

COMMERCIAL
REAL ESTATE

MARKET OVERVIEW

Presented by: Jake Redfearn, Principal

NAI 1st Valley

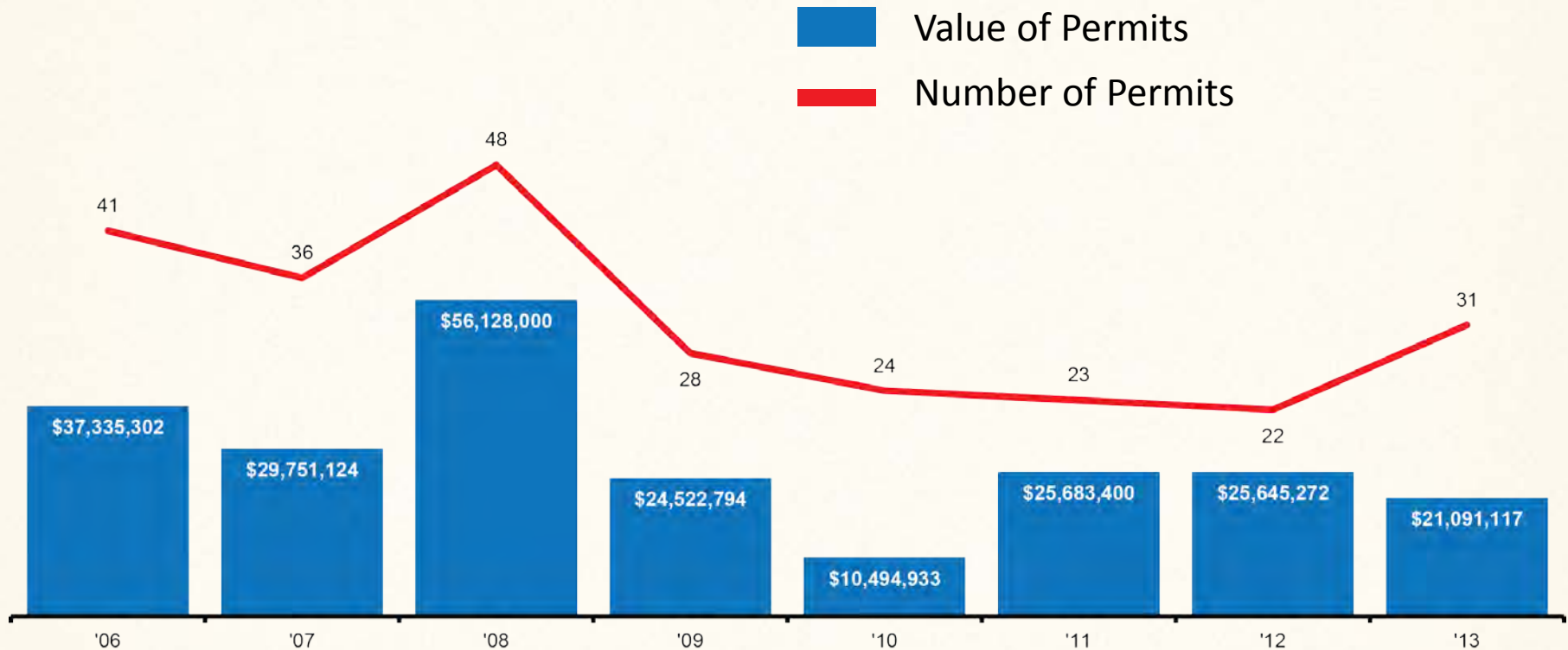
Commercial Real Estate Services, Worldwide.

OVERVIEW

- Office, Retail & Multi-Family Market Survey
- Recent development in 2013 along key corridors
- Projections & Forecasts for 2014 and beyond



