Retail Market Report

VOIT COMMERCIAL BROKERAGE

Compared to last quarter:

Vacancy UP

Absorption UP

Lease Rates DOWN

Construction DOWN

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CORFAC International

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APPLIED ANALYSIS

Retail Market Highlights

- At the end of the third quarter 2008, the Las Vegas retail market was comprised of 50.2 million square feet of inventory in 323 anchored centers. With 3.1 million square feet of unoccupied square feet, the valley-wide vacancy rate was at an elevated 6.3 percent, the highest reported rate for anchored center space in recent history, which was up from the 6.1 percent in the preceding quarter and 3.7 percent reported one year ago.

- The market welcomed 307,000 square feet of new additions during the quarter, while net absorption failed to keep pace at 232,000 square feet. The market continues to be impacted by the challenging economic environment, including a struggling housing market that has yet to hit the proverbial bottom. Supply additions through the first nine months of 2008 totaled 1.7 million square feet, which is off the 4.3 million square foot pace reported during the 2007 calendar year. Net absorption during the past three quarters was a modest 517,000 square feet. Vacancies during the past few quarters include closures of Wickes Furniture outlets, Levitz stores, Rite Aids, selected Albertsons and Smith's, with possible future closures of Mervyn's, Linens 'n Things, Steve and Barry's and Circuit City.

- Three projects completed construction during the quarter, which included phase one of Lake Mead Crossing Center anchored by a Target in the southeast, the second phase of Foothills Plaza Shopping Center anchored by a Fresh & Easy market, and the first phase of Commerce Commons in North Las Vegas also anchored by a Fresh & Easy.

- Currently, there are approximately 3.1 million square feet of retail space under construction and 11.5 million square feet planned (at varying stages) for future development. It is important to note that the planned space includes regional and mixed-use retail centers that are likely to be developed in phases.

- Selected projects under construction include the mixed-use Summerlin Centre in the west submarket, phase two of Lake Mead Crossing Power Center in Henderson anchored by Home Depot, the mixed-use Tivoli Village at Queensridge, and The Edge in Mountain's Edge anchored by Von's. The west portion of the valley reported the largest level of construction activity with 1.7 million square feet, while other developments were noted in all other submarkets, with the exception of the east area.

- Not unlike other regional markets, fundamentals in the Las Vegas economy deteriorated during the third quarter of 2008. Unemployment levels pressed north, reaching 7.1 percent by the close of August 2008 (latest available data), which was significantly above the national average of 6.1 percent. Overall employment posted a modest annual decline of 400 positions compared to the prior year. Gains in government, leisure and hospitality and retail positions were offset by net job losses in the construction and professional and business services sectors. Retail-using employment posted a 4,500 position gain, representing a 2.6-percent increase. It is likely that several of the recent retail outlet closures have yet to be reported in the latest employment figures.

RETAIL MARKET OVERVIEW

	3Q2008	2Q2008	3Q2007	% CHANGE VS. 3Q07
Under Construction	3,128,000	3,112,000	3,510,000	-10.88%
Planned Construction	11,482,000	11,805,000	12,338,000	-6.94%
Vacancy	6.3%	6.1%	3.7%	70.27%
Net Absorption	232,000	-5,000	-3,000	N/A

