



Industrial Market Report

VOIT COMMERCIAL BROKERAGE

Compared to last quarter:

Vacancy



UP

Absorption

DOWN



Lease Rates



UP

Construction

DOWN



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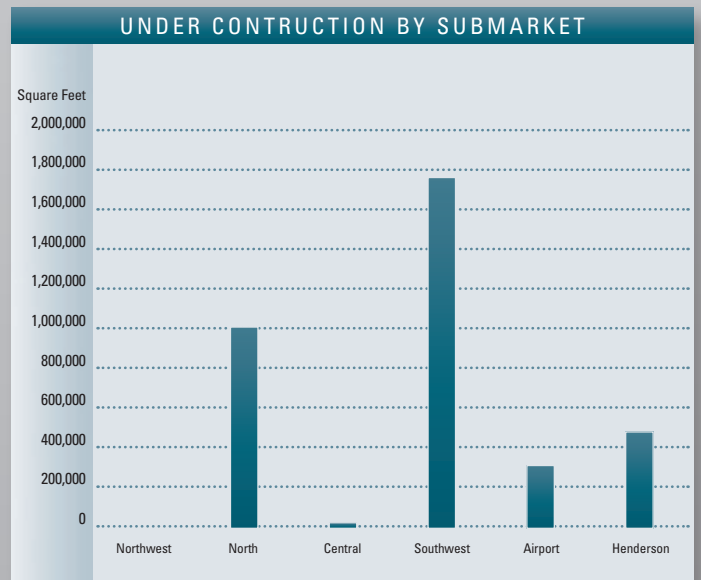
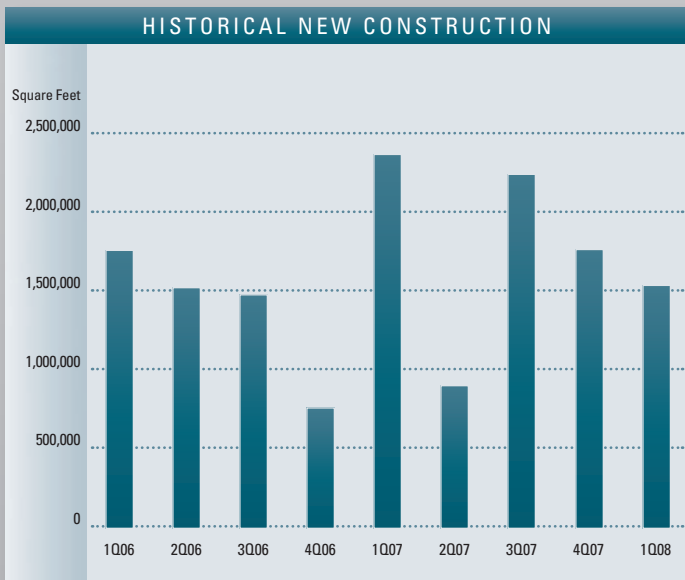
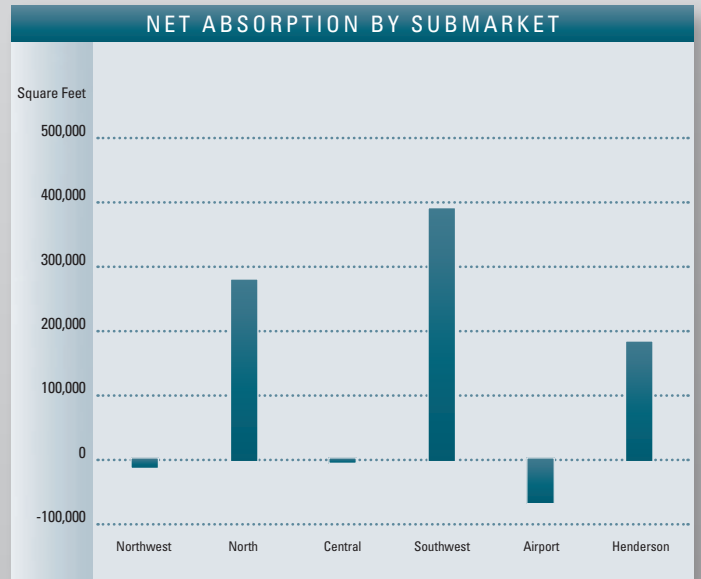
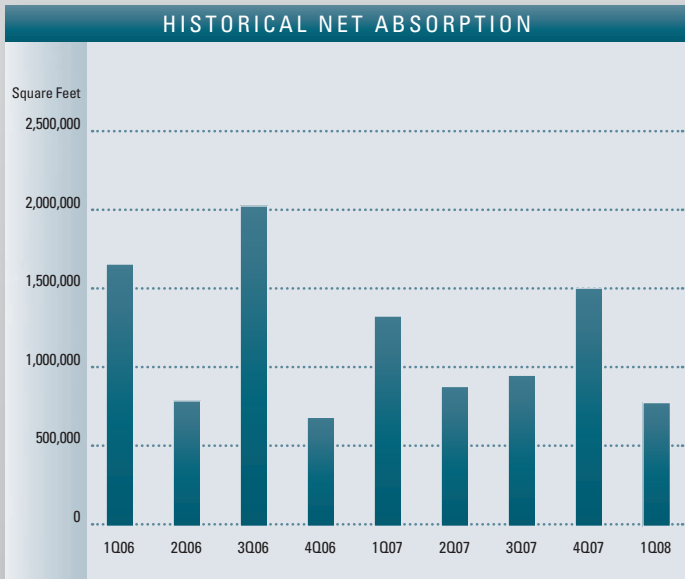
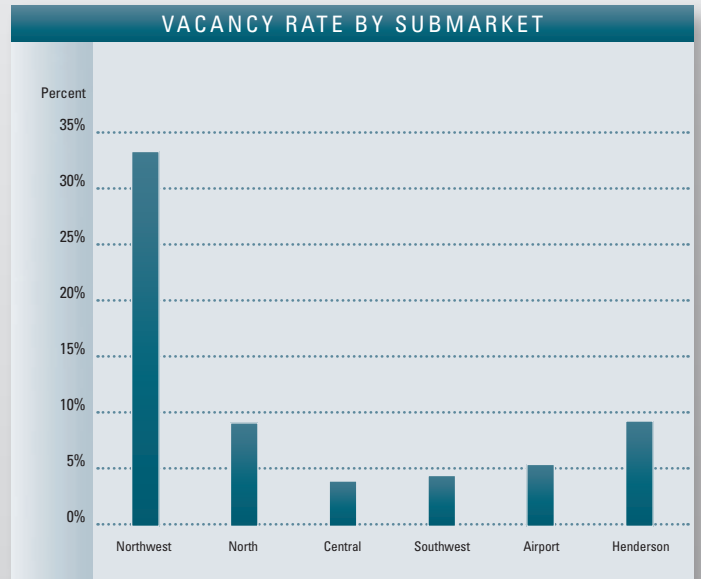
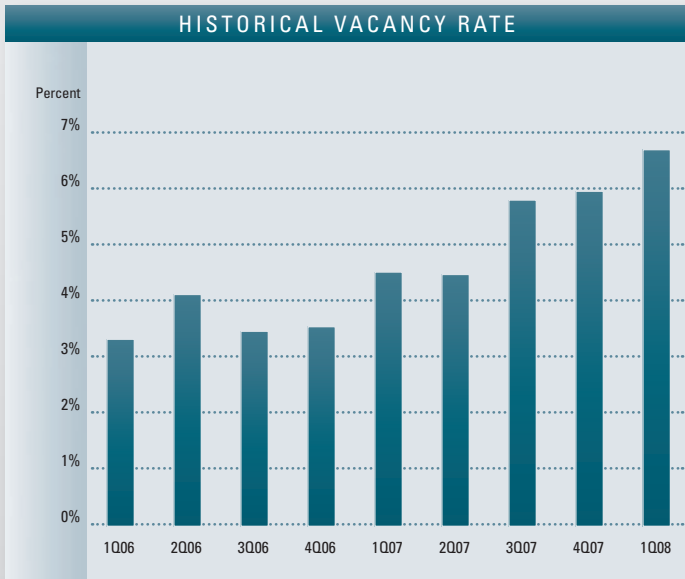
Industrial Market Highlights

