



# Washington Area Retail Outlook



The Rappaport Companies

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## A SUMMARY AT YEAR-END 2006

### Washington Area Economy Snapshot

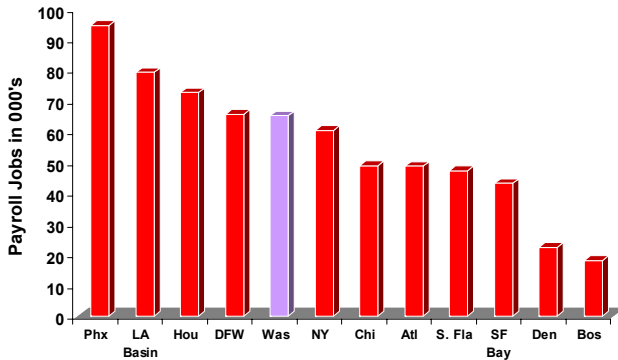
- 12-Month Job Growth through Oct. 2006: 65,100
- Unemployment Rate at Oct. 2006: 2.9%

### Washington Area Retail Market Snapshot

- Vacancy: 2.3% at year-end 2006
- Rents: Increased 5.7% in 2006



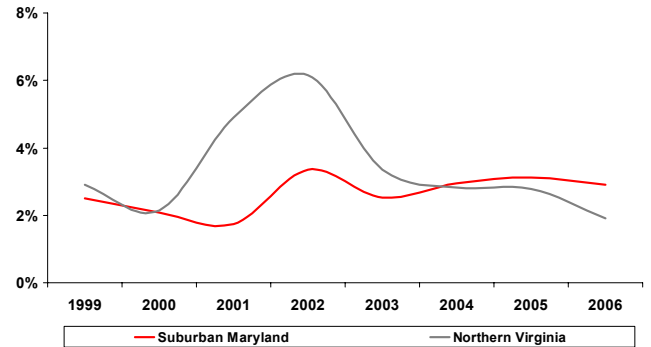
**Payroll Job Growth  
Large Metro Areas  
12 Months Ending October 2006**



Source: Bureau of Labor Statistics; December 2006.



**Grocery-Anchored Shopping Center Vacancy Rates  
Washington Metro Area  
1999 – 2006**



Source: Delta Associates; December 2006.

Washington Area Job Growth Projections	
2006:	65,500 jobs created
2007:	59,500 jobs created
2008:	53,500 jobs created
Historic average:	54,800 per year

Source: Delta Associates; December 2006.

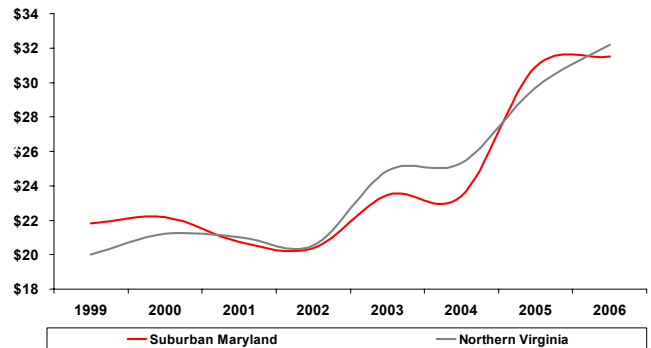
### Trivia Question

What was the 2005 national average sales volume per grocery store? (See page 11 for the answer.)

Source: Food Marketing Institute; December 2006.



**Grocery-Anchored Shopping Center Asking Rents  
Washington Metro Area  
1999 – 2006**



Source: Delta Associates; December 2006.

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## THE WASHINGTON AREA ECONOMY AND RETAIL MARKET AT YEAR-END 2006

### Economy and Outlook

**The Washington metro area economy remains one of the strongest in the nation, but the peak years of growth in this cycle are now behind us.**

This is due largely to Federal procurement spending easing in the area, as this spending is 16.6% of the Washington area's gross regional product. Procurement growth eased to 2.5% during 2005, after growing by 19.0% in 2004 and 16.9% in 2003. Procurement growth is expected to remain minimal in 2006.

The Washington metro area generated 65,100 new payroll jobs in the 12 months ending in October 2006. This is a 2.2% rate of growth, compared to 1.5% nationally.

Trade Employment Washington Metro Area			
Sector	October 2005	October 2006	% Change
Wholesale	72,600	72,700	0.1%
Retail	272,600	280,500	2.9%
<b>Total</b>	<b>345,200</b>	<b>353,200</b>	<b>2.3%</b>

Source: Bureau of Labor Statistics; December 2006.

