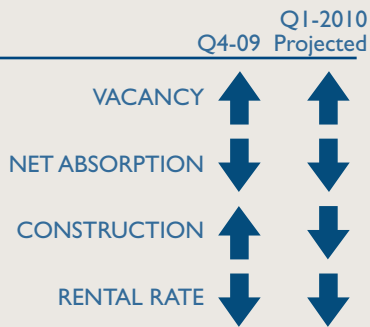


Market Research

RETAIL | FOURTH QUARTER | 2009



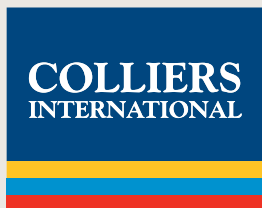
MARKET INDICATORS



CLARK COUNTY ECONOMIC DATA

	Oct-09	Oct-08
Unemployment Rate	13.0%	7.7%
Visitor Volume*	3,350,862	3,230,992
Gaming Revenue*	\$774.06M	\$853.51M
Taxable Sales YTD*	\$6.810B	\$8.645B
Residential Permits	357	329
Commercial Permits	20	55
New Home Sales	441	798
Existing Home Sales	4,254	3,140

* SEPTEMBER 2009 / SEPTEMBER 2008



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Retail Review

Two completed Target stores helped push net absorption into positive territory in the fourth quarter of 2009. Vacancy increased to 8.8%, a 0.4 point increase from the third quarter of 2009. However, vacancy has increased by 3.4 points from one year ago, when it was 5.4%. Asking lease rates continued to slide downward, reaching \$1.73 per square feet on a triple-net basis. This is a 5.5% decline from one quarter ago and a 15.6% decline from one year ago.

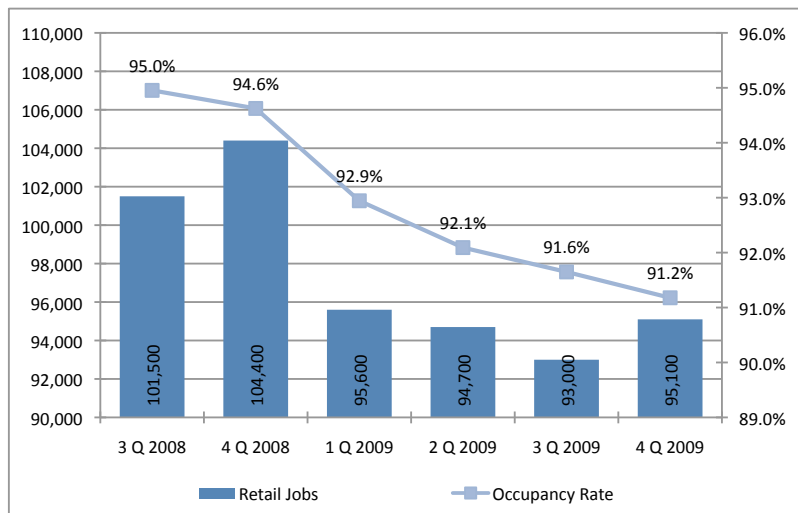
Retail employment dropped by 5,400 jobs between November 2009 and November 2008. Retail-based employment has been in decline for the past six quarters after posting strong growth between 2004 and 2007. On a year-over-year basis, the pace of quarterly retail job losses has been increasing since the fourth quarter of 2007. The strength of the holiday shopping season, both in terms of employment and sales, will be key in determining net absorption early next year.

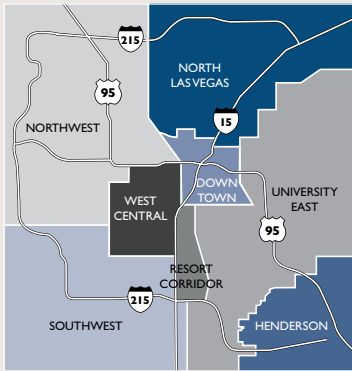
Clark County's taxable sales were \$6.81 billion in the third quarter of 2009, a 20.6% decline from the third quarter of 2008. Like the pace of retail job losses, the pace of taxable sales declines is also increasing on a year-over-year basis, from a low of 1.3% decline in the second quarter of 2008. In fact, in only one quarter in the past ten (since the second quarter of 2007) has there been growth in taxable sales on a year-over-year basis. Clark County's sales and use tax rate increased to 8.1% on July 1, 2009. This represented a 0.35% increase.

