



## Retail Market Report

Compared to the Previous Quarter:

Vacancy



Net Absorption



Lease Rates



Construction



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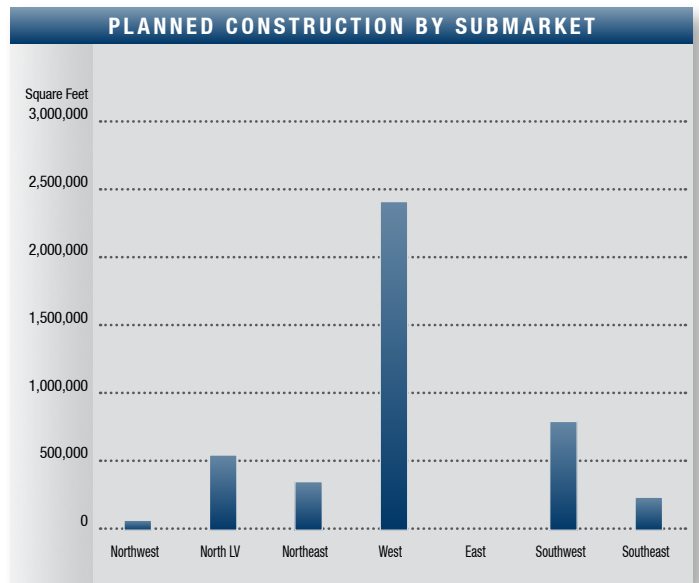
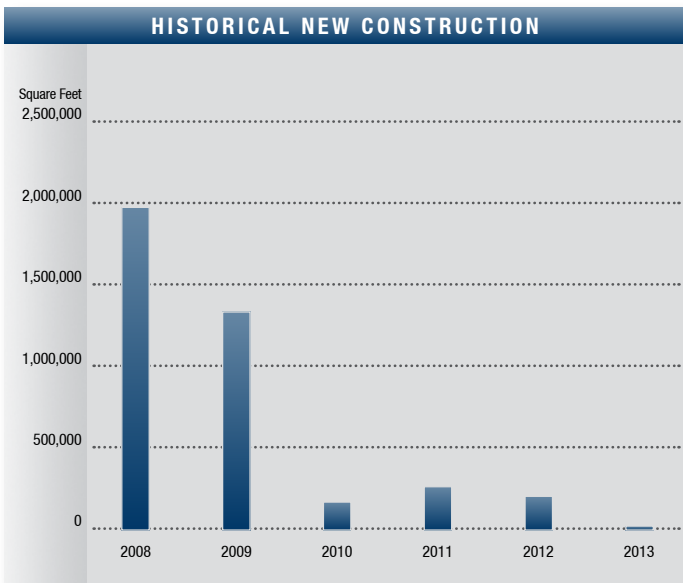