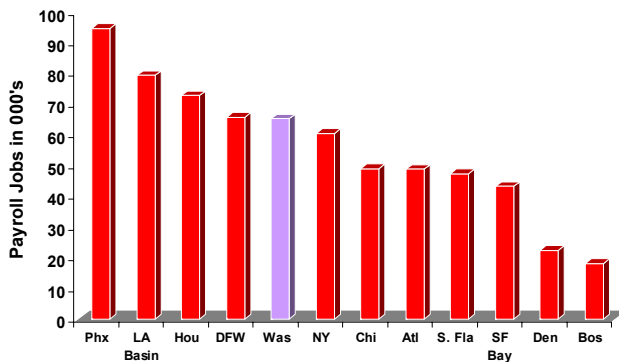
**The Washington area unemployment rate was 2.9% in October 2006**, down from 3.0% 12 months prior. The current rate compares favorably to the national rate of 4.4%. The Washington rate has exhibited great stability, remaining below 4.0% since August 2004.

**The Washington metro area economy should continue to expand in 2007**, but at a slower pace than experienced in 2004 – 2006 as the economy transitions from a hyper-growth to a steady-growth period in the economic cycle.

In consultation with Dr. Stephen Fuller of George Mason University, **we project that 65,500 new payroll jobs will have been created in the Washington area in 2006 (once final figures are released), 20% above the long-term average for the region.** Growth should continue in 2007 and 2008, at a slower pace, with an average of 56,500 new jobs per annum.



**Payroll Job Growth  
Large Metro Areas  
12 Months Ending October 2006**

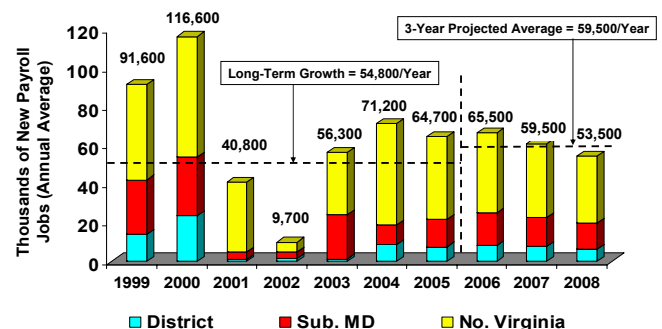


Source: Bureau of Labor Statistics; December 2006.

The Professional and Business Services sector was the front-runner in employment gains, creating 30,100 new jobs over the last 12 months, which is 27% above the 10-year average. In addition, the Retail and Leisure/Hospitality sectors experienced above-average job growth over the last 12 months. 7,900 retail positions were added, well-above the 3,200 10-year average. Leisure and hospitality created 6,000 jobs, 9% above average.



**Payroll Job Growth  
Washington Metro Area  
1999 – 2008**



Source: Dr. Stephen Fuller and Delta Associates; December 2006.

Note: Data restated since 2000 consistent with redefinition of metro area in March 2005.



# Washington Area Retail Outlook



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## The Retail Market

The retail market in the Washington metro area derives its success from job creation and above-average incomes.

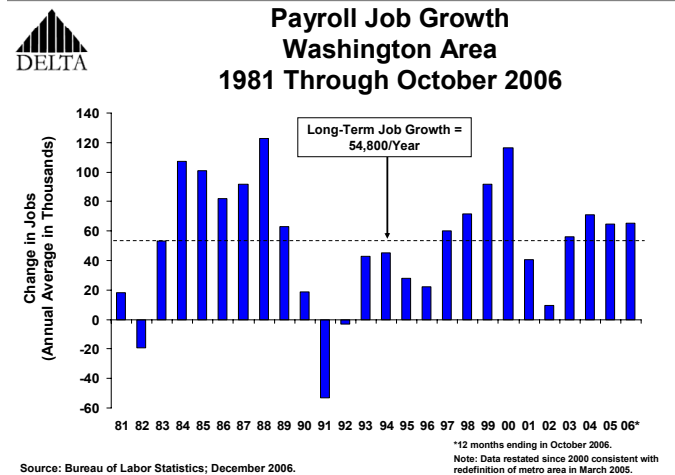
Over the past three years the metro area has created on average 64,000 new payroll positions a year, 17% above the long-term average. In 2006 and 2007 job growth is projected to be 14% above-average.

The above-average income of Washington metro area residents supports a vibrant retail market. By 2011, the Washington metro area's average household income is projected to be \$105,100, compared to \$72,900 nationally. The Washington metro area's average household income is one of the highest in the nation. Even the lowest 2006 average household income, at \$75,900 in Prince George's County, is approximately 15% higher than the national average.

Average Household Income			
Jurisdiction	2000 (Actual)	2006 (Est.)	2011 (Proj.)
Washington Metro Area	\$80,600	\$94,500	\$105,100
U.S.	\$56,600	\$65,800	\$72,900

Source: Claritas Inc; December 2006.

