



Retail Market Report

Compared to the Previous Quarter

Vacancy



Net Absorption



Lease Rates



Construction



To view available properties or electronic versions of current or past market reports, please visit:

www.voitco.com

Prepared by:

Jerry J. Holdner, Jr. – Lic.#01145748

Vice President of Market Research

VOIT Real Estate Services – Lic.#01333376

e-mail: jholdner@voitco.com

Market Highlights

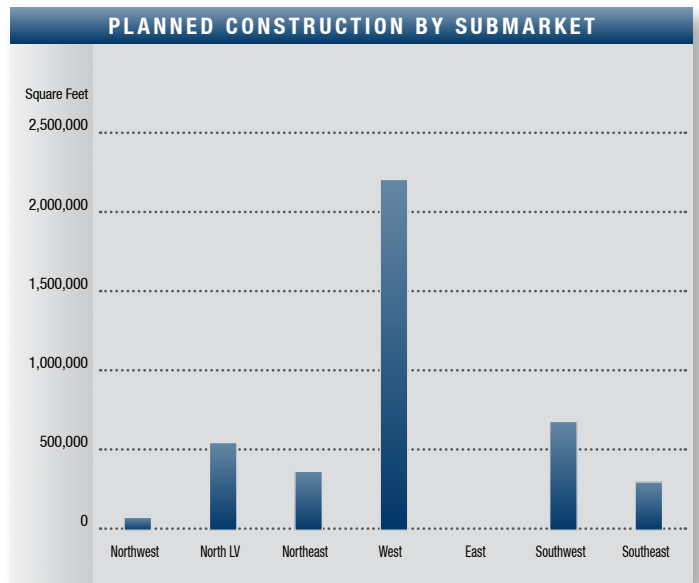
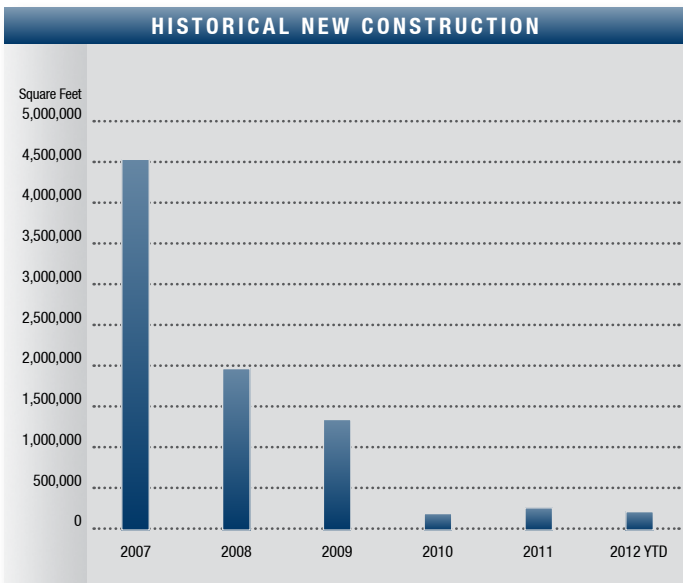
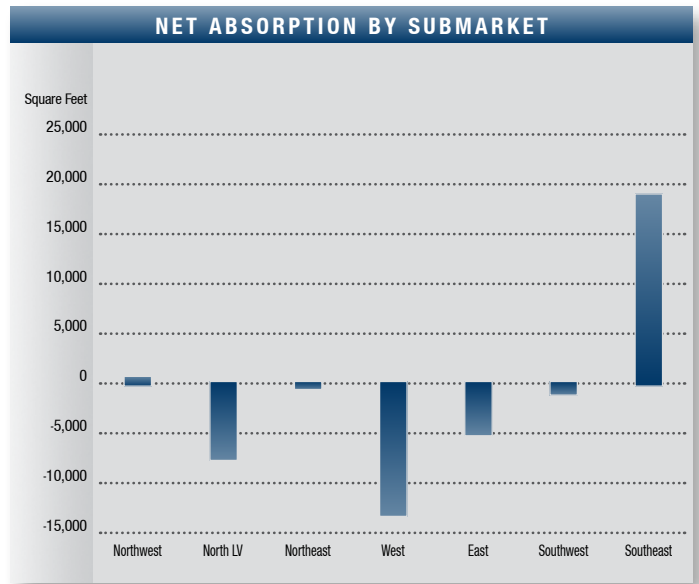
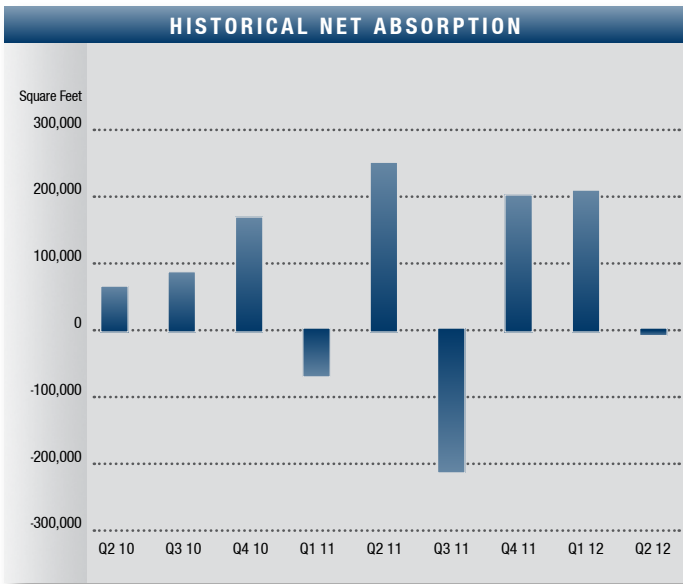
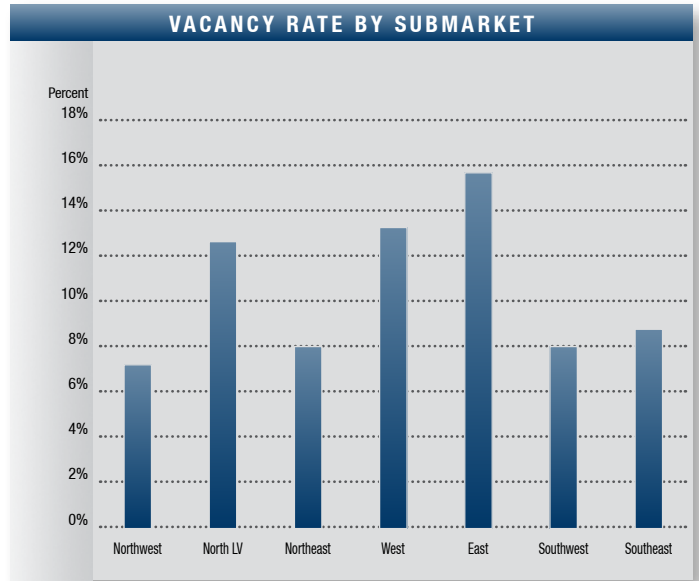
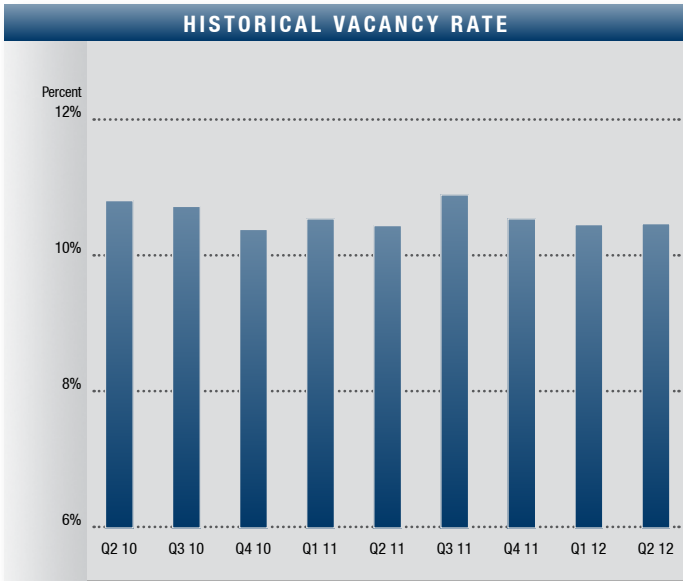
- Market Overview** – The Las Vegas valley retail market reported a vacancy rate of 10.5 percent during the second quarter of 2012, which was slightly above the 10.4 percent reported in the prior period (Q1 2012) and one year ago (Q2 2011). The vacancy rate has trended within a relatively tight range for the better part of the past three years, suggesting increased stability.
- Demand** – The market reported approximately 8,100 square feet of negative net absorption in the last three months. New inventory stands at 190,000 square feet since the completion of two WinCo Foods buildings in the first quarter of the year. It is important to note that within the southeast submarket Galaxy Theaters absorbed a 40,700–square–foot space on the northeast corner of Sunset and Athenian.
- Inventory** – No new space entered the market during the second quarter, leaving total inventory at 51.6 million square feet. New inventory stands at 190,000 square feet since the completion of two WinCo Foods buildings in the first quarter of the year.
- Future Supply** – A total of 311,000 square feet remains actively under construction among anchored retail centers. The second–phase addition to Tivoli Village at Queensridge, totaling 300,000 square feet, is the largest project currently under development. Approximately 8,000 square feet, consisting of a Chase Bank, is sourced to a second phase addition to the WinCo Foods center in the southeast submarket. Another 4.1 million square feet of space

