

Q3'20 San Diego Retail Market Report



12 Mo Deliveries in SF

220 K

12 Mo Net Absorption in SF

(1.2 M)

Vacancy Rate

4.8%

12 Mo Rent Growth

-0.1%

Hotel occupancies and tourism have cratered in the wake of the spread of the coronavirus, and it was a difficult summer for area retailers reliant on tourism to boost their sales. Additionally, as schools, businesses, and countless other ventures have transitioned into a new normal to combat the spread of the coronavirus, the lasting impact on the retail sector is still unknown. But closures will continue rippling across the region resulting in higher vacancies through the forecast. Co-tenancy clauses in malls could further disrupt occupancies.

The vacancy and availability rates remained low prior to the onset of the outbreak of the coronavirus. Those favorable tailwinds steadied annual rent growth prior to the outbreak. However, rent growth turned negative over the following two quarters, resulting in flat annual rent growth.

Development had been relatively muted in San Diego prior to the Campus at Horton breaking ground in 20Q2.

That 300,000-SF retail portion has led to about 0.6% of inventory being under construction across the region. That is the largest percentage in several years. This year will also end with net supply falling after Horton Plaza was demolished to make way for a new mixed-use development. That demolition steadied the vacancy rate even after several department stores closed across San Diego this year. But that lack of recent development provided a lift to landlords, many of whom have had success in filling big box vacancies ahead of the pandemic.

Deal flow has cooled notably as retailers adjust to new protocols after closing for more than two months to help combat the spread of the coronavirus. Pricing and cap rates are widely expected to soften. Investors have already shown a preference for stand-alone grocery stores, as several with credit-worthy tenants have sold since the outbreak.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	13,070,522	4.8%	\$3.43	2.6%	0	0	233,000
Power Center	11,848,071	3.3%	\$2.92	3.8%	(5,762)	0	81,812
Neighborhood Center	44,822,896	6.6%	\$2.52	8.2%	(2,349)	0	6,200
Strip Center	10,845,835	6.0%	\$2.07	8.3%	(2,836)	0	85,165
General Retail	56,773,030	3.4%	\$2.40	5.1%	(33,335)	0	470,031
Other	1,917,551	4.9%	\$2.68	5.3%	0	0	0
Market	139,277,905	4.8%	\$2.56	6.0%	(44,282)	0	876,208

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.4%	4.6%	5.6%	5.8%	2010 Q4	3.2%	2007 Q2
Net Absorption SF	(1.2 M)	359,022	(44,651)	2,331,605	2007 Q2	(1,933,573)	2009 Q3
Deliveries SF	220 K	690,239	526,851	1,624,945	2006 Q4	165,395	2020 Q1
Rent Growth	-0.1%	1.4%	1.8%	5.0%	2007 Q1	-4.7%	2009 Q4
Sales Volume	\$787 M	\$923.8M	N/A	\$1.4B	2016 Q2	\$245.2M	2009 Q4

San Diego's retailers are likely to endure a stretch of turbulence that may exceed that of other property sectors as the economy has re-opened in fits and starts, and they endure the burden of state and local regulations and mandates.

Several department stores have closed this year. They included the Macy's at Horton Plaza, Sears at the Shoppes at Carlsbad, and another Sears on Broadway in Chula Vista. Those were scheduled ahead of the pandemic. Nordstrom in Westfield North County closed as a result of the pandemic.

Leasing has slowed notably since the middle of March after the statewide shelter in place order was issued. Although the third quarter showed an improvement in leasing volume compared with 20Q2, it was still far short of average leasing from 2019.

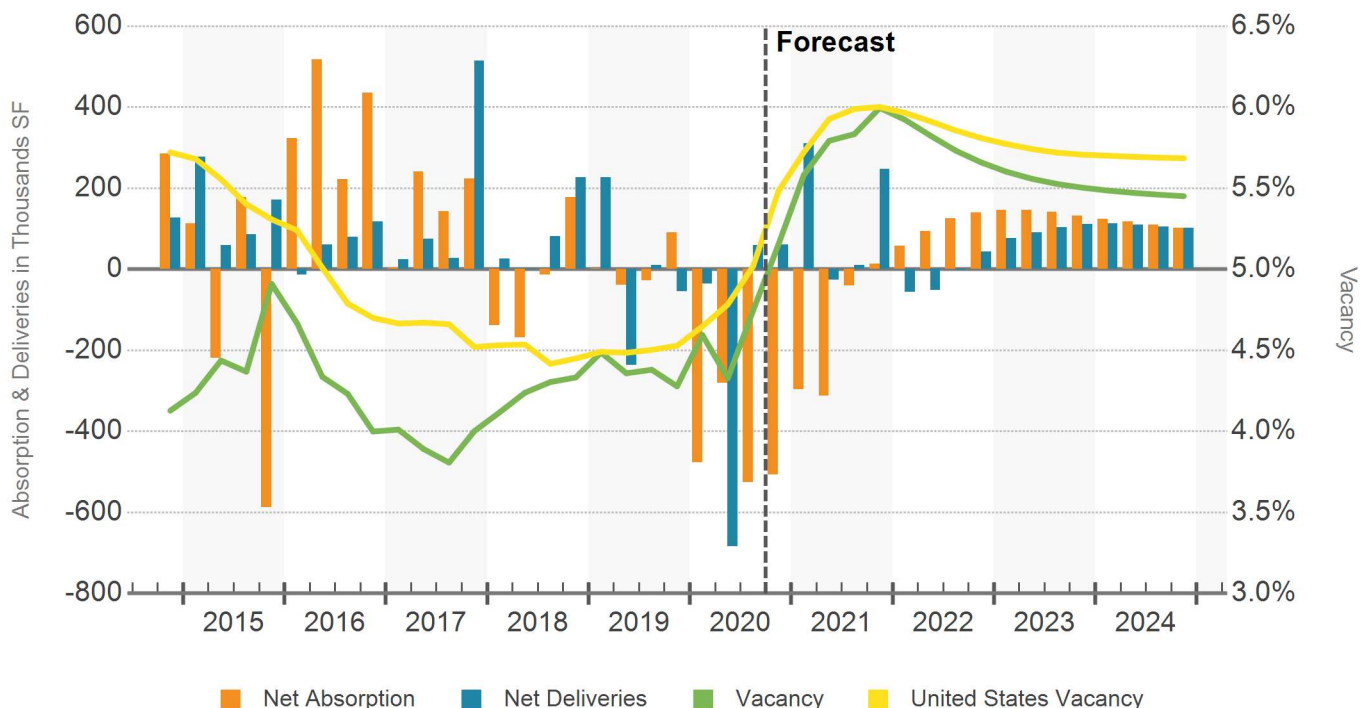
Mall space is likely to continue facing headwinds in the forecast, and the vacancy rate is likely to unravel as traditional retailers with co-tenancy clauses and anchors find it difficult navigating the economic recession. The pandemic, in many cases, has just accelerated declining sales among those retailers as e-commerce continues siphoning business.

Neighborhood, community and power centers may be on surer footing, at least relative to tenant mixes, to navigate the recession. Those centers often include grocery anchors and discount retailers, such as Del Norte Plaza in Escondido where Dollar Tree signed one of the largest leases in the third quarter and will join Vons and CVS.