Incomes in the Washington metro area grew by 17.3% from 2000 to 2006, compared to 16.3% nationally. Compensation in the metro area has risen at a faster pace compared to other areas, as high-level positions are difficult to fill with qualified candidates due to a low unemployment rate; this has prompted companies to use high salaries as a lure. According to WorldatWork, Washington employers increased salaries by 4.0% this year, above the national average salary increase of 3.8%. Although the cost of living here is somewhat higher compared to other metro areas, Washingtonians have more disposable income for all kinds of retail goods.



Source: Bureau of Labor Statistics; December 2006.

As jobs continue to expand in the metro area, retail employment is expected to keep pace. Retail hiring increased by 7,900 positions in the 12 months ending October 2006.

Retail Employment Washington Metro Area		
Year	Retail Employment	Change
2001	255,200	(1,700)
2002	255,900	700
2003	256,600	700
2004	263,500	6,900
2005	269,300	5,800
2006*	280,500	7,900

\*Employment total through October; change reflects growth during the 12 months ending October 2006.  
Note: 2004 and 2005 have been re-benchmarked by BLS.

Source: Bureau of Labor Statistics; December 2006.

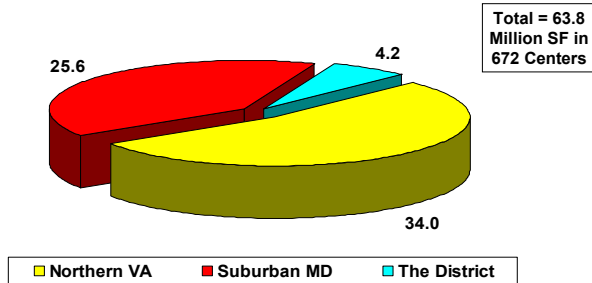
## Retail Inventory

The Washington metro area has over 117.4 million SF of shopping center inventory, of which 63.8 million SF is in 672 grocery-anchored neighborhood shopping centers. Given the demand for groceries at all points of the economic cycle, grocery-anchored neighborhood shopping centers maintain the greatest stability compared to other property types. According to Deloitte & Touche, nine of the top ten retailers sell food. Our primary focus in this report is on grocery-anchored neighborhood shopping centers.



## Neighborhood Shopping Center Scale Washington Metro Area 2006

(Millions of Square Feet)



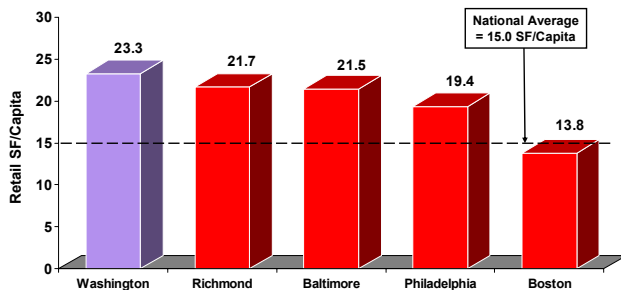
Source: 2006 Shopping Center Directory, Delta Associates; December 2006. Note: Estimate; includes neighborhood and community centers.

The Washington market has more retail space per capita than any other major East Coast metro area. The metro area has 23.3 SF per capita, compared to the national average of 15.0.

Despite a high retail space per capita, the Washington market is underserved. Although retail development has ramped up in the metro area, it is not enough to meet demand, as certain locations, such as Prince George's County and sections of the District of Columbia, are still in need of upgraded stock and a more diverse mix of retail options.



## Retail Space per Capita Select U.S. Metro Markets 2006



Source: 2006 Shopping Center Directory, Claritas, Delta Associates; December 2006.

Grocery-anchored neighborhood shopping centers grew by 11% since 2001 – an average of 13 new centers per annum.

Total Number of Neighborhood Shopping Centers Washington Metro Area 2001 – 2006	
2001	608
2002	621
2003	643
2004	650
2005	664
2006	672

Source: 2006 Shopping Center Directory; December 2006.

Today there are 40 grocery stores under construction in the Washington metro area, with 65% of new projects located in Northern Virginia. Harris Teeter has 13 new stores in development, of which nine are located in Northern Virginia. In addition, Giant Food is attempting to keep pace with the competition by adding seven new stores metro-wide.

With an expanding population in the metro area, food retailers are in demand, as each grocer currently serves an average of 9,700 people, compared to the national ratio of one grocer to 8,500 people.

Food Retail Stores Under Construction Washington Metro Area (stores to open by year-end 2007)			
Substate Area	Organic/ High-End	Traditional	Super Center/Club
Northern Virginia	3	16	1
Suburban Maryland	3	8	2
District of Columbia	1	5	1
<b>Washington Metro</b>	<b>7</b>	<b>29</b>	<b>4</b>

Source: Food World, Delta Associates; December 2006.