remains planned, but it is unlikely development will move forward on all future projects.

- Economic Considerations** – Broader economic recovery appeared to slow during the second quarter of 2012. Stock markets declined while national consumer confidence fell 10.8 percent. Gross domestic product (GDP) for the first quarter (reported in Q2 2012) increased at an annual rate of 1.9 percent, slower than the 3.0 percent reported in the previous quarter. Local indicators remain mixed as the tourism industry continues to edge in a positive direction and as construction continues to lag. The local recovery cycle is expected to be elongated given the depth of the most recent downturn and the persisting challenges in the housing and job markets.
- Looking Forward** – Consumer spending levels are continuing to increase as residents and visitors are loosening their wallets, either due to necessity or choice. Many consumers held off on big ticket purchases during the economic contraction, so the retail sector is now experiencing some pent up demand. Increased sales volumes will not immediately translate into positive movement for the commercial real estate market, yet the retail market's vacancy rate has remained relatively stable since 2009. Absorption of remaining big box spaces will be required to materially impact the valley–wide vacancy rate; however, there are pockets of increased demand. The retail sector's performance appears to be outpacing other commercial product types in the post–recession cycle.

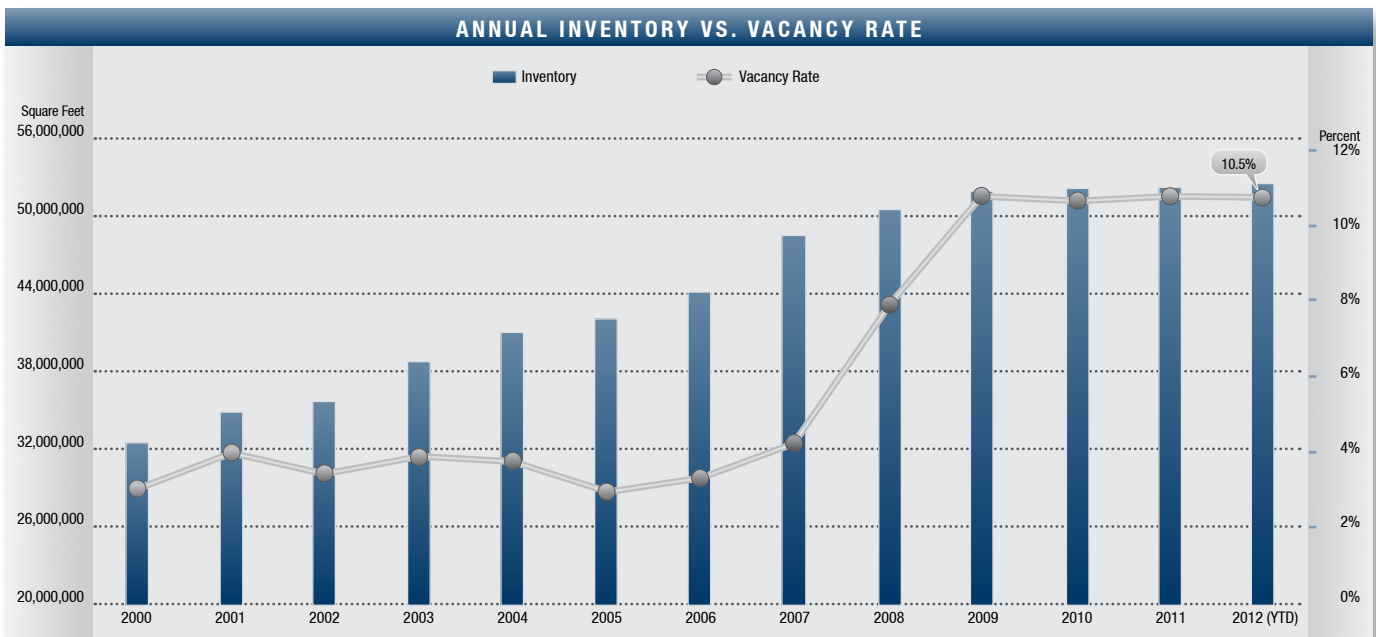
RETAIL MARKET OVERVIEW

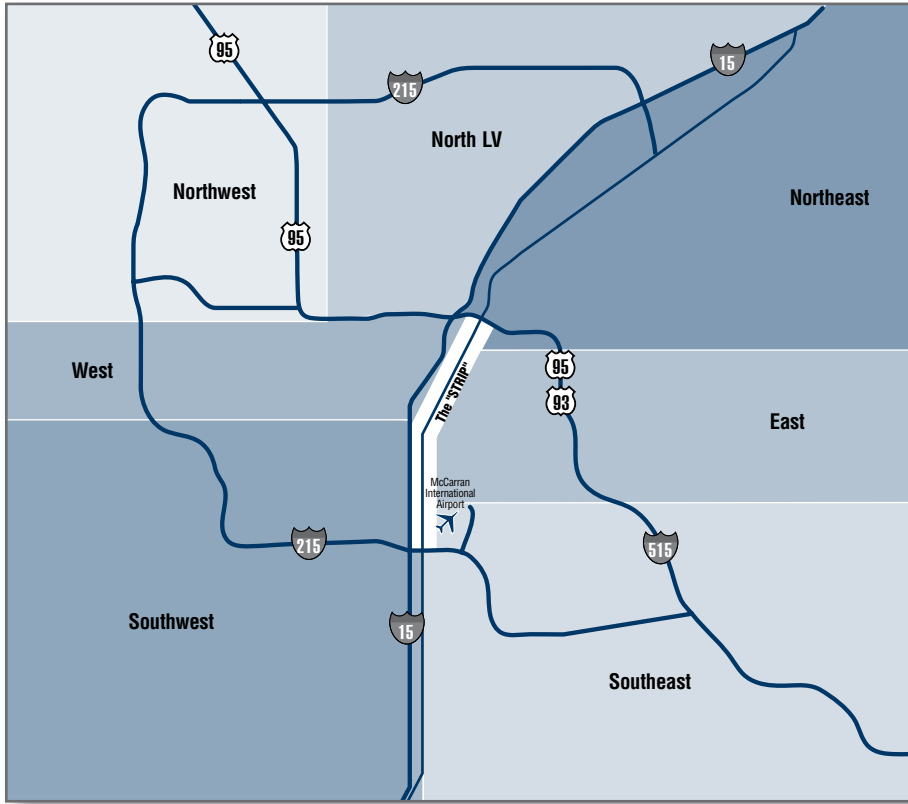
	Q2 2012	Q1 2012	Q2 2011	Q2 2012 vs. Q2 2011
Under Construction	311,000	300,000	130,000	139.2%
Planned Construction	4,126,000	4,337,000	4,523,000	(8.8%)
Vacancy	10.5%	10.4%	10.4%	0.1%
Net Absorption	(8,000)	207,000	248,000	N/A



