

STRATEGIC NEWS

Your Monthly "Dirt" on Real Estate Investments

Retail Details— A 2006-07 Health Checkup

It's no newsflash that Americans live busy lives today. Thanks to ubiquitous cell phones, Blackberrys, and free Wi-fi, we can unplug *and* stay "plugged in" any time, any place. Too often the result is that we don't take the time to step back and objectively examine our world: check for moles, review our investments, perform strategic planning. In an effort to add value to our investors and friends, we like periodically to offer a 30,000-foot view of our collective business world, the world of Tampa Bay retail. Following is a summary of the Florida Retail Report for the Tampa Bay area from the International Council of Shopping Centers (ICSC) Florida Conference in August 2006.

THE ECONOMIC HEARTBEAT

While we in the Tampa Bay area are keenly aware and often alarmed by rising costs of property taxes and property values, the cost of land and housing still lags behind many attractive regions in the country. The climate, affordable business and living costs, and the lack of a state income tax continue to drive people to the state and the area in record numbers. Since 2000, the Tampa Bay area

has witnessed a 9.5% population increase to almost 2.7 million residents—ignoring seasonal residents in beachfront communities. In fact, both Pasco and Hernando were among the 100 fastest growing counties in the nation in 2005. The growth outlook for the coming 5-year period remains equally strong. That growth projection means retailers will continue vying for space around Tampa Bay for the near term. In other good news, job growth has kept pace with population growth over the last year, with a 3% increase in the size of the workforce already this year. Even with the huge influx of new residents, unemployment remains stable at around 3%.

Selected SPG Project Updates

REIF Spec 1 SPG's REIF Spec 1 investors should expect a packet in the mail early in September including ownership certificates in the REIF project LLCs, operating agreements to sign and send back, and marketing materials about the current



Camp Indianhead Crossings

QUALITY INTEGRITY
creativity



Land O Lakes Landings

THE PULSE OF RETAIL

ICSC data reflects what we at SPG already felt: "the retail market in the Tampa Bay area continues to show strength." Current data shows that the Tampa/St. Pete area contains roughly 101.1 million sq ft of total retail space—and overall vacancy rates have decreased to only about 6.4%! Average rental space for new construction is consistently reported in the high \$20s per sq ft.

THE PROGNOSIS

With a strong economic forecast, and thriving retail and capital markets, we expect the retail market around Tampa Bay to continue to grow for years to come.

Did You Know?
Florida is the fastest growing state in the nation with net population increasing by roughly 350,000 people per year. The population is expected to grow by 10 million in 10 years.

Your Real Estate Investment Family



Jon Wittner
Partner

- Married to Katherine for 10 years
- 1 daughter: Marlee (4)
- Degrees in real estate and finance from Florida State University
- Responsible for site selection, acquisition, disposition, project management, and leasing
- Has spent over 18 years in real estate, including retail and commercial development with various firms, and residential sales at Black Diamond Ranch
- Favorite Vacation Spot: Starbucks

REIF projects they own.

Camp Indianhead Crossings (CIC) and **Land O Lakes Landings (LOLL)** are under an exclusive leasing brokerage agreement with Colliers Arnold and both are gaining strong interest by retailers.

Shoppes of Wesley Chapel is expected to begin site work in the middle of September.

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