

### Economic Overview

According to the Bureau of Labor Statistics, the unemployment rate dropped 1.5 percentage points from 6.5% in January 2016 to 5.0% in January 2017. The unemployment rate for the US was reported at 4.8%, down from 5.0% for the state of Nevada. The Las Vegas metropolitan statistical area job creation totaled 44,400 positions over the past year. Retail using jobs (industries include trade transportation and utilities) increased by 2,800 positions during the past year.

### Market Overview

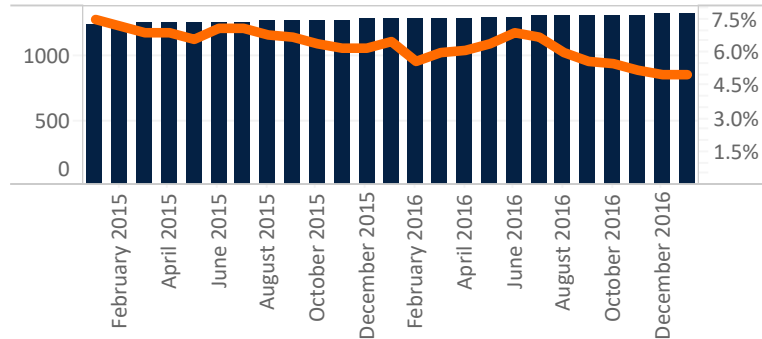
The Las Vegas retail market recorded 12,722 square feet (sf) of positive absorption during 1Q 2017. The total vacancy rate has decreased from 9.8% in 1Q 2016 to 9.6% at the close of 1Q 2017. Direct vacancy rates decreased 0.1 percentage point from 8.9% to 8.8% during the same time period. Weighted average rent growth ceased to exist during 1Q 2017. Weighted average asking rents in all classes decreased 7.0% recording \$1.32 per square foot (psf) at the close of 1Q 2017 compared to 1Q 2016. Power center weighted average rents improved 6.0% year-over-year, recording \$1.59 psf at the close of 1Q 2017. Convenience strip center rents improved 2.3% year-over-year, recording \$1.33 psf at the close of 1Q 2017.

### Market Highlights

After a positive 2016, the retail sector has started to slow down in Las Vegas. Absorption is expected to remain positive throughout the year, especially in the Southwest market where over 180,000 sf of space remains under construction. Many of the junior anchor and anchor spaces that vacated a year ago from Fresh and Easy have been backfilled with new tenants. Major occupancies this quarter include Ace Hardware, Party USA, The Farmer Market and The Butcher Block.

### Las Vegas Employment

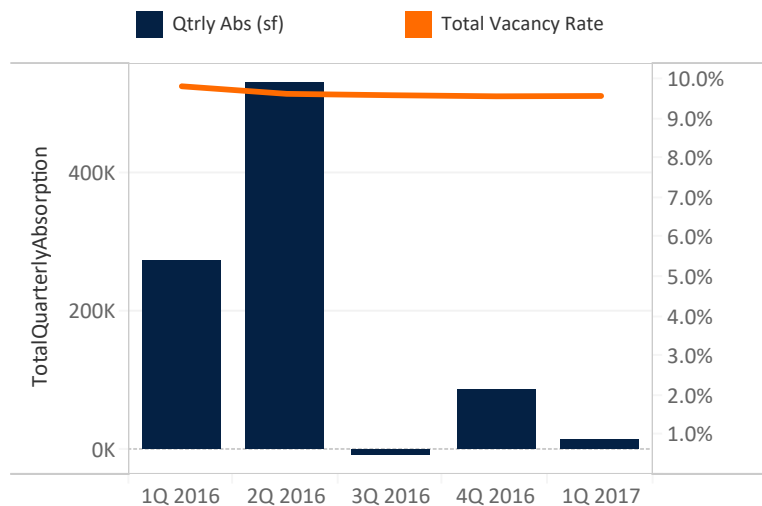
Source: BLS



### Market Recap

Inventory (sf)	64,407,660
# of Bldgs	1,430
Qtrly Abs (sf)	12,722
Total Avail Rate	11.5%
Total Vacancy Rate	9.6%
U/C Inventory (sf)	227,489
Delivered (sf)	38,700
Weighted Average Asking Rate (NNN)	\$1.32

### Absorption and Vacancy Rate



## Overview by Specific Use (Total)

Specific Use	Inventory (sf)	Available (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Conv/Strip Ctr	12,615,077	1,934,289	1,659,585	13.2%	29,664	29,664
Free/Gen	4,890,153	527,752	444,976	9.1%	29,869	29,869
Nbrhd/Comm Ctr	29,288,874	4,223,185	3,396,485	11.6%	2,345	2,345
Reg/Power Ctr	17,613,556	750,093	671,729	3.8%	-49,156	-49,156
Overall	64,407,660	7,435,319	6,172,775	9.6%	12,722	12,722

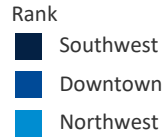
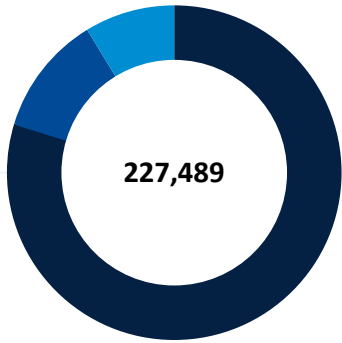
## Overview by Market (Total)