- ◆ At the end of the first quarter 2008, the Las Vegas industrial market was comprised of 98.4 million square feet of inventory in 3,156 buildings. With 6.6 million unoccupied square feet, the valley-wide vacancy rate was at 6.7 percent, the highest in three years. It was up from the 6.0 percent reported at the end of the fourth quarter 2007 and the 4.5 percent posted one year ago.
- ◆ The industrial market expanded by 1.5 million square feet during the first quarter, with demand (net absorption) of 753,000 square feet. During the last twelve months, 6.4 million square feet of space came on-line, while 4.0 million square feet was demanded.
- ◆ Major project completions during the first quarter included the Pepsi Co. bottling and distribution center in the southwest, buildings in the Pacific Industrial Center, space in the Valley Freeway Centre and Craig Corporate Park.
- ◆ Currently, there are 3.6 million square feet of industrial space under construction, representing the lowest figure in nearly three years. Another 3.9 million square feet is planned for future development. With reduced levels of new inventory likely to enter the market, vacancies are expected to remain within a reasonable single-digit range.
- ◆ Distribution space and freestanding buildings represent the bulk of development activity in the industrial sector. From a geographical perspective, the southwest remains very active with 1.8 million under construction, and the north reported 1.0 million square feet under development.
- ◆ By the close of the first quarter of 2008, the Las Vegas employment market reported annual employment growth of 1,600 new positions, representing a 0.2 percent increase over the same period of the prior year. Industrial-using employment, which includes construction-related positions, reported a decline of 5,500 positions during the past 12 months, representing a negative 2.9 percent growth rate. Unemployment rates remained above the prior year at 5.4 percent. Slowdowns within the residential and construction sectors contributed to the rise in joblessness claims during the first quarter.

