



## Retail Market Report

Compared to the Previous Quarter:

Vacancy

DOWN

Net Absorption

POSITIVE

Lease Rates

UP

Deliveries

UP

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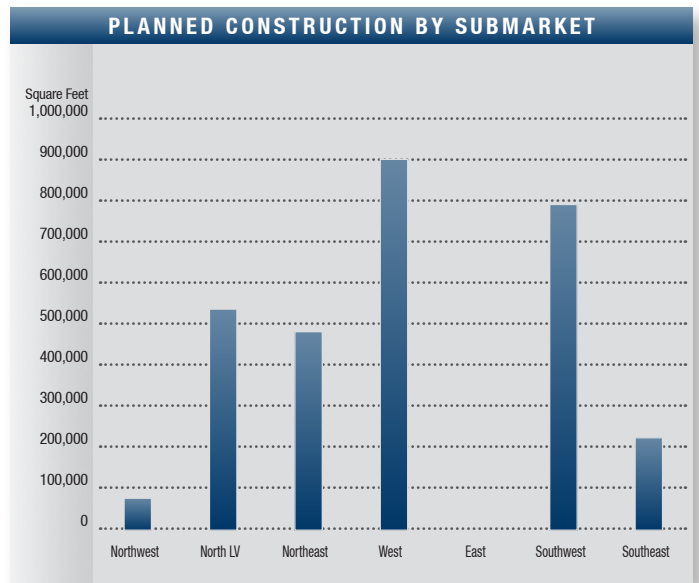
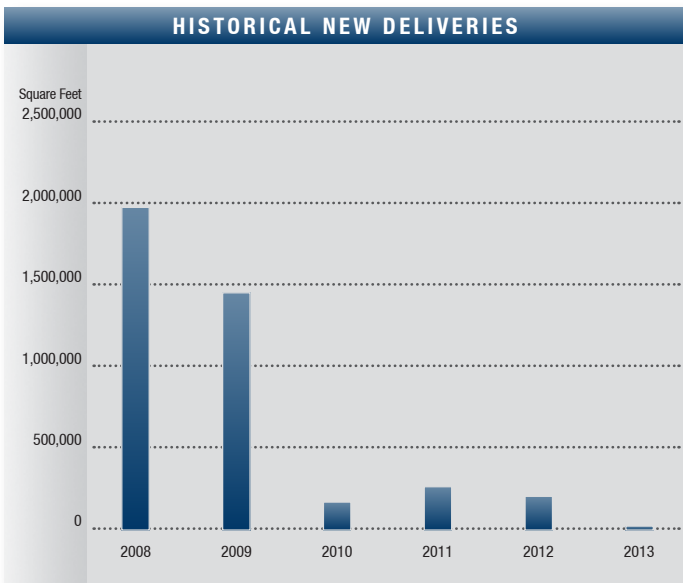
