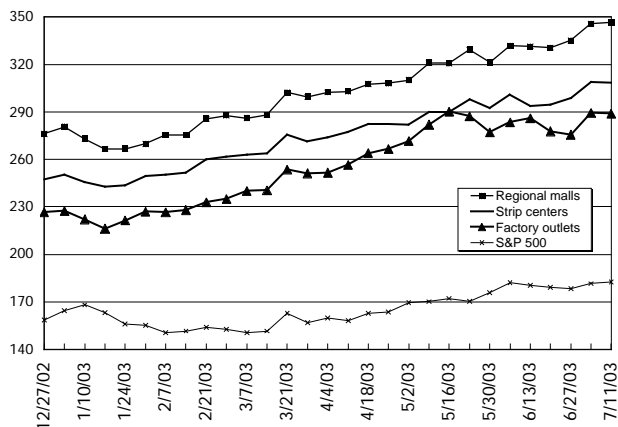


## RETAIL REIT INDEX



Source: Salomon Smith Barney

The retail REIT index was designed by Salomon Smith Barney for *SCT Xtra*. The index is based on total returns (including dividends) starting at a base of 100 on Dec. 31, 1995. For the week ended July 11, the regional mall index was at 346.5, up 0.3%; the strip center index (including power, neighborhood and community centers) was at 308.2, down 0.1%; the factory outlet index was at 288.9, up 0.2%; and the S&P 500 index was at 182.4, up 0.5%, from the previous week. The chart is updated weekly.

**TRANSACTIONS:** **Equity One** bought the 451,587-sf **Sheridan Plaza**, Hollywood, Fla., from an undisclosed institutional investor for \$75.3 million and the 95,597-sf **Butler Creek Shopping Center**, Acworth, Ga., from a private investor for \$12.1 million. • **RioCan Real Estate Investment Trust** purchased two Canadian centers — the 437,500-sf **Southland Mall**, Regina, Saskatchewan, and the 218,900-sf **West Ridge Place**, Orillia, Ontario — from undisclosed sellers for \$58.7 million. • **Taubman Centers** bought an additional 25% of the 937,000-sf **MacArthur Center**, Norfolk, Va., from developer Alexius Conroy for \$45.4 million in cash and some partnership units. Taubman now owns 95% of the center, and Conroy owns the remainder. • **Woolbright Development** acquired the 94,832-sf **Sea Ranch Centre**, Lauderdale-By-The-Sea, Fla., from **North American Properties** for \$14.4 million. • **Ramco-Gershenson Properties Trust** acquired the 247,000-sf **Clinton Pointe**, Clinton Township, Mich., from an undisclosed seller for \$11.5 million.

## Internet sales-tax legislation still alive, proponents say

Even though Congress is not likely to pass ICSC-backed legislation this year that would require retailers to collect Internet sales tax, the issue is not dead, Elizabeth Holland, chairwoman of ICSC's Economic Subcommittee, told *SCT Xtra*. The *Washington Post* reported that Congress is extending a moratorium on the taxation of Internet use, which ICSC and states see as separate from Internet sales tax collection, though the two are tied together in federal legislation. However, the article said Congress wants to have hearings on the sales tax issue alone later this year. "That's a great result," Holland said. "I think that the states efforts are going to continue." Many states are pushing for the collection of Internet sales tax because they are losing revenues as a result. Currently, retailers are not required to collect taxes on online sales unless they have a physical presence in a state. States are projected to lose about \$439 billion in uncollected sales taxes between 2001 and 2011, according to a report by the **Institute for State Studies**, a nonprofit foundation. Earlier this month 13 states signed on to a measure called the Streamlined Sales Tax Project that could make it easier for retailers to voluntarily collect the tax as early as next year.

## Inland bolsters presence in Georgia

**Inland Retail Real Estate Trust** has increased its presence in Georgia, after paying \$200 million for seven community centers there, totaling 1.4 million sf. Including these purchases, Oak Brook, Ill.-based Inland Retail now has about 7 million sf of retail property in the Atlanta metropolitan area. The company acquired the properties from multiple sellers. The **Inland Real Estate Group of Cos.**, which has spent \$1.3 billion this year on acquisitions, owns a total of 347 centers through Inland Retail and another of its companies, **Inland Real Estate Corp.**

## Speakers upbeat at New England meet

The retail real estate industry continues to perform well in New England, despite the challenging national economy, said speakers at ICSC's New England Idea Exchange in Boston on July 15. "We've got tenants lined up trying to get in good locations," said John J. McWeeney, ICSC state director for Maine, Massachusetts, New Hampshire and Rhode Island. Sellers of shopping centers are getting great deals regionally, said McWeeney, who is also vice president of development at Rockland, Mass.-based **Tedeschi Realty**. Boston Mayor Thomas M. Menino praised the new jobs and increased tax revenue that retail real estate development has brought to his city. "Boston is a city that welcomes you," he said. "These great opportunities don't often grab the headlines, but they are essential in the vital-

## Financial news

The **West Edmonton** (Alberta) **Mall**, the world's largest, completed a \$335 million commercial-mortgage-backed securitization through its lender, **Column Financial Canada**, Toronto, a subsidiary of **Credit Suisse Group**. • **Developers Diversified Realty** has issued \$300 million of seven-year, senior unsecured notes. Proceeds will be used to repay borrowings under the company's unsecured credit facility and to prepay secured mortgage financing. • **Talisman Cos.** received a \$65 million, fixed-rate permanent loan for its 358,146-sf **Fashion Outlet of Las Vegas**, Primm, Nev., from **GMACC** in a deal arranged by **NetFunding.com**.

