

# Woolbright's South Florida "Core" Publix Center Sales Report for 2010

## Market Pricing Now Established for "Core" Publix Centers at 6.25-6.50%

During the financial crisis, commercial property sales activity plummeted. South Florida reached a low point in volume during the first half of 2010 when only one "Core" (95%+ occupancy) Publix center sold. Fortunately, during the second half of 2010, the market for Core Publix-anchored centers came alive with five transactions. For the six Core Publix-anchored shopping center transactions in 2010 the cap rates averaged 6.50%. The current sales data indicate that the market has settled in at a narrow pricing range of 6.25% and 6.50% (cap rate) for Core Publix centers in South Florida.

Both buyers and sellers of Core Publix centers have need to assuage their concern of overpaying for new acquisitions. Cap rates, except during major recessions, move very little over any two subsequent years. In fact, looking at the year-over-year change in cap rates since 1998, excluding the last crisis, results in an average change in cap rates of only 46 basis points over any 12-month period. Investors in Core Publix centers should find great peace in knowing that the pricing levels where the market is trading today will not materially change next week, next month, or next year for that matter.

Historical data over the last three decades indicate that roughly 10% of all shopping centers sell each year (centers are held for an average of 10 years before being re-sold). Applying this principle to South Florida Publix-anchored shopping centers gives us a good idea of where the market is heading in 2011.

### 2010 "Core" Publix-Anchored Shopping Center Transactions -- Average Cap Rate 6.55%

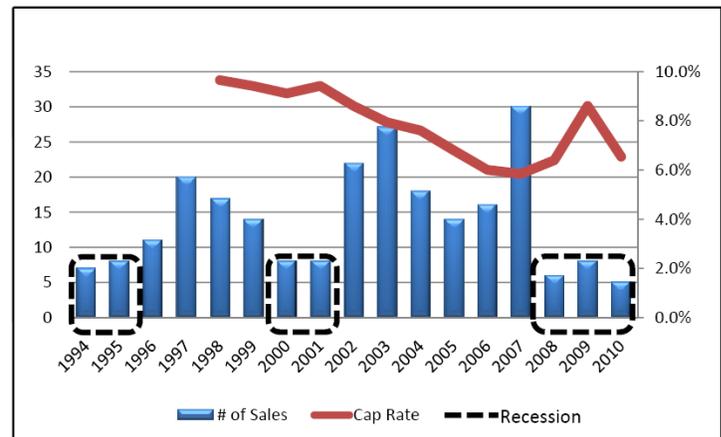
Project Name	Market	Location	Anchors	Year Open	Sale Date	Buyer	Seller	Sale Price (\$)	NOI (\$)	Cap Rate (%)
Veranda Shoppes	Broward	NEC Pine Island Blvd & American Express Way	Publix	2007	Apr-10	Equity One	West City Partners, Inc	11,675,000	900,000	7.71
Country Walk Plaza	Dade	NWC SW 137th Ave & Coral Reef Dr	Publix, CVS	1985	Sep-10	Equity One	Saglo Development	27,750,000	1,637,250	5.90
West Bird Plaza	Dade	NEC Bird Rd & SW 117th Ave	Publix, CVS	1977	Sep-10	Equity One	Phillips Edison & Co	17,550,000	1,100,000	6.27
Mirasol Walk	Palm Beach	NWC PGA Blvd & Florida Turnpike	Publix, Walgreens	2005	Sep-10	TA Associates Realty	North American Properties	26,700,000	1,735,500	6.50
Southdale Shopping Center	Palm Beach	SWC Southern Blvd & Lake Avenue	Publix, CVS, USPS	1958	Oct-10	BET Investments	RAM	12,900,000	967,500	7.50
Old Cutler Town Center	Dade	SEC Franjo Rd & Cutler Rd	Publix	1987	Dec-10	TA Associates Realty	Schiff Properties	23,200,000	1,500,000	6.47

\* Distressed asset sales and non arm-length transactions not included.

### 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 22 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 our 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 our portfolio can be found on our website [www.woolbright.net](http://www.woolbright.net).

Year-Over-Year South Florida "Core" Publix Sales & Cap Rates



Of the 218 Publix centers in South Florida, two-thirds (140) are core quality centers. Under the 10% rule, we expect to see, on average, 14 Core Publix center transactions each year, which is precisely what has happened from 1994 to 2010.

Historically, following a recession, the number of Core Publix center sales bounces back quickly. For example, the Savings and Loan crisis in the 1990s was followed by a significant uptick in Core Publix-anchored shopping center sales in 1996-1999. Next, the Nasdaq crash in 2000 was followed by a healthy recovery from 2002 to 2007. Based on the volume during the last six months we expect that 5-10 Core Publix deals will trade in the first half of 2011. In other words, as markets tend to revert to the mean, 2010 served as a "priming of the pump" for a much more active and robust marketplace in 2011 and 2012, especially now that investors have closed enough sales to give price certainty.