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LIED INSTITUTE FOR
REAL ESTATE STUDIES
LEE BUSINESS SCHOOL

Las Vegas Valley Executive Summary

Commercial Real Estate Markets • 4th Quarter 2013

INDUSTRIAL



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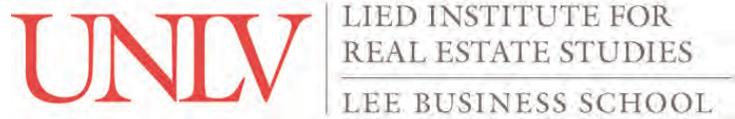
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NOTES



January 23, 2014

Re: Commercial Real Estate Survey: 4th Quarter, 2013

Dear Reader,

RCG Economics and the UNLV Lied Institute for Real Estate Studies are excited to produced the Lied-RCG Commercial Real Estate Survey (“the Survey”) containing the most comprehensive, timely and accurate data and analysis on the Las Vegas Valley’s industrial, speculative office and anchored retail markets.

RCG Economics has partnered with the Lied Institute to produce objective and independent quarterly surveys on the health and state of the commercial real estate market. RCG is a leader in real estate market research and analysis, including commercial real estate, and in economic forecasting. The Lied Institute seeks to advance real estate knowledge through research, student scholarship, and community outreach activities.

The Survey is born of our commitment to excellence in serving those organizations requiring superior up-to-date market analysis and data to make key decisions. Developing this Private-Public Partnership to collect, analyze and release unbiased information is further proof of this commitment. Equally important, the data herein is collected as close as possible to the end of each quarter.

This survey documents historical and current market conditions at the Valley and submarket levels. The data contained herein are organized and tracked by our in-house research analysts and economists to provide the best analysis of Las Vegas’ commercial real estate markets. The survey contains a variety of meaningful market indicators, including:

- Total existing inventory
- New and planned construction activity
- Vacancy and occupancy levels
- Net Absorption
- “Coupon” or quoted monthly rents

Further, our three commercial (industrial, office and retail) databases contain benchmark building data, by submarket, dating back to 1996. This information allows us to develop “custom” studies for our readers and clients. It is through this survey and our other services and products, that we remain the “Source for Decision Makers.”

Regards,

A handwritten signature in blue ink that reads "John Restrepo".

John Restrepo
RCG Economics

A handwritten signature in blue ink that reads "Marcus Conklin".

Marcus Conklin
Lied Institute for Real Estate Studies-UNLV



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Las Vegas Valley Executive Summary

Industrial Market • 4th Quarter 2013



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LAS VEGAS VALLEY INDUSTRIAL MARKET

SUMMARY

The Las Vegas Valley's ("the Valley") industrial market¹ ended Q4 with an inventory of 107.6 million square feet ("sf"). Demand during the final quarter of 2013 was 885,400 sf, bringing the 2013 total to 4.6 million sf, the highest level recorded since 2007. The year ended with an industrial vacancy of 11.8%, 3.7 percentage points below year-end 2012. At \$0.52 per square foot ("psf") NNN², the average asking rent for industrial space was above last quarter (\$0.51 psf) and the same quarter last year (\$0.48 psf). At the end of 2013, there were 1 million sf of industrial forward-supply, all under construction as we recorded no space in the planning stages. All under construction space was for Warehouse/Distribution facilities. Although industrial employment has yet to stabilize, performance metrics for the Valley's industrial market in 2013 overall indicates that we are now in the midst of a recovery.

INDUSTRIAL-RELATED JOBS

Employment in the industrial sector represents 15% of all private employment in Clark County. There were 111,500 industrial-related jobs as of November 2013, 1,700 less (-1.5%) from the same month last year.³ After finally turning positive beginning in May 2012 to June 2013, annual industrial employment growth has since been negative over the past five months. These losses were largely due to the construction and transportation & warehousing industries. Meanwhile, the wholesale industry has expanded while natural resources and manufacturing have been flat.

VACANCY & RENTS

The Valley's total industrial vacancy rate (directly vacant plus vacant sublease space) was 11.8% in Q4, down from the 12.6% recorded for the previous quarter and the 15.5% in Q4, 2012. Vacancy levels have shown notable improvements in all quarters of 2013 since dropping to 14.9% in Q1, 2013. Prior to that, vacancy stagnated between 15% and 16% since 2010.

Taxable Retail Sales	Oct-13	Oct-12	% Ch.
Clark County Taxable Retail Sales (12M total, \$ Bill.)	\$33.290	\$31.661	5.1%

Key Market Interest Rates	Dec-13	Dec-12	% Ch.
Federal Funds Rate	0.090%	0.160%	-43.8%
Prime Rate	3.250%	3.250%	0.0%
5-Year Treasury	1.580%	0.700%	125.7%
10-Year Treasury	2.900%	1.720%	68.6%
30-Day LIBOR	0.167%	0.211%	-20.7%
90-Day LIBOR	0.244%	0.309%	-21.2%
6-Month LIBOR	0.346%	0.515%	-32.7%
1-Year LIBOR	0.579%	0.848%	-31.7%
3-Year Swap	0.770%	0.470%	63.8%
5-Year Swap	1.640%	0.810%	102.5%
10-Year Swap	2.950%	1.750%	68.6%

Sources: Nevada Department of Taxation; Federal Reserve System; British Bankers' Association.



On a submarket basis, the lowest industrial vacancy rate was maintained in West Central, at 6.9% in Q4. The tiny Northwest submarket continued to post the highest rate among the Valley's seven submarkets at 17.9%, though it improved in Q4 by dropping 7.8 percentage points over the previous quarter's 25.7%. Among the larger industrial submarkets, vacancy in North Las Vegas declined the most, falling by 2.4 percentage points from Q3's 13.6%, followed by East Las Vegas' 2.2 percentage point drop to 8.2%. Minor improvements were also recorded in West Central and Southwest. The Airport and Henderson submarkets saw vacancy increase quarter over quarter, by 1.4 and 0.4 percentage points, respectively.

Three product types experienced a decrease in vacancy over the previous quarter in Q4: Warehouse/Distribution, Light Industrial and R&D/Flex. The largest drop, -1.5 percentage points, was in Warehouse/Distribution space. Vacancy rose slightly in Incubator (+0.3 percentage point) and Light Distribution (+0.1 percentage point). Light Industrial had the

lowest vacancy among all industrial types at 8.1%, while R&D/Flex space had the highest vacancy rate at 22.4%.

Monthly asking rents for industrial space (calculated on a NNN basis – or not accounting for any operating expenses) have risen over the past three quarters. At \$.52 per sf in Q4, 2013, rents are up just \$.01 over last quarter's \$.51 and down \$.04 over Q4, 2012's \$.48 psf. Adjusting historical quarterly asking rents for inflation, Q4's current average asking rent is \$.21 below average real asking rents five years ago (Q4, 2008's \$.74 psf).

DEMAND

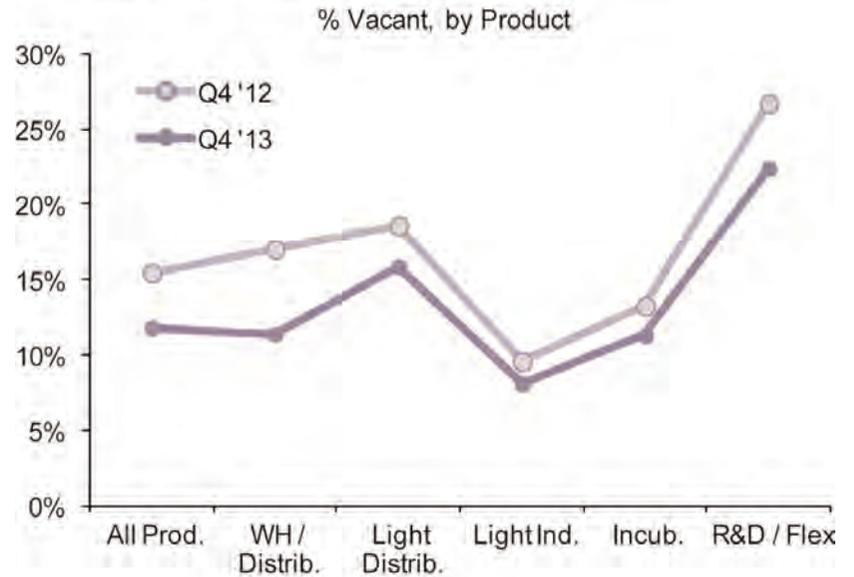
Demand in the Valley's industrial market (defined as total net absorption) was positive for the fifth straight quarter with 885,400 sf of net space absorbed in Q4. For 2013 overall, net absorption totaled over 4.6 million sf, much stronger than 2012's -317,400 sf total and is the largest amount absorbed since 2007.

By submarket, North Las Vegas saw the most net absorption this quarter with 763,800 sf of more space occupied over last quarter. East Las Vegas, Northwest, Southwest and West Central also posted increases ranging between 63,000 sf and 126,000 sf. Negative net absorption this quarter were recorded in Airport (-194,200 sf) and Henderson (-44,200 sf).

Demand by product types in Q4 showed improvements for Warehouse/Distribution, Light Industrial and R&D/Flex, but decreased for Light Distribution and Incubator. Warehouse/Distribution led the way with 671,000 sf absorbed for the quarter, but is less than the 954,500 sf absorbed in the previous quarter. The negative net absorption in Light Distribution and Incubator were -25,300 sf and -23,400 sf, respectively. The Valley's positive net absorption for the year overall was driven by the strong demand for Warehouse/Distribution space with nearly 3.1 million sf absorbed for the year. All other products were also positive for the year: Light Industrial (651,500 sf), Light Distribution (478,700 sf), R&D/Flex (252,300 sf) and Incubator (156,600 sf).