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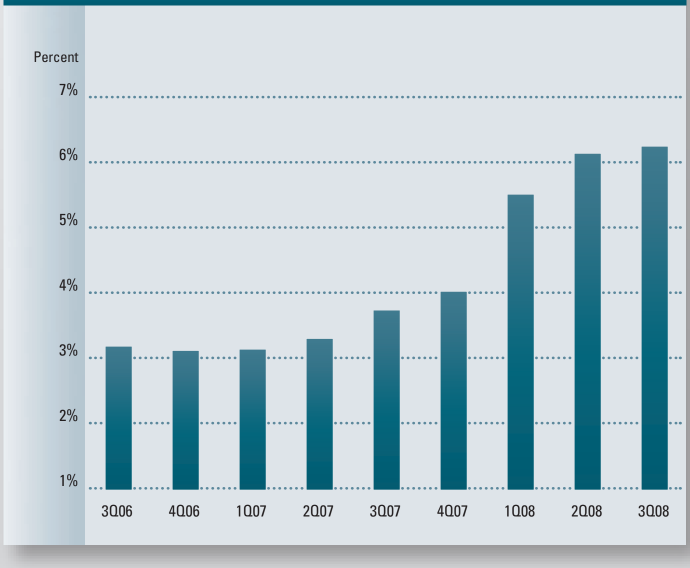
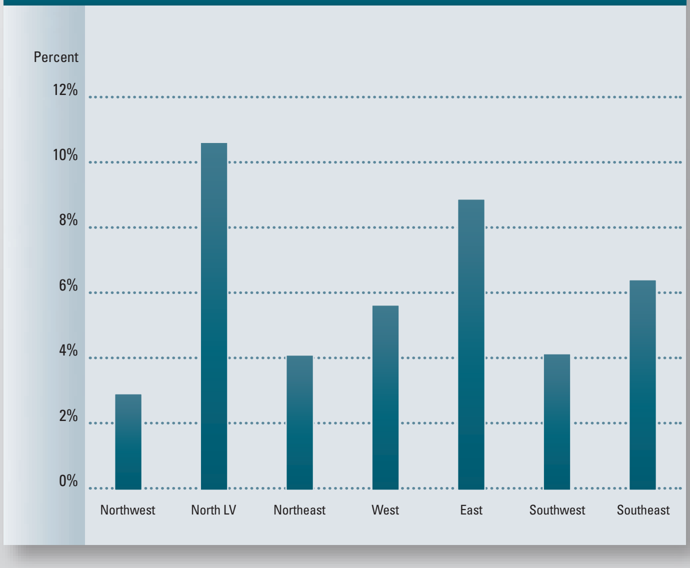
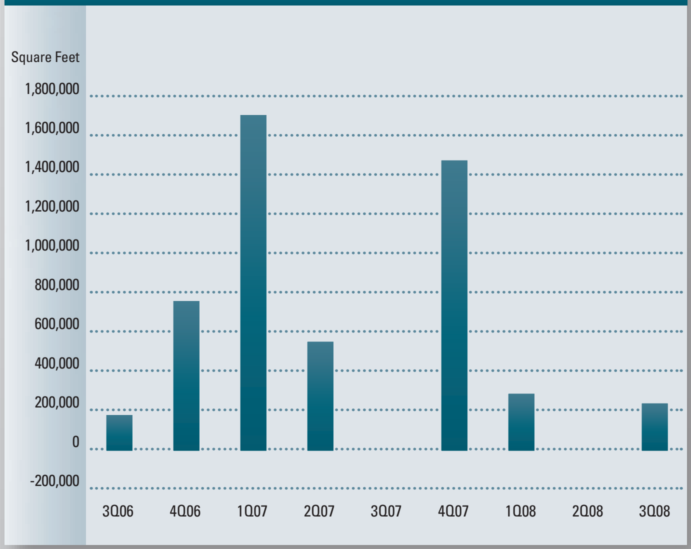
HISTORICAL VACANCY RATE



