

97th Annual Arizona Tax Conference

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the Arizona Department of Revenue

&

the Arizona Association of Assessing Officers

Korpacz Realty Advisors, Inc.

THE STATE OF THE U.S. REAL ESTATE MARKET...FALL 2014



presented by

Peter F. Korpacz, MAI, CRE, FRICS
Founder & President
Korpacz Realty Advisors, Inc.

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Economic Environment

Property Sectors

All Properties

Office

Retail

Industrial

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Addenda



Conclusions

Economy enters expansion phase and gaining momentum

- GDP improving**
- retail sales consistent growth**
- job increases exceed 200,000 per month**
- low interest rates**
- consumer and business sentiment increasing**
- low weekly unemployment claims**

Conclusions

Limitation on level of economic growth

- slow housing recovery
- excessive part-time job increases

Leasing Markets

- all improving

Transaction Markets

- transaction volumes improving
- cap rate compression continues, except for hotels
- prices increasing, except for hotels

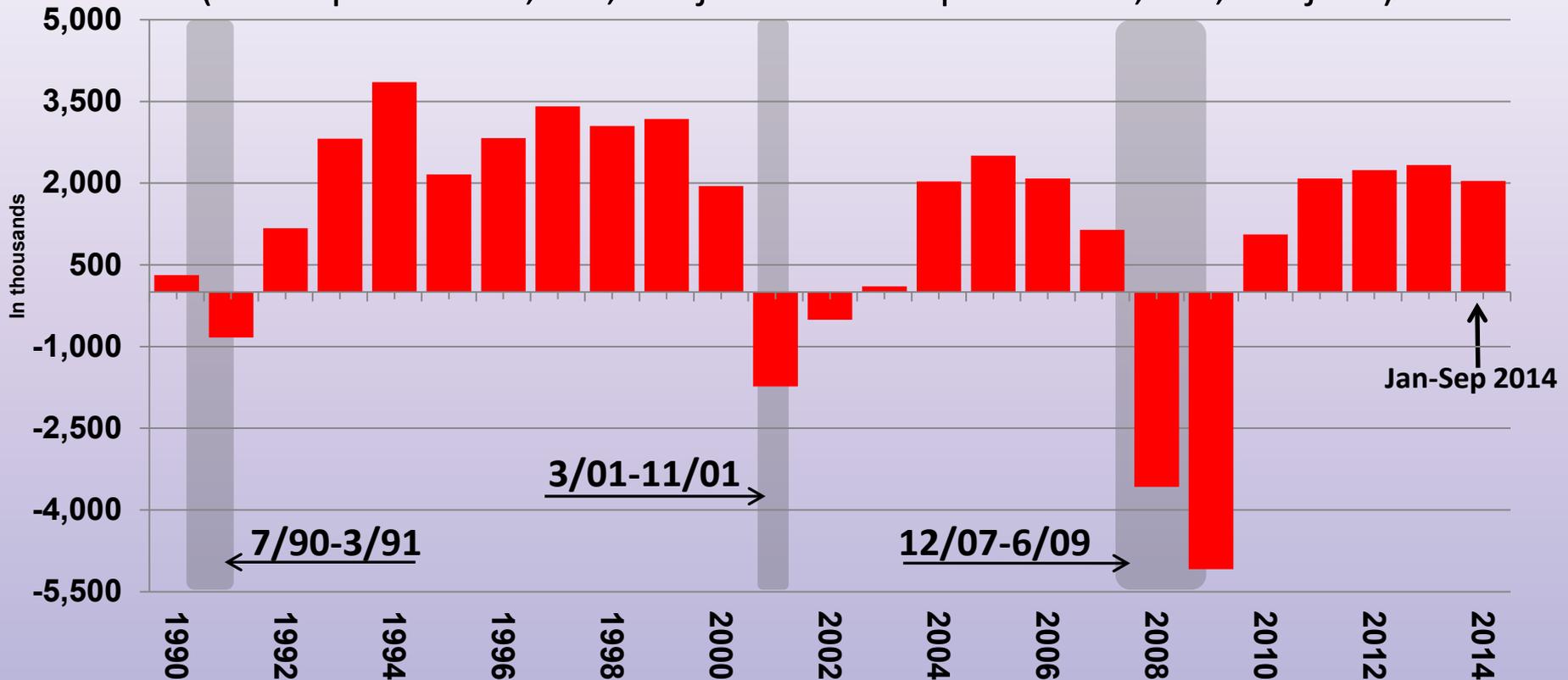
Expanding Economy Reveals Mostly Good News



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Average Change in Nonfarm Employment 1990 — Jan-Sep 2014*

(Jan-Sep 2014: +1,736,000 jobs v. Jan-Sep 2014: +2,041,000 jobs)



*Annual figures are based on December-to-December figures; 2014 figure is based on the first 9 months of 2014.

Shaded areas reflect U.S. recessions.

Source: Bureau of Labor Statistics

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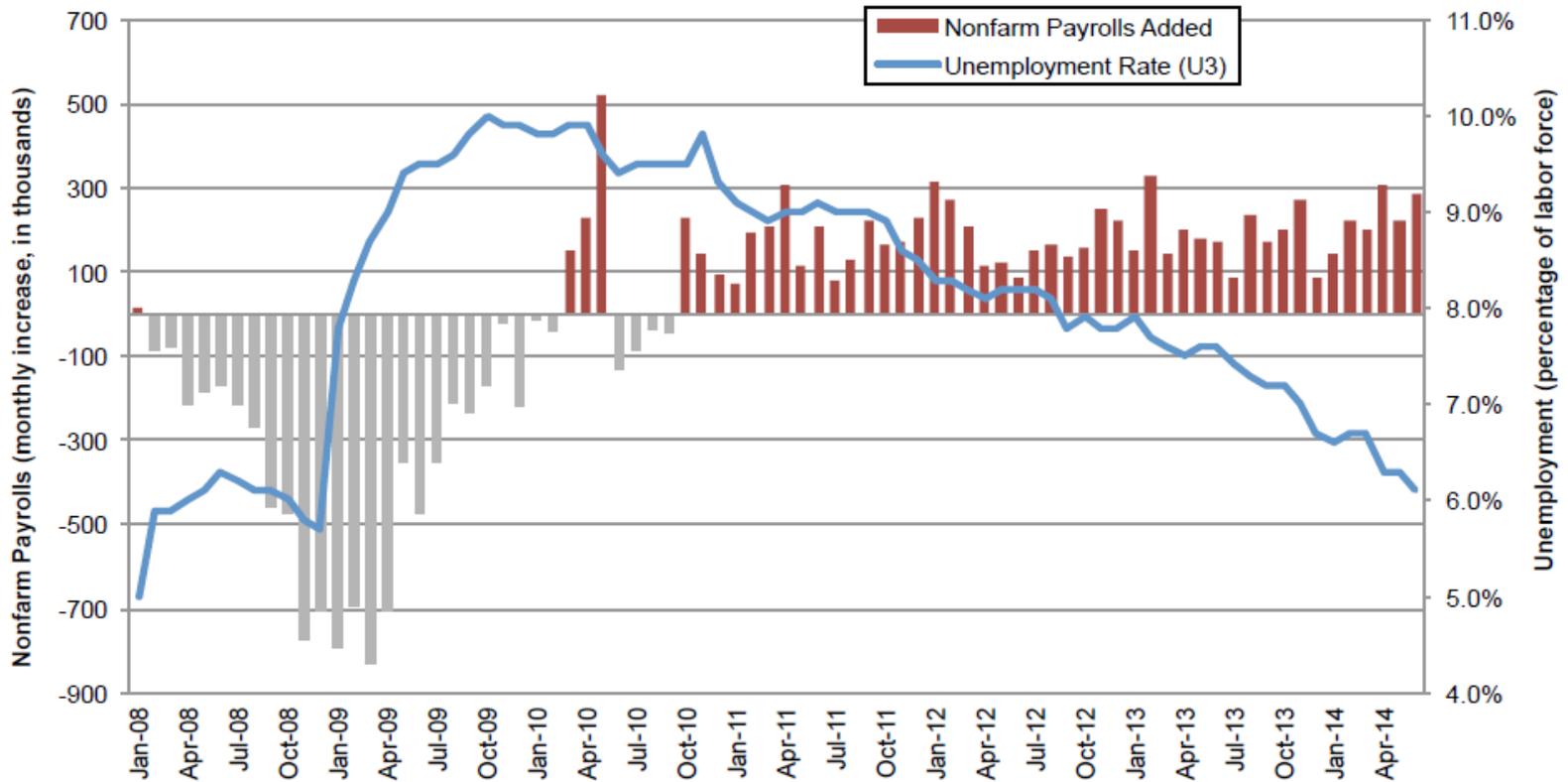
Year to Date Employment Growth by Sector*



*Through July

Sources: Marcus & Millichap Research Services, BLS

U.S. Employment—Since 2008



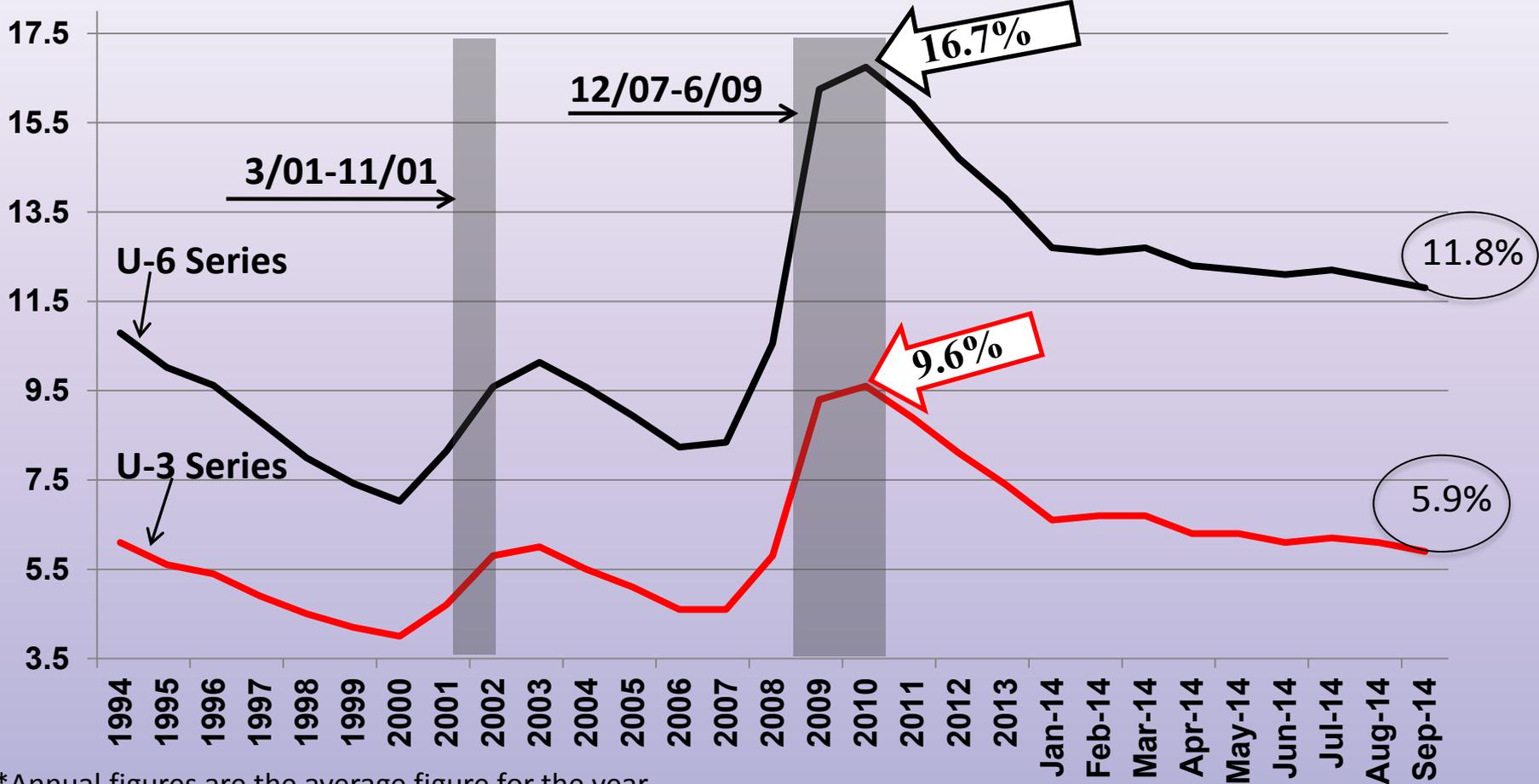
Source of data: U.S. Department of Labor.

Notes: U3 is the official unemployment rate per the International Labour Organization definition and occurs when people are without jobs and they have actively looked for work within the past four weeks. U6 unemployment is broader than U3 to include “marginally attached workers” and people who are looking for and want full-time work but have to settle on part-time employment. “Marginally attached workers” are people who are not actively looking for work, but who have indicated that they want a job and have looked for work (without success) sometime in the past 12 months. This class also includes “discouraged workers” who have completely given up on finding a job because they feel that they just won’t find one.

Source: *Economic Outlook Update Quarterly – 2Q 2014*© published by Business Valuation Resources, LLC. See Addenda for attribution and disclaimer.

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Average Annual Unemployment Rate U-3 v. U-6 Series 1994 – Sep 2014*

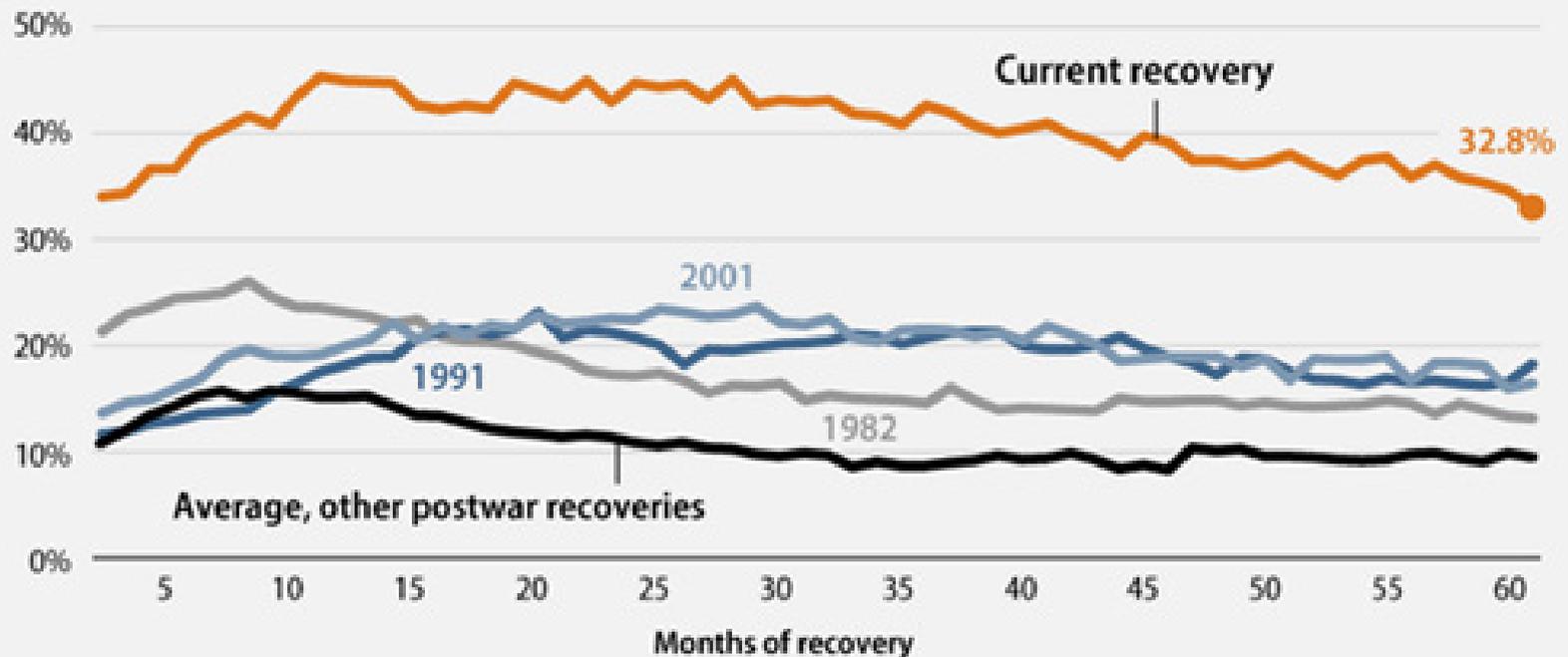


*Annual figures are the average figure for the year.
Shaded areas reflect U.S. recession dates.

Source: Bureau of Labor Statistics

Unprecedented scale of long-term unemployment haunts current recovery

Percentage of the unemployed population out of work for six months or more

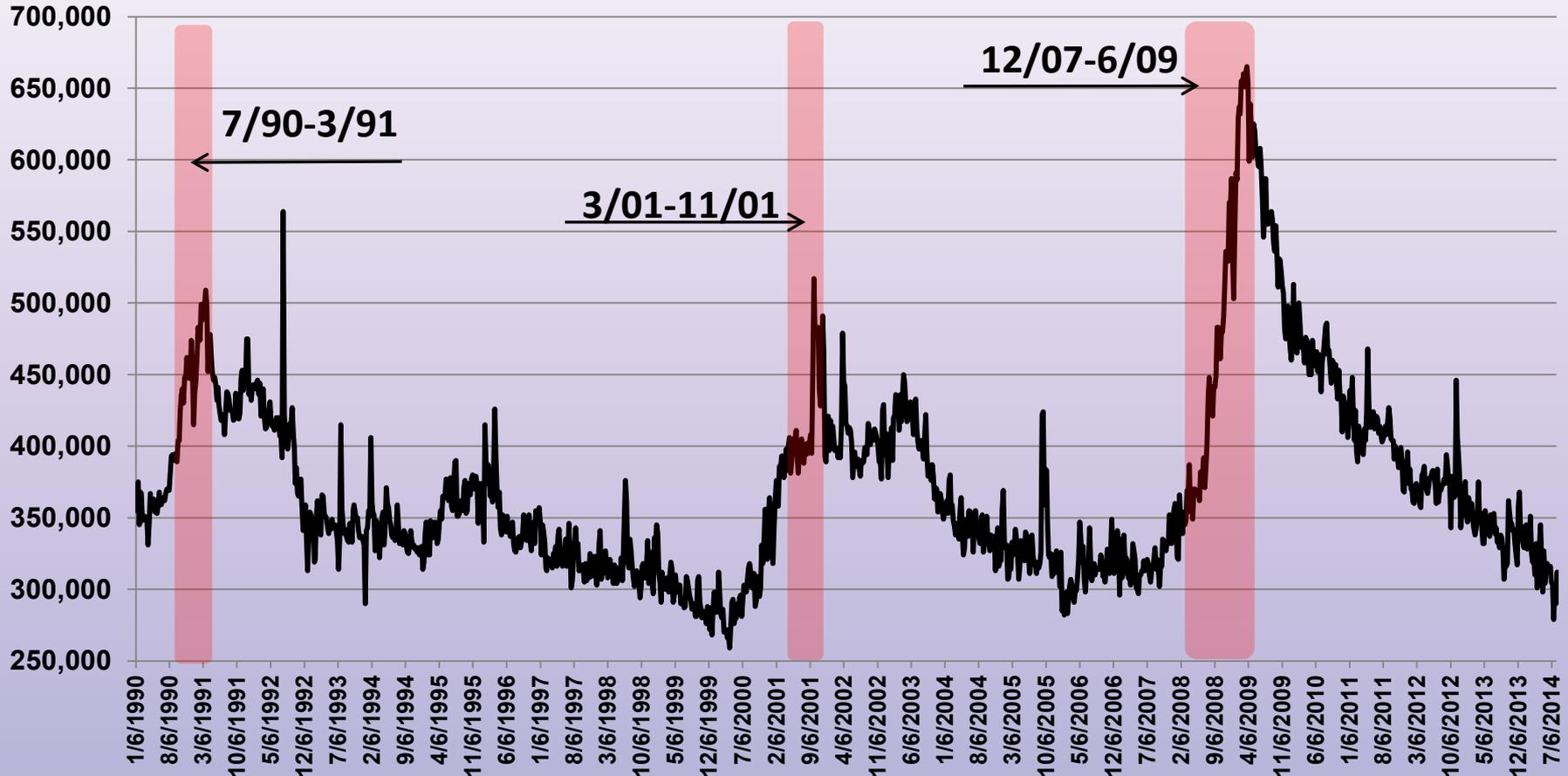


Source: Bureau of Labor Statistics and NBER Business Cycle Dating data.

Source: Reuters

Weekly Unemployment Claims 1990 – September 20, 2014*

(September 21, 2013: 316,000 v. September 20, 2014: 293,000)



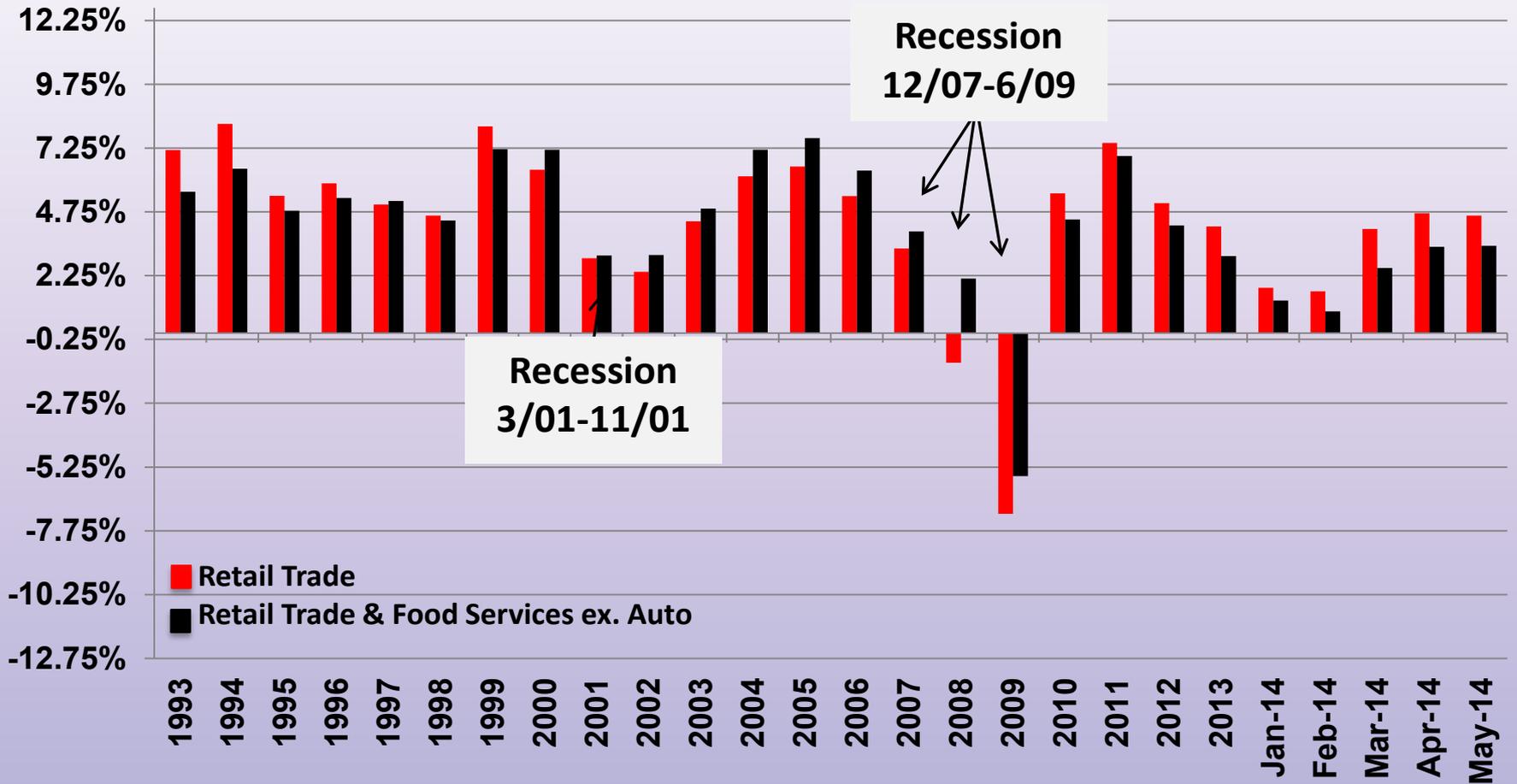
Note: Figure for 9/20/2014 is seasonally adjusted, advanced data.