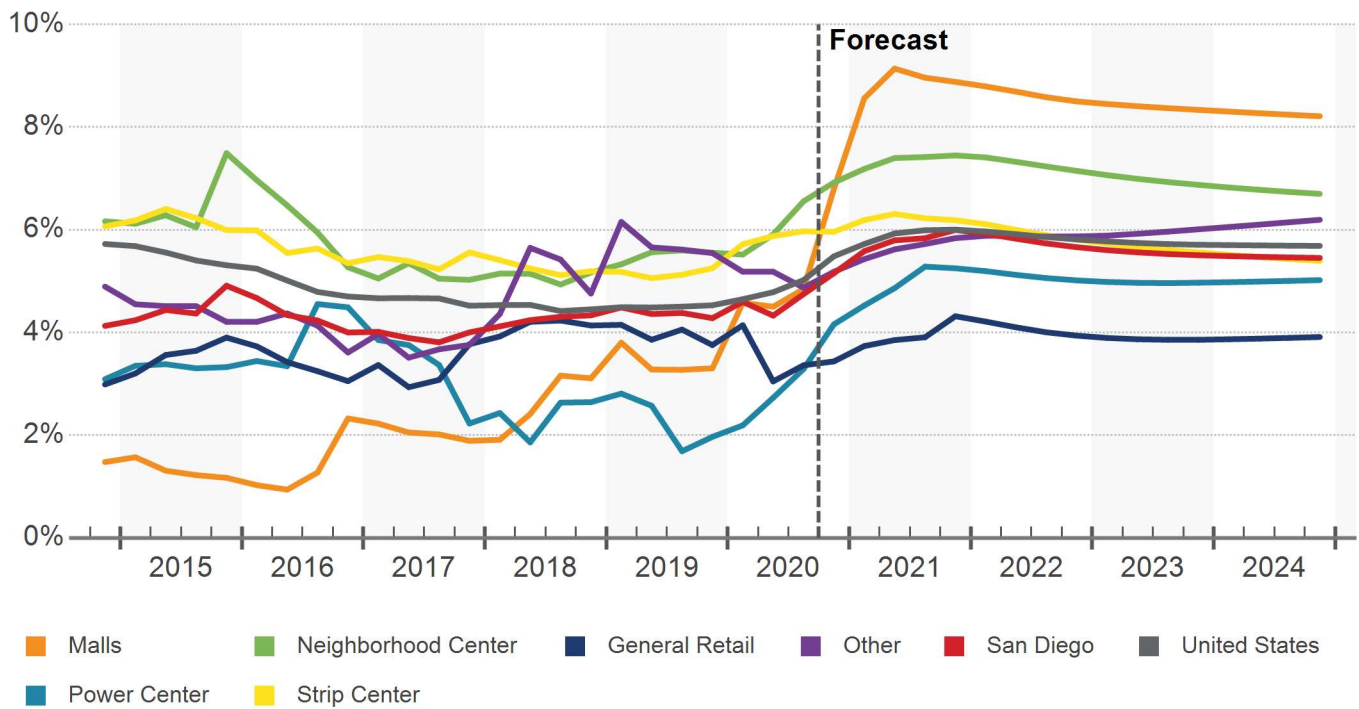
Properties that moved in the direction of experiential retailers may also experience uncertainty given social distancing protocols. Theaters, gyms, restaurants and bars are all among the tenants exposed to further disruption, and while San Diego has mild winters, it remains to be seen how many people will choose to continue having workouts or eating their dinners outside.

The fall and winter months will likely provide greater clarity on the fallout from the drop in summer tourism across San Diego. Summertime revenue often keeps retailers afloat through the fall and winter months, and this year is likely to impact them especially hard. The current vacancy rate is not necessarily indicative of the state of affairs. Demolitions have eaten into inventory, keeping the rate in check, while store closings from Souplantation to Steinmart are only expected to mount.