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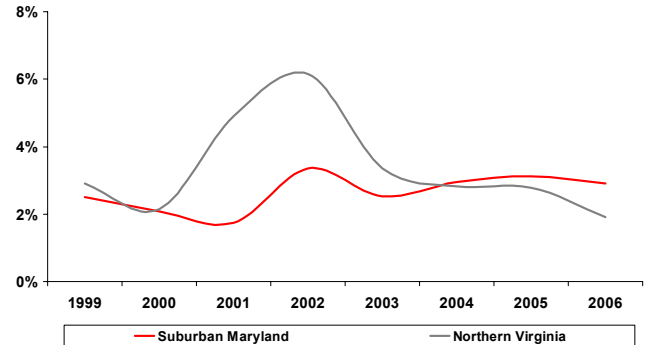
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The Washington shopping center landscape is aging. According to the 2006 Shopping Center Directory, 45% of the Washington area's shopping centers are more than 25 years old, while only 17% are aged ten years or less.

New centers, along with renovations to the existing stock, are necessary to keep up with demand. However, renovations might be slow to progress, given the strength of the retail market. Owners might be reluctant to contribute capital when returns are solid with or without renovations. This should start to shift as new centers deliver and customers are lured by updated product and a new mix of retail.



### Grocery-Anchored Shopping Center Vacancy Rates Washington Metro Area 1999 - 2006

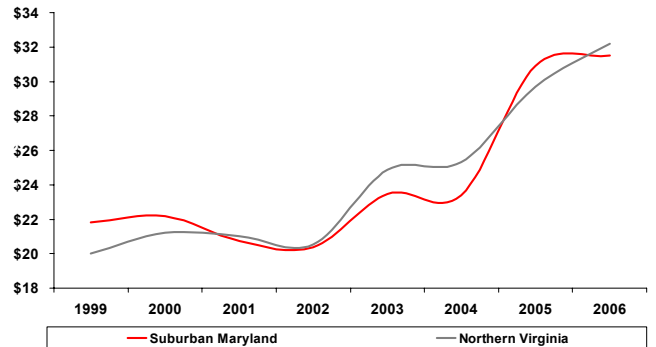


Source: Delta Associates; December 2006.

**Rental rates at grocery-anchored centers increased 5.7% in 2006**, after spiking 22.7% in 2005. Metro-wide average rents were \$31.91/SF at year-end 2006, up from \$30.19/SF 12 months earlier.



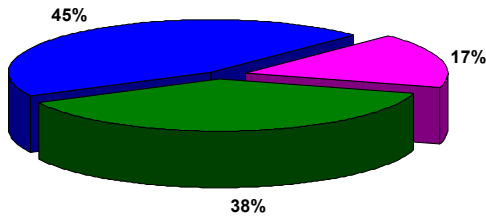
### Grocery-Anchored Shopping Center Asking Rents Washington Metro Area 1999 - 2006



Source: Delta Associates; December 2006.



### Shopping Center Age Distribution Washington Metro Area 2006 (Share of Centers)



Legend: 10 Years or Younger (pink), 11-25 Years (green), 26 Years or Older (blue)

Source: 2006 Shopping Center Directory, Delta Associates; December 2006.

Note: Estimate; includes all types of shopping centers.

## Grocery-Anchored Shopping Center Market Conditions

We perform an annual survey of approximately 250 Washington area grocery-anchored shopping center owners, and tabulate vacancy and rent data. The charts following summarize vacancy and rent trends from 1999-2006.

**Metro-wide vacancy remained chronically low at year-end 2006: 2.3%.** Metro vacancy decreased by 60 basis points, from 2.9% one year earlier. The year-end 2006 vacancy rate is 110 basis points lower than the long-term average vacancy rate of 3.4%.

### Did You Know?

The Mall of America in Minnesota attracts more annual visitors than Walt Disney World, Graceland and the Grand Canyon combined.

Source: Retail Facts; December 2006.



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## Grocery-Anchored Shopping Center Investment Sales

Investment purchases of shopping centers in the Washington metro area suburbs totaled \$401 million on 20 notable transactions in 2006. Twelve of the 20 sales transactions occurred in Suburban Maryland.

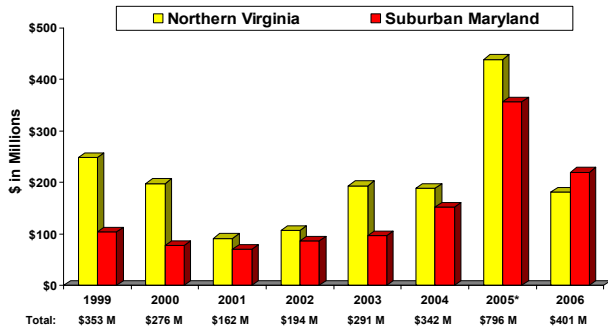
The 2006 sales volume is the highest the metro area has seen since the peak of \$460 million in 1998. Although the 2005 level reached \$796 million, the volume was boosted by the CalPERS portfolio sale totaling \$468 million (\$203/SF). Without this portfolio transaction, the 2005 sales volume would have remained below the 1998 peak.