Market Name	Specific Use	Inventory (sf)	Available (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Airport	Conv/Strip Ctr	704,717	102,562	96,422	13.7%	-2,965	-2,965
	Free/Gen	79,700	14,800	14,800	18.6%	0	0
	Nbrhd/Comm Ctr	1,188,244	374,566	362,895	30.5%	-2,065	-2,065
	Reg/Power Ctr	640,969	0	0	0.0%	0	0
Central East	Conv/Strip Ctr	1,469,123	396,707	349,794	23.8%	-7,461	-7,461
	Free/Gen	772,139	121,083	85,775	11.1%	-3,516	-3,516
	Nbrhd/Comm Ctr	3,398,358	623,657	465,151	13.7%	-43,347	-43,347
	Reg/Power Ctr	931,834	152,961	152,961	16.4%	0	0
Central West	Conv/Strip Ctr	1,685,011	136,296	95,245	5.7%	-8,938	-8,938
	Free/Gen	673,948	44,674	23,649	3.5%	0	0
	Nbrhd/Comm Ctr	4,550,607	523,335	459,553	10.1%	24,900	24,900
	Reg/Power Ctr	1,131,097	0	0	0.0%	0	0
Downtown	Conv/Strip Ctr	285,441	42,575	37,575	13.2%	13,000	13,000
	Free/Gen	567,918	52,452	51,796	9.1%	22,624	22,624
	Nbrhd/Comm Ctr	508,566	244,070	119,925	23.6%	-2,110	-2,110
	Reg/Power Ctr	610,398	0	0	0.0%	0	0
Galleria	Conv/Strip Ctr	439,120	80,032	77,059	17.5%	-1,291	-1,291
	Free/Gen	176,907	25,200	10,300	5.8%	0	0
	Nbrhd/Comm Ctr	1,315,614	170,340	148,940	11.3%	0	0
	Reg/Power Ctr	1,352,929	30,569	30,569	2.3%	0	0
North	Conv/Strip Ctr	603,266	102,161	77,822	12.9%	7,482	7,482
	Free/Gen	159,076	0	0	0.0%	0	0
	Nbrhd/Comm Ctr	2,132,502	212,525	180,334	8.5%	-4,738	-4,738
	Reg/Power Ctr	1,212,024	72,600	72,600	6.0%	0	0
Northeast	Conv/Strip Ctr	1,263,935	177,049	143,158	11.3%	14,490	14,490
	Free/Gen	712,605	200,507	195,320	27.4%	0	0
	Nbrhd/Comm Ctr	2,804,428	261,347	231,560	8.3%	-33,766	-33,766
	Reg/Power Ctr	1,112,458	203,493	203,493	18.3%	0	0
Northwest	Conv/Strip Ctr	1,555,696	236,847	194,007	12.5%	11,061	11,061
	Free/Gen	411,853	10,905	10,905	2.6%	24,789	24,789
Overall		64,407,660	7,435,319	6,172,775	9.6%	12,722	12,722

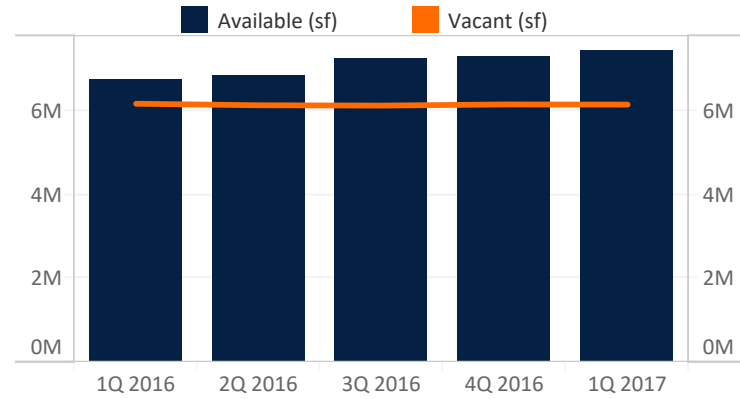
## Overview by Market (Total) Cont'd

Market Name	Specific Use	Inventory (sf)	Available (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Northwest	Nbrhd/Comm Ctr	3,882,607	538,601	486,900	12.5%	12,859	12,859
	Reg/Power Ctr	2,537,350	41,236	1,236	0.0%	0	0
Southeast	Conv/Strip Ctr	1,417,157	268,716	238,821	16.9%	-34,369	-34,369
	Free/Gen	419,443	17,928	17,928	4.3%	-14,028	-14,028
	Nbrhd/Comm Ctr	4,046,592	671,461	443,462	11.0%	36,106	36,106
	Reg/Power Ctr	1,516,364	116,254	116,254	7.7%	0	0
Southwest	Conv/Strip Ctr	1,824,972	223,570	204,480	11.2%	31,105	31,105
	Free/Gen	315,768	2,500	0	0.0%	0	0
	Nbrhd/Comm Ctr	1,684,909	206,388	146,462	8.7%	9,041	9,041
	Reg/Power Ctr	2,965,918	100,895	65,856	2.2%	-49,156	-49,156
The Strip	Conv/Strip Ctr	410,377	57,385	55,385	13.5%	4,017	4,017
	Free/Gen	384,638	23,675	20,475	5.3%	0	0
	Nbrhd/Comm Ctr	358,014	52,165	51,034	14.3%	0	0
	Reg/Power Ctr	2,448,468	0	0	0.0%	0	0
West	Conv/Strip Ctr	956,262	110,389	89,817	9.4%	3,533	3,533
	Free/Gen	216,158	14,028	14,028	6.5%	0	0
	Nbrhd/Comm Ctr	3,418,433	344,730	300,269	8.8%	5,465	5,465
	Reg/Power Ctr	1,153,747	32,085	28,760	2.5%	0	0
Overall		64,407,660	7,435,319	6,172,775	9.6%	12,722	12,722

