

INDUSTRIAL MARKET REPORT

FIRST QUARTER 2006

Compared to last quarter:

VACANCY



ABSORPTION



LEASE RATES



CONSTRUCTION



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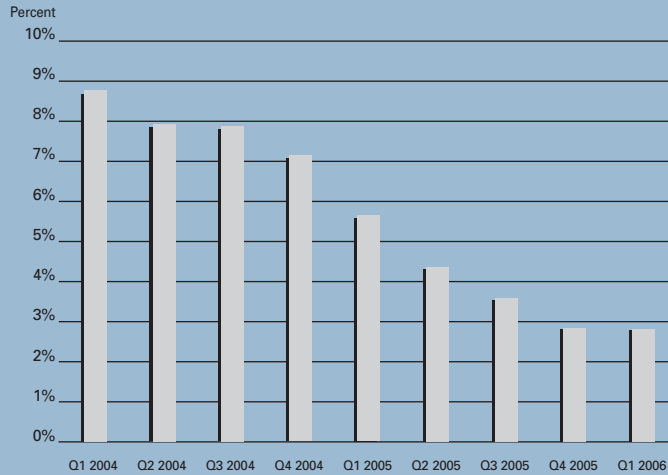
MARKET HIGHLIGHTS

- ◆ Unemployment levels in Las Vegas stood at 3.8 percent during the first quarter 2006, which was down from the 4.3 percent reported one year ago. By comparison, the national unemployment rate was 4.8 percent (seasonally adjusted) at the close of the first quarter.
- ◆ The Las Vegas Valley added an estimated 57,700 new jobs during the past 12 months, representing a 6.9 percent growth rate. During the same period, industrial-using employment added 16,200 new positions, representing a 9.4 annual growth rate within the sector.
- ◆ At the end of the first quarter 2006, the Las Vegas industrial market was comprised of 84.0 million square feet of inventory in 2,638 buildings. With 2.5 million unoccupied square feet, the Valley-wide vacancy rate was 2.9 percent, which was on par with the fourth quarter 2005 and down from 5.7 percent one year ago.
- ◆ The industrial market expanded by 1.4 million square feet, which included the 513,000-square-foot distribution facility for CDW Corporation. Demand (net absorption) nearly matched new space with 1.3 million square feet. Healthy expansion and absorption comes on the heels of the record-setting pace in 2005.
- ◆ Currently, there are 3.7 million square feet of industrial space under construction and 4.6 million square feet planned for future development.
- ◆ Rising development costs and land availability concerns have the potential to limit long-run industrial development activity.

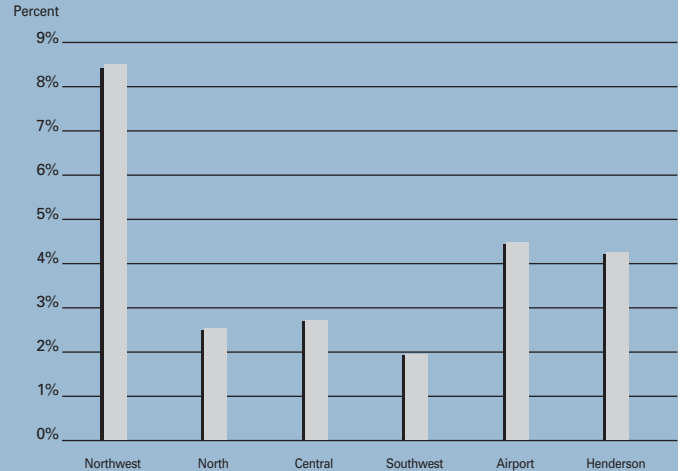
INDUSTRIAL MARKET STATISTICS

	1Q2006	4Q2005	1Q2005	% CHANGE VS. 1Q05
Under Construction	3,659,000	4,657,000	2,465,000	48.44%
Planned Construction	4,584,000	4,281,000	3,038,000	50.89%
Vacancy	2.9%	2.9%	5.7%	-49.12%
Net Absorption	1,350,000	872,000	2,399,000	-43.73%

