



## Retail Market Report

Compared to 2011:

Vacancy

DOWN

Net Absorption

POSITIVE

Lease Rates

DOWN

Construction

DOWN

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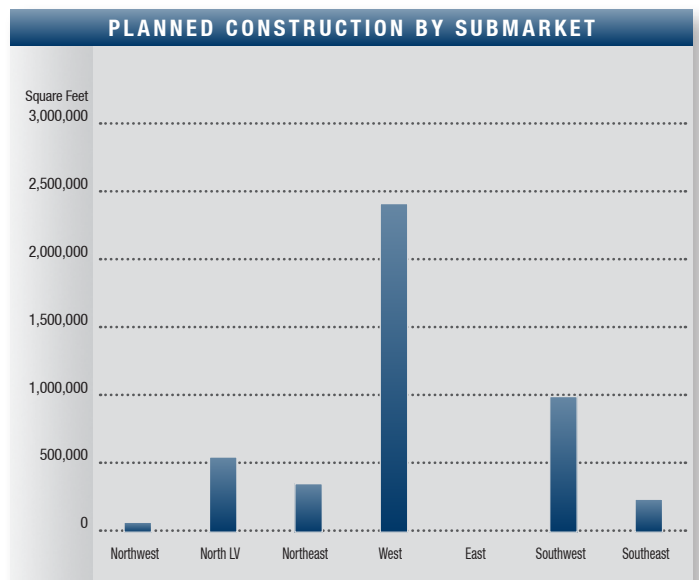
