

BURNS COMMERCIAL PROPERTIES

2011 RETAIL MARKET SURVEY

TYLER, TEXAS

The annual Retail Market Survey compiled by Burns Commercial Properties revealed that the Tyler market did an abrupt about face in the past year. The 2010 Survey reported that the overall occupancy rate increased from 89% in 2009 to 91%. The positive trend failed to last, and the latest statistics indicate that the occupancy level has dropped to 83.3%.

The survey measures the current occupancy level of fifty multi-tenant retail buildings in the City of Tyler. It does not include Broadway Square Mall, nor does it include free standing single tenant retail and restaurant buildings.

The amount of vacant space available increased by just over 197,000 square feet. The total amount of space available stands at 417,808 square feet, an increase of 218,761 square feet from last year. The data is greatly affected by the closure of three large retailers, these being the Albertson's Grocery (54,980 square feet), Lacks Furniture (41,141 square feet), and Ace Hardware (43,416 square feet) spaces. These three locations account for 139,537 square feet, comprising thirty four percent of the total vacancy currently available.

Two new small centers were completed in the past twelve months. These contained a total of 25,575 square feet. This figure is indicative of the fact that developers have been very cautious in committing funds to new speculative construction during a period where retail sales have been flat or in a downturn. The majority of new construction in the retail corridors has been in the form of single tenant restaurant buildings rather than in multi-tenant retail centers.

While Tyler has not been immune to the national trend of decreasing retail sales, it has definitely performed better than most. Recent data from the Real Estate Center at Texas A&M shows that retail sales per capita in Tyler exceed the state average, and are well above the level of the majority of the metropolitan areas in Texas.

The downturn in the occupancy level did not cause the average quoted lease rate to decrease. This figure stands at \$13.51 per square foot, a slight increase from the 2010 level of \$13.39.

It is obvious that if any of the large spaces are leased, the occupancy rate will increase substantially. Since all three of these facilities are in good retail locations, it is likely that we will see an improvement in the statistics in the near future. But the cautious attitude of developers and lenders makes it unlikely that Tyler will see the construction of any large speculative retail developments for a while. Some small projects in prime locations are planned and should do well as Tyler's economy continues to improve.

Our thanks to the property owners, managers, and leasing agents who provide the information for this report. A special thanks to Peggie Jenkins of the Burns Commercial staff for compiling the data.

Taylor Burns

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CITY: Tyler, TX
DATE: April 2011

Property Name & Address	Owner	Contact	Year Built	Total Size	Current Occupancy	Quoted Rent	NNN Charges	Largest Available Space	Anchor Tenants
<i>Tyler Retail Market</i>									
Macy's Plaza 4700 S. Broadway	The Genecov Group Inc.	Mark Whatley Burns Commercial Properties (903) 534-1200	1982	30,631 SF	97%	\$14.00/SF	\$4.47/SF	900 SF	Dressin' Gaudy, SAS, La Villetta
Grande Plaza 212 Grande Blvd.	Pyle Properties	Tom Pyle Pyle Properties (903) 509-8161	1986	57,500 SF	89%	Negotiable	Gross Rent	2,241 SF	Ark Assurance, The Blaze, Orthodontic Center
Tanglewood East Loop 323 @ E. Fifth St.	Pyle Properties	Tom Pyle Pyle Properties (903) 509-8161	1986	42,119 SF	77%	Negotiable	Gross Rent	8,900 SF	Granary Health Foods
Times Square 5201 S. Broadway	Pyle Properties	Tom Pyle Pyle Properties (903) 509-8161	1985	86,371 SF	96%	Negotiable	Gross Rent	3,782 SF	World Gym, Times Square Cinema, Tyler Athletics
Regency Center 6009 S. Broadway	Kevin Eltife	Mark Whatley Burns Commercial Properties (903) 534-1200	1984	16,000 SF	84%	\$10.00/SF	\$3.79/SF	2,600 SF	Susan Robinson Jewelry, Sharman's Sewing Center
Loop East Center Loop 323 @ E. Fifth St.	Roosth Properties	Dan Spivey Roosth Properties (903) 593-8333	1968	78,089 SF	92%	\$7.50/SF	\$1.65/SF	6,101 SF	Brookshire, The Scroll, Dollar General
Rose Plaza 4023 S. Broadway	Roosth Properties	Dan Spivey Roosth Properties (903) 593-8333	1976	105,761 SF	87%	\$12.00/SF	\$1.57/SF	10,132 SF	Hastings, Dollar General, B. Jaxx
Front & Beckham Beckham @ E. Front St.	The Genecov Group, Inc.	Glenn Eikner Mark Whatley Burns Commercial Properties (903) 534-1200	1956	65,666 SF	94%	\$6.00- \$8.00/SF	\$1.35/SF	4,080 SF	Family Dollar, NAPA Auto Parts, Ladies Time, Rent A Center