INDUSTRIAL MARKET OVERVIEW

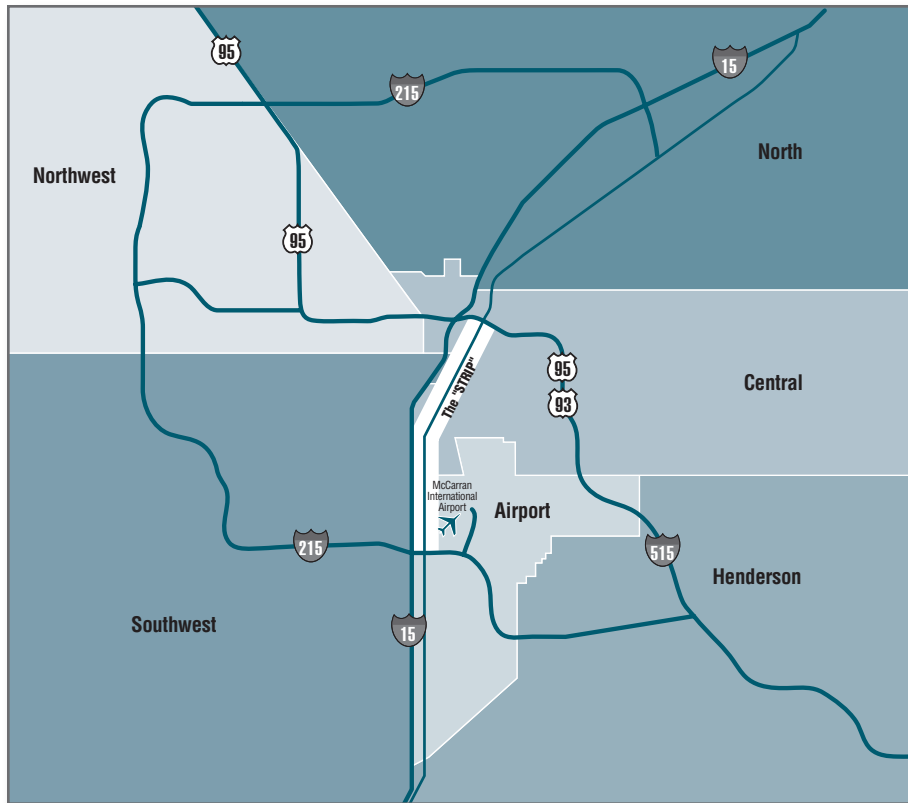
	1Q2008	4Q2007	1Q2007	% CHANGE VS. 1Q07
Under Construction	3,583,000	4,591,000	6,680,000	-46.36%
Planned Construction	3,852,000	3,863,000	2,567,000	50.06%
Vacancy	6.7%	6.0%	4.5%	48.89%
Net Absorption	753,000	1,505,000	1,306,000	-42.34%

Real People. Real Solutions.



