

This is an unprecedented time for nearly all industries, especially the financial sector. Our environment is rapidly changing and the pressures that come with a recession, such as rising unemployment, or a change in administrations further intensify these matters.

While this economic environment has been challenging for the financial industry, UMB continues to grow our loan portfolio by sticking to our core lending principles—lend to customers we know, lend in our territory, and originate our own loans. By doing what is right and not what is popular, UMB has remained true to our principles for more than 95 years. Proof of this successful model is witnessed by our record annual earnings in 2008 -- despite the troubled economy. Also, our loan quality in 2008 was one of the industry's best with non performing loans at just 0.20 percent. We have liquidity and have been extremely active lenders with loans up 12 percent this past year.

Mariner Kemper, Chairman and CEO
UMB Financial Corporation

Kansas City Home Sales

Single-Family Homes - NSA

	Dec-07	Dec-08
New home sales	344	211
Existing home sales	1,533	1,582
Total market inventory	18,553	15,771
Months of supply	9.9	8.8

Source: Kansas City Regional Association of REALTORS®
NSA = not seasonally adjusted

Kansas City Home Permits

Authorized Units Privately Owned - NSA

	Total	Y-Y Change
November-07	530	
November-08	479	-9.6%
December-07	484	
December-08	123	-74.5%

Source: U.S. Census Bureau NSA = not seasonally adjusted

Kansas City Employment

National Unemployment Average 7.6% - January 2009 - NSA

	Employment Change*	Unemployment Rate
November-07	+4,807	4.8%
November-08 (r)	-3,537	6.2%
December-07	-9,183	5.1%
December-08	-8,671	6.5%

Source: Bureau of Labor Statistics NSA = not seasonally adjusted
*Change from prior month (r) = revised data

Carlson Index

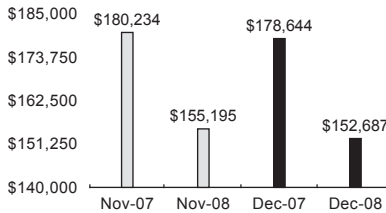
In the third quarter of 2008, each job in Kansas City generated an average of \$5,131 in retail sales expenditures. This was a slight decrease from the second quarter of 2008.

Source: The Carlson Group Most recent data available

Kansas City Economic Benchmarks

Kansas City Average Home Price

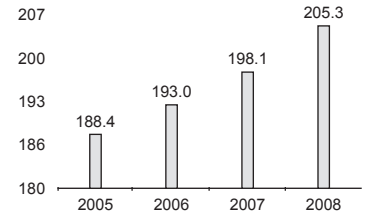
U.S. Median: \$175,400 in December



Source: Kansas City Regional Association of REALTORS®

Kansas City* Consumer Price Index

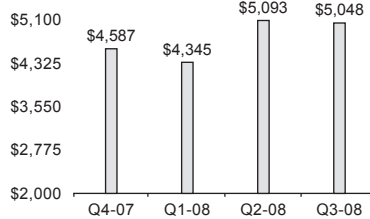
1982-84 = 100 (U.S. Avg 215.3)



Source: Bureau of Labor Statistics
*Midwest Urban Region

Greater Kansas City Retail Sales

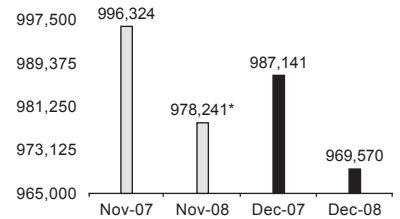
In Millions (000,000s) NSA



Source: Missouri Department of Revenue/Kansas Department of Revenue
NSA = not seasonally adjusted

Kansas City Employment

In Thousands (000s) NSA



Source: Bureau of Labor Statistics
NSA = not seasonally adjusted *revised data

**Mortgage rates: 30 yr - 5.028%, 15 yr - 4.96%, 5/1 - ARM 5.60%;
1 yr CD - 2.19%; money market yield - 1.64%**

Source: WSJ 02/16/09

Inside the Economy

Stimulate What?

