

# CoStar Retail Statistics

Year - End 2017

## McAllen/Edinburg/Pharr Retail Market



**CoStar**<sup>TM</sup>  
The knowledge market

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## Methodology

The CoStar Retail Report calculates Retail statistics using CoStar Group's base of existing, under construction and under renovation Retail buildings in each given metropolitan area. All Retail building types are included, including Community Center, Freestanding Retail, Neighborhood Center, Power Center, Regional Mall, Specialty Center and Unanchored Strip Center, in both single-tenant and multi-tenant buildings, including owner-occupied buildings. CoStar Group's global database includes approximately 119 billion square feet of coverage in 5.4 million properties. All rental rates reported in the CoStar Retail Report are calculated using Triple Net (NNN) rental rates.

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**CoStar Group, Inc.**

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## Terms & Definitions

**Anchor Tenant:** A large national or regional retailer that serves as a primary draw for a shopping center; a store strategically located in a retail property in order to enhance, bring attention to, or increase traffic at the property. Sometimes called a “destination” tenant, usually these tenants lease at least 25,000 SF.

**Availability Rate:** The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

**Available Space:** The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

**Buyer:** The individual, group, company, or entity that has purchased a commercial real estate asset.

**Cap Rate:** Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year’s net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

**Community Center:** A shopping center development that has a total square footage between 100,000 – 350,000 SF. Generally will have 2-3 large anchored tenants, but not department store anchors. Community Center typically offers a wider range of apparel and other soft goods than the Neighborhood Center. Among the more common anchors are supermarkets and super drugstores. Community Center tenants sometime contain retailers selling such items as apparel, home improvement/furnishings, toys, electronics or sporting goods. The center is usually configured as a strip, in a straight line, or an “L” or “U” shape.

**Construction Starts:** Buildings that began construction during a specific period of time. (See also: Deliveries)

**Deliveries:** Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

**Delivery Date:** The date a building completes construction and receives a certificate of occupancy.

**Developer:** The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

**Direct Space:** Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

**Existing Inventory:** The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

**Freestanding Retail:** Single tenant building with a retail tenant. Examples include video stores, fast food restaurant, etc.

**Full Service Rental Rate:** Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

**General Retail:** Typically are single tenant freestanding general-purpose commercial buildings with parking. Many single retail buildings fall into this use code, especially when they don’t meet any of the more detailed use code descriptions.

**Growth in Inventory:** The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

**Landlord Rep:** (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that

represents the interests of the owner/landlord is referred to as the Landlord Rep.

**Leased Space:** All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

**Leasing Activity:** The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

**Lifestyle Center:** An upscale, specialty retail, main street concept shopping center. An open center, usually without anchors, about 300,000 SF GLA or larger, located near affluent neighborhoods, includes upscale retail, trendy restaurants and entertainment retail. Nicely landscaped with convenient parking located close to the stores.

**Mall:** The combined retail center types of Lifestyle Center, Regional Mall and Super Regional Mall.

**Market:** Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

**Multi-Tenant:** Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

**Neighborhood Center:** Provides for the sales of convenience goods (food, drugs, etc.) and personal services (laundry, dry cleaning, etc.) for day-to-day living needs of the immediate neighborhood with a supermarket being the principal tenant. In theory, the typical GLA is 50,000 square feet. In practice, the GLA may range from 30,000 to 100,000 square feet.

**Net Absorption:** The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

**New Space:** Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

**Occupied Space:** Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

**Outlet Center:** Usually located in a rural or occasionally in a tourist location, an Outlet Center consists of manufacturer’s outlet stores selling their own brands at a discount. 50,000–500,000 SF. An Outlet Center does not have to be anchored. A strip configuration is most common, although some are enclosed malls and others can be arranged in a village cluster.

**Owner:** The company, entity, or individual that holds title on a given building or property.

**Planned/Proposed:** The status of a building that has been announced for future development but not yet started construction.

**Power Center:** The center typically consists of several freestanding (unconnected) anchors and only a minimum amount of small specialty tenants. 250,000–600,000 SF. A Power Center is dominated by several large anchors, including discount department stores, off-price stores, warehouse clubs, or “category killers,” i.e., stores that offer tremendous selection in a particular merchandise category at low prices.

**Released Space:** The amount of space in a building that has been leased prior to its construction completion date, or certificate

of occupancy date.

**Price/SF:** Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

**Quoted Rental Rate:** The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

**RBA:** Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

**Region:** Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

**Regional Mall:** Provides shopping goods, general merchandise, apparel, and furniture, and home furnishings in full depth and variety. It is built around the full-line department store with a minimum GLA of 100,000 square feet, as the major drawing power. For even greater comparative shopping, two, three, or more department stores may be included. In theory a regional center has a GLA of 400,000 square feet, and may range from 300,000 to more than 1,000,000 square feet. Regional centers in excess of 750,000 square feet GLA with three or more department stores are considered Super Regional. (See also: Super Regional Mall).

**Relet Space:** Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

**Rentable Building Area:** (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

**Rental Rates:** The annual costs of occupancy for a particular space quoted on a per square foot basis.

**Sales Price:** The total dollar amount paid for a particular property at a particular point in time.

**Sales Volume:** The sum of sales prices for a given group of buildings in a given time period.

**Seller:** The individual, group, company, or entity that sells a particular commercial real estate asset.

**SF:** Abbreviation for Square Feet.

**Shopping Center:** The combined retail center types of Community Center, Neighborhood Center and Strip Center.

**Single-Tenant:** Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

**Specialty Center:** The combined retail center types of Airport Retail, Outlet Center and Theme/Festival Center.

**Sports & Entertainment:** A facility suited for recreational activities, including: Amusement Facility, Aquatic Facility/Swimming Pool, Bowling Alley, Casino/Gaming Facility, Equestrian Center/Stable, Fitness, Court and Spa Facility, Golf Related, Racetrack, Skating Rink, Ski Resort, Sports Arena/Stadium, and Theatre/Performing Art Facility.

**Strip Center:** A strip center is an attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores. Open canopies may connect the storefronts, but a strip center does not have enclosed walkways linking the stores. A strip center may be configured in a straight line, or have an "L" or "U" shape.

**Sublease Space:** Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

**Submarkets:** Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other

and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

**Super Regional Mall:** Similar to a regional mall, but because of its larger size, a super regional mall has more anchors, a deeper selection of merchandise, and draws from a larger population base. As with regional malls, the typical configuration is as an enclosed mall, frequently with multiple levels (See also: Regional Mall).

**Tenancy:** A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

**Tenant Rep:** Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

**Theme/Festival Center:** These centers typically employ a unifying theme that is carried out by the individual shops in their architectural design and, to an extent, in their merchandise. Sometimes the biggest appeal of these centers is to tourists; they can be anchored by restaurants and entertainment facilities. These centers, generally located in urban areas, tend to be adapted from older, sometimes historic, buildings, and can be part of mixed-use projects. 80,000–250,000 SF.

**Under Construction:** Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

**Vacancy Rate:** A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

**Vacant Space:** Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

**Weighted Average Rental Rate:** Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

**Year Built:** The year in which a building completed construction and was issued a certificate of occupancy.

**YTD:** Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

## McAllen/Edinburg/Pharr's Vacancy Increases to 5.0% Net Absorption Positive 126,458 SF in the Quarter

The McAllen/Edinburg/Pharr retail market experienced a moderate decline in market conditions in the fourth quarter 2017. The vacancy rate went from 4.4% in the previous quarter to 5.0% in the current quarter. Net absorption was positive 126,458 square feet, and vacant sublease space increased by 2,025 square feet. Quoted rental rates increased from third quarter 2017 levels, ending at \$18.30 per square foot per year. A total of 2 retail buildings with 288,113 square feet of retail space were delivered to the market in the quarter, with 371,942 square feet still under construction at the end of the quarter.

### Net Absorption

Retail net absorption was strong in McAllen/Edinburg/Pharr fourth quarter 2017, with positive 126,458 square feet absorbed in the quarter. In third quarter 2017, net absorption was positive 92,561 square feet, while in second quarter 2017, absorption came in at positive 276,260 square feet. In first quarter 2017, negative (98,775) square feet was absorbed in the market.

### Vacancy

McAllen/Edinburg/Pharr's retail vacancy rate increased in the fourth quarter 2017, ending the quarter at 5.0%. Over the past four quarters, the market has seen an overall decrease in the vacancy rate, with the rate going from 5.8% in the first quarter 2017, to 4.7% at the end of the second quarter 2017, 4.4% at the end of the third quarter 2017, to 5.0% in the current quarter.

The amount of vacant sublease space in the McAllen/

Edinburg/Pharr market has trended up over the past four quarters. At the end of the first quarter 2017, there were 69,182 square feet of vacant sublease space. Currently, there are 86,766 square feet vacant in the market.

### Largest Lease Signings

The largest lease signings occurring in 2017 included: the 76,100-square-foot-lease signed by Dicks Sporting Goods at Las Tiendas Shopping Center; the 30,000-square-foot-deal signed by Off 5th at Palms Crossing; and the 30,000-square-foot-lease signed by Bed Bath and Beyond at Palms Crossing.

### Rental Rates

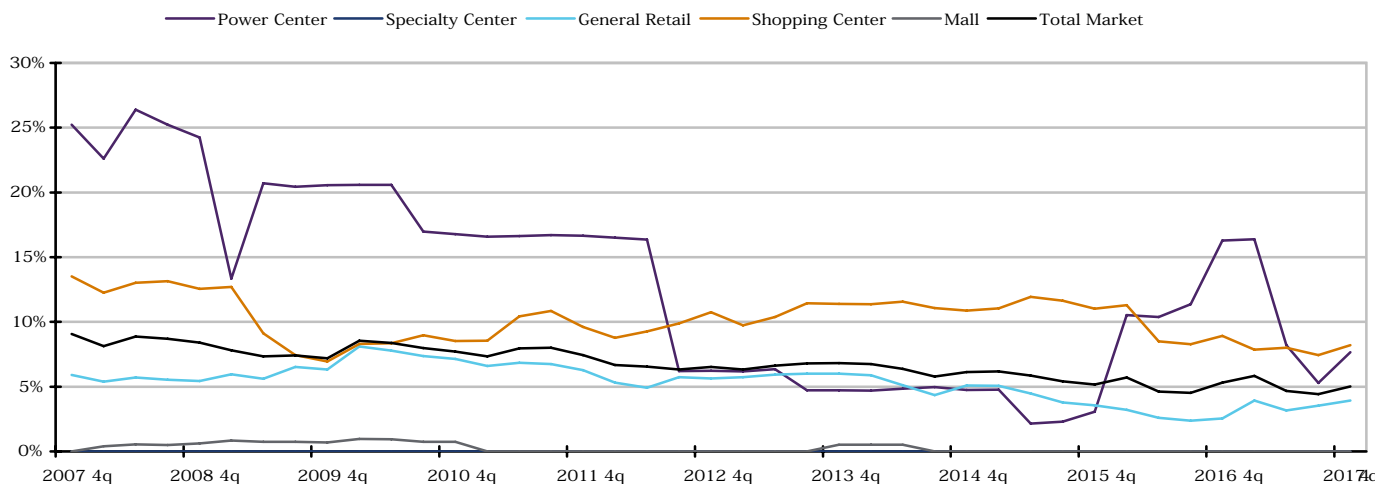
Average quoted asking rental rates in the McAllen/Edinburg/Pharr retail market are up over previous quarter levels, and up from their levels four quarters ago. Quoted rents ended the fourth quarter 2017 at \$18.30 per square foot per year. That compares to \$16.93 per square foot in the third quarter 2017, and \$15.89 per square foot at the end of the first quarter 2017. This represents an 8.1% increase in rental rates in the current quarter, and a 13.17% increase from four quarters ago.

