

INDUSTRIAL MARKET REPORT

FIRST
QUARTER
2004

Compared to
last quarter:

VACANCY



ABSORPTION



LEASE RATES



CONSTRUCTION



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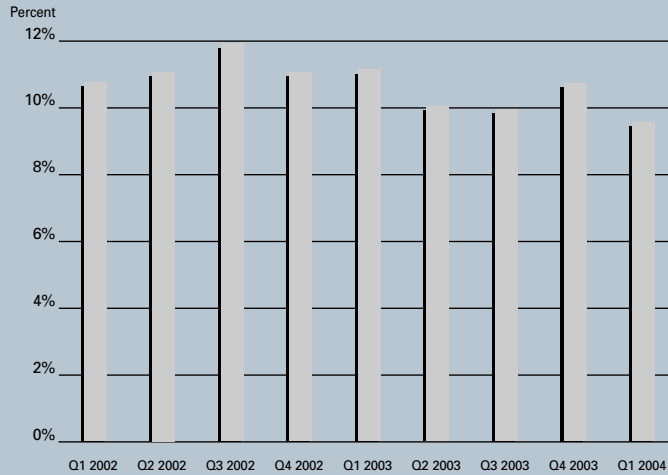
MARKET HIGHLIGHTS

- ◆ First quarter unemployment for Las Vegas stood at 4.6 percent, down from the 5.3 percent recorded 12 months prior. By comparison, the national unemployment rate was 5.7 percent (seasonally adjusted) at the close of the first quarter.
- ◆ The Las Vegas Valley added an estimated 35,600 new jobs during the past 12 months according to the Nevada Department of Employment, Training and Rehabilitation. Consistent new job growth is anticipated through the first half of 2004.
- ◆ At the end of the first quarter 2004, the Las Vegas industrial market was comprised of 77.0 million square feet of inventory in 2,397 buildings.
- ◆ New additions to the market contributed 202,000 square feet, while demand (net absorption) was an impressive 984,000 square feet.
- ◆ Currently, there are approximately 1.9 million square feet of industrial space under construction and 2.6 million square feet planned for future development.
- ◆ There were 7.5 million unoccupied square feet, producing a market-wide vacancy rate of 9.7 percent.
- ◆ The Valley's industrial market contains 29.0 million square feet of distribution space. The North Las Vegas submarket alone contributes 11.5 million toward the market total. We are expecting strong development throughout 2004 in North Las Vegas and the Southwest part of the Valley.

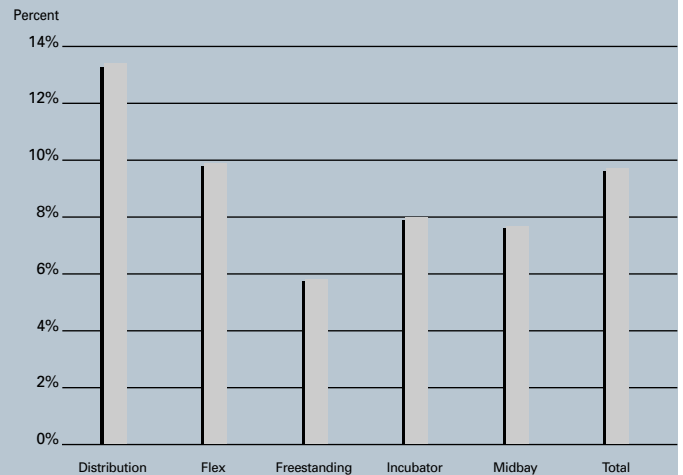
INDUSTRIAL MARKET STATISTICS

	1Q2004	4Q2003	1Q2003	% CHANGE VS. 1Q03
Under Construction	1,861,000	1,695,000	1,633,000	13.96%
Planned Construction	2,562,000	3,059,000	2,312,000	10.81%
Vacancy	9.7%	10.8%	11.1%	-12.61%
Net Absorption	984,000	75,000	642,000	53.27%