MARKET SNAPSHOT

	Q4-09	Q3-09	Q4-08	Q-O-Q	Y-O-Y Change
Vacancy Rate	8.8%	8.4%	5.4%	+ 4.8%	+ 63.0%
Asking Rent (PSF, NNN)	\$1.73	\$1.83	\$2.05	- 5.5%	- 15.6%
Net Absorption (SF)	39,028	-72,841	387,385	+ 153.6%	- 90.0%
New Completions (SF)	267,342	130,000	554,665	+ 105.6%	- 51.8%

OCCUPANCY VS RETAIL EMPLOYMENT





"Although there has been some improvement in leasing activity of late, Southern Nevada's retail market is not out of the woods yet."

¹Forward supply is a combination of space presently under construction in a quarter and space planned to begin construction within the next 4 quarters.

With the completion of the Target anchors at Green Valley Crossing and Decatur 215, the remainder of those centers have slipped into the planned category. The only anchored shopping center actively under construction is Caroline's Court (247,000 square feet) in the Northwest submarket. Construction on the Edge (296,000 square feet), a Community Center located in the Southwest submarket, is still at a halt. Forward supply of retail space in the Valley stood at 680,762 square feet, a sharp decline from the 1.5 million square feet of retail space that was under construction or planned in the third quarter of 2009. All of the projects that are currently planned or under construction are in the Community Center category, and all of the space is located in the Henderson and Northwest submarket. Vacancy in Community Centers this quarter was 9.7%, the same as it was one quarter ago and 3.7 points higher than it was one year ago.

Retail vacancy was 8.8% in the fourth quarter of 2009. Vacancy has increased for the past seven quarters, and was 3.4 points higher this quarter than it was one year ago. Since the onset of the recession in the fourth quarter of 2007, retail vacancy has increased by 5.7 points, and was actually increasing through most of 2007. The Valley's highest vacancy was in the Downtown submarket at 15.1%. The lowest vacancy was in the Northeast submarket at 6.8%, followed by a 7.2% vacancy rate in the Southwest submarket and a 7.6% vacancy rate in the North Las Vegas submarket. Three

submarkets, North Las Vegas, University East and West Central, experienced a decrease in vacancy this quarter. Power Centers and Neighborhood Centers had an increase in vacancy in this quarter over last, while vacancy in Community Centers remained level. Retail projects completed in 2009 ended the year with an average vacancy rate of 13.9%.

The weighted average asking rental rates for retail space fell to \$1.73 per square foot (psf) on a triple-net basis (NNN) between the third and fourth quarters of 2009, a decrease of \$0.10 psf. The largest decreases were in the Northwest submarket, at \$0.19, followed by Henderson (\$0.14 decrease) and University East (\$0.12 decrease). North Las Vegas experienced a \$0.05 increase in its weighted average asking lease rate. Southern Nevada's lowest average asking rent, \$1.09 psf NNN, remained in the Downtown submarket, while the highest average asking rent, \$2.22 psf NNN, was in the Southwest submarket. The gap between the two decreased from \$1.17 last quarter to \$1.13 this quarter. Asking rents decreased in 16% of availabilities this quarter by an average of \$0.32, while 3% of availabilities increased their asking rent by an average of \$0.30. The 134 new retail availabilities added to our database in the fourth quarter of 2009 had an average asking rate of \$1.73 psf NNN.