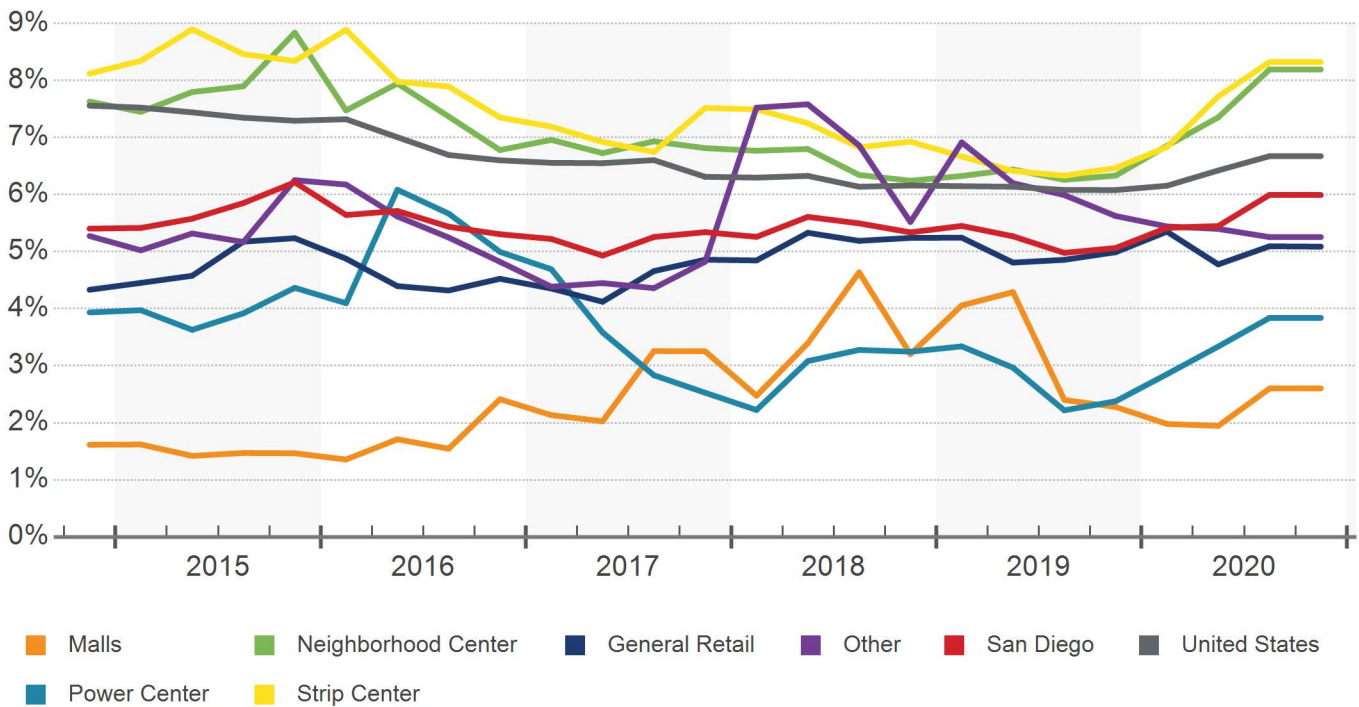
NET ABSORPTION, NET DELIVERIES & VACANCY



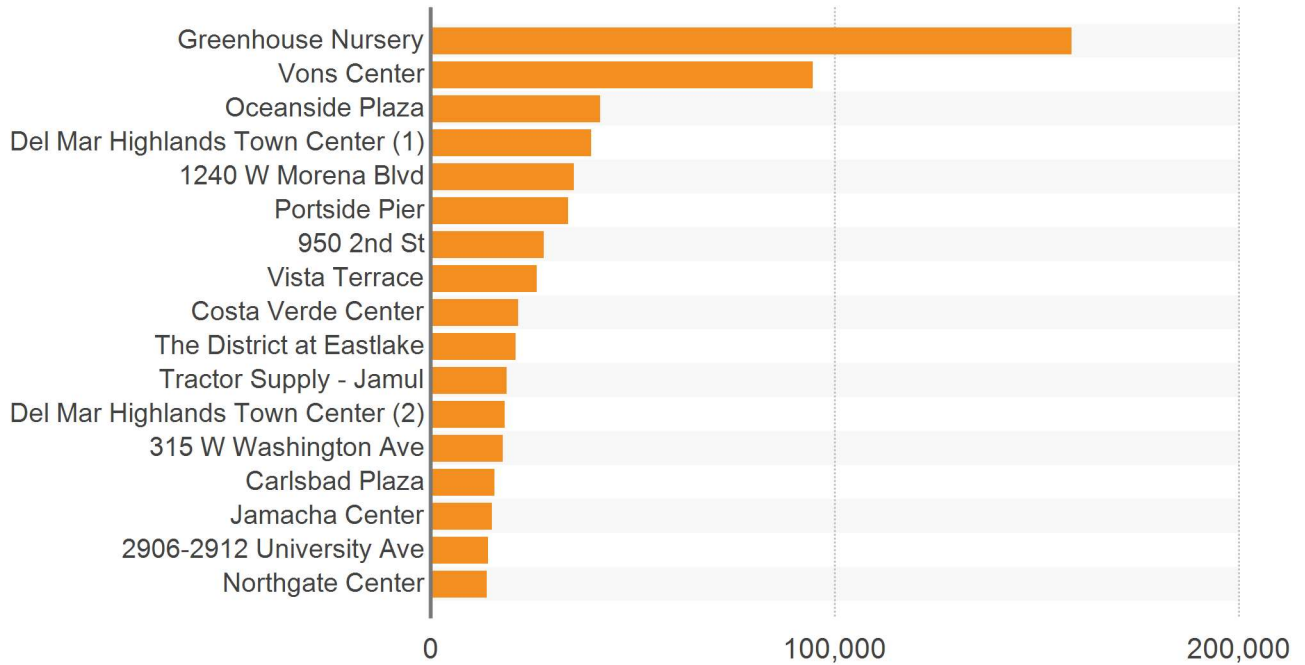
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Greenhouse Nursery	San Marcos Ret	160,324	0	0	0	0	0	158,581
Vons Center	Lemon Grv/Spring VI...	94,500	0	94,500	0	0	0	94,500
Oceanside Plaza	Oceanside Ret	114,546	0	0	0	42,000	0	42,000
Del Mar Highlands Town Center...	Del Mar/S Bch/Rho...	43,768	4,077	0	39,691	0	0	39,691
1240 W Morena Blvd	Pacific Beach/Moren...	43,766	0	35,414	0	0	0	35,414
Portside Pier	Downtown Ret	34,000	0	0	0	34,000	0	34,000
950 2nd St	El Cajon Ret	28,200	0	28,000	0	0	0	28,000
Vista Terrace	Vista Ret	26,616	0	0	0	0	0	26,326
Costa Verde Center	UTC Ret	210,347	0	21,685	0	0	0	21,685
The District at Eastlake	Eastlake Ret	176,798	0	0	0	0	0	20,959
Tractor Supply - Jamul	Outlying SD County...	18,800	0	0	0	18,800	0	18,800
Del Mar Highlands Town Center...	Del Mar/S Bch/Rho...	22,090	3,721	0	17,644	725	0	18,369
315 W Washington Ave	Escondido Ret	17,908	0	0	17,908	0	0	17,908
Carlsbad Plaza	Carlsbad Ret	16,000	0	0	0	0	0	15,826
Jamacha Center	El Cajon Ret	50,107	3,308	14,352	0	(1,100)	0	15,123
2906-2912 University Ave	Central San Diego Ret	19,040	1,802	14,198	0	0	0	14,198
Northgate Center	Imperial Bch/South S...	26,900	3,716	2,091	11,800	0	0	13,891
Subtotal Primary Competitors		1,103,710	16,624	210,240	87,043	94,425	0	615,271
Remaining San Diego Market		138,249,843	6,640,335	(687,333)	(367,866)	(616,918)	(44,282)	(1,853,544)
Total San Diego Market		139,353,553	6,656,959	(477,093)	(280,823)	(522,493)	(44,282)	(1,238,273)

TOP RETAIL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
960 Sherman St	PB/Rose Canyon/Morena	117,500	Q4 19	Floor & Decor	Retail Insite	Retail Insite
Oceanside Plaza	Oceanside	42,000	Q4 19	UEI College	-	Heslin Holdings, Inc.
5601 Grossmont Center Dr	La Mesa	33,520	Q4 19	-	-	Retail Insite
Del Mar Center	Del Mar/S Bch/Rho SF	28,000	Q3 20	-	-	Flocke & Avoyer Comm...
Palomar Trolley Center	Chula Vista	24,957	Q1 20	dd's Discounts	-	Cushman & Wakefield
Tri-City Crossroads Shopping Center *	Oceanside	21,025	Q4 19	Rite Aid	-	-
Otay Ranch Town Center	Eastlake	20,890	Q1 20	Barons Market	-	-
8358 Saint Andrews Ave *	Otay Mesa	20,860	Q4 19	San Diego Storage & Auto	Pacific Coast Comm...	Pacific Coast Commercial
Sports Arena Plaza *	Pt Loma/Sports Arena	20,706	Q1 20	Forever 21	-	Cushman & Wakefield
1385 E Main St	El Cajon	19,911	Q2 20	Hyundai	-	Pacific Coast Commercial
Tractor Supply - Jamul	Outlying SD County S	18,800	Q3 20	Tractor Supply Company	-	-
Mira Mesa Marketplace	Miramar/M Mesa/S Rnch	18,461	Q3 20	La-Z-Boy	-	Retail Insite
4341 El Cajon Blvd *	Mid City/SE San Diego	17,000	Q3 20	United Cerebral Palsy Thrif...	-	-
Carlsbad Plaza	Carlsbad	16,000	Q4 19	Planet Fitness	SRS Real Estate Pa...	Cushman & Wakefield
Palomar Airport Bus Park	Carlsbad	15,000	Q4 19	Bitchin Sauce	-	-
Jamacha Center	El Cajon	14,352	Q4 19	Lulus International Market	-	Flocke & Avoyer Comm...
National City Plaza	National City	13,640	Q4 19	CSL Plasma	-	Retail Insite
Miramar Square	Miramar/M Mesa/S Rnch	13,507	Q4 19	Grotto Climbing	-	Flocke & Avoyer Comm...
Mission Promenade	Oceanside	13,400	Q1 20	Oceanside Appliance	-	SharpLine Commercial...
Rosecrans Plaza *	Pt Loma/Sports Arena	13,023	Q2 20	Chuck E. Cheese	Pacific Coast Comm...	Pacific Coast Commercial
Mission Marketplace	Oceanside	12,218	Q3 20	Five Below	-	NewMark Merrill Comp...
Riverdale Shopping Center	M Gorge/A Grdns/D Cer	12,000	Q4 19	-	-	CBRE
La Mesa Springs Shopping Center	La Mesa	12,000	Q4 19	Legacy Church	-	CBRE;Retail Insite
Rite Aid	Escondido	11,900	Q4 19	Rite Aid	-	-
Northgate Center	Imperial Bch/South SD	11,800	Q2 20	Fresenius	-	DUHS Commercial
6091 University Ave	Mid City/SE San Diego	10,044	Q1 20	-	-	Retail Insite
4433 Mission Bay Dr	Pacific Beach/Morena	10,000	Q3 20	-	-	Brixton Capital AC LLC
1196-1198 E Main St	El Cajon	10,000	Q1 20	Berivan & Saban Bicimli	-	Capital Growth Properties
Vista Marketplace	Vista	9,974	Q4 19	Family Dollar	-	Voit Real Estate Services
El Camino Commons	Cardiff/Encinitas	9,532	Q3 20	-	-	Flocke & Avoyer Comm...
Coleman Center	San Marcos	9,458	Q4 19	Hardcore Fitness	-	Lee & Associates
Grossmont Trolley Center	La Mesa	9,000	Q3 20	-	-	CCRT Properties, L.P.
5710 Kearny Villa Rd	Clarmnt/KM/Tierrasnta	8,810	Q1 20	Barabbas Church	-	SVN / Vanguard
9279 Cabot Dr	Mira Mesa/Miramar	8,695	Q3 20	-	-	Pacific Coast Commercial
Vons Center	Lemon Grv/Spring Vly	8,561	Q4 19	-	-	DUHS Commercial
Skylight on 5th	Downtown	8,504	Q1 20	Alien Art	-	Colliers International
Vista Marketplace *	Vista	8,400	Q2 20	Catholic Charities	-	Voit Real Estate Services
Village at Mira Mesa	Miramar/M Mesa/S Rnch	8,000	Q1 20	Phoenix Nail Suites	Newmark Knight Frank	Brixmor Property Group
Del Norte Plaza	Escondido	8,000	Q3 20	Dollar Tree	-	Flocke & Avoyer Comm...
SpringHill Suites San Diego Bayfront	Downtown	7,937	Q3 20	Moniker Group	-	Retail Insite

