

RETAIL MARKET REPORT

FOURTH
QUARTER
2006

Compared to
last quarter:

VACANCY



ABSORPTION



LEASE RATES



CONSTRUCTION



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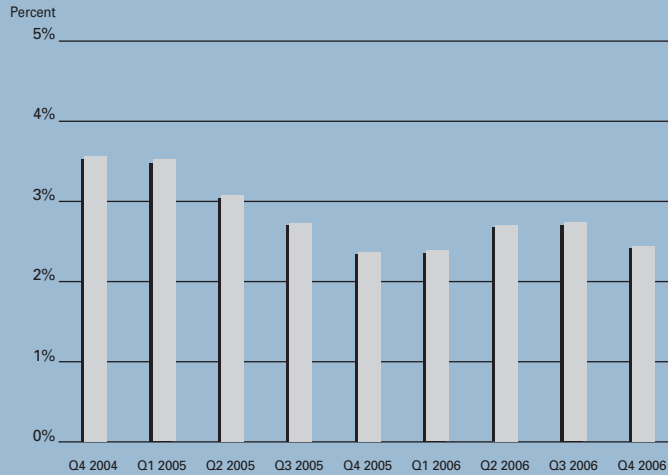
MARKET HIGHLIGHTS

- ◆ During 2006, the Las Vegas employment base expanded by approximately 44,200 new positions, representing an annual growth rate of 4.9 percent. Retail-using employment reported a 4.3-percent growth rate, contributing 7,300 new employees to the market-wide gain.
- ◆ As of year-end, unemployment levels in Las Vegas remained relatively low at 4.0 percent, which was up slightly from 3.7 percent reported one year ago. The jobless rate remains below the 4.5-percent national average reported during the same period.
- ◆ The retail real estate sector expanded by 713,000 square feet during the fourth quarter, pushing total annual expansions to 1.9 million square feet. The 4.5-percent annual growth rate within the sector approximated population growth.
- ◆ Demand outpaced new supply during the quarter with 787,000 square feet absorbed, driving annual absorption to 1.8 million square feet. With a relatively healthy balance between supply and demand, the market ended the year with a 2.5-percent vacancy rate, slightly below the third quarter of 2006 and on par with the prior year.
- ◆ Elevated land prices sought out by many landowners seeking residential developers has limited access by some retail developers in recent years. That having been said, housing market conditions may provide a more stable balance in coming quarters. Some developers have avoided the land pricing threat altogether by developing projects on leased land, including The Arroyo and McCarran Marketplace. As of year-end, over 5.2 million square feet remains under construction while another 13.7 million square feet are in varying stages of planning, which includes select regional and lifestyle centers.

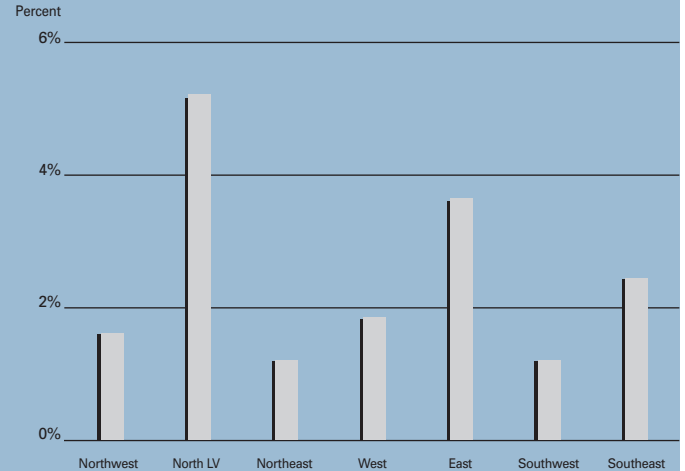
RETAIL MARKET STATISTICS

	2006	2005	2004	% CHANGE VS. 2005
Under Construction	5,229,000	4,115,000	600,000	27.07%
Planned Construction	13,704,000	6,710,257	9,564,000	104.22%
Vacancy	2.5%	2.5%	3.5%	0.00%
Net Absorption	1,845,000	1,494,000	3,370,000	23.49%

