



Retail Market Report

Compared to the Previous Quarter

Vacancy

DOWN

Net Absorption

POSITIVE

Lease Rates

DOWN

Construction

DOWN

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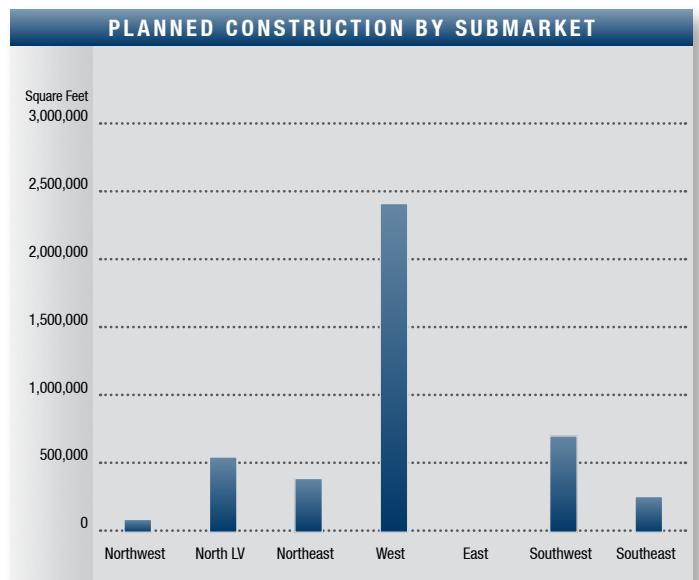
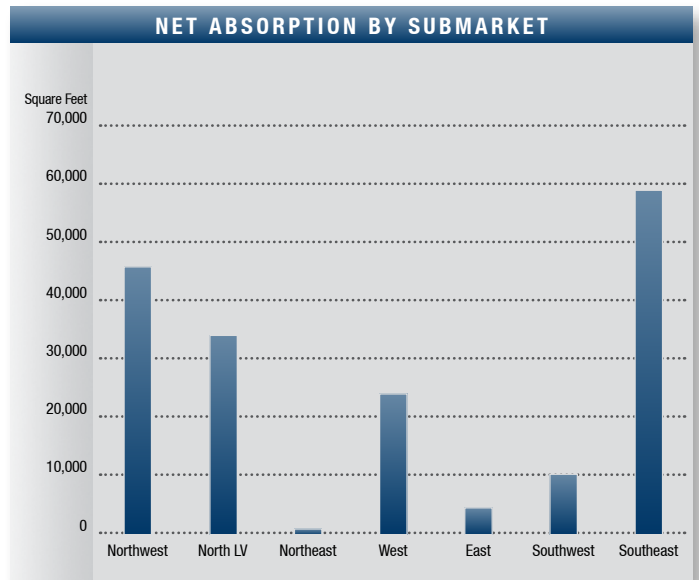
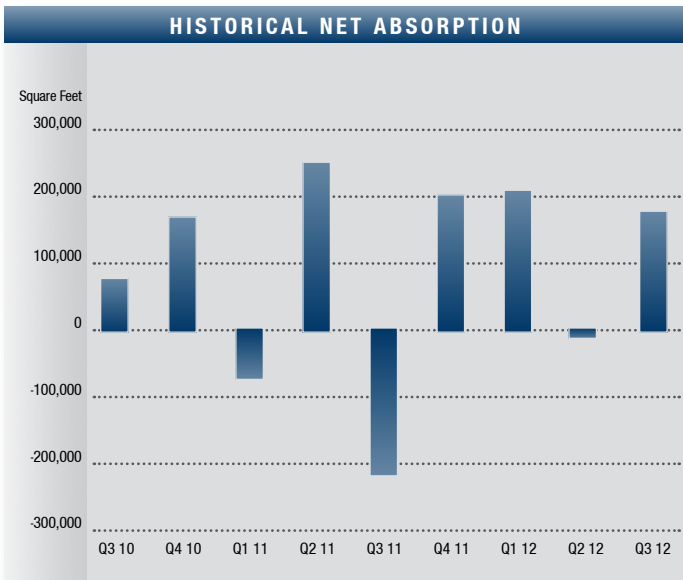
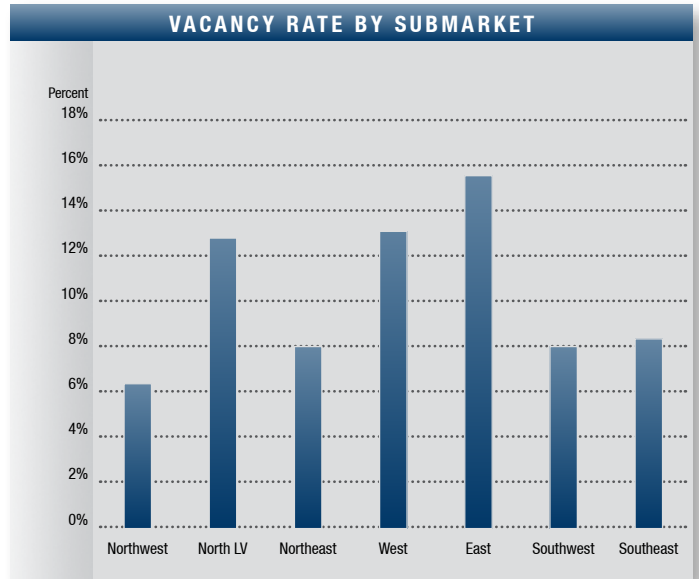
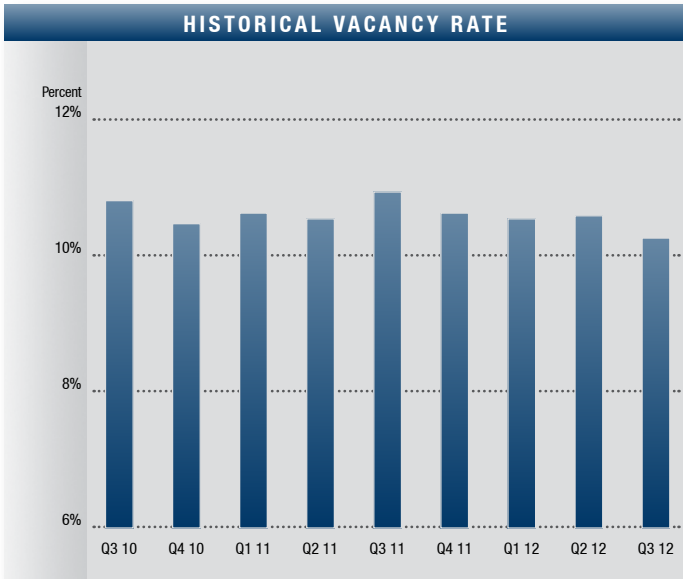
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Market Highlights