*Renewal

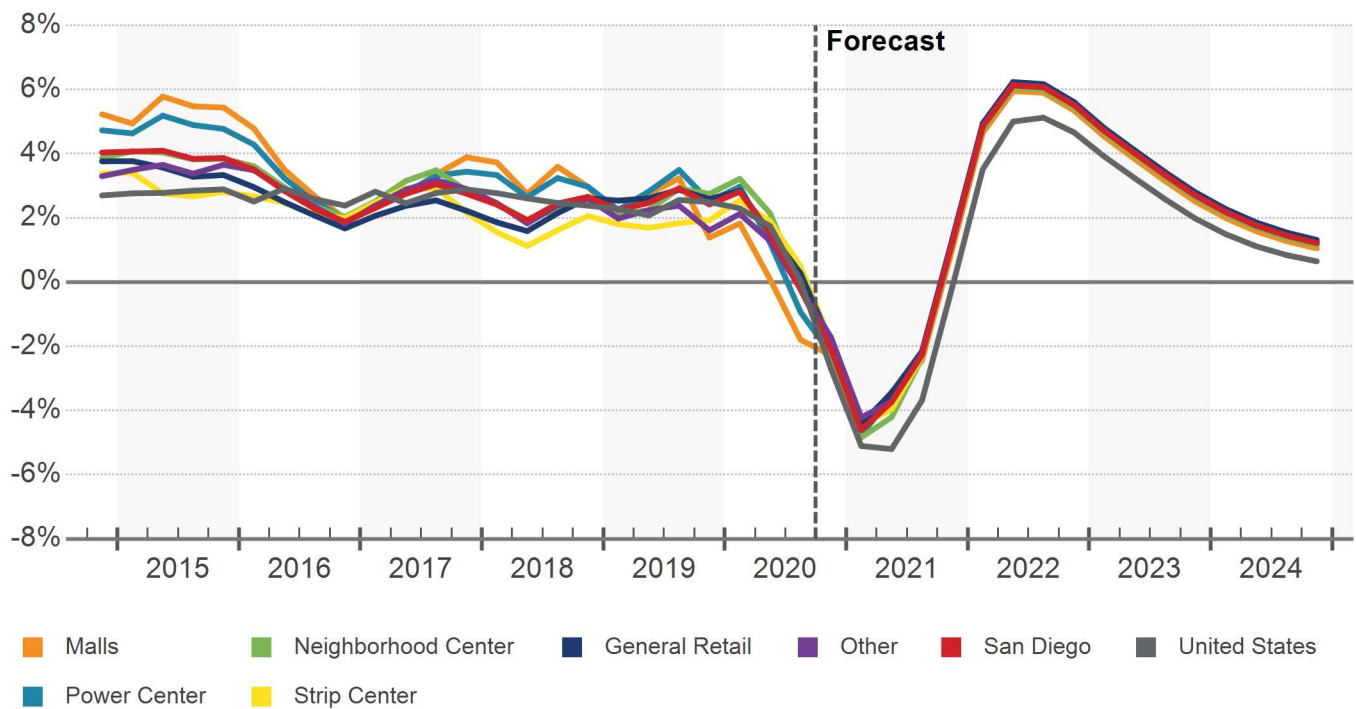
Rents fell over the past two quarters, wiping out annual gains in the process. And the outlook remains unclear as retailers are likely to be impacted as demand wanes from social distancing and further restrictions after reopening, but they are expected to continue falling in the near-term of the forecast.

There has been no discernible concentration in rent losses and neither the suburbs nor urban areas were spared. From El Cajon and Downtown to Oceanside and National City, rents fell during the third quarter. Rent growth had been buttressed in trade areas with high