Although returns remain solid, we believe volume has peaked for this cycle. According to our annual Market Maker survey, grocery-anchored shopping centers declined in investment worthiness to ninth place in 2005 and remain near the bottom in 2006, after ranking number one for investment worthiness three years in a row. However, with a score of 6.4 on a 10-point scale, this product type remains attractive.

As a top investment preference for three years, demand soared for this property type, bidding up prices and lowering cap rates. Investors are hesitant to buy now for a four-year holding period. Also of note, with interest rates likely to rise, investment sales in all asset classes are likely to taper off over the next few years.



Grocery-Anchored Shopping Center Purchases Washington Suburbs 1999 – 2006



Note: Excludes sales of regional malls and power centers; excludes properties under contract. Source: Delta Associates, Real Capital Analytics, CoStar; December 2006. \*Includes large portfolio sale by CalPERS.

Competition among food retailers has surged over the past few years as super centers have entered the market. According to *National Real Estate Investor*, sales of grocery-anchored shopping centers with traditional grocers have tapered off in some areas due to increasing consumer preference to shop at super centers. However, sales of shopping centers with traditional grocery anchors have remained consistent in the Washington metro area, as super centers are limited due to zoning regulations that restrict this type of store from opening in the metro core.

## NCREIF Returns for Retail Properties

According to NCREIF's Washington area retail data, the average total investment return for the 12 months ending in September 2006 was 19.73%, exceeding the national average of 16.19%. Washington's strong market fundamentals and high disposable income have positioned local returns ahead of the national average, and those of most other metro areas.

NCREIF Return Index <sup>1</sup> – Retail Properties Select Metro Areas	
Metro Area	12-Month Total Return at 3 <sup>rd</sup> Quarter 2006 <sup>1</sup>
<b>Washington</b>	<b>19.73%</b>
Atlanta	19.26%
Los Angeles	18.86%
<b>National Average</b>	<b>16.19%</b>
Chicago	12.48%
Minneapolis	10.74%

<sup>1</sup> NCREIF compiles return based on its members' \$52.0 billion retail portfolios. The index includes both current income and capital appreciation returns.

Source: Delta Associates, based on data in NCREIF's 3<sup>rd</sup> Quarter 2006 Real Estate Performance Report; December 2006.



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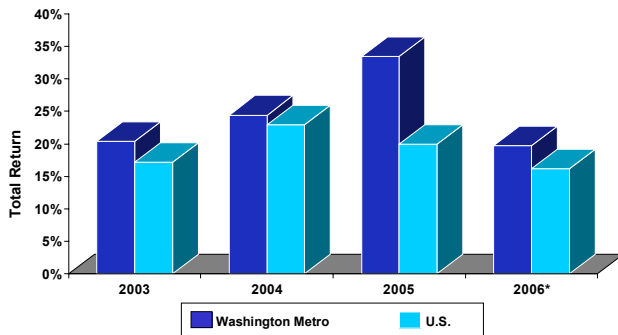
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Retail investment returns are leveling off from the growth experienced during 2005, as the economy is transitioning. Regardless, returns remain solid and are returning to normal conditions, as experienced in 2003 and 2004. Given this market's growing population and rising disposable income, it remains underserved from a retail perspective.

In 2006, the per store average sales volume was \$22.1 million in the Washington metro area, compared to \$14.1 million nationally. Wegmans surpassed all other food retailers, with a \$94.4 million per store average, leading Costco by \$46.5 million. Selling a vast selection of prepared dishes and offering both organic and commercial food in an open-air market format has lured shoppers to Wegmans, a unique marketing concept that other grocers are starting to mimic. With Costco second, this company ranks the fourth largest retailer in the country and thrives by offering low prices, as prices are marked up only 14% compared to 25% to 50% at other retailers.



**Retail Total Investment Returns  
Washington Metro vs. U.S.  
2003 – 2006**



Source: NCREIF; Delta Associates; December 2006.

\*12 months ending September 2006.

Average per Store Grocery Sales Volume – Top Five Washington Metro Area 2006	
Store	Sales (in millions)
Wegmans	\$94.4
Costco	\$47.9
BJ'S Wholesale	\$36.1
Shoppers Food Warehouse	\$31.5
Sam's Club	\$30.2

Source: Food World, Delta Associates; December 2006.

## Grocery Market Review

Food retailers in the Washington metro area experienced a \$10.5 billion sales volume in 2006, a 1.6% increase from 2005. Giant Food and Safeway were the leaders in 2006 sales volume, as these companies have the most stores in the metro area.

Sales increased by 31% in 2006 for Trader Joe's. Weis and Balducci's also experienced solid sales growth, however this was due in part to each company closing an under performing store. Trader Joe's experienced tremendous growth, as the company thrives on its unique high-end private product line sold at affordable prices.

