



Colliers International Sacramento Retail Report



First Quarter 2006

Market Trends

	Change in Q1	Q2 Forecast
Lease Rates	↑	↑
Absorption	↓	↑
Direct Vacancy	↑	↓
Construction	↑	↑

Grocery Store Wars Claim Ralph's

Since the advent of the Super Wal-Mart and Target Supercenter concept, we have been reporting on the impact of "category killers" on traditional grocery store retailers. While the traditional retail footprint of a Wal-Mart or Target had been anywhere from 80,000 to 120,000 square feet, the Supercenter concept has nearly doubled the size of these retailers' footprints. With superior buying power than most national or regional grocery chains and with lower labor costs than traditional grocers who have had to contend with unions, the Supercenter concept has allowed Wal-Mart to emerge as the nation's top grocery chain in terms of dollar volume over the past decade. To date the Supercenter concept has not yet entered the Sacramento marketplace but has had a major impact nationally and, as such, a ripple effect locally.



Former Ralph's at Laguna Promenade in Elk Grove

In January of this year Compton-based grocer Ralph's (a division of Cincinnati-based Kroger Company) announced their plans to scale back from the Northern California market, closing 16 of its 34 Northern California stores operating under the banners of Ralph's, Cala Foods and Bell Markets. Sacramento is particularly impacted, as home to eight of the sixteen locations slated for closure, despite the fact that many of these stores were reportedly profitable. In all, the eight store closures account for nearly 375,000 square feet of grocery space returning to the marketplace at a time in which the grocery industry is largely in the process of consolidation.



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The closures had all occurred as of the time that this report went to press and included four locations that were leased by Ralph's and four that were owned outright. All of the properties are currently being marketed either for sale or sublease. In terms of size, nationally Ralph's stores have generally ranged from the mid-30,000s to more than 50,000 square feet, with 38,000 square feet as the average. Locally that average has been slightly higher, with an average footprint of just under 47,000 square feet.

But the news is not all bleak. Our current estimates for retail center vacancy in the region is approximately five percent despite the amount of space returned to market as a result of the Ralph's closures. What remains to be seen is which, if any, of the traditional users of grocery store space may be able to fill these vacancies.

A prospective sale of the Boise-based Albertson's grocery chain for \$9.6 billion fell apart as 2005 came to a close leaving the future of the grocery giant in limbo. Since that time there have been a number of rumors as to the chain possibly being sold off piecemeal, but none have come to fruition as of yet. In early April, Newkirk realty Trusts announced plans to sell 50 retail properties leased to Albertson's for \$160 million to Kimco Realty Corporation and Schottenstein Stores Corporation. If this deal goes through it would likely not be until the third quarter of this year. But one thing that most analysts agree upon is that Albertson's will not be in an expansion mode for the foreseeable future.

Locally-based Raley's continues to expand, but either has existing locations or planned new locations within most of the trade areas served by the departed Ralph's stores. The same could be said for Safeway, although Safeway's coverage of the Sacramento market leaves a few more options for expansion.

Ultimately, smaller specialty chains such as Nugget, Whole Foods or Trader Joe's might be

FIGURE
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Sacramento Retail Market
 Ralph's Sacramento Closures

Submarket	Center Name	Address	City		Total SF Vacated
Auburn/Lincoln	Rock Creek Plaza	2795 Bell Road	Auburn	Leased	34,412
Folsom	Briggs Ranch Plaza	25000 Blue Ravine Road	Folsom	Owned	47,317
Highway 50	Bradville Square	3615 Bradshaw Road	Sacramento	Owned	44,896
Carmichael/Fair Oaks	Ralph's/Long's Center	5025 Marconi Avenue	Sacramento	Leased	45,507
El Dorado	El Dorado Hills Town Center	4500 Post Street	El Dorado Hills	Leased	53,324
Elk Grove	Laguna Promenade	7101 Elk Grove Boulevard	Elk Grove	Owned	52,762
Citrus Heights/Orangevale	American River Plaza	9522 Greenback Lane	Folsom	Leased	42,678
Roseville/Rocklin	Woodcreek Village	4051 Woodcreek Oaks Boulevard	Roseville	Owned	52,324

the most likely users to fill this space. Whole Foods currently has a successful Sacramento location at 4315 Arden Way and reportedly has aggressive expansion plans to add as many as 100 stores by 2010. Whole Foods has steadily been increasing the size of its stores in recent years as well, now averaging just under 40,000 square feet per location compared to competitor Trader Joe's, who usually opt for footprints of 15,000 square feet or less. Trader Joe's should also not be counted out, despite its traditionally smaller space needs. The Massachusetts-based chain's general growth plan calls for 20 to 30 new stores annually but already has six stores locally, with coverage in all of Sacramento's strongest retail submarkets. Specialty ethnic grocery chains such as Viva Ranch Market or 99 Market may also be options to fill the space but no announcements have been made to date regarding expansion in the Sacramento area. And, of course, there is always

the possibility of larger non-grocery entities seeking to utilize former Ralph's space.

