



Voit
Real Estate Services

Retail Market Report

Compared to last quarter:



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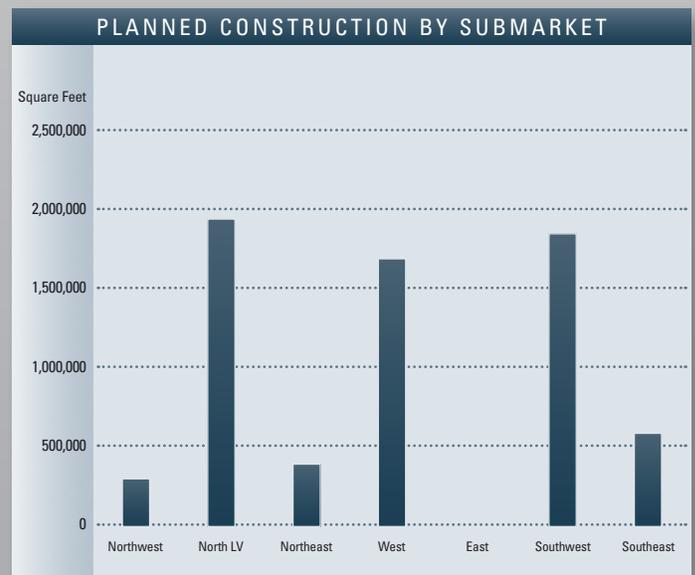
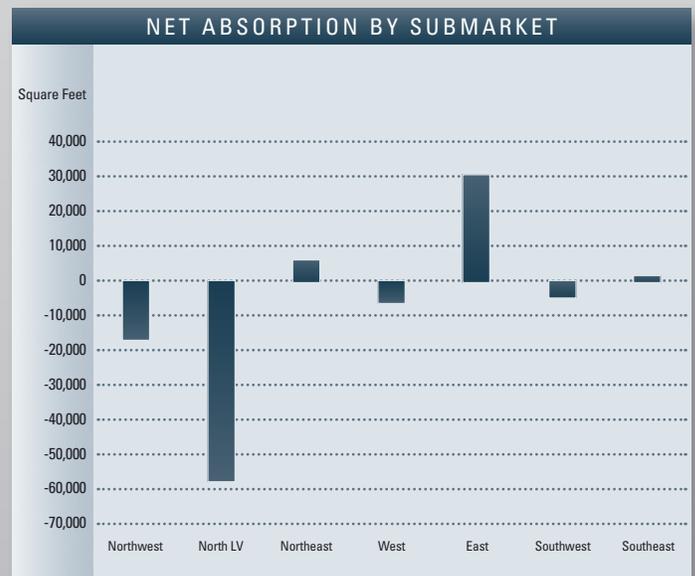
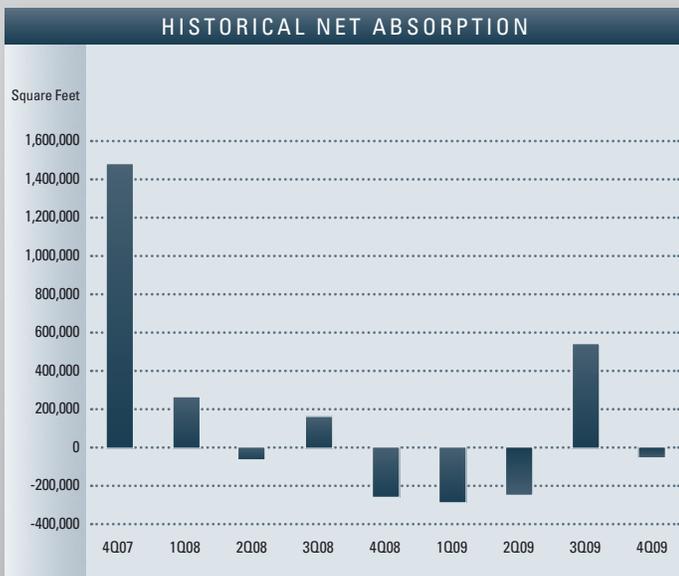