Total Grocery Sales Volume – Top Two Washington Metro Area 2006	
Store	Sales (in millions)
Giant Food	\$3,094.3
Safeway	\$2,175.7

Source: Food World, Delta Associates; December 2006.

Total Grocery Sales Growth – Top Five Washington Metro Area 2006	
Store	Sales Increase
Trader Joe's	30.5%
Weis	21.0%
Balducci's	12.1%
Whole Foods	8.0%
Target	6.2%

Source: Food World, Delta Associates; December 2006.

### Did You Know?

The private label business accounts for 15% of all U.S. retail sales, with food garnering the greatest share at 19%.

Source: The Hartman Group; December 2006.



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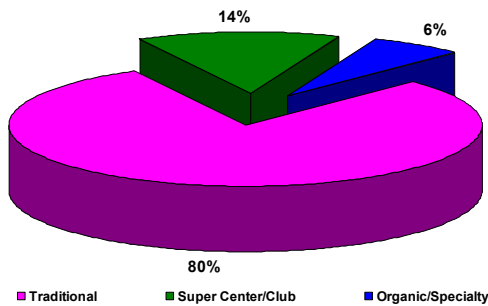
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Traditional supermarkets account for 80% of the total number of grocers in the Washington metro area, with super center/clubs at 14%, and organic/specialty at 6%.

To remain competitive and boost sales, Giant Food plans to renovate five stores following a similar design style of Safeway and Whole Foods. In addition, the company intends to permanently close two under performing stores. Food Lion predicts sales will rebound with the renovation of 40 stores into its high-end Bloom store and 14 stores into Bottom Dollar, a discount prototype.



### Grocery Type Washington Metro Area 2006



Source: Food World, Delta Associates; December 2006.

Note: Percentage reflects share of companies selling groceries.

Although traditional supermarkets make up the vast share of grocers, super center/club and organic/specialty stores experienced stronger sales growth in 2006, outpacing traditional stores by 390 and 460 basis points, respectively.

Sales in the organic/specialty market are expected to increase by 44% between 2006 and 2011, according to a report by the Mintel International Group. However, the report states that price remains a barrier, as 65% of respondents who purchase organic food do so at a traditional market, 45% at an organic/specialty store, and 24% at a super center/club store (some consumers shop at more than one type of grocery store).

Although sales in the organic/specialty sector rose by 5.4% in 2006, Whole Foods and Wegmans were off its expected pace, which impacted growth in this sector. According to the Whole Foods annual report, sales increased 12.8% in 2005, and 14.9% in 2004. Sales in 2006 were expected to rise by 9% to 11%, but only rose 8%. Wegmans, achieving the highest per store average sales volume, still took a hit in 2006 with a 1.9% decline in sales.

Average per Store Sales Volume – By Type Washington Metro Area 2006		
Type	Sales (in millions)	Growth
Super Center/Club	\$22.4	4.7%
Organic/Specialty	\$22.3	5.4%
Traditional	\$22.0	0.8%

Note: Includes only grocery stores with \$2 million plus sales.

Source: Food World, Delta Associates; December 2006.

Sales growth for traditional supermarkets was hampered by lackluster sales for Giant Food, Super Fresh, and Food Lion, each under a 1% growth rate. Notably, Giant Food’s sales volume declined 1.9% in 2006, after declining 4.1% in 2005.

With super center/club stores and traditional markets capturing customers wanting organic food at affordable prices, the organic/specialty niche is feeling the pressure. Notably, Wal-Mart, according to Nutra-Ingredients, has promised to sell organic foods at only 10% over the cost of conventional foods, challenging organic/specialty markets to compete.

### Competitive Marketing Strategies

A survey of grocery stores by Progressive Grocer indicated that super center/club stores ranked “very threatening” to grocers. Traditional and organic/specialty stores ranked between “slightly” and “very” threatening.



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Competitive Threats to National Food Sellers 2006 (Level of Threat: 100 = most, 75 = very, 50 = slightly, 0 = none)	
Type	Rank
Super Center/Club	73.4
Traditional	63.6
Organic/Specialty	62.2

Source: *Progressive Grocer*, December 2006.

To stay competitive, grocers are strategizing ways to lure customers. According to the International Council of Shopping Centers (ICSC), traditional supermarkets are adding self-checkout lanes, coffee bars, a dollar-item department, and sushi stations to attract a diverse consumer base.

According to *Progressive Grocer*, grocers plan to increase the offering of prepared meals, natural/organic food items, and demos/sampling. Grocers are also taking advantage of increasing the quality of private label brands. According to the Hartman Group, 82% of consumers believe private labels are equally competitive with national brands. Safeway and Giant Food have added an organic line, O and Nature's Promise, respectively. Target has invented Archer Farms and Wal-Mart has a Great Value line.