### Inventory & Construction

During the fourth quarter 2017, two buildings totaling 288,113 square feet were completed in the McAllen/Edinburg/Pharr retail market. Over the past four quarters, a total of 424,959 square feet of retail space has been built in McAllen/Edinburg/Pharr. In addition to the current quarter, three buildings with 22,905 square feet were completed in third quarter 2017, four buildings totaling 78,385 square feet completed in

## Vacancy Rates by Building Type

2007-2017



Source: CoStar Property®



second quarter 2017, and 35,556 square feet in three buildings completed in first quarter 2017.

There were 371,942 square feet of retail space under construction at the end of the fourth quarter 2017.

Some of the notable 2017 deliveries include: La Plaza Mall Expansion, a 285,813-square-foot facility that delivered in fourth quarter 2017 and is now 100% occupied, and Dave & Busters, a 60,000-square-foot building that delivered in second quarter 2017 and is now 100% occupied.

Total retail inventory in the McAllen/Edinburg/Pharr market area amounted to 23,936,046 square feet in 1,530 buildings and 150 centers as of the end of the fourth quarter 2017.

## Shopping Center

The Shopping Center market in McAllen/Edinburg/Pharr currently consists of 141 projects with 6,158,114 square feet of retail space in 211 buildings. In this report the Shopping Center market is comprised of all Community Center, Neighborhood Center, and Strip Centers.

After absorbing (47,083) square feet and delivering no new space in the current quarter, the Shopping Center sector saw the vacancy rate go from 7.4% at the end of the third quarter 2017 to 8.2% this quarter.

Over the past four quarters, the Shopping Center vacancy rate has gone from 7.9% at the end of the first quarter 2017, to 8.0% at the end of the second quarter 2017, to 7.4% at the end of the third quarter 2017, and finally to 8.2% at the end of the current quarter.

Rental rates ended the fourth quarter 2017 at \$17.92 per square foot, up from the \$17.73 they were at the end of third quarter 2017. Rental rates have trended up over the past year, going from \$15.41 per square foot a year ago to their current levels.

Net absorption in the Shopping Center sector has totaled 63,648 square feet over the past four quarters. In addition

to the negative (47,083) square feet absorbed this quarter, positive 35,772 square feet was absorbed in the third quarter 2017, negative (9,034) square feet was absorbed in the second quarter 2017, and positive 83,993 square feet was absorbed in the first quarter 2017.

## Power Centers

The Power Center average vacancy rate was 7.7% in the fourth quarter 2017. With negative (56,111) square feet of net absorption and no new deliveries, the vacancy rate went from 5.3% at the end of last quarter to 7.7% at the end of the fourth quarter.

In the third quarter 2017, Power Centers absorbed positive 68,470 square feet, delivered no new space, and the vacancy rate went from 8.2% to 5.3% over the course of the quarter. Rental started the quarter at \$18.24 per square foot and ended the quarter at \$17.10 per square foot.

A year ago, in fourth quarter 2016, the vacancy rate was 16.3%. Over the past four quarters, Power Centers have absorbed a cumulative 255,334 square feet of space and delivered cumulative 62,500 square feet of space. There was no sublease space over that same period, and rental rates have gone from \$17.86 to \$16.54.

At the end of the fourth quarter 2017, there were 193,100 square feet under construction in the McAllen/Edinburg/Pharr market. The total stock of Power Center space in McAllen/Edinburg/Pharr currently sits at 2,354,813 square feet in 6 centers comprised of 39 buildings.

A total of 193,100 square feet of space was under construction at the end of the fourth quarter 2017.

## General Retail Properties

The General Retail sector of the market, which includes all freestanding retail buildings, except those contained within a center, reported a vacancy rate of 3.9% at the end of fourth quarter 2017. There was a total of 513,885 square feet vacant at that time. The General Retail sector in McAllen/Edinburg/Pharr currently has average rental rates of \$18.75 per square foot per year. There are 160,482 square feet of space under construction in this sector, with 2,300 square feet having been completed in the fourth quarter. In all, there are a total of 1,270 buildings with 13,104,205 square feet of General Retail space in McAllen/Edinburg/Pharr.

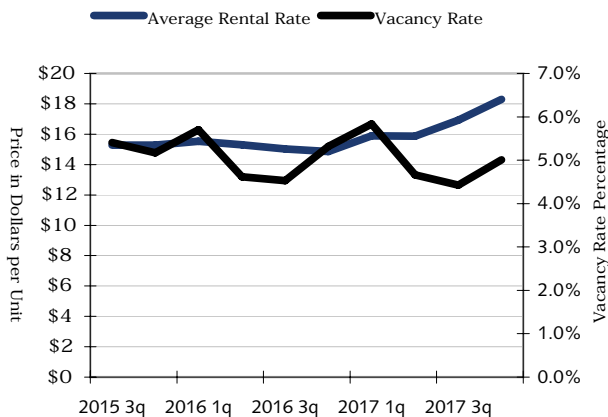
## Specialty Centers

There is currently 1 Specialty Center in the McAllen/Edinburg/Pharr market, making up 225,000 square feet of retail space. In this report the Specialty Center market is comprised of Outlet Center, Airport Retail and Theme/Festival Centers.

Specialty Centers in the McAllen/Edinburg/Pharr market have experienced no net absorption in 2017.

## VACANCY & RENT

### Past 10 Quarters



Source: CoStar Property®

# McAllen/Edinburg/Pharr Retail Market

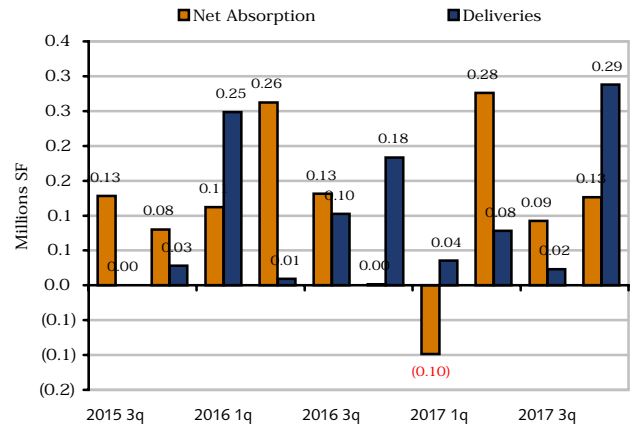


Overview

Reports compiled by: William Trentzsch, CoStar Research Manager.

## ABSORPTION & DELIVERIES

Past 10 Quarters



Source: CoStar Property®





## CoStar Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

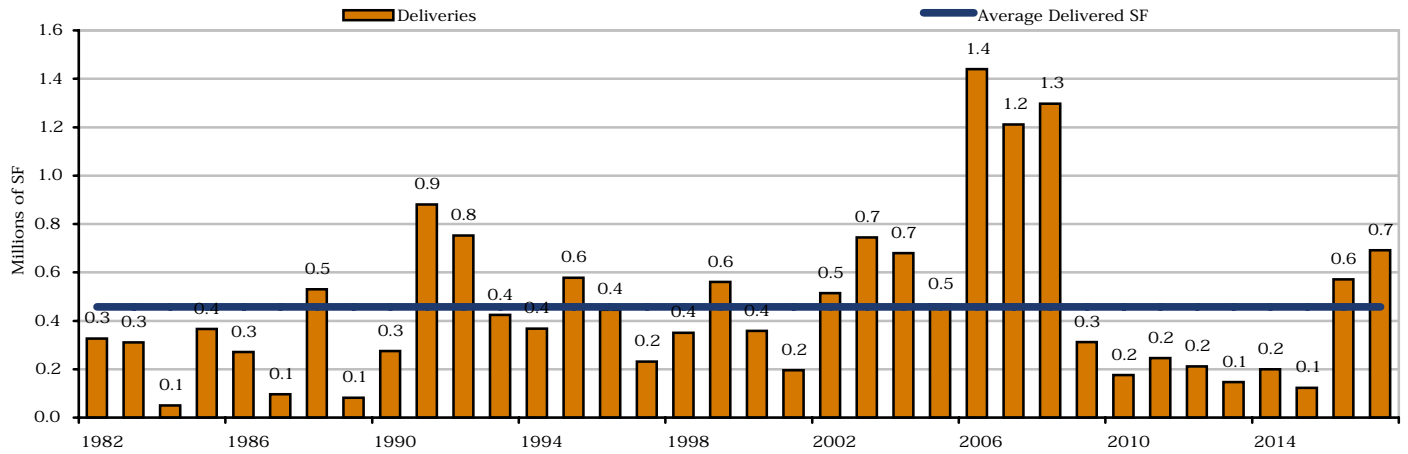
Submarket Clusters
Downtown McAllen
Edinburg
Greater McAllen
Pharr

# McAllen/Edinburg/Pharr Retail Market



Inventory & development

## Historical Deliveries 1982 - 2017



Source: CoStar Property® \* Future deliveries based on current under construction buildings.