Market Highlights

- ◆ **Market Overview** – Overall vacancies edged slightly upward to 10.0 percent as approximately 49,900 square feet of net move-outs occurred during the final quarter of 2009. While vacancies have remained within a relatively narrow range during the past several quarters, they remain more than double the ten-year average, which has impacted pricing. Average asking rents fell for the seventh consecutive quarter and have accelerated downward throughout the year. While selected national indicators have pointed toward recovery during the past six months, local indicators continue to suggest little or no growth in key sectors. Consumer spending continues to report year-over-year declines as housing values remain depressed relative to the peak and the number of job seekers remains high.
- ◆ **Future Supply** – The majority of the 809,800 square feet of space actively under construction will likely not finish until the second half of 2010 or beyond; a period when market fundamentals may start to shed light on the timing of the recovery. Projects remaining under construction include a Lowe’s-anchored center at Caroline’s Court in the northwest and Tivoli Village at Queensridge. It is worth noting that approximately 1.2 million square feet of space has stalled or delayed timing and will remain classified as planned until construction activity resumes. The majority of planned space is not expected to move forward in the near term.
- ◆ **Economic Considerations** – Economic conditions continued to deteriorate in Las Vegas as job losses persisted, pushing 60,400 southern Nevadans out of work during the past 12 months (employment is down 6.7 percent year-over-year). Unemployment levels have dipped to 12.1 percent from its high of 13.9 percent reached earlier in the year, largely due to seasonality and fewer people looking for work. Job losses remain particularly high in construction (down 20,300 jobs or 23.1 percent) and are likely to worsen as casino and other commercial projects finish construction.
- ◆ **Demand** – Demand through the fourth quarter remained weak. For the quarter, there was 49,900 square feet of negative net absorption, bringing the annual net absorption to -71,300 square feet. Negative net absorption would have been much worse but several pre-leased centers (e.g., Target and The Home Depot) came online.
- ◆ **Inventory** – By the end of 2009, the amount of occupied retail space remained at 46.6 million square feet, relatively the same as when the recession began in late 2008. Over this same period, 3.3 million square feet of new inventory was added to the market, bringing the total amount of vacant square feet at the end of the fourth quarter to 5.2 million. During the fourth quarter, no major completions were reported, while 1.3 million square feet entered the market during the year.
- ◆ **Looking Forward** – Preliminary national numbers indicate consumers increased their holiday spending over last year. Turning locally, conditions remain somewhat unstable with consumer spending lagging national trends and largely tied to an upside-down residential market. Market corrections are already underway, with a bottoming to the cycle expected later in 2010. Consumer confidence will be a critical factor to monitor going forward as improvements will be required in advance of retailer expansions.

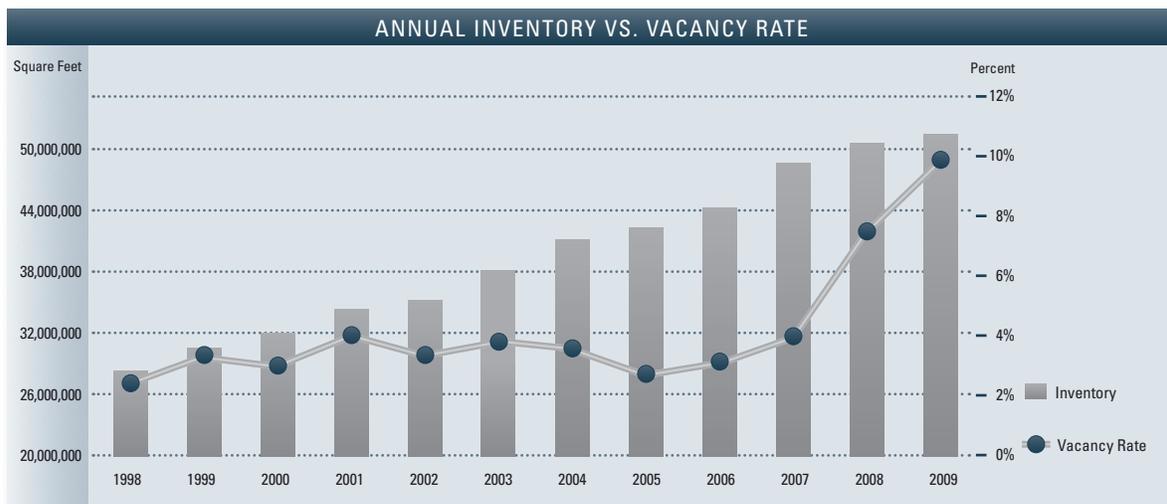
RETAIL MARKET OVERVIEW				
	2009	2008	2007	2009 VS. 2008
Under Construction	809,800	2,895,000	2,245,700	-63.94%
Planned Construction	6,654,200	12,034,500	11,946,500	-44.30%
Vacancy	10.0%	7.5%	4.0%	150.00%
Net Absorption	-71,300	114,900	3,724,100	N/A