At this writing, the Congress is still debating the terms of the so-called "Stimulus Package" (the American Recovery and Reinvestment Act of 2009). It started out, and continues to look like, a Christmas tree with many ornaments dangling from its numerous branches. As a stimulus to job creation, it will probably have a mediocre impact. As a tool of social engineering, it will be unsurpassed in its breadth of coverage. The only certainty is that we will add approximately a trillion dollars to the national debt over the next five years (according to the Congressional Budget Office).

Is there a better path? Yes and no. If the objective of the plan is to create jobs, then a blinding flash of the obvious would be to do things that directly affect job creation. As most jobs are created in the private sector through businesses—small, medium, and large—a tax credit for putting people to work might be an attractive way to induce the creators of jobs to, well, create them. The House version of the plan contemplates business tax credits for hiring unemployed veterans and "disconnected youth." Wow. On the other side of the fence lies the problem of stimulating demand for goods and services. Without demand, it doesn't make a whole lot of sense to stimulate hiring if no one is buying. The (mainly) Republican theory of tax cuts to individuals and businesses enters here. Putting more money into the hands of consumers and businesses can be a good thing. However, in light of the failure of the 2008 tax stimulus to stimulate much of anything through checks to individuals, the strategy of tax relief to encourage consumption is fraught with uncertainty.

An alternative approach might be to issue term consumption vouchers instead of money or income tax credits. Each consumer or family would receive vouchers toward the purchase of domestic goods and services staged over a year (to avoid an immediate blip in consumption and a return to reduced demand). If the vouchers aren't used in the time period designated, they expire. Potentially, business hiring credits and consumption vouchers might stimulate the supply side and the demand side of the economy to the point that we'd be on track with real economic growth again. Will it happen? Not likely. The stimulus suffers from the insurmountable barrier of not enough Congressional largesse to spread around.

Author: Ken Maxey

Local Trends

Average Weekly Wage Q2-08 Avg. County Weekly Wage

Cass	\$589
Clay	\$794
Jackson	\$863
Johnson	\$581
Lafayette	\$526
Platte	\$738
Ray	\$516

Source: Bureau of Labor Statistics

Kansas City Employment Natural Resources, Mining, and Construction Jobs

2002	50,000
2003	50,900
2004	50,900
2005	52,800
2006	54,400
2007	53,400
2008	48,500

Source: Bureau of Labor Statistics

Kansas City Employment Education & Health Services Total Employees

2002	106,000
2003	107,700
2004	109,200
2005	111,500
2006	114,500
2007	118,600
2008	121,700

Source: Bureau of Labor Statistics

Kansas City Occupational Employment and Wage Estimates Selected Occupational Groups in Kansas City, MO-KS

	Employment	Median Hourly Wage	Mean Hourly Wage	Mean Annual Salary
Sales managers	2,060	\$44.98	\$50.68	\$105,420
Bookkeeping and accounting clerks	14,670	\$15.02	\$15.37	\$31,960
Education, training, and librarians	53,960	\$18.08	\$19.75	\$41,080
Medical assistants	2,630	\$13.65	\$13.67	\$28,430
Executive and administrative assistants	11,880	\$17.95	\$18.93	\$39,370
All occupations	998,070	\$15.65	\$19.69	\$40,950

Source: Bureau of Labor Statistics May 2007 Survey Most recent data available

Quick Fact

3.87% The increase in personal income in Missouri between the third quarter of 2007 and the third quarter of 2008. Nationally, the increase was 3.68%.

