

2017 Retail Market Survey

Local Knowledge
Global Reach



NAI 1st Valley

Commercial Real Estate Services, Worldwide.

www.1stvalley.com

Las Cruces continues to see the expansion of retail tenants, a majority of which are in the fast-food, quick serve restaurants, and experiential segments. The E. Lohman corridor and the area between Rinconada and Sonoma Ranch along Highway 70 continue to be the areas with most of the new retail growth. In 2017 and going into 2018 growth will pick up in the Sonoma/Northrise/Rinconada corridor with vacant lots selling more rapidly and national brands finalizing build to suit deals. Historically slow corridors in Las Cruces have been rejuvenated as specific retailers who benefit from locating in the core of the city have completed deals for new sites. Retail remains a strong segment of local commercial real estate and while internet sales are affecting specific types of retailers, the overall picture remains strong for the coming year.

Survey figures reflect data drawn from a sample of the city's nine largest, comparable retail properties comprising approximately 670,552 square feet. Rental Rates reflect Net Leases and include C.A.M. assessments.

The subject properties are all 'Neighborhood/Community Centers' with anchor tenants, professional management/leasing services and range in size from 45,000-117,000 square feet.

NATIONAL RETAIL STORES

Las Cruces, New Mexico



RETAIL MARKET SURVEY 2017

MARKET AVERAGE ANCHORED SHOPPING CENTER*

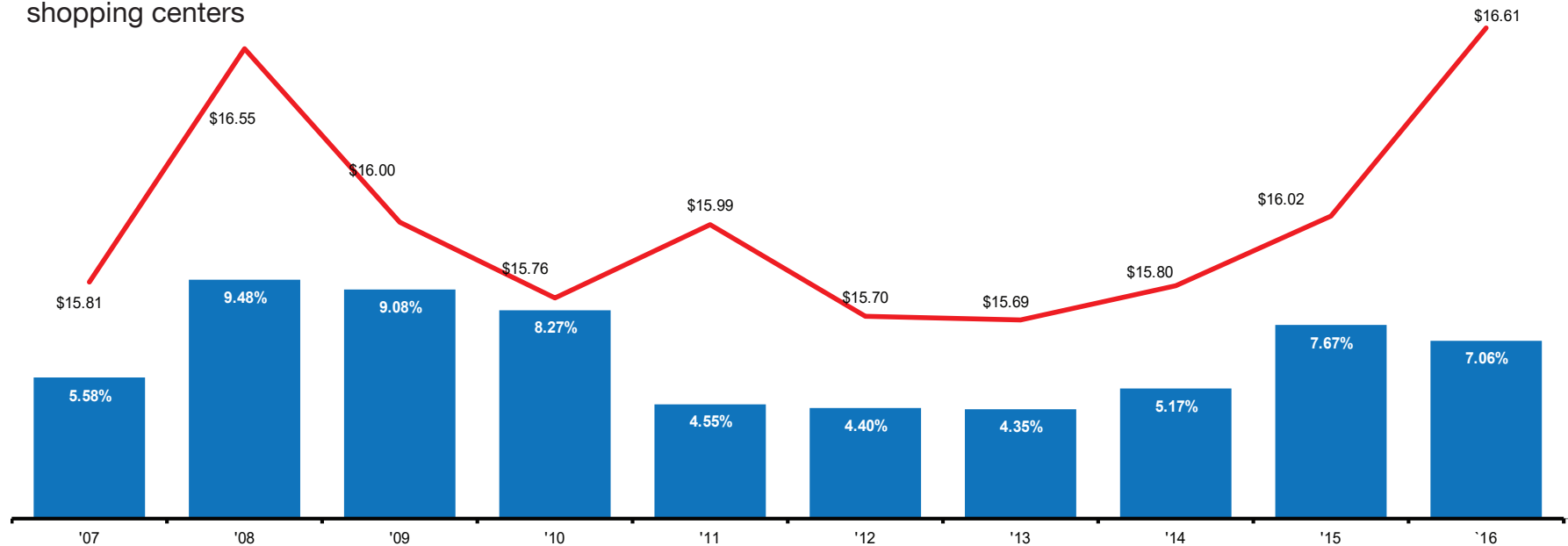
	'12	'13	'14	'15	'16	'15-'16 % Change	'12-'16 % Change	'12-'16 Ann Avg % Change	'12-'16 Period Avg
Lease Rate	\$15.70	\$15.69	\$15.80	\$16.02	\$16.61	3.71%	5.82%	1.43%	\$16.03
Vacancy Rate	4.40%	4.35%	5.17%	7.67%	7.06%	-7.95%	60.45%	13.71%	6.06%