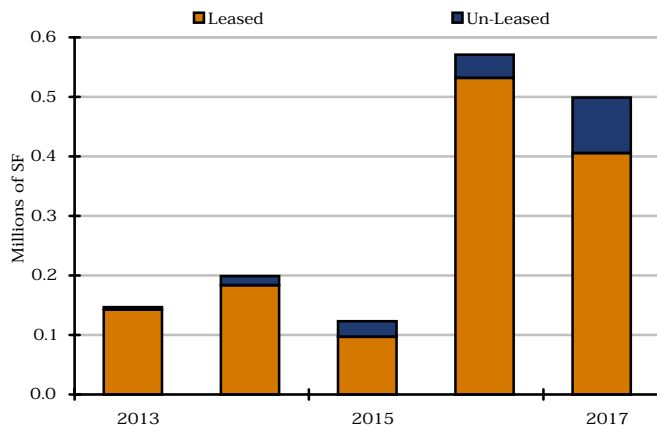
## Construction Activity Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Preleased SF	Preleased %	All Existing	U/C
Greater McAllen	6	334,160	206,384	61.8%	19,838	55,693
Edinburg	2	21,900	11,172	51.0%	13,382	10,950
Pharr	1	15,882	0	0.0%	11,128	15,882
Downtown McAllen	0	0	0	0.0%	7,437	0
<b>Totals</b>	<b>9</b>	<b>371,942</b>	<b>217,556</b>	<b>58.5%</b>	<b>15,644</b>	<b>41,327</b>

Source: CoStar Property®

## Recent Deliveries

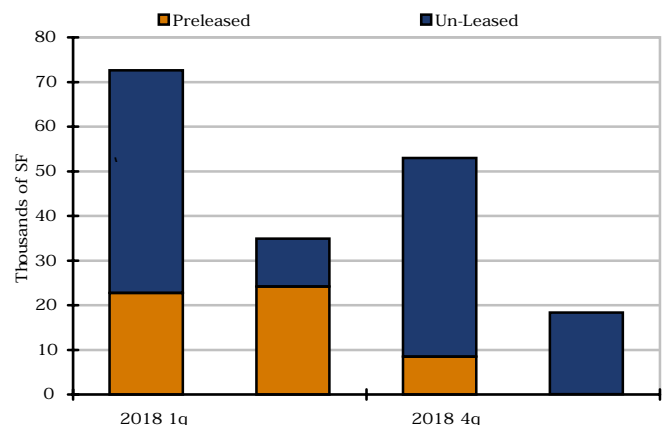
Leased & Un-Leased SF in Deliveries Since 2013



Source: CoStar Property®

## Future Deliveries

Preleased & Un-Leased SF in Properties Scheduled to Deliver

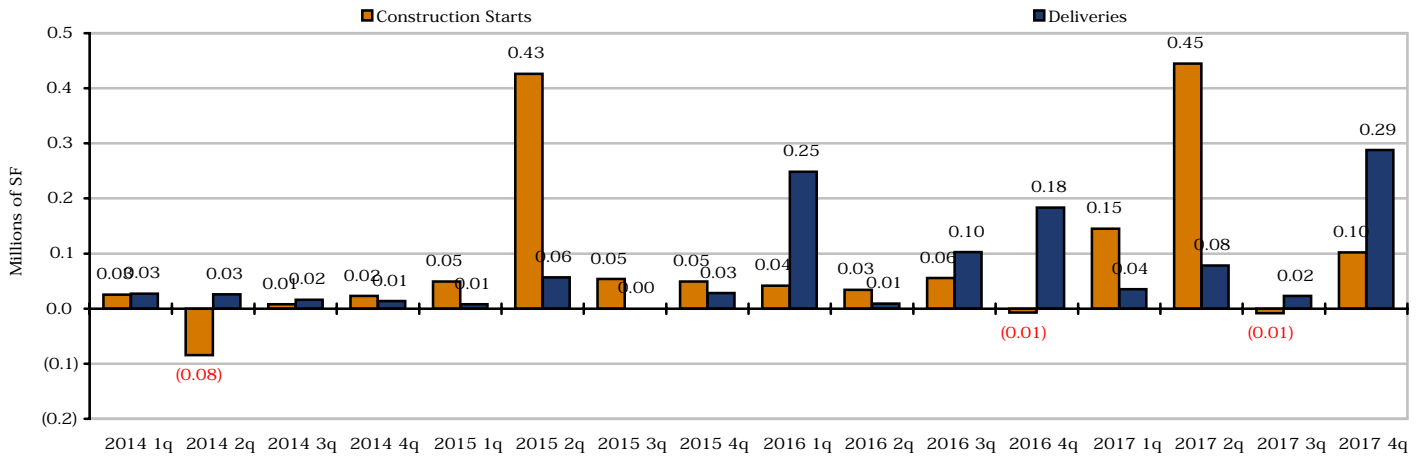


Source: CoStar Property®



## Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

## Recent Deliveries by Project Size of Year-to-Date Development

Building Size	# Bldgs	GLA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	12	94,346	59,746	63.3%	\$19.62	13,500	80,846
50,000 SF - 99,999 SF	2	118,810	60,000	50.5%	\$19.20	0	118,810
100,000 SF - 249,999 SF	0	0	0	0.0%	\$0.00	0	0
250,000 SF - 499,999 SF	1	285,813	285,813	100.0%	\$0.00	0	285,813
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

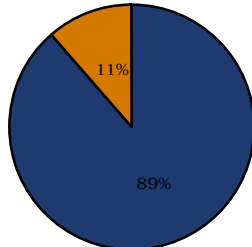
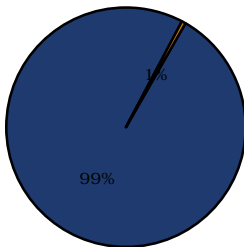
Source: CoStar Property®

## Recent Development by Tenancy

Based on GLA Developed for Single & Multi Tenant Use

2017 Deliveries

Currently Under Construction



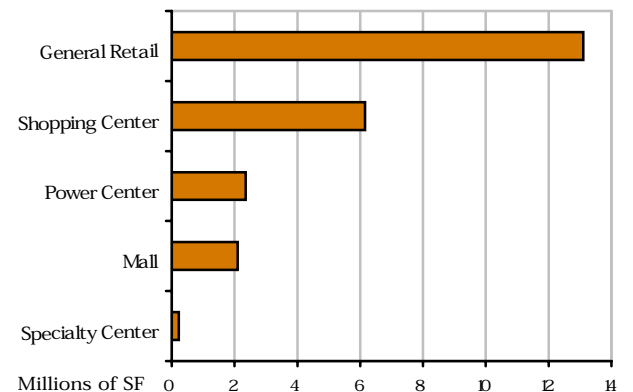
■ Multi ■ Single

■ Multi ■ Single

Source: CoStar Property®

## Existing Inventory Comparison

Based on Total GLA



Source: CoStar Property®

# McAllen/Edinburg/Pharr Retail Market



Inventory &amp; development

## Select Year-to-Date Deliveries

Based on Project Square Footage

### 1. La Plaza Mall Expansion

Submarket: **Greater McAllen Retail Market**  
 RBA: **285,813**  
 Occupied: **100%**  
 Quoted Rate: **N/A**  
 Grnd Brk Date: **Second Quarter 2017**  
 Deliv Date: **Fourth Quarter 2017**  
 Leasing Co: **Simon Property Group, Inc.**  
 Developer: **N/A**

### 2. Dave & Busters

Submarket: **Greater McAllen Retail Market**  
 RBA: **60,000**  
 Occupied: **100%**  
 Quoted Rate: **N/A**  
 Grnd Brk Date: **First Quarter 2017**  
 Deliv Date: **Second Quarter 2017**  
 Leasing Co: **N/A**  
 Developer: **Terracor Real Estate Services**

### 3. 1508 S SH 336

Submarket: **Edinburg Retail Market**  
 RBA: **58,810**  
 Occupied: **0%**  
 Quoted Rate: **\$19.20**  
 Grnd Brk Date: **2016**  
 Deliv Date: **2017**  
 Leasing Co: **Cantu Construction and Development**  
 Developer: **N/A**

### 4. 2021 S Clossner Blvd

Submarket: **Edinburg Retail Market**  
 RBA: **21,556**  
 Occupied: **100%**  
 Quoted Rate: **\$15.60**  
 Grnd Brk Date: **Second Quarter 2016**  
 Deliv Date: **First Quarter 2017**  
 Leasing Co: **Trejo Maria Del Pilar**  
 Developer: **N/A**

### 5. Pharr Crossing

Submarket: **Pharr Retail Market**  
 RBA: **13,465**  
 Occupied: **0%**  
 Quoted Rate: **\$18.00**  
 Grnd Brk Date: **First Quarter 2017**  
 Deliv Date: **Third Quarter 2017**  
 Leasing Co: **API Real Estate**  
 Developer: **N/A**

### 6. 1503 W Sam Houston Blvd

Submarket: **Pharr Retail Market**  
 RBA: **11,500**  
 Occupied: **87%**  
 Quoted Rate: **\$24.00**  
 Grnd Brk Date: **N/A**  
 Deliv Date: **First Quarter 2017**  
 Leasing Co: **Rubiano Commercial**  
 Developer: **N/A**

### 7. The Shoppes at Rio Grande Valley

Submarket: **Edinburg Retail Market**  
 RBA: **11,200**  
 Occupied: **0%**  
 Quoted Rate: **\$30.00**  
 Grnd Brk Date: **N/A**  
 Deliv Date: **2017**  
 Leasing Co: **Coldwell Banker Commercial La Mansi**  
 Developer: **N/A**

### 8. Marvel Plaza

Submarket: **Greater McAllen Retail Market**  
 RBA: **10,501**  
 Occupied: **100%**  
 Quoted Rate: **N/A**  
 Grnd Brk Date: **Second Quarter 2015**  
 Deliv Date: **Second Quarter 2017**  
 Leasing Co: **N/A**  
 Developer: **N/A**

### 9. 2709 Nolana Ave

Submarket: **Greater McAllen Retail Market**  
 RBA: **5,463**  
 Occupied: **100%**  
 Quoted Rate: **N/A**  
 Grnd Brk Date: **Fourth Quarter 2016**  
 Deliv Date: **Second Quarter 2017**  
 Leasing Co: **N/A**  
 Developer: **N/A**

### 10. 4400 W Expressway 83

Submarket: **Greater McAllen Retail Market**  
 RBA: **5,000**  
 Occupied: **100%**  
 Quoted Rate: **N/A**  
 Grnd Brk Date: **Second Quarter 2017**  
 Deliv Date: **Third Quarter 2017**  
 Leasing Co: **RIOCO Real Estate Services**  
 Developer: **N/A**