Source: Bureau of Economic Analysis

National Trends

Business Outlook - U.S. Firms' Growth Expectations During the Next 12 Months

Monthly Averages	December 2008	September 2008	June 2008	March 2008
Earnings growth	-9.0%	5.5%	2.9%	8.7%
Capital spending	-10.2%	0.6%	2.3%	3.3%
Technology spending	-4.4%	1.9%	3.4%	3.2%
Marketing spending	-6.6%	0.6%	0.2%	2.5%
Employment	-5.0%	-1.6%	-0.2%	0.6%

Source: Duke's Fuqua School of Business/CFO Magazine Business Outlook December 2008 Results for U.S. firms expecting growth in their own businesses during the next 12 months Percentages indicate an increase or decline for each category

U.S. Job Openings

Survey Date	Job Openings (000s)
December 2008	2,692
November 2008 (r)	2,855
October 2008	3,001
September 2008	3,214
August 2008	3,375
July 2008	3,492
June 2008	3,497
May 2008	3,631
April 2008	3,612

Source: Bureau of Labor Statistics (r) = revised Seasonally adjusted rate

Employment Cost Index - NSA

	Index Number	Twelve-Month Change
Q1-2008	107.3	3.2%
Q2-2008	108.0	3.0%
Q3-2008	108.7	2.8%
Q4-2008	108.9	2.4%

Source: Bureau of Labor Statistics 2005 = 100.0 NSA = not seasonally adjusted

CPI - Medical Costs - NSA

	Dec-07	Dec-08
Medical care	357.6	367.1
Medical care services	376.9	388.2
Hospital services*	189.9	201.0
U.S. all items	210.0	210.2

Source: Bureau of Labor Statistics NSA = not seasonally adjusted 1982-84 = 100.0 *1996 = 100.0

Domestic Automotive Units (000s)

	U.S. Production	Unit Sales	Inventory Level
November-07	329.2	459.4	1,012.6
November-08	284.7	273.8	1,149.5
December-07	333.7	450.3	920.1
December-08	238.3	301.5	1,154.9

Source: Bureau of Economic Analysis

Personal Income

In Billions of Dollars, SAAR

	Jul-08	Aug-08	Sep-08	Oct-08 (r)	Nov-08 (r)	Dec-08
Personal income	12,136 ▼	12,168 ▲	12,173 ▲	12,161 ▼	12,117 ▼	12,092 ▼
Disposable personal income	10,764 ▼	10,648 ▼	10,658 ▲	10,656 ▼	10,623 ▼	10,597 ▼
Personal consumption expenditures	10,187 ▼	10,170 ▼	10,132 ▼	10,016 ▼	9,938 ▼	9,836 ▼

Source: Bureau of Economic Analysis SAAR = seasonally adjusted annual rate (r) = revised

Gross Domestic Product

Q4-07	-0.2%
Q1-08	0.9%
Q2-08	2.8%
Q3-08	-0.5%
Q4-08	-3.8%

Source: Bureau of Economic Analysis Percent change from prior qtr.

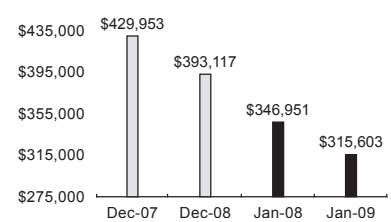
Consumer Confidence Index

Sep-08	61.4
Oct-08	38.8
Nov-08	44.7
Dec-08 (r)	38.6
Jan-09 (p)	37.7

Source: The Conference Board 1985 = 100 (p) = preliminary (r) = revised

Total U.S. Retail Sales

In Millions (000,000s) NSA



Source: U.S. Department of Commerce NSA = not seasonally adjusted *revised data

MINNEAPOLIS-ST. PAUL • By The Numbers

March 2009

Minneapolis-St. Paul Employment

	Employment	Unemployment Rate
Dec-07	1,767,152	4.5%
Dec-08	1,718,472	6.4%
Jan-08	1,751,939	4.7%
Jan-09	1,670,733	7.8%

Source: Bureau of Labor Statistics
Not seasonally adjusted
U.S. unemployment average 8.1% in February 2009

Minneapolis-St. Paul Employment

	Labor Force	Employment Change*
Dec-07	1,850,202	-16,908
Dec-08	1,836,266	-19,474
Jan-08	1,838,689	-15,213
Jan-09	1,811,189	-47,739