Source: U.S. Department of Labor

Shaded areas reflect U.S. recession dates.

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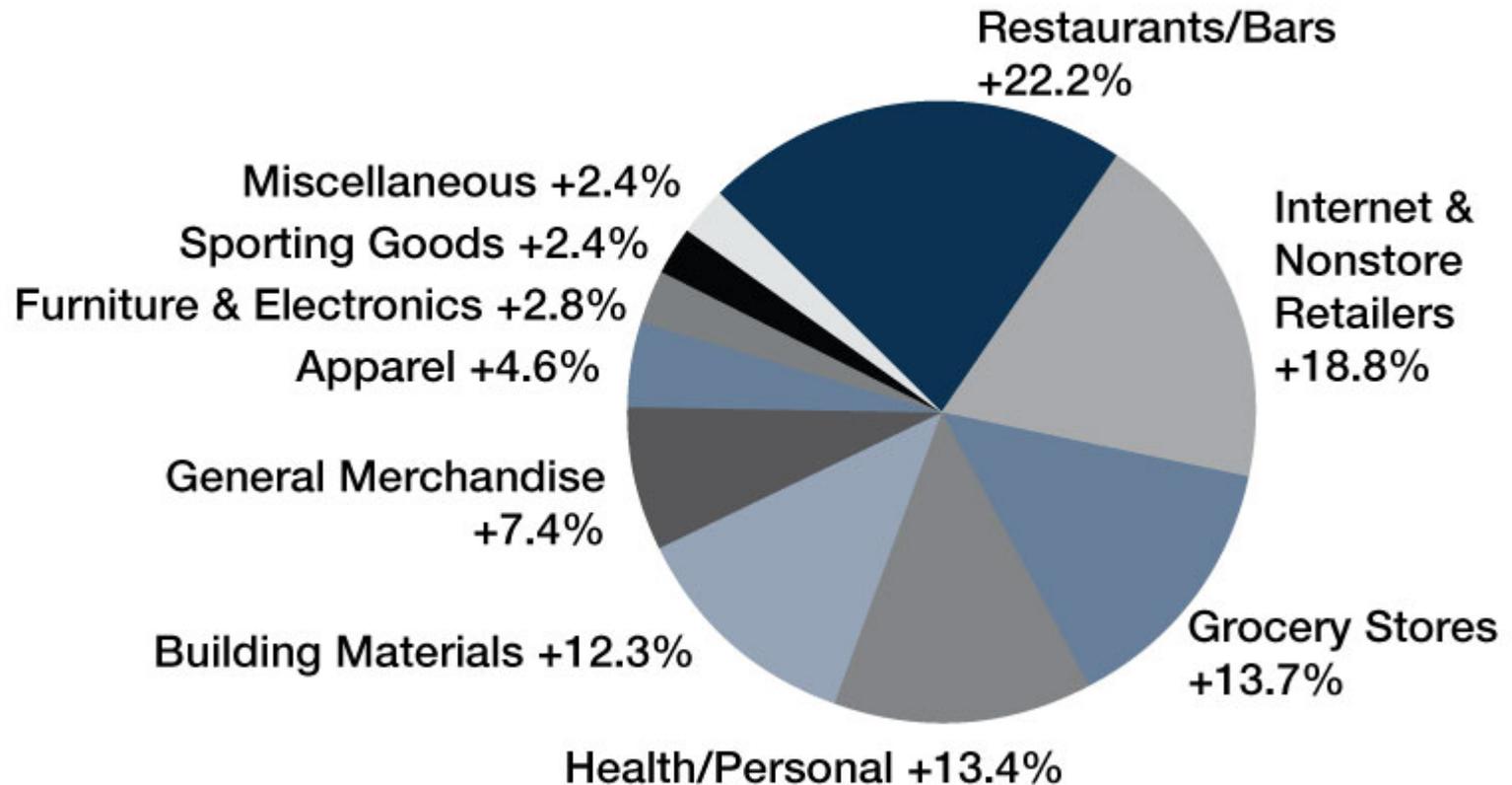
Retail Sales Percentage Change Over Prior Year



Note: Annual percentage figures are based on changes from year to year; monthly percentage change refers to change over same month in prior year
 Source: Census Bureau

Restaurants and Internet Lead Retail Growth

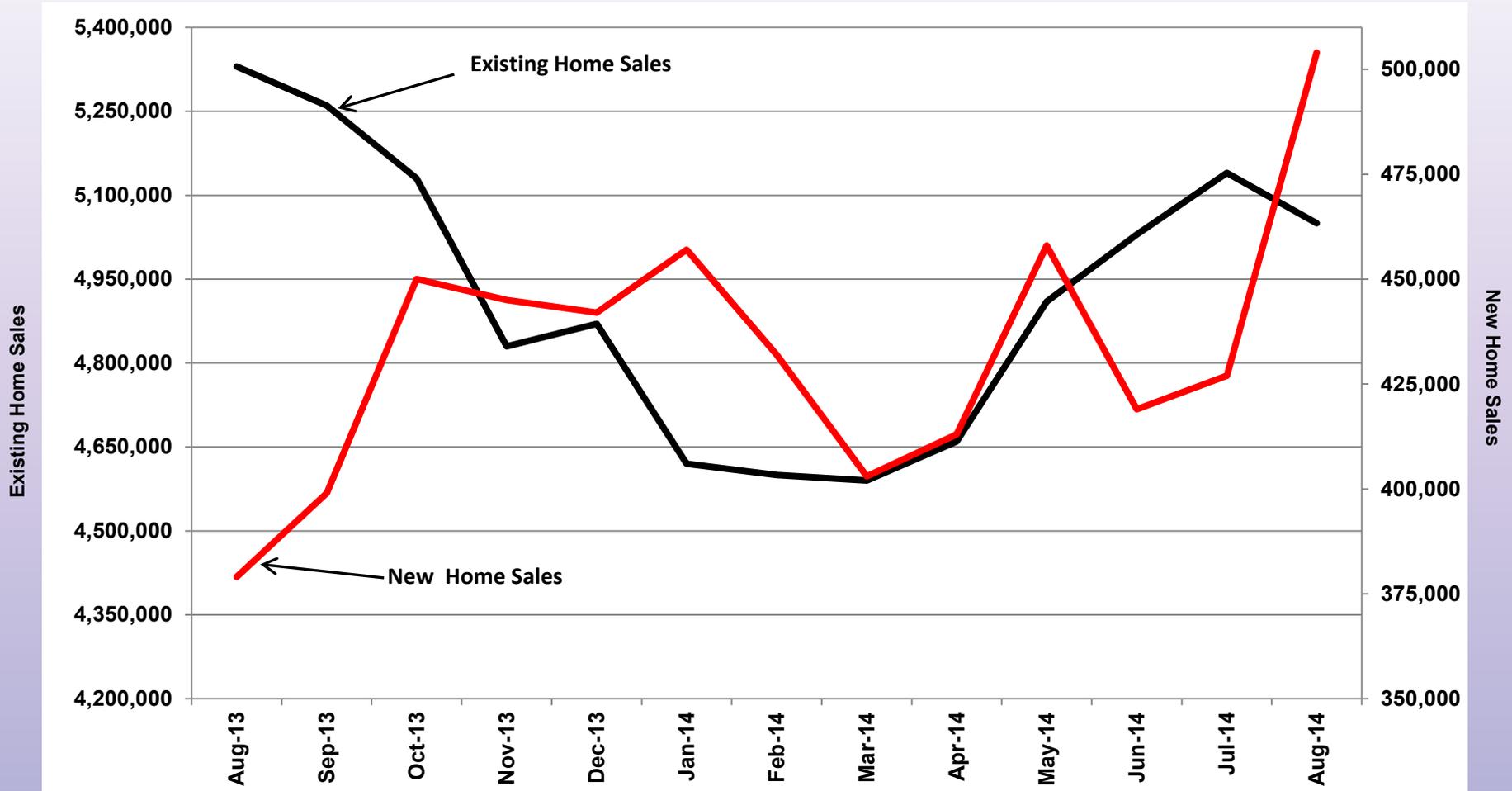
One-Year Retail Sales Gains by Subsector



* As of August 2014

Sources: Marcus & Millichap Research Services, U.S. Census Bureau

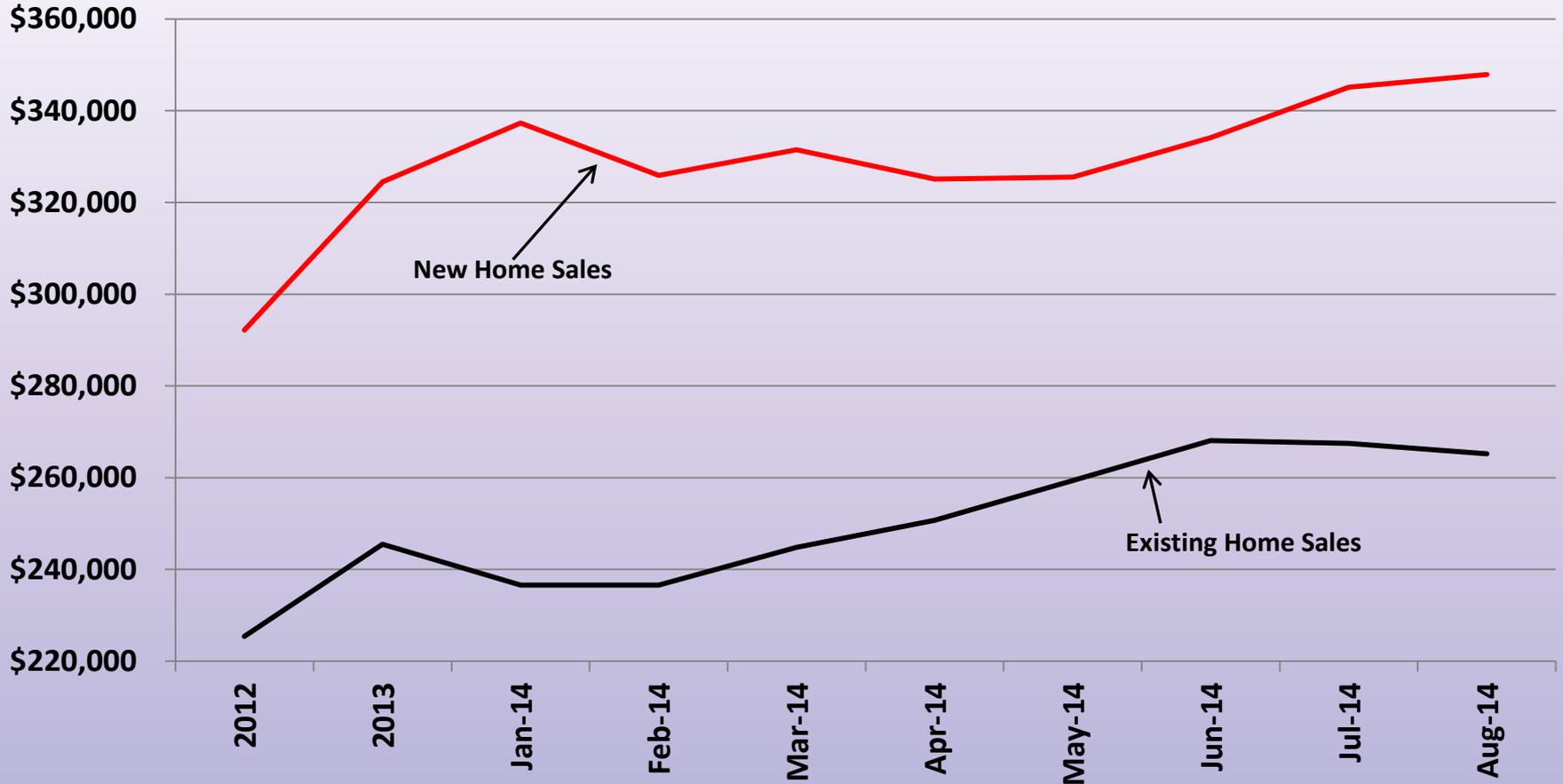
New and existing home sales



Sources: Economics Department, NAHB for New Home Sales data; National Association of Realtors for Existing Home Sales data

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New and existing home prices

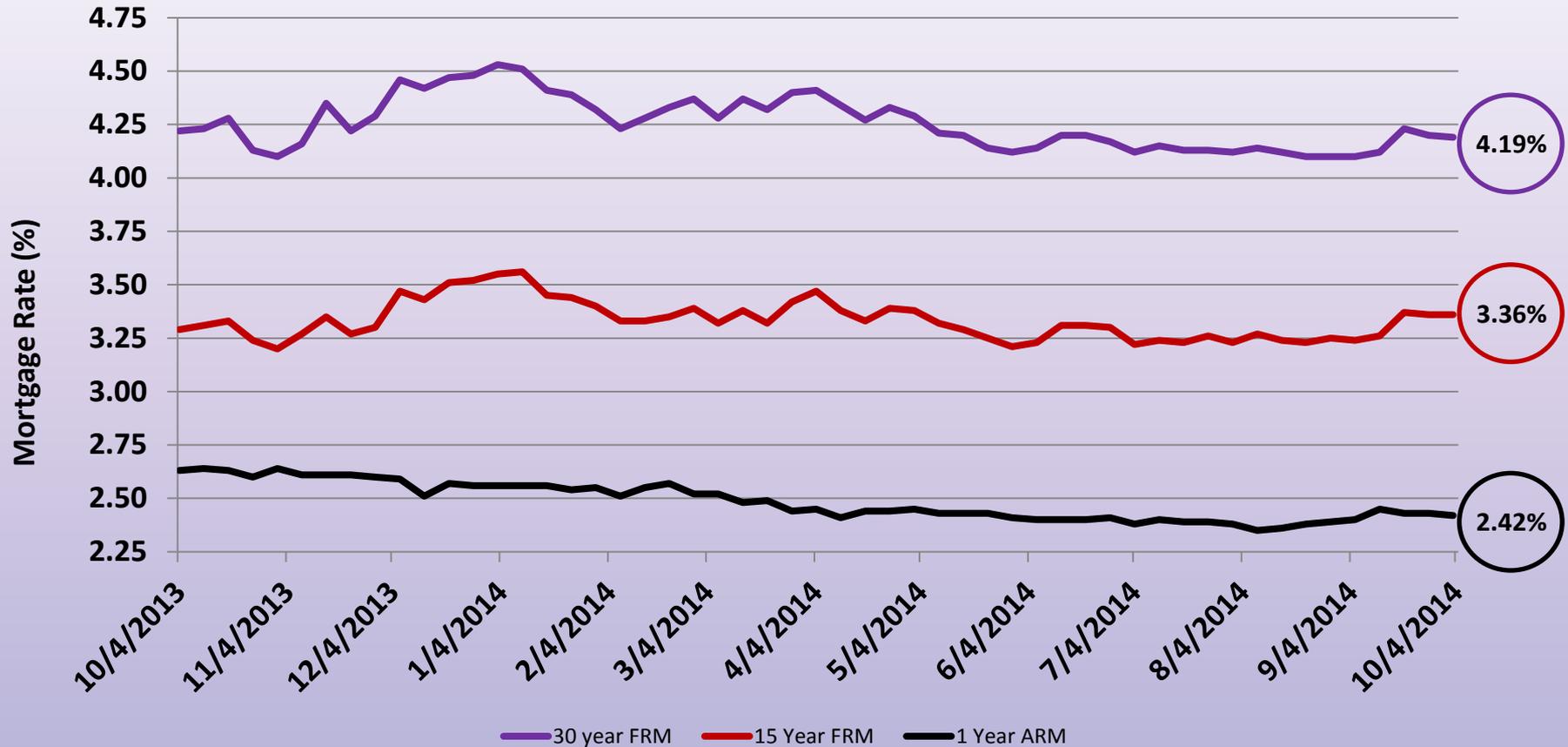


Sources: Census Bureau for New Home Sales data; National Association of Realtors for Existing Home Sales data

Fed Chairwoman Janet Yellen...

- **Is worried about slowdown in the U.S. housing recovery**
- **“The housing sector...has shown little recent progress.”**
- **“While this sector has recovered notably from its earlier trough, housing activity leveled off in the wake of last year’s increase in mortgage rates, and readings this year have, overall, continued to be disappointing.”**

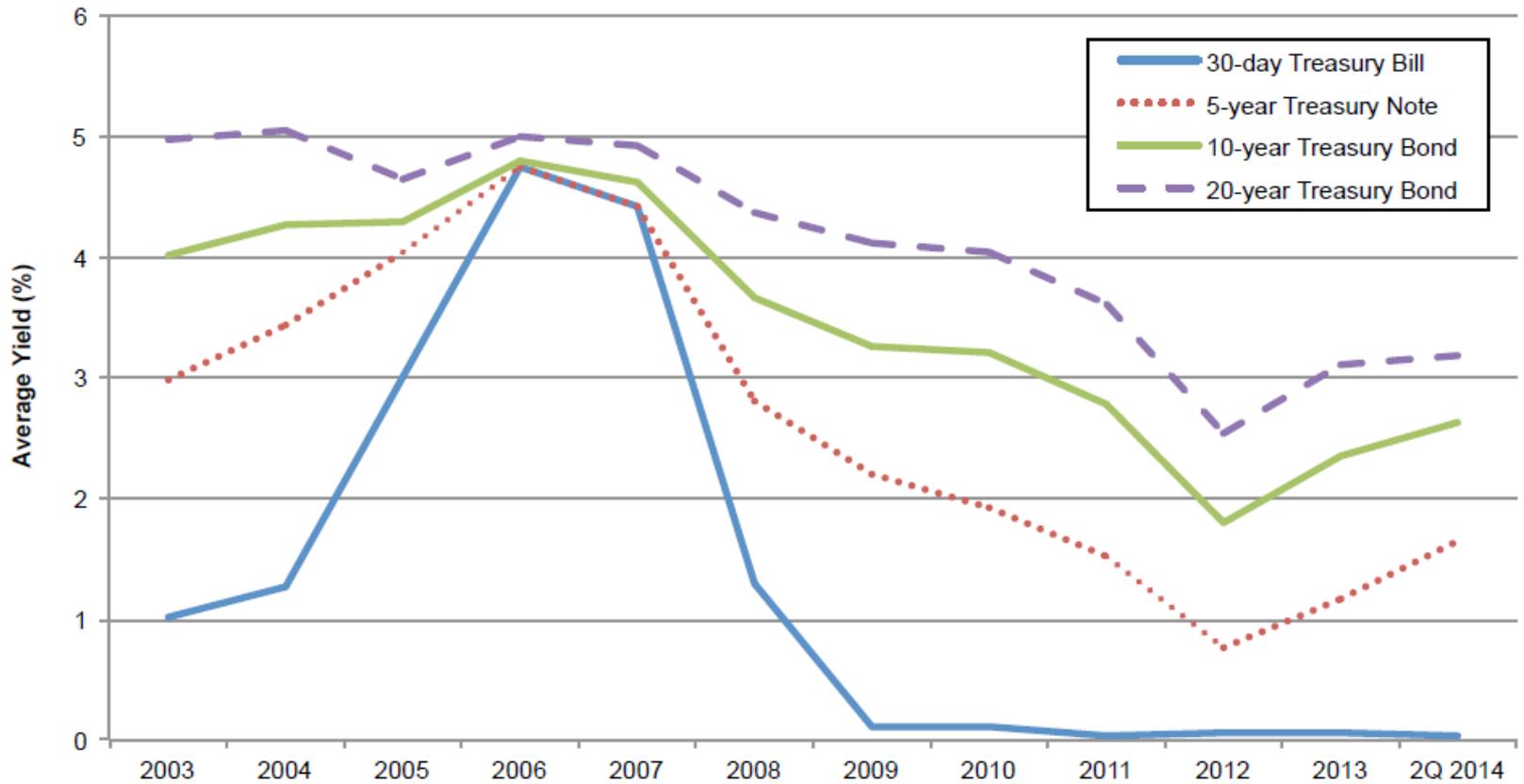
Mortgage rates still near historic lows



Source: Rates are as of the week ending August 2, 2014 from Mortgage-X.com

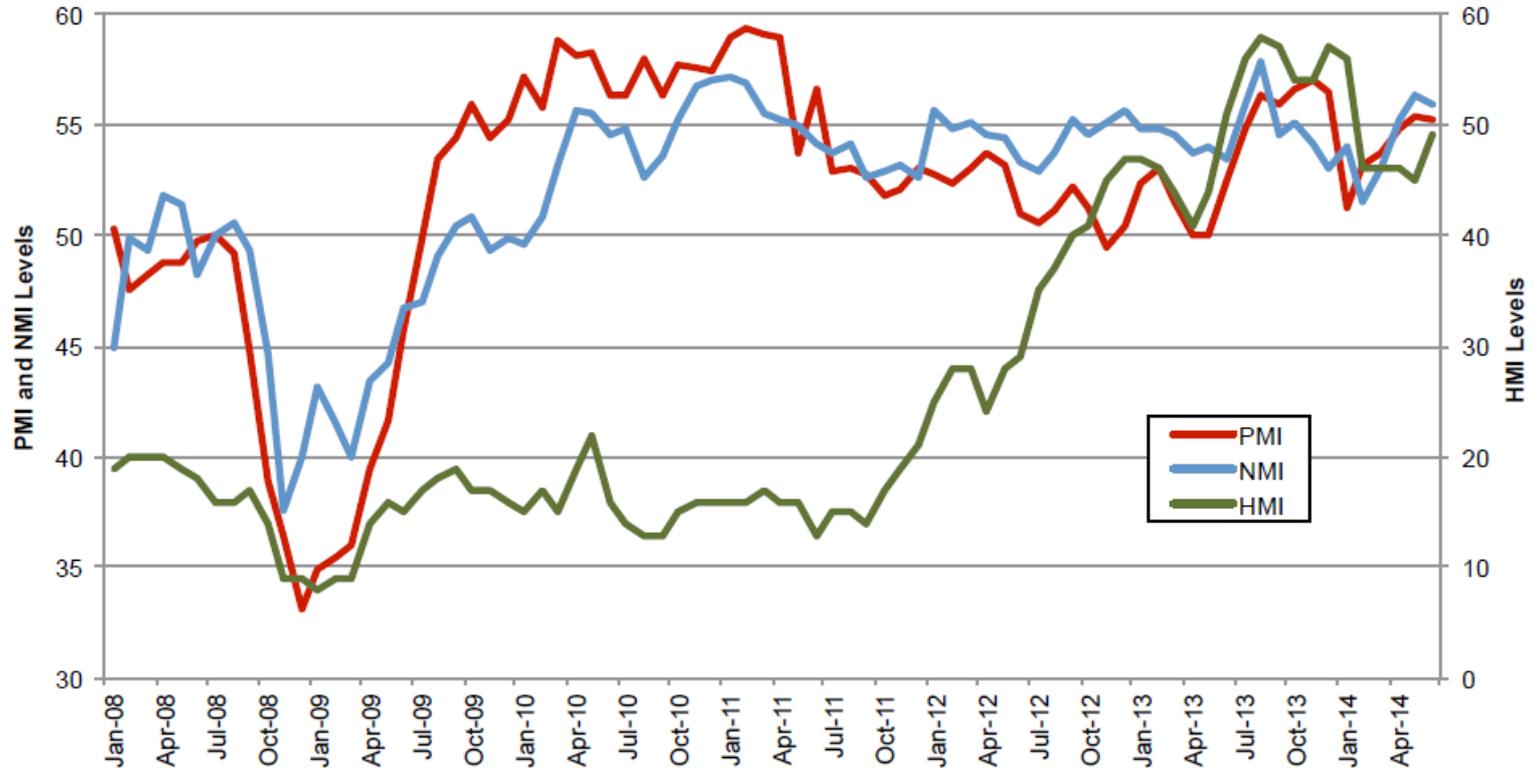
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EXHIBIT 11: Treasury Historical Data



Source: *Economic Outlook Update Quarterly – 2Q 2014*© published by Business Valuation Resources, LLC. See Addenda for attribution and disclaimer.