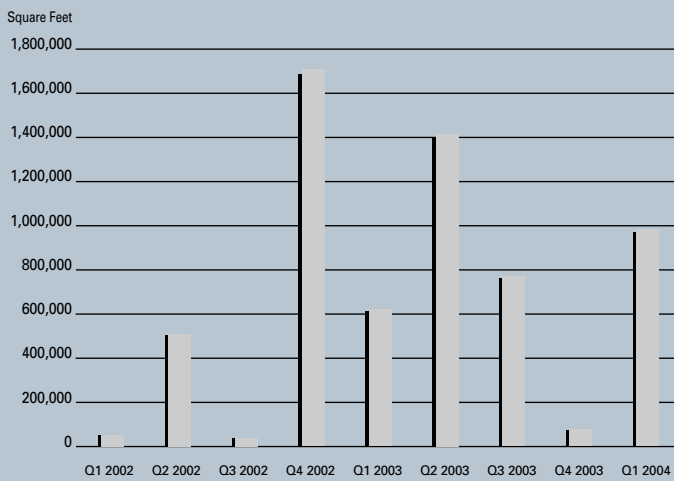
HISTORICAL VACANCY RATE



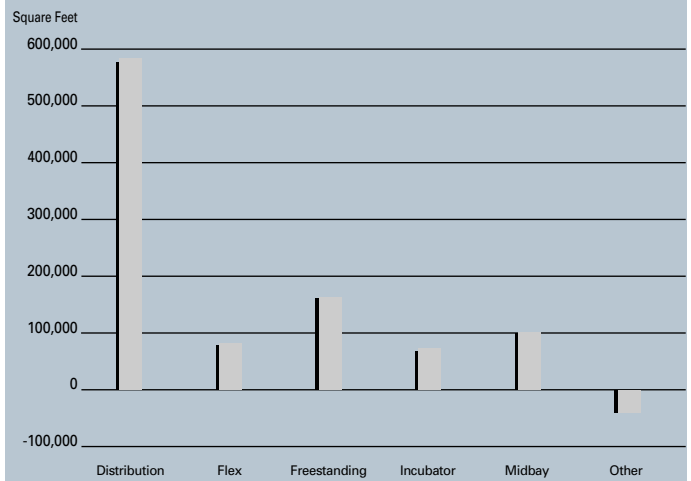
VACANCY RATE BY TYPE



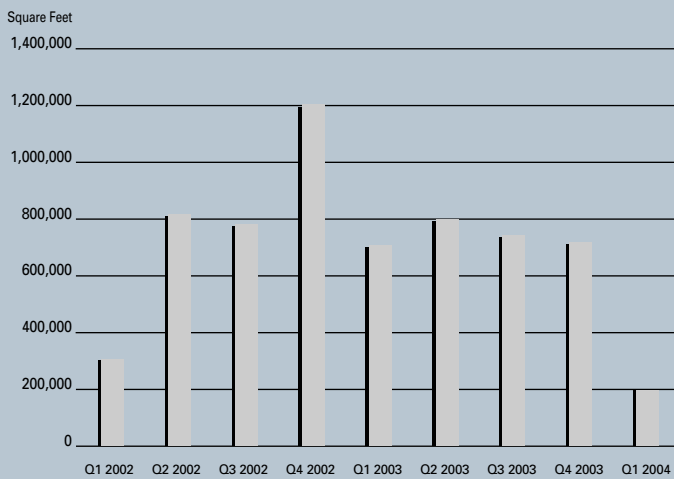
HISTORICAL NET ABSORPTION



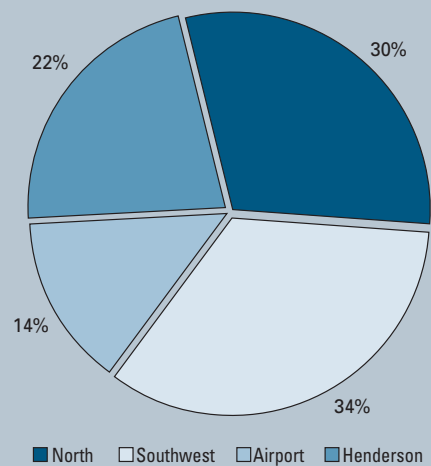
NET ABSORPTION BY TYPE



HISTORICAL NEW CONSTRUCTION



PLANNED CONSTRUCTION BY SUBMARKET

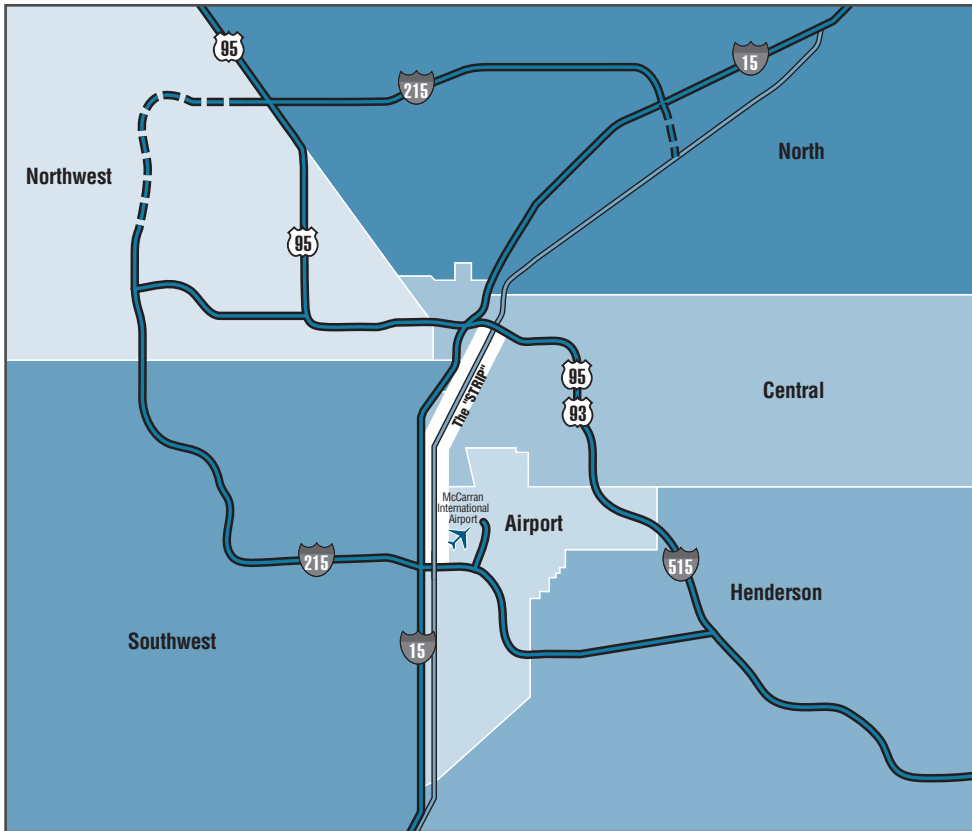


L A S V E G A S M A R K E T

	INVENTORY				VACANCY		ABSORPTION	
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 1Q2004	Net Absorption 1Q2004	New Inventory 1Q2004
Northwest								
Distribution	0	0	0	0	0	0.0%	0	0
Flex	2	119,477	150,000	0	9,503	8.0%	(9,503)	0
Freestanding	6	180,690	0	0	21,360	11.8%	(12,612)	0
Incubator	2	140,000	0	0	50,000	35.7%	0	0
Midbay	0	0	0	0	0	0.0%	0	0
Other	2	54,812	0	0	37,212	67.9%	(37,212)	0
Northwest Total	12	494,979	150,000	0	118,075	23.9%	(59,327)	0
North								
Distribution	86	11,475,179	660,320	459,000	1,943,064	16.9%	285,199	0
Flex	28	945,543	101,149	198,166	211,920	22.4%	33,764	78,270
Freestanding	349	5,779,318	125,221	114,500	183,680	3.2%	28,149	10,000
Incubator	16	378,936	29,000	0	31,300	8.3%	7,500	0
Midbay	41	1,847,286	0	0	129,489	7.0%	78,233	0
Other	0	0	0	0	0	0.0%	0	0
North Total	520	20,426,262	915,690	771,666	2,499,453	12.2%	432,845	88,270
Central								