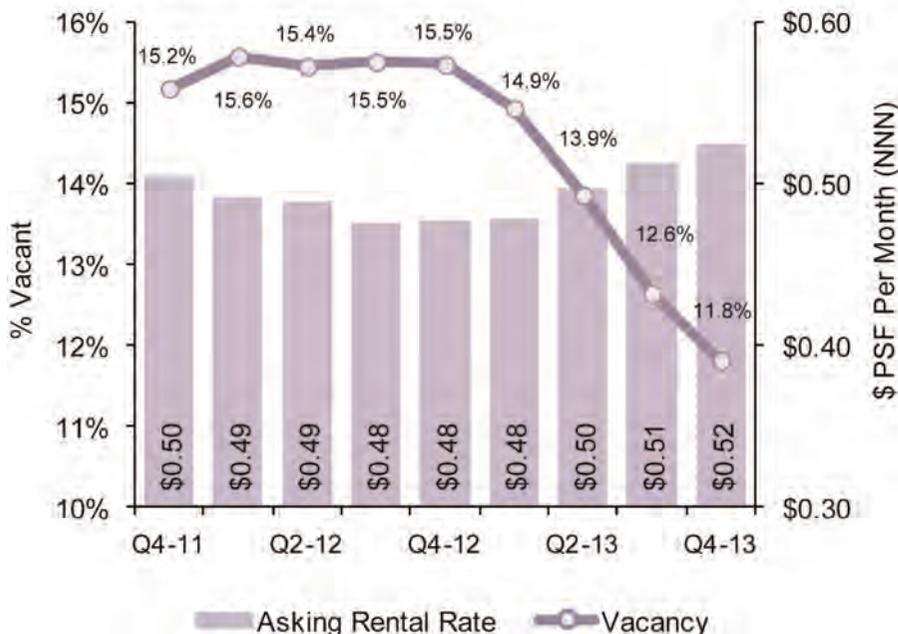
Las Vegas Valley Industrial Market

Vacancy Trends: Q4, 2012 v. Q4, 2013



Las Vegas Valley Industrial Market

Historical Vacancy vs. Monthly Asking Rent: Q4, 2011 - Q4, 2013



SUPPLY

There were no industrial completions during Q4, 2013 and inventory remained at 107.6 million sf in 4,204 buildings. For the year, 801,500 sf were brought to the market in 2013, all in the form of six built-to-suit space primarily as Warehouse/Distribution buildings. In comparison to the previous recent years, we see that no new space was completed in 2012 and only 152,000 sf was completed in 2011.

There were five projects under construction by the end of the year, four of which support the trend of build-to-suit warehouse/distribution developments: Konami Gaming's expansion (193,000 sf in Airport); FedEx Distribution Center (296,000 sf in Henderson); Nicholas & Company (200,000 sf in North Las Vegas); and TJ Maxx's expansion (300,000 sf in North Las Vegas). The remaining project is a 70,000-sf Light Industrial building for VadaTech's manufacturing facility.

Industrial Employment

Industry Sector	Sep			Oct			Nov		
	2013	2012	% Ch.	2013	2012	% Ch.	2013	2012	% Ch.
Nat. Resources	300	300	0.0%	300	300	0.0%	300	300	0.0%
Construction	37,700	39,100	-3.6%	38,100	38,200	-0.3%	36,700	38,200	-3.9%
Manufacturing	20,400	20,300	0.5%	20,200	20,300	-0.5%	20,000	20,300	-1.5%
Wholesale	20,800	20,200	3.0%	20,900	20,300	3.0%	20,800	20,400	2.0%
Transp. & Warehousing	33,100	33,800	-2.1%	33,400	34,000	-1.8%	33,700	34,000	-0.9%
Total	112,300	113,700	-1.2%	112,900	113,100	-0.2%	111,500	113,200	-1.5%

Source: Nevada Department of Employment, Training & Rehabilitation.

An important measure of the near-term health of the commercial markets is the potential number of years of available supply. With vacancy at 11.8% and assuming a 10-year quarterly absorption average of 550,200 sf, we estimate that it would take about 1 year for the industrial market to reach a 10-% vacancy rate.

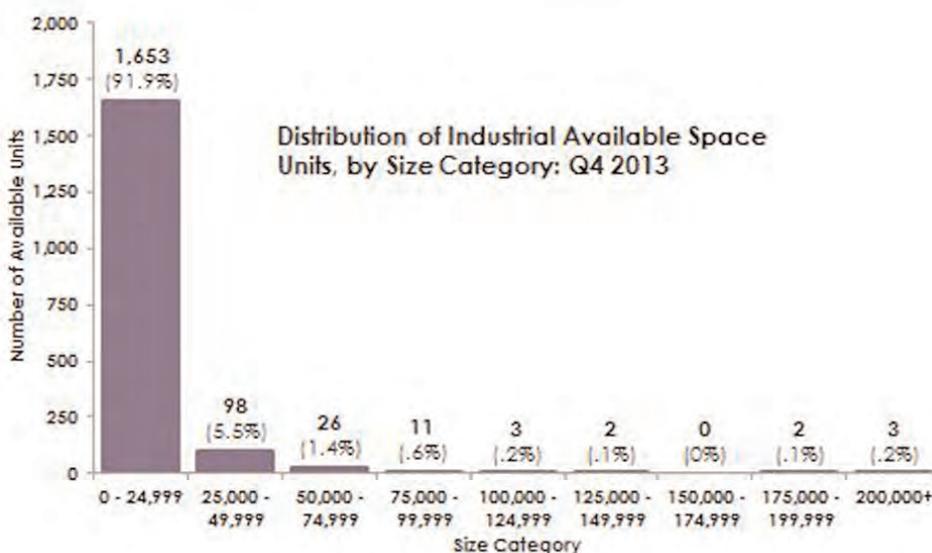
Industrial Market

Submarket	Total Inventory	Total Inventory Growth (Last 4 Qtrs.)	Occupied Inventory Growth (Last 4 Qtrs.)
Southwest	32,538,600	0.6%	3.5%
North Las Vegas	31,290,100	0.4%	10.1%
Airport	13,809,200	1.6%	3.0%
Henderson	12,793,900	0.0%	0.3%
West Central	12,019,100	0.0%	0.6%
East Las Vegas	2,823,800	0.0%	7.1%
Northwest	1,336,300	0.0%	27.5%

One of the economic development challenges facing Southern Nevada is the lack of space of a certain size. There is critical shortage of space over 100,000 sf. According to discussions with the local development community, this shortage is hampering the rate of economic development. There is evidence that the region has lost a number of prospective businesses to competing Western metros because of the lack of large industrial spaces. Additionally, this shortage is limiting the growth potential of existing businesses, because of the inability to expand operations and hiring. This challenge is clearly illustrated in the following chart.

FURTHER THOUGHTS

The Valley's industrial market continued to steadily improve during 2013. While the trajectory of this growth was more moderate than the local commercial real estate industry would like, it was a major improvement over the 2009-12 period. During 2013, the monthly asking rent averaged \$0.50 psf, just barely above 2012's \$0.48 psf. Also, this is not much of a notable difference from 2010 (\$0.49 psf) and 2011 (\$0.52). And, as we noted previously, the Valley's industrial vacancy rate declined in every quarter of 2013 to 11.8% at the end of Q4. This shows a notable breakthrough after having stagnated between 15.1% and 16% in the three years prior since 2010. As the market enters 2014, headwinds remain because of a less than exciting job market, but RCG and Lied still see a healthier industrial market this coming year. Most local economic indicators continue to gradually improve in an "elongated Nike Swoosh" kind of way. The biggest challenge facing the local industrial market is what we noted above, a lack of readily available contiguous industrial space above 100,000 sf. The reasons are numerous: tough lending climate, Las Vegas' less than stellar economic recovery and land pricing and availability issues, to name a few. But the fact remains, this situation will potentially hamper the region's recovery and economic development efforts if not addressed during the next couple of years.



LAS VEGAS VALLEY

INDUSTRIAL MARKET MATRIX

Q4, 2013

SUBMARKETS

	Airport	East L.V.	Henderson	North L.V.	Northwest	Southwest	West Central	Total
TOTAL INDUSTRIAL MARKET								
NUMBER OF EXISTING BUILDINGS	501	149	532	1,014	81	1,279	648	4,204
TOTAL RENTABLE SF	14,127,625	2,823,817	12,698,916	31,452,029	1,336,299	33,137,033	12,016,433	107,592,152
TOTAL VACANT SF	2,430,455	231,538	959,394	3,507,273	239,414	4,515,993	830,256	12,714,323
TOTAL OCCUPIED SF	11,697,170	2,592,279	11,739,522	27,944,756	1,096,885	28,621,040	11,186,177	94,877,829
TOTAL VACANT (%)	17.2%	8.2%	7.6%	11.2%	17.9%	13.6%	6.9%	11.8%
COMPLETIONS QTD	0	0	0	0	0	0	0	0
COMPLETIONS YOY	222,000	0	0	111,000	0	468,473	0	801,473
TOTAL NET ABSORPTION QTD	-194,170	63,008	-44,172	763,842	104,301	125,910	66,634	885,353
TOTAL NET ABSORPTION YOY	327,152	171,752	33,966	2,547,188	236,821	1,221,873	65,946	4,604,698
ASKING RENTS (\$ PSF) NNN	\$0.63	\$0.52	\$0.59	\$0.35	\$0.66	\$0.55	\$0.71	\$0.52
UNDER CONSTRUCTION SF	193,000	0	366,000	500,000	0	0	0	1,059,000
PLANNED SF	0	0	0	0	0	0	0	0

WAREHOUSE/DISTRIBUTION

NUMBER OF EXISTING BUILDINGS	78	18	77	176	5	140	52	546
TOTAL RENTABLE SF	4,844,394	907,075	6,459,019	18,506,459	223,661	13,066,312	1,939,836	45,946,756
TOTAL VACANT SF	567,120	0	287,270	2,196,936	50,367	2,066,068	73,282	5,241,043
TOTAL OCCUPIED SF	4,277,274	907,075	6,171,749	16,309,523	173,294	11,000,244	1,866,554	40,705,713
TOTAL VACANT (%)	11.7%	0.0%	4.4%	11.9%	22.5%	15.8%	3.8%	11.4%
COMPLETIONS QTD	0	0	0	0	0	0	0	0
COMPLETIONS YOY	0	0	0	111,000	0	468,473	0	579,473
TOTAL NET ABSORPTION QTD	-750	12,793	-51,566	570,817	0	140,008	-282	671,020
TOTAL NET ABSORPTION YOY	126,126	35,937	92,649	1,981,316	-7,563	813,859	23,368	3,065,692
ASKING RENTS (\$ PSF) NNN	\$0.38	\$0.00	\$0.52	\$0.32	\$0.49	\$0.46	\$0.47	\$0.40
UNDER CONSTRUCTION SF	193,000	0	296,000	500,000	0	0	0	989,000
PLANNED SF	0	0	0	0	0	0	0	0

