

# COMMERCIAL REAL ESTATE



# MARKET OVERVIEW

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PRESENTED BY: JAKE REDFEARN, PRINCIPAL

**NAI** 1st Valley

Commercial Real Estate Services, Worldwide.

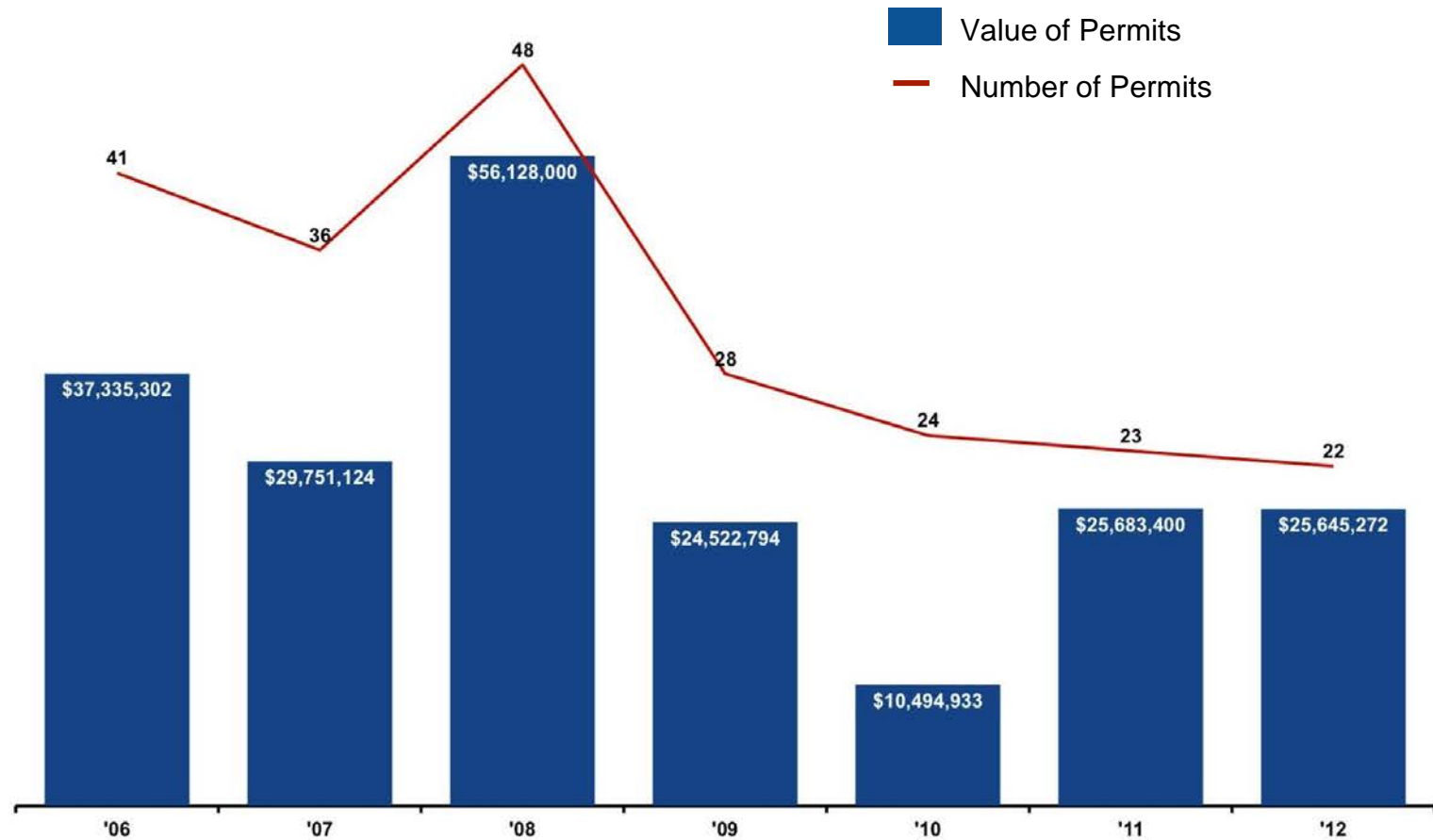
# OVERVIEW

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- Office, Retail & Multi-Family Market Surveys
- Three Projects Along Key Corridors That Will Shape the Direction of Las Cruces Over the Next 12 Months
- Trend Projections Until We Meet Again