### 11. 107 W Nolana Ave

Submarket: **Greater McAllen Retail Market**  
 RBA: **4,440**  
 Occupied: **0%**  
 Quoted Rate: **\$15.60**  
 Grnd Brk Date: **First Quarter 2017**  
 Deliv Date: **Third Quarter 2017**  
 Leasing Co: **Cadence Commercial Real Estate**  
 Developer: **N/A**

### 12. 922 S McColl Rd

Submarket: **Edinburg Retail Market**  
 RBA: **4,000**  
 Occupied: **0%**  
 Quoted Rate: **\$1.30**  
 Grnd Brk Date: **N/A**  
 Deliv Date: **2017**  
 Leasing Co: **Keyrenter South Texas**  
 Developer: **N/A**

### 13. 500 N Jackson Rd

Submarket: **Pharr Retail Market**  
 RBA: **2,500**  
 Occupied: **100%**  
 Quoted Rate: **N/A**  
 Grnd Brk Date: **Second Quarter 2015**  
 Deliv Date: **2017**  
 Leasing Co: **Levcor, Inc**  
 Developer: **Levcor, Inc**

### 14. 914 Lindberg Ave

Submarket: **Greater McAllen Retail Market**  
 RBA: **2,421**  
 Occupied: **100%**  
 Quoted Rate: **N/A**  
 Grnd Brk Date: **First Quarter 2016**  
 Deliv Date: **Second Quarter 2017**  
 Leasing Co: **N/A**  
 Developer: **N/A**

### 15. 1943 Interstate 2 W

Submarket: **Pharr Retail Market**  
 RBA: **2,300**  
 Occupied: **100%**  
 Quoted Rate: **N/A**  
 Grnd Brk Date: **First Quarter 2017**  
 Deliv Date: **Fourth Quarter 2017**  
 Leasing Co: **N/A**  
 Developer: **N/A**



## Select Top Under Construction Properties

Based on Project Square Footage

<p><b>1. Palms Crossing</b></p> <p>Submarket: <b>Greater McAllen Retail Market</b>            RBA: <b>193,100</b>            Preleased: <b>84%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>Second Quarter 2017</b>            Deliv Date: <b>Fourth Quarter 2017</b>            Leasing Co: <b>WP Glimcher, Inc.</b>            Developer: <b>Simon Property Group, Inc.</b></p>	<p><b>2. Premier Plaza - Phase 1</b></p> <p>Submarket: <b>Greater McAllen Retail Market</b>            RBA: <b>53,000</b>            Preleased: <b>16%</b>            Quoted Rate: <b>\$33.00</b>            Grnd Brk Date: <b>Fourth Quarter 2017</b>            Deliv Date: <b>Fourth Quarter 2018</b>            Leasing Co: <b>Coldwell Banker Commercial La Mansi</b>            Developer: <b>N/A</b></p>	<p><b>3. 3200 N McColl Rd</b></p> <p>Submarket: <b>Greater McAllen Retail Market</b>            RBA: <b>34,000</b>            Preleased: <b>0%</b>            Quoted Rate: <b>\$9.84</b>            Grnd Brk Date: <b>First Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>RE/MAX Hacienda</b>            Developer: <b>N/A</b></p>
<p><b>4. 4229 W Us-83 Expy</b></p> <p>Submarket: <b>Greater McAllen Retail Market</b>            RBA: <b>20,000</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Second Quarter 2017</b>            Deliv Date: <b>Second Quarter 2018</b>            Leasing Co: <b>Guzman Construction</b>            Developer: <b>N/A</b></p>	<p><b>5. Parcel D-2</b></p> <p>Submarket: <b>Greater McAllen Retail Market</b>            RBA: <b>18,360</b>            Preleased: <b>0%</b>            Quoted Rate: <b>\$18.00</b>            Grnd Brk Date: <b>Fourth Quarter 2017</b>            Deliv Date: <b>First Quarter 2019</b>            Leasing Co: <b>Coldwell Banker Commercial La Mansi</b>            Developer: <b>N/A</b></p>	<p><b>6. 3601 E Eldora Rd</b></p> <p>Submarket: <b>Pharr Retail Market</b>            RBA: <b>15,882</b>            Preleased: <b>0%</b>            Quoted Rate: <b>\$21.00</b>            Grnd Brk Date: <b>Fourth Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>Coldwell Banker Commercial La Mansi</b>            Developer: <b>N/A</b></p>
<p><b>7. 3200 E Expressway 83</b></p> <p>Submarket: <b>Greater McAllen Retail Market</b>            RBA: <b>15,700</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>First Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>Retail Solutions</b>            Developer: <b>N/A</b></p>	<p><b>8. Trenton Plaza</b></p> <p>Submarket: <b>Edinburg Retail Market</b>            RBA: <b>14,900</b>            Preleased: <b>28%</b>            Quoted Rate: <b>\$22.00</b>            Grnd Brk Date: <b>Fourth Quarter 2017</b>            Deliv Date: <b>Second Quarter 2018</b>            Leasing Co: <b>Coldwell Banker Commercial La Mansi</b>            Developer: <b>N/A</b></p>	<p><b>9. Lone Star Plaza</b></p> <p>Submarket: <b>Edinburg Retail Market</b>            RBA: <b>7,000</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Third Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>Cantu Construction and Development</b>            Developer: <b>N/A</b></p>

# McAllen/Edinburg/Pharr Retail Market



Figures at a Glance

## General Retail Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Downtown McAllen	172	1,115,829	35,048	35,048	3.1%	1,817	0	0	\$24.93
Edinburg	275	2,767,232	119,602	119,602	4.3%	(25,541)	0	21,900	\$17.50
Greater McAllen	610	7,438,442	298,506	312,674	4.2%	(187,014)	27,825	122,700	\$18.93
Pharr	213	1,782,702	42,963	46,561	2.6%	2,447	27,265	15,882	\$17.74
<b>Totals</b>	<b>1,270</b>	<b>13,104,205</b>	<b>496,119</b>	<b>513,885</b>	<b>3.9%</b>	<b>(208,291)</b>	<b>55,090</b>	<b>160,482</b>	<b>\$18.75</b>

Source: CoStar Property®

## Mall Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Downtown McAllen	0	0	0	0	0.0%	0	0	0	\$0.00
Edinburg	1	607,323	0	0	0.0%	0	0	0	\$0.00
Greater McAllen	1	1,486,591	0	0	0.0%	285,813	285,813	0	\$0.00
Pharr	0	0	0	0	0.0%	0	0	0	\$0.00
<b>Totals</b>	<b>2</b>	<b>2,093,914</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>285,813</b>	<b>285,813</b>	<b>0</b>	<b>\$0.00</b>

Source: CoStar Property®

## Power Center Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Downtown McAllen	0	0	0	0	0.0%	0	0	0	\$0.00
Edinburg	0	0	0	0	0.0%	0	0	0	\$0.00
Greater McAllen	5	1,872,613	149,912	149,912	8.0%	67,511	60,000	193,100	\$16.54
Pharr	1	482,200	30,699	30,699	6.4%	187,823	2,500	0	\$0.00
<b>Totals</b>	<b>6</b>	<b>2,354,813</b>	<b>180,611</b>	<b>180,611</b>	<b>7.7%</b>	<b>255,334</b>	<b>62,500</b>	<b>193,100</b>	<b>\$16.54</b>

Source: CoStar Property®

## Shopping Center Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Downtown McAllen	8	230,284	0	69,000	30.0%	2,150	0	0	\$12.50
Edinburg	30	920,946	82,875	82,875	9.0%	49,162	21,556	0	\$20.46
Greater McAllen	90	4,589,910	335,156	335,156	7.3%	(4,964)	0	18,360	\$18.01
Pharr	13	416,974	17,600	17,600	4.2%	17,300	0	0	\$20.42
<b>Totals</b>	<b>141</b>	<b>6,158,114</b>	<b>435,631</b>	<b>504,631</b>	<b>8.2%</b>	<b>63,648</b>	<b>21,556</b>	<b>18,360</b>	<b>\$17.92</b>

Source: CoStar Property®

## Specialty Center Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Downtown McAllen	0	0	0	0	0.0%	0	0	0	\$0.00
Edinburg	0	0	0	0	0.0%	0	0	0	\$0.00
Greater McAllen	1	225,000	0	0	0.0%	0	0	0	\$0.00
Pharr	0	0	0	0	0.0%	0	0	0	\$0.00
<b>Totals</b>	<b>1</b>	<b>225,000</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0.00</b>

Source: CoStar Property®



# McAllen/Edinburg/Pharr Retail Market

Figures at a Glance

## Total Retail Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Downtown McAllen	181	1,346,113	35,048	104,048	7.7%	3,967	0	0	\$16.30
Edinburg	321	4,295,501	202,477	202,477	4.7%	23,621	21,556	21,900	\$18.80
Greater McAllen	787	15,612,556	783,574	797,742	5.1%	161,346	373,638	334,160	\$18.38
Pharr	241	2,681,876	91,262	94,860	3.5%	207,570	29,765	15,882	\$18.78
<b>Totals</b>	<b>1,530</b>	<b>23,936,046</b>	<b>1,112,361</b>	<b>1,199,127</b>	<b>5.0%</b>	<b>396,504</b>	<b>424,959</b>	<b>371,942</b>	<b>\$18.30</b>

Source: CoStar Property®

# McAllen/Edinburg/Pharr Retail Market



Figures at a Glance

## General Retail Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2017 4q	1,270	13,104,205	496,119	513,885	3.9%	(56,161)	1	2,300	7	160,482	\$18.75
2017 3q	1,270	13,110,759	448,537	464,278	3.5%	(11,681)	3	22,905	5	79,000	\$15.82
2017 2q	1,265	13,072,654	398,751	414,492	3.2%	42,035	3	18,385	9	110,105	\$14.18
2017 1q	1,262	13,133,310	517,001	517,183	3.9%	(182,484)	1	11,500	11	162,300	\$14.78
2016 4q	1,261	13,114,556	333,288	333,470	2.5%	(21,051)	0	0	5	88,695	\$13.87
2016 3q	1,261	13,114,556	312,419	312,419	2.4%	84,630	6	57,992	4	83,232	\$13.94
2016 2q	1,255	13,056,564	339,057	339,057	2.6%	89,761	2	9,188	8	70,914	\$13.85
2016 1q	1,253	13,047,376	419,630	419,630	3.2%	78,967	5	34,969	10	80,102	\$13.66
2015	1,248	13,012,407	463,628	463,628	3.6%	256,574	6	37,153	10	87,662	\$13.53
2014	1,241	12,951,897	659,692	659,692	5.1%	267,261	7	50,862	2	9,002	\$12.79
2013	1,233	12,794,035	767,841	769,091	6.0%	28,356	4	39,350	6	136,491	\$12.63
2012	1,223	12,713,561	712,473	716,973	5.6%	145,614	5	65,111	3	23,500	\$14.73
2011	1,217	12,643,850	792,876	792,876	6.3%	186,798	3	42,230	0	0	\$11.80
2010	1,203	12,562,206	891,030	898,030	7.1%	(20,074)	7	71,277	7	58,767	\$12.54
2009	1,193	12,474,383	790,133	790,133	6.3%	65,477	8	133,211	7	61,297	\$13.50
2008	1,177	12,285,653	666,880	666,880	5.4%	370,755	15	138,180	8	130,594	\$12.36

