

# Retail Market Report

VOIT COMMERCIAL BROKERAGE

Compared to last quarter:

**Vacancy**

**UP**

**Absorption**

**DOWN**

**Lease Rates**

**FLAT**

**Construction**

**DOWN**

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International

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APPLIED ANALYSIS

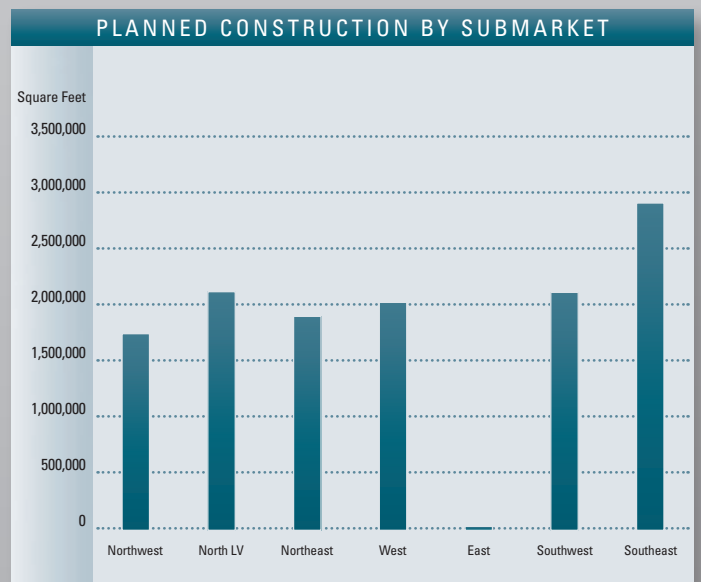
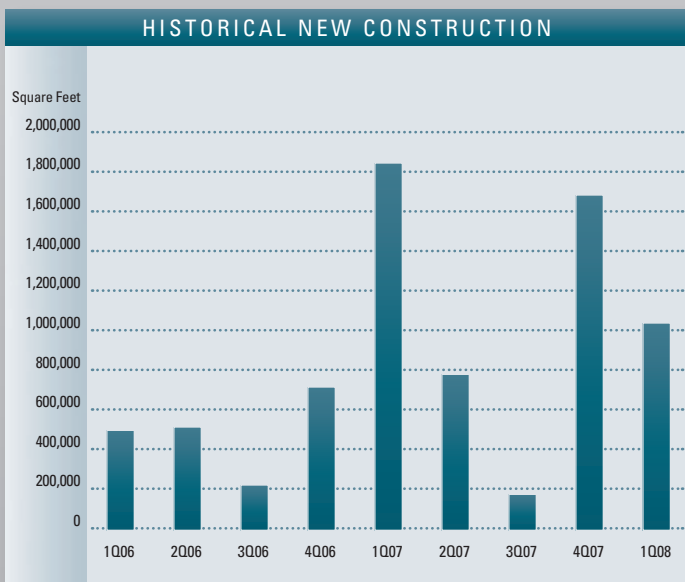
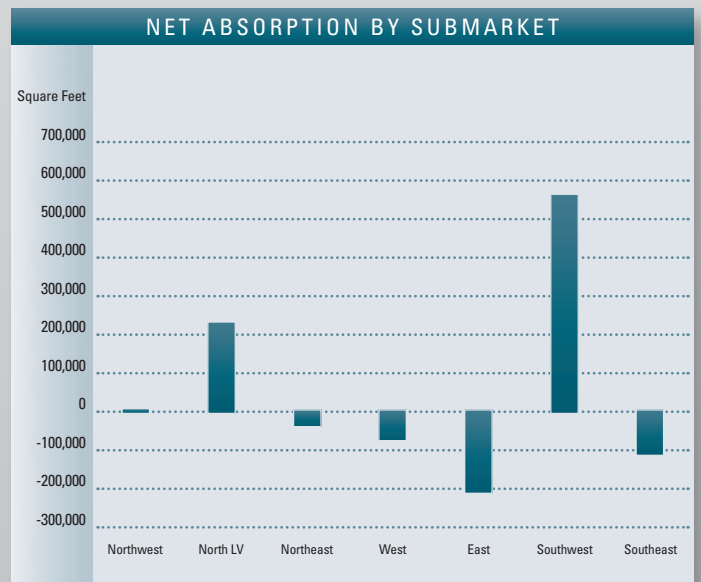
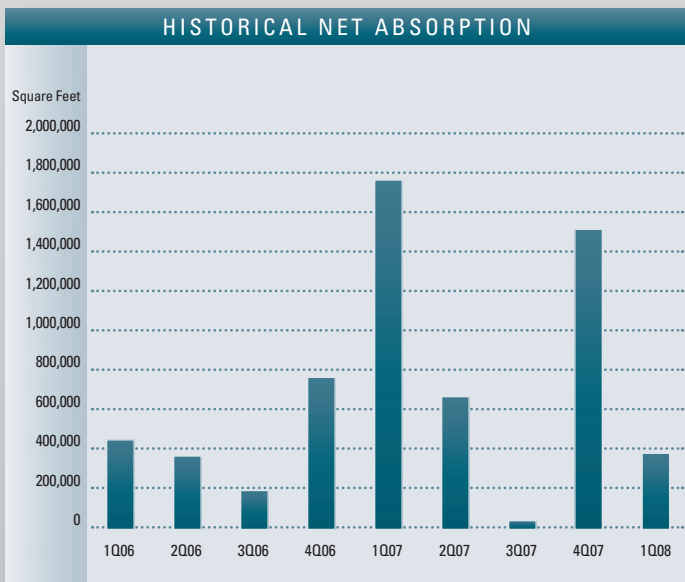
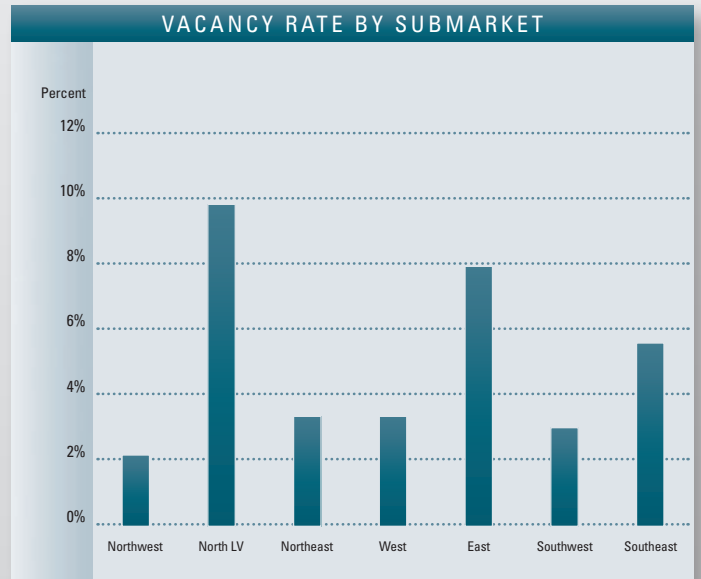
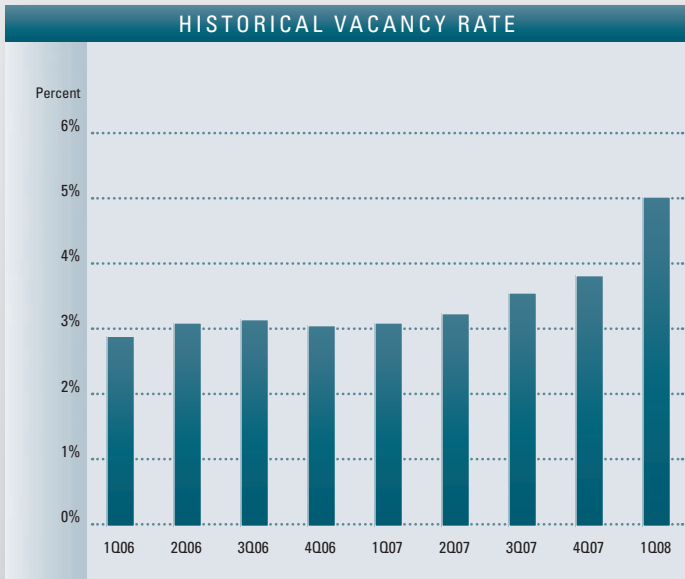
## Retail Market Highlights