Ultimately, the future uses of these anchor spaces will depend greatly upon the location and demographics of the individual shopping centers. We anticipate that former Ralph's locations for sale in Elk Grove, Roseville and on Blue Ravine Road in Folsom should be able to find buyers in the current market due to the overall desirability of their locations. Likewise, space vacated by Ralph's at El Dorado Hills Town Center should be in strong demand in a marketplace that is rapidly growing, that is under-served by retail grocery stores and that offers excellent demographics. The prognosis may not be so good for those centers in



mature trade areas that Ralph's is vacating. El Dorado Hills, Elk Grove, Roseville and Folsom all still have an expanding population base and each of these communities offer above average income demographics to attract retailers. But with overall vacancy in the region at just five percent and tenant demand still strong, the impact of Ralph's departure should be minimal for the market as a whole.

Radio Shack to Consolidate

In other downsizing news, Radio Shack announced in March that it has plans to close 480 stores nationwide as it embarks on an aggressive cost cutting campaign to improve its flagging finances. The ForthWorth-based retailer has over sixty outlets in the Sacramento region and has plans to close seven of those stores. The local stores slated to close will begin close-out sales by May and are expected to be shuttered by mid-August at the latest. They include:

- 2644 Marconi Avenue
Sacramento
- 7975 Auburn Boulevard
Sacramento
- 2718 J Street
Sacramento
- 5118 Madison Avenue
Sacramento
- 1840 Prairie City Road
Folsom
- 2244 Sunrise Boulevard
Rancho Cordova
- 6171 Sunrise Mall Drive
Citrus Heights

While any downsizing news is never good news for landlords, Radio Shack's consolidation will not have a significant impact on the local market. With typical footprints of 5,000 square feet or less, the move will



return no more than about 35,000 square feet of space to the marketplace. Meanwhile, inline spaces of 5,000 square feet or less is where some of the strongest tenant demand and activity has been focused in recent years. We expect that most of these spaces should be filled by new tenants with relative ease.

Not One, But Two New Power Centers for Sacramento?

The Sacramento retail market has experienced phenomenal growth over the past few years. With over three million square feet of new retail space delivered last year, and an additional three million square feet

of construction currently under way, one might assume that the market may be reaching saturation. Yet, most local analysts place vacancy for retail centers in the region at or slightly below five percent and most active commercial real estate brokers continue to report strong tenant demand, particularly for Sacramento's suburban growth hot spots. The Roseville/Rocklin, Elk Grove, Folsom, El Dorado Hills and Natomas markets in particular continue to record strong demand



and strong rental rate growth even in the face of significant new construction.

As the first quarter of 2006 came to a close plans to add not one, but two, regional power center malls were on the drawing board for the Sacramento region.

In March, Folsom officials announced that they have reserved space for a new power center mall within a 3,500-acre tract of land that the city is planning to annex south of Highway 50. The city is leaving the door open for a regional center of as much as one million square feet, or roughly the same size of the existing Roseville Galleria or Arden Fair Malls. Timing is uncertain and will depend greatly upon residential growth. While this project could be delivered to the marketplace as soon as 2008, we anticipate delivery to be more likely by 2010. At the time of this report we were unaware of any significant tenant commitments in place for this project.

Meanwhile, the approval process for the Lent Ranch Marketplace in Elk Grove continues. The project is located on the southern edge of Elk Grove on the west side of Highway 99 immediately north of Kammerer Road and features 295 acres of land that current plans call for developing as a regional mall with supporting retail, office and commercial space. The plan also calls for a multi-family residential component. The regional power center mall would be built on approximately 106 acres and would feature 1.3 million square feet of gross leasable area. Plans call for five to six anchors, restaurants and theaters, inline shops, pad sites and mid-size stores in an outdoor retail promenade that would be adjacent to, or connected to, the power center itself. Target is rumored to be one of the anchors and Wal-Mart is reportedly in negotiations, but we are currently unaware of any major retailers who have formally committed to space. As this project remains in the early planning stages

it would not be unlikely for current plans to continue to evolve before construction actually begins.

