



Retail Market Report

Compared to 2012:

Vacancy

DOWN

Net Absorption

POSITIVE

Lease Rates

DOWN

Deliveries

UP

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Market Highlights

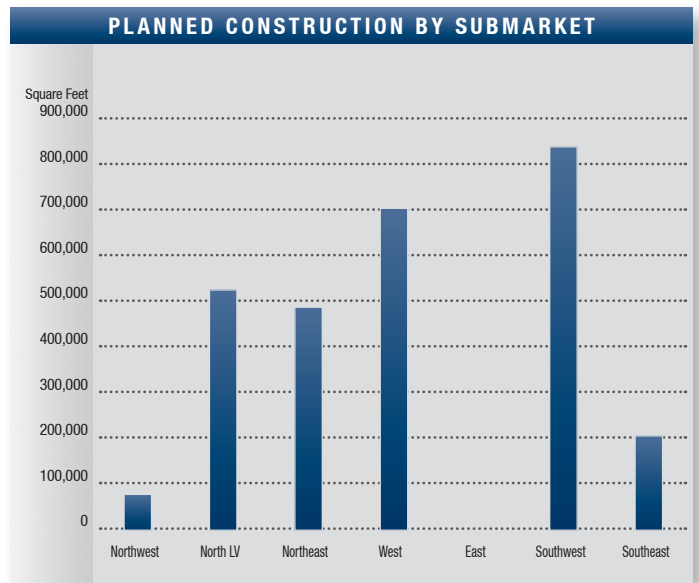
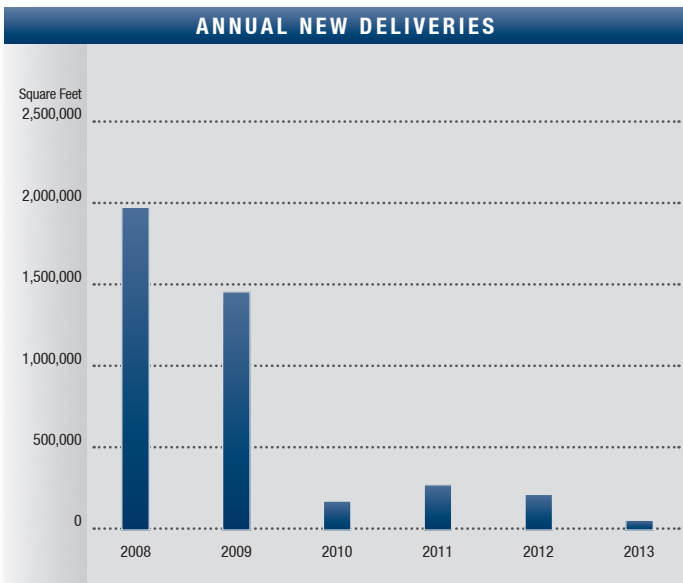
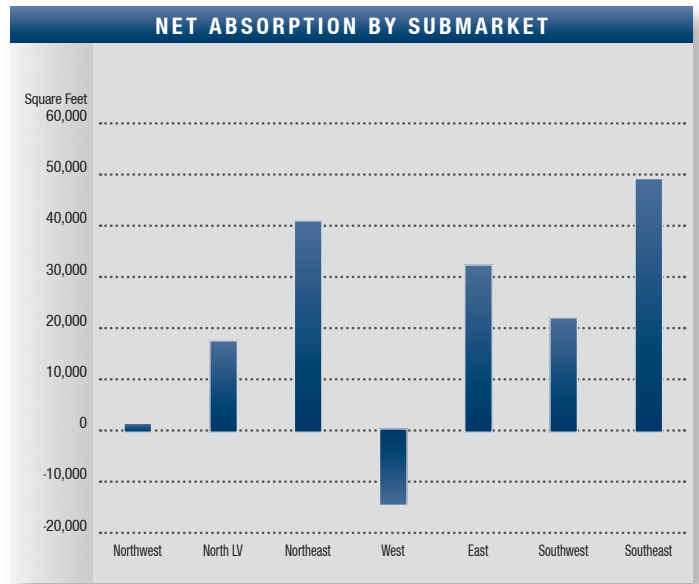
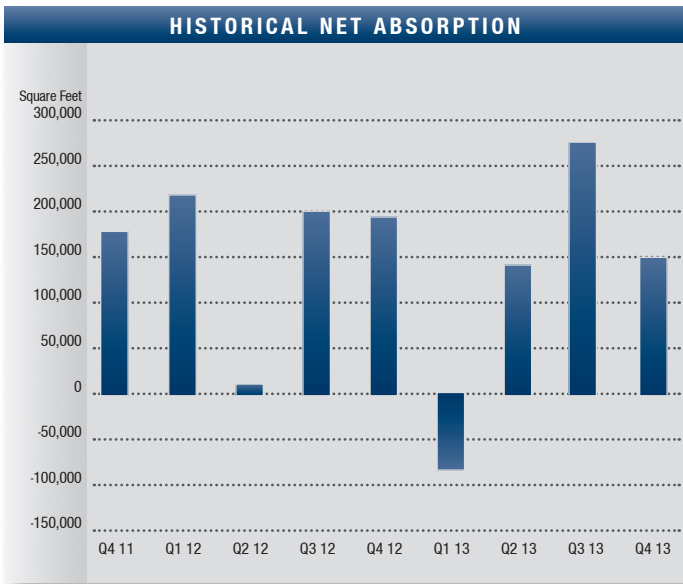
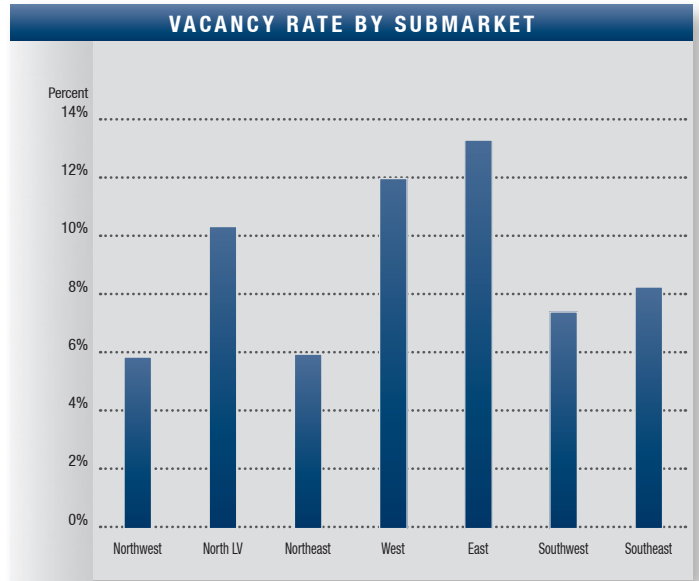
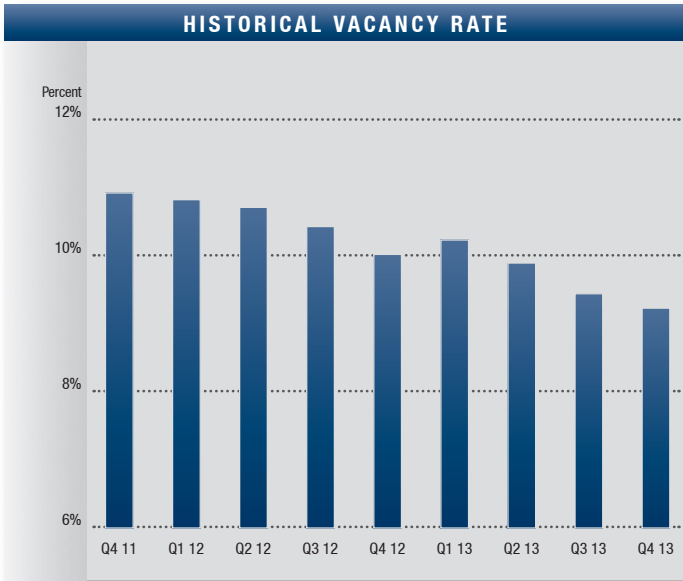
- Market Overview** – During the fourth quarter of 2013, the retail market continued to experience improvements overall, as net absorption posted a positive figure for the third consecutive quarter. The vacancy rate fell to 9.2%, which represents a decline of 20 basis points (0.2 percentage points) compared to the prior quarter (Q3 2013). Compared to the previous year (Q4 2012), the vacancy rate dropped 80 basis points (0.8 percentage points).
- Demand** – The retail sector reported approximately 147,900 square feet of positive net absorption in the fourth quarter, bringing the 2013 total to 483,100 square feet of net move-ins. During the final quarter of 2013, Planet Fitness leased 35,100 square feet in a neighborhood center on the southeast corner of Owens and Eastern Avenue and another 15,100 square feet in the Arroyo Market Square power center. In addition, Colleen's Classic Consignment leased the 35,000-square-foot former Ashley's Furniture in the SunMark Plaza power center, while Dollar Tree leased the 12,000-square-foot former Ace Hardware in Green Valley Plaza.
- Inventory** – Roughly 12,900 square feet of space within existing anchored retail centers completed construction during the fourth quarter, bringing total inventory to 52.0 million square feet. In Town Square on South Las Vegas Boulevard, Fleming's completed its 7,000-square-foot restaurant. In addition, the 5,900-square-foot pre-leased multi-tenant pad in the Decatur and 215 power center completed construction.
- Future Supply** – Approximately 2.0 million square feet of anchored retail space remained actively