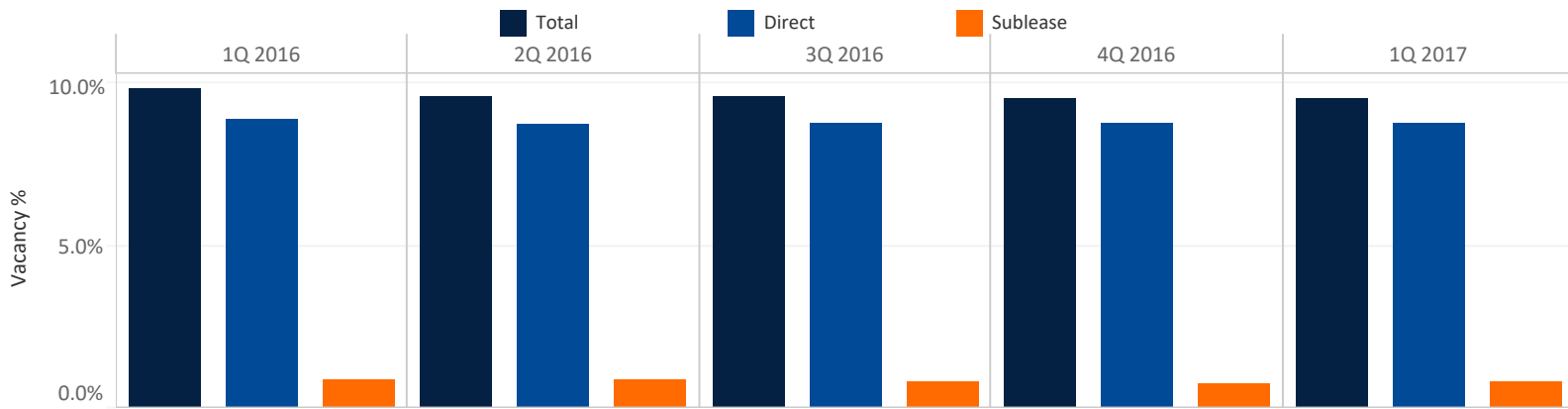
#### Construction by Market



#### Total Available and Vacant



#### Vacancy Rate



#### Overview by Specific Use (Direct)

Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Conv/Strip Ctr	12,615,077	1,924,489	1,649,785	13.1%	37,664	37,664
Free/Gen	4,890,153	461,666	378,890	7.7%	12,880	12,880
Nbrhd/Comm Ctr	29,288,874	3,793,045	3,005,643	10.3%	16,959	16,959
Reg/Power Ctr	17,613,556	702,493	624,129	3.5%	-49,156	-49,156
Overall	64,407,660	6,881,693	5,658,447	8.8%	18,347	18,347

#### Overview by Specific Use (Sublease)

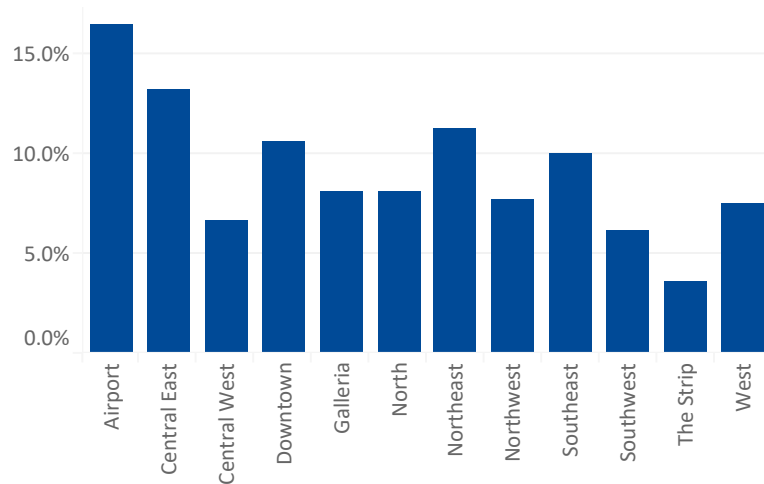
Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Conv/Strip Ctr	12,615,077	9,800	9,800	0.1%	-8,000	-8,000
Free/Gen	4,890,153	66,086	66,086	1.4%	16,989	16,989
Nbrhd/Comm Ctr	29,288,874	430,140	390,842	1.3%	-14,614	-14,614
Reg/Power Ctr	17,613,556	47,600	47,600	0.3%	0	0
Overall	64,407,660	553,626	514,328	0.8%	-5,625	-5,625