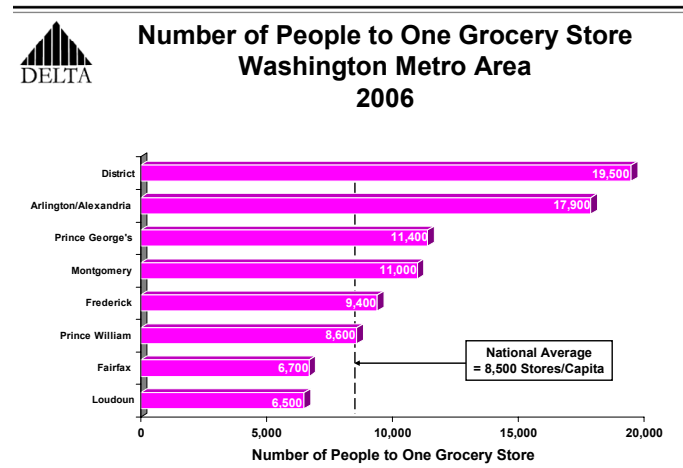
Marketing Strategies by National Food Sellers 2006 (Level of Change: 100 = increase, 50 = no change, 0 = decrease)	
Type	Rank
Ready-to-Eat Meals	82.7
Natural/Organic Foods	82.3
Demos/Sampling	81.5
Private Label	81.4
New Technology	81.0
Health Concerns	79.4
Ethnic Foods	78.9

Source: *Progressive Grocer*, December 2006.

Food retailers are evolving in order to stay competitive. Given the success of Wegmans' "store within a store" approach, other companies are attempting to mirror this concept by expanding product lines and prepared food items, adding cafes with live music, photo labs, pharmacies, floral shops and nutritional seminars.

## Tapping into Underserved Communities

Grocers are beginning to break into underserved locations, particularly in parts of the District of Columbia. One grocery store serves 19,500 people, making the District's ratio higher than any other jurisdiction in the metro area.



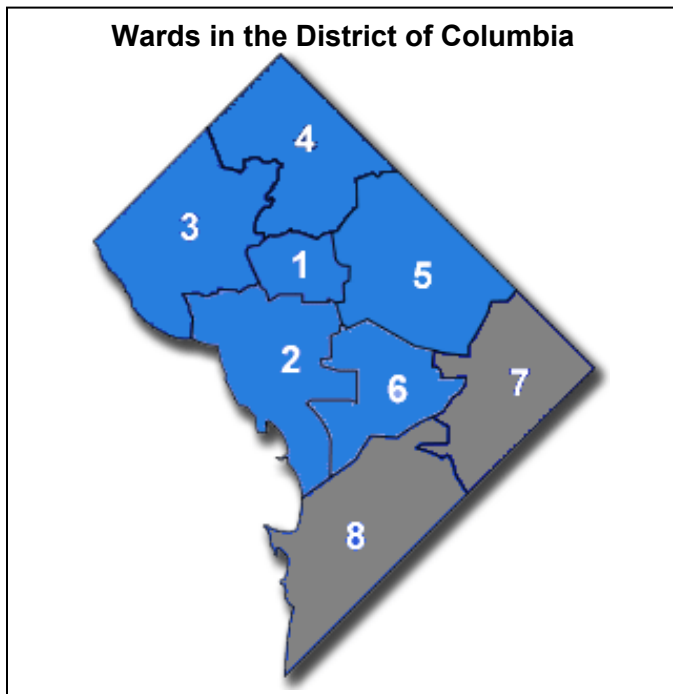
Source: *Food World*, Claritas, Delta Associates; December 2006. Note: Includes only grocery stores with \$2 million or more in sales.

Ward 7 and 8, located east of the Anacostia River, have the highest number of people to one grocery store, at roughly 68,000, as indicated by the following map. Ward 8 is without an adequate grocery store, causing residents to shop at stores located in Ward 7, which are closest in location due to the river blocking easy access to Ward 6 grocers.

Number of People to One Grocery Store District of Columbia Year-End 2006	
Ward	# of People to One Grocery Store
Ward 7 & 8: East of the Anacostia	67,600
Ward 4: Upper Northeast Quadrant	35,800
Ward 1: Columbia Heights/Adams Morgan	35,000
Ward 6: Capitol Hill	32,500
Ward 5: Middle Northeast Quadrant	22,800
Ward 2: Georgetown/CBD	11,000
Ward 3: Uptown	6,400
<b>District of Columbia</b>	<b>19,500</b>

Note: Includes only grocery stores with \$2 million or more in sales.

Source: Food World, Claritas, Delta Associates; December 2006.



Source: D.C. Office of Planning; December 2006.

### Did You Know?

Americans made an average of 2.1 trips per week to the supermarket in 2005.

Source: Food Marketing Institute; December 2006.

Currently there are seven grocery stores under construction in the District, due to deliver by year-end 2007. When construction is complete, the District will have one grocery store for every 15,200 residents, with population remaining unchanged.