	INVENTORY				VACANCY		ABSORPTION	
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 102008	Net Absorption 102008	New Inventory 102008
Northwest								
Distribution	2	196,910	0	0	153,388	77.9%	(7,478)	0
Flex	9	259,477	0	0	96,113	37.0%	(6,063)	0
Freestanding	6	180,690	0	0	21,000	11.6%	(6,000)	0
Incubator	2	120,000	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	21	811,889	0	0	270,501	33.3%	(19,541)	0
North								
Distribution	122	16,440,511	100,000	2,222,032	1,158,936	7.0%	127,921	0
Flex	50	1,449,319	98,006	0	221,080	15.3%	(4,220)	0
Freestanding	554	7,746,818	597,385	817,267	633,216	8.2%	88,757	272,598
Incubator	28	630,667	50,000	34,105	117,102	18.6%	70,630	166,048
Midbay	59	2,786,155	158,854	0	443,169	15.9%	(6,471)	0
Other	0	0	0	0	0	0.0%	0	0
North Total	813	29,053,470	1,004,245	3,073,404	2,573,503	8.9%	276,617	438,646
Central								
Distribution	32	1,480,342	0	0	6,090	0.4%	0	0
Flex	20	459,945	0	0	5,908	1.3%	8,825	0
Freestanding	142	2,105,385	12,533	0	109,860	5.2%	5,648	0
Incubator	31	796,885	0	0	56,418	7.1%	(20,151)	0
Midbay	48	1,709,981	0	0	73,030	4.3%	(3,924)	0
Other	0	0	0	0	0	0.0%	0	0
Central Total	273	6,552,538	12,533	0	251,306	3.8%	(9,602)	0
Southwest								
Distribution	125	11,369,369	852,500	250,000	270,483	2.4%	367,602	427,000
Flex	221	7,009,529	87,000	0	442,903	6.3%	(15,826)	0
Freestanding	658	8,844,233	450,932	332,427	333,604	3.8%	45,111	88,288
Incubator	56	1,947,729	0	0	129,552	6.7%	16,381	0
Midbay	113	5,978,307	379,538	174,593	375,052	6.3%	(22,484)	0
Other	0	0	0	0	0	0.0%	0	0
Southwest Total	1,173	35,149,167	1,769,970	757,020	1,551,594	4.4%	390,784	515,288
Airport								
Distribution	62	4,566,985	212,460	0	136,210	3.0%	(1,009)	0
Flex	125	2,685,548	37,240	0	202,614	7.5%	(54,771)	0
Freestanding	166	3,284,137	60,064	0	135,793	4.1%	67,698	95,000
Incubator	27	778,607	0	0	19,149	2.5%	(15,459)	0
Midbay	44	2,255,950	0	0	215,672	9.6%	(64,255)	0
Other	1	44,631	0	0	0	0.0%	0	0
Airport Total	425	13,615,858	309,764	0	709,438	5.2%	(67,796)	95,000
Henderson								
Distribution	47	6,168,961	300,000	0	309,242	5.0%	(33,201)	0
Flex	44	824,900	26,133	0	83,677	10.1%	(11,078)	0
Freestanding	316	4,018,906	0	21,313	334,853	8.3%	(12,161)	98,388
Incubator	3	189,442	0	0	52,760	27.9%	103,072	155,832
Midbay	41	2,025,840	160,000	0	417,053	20.6%	136,318	216,317
Other	0	0	0	0	0	0.0%	0	0
Henderson Total	451	13,228,049	486,133	21,313	1,197,585	9.1%	182,950	470,537
Las Vegas Total								
Distribution	390	40,223,078	1,464,960	2,472,032	2,034,349	5.1%	453,835	427,000
Flex	469	12,688,718	248,379	0	1,052,295	8.3%	(83,133)	0
Freestanding	1,842	26,180,169	1,120,914	1,171,007	1,568,326	6.0%	189,053	554,274
Incubator	147	4,463,330	50,000	34,105	374,981	8.4%	154,473	321,880
Midbay	305	14,756,233	698,392	174,593	1,523,976	10.3%	39,184	216,317
Other	3	99,443	0	0	0	0.0%	0	0
Total	3,156	98,410,971	3,582,645	3,851,737	6,553,927	6.7%	753,412	1,519,471

This survey consists of buildings greater than 5,000 square feet.



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

For further information, please contact:

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