Manufacturing, Services, and Housing Indicators—Since 2008



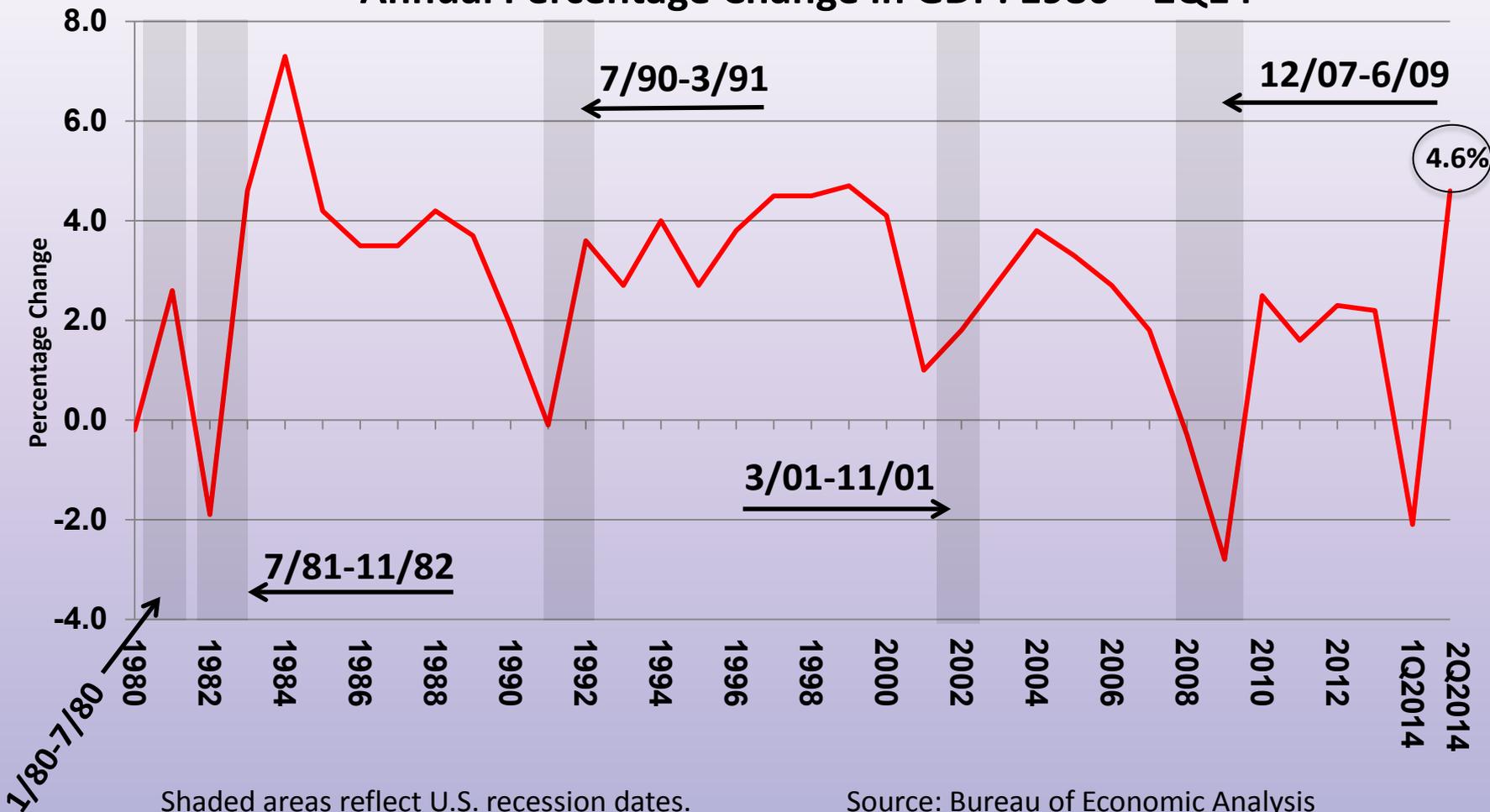
Source of data: Institute for Supply Management and the National Association of Home Builders.

Notes: PMI is the Institute of Supply Management's Manufacturing Index—any reading above 50.0% suggests growth in the manufacturing economy, whereas a reading below 50.0% indicates contraction. NMI is the Institute of Supply Management's Non-Manufacturing Index, which measures the strength of the services sector—any reading above 50.0% suggests growth, whereas a reading below 50.0% indicates contraction. HMI is the National Association of Home Builders/Wells Fargo Housing Market Index—any reading over 50 indicates that more builders view sales conditions as good than poor.

Source: *Economic Outlook Update Quarterly – 2Q 2014*© published by Business Valuation Resources, LLC. See Addenda for attribution and disclaimer.

GDP growth positive but erratic lately

Annual Percentage Change in GDP: 1980 – 2Q14

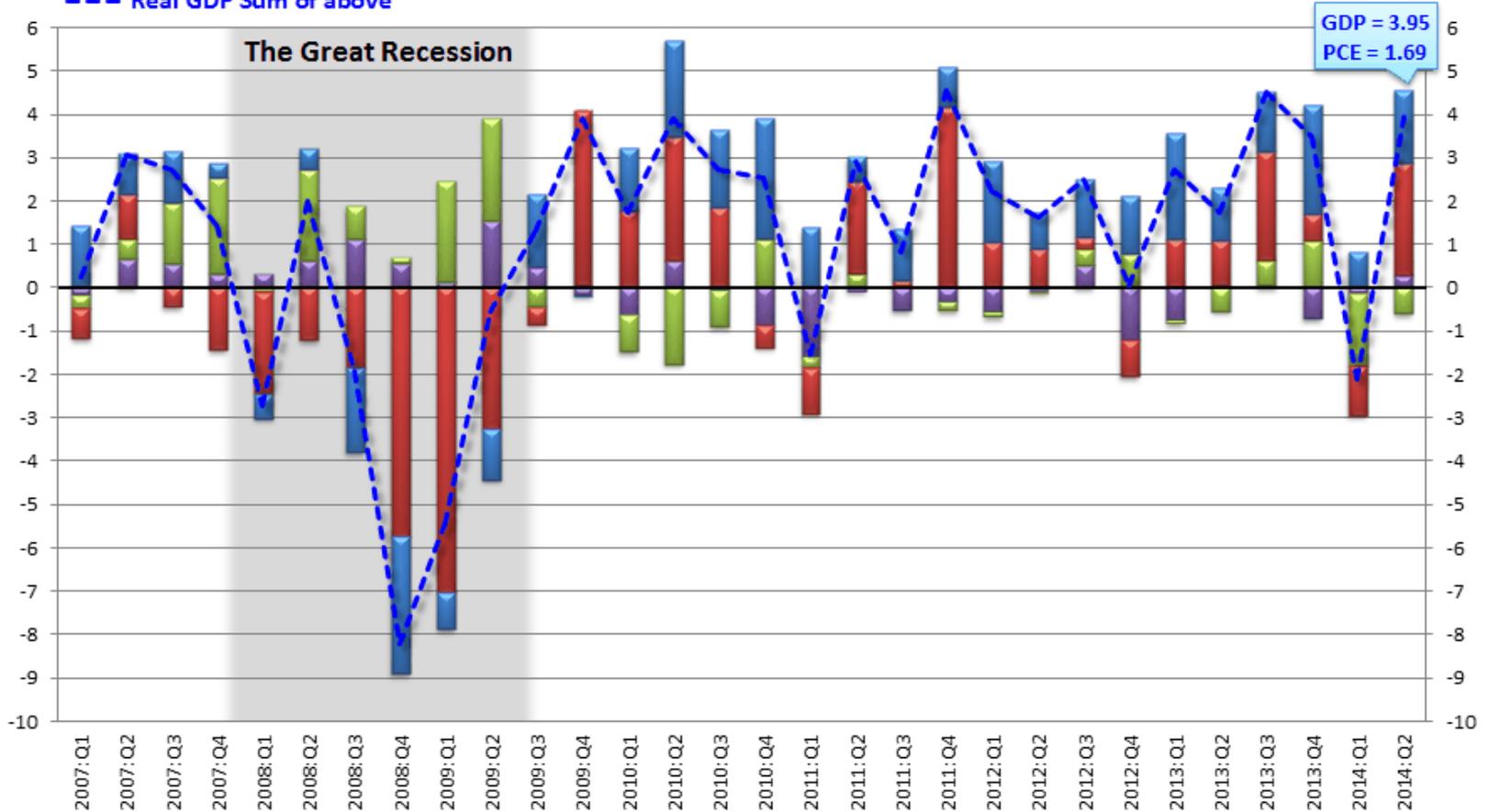


Contributions to Percent Change in Real GDP Since 2007

dshort.com
July 2014

- Personal consumption expenditures
- Gross private domestic investment
- Net exports of goods and services
- Government consumption expenditures and gross investment
- - - Real GDP Sum of above

Data through 2014 Q2
Advance Estimate

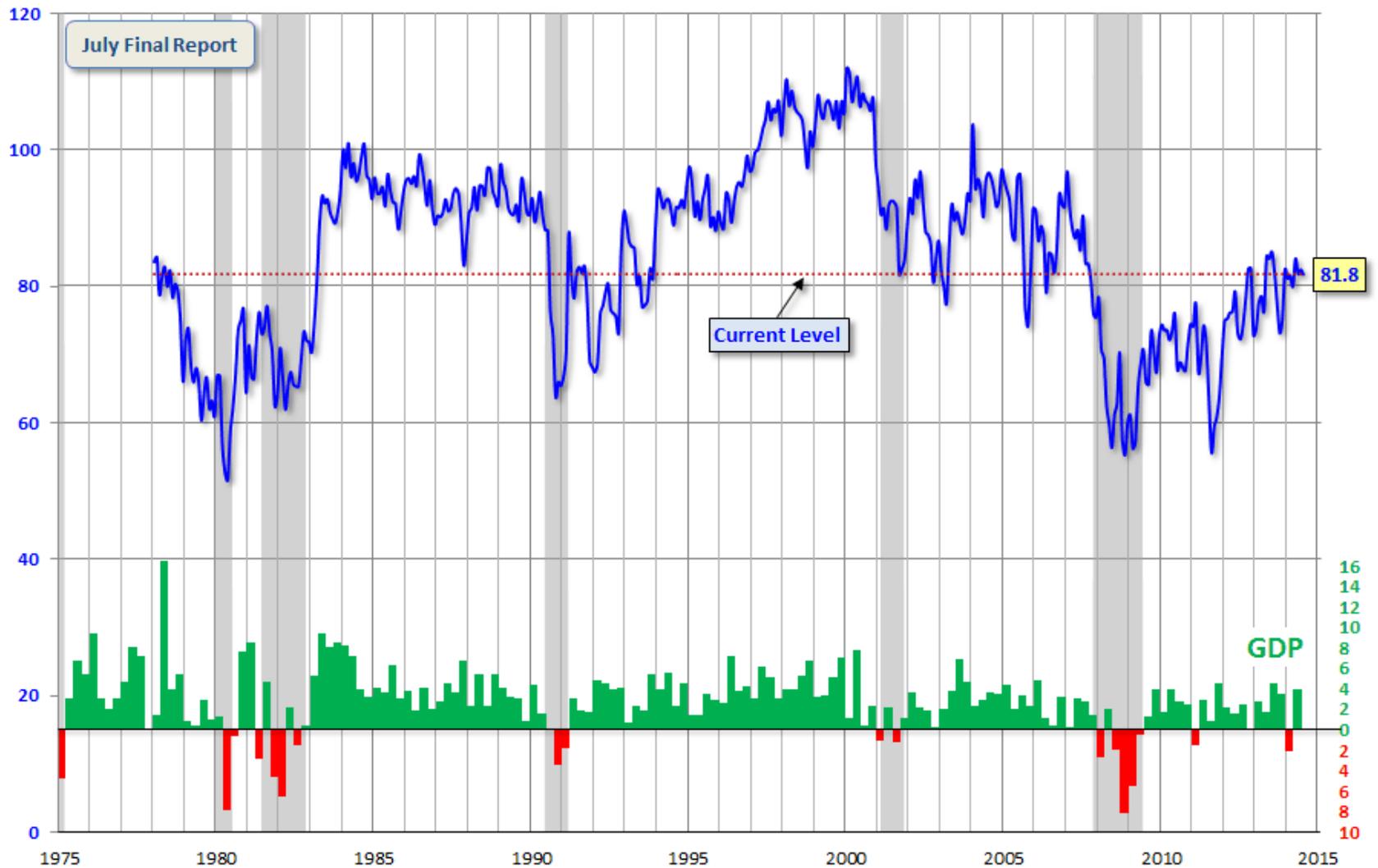


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University of Michigan Consumer Sentiment Index GDP and Recessions

dshort.com
August 2014

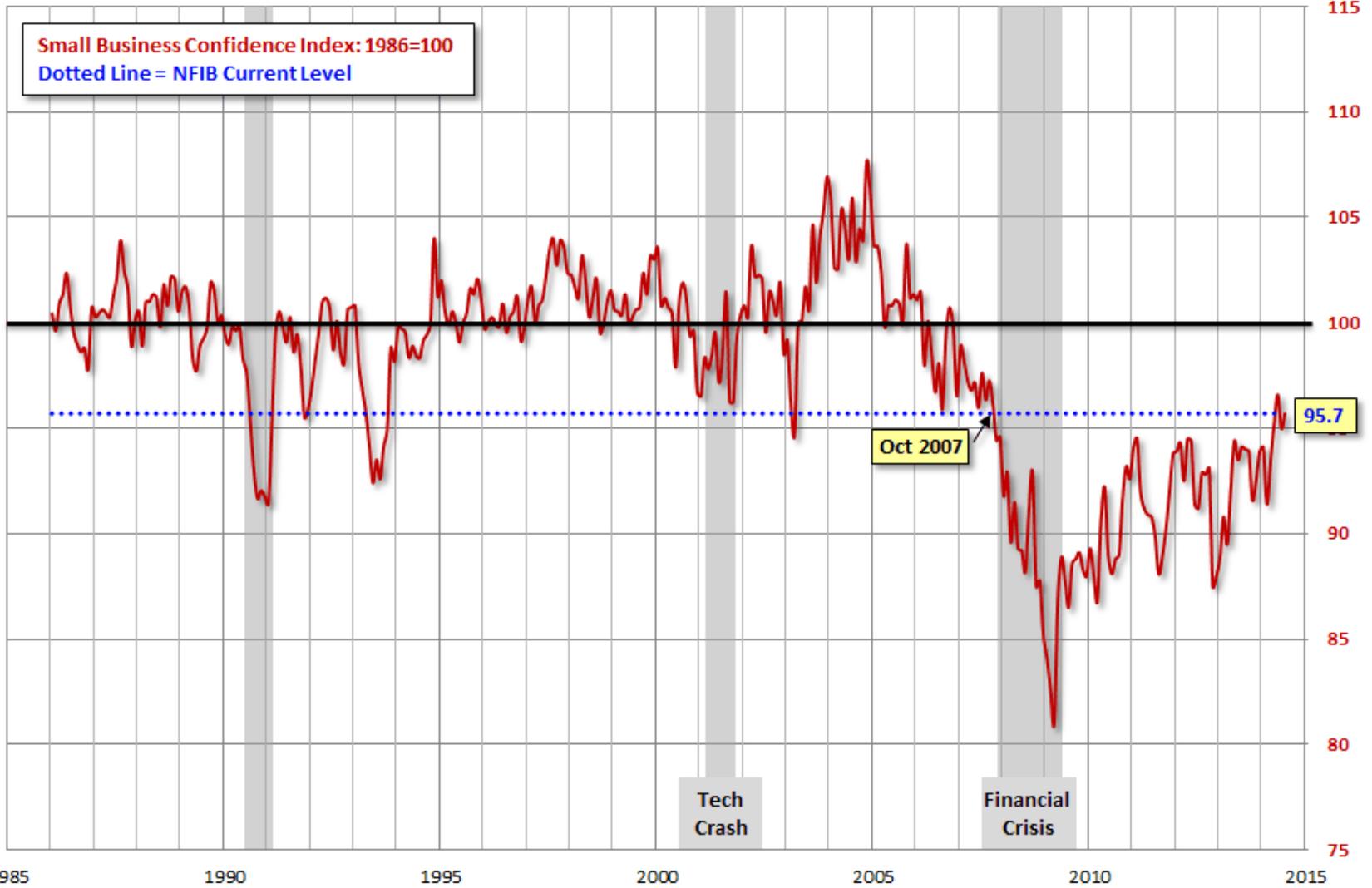


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NFIB Small Business Optimism Index with Recessions Highlighted

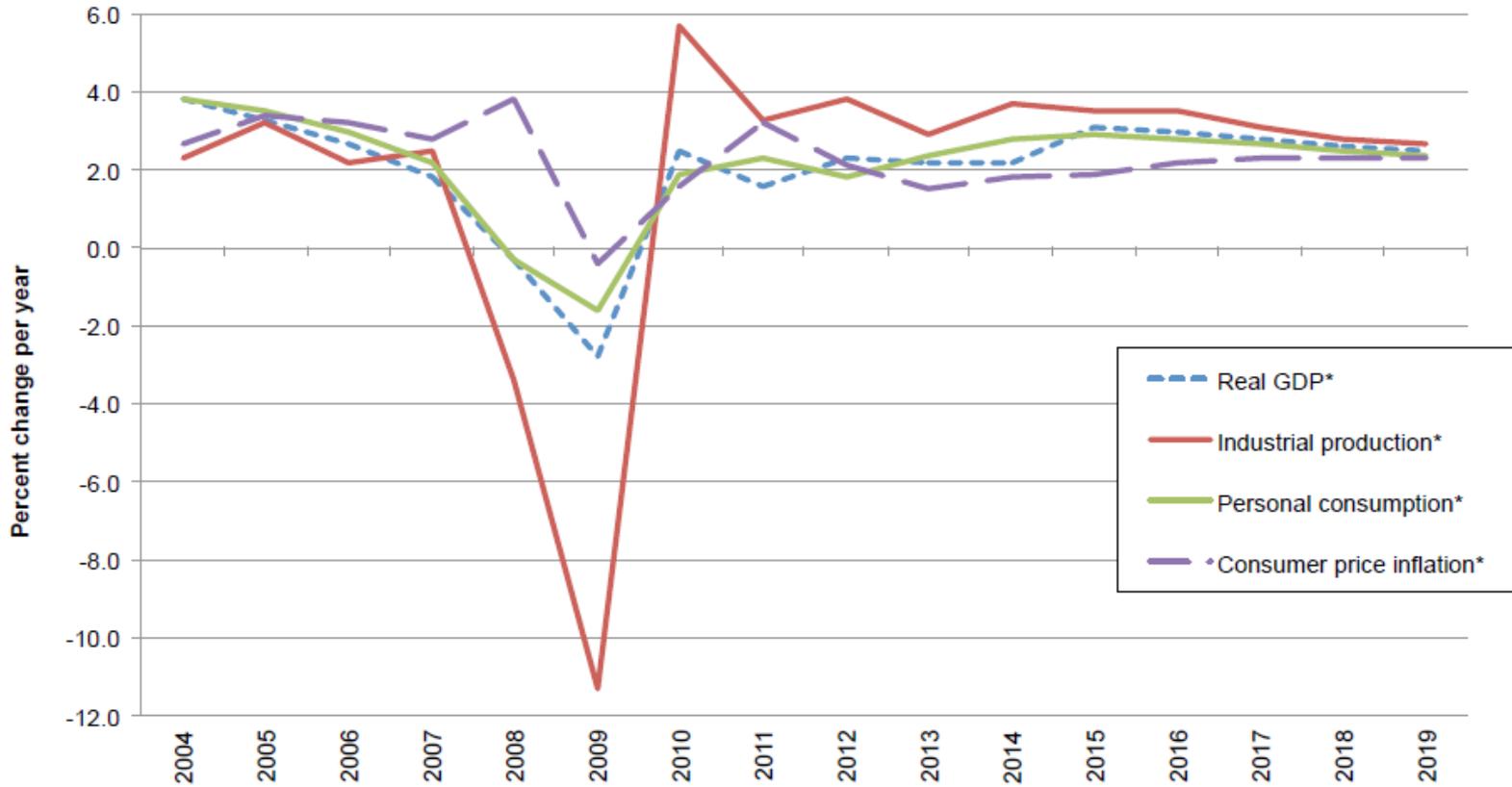
dshort.com
August 2014
Data through July



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EXHIBIT 3: Key Economic Variables Actual 2004-2013 and Forecast 2014-2019



Source of historical data: U.S. Department of Commerce, U.S. Department of Labor, and The Federal Reserve Board.
 Source of forecasts: Consensus Forecasts.

*Numbers are based on percent change from preceding period. Consumer price inflation information is annual averages.

Source: *Economic Outlook Update Quarterly – 2Q 2014* published by Business Valuation Resources, LLC. See Addenda for attribution and disclaimer.

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Economic conclusions

Irrational exuberance (prerecession)



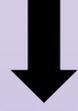
The Great Recession



Jobless recovery



Muddle through economy



Cautious optimism



Economic expansion (now)

Economic concerns

How long will the expansion continue?

There will be another recession, but when?

What to look for...

- deterioration of economic trends (normal)
- event risk (the unexpected)

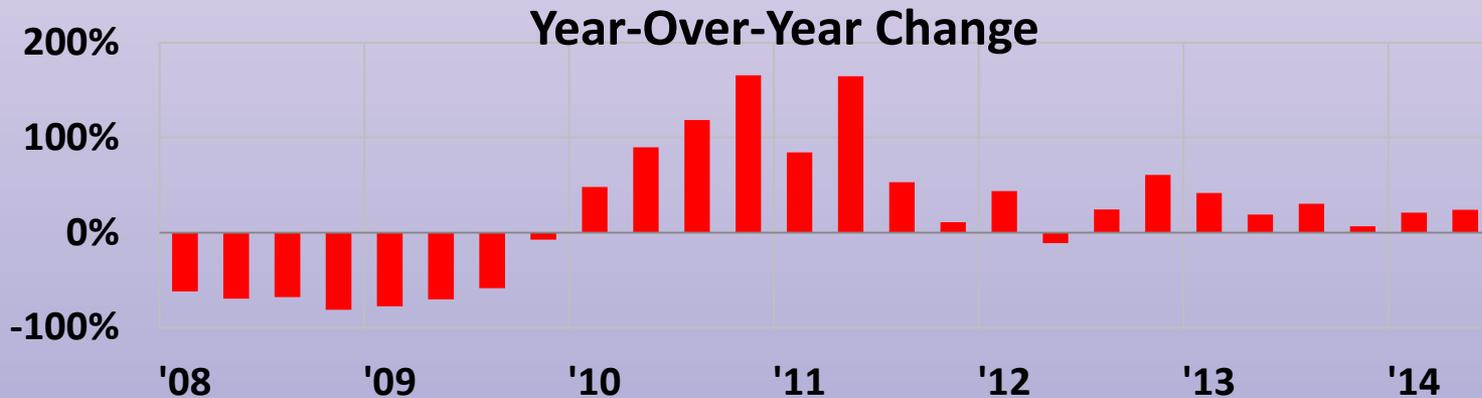
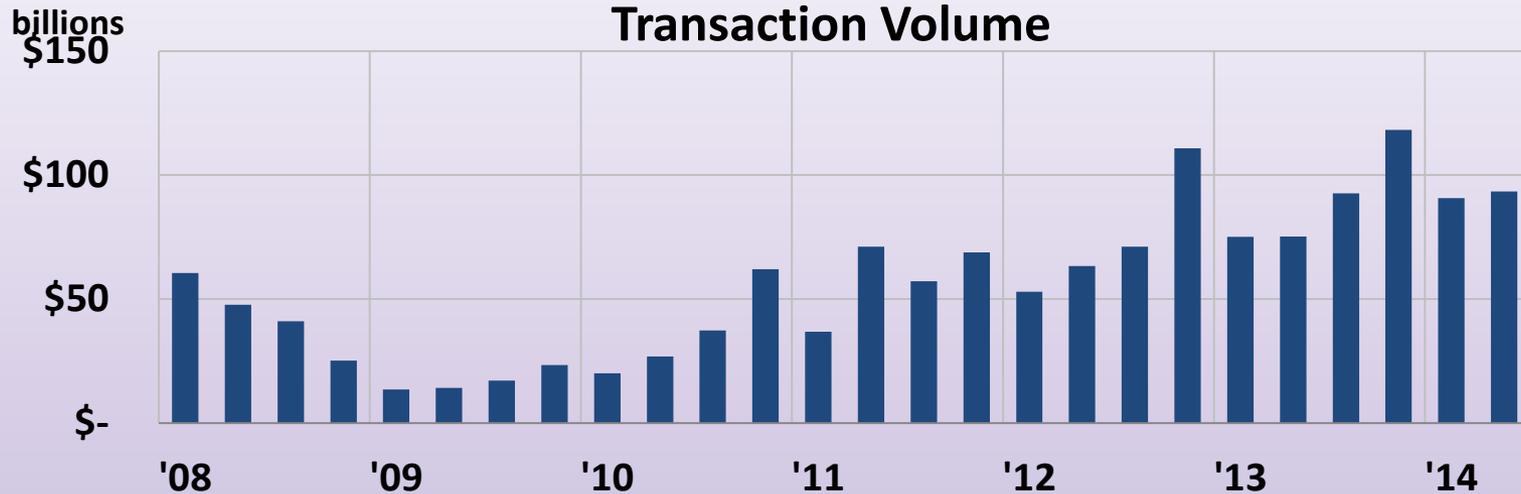
Property Sectors

An aerial photograph of a city skyline, likely Phoenix, Arizona, with the Camelback Mountain range in the background. The city features a mix of modern high-rise buildings and older, lower-rise structures. A large, multi-lane highway is visible in the foreground, along with some undeveloped land and parking lots. The sky is clear and blue.

