



Retail Market Report

Compared to 2009:

Vacancy

DOWN

Net Absorption

POSITIVE

Lease Rates

DOWN

Construction

DOWN

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Market Highlights

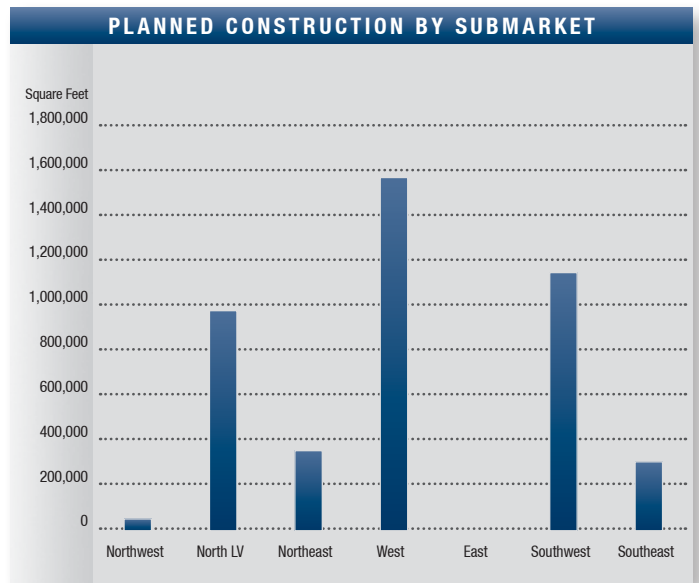
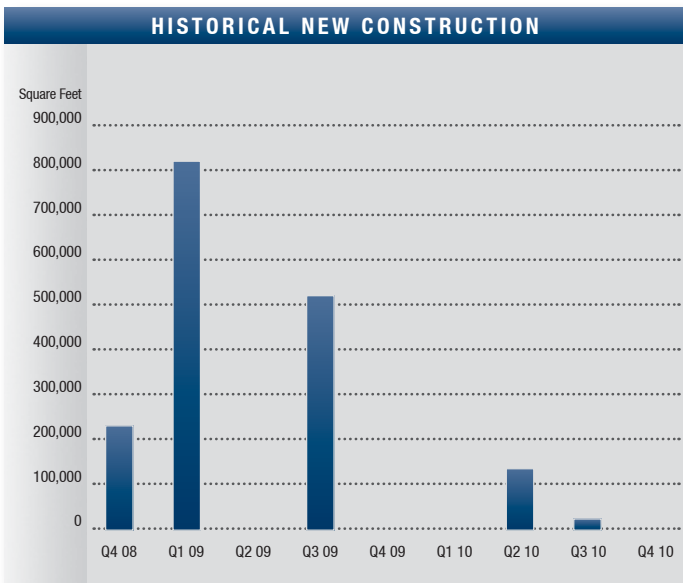
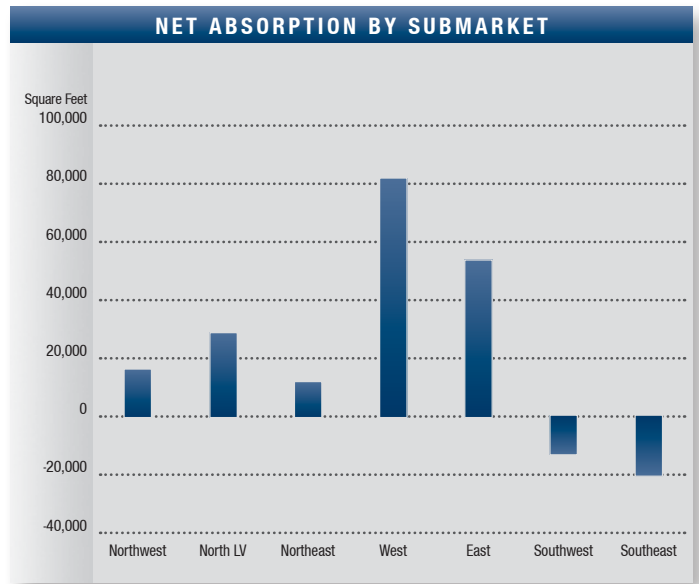
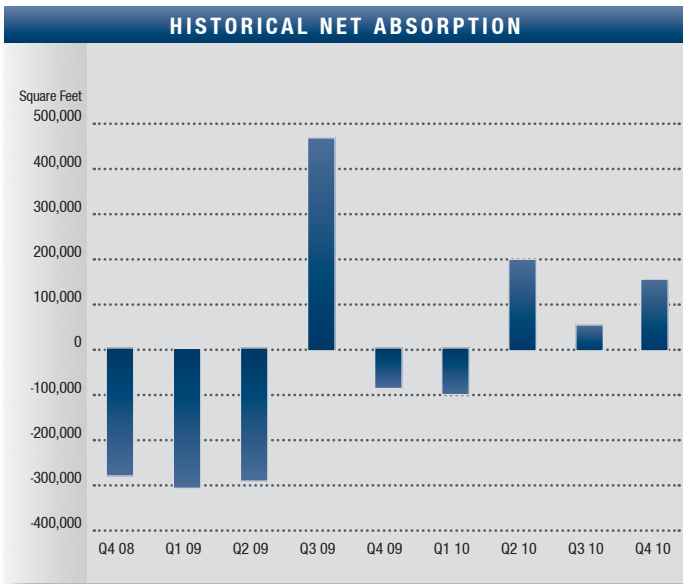
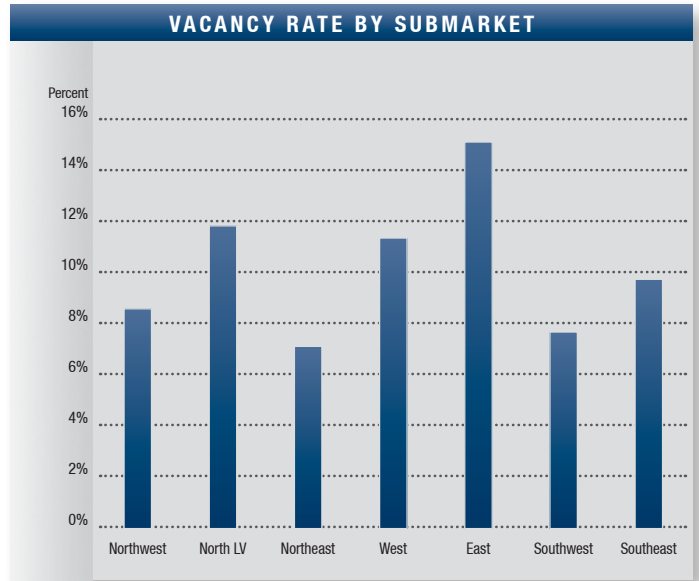
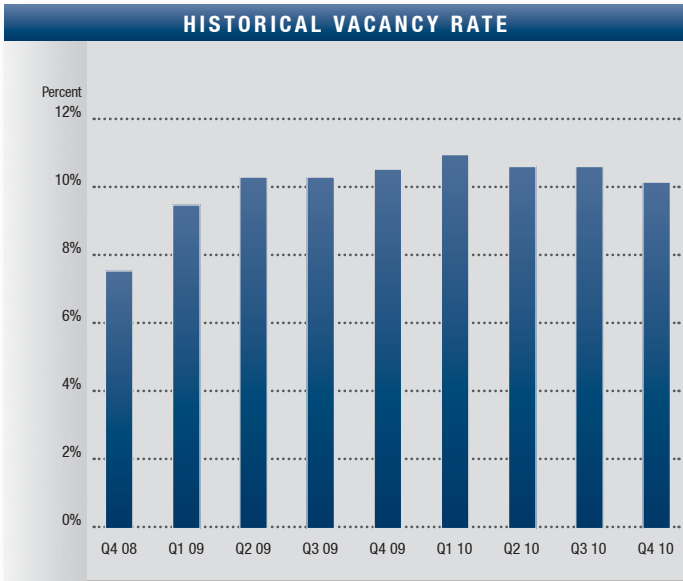
- Market Overview** - The Las Vegas retail market showed further signs of optimism during the fourth quarter. The vacancy rate dropped 32 basis points from the previous quarter to 10.2 percent and is now at a level not seen since early 2009. However, average asking rents declined 2.2 percent from the previous quarter (Q3 2010) as a supply-demand imbalance remains in the market.
- Demand** - The retail sector reported positive absorption for the third successive quarter, with 165,400 square feet of net move-ins. It is important to note that all absorption was within second-generation space during the quarter. Positive net absorption occurred in both power centers and neighborhood centers, with 101,700 square feet and 66,200 square feet, respectively. Community centers posted a marginal 2,500 square feet of negative absorption.
- Inventory** - Total inventory remained unchanged at 51.2 million square feet as no new supply came on the market. For the year, only 164,600 square feet completed construction with most being built for pre-leased tenants. The amount of new space delivered in 2010 represents the lowest level seen in more than a decade. For comparison purposes, an average of approximately 2.0 million square feet annually entered the market over the last ten years.
- Future Supply** - Construction has come to a near standstill as only 4.4 million square feet of planned