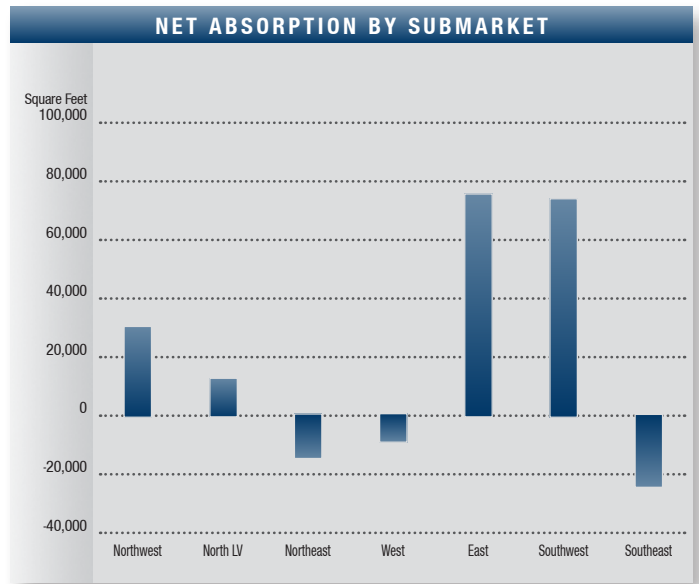
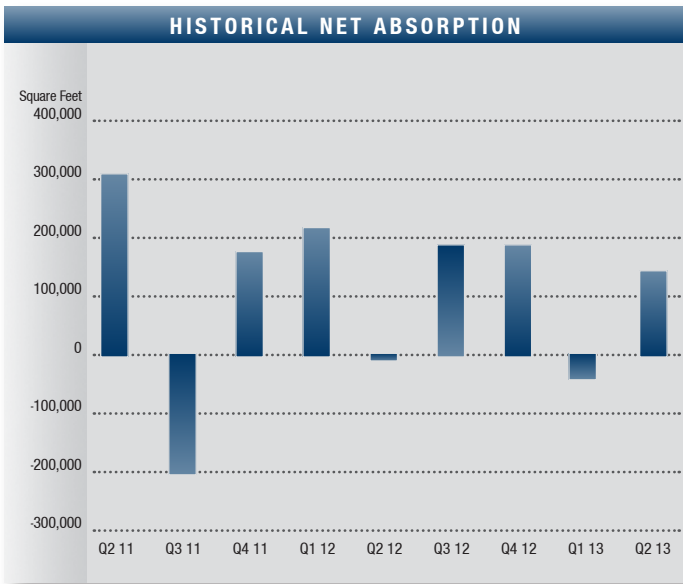
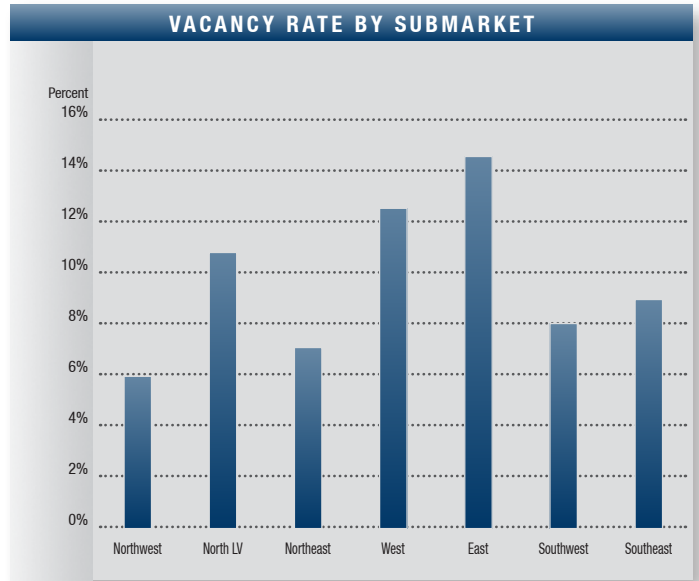
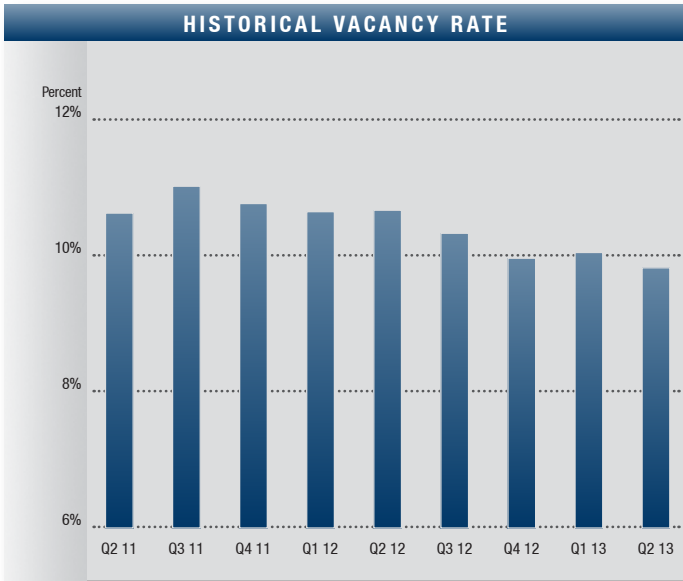
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### Market Highlights