New Commercial Construction



LAS CRUCES NEW MEXICO

To Albuquerque



DOWNTOWN
Survey Size: 432,500 SF

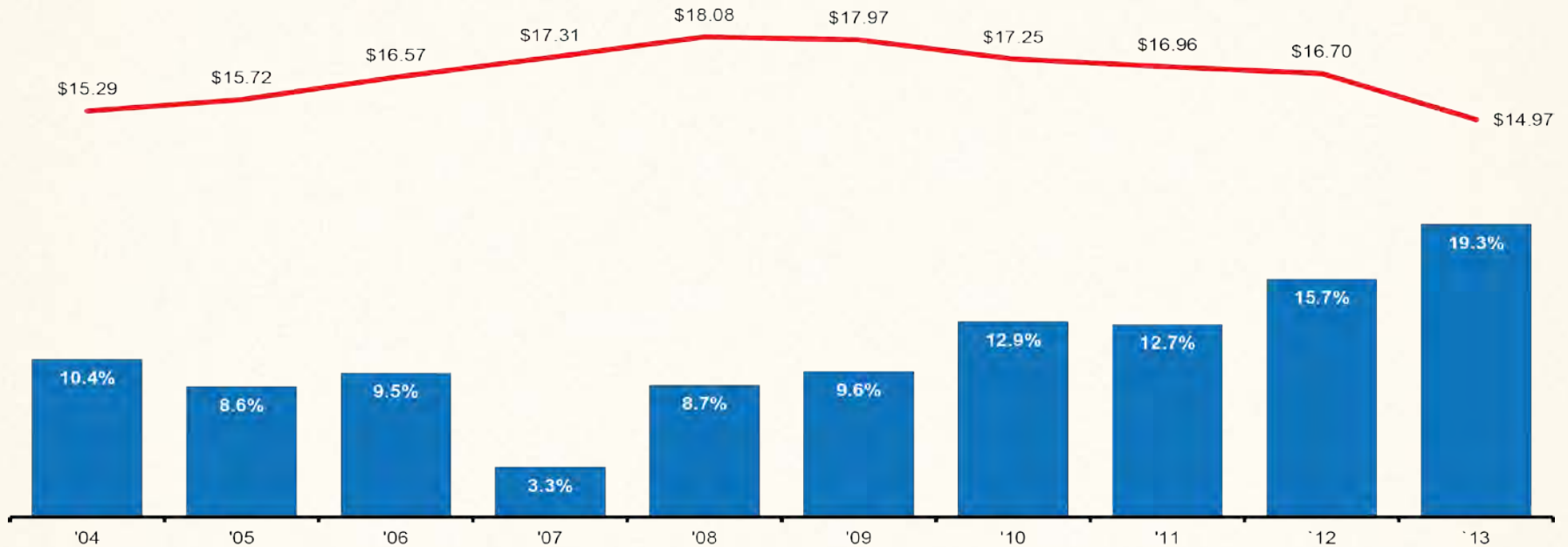
TELSHOR
Survey Size: 139,000 SF

E. LOHMAN
Survey Size: 211,700 SF

Office Market Survey

LEASE RATES PSF & VACANCY PERCENTAGE BROAD MARKETS

■ Vacancy Rates
■ Lease Rates



BROAD MARKET	'09	'10	'11	'12	'13	'12-'13 % Change	'10-'13 % Change	'10-'13 Ann Avg % Change	'10-'13 Period Avg
Lease Rates	\$17.97	\$17.25	\$16.96	\$16.70	\$14.97	-10.40%	-13.22%	-4.40%	\$16.47
Vacancy Rates	9.60%	12.90%	12.70%	15.7%	19.3%	22.90%	49.61%	15.15%	19.84%