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Transaction volume accelerates

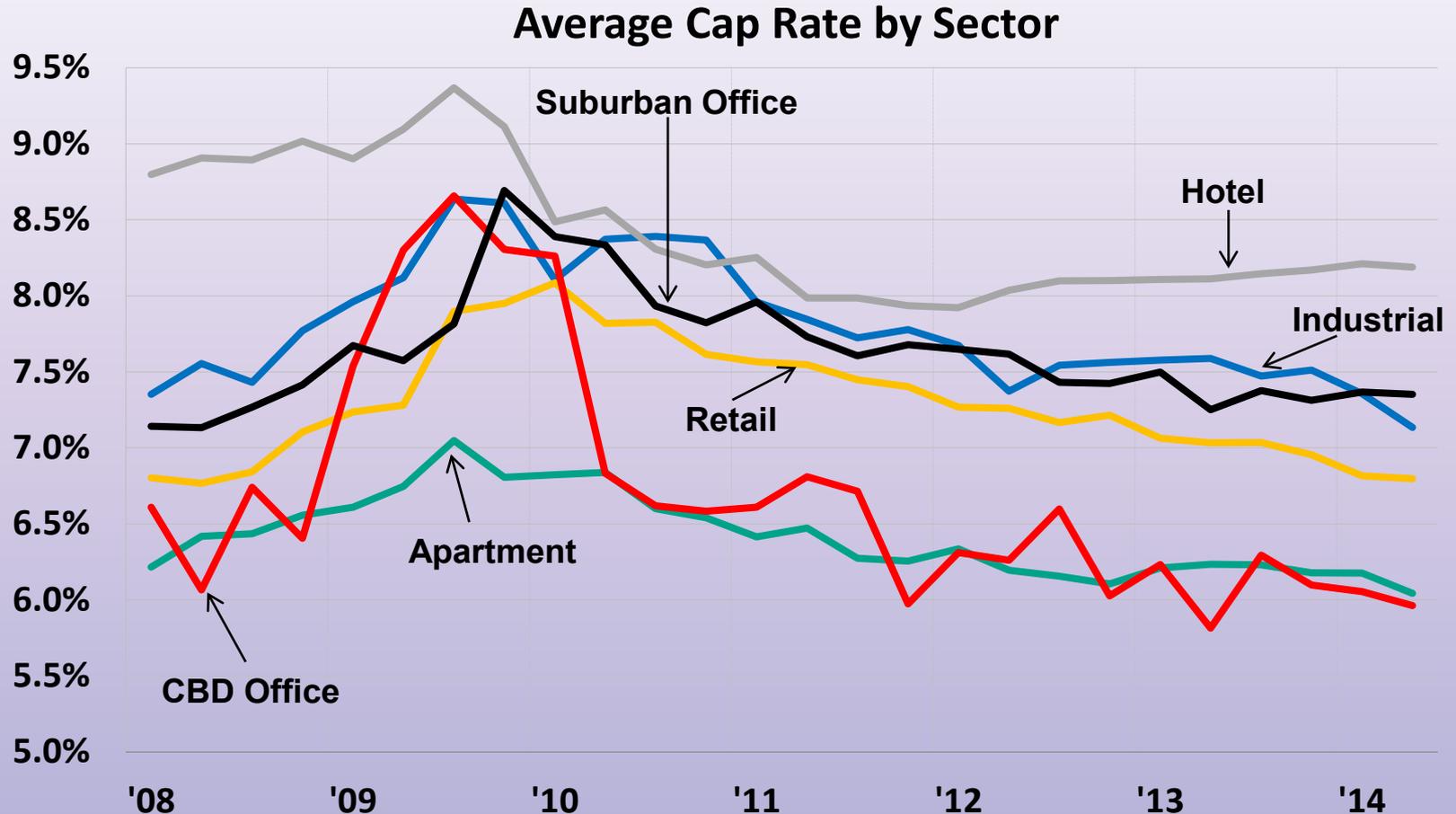
Volume for All Property Types
(Office, Industrial, Retail, Apartment, Hotel, and Development Sites)



Source: Real Capital Analytics, Inc., *US Capital Trends® – The Big Picture*, 2014 Mid-Year Review, published July 2014

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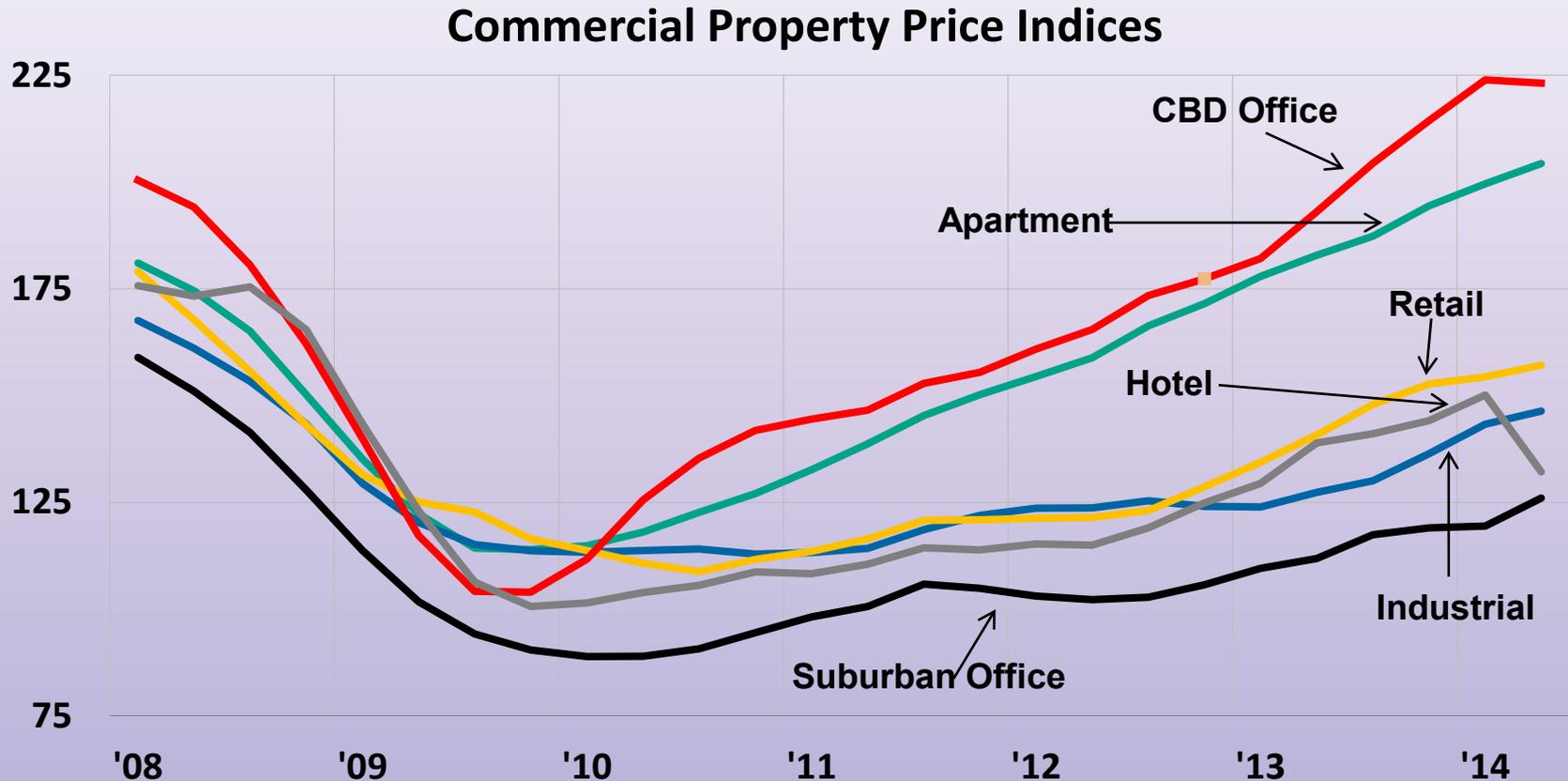
Cap rate compression continues, except for hotels



Source: Real Capital Analytics, Inc., *US Capital Trends*® – *The Big Picture*, 2014 Mid-Year Review, published July 2014

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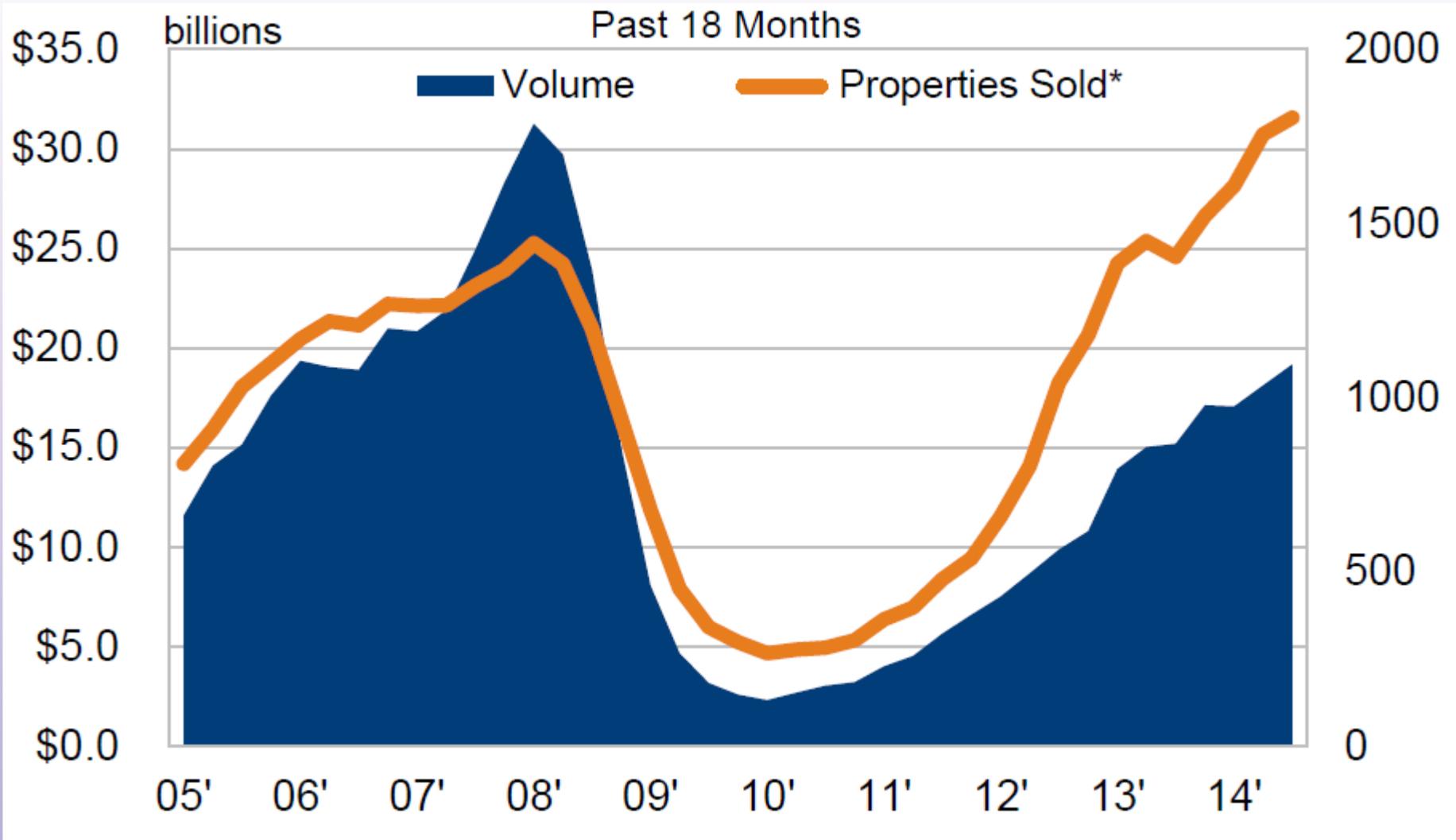
Prices increasing, except for hotels



Source: Real Capital Analytics, Inc., *US Capital Trends*® – *The Big Picture*, 2014 Mid-Year Review, published July 2014

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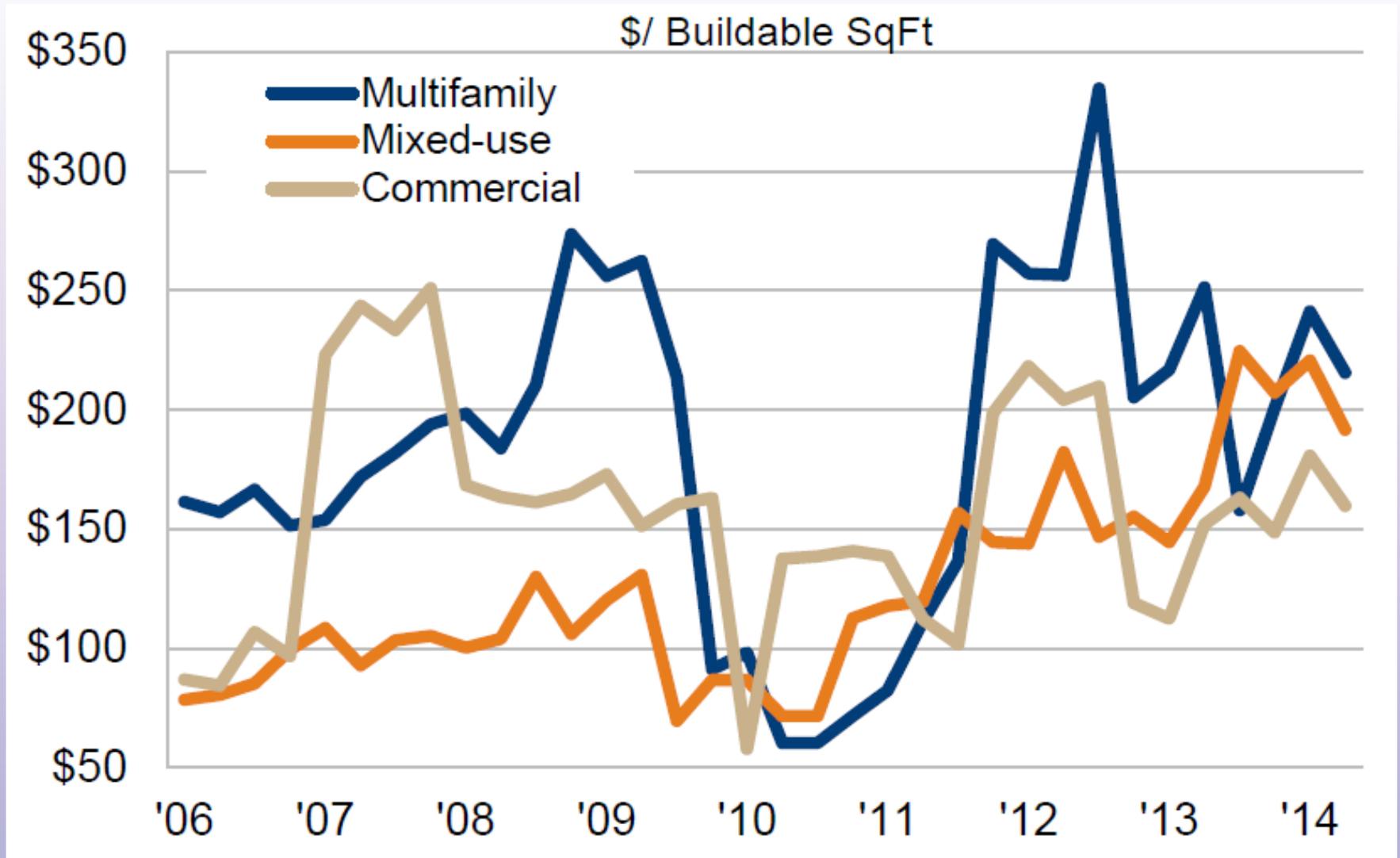
Development site sales trends



Source: Real Capital Analytics, Inc., *US Capital Trends® – The Big Picture*, 2014 Mid-Year Review, published July 2014

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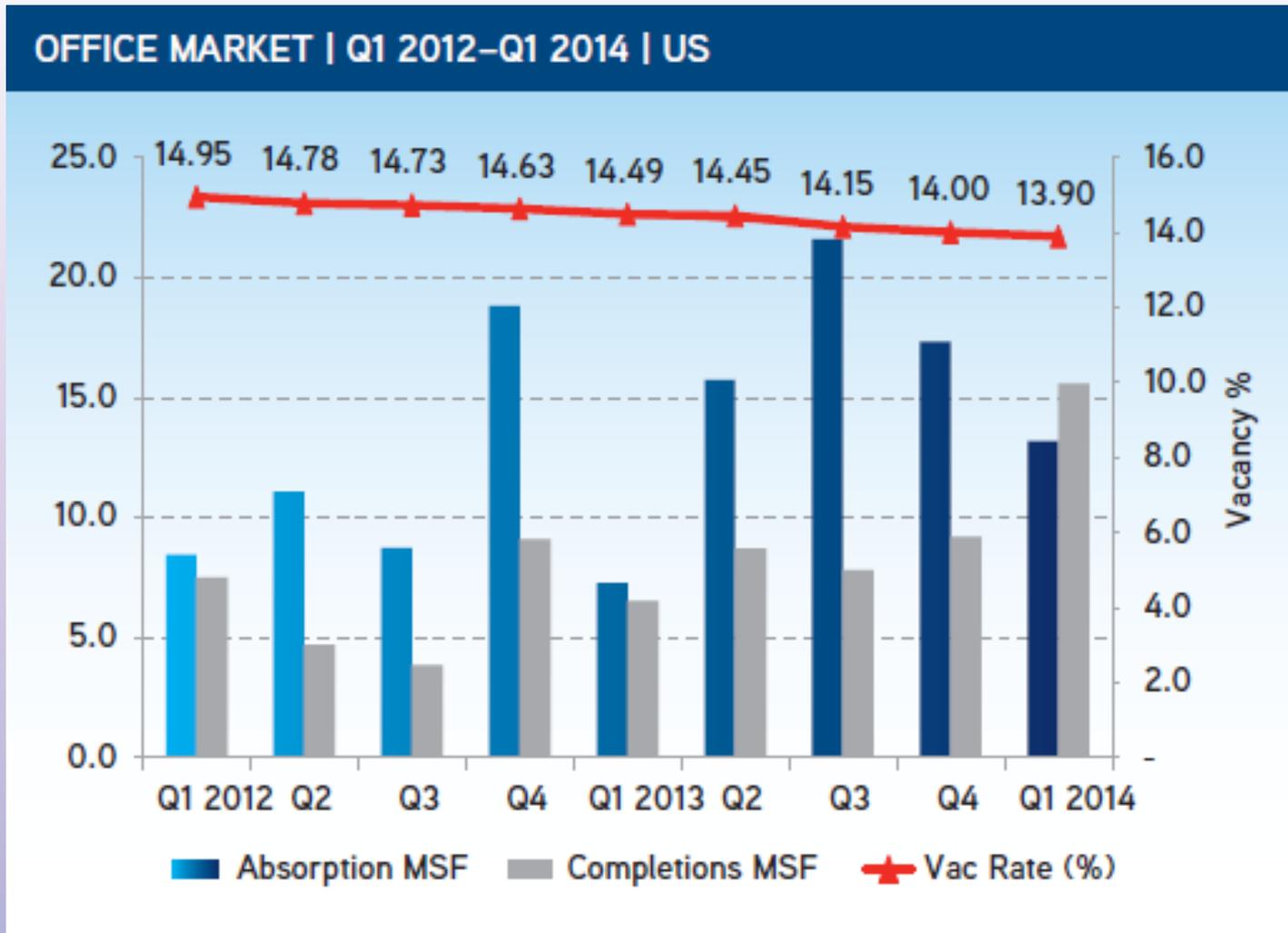
Central Business Districts



Source: Real Capital Analytics, Inc., *US Capital Trends® – The Big Picture*, 2014 Mid-Year Review, published July 2014

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Office – demand up, vacancy down

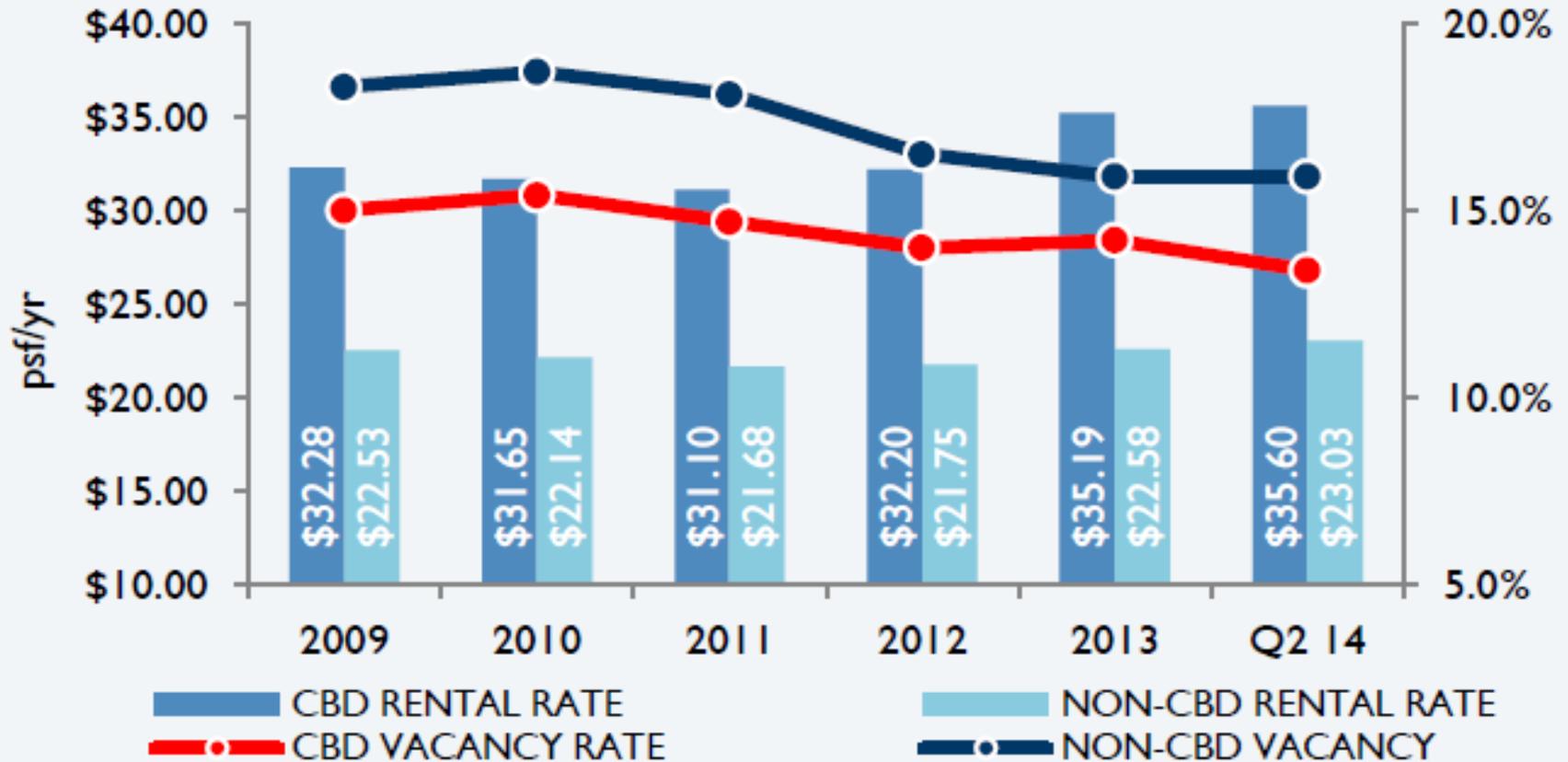


Source: Colliers International *North American Highlights – Q1 2014 Office*

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Office – rents up driven by positive net absorption

