



### PRESIDENT'S MESSAGE

The first few months of 2006 have been extremely active with many of our retail partners enjoying strong sales and looking for further expansion. Most of our clients are fully committed for 2006, are close to capacity for 2007 and are evaluating 2008 opportunities. Numerous assignments are in process beyond those detailed in this newsletter including: a new relationship with NAMCO Pools in the Northeast; strong success with A.C. Moore's entry to Florida; continued success in working with Bombay on their migration from mall stores to off-mall stores; increased geographic assignments from Wild Oats; initiation of the Chico's program in the Carolinas and further expansion of Jos. A. Bank in several regions. Our market knowledge throughout the U.S. has been useful in launching select developments, and our expertise in restaurant expansion is being applied to fuel growth in that arena.

We invite you to visit with us at 31M Street at the ICSC Conference in Las Vegas.

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### LINENS 'n THINGS LAUNCHES A NEW LOOK

Linens 'n Things, exclusively represented by Katz & Associates, currently operates approximately 550 stores in the U.S. and Canada. Though recently taken private by Apollo Management LP, plans call for continued growth of the concept throughout North America. A new flagship store incorporating upgrades to both the interior and exterior was unveiled at the Mill Creek Center in Secaucus, New Jersey earlier this year. According to Daniel J. Mitchell, SVP of Real Estate Midwest Region of Katz & Associates, store size will remain constant with most stores ranging from 25,000 square feet to 28,000 square feet. The preferred venue for Linens 'n Things locations continues to be power strip and lifestyle centers with malls and free standing locations by exception.



Mill Creek Center - Secaucus, NJ

According to the newly appointed CEO, Robert DiNicola, Linens 'n Things' growth opportunities still remain quite strong with the potential for several hundred more stores. In addition to the typical upscale suburban and single store markets, Linens 'n Things has begun creating a merchandise mix that can appeal to urbanized markets populated by apartment dwelling younger consumers.

### WORLD MARKET CONTINUES TO AGGRESSIVELY EXPAND

World Market continues to aggressively pursue its expansion throughout the country. During 2005, World Market opened its first stores in the state of Tennessee, with three stores in the Memphis MSA. This is to be followed up in 2006 with new store openings in Knoxville, Chattanooga and with three stores in the Nashville MSA in 2007. In addition, 2006 saw the opening of stores in Park City, UT; Bend, OR and Chevy Chase Pavilion in Washington DC.



Carriage Crossing - Collierville, TN

Also planned for 2007 are new stores in Hawaii, Utah and further development in Florida and Virginia. Cost Plus, Inc. will realize sales in excess of \$1 billion in FY '06 and operate stores from coast to coast and border to border.

While World Market will open 25 stores throughout the majority of the United States, Greg Endom, Director of

Real Estate points out, "Opening stores in Florida is a priority." Since its announcement to open stores in Florida in 2003, World Market will have opened 12 stores by the end of 2006. "The new stores in

Florida have been enthusiastically received by the customer base. We continue to get calls inquiring when a new store is coming to my community."

Stores planned for 2006 in Florida include Daytona Beach, Pembroke Pines and Viera. In 2007, we

will see the addition of stores in Orlando, Palm Beach and Miami.

Greg Endom states that Katz & Associates has provided an excellent distribution strategy for their successful entry into this market. "Initially, we had some concerns over entering Florida, but

## LOEHMANN'S - NORTHEAST LEASE EXECUTIONS

Loehmann's, the nationwide retailer of upscale off-price women's and men's apparel, accessories and shoes, has recently executed five leases to open new stores between Washington, DC and New Jersey. These new locations will add in excess of 100,000 square feet to Loehmann's high-priority markets along the Interstate 95 corridor. New stores will include:

**Fairfax, VA** – Located within the Fair Lakes Shopping Center, Loehmann's will occupy a portion of the Toys "R" Us property. Co-tenants include Target, Best Buy, DSW Shoe Warehouse, World Market, PetSmart and Michaels.

**Falls Church, VA** – Loehmann's existing store on Route 50 will be relocated to a larger space within Federal Realty's center. A new long-term lease has ensured Loehmann's continued success at this property, which will



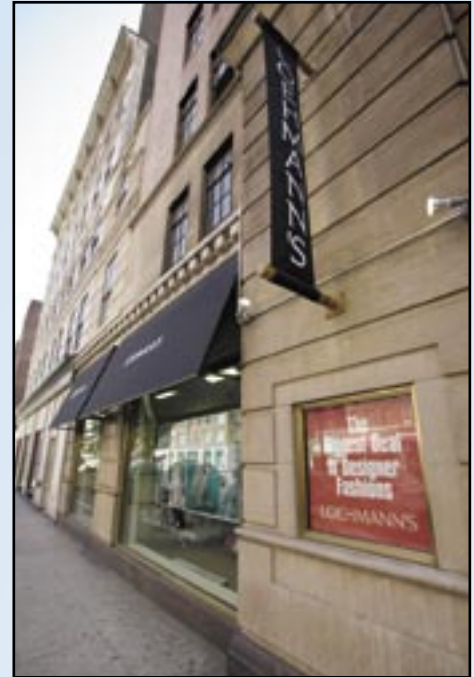
7th Avenue - Manhattan, NY

undergo extensive improvements. Other existing Loehmann's stores in the Washington, DC market are Chevy Chase and Rockville.