- Market Overview** – The Las Vegas retail market witnessed a decline in vacancy rate during the third quarter of 2012, falling to 10.2 percent. Compared to the prior period (Q2 2012), vacancies declined by 0.3 percentage points, and compared to a year ago (Q3 2011), the rate remains down 0.7 percentage points.
- Future Supply** – The pace of new construction remains relatively slow with only one project actively under development in the valley sourced to the 300,000–square–foot second–phase addition to Tivoli Village at Queensridge. A total of 4.3 million square feet remain in various stages of planning.
- Economic Considerations** – Broader economic conditions showed improvements during the period. Consumer confidence reached 70.3 by the end of the quarter, up 12.1 percent compared to the end of the second quarter. The tourism industry continues to improve, with hotel operators increasing investments. In addition, the housing market is showing some signs of stabilization, with median home prices in the new and existing markets increasing 3.5 percent and 16.5 percent, respectively, when compared to the prior year.
- Looking Forward** – During the latest reporting period, the retail market vacancy rate reached its lowest levels since the first quarter of 2009. A greater number of big box spaces are gaining interest and in some instances being absorbed, placing downward pressure on vacancies. Moving forward, price re–setting on the investor and tenant sides will continue to play a role in the demand profile for available space.
- Demand** – The sector reported 179,300 square feet of positive net absorption during the period, attributable to positive absorption in all submarkets. The southeast and northwest submarkets reported the strongest performances during the quarter, with 59,300 and 45,600 square feet of net move–ins, respectively. Some notable transactions that took place during the quarter included the leasing of a 32,000–square–foot space in Centennial Center to Big Lots and a 25,000–square–foot space in Canyon Pointe to Ross.
- Inventory** – Approximately 11,000 square feet of new space entered the market during the quarter, which consisted of second phase additions to the WinCo Foods center on the southeast corner of Stephanie and Wigwam and the Albertson’s center on the southeast corner of Rainbow and Warm Springs. Year–to–date, approximately 201,000 square feet has completed construction.