	INVENTORY				VACANCY RATES		ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet Planned	Square Feet Under Construction	Square Feet Vacant	Vacancy Rate Q2 2012	Net Absorption Q2 2012	Net Absorption 2012	New Inventory Q2 2012	New Inventory 2012
Northwest										
Power Centers	5	2,239,622	0	0	173,835	7.8%	11,792	(146)	0	0
Community Centers	8	1,099,610	73,956	0	121,354	11.0%	(7,985)	(8,002)	0	0
Neighborhood Centers	17	1,960,058	0	0	87,756	4.5%	(3,152)	5,856	0	0
Northwest Total	30	5,299,290	73,956	0	382,945	7.2%	655	(2,292)	0	0
North Las Vegas										
Power Centers	13	2,639,291	535,475	0	182,169	6.9%	(1,008)	122,240	0	0
Community Centers	11	1,508,952	0	0	113,877	7.5%	(4,200)	8,000	0	0
Neighborhood Centers	29	2,853,911	0	0	588,606	20.6%	(2,353)	(23,943)	0	95,000
North Las Vegas Total	53	7,002,154	535,475	0	884,652	12.6%	(7,561)	106,297	0	95,000
Northeast										
Power Centers	4	943,001	0	0	3,930	0.4%	0	0	0	0
Community Centers	7	1,054,911	351,328	0	82,415	7.8%	(554)	3,358	0	0
Neighborhood Centers	17	1,298,539	0	0	174,481	13.4%	0	2,180	0	0
Northeast Total	28	3,296,451	351,328	0	260,826	7.9%	(554)	5,538	0	0
West										
Power Centers	11	3,079,229	1,500,000	0	153,827	5.0%	(11,686)	(28,886)	0	0
Community Centers	18	2,606,430	700,000	300,000	580,892	22.3%	(28,987)	(38,099)	0	0
Neighborhood Centers	22	2,540,122	0	0	360,052	14.2%	27,315	25,715	0	0
West Total	51	8,225,781	2,200,000	300,000	1,094,771	13.3%	(13,358)	(41,270)	0	0
East										
Power Centers	4	1,203,293	0	0	287,018	23.9%	(4,500)	(32,216)	0	0
Community Centers	11	1,864,470	0	0	235,755	12.6%	1,978	(4,011)	0	0
Neighborhood Centers	29	3,143,708	0	0	446,327	14.2%	(2,775)	(17,651)	0	0
East Total	44	6,211,471	0	0	969,100	15.6%	(5,297)	(53,878)	0	0
Southwest										
Power Centers	13	4,372,467	223,156	0	261,320	6.0%	8,198	16,043	0	0
Community Centers	8	786,101	52,219	0	65,390	8.3%	(84)	7,667	0	0
Neighborhood Centers	33	3,409,656	406,000	3,000	350,352	10.3%	(9,146)	18,315	0	0
Southwest Total	54	8,568,224	681,375	3,000	677,062	7.9%	(1,032)	42,025	0	0
Southeast										
Power Centers	10	3,851,585	175,037	0	232,708	6.0%	(11,178)	(13,478)	0	0
Community Centers	23	4,349,958	53,000	0	345,460	7.9%	22,763	57,637	0	0
Neighborhood Centers	47	4,769,847	56,295	8,000	546,906	11.5%	7,475	98,155	0	95,000
Southeast Total	80	12,971,390	284,332	8,000	1,125,074	8.7%	19,060	142,314	0	95,000
Las Vegas Total										
Power Centers	60	18,328,488	2,433,668	0	1,294,807	7.1%	(8,382)	63,557	0	0
Community Centers	86	13,270,432	1,230,503	300,000	1,545,143	11.6%	(17,069)	26,550	0	0
Neighborhood Centers	194	19,975,841	462,295	11,000	2,554,480	12.8%	17,364	108,627	0	190,000
Las Vegas Total	340	51,574,761	4,126,466	311,000	5,394,430	10.5%	(8,087)	198,734	0	190,000

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

Please Contact Us for Further Information

Anaheim, CA
714.978.7880

Commerce, CA
323.201.4494

Inland Empire, CA
909.545.8000

Irvine, CA
949.851.5100

Las Vegas, NV
702.734.4500

Newport Beach, CA
949.644.8648

Phoenix, AZ
602.952.8648

Reno, NV
775.309.0782

Sacramento, CA
916.772.8648

San Diego, CA
858.453.0505



REAL ESTATE SERVICES

101 Shipyard Way
Newport Beach, CA 92663

949.644.8648
www.voitco.com
Lic.#01333376

Represented in 150 Markets
Nationally & Internationally.



This survey consists of properties representing both single tenant and multi-tenant buildings. The lease rates are based on a triple net basis. The information contained in this report is gathered from sources that are deemed reliable, but no guarantees are made as to its accuracy. This information is for Voit Real Estate Services' use only and cannot legally be reproduced without prior written consent from the management of Voit Real Estate Services.