THE KEYS TO TODAY'S RETAIL PROJECTS? PHASING & PRE-LEASING

Early tenant commitments, land sales, and multiple demand generators to reduce risk and advance development helped get one Southern Nevada project off the ground.

By Nellie Day

Southern Nevada continues to offer many of the ingredients retail developers want: population growth, expanding residential areas and demand for daily needs retail. What has become considerably harder is turning those fundamentals into a project that pencils.

Agora Realty is doing just that in North Las Vegas. It's there that the firm is transforming 73 acres that were formerly occupied by the demolished Texas Station and Fiesta Rancho casinos into Hylo Park, a $375 million mixed-use community. Agora acquired the site in 2023 and is developing it in phases rather than attempting to bring the entire project online at once.

The recently completed Hylo Park South represents a major piece of that strategy. The 11-acre, 90,750-square-foot grocery-anchored retail center was 95 percent leased at completion, with Cardenas Markets joined by Ross Dress for Less, Starbucks, Chipotle, In-N-Out, PDS Health, AT&T, the UPS Store, Chase Bank, Allstate, Sourdough & Co. and Tesla. Starbucks and Chipotle are already open, with the remaining tenants expected to open by early 2027.

The project also sits adjacent to the West End, Lennar's 393-home community on 36.5 acres that Agora sold to the homebuilder in late 2024. Agora separately sold a 1.2-acre Hylo Park South pad to In-N-Out. The firm plans to break ground on Hylo Park's third and final phase at the end of September, advancing plans for a sports-focused district with retail, restaurants, hospitality, entertainment and a major indoor field house.

Western Real Estate Business spoke with Aaron Lefton, president of Agora Realty, about what is allowing Hylo Park to advance in today's capital environment — and what other Western retail developers might learn from his approach.

WREB: How critical are pre-leasing, anchor commitments and nearby residential growth to getting a project financed today?

Lefton: Early commitments are extremely important. At Hylo Park South, reaching that high pre-leasing level before opening validated our understanding of the market and gave us confidence in the development before most tenants had even opened. That level of leasing provides tangible evidence that the demand exists, validating both the location and the retail mix.

Ground-up opportunities remain strongest in high-growth suburban areas where population growth is outpacing the commercial services available to those residents. There is still demand for new retail, but developers have to be much more precise about what they build and where they build it.

Retailers are making increasingly data-driven real estate decisions, and developers need to do the same. We evaluate where there are voids in the market, what consumers in the trade area need and whether the demographics can support the uses being considered.

There is also a cumulative effect. When multiple quality tenants commit early, it creates momentum that can attract additional retailers while providing lenders with more evidence that the project can perform.

The residential component strengthens that equation as well. The West End will add 393 homes immediately adjacent to Hylo Park South, creating another source of customers while contributing to the larger mixed-use environment.

WREB: How have construction costs, interest rates and lending requirements changed the way developers have to structure projects?

Hylo Park South will feature an 11-acre, 90,750-square-foot grocery-anchored retail center in North Las Vegas. It was 95 percent leased at completion. Starbucks and Chipotle are already open, with the remaining tenants expected to open by early 2027.

large-scale project at once, developers can advance portions of a development as demand supports them.

Developers should also evaluate whether they need to own and develop every component themselves. Partnerships and land sales can bring experienced operators into a project, monetize portions of the site and provide capital that can support infrastructure or future phases.

WREB: Agora sold 36.5 acres to Lennar and a separate pad to In-N-Out. How do those transactions reduce risk while supporting the larger development?

Lefton: They allow each component to strengthen the overall project without requiring Agora to develop every piece itself.

The Lennar transaction brought an experienced residential developer into Hylo Park while allowing us to focus capital and resources on the commercial components. At the same time, those 393 homes create additional demand for the retailers at Hylo Park South.