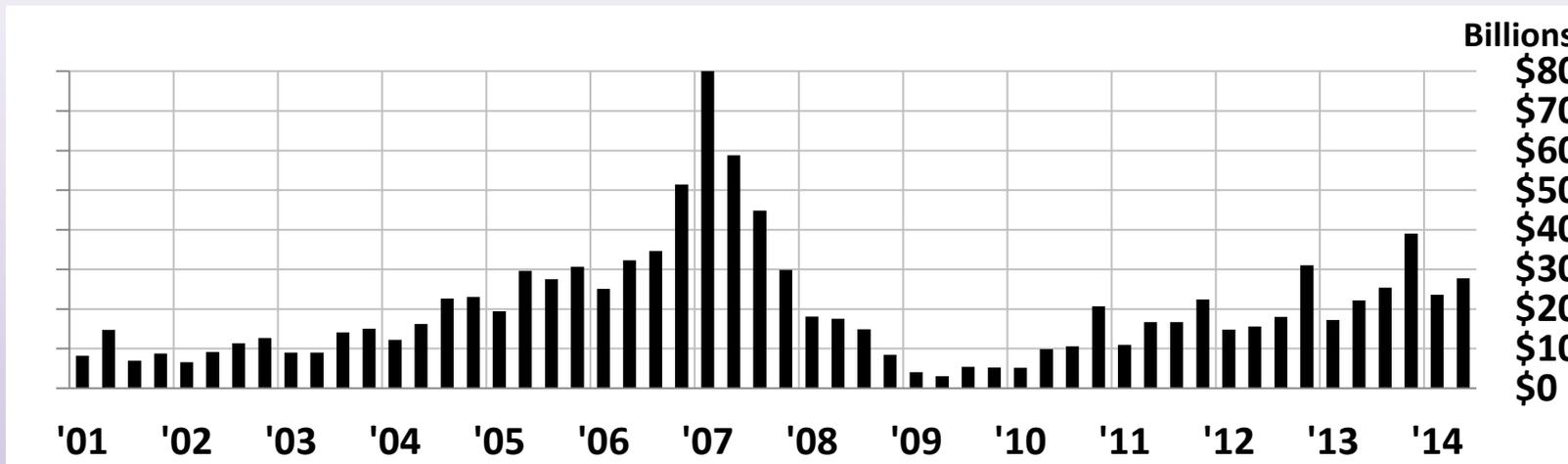
OVERALL RENTAL VS. VACANCY RATES



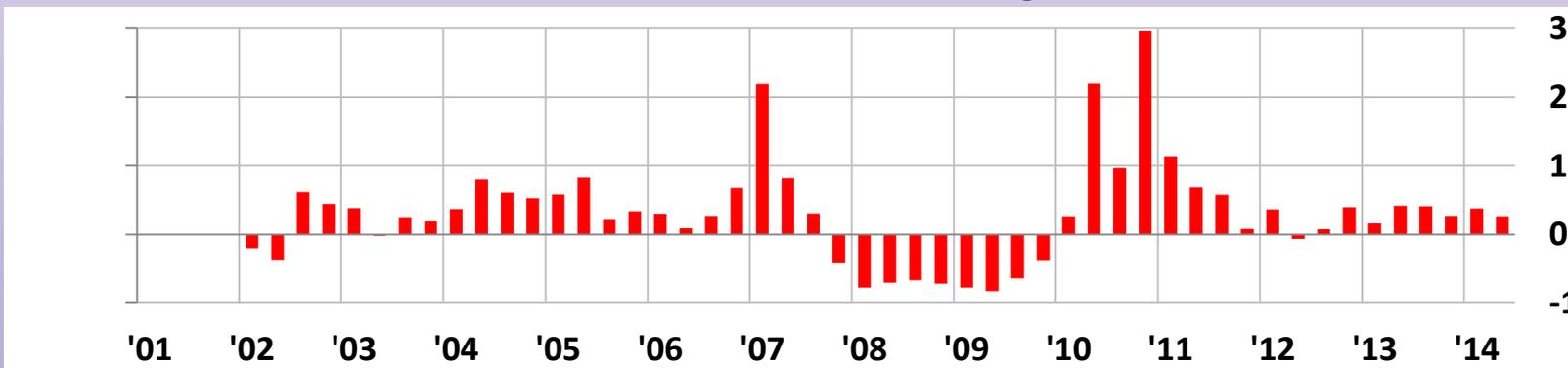
Source: Cushman & Wakefield MarketBeat Office Snapshot, Q2 2014

Office transaction volume improves Y-O-Y

Transaction Volume



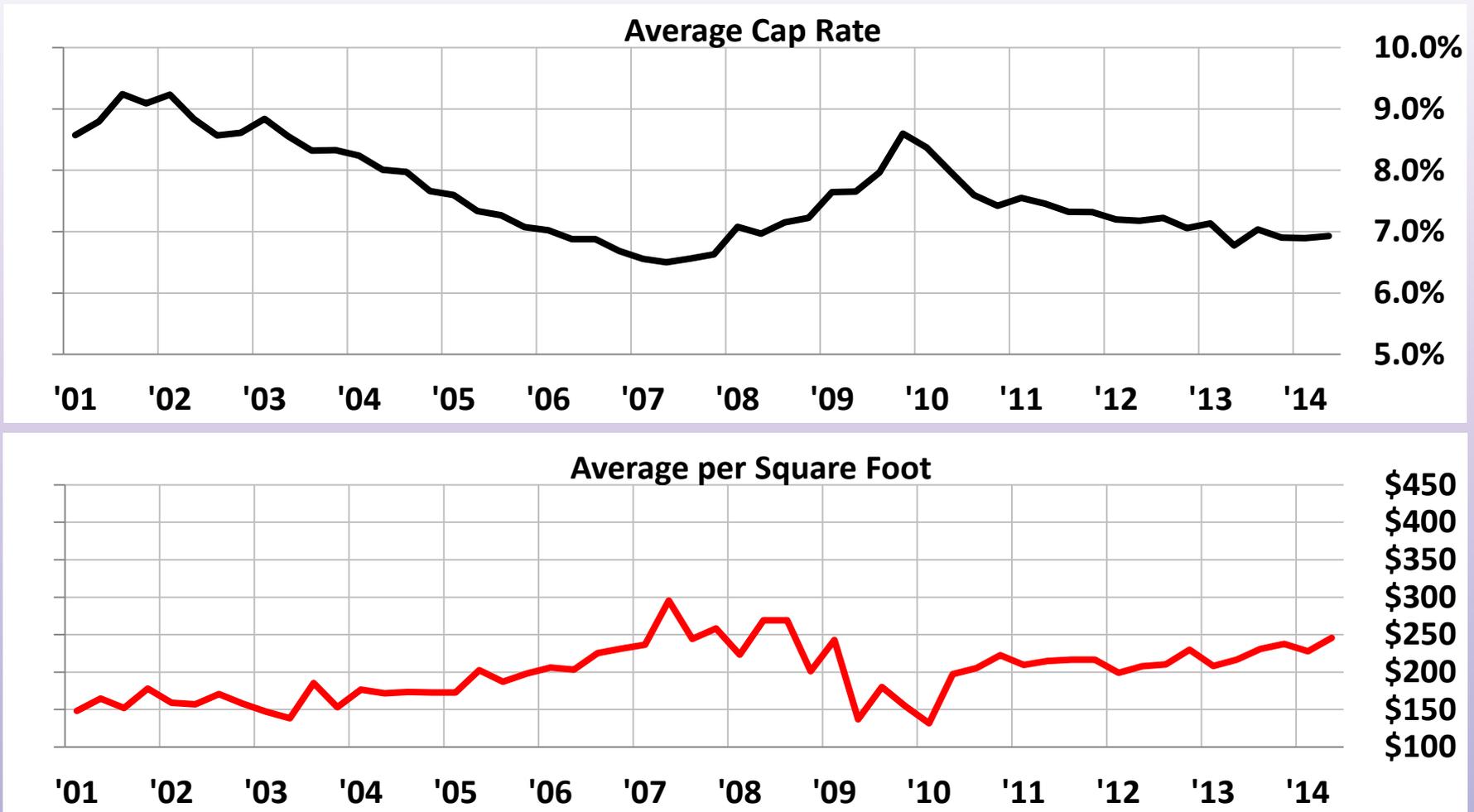
Year-Over-Year % Change



Source: Real Capital Analytics, Inc., *US Capital Trends® Office – 2014 Mid-Year Review*, published July 2014

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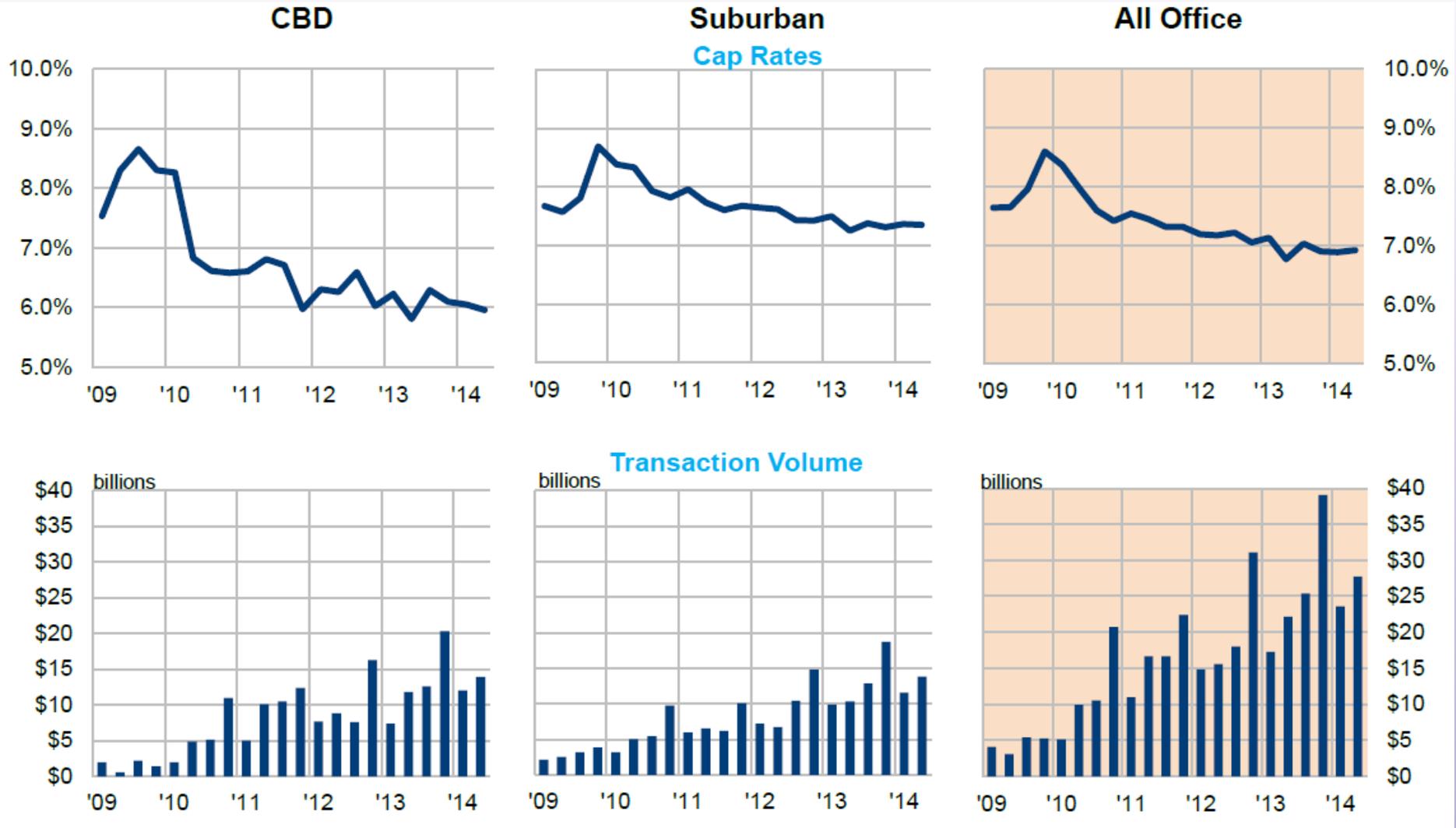
Office prices increase as cap rates compress



Source: Real Capital Analytics, Inc., *US Capital Trends® Office* – 2014 Mid-Year Review, published July 2014

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Office pricing up in CBD and suburban



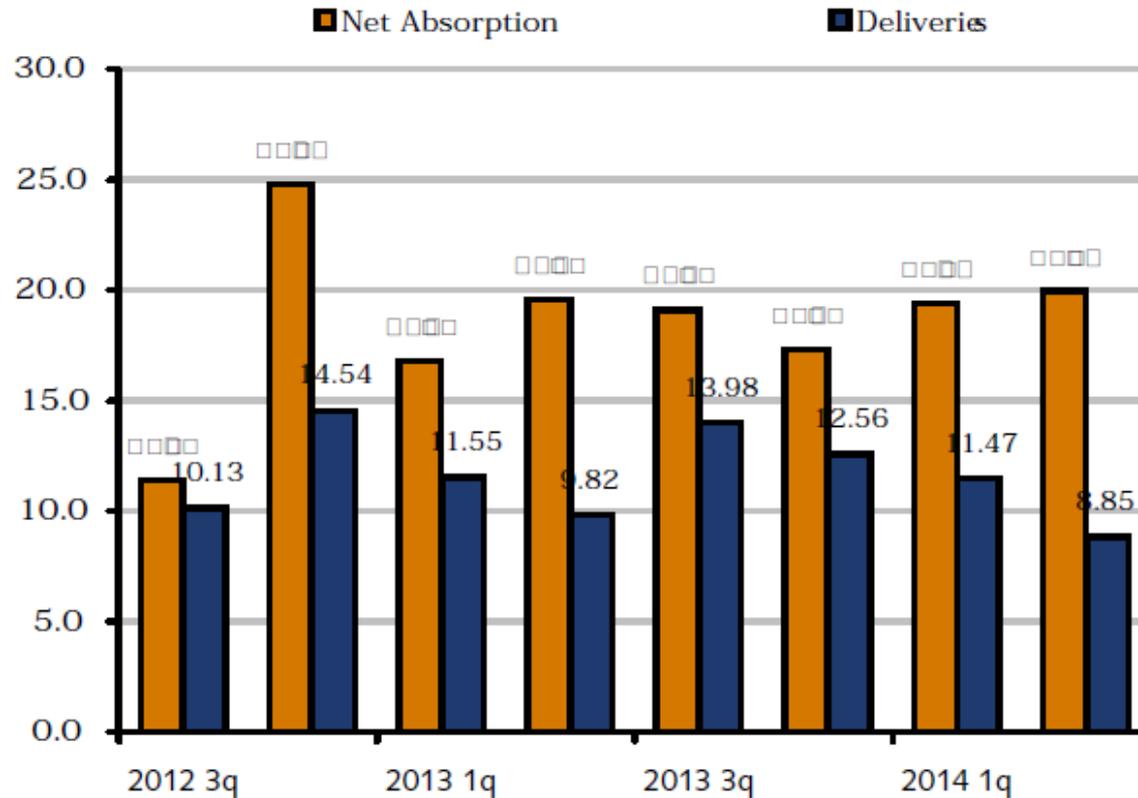
Source: Real Capital Analytics, Inc., *US Capital Trends® Office – 2014 Mid-Year Review*, published July 2014

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Retail net absorption continues to increase

Absorption & Deliveries*

Past 8 Quarters



Source: CoStar Property® * Select markets included in this chart - see Methodology page.

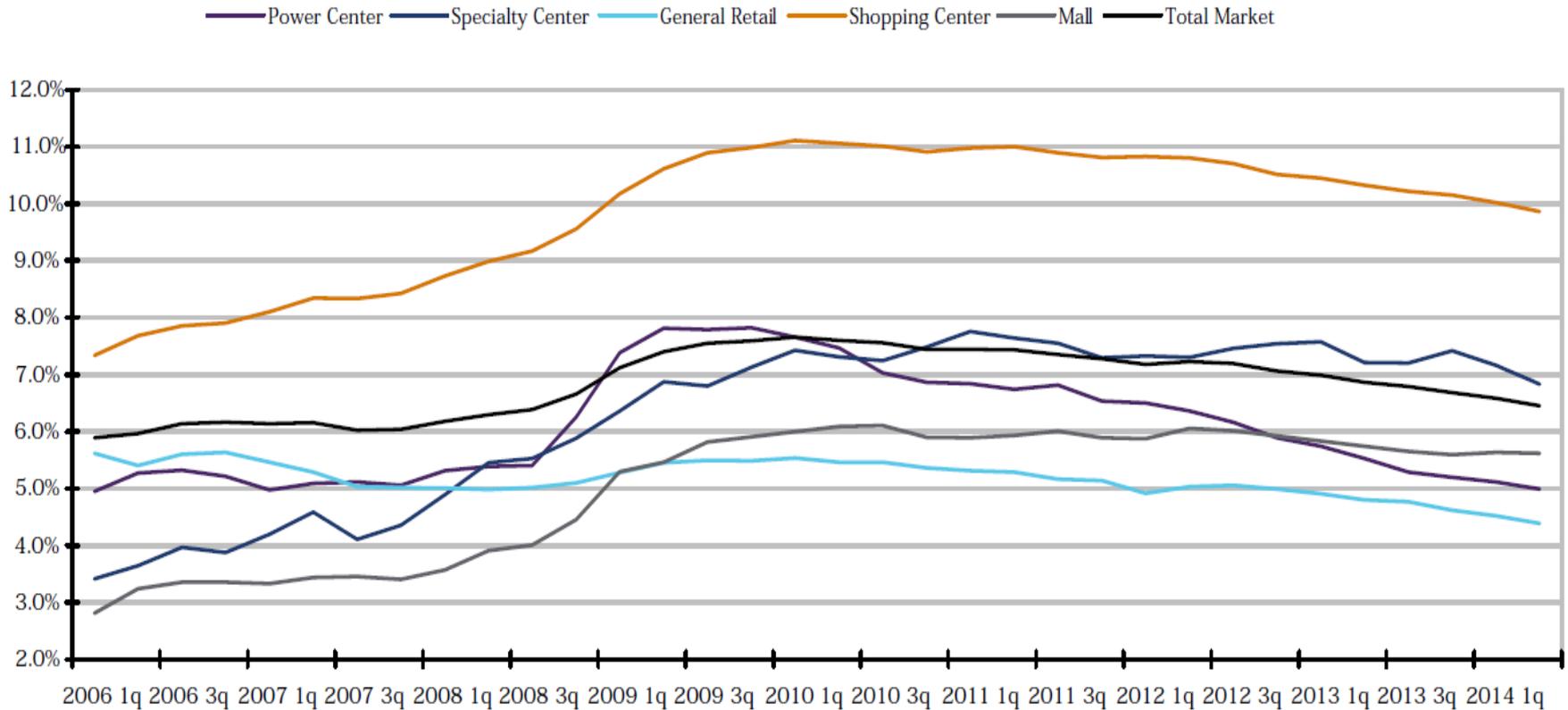
Source: The CoStar Retail Report, Mid-Year 2014, National Retail Market published by CoStar Group™

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Retail vacancies decline driven by positive net absorption

Vacancy Rates by Building Type*

2006-2014



Source: CoStar Property® * Select markets included in this historical chart - see Methodology page.

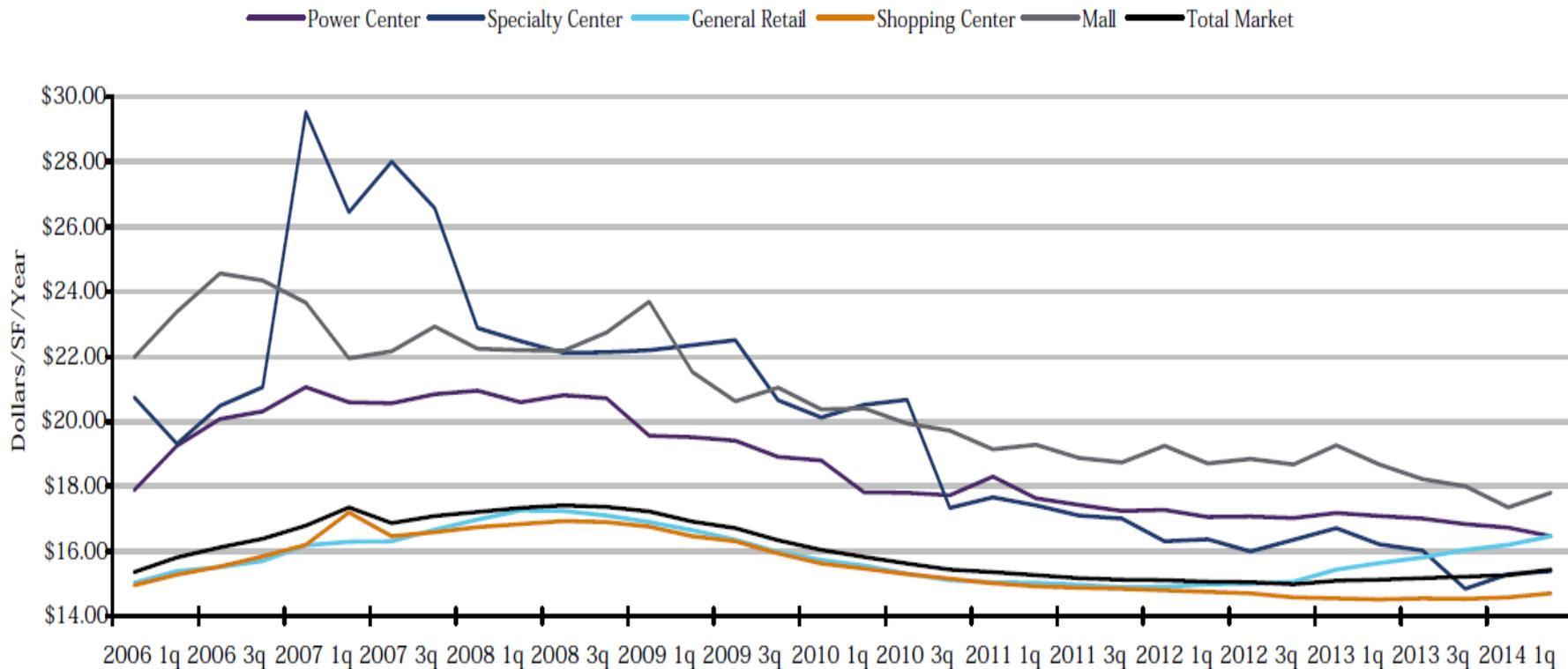
Source: The CoStar Retail Report, Mid-Year 2014, National Retail Market published by CoStar Group™

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Retail rental rates are stable

Historical Rental Rates*

Based on NNN Rental Rates



Source: CoStar Property® * Select markets included in this historical chart - see Methodology page.