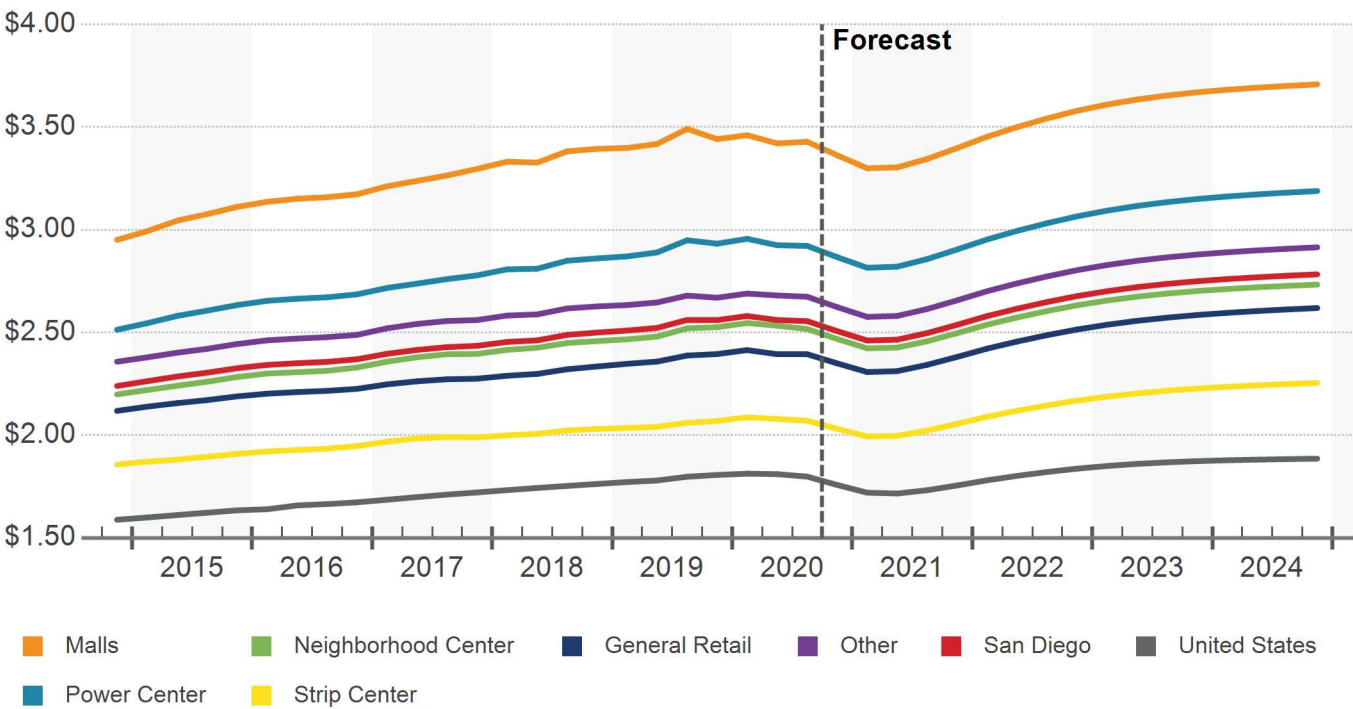
household incomes and buying power ahead of the pandemic, but that is no longer the case.

Instead, landlords are scrambling to fill vacancies and lowering their asking rents in the process. And some of those tenants that might be in expansion mode, discount retailers for instance, are often in lower buying power trade areas and less likely to lease space in malls, which could further stifle rent growth in malls while possibly positioning more affordable areas of the region to capitalize on that demand.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



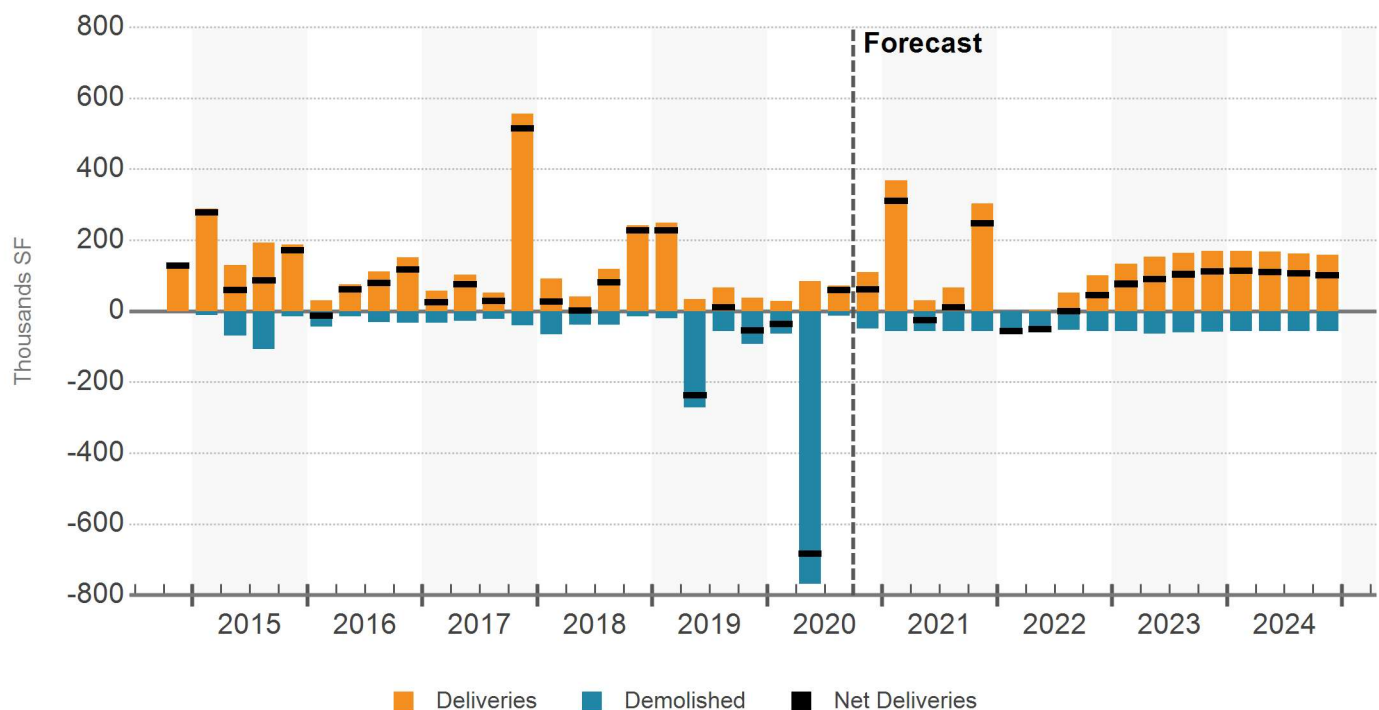
This year will end with negative net supply, as last year did, after Horton Plaza was demolished in 20Q2 to make way for the Campus at Horton in downtown San Diego. The project will include about 300,000 SF of retail space and 750,000 SF of office space. The redevelopment of the mall began in 20Q2 after Stockdale received a construction loan for more than \$300 million just ahead of the coronavirus outbreak. It also lifted the percentage of inventory under construction to 0.6%, one of the highest levels in a decade.

Several proposals fill the pipeline, including retail at Civita where some work on smaller retail space has begun and several coastal retail destinations in Downtown and South Bay. However, most of those have yet to break ground and remain in various stages of

planning. Coastal developments also include a heavy dose of regulatory burdens, from the Coastal Commission to environmental groups.

After the balance of Westfield UTC was expanded in 2017, the former Sears space is being improved to provide further shopping, experiential, and dining elements called The Collection at UTC. That redevelopment broke ground in 2019 and has 30,000-SF commitments from co-working brand Industrious and the upscale gym Equinox, both of which face uncertain futures. The demolition of the former Sears chipped away at net supply in 2019 and resulted in the year ending with net supply falling. The Collection at UTC's delivery had been scheduled for delivery earlier in 2020, but may not be ready until 2021.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Downtown	2	303	0	0%	10	9,591	151,500	1
2	UTC	2	233	99	42.4%	7	34,107	116,500	2
3	Imperial Bch/South SD	7	78	58	74.5%	4	9,084	11,142	7
4	Mission Valley	2	56	56	100%	1	46,628	28,000	5
5	Oceanside	8	49	20	41.6%	8	10,627	6,135	8
6	Poway	1	40	40	100%	1	11,931	39,800	3
7	Central San Diego	1	29	29	100%	1	4,761	29,000	4
8	Escondido	5	24	4	18.6%	9	11,527	4,720	9
9	Carlsbad	1	22	13	59.7%	6	15,172	22,000	6
10	La Jolla/Torrey Pines	4	14	10	74.2%	5	6,792	3,386	10
	All Other	7	29	17	59.2%		9,775	4,171	
Totals		40	876	347	39.6%		10,085	21,905	

Entering 2020, a strong local economy supported by high-paying jobs in the life science and technology fueled high household and disposable incomes in San Diego. Companies from Takeda Pharmaceuticals, Eli Lilly, and Fischer Scientific to Amazon, Apple, and Qualcomm all occupy significant office and research and development space in the region.