Source: CoStar Property®

## Mall Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2017 4q	2	2,093,914	0	0	0.0%	285,813	1	285,813	0	0	\$0.00
2017 3q	2	1,808,101	0	0	0.0%	0	0	0	1	285,813	\$0.00
2017 2q	2	1,808,101	0	0	0.0%	0	0	0	1	285,813	\$0.00
2017 1q	2	1,808,101	0	0	0.0%	0	0	0	0	0	\$0.00
2016 4q	2	1,808,101	0	0	0.0%	0	0	0	0	0	\$0.00
2016 3q	2	1,808,101	0	0	0.0%	0	0	0	0	0	\$22.00
2016 2q	2	1,808,101	0	0	0.0%	0	0	0	0	0	\$22.00
2016 1q	2	1,808,101	0	0	0.0%	0	0	0	0	0	\$22.00
2015	2	1,808,101	0	0	0.0%	7,163	1	7,163	0	0	\$22.00
2014	2	1,800,938	0	0	0.0%	9,500	0	0	0	0	\$0.00
2013	2	1,800,938	9,500	9,500	0.5%	(9,500)	0	0	0	0	\$0.00
2012	2	1,800,938	0	0	0.0%	0	0	0	0	0	\$0.00
2011	2	1,800,938	0	0	0.0%	13,300	0	0	0	0	\$0.00
2010	2	1,800,938	13,300	13,300	0.7%	(689)	0	0	0	0	\$0.00
2009	2	1,800,938	7,500	12,611	0.7%	(1,511)	0	0	0	0	\$0.00
2008	2	1,800,938	11,100	11,100	0.6%	589,060	2	523,084	0	0	\$0.00

Source: CoStar Property®

## Power Center Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2017 4q	6	2,354,813	180,611	180,611	7.7%	(56,111)	0	0	1	193,100	\$16.54
2017 3q	6	2,354,813	124,500	124,500	5.3%	68,470	0	0	1	193,100	\$17.10
2017 2q	6	2,354,813	192,970	192,970	8.2%	243,259	1	60,000	1	193,100	\$18.24
2017 1q	6	2,294,813	376,229	376,229	16.4%	(284)	1	2,500	1	60,000	\$18.24
2016 4q	6	2,292,313	373,445	373,445	16.3%	49,685	2	183,243	1	2,500	\$17.86
2016 3q	6	2,109,070	239,887	239,887	11.4%	4,200	3	13,572	3	185,743	\$17.86
2016 2q	6	2,080,998	216,015	216,015	10.4%	2,800	0	0	7	213,815	\$23.68
2016 1q	6	2,080,998	218,815	218,815	10.5%	27,645	1	188,385	7	213,815	\$23.68
2015	6	1,892,613	58,075	58,075	3.1%	43,787	1	12,551	7	387,700	\$23.68
2014	6	1,880,062	89,311	89,311	4.8%	(715)	0	0	1	12,551	\$22.56
2013	6	1,880,062	88,596	88,596	4.7%	28,600	0	0	0	0	\$19.00
2012	6	1,880,062	117,196	117,196	6.2%	196,155	0	0	0	0	\$24.38
2011	6	1,880,062	313,351	313,351	16.7%	2,154	0	0	0	0	\$24.38
2010	6	1,880,062	315,505	315,505	16.8%	71,270	0	0	0	0	\$24.29
2009	6	1,880,062	384,975	386,775	20.6%	74,939	1	7,800	0	0	\$24.76
2008	6	1,872,262	453,914	453,914	24.2%	117,276	3	108,703	1	7,800	\$22.79

Source: CoStar Property®





# McAllen/Edinburg/Pharr Retail Market

Figures at a Glance

## Shopping Center Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2017 4q	141	6,158,114	435,631	504,631	8.2%	(47,083)	0	0	1	18,360	\$17.92
2017 3q	141	6,158,114	388,548	457,548	7.4%	35,772	0	0	0	0	\$17.73
2017 2q	141	6,158,114	424,320	493,320	8.0%	(9,034)	0	0	0	0	\$16.80
2017 1q	141	6,158,114	415,286	484,286	7.9%	83,993	1	21,556	0	0	\$16.48
2016 4q	140	6,136,558	477,723	546,723	8.9%	(26,997)	0	0	1	21,556	\$15.41
2016 3q	139	6,123,738	437,906	506,906	8.3%	42,472	3	31,000	2	34,376	\$15.59
2016 2q	138	6,092,738	449,378	518,378	8.5%	169,749	0	0	5	65,376	\$15.93
2016 1q	138	6,092,738	619,127	688,127	11.3%	5,451	1	25,084	3	31,000	\$16.33
2015	137	6,067,654	599,494	668,494	11.0%	23,676	3	35,984	4	56,084	\$15.91
2014	134	6,031,670	620,520	656,186	10.9%	66,982	3	32,833	2	24,000	\$16.69
2013	132	5,990,437	642,606	681,935	11.4%	21,937	5	59,200	2	20,833	\$16.64
2012	131	5,923,951	597,172	637,386	10.8%	59,826	4	124,768	5	59,200	\$17.83
2011	127	5,782,183	517,713	555,444	9.6%	87,953	3	156,094	2	17,000	\$15.79
2010	123	5,617,408	440,891	478,622	8.5%	(6,522)	2	87,509	1	30,000	\$15.60
2009	122	5,529,899	348,925	384,591	7.0%	410,780	2	101,891	2	87,509	\$17.31
2008	120	5,414,783	672,755	680,255	12.6%	289,763	9	237,348	2	101,891	\$16.46

Source: CoStar Property®

## Specialty Center Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2017 4q	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00
2017 3q	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00
2017 2q	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00
2017 1q	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00
2016 4q	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00
2016 3q	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00
2016 2q	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00
2016 1q	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00
2015	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00
2014	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00
2013	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00
2012	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00
2011	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00
2010	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00
2009	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00
2008	1	225,000	0	0	0.0%	0	0	0	0	0	\$0.00

Source: CoStar Property®

## Total Retail Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2017 4q	1,530	23,936,046	1,112,361	1,199,127	5.0%	126,458	2	288,113	9	371,942	\$18.30
2017 3q	1,529	23,656,787	961,585	1,046,326	4.4%	92,561	3	22,905	7	557,913	\$16.93
2017 2q	1,524	23,618,682	1,016,041	1,100,782	4.7%	276,260	4	78,385	11	589,018	\$15.87
2017 1q	1,520	23,619,338	1,308,516	1,377,698	5.8%	(98,775)	3	35,556	12	222,300	\$15.89
2016 4q	1,517	23,576,528	1,184,456	1,253,638	5.3%	1,637	2	183,243	7	112,751	\$14.87
2016 3q	1,514	23,380,465	990,212	1,059,212	4.5%	131,302	12	102,564	9	303,351	\$15.03
2016 2q	1,501	23,263,401	1,004,450	1,073,450	4.6%	262,310	2	9,188	20	350,105	\$15.31
2016 1q	1,499	23,254,213	1,257,572	1,326,572	5.7%	112,063	7	248,438	20	324,917	\$15.53
2015	1,492	23,005,775	1,121,197	1,190,197	5.2%	331,200	11	92,851	21	531,446	\$15.28
2014	1,480	22,889,567	1,369,523	1,405,189	6.1%	343,028	10	83,695	5	45,553	\$15.26
2013	1,468	22,690,472	1,508,543	1,549,122	6.8%	69,393	9	98,550	8	157,324	\$14.80
2012	1,452	22,543,512	1,426,841	1,471,555	6.5%	401,595	9	189,879	8	82,700	\$17.45
2011	1,440	22,332,033	1,623,940	1,661,671	7.4%	290,205	6	198,324	2	17,000	\$15.28
2010	1,421	22,085,614	1,660,726	1,705,457	7.7%	43,985	9	158,786	8	88,767	\$15.99
2009	1,409	21,910,282	1,531,533	1,574,110	7.2%	549,685	11	242,902	9	148,806	\$17.13
2008	1,389	21,598,636	1,804,649	1,812,149	8.4%	1,366,854	29	1,007,315	11	240,285	\$15.54