Source: The CoStar Retail Report, Mid-Year 2014, National Retail Market published by CoStar Group™

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Economic trends impact on retail

Lower-wage industries

22% of job losses in downturn, but accounts for 44% of employment gains

Mid-wage industries

37% of job losses, but only 26% of employment gains

Higher-wage industrial

41% of job losses, but only 30% of employment gains

Mall trends

Class A

lowest vacancy, rising rents

Class B

pressure to upgrade and compete with Class A
competition or risk declining to Class C status

Class C

highest vacancy, mostly older, obsolete properties,
redevelopment into mixed-use project likely in future

GAFO-type store closings

Number of Announced Store Closings	Annual													
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GAFO-Type	7,041	5,950	4,973	6,303	4,269	4,730	4,603	6,913	4,810	5,170	3,648	3,863	2,104	4,130
+ Groceries	—	—	—	—	—	—	—	—	—	246	221	308	296	80
+ Restaurants	—	—	—	—	—	—	—	—	—	156	203	293	192	193
Total	—	—	—	—	—	—	—	—	—	5,572	4,072	4,464	2,592	4,403

Number of Announced Store Closings	2012		2013				2014	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GAFO-Type	289	452	646	390	537	531	2,192	1,938
+ Groceries	72	32	71	20	94	111	67	13
+ Restaurants	55	53	21	162	0	9	185	8
Total	416	537	738	572	631	651	2,444	1,959

Source: *U.S. Retail Real Estate Supply Conditions, Tracking and Analysis of Announced Store Closings and Gross Leasable Area, Second Quarter 2014*, published July 2014; a joint report of ICSC Research and PNC Real Estate Research

Recent GAFO-type store closings

Table 2: Selected Announced Store Closings in Q2

Retailer	Segment	No. of Announced Store Closings
Office Depot	Retail, Not Elsewhere Classified	400
Family Dollar	Retail, Not Elsewhere Classified	370
Coldwater Creek	Apparel	365
American Eagle	Apparel	150
Rent-A-Center	Retail, Not Elsewhere Classified	150
P.S. from Aeropostale	Apparel	125
Advance Auto Parts	Retail, Not Elsewhere Classified	100
Coach	Apparel	70
Juicy Couture	Apparel	56
Big Lots	Retail, Not Elsewhere Classified	50
Express	Apparel	50

Source: *U.S. Retail Real Estate Supply Conditions, Tracking and Analysis of Announced Store Closings and Gross Leasable Area, Second Quarter 2014*, published July 2014; a joint report of ICSC Research and PNC Real Estate Research

GAFO-type store closings by amount of space

Amount of Space Associated with Announced Store Closings	Annual													
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GAFO-Type	165.5	103.3	88.9	57.8	88.4	58.9	55.3	132.2	71.2	36.7	56.0	33.3	24.5	44.6
+ Groceries	—	—	—	—	—	—	—	—	—	9.0	8.5	11.8	11.2	3.4
+ Restaurants	—	—	—	—	—	—	—	—	—	1.0	0.8	1.3	0.5	0.3
Total	—	—	—	—	—	—	—	—	—	46.7	65.3	46.5	36.2	48.2

Amount of Space Associated with Announced Store Closings	2012		2013				2014	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GAFO-Type	2.8	3.8	9.2	4.0	3.7	7.6	24.1	20.5
+ Groceries	2.7	1.3	2.6	0.4	2.6	5.5	2.8	0.6
+ Restaurants	0.1	0.1	0.1	0.3	0.0	0.0	0.3	0.0
Total	5.6	5.2	11.9	4.8	6.3	13.2	27.1	21.1

In millions of square feet

Note: Due to rounding issues, total square footage reduction may not add up to the sum of its parts.

Source: *U.S. Retail Real Estate Supply Conditions, Tracking and Analysis of Announced Store Closings and Gross Leasable Area, Second Quarter 2014*, published July 2014; a joint report of ICSC Research and PNC Real Estate Research

GAFO-type store near-term expansions

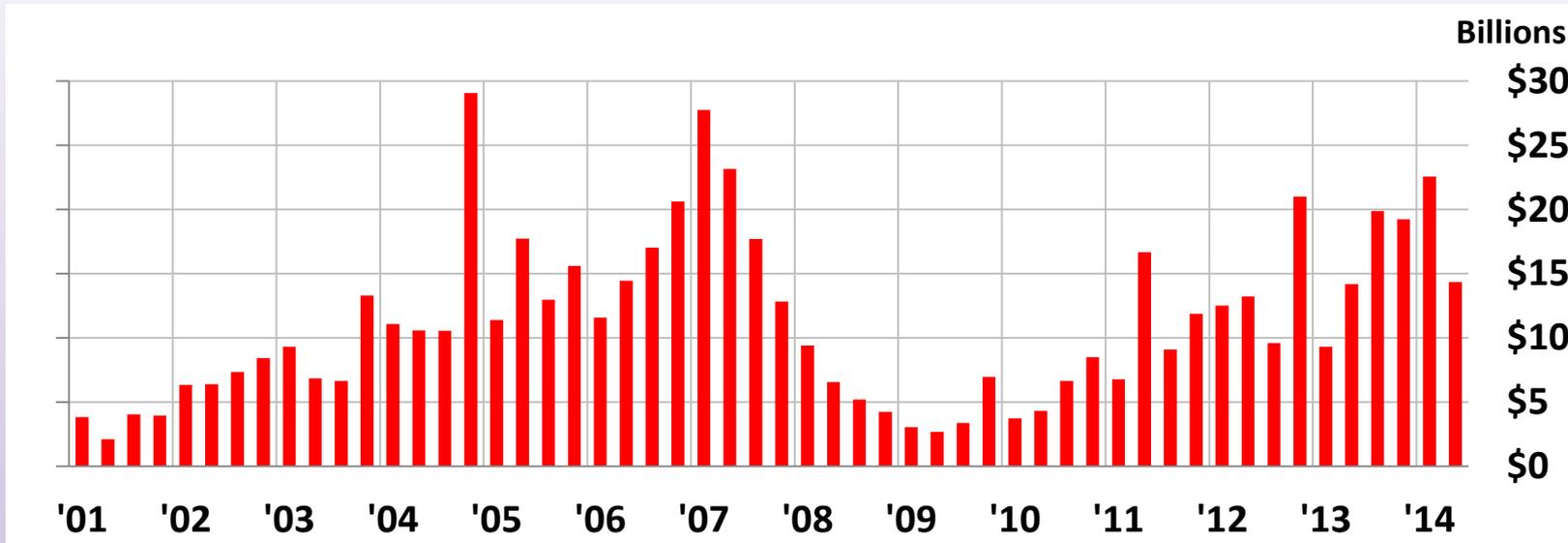
Table 3: Notable Retailer Expansion Announcements in Q2 2014

Retailer	Segment	No. of Announced Store Openings
Forever 21	Apparel	470
The Men's Wearhouse	Apparel	100
Ross Dress For Less	Apparel	75
PetSmart	Retail, Not Elsewhere Classified	70
Five Below	Retail, Not Elsewhere Classified	62
Gymboree	Apparel	50
Dick's Sporting Goods	Sporting Goods	50
DSW	Footwear	35
Pep Boys	Retail, Not Elsewhere Classified	30
Express Outlet	Apparel	30
Nordstrom Rack	Department Stores	27

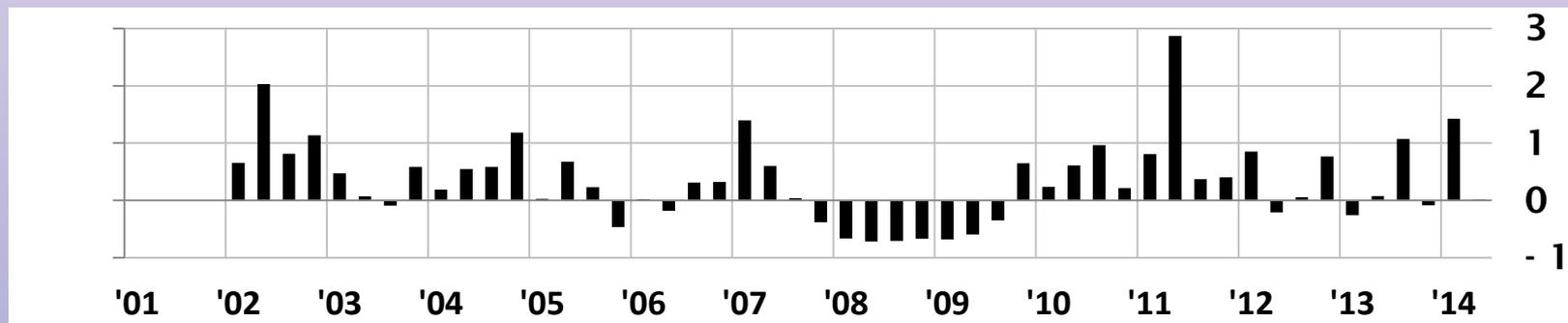
Source: *U.S. Retail Real Estate Supply Conditions, Tracking and Analysis of Announced Store Closings and Gross Leasable Area, Second Quarter 2014*, published July 2014; a joint report of ICSC Research and PNC Real Estate Research

Retail transaction volume highest gain Y-O-Y

Transaction Volume



Year-Over-Year % Change

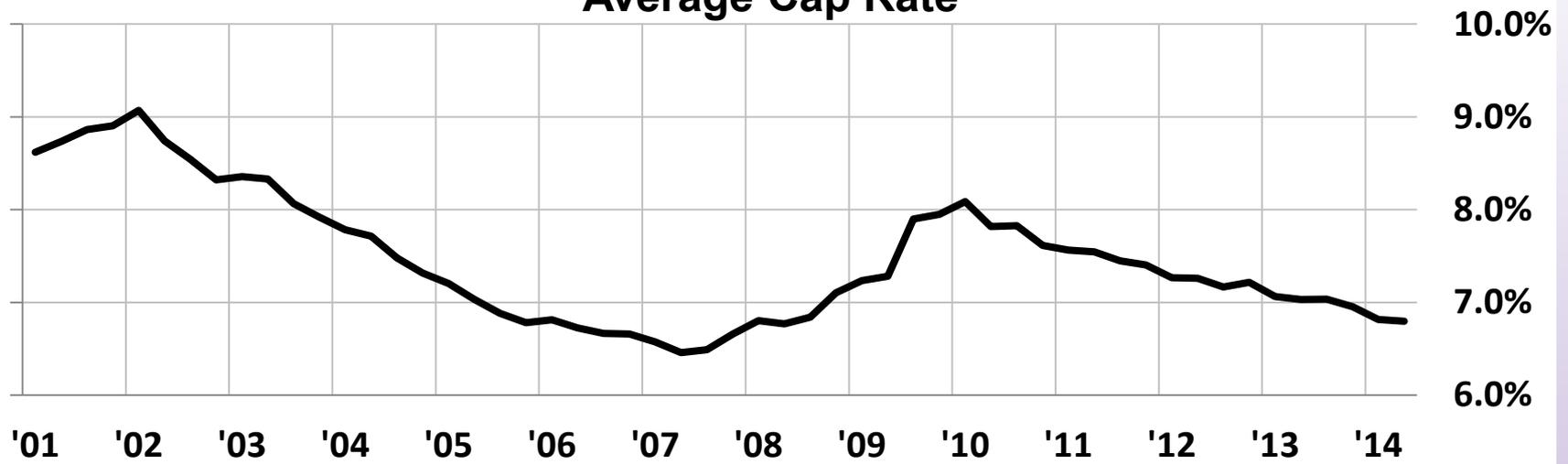


Source: Real Capital Analytics, Inc., *US Capital Trends® Retail – Mid-Year Review*, published July 2014

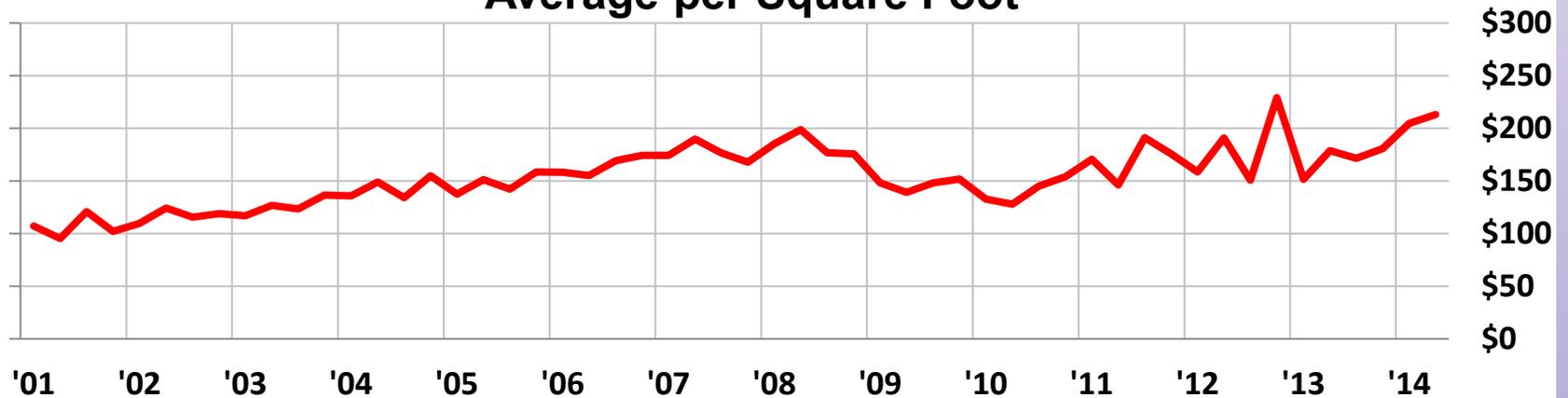
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Retail pricing up as cap rates compress

Average Cap Rate



Average per Square Foot



Source: Real Capital Analytics, Inc., *US Capital Trends® Retail* – 2014 Mid-Year Review, published July 2014

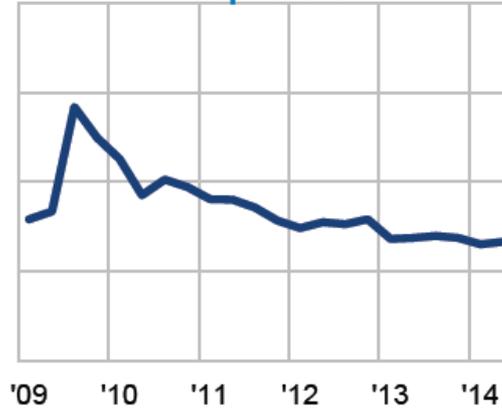
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Retail pricing up in all major subcategories

Mall & Other



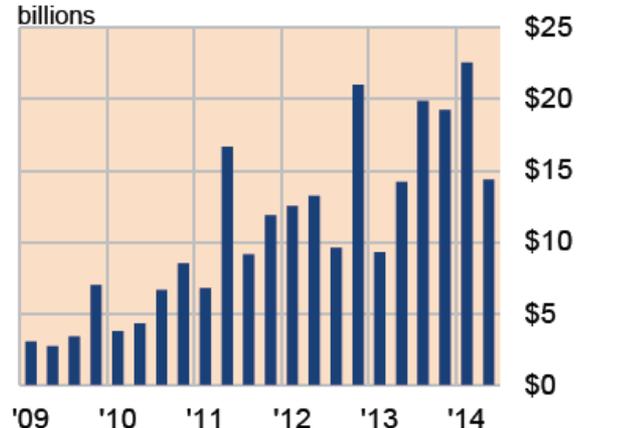
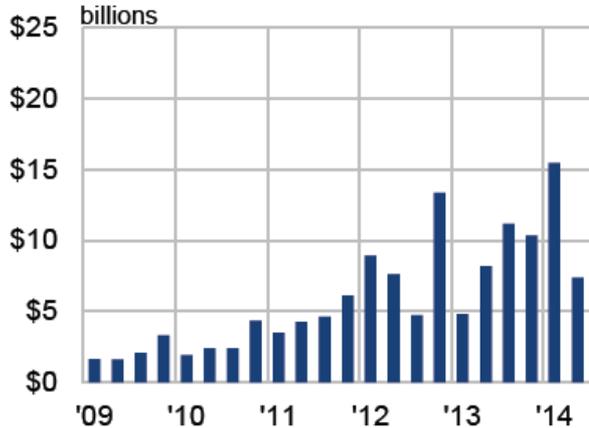
Strip Center
Cap Rates



All Retail

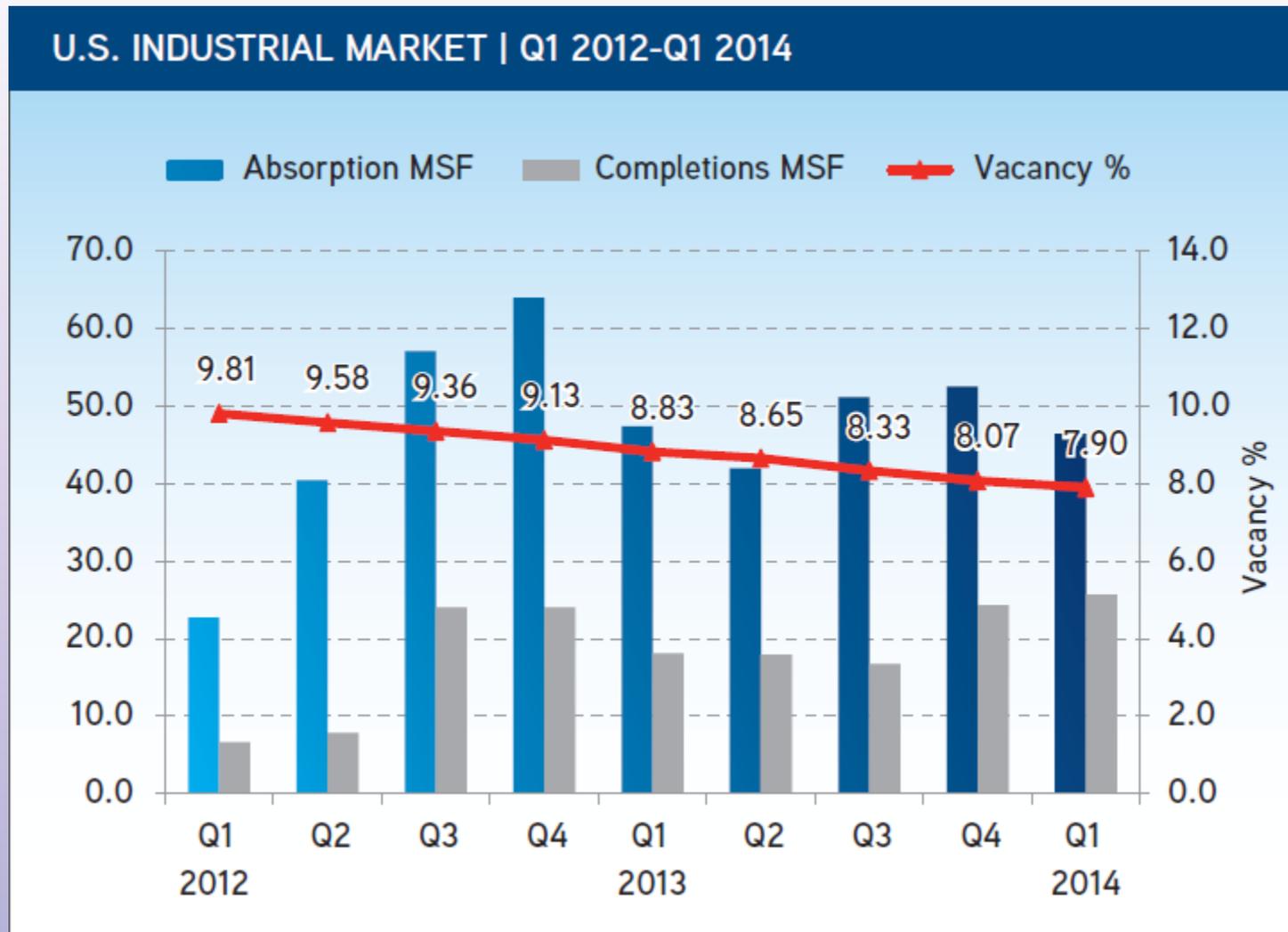


Transaction Volume



Source: Real Capital Analytics, Inc., *US Capital Trends® Retail* – 2014 Mid-Year Review, published July 2014

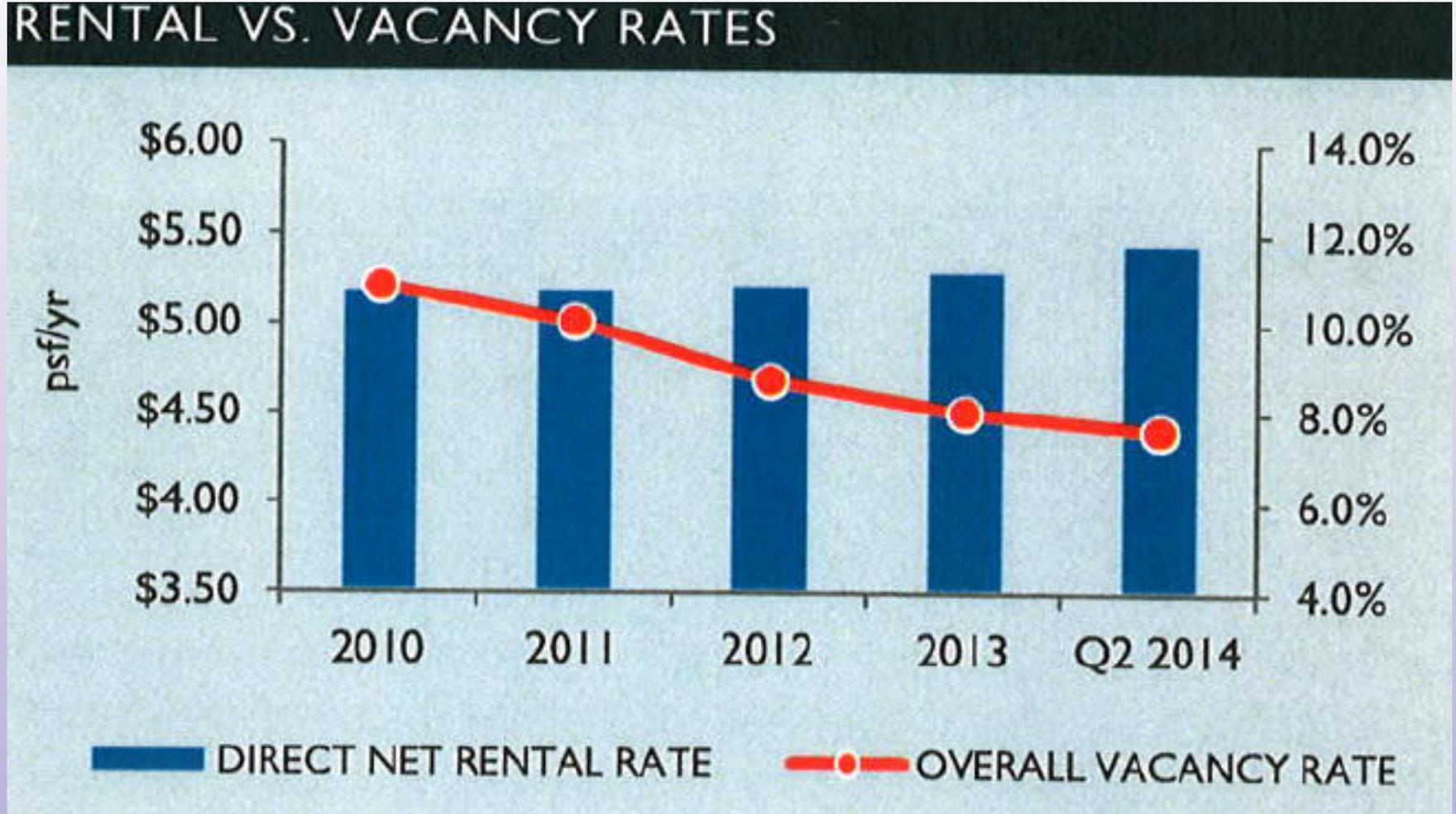
Industrial – demand up, vacancy drops



Source: Colliers International *North American Highlights – Q1 2014 Industrial*

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Industrial – rents up driven by sharply falling vacancy