# NEW COMMERCIAL CONSTRUCTION



# OFFICE MARKET SURVEY

## MARKET SURVEY AREAS

**LAS CRUCES**  
NEW MEXICO



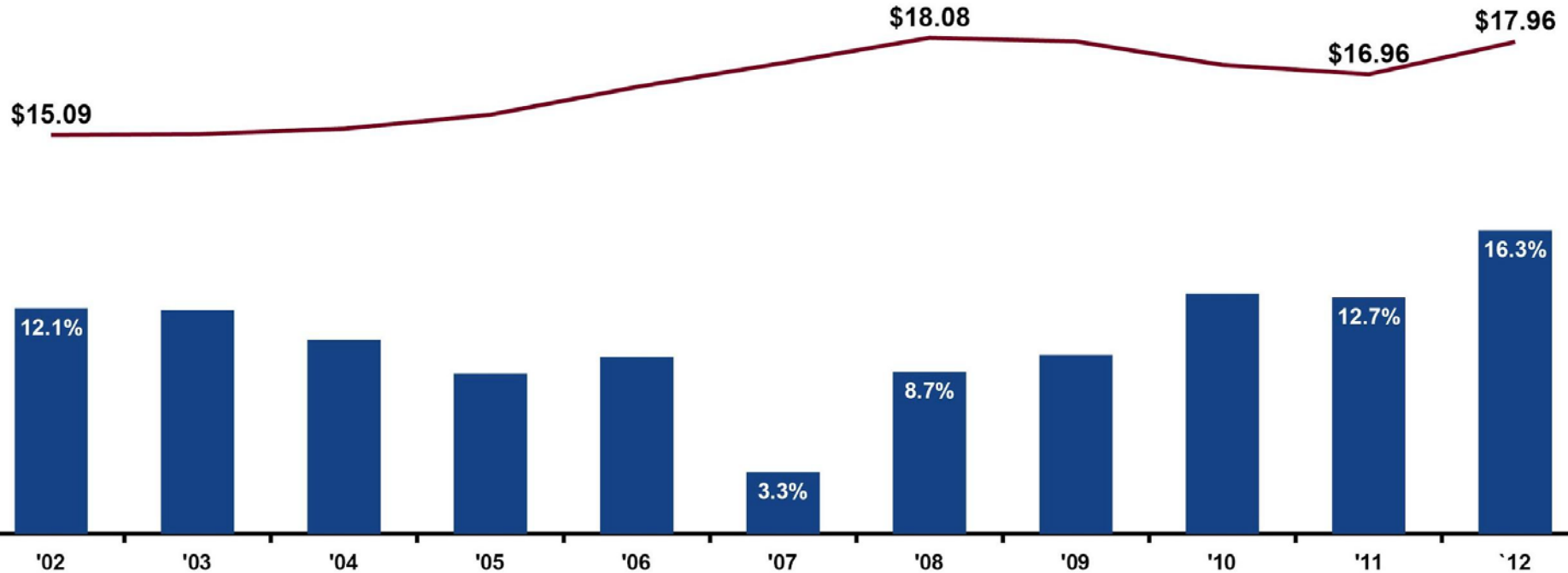
**DOWNTOWN**  
Survey Size: 432,500 SF

**TELSHOR**  
Survey Size: 139,000 SF

**E. LOHMAN**  
Survey Size: 181,700 SF

# OFFICE MARKET SURVEY

## BROAD MARKET



| BROAD MARKET  | '08     | '09     | '10     | '11     | '12            | '11-'12 % Change | '08 - '12 Ann Avg % Change | '08 - '12 Period Avg |
|---------------|---------|---------|---------|---------|----------------|------------------|----------------------------|----------------------|
| Lease Rates   | \$18.08 | \$17.97 | \$17.25 | \$16.96 | <b>\$17.96</b> | 5.9%             | -0.1%                      | \$17.54              |
| Vacancy Rates | 8.7%    | 9.6%    | 12.9%   | 12.7%   | <b>16.3%</b>   | 3.59%            | --                         | 17.86%               |