### Direct Vacancy Rate

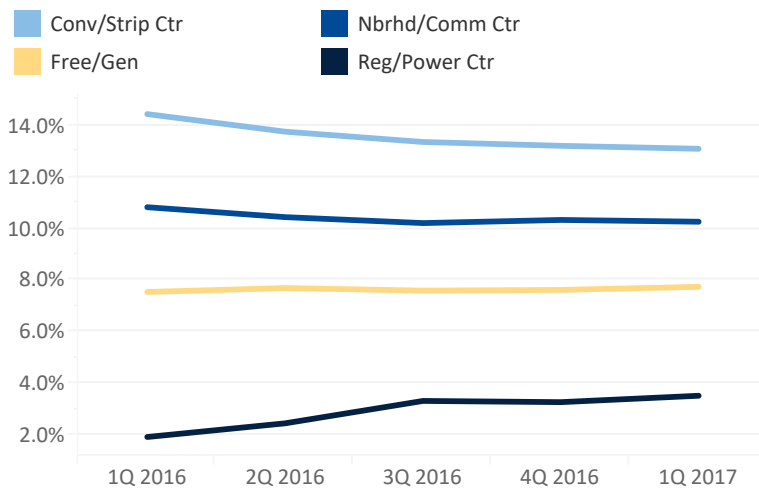
#### By Market and Specific Use

Market Name	Specific Use	Quarter Year				
		1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017
Airport	Conv/Strip Ctr	14.1%	13.3%	13.0%	13.2%	13.7%
	Free/Gen	4.5%	4.5%	4.5%	17.9%	18.6%
	Nbrhd/Comm Ctr	27.2%	26.7%	24.9%	26.8%	27.0%
	Reg/Power Ctr	0.0%	0.0%	0.0%	0.0%	0.0%
Central East	Conv/Strip Ctr	23.9%	23.3%	22.8%	23.1%	23.1%
	Free/Gen	8.2%	8.2%	8.4%	8.5%	9.0%
	Nbrhd/Comm Ctr	11.8%	11.3%	10.4%	9.3%	10.3%
	Reg/Power Ctr	12.7%	11.7%	11.7%	11.3%	11.3%
Central West	Conv/Strip Ctr	6.5%	5.6%	5.8%	5.8%	5.7%
	Free/Gen	3.0%	3.4%	3.4%	3.4%	3.5%
	Nbrhd/Comm Ctr	12.5%	11.7%	11.9%	9.6%	9.1%
	Reg/Power Ctr	0.0%	0.0%	0.0%	0.0%	0.0%
Downtown	Conv/Strip Ctr	16.3%	16.3%	19.9%	17.7%	13.2%
	Free/Gen	8.9%	12.3%	10.6%	10.9%	9.1%
	Nbrhd/Comm Ctr	11.6%	12.5%	15.3%	23.2%	23.6%
	Reg/Power Ctr	0.0%	0.0%	0.0%	0.0%	0.0%
Galleria	Conv/Strip Ctr	17.9%	15.6%	15.6%	16.0%	17.5%
	Free/Gen	3.8%	3.6%	0.0%	5.8%	5.8%
	Nbrhd/Comm Ctr	8.1%	8.2%	8.5%	8.4%	11.3%
	Reg/Power Ctr	2.3%	2.3%	2.3%	2.3%	2.3%
North	Conv/Strip Ctr	17.3%	15.8%	14.3%	13.0%	12.9%
	Free/Gen	6.5%	0.0%	0.0%	0.0%	0.0%
	Nbrhd/Comm Ctr	10.0%	9.8%	9.3%	9.2%	8.5%
	Reg/Power Ctr	6.0%	6.0%	6.0%	6.0%	6.0%
Northeast	Conv/Strip Ctr	16.0%	14.6%	14.0%	12.7%	11.3%
	Free/Gen	24.4%	24.4%	24.4%	20.4%	20.4%
	Nbrhd/Comm Ctr	5.9%	6.1%	6.2%	6.5%	6.0%
	Reg/Power Ctr	0.0%	0.0%	18.3%	18.3%	18.3%
Northwest	Conv/Strip Ctr	13.0%	13.1%	13.3%	13.8%	12.5%
	Free/Gen	4.0%	4.0%	4.0%	4.3%	2.6%
	Nbrhd/Comm Ctr	10.4%	10.3%	10.4%	11.7%	11.3%
	Reg/Power Ctr	0.0%	0.0%	0.0%	0.0%	0.0%
Southeast	Conv/Strip Ctr	14.8%	14.6%	14.3%	13.7%	16.9%
	Free/Gen	1.1%	1.1%	0.9%	0.9%	4.3%
	Nbrhd/Comm Ctr	9.2%	8.6%	9.3%	9.3%	9.1%
	Reg/Power Ctr	3.7%	10.8%	7.7%	7.7%	7.7%
Southwest	Conv/Strip Ctr	12.9%	12.3%	11.6%	11.8%	11.2%
	Free/Gen	1.5%	1.5%	1.0%	1.0%	0.0%
	Nbrhd/Comm Ctr	10.0%	9.9%	8.3%	9.4%	8.7%
	Reg/Power Ctr	1.0%	0.9%	0.6%	0.6%	2.2%
The Strip	Conv/Strip Ctr	14.9%	14.9%	12.3%	14.5%	13.5%
	Free/Gen	5.6%	5.6%	5.6%	5.3%	5.3%
	Nbrhd/Comm Ctr	11.2%	10.9%	10.9%	14.3%	14.3%
	Reg/Power Ctr	0.0%	0.0%	0.0%	0.0%	0.0%
West	Conv/Strip Ctr	11.2%	10.9%	9.8%	8.8%	9.4%
	Free/Gen	0.0%	0.0%	6.5%	6.5%	6.5%
	Nbrhd/Comm Ctr	9.7%	9.2%	7.9%	8.9%	8.8%
	Reg/Power Ctr	2.7%	2.7%	2.7%	2.5%	2.5%
Overall		8.9%	8.7%	8.8%	8.8%	8.8%