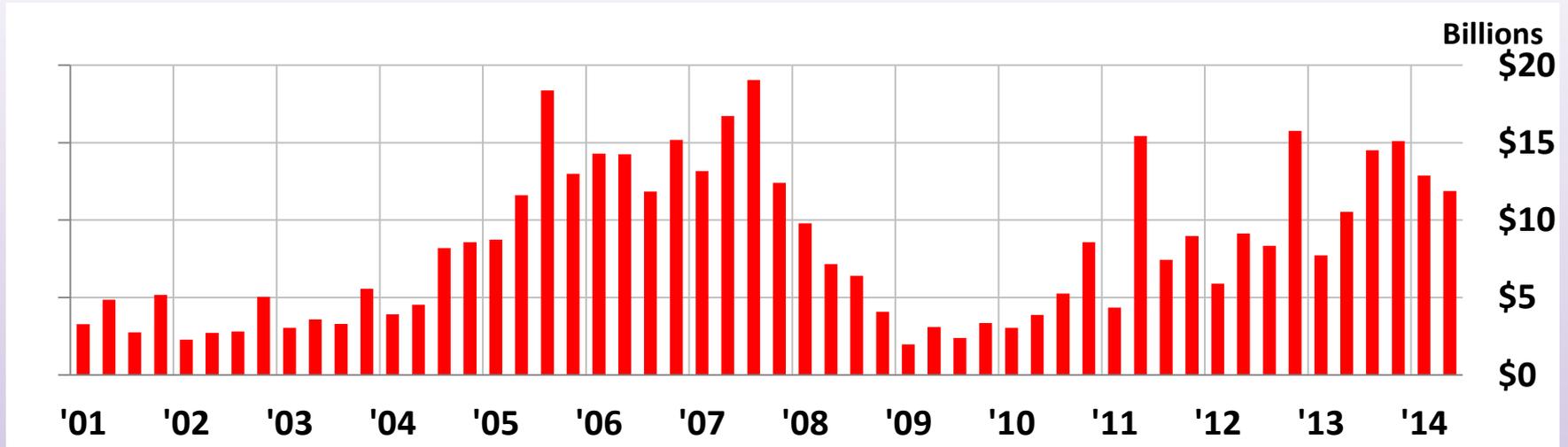


Source: Cushman & Wakefield MarketBeat Industrial Snapshot, Q2 2014

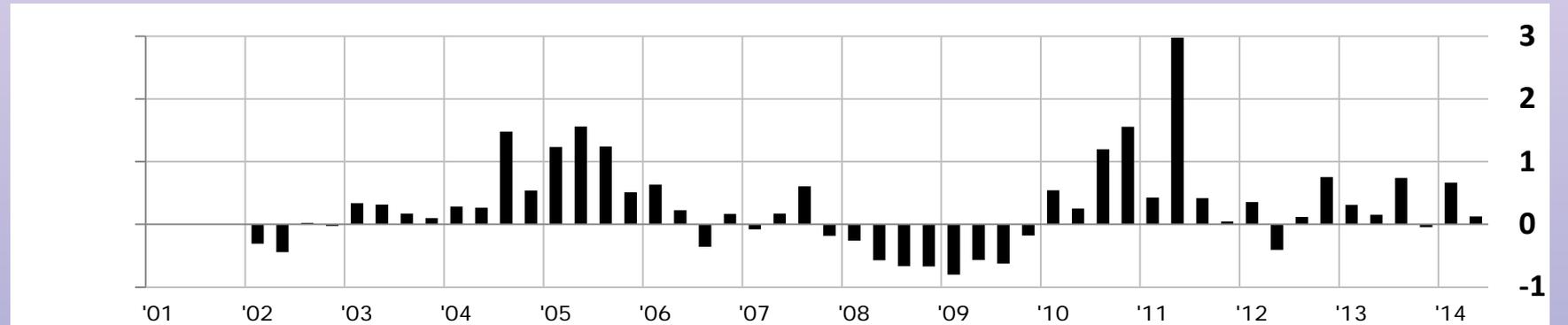
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Industrial transactions rise over prior year

Transaction Volume



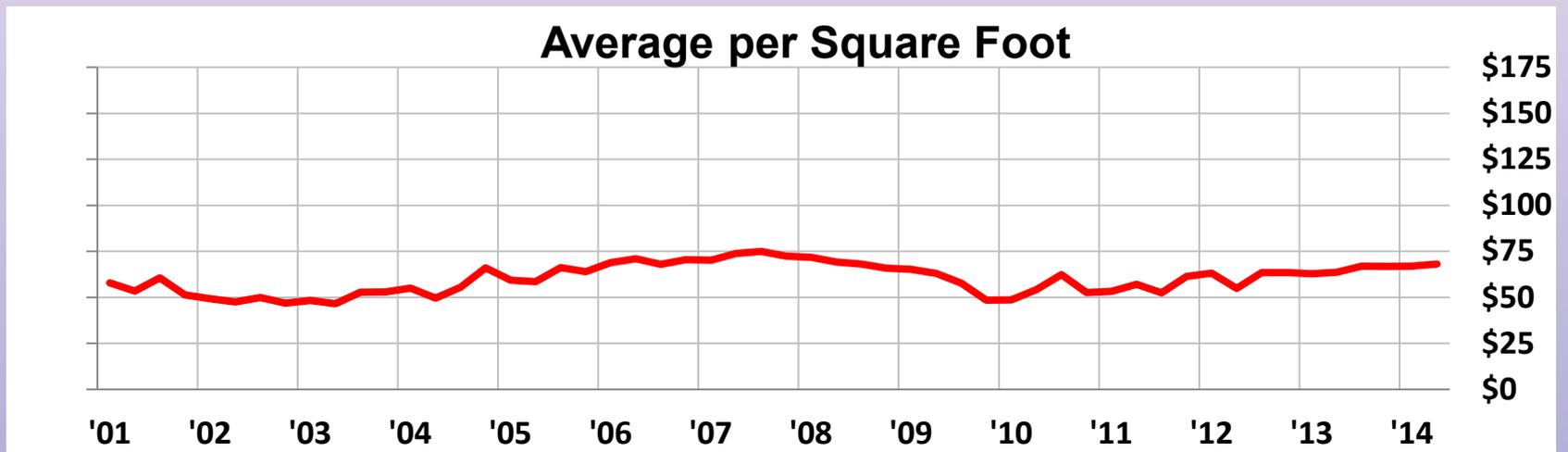
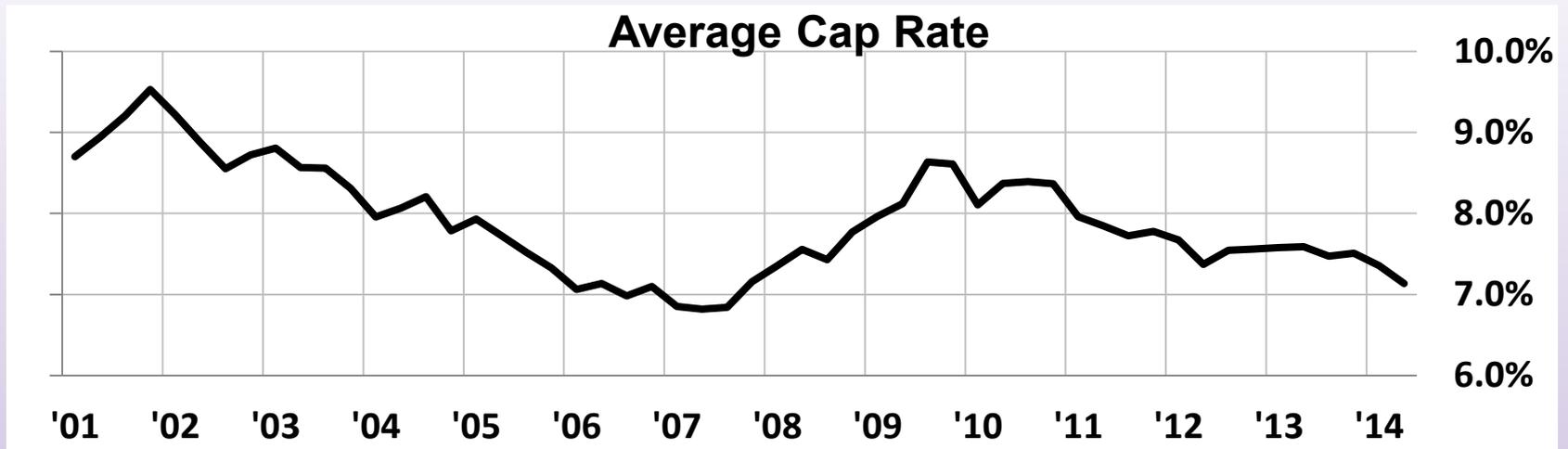
Year-Over-Year % Change



Source: Real Capital Analytics, Inc., *US Capital Trends® Industrial – 2014 Mid-Year Review*, published July 2014

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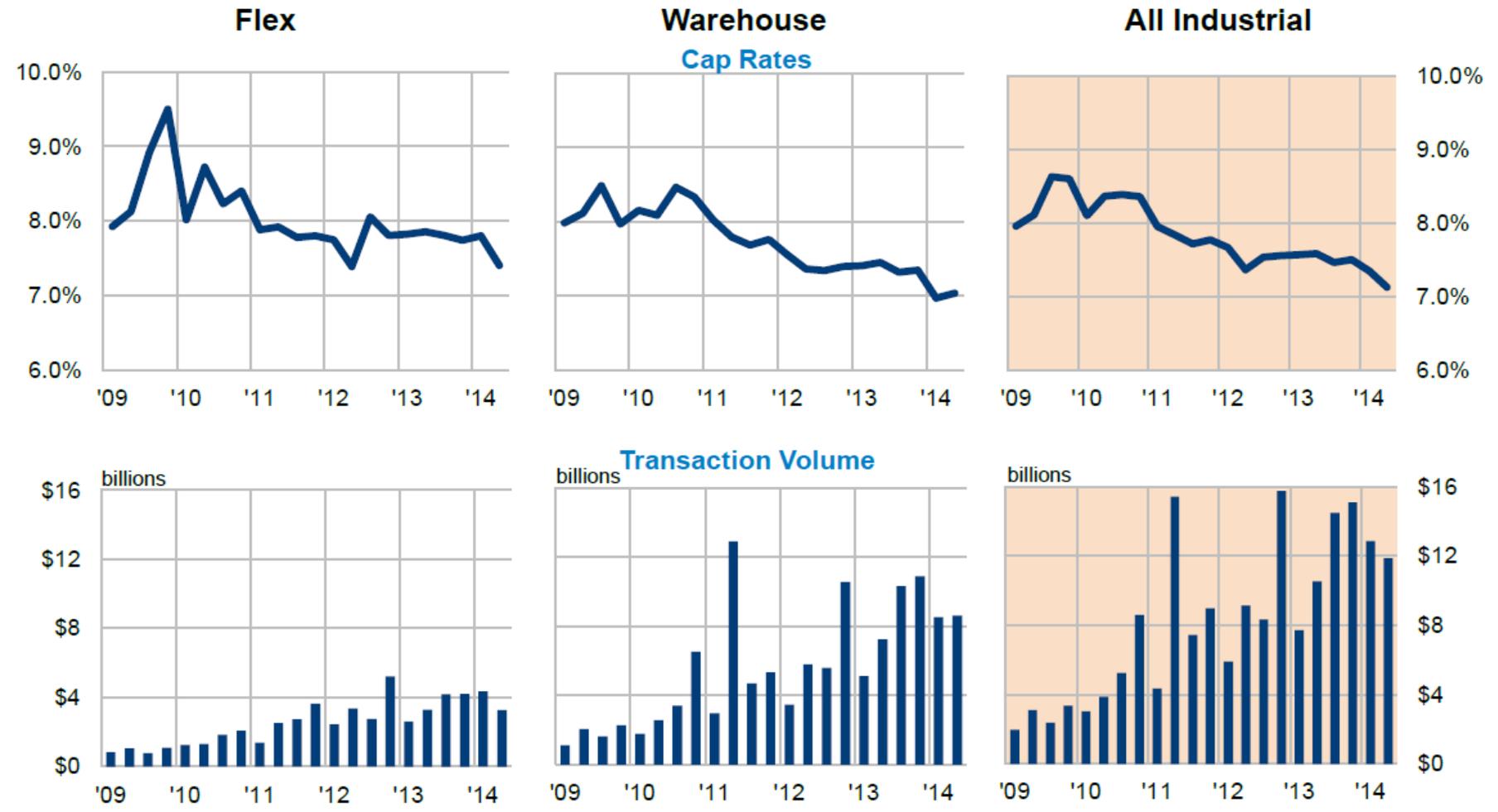
Industrial demand up as cap rates decline



Source: Real Capital Analytics, Inc., *US Capital Trends® Industrial – 2014 Mid-Year Review*, published July 2014

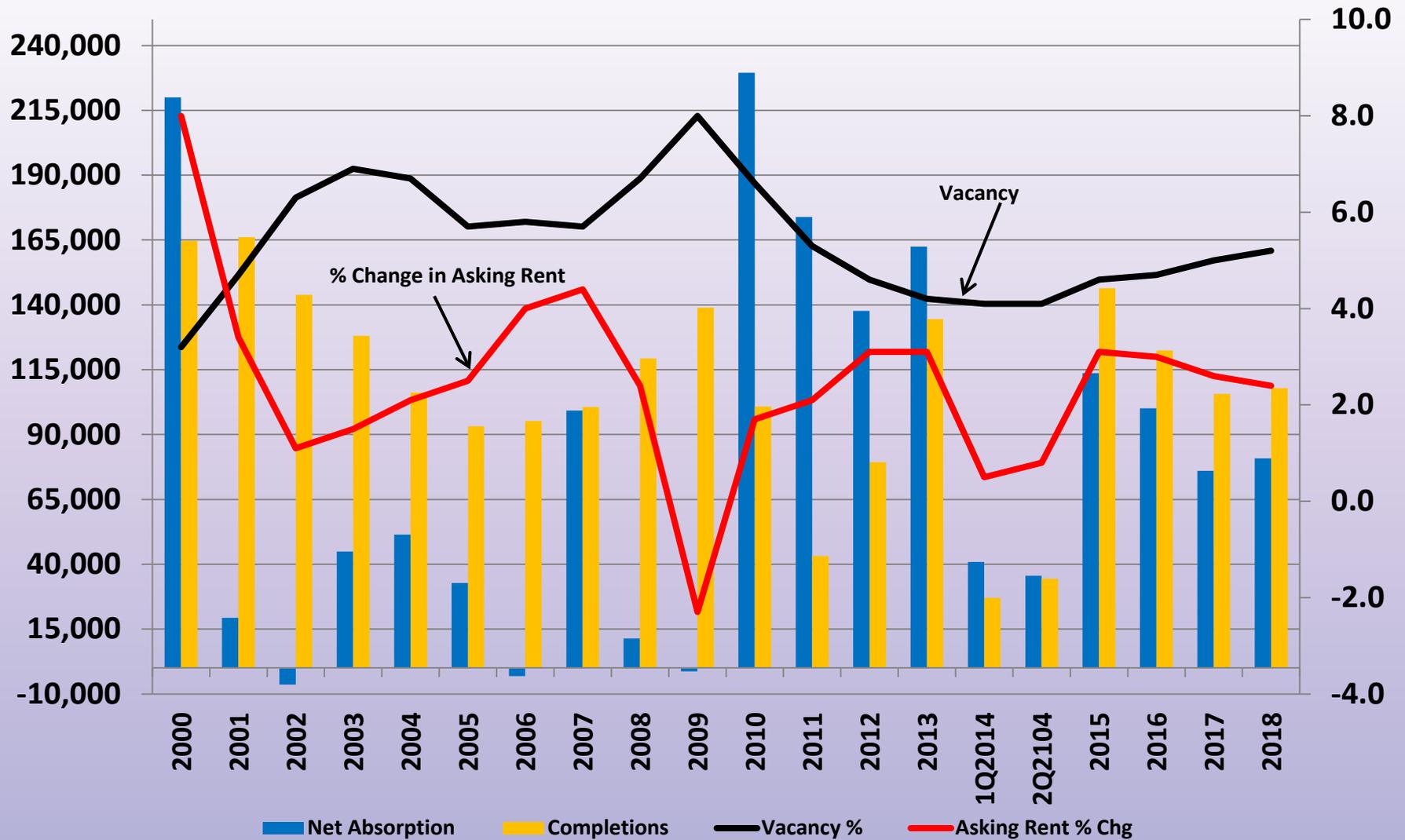
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Industrial pricing up in both major categories



Source: Real Capital Analytics, Inc., *US Capital Trends® Industrial – 2014 Mid-Year Review*, published July 2014

Slowing apt. demand dampens rent & occupancy

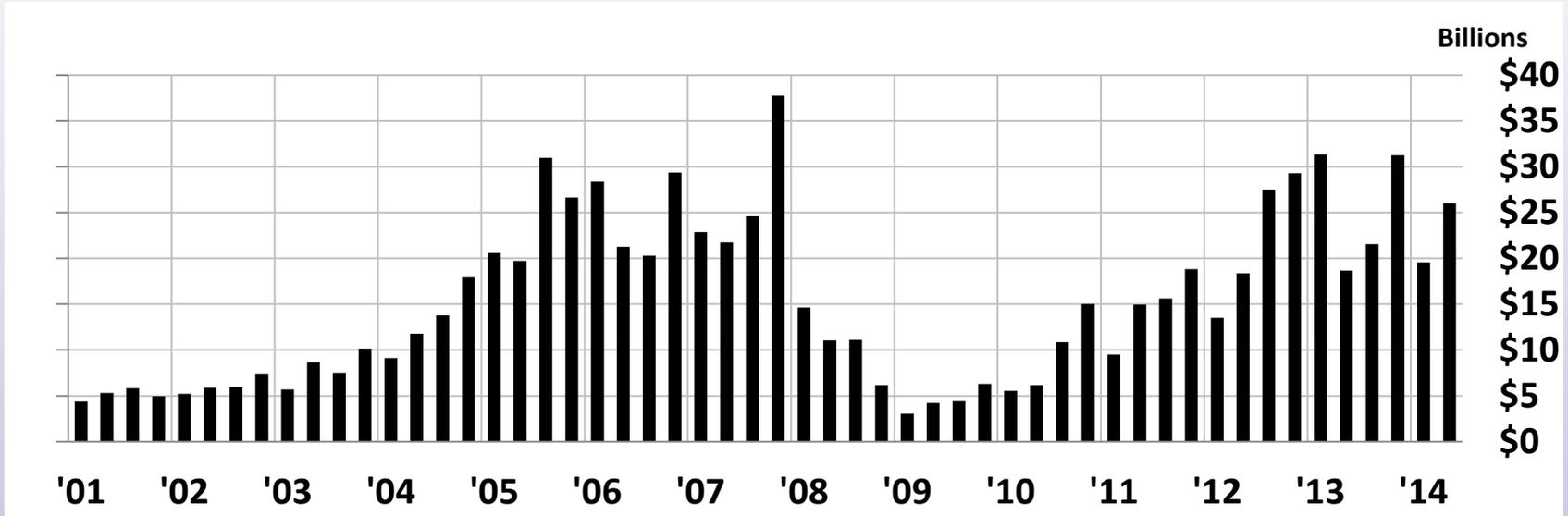


Source: REIS

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Apartment transaction volume declines in 1H14

Transaction Volume



Year-Over-Year % Change

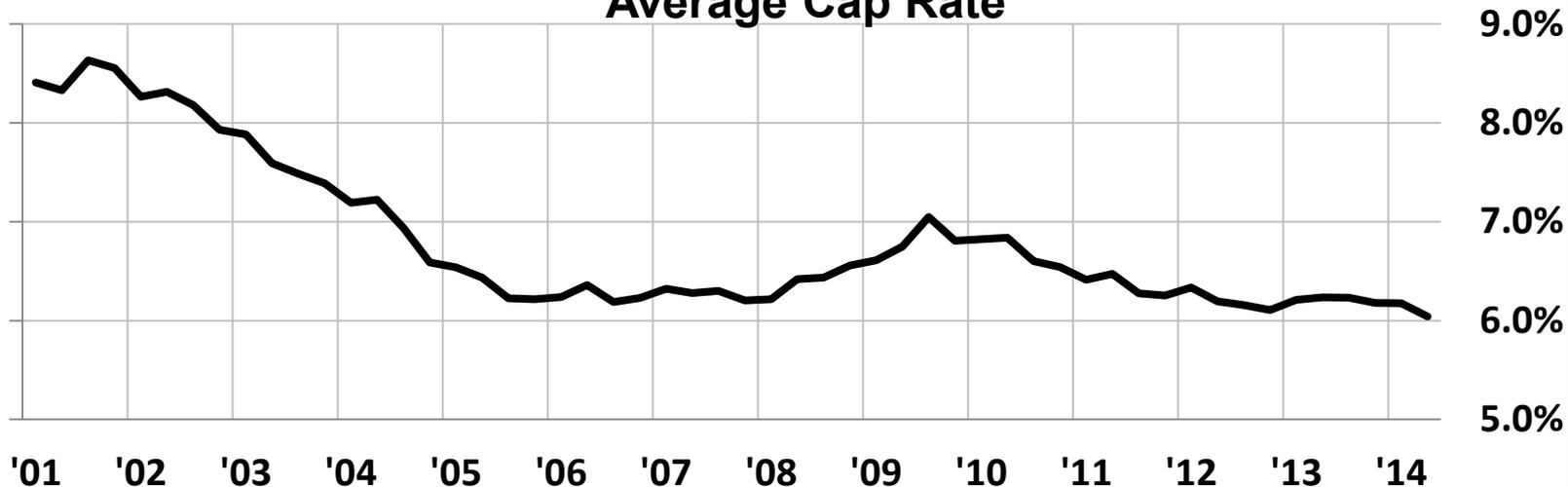


Source: Real Capital Analytics, Inc., *US Capital Trends® Apartment* – 2014 Mid-Year Review, published July 2014

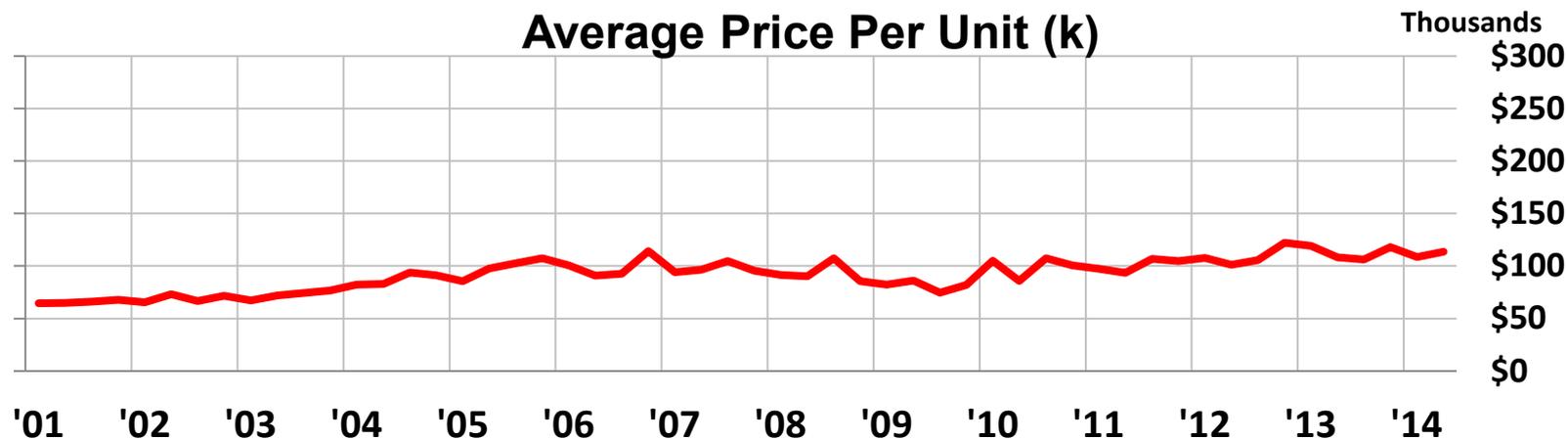
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Apartment cap rates and prices stable