- At the end of the first quarter 2008, the Las Vegas retail market was comprised of 49.9 million square feet of inventory in 317 anchored centers. With 2.5 million square feet of unoccupied square feet, the valley-wide vacancy rate was at an elevated 5.0 percent, up from the 3.8 percent in the preceding quarter and 3.1 percent reported one year ago.
- New additions to the market during the quarter contributed 1.0 million square feet, while net absorption failed to keep pace with only 371,000 square feet demanded. The market has been unable to remain balanced, with supply additions of 3.7 million square feet during the last four quarters and demand attaining only 2.6 million square feet during the past 12 months. Vacancies during the latest quarter include openings in Levitz Furniture outlets, CompUSA and other big box units.
- Major project completions during the quarter included a large portion of The Arroyo Market Square in the southwest submarket, Cannery Corner in the north portion of the valley and additional space in The Village at Craig Road.
- Currently, there are approximately 2.5 million square feet of retail space under construction and 12.8 million square feet planned (at varying stages) for future development. It is important to note that the planned space includes regional and mixed-use retail centers that are likely to be developed in phases.
- Consumer spending patterns are in a cycle of significant slowdown, while national consumer confidence levels recently hit a five-year low. Taxable retail sales during the past three months have declined compared to the same period of the prior year. Softness in the residential sector will likely persist for several quarters, with signs of a more balanced environment prevailing in 2009.
- By the close of the first quarter of 2008, the Las Vegas employment market reported annual employment growth of 1,600 new positions, representing a 0.2 percent increase over the same period of the prior year. Despite the latest slowdowns, retail-using employment represented an increase of 6,100 positions, posting growth of 3.6 percent. Unemployment rates remained above the prior year at 5.4 percent. Slowdowns within the residential and construction sectors contributed to the rise in joblessness claims during the first quarter.

## RETAIL MARKET OVERVIEW

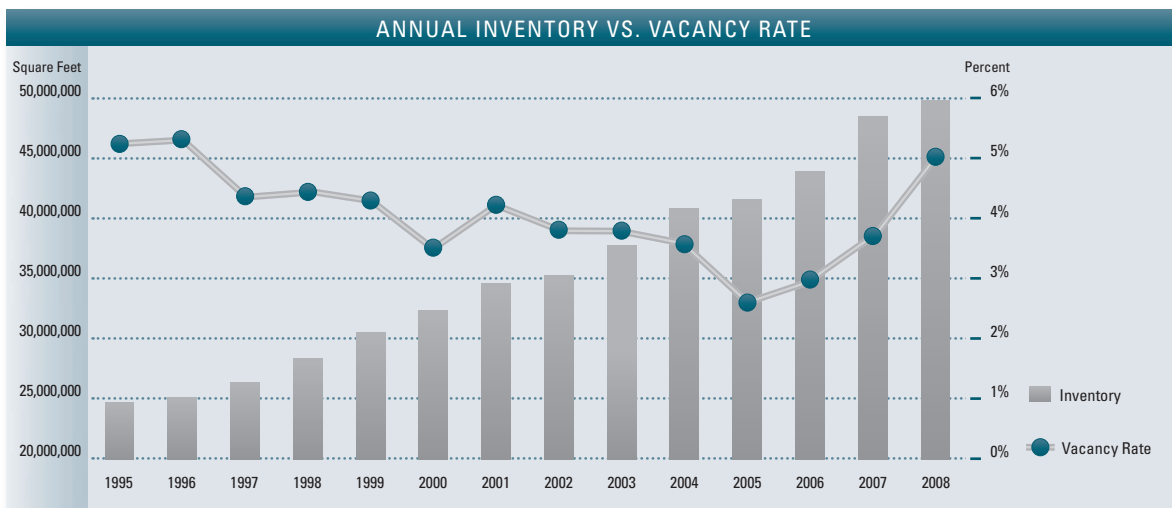
	1Q2008	4Q2007	1Q2007	% CHANGE VS. 1Q07
Under Construction	2,475,000	2,168,000	3,869,000	-36.03%
Planned Construction	12,759,000	13,700,000	12,626,000	1.05%
Vacancy	5.0%	3.8%	3.1%	61.29%
Net Absorption	371,000	1,504,000	1,759,000	-78.91%