Sales of retail space, both on an owner/user and investment basis, remain too low to suggest pricing trends. No owner/user space was sold this quarter, and only a single arm's length investment sale was finalized, consisting

MARKET ACTIVITY

FOURTH QUARTER TRANSACTIONS

LEASE ACTIVITY

PROPERTY ADDRESS	LEASE DATE	LEASE TERM	SIZE	LEASE RATE	TYPE
3535 W Sahara Ave	Oct 2009	120 months	40,351 sf	\$0.90 NNN	Freestanding Retail
Siena Promenade	Oct 2009	120 months	6,155 sf	\$2.57 NNN	Strip Center
Canyon Lakes	Nov 2009	60 months	3,693 sf	\$2.80 NNN	Neighborhood Center
Sunrise Mountain Plaza	Nov 2009	60 months	3,130 sf	\$0.87 NNN	Community Center
Rhodes Ranch Town Center	Oct 2009	60 months	2,400 sf	\$1.84 NNN	Neighborhood Center

SALES ACTIVITY

PROPERTY ADDRESS	SALES DATE	SALE PRICE	SIZE	PRICE/SF	TYPE
5545 Camino Al Norte	Oct 2009	\$4,300,000	14,659 sf	\$293.34	Strip Retail
5593 Losee Rd	Oct 2009	\$1,850,000	5,874 sf	\$63.39	Freestanding Retail

* Source: CoStar COMPS

of 77,188 square feet at \$69 psf and a cap rate of 15%. The amount of owner/user space for sale is down slightly from one quarter ago, but up significantly from twelve months ago. The average asking price for owner/user space decreased this quarter by \$69 to \$69 psf. The amount of investment space on the market increased over last quarter, but is down significantly from one year ago. The average asking price for investment space decreased by \$170 to \$406 psf. Sales, especially investment sales, are still hampered by strict lending guidelines and a general unwillingness by banks to lend money to potential buyers.

There are now seventy-seven retail units available in the valley that are 10,000 square feet in size or larger. This was an increase of five spaces over last quarter and twenty-eight more spaces than were available one year ago. The largest of these newly available anchor spaces was the Sportsmans Warehouse at Lake Mead Crossing (61,000 square feet) and Colleens at Cheyenne Commons (41,000 square feet). A 40,000 square foot freestanding space was taken by Heritage College this quarter. On the whole, there appear to be more announced expansions by major retail chains in 2010 than closures. Retailers with a presence in Southern Nevada who have announced closures in 2010 include Waldenbooks, B. Dalton, Jo-Ann, Pier 1, Kirklands, Target and K-Mart. There

RETAIL DEMOGRAPHICS				
	Population (2008 estimate)	Projected Annual Population Growth (2008-2013)	Occupied Retail Space (Q4-09)	Occupied Retail Growth (Q4-08 to Q4-09)
Downtown	87,368	1.2%	1,020,551	- 3.5%
Henderson	235,628	3.3%	7,710,383	- 4.1%
North Las Vegas	253,306	5.9%	4,605,128	+ 9.5%
Northeast	278,308	1.6%	2,521,449	- 3.2%
Northwest	442,093	3.4%	9,378,499	- 0.3%
Southwest	152,592	6.2%	5,366,498	+ 5.7%
University East	190,098	1.8%	5,439,698	- 3.7%
West Central	104,071	0.4%	3,845,028	- 4.4%

has been no official announcement that any of these closures will take place in Southern Nevada. The largest announced expansions in 2010 are by McDonalds, Go Green and Dollar General.

Distressed retail space totaled 2.7 million square feet this quarter, an increase of 844,000 square feet from last quarter. 38% of this space is in the Power Center category, while 34% is Community Center space and 28% is Neighborhood Center space. General Growth Properties, which owns over 3.5 million square feet of retail in Southern Nevada, is expected to emerge from bankruptcy in 2010 largely intact. Construction on Shoppes at Summerlin, their new 1 million square foot regional mall project in the Northwest

RETAIL SALES			
	Q4-09	Q3-09	Q4-08
Available Sales - Owner/User Sales			
Space for Sale (sf)	171,818	181,984	52,100
Average Asking Price/SF	\$69	\$138	\$179
Available Sales - Investment Sales			
Space for Sale (sf)	30,408	15,208	335,920
Average Asking Price/SF	\$406	\$576	\$338
Average Cap Rate	n/a	8.2%	7.0%
Single Tenant - Owner/User Sales			
Space for Sale (sf)	0	0	7,985
Average Asking Price/SF	n/a	n/a	\$197
Single Tenant - Investment Sales			
Space for Sale (sf)	0	5,280	73,791
Average Asking Price/SF	n/a	\$227	\$131
Average Cap Rate	n/a	8.3%	7.2%
Shopping Center - Owner/User Sales			
Space for Sale (sf)	0	0	0
Average Asking Price/SF	n/a	n/a	n/a
Shopping Center - Investment Sales			
Space for Sale (sf)	77,188	22,150	91,945
Average Asking Price/SF	\$69	\$135	\$296
Average Cap Rate	15.0%	n/a	7.4%



