

KATZ REPORT

Katz & Associates Corp.

FALL, 2002

PRESIDENT'S MESSAGE

Although 2002 has been a difficult year for the economy, in general, and some segments of retail, in particular, we have continued to experience significant activity from new and existing clients. Retailers, in growing numbers, are finding the need to reduce overhead costs and supplement internal staff with an out-source solution. In the second half of the year we have undertaken new assignments from Levitz and Seaman's stores, Shoe Carnival, Jos. A. Bank and Group USA. Existing clients such as Linens-N-Things and Party City have continued to expand at a rapid pace and others such as Galyan's and Petco are growing their businesses into new markets. We've participated in numerous ICSC conferences throughout the year and look forward to participating in the New York Conference being held from December 2nd - December 4th. Please stop by our booth or call in advance for an appointment.

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NEW CLIENTS



We are pleased to announce the addition of Levitz Home Furnishings, Inc., a leading retailer of specialty furniture, to our growing roster of clients. The company operates 112 stores in the Northeast and in the Western United States. Expansion plans are focused on the East/West regions for Levitz stores and New York to Delaware for Seaman's.



Katz & Associates is actively pursuing 15-20 store openings to occur during the next 18 months. Levitz requires 40,000-45,000 square feet, and Seaman's requires 28,000-32,000 square feet. Both chains prefer strong regional trade areas having access to primary highways. Demographic profiles range from high-income



suburban to low-moderate urban. Location types include power centers, strip centers and freestanding buildings. Proximity to other home furnishing stores is desired.

Levitz/Seaman's successful opening of 18 former Home Life Furniture Stores in 2002 exemplifies the company's new prototype. Each of these showrooms are attractive, well merchandised operations that have received overwhelmingly positive reception by the home furnishing consumer and development community.

"Having already completed a strategic plan and having begun to identify high volume locations, we are very excited about the opportunity to partner with Levitz Home Furnishings, Inc. By initially densing-up Levitz and filling-in Seaman's in their primary markets, we are able to leverage the resources of both companies to provide the most immediate impact for this new client," notes Kurt Schneider, Senior Vice President, Northeast Region.

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We are pleased to add Group USA and Camille La Vie to our roster of clients. We are working with the company in several areas and markets in the Unites States, including the Southeast, Texas, Chicago, Kansas and Missouri. Camille La Vie is a new concept that Group USA is rolling out to cater to an upscale shopper who is looking for evening wear, cocktail

dresses, career and sportswear at a reasonable price, but with top quality merchandise. The Camille La Vie stores will range in size from 8,500 sf to 12,000 sf and will be located in lifestyle centers and enclosed malls. We are also working with them to place their Group USA stores in regional malls and strip centers in various markets.

Camille La Vie is an exciting concept that Landlords have fallen

in love with. "The concept is unique" said Marty Hennessy, Vice President,

Southern Region. "The Camille La Vie store will attract the same customer who shops Talbot's, Ann Taylor and Bebe "

"We had several meetings at the recent Idea Exchange in Atlanta and the concept was very well received," said Kevin Higgins, Sr. Vice President, Southern Region. "The company is run by savvy merchants who are in tune with fashion trends around the country."

NEW CLIENTS



Katz & Associates is pleased to announce that Jos. A. Bank, The Expert in Men's Apparel, has selected our company to exclusively represent them in the State of Florida. "We are very pleased to be working with such a great retailer.

Jos. A. Bank has been a leader in the men's clothing business since 1905 and we are looking forward to helping them strategically expand their presence in Florida", said Marty Hennessy, Vice President, Southern Region. Jos. A. Bank operates 160 stores nationwide and a catalog plus website with a full selection

of men's tailored and casual clothing, footwear and accessories. "Landlords view Jos. A. Bank as very upscale and a great tenant to have in their centers as they attract an upscale male shopper," added Hennessy.

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-Marty Hennessy



Katz & Associates is pleased to announce that it has been chosen to represent Shoe Carnival in 14 Midwest and Southeast states. Shoe Carnival, publicly traded on NASDAQ as SCVL, is the leading retailer of value priced family footwear offering a wide selection of brand name and private label merchandise. Stores feature an entertaining format, which includes contests, games and up-tempo music to produce an energized shopping atmosphere. Their ability to offer this unique shopping environment with outstanding selection and value pricing has led to the chain achieving sales of \$235 per square foot.

smaller trade areas typically range from 8,000 to 10,000 square feet. According to Daniel J, Mitchell, Senior Vice President, Midwest Region, Shoe Carnival prefers end cap or anchor positions next to fashion stores in power or community centers that are mall proximate.