LIGHT DISTRIBUTION

NUMBER OF EXISTING BUILDINGS	68	19	37	167	1	181	40	513
TOTAL RENTABLE SF	3,169,129	340,675	1,571,703	4,848,934	51,000	6,930,636	775,747	17,687,824
TOTAL VACANT SF	672,488	24,368	169,907	709,115	34,426	1,061,941	139,008	2,811,253
TOTAL OCCUPIED SF	2,496,641	316,307	1,401,796	4,139,819	16,574	5,868,695	636,739	14,876,571
TOTAL VACANT (%)	21.2%	7.2%	10.8%	14.6%	67.5%	15.3%	17.9%	15.9%
COMPLETIONS QTD	0	0	0	0	0	0	0	0
COMPLETIONS YOY	0	0	0	0	0	0	0	0
TOTAL NET ABSORPTION QTD	-124,331	6,308	20,660	93,890	7,478	-29,327	0	-25,322
TOTAL NET ABSORPTION YOY	86,429	40,920	-8,345	229,473	47,806	94,506	-12,120	478,669
ASKING RENTS (\$ PSF) NNN	\$0.58	\$0.43	\$0.45	\$0.34	\$0.29	\$0.58	\$0.46	\$0.50
UNDER CONSTRUCTION SF	0	0	0	0	0	0	0	0
PLANNED SF	0	0	0	0	0	0	0	0

LAS VEGAS VALLEY

INDUSTRIAL MARKET MATRIX

Q4, 2013

SUBMARKETS

	Airport	East L.V.	Henderson	North L.V.	Northwest	Southwest	West Central	Total
LIGHT INDUSTRIAL								
NUMBER OF EXISTING BUILDINGS	199	91	312	594	16	740	482	2,434
TOTAL RENTABLE SF	3,076,809	1,135,150	2,985,009	6,755,260	290,111	9,121,042	6,622,403	29,985,784
TOTAL VACANT SF	431,861	98,403	241,270	407,236	11,644	758,819	479,062	2,428,295
TOTAL OCCUPIED SF	2,644,948	1,036,747	2,743,739	6,348,024	278,467	8,362,223	6,143,341	27,557,489
TOTAL VACANT (%)	14.0%	8.7%	8.1%	6.0%	4.0%	8.3%	7.2%	8.1%
COMPLETIONS QTD	0	0	0	0	0	0	0	0
COMPLETIONS YOY	222,000	0	0	0	0	0	0	222,000
TOTAL NET ABSORPTION QTD	-8,148	43,907	-3,637	76,692	15,667	22,581	68,544	215,606
TOTAL NET ABSORPTION YOY	187,795	98,140	-19,494	217,053	14,958	130,880	22,181	651,514
ASKING RENTS (\$ PSF) NNN	\$0.76	\$0.46	\$0.57	\$0.44	\$0.43	\$0.56	\$0.76	\$0.61
UNDER CONSTRUCTION SF	0	0	70,000	0	0	0	0	70,000
PLANNED SF	0	0	0	0	0	0	0	0

INCUBATOR

NUMBER OF EXISTING BUILDINGS	89	13	29	31	4	120	62	348
TOTAL RENTABLE SF	1,714,621	298,623	456,906	561,552	99,325	2,496,381	2,458,615	8,086,023
TOTAL VACANT SF	273,745	104,522	81,674	49,674	14,292	257,897	133,497	915,301
TOTAL OCCUPIED SF	1,440,876	194,101	375,232	511,878	85,033	2,238,484	2,325,118	7,170,722
TOTAL VACANT (%)	16.0%	35.0%	17.9%	8.8%	14.4%	10.3%	5.4%	11.3%
COMPLETIONS QTD	0	0	0	0	0	0	0	0
COMPLETIONS YOY	0	0	0	0	0	0	0	0
TOTAL NET ABSORPTION QTD	-7,681	0	-16,871	1,404	1,614	-217	-1,628	-23,379
TOTAL NET ABSORPTION YOY	9,072	-5,631	-32,101	99,906	18,531	37,665	29,114	156,557
ASKING RENTS (\$ PSF) NNN	\$0.81	\$0.58	\$0.45	\$0.49	\$0.65	\$0.68	\$0.88	\$0.71
UNDER CONSTRUCTION SF	0	0	0	0	0	0	0	0
PLANNED SF	0	0	0	0	0	0	0	0

R&D / FLEX

NUMBER OF EXISTING BUILDINGS	67	8	77	46	55	98	12	363
TOTAL RENTABLE SF	1,322,672	142,294	1,226,279	779,824	672,202	1,522,662	219,832	5,885,765
TOTAL VACANT SF	485,241	4,245	179,273	144,312	128,685	371,268	5,407	1,318,431
TOTAL OCCUPIED SF	837,431	138,049	1,047,006	635,512	543,517	1,151,394	214,425	4,567,334
TOTAL VACANT (%)	36.7%	3.0%	14.6%	18.5%	19.1%	24.4%	2.5%	22.4%
COMPLETIONS QTD	0	0	0	0	0	0	0	0
COMPLETIONS YOY	0	0	0	0	0	0	0	0
TOTAL NET ABSORPTION QTD	-53,260	0	7,242	21,039	79,542	-7,135	0	47,428
TOTAL NET ABSORPTION YOY	-82,271	2,386	1,256	19,440	163,088	144,963	3,404	252,267
ASKING RENTS (\$ PSF) NNN	\$0.80	\$1.25	\$0.90	\$0.48	\$0.84	\$0.84	\$1.01	\$0.79
UNDER CONSTRUCTION SF	0	0	0	0	0	0	0	0
PLANNED SF	0	0	0	0	0	0	0	0

INDUSTRIAL MARKET GLOSSARY

Properties tracked have loading dock-grade-level doors. Building characteristics were used to define the appropriate subtype classification. These characteristics can include a building's primary use, size, type of loading doors, clear heights and parking ratios. A property must exhibit one or more of the typical building characteristics to be considered a specific classification of properties into subtypes.

Warehouse/Distribution

These buildings are the largest among the subtypes and are used for warehousing and distributing materials and merchandise. Warehouse facilities are primarily used for storage and distribution buildings are warehouse facilities designed to accommodate the freight and movement of products/goods.

- Multi- or single-tenant,
- Building/park size of at least 10,000 square feet,
- Dock-high doors (or grade-level doors) and clear heights of at least 16 feet, and
- Parking ratios of: 1-2/1,000 square feet - traditional warehouse/distribution
3-4/1,000 square feet - high velocity warehouse/distribution.

Light Distribution

These buildings are primarily used as a distribution transfer center for the transshipment of products/goods (usually to change the mode of transport or for consolidation or deconsolidation of goods before shipment).

- Multi- or single-tenant,
- Building/park size of at least 5,000 square feet, usually characterized by long narrow buildings,
- Cross-dock doors (or several dock high doors) with 12-16 feet clear height to accommodate transfer to/from multiple trucks, and
- Parking ratios of: 1-2/1,000 square feet - traditional warehouse/distribution
3-4/1,000 square feet - high velocity warehouse/distribution.

Light Industrial

These buildings are primarily used for light industry manufacturing (rather than heavy industrial manufacturing that uses large amounts of raw materials, power and space) to produce and or assemble products/goods for consumers as end-users.

- Multi- or single-tenant,
- Building/park size of at least 7,000 square feet,
- Grade-level doors (or dock-high doors) and clear heights usually between 13 feet and 18 feet, and
- Parking ratio of 4+/1,000 square feet.

Incubator

Buildings or portions of buildings that accommodate companies in the early phase of growth. The typical user generally needs 1,000 to 3,000 square feet of warehouse space plus 5% to 20% earmarked for office space with the remaining being the warehouse space. Because of its lower space needs, an incubator tenant is usually a low-volume business needing more less frequent packing and unpacking activity and smaller shipment sizes.

- Multi-tenant,
- Building/park size of at least 5,000 square feet,
- Grade-level doors with clear heights less than 15 feet, and
- Parking ratio: Less than 3/1,000 square feet.

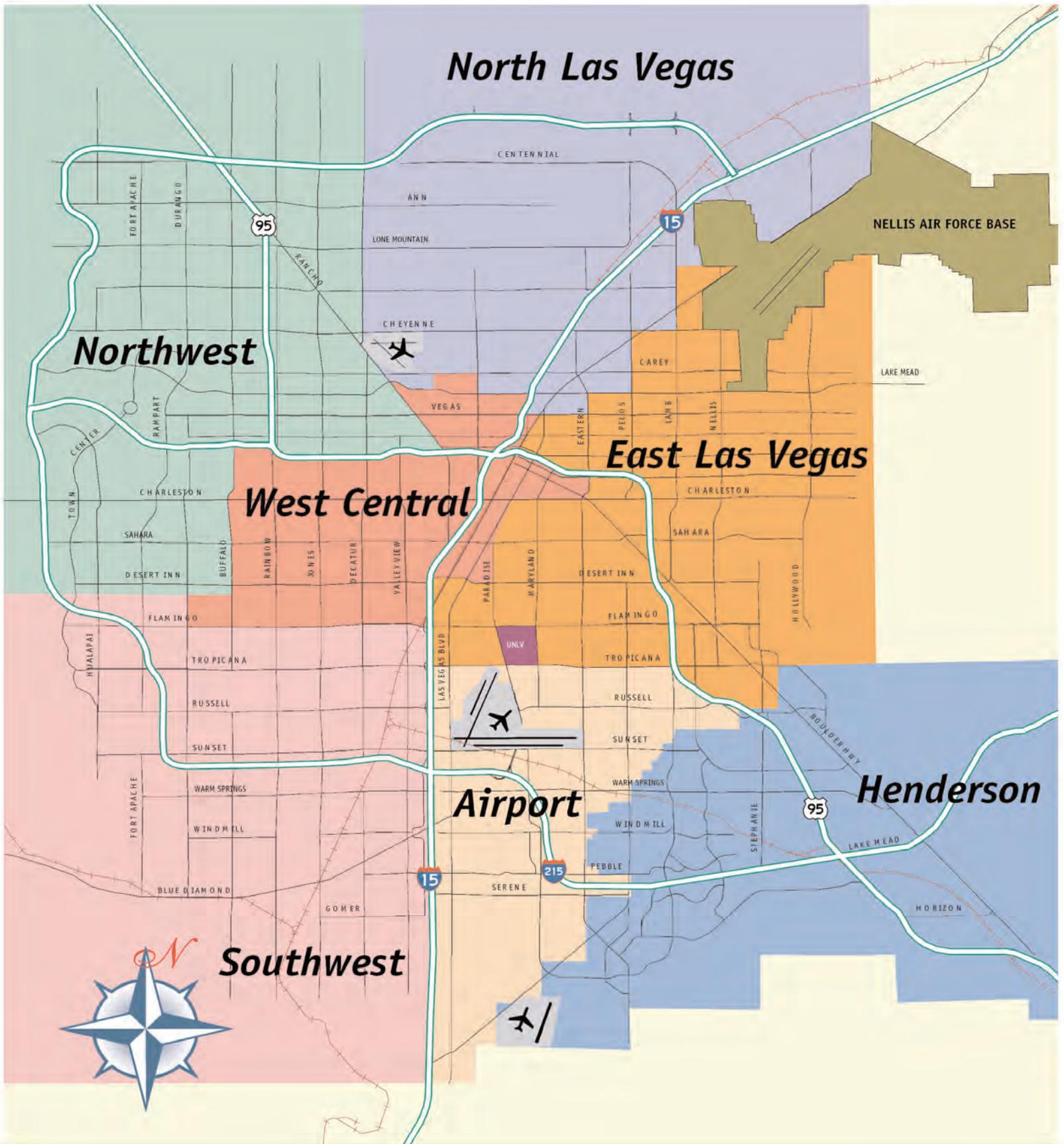
R&D/Flex

These buildings are the smallest among the subtypes and are designed to allow its occupants to easily alternate uses as industrial space or office space. This may include:

- Industrial space generally as light industrial or incubator; and
- Office space generally as research and development (R&D) parks.
- Multi- or single-tenant,
- Building/park size of at least 2,000 square feet,
- Grade-level doors with clear heights less than 15 feet, and
- Parking ratio of 3-4/1,000 square feet.

LAS VEGAS VALLEY

INDUSTRIAL SUBMARKET MAP





BELTWAY BUSINESS CENTER

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HUGHES CENTER

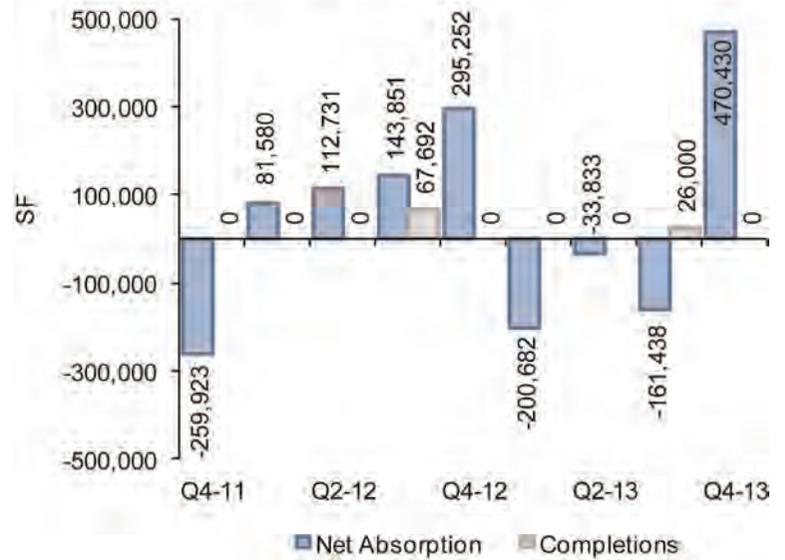
LAS VEGAS VALLEY OFFICE MARKET

SUMMARY

The Las Vegas Valley's ("the Valley") speculative office market⁴ saw no new space completed at the end of Q4 and inventory remained at 42.4 million square feet ("sf"). For 2013 overall, Q3 was the only quarter to see new space completed with 26,000 sf added. Vacancy was 23% at the end of 2013, relatively unchanged from the 23.3% vacancy recorded for the fourth quarter of 2012. The 470,400 sf of net absorption in Q4 broke a three-quarter trend of negative levels. Absorption in Q4 was just enough to offset the -396,000 sf of negative absorption in the first three quarters of 2013, bringing the annual total to a positive 74,500 sf of demand. At \$1.82 per square foot ("psf") FSG⁵, asking rents for office space in Q4 lessened from Q3's \$1.85 psf and from Q4, 2012's \$1.83 psf. At the end of the year, there were 565,000 sf of office space under-construction and no space in the planning stages. Much of this under-construction space was concentrated in Class A product in the Northwest and Southwest submarkets.

Las Vegas Valley Office Market

Historical Net Absorption vs. Completions:
Q4, 2011 - Q4, 2013



OFFICE-RELATED JOBS

Employment in the office sector is an integral driver in our local economy, comprising 31% of all private employment in Clark County. There were 230,700 jobs in sectors that traditionally occupy office as of November 2013, 3,800 more (+1.7%) from the same month last year.⁶ Throughout 2013, year-over-year growth in office-related employment has been moderate, averaging 2% overall. By industry, information and financial activities have struggled towards the latter half of the year, while professional & business services have expanded. Health care & social assistance jobs have been fairly flat.

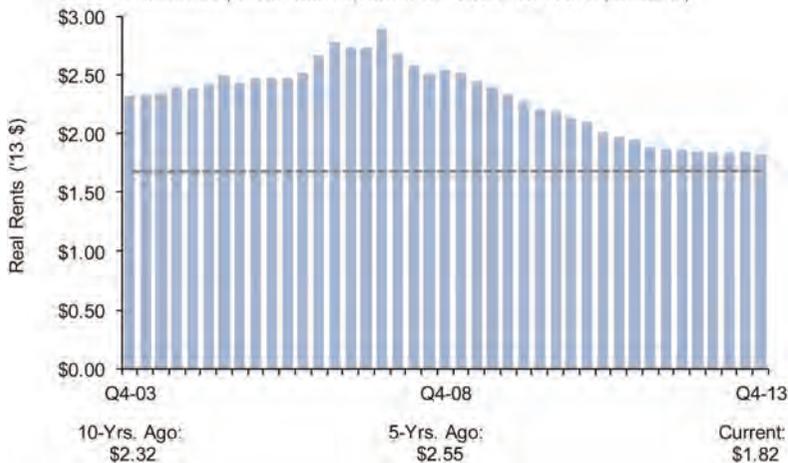
VACANCY & RENTS

After posting a near record high of 24.1% last quarter – which is second to Q4, 2011's rate – total vacancy (directly vacant plus vacant sublease space) in the Valley's office market dropped slightly to 23% in Q4. With the exception of this quarter, vacancy rose in all other quarters of 2013. Vacancy has been elevated above the 22% mark since Q2, 2010.

Downtown maintains the lowest vacancy rate at 16.8% and is the only submarket in the Valley with vacancy below 20%. East Las Vegas continues to have the highest rate at 26.7%, followed closely by West Central at 26%. West Central saw vacancy rise slightly over last quarter (+0.3 percentage points) while the other submarkets saw vacancy improve. Airport led the way, dropping -3.2 percentage points to 20.4%, followed by Henderson (-1.9 percentage points to 24.1%) and Northwest (-1.8 percentage points to 23%).

Las Vegas Valley Office Market

Inflation-Adjusted Monthly Rent: Q4, 2003 - Q4, 2013 (Baseline)



Much of the improvement in vacancy over last quarter was due to Medical space, which posted a 3.4-percentage point drop to 22.3% in Q4. The remaining product types saw vacancy drop by less than 1 percentage point. Vacancy continues to be highest for Class A space at 29.6%. Vacancy for Class B and Class C are similar to Medical's rate at 22.9% and 21.0%, respectively. Overall, there has been little movement in vacancy rates since Q2, 2010, on both the submarket and product type levels, suggesting that the Valley's office market is finally stabilizing. This trend is consistent with the trends seen in jobs related to the office market, which has struggled to maintain sustainable growth over the past three years.

Average monthly asking office rent (calculated on a full-service gross basis – or accounting for all operating expenses) was \$1.82 per square foot (“psf”) in Q4, \$0.03 less than the \$1.85 psf asking rent in the previous quarter and the \$1.83 psf in Q4, 2012. After a trend of decreases beginning in Q4, 2007, rents began to flatten out and even increase slightly since 2012. Adjusting historical quarterly asking rents for inflation, the current average asking rent is down a significant \$0.74 from real asking rents five years ago (Q4, 2008’s \$2.56 psf).

DEMAND

After being negative in the first three quarters of 2013, Valley-wide speculative office total net absorption was positive at 470,430 sf during Q4. On an annual basis, net absorption for 2013 totaled 74,500 sf. This is worse than 2012 when 633,400 sf was absorbed, but better than 2011’s -746,400 sf.

Most of this quarter’s improvement was accounted for in the Airport submarket, where 161,300 sf were absorbed, followed by Northwest’s 156,800 sf. With the exception of West Central’s negative absorption of 15,100 sf, all other submarkets saw more space occupied compared to last quarter.

Positive absorption was also recorded for all product types on a net basis for the quarter, largely in Medical space (244,300 sf) and Class C (199,900 sf). This was followed by Class B’s 72,300 sf and Class A’s 52,100 sf.

SUPPLY

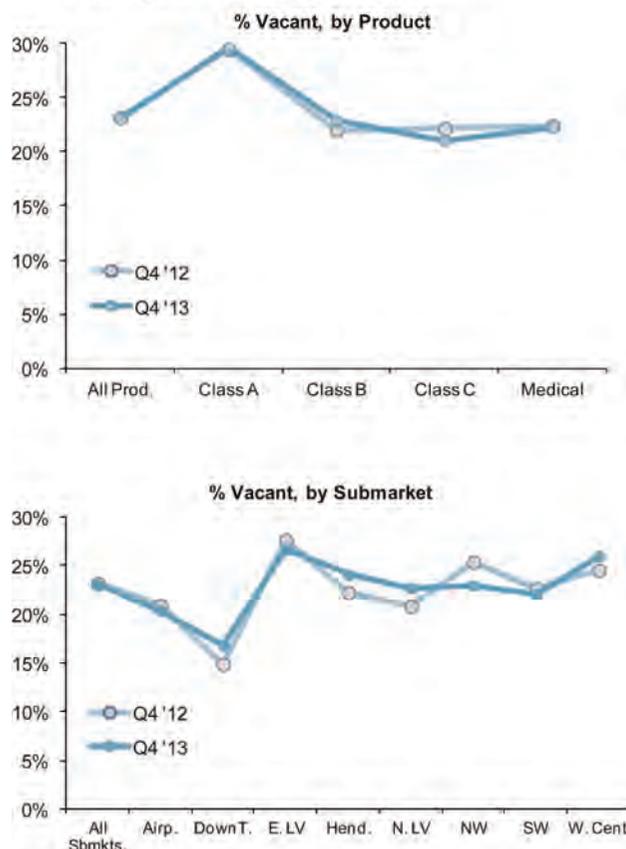
No new office product was completed during the fourth quarter of 2013. For 2013 as a whole, only 26,000 square feet of office space was completed, attributed to one project completed in Henderson during Q3. This is the lowest level of annual completions we’ve recorded since tracking the market over several years ago. Of the past 16 quarters since Q1, 2010, there were only four quarters where new space entered the market. In comparison, the amount of annual office completions during the boom years – from 2003 to 2008 – ranged between 1.1 million sf and 4.3 million sf. The lack of new construction over the past four years has likely helped the gradual slow-down in office vacancy increases since Q2, 2009.