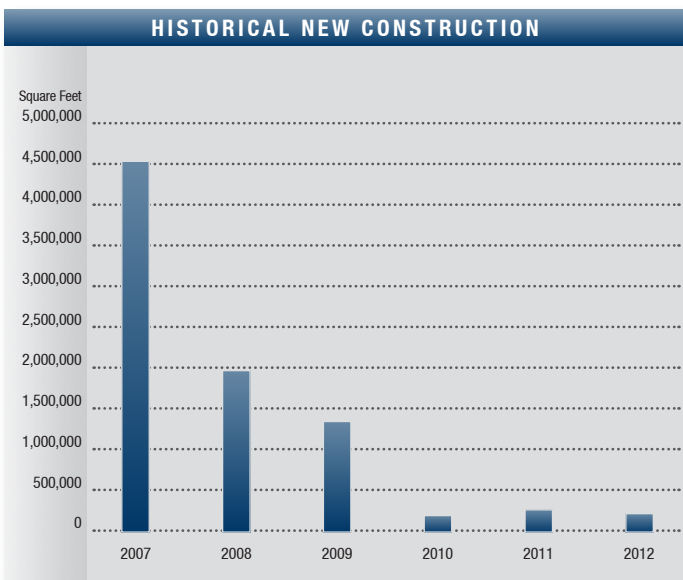
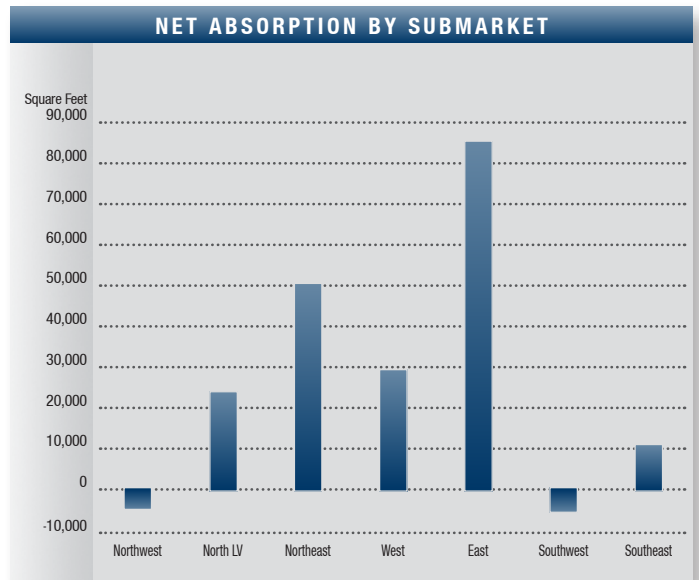
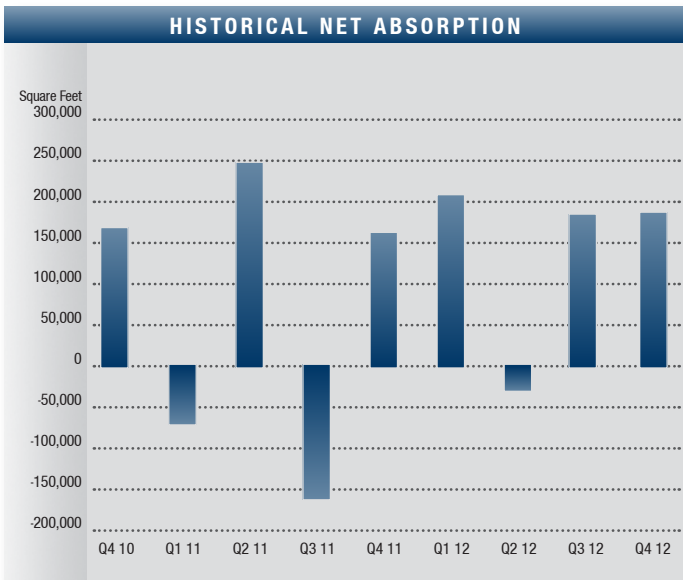
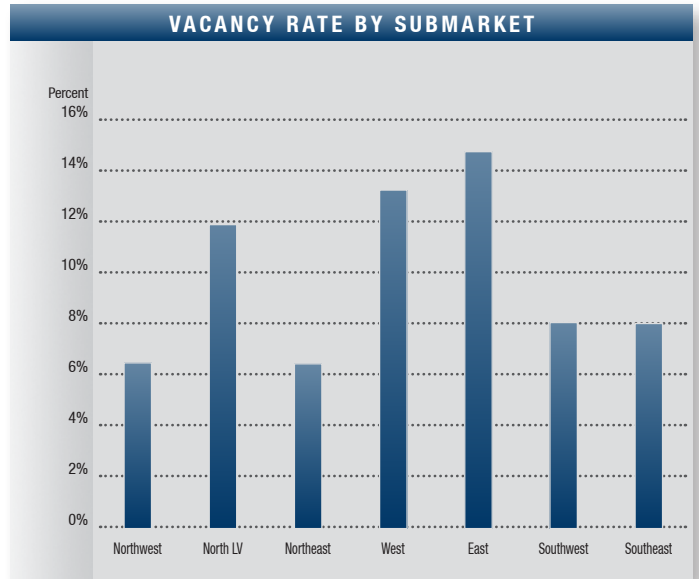
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### Market Highlights