under construction throughout the valley at the close of 2013. The Shops at Summerlin (1.5 million square feet), second phase of Tivoli Village at Queensridge (300,000 square feet) and Sprouts at Green Valley Crossing (25,000 square feet) continued to make progress. In addition, development began on the 200,000-square-foot Sahara Center on the northeast corner of Sahara Avenue and Hualapai Way, which is expected to include a Petco, Stein Mart, TJ Maxx, Home Goods and Sprouts when completed.

- Economic Considerations** – The southern Nevada economy has come a long way from the depths of the recession. In November 2013, employment was up by 20,300 jobs year over year, with substantial gains witness by the trade, transportation, and utilities (+5,900 jobs); government (+4,400 jobs); leisure and hospitality (+4,100 jobs); and education and health services (+4,000 jobs) sectors. The continued growth helped drive down the unemployment rate to 8.6% (compared to 9.8% in 2012). Consumer spending also reported that taxable retail sales for the 12 months ending October 2013 (latest data available) were up 5.1% annually.
- Looking Forward** – As economic conditions stabilize and consumers continue to loosen their wallets, retailers are regaining confidence in the southern Nevada economy. Selected leasing activity in previously vacated anchor spaces has helped to push down the overall vacancy rate. The retail vacancy rate has fallen 1.9 percentage points since the high of 11.1% reached in the third quarter of 2011. Modest improvements and more stabilizing conditions are expected to prevail into 2014.