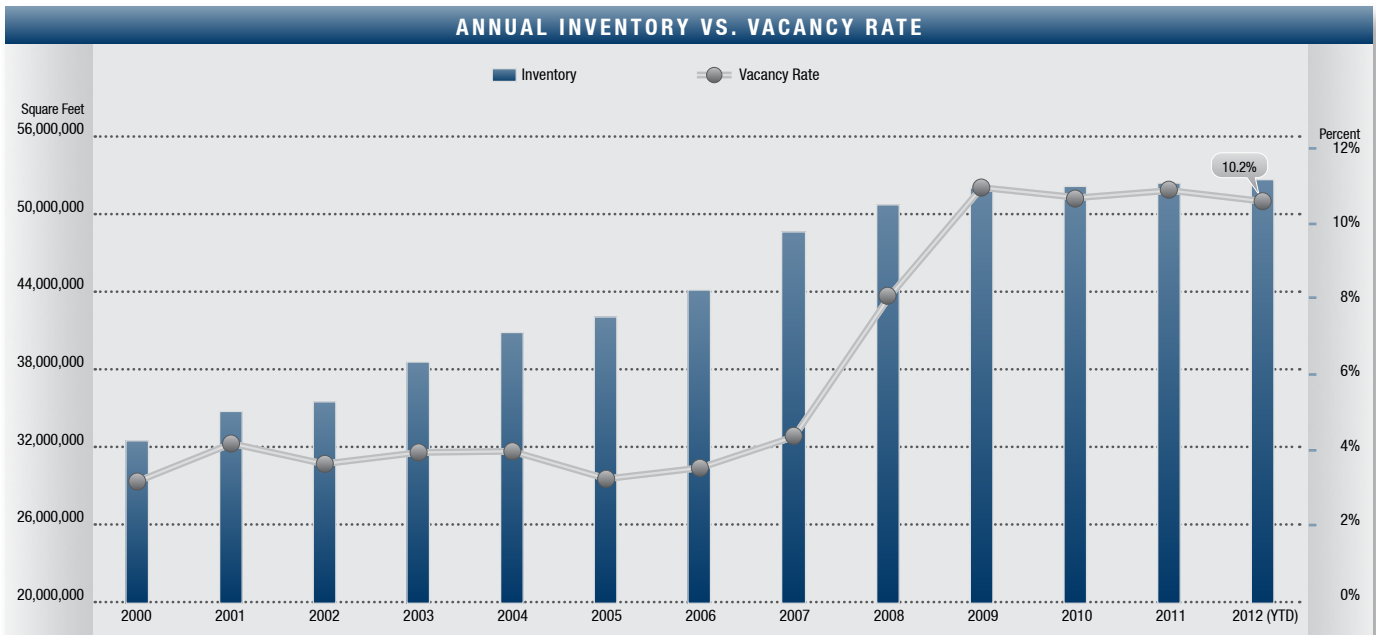
RETAIL MARKET OVERVIEW

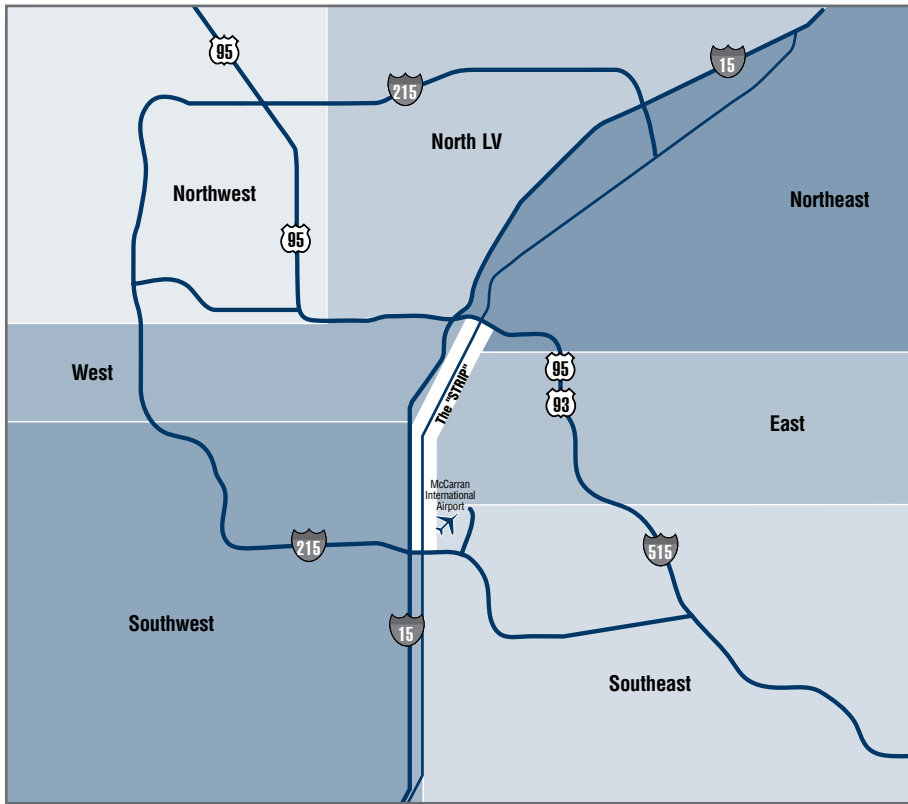
	Q3 2012	Q2 2012	Q3 2011	Q3 2012 vs. Q3 2011
Under Construction	300,000	311,000	225,000	33.3%
Planned Construction	4,273,466	4,126,466	4,338,775	(1.5%)
Vacancy	10.2%	10.6%	10.9%	(0.7%)
Net Absorption	179,308	(11,959)	(218,036)	N/A