VACANCY RATE BY SUBMARKET

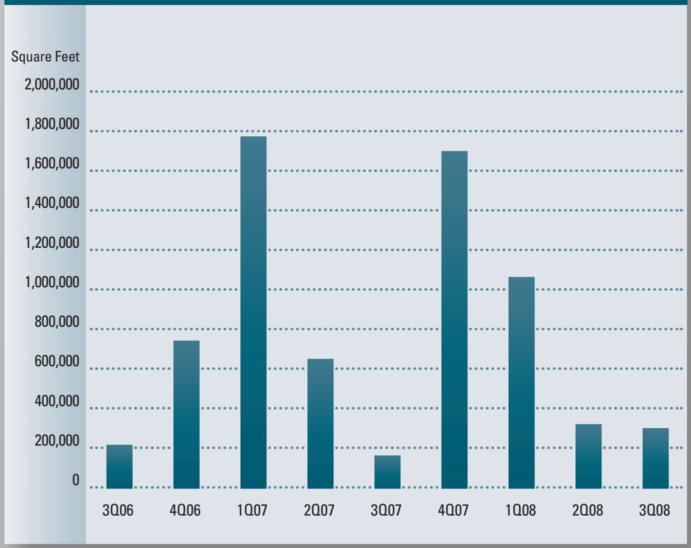


HISTORICAL NET ABSORPTION

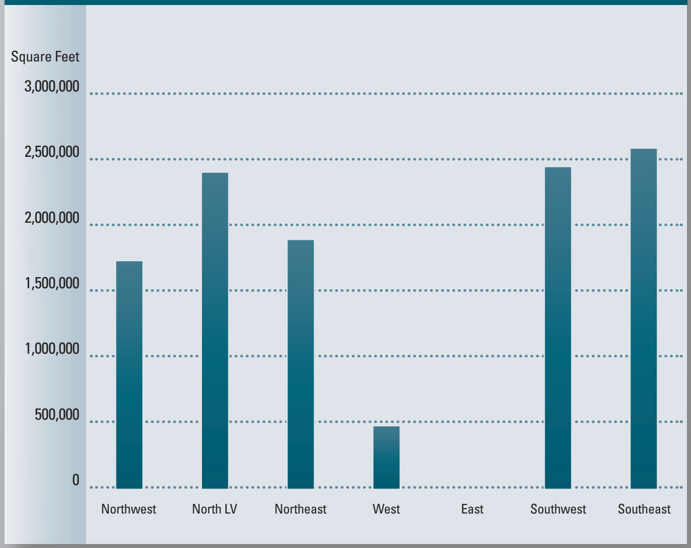


NET ABSORPTION BY SUBMARKET

HISTORICAL NEW CONSTRUCTION



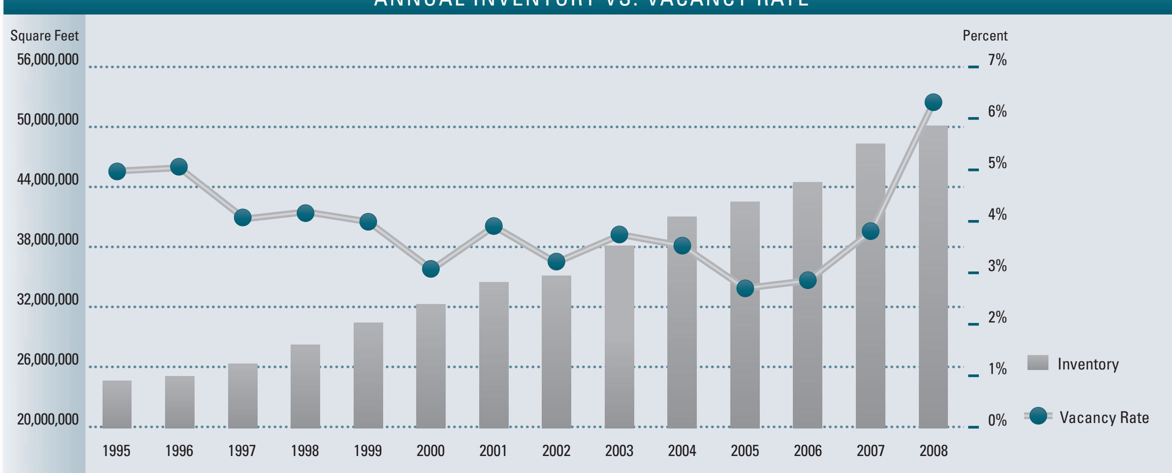
PLANNED CONSTRUCTION BY SUBMARKET

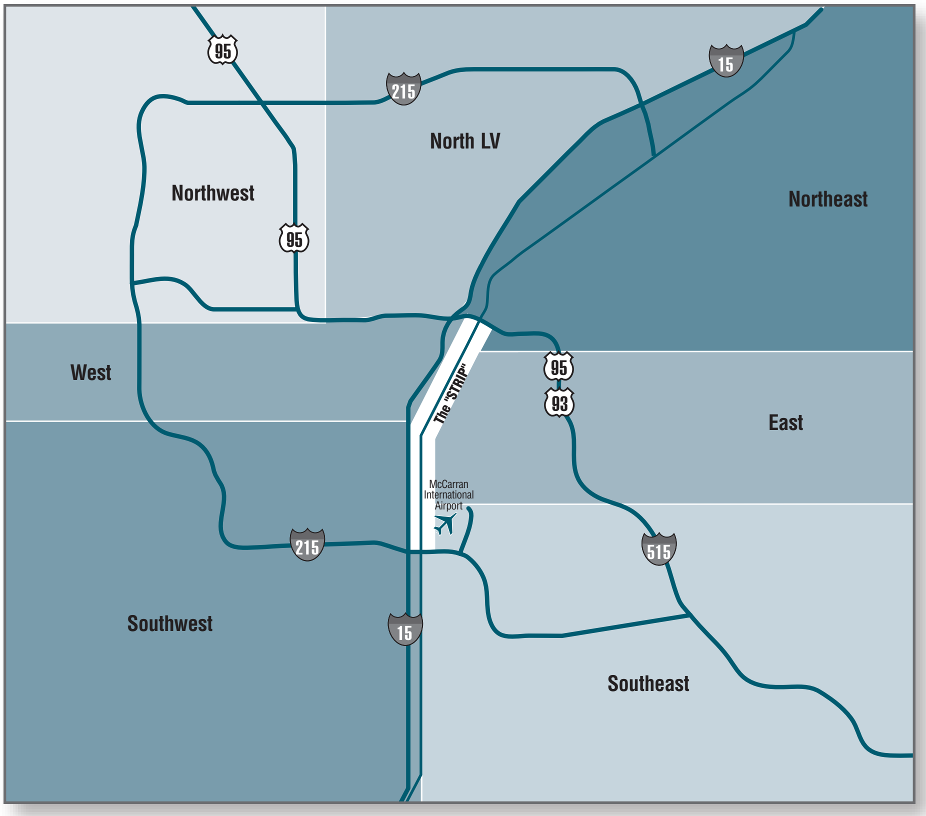


	INVENTORY				VACANCY		ABSORPTION	
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet Planned	Square Feet U / C	Square Feet Vacant	Vacancy Rate 3Q2008	Net Absorption 3Q2008	New Inventory 3Q2008
Northwest								
Power Centers	5	2,189,622	1,000,000	0	53,255	2.4%	(11,688)	0
Community Centers	5	745,896	258,210	189,130	9,700	1.3%	(2,500)	0
Neighborhood Centers	17	1,960,058	456,525	0	85,193	4.3%	(17,491)	0
Northwest Total	27	4,895,576	1,714,735	189,130	148,148	3.0%	(31,679)	0
North Las Vegas								
Power Centers	9	1,956,677	835,662	454,760	95,576	4.9%	4,117	0
Community Centers	11	1,508,952	1,011,508	0	144,799	9.6%	(354)	0
Neighborhood Centers	29	2,845,500	553,020	0	430,649	15.1%	62,447	29,523
North Las Vegas Total	49	6,311,129	2,400,190	454,760	671,024	10.6%	66,210	29,523
Northeast								
Power Centers	4	943,001	1,349,211	0	1,560	0.2%	0	0
Community Centers	7	1,054,911	453,705	0	15,435	1.5%	(1,533)	0
Neighborhood Centers	16	1,211,951	34,000	86,588	116,170	9.6%	2,070	0
Northwest Total	27	3,209,863	1,836,916	86,588	133,165	4.1%	537	0
West								
Power Centers	11	3,079,229	403,009	1,200,000	151,495	4.9%	(46,891)	0
Community Centers	17	2,319,770	80,000	450,000	144,152	6.2%	(2,210)	0
Neighborhood Centers	22	2,570,157	0	0	148,286	5.8%	6,288	0
West Total	50	7,969,156	483,009	1,650,000	443,933	5.6%	(42,813)	0