Source: Bureau of Labor Statistics
Not seasonally adjusted
*Change from prior month

Average Weekly Wage*

	Q2-05	Q2-06	Q2-07	Q2-08	Q2-08 Wage Index
Minnesota	\$759	\$790	\$834	\$849	100.9
National	\$751	\$784	\$820	\$841	100.0

Source: Bureau of Labor Statistics *Most recent data available

Industry Job Trends

Data as of January 2009

Minneapolis-St. Paul Housing Market

Year-over-Year Comparisons

	Minneapolis Jan-08	U.S. Avg. Jan-08	Minneapolis Jan-09	U.S. Avg. Jan-09	Minneapolis Change	National Change
Median home price	\$226,950	\$199,800	\$207,528	\$170,300	-8.56%	-14.76%
Average mo. payment	\$1,325	\$1,166	\$1,138	\$934	-14.11%	-19.90%
Affordability index	142.7	107.3	126.8	92.5	-11.15%	-13.80%

Source: Housing Tracker, National Association of REALTORS®, Freddie Mac, The Carlon Group
Affordability Index: The percent of gross monthly wage needed to satisfy the mortgage payment based upon the Minneapolis-St. Paul average home price (30% of gross monthly income going toward mortgage). A low index number indicates a more affordable payment relative to income.

Minneapolis-St. Paul Employment

January 2009

	% Labor Force	YY Change
Mining, logging, and construction	2.73%	▼
Manufacturing	10.32%	▼
Durable goods	7.14%	▼
Non-durable goods	3.18%	▼
Transportation and utilities	17.60%	▼
Wholesale trade	4.61%	▼
Retail trade	9.55%	▼
Telecommunications	0.55%	▼
Financial activities	7.56%	▼
Information	2.26%	▼
Scientific and technical services	5.51%	▼
Architectural and engineering	0.84%	▼
Management	3.40%	▼
Administrative and support	4.35%	▼
Educational services	1.96%	▼
Healthcare and social work	12.20%	▲
Leisure and hospitality	8.22%	▼
Government	12.99%	▼

Source: Bureau of Labor Statistics
Totals do not equal 100% due to individuals having multiple occupations

Inside The Numbers

The Minneapolis-St. Paul labor force increased 1.7% between January 2004 and January 2009. During that time, unemployment rose from 5.8% to 8.5%.

Comparatively, Minnesota's labor force increased only 0.7% between January 2004 and January 2009. The state's rate of unemployment grew from 5.2% to 7.8% between January 2004 and 2009.

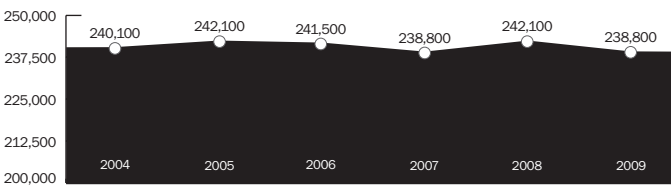
Source: Bureau of Labor Statistics

Average Hourly Earnings

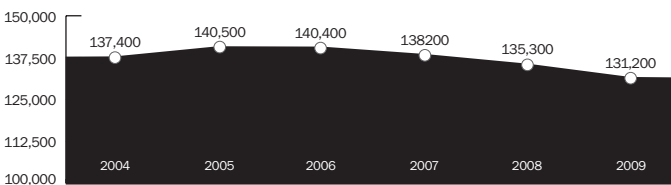
	Dec-07	Dec-08
Total private	\$23.46	\$23.66
Goods producing	\$22.97	\$23.82
Private service producing	\$23.62	\$23.61
Construction	\$26.15	\$25.46
Manufacturing	\$22.27	\$23.71
Trade and transportation	\$19.88	\$20.06
Financial activities	\$27.83	\$26.97
Professional services	\$27.82	\$29.49
Education and health	\$25.09	\$24.46
Leisure and hospitality	\$12.54	\$13.27
Other services	\$15.01	\$16.50

