. The velocity of large transactions has returned to the level seen during the last boom cycle in 2005-2007 when multiple large centers often traded in a given 3-month period. From a gross volume perspective, the large shopping center transaction market appeared to be clipping away at a normal pace during the last few years without any real cause for interest. However, when analyzed by the number of "true" sales (arm-length transactions), the three latest large shopping center sales were the first since the end of 2007—when Legacy Place traded for \$180.0M—and may suggest the commencement of another retail real estate boom cycle.

Investors pursuing large shopping centers would be well advised to focus their finite resources on South Florida (Palm Beach County, Broward County and Miami-Dade County). Since 1999, over 80% (38 of 47) of all large transactions (outlet centers excluded) in the six major markets of Florida (Palm Beach, Broward, Miami-Dade, Orlando, Tampa and Jacksonville) were located in South Florida. In fact, during this time period, investors hunting for large shopping centers shunned the Tampa and Jackson-

Year-Over-Year South Florida Large Shopping Center Transactions



*Sales data include portfolio sales and equity exchanges

ville markets; only one large transaction occurred in Tampa and none were bought in Jacksonville. The Orlando market—ranked as the third most populated MSA in Florida with over 2.1M people and its generally strong tourism-driven economy—was the 2nd choice (after South Florida) for investors purchasing large shopping centers and saw 8 transactions from 1999 to 2011. With South Florida leading the way in terms of economic recovery, the most populated MSA in Florida (5.6M people) should continue to receive the lion's share of the interest from real estate companies looking to put a large amount of capital to work.

Cap rate movement among South Florida large transactions—in addition to the recent sales velocity—may suggest that the retail real estate market has "turned the corner" and now (as it was during and after the last crisis) is the opportune time to buy large shopping centers. Coco Walk in Coconut Grove and Kendall Mall in Kendall were two large centers bought during the last recessionary period, and both were sold roughly 6 years later for 150-170% of their respective price tags. Flagler Park Plaza in Miami was purchased for \$54.3M in 2003—just after the recession—and then later sold near the peak of the market in 2007 for \$95.0M. If history is any indicator of the future, significant value creation may occur by being a "first-mover" during a recession and in the early stages of a recovery.

Outlook: Strong investor demand to deploy large sums of capital, relatively few large centers to buy, an improving economy in South Florida and a resurgence in commercial lending will result in downward pressure on large transaction cap rates and an increase in large center trading velocity.

2011 Large Shopping Center Transactions—Average Cap Rate 6.89%

Project Name	Market	Location	Anchors	Occupancy	GLA Sold	Year Open	Sale Date	Buyer	Seller	Sale Price (\$)	Price/SF (\$)	Cap Rate (%)
London Square	Dade	137th Avenue and 120th Street, Kendall	Home Goods, Ross, TJ Maxx, Party City, Dollar Tree, Costco (shadow)	97%	299,000	2008	Dec-10	RREEF	Woolbright Development, Principal	95,300,000	319	7.30
Tower Shops	Broward	University Dr & SR 84, Davie	Best Buy, Ross, Office Depot, DSW, TJ Maxx, Michaels, Old Navy, Party City, Home Depot (shadow)	91%	372,200	1989	Jan-11	Federal Realty	Turnberry Associates	66,100,000	178	7.00
Boynton Town Center	Palm Beach	N Congress Ave & Old Boynton Rd, Boynton Beach	Best Buy, Michaels, Total Wine & More, Shoe Carnival, Target (shadow)	92%	224,100	2007	Mar-11	Morguard	Sembler	59,000,000	263	7.20
Aventura Square	Dade	NEC Biscayne & NE 191st Street, Aventura	Bed Bath & Beyond, Babies R Us, Old Navy, DSW Show Warehouse	100%	113,450	1999	Oct-11	Equity One	Turnberry Associates	55,500,000	489	5.75

Woolbright Development

Woolbright Development Inc., a real estate investment firm based in Boca Raton, Florida, acquires and develops retail grocery and basic needs shopping centers throughout the state of Florida. Founded 25 years ago, Woolbright is now one of Florida's largest investors in Florida shopping centers and is partnered with some of the US's largest real estate investors. The keys to its success are extensive area research, industry knowledge, client commitment and vision. Woolbright currently maintains a retail portfolio of 3.5 million square feet all of which is located in Florida's major metro markets. Information about the firm, recent research studies and a complete listing of its portfolio can be found at www.woolbright.net.