# OFFICE MARKET SURVEY

## SUB-MARKETS

### DOWNTOWN

|               |         |         |         |                |                |       |      |         |
|---------------|---------|---------|---------|----------------|----------------|-------|------|---------|
| Lease Rates   | \$15.56 | \$15.68 | \$14.23 | <b>\$14.25</b> | <b>\$14.24</b> | -.06% | .93% | \$14.79 |
| Vacancy Rates | 5.8%    | 8.7%    | 13.9%   | 12.6%          | <b>19.7%</b>   | 56.4% | --   | 12.13%  |

### TELSHOR

|               |         |         |         |         |                |         |       |         |
|---------------|---------|---------|---------|---------|----------------|---------|-------|---------|
| Lease Rates   | \$17.72 | \$16.81 | \$17.79 | \$17.09 | <b>\$17.09</b> | 0%      | -.64% | \$17.30 |
| Vacancy Rates | 21.1%   | 13.6%   | 18.1%   | 19.6%   | <b>12.28%</b>  | -37.35% | --    | 16.93%  |

### E. LOHMAN

|               |         |         |         |         |                |        |       |         |
|---------------|---------|---------|---------|---------|----------------|--------|-------|---------|
| Lease Rates   | \$24.26 | \$24.31 | \$24.02 | \$24.16 | <b>\$24.68</b> | 2.13%  | 1.38% | \$24.29 |
| Vacancy Rates | 9.3%    | 8.8%    | 6.8%    | 7.8%    | <b>9.57%</b>   | 22.47% | --    | 8.45%   |



# RETAIL MARKET SURVEY

LAS CRUCES  
NEW MEXICO



Market Survey  
Properties



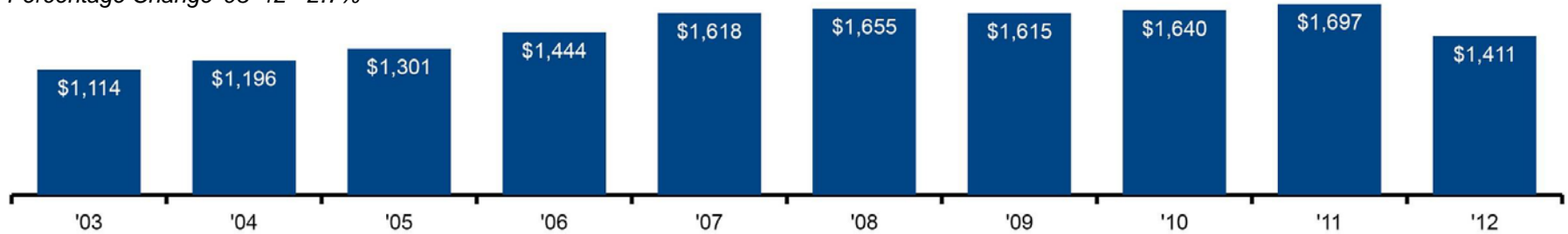
**NAI 1st Valley**  
Commercial Real Estate Services, Worldwide.