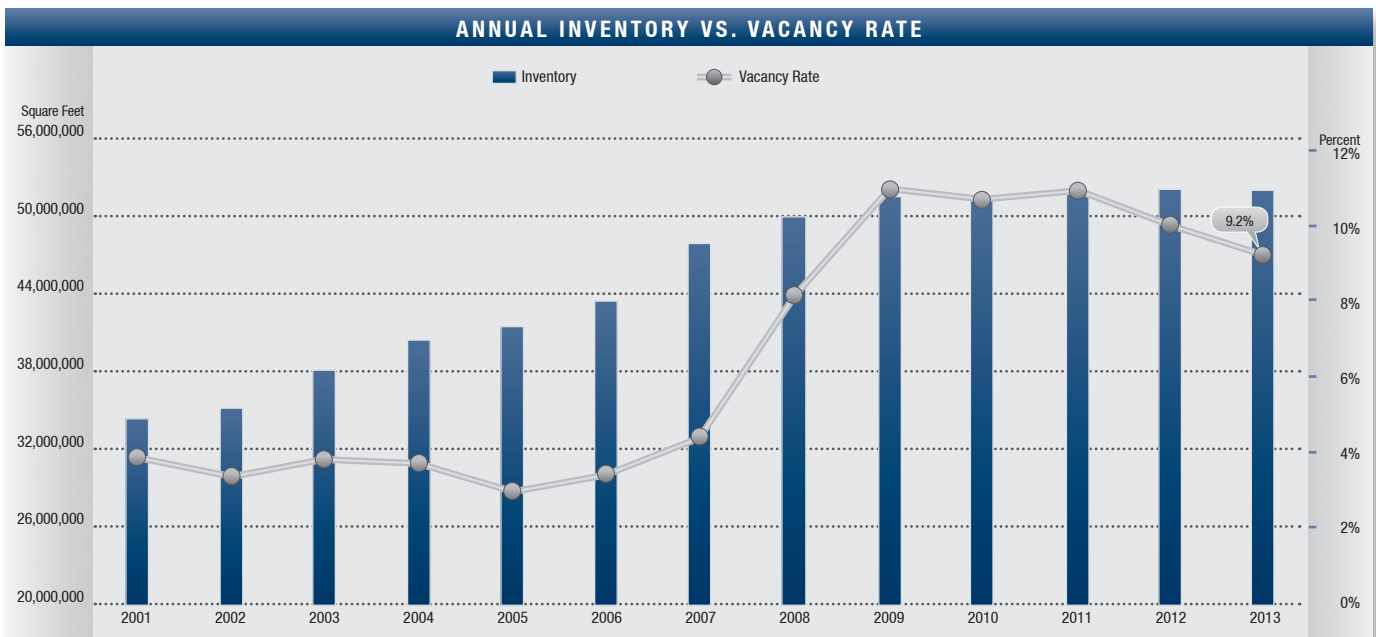
RETAIL MARKET OVERVIEW

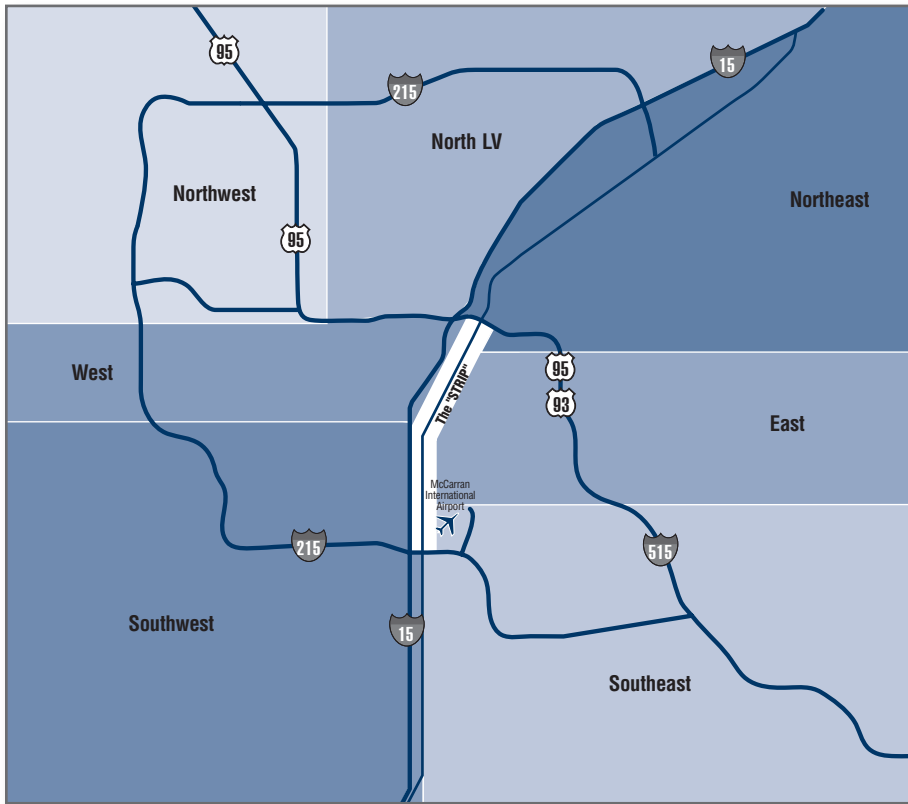
	2013	2012	2011	% of Change vs. 2012
Under Construction	2,041,000	309,100	490,000	560.3%
Planned Construction	2,814,222	4,587,639	3,663,197	(38.7%)
Vacancy	9.2%	10.0%	10.9%	(0.8%)
Net Absorption	483,117	624,816	205,059	N/A