Ultimately the biggest question for developers will be whether the market can sustain the addition of both of these centers at the same time. Neither of these centers is within a ten-mile radius of an existing power center, although both are in close proximity to a number of regional shopping areas. We anticipate that both of these projects will undergo significant revisions before any actual construction is started and that pre-leasing commitments will have a large role in deciding what is actually built. But, so long as demand stays at current levels and vacancy within the region remains at current levels and residential growth remains healthy we anticipate that some variation of both projects will be brought to the marketplace over the next five years.

MARKET ROUND UP

On the following pages is a sampling of other market activity that has occurred within the Sacramento retail market throughout the first quarter of this year:

Downtown

Union Pacific Railyards The 240-acre former Union Pacific Railyards site immediately north of downtown Sacramento stands as one of the largest undeveloped parcels of CBD land in the United States. It also has been the subject of various development plans over the past decade ranging from use as a new downtown sports complex to varying mixtures of commercial and residential development. The current developer attached to the project, Thomas Enterprises, has a plan that calls for 10,000 housing units, 1.37 million square feet of retail space and as much as three million square feet of office space. The project would consist of a number of districts including a potential sports

district (leaving room open for a sports complex), as well as a canal district that would house cafes, stores and housing and a riverfront district that would house restaurants, hotels, parks and a marina. Another district, the 5th Street Emporium, would feature an "urban village" mixing ground floor retail and restaurants with residential lofts. The latest revision of the plan leaves space open for big box retailers who have had few downtown Sacramento options and who could take significant chunks of the 1.37 million square feet of space allotted for retail development.

While the plan is touted by many as the best version to come down the pike so far, it already faces opposition from existing downtown retail interests, including the Westfield Group who have had expansion plans on the drawing board for their Downtown Plaza power center for a number of years. The Railyard redevelopment plan has also resulted in the unlikely alliance between interests proposing competing plans for the redevelopment of Sacramento's long neglected K street retail corridor.

Despite this, parties involved in the Railyard plan report strong momentum building for the City to finally move forward with some development plan for the Railyard. Heightened interest in Downtown living and the projects' considerable residential component are attractive draws as downtown Sacramento continues its evolution into a 24-hour city. While further revisions of the existing plan are likely, involved parties report that construction may begin on some version of the plan as early as 24 months from now.



North Town Just blocks from the former Union Pacific railyard site is another significant residential development in the planning stages that might further fuel demand for retail services in the old Railyard area. Located on the northwest corner of Richard Boulevard and North 7th Street, the \$500 million North Town development calls for over 2,700 new homes on the 65-acres currently utilized as the site for the vacant former Tri-Valley Growers cannery. Plans also call for an additional 75,000 square feet of retail space to serve the development. Original plans had called for as much as 500,000 square feet of office space, which has been revised to accommodate more homes. The majority of the rooftops will likely be in the form of multi-tenant properties. Current plans call for just under 900 single-family homes with the remainder split between apartment and condominiums.

Natomas

The Natomas market on Sacramento's near north side has been one of the region's strongest performing retail markets in recent years. Massive residential development has been a driving force behind this growth. The 9,038-acre North Natomas Specific Plan calls for over 33,000 residential units and the creation of millions of square feet of supporting retail, office and industrial properties north of the intersection of Interstates 5 and 80 and south of Sacramento International Airport on land that was primarily agricultural in use until just a few years ago. The North Natomas Specific Plan ranks as one of the largest master-planned areas close to a metropolitan area in the entire country and also includes a long-term plan for the addition of a light rail line to connect the area both to Sacramento's existing system and to the Sacramento International Airport.

The Promenade at Sacramento Gateway Opus West's The Promenade at Sacramento Gateway project is

currently the highest profile retail project in the Natomas submarket and is located approximately a quarter mile south of Arco Arena at Truxel Road and Interstate 80. The total size of the project is projected to top 660,000 square feet, with twin anchors Target and Sam's Club slated to occupy a combined 271,000 square feet of space. Other tenants either slated to take space or currently in negotiations include Barnes & Noble, Old Navy, Linens 'N Things, Best Buy, The Sports Authority and Cost Plus World Markets. The center is located immediately east of the Natomas Marketplace, a 560,000 square foot power center that is anchored by Wal-Mart and Home Depot.