The In-N-Out transaction works on a smaller scale but follows the same principle. Selling a pad to a strong operator allows a developer to monetize ing retail fundamentals. It is in a market with significant residential growth and demand for additional commercial services, while the acreage gave us the ability to think beyond replacing the former casino uses with another single use.

That's an important distinction for obsolete or underused sites. The fact that a property is available for redevelopment does not automatically make it a viable retail project. Developers still have to begin with the trade area and the customer.

Who lives nearby? What services are missing? What retailers are actively looking in the market? What other uses can strengthen the property?

At Hylo Park, that led to a mix of retail, housing and, in the next phase, sports, hospitality, dining and entertainment uses. The goal is to create multiple reasons for people to visit the property rather than depending on any single tenant or use.

WREB: Does that idea of multiple demand generators become more important on a large project like Hylo Park?

Lefton: Absolutely. One of the most effective strategies in the current environment is creating multiple sources of demand instead of relying on one

WREB: What separates the retail developments that can move forward today from projects that remain on the sidelines?

Lefton: I can speak specifically to Southern Nevada, where Agora Realty is most active. The developments moving forward tend to have strong demographic growth in their immediate trade areas and clear demand for daily needs retail.

Hylo Park South is a good example. It reached about 95 percent leased before

Lefton: The economics of development have changed significantly over the past several years. Higher construction costs, increased interest rates and tighter lending standards require developers to be much more strategic with capital deployment.

That means finding ways to reduce speculative exposure and upfront capital requirements. Significant preleasing is one strategy. Phasing is another. Rather than committing the capital required to build an entire that portion of the property, reduce capital requirements and bring another established traffic generator into the project.

With a development of this size, the objective is to determine how the individual pieces can reinforce one another and how each completed milestone can help support what comes next.

WREB: What made a former casino site in North Las Vegas suitable for a complete mixed-use redevelopment?

Lefton: The site had strong underlying anchor tenant.

Hylo Park South has a grocery anchor and a range of daily-needs, restaurant and service tenants. The residential component adds households on site. The next phase is designed to introduce sports, hospitality and entertainment uses that can attract people from outside the immediate neighborhood as well.

Those uses serve different audiences and different dayparts. Ideally, they

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MULTIFAMILY UNDERWRITING STARTS WITH THE ECOSYSTEM, NOT THE ASSET

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A multifamily community is not simply a stand-alone residential investment. Its performance is influenced by the entire ecosystem, including access to a strong employment base, a dynamic retail and service environment, transportation options and the extent to which those factors complement one another over time. In several Western markets, that broader lens can help investors evaluate opportunities and long-term value creation.

Why Sequencing Matters

The strongest version of this model is intentional, rather than when a developer simply buys into an ecosystem that already exists nearby. The multifamily component is planned from the outset alongside the office space, retail amenities and transit access that will support residents once they move in. That kind of deliberate sequencing is harder to execute than simply acquiring a well-located asset after the fact, and the difference shows up in how a district comes together over time.

Salt Lake City's Hardware Village illustrates the value of planning residential as part of a larger ecosystem. Working with a local developer, KBS broke ground in 2016 on Hardware Apartments, a 453-unit luxury community delivered in two phases through 2020 within Hardware Village, a district adjacent to the historic Salt Lake Hardware Building.

As with many projects, location matters. The site sits within blocks of office properties, including 222 Main and Second + State in downtown Salt Lake City. It also benefits from direct access to the TRAX light rail and FrontRunner commuter rail connecting Salt Lake City with Ogden and Provo. The site is adjacent to the Gateway and the Delta Center, a sports and entertainment arena. That surrounding mix of office, retail, dining, transit and open space is what helps turn a residential project into part of a functioning neighborhood ecosystem.

Helgeson

The lesson is not that every multifamily project needs to sit inside a master-planned district. It's that the best locations give residents multiple reasons to stay: access to employment, retail and dining, transportation and a sense of community. Market data continue to support that view. Despite softer multifamily rents amid elevated deliveries, Salt Lake City's underlying demand drivers remain strong. The region's labor market has remained comparatively resilient, supporting regional demand. Those fundamentals matter because renter demand is closely tied to employment density, income stability and the overall appeal of the surrounding neighborhood, not just the features of a single property.