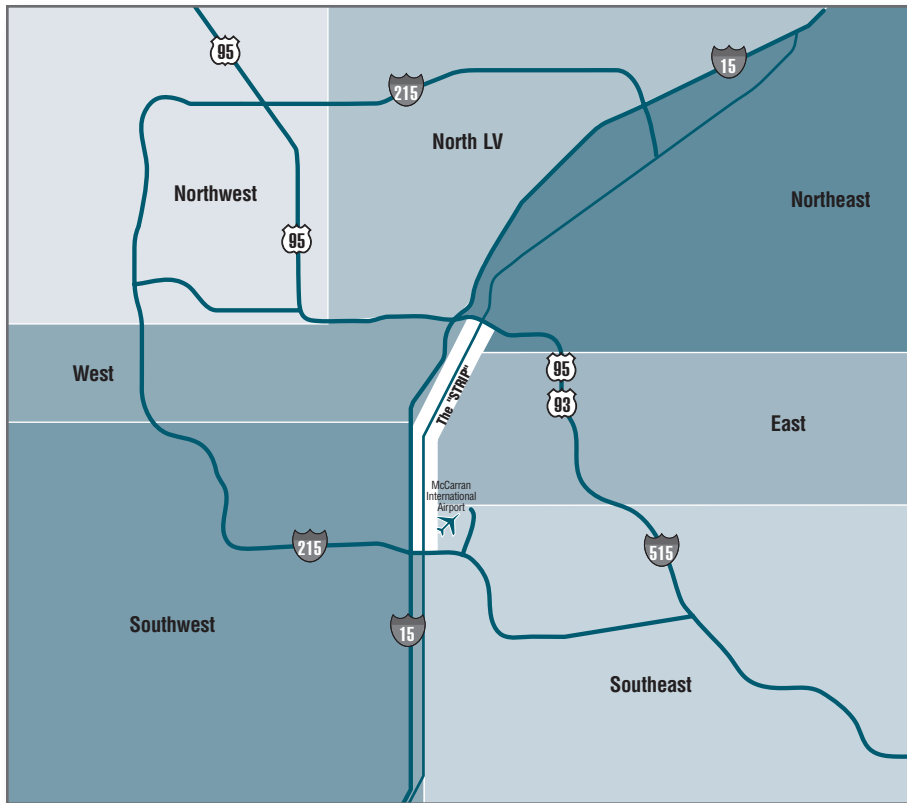
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	INVENTORY				VACANCY		ABSORPTION	
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet Planned	Square Feet U / C	Square Feet Vacant	Vacancy Rate 1Q2008	Net Absorption 1Q2008	New Inventory 1Q2008
<b>Northwest</b>								
Power Centers	5	2,189,622	1,000,000	0	44,343	2.0%	4,340	0
Community Centers	5	745,896	258,210	189,130	9,700	1.3%	0	0
Neighborhood Centers	17	1,960,058	456,525	0	46,735	2.4%	3,705	0
Northwest Total	27	4,895,576	1,714,735	189,130	100,778	2.1%	8,045	0
<b>North Las Vegas</b>								
Power Centers	8	1,656,677	592,904	697,518	43,720	2.6%	48	0
Community Centers	11	1,931,579	1,011,508	0	90,182	4.7%	278,233	300,000
Neighborhood Centers	30	3,030,639	553,020	29,523	512,626	16.9%	(39,887)	72,875
North Las Vegas Total	49	6,618,895	2,157,432	727,041	646,528	9.8%	238,394	372,875
<b>Northeast</b>								
Power Centers	4	943,001	1,349,211	0	1,560	0.2%	0	0
Community Centers	6	974,911	453,705	0	12,090	1.2%	0	0
Neighborhood Centers	16	1,191,951	34,000	86,588	89,140	7.5%	(41,450)	0
Northwest Total	26	3,109,863	1,836,916	86,588	102,790	3.3%	(41,450)	0
<b>West</b>								
Power Centers	10	2,804,229	1,930,929	0	92,621	3.3%	(36,509)	0
Community Centers	19	2,748,332	80,000	450,000	97,273	3.5%	6,504	0
Neighborhood Centers	22	2,570,157	0	0	76,871	3.0%	(37,843)	0
West Total	51	8,122,718	2,010,929	450,000	266,765	3.3%	(67,848)	0
<b>East</b>								
Power Centers	4	1,203,293	0	0	0	0.0%	0	0
Community Centers	11	1,883,070	20,000	60,000	240,716	12.8%	(124,790)	0
Neighborhood Centers	28	3,066,913	0	0	246,456	8.0%	(88,320)	0