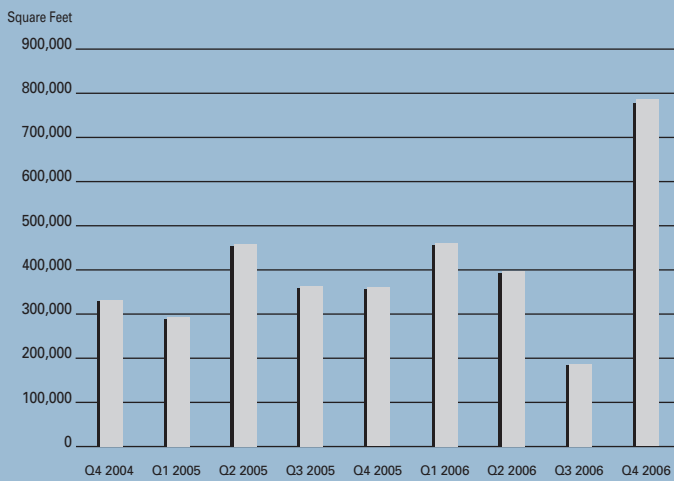
HISTORICAL VACANCY RATE



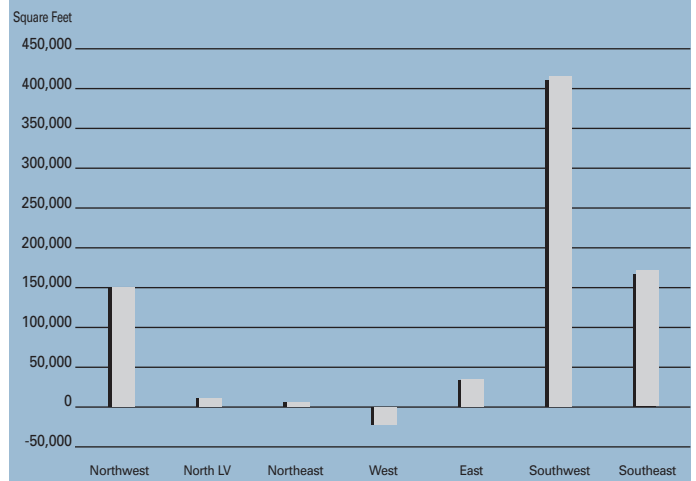
VACANCY RATE BY SUBMARKET



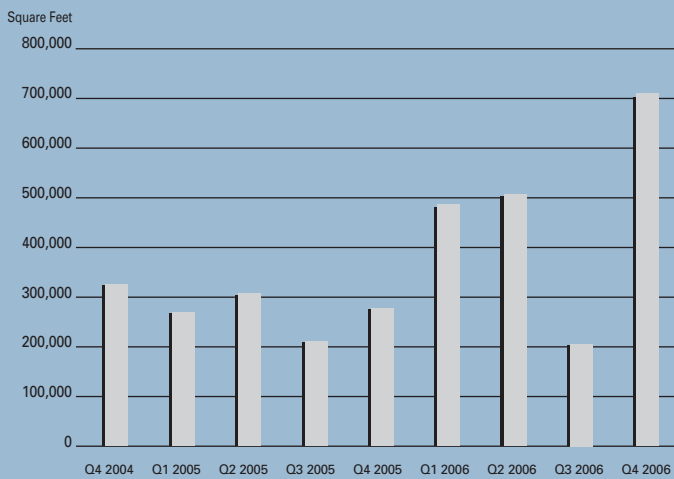
HISTORICAL NET ABSORPTION



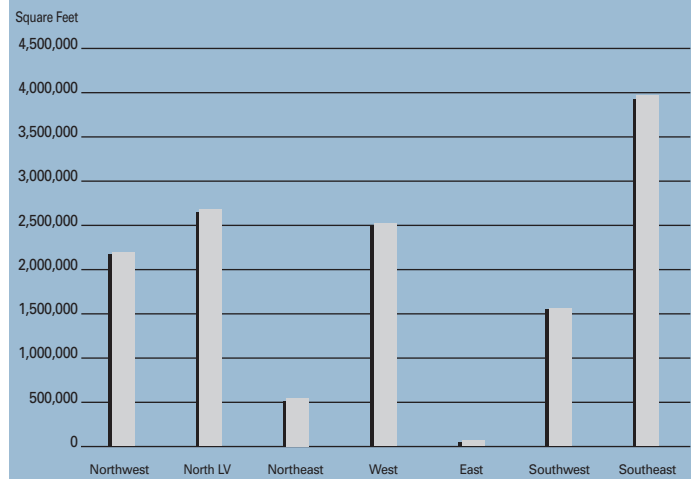
NET ABSORPTION BY SUBMARKET



HISTORICAL NEW CONSTRUCTION

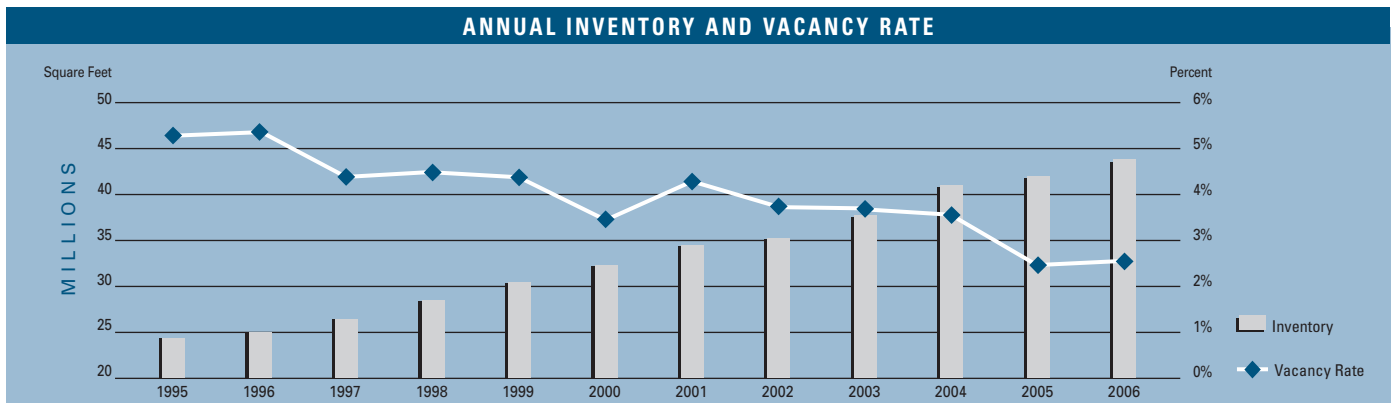


PLANNED CONSTRUCTION BY SUBMARKET



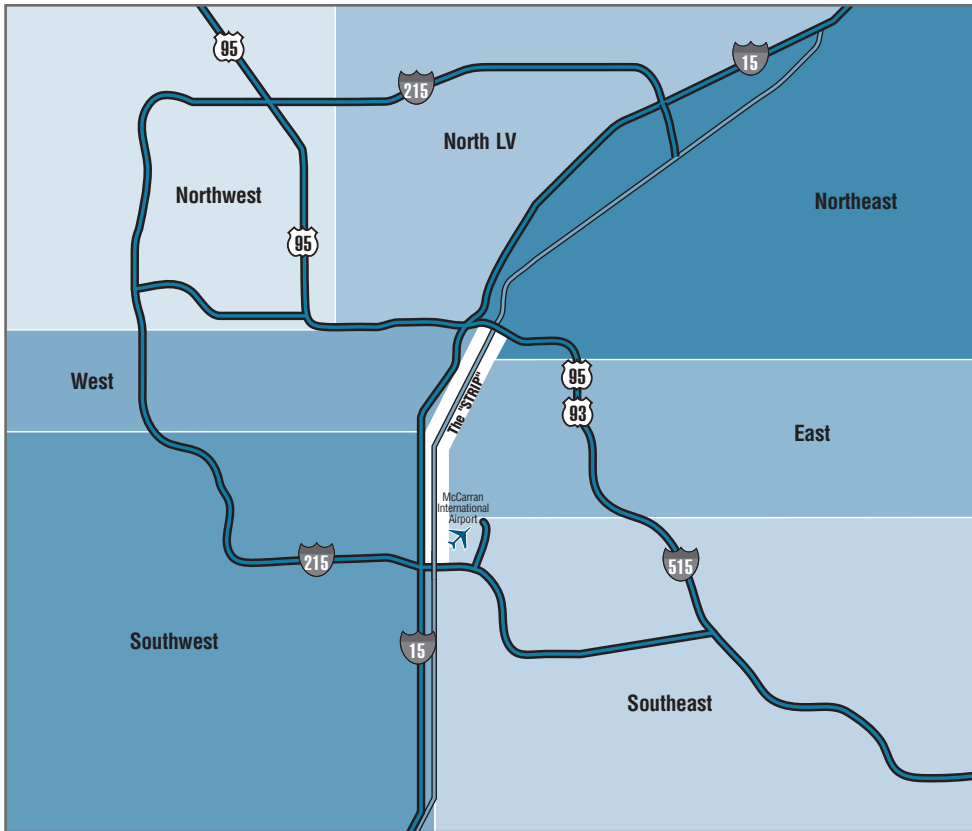
L A S V E G A S M A R K E T

	INVENTORY				VACANCY		ABSORPTION	
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 4Q2006	Net Absorption 4Q2006	New Inventory 4Q2006
Northwest								
Power Centers	5	2,189,622	0	1,475,000	24,491	1.1%	32,418	0
Community Centers	6	872,896	0	189,130	34,324	3.9%	121,585	135,431
Neighborhood Centers	15	1,755,597	197,060	548,735	17,623	1.0%	(3,540)	0
Northwest Total	26	4,818,115	197,060	2,212,865	76,438	1.6%	150,463	135,431
North Las Vegas								
Power Centers	5	1,221,978	291,800	0	23,612	1.9%	3,200	0
Community Centers	5	974,688	558,757	2,161,607	4,405	0.5%	(3,105)	0