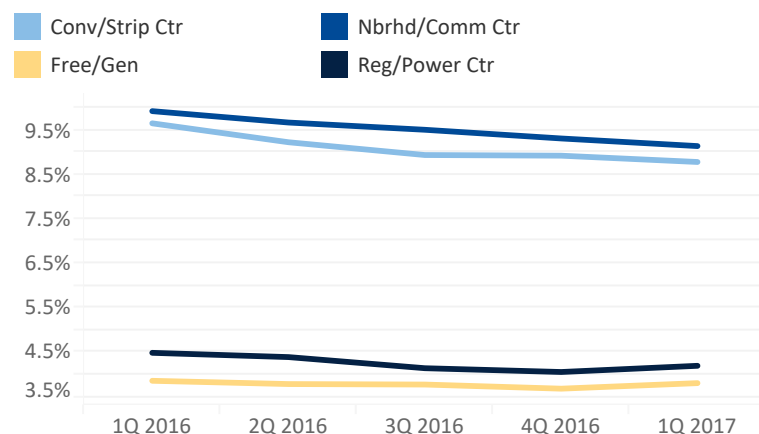
#### By Market



#### Las Vegas by Specific Use



#### National by Specific Use

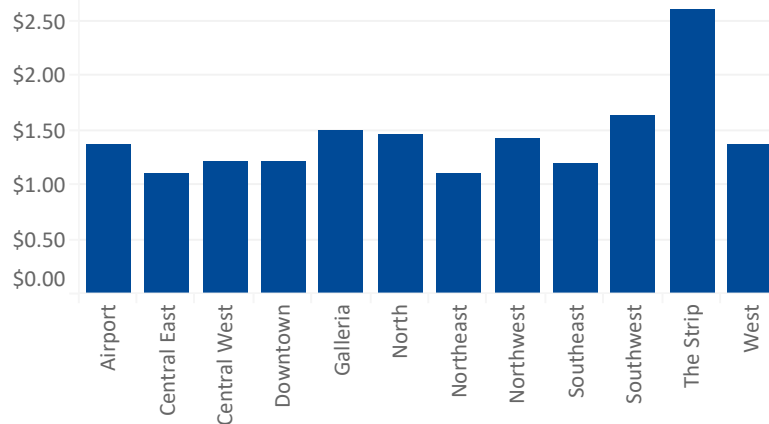


### Direct Weighted Average Asking Rates (NNN)

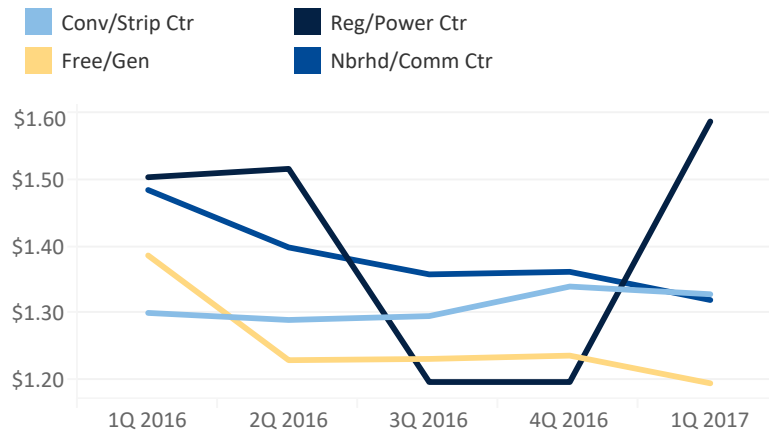
#### By Market and Specific Use

Market Name	Specific Use	Quarter Year				
		1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017
Airport	Conv/Strip Ctr	\$1.22	\$1.28	\$1.33	\$1.21	\$1.10
	Free/Gen	\$0.79	\$0.79	\$0.79	\$0.77	-
	Nbrhd/Comm Ctr	\$1.96	\$1.85	\$1.67	\$1.72	\$1.54
	Reg/Power Ctr	-	-	-	-	-
Central East	Conv/Strip Ctr	\$1.15	\$1.10	\$1.07	\$1.13	\$1.14
	Free/Gen	\$1.71	\$1.51	\$1.59	\$1.50	\$1.35
	Nbrhd/Comm Ctr	\$1.23	\$1.02	\$0.99	\$1.01	\$1.00
	Reg/Power Ctr	\$0.90	\$0.65	\$0.65	\$0.65	-
Central West	Conv/Strip Ctr	\$1.07	\$1.10	\$1.08	\$1.12	\$1.07
	Free/Gen	-	\$1.14	\$1.14	\$1.17	\$1.14
	Nbrhd/Comm Ctr	\$1.24	\$1.15	\$1.18	\$1.16	\$1.26
	Reg/Power Ctr	-	-	-	-	-
Downtown	Conv/Strip Ctr	\$1.30	\$1.30	\$1.16	\$1.15	\$1.04
	Free/Gen	\$2.09	\$2.16	\$2.17	\$1.87	\$1.91
	Nbrhd/Comm Ctr	-	\$1.35	\$1.41	\$1.17	\$1.17
	Reg/Power Ctr	-	-	-	-	-
Galleria	Conv/Strip Ctr	\$1.48	\$1.39	\$1.51	\$1.56	\$1.45
	Free/Gen	\$0.60	\$1.84	\$2.50	\$2.01	\$1.73
	Nbrhd/Comm Ctr	\$1.92	\$1.58	\$1.65	\$1.67	\$1.47
	Reg/Power Ctr	\$2.13	\$1.13	-	-	-
North	Conv/Strip Ctr	\$1.19	\$1.23	\$1.25	\$1.48	\$1.48
	Free/Gen	-	-	-	-	-
	Nbrhd/Comm Ctr	\$1.57	\$1.49	\$1.48	\$1.49	\$1.41
	Reg/Power Ctr	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
Northeast	Conv/Strip Ctr	\$1.09	\$1.13	\$1.16	\$1.22	\$1.12
	Free/Gen	\$1.08	\$0.84	\$0.84	\$0.86	\$0.58
	Nbrhd/Comm Ctr	\$1.17	\$1.13	\$1.16	\$1.26	\$1.38
	Reg/Power Ctr	-	-	-	-	-
Northwest	Conv/Strip Ctr	\$1.33	\$1.38	\$1.40	\$1.43	\$1.31
	Free/Gen	\$1.50	\$1.50	\$1.50	\$1.50	-
	Nbrhd/Comm Ctr	\$1.39	\$1.49	\$1.42	\$1.56	\$1.55
	Reg/Power Ctr	-	-	-	-	-
Southeast	Conv/Strip Ctr	\$1.27	\$1.25	\$1.30	\$1.30	\$1.33
	Free/Gen	\$1.80	\$1.80	\$1.18	\$1.18	\$1.00
	Nbrhd/Comm Ctr	\$1.64	\$1.34	\$1.19	\$1.29	\$1.01
	Reg/Power Ctr	\$2.13	\$1.88	\$2.17	\$2.17	\$2.17
Southwest	Conv/Strip Ctr	\$1.64	\$1.60	\$1.60	\$1.65	\$1.57
	Free/Gen	\$1.15	\$1.15	\$1.45	\$1.42	-
	Nbrhd/Comm Ctr	\$1.64	\$1.64	\$1.70	\$1.73	\$1.72
	Reg/Power Ctr	\$2.00	\$2.00	\$1.75	\$1.75	\$1.73
The Strip	Conv/Strip Ctr	\$1.68	\$1.68	\$1.38	\$2.14	\$2.30
	Free/Gen	-	-	-	-	-
	Nbrhd/Comm Ctr	-	\$2.75	\$2.75	\$2.75	\$3.13
	Reg/Power Ctr	-	-	-	-	-
West	Conv/Strip Ctr	\$1.42	\$1.41	\$1.33	\$1.36	\$1.57
	Free/Gen	-	-	\$1.17	\$1.17	\$1.17
	Nbrhd/Comm Ctr	\$1.58	\$1.59	\$1.51	\$1.32	\$1.31
	Reg/Power Ctr	-	-	-	-	-
Overall		\$1.42	\$1.36	\$1.32	\$1.34	\$1.32