South Sacramento/Elk Grove

Delta Shores One of the last remaining large tracks of undeveloped land in the Sacramento region may not be undeveloped for much longer. Delta Shores is located on the undeveloped stretch of land along the eastern side of Interstate 5 between Pocket Road and Elk Grove. Developers recently announced plans to develop this 800-acre property with approximately 650 acres of residential and 150 acres of retail development. The residential development alone could bring as many as 4,600 new rooftops to the area. Irvine-based SunCal Companies is handling the residential portion of this development while M&H Realty Partners of San Francisco is handling the retail portion. Another developer, Dunmore Homes, is expected to propose an additional 1,000 new homes adjacent to the Delta Shores development. Current plans for the Delta Shores project include up to 1.2 million square feet of retail space on 150 acres, most likely to include a mix of big box stores, community retail centers, restaurants, a multiplex theater and a Main Street type retail center. There is also the possibility of an office component, however, planning is still in the early stages and timing is uncertain.

In recent years the Elk Grove retail market has been among the strongest performing of all Sacramento submarkets, with low vacancy and strong rental growth. Yet, much of the activity within Elk Grove has occurred along the city's eastern Highway 99 corridor. The western portion of Elk Grove along Interstate 5 has historically been under-served by retail. The ongoing development of two neighborhood centers and two upscale strip retail properties on Elk Grove Boulevard are seeking to fill this void. The proposed Delta Shores development may further influence this market.

Florin Mall/Florin Towne Centre Sacramento old-timers remember the days in which Arden Fair Mall, Country Club Mall and Florin Mall were the primary malls in the area. While Arden Fair Mall continues to be the second leading local mall in terms of sales per square foot, both Country Club and Florin Malls hit hard times by the early part of this decade. Country Club Mall continues to re-position itself, having converted a former Montgomery Wards store to a Wal-Mart location and undergoing significant renovations in recent years. Florin Mall, meanwhile, was the final casualty of the three and shuttered its doors in March after being open for 38 years. Mall sales had declined for years as all but one anchor (Sears) abandoned the mall. A JCPenney Outlet store location pulled out of Florin Mall about three years ago while the former Weinstocks space had been dark since 1996.

Florin Mall's story has a new chapter as an investment group that purchased the mall in November of last year for an estimated \$32 million plans on building from its ashes. Florin Towne Centre will be built on the site of the former mall and will be an open-air





Artist Rendering of the New Florin Towne Centre

shopping center with a street through the middle and wide walkways for shoppers. Like Country Club Mall, the new Florin Towne Centre looks to the big box category killer Wal-Mart to revive its fortunes. A new 218,000 square foot Wal-Mart Supercenter will be the centerpiece of the regional center. Wal-Mart will relocate its existing 130,000 square foot store west of Highway 99 on Florin Road at Southgate Plaza and add a grocery component of over 80,000 square feet. In addition to Sears 259,000 square foot building (which will remain open during the renovation), the new Florin Towne Centre will have a total of 490,000 square feet of retail space and is expected to be complete by late 2007.

Highway 50 Corridor

The Landing At Bradshaw The planning process continues for The Landing at Bradshaw Road. But this project—which has been on the drawing board for nearly a decade—is reportedly near development and ready for approval from the Sacramento County Board of Supervisors. This 38-acre site is located on the north side of Highway 50 at Bradshaw Road and will be the home of a 400,000 square foot retail center. The developer, SyWest Development, plans to begin construction by the end of this year with delivery slated for late 2007. Current plans call for up to seven big box retailers, a multiplex theater, a restaurant village and

plentiful inline shop space in a pedestrian friendly environment offering easy access to the local light rail system.

Capital Village Town Center Lowe's has signed on to anchor the new Capital Village Town Center in Rancho Cordova. This would be Lowe's fifth store to open in the Sacramento region. Downey Savings and Chili's have also committed to the new 27-acre project, which would be located at Zinfandel and International Drives and be adjacent to Capital Village, a master-planned community from Beazer Homes of over 825 single family units that was beginning construction as this report went to press. The center would also serve Elliott Homes' 3,200 home development south of Capital Village. If approved, the Capital Village Town Center will be the largest retail center built in Rancho Cordova in the past twenty years. The developer, DSL Services of Newport Beach, was in the approval process at the time of this report, however, plans call for a total of 270,000 square feet of new retail space for as many as 30 retailers. While Lowe's would be purchasing its own parcel for a 168,000 square foot building, plans for the center include three other mid-size spaces between 15,000 and 24,000 square feet

Zinfandel Place Catlin Properties is in the process of getting approval for a 67,000 square foot mixed-use project to be located

on the southeast corner of White Rock Road and Zinfandel Drive. The project would consist of 34,500 square feet of ground floor retail space with two stories of office space above and an underground parking garage. The project is located on a 4.6-acre parcel of land with design plans calling for an "industrial, downtown look." If approved, this project could be delivered as soon as first quarter 2007.