A higher level of completions are expected for 2014 as we recorded five spec office projects in the forward supply⁷ pipeline by the end 2013, of which all were under construction. Two developments are underway in the Northwest, including the office components of the Shops at Summerlin (198,000 sf in Class A) and Tivoli Village (68,000 sf in Class A). The second phase of the Seven Hills Plaza continued its progress into Q4 and when completed, will add 44,000 sf of Class B space in Henderson. The Gramercy’s two 100,000 sf Class A buildings in the Southwest moved forward from planned status and broke ground in Q4. The remaining project underway is the EVAPS Law Office building in the Downtown submarket (55,000 sf in Class B).

An important measure of the near-term health of the commercial markets is the potential number of years of available supply. Given the very high vacancy of 23% and based on the average quarterly absorption of the last 10 years (213,000 sf), we estimate that there is 6 to 7 years of speculative office supply in the Valley that must be absorbed to reach a 10% “normalized” vacancy.

Las Vegas Valley Office Market

Vacancy Trends: Q4, 2012 v. Q4, 2013



Office Employment

Industry Sector	Sep			Oct			Nov		
	2013	2012	% Ch.	2013	2012	% Ch.	2013	2012	% Ch.
Information	9,100	9,600	-5.2%	9,100	9,600	-5.2%	9,000	9,500	-5.3%
Financial Activities	41,600	41,900	-0.7%	42,700	41,700	2.4%	42,700	42,000	1.7%
Prof. & Business	108,100	107,800	0.3%	109,500	109,300	0.2%	111,200	107,800	3.2%
Health Care & Social Assist.	68,100	67,900	0.3%	67,600	68,200	-0.9%	67,800	67,600	0.3%
Total	226,900	227,200	-0.1%	228,900	228,800	0.0%	230,700	226,900	1.7%

Source: Nevada Department of Employment, Training & Rehabilitation.

Las Vegas Valley Office Market

Historical Vacancy vs. Monthly Asking Rent:
Q4, 2009 - Q4, 2013



FURTHER THOUGHTS

The Valley's speculative office market continues to bounce along the bottom in 2013, ending the year with a vacancy rate of 23% in the fourth quarter. While this is the lowest it has been in three years since Q4, 2010's 22.6%, it hardly shows an improvement. Without an extended growth period of the region's job market, Lied and RCG don't see the local office market improving too much. Surely, certain office products in certain submarkets will do better than others, but, overall, the Great Recession devastated the Southern Nevada office market like it did to employment. There isn't enough pixy dust or magic beans to change that fact. Rents have been flat over the past two years since Q1, 2012, fluctuating between \$1.82 and \$1.85 psf. Because of the job market headwinds, RCG and Lied expect more of same for the speculative office market in 2014. The fact is that, while most local economic indicators continue to improve, the recovery of many of the office-using job sectors remains sluggish.

OFFICE MARKET GLOSSARY

Office property buildings or building parks tracked include speculative, multi-tenant properties with at least 10,000 square feet of usable office space. Building characteristics were used to define the appropriate subtype classification (i.e., professional or medical). These characteristics can include rents, location, quality of building systems (e.g., mechanical, elevator and utility systems), finishes (e.g., lobby and hallway design/ materials), and amenities. A property must exhibit one or more of the typical building characteristics to be considered a specific classification.

Class A

Class A properties are the highest quality buildings in the market with steel frame construction - typically mid-rise (3 - 4 stories) or high-rise (5 stories or more).

- High asking gross rent (FSG) with a typical premium of 20-30% of office rents in the local market,
- Location within a central business area,
- Capacity to meet current tenant requirements and anticipated future tenant needs,
- Building finishes that are of high quality and competitive with new construction, and
- Maintenance, management and upkeep amenities above average.

Class B

Class B properties have buildings with steel frame, reinforced concrete or concrete tilt-up construction - usually low-rise (1 - 2 stories) or mid-rise (3 - 4 stories).

- Asking gross rent (FSG) typically in a specified range between asking gross rents for Class A and Class C buildings,
- Average to good location,
- Adequate capacity to deliver services currently required by tenants,
- Building finishes with average to good design and materials, and
- Maintenance, management and upkeep amenities that are considered average.

Class C

Class C properties have buildings with wood construction and are usually low-rise (1 - 2 stories).

- Asking gross rent (FSG) typically in the bottom 10-20% of office rents in the marketplace,
- Depends primarily on lower prices rather than desirable locations to attract occupants,
- Capacities that may not meet current tenant needs,
- Building finishes that show a dated appearance, and
- Maintenance, management and upkeep amenities that are below average.

Medical

An office building in which 50% or more of its available space under the various building classifications above consists of medical office use.

LAS VEGAS VALLEY

OFFICE MARKET MATRIX

Q4, 2013

SUBMARKETS

Airport Downtown East L.V. Henderson North L.V. Northwest Southwest West Central Total

TOTAL OFFICE MARKET

NUMBER OF EXISTING BUILDINGS	307	118	182	328	94	390	387	275	2,081
NUMBER OF EXISTING BUILDINGS	307	118	182	328	94	390	387	275	2,081
TOTAL RENTABLE SF	5,094,766	3,780,861	6,013,558	5,971,568	783,529	8,793,919	6,593,103	5,406,541	42,437,845
TOTAL VACANT SF	1,039,899	636,586	1,604,028	1,437,080	177,825	2,020,662	1,456,610	1,404,836	9,777,526
TOTAL OCCUPIED SF	4,054,867	3,144,275	4,409,530	4,534,488	605,704	6,773,257	5,136,493	4,001,705	32,660,319
TOTAL VACANT (%)	20.4%	16.8%	26.7%	24.1%	22.7%	23.0%	22.1%	26.0%	23.0%
COMPLETIONS QTD	0	0	0	0	0	0	0	0	0
COMPLETIONS YOY	0	0	0	26,000	0	0	0	0	26,000
TOTAL NET ABSORPTION QTD	161,329	3,424	15,204	115,500	707	156,804	32,515	-15,053	470,430
TOTAL NET ABSORPTION YOY	26,406	-73,047	56,421	-89,825	-14,667	211,084	36,891	-78,786	74,477
ASKING RENTS (\$ PSF) FSG	\$1.82	\$2.02	\$1.45	\$2.08	\$1.59	\$2.07	\$2.11	\$1.27	\$1.82
UNDER CONSTRUCTION SF	0	55,000	0	44,000	0	266,000	200,000	0	565,000
PLANNED SF	0	0	0	0	0	0	0	0	0

PROFESSIONAL CLASS A

NUMBER OF EXISTING BUILDINGS	6	5	9	12	0	21	3	2	58
TOTAL RENTABLE SF	665,904	795,116	1,351,642	828,068		1,616,232	397,112	227,624	5,881,698
TOTAL VACANT SF	157,379	218,341	13,168	443,456	0	710,636	144,135	55,036	1,742,151
TOTAL OCCUPIED SF	508,525	576,775	1,338,474	384,612	0	905,596	252,977	172,588	4,139,547
TOTAL VACANT (%)	23.6%	27.5%	1.0%	53.6%	N/A	44.0%	36.3%	24.2%	29.6%
COMPLETIONS QTD	0	0	0	0	0	0	0	0	0
COMPLETIONS YOY	0	0	0	0	0	0	0	0	0
TOTAL NET ABSORPTION QTD	37,840	-12,600	25,470	17,348	0	-28,463	0	12,536	52,131
TOTAL NET ABSORPTION YOY	42,262	-62,801	28,713	-75,088	0	48,166	-18,375	29,019	-8,104
ASKING RENTS (\$ PSF) FSG	\$2.42	\$2.44	\$1.59	\$2.27	\$0.00	\$2.11	\$2.58	\$2.02	\$2.25
UNDER CONSTRUCTION SF	0	0	0	0	0	266,000	200,000	0	466,000
PLANNED SF	0	0	0	0	0	0	0	0	0

PROFESSIONAL CLASS B

NUMBER OF EXISTING BUILDINGS	42	26	18	66	8	75	71	46	352
TOTAL RENTABLE SF	1,936,021	1,720,096	1,066,557	2,144,054	200,796	2,795,551	2,405,132	1,666,046	13,934,253
TOTAL VACANT SF	399,677	250,450	488,388	446,224	112,051	461,633	627,535	427,053	3,193,011
TOTAL OCCUPIED SF	1,536,344	1,469,646	598,169	1,697,830	88,745	2,333,918	1,777,597	1,238,993	10,741,242
TOTAL VACANT (%)	20.6%	14.6%	43.9%	20.8%	55.8%	16.5%	26.1%	25.6%	22.9%
COMPLETIONS QTD	0	0	0	0	0	0	0	0	0
COMPLETIONS YOY	0	0	0	0	0	0	0	0	0
TOTAL NET ABSORPTION QTD	105,077	17,673	-1,078	-40,858	-5,438	64,486	-46,278	-21,253	72,331
TOTAL NET ABSORPTION YOY	-26,016	1,624	17,924	10,999	-34,752	57,366	-52,411	-101,563	-126,829
ASKING RENTS (\$ PSF) FSG	\$1.93	\$1.92	\$1.34	\$2.10	\$1.43	\$2.24	\$2.23	\$0.75	\$1.79
UNDER CONSTRUCTION SF	0	55,000	0	44,000	0	0	0	0	99,000
PLANNED SF	0	0	0	0	0	0	0	0	0