- Market Overview** – The Las Vegas retail market vacancy rate ended 2012 at 9.9 percent. Compared to the prior quarter (Q3 2012), the rate is down 2.9 percent. Meanwhile, vacancies have declined an even greater 6.6 percent when compared to the prior year (Q4 2011). The retail market posted positive demand in three of the four quarters in 2012.
- Demand** – Approximately 188,694 square feet of positive net absorption was reported in the retail sector during the fourth quarter, bringing the year-end total to positive 551,614 square feet. Due to increased demand and a shift in the mix of available product, average asking rates rose during the fourth quarter. Average pricing was \$1.50 per square foot per month at the end of the fourth quarter, up 4.2 percent compared to the previous quarter. While rates were down 6.6 percent, the year-over-year declines are becoming more modest.
- Inventory** – With no new space entering the market during the period, total inventory remains at 51.7 million square feet. For the year, 201,000 square feet completed construction. The majority (190,000 square feet) was sourced to two WinCo Foods (95,000 square feet each), which completed in the first quarter.
- Future Supply** – Two projects totaling 304,000 square feet are actively under construction. Approximately 300,000 square feet is sourced to the second-phase addition of Tivoli Village at Queensridge, which is expected to be completed by the 2013 holiday season. The remaining 4,000 square feet consists of a third-phase addition to the WinCo Foods center at the southeast corner of Wigwam and Stephanie. Approximately 4.6 million square feet remains planned, including a new Wal-Mart Supercenter at the southwest corner of Blue Diamond and Rainbow.
- Economic Considerations** – Broader economic conditions continued to moderate during the reporting period. Compared to the end of the prior quarter, consumer confidence declined 4.8 percent to 65.1 by year-end. The stock markets also declined when compared to the third quarter. The S&P 500 declined 1.0 percent, the Dow Jones Industrial Average fell 2.5 percent, and NASDAQ fell 3.1 percent. Concerns over the “fiscal cliff” continued to loom over the economy during the final month of 2012, despite an interim resolution at the beginning of 2013. Meanwhile, the local unemployment rate fell to 10.4 percent in November (latest available data) with modest overall job growth.
- Looking Forward** – The fourth quarter of 2012 represents the first period since the first quarter of 2009 that the vacancy rate fell below 10 percent. The Las Vegas retail sector continues to outperform its office and industrial counterparts as selected retailers are relocating or expanding to the area and absorbing deeply discounted big box spaces. While pricing dynamics are expected to remain somewhat sluggish, increased stability appears to be prevailing.