**Downtown Philadelphia, PA** – Loehmann's, to be located at 1528 Chestnut Street, will be at the cross-streets of the luxury housing and retail renaissance occurring within Center City. Formerly occupied by Today's Man, Loehmann's will operate a multi-story building and join retailers such as West Elm, H&M and Ann Taylor opening downtown. This will be Loehmann's third store in the market with several other areas identified for additional openings.

**Paramus, NJ** – Loehmann's will add a second store to this super-regional trade area. The proposed location at The Fashion Center on Route 17 North will join highly successful retailers such as Lord & Taylor, Best Buy, Bed, Bath & Beyond and T.J. Maxx. Similar to Loehmann's, each of these retailers currently operate another store on Route 4.

**Short Hills, NJ** – Loehmann's will add their second freestanding Loehmann's Shoes store in Northern NJ this fall. The new 10,100 sf store, formally occupied by Bally's Fitness, is located on Route 124.



7th Avenue - Manhattan, NY

"We are very excited about the stores that are opening in the Northeast and look forward to future openings," says Brian Bootay, Vice President of Real Estate for Loehmann's.

Loehmann's continues to seek locations in upscale and strong regional trade areas throughout the nation. For further information, please contact Brian Katz at (845) 735-6666 ext. 206 or e-mail: briankatz@dkatz.com.

## SHOE CARNIVAL EXPANDS ITS MIDWEST MARKET PRESENCE

Katz & Associates has expanded their exclusive representation of Shoe Carnival into the states of Illinois, Wisconsin, Michigan, and Northeast Ohio. Shoe Carnival, Inc. (NASDAQ: SCVL) is the nation's leading retailer of value priced footwear and accessories with 264 stores in 21 states. Shoe Carnival posted record sales in 2005 of \$688 mil-

### Shoe Carnival Site Requirements

- ◆ 3 Prototype Sizes: 8,000 sf, 10,000 and 12,000 sf
- ◆ Seeking locations in centers with a strong/apparel/fashion co-tenancy
- ◆ Population trade area of 100,000 people

lion with a comparable same store increase of 10.6 percent. Shoe Carnival will open 12 to 14 stores in 2006 and plans to accelerate expansion in 2007 to 15 to 20 stores. Katz & Associates also exclusively represents Shoe Carnival in

the following states: Alabama, Georgia, North & South Carolina, Tennessee, Kentucky, Iowa, Nebraska, North & South Dakota and Minnesota.

According to Marlon Stone, VP Real Estate of Midwest Region for Katz & Associates, "Shoe Carnival has three prototypical sizes to fit market potential; 8,000 sf, 10,000 sf and 12,000 sf.

Target markets have a minimum population trade area of 100,000 people with moderate to above average household income. Shoe Carnival prefers centers with a strong apparel/fashion co-tenancy, including such retailers as Old Navy, T.J. Maxx, Marshalls, Ross, Burlington Coat Factory and large anchors such as Target, Wal-Mart and Kohl's."

For more information, contact Marlon Stone at (630) 571-5692 or e-mail: marlonstone@dkatz.com.

### World Market continued from page 1

following a strategy session conducted by Marty Hennessy and Kevin Higgins of Katz & Associates, our company felt that this plan provided World Market a professional roadmap to what has proven to be some of the top performing new stores in the company."

Kevin Higgins, SVP of Real Estate Southern Region, states, "I believe when the Pembroke Pines store opens this year, customers will be very impressed, and the store will draw from multiple trade areas until further stores are opened in the near future."

The Katz & Associates and World Market partnership has grown from one store in the state of Louisiana in 2002 to over 37 states and has completed 78 approved locations.

## DEVELOPMENT - BREAKING GROUND IN CASTLE ROCK

The Shoppes at Castle Rock is a new shopping center that will open in the Spring of 2007. Located in Castle Rock, Colorado, the project is being leased by Katz & Associates. The center is approximately 100,000 sf of retail.

"The City of Castle Rock is one of the fastest growing cities in Colorado and the excellent demographics will offer retailers an opportunity to open in an affluent, underserved market," says

Keith Bierley, Vice President, Midwest Region. The center will be adjacent to an existing Home Depot. Target, Super Wal-Mart, Kohl's, PetSmart, Office De-

pot and Pier 1 have stores within 1 mile of the new center.

"We are currently working with the City of Castle Rock on design plans and expect to begin construction in the fall," said Bruce Christenson and Phil Bundy, the owners of the center.