LAS VEGAS VALLEY

OFFICE MARKET MATRIX

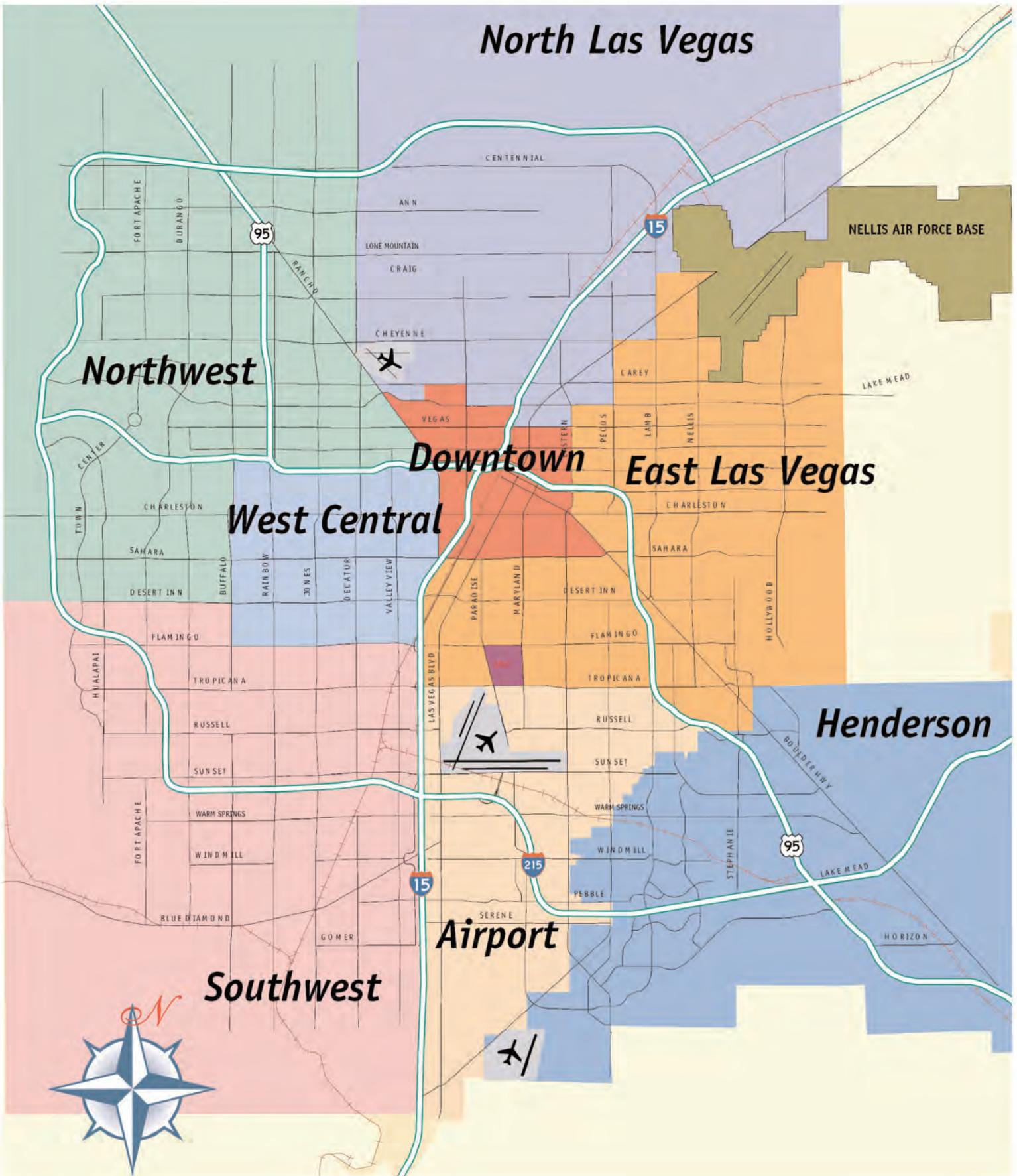
Q4, 2013

SUBMARKETS

	Airport	Downtown	East L.V.	Henderson	North L.V.	Northwest	Southwest	West Central	Total
PROFESSIONAL CLASS C									
NUMBER OF EXISTING BUILDINGS	253	66	110	144	76	210	272	187	1,318
TOTAL RENTABLE SF	2,364,311	877,606	2,051,408	1,618,430	482,290	2,234,002	3,058,831	2,761,393	15,448,271
TOTAL VACANT SF	464,781	109,376	646,160	275,164	29,156	413,159	588,467	717,519	3,243,782
TOTAL OCCUPIED SF	1,899,530	768,230	1,405,248	1,343,266	453,134	1,820,843	2,470,364	2,043,874	12,204,489
TOTAL VACANT (%)	19.7%	12.5%	31.5%	17.0%	6.0%	18.5%	19.2%	26.0%	21.0%
COMPLETIONS QTD	0	0	0	0	0	0	0	0	0
COMPLETIONS YOY	0	0	0	26,000	0	0	0	0	26,000
TOTAL NET ABSORPTION QTD	23,147	-5,468	-7,562	50,262	6,145	73,845	-34,717	-4,024	101,628
TOTAL NET ABSORPTION YOY	19,545	-38,324	-19,789	-3,832	32,497	135,429	-37,009	111,357	199,875
ASKING RENTS (\$ PSF) FSG	\$1.53	\$1.44	\$1.29	\$1.73	\$1.38	\$1.81	\$1.90	\$1.39	\$1.57
UNDER CONSTRUCTION SF	0	0	0	0	0	0	0	0	0
PLANNED SF	0	0	0	0	0	0	0	0	0
MEDICAL OFFICE									
NUMBER OF EXISTING BUILDINGS	6	21	45	106	10	84	41	40	353
TOTAL RENTABLE SF	128,530	388,043	1,543,951	1,381,016	100,443	2,148,134	732,028	751,478	7,173,623
TOTAL VACANT SF	18,062	58,419	476,312	272,236	36,618	435,234	96,473	205,228	1,598,582
TOTAL OCCUPIED SF	110,468	329,624	1,067,639	1,108,780	63,825	1,712,900	635,555	546,250	5,575,041
TOTAL VACANT (%)	14.1%	15.1%	30.9%	19.7%	36.5%	20.3%	13.2%	27.3%	22.3%
COMPLETIONS QTD	0	0	0	0	0	0	0	0	0
COMPLETIONS YOY	0	0	0	0	0	0	0	0	0
TOTAL NET ABSORPTION QTD	-4,735	3,819	-1,626	88,748	0	46,936	113,510	-2,312	244,340
TOTAL NET ABSORPTION YOY	-9,385	26,455	29,573	-21,904	-12,412	-29,877	144,686	-117,600	9,535
ASKING RENTS (\$ PSF) FSG	\$1.72	\$1.94	\$1.78	\$2.11	\$2.24	\$2.06	\$1.85	\$1.76	\$1.93
UNDER CONSTRUCTION SF	0	0	0	0	0	0	0	0	0
PLANNED SF	0	0	0	0	0	0	0	0	0

LAS VEGAS VALLEY

OFFICE SUBMARKET MAP





ARROYO MARKET SQUARE

RCG
ECONOMICS

UNLV

LIED INSTITUTE FOR
REAL ESTATE STUDIES
LEE BUSINESS SCHOOL

Las Vegas Valley Executive Summary

Retail Market • 4th Quarter 2013



THE DISTRICT AT GREEN VALLEY RANCH

LAS VEGAS VALLEY ANCHORED RETAIL MARKET

SUMMARY

The Las Vegas Valley’s (“the Valley”) anchored retail market⁸ inventory remained at 42 million square feet (“sf”) in Q4, 2013 as there were no completions recorded for the year. After seeing net absorption drop last quarter, demand for retail space was positive again with 312,100 sf absorbed, bringing the four-quarter total to 484,500 sf for 2013 overall. This helped push vacancy down to 11.7% in Q4, down from 12.4% last quarter’s and 12.8% in the same quarter last year. Average monthly asking rents rose to \$1.32 per square foot (“psf”) NNN⁹ in Q4, \$0.02 higher than the previous quarter and \$0.01 lower than Q4, 2012. There remained 278,700 sf of forward-supply¹⁰ space, comprised of two Community Centers that were under construction by the end of 2013.

RETAIL JOBS

There were 110,900 jobs in the retail sector in November 2013, accounting for 14% of total private jobs in Clark County. This was 5,900 (+5.6%) more than the retail jobs recorded for November 2012. Employment in the retail sector has been increasing on a year-over-year basis since May 2010 and has shown relatively strong gains throughout 2013.

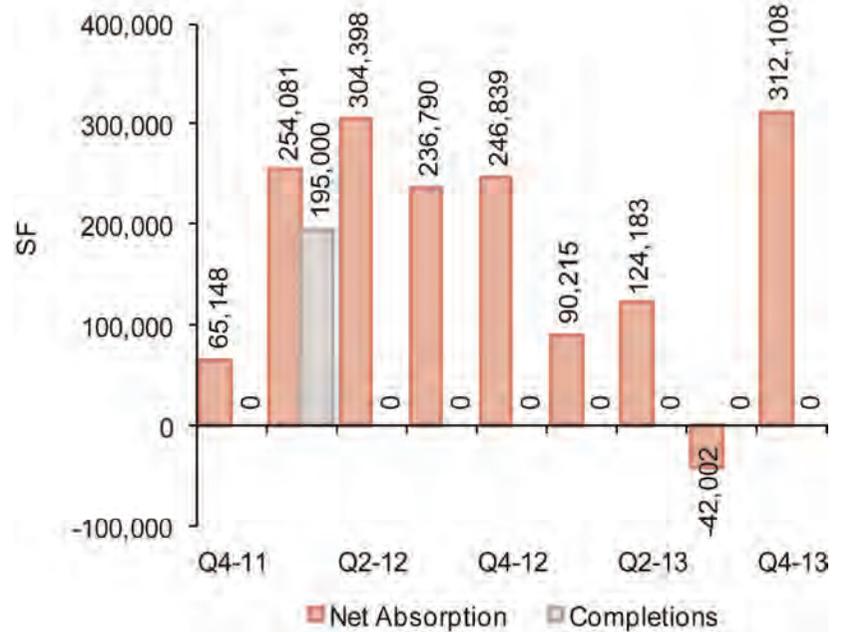
VACANCY & RENTS

Since the record high of 15.3% in Q2, 2011, the average total vacancy rate (directly vacant plus vacant sublease space) for the Valley’s anchored retail market declined for the 10th consecutive quarter to 11.7% in Q4, 2013. This is 0.7 percentage points below Q3, and 1.1 percentage points below Q4, 2012 when vacancy was 12.8%.