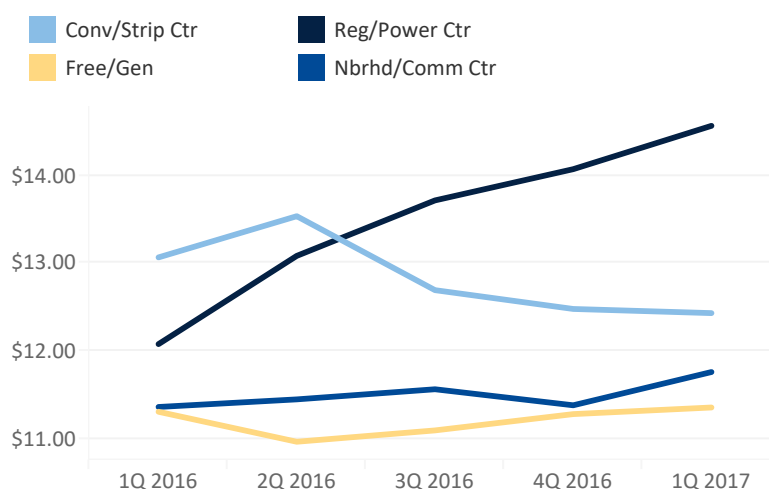
#### By Market



#### Las Vegas by Specific Use



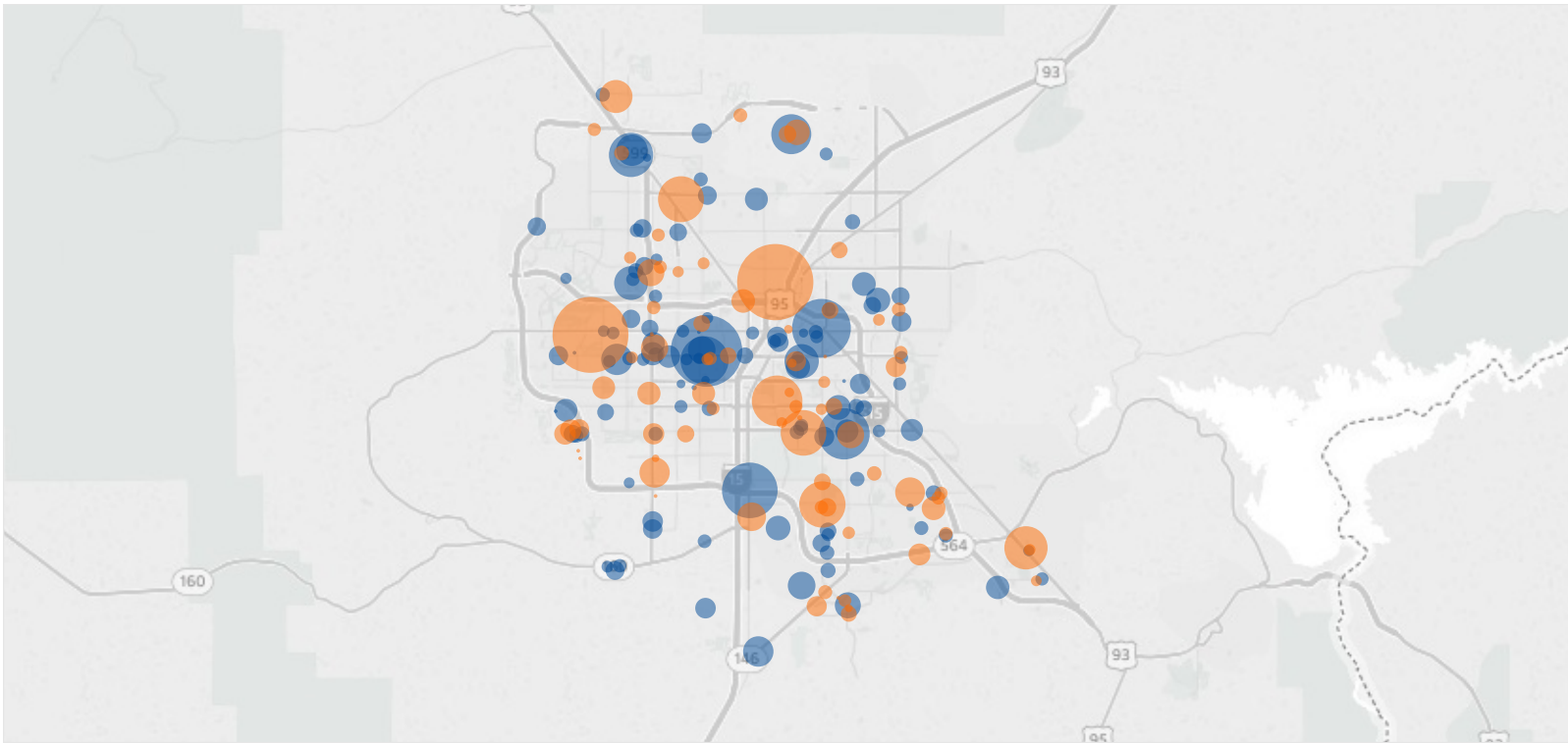
#### National by Specific Use





### Absorption Map

● Negative
 ● Positive



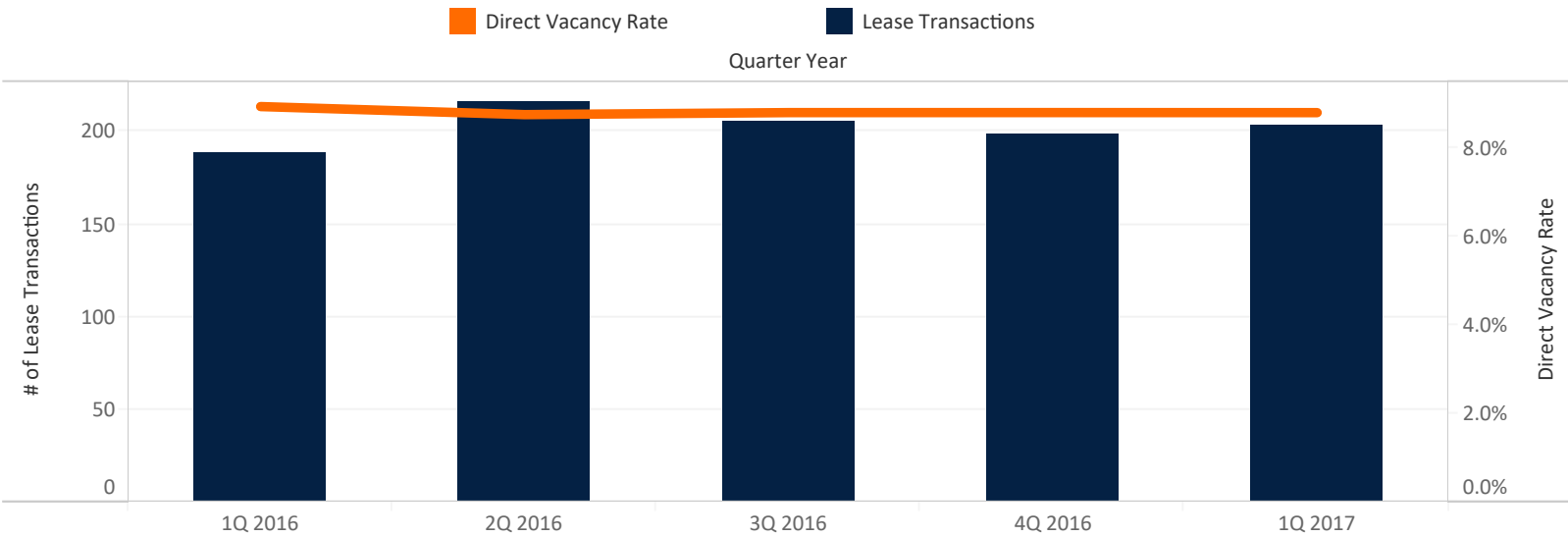
### Largest Positives (Direct)

PropertyName	Significant Transactions	Market Name	Specific Use	
Desert Inn Crossing	The Farmer Market	Northeast	Nbrhd/Comm Ctr	13,969
7965 S Rainbow Blvd	The Butcher Block	Southwest	Conv/Strip Ctr	11,000
HOP Downtown	West Elm Workspace	Downtown	Free/Gen	10,225
Charleston Heights Shopping Center	Tax Pro Golden Ages II Adult Day Care; Affordable Care	Central West	Nbrhd/Comm Ctr	10,216
714 Las Vegas Blvd N	The Neon Museum	Downtown	Conv/Strip Ctr	10,000
Rainsprings Phase II	Panera Bread; Mattress Firm	Southwest	Conv/Strip Ctr	9,600
2400 S Rancho Dr	Panera Bread; T-Mobile; Pizza Rev	Central West	Conv/Strip Ctr	8,809
Boulder Crossing	Wing Stop; undisclosed tenant; 1,100 SF removed from market	Central East	Nbrhd/Comm Ctr	8,150