Source: Bureau of Labor Statistics Not seasonally adjusted

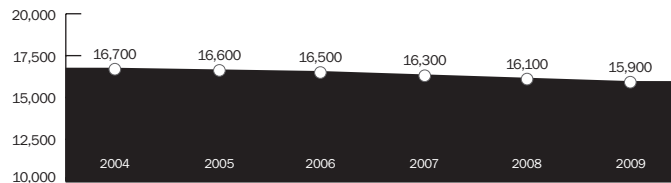
Government



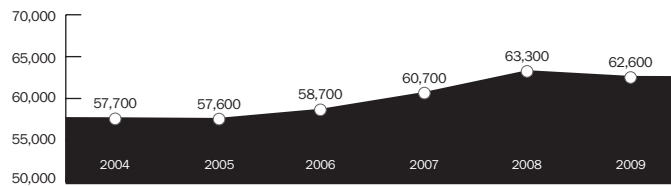
Durable Goods



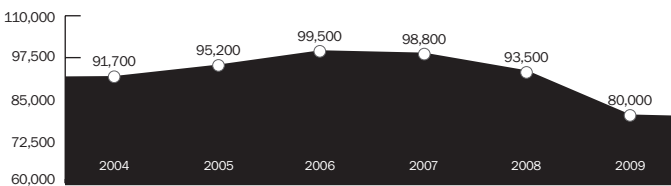
Legal Services



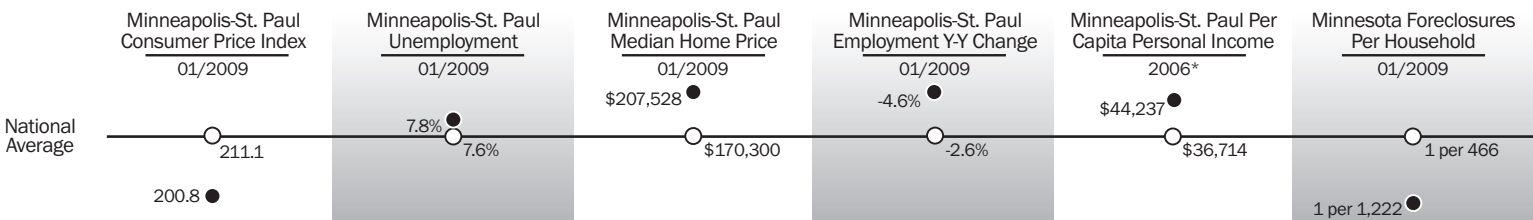
Management



Administrative and Support



Source: Bureau of Labor Statistics



Source: Bureau of Labor Statistics, National Association of REALTORS®, Housing Tracker, Bureau of Economic Analysis, RealtyTrac

*Most recent data available

O = National average ● = Minneapolis-St. Paul and Minnesota indices

NATIONAL TRENDS

Consumer Price Index
1982-84 = 100.0

January-08	211.0
January-09	211.1

Unemployment Rate

February-08	4.8%
February-09	8.1%

Payroll Employment

February-08	-144,000
February-09	-651,000

Average Hourly Earnings
Production workers
One month net change

February-08	+0.06%
February-09	+0.03%

Producer Price Index
All commodities 1982 = 100.0

January-08	181.0
January-09	171.0

Employment Cost Index
Private industry 2005 = 100.0

Q4-2007	106.3
Q4-2008	108.9

Productivity
Percent change from prior quarter

Q3-2008	+2.2%
Q4-2008	-0.4%

Import Price Index
All commodities 2000 = 100.0

January-08	129.2
January-09	113.1

Housing Starts
In thousands (000s)

January-08	1,064
January-09	466

Building Permits
In thousands (000s)

January-08	1,052
January-09	521

Medical Care Cost Index
1982-84 = 100.0

January-08	360.4
January-09	369.8

Gross Domestic Product
Percent change from prior quarter

Q3-2008	-0.5%
Q4-2008	-6.2%

Source: Bureau of Labor Statistics, U.S. Census Bureau, Bureau of Economic Analysis



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- STRATEGIC ACCOUNT MANAGEMENT
- SALES COLLATERAL
- COACHING AND TRAINING

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Apriva eyes global expansion for wireless POS software

BY PATRICK O'GRADY
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Wireless security company Apriva is expanding its global presence, looking at new markets for its wireless point-of-sale software.