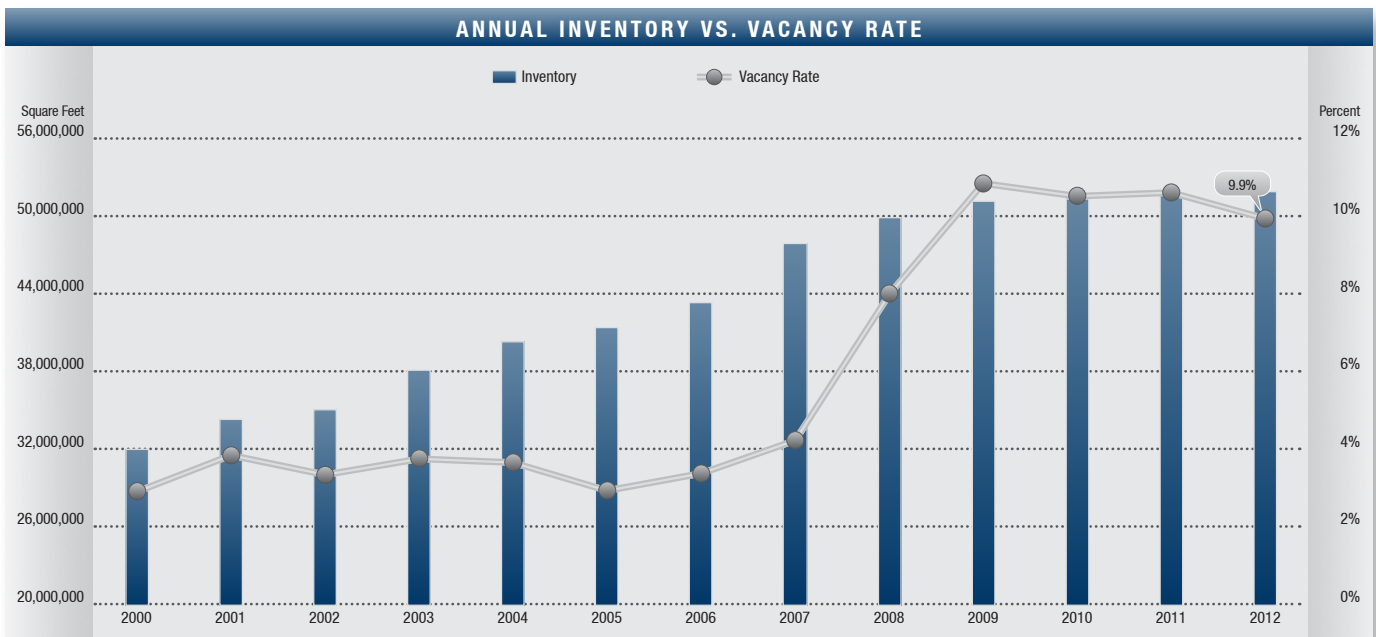
### RETAIL MARKET OVERVIEW

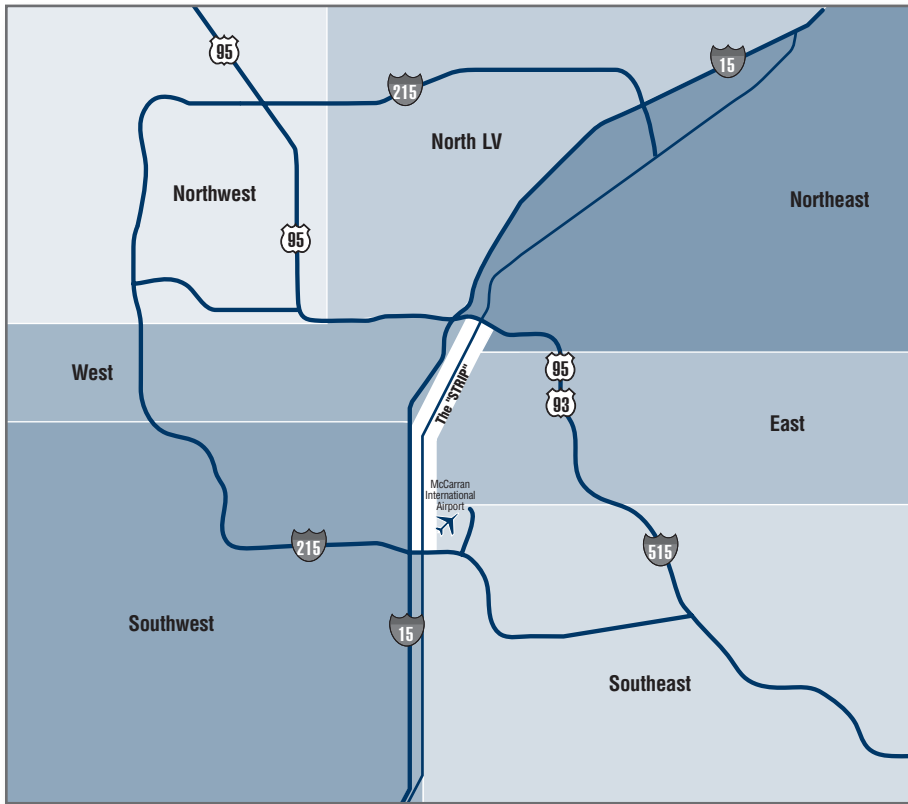
	2012	2011	2010	2012 vs. 2011
Under Construction	304,000	490,000	298,956	(38.0%)
Planned Construction	4,581,466	3,641,466	4,919,072	25.8%
Vacancy	9.9%	10.6%	10.5%	(6.6%)
Net Absorption	551,614	173,916	245,967	N/A