For more information, contact Keith Bierley at (817) 430-5840 or e-mail: keithbierley@dkatz.com.

TRADE AREA DEMOGRAPHICS		
	5 MILE	10 MILE
POPULATION	39,122	150,920
AVERAGE INCOME	\$133,834	\$131,660
GROWTH 1990 - 2005	237.4%	359.8%

2005 Social & Census Data

### KATZ CAPTURES CHICO'S IN THE CAROLINAS

Chico's FAS, Inc. currently operates several concepts: Chico's, White House/Black Market, Soma and Fitigues. There are 789 units open: Chico's (550), The White House/Black Market (209), Soma by Chico's (18) and Fitigues (12). Plans call for 130 openings this year, with 170 expected for 2007. Aggressive expansion is planned for the Carolinas with several markets approved and sites identified. Host centers should have an upscale, lifestyle-oriented tenant mix that includes retailers such as Williams-Sonoma, Crate & Barrel, Ann Taylor and Banana Republic. Target customer is well-heeled, well-traveled and educated. Chico's targets customers 35-65 and White House/Black Market is geared toward middle-to upper-income women from 25-45.

For more information, contact Julie Gardner at (704) 334-3122 or e-mail: juliegardner@dkatz.com.

### KATZ & ASSOCIATES ANNOUNCES EXCLUSIVE REPRESENTATION OF ROAD RUNNER SPORTS

Katz & Associates Corporation is pleased to announce it has secured the exclusive right to represent Road Runner Sports in its expansion throughout the United States. Road Runner Sports is a unique specialty

Road Runner Sports currently operates 3 retail locations: Seattle, WA; Anaheim and San Diego, CA. Their initial expansion plans were for the West Coast, but as Jesse Rehmeier states, "After successful openings in California, Road Runner Sports plans to open in a number of markets in 2007. Those would include Washington D.C., New York, New Jersey, Philadelphia, Seattle and Phoenix."

The typical Road Runner Sports store is 7,000-10,000

sf. Site selection criteria include a regional trade area with significant visibility. Demographic requirements: Annual Median Incomes of \$75,000.

For more information, contact Jesse Rehmeier at (949) 597-3535 or email: jesserehmeier@dkatz.com.

"After successful openings in California, Road Runner Sports plans to open in a number of markets in 2007. Those would include Washington D.C., New York, New Jersey, Philadelphia, Seattle and Phoenix."

- Jesse Rehmeier

retailer of running shoes, running apparel and accessories. No one comes close in knowledge when putting you in a running shoe. Their highly trained associates know everything there is to know about running.

### KATZ ROSTER EXPANDS IN FLORIDA

Katz & Associates is pleased to announce the hiring of David Emihovich as Director of Real Estate, Southern Region.

Prior to joining Katz, David was a Leasing Associate with Continental Real Estate Companies based out of Miami, FL. He exclusively represented several national retailers: The Children's Place, GameStop, Jamba Juice, Hair Cuttery, and Mayor's Jewelers within South Florida. David was also responsible for the leasing of two regional Wal-Mart anchored projects

in Gainesville and Orange Park, FL. In addition, David was involved with the strategic planning and corporate rollout of Panera Bread for Dade, Lee and Collier counties in Florida. Prior to Continental Real Estate Companies, David was with GT Colliers out of Rosville, CA. He was responsible for the Weingarten Realty Portfolio of Northern California with over 750,000 sf. David was also involved with the rollout and expansion of Cold Stone Creamery, EB Games and Panera Bread for Northern and Central California. Mr. Emihovich



successfully completed the land and feasibility study for several grocery anchored shopping centers in the cities of Galt, Dixon and Vacaville, CA.

David holds real estate licenses in California and Florida and is an active member of the ICSC and Chairman of the ICSC Next Generation Program, Broward County.



#### Katz & Associates

will exhibit at the 2006 ICSC Conference in Las Vegas from May 22-24, 2006.

Come visit us at booth **31M Street**, or contact us in advance to discuss exclusive representation.



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**KATZ &  
ASSOCIATES**  
CORPORATION

Katz Report  
Spring 2006

# LINENS-N-THINGS

**A.C. MOORE**

**COST PLUS**  
**WORLD MARKET**

Kirkland's Home      LOEHMANN'S

**s o m a**  
BY CHICO'S

  
**WILD OATS**  
MARKETS, INC.

**CHICO'S**

**BOMBAY**

**BIG  
LOTS!**

  
**ROAD RUNNER SPORTS**  
*The World's Largest Running Store!*

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**JOS. A.  
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ESTABLISHED 1905

**FITIGUES**  
*...get comfortable*

**WHITE** | **BLACK**  
HOUSE | MARKET

**BOOKS-A-MILLION**

LEATHER ♦ TOWN

**NAMCO**

 beautyfirst

**MOTHERHOOD**  
MATERNITY

**SHOE  
CARNIVAL**