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RETAIL MARKET STATISTICS

FOURTH QUARTER 2009

EXISTING PROPERTIES			DIRECT VACANCY		SUBLEASE VACANCY		TOTAL VACANCY			NET ABSORPTION SF		U/C and PROPOSED SF			AVG RENTS
Type	Bldgs	Total Inventory Sq Ft	Sq Ft	Rate	Sq Ft	Rate	Sq Ft	Rate	Vacancy Rate Previous Q	Current Period	YTD	Completed This Qtr Sq Ft	Completed YTD	Under Constr	Rate

SUB MARKETS

DOWNTOWN SUBMARKET

PC	-	0	0	N/A	0	N/A	0	N/A	N/A	-	-	-	-	-	-\$
CC	5	684,340	175,139	25.6%	13,312	1.9%	188,451	27.5%	26.2%	(9,091)	(36,021)	-	-	-	\$1.08
NC	5	518,070	6,720	1.3%	0	0.0%	6,720	1.3%	0.0%	(6,720)	(1,220)	-	-	-	\$1.24
TOTAL	10	1,202,410	181,859	15.1%	13,312	1.1%	195,171	16.2%	14.9%	(15,811)	(37,241)	-	-	-	\$1.09

HENDERSON SUBMARKET

PC	8	2,896,215	325,351	11.2%	2,880	0.1%	328,231	11.3%	8.2%	(113,974)	(167,840)	-	-	-	\$1.57
CC	20	2,825,692	266,524	9.4%	1,488	0.1%	268,012	9.5%	9.7%	140,238	3,268	137,342	137,342	-	\$1.58
NC	25	2,797,088	216,737	7.7%	85,156	3.0%	301,893	10.8%	9.9%	(24,172)	(26,997)	-	-	-	\$1.94
TOTAL	53	8,518,995	808,612	9.5%	89,524	1.1%	898,136	10.5%	9.3%	2,092	(191,569)	137,342	137,342	-	\$1.67

NORTH LAS VEGAS SUBMARKET

PC	2	832,000	114,232	13.7%	0	0.0%	114,232	13.7%	13.7%	-	425,248	-	532,000	-	\$2.08
CC	12	2,254,358	146,305	6.5%	0	0.0%	146,305	6.5%	9.2%	60,295	(3,788)	-	-	-	\$1.97
NC	15	1,895,468	116,161	6.1%	1,763	0.1%	117,924	6.2%	4.9%	(23,792)	(23,653)	-	-	-	\$2.07
TOTAL	29	4,981,826	376,698	7.6%	1,763	0.0%	378,461	7.6%	8.3%	36,503	397,807	-	532,000	-	\$2.04

NORTHEAST SUBMARKET

PC	-	0	0	N/A	0	N/A	0	N/A	N/A	0	-	-	-	-	-\$
CC	8	1,398,026	63,351	4.5%	18,614	1.3%	81,965	5.9%	5.3%	(9,538)	11,893	-	-	-	\$1.51
NC	15	1,306,795	120,021	9.2%	0	0.0%	120,021	9.2%	6.4%	(36,825)	(95,182)	-	-	-	\$1.38
TOTAL	23	2,704,821	183,372	6.8%	18,614	0.7%	201,986	7.5%	5.8%	(46,363)	(83,289)	-	-	-	\$1.43

NORTHWEST SUBMARKET

PC	7	2,840,846	187,603	N/A	1,266	N/A	188,869	6.6%	4.6%	(57,729)	(120,560)	-	-	-	\$1.94
CC	17	3,715,512	396,291	10.7%	0	0.0%	396,291	10.7%	10.5%	94,996	31,515	130,000	260,000	274,360	\$2.23
NC	31	3,705,508	299,473	8.1%	113,834	3.1%	413,307	11.2%	11.2%	169	(73,177)	-	50,000	-	\$1.63
TOTAL	55	10,261,866	883,367	8.6%	115,100	1.1%	998,467	9.7%	9.1%	37,436	(162,222)	130,000	310,000	274,360	\$1.97