- Market Overview** – During the second quarter of 2013, the Las Vegas retail market reported a vacancy rate of 9.8 percent. The rate witnessed both quarterly and annual declines. Compared to the prior quarter (Q1 2013), vacancies were down 30 basis points (0.3 percentage points), and compared to a year ago (Q2 2012) they declined 90 basis points (0.9 percentage points).
- Demand** – Approximately 145,800 square feet of positive net absorption was reported during the quarter, reversing the negative total from the preceding quarter. Tropicana Centre welcomed Conn's (50,150 square feet) and Epic Stores (22,511 square feet) during the period. In addition, Gameworks will soon be moving into a 37,000-square-foot space in Town Square, while Stein Mart signed a lease for the 30,900-square-foot space formerly occupied by Office Depot in the Best in the West power center. Office Depot moved to the 18,600-square-foot space previously occupied by Paddock Pools in the same center.
- Inventory** – The second phase of Desert Marketplace on the southeast corner of Durango Drive and Warm Springs Road completed construction during the quarter, bringing total inventory in the Las Vegas market to 52.0 million square feet. The project consists of 11,600 square feet of inline space that was partially leased by the end of the quarter.
- Future Supply** – Approximately 1.8 million square feet of anchored retail space is currently under development throughout the valley. Tivoli Village at Queensridge is reportedly moving forward on its 300,000-square-foot second phase addition, while Flemings is making progress on its 7,000-square-foot location at Town Square and Green Valley Crossing is developing its 7,500-square-foot third phase. In addition, the 1.5 million-square-foot Shops at Summerlin is now moving forward after stalling in the second quarter of 2009.
- Economic Considerations** – The southern Nevada economy appears to be gaining some traction as a number of sectors continue to report improvements. Employment expanded by 17,200 jobs in May of 2013 when compared to the prior year, while the unemployment rate fell from 11.4 percent to 9.3 percent. Additionally, new home sales volumes remain on the rise while home prices continue to escalate in both the new and resale markets. In response to approximately 1.3 months of effective availability in the resale market, home builders continue to increase production in response to market demand. Consumer spending levels also signal increased stability in the local economy.
- Looking Forward** – Taxable retail sales in southern Nevada continues to report annual growth, rising 6.0 percent for the 12 months ending April 2013 to \$32.4 billion (latest available data). The increased spending levels have provided retailers with a reason for renewed optimism. Some have opted to expand operations or enter the market to take advantage of pricing and market dynamics. Continuing this trend will be the key to driving down the vacancy rate by year-end.