	INVENTORY				VACANCY RATES		ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet Under Construction	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q4 2013	Net Absorption Q4 2013	Net Absorption 2013	New Inventory Q4 2013	New Inventory 2013
Northwest										
Power Centers	5	2,239,622	0	0	94,176	4.2%	12,580	44,076	0	0
Community Centers	8	1,099,610	0	73,956	101,837	9.3%	(9,161)	10,076	0	0
Neighborhood Centers	17	1,960,058	0	0	111,674	5.7%	(2,427)	(20,147)	0	0
Northwest Total	30	5,299,290	0	73,956	307,687	5.8%	992	34,005	0	0
North Las Vegas										
Power Centers	14	2,645,177	0	522,443	109,159	4.1%	11,844	(1,525)	5,886	5,886
Community Centers	11	1,508,952	0	0	129,683	8.6%	(2,400)	(12,777)	0	0
Neighborhood Centers	30	2,994,395	0	0	497,228	16.6%	8,148	100,741	0	0
North Las Vegas Total	55	7,148,524	0	522,443	736,070	10.3%	17,592	86,439	5,886	5,886
Northeast										
Power Centers	4	943,001	0	0	12,169	1.3%	6,992	(3,439)	0	0
Community Centers	7	1,054,911	0	483,328	80,673	7.6%	(2,698)	5,923	0	0
Neighborhood Centers	17	1,298,539	0	0	100,426	7.7%	36,436	14,291	0	0
Northeast Total	28	3,296,451	0	483,328	193,268	5.9%	40,730	16,775	0	0
West										
Power Centers	11	3,079,229	1,500,000	0	132,597	4.3%	14,480	7,202	0	0
Community Centers	18	2,606,430	300,000	700,000	578,571	22.2%	(32,051)	14,911	0	0
Neighborhood Centers	22	2,540,122	200,000	0	272,039	10.7%	2,849	51,082	0	0
West Total	51	8,225,781	2,000,000	700,000	983,207	12.0%	(14,722)	73,195	0	0
East										
Power Centers	4	1,203,293	0	0	153,671	12.8%	14,997	82,494	0	0
Community Centers	12	1,953,450	0	0	216,711	11.1%	0	27,478	0	0
Neighborhood Centers	29	3,143,708	0	0	468,318	14.9%	17,315	9,878	0	0
East Total	45	6,300,451	0	0	838,700	13.3%	32,312	119,850	0	0
Southwest										
Power Centers	16	4,519,040	0	186,140	267,525	5.9%	21,337	116,726	7,042	23,710
Community Centers	10	801,982	16,000	268,563	57,910	7.2%	1,228	10,417	0	7,381
Neighborhood Centers	34	3,412,656	0	381,000	317,884	9.3%	(796)	21,684	0	0
Southwest Total	60	8,733,678	16,000	835,703	643,319	7.4%	21,769	148,827	7,042	31,091
Southeast										
Power Centers	10	3,851,585	0	175,037	182,002	4.7%	40,014	24,895	0	0
Community Centers	23	4,349,958	0	0	368,580	8.5%	7,894	(34,896)	0	0
Neighborhood Centers	50	4,785,625	25,000	23,755	510,613	10.7%	1,302	14,027	0	11,540
Southeast Total	83	12,987,168	25,000	198,792	1,061,195	8.2%	49,210	4,026	0	11,540
Las Vegas Total										
Power Centers	64	18,480,947	1,500,000	883,620	951,299	5.1%	122,244	270,429	12,928	29,596
Community Centers	89	13,375,293	316,000	1,525,847	1,533,965	11.5%	(37,188)	21,132	0	7,381
Neighborhood Centers	199	20,135,103	225,000	404,755	2,278,182	11.3%	62,827	191,556	0	11,540
Las Vegas Total	352	51,991,343	2,041,000	2,814,222	4,763,446	9.2%	147,883	483,117	12,928	48,517

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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