Across the West, capital markets remain selective, but the underlying demand story is becoming more nuanced. Mountain West markets continue to benefit from migration and job growth, while several West Coast gateway markets are showing signs of renewed momentum. For multifamily investors, the key is not simply whether a market is growing, but whether that growth is supported by a diversified employment base, active retail and service uses, transportation access and housing demand that can hold up through changing capital market conditions.

Hardware Village benefits from direct access to the TRAX light rail and FrontRunner commuter rail, connecting Salt Lake City with Ogden and Provo.

Density Feeds Demand in Silicon Valley and the East Bay

A recovering office market is not the only driver of multifamily demand, but it can be an important one. When employment stabilizes, it can strengthen the renter pool for nearby housing, particularly in markets where commutes, transportation access and neighborhood amenities already support residential demand.

Silicon Valley is one example. Office vacancy tightened to 15.2 percent in the second quarter of 2026, down 50 basis points from the prior quarter, and net absorption has now been positive for seven straight quarters, according to Newmark. That kind of sustained improvement — not just a single strong quarter — strengthens the broader case for Bay Area market fundamentals. And it's showing up on the multifamily side as well. San Jose's apartment market has moved in step, ranking third among major U.S. markets for annual rent growth, at 3.5 percent, as of February 2026, per Apartments.com.

Underwriting the Ecosystem, Not Just the Address

Office towers and retail centers should not serve as proxies for apartment demand, but they can help broaden the underwriting lens.

Instead of asking only what a unit will rent for, investors should ask what surrounds it and how the community will support it. Is the employment base diverse across industries? Are retail, service and transportation options keeping pace with residential density? Does the surrounding neighborhood give renters more than one reason to stay when a lease comes up for renewal? Those questions are especially important in today's market, where capital remains selective and every assumption needs to be tested against local demand drivers.

Interest rates, labor markets and capital availability will continue to affect every multifamily investment. But over time, the surrounding ecosystem often determines whether demand is durable. Finishes, amenities and near-term rent growth matter, but the strongest multifamily opportunities are positioned within markets where people can live, work, shop and stay. That broader context can be a better indicator of durable demand than the asset alone.

Tim Helgeson, Senior Vice President, Investment Management, KBS in Newport Beach, Calif.

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also reinforce one another. Residents support the retail. Sports activity can support restaurants, hotels and enter- is more selective and lenders require substantially more evidence that projects can succeed before committing ture development and create multiple demand generators instead of relying on one anchor.

brought additional operators into the development. The residential component creates another customer base.

tainment. Those uses generate traffic that can benefit the broader project.

That diversification can make a large development more resilient than one that depends on a single demand driver.

WREB: What is the biggest obstacle keeping otherwise viable projects from moving forward right now?

Lefton: The biggest challenges today are uncertainty and capital. Construction costs remain elevated, financing capital.

Developers who rely solely on speculative leasing or optimistic projections often struggle to move projects forward.

The strategies proving most effective are fairly practical: secure significant pre-leasing before construction, phase projects to reduce upfront capital requirements, form strategic partnerships with strong operators and national brands, monetize portions of land when that capital can support fu-

WREB: Hylo Park's final phase is expected to break ground at the end of September. What has allowed the development to keep advancing despite the tougher capital environment?

Lefton: The phased approach has allowed each milestone to strengthen the overall project.

Early leasing success at Hylo Park South demonstrated retail demand. Strategic land sales reduced risk and Our partnerships with nationally recognized brands and operators add additional credibility and demand generators.

Rather than waiting for perfect market conditions, the strategy has been to execute one successful phase at a time and allow each completed investment to support the next.

That disciplined approach has helped Hylo Park continue moving forward even in a more challenging capital markets environment. ■