Office Market Survey

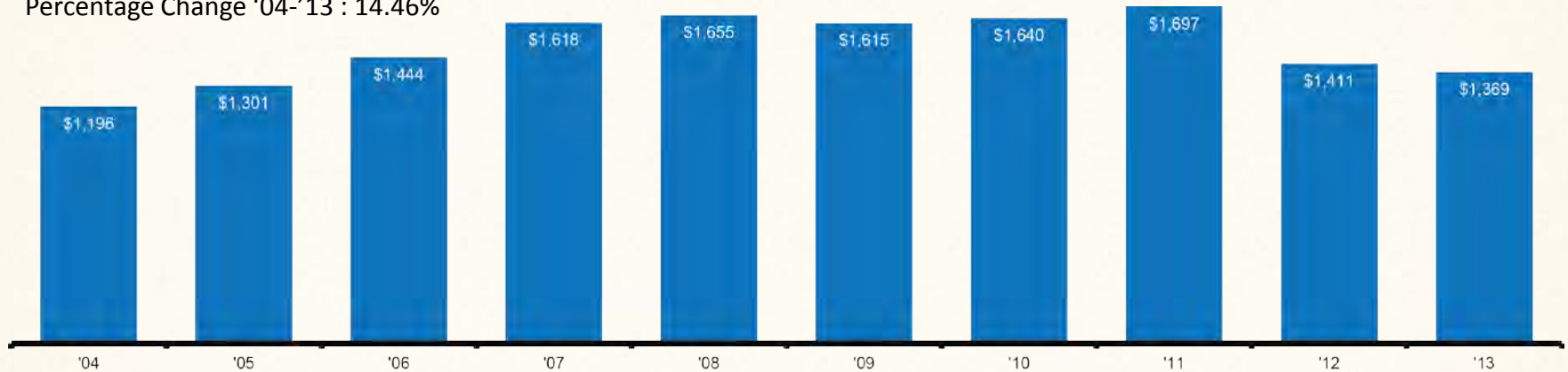
LEASE RATES PSF & VACANCY PERCENTAGE SUB-MARKETS

SUB-MARKETS	'09	'10	'11	'12	'13	'12-'13 % Change	'10-'13 % Change	'10-'13 Ann Avg % Change	'10-'13 Period Avg
DOWNTOWN									
Lease Rate	\$15.68	\$14.23	\$14.25	\$14.24	\$14.97	5.10%	5.16%	1.72%	\$14.48
Vacancy Rate	8.70%	13.86%	12.61%	19.72%	19.25%	-2.37%	39%	15%	17.19%
TELSHOR									
Lease Rate	\$16.81	\$17.79	\$17.09	\$17.09	\$15.66	-8.37%	-11.99%	-4.11%	\$16.61
Vacancy Rate	13.62%	18.06%	19.60%	12.28%	15.96%	29.97%	-12%	0.39%	15.95%
E. LOHMAN									
Lease Rate	\$24.31	\$24.02	\$24.16	\$24.68	\$20.03	-18.83%	-16.60%	-3.59%	\$22.96
Vacancy Rate	8.83%	6.78%	7.81%	9.57%	14.32%	49.59%	111%	30.24%	10.57%

Retail Market Survey

TOTAL REPORTED RETAIL TRADE: (Las Cruces MSA)