The Scottsdale-based private company, which has been experiencing growth in the wireless POS market, announced last week it is ready to offer its software to emerging markets outside the U.S.

While wireless transactions make up 12 percent to 15 percent of the U.S. market, the company sees it making up about 30 percent of some foreign markets, such as China and India, said Paul Coppinger, one of Apriva's co-founders.

"We're relevant in the U.S. But outside the U.S., where the technology is based on cellular, we're even more relevant," said Coppinger, who will lead Apriva's new division focusing on international wireless growth.

The company, founded in 1999 as Appshare Wireless LLC, already has a large share of the U.S. wireless POS market. It sells its services to businesses using the terminals as a way to protect transaction data. It offers support and accreditation for the largest device manufacturers, including Hypercom Corp. and VeriFone Holdings Corp.

Apriva got its start providing secure communications through work for the National Security Agency. It continues to supply the government and military with devices for secure cellular and e-mail traffic.

The company likely will be adding jobs later this year, both at its Scottsdale office and in other countries, but doesn't yet have a count. It still is investigating which countries it will tackle first, Coppinger said.

Target countries have seen growth in their middle class and have begun issuing large numbers of credit or debit cards. POS terminals make transactions easier, and Apriva could have a good start because much of the developing world has begun relying on cellular networks instead of land lines, as in the U.S., Coppinger said.



Coppinger

"Those are the areas (where) we think we're going to be able to make a difference very quickly," he said.

POS terminal sales in Asia are expanding. In 2007, for the first time, China pur-

chased more of them than Japan, according to a study by IHL Group, which tracks the industry. Shipments to China were up 19 percent from the previous year, and IHL expected that growth to continue.

Businesses that supply POS terminals, such as Scottsdale-based Hypercom, also are seeing increasing demand for wireless devices in countries from Europe to Asia, said Scott Goldthwaite, vice president of global solutions for the company.

"Wireless is one of our fastest-growing segments globally," he said, although the publicly traded company does not break down its sales for wireless devices versus their wired counterparts.

The demand is better globally for wireless POS because European and Asian companies were quicker to adopt wireless as a standard. Devices range from counter-top machines at grocery stores to portable units waiters carry in restaurants, Goldthwaite said.

While Coppinger will be heading the new division, Bill Clark, who has been in numerous senior management positions at Apriva, will head the company's POS division.

GET CONNECTED

Apriva: www.apriva.com

DIVERSIFIED PARTNERS
Nationwide Real Estate Services

Volume 5, Issue 4

April 2009



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General Partner

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Comprehensive services for ongoing success.

Diversified Partners, LLC is one of the top retail developers in the Valley with comprehensive knowledge of the development of successful retail projects through asset management. Diversified Partners is committed to architecting successful strategies that yield value for tenants, owners and investors. Just during the past two years Diversified Partners, LLC has constructed over 1,000,000 s.f. of retail in regional power and neighborhood retail centers throughout the Valley. A sample of the projects are:

- Superstition Gateway West: 66.7 +/- acres regional power center; 570,246 sq. ft. of buildings, anchored by Wal-Mart, Best Buy, Kohl's, Babies R Us, Bed Bath & Beyond
- Superstition Gateway East: 29 +/- acre regional power center; 148,367 sq. ft. of buildings, anchored by L.A. Fitness, Dickinson's Theater
- Power Marketplace II: 10.8 +/- acre neighborhood retail center; 70,950 sq. ft. of buildings, anchored by L.A. Fitness
- Mesa Ranch Plaza: 19.97 +/- acres; 214,400 sq. ft. of buildings, anchored by Pro's Ranch Market, La Curacao