MARKET AVERAGE STRIP CENTERS

	'14	'15	16	15-'16	14-'16 % Change	14-'16 Ann Avg % Change	14-'16 Period Avg
Lease Rate	\$17.71	\$18.21	\$17.75	-2.53%	0.23%	0.15%	\$17.89
Vacancy Rate	16.00%	13.00%	7.79%	-40.10%	-51.33%	-29.43%	12.26%

RETAIL MARKET SURVEY AVERAGES: Lease Rates PSF & Vacancy Percentage

This graph only reflects anchored shopping centers



Source: NAI 1st Valley Independent Market Survey

'07 - '16 Period Market Vacancy Average: 6.56%

'07 - '16 Period Average Percentage Growth in Lease Rates: 1.52%



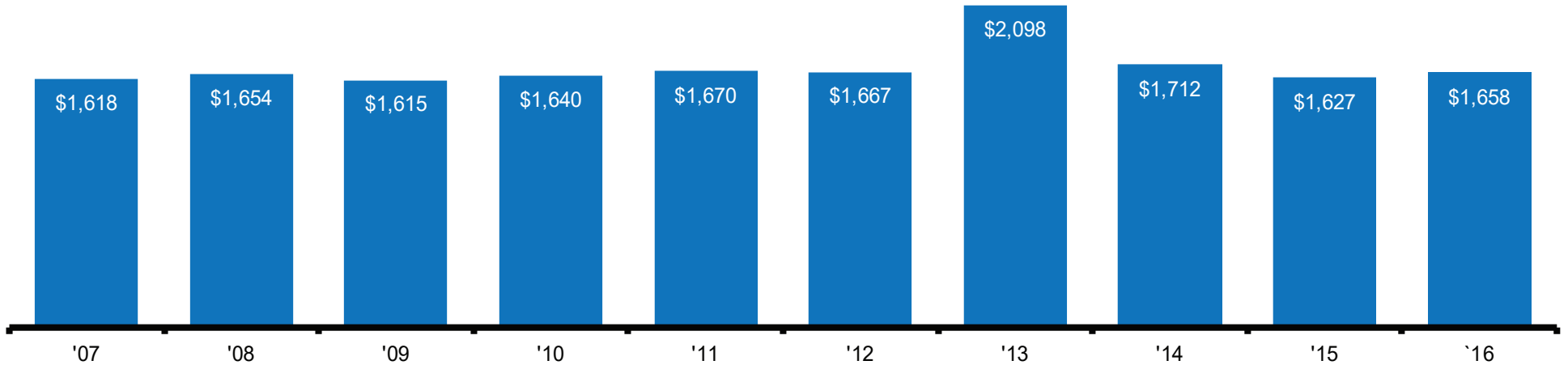
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* One property was moved from the Anchored Shopping Center survey group causing a slightly larger increase in rental rates.

RETAIL MARKET SURVEY 2017

TOTAL REPORTED RETAIL TRADE: (Las Cruces MSA) Billions

Percentage Change '07-'16 : 2.47%



RETAIL TRADE: Year Over Year Percentage Change (Las Cruces MSA)

Annual Average Percentage Change '07-'16: 2.0%