Percentage Change '04-'13 : 14.46%



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

Percentage Change '04-'13 : 14.46%

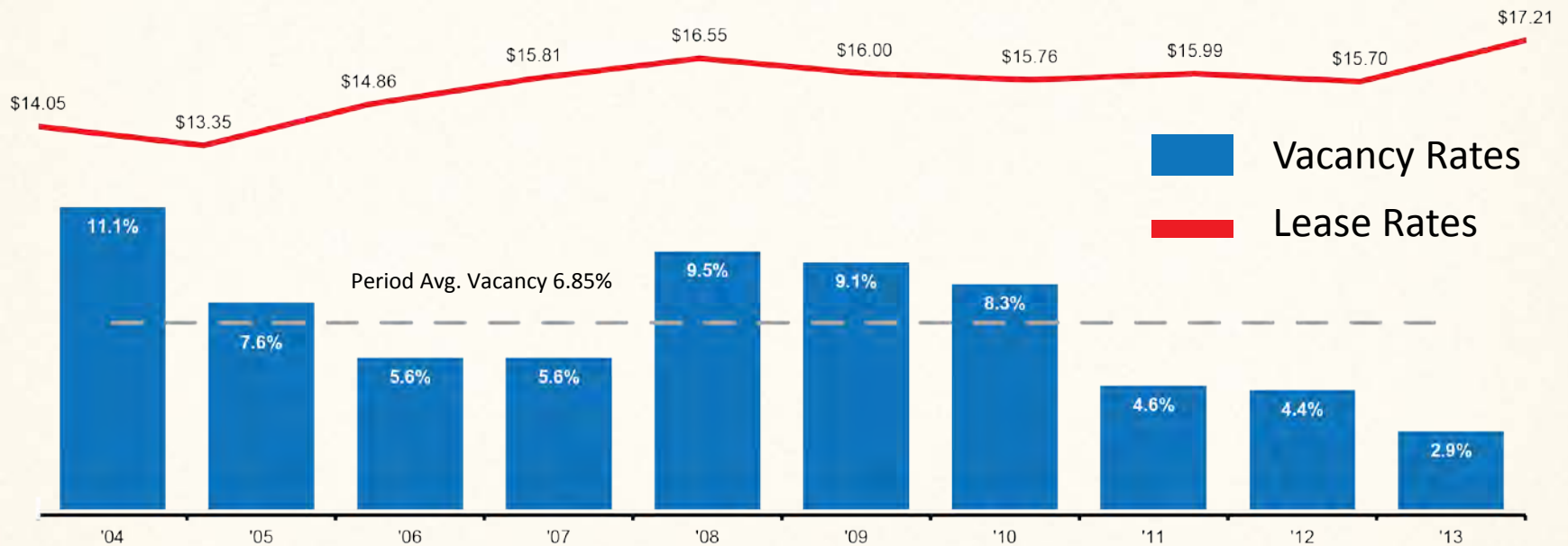


Retail Market Survey

MARKET AVERAGE	'09	'10	'11	'12	'13	'12-'13 % Change	'10-'13 % Change	'10-'13 Ann Avg % Change	'10-'13 Period Avg
Lease Rates	\$16.00	\$15.76	\$15.99	\$15.70	\$17.21*	18.10%	9.20%	1.94%	\$16.17
Vacancy	9.08%	8.27%	4.55%	4.40%	2.89%*	-37.00%	-65.08%	-22.89%	5.03%

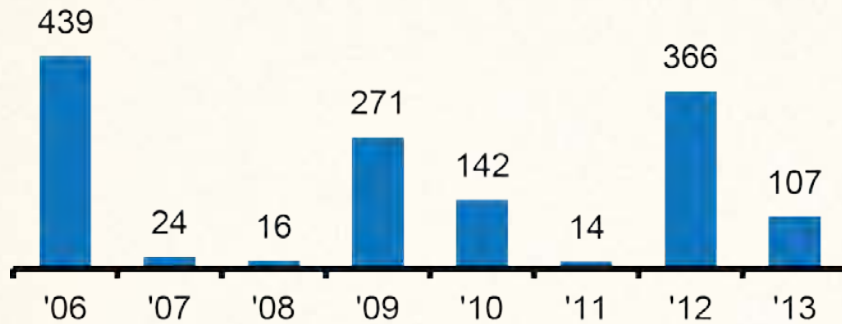
*1 additional retail property added to survey