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Bergfeld Center Broadway @ Eighth St.	Bergfeld Center, LP	<i>Julius Bergfeld</i> Bergfeld Realty (903) 592-1032	1948	167,717 SF	98%	\$12.00- \$16.00/SF	Gross Leases	3,747 SF	Brookshire, Luby's, CVS Pharmacy
Broadway Center 2125 S. Broadway	Weingarten Realty Investors	<i>Daniel Goldware</i> Weingarten Realty (972) 643-3305	±1950	60,330 SF	62%	\$10.00/SF	\$2.87/SF	9,681 SF	Steinmart
Off Broadway I 2301 S. Broadway	Rosebriar	<i>Jo Dobbs</i> Interlink Real Estate (903) 534-9292	1984	44,010 SF	81%	\$13.50/SF	\$3.25/SF	8,200 SF	Gray's Home Fashion Gallery, Culinary Crossroads, MRI Central, Style Salon, Metabolic Research
Southeast Crossing Loop 323 @ Troup Hwy.	MC Tyler One, LP	<i>Bob Myers</i> Myers Commercial (214) 751-7551	1984	57,631 SF	84%	\$7.00- \$12.00/SF	\$3.40/SF	7,492 SF	Paper Plus, U.S. Post Office, Fat Catz
Lincoln Plaza 2215-2235 W. Gentry	The Genecov Group, Inc.	<i>Glenn Eikner</i> Burns Commercial Properties (903) 534-1200	±1975	33,637 SF	23%	\$5.00/SF	\$1.41/SF	25,994 SF	Honest Dollar, KFC
Westwood Shopping Cntr. W. Loop 323 @ Hwy. 31 W	Ruben Martinez	<i>Glenn Eikner</i> Burns Commercial Properties (903) 534-1200	1983	69,231 SF	100%	\$12.00/SF	\$2.61/SF	0 SF	Super Mercado Monterrey, Family Dollar, Little Caesar's, Big Red Hanger
Woodcreek Village 6100 S. Broadway	Yin Investments, Inc.	<i>Jo Dobbs</i> Interlink Real Estate (903) 534-9292	1986	20,000 SF	100%	\$12.00/SF	N/A	0 SF	Where's Rufus
Olde English Village 3400 S. Broadway	Olde English Village, LP	<i>Matthew Marshall</i> <i>Casey Hymmer</i> Landbridge Commercial Properties (903) 561-9527	1978	79,875 SF	50%	\$5.00- \$8.50/SF	\$2.62/SF	16,472 SF	Heartland Ham, ETMC, Cinderbella's, Mattress Plus

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French Quarter S. Broadway @ Loop 323	Lasaters French Quarter	Lorei Gabriel Property Manager (903) 561-6644	1976	141,220 SF	100%	\$14.00- \$22.00/SF	\$3.50/SF	0 SF	Pier One Imports, Hancock Fabrics, Baskins
Southpark Center Loop 323 @ Troup Hwy.	Tyler Southpark Center, LP	Walter Northcutt Beer Wells Real Estate (903) 753-2191	1983	146,096 SF	60%	\$14.00/SF (small spaces)	\$3.43/SF	54,980 SF	Bealls Department Store
Brookside Village 531 WSW Loop 323	The Genecov Group, Inc.	Mark Whatley Burns Commercial Properties (903) 534-1200	1983	38,169 SF	84%	\$9.00- \$12.00/SF	\$3.48/SF	4,196 SF	Chili's, 360 Fitness
Beckham/Fifth Streets Beckham @ E. Fifth St.	Briarwood Group, Ltd.	Martin Heines (903) 593-2367	1965	90,000 SF	100%	\$8.00/SF	\$1.25/SF	0 SF	Big Lots, ETMC
Beckham/Fifth Streets SW Corner @ Beckham & Fifth St.	Pollard-Heines	Martin Heines (903) 593-2367	1965	32,500 SF	100%	\$9.00/SF	\$1.20/SF	0 SF	Misc. Small Retail @ 5th & Beckham
Broadway Market Center Broadway @ Rice Rd.	Broadway Market Center Assoc., Ltd	Art Mullan Signature Management (903) 561-8000	2001	94,000 SF	100%	\$23.75/SF	\$4.80/SF	0 SF	Ross Dress For Less, Starbucks
Lone Star Center 2500 Block, E. Fifth St.	The Genecov Group, Inc.	Glenn Eikner Mark Whatley Burns Commercial Properties (903) 534-1200	1960	25,567 SF	59%	\$8.50/SF	\$1.44/SF	4,980 SF	Kelly Credit Union, Hand Me Ups
Fifth & Fleishel E. Fifth St. @ Fleishel	The Genecov Group, Inc.	Glenn Eikner Mark Whatley Burns Commercial Properties (903) 534-1200	1960	24,046 SF	50%	\$8.50/SF	\$1.45/SF	5,000 SF	Payless Shoe Source, Jackson-Hewitt Tax Service