The highest submarket vacancies were in West Central at 17.1%, followed by Downtown (14.1%), University East (13.8%) and Henderson (13.4%). Only two submarkets had vacancy rates below 10%, including Southwest (7.9%) and Northwest (9.4%).

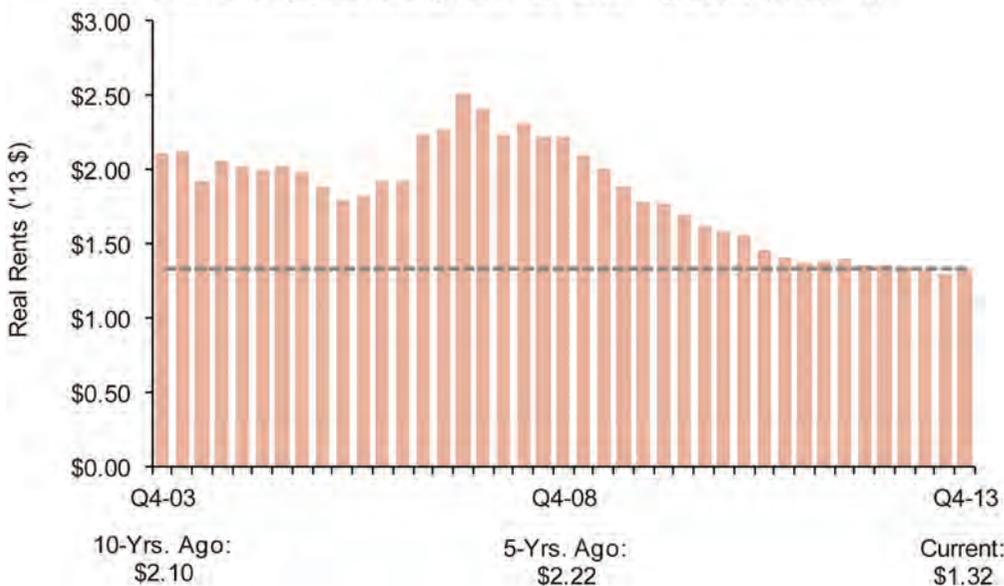
Las Vegas Valley Retail Market

Historical Net Absorption vs. Completions
Q4, 2011 - Q4, 2013



Las Vegas Valley Retail Market

Inflation-Adjusted Asking Rent: Q4, 2003 - Q4, 2013 (Baseline)



Relative to the previous quarter, vacancy went up slightly in Downtown and West Central and decreased in the remaining submarkets. The largest improvements were in the Northeast, which saw vacancy drop 2.2 percentage points to 13.4% in Q4, and in Henderson where vacancy dropped 2.2 percentage points to 10.3%.

Vacancy improved in all shopping center types but improved the most in Neighborhood Centers, which saw vacancy drop 1 percentage point from the previous quarter to 13.1% in Q4. Power Centers had the lowest overall vacancy among the three product types at 10.6%. Community Center space was 11% vacant at the end of the year.

After recording five consecutive quarters of slight decreases, the overall average monthly

Las Vegas Valley Retail Market

Historical Vacancy vs. Monthly Asking Rent:
Q4, 2009 - Q4, 2013



asking rent rose in Q4 to \$1.32 psf (calculated on a NNN basis; not accounting for any operating expenses). Compared to Q3's \$1.30 psf, rents are up \$0.02, but remain a bit above the \$1.33 psf in Q4, 2012. Overall, rents have been relatively flat since Q3, 2011, stagnating between \$1.30 psf and \$1.37 psf. Adjusting historical quarterly asking rents for inflation, the current average asking rent of \$1.32 is \$0.90 below that of five years ago, when Q4, 2008's asking rent was \$2.22 psf in real terms.

DEMAND

After recording -42,000 sf of total net absorption during the previous quarter, demand has picked up once again in Q4, posting 312,100 sf of space absorbed for the quarter. This is the strongest it has been since Q1, 2008. However, on an annual basis, the 484,500 sf of net absorption in 2013 is half what it was in 2012 when over 1 million sf was absorbed.

The West Central and Downtown submarkets saw more space vacated than leased on a net basis at -3,000 sf and -68,000 sf, respectively. The remaining areas recorded posi-

tive absorption, led by Henderson with 177,500 sf absorbed.

Net absorption was up in all shopping center types, with equal contributions from Community Centers (145,000 sf) and Neighborhood Centers (144,100 sf). Absorption in Power Centers added 23,000 sf for the quarter.

SUPPLY

No new anchored retail space in the Valley was completed during Q4, 2013. There were only two quarters in the past four years (since Q1, 2010) that new retail space was brought to the market. The Valley's total anchored retail inventory remained at 44.1 million sf in 266 shopping center buildings.

Lastly, forward supply¹¹ activity at the end of Q4 was unchanged over the previous quarter: there were no anchored centers that were planned for development while 278,700 sf were under construction. Under-construction retail space included two Community Centers being built in phases, including the 138,700-square-foot Green Valley Crossing in Henderson and the 140,000-square-foot Target-anchored center in the Northwest.

From what we know, we do not see much new retail development taking place in 2014. This will help the Valley's anchored retail market trend back toward a 10% stabilized vacancy rate. Our latest estimates indicate a timeline of 1-1.5 years (based on average quarterly absorption rate of 187,200 sf over the last 10 years) before the stable rate is realized.

Retail Employment

Industry Sector	Sep			Oct			Nov		
	2013	2012	% Ch.	2013	2012	% Ch.	2013	2012	% Ch.
Gen. Merch. & Cloth./Accessories	37,900	36,700	3.3%	38,500	37,100	3.8%	41,500	40,600	2.2%
Food & Bev. Stores	14,800	14,400	2.8%	14,900	14,500	2.8%	14,900	14,600	2.1%
Health & Personal Care Stores	6,500	6,200	4.8%	6,700	6,300	6.3%	6,700	6,400	4.7%
Other Stores	42,300	39,900	6.0%	44,300	40,900	8.3%	47,800	43,400	10.1%
Total	101,500	97,200	4.4%	104,400	98,800	5.7%	110,900	105,000	5.6%

Source: Nevada Department of Employment, Training & Rehabilitation.

FURTHER THOUGHTS

The Valley's anchored retail market steadily improved during 2013, continuing the slow climb to recovery that began in 2012. The trajectory of this moderate growth is clearly welcomed and has much improved compared to 2009-11. While average monthly asking rents grew very little over the past two years (2012 and 2013), the vacancy rate has dropped three percentage points to 11.7% by the end of 2013. This upturn clearly mirrors consumer confidence and spending (local residents and tourists), which also reflects greatly on the improved taxable retail sales in Southern Nevada. That said, these improvements are largely driven by the use of consumer debt and not necessarily growing wages and incomes, and weekly work hours, which remained listless. As the anchored retail market moves into 2014, job and wage growth will remain a concern, as we have noted, but RCG and Lied expects a progressively healthier market this coming year. We hope that this trend spreads to the unanchored retail market, which remains anemic. It is likely that we will continue to see a number of unanchored centers re-tenanted for non-traditional users like call centers.

RETAIL MARKET GLOSSARY

Retail properties tracked include shopping centers with at least 10,000 square feet of usable space. These centers have several different stores or tenants and are anchored by one or more large, national tenant (i.e., Best Buy, Target, and Smith's). Characteristics of buildings were used to define the appropriate classification of properties into subtypes, such as tenant mix, size and trade area. A property must exhibit one or more of the typical building characteristics to be considered a specific classification.

Power Center

- Centers with a minimum of three, but usually five or more, anchor tenants that dominant in their categories
- Size typically more than 250,000 square feet, but can be as small as 125,000 square feet; almost all units designed for large tenants
- Customer-base is typically drawn from within a 15-mile trade area

Community Center

- Centers with stores that sell consumer goods, in addition to convenience goods and personal services
- Typical anchor tenants include junior department stores and off-price/discount stores, and store that sell goods requiring comparison such as apparel and appliances; other tenants include drug stores and home improvement centers
- Size typically between 100,000 and 300,000 square feet, but can be over 500,000 square feet
- Customer-base is primarily within a five-mile trade area

Neighborhood Center

- Center with stores that sell convenience goods (e.g., food, sundries and takeout food) and provide personal services (e.g., dry cleaning and hair/nail care) that meet the day-to-day living needs to the immediate area
- Typical anchor tenant is a supermarket
- Size tends to be smaller than 100,000 square feet, but can range from 30,000 to 150,000 square feet
- Customer-base is within a two- to three-mile trade area

LAS VEGAS VALLEY

RETAIL MARKET MATRIX

Q4, 2013

SUBMARKETS

Downtown Henderson North L.V. Northeast Northwest Southwest Univ. East West Central Total

TOTAL RETAIL MARKET

	Downtown	Henderson	North L.V.	Northeast	Northwest	Southwest	Univ. East	West Central	Total
NUMBER OF EXISTING BUILDINGS	9	54	27	21	58	23	40	34	266
TOTAL RENTABLE SF	1,106,510	8,680,068	4,910,743	2,542,317	10,588,588	5,783,835	6,050,227	4,379,055	44,041,343
TOTAL VACANT SF	155,737	1,164,380	518,575	260,774	994,071	458,302	831,944	748,424	5,132,207
TOTAL OCCUPIED SF	950,773	7,515,688	4,392,168	2,281,543	9,594,517	5,325,533	5,218,283	3,630,631	38,909,136
TOTAL VACANT (%)	14.1%	13.4%	10.6%	10.3%	9.4%	7.9%	13.8%	17.1%	11.7%
COMPLETIONS QTD	0	0	0	0	0	0	0	0	0
COMPLETIONS YOY	0	0	0	0	0	0	0	0	0
TOTAL NET ABSORPTION QTD	-3,000	177,497	22,546	57,185	60,267	10,886	54,726	-67,999	312,108
TOTAL NET ABSORPTION YOY	-14,845	328,663	-18,501	44,766	260,132	48,300	-49,660	-114,350	484,504
ASKING RENTS (\$ PSF) NNN	\$1.69	\$1.54	\$1.29	\$1.09	\$1.28	\$2.14	\$0.91	\$1.04	\$1.32
UNDER CONSTRUCTION SF	0	138,738	0	0	140,000	0	0	0	278,738
PLANNED SF	0	0	0	0	0	0	0	0	0