Three of the seven grocery stores under construction are slated for Ward 7 and 8. Skyland Shopping Center in Ward 7 intends for Target and Shoppers Food Warehouse to take a portion of retail space. The Shops at Park Village, the former Camp Simms site, has leased 66,000 SF to Giant Food.

According to D.C. Hunger, residents of Ward 7 and 8 do not have the same access to nutritional food compared to other wards in the District. Due to this, most turn to corner stores and fast food chains, causing these shoppers to purchase more expensive and unhealthy food items. When development is complete at year-end 2007, Ward 7 and 8 residents will have one grocery store to 27,000 residents, with population remaining unchanged. City officials hope the development in Ward 8 will spark other companies to follow, as when The Shops at Park Village finish, Ward 8 will still remain underserved, with one grocer to nearly 68,000 residents.

Number of People to One Grocery Store District of Columbia Projected as of Year-End 2007	
Ward	# of People to One Grocery Store
Ward 8: East of the Anacostia	67,700
Ward 4: Upper Northeast Quadrant	35,800
Ward 1: Columbia Heights/Adams Morgan	23,300
Ward 7: East of the Anacostia	16,800
Ward 6: Capitol Hill	16,300
Ward 5: Middle Northeast Quadrant	13,700
Ward 2: Georgetown/CBD	11,000
Ward 3: Uptown	6,400
<b>District of Columbia</b>	<b>15,200</b>

Note: Includes only grocery stores with \$2 million or more in sales.

Source: Food World, Claritas, Delta Associates; December 2006.



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## The Bottom Line: Summary of the Grocery-Anchored Shopping Center Market

The Washington metro area retail market experienced solid performance over the past twelve months, as employment and income levels grew, generating demand for retail. Specifically, vacancy in the grocery-anchored shopping center market declined and rents rose during 2006.

Competition remains fierce among the traditional, super center/club and organic/specialty food retailers, as each sector attempts to out-compete the other. Each sector has ramped up organic food, specialty items, discounted private label brands, and prepared meals in order to attract a diverse range of consumers. However, price appears to remain a factor, as sales growth in the organic/specialty and traditional grocery sectors in the metro area appeared to wane against the affordability of super center/club stores. However, this should be just a hiccup for these sectors, as consumers are testing each sector as chains take competitive action and step up their game.

**We believe the Washington area retail market will remain strong over the next 24 months, if not longer. As new and improved grocery stores are delivered in the metro area, coupled with above-average employment and income growth, retail is expected to remain profitable. Vacancy should remain low and rents should continue to rise. Investment sales volume is expected to decline slightly, as owners are holding assets long-term.**

To subscribe to this semi-annual Retail Outlook **free via e-mail**, please contact Delta Associates or The Rappaport Companies. Our contact information is on the last page of this report. Thank you for your interest.

**Trivia Answer**  
The 2005 national average per store sales volume totaled \$14.1 million, compared to \$21.7 million for the Washington metro area.

Source: Food Marketing Institute; December 2006.



# Washington Area Retail Outlook



The Rappaport Companies

A publication of Delta Associates, sponsored by The Rappaport Companies

## Delta Associates

Delta Associates, the research affiliate of Transwestern, is a firm of experienced professionals offering appraisal, consulting and data services to the commercial real estate industry for over 25 years. The firm's practice is organized in three related areas:

- Appraisal and valuation services for commercial real estate assets, loans secured by same, and real estate companies and fractional interests in them.
- Consulting, research and advisory services for commercial real estate projects, including market studies, market entry strategies, asset performance enhancement studies, pre-acquisition due diligence, and financial and fiscal impact analyses.
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For more information on Delta Associates, please visit **DeltaAssociates.com**. Delta's Retail Practice Team includes: David Parham, Senior Vice President; Alexander (Sandy) Paul, National Research Director; Elizabeth F. Norton, Mid-Atlantic Research Director.

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## The Rappaport Companies

The Rappaport Companies (TRC) is a full-service real estate company specializing in retail management, development, leasing and brokerage services in a variety of formats, including neighborhood, community and regional shopping centers and urban and mixed-use developments. The firm's clients include institutional investors, residential PUD and commercial real estate developers, individual owners and government agencies involved in economic development.

Rappaport Retail Brokerage provides landlord representation services for space in urban, mixed-use and suburban properties. The firm's brokers have extensive experience with new development and redevelopment projects and also provide tenant representation services for a select group of regional and national tenants looking for sites in the Washington, D.C./Baltimore market.

Founded by Gary D. Rappaport, SCSM/SCMD/SCLS in 1984, The Rappaport Companies is headquartered in the Washington D.C. metropolitan area. TRC's portfolio includes more than 10 million square feet of retail space in the mid-Atlantic region, 2 million of which is planned development within the next three years. Mr. Rappaport is a past Chairman and current Trustee of the International Council of Shopping Centers.

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