

**BATON ROUGE RETAIL MARKET OVERVIEW**  
**TRENDS IN REAL ESTATE - 2005**

**PRESENTED BY**

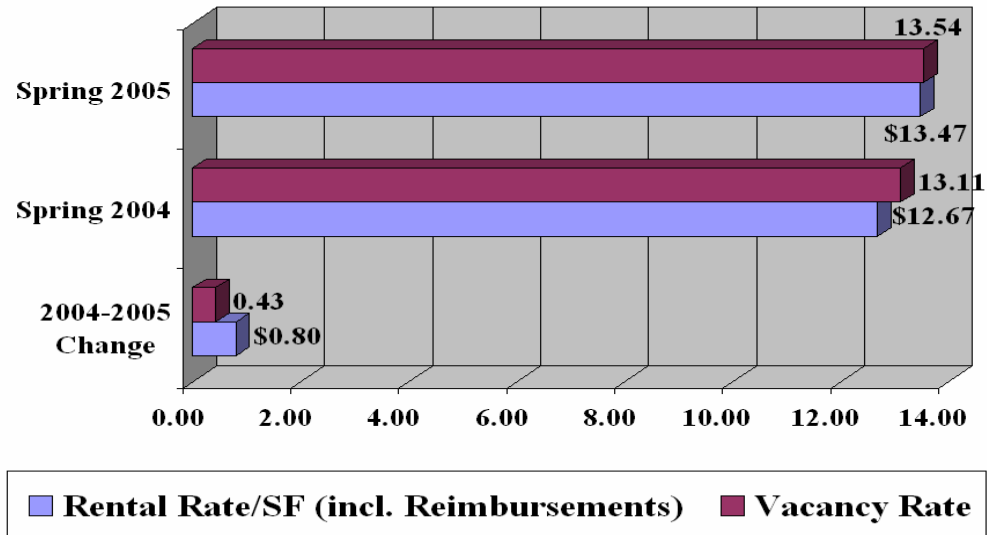
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A Survey of the Baton Rouge retail market completed by Dottie Tarleton, CCIM, Vice President of Stirling Property and Tom W. Cook, MAI and Sean McDonald of Cook, Moore & Associates and the Real Estate Research Institute of the E.J. College of Business Administration, Louisiana State University, completed in the Spring of 2005 indicated some general trends. In the survey of 91 shopping centers containing 7.27 million square feet of leaseable area, some general trends were observed:

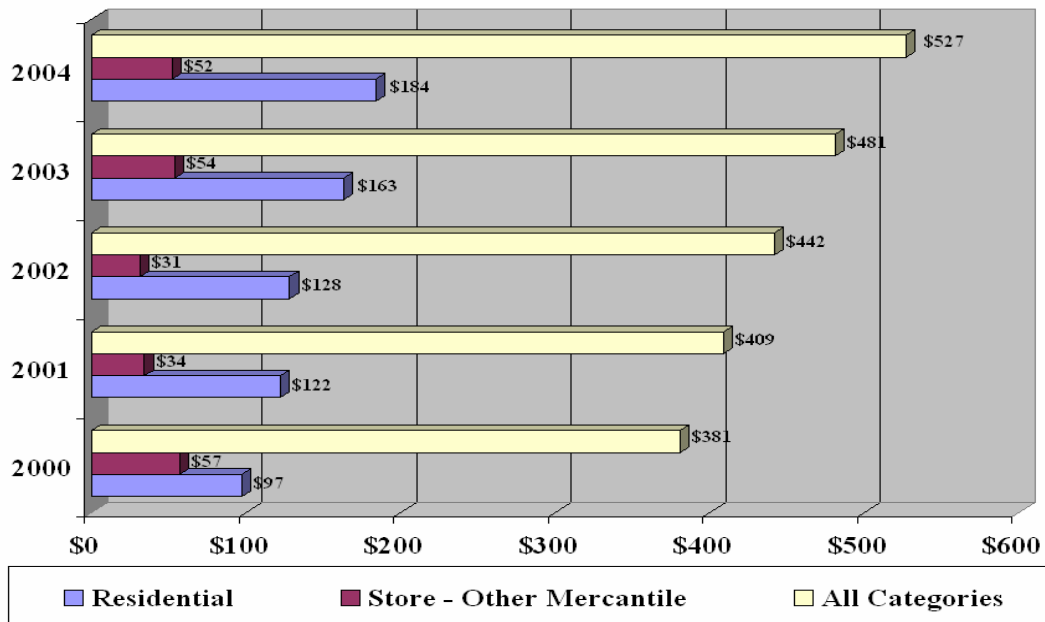
- The average rent observed for the 91 centers increased to \$13.47 per square foot up , from \$12.67 per square foot in the Spring of 2004.
- The percentage of total vacant space surveyed remained stable at 13.54% compared to 13.11% in the Spring of 2004.
- The majority of the centers surveyed (55%) report less than 10% vacancy.
- Shopping centers of more than 250,000 square feet continue to yield higher average rents than smaller centers. Regional centers have significantly higher rates then community and neighborhood shopping centers.

Changes in rental rates and vacancy from 2003 to 2004 are presented below:



Total construction and residential permits are also both up over 2004. Retail permits are down by about \$2 million over 2004. Total construction permits are up \$46 million over 2004.

A graphic representation for retail permits is presented:



Big box space continues to be absorbed. Four to five years ago, a significant amount of big box space was available. Several of these big box spaces have been absorbed including the Sports Authority, much of the space on the Cortana Mall ring road, and the Delchamp's Supermarket at Old Hammond Highway and Millerville Road. While big box space continues to be absorbed, concerns for Winn Dixie and Albertson's future remain.

Lifestyle centers continue to be the new trend in the retail property development focus. Investor interest in lifestyle centers shows that they are becoming more and more acceptable by REITs, and this is apparent in the Baton Rouge market with the construction of Perkins Rowe, Towne Centre, and announced this year, the Mall of Louisiana expansion.

Retail space for each of the lifestyle centers is outlined below:

Perkins Rowe Bluebonnet Boulevard at Perkins Road	400,000 square feet of retail and office space
Towne Center Corporate Boulevard	440,400 square feet
Mall of Louisiana Bluebonnet Boulevard	Approximately 100,000 square feet
Southgate Towers Burbank at Nicholson Drive	100,000 square feet

The proliferation of lifestyle centers has resulted in a significant number of retail square feet proposed for the Baton Rouge market. It remains to be seen whether all of it can be absorbed.