

# INDUSTRIAL MARKET REPORT

SECOND  
QUARTER  
2004

Compared to  
last quarter:

## VACANCY



## ABSORPTION



## LEASE RATES



## CONSTRUCTION



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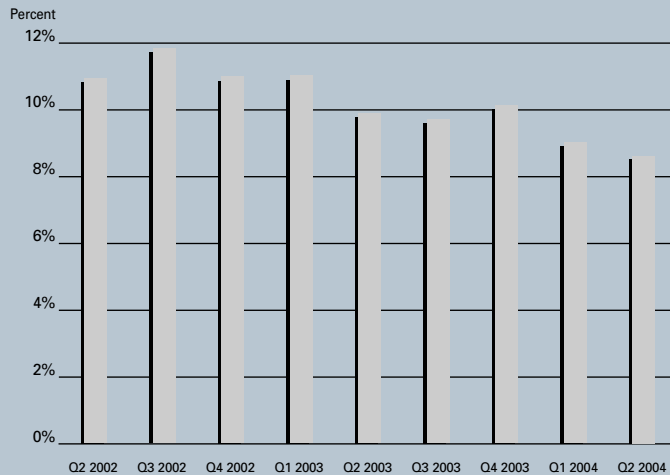
## MARKET HIGHLIGHTS

- ◆ Second quarter unemployment for Las Vegas stood at 3.7 percent, down from the 5.0 percent recorded 12 months prior. By comparison, the national unemployment rate was 5.6 percent (seasonally adjusted) at the close of the second quarter.
- ◆ The Las Vegas Valley added an estimated 38,100 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 second half of 2004.
- ◆ At the end of the second quarter 2004, the Las Vegas industrial market was comprised of 77.2 million square feet of inventory in 2,408 buildings.
- ◆ New additions to the market contributed 184,000 square feet, while demand (net absorption) was an impressive 590,000 square feet.
- ◆ Currently, there are nearly 2.0 million square feet of industrial space under construction and 4.1 million square feet planned for future development.
- ◆ There were 6.7 million unoccupied square feet, producing a market-wide vacancy rate of 8.7 percent.
- ◆ The Valley's industrial market contains 29.2 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 in 2004 in North Las Vegas and the Southwest part of the Valley.

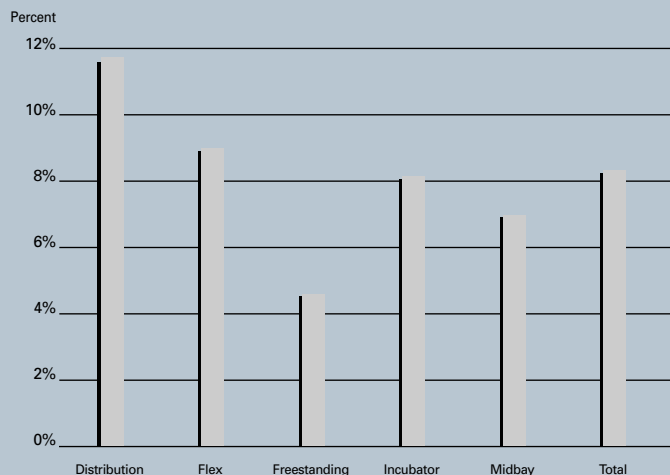
## INDUSTRIAL MARKET STATISTICS

	2Q2004	1Q2004	2Q2003	% CHANGE VS. 2003
Under Construction	1,954,000	1,798,000	1,448,000	34.94%
Planned Construction	4,124,000	2,562,000	1,100,000	274.91%
Vacancy	8.7%	9.2%	9.9%	-12.12%
Net Absorption	590,000	1,102,000	1,432,000	-58.80%

