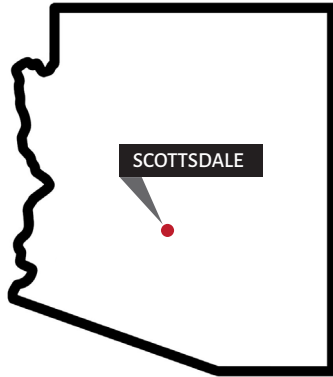


SCOTTSDALE RETAIL MARKET REPORT

LEVROSE
COMMERCIAL REAL ESTATE

TCN
WORLDWIDE
REAL ESTATE SERVICES



Second Quarter 2015

RETAIL OVERVIEW

The Scottsdale retail market experienced a slight improvement in market conditions in the second quarter 2015. The vacancy rate went from 7.3% in the previous quarter to 7.5% in the current quarter. Net absorption was negative (38,078) square feet, thus creating an increase in vacant space. Quoted rental rates increased from first quarter levels, ending the second quarter at \$20.24 per square foot per year. No buildings were delivered in the second quarter but 172,689 square feet are still under construction at the end of the quarter.

MARKET INDICATOR SCOTTSDALE

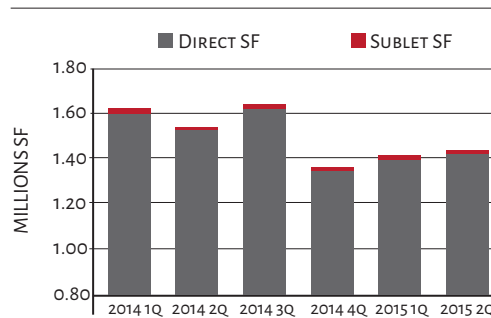
Indicator	Q2 2015	Projection
VACANCY RATE	↑	↓
NET ABSORPTION	↑	↑
AVG. LEASE RATE	↑	↑

Avg. Effective Rate	Q2 2015	Change
DOWNTOWN PHOENIX	\$12.72	↓
EAST VALLEY	\$13.33	↑
NORTH PHOENIX	\$12.42	↑
SCOTTSDALE	\$20.24	↑
WEST PHOENIX	\$12.68	—
TOTAL	\$13.97	↑

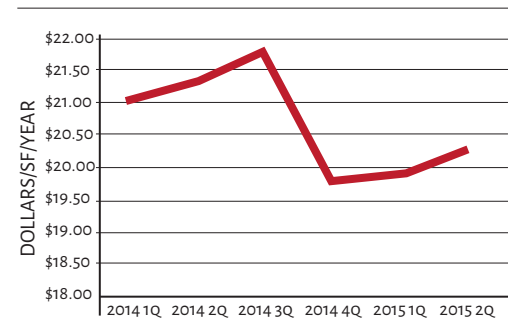
SCOTTSDALE VACANCY

PERIOD	TOTAL SF	VACANCY SF	VACANCY %	NET ABSORPTION
2011 4Q	19,681,322	2,468,575	12.5%	121,117
2012 4Q	19,520,675	1,996,443	10.2%	173,750
2013 4Q	19,558,480	1,899,205	9.7%	1,503
2014 4Q	19,275,126	1,337,229	6.9%	179,268
2015 1Q	19,288,526	1,409,245	7.3%	(58,616)
2015 2Q	19,288,526	1,447,323	7.5%	(38,078)

Vacant Space (Historical Analysis, All Classes)



Quoted Rental Rates (Historical Analysis, All Classes)



LEVROSE COMMERCIAL REAL ESTATE

4414 N. CIVIC CENTER PLAZA, SUITE 100
SCOTTSDALE, AZ 85251

MAIN CONTRIBUTING SOURCES: COSTAR

This information has been secured from sources believed to be reliable, but no representations or warranties are made, expressed or implied, as to the accuracy of the information. References to square footage are approximate.

ABOUT LEVROSE/TCN WORLDWIDE

Since 1992, LevRose Real Estate has been a full service real estate company servicing Scottsdale and the Greater Phoenix area. We provide services for commercial leasing, sales and commercial property management. LevRose handles the leasing, sales and/or management of over 200 commercial properties encompassing over three million square feet of office and retail space within the Greater Phoenix and Scottsdale areas. Our team is dedicated to providing our clients with the highest level of service through industry knowledge of the marketplace. Our goal is to represent you, our client, in a professional manner while maintaining high expectations and standards for our performance.