# RETAIL MARKET SURVEY

## TOTAL REPORTED RETAIL TRADE (LAS CRUCES MSA)

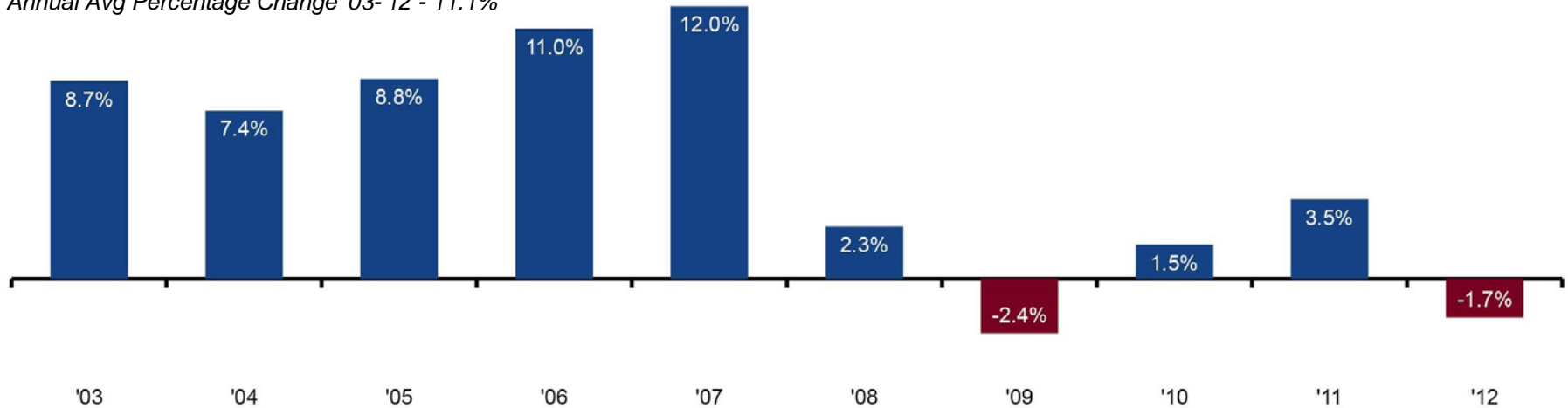
Percentage Change '03-'12 - 2.7%

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## RETAIL TRADE: Year Over Year Percentage Change (LAS CRUCES MSA)

Annual Avg Percentage Change '03-'12 - 11.1%

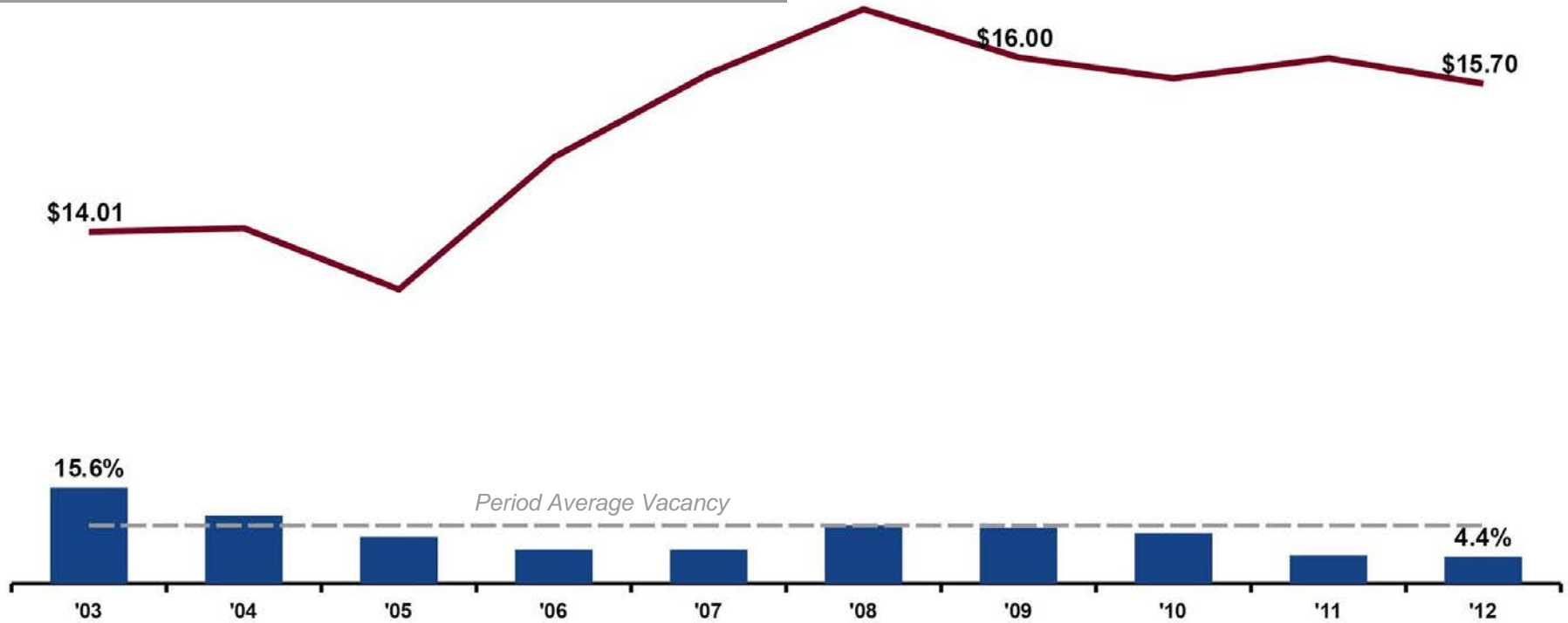




# RETAIL MARKET SURVEY

| Market Averages | '08     | '09     | '10     | '11     | '12            | '11-'12 Change | '09-'12 % Change | '09-'12 Ann Avg % Change | '09-'12 Period Avg |
|-----------------|---------|---------|---------|---------|----------------|----------------|------------------|--------------------------|--------------------|
| Lease Rates     | \$16.55 | \$16.00 | \$15.76 | \$15.99 | <b>\$15.70</b> | 1.8%           | -1.80%           | -1.3%                    | \$15.86            |
| Vacancy         | 9.5%    | 9.1%    | 8.3%    | 4.6%    | 4.4%           | .15%           | --               | --                       | 6.58%              |