development remains, down from nearly 11.9 million square feet when the latest recession began. It is likely that much of this space will not break ground for several years as only 299,000 square feet remain actively under construction, including the final 74,000 square feet of inline space at the Lowe's-anchored center at Caroline's Court in the northwest and 225,000 square feet in the initial phase at Tivoli Village at Queensridge.

- Economic Considerations** - As Nevada continues to hold the highest unemployment (14.3 percent seasonally adjusted) and foreclosure rate in the country, the Las Vegas valley continues to struggle with a relatively weak economic outlook. One bright spot following the national economic recovery is leisure and business travel to the region. During the fourth quarter, visitor volume and gaming revenue moved upward, a possible sign that the core tourism industry is beginning to recover. Anecdotal evidence also suggests convention attendance will be returning to more impactful levels in 2012.
- Looking Forward** - As taxable retail sales volumes post small upward movement and consumer confidence finds its footing to begin its ascent once again, consumer spending should rebound enough to sustain a recovery in the retail sector. While this is first being witnessed at the national level, the spillover benefits should eventually reach the Las Vegas valley, lifting the market for both consumers and retailers.

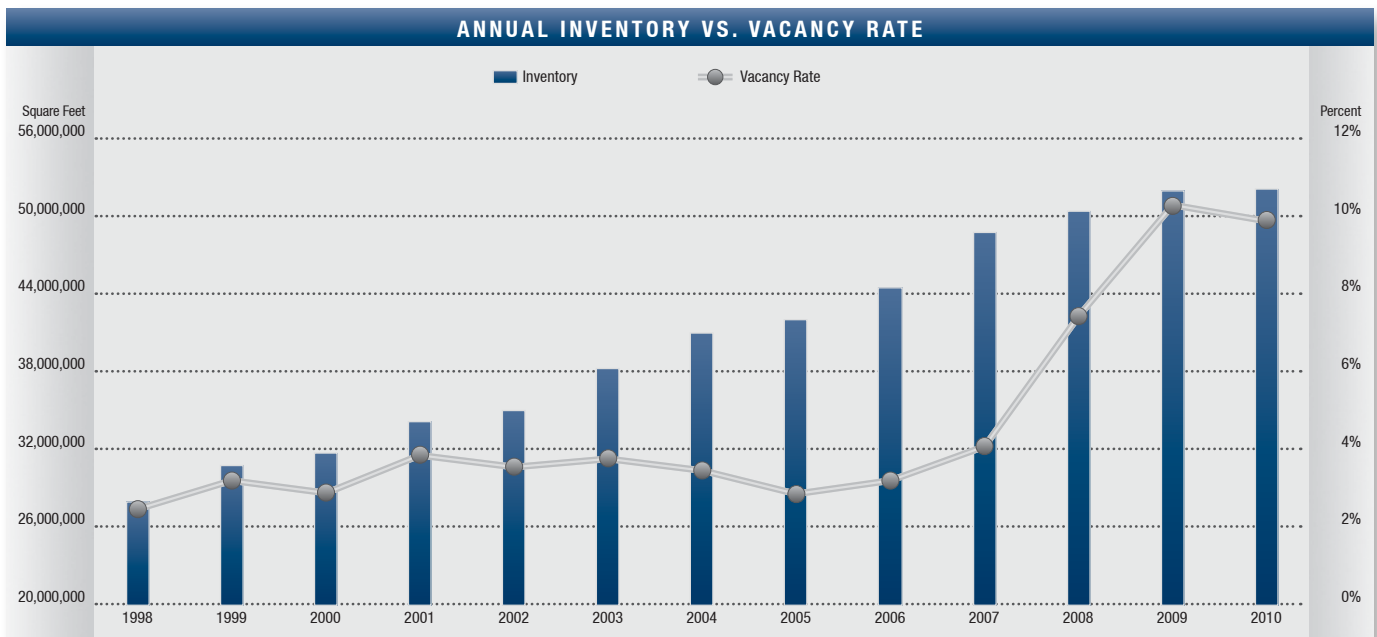
RETAIL MARKET OVERVIEW

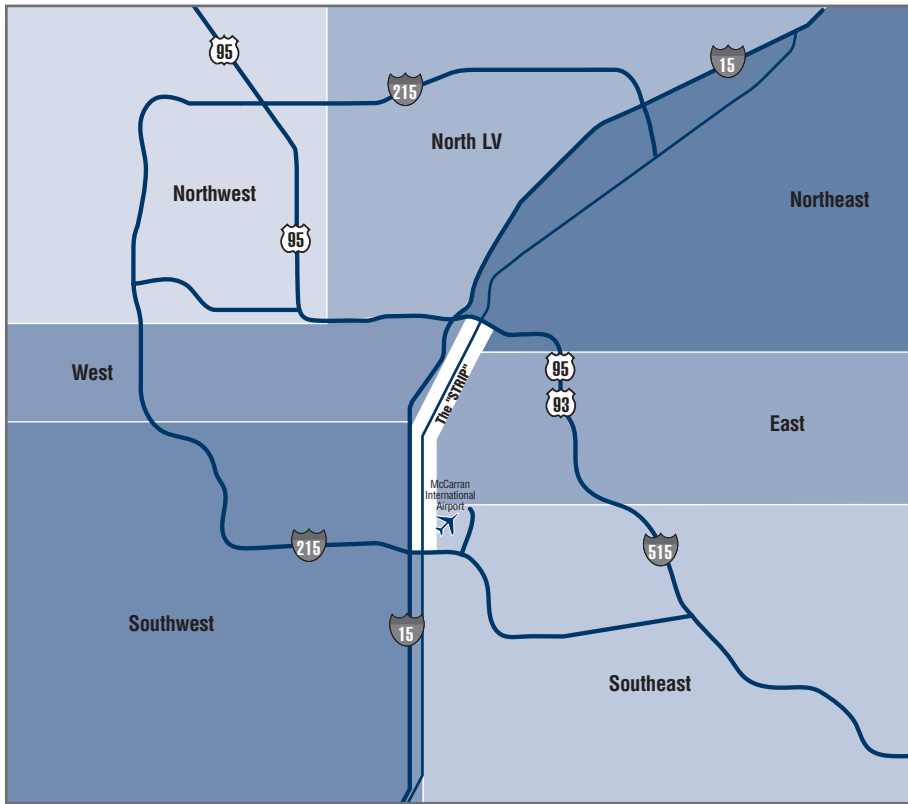
	2010	2009	2008	2010 vs. 2009
Under Construction	299,000	464,500	2,670,000	(35.6%)
Planned Construction	4,404,700	7,027,200	12,287,200	(37.3%)
Vacancy	10.2%	10.5%	7.7%	(2.9%)
Net Absorption	306,700	(229,900)	103,700	N/A



