



STARK & ASSOCIATES

COMMERCIAL REAL ESTATE

PRESENTED BY IAN COCHRAN

ICOCHRAN@STARKTCN.COM

TEL (775)825-4400

FAX (775)825-4403



WWW.STARKTCN.COM



3rd Quarter 2011

RETAIL REAL ESTATE NEWS FOR NORTHERN NEVADA

We Continue to Float

Despite all the turbulent waters we have experienced over the last few years, the Northern Nevada economy has weathered the storm and we continue to slowly float back to shore. There may not be an oasis once we reach shore but there will certainly be solid ground to stand upon. Taxable sales in Nevada and Washoe County have continued, slowly but surely to improve. Statewide there has been a 4.7% increase in taxable sales from July 2010 to July 2011 and a 1.7% increase in Washoe County for the same period. U.S. consumers as a whole increased their spending as well. For the month of September there was a 1.1% increase in retail sales, marking the largest gain in 7 months. In order to truly climb out of this hole and see significant gains in the economy, we are going to have to see the housing market stabilize and the American household balance their books.

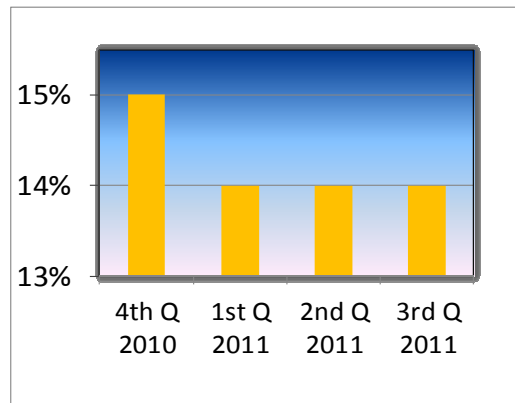
Unemployment

The Silver State continues to struggle finding work for its residents. Nevada still leads the nation in unemployment at 13.4%. This is 4.3% above the national average of 9.1%. All things considered, we are moving in the right direction. The unemployment rate is down 1.5% from last September. With

the opening of several new restaurants and the holiday season just around the corner, we can hope this trend continues.

A Snapshot of Vacancy & Rent

For the 3rd quarter of 2011 the retail market experienced an increase in leasing activity. Although we did not see a decrease in the vacancy, which continues to float at just below 14%, we are moving in the right direction.



The average asking rates for the greater Reno-Sparks area are holding stable between \$1.45 to \$1.50 per square foot for strip retail space. It is fair to assume that with the increased leasing activity, we will start to see the lease rate slowly tick upwards in the year to come.

There continues to be a demand for fresh, new, casual dining restaurants in the Reno-Sparks area. Taxable sales for dining were up 6.1% from this same time last year. The automotive sector also

continued its substantial increase in taxable sales with a 11.4% increase from last year.

What to expect in 4th Quarter

As we look forward into the 4th Quarter of 2011, we can expect the year to finish on a positive note. The holidays are rapidly approaching and the Nation Federation of Retailers predicts a moderate increase in holiday retail sales of about 2.8%. This is a far cry from the "good ole days" but, in this new economy with any positive activity, it brings us closer to the light at the end of the tunnel. We can only hope that we continue to see new businesses open and the unemployment in Nevada to continue to improve.

Notable Transactions:

1. Ling & Louie's Chinese Bistro leased 3,500SF on Kietzke near Bed, Bath & Beyond
2. Un Café Italian Bistro Leased 3,000SF next to Jazmine in the Double R Galleria
3. Nu-Yalk Pizza purchased a pad site in front of Winco on S. Virginia to build their new restaurant.