Average Retail Lease Rates

Per Square Foot of Retail Space

	Phoenix Average	National Average
Q1-2008	\$21.60	\$19.80
Q2-2008	\$20.80	\$20.05
Q3-2008	\$20.25	\$19.55
Q4-2008	\$20.37	\$19.60

Source: COStar Group

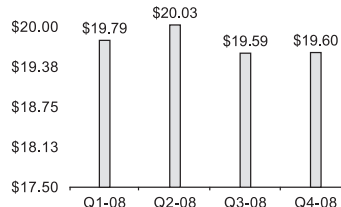
Greater Phoenix

COMMERCIAL UPDATE

Greater Phoenix Commercial Real Estate

Retail Lease Rates

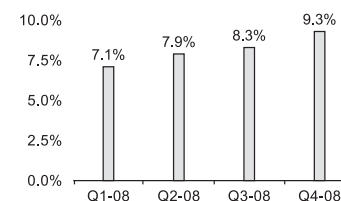
Quoted Rates per Square Foot
All Retail Property Types



Source: COStar Group

Retail Vacancy

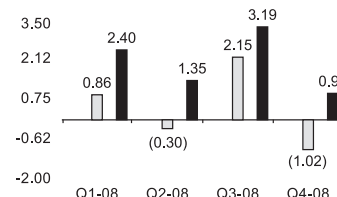
All Retail Property Types



Source: COStar Group

Retail Absorption and Deliveries

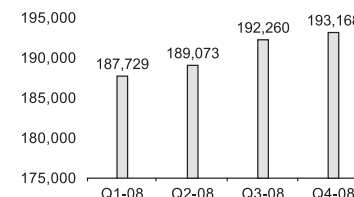
In Millions of Square Feet



Source: COStar Group

Existing Retail Inventory

In Thousands of Square Feet (000s)



Source: COStar Group

Greater Phoenix Retail Market Statistics

Fourth Quarter 2008

	Rentable Area	Vacancy Rate %	Under Construction S.F.	Avg. Asking Lease Rate - \$/S.F.
West/Southwest Phoenix	18,631,438	6.5%	1,625,840	\$20.30
North Scottsdale	14,907,653	6.4%	417,961	\$24.89
Scottsdale	4,619,080	4.4%	150,000	\$21.13
Tempe/Ahwafukee	17,812,804	6.3%	225,593	\$20.20
Mesa/Chandler/Gilbert	35,983,672	7.9%	1,053,834	\$17.67
Phoenix	14,659,243	7.5%	6,008,998	\$19.68

Source: CB Richard Ellis

RETAIL DONE RIGHT.

Remember...

Work hard at accommodating your tenants. Tenants are few and far between. Lease rates are declining. Stop everything you are doing the moment an LOI or offer comes in to make the deal happen.

480-947-8800
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Engle Homes parent cutting 65 local jobs

BY MIKE SUNNUCKS
msunnucks@bizjournals.com

Engle Homes Inc. parent Touse Inc. is laying off 65 employees at its offices in central Phoenix as its winds down operations.

The Florida-based company reported the layoffs to the Arizona Department of Economic Security, indicating they will occur by May 22.

Touse is in Chapter 11 bankruptcy reorganization, as its home building and financial arms have been hit hard by the real estate slump. The company said March 25 it is looking to close out existing stock and sales and sell off assets.

Engle Homes' Phoenix office referred questions to the company's Florida headquarters.

Touse officials did not respond to requests for comment, but one employee confirmed Engle was in the midst of an orderly wind-down process.

Engle Homes has subdivisions in Arizona, Nevada and Colorado. Its Phoenix-area developments include the Estates at DC Ranch in Scottsdale, and projects at Verado in Buckeye and Vistancia in Peoria.