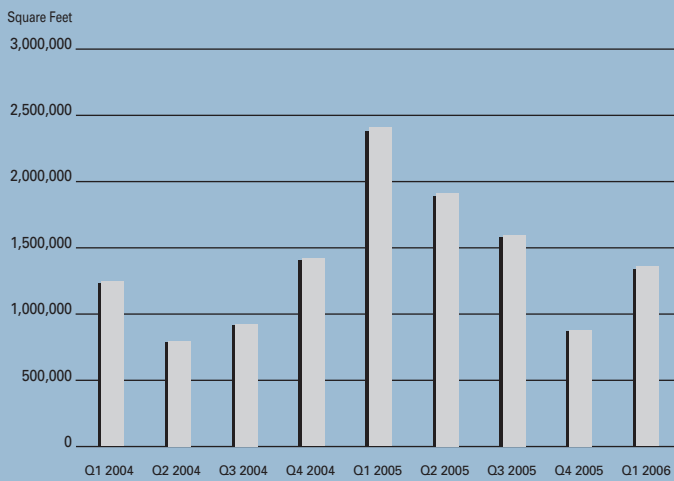
HISTORICAL VACANCY RATE



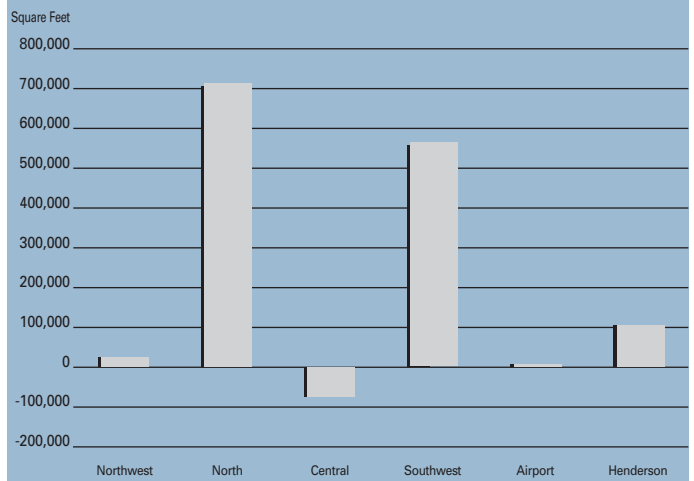
VACANCY RATE BY SUBMARKET



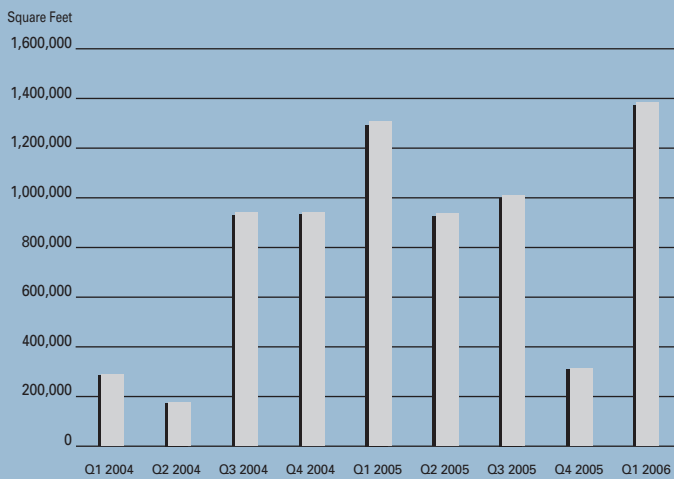
HISTORICAL NET ABSORPTION



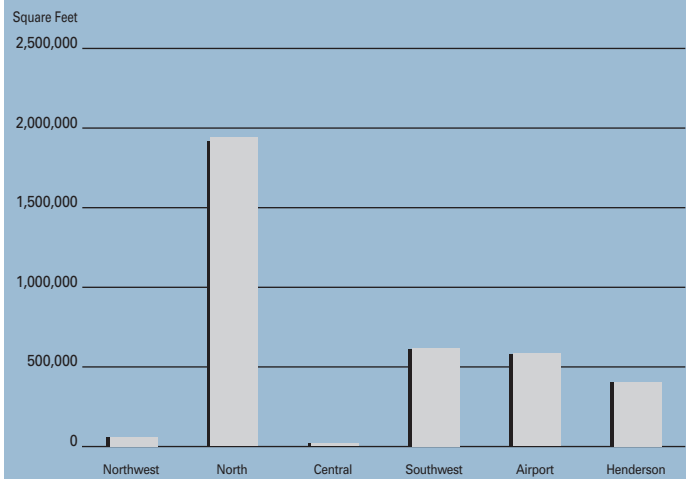
NET ABSORPTION BY SUBMARKET



HISTORICAL NEW CONSTRUCTION



UNDER CONSTRUCTION BY SUBMARKET

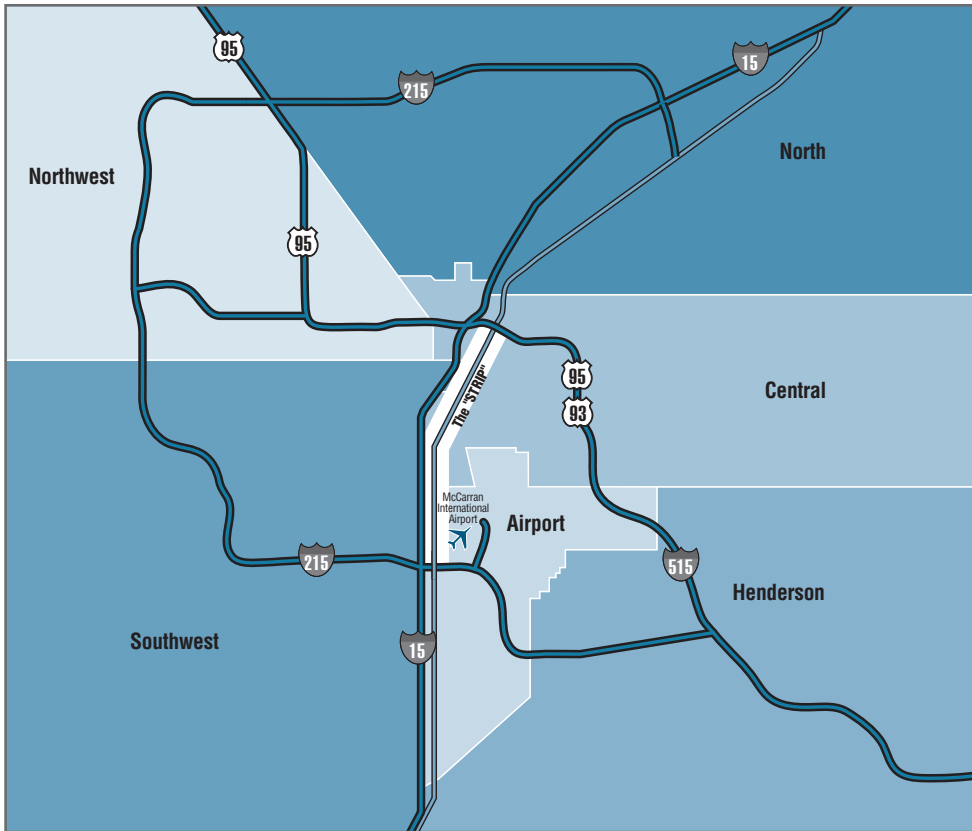


L A S V E G A S M A R K E T

	INVENTORY				VACANCY		ABSORPTION	
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 1Q2006	Net Absorption 1Q2006	New Inventory 1Q2006
Northwest								
Distribution	1	51,000	0	0	24,510	48.1%	26,490	51,000
Flex	8	189,477	70,000	0	28,134	14.8%	6,052	0
Freestanding	6	180,690	0	0	0	0.0%	0	0
Incubator	2	140,000	0	0	0	0.0%	0	0
Midbay	0	0	0	0	0	0.0%	0	0
Other	2	54,812	0	0	0	0.0%	0	0
Northwest Total	19	615,979	70,000	0	52,644	8.5%	32,542	51,000
North								
Distribution	104	13,806,320	907,559	1,018,832	365,137	2.6%	630,920	513,240
Flex	31	1,132,274	66,018	0	46,341	4.1%	17,160	0
Freestanding	410	6,357,192	790,029	590,493	131,434	2.1%	64,144	80,186
Incubator	17	408,584	0	51,040	13,253	3.2%	17,229	0
Midbay	41	1,847,286	172,000	0	60,014	3.2%	(18,695)	0