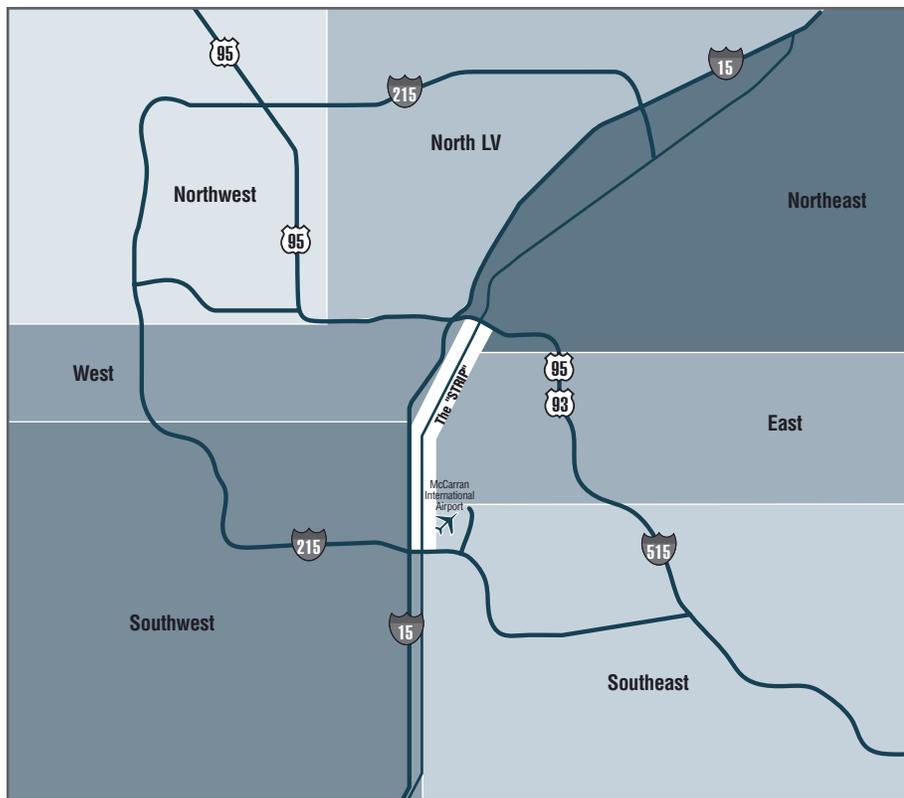
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	INVENTORY				VACANCY		ABSORPTION	
	Number of Buildings	Net Rentable Square Feet	Square Feet Planned	Square Feet Under Construction	Square Feet Vacant	Vacancy Rate 4Q2009	Net Absorption 4Q2009	New Inventory 4Q2009
Northwest								
Power Centers	5	2,189,622	-	-	164,650	7.5%	(12,931)	-
Community Centers	6	935,026	-	258,210	162,519	17.4%	6,840	-
Neighborhood Centers	17	1,960,058	298,900	-	129,523	6.6%	(11,592)	-
Northwest Total	28	5,084,706	298,900	258,210	456,692	9.0%	(17,683)	-
North Las Vegas								
Power Centers	12	2,623,957	630,475	-	227,183	8.7%	(5,599)	-
Community Centers	11	1,508,952	1,011,508	-	139,118	9.2%	(13,757)	-
Neighborhood Centers	29	2,845,500	287,000	-	481,040	16.9%	(38,799)	-
North Las Vegas Total	52	6,978,409	1,928,983	-	847,341	12.1%	(58,155)	-
Northeast								
Power Centers	4	943,001	-	-	6,080	0.6%	3,200	-
Community Centers	7	1,054,911	351,328	-	23,128	2.2%	39,337	-
Neighborhood Centers	17	1,298,539	34,000	-	228,646	17.6%	(36,036)	-
Northwest Total	28	3,296,451	385,328	-	257,854	7.8%	6,501	-
West								
Power Centers	11	3,079,229	1,603,009	-	145,773	4.7%	26,891	-
Community Centers	17	2,381,430	80,000	450,000	359,699	15.1%	17,786	-
Neighborhood Centers	22	2,570,157	-	-	405,761	15.8%	(51,148)	-
West Total	50	8,030,816	1,683,009	450,000	911,233	11.3%	(6,471)	-
East								
Power Centers	4	1,203,293	-	-	68,830	5.7%	(25,945)	-
Community Centers	11	1,863,070	-	-	245,459	13.2%	92,540	-
Neighborhood Centers	29	3,143,708	-	-	475,589	15.1%	(36,161)	-
East Total	44	6,210,071	-	-	789,878	12.7%	30,434	-
Southwest								
Power Centers	13	5,112,799	878,951	-	253,002	4.9%	2,380	-
Community Centers	8	786,101	415,719	-	61,281	7.8%	4,922	-
Neighborhood Centers	33	3,409,656	506,000	-	334,806	9.8%	(12,658)	-
Southwest Total	54	9,308,556	1,800,670	-	649,089	7.0%	(5,356)	-
Southeast								
Power Centers	10	3,851,585	175,037	-	387,902	10.1%	21,908	-
Community Centers	23	4,367,897	153,000	-	338,859	7.8%	(13,208)	-
Neighborhood Centers	45	4,682,842	229,312	101,550	558,348	11.9%	(7,872)	-
Southeast Total	78	12,902,324	557,349	101,550	1,285,109	10.0%	828	-
Las Vegas Total								
Power Centers	59	19,003,486	3,287,472	-	1,253,420	6.6%	9,904	-
Community Centers	83	12,897,387	2,011,555	708,210	1,330,063	10.3%	134,460	-
Neighborhood Centers	192	19,910,460	1,355,212	101,550	2,613,713	13.1%	(194,266)	-
Total	334	51,811,333	6,654,239	809,760	5,197,196	10.0%	(49,902)	-

This survey consists of buildings greater than 30,000 square feet. **Note:** Planned inventory includes projects that previously commenced construction but are not actively underway.





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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