Folsom/EI Dorado Hills

Palladio at Broadstone Construction is slated to begin shortly on Elliott Homes' 800,000 square foot retail lifestyle center, the Palladio at Broadstone. Plans for this development include a total of 930,000 square feet on 50 acres, with the balance of the space to include an office component. The complex will also include a 16-screen multiplex theatre and will have space for approximately 80 retailers. In conjunction with Roseville's the Fountains, these two developments will account for the addition of over one million square feet of lifestyle center space to the Sacramento market within the next three years. Since the creation of San Jose's Santana Row a few years ago, lifestyle centers have become the hot new retail development trend. Lifestyle retail centers differ from traditional open-air retail centers in that they are based on the concept of luxurious outdoor shopping plazas with a concentration of high-end "lifestyle" retailers and a significant mix of restaurants and entertainment options. As these centers cost less to construct than traditional indoor malls, they also offer the added attraction of often being able to offer retailers lower rents and lower expense reimbursements.



El Dorado Hills A newly proposed center at Latrobe and White Rock Roads could add an additional 34,000 square feet of retail space to the El Dorado Hills retail submarket. The center would feature patio fire pits, waterfalls and a vineyard consisting of four buildings. The center would house a day spa, at least two restaurants and as many as 15 other retailers and seeks to capitalize on the success of the upscale La Borgata Center in El Dorado Hills which opened two years ago. If approved by the El Dorado County Planning Commission construction could start as early as this summer.

Roseville/Rocklin

The Roseville/Rocklin submarket has been Sacramento's strongest performing retail market for the better part of the last decade, routinely topping other trade areas in terms of demand, new construction and rental rate growth.

Roseville Galleria Expansion While two proposed new Power Centers in the Sacramento region is the big mall news this quarter, plans for the expansion of the Galleria at Roseville continue to go forward. While the Westfield Group's planned expansion of the Galleria at Roseville has been scaled back, it still calls for the addition of nearly 450,000 square feet of space. The 1.1 million square foot regional mall currently boasts the highest sales of any mall in the region and had originally planned for a \$150 million expansion that would include a multiplex theater and significantly larger Sears store. Westfield has since nixed plans for the theater and Sears has put off expansion plans. However, current plans call for an expansion of 448,000 square feet, with additions to Macy's and JCPenney of about 35,000 square feet each as well as a new parking garage. The renovation, which could be completed as early as 2008, could add space for as many as 100 additional retailers. Plans also call for enclosing a portion

of the Promenade section of the mall, which is home to high-end lifestyle retailers such as Crate & Barrel and Pottery Barn.

The Fountains Construction is slated to begin in April on The Fountains, a new lifestyle center located on 52 acres across the street from the Roseville Galleria at Galleria Boulevard and Roseville Parkway. Plans call for approximately 350,000 square feet of retail space and as much as an additional 200,000 square feet of high-end suburban office space to be built with a Main Street layout in two phases. Delivery of the first phase could be as early as late 2006/early 2007 and will include tenants such as Anthropologie, Z Gallerie, ECCO Shoes, Chico's and Whole Food Markets. Other tenants in negotiations include Sur La Table, West Elm (Williams-Sonoma's new home format), country living themed The Orvis Co, Riley James and Jos.A Banks. Restaurants reportedly in negotiations include Jack's Urban Eats, Zocalo, Mikuni, Maggiano's Little Italy and Bay-Area retro-themed eatery Taylor's Refresher.



Maggiano's Little Italy: In Negotiations at The Fountains

Home Store Row Construction is slated to begin during the second quarter on the 176,000 square foot Roseville Crossing. This new center located at Highway 65 and Blue Oaks Boulevard will have a home-related theme, with a number of major home furnishings stores slated to take space. La-Z-Boy and Ethan Allen are both expected to be part of the first phase of this development

that will deliver approximately one third of the total center's space by sometime late this year. Located just across the street from the new Blue Oaks Town Center, many analysts believe that this intersection will build synergy as a regional home furnishings hub. Blue Oaks Town Center is slated to open its first phase in summer of 2006 and already has commitments in place from R.C. Willey Home Furnishings and Orchard Supply Hardware. The 600,000 square foot center is situated on 61 acres at the northeast corner of Blue Oaks Boulevard and Highway 65.