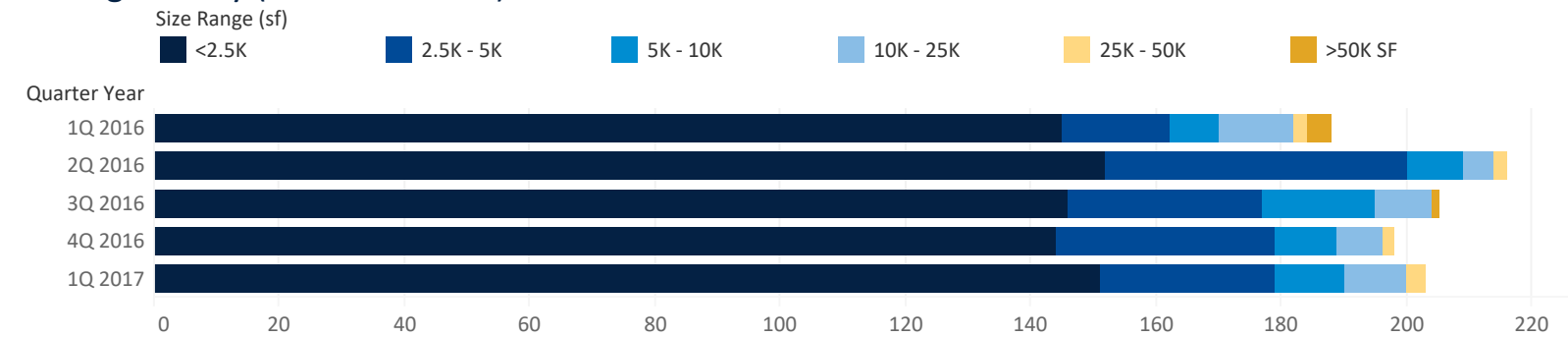
### Largest Negatives (Direct)

PropertyName	Significant Transactions	Market Name	Specific Use	
The Arroyo Market Square	Sport Chalet	Southwest	Reg/Power Ctr	-42,374
Mission Center	ToysR'Us; Budget Mobile	Central East	Nbrhd/Comm Ctr	-42,220
498 S Boulder Hwy	24 Hour Fitness USA	Southeast	Conv/Strip Ctr	-27,000
Rainbow Oakey Plaza	Transformations Healing; 123 Fashion; Happy Dog; Connect Hearing	Central West	Conv/Strip Ctr	-15,651
Fresh & Easy	Fresh & Easy	Southeast	Free/Gen	-14,028
Sunrise City Plaza	Big 5 Sporting Goods	Central East	Nbrhd/Comm Ctr	-9,945
Rancho Circle Shopping Center	clothing store; Smoke Shop Shisha; Mini Mart ; dental office	Central West	Conv/Strip Ctr	-7,350
The Mall at Grand Canyon	Undisclosed Vacancy	Southwest	Reg/Power Ctr	-6,782

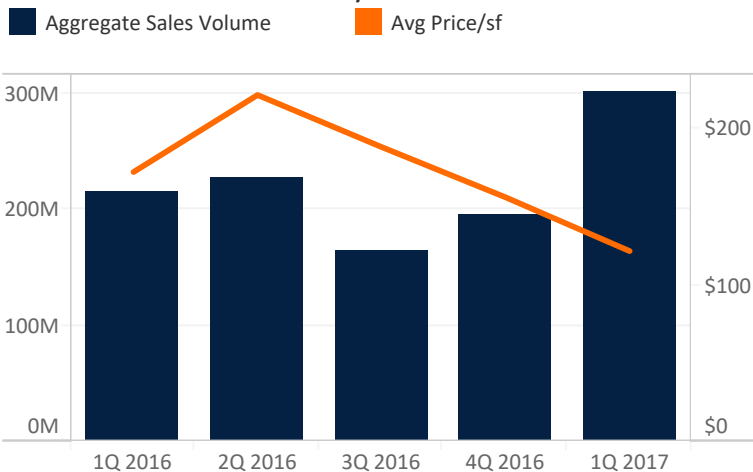
### Leasing Activity Trends



### Leasing Activity (# of New Deals)



### Sales Volume vs. Price/SF



### Top Sales

Property	Sale Date	Buyer	Sale Price
Town Square	01/27/2017	SRMF Town Square Owner LLC	\$192,614,973
Rainbow Plaza	01/04/2017	Queenscare	\$23,100,000
Rocksprings Plaza	01/27/2017	Eric Hamann	\$17,550,000
Maryland Crossing	01/18/2017	Ann Simons	\$17,428,866
The Village Of Centennial Springs Bldg 7	03/16/2017	Centennial Holdings LLC & RH Centennial LLC	\$6,700,000



## Terminology

Term	Definition
Direct Vacant (sf)	The total of the vacant square feet in a building that is being marketed by an agent representing the landlord.
Inventory	The total square feet (sf) of all existing single and multi tenant retail properties greater than 10,000 sf.
Net Absorption (sf)	The net change in occupancy quarter to quarter, expressed in square feet.
Sublease (sf)	Space that is offered for lease by a current tenant, or his agent, within a property.
Total Available (sf)	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move.
Total Vacant (sf)	The total of all vacant square feet within a building, including both direct and sublease space.
Tracked Criteria	The Las Vegas retail tracked set consists of all existing single and multi-tenant retail properties larger than 10,000 SF, excluding banks, outlets, malls and mixed-use centers. Excludes retail in the Far SE, NE, SW, and NW Clark County markets.
Xceligent Partner	CALV

*This information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy.*

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