

North American Business Activity Statistics

Third Quarter 2013

LANE4
PROPERTY GROUP



XTeam International client PizzaRev Ramping up and ready to grow

WE ARE over 400 professionals in 35 offices throughout North America. We are a powerful network

of partner offices that exclusively focus on first class, best in class, world class retail real estate. XTeam International's unique platform assembles the strongest and most experienced retail-only specialists in the most important metropolitan markets in North America. There are no substitutes for resume or reputation, and each XTeam partner office is a recognized leader in its regional trade area. Our team has an enormous track record in the representation of Fortune 500 and emerging retailers alike. We represent North America's premier Power Center and Specialty Center developers as well as regional and local clientele who own the high street retail and neighborhood centers where North America shops.

In 2012 XTeam consummated retail lease and sale transactions in North America that totaled over \$3.5 Billion in value and over 38 Million square feet of the best space in every retail market.

Together with our International Partner DTZ, we provide brokerage and consulting services to firms that make the global economy hum in North America, Europe, Asia and the Middle East.

Extensive Experience. Exclusively Retail. XTeam.



Countryside Market Place, Menifee, CA
A 735,000 SF power Center leased by XTeam Partners,
Strategic Retail Advisors.

Q3 2013 Summary

The North American leasing and sales markets registered strong gains in the third quarter of 2013 as the total dollar volume of lease transactions grew 14.6% while the total dollar volume of sales transactions grew 129% over 2Q 2013. The gains were likewise impressive when measured against the year-before period, with leasing transaction volume up 21.83% and sales transaction volume up 93.2%

XTeam International's 35 North American offices have churned out some \$2.33 Billion in transaction volume year to date, totaling over 23 million square feet of regional retail space leased or sold. In a sign that rents have also marked an upward trend, the increased transaction volume of new leases occurred while the total square footage of space actually declined slightly, falling 13.1% over 2Q 2013. The increased transaction costs, when measured against a smaller volume of space leased, is an explicit demonstration of the climbing costs of commercial retail space.

The combined signs of growing investment by retail tenants and buyers in their commercial space, and climbing rents for landlords, both signal improving market fundamentals. What is yet to be determined is if these gains will hold from this quarter to the next. Up and down results over the past several quarters has left the market searching for a consistent trend line.

Another hopeful sign was in the measurement of total square footage of commercial space sold during the quarter, which eclipsed 3.7 M square feet. This strong result eclipsed the totals achieved in five of the past six quarters and marked a 97% increase over the year-before period. The sharply increased sales activity indicates the potency of the current low interest rate environment to stimulate purchases.

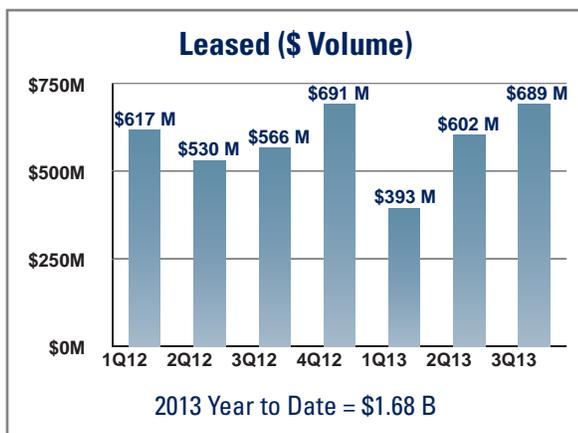
Land sales also notched good progress, as 99.8 acres of development land was put into the development pipeline over the quarter, a slight drop of 6.2% over last year's total.

Key findings from the retail sector included:

- XTeam partners consummated over \$906 M in total transaction volume during the quarter, an increase of 33.5% over the year-before period.
- Leasing transaction volume increased 21.83% to \$689 M, while the square footage of space leased dropped slightly, indicating rising rents.
- Sales transaction volume rose to \$216 M, a 93.17% increase over the year-before period.
- The volume of space sold tallied 3.76 M square feet, a 97% increase over 3Q, 2012.
- Over 98 acres of development land entered the pipeline, a modest decrease of 6.2% over the prior period.