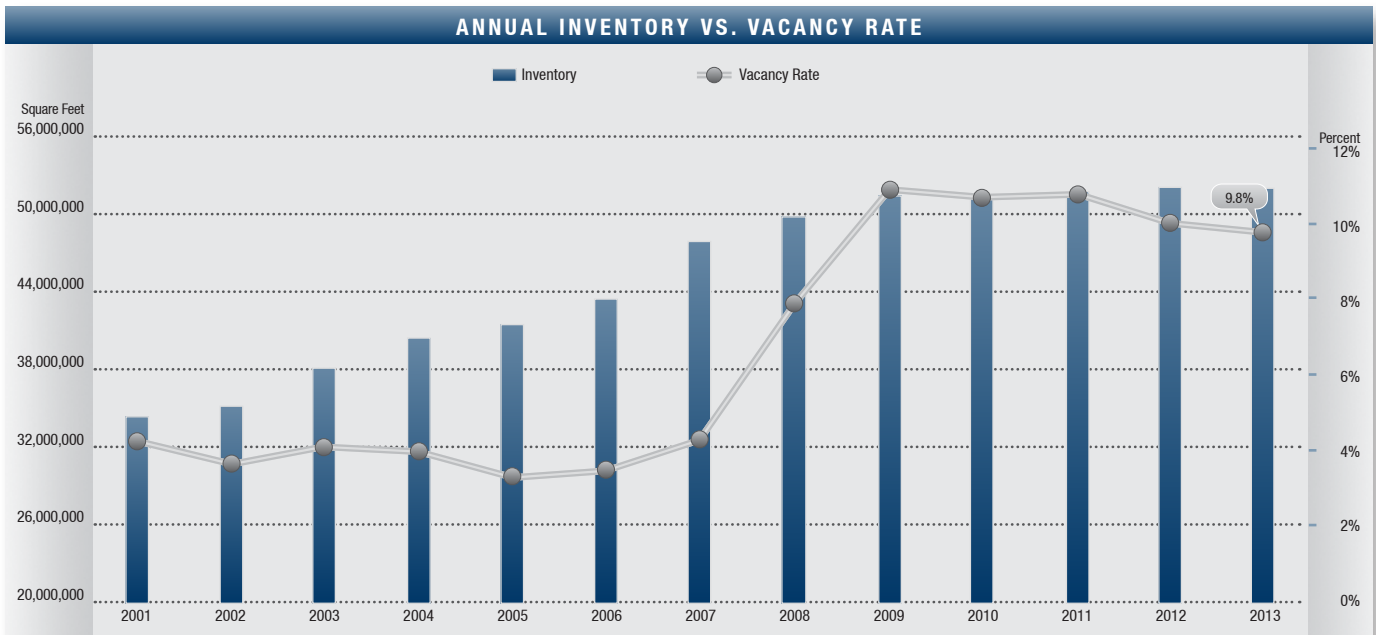
### RETAIL MARKET OVERVIEW

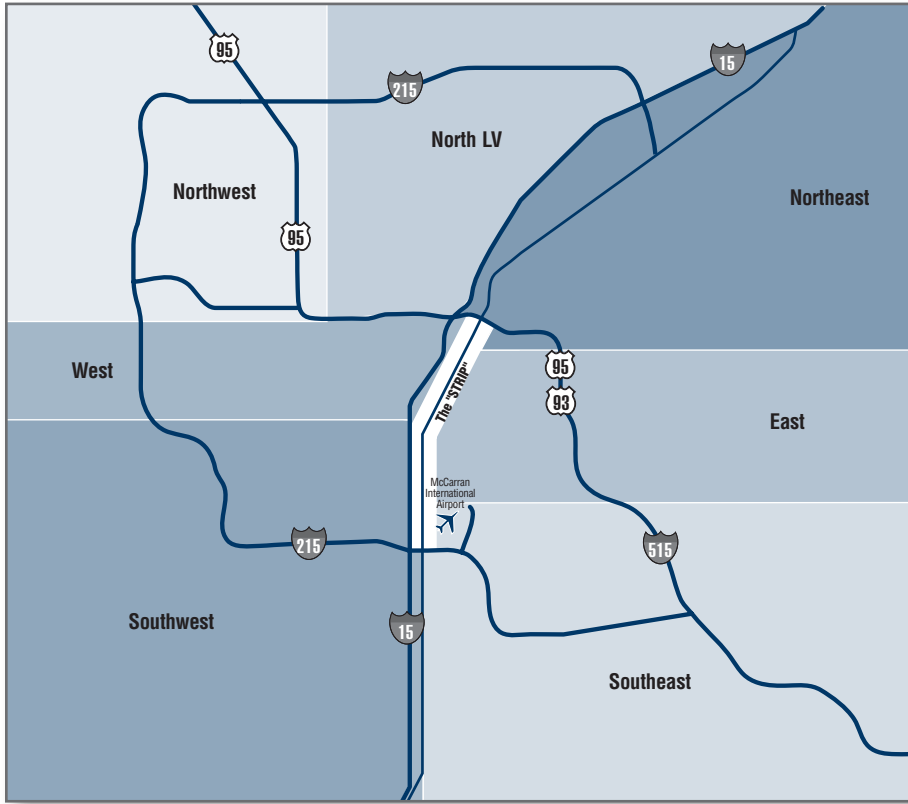
	Q2 2013	Q1 2013	Q2 2012	Q2 2013 vs. Q2 2012
Under Construction	1,814,582	326,150	316,100	474.1%
Planned Construction	3,005,910	4,373,910	4,076,018	(26.3%)
Vacancy	9.8%	10.1%	10.7%	(0.9%)
Net Absorption	145,826	(44,045)	(10,403)	N/A



