

An External Newsletter of
Cushman & Wakefield's
Retail Services

Second Quarter 2007

San Francisco

Cushman & Wakefield **Retail Services**

The San Francisco Retail Services Team is pleased to provide you with its quarterly newsletter, a publication focused on retail consumer reporting, Manhattan retail market highlights, and submarket snapshots and statistics.

Cushman & Wakefield is one of the leading brands in retail services. And with good reason: Putting our clients first has been our business plan since 1917. No other real estate services company offers more in retail, including tenant and landlord representation, appraisal, property sales, and international coverage.

San Francisco and Union Square Second Quarter 2007

San Francisco, the nation's fourth largest metropolitan area houses a population of seven million people and hosted over 15.8 million visitors last year generating sales of \$7.7 billion annually. 25% of visitors arrive for business, 39% for leisure, and the remaining 35% for conventions. 65% of these tourists visit Union Square. San Francisco continues to rank as the third largest market for women's apparel in the nation.

Union Square has seen a dramatic transformation over the last several quarters. Union Square was once primarily a market focused on large American department stores, such as Neiman Marcus and Saks Fifth Avenue with luxury tenants such as Dior and Gucci. It has now become a shopping district expanding as far out as Grant Avenue and Market Street to include new international fashion forward retailers such as Ted Baker and Miss Sixty. Another notable change to Union Square has been the influx of mainstream fashion retailers. Juicy Couture opened a 9,800 sf flagship store on Grant Avenue; Zara opened a 26,000 sf flagship on Post Street and H&M has three stores within a few blocks; a 34,000 sf flagship on Powell Street, a 15,000 sf store on Post Street, and a 14,479 sf store in Westfield San Francisco Centre.

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Major Lease Transactions

Project	Submarket	Tenant	Retail S/F	Possession Date
201 Post	Union Square	Prada	18,000	Retail
250 Post	Union Square	Cartier	11,000	Retail
200 Powell	Union Square	Skechers	7,800	Retail
327 Grant	Union Square	Lululemon	7,674	Retail
120 Maiden Lane	Union Square	Helmut Lang	4,992	Retail
185 Post	Union Square	De Beers	4,707	Retail
767 Market	Union Square	Hickey Freeman	4,425	Retail
55 Stockton	Union Square	Ben Sherman	2,164	Retail

Significant Projects Under Construction

Project	Submarket	Property Type	Retail S/F	Possession Date
48 Stockton	Union Square	Retail	63,000	Fall 2007
Contemporary Jewish Museum	South of Market	Museum & Retail	63,000	Spring 2008
800 Market Street	Union Square	Retail & Office	20,000	Fall 2008
185 Post	Union Square	Retail & Office	10,000	Fall 2007
117 Post	Union Square	Retail (Mango)	7,348	Summer 2007
888 Howard-Intecontinental Hotel	South of Market	Hotel & Retail	550 rooms	Winter 2007-2008

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