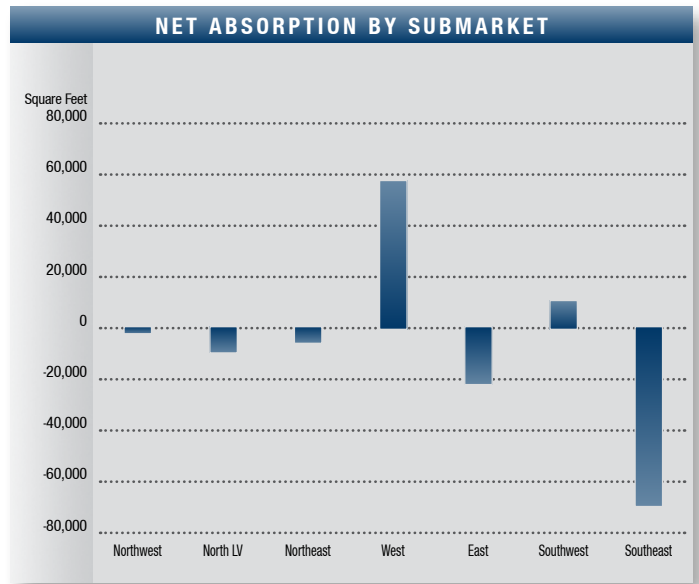
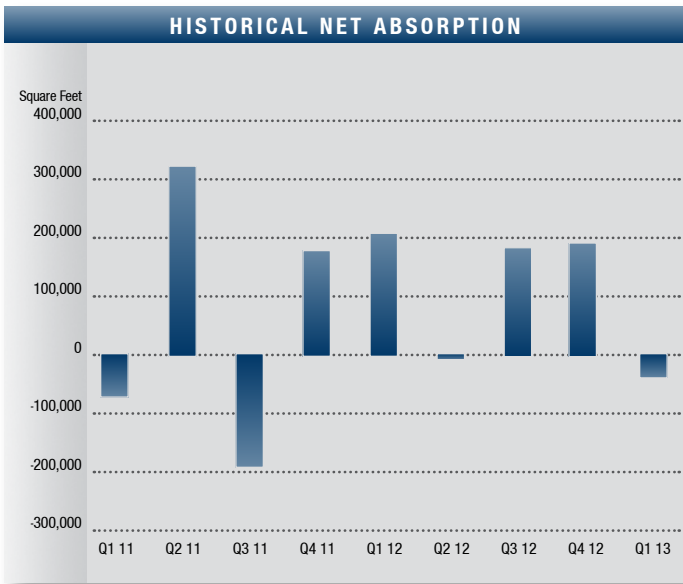
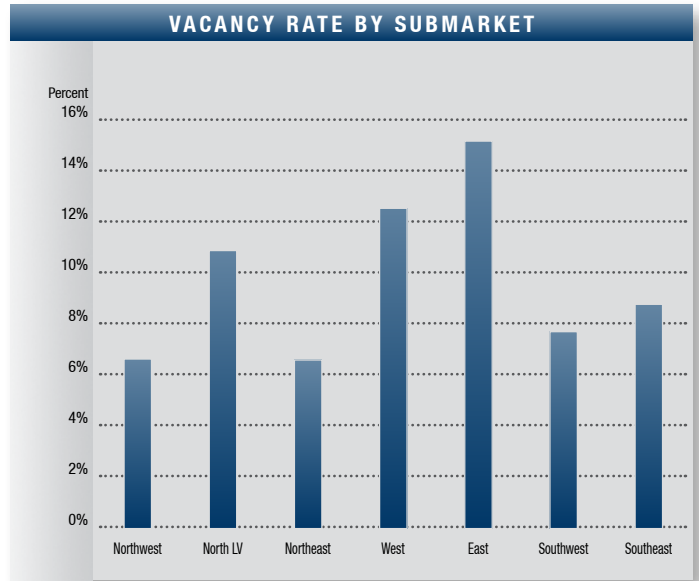
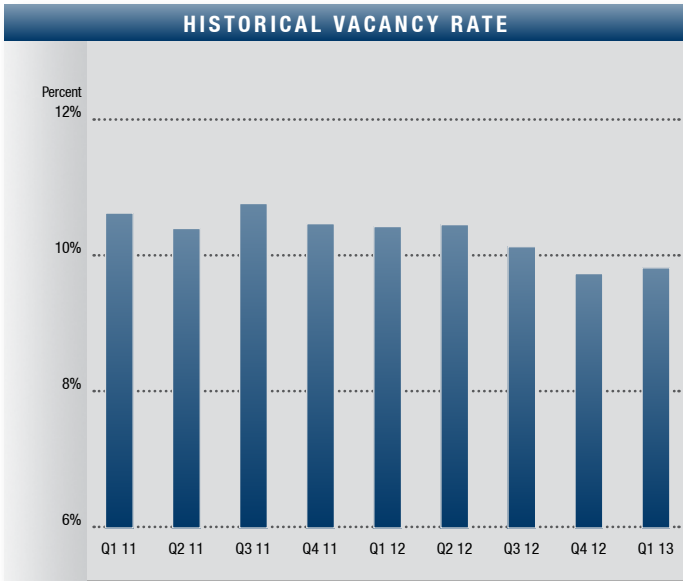
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### Market Highlights