RETAIL SURVEY AVGS: Lease Rates & Vacancy Percentage



Multi-Family Market Survey

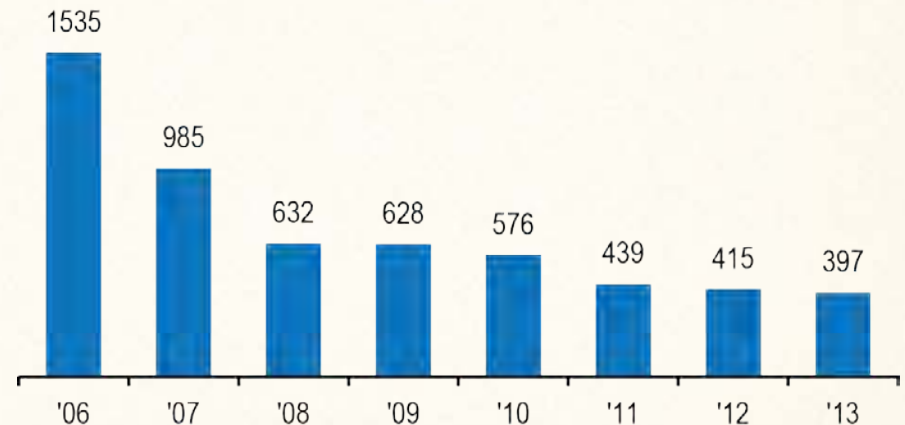
NUMBER OF PERMITTED MULTI-FAMILY UNITS



Source: City of Las Cruces

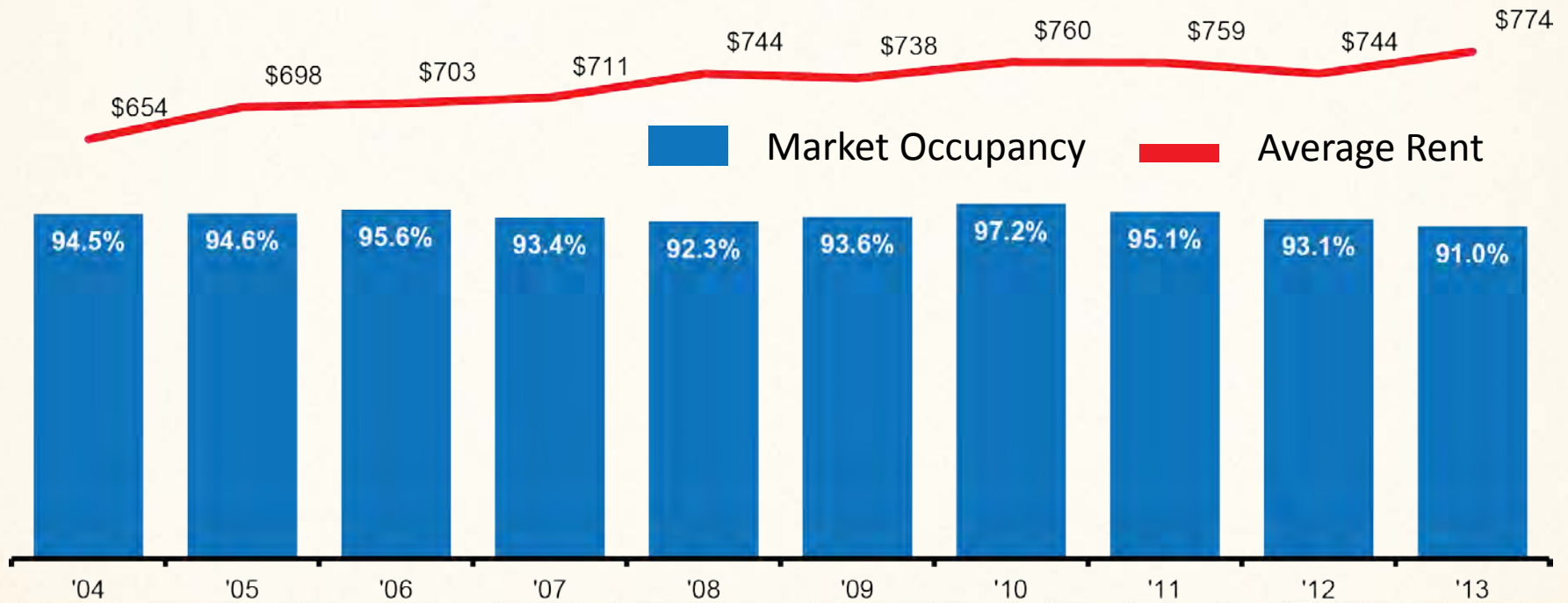


NUMBER OF PERMITTED SINGLE FAMILY UNITS



Multi-Family Survey

MARKET PERFORMANCE	2008	2009	2010	2011	2012	2013	12-13 % Change	09-13 % Change	09-13 Per. Ann Avg % Change
Avg Rent	\$744.49	\$737.65	\$760.43	\$759.82	\$744.14	\$773.73	3.98%	4.89%	0.80%
Avg Rent PSF	\$0.81	\$0.80	\$0.82	\$0.82	\$0.82	\$0.83	1.74%	4.28%	0.60%
Mkt Occup	92%	94%	97%	95%	93%	91%	-2.49%	-3.01%	-0.50%



THREE KEY PROJECTS

- E. Lohman: Site selectors and national tenants continue to focus on this area
- Sonoma/Rinconada Corridor: In 2013 & 2014 new tenants have opened. Trade area continues to garner attention from small and large retailers
- Las Cruces Country Club: Revitalizing the core of our city (continued progress being made)

EAST Lohman Ave.

Opened or permitted in 2013



Rinconada/Sonoma Ranch



Las Cruces Country Club



- Legend**
- 1. Kohls
 - 2. Lowes
 - 3. CVS
 - 4. Country Club Site
 - 5. Albertsons
 - 6. Downtown
 - 7. NMSU
 - 8. Memorial Hospital
 - 9. Mesilla Valley Mall
 - 10. Wal-Mart
 - 11. Mountain View Hospital
 - 12. Sonoma Ranch Master Planned Community

Las Cruces Country Club



THIS IS AN ARTIST RENDERING. ALL SITE AMENITIES, LANDSCAPING, BUILDING TYPES AND LOCATIONS ARE CONCEPTUAL AND MAYBE SUBJECT TO CHANGE PER THE DEVELOPERS DIRECTION. REFER TO THE FINAL PLAT FOR EXACT DIMENSIONS.



TRENDS

- New construction for Mid-Box and Big-Box retailers will begin in the next 12-24 months.
- Medically related Real Estate will continue to be robust for the foreseeable future
- Fast-Food and Sit Down Restaurants continue their aggressive expansion plans
- The Industrial Market will continue to see slow gains in occupancy and rates

THANK YOU!
Jake Redfearn