2008 RETAIL MARKET REVIEW

Hampton Roads Retail
396 Properties Totaling 50,219,239 SF
Per Person Average
Hampton Roads 29.5 SF
National 18.2 SF

New Construction Since 2003

Hampton Roads Retail
Southside
263 Properties
Totaling 33,086,160 SF
Peninsula
133 Properties
Totaling 17,133,079 SF

New Construction
Southside
1,038,291 SF
(3.1% of Total SF)
Peninsula
1,009,000 SF
(5.9% of Total SF)
A Few Projects Delivered in 2007

- Landstown Commons
- The Marquis
- Towne Place in Greenbrier

Landstown Commons

The Marquis

Towne Place in Greenbrier

Mixed Use

Virginia Beach Town Center
City Center at Oyster Point

New Town

Settler’s Market

Peninsula Town Center

Little Creek & Tidewater

New Construction in Motion
Marketplace at Harbour View

Harbour View East

Bennett’s Creek Crossing

Edinburgh & Cahoon Commons

Grocers in the News

Big Box

Target at Red Mill Walk

Lowe’s buys Giant Square
Vacancy Rates Since 2003

<table>
<thead>
<tr>
<th>Year</th>
<th>Vacancy Rate</th>
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<tbody>
<tr>
<td>2003</td>
<td>11.19%</td>
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<tr>
<td>2004</td>
<td>9.41%</td>
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<tr>
<td>2005</td>
<td>7.55%</td>
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<tr>
<td>2006</td>
<td>6.81%</td>
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<tr>
<td>2007</td>
<td>7.63%</td>
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Vacancy Rate

Southside  6.7%
Peninsula  9.4%

2007 Rental Rates

- Overall Average: $16.05 NNN
- Southside: $16.68 NNN
- Peninsula: $15.41 NNN

Emerging Markets

- Isle of Wight
- Northern Suffolk
- Williamsburg
- Eastern North Carolina

FORECAST

“It’s a pity they had to stop work on the new mall.”
**Worth Quoting**

“The party is over. With the exception of quality product, markets with barriers to entry, and those with a durable rent roll, commercial real estate will decrease 10 percent to 12 percent in 2008. **What we're experiencing now is not a market crash, but merely a return to normalcy.**”

Jerry Anderson, CCIM President
Sperry Van Ness