- Market Overview** – The Las Vegas retail market reported a vacancy rate of 9.8 percent in the first quarter of 2013. Compared to the prior quarter (Q4 2012), the vacancy rate is up a modest 10 basis points (0.1 percent), but compared to a year ago (Q1 2012), it is down 60 basis points (0.6 percent). Retail vacancies have now reported annual, or year-over-year declines for three consecutive quarters.
- Demand** – The retail sector reported approximately 41,100 square feet of negative net absorption during the period as average asking rates fell modestly. Notably, Paddock Pools closed two of its stores (roughly 19,000 square feet each) located in the Best in the West and Stephanie Street Power centers. In addition, DSW Shoes vacated its 30,600-square-foot space in SunMark Plaza to move into its new 16,300-square-foot location in Stephanie Street. On a positive note, Opportunity Village leased 28,100 square feet in Craig Valley Plaza, while Harbor Freight Tools leased 18,200 square feet in Rainbow Expressway.
- Inventory** – Two projects totaling 9,100 square feet completed construction during the quarter, bringing total inventory to 51.9 million square feet. Bonefish Grill opened its new 5,100-square-foot location in Town Square, while a 4,000-square-foot Wendy's was added to the WinCo Foods Center on the southeast corner of Stephanie Street and Wigwam Parkway.
- Future Supply** – Approximately 324,600 square feet remain actively under construction throughout the valley. Tivoli Village at Queensridge is continuing to move forward with its 300,000-square-foot Phase 2 expansion. Also starting construction during the quarter was a second-phase addition to Desert Marketplace on the southeast corner of Durango Drive and Warm Springs Road (11,600 square feet) and a 9,000-square-foot Flemings at Town Square.
- Economic Considerations** – The national economic recovery continued to slow in recent months while local growth has been modest and measured. National real gross domestic product (GDP) for the fourth quarter of 2012 (latest available) reported an annual growth rate of just 0.4 percent. Consumer confidence fell to 59.7 in March of 2013, down 14.1 percent compared to a year ago, while expectations declined an even more dramatic 26.2 percent to 60.9. In addition, while the national unemployment rate fell to 7.6 percent in March, just 88,000 jobs were added to the market. In Las Vegas, employment expanded by 2.0 percent year-over-year in February, and the local unemployment rate dropped significantly to 9.8 percent (down from 12.1 percent).
- Looking Forward** – Demand for retail space slowed in the first quarter of the year, which reversed recent trends. While the retail market has generally outpaced the performances of its office and industrial counterparts in the post-recession environment, the sector is expected to benefit from increased consumer spending levels and an improving housing market going forward.