SOUTHWEST SUBMARKET

PC	1	944,314	45,665	4.8%	0	0.0%	45,665	4.8%	5.4%	-	-	-	-	-	\$3.17
CC	9	3,216,421	176,020	5.5%	0	0.0%	176,020	5.5%	4.7%	(25,997)	319,384	-	427,250	-	\$2.04
NC	13	1,623,100	195,652	12.1%	71,249	4.4%	266,901	16.4%	16.2%	815	(32,277)	-	-	-	\$2.16
TOTAL	23	5,783,835	417,337	7.2%	71,249	1.2%	488,586	8.4%	8.0%	(25,182)	287,107	-	427,250	-	\$2.22

UNIVERSITY EAST SUBMARKET

PC	3	1,210,223	41,436	3.4%	25,129	2.1%	66,565	5.5%	5.5%	-	(24,883)	-	-	-	\$1.66
CC	19	2,761,018	246,119	8.9%	1,451	0.1%	247,570	9.0%	9.1%	6,074	(93,849)	-	-	-	\$1.36
NC	17	1,950,703	194,691	10.0%	19,189	1.0%	213,880	11.0%	11.7%	13,771	(91,849)	-	-	-	\$1.71
TOTAL	39	5,921,944	482,246	8.1%	45,769	0.8%	528,015	8.9%	9.2%	19,845	(210,581)	-	-	-	\$1.53

WEST CENTRAL SUBMARKET

PC	3	1,138,224	78,851	6.9%	0	0.0%	78,851	6.9%	13.4%	73,257	(15,788)	-	-	-	\$1.16
CC	15	1,649,146	331,815	20.1%	2,299	0.1%	334,114	20.3%	18.5%	(29,579)	(150,083)	-	-	-	\$1.27
NC	16	1,583,655	115,331	7.3%	0	0.0%	115,331	7.3%	6.5%	(13,170)	(11,012)	-	-	-	\$1.47
TOTAL	34	4,371,025	525,997	12.0%	2,299	0.1%	528,296	12.1%	12.8%	30,508	(176,883)	-	-	-	\$1.30

MARKET TOTAL

PC	24	9,861,822	793,138	8.0%	29,275	0.3%	822,413	8.3%	7.6%	(98,446)	96,177	-	532,000	-	\$1.79
CC	105	18,504,513	1,801,564	9.7%	37,164	0.2%	1,838,728	9.9%	9.9%	227,398	82,319	267,342	824,592	274,360	\$1.66
NC	137	15,380,387	1,264,786	8.2%	291,191	1.9%	1,555,977	10.1%	9.5%	(89,924)	(355,367)	-	50,000	-	\$1.78
TOTAL	266	43,746,722	3,859,488	8.8%	357,630	0.8%	4,217,118	9.6%	9.2%	39,028	(176,871)	267,342	1,406,592	274,360	\$1.73

QUARTERLY COMPARISON AND TOTALS

Q4-09	266	43,746,722	3,859,488	8.8%	357,630	0.8%	4,217,118	9.6%	9.2%	39,028	(176,871)	267,342	1,406,592	274,360	\$1.73
Q3-09	262	43,479,380	3,631,174	8.4%	383,283	0.9%	4,014,457	9.2%	8.7%	(72,841)	(215,899)	130,000	1,139,250	673,744	\$1.83
Q2-09	261	43,349,380	3,428,333	7.9%	344,288	0.8%	3,772,621	8.7%	7.9%	125,108	(143,058)	532,000	1,009,250	666,080	\$1.89
Q1-09	259	42,817,380	3,021,441	7.1%	358,131	0.8%	3,379,572	7.9%	6.1%	(268,166)	(268,166)	477,250	477,250	1,961,892	\$1.95
Q4-08	257	42,340,130	2,276,025	5.4%	321,952	0.8%	2,597,977	6.1%	5.6%	387,385	1,197,068	554,665	2,210,879	2,389,142	\$2.05