But there is still substantial uncertainty in the retail market surrounding the spread of the coronavirus. Valuations have been sensitive to investor sentiment, and buyer uncertainty and a general bid-ask delta has impacted negotiations. Pricing power has been restrained as buyers and lenders have taken to the sidelines to maintain caution during this economic instability.

Sales activity, both deal flow and sales volume, have cooled notably, and the third quarter was near a decade low for each metric.

Typically, institutional, private equity, and REIT entities account for about 25% of buying capital in any given 12-month stretch. Private capital typically drives the market, the majority of which comes from local sources. Foreign

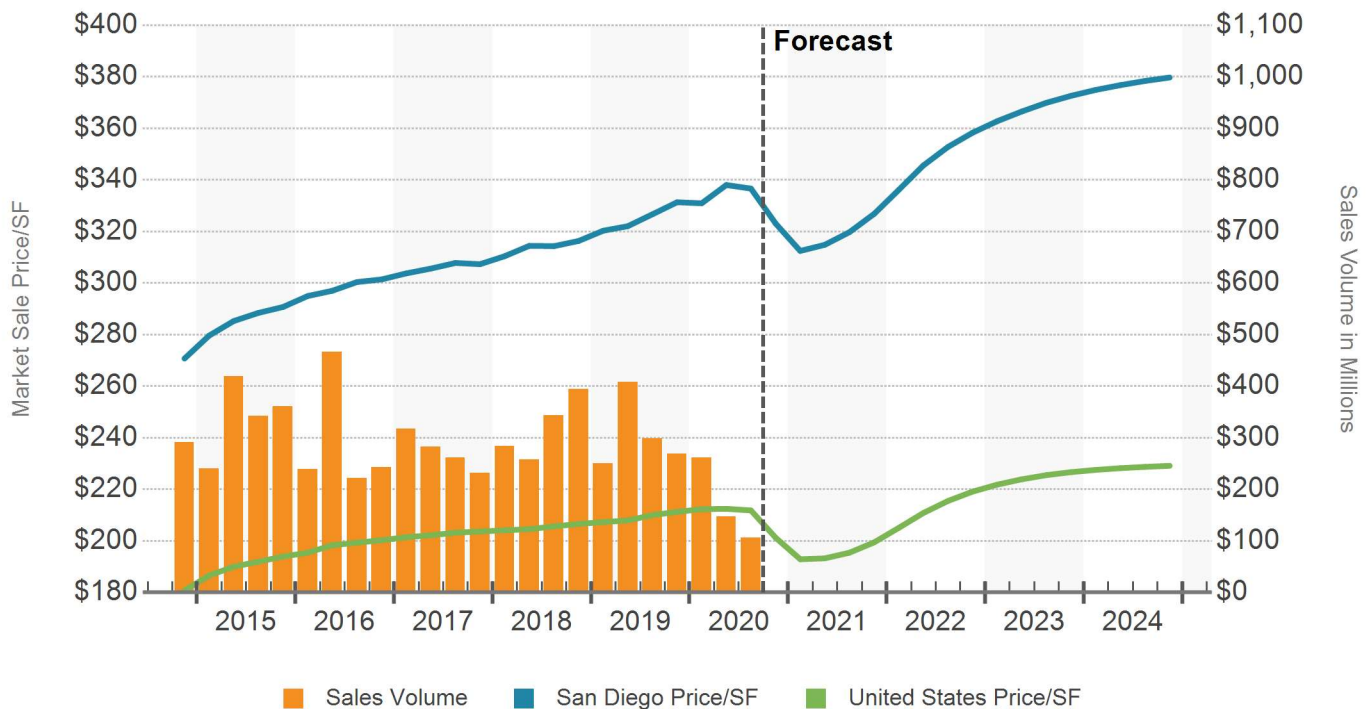
investment in San Diego retail assets is often minimal.

Market cap rates sit at 5.7%. While down only 10 basis points from a year earlier, that is the lowest average cap rate for retail properties in San Diego in the past decade. But CoStar also expects cap rates to face upward pressure amid restrained credit conditions, reduced volume, and softening price pressures.

Given the current economic climate and the essential nature of grocery stores, several stand-alone stores sold since the outbreak. In April 2020, a private investor from Los Angeles paid \$27.7 million (\$630/SF) for a Vons grocery store on 30th Street in North Park. Vons has a triple net lease that runs until 2039. The institutional seller purchased the property a year earlier as part of a bulk portfolio.

And in May, a private trust purchased the Albertson's grocery store in downtown San Diego for \$22.2 million (\$516/SF) from a local party. The loan-to-value ratio was 50%, and the triple net lease lasted another 10 years.