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Tyler Town Center 322 ESE Loop 323	Town Center Retail, LLC	<i>Blair Swaim</i> Burns Commercial Properties (903) 534-1200	1985	45,180 SF	74%	\$11.00- \$13.00/SF	\$2.99/SF	5,480 SF	Tuesday Morning, Cotton Patch Café
Broadway Crossing 5600 S. Broadway	Broadway Crossing Ltd.	<i>Art Mullan</i> Signature Management (903) 561-8000	1992	135,151 SF	100%	\$12.00/SF	\$2.15/SF	0 SF	Drug Emporium, Marshalls, Best Buy, Petsmart, Shoe Carnival
Pavillion Center 4900 S. Broadway	Reiff & Givertz	<i>Art Mullan</i> Signature Management (903) 561-8000	1994	30,670 SF	100%	\$20.00/SF	\$2.61/SF	0 SF	Barnes & Noble, CVS Pharmacy
Gateway Center 5325 S. Broadway	The Genecov Group, Inc.	<i>Mark Whatley</i> Burns Commercial Properties (903) 534-1200	1999	42,900 SF	100%	\$13.00/SF	\$3.42/SF	0 SF	Office Max, Racquet & Jog
Green Acres Shopping Cntr. 1817 Troup Hwy.	The Genecov Group, Inc.	<i>Glenn Eikner</i> <i>Mark Whatley</i> Burns Commercial Properties (903) 534-1200	1950	158,524 SF	52%	\$5.50- \$9.00/SF	\$1.81/SF	41,141 SF	Dollar General, Sherwin-Williams
Sunset Plaza 1909 ESE Loop 323	The Genecov Group, Inc.	<i>Mark Whatley</i> Burns Commercial Properties (903) 534-1200	1992	108,300 SF	60%	\$7.00/SF	\$2.54/SF	43,416 SF	Hobby Lobby
Pine Tree Shopping Center Hwy 64 West	Pine Tree Assoc.	<i>Art Mullan</i> Signature Management (903) 561-8000	2004	19,160 SF	100%	\$14.00/SF	\$4.00/SF	0 SF	Catos
Tanglewood West 1925-1945 SSE Loop 323	The Genecov Group, Inc.	<i>Glenn Eikner</i> <i>Mark Whatley</i> Burns Commercial Properties (903) 534-1200	2004	6,000 SF	55%	\$12.00/SF	\$3.39/SF	1,500 SF	Subway, Ace Cash Express