Loomis/Interstate 80 Corridor Just as retail development continues northward along Highway 65 following the path of residential development, there are a number of projects in the works heading up Interstate 80 towards the Sierra Foothills. At Sierra College Boulevard in Rocklin, Donahue Schriber is in the process of developing a 534,500 square foot retail center on a 59-acre parcel of land immediately north of Interstate 80. This project is still in the early stages of planning and timing is uncertain.

With so much construction activity in the Roseville, the question arises as to how much space can this market absorb. However, we estimate vacancy for retail centers within this submarket to be below five percent. Rental growth in the Roseville/Rocklin trade area has been the strongest in the area. Average inline rents in well situated centers are now reaching the \$3.00 per square foot mark, whereas just five years ago rents above the \$2.00 level were considered unusual. Brokers are reporting that out of town retailers are now focusing on the Roseville submarket to open their initial Sacramento region stores, a concept that was unheard



United States

Akron, OH	Minneapolis, MN
Allentown, PA	Nashville, TN
Atlanta, GA	New Haven, CT
Austin, TX	New Jersey, NJ
Bakersfield, CA	New York, NY
Baltimore, MD	Oakland, CA
Beachwood, OH	Ogden, UT
Bellevue, WA	Orlando, FL
Boca Raton, FL	Palo Alto, CA
Boise, ID	Park City, UT
Boston, MA	Philadelphia, PA
Carlsbad, CA	Phoenix, AZ
Charleston, SC	Pittsburgh, PA
Charlotte, NC	Pleasanton, CA
Chicago, IL	Plymouth Meeting, PA
Cincinnati, OH	Portland, OR
Clearwater, FL	Provo, UT
Cleveland, OH	Raleigh, NC
Columbia, SC	Reno, NV
Dallas/Ft. Worth, TX	Roseville, CA
Dayton, OH	Sacramento, CA
Denver, CO	Salt Lake City, UT
Detroit, MI	San Diego, CA
Fairfield, CA	San Francisco, CA
Fort Myers, FL	San Jose, CA
Fresno, CA	San Mateo, CA
Ft. Lauderdale, FL	Scottsdale, AZ
Gilroy, CA	Seattle, WA
Greenville, SC	St. Charles, MO
Hartford, CT	St. George, UT
Honolulu, HI	St. Louis, MO
Houston, TX	St. Paul, MN
Indianapolis, IN	Stamford, CT
Jacksonville, FL	Stockton, CA
Kansas City, MO	Sun Valley, ID
Las Vegas, NV	Tacoma, WA
Los Angeles, CA	Tampa, FL
Louisville, KY	Walnut Creek, CA
Memphis, TN	Washington, DC
Miami, FL	Wilmington, DE
Milwaukee, WI	

of just a few years ago when the traditional point of entry to this marketplace was the Arden Arcade market.

West Sacramento/Yolo County

IKEA Opens at Riverpointe Center

IKEA has finally arrived in Sacramento. The Scandinavian furniture giant opened its first Central Valley superstore in March of this year in West Sacramento. The 265,000 square foot mega-store opened amid much fanfare and marks IKEA's 26th U.S. store. Located off of the Reed Avenue exit off of Interstate 80, it marks West Sacramento's most prominent retail project in years and will add considerable tax revenue to the city. The store is situated in the 85-acre Riverpointe Center, which has also landed a Home Depot. This marks a major development for the community of West Sacramento which has historically struggled with the image of being primarily an industrial marketplace. This marks the second major retail center to open in the last two years.



New Ikea Store in West Sacramento

Woodland Gateway Center Work on Woodland Gateway Center could start as early as third quarter 2006. What was

once proposed as a 55-acre auto mall plus a handful of stores at the southeast corner of Interstate 5 and County Road 102 in Woodland has gradually been revised and expanded by developer Paul Petrovich into what could be Woodland's first major regional retail center. While the project reportedly met with limited interest from auto dealerships in the region, retailer interest reportedly has been strong. Current plans for the Woodland Gateway project call for 525,000 square feet of retail space, anchored by Costco and Target. According to sources the project will likely be approved by July of this year with construction starting as early as the following month.

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