Source: CoStar Property®

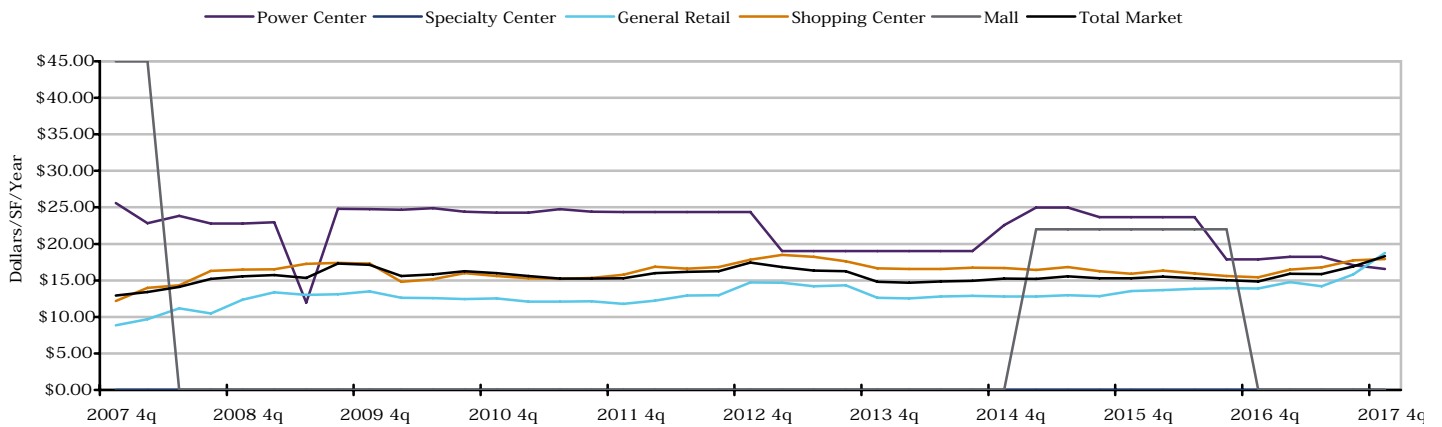
# McAllen/Edinburg/Pharr Retail Market



Leasing Activity

## Historical Rental Rates

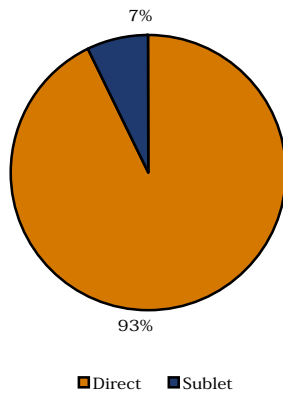
Based on NNN Rental Rates



Source: CoStar Property®

## Vacancy by Available Space Type

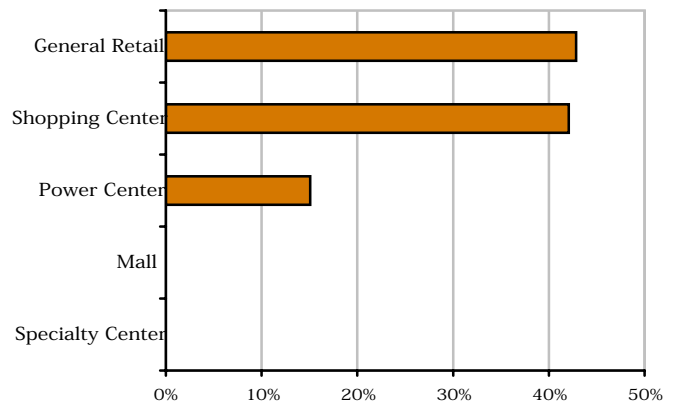
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

## Vacancy by Building Type

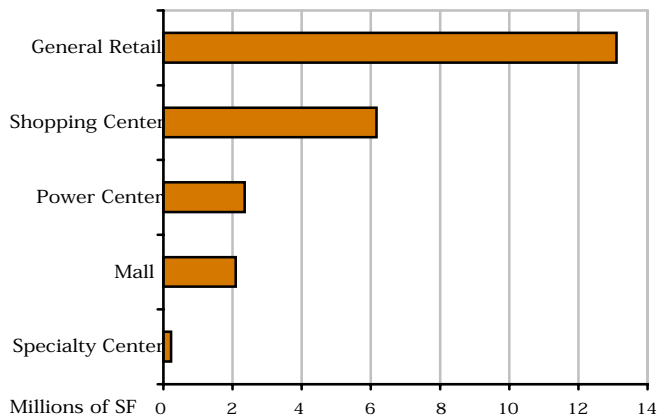
Percent of All Vacant Space by Building Type



Source: CoStar Property®

## GLA By Building Type

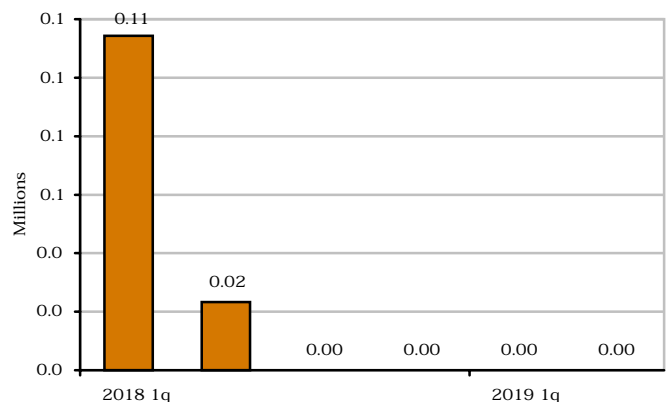
Ratio of Total GLA by Building Type



Source: CoStar Property®

## Future Space Available

Space Scheduled to be Available for Occupancy\*



\* Includes Under Construction Spaces Source: CoStar Property®



# McAllen/Edinburg/Pharr Retail Market

Leasing Activity

## Select Top Retail Leases Based on Leased Square Footage For Deals Signed in 2017

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company	
1	Las Tiendas Shopping Center	Greater McAllen	76,100	2nd	Dicks Sporting Goods	N/A	Weingarten Realty Investors
2	Palms Crossing	Greater McAllen	30,000	2nd	Off 5th	N/A	Retail Solutions
3	Palms Crossing	Greater McAllen	30,000	2nd	Bed Bath and Beyond	N/A	Retail Solutions
4	2202 Cornerstone Blvd	Edinburg	23,268	4th	N/A	N/A	Equity Assets Realty
5	Pharr Town Center	Pharr	21,860	2nd	Crunch Club	N/A	N/A
6	2601 W Expressway 83	Greater McAllen	15,404	2nd	N/A	N/A	Trejo Jose L & Gabriela; Keller Wil
7	Main Place Center	Greater McAllen	8,400	2nd	N/A	N/A	TCP Realty Services, LLC
8	4500 N 10th St	Greater McAllen	7,278	1st	N/A	N/A	Cantu Construction and Development
9	4229 W Us-83 Expy	Greater McAllen	7,000	2nd	Heroes Dental	N/A	Guzman Construction
10	Previously Advanced Auto	Pharr	6,900	3rd	N/A	N/A	Commercial Realty Investments
11	Practical Business Plus - Building One	Pharr	6,000	1st	N/A	N/A	CIL
12	722 N Main St	Downtown McAllen	5,179	1st	N/A	N/A	Holand & Associates, LLC
13	Trenton Town Center - Building A	Greater McAllen	4,000	3rd	N/A	N/A	Jeanette Gutierrez
14	Riverside Plaza	Greater McAllen	3,890	1st	N/A	N/A	API Real Estate
15	Riverside Plaza	Greater McAllen	3,890	1st	N/A	N/A	API Real Estate
16	6601 N 10th St	Greater McAllen	3,850	1st	N/A	N/A	Prime Ventures Commercial Real Esta
17	1303 S 10th St	Greater McAllen	3,500	1st	N/A	N/A	First American Realty Commercial
18	1303 S 10th St	Greater McAllen	3,500	2nd	N/A	N/A	First American Realty Commercial
19	1 S Main St	Downtown McAllen	3,474	4th	N/A	N/A	N/A
20	100 S Main St	Downtown McAllen	3,474	4th	N/A	N/A	Select Properties
21	111 S 17th St	Downtown McAllen	3,450	2nd	N/A	Direct Deal	956 Realty
22	Las Arboledas	Greater McAllen	3,300	2nd	N/A	N/A	CHRE
23	Jackson Plaza Phase I	Edinburg	3,250	2nd	N/A	Direct Deal	Titus Development
24	Trenton View	Greater McAllen	3,225	3rd	N/A	N/A	956 Realty
25	Trenton View	Greater McAllen	3,225	4th	N/A	N/A	956 Realty
26	Main Place Center	Greater McAllen	3,200	2nd	N/A	N/A	TCP Realty Services, LLC
27	Main Place Center	Greater McAllen	3,200	4th	C & P Shipping	N/A	TCP Realty Services, LLC
28	Modern Shops on 83	Greater McAllen	2,880	1st	N/A	N/A	Mark Lopez
29	1305 S Cage Blvd	Pharr	2,756	2nd	N/A	N/A	N/A
30	Riverside Plaza	Greater McAllen	2,683	1st	N/A	N/A	API Real Estate
31	The District at McAllen	Greater McAllen	2,582	4th	Dental Park of Mcallen2, PLLC	N/A	Coldwell Banker Commercial La Mansi
32	5000 N 23rd St	Greater McAllen	2,550	1st	Power & Nutrition	N/A	Auriel Investments LLC
33	UPAS Plaza	Greater McAllen	2,500	1st	N/A	N/A	Aztec Realty
34	3200 N McColl Rd	Greater McAllen	2,500	3rd	N/A	N/A	RE/MAX Hacienda
35	UPAS Plaza	Greater McAllen	2,500	4th	U.S. Cellular Authorized Agent - Wireless Venture	N/A	NAI Rio Grande Valley
36	1902 S 10th St	Greater McAllen	2,500	3rd	N/A	N/A	Titus Development
37	1901 Dicker Rd	Pharr	2,500	3rd	N/A	N/A	N/A
38	500 N Jackson Rd	Pharr	2,500	3rd	Sprint	N/A	Levcor, Inc
39	2021 S Closner Blvd	Edinburg	2,500	1st	Los Corrales Meat Market	N/A	Trejo Maria Del Pilar
40	2501 S 23rd St	Greater McAllen	2,400	3rd	N/A	N/A	Rio Plex Realty

Source: CoStar Property®

\* Renewal

# McAllen/Edinburg/Pharr Retail Market

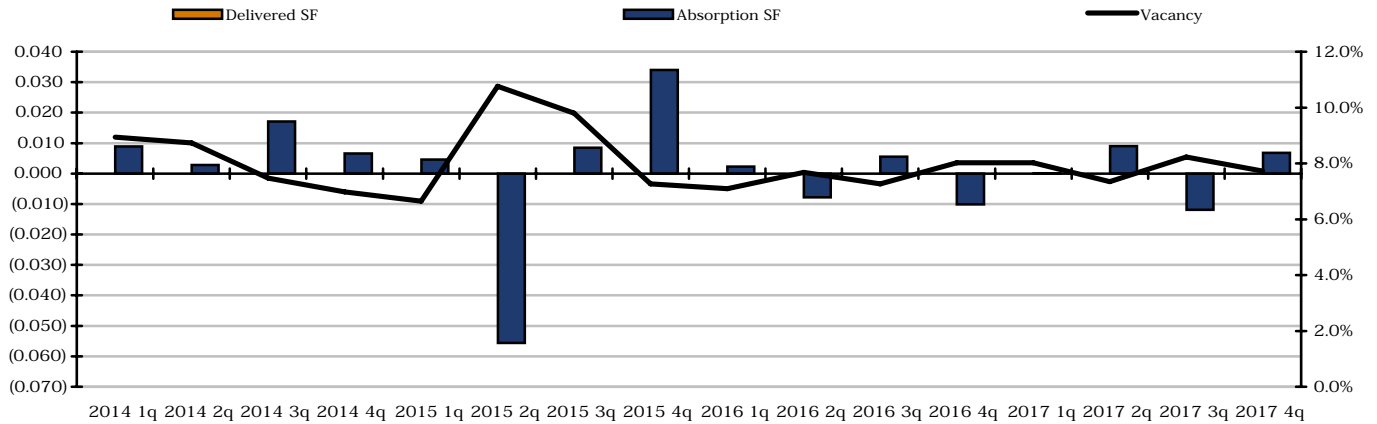


## Downtown McAllen Market

Market Highlights - Class "A, B & C"