	INVENTORY				VACANCY RATES		ABSORPTION			
	Number of Bldgs.	Net Rentable SquareFeet	Square Feet Planned	SquareFeet Under Construction	Square Feet Vacant	Vacancy Rate Q4 2012	Net Absorption Q4 2012	Net Absorption 2012	New Inventory Q4 2012	New Inventory 2012
<b>Northwest</b>										
Power Centers	5	2,239,622	0	0	138,252	6.2%	(10,532)	35,437	0	0
Community Centers	8	1,099,610	73,956	0	111,913	10.2%	7,488	1,439	0	0
Neighborhood Centers	17	1,960,058	0	0	91,527	4.7%	(1,334)	2,085	0	0
<b>Northwest Total</b>	<b>30</b>	<b>5,299,290</b>	<b>73,956</b>	<b>0</b>	<b>341,692</b>	<b>6.4%</b>	<b>(4,378)</b>	<b>38,961</b>	<b>0</b>	<b>0</b>
<b>North Las Vegas</b>										
Power Centers	13	2,639,291	535,475	0	177,659	6.7%	3,200	126,750	0	95,000
Community Centers	11	1,508,952	0	0	116,906	7.7%	2,621	4,971	0	0
Neighborhood Centers	30	2,994,395	0	0	546,122	18.2%	17,855	32,769	0	0
<b>North Las Vegas Total</b>	<b>54</b>	<b>7,142,638</b>	<b>535,475</b>	<b>0</b>	<b>840,687</b>	<b>11.8%</b>	<b>23,676</b>	<b>164,490</b>	<b>0</b>	<b>95,000</b>
<b>Northeast</b>										
Power Centers	4	943,001	0	0	8,730	0.9%	(4,800)	(4,800)	0	0
Community Centers	7	1,054,911	351,328	0	86,596	8.2%	(2,624)	(823)	0	0
Neighborhood Centers	17	1,298,539	0	0	114,717	8.8%	57,260	61,944	0	0
<b>Northeast Total</b>	<b>28</b>	<b>3,296,451</b>	<b>351,328</b>	<b>0</b>	<b>210,043</b>	<b>6.4%</b>	<b>49,836</b>	<b>56,321</b>	<b>0</b>	<b>0</b>
<b>West</b>										
Power Centers	11	3,079,229	1,500,000	0	139,799	4.5%	20,299	(14,858)	0	0
Community Centers	18	2,606,430	700,000	300,000	598,036	22.9%	(4,542)	(55,243)	0	0
Neighborhood Centers	22	2,540,122	200,000	0	345,121	13.6%	13,214	40,646	0	0
<b>West Total</b>	<b>51</b>	<b>8,225,781</b>	<b>2,400,000</b>	<b>300,000</b>	<b>1,082,956</b>	<b>13.2%</b>	<b>28,971</b>	<b>(29,455)</b>	<b>0</b>	<b>0</b>
<b>East</b>										
Power Centers	4	1,203,293	0	0	230,947	19.2%	65,499	23,855	0	0
Community Centers	11	1,864,470	0	0	210,384	11.3%	12,446	21,360	0	0
Neighborhood Centers	29	3,143,708	0	0	471,753	15.0%	6,870	(9,956)	0	0
<b>East Total</b>	<b>44</b>	<b>6,211,471</b>	<b>0</b>	<b>0</b>	<b>913,084</b>	<b>14.7%</b>	<b>84,815</b>	<b>35,259</b>	<b>0</b>	<b>0</b>
<b>Southwest</b>										
Power Centers	13	4,372,467	261,156	0	276,654	6.3%	(11,164)	709	0	0
Community Centers	8	786,101	222,219	0	60,946	7.8%	2,373	12,111	0	0
Neighborhood Centers	34	3,412,656	506,000	0	337,168	9.9%	3,555	34,499	0	3,000
<b>Southwest Total</b>	<b>55</b>	<b>8,571,224</b>	<b>989,375</b>	<b>0</b>	<b>674,768</b>	<b>7.9%</b>	<b>(5,236)</b>	<b>47,319</b>	<b>0</b>	<b>3,000</b>
<b>Southeast</b>										
Power Centers	10	3,851,585	175,037	0	189,885	4.9%	3,734	29,345	0	0
Community Centers	23	4,349,958	0	0	333,684	7.7%	6,052	69,413	0	0
Neighborhood Centers	48	4,774,085	56,295	4,000	513,100	10.7%	1,224	139,961	0	103,000
<b>Southeast Total</b>	<b>81</b>	<b>12,975,628</b>	<b>231,332</b>	<b>4,000</b>	<b>1,036,669</b>	<b>8.0%</b>	<b>11,010</b>	<b>238,719</b>	<b>0</b>	<b>103,000</b>
<b>Las Vegas Total</b>										
Power Centers	60	18,328,488	2,471,668	0	1,161,926	6.3%	66,236	196,438	0	95,000
Community Centers	86	13,270,432	1,347,503	300,000	1,518,465	11.4%	23,814	53,228	0	0
Neighborhood Centers	197	20,123,563	762,295	4,000	2,419,508	12.0%	98,644	301,948	0	106,000
<b>Las Vegas Total</b>	<b>343</b>	<b>51,722,483</b>	<b>4,581,466</b>	<b>304,000</b>	<b>5,099,899</b>	<b>9.9%</b>	<b>188,694</b>	<b>551,614</b>	<b>0</b>	<b>201,000</b>

**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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