Distribution	26	1,491,181	0	0	507,644	34.0%	30,240	0
Flex	16	431,145	0	0	27,967	6.5%	0	0
Freestanding	139	2,012,163	0	0	171,948	8.5%	0	0
Incubator	31	794,588	0	0	88,871	11.2%	31,990	0
Midbay	36	1,696,677	0	0	59,305	3.5%	6,373	0
Other	0	0	0	0	0	0.0%	0	0
Central Total	248	6,425,754	0	0	855,735	13.3%	68,603	0
Southwest								
Distribution	90	7,592,061	68,750	373,600	517,673	6.8%	176,004	0
Flex	175	6,304,462	56,000	182,000	583,991	9.3%	(29,820)	0
Freestanding	568	7,002,812	154,607	138,270	356,616	5.1%	144,954	113,880
Incubator	47	1,923,539	0	0	97,992	5.1%	37,080	0
Midbay	88	4,608,044	211,094	160,000	253,957	5.5%	34,803	0
Other	0	0	0	0	0	0.0%	0	0
Southwest Total	968	27,430,918	490,451	853,870	1,810,229	6.6%	363,021	113,880
Airport								
Distribution	50	3,806,618	133,817	0	263,263	6.9%	(19,506)	0
Flex	91	2,408,156	24,000	0	163,403	6.8%	33,638	0
Freestanding	114	2,344,368	51,806	332,491	229,690	9.8%	(7,615)	0
Incubator	30	1,012,566	0	29,548	66,048	6.5%	(766)	0
Midbay	53	2,653,536	0	0	364,738	13.7%	(39,621)	0
Other	2	77,159	0	0	32,528	42.2%	0	0
Airport Total	340	12,302,403	209,623	362,039	1,119,670	9.1%	(33,870)	0
Henderson								
Distribution	36	4,645,035	0	0	649,892	14.0%	115,000	0
Flex	40	914,548	0	16,909	117,367	12.8%	56,742	0
Freestanding	195	2,799,986	94,800	438,047	183,101	6.5%	18,676	0