	INVENTORY				VACANCY RATES		ABSORPTION	
	Number of Bldgs.	Net Rentable Square Feet	Square Feet Planned	Square Feet Under Construction	Square Feet Vacant	Vacancy Rate Q4 2010	Net Absorption Q4 2010	New Inventory Q4 2010
Northwest								
Power Centers	5	2,239,622	–	–	141,847	6.3%	40,295	–
Community Centers	8	1,099,610	–	73,956	166,869	15.2%	(23,039)	–
Neighborhood Centers	17	1,960,058	48,900	–	137,709	7.0%	–	–
Northwest Total	30	5,299,290	48,900	73,956	446,425	8.4%	17,256	–
North Las Vegas								
Power Centers	12	2,623,957	630,475	–	198,764	7.6%	19,912	–
Community Centers	11	1,508,952	206,909	–	128,435	8.5%	(8,030)	–
Neighborhood Centers	29	2,845,500	137,000	–	496,242	17.4%	17,339	–
North Las Vegas Total	52	6,978,409	974,384	–	823,441	11.8%	29,221	–
Northeast								
Power Centers	4	943,001	–	–	6,050	0.6%	–	–
Community Centers	7	1,054,911	351,328	–	31,629	3.0%	10,320	–
Neighborhood Centers	17	1,298,539	–	–	189,877	14.6%	4,093	–
Northeast Total	28	3,296,451	351,328	–	227,556	6.9%	14,413	–
West								
Power Centers	11	3,079,229	1,200,000	–	108,051	3.5%	31,239	–
Community Centers	17	2,381,430	380,000	225,000	372,590	15.6%	57,361	–
Neighborhood Centers	22	2,540,122	–	–	423,946	16.7%	(4,306)	–
West Total	50	8,000,781	1,580,000	225,000	904,587	11.3%	84,294	–
East								
Power Centers	4	1,203,293	–	–	56,975	4.7%	14,951	–
Community Centers	11	1,864,470	–	–	362,375	19.4%	(3,185)	–
Neighborhood Centers	29	3,143,708	–	–	507,549	16.1%	41,764	–
East Total	44	6,211,471	–	–	926,899	14.9%	53,530	–
Southwest								
Power Centers	13	4,372,467	223,156	–	283,429	6.5%	(15,933)	–
Community Centers	8	786,101	615,972	–	70,856	9.0%	(13,435)	–
Neighborhood Centers	33	3,409,656	310,000	–	299,594	8.8%	16,706	–
Southwest Total	54	8,568,224	1,149,128	–	653,879	7.6%	(12,662)	–
Southeast								
Power Centers	10	3,851,585	175,037	–	299,039	7.8%	11,228	–
Community Centers	23	4,349,958	53,000	–	405,446	9.3%	(22,502)	–
Neighborhood Centers	45	4,639,847	72,918	–	539,053	11.6%	(9,383)	–
Southeast Total	78	12,841,390	300,955	–	1,243,538	9.7%	(20,657)	–
Las Vegas Total								
Power Centers	59	18,313,154	2,228,668	–	1,094,155	6.0%	101,692	–
Community Centers	85	13,045,432	1,607,209	298,956	1,538,200	11.8%	(2,510)	–
Neighborhood Centers	192	19,837,430	568,818	–	2,593,970	13.1%	66,213	–
Las Vegas Total	336	51,196,016	4,404,695	298,956	5,226,325	10.2%	165,395	–

This survey consists of anchored centers greater than 30,000 square feet. **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, the size starts at 30,000 SF

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