

## Valley continues to build retail space

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More than 3 million square feet of new retail space was constructed in the Phoenix metro area in the last quarter, as the area continues to be one of the fastest-growing retail markets in the nation.

Also, a national real estate information service said Monday that two shopping centers under construction in the Valley are among the eight largest in the nation.

"Arizona is very strong in migration and in job growth and that is good for retail," said David Larcher, executive vice president for Vestar, which opened Tempe Marketplace at the intersection of Loops 101 and 202 last month.

The new CB Richard Ellis market analysis says 3.3 million square feet of retail space were constructed in the last three months.

"Retail follows the housing market," said Marty DeRito, chief executive officer of Phoenix-based DeRito Partners and developer of Mesa Riverview, another mixed-use project that opened this year at the 101 and 202.

"The 3.3 million square feet has to do with all the housing that was built here in the last few years."

The CB Richard Ellis report says the Valley's retail vacancy rate is 5.68 percent. DeRito said that's not bad. But he is concerned about the housing market slowdown and what the impact of that will be on shopping center leasing in the next few years.

"Because of the housing market slowdown, we are going to see retail vacancies," he said. "I think it will be across the board: low-, middle- and high-end retail."

Another report, by Costar, says two new Valley shopping centers are among the eight largest under construction in the country.

The Valley also was the only metro area that had more than one mall on Costar's list:

Westcor's 1.4-million-square-foot SanTan Village in Gilbert, which opens Oct. 26, and the 1-million-square-foot Promenade at Casa Grande, which opens Nov. 16.