RETAIL SURVEY AVGS: Lease Rates & Vacancy Percentages



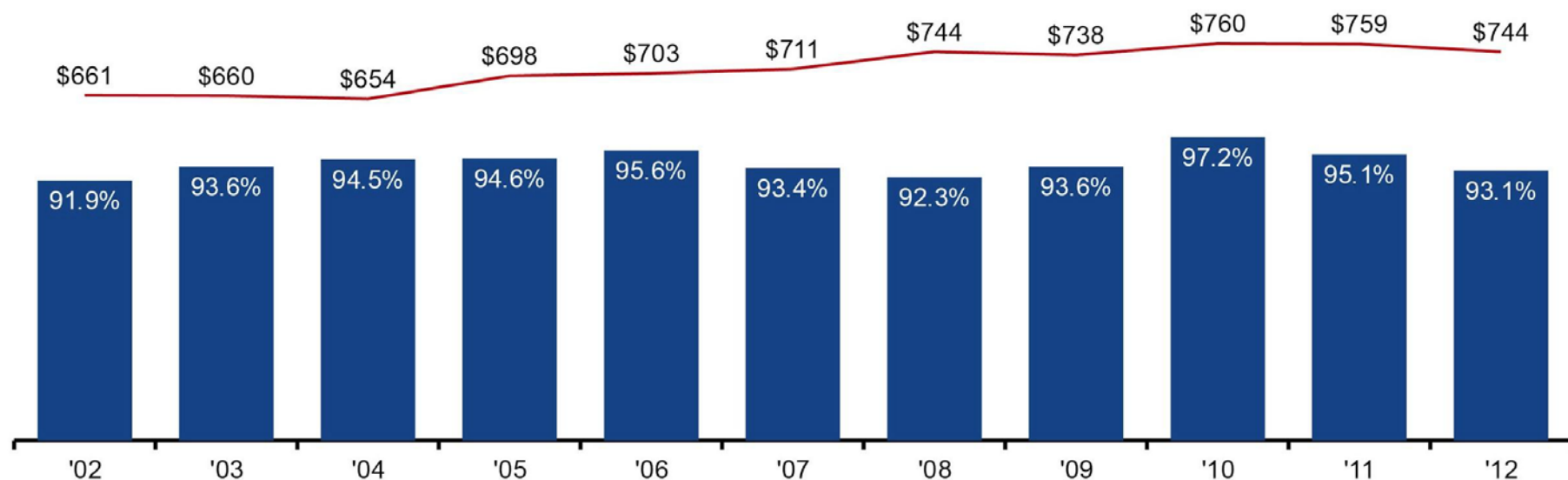
'03-'12 Period Market Vacancy Average: 8.12%  
 '03-'12 Period Average Percentage Growth in Lease Rates: 1.15%

# MULTI-FAMILY MARKET SURVEY

| Market Performance | '08      | '09      | '10      | '11      | '12             | '11-'12 % Change | 08-'12 % Change | '08-'12 Period Ann Avg % Change |
|--------------------|----------|----------|----------|----------|-----------------|------------------|-----------------|---------------------------------|
| Average Rent       | \$744.49 | \$737.65 | \$760.43 | \$759.82 | <b>\$744.13</b> | -2.06%           | -0.05%          | 0.94%                           |
| Average Rent PSF   | \$0.81   | \$0.80   | \$0.82   | \$0.82   | <b>\$0.82</b>   | 0.00%            | 1.23%           | 1.02%                           |
| Market Occupancy   | 92.3%    | 93.6%    | 97.2%    | 95.1%    | <b>93.0%</b>    | -2.10%           | 0.87%           | 94.26%                          |