Neighborhood Centers	27	2,765,750	361,715	532,543	233,724	8.5%	15,175	0
North Las Vegas Total	37	4,962,416	1,212,272	2,694,150	261,741	5.3%	15,270	0
Northeast								
Power Centers	3	826,001	0	324,426	8,244	1.0%	8,975	0
Community Centers	6	974,911	0	0	13,339	1.4%	(3,510)	0
Neighborhood Centers	15	1,131,017	0	233,500	16,155	1.4%	5,740	0
Northeast Total	24	2,931,929	0	557,926	37,738	1.3%	11,205	0
West								
Power Centers	6	1,790,890	0	1,500,000	42,029	2.3%	(5,060)	0
Community Centers	20	3,093,858	0	1,030,000	74,436	2.4%	(15,324)	0
Neighborhood Centers	23	2,545,162	102,600	0	26,805	1.1%	150	0
West Total	49	7,429,910	102,600	2,530,000	143,270	1.9%	(20,234)	0
East								
Power Centers	4	1,203,293	0	0	29,256	2.4%	20,440	0
Community Centers	10	1,683,070	260,000	0	78,796	4.7%	12,547	0
Neighborhood Centers	30	3,225,573	0	100,500	109,263	3.4%	2,295	0
East Total	44	6,111,936	260,000	100,500	217,315	3.6%	35,282	0
Southwest								
Power Centers	8	3,247,365	1,801,434	755,795	31,556	1.0%	422,625	450,000
Community Centers	5	588,363	353,575	363,500	2,800	0.5%	0	0
Neighborhood Centers	27	2,897,247	408,136	502,644	56,181	1.9%	(3,770)	0
Southwest Total	40	6,732,975	2,563,145	1,621,939	90,537	1.3%	418,855	450,000
Southeast								
Power Centers	7	2,761,481	648,921	2,166,105	34,519	1.3%	(1,320)	0
Community Centers	19	3,916,250	95,093	1,820,200	39,064	1.0%	857	0
Neighborhood Centers	39	4,651,048	150,000	0	221,463	4.8%	176,517	127,893
Southeast Total	65	11,328,779	894,014	3,986,305	295,046	2.6%	176,054	127,893
Las Vegas Total								
Power Centers	38	13,240,630	2,742,155	6,221,326	193,707	1.5%	481,278	450,000
Community Centers	71	12,104,036	1,267,425	5,564,437	247,164	2.0%	113,050	135,431
Neighborhood Centers	176	18,971,394	1,219,511	1,917,922	681,214	3.6%	192,567	127,893
Total	285	44,316,060	5,229,091	13,703,685	1,122,085	2.5%	786,895	713,324



RETAIL MARKET
REPORT

FOURTH 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.

To view available properties,
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For Further Information:

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