SALES VOLUME & MARKET SALE PRICE PER SF



Sales Past 12 Months

San Diego Retail

Sale Comparables

417

Avg. Cap Rate

5.4%

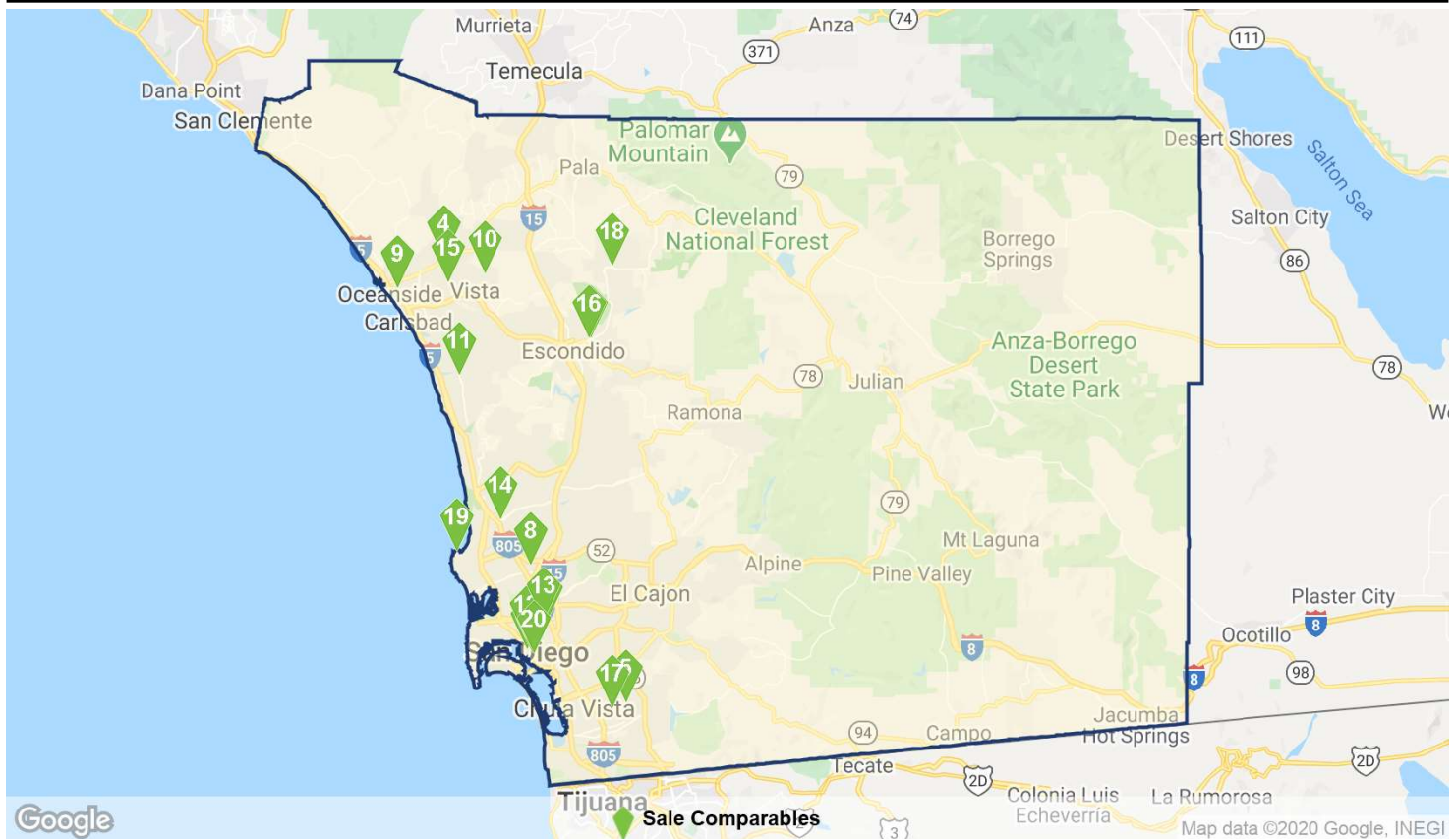
Avg. Price/SF

\$396

Avg. Vacancy At Sale

5.7%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$45,479	\$2,658,595	\$1,600,000	\$35,539,464
Price/SF	\$46	\$396	\$355	\$5,208
Cap Rate	2.7%	5.4%	5.5%	9.2%
Time Since Sale in Months	0.2	7.9	9.0	12.0
Property Attributes	Low	Average	Median	High
Building SF	166	6,130	3,408	108,400
Stories	1	1	1	4
Typical Floor SF	166	5,573	3,068	108,400
Vacancy Rate At Sale	0%	5.7%	0%	100%
Year Built	1900	1972	1974	2020
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.3	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

San Diego Retail

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 1055 5th Ave	★★★★★	-	34,821	0%	3/12/2020	\$35,539,464	\$1,021	-
2 Vons 4145 30th St	★★★★★	1985	44,000	0%	4/16/2020	\$27,700,000	\$630	-
3 Albertsons 655 14th St	★★★★★	2006	42,973	0%	5/5/2020	\$22,177,142	\$516	-
4 Rancho Del Oro 801-815 College Blvd	★★★★★	1995	33,900	11.8%	6/9/2020	\$18,984,000	\$560	-
5 700-778 Otay Lakes Rd	★★★★★	1989	34,087	5.2%	12/9/2019	\$16,939,151	\$497	-
6 1133-1147 Prospect St	★★★★★	1952	8,116	0%	12/27/2019	\$15,300,000	\$1,885	-
7 Escondido Town & Coun... 1625-1665 E Valley Pky	★★★★★	1973	70,898	25.2%	3/13/2020	\$13,500,000	\$190	4.6%
8 Dixieline 4888 Convoy St	★★★★★	1974	46,019	0%	1/9/2020	\$13,053,878	\$284	-
9 1527 Mission Ave	★★★★★	1972	108,400	12.4%	2/21/2020	\$12,300,000	\$113	-
10 Sprouts 1400 E Vista Way	★★★★★	2019	26,616	0%	6/3/2020	\$11,300,000	\$425	4.7%
11 Bank of America 7700 El Camino Real	★★★★★	1980	19,400	0%	2/25/2020	\$10,000,000	\$515	4.7%
12 2420 5th Ave	★★★★★	2003	17,660	0%	10/17/2019	\$9,950,000	\$563	-
13 Boulevard Plaza 2800-2828 El Cajon Blvd	★★★★★	1986	12,623	11.0%	10/29/2019	\$9,400,000	\$745	3.9%
14 Sorrento Plaza 9254 Scranton Rd	★★★★★	2007	11,901	0%	12/24/2019	\$9,000,000	\$756	6.1%
15 DaVita 4182 Oceanside Blvd	★★★★★	2017	10,655	0%	8/6/2020	\$8,371,000	\$786	-
16 Walgreens 1574 E Valley Pky	★★★★★	2000	15,120	0%	3/9/2020	\$8,063,500	\$533	-
17 Petsmart 877 E H St	★★★★★	1994	17,386	0%	2/14/2020	\$7,245,000	\$417	6.1%
18 Rite Aid 28535 Cole Grade Rd	★★★★★	2020	11,900	0%	9/3/2020	\$6,700,000	\$563	5.4%
19 International Shops 1237 Prospect St	★★★★★	1962	7,196	22.7%	11/15/2019	\$6,500,000	\$903	4.9%
20 505 16th St	★★★★★	1973	9,000	66.7%	2/14/2020	\$6,400,000	\$711	-

San Diego's unemployment rate fell to 9.9% in August, down from a revised 12.4% in July, with teachers heading back to school leading the way for job growth during the month.

Overall, the San Diego region added 20,500 people to payrolls, bringing nonfarm employment up to 1.37 million.

However, the economic shock from the pandemic has still caused considerable disruption to the labor and commercial property markets. Demand for commercial space has fallen most heavily on the office and retail sectors, with social distancing protocols impacting revenue, leasing decisions, and space requirements.

It is amid this environment that employment fell 400 jobs month-over-month in the leisure and hospitality sector. The sector continues to feel the pain brought by a closed convention center and hotel occupancies below 50%. Many of these workers have been moved from temporary layoffs to permanent ones.

Schools were back in session in August, virtually at least, which led to the government sector adding 6,800 back to payrolls, with government education services up 4,300. That was followed by the professional and business services sector adding 5,300 to payrolls, with 2,100 of those in the professional, scientific and technical fields.

Although San Diego added more than 20,000 to payrolls since July, overall nonfarm employment is still down 135,000 jobs since last August. Every sector reported job cuts in the past year with the exception of mining and logging, which was unchanged.

Leisure and hospitality is down 60,100 jobs with accommodation and food services accounting for more than 40,000 of those losses. That was followed by trade,

transportation and utilities, with a retail trade shedding more than 11,000 in the past year.

And while the falling unemployment rate is a sign that the employment picture may be turning a corner, some of the jobs lost during this recession may not return, and capturing those final positions that remain on the sidelines could prove elusive in the near term.