Incubator	2	33,610	0	0	6,764	20.1%	(5,073)	0
Midbay	36	1,499,065	0	119,426	130,193	8.7%	26,977	0
Other	0	0	0	0	0	0.0%	0	0
Henderson Total	309	9,892,244	94,800	574,382	1,087,317	11.0%	212,322	0
Las Vegas Total								
Distribution	288	29,010,074	862,887	832,600	3,881,536	13.4%	586,937	0
Flex	352	11,123,331	331,149	397,075	1,114,151	10.0%	84,821	78,270
Freestanding	1,371	20,119,337	426,434	1,023,308	1,146,395	5.7%	171,552	123,880
Incubator	128	4,283,239	29,000	29,548	340,975	8.0%	70,731	0
Midbay	254	12,304,608	211,094	279,426	937,682	7.6%	106,765	0
Other	4	131,971	0	0	69,740	52.8%	(37,212)	0
Total	2,397	76,972,560	1,860,564	2,561,957	7,490,479	9.7%	983,594	202,150

INDUSTRIAL MARKET REPORT

FIRST QUARTER 2004



PRODUCT TYPE

INCUBATOR

500-1,500 sf divisibility, minimal office, one roll-up door

FLEX

1,500-3,000 sf divisibility, 40% or more office build-out, one roll-up door, high visibility

MIDBAY

5,000-15,000 sf divisibility, 10-15% office build-out, dock high and grade level loading

DISTRIBUTION

Over 15,000 sf divisibility, 3-5% office build-out, multiple docks and grade level loading

FREESTANDING

Single or dual user(s)

OTHER

Tenant improvements to a non-conventional build-out

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