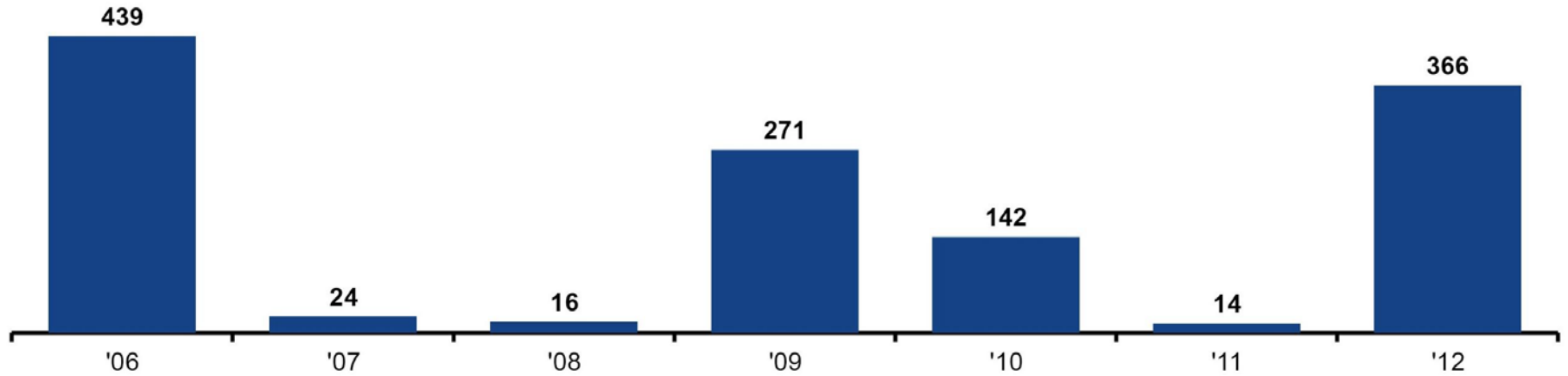
'08-'12 Avg

## APARTMENT MARKET SURVEY: Occupancy / Avg Rental Rates

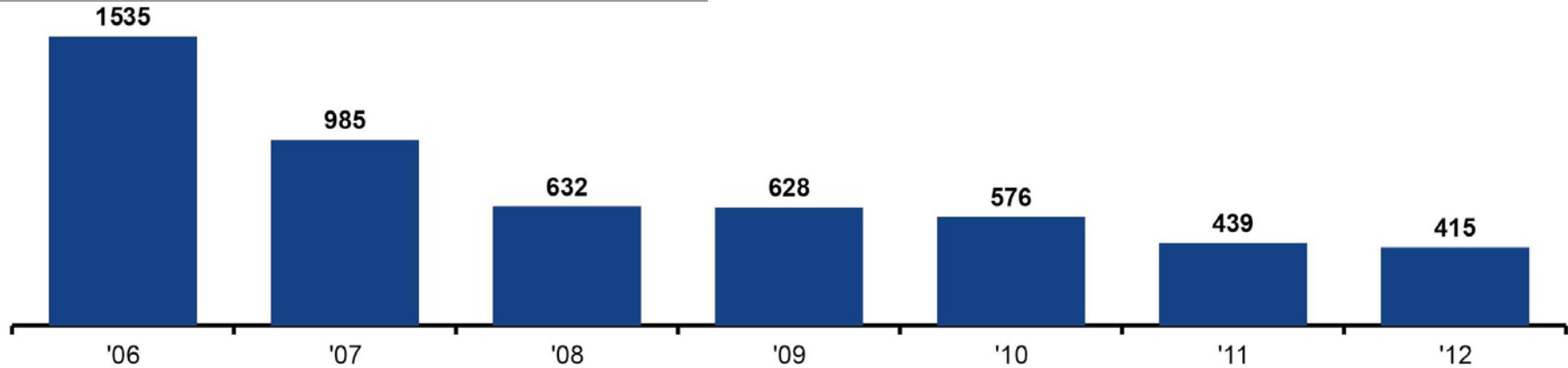


# MULTI-FAMILY MARKET SURVEY

## NUMBER OF PERMITTED MULTI-FAMILY UNITS



## NUMBER OF PERMITTED SINGLE FAMILY UNITS



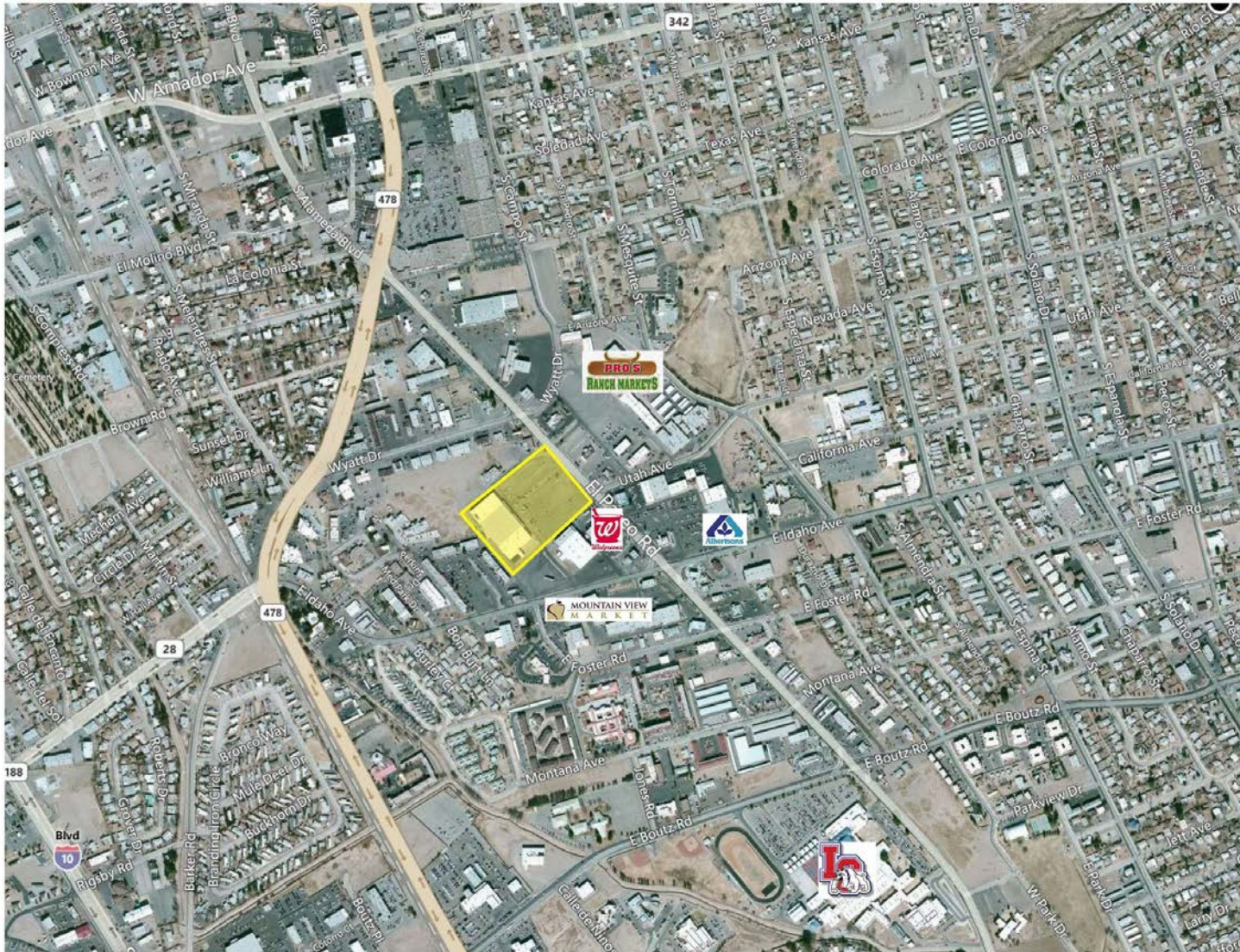
# THREE KEY PROJECTS

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- K-Mart: The buildings impact on the future of the El Paseo Corridor
- Sonoma/Rinconada Corridor: WAL-MART opens in June with multiple other developments in various stages of the development process
- Las Cruces Country Club: Revitalizing the core of our city



# EL PASEO CORRIDOR





# SONOMA RANCH/RINCONADA CORRIDOR

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# 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



# TRENDS

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- Big Box and Mid-Box users will continue to backfill space from retail giants of the past
- Medically related Real Estate will continue to be robust for the foreseeable future
- Fast-Food and Sit Down Restaurants continue their aggressive expansion plans
- Santa Teresa gaining more and more national exposure