### Deliveries, Absorption & Vacancy

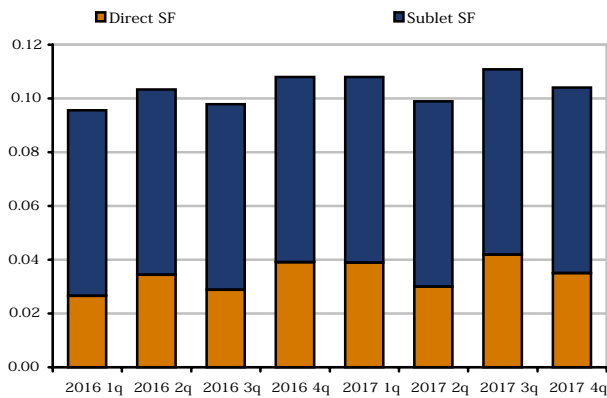
Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

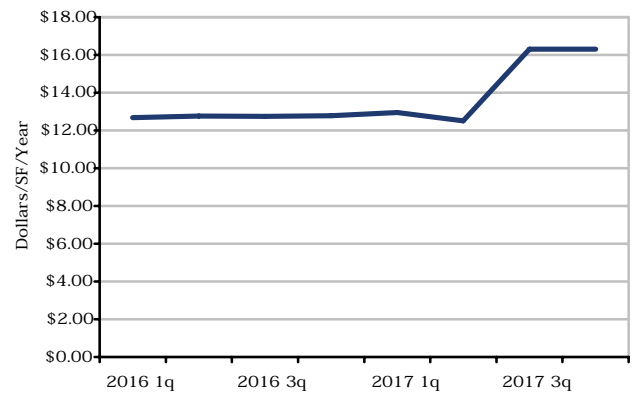
Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	181	1,346,113	104,048	7.7%	6,800	0	0	0	0	\$16.30
2017 3q	181	1,346,113	110,848	8.2%	(11,894)	0	0	0	0	\$16.30
2017 2q	181	1,346,113	98,954	7.4%	8,974	0	0	0	0	\$12.51
2017 1q	181	1,346,113	107,928	8.0%	87	0	0	0	0	\$12.95
2016 4q	181	1,346,113	108,015	8.0%	(10,150)	0	0	0	0	\$12.78
2016 3q	181	1,346,113	97,865	7.3%	5,491	0	0	0	0	\$12.74
2016 2q	181	1,346,113	103,356	7.7%	(7,796)	0	0	0	0	\$12.77
2016 1q	181	1,346,113	95,560	7.1%	2,300	0	0	0	0	\$12.68
2015 4q	181	1,346,113	97,860	7.3%	33,990	0	0	0	0	\$12.05
2015 3q	181	1,346,113	131,850	9.8%	8,429	0	0	0	0	\$12.05
2015 2q	182	1,351,244	145,410	10.8%	(55,601)	0	0	0	0	\$10.02
2015 1q	182	1,351,244	89,809	6.6%	4,562	0	0	0	0	\$10.05
2014 4q	182	1,351,244	94,371	7.0%	6,564	0	0	0	0	\$10.72
2014 3q	182	1,351,244	100,935	7.5%	17,147	0	0	0	0	\$10.10
2014 2q	182	1,351,244	118,082	8.7%	2,760	0	0	0	0	\$9.51
2014 1q	182	1,351,244	120,842	8.9%	8,937	0	0	0	0	\$9.57

Source: CoStar Property®

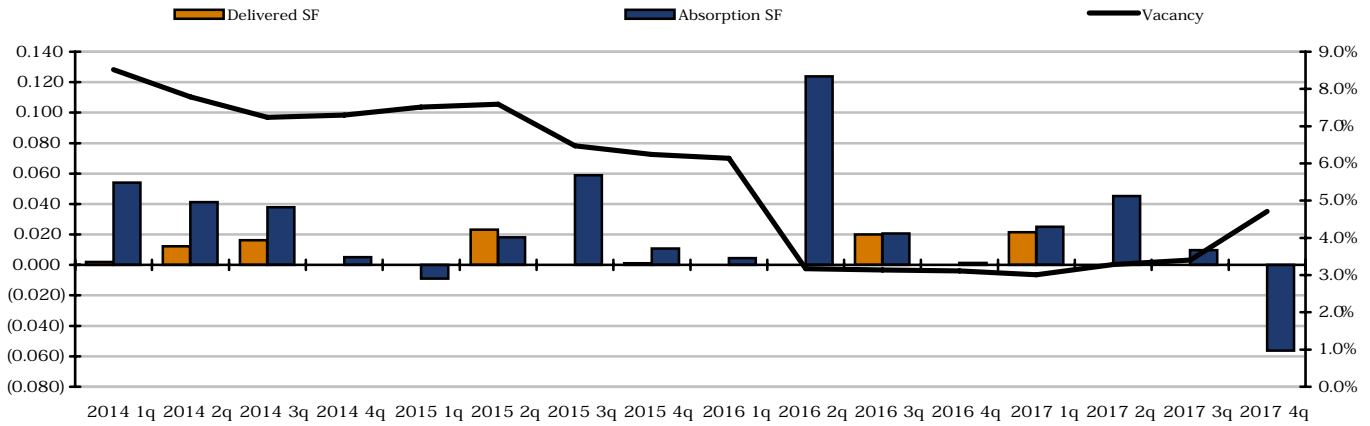


# McAllen/Edinburg/Pharr Retail Market

## Edinburg Market Market Highlights – Class “A, B & C”

### Deliveries, Absorption & Vacancy

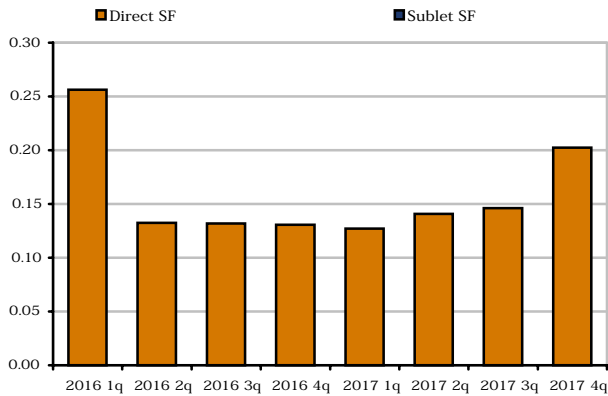
### Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

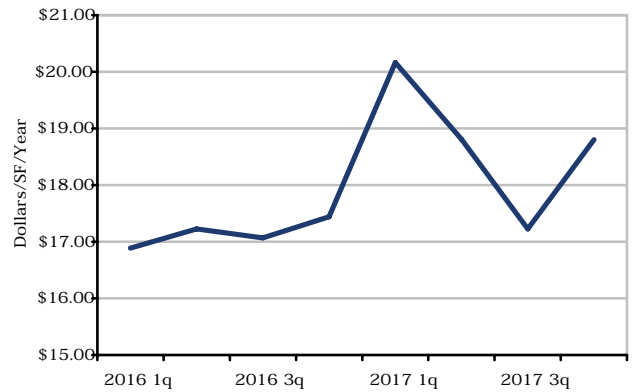
#### Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	321	4,295,501	202,477	4.7%	(56,338)	0	0	2	21,900	\$18.80
2017 3q	321	4,295,501	146,139	3.4%	9,699	0	0	1	7,000	\$17.22
2017 2q	319	4,280,301	140,638	3.3%	45,134	0	0	2	15,200	\$18.81
2017 1q	318	4,221,491	126,962	3.0%	25,126	1	21,556	3	74,010	\$20.17
2016 4q	317	4,199,935	130,532	3.1%	1,365	0	0	2	80,366	\$17.44
2016 3q	317	4,199,935	131,897	3.1%	20,637	1	20,000	2	80,366	\$17.07
2016 2q	316	4,179,935	132,534	3.2%	123,841	0	0	2	41,556	\$17.23
2016 1q	316	4,179,935	256,375	6.1%	4,489	0	0	1	20,000	\$16.89
2015 4q	316	4,179,935	260,864	6.2%	10,870	1	1,200	1	20,000	\$16.78
2015 3q	315	4,178,735	270,534	6.5%	58,992	0	0	1	1,200	\$16.70
2015 2q	314	4,165,443	316,234	7.6%	18,174	2	23,163	2	14,492	\$16.71
2015 1q	312	4,142,280	311,245	7.5%	(8,980)	0	0	3	36,455	\$16.00
2014 4q	312	4,142,280	302,265	7.3%	5,197	0	0	1	16,000	\$16.00
2014 3q	311	4,133,880	299,062	7.2%	37,846	1	16,326	1	8,400	\$15.60
2014 2q	310	4,117,554	320,582	7.8%	41,256	2	12,150	2	24,726	\$15.60
2014 1q	308	4,105,404	349,688	8.5%	54,115	1	2,004	3	28,476	\$15.63