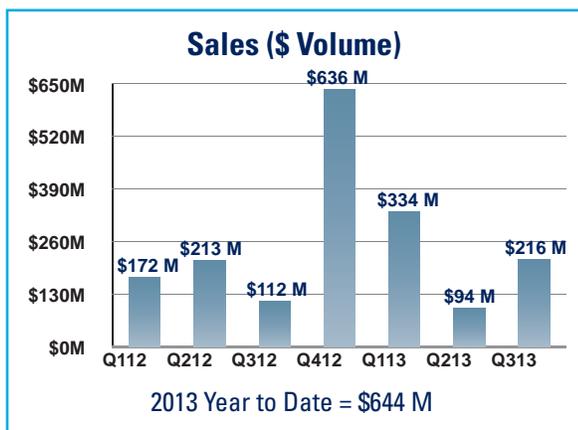
North American Leasing

The majority of new retail real estate transactions consummated each quarter are leases. In 3Q 2013, leasing has represented 76% of the total value of all transactions (lease + sale) and approximately 57% of the total square footage. Because more consideration changes hands and more space is moved via leases, trends in leasing activity are an extremely reliable barometer of the strength of the retail sector, and by extension, the overall commercial real estate market and economy at large.

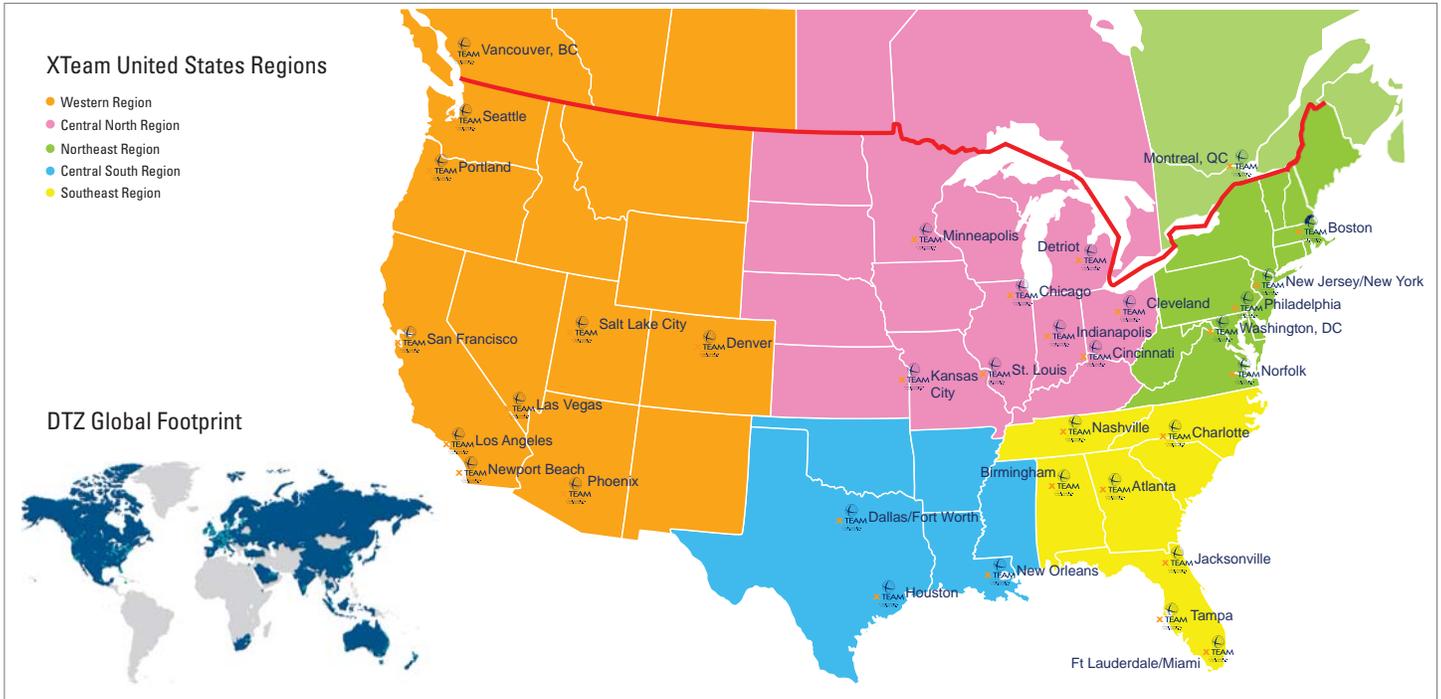


Sales Activity

The data described below captures all sales consummated by our Partners in a given quarter. This includes a broad mix of transactions including investment sales to investors, existing asset sales to users, redevelopment sales to developers and raw land sales to both users and developers. The breadth of transaction types captured by this data provides a more general commentary on retail real estate activity and trends from one quarter to the next.