East Total	43	6,153,276	20,000	60,000	487,172	7.9%	(213,110)	0
<b>Southwest</b>								
Power Centers	12	5,048,799	978,951	64,000	128,098	2.5%	550,651	608,512
Community Centers	7	620,755	595,719	295,346	26,540	4.3%	0	20,640
Neighborhood Centers	30	3,165,743	558,060	243,913	107,630	3.4%	17,220	0
Southwest Total	49	8,835,297	2,132,730	603,259	262,268	3.0%	567,871	629,152
<b>Southeast</b>								
Power Centers	8	3,433,402	2,188,135	151,970	158,646	4.6%	(25,938)	0
Community Centers	22	4,310,416	623,500	53,000	164,333	3.8%	(49,074)	0
Neighborhood Centers	42	4,382,699	74,550	153,874	314,639	7.2%	(46,280)	29,725
Southeast Total	72	12,126,517	2,886,185	358,844	637,618	5.3%	(121,292)	29,725
<b>Las Vegas Total</b>								
Power Centers	51	17,279,023	8,040,130	913,488	468,988	2.7%	492,592	608,512
Community Centers	81	13,214,959	3,042,642	1,047,476	640,834	4.8%	110,873	320,640
Neighborhood Centers	185	19,368,160	1,676,155	513,898	1,394,097	7.2%	(232,855)	102,600
<b>Total</b>	<b>317</b>	<b>49,862,142</b>	<b>12,758,927</b>	<b>2,474,862</b>	<b>2,503,919</b>	<b>5.0%</b>	<b>370,610</b>	<b>1,031,752</b>

This survey consists of buildings greater than 30,000 square feet.





**PRODUCT TYPE**

**POWER CENTERS**

Power Centers have multiple big box tenants and typically less shop space tenants, size starts at 100,000 SF and up.

**COMMUNITY CENTERS**

Community Centers are multiple anchored with shop space tenants, the sizes generally start at 100,000 SF and up.

**NEIGHBORHOOD CENTERS**

Neighborhood Centers are supermarket anchored with shop space tenants, the size starts at 30,000 SF and up.

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