## Projects in the pipeline

The **Mills Corp.**'s **St. Louis Mills**, Hazelwood, Mo., slated to open Nov. 13, will have an entertainment venue called **SportStreet**. The venue will feature an **ESPN X Games Skatepark**, an ice rink and practice facility for the **St. Louis Blues** hockey team and a **NASCAR Speedpark**.

## Edens & Avant buys seven centers in D.C. area

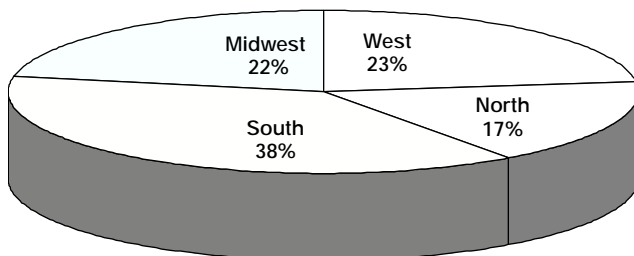
**Edens & Avant** has gained a stronger foothold in the mid-Atlantic region, bringing the total number of its centers there to 36. The Columbia, S.C.-based company bought seven grocery-anchored shopping centers in the Washington, D.C., market. Edens acquired the properties from **GFS**, the real estate arm of **Giant Food**, Landover, Md., but it did not disclose the terms of the deal. The properties are the 129,725-sf **Burtonsville (Md.) Crossing**; the 81,468-sf **Cardinal Forest**, Springfield, Va.; the 76,661-sf **Elden Street Marketplace**, Herndon, Va.; the 86,633-sf **Lake Ridge Commons**, Woodbridge, Va.; the 71,542-sf **Marlboro Crossroads**, Upper Marlboro, Md.; the 102,826-sf **Neelsville Village Center**, Germantown, Md.; and the 106,895-sf **Wellington Station**, Manassas, Va. The purchases come at a time of rapid growth for Edens & Avant, which has increased the value of its portfolio more than eightfold, to \$2.2 billion from about \$250 million in 1995.

## OfficeMax sale may help chain, analyst says

The \$1.2 billion purchase of **OfficeMax** by **Boise Cascade** could help the office products retailer in the short term, according to at least one retail analyst. Boise's acquisition could increase the efficiency of OfficeMax's business by improving distribution, cutting costs and lowering prices from suppliers, Alex Paris, president of Chicago-based **Barrington Research**, told *SCT Xtra*. But in the long run, OfficeMax and other big-box office supply chains still face competition from club warehouse chains, discounters and drugstores that sell similar products, he said. "One thing you know for sure is you'll probably get the lowest price at **Wal-Mart**," Paris said. "That's really tough competition." The sector can stay competitive if it caters to small businesses, he said. Under the terms of the deal, which is expected to close in this year's fourth quarter, paper products producer and office supply distributor Boise will pay \$9 in cash and stock for each share of OfficeMax. Cleveland-based OfficeMax has almost 1,000 superstores, with operations in Canada, Mexico, Puerto Rico and the U.S. Virgin Islands.

## ICSC RESEARCH CORNER

### 2002 regional distribution of U.S. shopping centers (by gross leasable area)



Total 2002 GLA: 5.7 billion sf  
Source: National Research Bureau

**Industry buzz...** The **Pyramid Cos.** has not yet given up on its mixed-use **Destiny USA**, Syracuse, N.Y., which is to rival **Mall of America** in size, according to the *Associated Press*. There was speculation that the company would not go forward with the project after the **New York Legislature** ended its session without voting to partially fund it. Pyramid says it is still considering building **Destiny**, the wire service reported. ... **Mills** renewed a sponsorship agreement with **Discover Financial Services** under which the Discover Card continues to be the preferred credit card at 13 of Mills' centers for two years. Terms of the agreement weren't disclosed. ... **Citi-group** has agreed to purchase **Sears'** credit card division for \$3 billion. ... **Saks** plans to open its first Charlotte, N.C., store, in a mixed-use project called **The Village at Seven Eagles**, which is set for completion in 2005, according to local media reports. ... **Albertsons** and **Wal-Mart** will cash government-issued checks free of charge that will start arriving this month to families with children under 18 as part of the Jobs and Growth Tax Relief Reconciliation Act of 2003. ... **Wetzel's Pretzels**, which has 200 units worldwide, plans to open 120 stores in Mexico and the Philippines over the next 10 years.