	INVENTORY				VACANCY RATES		ABSORPTION			
	Number of Bldgs.	Net Rentable SquareFeet	Square Feet Planned	SquareFeet Under Construction	Square Feet Vacant	Vacancy Rate Q3 2012	Net Absorption Q3 2012	Net Absorption 2012	New Inventory Q3 2012	New Inventory 2012
Northwest										
Power Centers	5	2,239,622	0	0	127,720	5.7%	46,115	45,969	0	0
Community Centers	8	1,099,610	73,956	0	119,401	10.9%	1,953	(6,049)	0	0
Neighborhood Centers	17	1,960,058	0	0	90,193	4.6%	(2,437)	3,419	0	0
Northwest Total	30	5,299,290	73,956	0	337,314	6.4%	45,631	43,339	0	0
North Las Vegas										
Power Centers	13	2,639,291	535,475	0	180,859	6.9%	1,310	123,550	0	95,000
Community Centers	11	1,508,952	0	0	119,527	7.9%	(5,650)	2,350	0	0
Neighborhood Centers	30	2,994,395	0	0	616,862	20.6%	38,857	14,914	0	0
North Las Vegas Total	54	7,142,638	535,475	0	917,248	12.8%	34,517	140,814	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	83,972	8.0%	(1,557)	1,801	0	0
Neighborhood Centers	17	1,298,539	0	0	171,977	13.2%	2,504	4,684	0	0
Northeast Total	28	3,296,451	351,328	0	259,879	7.9%	947	6,485	0	0
West										
Power Centers	11	3,079,229	1,500,000	0	160,098	5.2%	(6,271)	(35,157)	0	0
Community Centers	18	2,606,430	700,000	300,000	552,244	21.2%	28,648	(9,451)	0	0
Neighborhood Centers	22	2,540,122	200,000	0	358,335	14.1%	1,657	27,432	0	0
West Total	51	8,225,781	2,400,000	300,000	1,070,677	13.0%	24,034	(17,176)	0	0
East										
Power Centers	4	1,203,293	0	0	296,446	24.6%	(9,428)	(41,644)	0	0
Community Centers	11	1,864,470	0	0	222,830	12.0%	12,925	8,914	0	0
Neighborhood Centers	29	3,143,708	0	0	445,502	14.2%	825	(16,826)	0	0
East Total	44	6,211,471	0	0	964,778	15.5%	4,322	(49,556)	0	0
Southwest										
Power Centers	13	4,372,467	223,156	0	265,490	6.1%	(4,170)	11,873	0	0
Community Centers	8	786,101	52,219	0	63,319	8.1%	2,071	9,738	0	0
Neighborhood Centers	34	3,412,656	406,000	0	340,723	10.0%	12,629	30,944	3,000	3,000
Southwest Total	55	8,571,224	681,375	0	669,532	7.8%	10,530	52,555	3,000	3,000
Southeast										
Power Centers	10	3,851,585	175,037	0	223,619	5.8%	9,089	(4,389)	0	0
Community Centers	23	4,349,958	0	0	339,736	7.8%	9,656	63,361	0	0
Neighborhood Centers	48	4,774,085	56,295	0	514,324	10.8%	40,582	138,737	8,000	103,000
Southeast Total	81	12,975,628	231,332	0	1,077,679	8.3%	59,327	197,709	8,000	103,000
Las Vegas Total										
Power Centers	60	18,328,488	2,433,668	0	1,258,162	6.9%	36,645	100,202	0	95,000
Community Centers	86	13,270,432	1,177,503	300,000	1,501,029	11.3%	48,046	70,664	0	0
Neighborhood Centers	197	20,123,563	662,295	0	2,537,916	12.6%	94,617	203,304	11,000	106,000
Las Vegas Total	343	51,722,483	4,273,466	300,000	5,297,107	10.2%	179,308	374,170	11,000	201,000

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

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