Other	0	0	0	0	0	0.0%	0	0
North Total	603	23,551,656	1,935,606	1,660,365	616,179	2.6%	710,758	593,426
Central								
Distribution	27	1,384,854	0	60,000	36,970	2.7%	0	0
Flex	16	431,145	0	0	8,457	2.0%	(828)	0
Freestanding	139	1,967,557	20,800	0	28,680	1.5%	(28,680)	0
Incubator	31	797,245	0	0	42,177	5.3%	(29,598)	0
Midbay	36	1,696,677	0	0	58,925	3.5%	(14,530)	0
Other	0	0	0	0	0	0.0%	0	0
Central Total	249	6,277,478	20,800	60,000	175,209	2.8%	(73,636)	0
Southwest								
Distribution	98	8,332,767	337,500	1,432,756	131,394	1.6%	392,110	443,800
Flex	188	6,740,671	126,000	112,049	266,493	4.0%	3,931	37,957
Freestanding	612	7,633,926	171,633	0	51,654	0.7%	8,046	15,674
Incubator	51	1,974,329	0	0	50,318	2.5%	31,711	0
Midbay	95	5,310,656	0	0	98,952	1.9%	127,811	102,617
Other	0	0	0	544,412	0	0.0%	0	0
Southwest Total	1,044	29,992,349	635,133	2,089,217	598,811	2.0%	563,609	600,048
Airport								
Distribution	55	4,180,266	411,398	0	119,984	2.9%	(98,646)	0
Flex	96	2,484,617	39,940	96,214	175,749	7.1%	(100,034)	0
Freestanding	148	2,959,291	111,240	96,444	172,773	5.8%	156,098	150,000
Incubator	27	888,358	0	0	14,527	1.6%	24,770	0
