

RETAIL MARKET REPORT

THIRD
QUARTER
2006

Compared to
last quarter:

VACANCY



ABSORPTION



LEASE RATES



CONSTRUCTION



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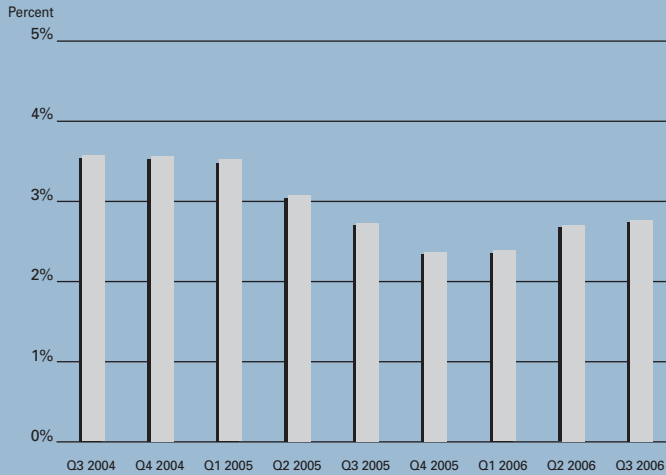
MARKET HIGHLIGHTS

- ◆ Unemployment levels in Las Vegas stood at 4.1 percent during the third quarter 2006, which was up slightly from the 4.0 percent reported one year ago. By comparison, the national unemployment rate was 4.7 percent (seasonally adjusted) at the close of the third quarter.
- ◆ The Las Vegas Valley added an estimated 51,200 new jobs during the past 12 months, representing a 5.9 percent growth rate. During the same period, retail-using employment added 8,400 positions, representing a 5.2 percent increase.
- ◆ At the end of the third quarter 2006, the Las Vegas retail market was comprised of 43.7 million square feet of inventory in 283 anchored centers. With 1.2 million square feet of unoccupied square feet, the Valley-wide vacancy rate was 2.7 percent, which was on par with the second quarter of 2006 and the same period of the prior year.
- ◆ New additions to the market during the quarter contributed 210,000 square feet, while demand (net absorption) was a positive 188,000 square feet. Market expansion through the first nine months of 2006 reached 1.3 million square feet, while demand was 1.2 million square feet.
- ◆ Currently, there are approximately 5.2 million square feet of retail space under construction and 11.6 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.
- ◆ Consumer spending patterns are showing signs of a slowdown. Taxable retail sales during the past three months are up 6.5 percent over the prior year, which is below the double-digit gains reported during the 2004-2005 timeframe.
- ◆ Indicators of the rate of population growth are slightly off their record-setting pace reported in 2004. That having been said, some softness in the residential market has us keeping a watchful eye on indicators of population in-migration and overall development patterns.

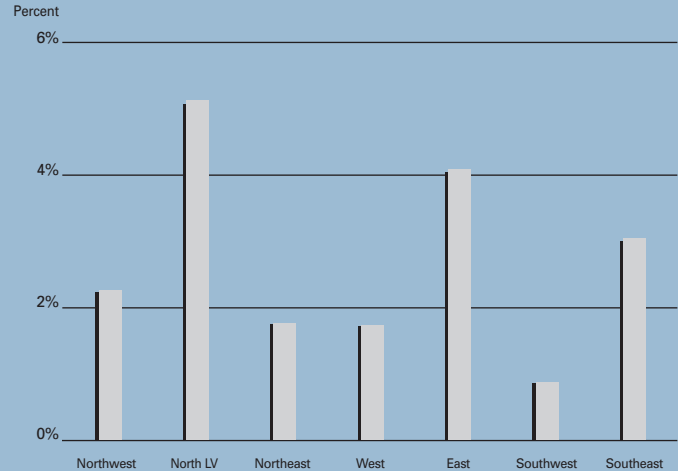
RETAIL MARKET STATISTICS

	Q3 2006	Q2 2006	Q3 2005	% CHANGE VS. 3Q05
Under Construction	5,219,000	4,047,000	1,673,000	211.95%
Planned Construction	11,551,000	10,149,000	7,961,000	45.09%
Vacancy	2.7%	2.7%	2.7%	0.00%
Net Absorption	188,000	407,000	343,000	-45.19%