Source: CoStar Property®

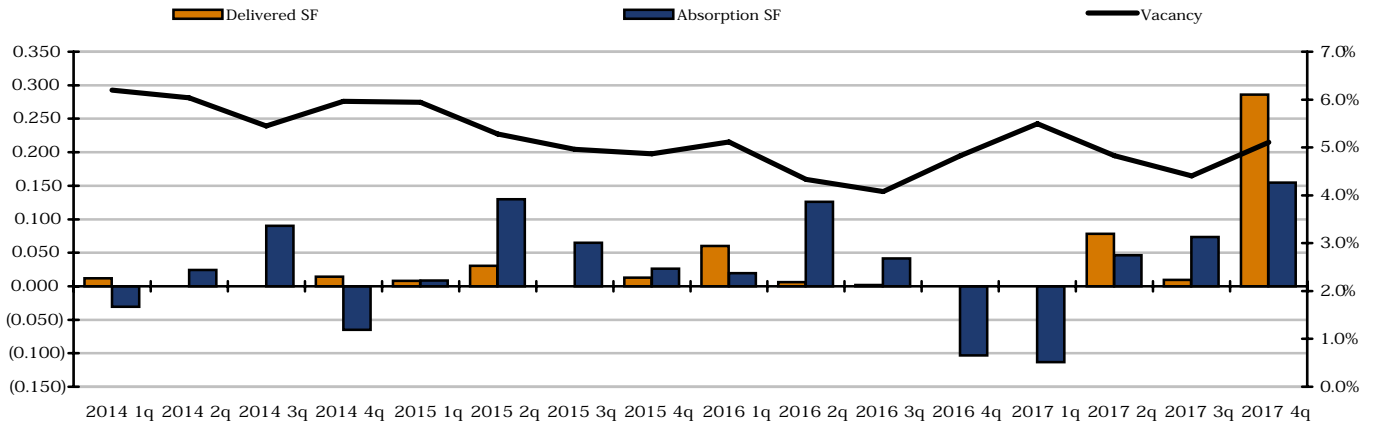
# McAllen/Edinburg/Pharr Retail Market



Greater McAllen Market  
Market Highlights - Class "A, B & C"

## Deliveries, Absorption & Vacancy

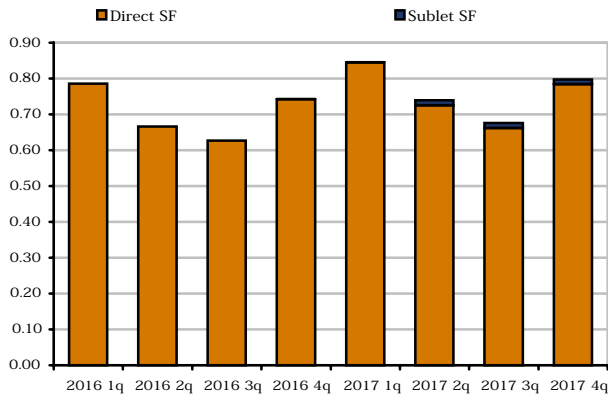
Historical Analysis, All Classes



Source: CoStar Property®

## Vacant Space

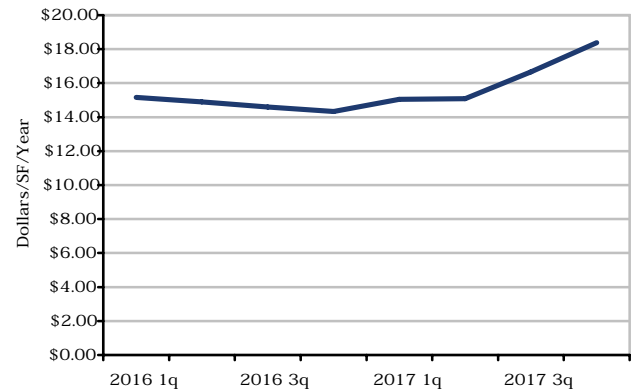
Historical Analysis, All Classes



Source: CoStar Property®

## Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	787	15,612,556	797,742	5.1%	154,682	1	285,813	6	334,160	\$18.38
2017 3q	787	15,335,597	675,465	4.4%	73,429	2	9,440	5	548,613	\$16.66
2017 2q	785	15,326,157	739,454	4.8%	46,274	4	78,385	7	558,053	\$15.08
2017 1q	782	15,385,623	845,194	5.5%	(113,039)	0	0	7	132,525	\$15.06
2016 4q	782	15,378,369	742,426	4.8%	(103,149)	0	0	3	18,385	\$14.32
2016 3q	781	15,365,549	626,457	4.1%	41,268	1	2,000	3	25,742	\$14.59
2016 2q	780	15,363,549	665,725	4.3%	125,965	1	6,196	4	27,742	\$14.89
2016 1q	779	15,357,353	785,494	5.1%	19,494	6	60,053	4	21,118	\$15.16
2015 4q	773	15,297,300	744,935	4.9%	26,422	2	12,951	8	76,750	\$14.94
2015 3q	771	15,284,349	758,406	5.0%	64,859	0	0	8	76,505	\$14.98
2015 2q	769	15,267,403	806,319	5.3%	129,926	3	30,535	5	40,398	\$15.38
2015 1q	766	15,236,868	905,710	5.9%	8,680	1	8,000	5	47,481	\$15.34
2014 4q	766	15,230,618	908,140	6.0%	(65,101)	2	14,045	3	26,551	\$15.38
2014 3q	764	15,216,573	828,994	5.4%	90,115	0	0	4	28,045	\$15.28
2014 2q	764	15,216,573	919,109	6.0%	24,306	0	0	3	20,045	\$14.83
2014 1q	764	15,216,573	943,415	6.2%	(30,735)	1	11,899	1	6,000	\$14.78

Source: CoStar Property®

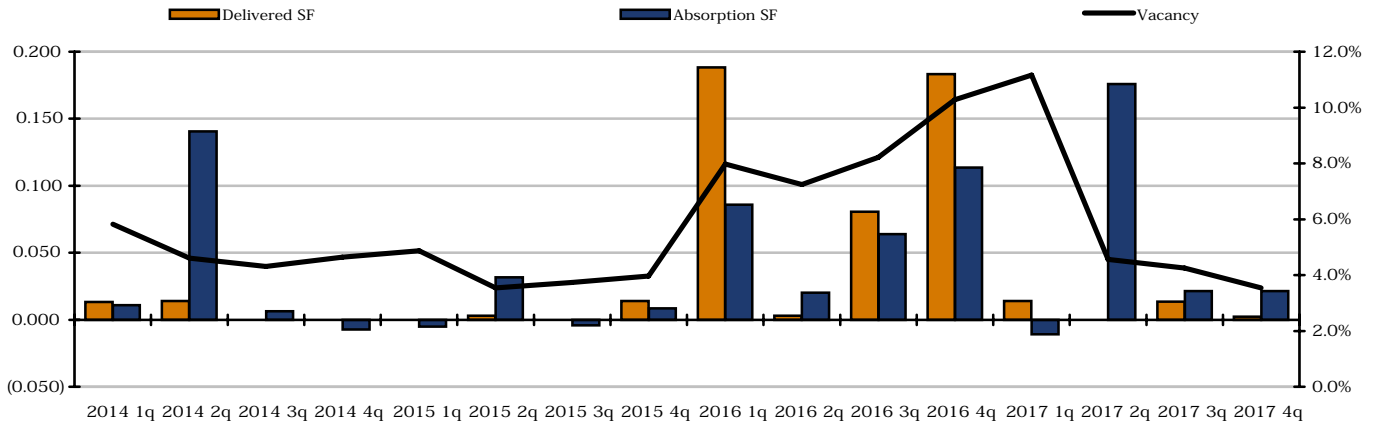


# McAllen/Edinburg/Pharr Retail Market

Pharr Market  
Market Highlights - Class "A, B & C"

## Deliveries, Absorption & Vacancy

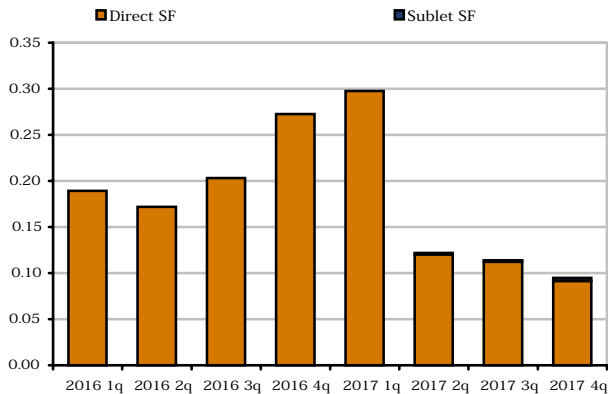
Historical Analysis, All Classes



Source: CoStar Property®

## Vacant Space

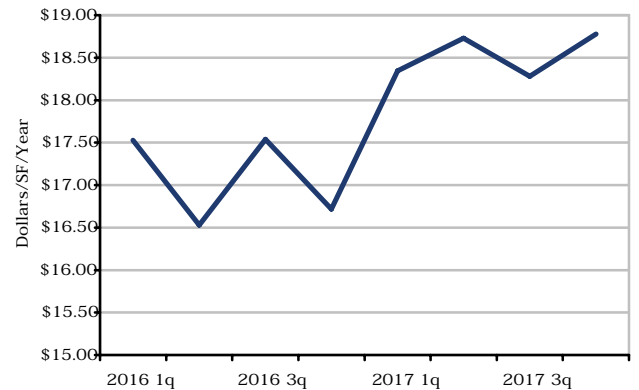
Historical Analysis, All Classes



Source: CoStar Property®

## Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	241	2,681,876	94,860	3.5%	21,314	1	2,300	1	15,882	\$18.78
2017 3q	240	2,679,576	113,874	4.2%	21,327	1	13,465	1	2,300	\$18.28
2017 2q	239	2,666,111	121,736	4.6%	175,878	0	0	2	15,765	\$18.73
2017 1q	239	2,666,111	297,614	11.2%	(10,949)	2	14,000	2	15,765	\$18.35
2016 4q	237	2,652,111	272,665	10.3%	113,571	2	183,243	2	14,000	\$16.72
2016 3q	235	2,468,868	202,993	8.2%	63,906	10	80,564	4	197,243	\$17.54
2016 2q	224	2,373,804	171,835	7.2%	20,300	1	2,992	14	280,807	\$16.53
2016 1q	223	2,370,812	189,143	8.0%	85,780	1	188,385	15	283,799	\$17.53
2015 4q	222	2,182,427	86,538	4.0%	8,540	1	14,000	12	434,696	\$18.79
2015 3q	221	2,168,427	81,078	3.7%	(4,252)	0	0	11	432,700	\$19.14
2015 2q	221	2,168,427	76,826	3.5%	31,706	1	3,002	8	401,700	\$12.68
2015 1q	220	2,165,425	105,530	4.9%	(5,117)	0	0	1	3,002	\$12.61
2014 4q	220	2,165,425	100,413	4.6%	(7,200)	0	0	1	3,002	\$12.61
2014 3q	220	2,165,425	93,213	4.3%	6,450	0	0	0	0	\$12.33
2014 2q	220	2,165,425	99,663	4.6%	140,450	1	14,000	0	0	\$16.90
2014 1q	218	2,044,425	119,113	5.8%	10,921	2	13,271	2	121,000	\$16.60

Source: CoStar Property®