Midbay	41	2,273,435	39,000	0	90,819	4.0%	27,127	0
Other	1	44,631	0	0	0	0.0%	0	0
Airport Total	368	12,830,598	601,578	192,658	573,852	4.5%	9,315	150,000
Henderson								
Distribution	39	5,057,794	204,962	206,450	228,341	4.5%	90,594	0
Flex	40	746,337	0	0	35,380	4.7%	(930)	0
Freestanding	234	3,114,092	190,851	172,373	55,638	1.8%	25,392	0
Incubator	2	33,610	0	0	0	0.0%	0	0
Midbay	40	1,821,531	0	202,543	142,077	7.8%	(7,734)	0
Other	0	0	0	0	0	0.0%	0	0
Henderson Total	355	10,773,364	395,813	581,366	461,436	4.3%	107,322	0
Las Vegas Total								
Distribution	324	32,813,001	1,861,419	2,718,038	906,336	2.8%	1,041,468	1,008,040
Flex	379	11,724,521	301,958	208,263	560,554	4.8%	(74,649)	37,957
Freestanding	1,549	22,212,748	1,284,553	859,310	440,179	2.0%	225,000	245,860
Incubator	130	4,242,126	0	51,040	120,275	2.8%	44,112	0
Midbay	253	12,949,585	211,000	202,543	450,787	3.5%	113,979	102,617
Other	3	99,443	0	544,412	0	0.0%	0	0
Total	2,638	84,041,424	3,658,930	4,583,606	2,478,131	2.9%	1,349,910	1,394,474

INDUSTRIAL MARKET REPORT

FIRST QUARTER 2006



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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