POWER CENTERS

	Downtown	Henderson	North L.V.	Northeast	Northwest	Southwest	Univ. East	West Central	Total
NUMBER OF EXISTING BUILDINGS	0	8	2	0	7	1	3	3	24
TOTAL RENTABLE SF	0	2,962,288	987,713	0	2,840,846	944,314	1,210,223	1,138,224	10,083,608
TOTAL VACANT SF	0	516,927	8,493	0	119,487	47,811	171,818	207,074	1,071,610
TOTAL OCCUPIED SF	0	2,445,361	979,220	0	2,721,359	896,503	1,038,405	931,150	9,011,998
TOTAL VACANT (%)	N/A	17.5%	0.9%	N/A	4.2%	5.1%	14.2%	18.2%	10.6%
COMPLETIONS QTD	0	0	0	0	0	0	0	0	0
COMPLETIONS YOY	0	0	0	0	0	0	0	0	0
TOTAL NET ABSORPTION QTD	0	39,349	0	0	182	0	0	-16,525	23,006
TOTAL NET ABSORPTION YOY	0	176,989	1,377	0	13,616	59,105	9,431	-27,601	232,918
ASKING RENTS (\$ PSF) NNN	\$0.00	\$1.77	\$3.00	\$0.00	\$1.34	\$1.88	\$1.00	\$1.14	\$1.49
UNDER CONSTRUCTION SF	0	0	0	0	0	0	0	0	0
PLANNED SF	0	0	0	0	0	0	0	0	0

LAS VEGAS VALLEY

RETAIL MARKET MATRIX

Q4, 2013

SUBMARKETS

Downtown Henderson North L.V. Northeast Northwest Southwest Univ. East West Central Total

COMMUNITY CENTERS

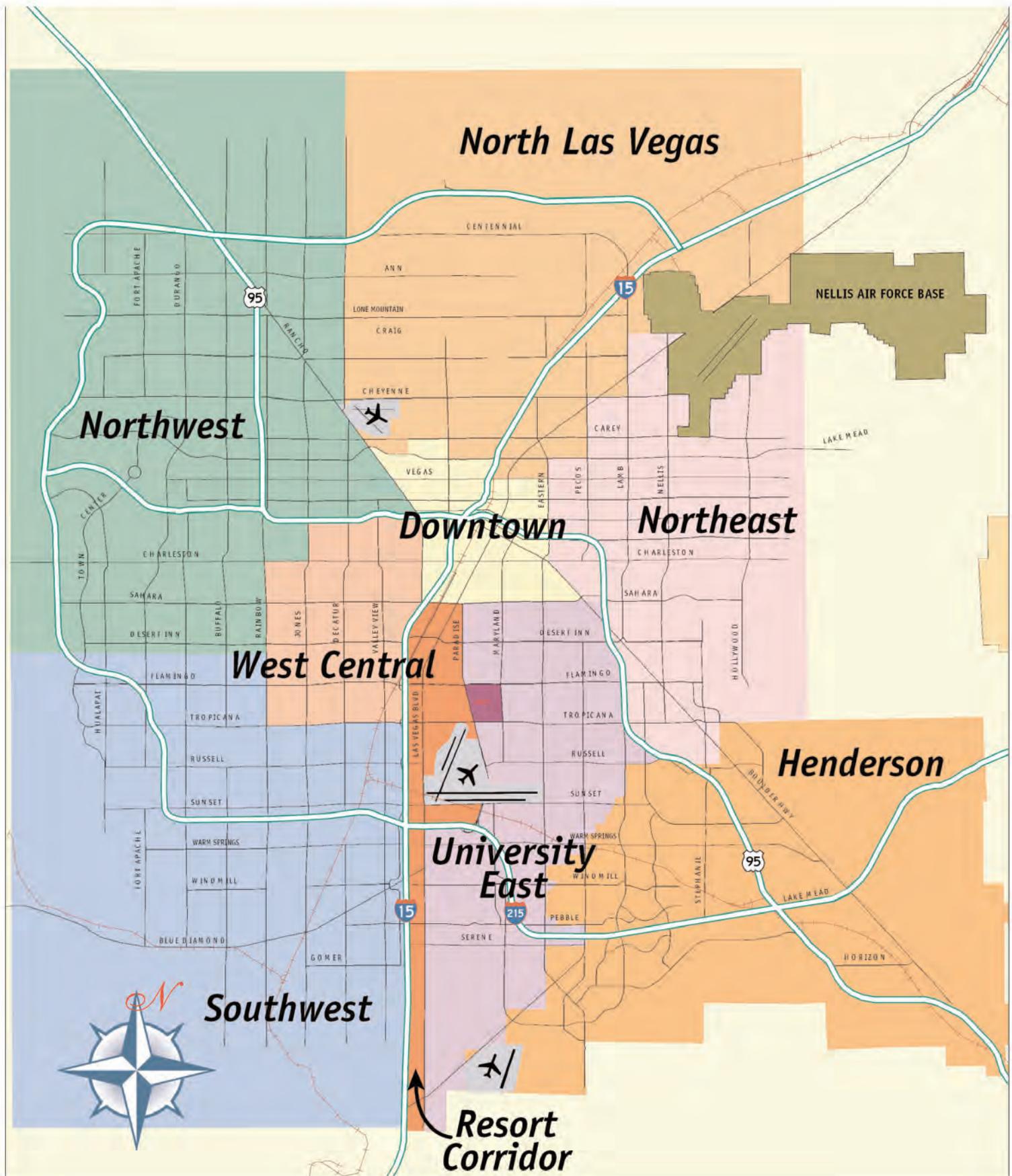
	Downtown	Henderson	North L.V.	Northeast	Northwest	Southwest	Univ. East	West Central	Total
NUMBER OF EXISTING BUILDINGS	5	21	10	8	19	9	19	15	106
TOTAL RENTABLE SF	684,340	2,920,692	1,755,463	1,407,552	4,092,234	3,216,421	2,761,028	1,649,146	18,486,876
TOTAL VACANT SF	63,545	306,603	155,403	116,981	311,593	283,298	395,358	396,885	2,029,666
TOTAL OCCUPIED SF	620,795	2,614,089	1,600,060	1,290,571	3,780,641	2,933,123	2,365,670	1,252,261	16,457,210
TOTAL VACANT (%)	9.3%	10.5%	8.9%	8.3%	7.6%	8.8%	14.3%	24.1%	11.0%
COMPLETIONS QTD	0	0	0	0	0	0	0	0	0
COMPLETIONS YOY	0	0	0	0	0	0	0	0	0
TOTAL NET ABSORPTION QTD	-3,000	84,908	20,113	8,250	13,080	1,190	59,894	-39,474	144,961
TOTAL NET ABSORPTION YOY	-18,145	10,030	19,102	-21,325	22,736	-49,211	4,905	-92,244	-124,152
ASKING RENTS (\$ PSF) NNN	\$1.32	\$1.14	\$1.49	\$1.26	\$1.44	\$2.40	\$1.01	\$0.85	\$1.32
UNDER CONSTRUCTION SF	0	138,738	0	0	140,000	0	0	0	278,738
PLANNED SF	0	0	0	0	0	0	0	0	0

NEIGHBORHOOD CENTERS

	Downtown	Henderson	North L.V.	Northeast	Northwest	Southwest	Univ. East	West Central	Total
NUMBER OF EXISTING BUILDINGS	4	25	15	13	32	13	18	16	136
TOTAL RENTABLE SF	422,170	2,797,088	2,167,567	1,134,765	3,655,508	1,623,100	2,078,976	1,591,685	15,470,859
TOTAL VACANT SF	92,192	340,850	354,679	143,793	562,991	127,193	264,768	144,465	2,030,931
TOTAL OCCUPIED SF	329,978	2,456,238	1,812,888	990,972	3,092,517	1,495,907	1,814,208	1,447,220	13,439,928
TOTAL VACANT (%)	21.8%	12.2%	16.4%	12.7%	15.4%	7.8%	12.7%	9.1%	13.1%
COMPLETIONS QTD	0	0	0	0	0	0	0	0	0
COMPLETIONS YOY	0	0	0	0	0	0	0	0	0
TOTAL NET ABSORPTION QTD	0	53,240	2,433	48,935	47,005	9,696	-5,168	-12,000	144,141
TOTAL NET ABSORPTION YOY	3,300	141,643	-38,980	66,091	223,780	38,405	-63,995	5,494	375,738
ASKING RENTS (\$ PSF) NNN	\$1.95	\$1.54	\$1.16	\$0.95	\$1.18	\$1.65	\$0.70	\$1.45	\$1.24
UNDER CONSTRUCTION SF	0	0	0	0	0	0	0	0	0
PLANNED SF	0	0	0	0	0	0	0	0	0

LAS VEGAS VALLEY

RETAIL SUBMARKET MAP



NOTES

1. Includes all single and multi-tenant for-lease and owner-occupied industrial Warehouse/Distribution, Light Distribution, Light Industrial, Incubator and R&D Flex properties with roll-up doors in the Las Vegas Valley.
2. All industrial rents in this report are quoted on a monthly triple net (NNN) per square foot basis and does not include additional expenses such as taxes, insurance, maintenance, janitorial and utilities. Rents are based on the direct vacant space in projects, not the average of leases in projects.
3. Based on select industries (Natural Resources, Construction, Manufacturing, and Transportation & Warehousing and Wholesale Trade industries) from the Nevada Department of Employment, Training and Rehabilitation's latest employment statistics.
4. Includes all for-lease (speculative only) professional office Class A, Class B, Class C and Medical office properties greater than or equal to 10,000 sf of gross leasable area. Does not include government buildings.
5. All office rents in this report are quoted on a monthly full-service gross (FSG) psf basis inclusive of taxes, insurance, maintenance, janitorial and utilities.
6. Based on select industries (Information, Financial Activities, Professional & Business and Health Care & Social Assistance) from the Nevada Department of Employment, Training and Rehabilitation's latest employment statistics.
7. Forward-supply is a combination of space presently under construction in a quarter and space planned to begin construction within the next 4 quarters.
8. Includes all anchored retail Power Center, Community Center and Neighborhood Center properties with 40,000 or more of gross leasable area in the Las Vegas Valley.
9. All retail rents in this report are quoted on a monthly triple net (NNN) per square foot basis and does not include additional expenses such as taxes, insurance, maintenance, janitorial and utilities.
10. Forward-supply is a combination of space presently under construction in a quarter and space planned to begin construction within the next 4 quarters.
11. Forward-supply is a combination of space presently under construction in a quarter and space planned to begin construction within the next 4 quarters.