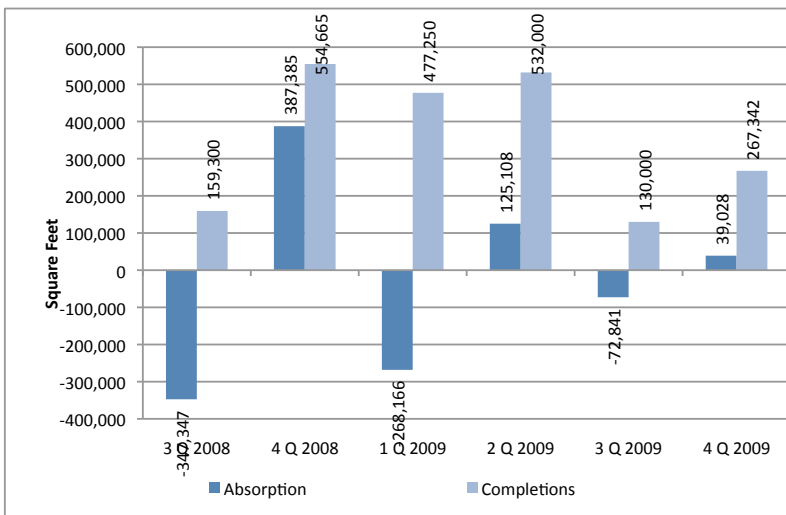
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submarket, was halted earlier this year.

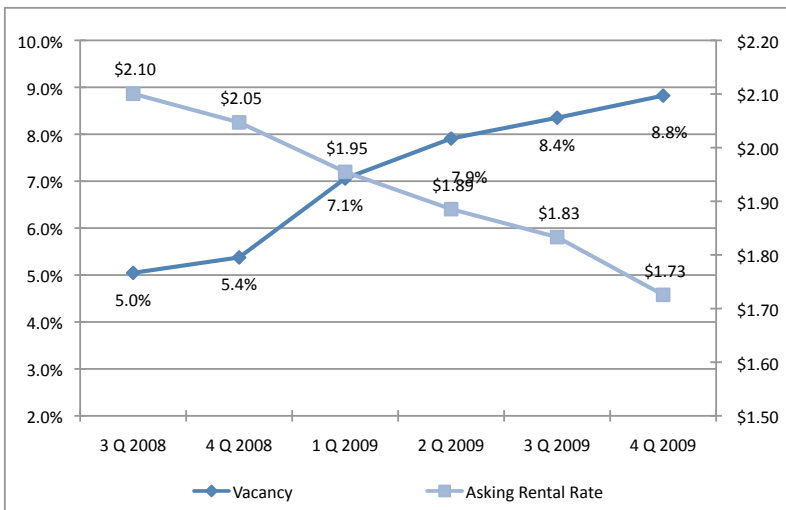
Although there has been some improvement in leasing activity of late, Southern Nevada's retail market is not out of the woods yet. At the time of writing this report, we do not know for certain how good or bad the holiday shopping season will be, and poor holiday performance this year could result in an increase in the amount of retail space returned to the market next quarter. Unemployment will probably remain high through 2010, and the American consumer remains over-leveraged from their spending spree in the years preceding the 2007-2009 recession. This suggests a return to an economic environment marked by lower consumer spending and more consumer

saving. Retailers will remain challenged through 2010, though they may see some relief by the end of the year. Retailers may seek to expand their number of stores, and thus their cash flow, if they cannot expect an increase in profitability. This suggests a continuance of cost-conscious behavior, and thus continued downward pressure on rents. We think that leasing activity will remain weak but stable if rents continue to decrease through 2010. With only one major shopping center scheduled for completion in 2010, net absorption should be low or negative throughout the year.

HISTORICAL NET ABSORPTION VS COMPLETIONS



VACANCY VS RENTAL RATE



294 RETAILS IN 61 COUNTRIES
ON 6 CONTINENTS

USA 94
Canada 22
Latin America 17
Asia Pacific 64
EMEA 97

\$1.6 billion in Revenue
1.1 billion sq. ft. under management
12,749 Professionals

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