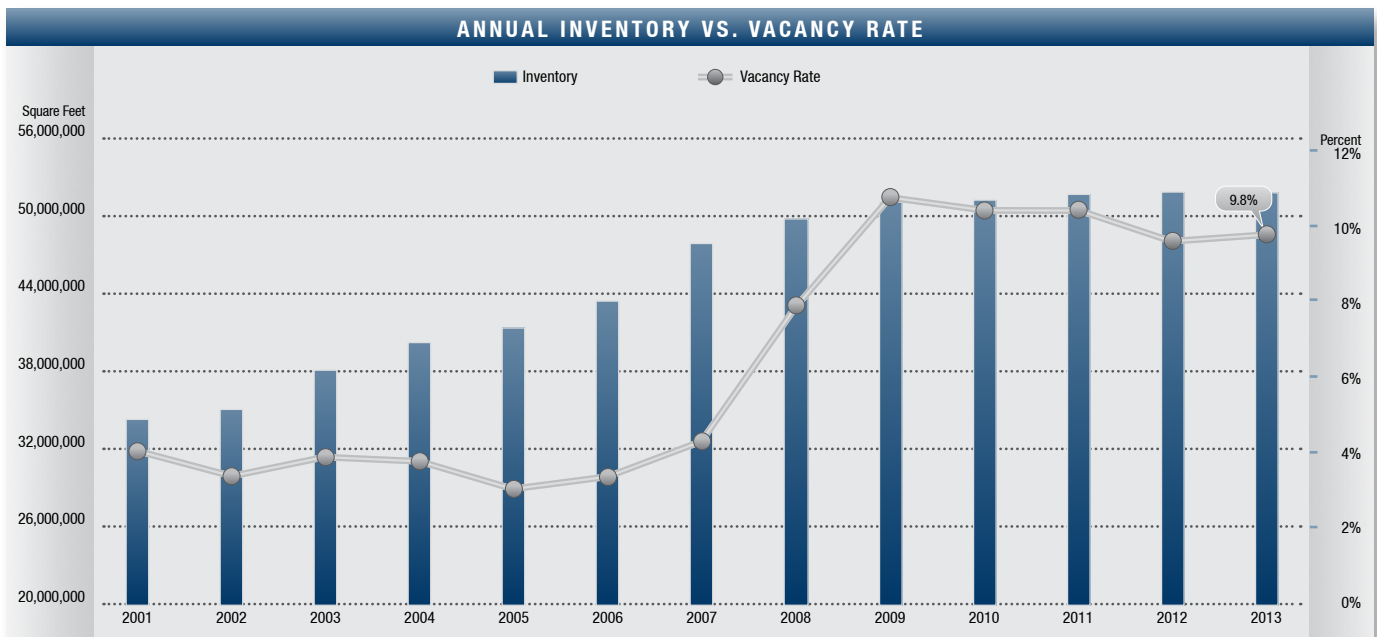
### RETAIL MARKET OVERVIEW

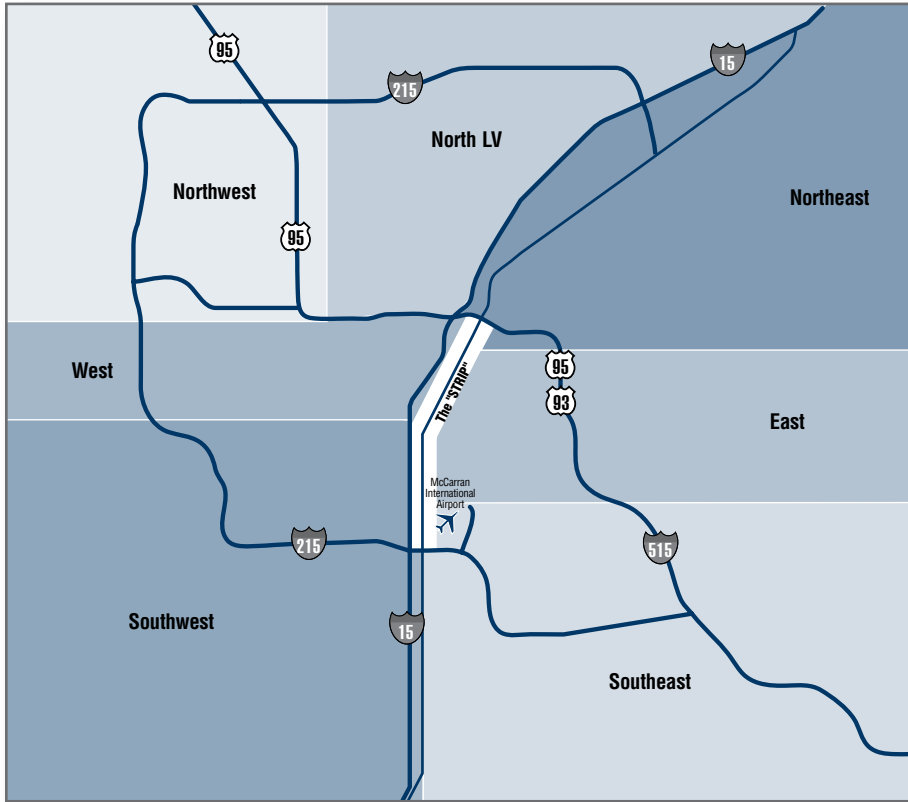
	Q1 2013	Q4 2012	Q1 2012	Q1 2013 vs. Q1 2012
Under Construction	324,568	309,100	300,000	8.2%
Planned Construction	4,381,450	4,527,018	4,292,118	2.1%
Vacancy	9.8%	9.7%	10.4%	(0.6%)
Net Absorption	(41,145)	191,576	206,821	N/A