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Tyler Corners 3825-3877 Hwy. 64 W	First Guardian Group	<i>Andy Bergfeld</i> Bergfeld Realty (903) 592-1032	2004	32,196 SF	92%	\$13.00/SF	\$3.68/SF	2,400 SF	Dollar Tree, EB Games, It's Fashion, El Quatro
Shoppes on Broadway 6900 S. Broadway	Tenants in Common	<i>Don Carroll</i> <i>Matthew Marshall</i> Landbridge Commercial Properties (903) 561-9527	2005	13,500 SF	100%	\$24.00/SF	\$8.01/SF	0 SF	Mattress Firm, Verizon, Scottrade, Papa Murphy's
Highland Village Shopping Center 3826 Troup Hwy.	C.G. Investments	<i>Greg Caton</i> Caton Property Group (903) 939-9849	2000	46,650 SF	100%	\$12.00/SF	\$1.89/SF	0 SF	Card & Party, Dollar Tree, Anytime Fitness, Renal Care Group
Southland Plaza West 631, 701-755 S. Beckham	The Genecov Group, Inc.	<i>Glenn Eikner</i> <i>Mark Whatley</i> Burns Commercial Properties (903) 534-1200	1965	22,054 SF	100%	\$8.50- \$10.00/SF	\$2.58/SF	0 SF	Papa John's, Schlotzsky's, Zeta Home Health
Macy's II 4820 S. Broadway	The Genecov Group, Inc.	<i>Mark Whatley</i> Burns Commercial Properties (903) 534-1200	1978	63,399 SF	100%	\$11.00/SF	\$2.64/SF	0 SF	Bed Bath & Beyond, Room Store
Westside Center 400-424 SSW Loop 323	Iowa Falls Partners	Burns Commercial Properties (903) 534-1200	2007	5,382 SF	100%	\$20.00/SF	\$7.30/SF	0 SF	Subway, Federal Cash Advance
Cumberland Pass 7924 S. Broadway	Iowa Falls Partners	<i>Matthew Marshall</i> <i>Robert Means</i> Landbridge Commercial Properties (903) 534-1200	2007	16,642 SF	77%	\$16.00- \$17.00/SF	\$5.25/SF	3,900 SF	The Diner, Tru Tan, Apple Vision, Magic Nails, XTC Fitness
Shiloh Crossing 3101 Shiloh Rd.	BESENG3, LLC	<i>Allen Bell</i> Property Services (903) 595-2805	2007	13,662 SF	100%	\$17.50/SF	\$5.00/SF	0 SF	Cato, Payless Shoe Source, Cash Store, Wireless to Go, Wash Smart

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Broadway Commons 8288 S. Broadway	Andres Alarcon	Robert Means Matthew Marshall Landbridge Commercial Properties (903) 561-9527	2008	16,000 SF	100%	\$16.00/SF	\$4.50/SF	0 SF	Trinity Mother Frances Health Systems
Shops at Old Bullard Loop 323 @ E. Fifth St.	Ken Dietz, Jr.	Matthew Marshall Landbridge Commercial Properties (903) 561-9527	2006	14,040 SF	100%	\$16.50/SF	\$5.33/SF	0 SF	Sonoma Grill, Tru Tan, Curves, Writing Horse
Newk's Center 3985 Old Jacksonville Rd.	Albriton Properties, LLC	Blair Swaim Burns Commercial Properties (903) 534-1200	2008	10,090 SF	100%	\$17.00/SF	\$5.00/SF	0 SF	Newk's Restaurant, Portrait Innovations, Orange Leaf
Edwin Watts Center 402 WSW Loop 323	Watts Investments	Blair Swaim Burns Commercial Properties (903) 534-1200		12,079 SF	100%	\$14.50/SF	\$2.80/SF	0 SF	Edwin Watts Golf, In The Wind
Troup Square 3707 Troup Hwy.	Terry Cook, etal	Burns Commercial Properties (903) 534-1200	2008	13,330 SF	100%	\$21.00/SF	\$6.70/SF	0 SF	Oliveto's Restaurant, Genghis Grill
The Shops at Shiloh Road 5011 Troup Hwy.	BCTS Partners	Matthew Marshall Landbridge Commercial Properties (903) 561-9527	2008	15,350 SF	77%	\$18.00/SF	\$4.75/SF	2,035 SF	Whataburger, Chase Bank, Chevron Fuel C-Store, Urgent Care, Dental Mgt. Strategies, Thunderkick Fitness
Gateway Towers 5380 Old Bullard Road	The Genecov Group, Inc.	Mark Whatley Burns Commercial Properties (903) 534-1200	2009	10,500 SF	14%	\$16.00/SF	\$4.05/SF	9,000 SF	Gananche
La Piazza 4023 S. Plaza	Hooper Tyler Properties	Robert Means Landbridge Commercial Properties (903) 561-9527	2008	24,500 SF	92%	\$26.00/SF	\$5.50/SF	1,902 SF	Harley's, Bridgette's, Caffé Tazza, Cole & Co., Garden Style

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Southwest Crossing 2701 WSW Loop 323	Loop 323 155, LLC	<i>Matthew Marshall</i> <i>Robert Means</i> Landbridge Commercial Properties (903) 561-9527	2010	13,000 SF	46%	\$18.00/SF	\$4.50/SF	4,455 SF	Mattress Firm, Subway
Midway Plaza 7484 S. Broadway	Roosth Properties	<i>Dan Spivey</i> Roosth Properties (903) 593-8333	2010	12,575 SF	67%	\$18.00/SF	\$4.28/SF	4,121 SF	Smashburger, Wing Stop

Totals: **2,507,000 SF** **83.3%** **\$13.51/SF** **417,808 SF**
(Average) (Total Available)