Heading into the pandemic, San Diego's job market was sturdy. More than 80 research institutes are located in San Diego, from Scripps Research Institute to Salk Institute for Biological Studies, in addition to five universities. This cluster of research in the Golden Triangle has created one of the strongest life science cores in the United States, and many of these companies and institutes are researching a vaccine for the coronavirus. It is these positions in the scientific and technical fields that have driven recent job growth and the region and account for nearly 150,000 jobs. Furthermore, Scripps Health has five campuses across the metro and announced that it is spending \$2.6 billion on upgrades to its facilities, further bolstering San Diego as a destination for "medical tourism."

San Diego is also home to more than 143,000 active duty and civilian military employees. And the defense industry accounts for 22% of jobs in the region according to the San Diego Economic Development Corp. It also contributes about 20% to the gross regional product. And the Navy's renewed focus on the Pacific theater of operation will result in a 60/40 split between the Pacific and Atlantic fleets, further solidifying San Diego's status as a major Navy hub.

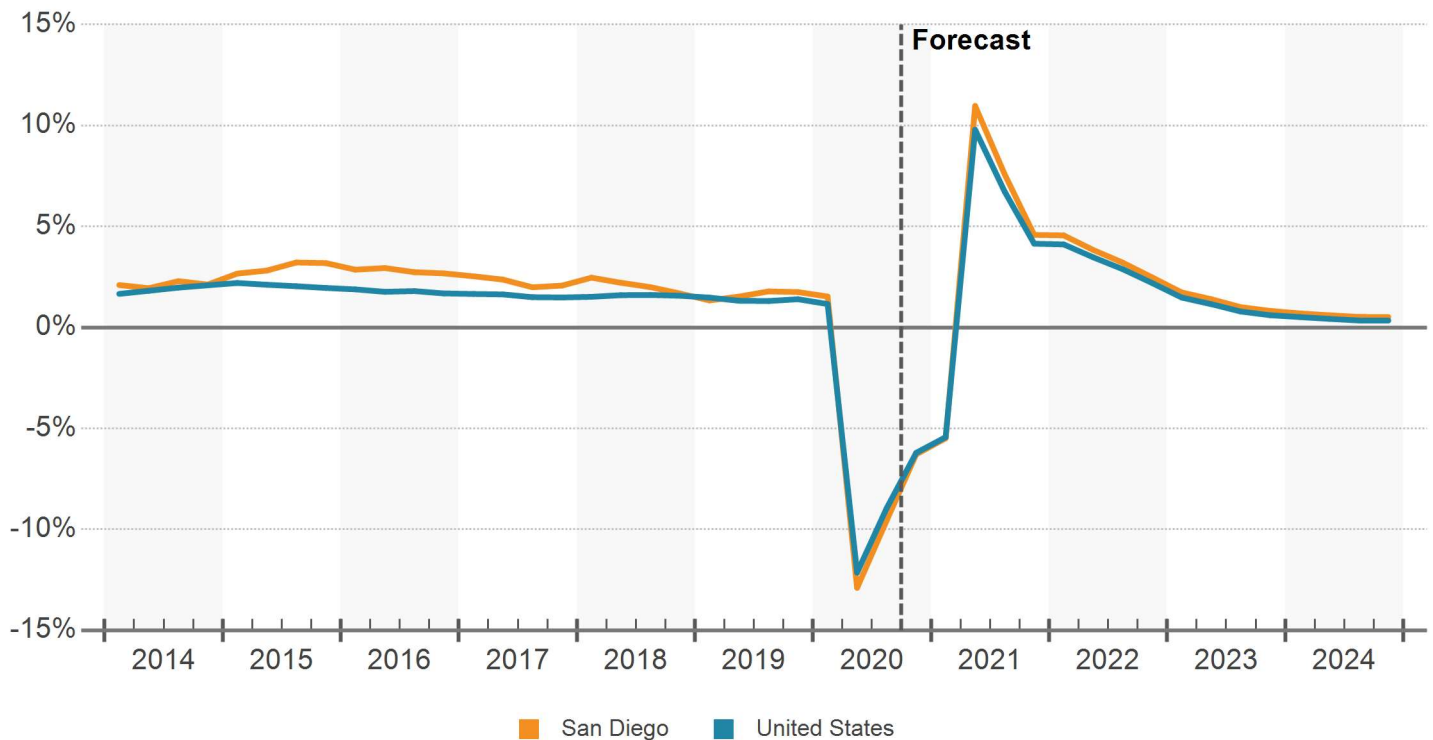
It is also why San Diego has one of the largest concentrations of millennials in the country, accounting for 25% of the population.

SAN DIEGO EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	112	0.9	-3.01%	-6.32%	1.59%	0.41%	0.96%	0.78%
Trade, Transportation and Utilities	199	0.8	-11.15%	-7.55%	0.03%	0.41%	2.28%	1.47%
Retail Trade	128	0.9	-12.14%	-9.12%	-0.16%	-0.19%	2.69%	1.81%
Financial Activities	75	0.9	-3.13%	-1.28%	1.05%	1.20%	0.78%	0.69%
Government	239	1.1	-3.26%	-3.17%	0.31%	-0.23%	0.73%	0.61%
Natural Resources, Mining and Construction	82	1.1	-4.15%	-5.10%	4.02%	2.31%	0.99%	1.35%
Education and Health Services	209	0.9	-4.48%	-4.98%	2.46%	1.43%	2.80%	2.24%
Professional and Business Services	254	1.3	-1.68%	-7.27%	2.20%	1.65%	1.19%	2.27%
Information	21	0.8	-8.47%	-3.21%	-1.56%	0.26%	2.84%	1.38%
Leisure and Hospitality	132	1.2	-34.97%	-33.62%	-1.46%	-1.72%	9.21%	8.53%
Other Services	43	0.9	-24.88%	-15.48%	-1.00%	-0.65%	5.22%	3.16%
Total Employment	1,367	1.0	-9.53%	-8.93%	0.96%	0.54%	2.51%	2.17%

Source: Oxford Economics
LQ = Location Quotient

YEAR OVER YEAR JOB GROWTH



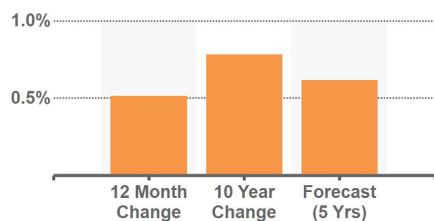
Source: Oxford Economics

DEMOGRAPHIC TRENDS

Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	3,357,354	330,022,906	0.5%	0.5%	0.8%	0.6%	0.6%	0.5%
Households	1,136,840	122,514,563	0.4%	0.4%	0.7%	0.7%	0.6%	0.4%
Median Household Income	\$82,600	\$64,506	0.7%	1.3%	3.3%	2.6%	3.2%	2.8%
Labor Force	1,586,083	159,355,594	-0.5%	-2.7%	0.5%	0.3%	0.5%	1.0%
Unemployment	13.8%	13.4%	10.7%	9.8%	0.3%	0.4%	-	-

Source: Oxford Economics

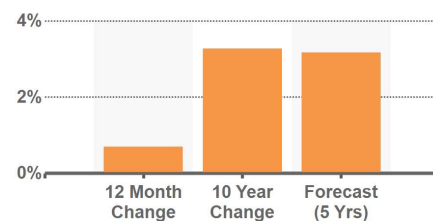
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics