

RETAIL MARKET REPORT

SECOND QUARTER 2007

Compared to last quarter:

VACANCY



ABSORPTION



LEASE RATES



CONSTRUCTION



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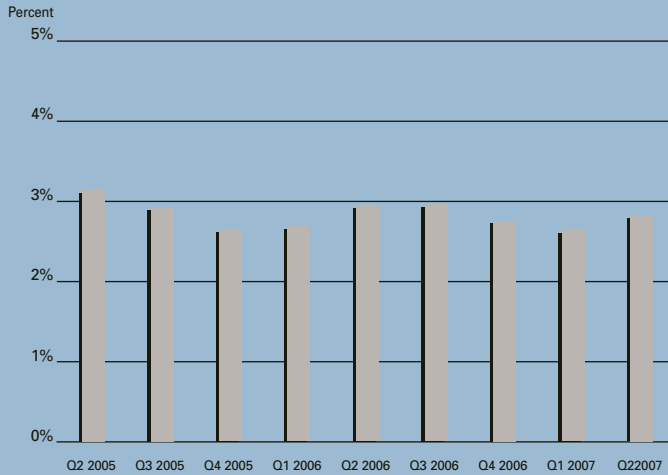
MARKET HIGHLIGHTS

- ◆ By the second quarter of 2007, the Las Vegas employment market reported annual employment growth of 21,200 new positions, representing a below-average 2.3-percent increase over the same period of the prior year. Retail-using employment increased by 3.9 percent, representing nearly one in every three new positions. Slowdowns in residential construction activity and a lag in hotel-casino employment growth dampened the latest valley-wide figures. The resort development pipeline remains strong and will likely act as a catalyst for additional market expansion.
- ◆ The unemployment levels in Las Vegas reached 4.2 percent at the close of the second quarter, which was up materially from the 3.8 percent reported one year ago. However, unemployment levels remained below the 4.5 percent reported nationwide.
- ◆ At the end of the second quarter 2007, the Las Vegas retail market was comprised of 46.9 million square feet of inventory in 304 anchored centers. With 1.3 million square feet of unoccupied square feet, the valley-wide vacancy rate was 2.8 percent, which was slightly above the first quarter at 2.6 percent, yet below the same period of the prior year (3.0 percent).
- ◆ New additions to the market during the quarter contributed 779,000 square feet, while demand (net absorption) was a positive 691,000 square feet. The market has been able to remain balanced with new supply and market demand both reaching 3.5 million square feet during the past 12 months.
- ◆ Currently, there are approximately 4.4 million square feet of retail space under construction and 14.1 million square feet planned (at varying stages) for future development. It is important to note the planned space includes regional and mixed-use retail centers that are likely to be developed in phases.

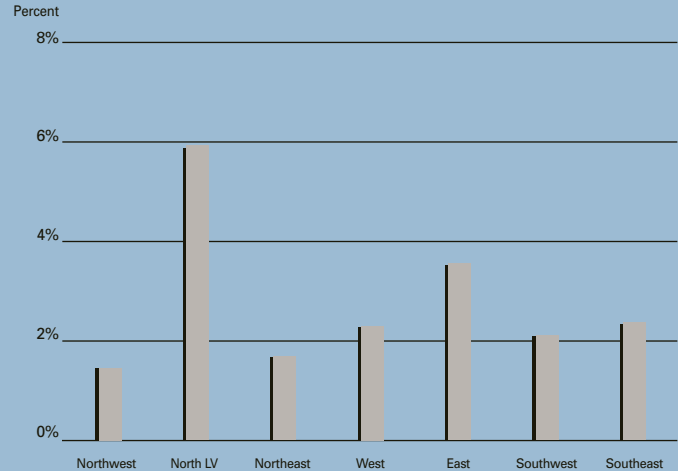
RETAIL MARKET STATISTICS

	Q2 2007	Q1 2007	Q2 2006	% CHANGE (Y-0-Y)
Under Construction	4,422,000	4,756,000	4,085,000	8.25%
Planned Construction	14,144,000	13,301,000	9,037,000	56.51%
Vacancy	2.8%	2.6%	3.0%	-6.67%
Net Absorption	691,000	1,834,000	406,000	70.20%

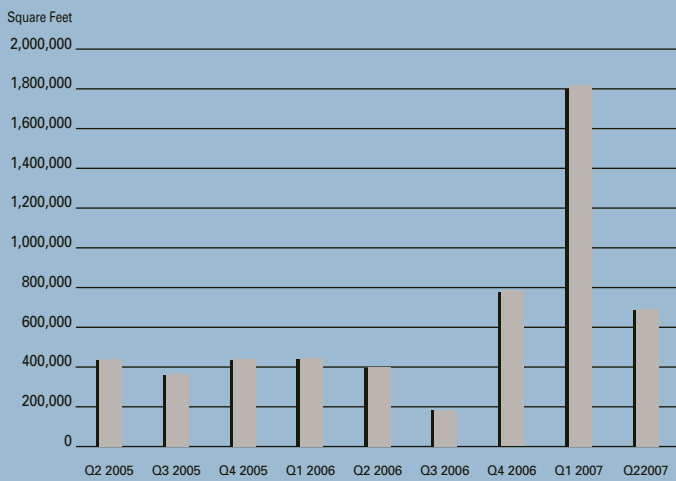
HISTORICAL VACANCY RATE



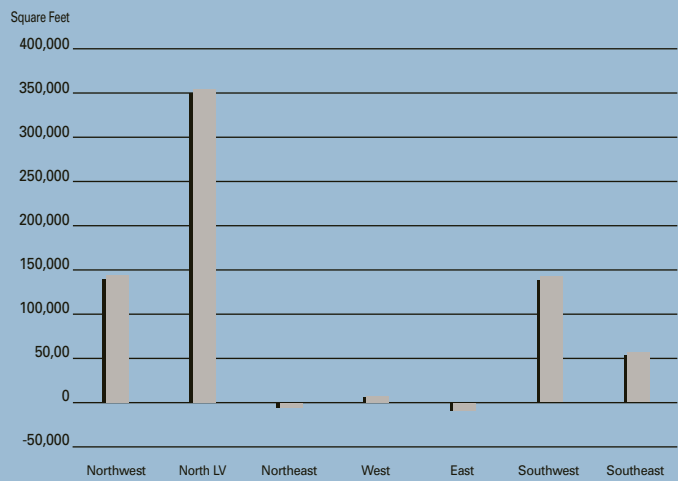
VACANCY RATE BY SUBMARKET



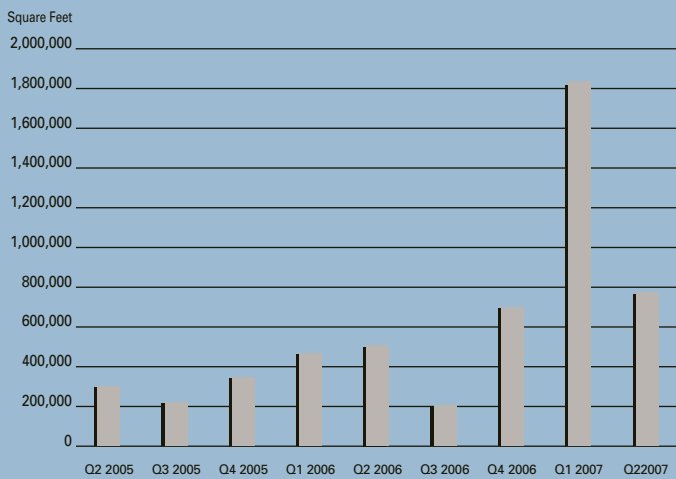
HISTORICAL NET ABSORPTION



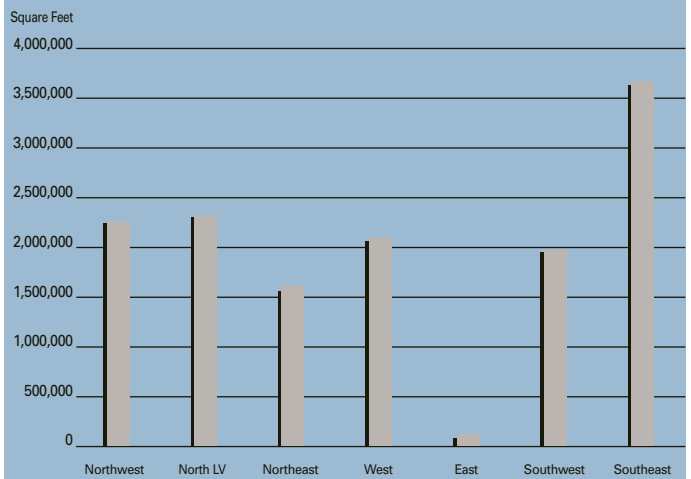
NET ABSORPTION BY SUBMARKET



HISTORICAL NEW CONSTRUCTION

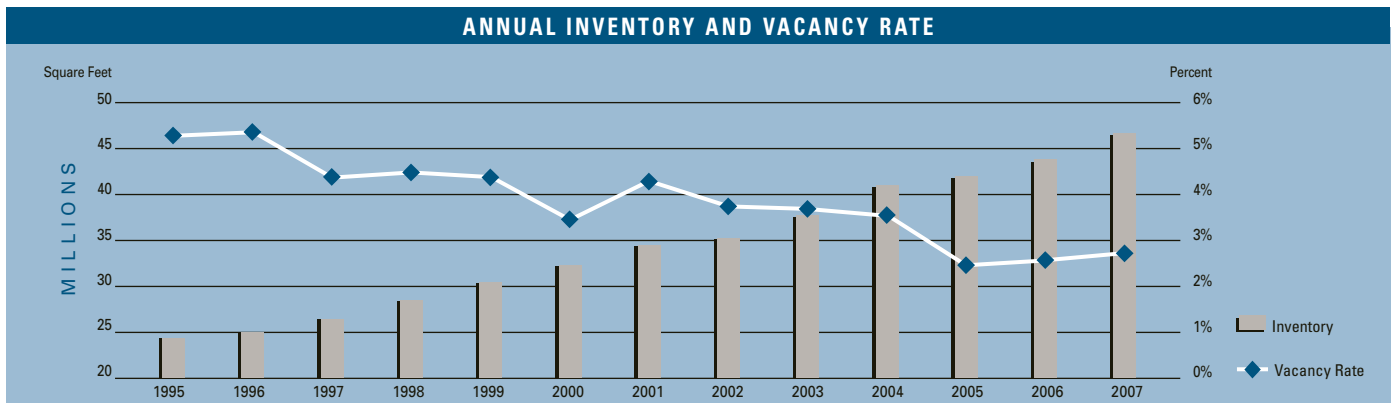


PLANNED CONSTRUCTION BY SUBMARKET



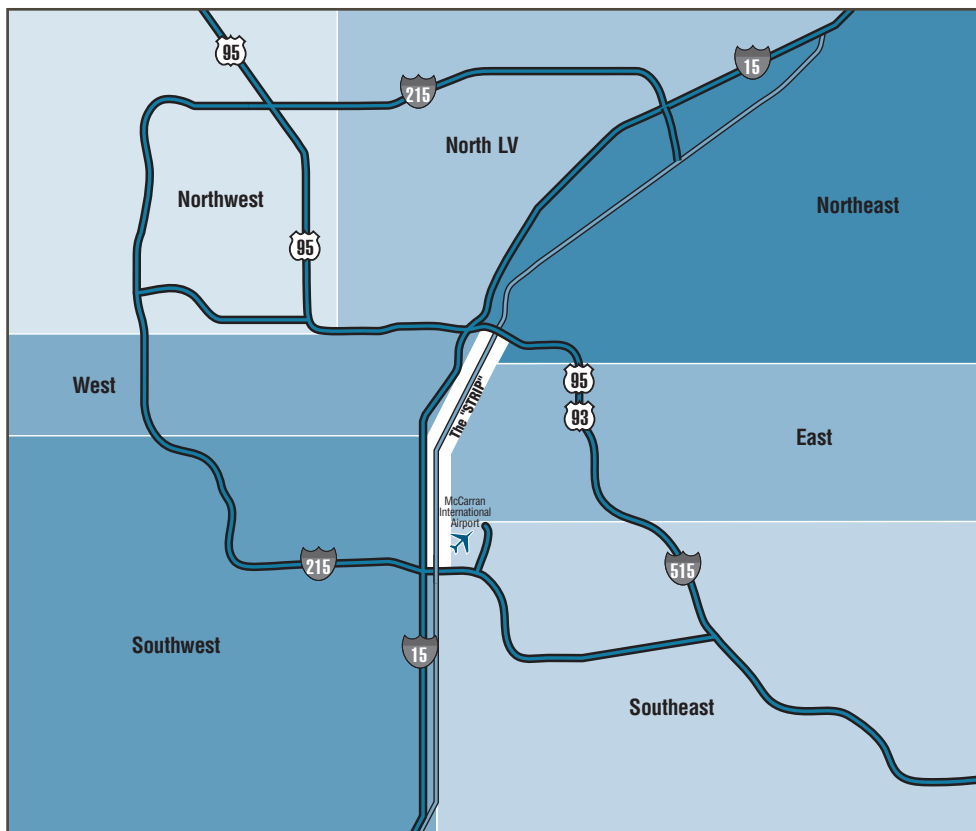
L A S V E G A S M A R K E T

	INVENTORY				VACANCY		ABSORPTION	
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 2Q2007	Net Absorption 2Q2007	New Inventory 2Q2007
Northwest								
Power Centers	5	2,189,622	0	1,475,000	14,852	0.7%	6,988	0
Community Centers	5	745,896	0	447,340	5,950	0.8%	4,100	0
Neighborhood Centers	17	2,032,597	47,060	340,325	46,814	2.3%	133,455	150,000
Northwest Total	27	4,968,115	47,060	2,262,665	67,616	1.4%	144,543	150,000
North Las Vegas								
Power Centers	5	1,262,644	768,298	379,700	23,927	1.9%	197,525	211,800
Community Centers	9	1,704,579	300,000	1,549,508	44,780	2.6%	127,423	152,575
Neighborhood Centers	29	2,918,750	474,358	369,354	283,191	9.7%	30,625	0