Plans call for aggressive expansion of the existing 190 store base with 40 stores slated for 2003. Shoe Carnival targets markets with moderate to above average income in trade areas with over 200,000 population for their 12,000 square foot store. New stores in



EXPANDING TERRITORY



Katz & Associates, in cooperation with Atlantic Retail Properties, has been selected to exclusively represent Petco in the state of Georgia. Katz is currently handling Florida, North Carolina and South Carolina in the same capacity. "We are very pleased to be adding Georgia to our territory

with Petco. They have been a pleasure to work with" said Kevin Higgins, Sr. Vice President,

"Petco has opened several stores in Georgia already and we look forward to helping expand their base of stores in this market."

-Kevin Higgins

Southern Region. "Petco has opened several stores in Georgia already and we look forward to helping expand their base of stores in this market."

Petco caters to people who view them-

selves as pet parents rather than pet owners, and aim to provide very high service. People are hired who care about animals, are knowledgeable about products

and make sure the customer buys the right item. Store sizes range from 12,000 to 15,000 square feet.

NEW EMPLOYEES/NEW OFFICE

I'm delighted to announce that we've added additional staff and opened a new office to support our rapid growth" states Daniel B. Katz, President and CEO.

Michael Zoob joined our Western Region office in Lake Forest, CA as Vice President of Real Estate. "Michael's retail experience has enhanced our level of service that we provide to our clients. He's a committed team-player and a great contributor to our group," notes John Beaney, Senior Vice President, Western Region.



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RECENT TRANSACTIONS & INFORMATION



Colorado Springs, CO ~ 80,000 sf; Arlington, TX ~ 84,000 sf; Geneva, IL ~ 84,000 sf; Lyndhurst, OH ~ 80,000 sf; Greenwood, IN ~ 80,000 sf; Glenview, IL ~ 84,000 sf; Orland Park, IL ~ 100,000 sf; Woodbridge, NJ ~ 100,000 sf; Henderson, NV ~ 80,000 sf; Danvers, MA ~ 80,000 sf.



Christiana, DE ~ 37,500 sf; Woodbridge, NJ ~ 40,672 sf; Camp Hill, PA ~ 34,000; Ellicott City, MD ~ 29,977; Waterford, CT ~ 28,000; Riverhead, NY 30,000; Chelmsford, MA ~ 26,400; Ventura, CA ~ 35,000 sf; Colorado Springs, CO ~ 32,000 sf; Clearwater, FL ~ 35,192 sf; Birmingham, AL ~ 35,100 sf; Metairie, LA ~ 37,500 sf.



Monrovia, CA ~ 11,000 sf; Tauton, MA ~ 10,500; Burlington, MA ~ 11,650 sf; Pittsburgh, PA ~ 9,036; Mission Viejo, CA ~ 12,000 sf; Batavia, IL ~ 12,200; Bollingbrook, IL ~ 12,075; Sacramento, CA ~ 16,116 sf; Olympia, WA ~ 12,202 sf; Opening Dec. 4, 2002 Brentwood, CA ~ 12,000 sf; Mt. Prospect, IL ~ 11,180 sf.



East Hanover, NJ ~ 27,108 sf; Oakbrook, IL ~ 28,519 sf; Sale of their warehouse facility located at 2500 Halsey Street, Bronx, NY - total square footage of facility is 150,000 square feet consisting of 110,000 square feet of warehouse space and 40,000 square feet of office space.



Casselberry, FL ~ 15,000 sf; Daytona Beach, FL ~ 11,960 sf; Orlando/West Colonial, FL ~ 12,000 sf; Carrollwood, FL ~ 13,393 sf; Tampa/West Shore, FL ~ 12,798 sf; New Tampa, FL ~ 15,000 sf.



American Heights Shopping Center in Fullerton, CA ~ 2,000 sf; Irvine, CA ~ 1,700 sf; Las Vegas, NV ~ 2,000 sf; Rockville, MD ~ 2,313 sf; Norcross, GA ~ 2,400 sf; River Forest, IL ~ 2,507 sf; Rochester Hills, MI ~ 1,812 sf; Emeryville, CA ~ 2,024 sf.



Freehold, NJ ~ 1711 sf; Garden State, NJ ~ 1,500 sf; Trumbull, CT ~ 1,500 sf; Tyson's Corner, VA ~ 1,500 sf.



Stamford, CT ~ 4,500 sf; Bollingbrook, IL ~ 4,000 sf; Farmington Hills, MI ~ 4,093 sf.



Harvey, LA ~ 18,300 sf; Baton Rouge, LA ~ 18,300 sf; Lithonia, GA ~ 17,410 sf.



Katz & Associates
Will exhibit at the 2002 ICSC Convention in New York City, from Dec 2-4, 2002.
Come visit us at **137/138 in the Rhinelander Gallery.**
Contact us in advance to set up an appointment.