East								
Power Centers	4	1,203,293	0	0	3,400	0.3%	0	0
Community Centers	11	1,863,070	0	0	267,445	14.4%	1,762	0
Neighborhood Centers	29	3,143,708	0	0	274,766	8.7%	16,179	0
East Total	44	6,210,071	0	0	545,611	8.8%	17,941	0
Southwest								
Power Centers	12	5,048,799	978,951	64,000	139,645	2.8%	(10,605)	0
Community Centers	8	786,101	725,719	0	20,640	2.6%	4,538	0
Neighborhood Centers	31	3,265,743	729,242	282,000	220,842	6.8%	4,486	0
Southwest Total	51	9,100,643	2,433,912	346,000	381,127	4.2%	(1,581)	0
Southeast								
Power Centers	9	3,650,904	1,546,037	323,098	216,634	5.9%	209,460	201,970
Community Centers	23	4,367,897	576,500	0	230,823	5.3%	(24,448)	0
Neighborhood Centers	43	4,458,173	490,312	78,400	369,246	8.3%	38,036	75,474
Southeast Total	75	12,476,974	2,612,849	401,498	816,703	6.5%	223,048	277,444
Las Vegas Total								
Power Centers	54	18,071,525	6,112,870	2,041,858	661,565	3.7%	144,393	201,970
Community Centers	82	12,646,597	3,105,642	639,130	832,994	6.6%	(24,745)	0
Neighborhood Centers	187	19,455,290	2,263,099	446,988	1,645,152	8.5%	112,015	104,997
Total	**323**	**50,173,412**	**11,481,611**	**3,127,976**	**3,139,711**	**6.3%**	**231,663**	**306,967**

This survey consists of buildings greater than 30,000 square feet.

ANNUAL INVENTORY VS. VACANCY RATE





PRODUCT TYPE

POWER CENTERS

Power Centers have multiple big box tenants and typically less shop space tenants, size starts at 100,000 SF and up.

COMMUNITY CENTERS

Community Centers are multiple anchored with shop space tenants, the sizes generally start 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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