	INVENTORY				VACANCY RATES		ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet Planned	Square Feet Under Construction	Square Feet Vacant	Vacancy Rate Q1 2013	Net Absorption Q1 2013	Net Absorption 2012	New Inventory Q1 2013	New Inventory 2012
<b>Northwest</b>										
Power Centers	5	2,239,622	0	0	150,841	6.7%	(12,589)	35,437	0	0
Community Centers	8	1,099,610	73,956	0	89,445	8.1%	22,468	1,439	0	0
Neighborhood Centers	17	1,960,058	0	0	103,399	5.3%	(11,872)	2,085	0	0
<b>Northwest Total</b>	<b>30</b>	<b>5,299,290</b>	<b>73,956</b>	<b>0</b>	<b>343,685</b>	<b>6.5%</b>	<b>(1,993)</b>	<b>38,961</b>	<b>0</b>	<b>0</b>
<b>North Las Vegas</b>										
Power Centers	13	2,639,291	535,475	0	131,721	5.0%	(29,973)	128,906	0	95,000
Community Centers	11	1,508,952	0	0	128,062	8.5%	(11,156)	4,971	0	0
Neighborhood Centers	30	2,994,395	0	0	514,916	17.2%	31,206	32,769	0	0
<b>North Las Vegas Total</b>	<b>54</b>	<b>7,142,638</b>	<b>535,475</b>	<b>0</b>	<b>774,699</b>	<b>10.8%</b>	<b>(9,923)</b>	<b>166,646</b>	<b>0</b>	<b>95,000</b>
<b>Northeast</b>										
Power Centers	4	943,001	0	0	13,111	1.4%	(4,381)	(4,800)	0	0
Community Centers	7	1,054,911	351,328	0	86,003	8.2%	593	(823)	0	0
Neighborhood Centers	17	1,298,539	0	0	116,587	9.0%	(1,870)	61,944	0	0
<b>Northeast Total</b>	<b>28</b>	<b>3,296,451</b>	<b>351,328</b>	<b>0</b>	<b>215,701</b>	<b>6.5%</b>	<b>(5,658)</b>	<b>56,321</b>	<b>0</b>	<b>0</b>
<b>West</b>										
Power Centers	11	3,079,229	1,500,000	0	146,862	4.8%	(7,063)	(14,858)	0	0
Community Centers	18	2,606,430	700,000	300,000	557,472	21.4%	40,564	(55,243)	0	0
Neighborhood Centers	22	2,540,122	200,000	0	320,651	12.6%	24,470	40,646	0	0
<b>West Total</b>	<b>51</b>	<b>8,225,781</b>	<b>2,400,000</b>	<b>300,000</b>	<b>1,024,985</b>	<b>12.5%</b>	<b>57,971</b>	<b>(29,455)</b>	<b>0</b>	<b>0</b>
<b>East</b>										
Power Centers	4	1,203,293	0	0	238,668	19.8%	(2,503)	18,637	0	0
Community Centers	11	1,864,470	0	0	210,384	11.3%	0	21,360	0	0
Neighborhood Centers	29	3,143,708	0	0	491,691	15.6%	(19,938)	(9,956)	0	0
<b>East Total</b>	<b>44</b>	<b>6,211,471</b>	<b>0</b>	<b>0</b>	<b>940,743</b>	<b>15.1%</b>	<b>(22,441)</b>	<b>30,041</b>	<b>0</b>	<b>0</b>
<b>Southwest</b>										
Power Centers	14	4,500,430	186,140	20,568	271,309	6.0%	2,345	26,209	5,100	0
Community Centers	8	786,101	222,219	0	63,496	8.1%	(2,550)	12,111	0	0
Neighborhood Centers	34	3,412,656	381,000	0	326,793	9.6%	10,375	34,499	0	3,000
<b>Southwest Total</b>	<b>56</b>	<b>8,699,187</b>	<b>789,359</b>	<b>20,568</b>	<b>661,598</b>	<b>7.6%</b>	<b>10,170</b>	<b>72,819</b>	<b>5,100</b>	<b>3,000</b>
<b>Southeast</b>										
Power Centers	10	3,851,585	175,037	0	255,151	6.6%	(48,254)	27,345	0	0
Community Centers	23	4,349,958	0	0	352,111	8.1%	(18,427)	69,413	0	0
Neighborhood Centers	49	4,778,085	56,295	0	519,690	10.9%	(2,590)	139,961	4,000	103,000
<b>Southeast Total</b>	<b>82</b>	<b>12,979,628</b>	<b>231,332</b>	<b>0</b>	<b>1,126,952</b>	<b>8.7%</b>	<b>(69,271)</b>	<b>236,719</b>	<b>4,000</b>	<b>103,000</b>
<b>Las Vegas Total</b>										
Power Centers	61	18,456,451	2,396,652	20,568	1,207,663	6.5%	(102,418)	216,876	5,100	95,000
Community Centers	86	13,270,432	1,347,503	300,000	1,486,973	11.2%	31,492	53,228	0	0
Neighborhood Centers	198	20,127,563	637,295	0	2,393,727	11.9%	29,781	301,948	4,000	106,000
<b>Las Vegas Total</b>	<b>345</b>	<b>51,854,446</b>	<b>4,381,450</b>	<b>320,568</b>	<b>5,088,363</b>	<b>9.8%</b>	<b>(41,145)</b>	<b>572,052</b>	<b>9,100</b>	<b>201,000</b>

**Note:** Planned inventory includes projects that previously commenced construction but are not actively underway.





**PRODUCT TYPE**

**POWER CENTER**

Power Centers have multiple big-box tenants and typically fewer shop-space tenants; size starts at 100,000 SF

**COMMUNITY CENTERS**

Community Centers are multiple anchored with shop-space tenants; the sizes generally start at 100,000 SF

**NEIGHBORHOOD CENTERS**

Neighborhood Centers are supermarket anchored with shop-space tenants; size starts at 30,000 SF

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