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BY TONY ILLIA

LV retail market hits three-year high

The Las Vegas Valley's retail market recently saw its best quarter in nearly three years, reported John Restrepo, principal of Restrepo Consulting Group, a local real estate research firm. The anchored retail market grew by 734,000 square feet last year, reaching a total of 35.4 million square feet. Yet valley-wide vacancy rates still hit a record 3.1 percent low vacancy rate in the four quarter, a 2 percent improvement over 2004.

"The valley is still seeing strong economic and population growth, but we are in a supply-constrained situation," Restrepo said. "Accordingly, we expect rents to continue to rise in 2006 as we saw in 2005."

But with 1.3 million square feet of new retail projects now under construction, and another 4.4 million- square-foot-worth planned, supply constraints could soon ease. Wal-Mart, for example, is building its fifth area neighborhood market on 4.5 acres in Nigro Development's Park Central Plaza Shopping Center at Tropical Parkway and Losee Road in north Las Vegas. The \$20 million, 40,000-square-foot store will open late this year.

Other projects in the development pipeline include The Village at Queensridge, a \$450 million, 700,000-square-foot, high-end shopping center at Rampart Boulevard and Alta Drive. The 31-acre, 18-building development is expected to finish in early 2008. Triple Five Nevada, meanwhile, plans to add 250,000 square feet to its Boca Park shopping center across the street. In addition, it's planning a 2 million-square-foot, 65-acre Great Mall of Las Vegas near U.S. 95 and Grand Montecito Parkway in the northwest valley.

"We maintain high expectations for 2006 as above-average inventory additions are scheduled to come online," said Brain Gordon, principal of Applied Analysis, a Las Vegas business advisory firm. "With tighter financing, rising short-term interest rates and increasing development costs, we are aware of significant pre-leasing activity to support the next wave of development."



Wal-Mart is currently building a \$20 million, 40,000-square-foot store in Nigro Development's Park Central Plaza Shopping Center at Tropical Parkway and Losee Road in North Las Vegas. The store is expected to open later this year.