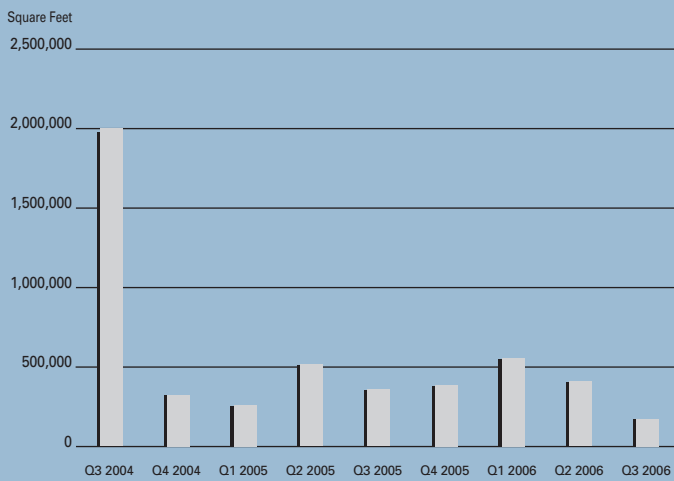
HISTORICAL VACANCY RATE



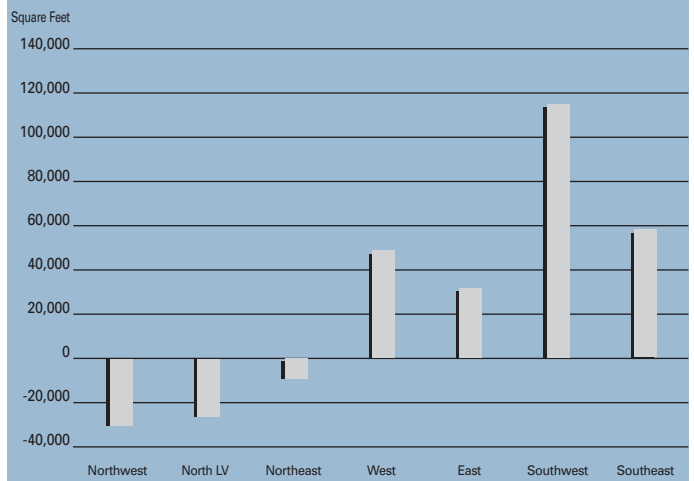
VACANCY RATE BY SUBMARKET



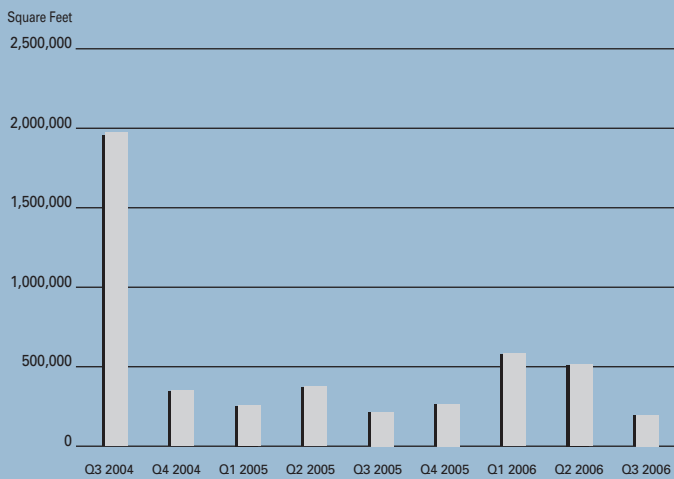
HISTORICAL NET ABSORPTION



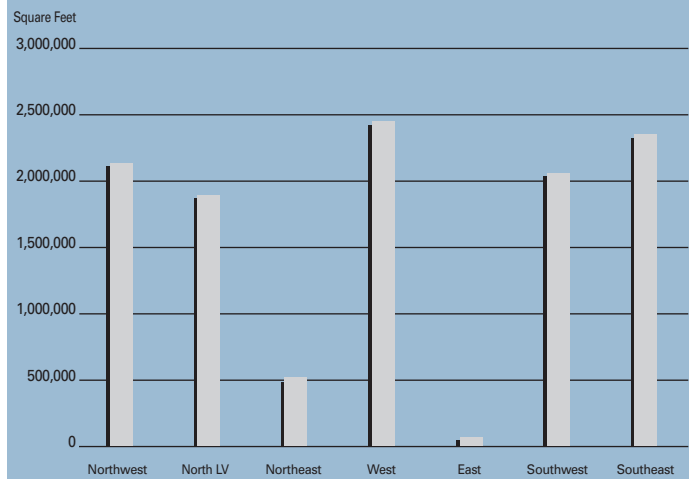
NET ABSORPTION BY SUBMARKET



HISTORICAL NEW CONSTRUCTION

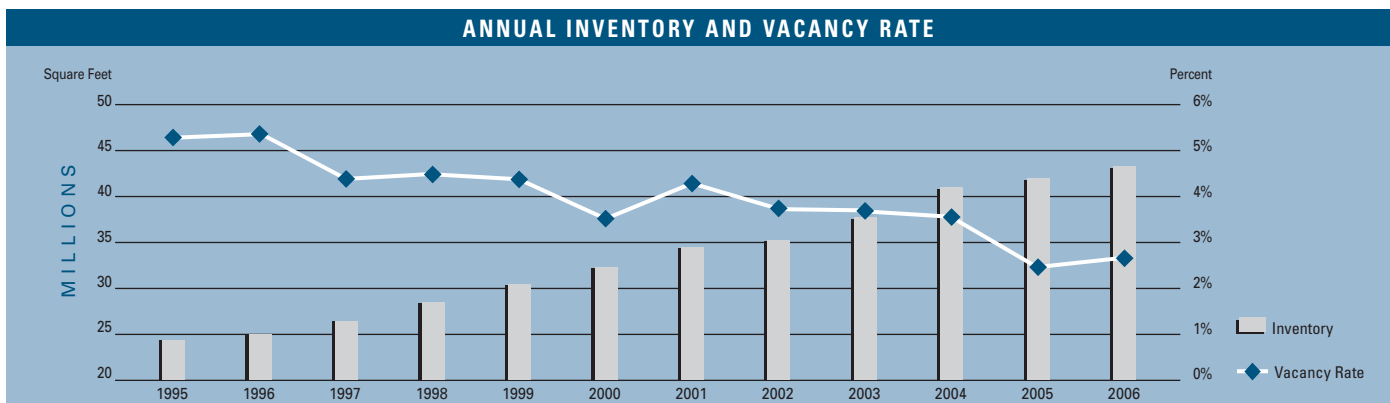


PLANNED CONSTRUCTION BY SUBMARKET



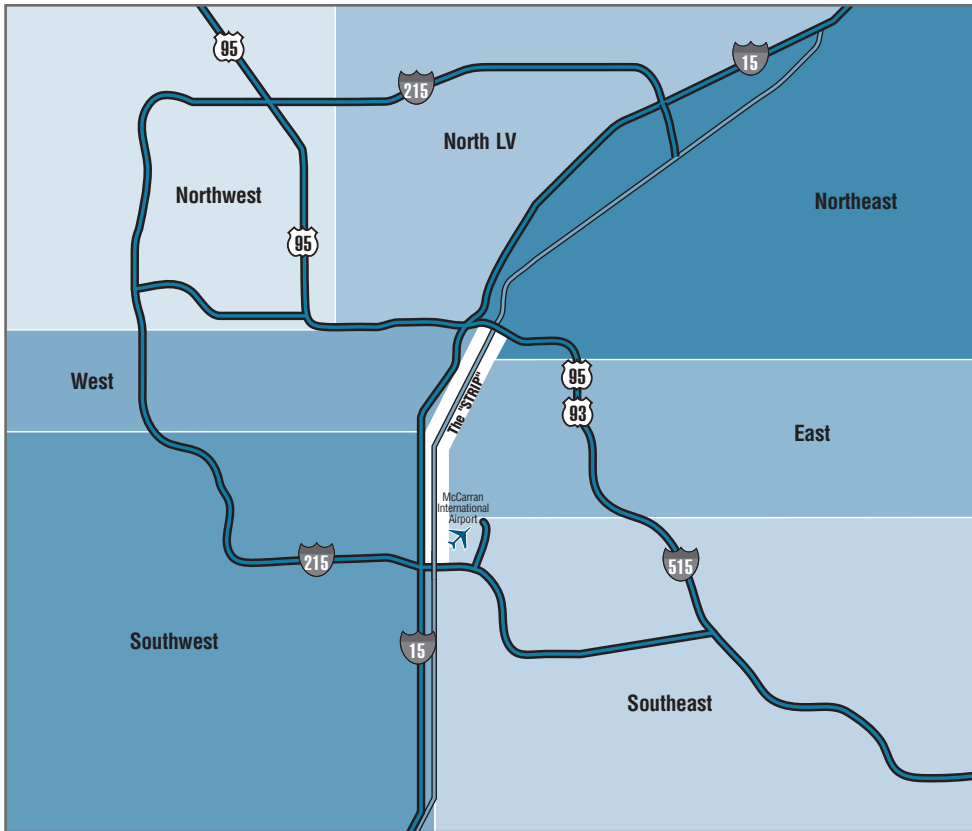
LAS VEGAS MARKET

	INVENTORY				VACANCY		ABSORPTION	
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 3Q2006	Net Absorption 3Q2006	New Inventory 3Q2006
Northwest								
Power Centers	5	2,189,622	0	1,475,000	56,909	2.6%	(3,301)	0
Community Centers	5	737,465	150,000	200,000	20,478	2.8%	(14,478)	0
Neighborhood Centers	16	1,900,597	225,000	490,025	37,210	2.0%	(13,776)	0
Northwest Total	26	4,827,684	375,000	2,165,025	114,597	2.4%	(31,555)	0
North Las Vegas								
Power Centers	5	1,221,978	211,800	80,000	26,812	2.2%	6,837	0
Community Centers	5	974,688	406,182	1,269,283	1,300	0.1%	7,000	0