	INVENTORY				VACANCY RATES		ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet Planned	Square Feet Under Construction	Square Feet Vacant	Vacancy Rate Q2 2013	Net Absorption Q2 2013	Net Absorption 2013	New Inventory Q2 2013	New Inventory 2013
<b>Northwest</b>										
Power Centers	5	2,239,622	0	0	127,223	5.7%	23,618	11,029	0	0
Community Centers	8	1,099,610	73,956	0	78,915	7.2%	10,530	32,998	0	0
Neighborhood Centers	17	1,960,058	0	0	107,394	5.5%	(3,995)	(15,867)	0	0
<b>Northwest Total</b>	<b>30</b>	<b>5,299,290</b>	<b>73,956</b>	<b>0</b>	<b>313,532</b>	<b>5.9%</b>	<b>30,153</b>	<b>28,160</b>	<b>0</b>	<b>0</b>
<b>North Las Vegas</b>										
Power Centers	13	2,639,291	535,475	0	122,850	4.7%	8,871	(21,102)	0	0
Community Centers	11	1,508,952	0	0	124,503	8.3%	3,559	(7,597)	0	0
Neighborhood Centers	30	2,994,395	0	0	514,384	17.2%	532	31,738	0	0
<b>North Las Vegas Total</b>	<b>54</b>	<b>7,142,638</b>	<b>535,475</b>	<b>0</b>	<b>761,737</b>	<b>10.7%</b>	<b>12,962</b>	<b>3,039</b>	<b>0</b>	<b>0</b>
<b>Northeast</b>										
Power Centers	4	943,001	0	0	27,411	2.9%	(14,300)	(18,681)	0	0
Community Centers	7	1,054,911	483,328	0	86,003	8.2%	0	593	0	0
Neighborhood Centers	17	1,298,539	0	0	116,587	9.0%	0	(1,870)	0	0
<b>Northeast Total</b>	<b>28</b>	<b>3,296,451</b>	<b>483,328</b>	<b>0</b>	<b>230,001</b>	<b>7.0%</b>	<b>(14,300)</b>	<b>(19,958)</b>	<b>0</b>	<b>0</b>
<b>West</b>										
Power Centers	11	3,079,229	0	1,500,000	151,250	4.9%	(4,388)	(11,451)	0	0
Community Centers	18	2,606,430	700,000	300,000	568,103	21.8%	(15,185)	25,379	0	0
Neighborhood Centers	22	2,540,122	200,000	0	309,710	12.2%	10,941	35,411	0	0
<b>West Total</b>	<b>51</b>	<b>8,225,781</b>	<b>900,000</b>	<b>1,800,000</b>	<b>1,029,063</b>	<b>12.5%</b>	<b>(8,632)</b>	<b>49,339</b>	<b>0</b>	<b>0</b>
<b>East</b>										
Power Centers	4	1,203,293	0	0	187,763	15.6%	50,905	48,402	0	0
Community Centers	12	1,953,450	0	0	225,393	11.5%	22,996	18,796	0	0
Neighborhood Centers	29	3,143,708	0	0	498,298	15.9%	1,666	(18,272)	0	0
<b>East Total</b>	<b>45</b>	<b>6,300,451</b>	<b>0</b>	<b>0</b>	<b>911,454</b>	<b>14.5%</b>	<b>75,567</b>	<b>48,926</b>	<b>0</b>	<b>0</b>
<b>Southwest</b>										
Power Centers	15	4,511,998	186,140	7,042	303,689	6.7%	71,175	73,520	11,568	16,668
Community Centers	8	786,101	222,219	0	66,745	8.5%	(3,249)	(5,799)	0	0
Neighborhood Centers	34	3,412,656	381,000	0	320,553	9.4%	6,240	16,615	0	0
<b>Southwest Total</b>	<b>57</b>	<b>8,710,755</b>	<b>789,359</b>	<b>7,042</b>	<b>690,987</b>	<b>7.9%</b>	<b>74,166</b>	<b>84,336</b>	<b>11,568</b>	<b>16,668</b>
<b>Southeast</b>										
Power Centers	10	3,851,585	175,037	0	244,506	6.3%	1,645	(37,609)	0	0
Community Centers	23	4,349,958	0	0	372,493	8.6%	(12,682)	(38,809)	0	0
Neighborhood Centers	49	4,778,085	48,755	7,540	532,743	11.1%	(13,053)	(15,643)	0	4,000
<b>Southeast Total</b>	<b>82</b>	<b>12,979,628</b>	<b>223,792</b>	<b>7,540</b>	<b>1,149,742</b>	<b>8.9%</b>	<b>(24,090)</b>	<b>(92,061)</b>	<b>0</b>	<b>4,000</b>
<b>Las Vegas Total</b>										
Power Centers	62	18,468,019	896,652	1,507,042	1,164,692	6.3%	137,526	44,108	11,568	16,668
Community Centers	87	13,359,412	1,479,503	300,000	1,522,155	11.4%	5,969	25,561	0	0
Neighborhood Centers	198	20,127,563	629,755	7,540	2,399,669	11.9%	2,331	32,112	0	4,000
<b>Las Vegas Total</b>	<b>347</b>	<b>51,954,994</b>	<b>3,005,910</b>	<b>1,814,582</b>	<b>5,086,516</b>	<b>9.8%</b>	<b>145,826</b>	<b>101,781</b>	<b>11,568</b>	<b>20,668</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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