North Las Vegas Total	43	5,885,973	1,542,656	2,298,562	351,898	6.0%	355,573	364,375
Northeast								
Power Centers	3	826,001	150,000	1,142,211	1,560	0.2%	0	0
Community Centers	6	974,911	0	453,705	15,368	1.6%	(1,982)	0
Neighborhood Centers	15	1,131,017	0	34,000	29,741	2.6%	(8,656)	0
Northeast Total	24	2,931,929	150,000	1,629,916	46,669	1.6%	(10,638)	0
West								
Power Centers	6	1,622,409	0	1,527,920	50,168	3.1%	3,000	0
Community Centers	21	3,108,458	450,000	580,000	108,595	3.5%	2,790	14,600
Neighborhood Centers	23	2,545,162	102,600	0	15,233	0.6%	4,550	0
West Total	50	7,276,029	552,600	2,107,920	173,996	2.4%	10,340	14,600
East								
Power Centers	4	1,203,293	0	0	13,971	1.2%	956	0
Community Centers	11	1,883,070	0	60,000	79,726	4.2%	5,000	0
Neighborhood Centers	29	3,121,869	0	100,500	114,739	3.7%	(19,293)	0
East Total	44	6,208,232	0	160,500	208,436	3.4%	(13,337)	0
Southwest								
Power Centers	9	3,342,937	1,705,862	755,795	10,556	0.3%	(2,000)	0
Community Centers	5	560,115	165,346	662,564	20,990	3.7%	90,962	111,952
Neighborhood Centers	32	3,358,443	243,136	550,973	118,753	3.5%	54,465	75,000
Southwest Total	46	7,261,495	2,114,344	1,969,332	150,299	2.1%	143,427	186,952
Southeast								
Power Centers	8	3,410,402	0	2,831,105	67,882	2.0%	5,640	0
Community Centers	19	3,909,818	0	778,200	86,701	2.2%	(18,142)	0
Neighborhood Centers	43	5,051,311	15,725	106,290	153,777	3.0%	73,746	62,730
Southeast Total	70	12,371,531	15,725	3,715,595	308,360	2.5%	61,244	62,730
Las Vegas Total								
Power Centers	40	13,857,308	2,624,160	8,111,731	182,916	1.3%	212,109	211,800
Community Centers	76	12,886,847	915,346	4,531,317	362,110	2.8%	210,151	279,127
Neighborhood Centers	188	20,159,149	882,879	1,501,442	762,248	3.8%	268,892	287,730
Total	304	46,903,304	4,422,385	14,144,490	1,307,274	2.8%	691,152	778,657



RETAIL MARKET
REPORT

SECOND QUARTER 2007



PRODUCT TYPE

POWER CENTERS

Power Centers have multiple big box tenants and typically less shop space tenants, size starts at 200,000 SF and up.

COMMUNITY CENTERS

Community Centers are multiple anchored with shop space tenants, the size starts 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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For Further Information:

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