Average Cap Rate



Average Price Per Unit (k)

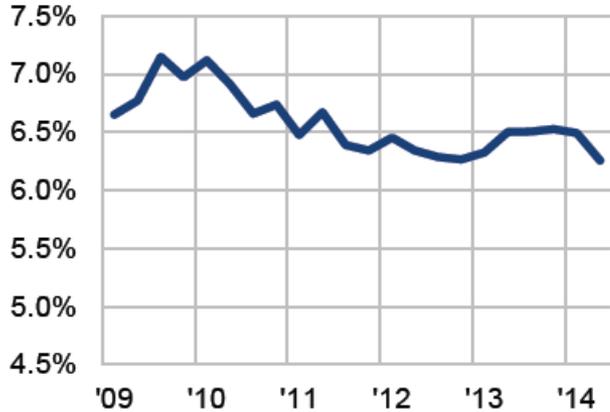


Source: Real Capital Analytics, Inc., *US Capital Trends® Apartment* – 2014 Mid-Year Review, published July 2014

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Apartment pricing bifurcated

Garden



Mid/high-rise

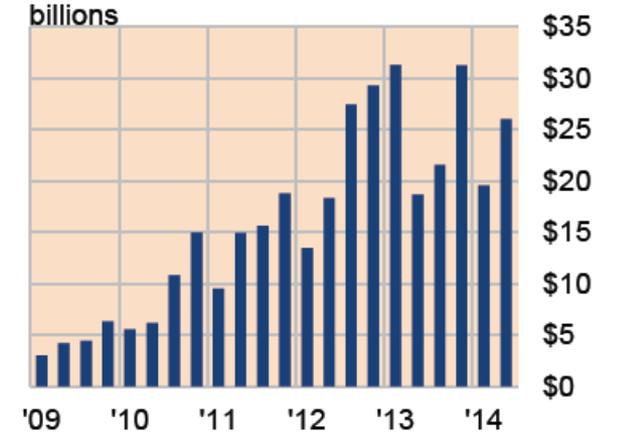
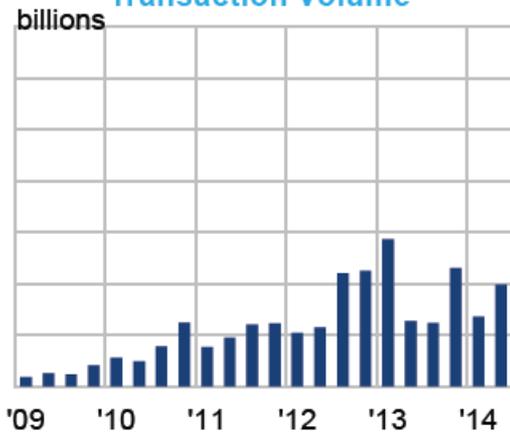
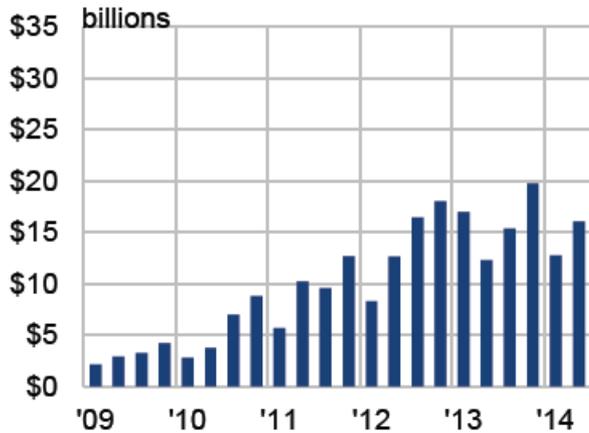
Cap Rates



All Apartment



Transaction Volume

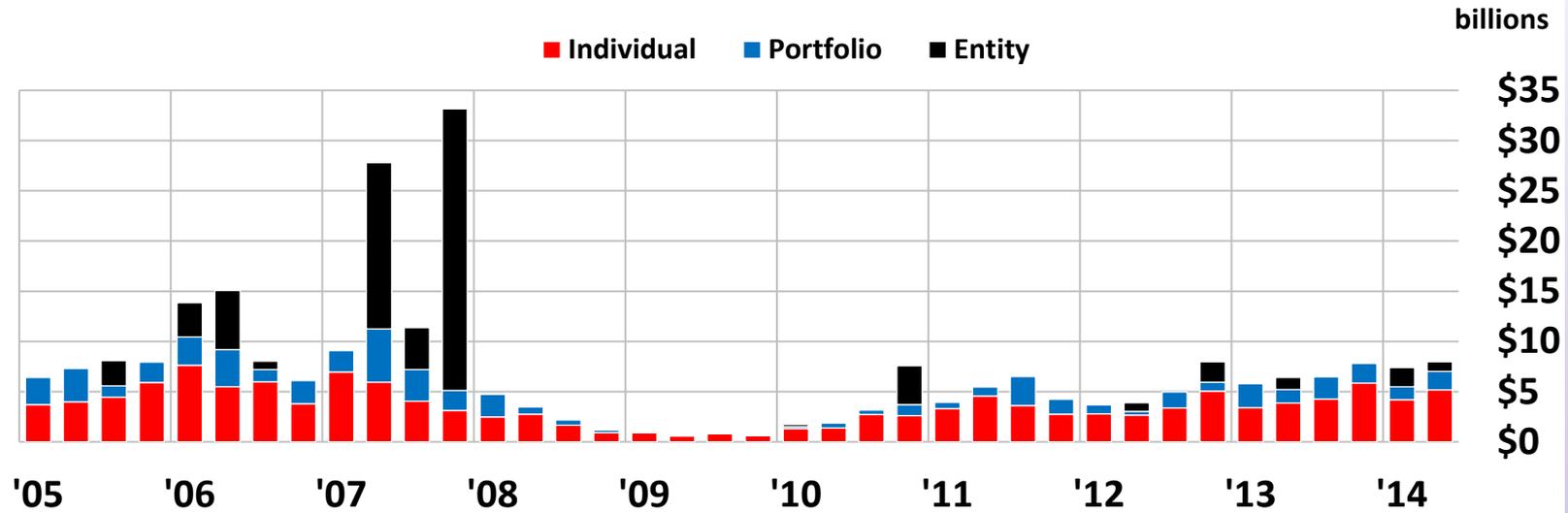


Source: Real Capital Analytics, Inc., *US Capital Trends® Apartment* – 2014 Mid-Year Review, published July 2014

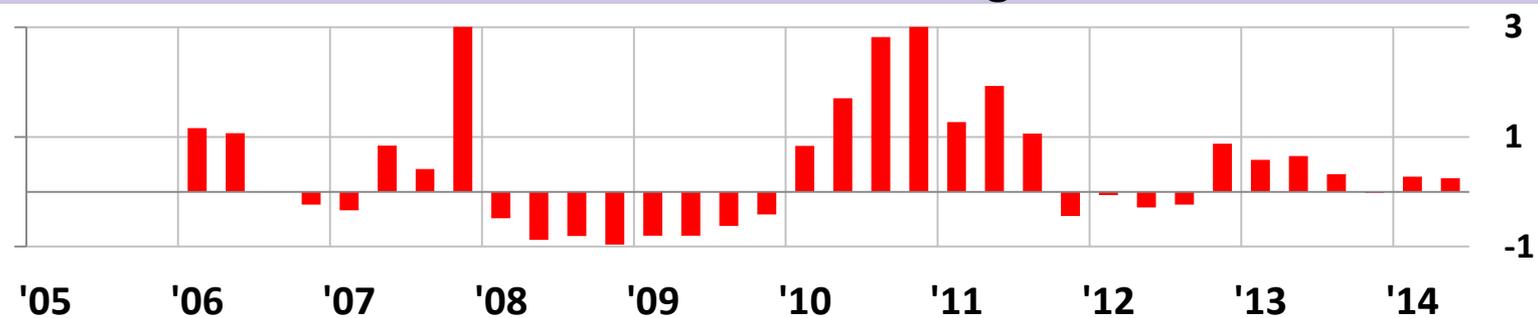
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Hotel transaction volumes continue to rise

Transaction Volume



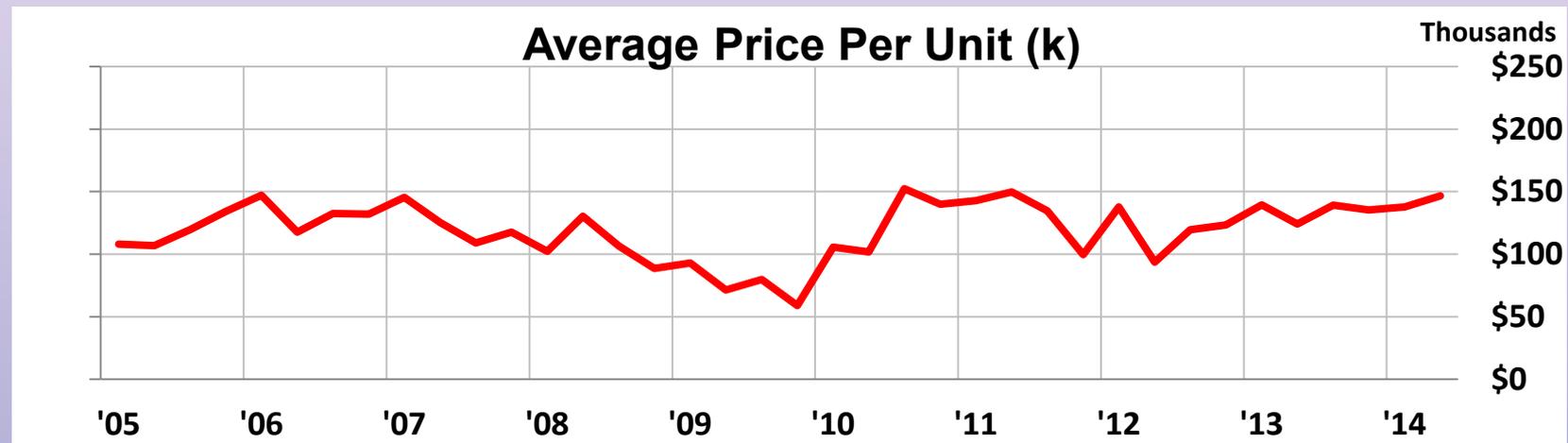
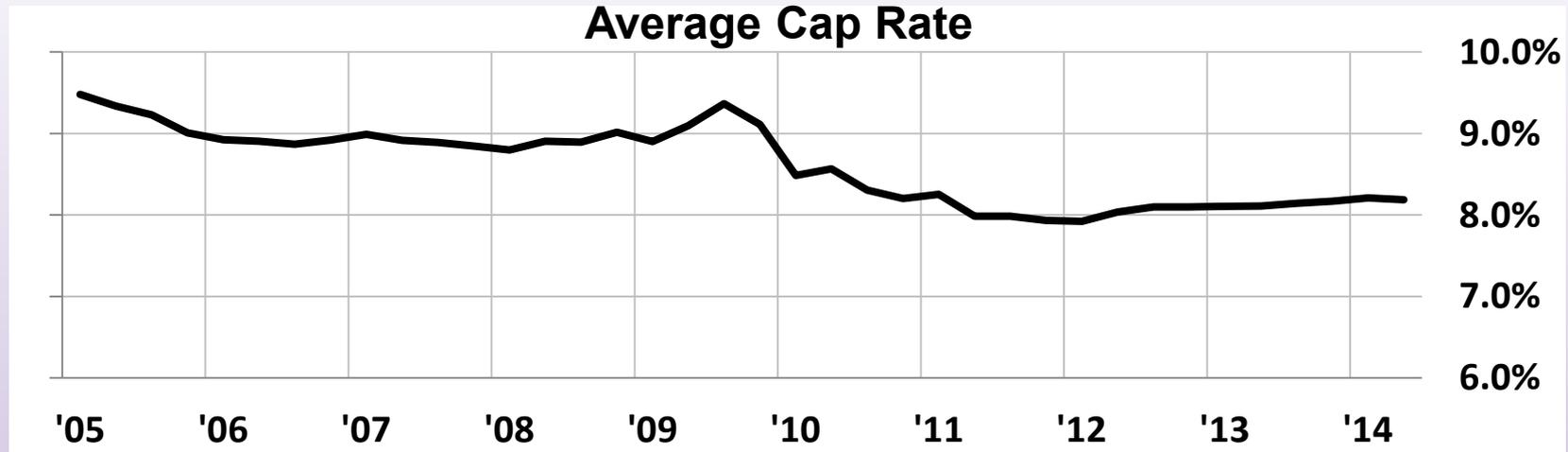
Year-Over-Year % Change



Source: Real Capital Analytics, Inc., *US Capital Trends® Hotel* – 2014 Mid-Year Review, published July 2014

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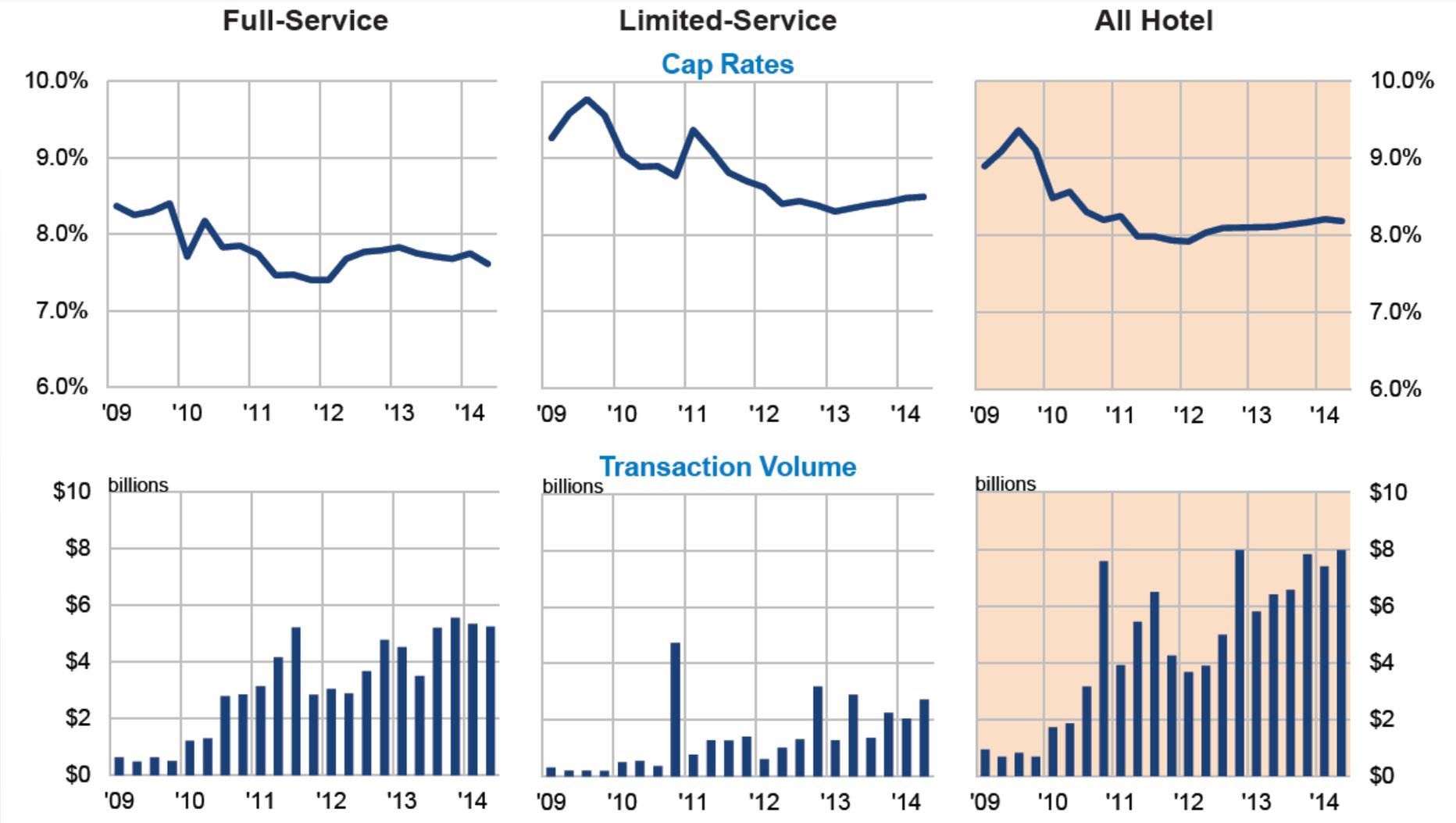
Cap rates stable, prices rise for quality assets



Source: Real Capital Analytics, Inc., *US Capital Trends® Hotel* – 2014 Mid-Year Review, published July 2014

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Hotel pricing remains stable for both major subcategories



Source: Real Capital Analytics, Inc., *US Capital Trends® Hotel* – 2014 Mid-Year Review, published July 2014

Closing remarks

Economy

Expansion phase of economic cycle

No recession on the horizon

Real estate

Leasing markets – positive trends

Transaction markets – positive trends

It appears that the economy and real estate trends are all aligned in a positive, improving mode for the first time since the early 2000s.

Addenda

Sources

Employment Information – Bureau of Labor Statistics (www.bls.gov) and U.S. Department of Labor (www.dol.gov)

Economic Information

- Marcus & Millichap Research Services is dedicated to providing clients with cutting edge market research. The group produces more than 2,000 research products annually, customized by property type and local market. Their market knowledge is based on a full understanding of national and local trends and emerging market conditions. For more information, go to www.marcusmillichap.com/research.
- Part of the contents of the economic outlook section of this presentation are quoted from the Economic Outlook Update 2Q 2014 published by Business Valuation Resources, LLC, ©2014, reprinted with permission. The editors and Business Valuation Resources, LLC, while considering the contents to be accurate as of the date of publication of the Update, take no responsibility for the information contained therein. Relation of this information to this presentation is the sole responsibility of the author of this presentation. For more information, go to www.BVResources.com.
- Reuters.com brings the latest news from around the world on a diverse range of topics from the politics and the economy to entertainment and technology. (www.reuters.com)

Retail Sales – U.S. Census (www.census.gov)

Housing Information

- National Association of Realtors (www.realtor.org)
- Axiometrics Inc. is the leader in apartment market research. They track more details, more often, on tens of thousands of properties in hundreds of U.S. markets and their submarkets, equating to millions of units and beds for conventional apartment and student housing properties. Their data is meticulously checked for accuracy every month before release on the fifth business day of the month. By reporting on effective rent per floor plan using same-store analysis, you can compare your property's performance against competing properties in your area and against the market itself. Their economists analyze apartment market fundamentals, and the demographic and economic drivers of supply and demand, to forecast out five years at the property, submarket and market levels. For more information, go to www.axiometrics.com

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Sources

Mortgage Rates – Mortgage-X.com provides weekly national average rates on conventional, conforming, 30- and 15-year fixed and 1-Year CMT-indexed adjustable rate mortgages, with loan-to-value (LTV) rates of 80 percent or less, 1992 - present, are available. The required fees and points are not included. For more information, go to www.mortgage-x.com.

GDP

- Bureau of Economic Analysis (www.bea.gov)
- Advisor Perspectives, Inc. is the leading interactive publisher for Registered Investment Advisors (RIAs), wealth managers, and financial advisors. Financial professionals use Advisor Perspectives for (1) email newsletters, which provides actionable insights related to investment strategy and the economy, as well as interviews with thought leaders in the investment industry; (2) market commentaries, which is an audience-generated forum where fund companies, wealth managers and financial advisors share their views on the market, the economy, and investment strategy. This is the only place online where such a large diversity of opinion can be found in one easy to use, and fully searchable location. And, (3) access to our exclusive database of investment information showing how high- and ultra-high net worth investors allocate their assets, and which mutual funds they hold. Advisor Perspectives is the only source of this information in the investment industry, and our database reveals the preferences of the most coveted investor segments, without any statistical biases. For more information, go to www.advisorperspectives.com.

Capital Markets Information

- Real Capital Analytics, Inc. (www.rcanalytics.com) In addition to collecting transactional information, RCA interprets the data, including capitalization rates, market trends, pricing, and sales volume. The firm publishes a series of Capital Trends reports and offers an online service that provides real-time, global transactional market information. For more information, contact 1-212-387-7103.
- Colliers International monitors and identify commercial property trends and deliver projections to help you make critical decisions for your business's future. Their world-class researchers are continuously sourcing and analyzing data in every major global market, helping you adapt to drivers outside your industry and region that could impact your business. For more information, go to www.colliers.com.
- Cushman & Wakefield provides the timeliest, highest-quality information and analysis to help their clients optimize their real estate decisions. For more information, go to <http://www.cushmanwakefield.com/en/research-and-insight/local-reports>.

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Sources

Capital Markets Information

- CoStar is a provider of information, analytics and marketing services to the commercial real estate industry in the United States and United Kingdom. The Company's suite of online service offerings includes information about space available for lease, comparable sales information, tenant information, information about properties for sale, Internet marketing services, analytical capabilities, information for clients' Websites, information about industry professionals and their business relationships, data integration and industry news. Its service offerings span all commercial property types, including office, industrial, retail, land, mixed-use, hospitality and multifamily. For further information, go to costar.com.
- ICSC Research and PNC Real Estate Research jointly publishes the quarterly *U.S. Retail Real Estate Supply Conditions, Tracking and Analysis of Announced Store Closing and Gross Leasable Area*. Announced store closings represent a tally compiled by ICSC and PNC Bank of the number of U.S.-based establishments that have publicly reported they will close. These data may not be comprehensive or complete and represent company intentions to close stores on the day of the announcement. This information does not necessarily represent the actual number of closings nor indicate the actual timing of the establishment closings. Circumstances may change that increase or decrease the actual store closings, which may or may not be publicly announced. The ICSC/PNC Bank estimates of the associated square footage for gross leasable area (GLA) closed are based on reports and estimates by ICSC and PNC Bank of the average store size and the announced number of stores closed. All tallies and GLA estimates are based on reports, estimates and judgment and the assignment of establishment counts and GLA estimates by calendar quarter may require statistical and interpretive judgment. Estimates of metro-area store closings by establishment and GLA are based on information from public sources and estimates. Nearly 70 of the 366 metro areas in the U.S., as defined by the U.S. Department of Commerce for the United States, are covered by this report. For purposes of this report, "GAFO-type" stores represent non-grocery retail tenants excluding auto-dealerships, but including drug stores, home improvement and chain services, such as vision centers, healthcare facilities, spas, health clubs, entertainment (movie theaters, etc.) and similar establishments. For more information, go to www.icsc.org.
- REIS for more than 30 years has been the nation's most trusted provider of impartial commercial real estate performance information and analysis at the metro (city), submarket (neighborhood) and property level providing updated trends and forecasts of rent, vacancy, and inventory for apartment, office, retail, warehouse/distribution, flex/R&D and self-storage properties in up to 275 metropolitan areas and more than 6,300 markets and segments. For further information, go to www.reis.com or call (646) 346-5400.

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Sources

The **University of Michigan Consumer Sentiment Index** Thomson Reuters/University of Michigan Surveys of Consumers is a consumer confidence index published monthly by the University of Michigan and Thomson Reuters. The index is normalized to have a value of 100 in December 1964. At least 500 telephone interviews are conducted each month of a continental United States sample (Alaska and Hawaii are excluded). Fifty core questions are asked.

NFIB Research Foundation has collected Small Business Economic Trends Data with Quarterly surveys since 1973 and monthly surveys since 1986. The sample is drawn from the membership files of the National Federation of Independent Business (NFIB). Each was mailed a questionnaire and one reminder. Subscriptions for twelve monthly SBET issues are \$250. (www.nfbi.com/research)

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