Neighborhood Centers	27	2,765,750	352,723	529,503	229,785	8.3%	(41,094)	0
North Las Vegas Total	37	4,962,416	970,705	1,878,786	257,897	5.2%	(27,257)	0
Northeast								
Power Centers	3	826,001	0	324,426	17,219	2.1%	0	0
Community Centers	7	1,020,911	0	0	9,829	1.0%	(1,430)	0
Neighborhood Centers	14	1,036,517	0	200,000	21,895	2.1%	(7,300)	0
Northeast Total	24	2,883,429	0	524,426	48,943	1.7%	(8,730)	0
West								
Power Centers	6	1,790,890	0	1,500,000	36,969	2.1%	3,763	0
Community Centers	20	3,093,858	80,000	950,000	59,112	1.9%	2,120	0
Neighborhood Centers	23	2,545,162	102,600	0	26,955	1.1%	43,549	38,000
West Total	49	7,429,910	182,600	2,450,000	123,036	1.7%	49,432	38,000
East								
Power Centers	4	1,203,293	0	0	49,696	4.1%	821	0
Community Centers	10	1,683,070	260,000	0	91,343	5.4%	19,219	0
Neighborhood Centers	30	3,225,573	0	100,500	111,558	3.5%	12,872	0
East Total	44	6,111,936	260,000	100,500	252,597	4.1%	32,912	0
Southwest								
Power Centers	7	2,797,365	2,155,862	755,795	4,181	0.1%	100,581	98,000
Community Centers	5	588,363	188,229	528,846	2,800	0.5%	1,954	0
Neighborhood Centers	27	2,897,247	165,000	799,167	50,411	1.7%	11,640	0
Southwest Total	39	6,282,975	2,509,091	2,083,808	57,392	0.9%	114,175	98,000
Southeast								
Power Centers	7	2,761,481	548,921	1,425,000	33,199	1.2%	(9,259)	0
Community Centers	19	3,916,250	95,093	923,000	39,921	1.0%	5,300	0
Neighborhood Centers	38	4,523,155	277,893	0	273,586	6.0%	63,128	74,000
Southeast Total	64	11,200,886	921,907	2,348,000	346,706	3.1%	59,169	74,000
Las Vegas Total								
Power Centers	37	12,790,630	2,916,583	5,560,221	224,985	1.8%	99,442	98,000
Community Centers	71	12,014,605	1,179,504	3,871,129	224,783	1.9%	19,685	0
Neighborhood Centers	175	18,894,001	1,123,216	2,119,195	751,400	4.0%	69,019	112,000
Total	283	43,699,236	5,219,303	11,550,545	1,201,168	2.7%	188,146	210,000



RETAIL MARKET
REPORT

THIRD QUARTER 2006



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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