North American Partner Offices



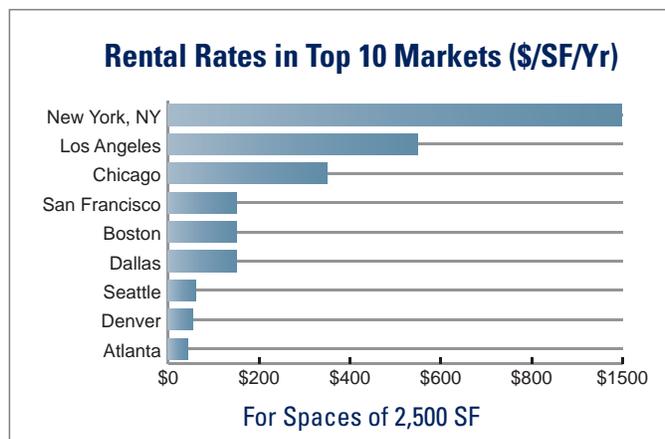
Rental Rates in Top 10 Markets

The survey below tracks rental rates in ten key national markets, both in the Power Center and premium High Street retail segments. The Power Center survey captures rental rates for junior boxes in the 20,000 SF range for best in class Power Centers. The adjacent survey of High Street retail captures rates for the top premium retail locations in the 2,500 SF range (excluding enclosed malls). While the New York market is the pace setter in both surveys, the disparity with other national markets is far narrower in the Power Center segment than in premium retail. On the High Streets, New York's Madison Avenue achieved rents of \$1,500 per SF in 2Q 2013, more than doubling the \$540 per SF rate on Los Angeles's Rodeo Drive. This significant premium above all other North American markets validates New York City as an international target for retail. However in the Power Center arena, while isolated examples of \$75/SF rents have been attained in Manhattan, New York's \$40 per SF rate for outer Boroughs narrowly outpaces Los Angeles's and Seattle's mid \$30 rent levels. In addition to New York, Los Angeles and Seattle, San Francisco and Chicago are the strongest landlord markets in the current survey, commanding rents 25% to 50% higher than Dallas, Denver, Atlanta and Boston.

Power Center Retail



Premium Retail



Jim Stokas , Stokas Bieri | Principal

“ I have always believed that perception is reality in our service industry. I encourage the younger generation starting in the business, to come to work every day with a smile and game face, work very hard to understand your markets to the greatest detail, be ready/eager to usher and complete transactions quickly and efficiently and don't shy away from larger deals". Bottom line, "Fake it until you make it. ”



How's business:

“In the next year...

Encourage qualified developers to step up and build new shopping centers. Our current inventory of small shops and big box opportunities are shrinking quickly, slow panic is developing for available space in 2015 and beyond.”

Business

Biggest Challenge for your business at the moment: Due to the erratic nature of retail commercial real estate deals happening and not happening, we have challenged our partnership at Stokas Bieri to watch our overhead, save and book as much revenue this year for a rainy day.

Biggest Business Mistake/Success - Need to avoid micromanaging clients and projects, look to bring more young talent to leverage accounts. We have succeeded in bringing superior market knowledge to our clients in the state of Michigan, large, medium and very small cities.

Biggest Satisfaction - Being married for 36 years, having a family, forming Stokas Bieri in 2010 and watching XTeam grow over the last 12 years!

Best Place to Invest - Downtown Detroit is going through a renaissance with 20,000 new employees in the last 18 months (most of them under 30) at Compuware, Quicken Loans and General Motors.

Personal

Most admired entrepreneur or role model: Having started my real estate career at Coldwell Banker (now CBRE) at the corporate HQ in downtown Los Angeles in 1980, the company did not have one office east of the Mississippi and no residential at the time. In whole, watching the company grow and being around the partners of the company along with rubbing shoulders with the company officers for brokerage, corporate services, property management, development and advisory group all in one building. Also I cannot forget my wife Savilla and my parents.

Favorite Book - The Nightingale's Song by Robert Timberg. Having a high lottery pick and not going to Vietnam in the early 70's, the book reveals some startling truths of what could of been if I had been drafted.

Favorite Music - Electronica Influences - Artists such as Kaskade, Ocean Lab, Armin Van Buuren, Morgan Page and Samantha James.

Favorite Experience in 2013 - Skiing at Snowbird, Utah with my three sons this March.



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