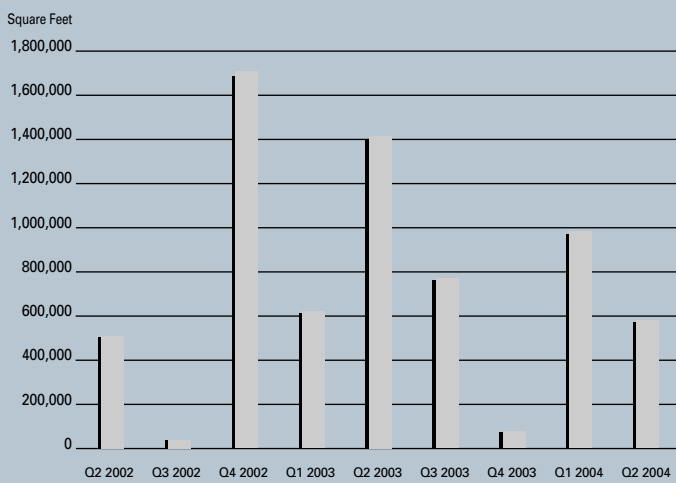
## HISTORICAL VACANCY RATE



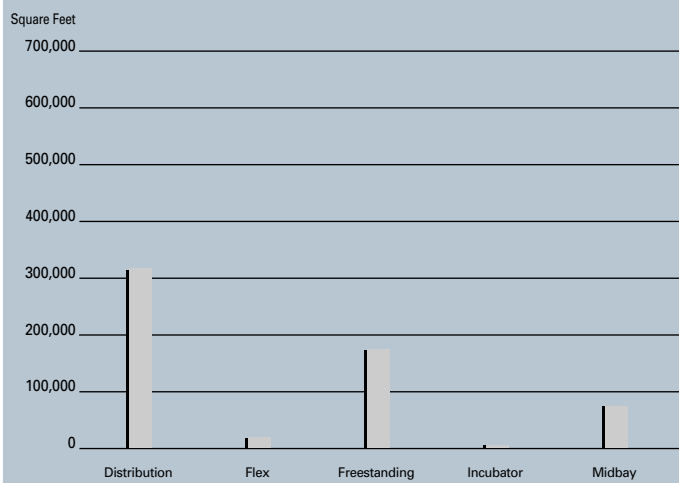
## VACANCY RATE BY TYPE



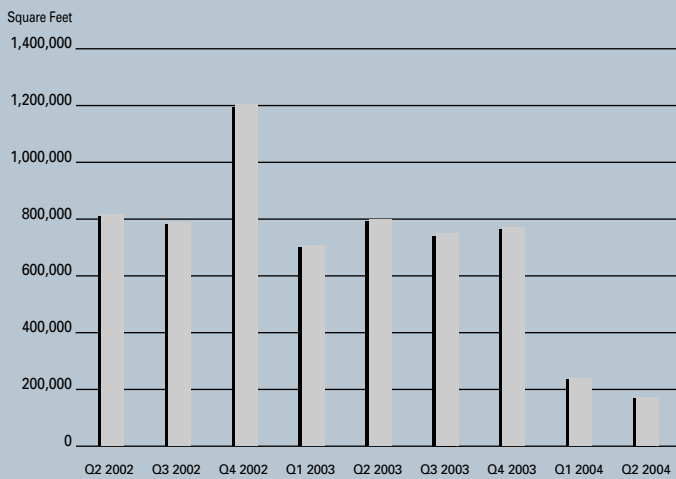
## HISTORICAL NET ABSORPTION



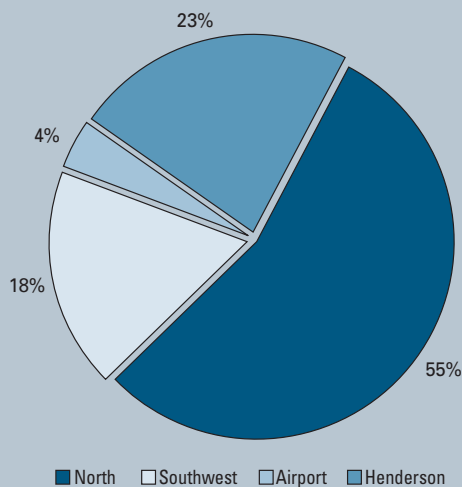
## NET ABSORPTION BY TYPE



## HISTORICAL NEW CONSTRUCTION



## PLANNED CONSTRUCTION BY SUBMARKET

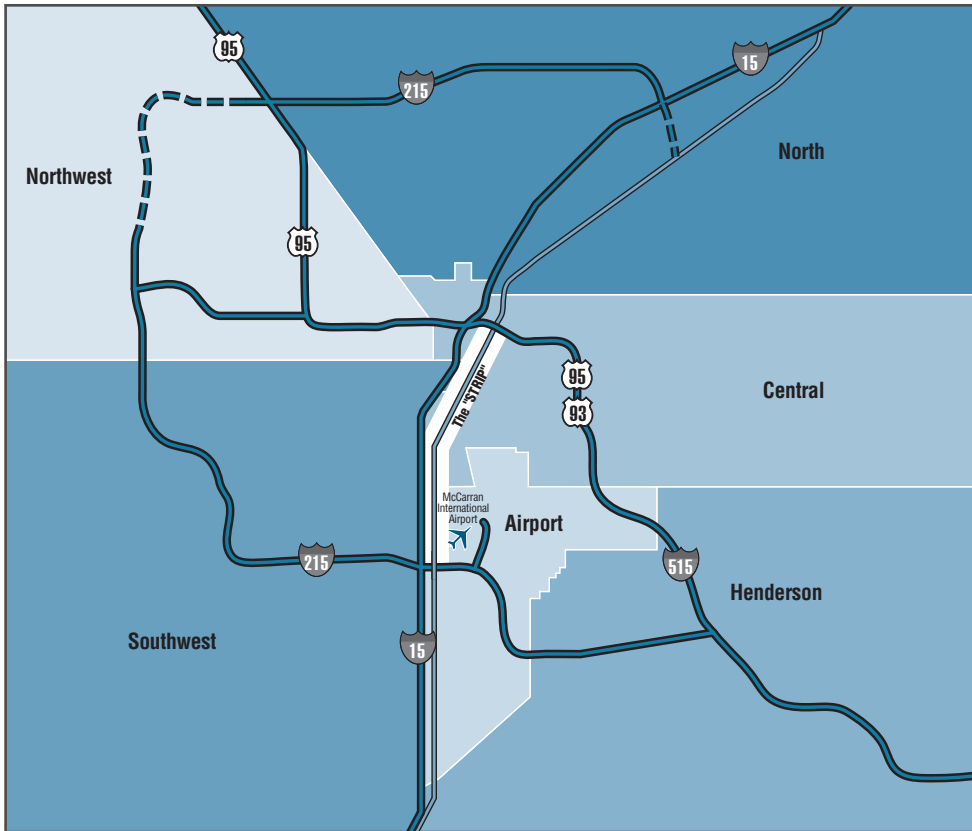


L A S V E G A S M A R K E T

	INVENTORY				VACANCY		ABSORPTION	
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 2Q2004	Net Absorption 2Q2004	New Inventory 2Q2004
<b>Northwest</b>								
Distribution	0	0	0	0	0	0.0%	0	0
Flex	2	119,477	150,000	0	9,503	8.0%	0	0
Freestanding	6	180,690	0	0	21,360	11.8%	0	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%	0	0
<b>Northwest Total</b>	<b>12</b>	<b>494,979</b>	<b>150,000</b>	<b>0</b>	<b>118,075</b>	<b>23.9%</b>	<b>0</b>	<b>0</b>
<b>North</b>								
Distribution	86	11,475,179	660,320	802,125	1,829,800	15.9%	113,264	0
Flex	28	945,543	101,149	198,166	180,272	19.1%	31,648	0
Freestanding	349	5,779,318	125,221	217,030	199,320	3.4%	(19,840)	0
Incubator	16	378,936	29,000	0	37,300	9.8%	(6,000)	0
Midbay	41	1,847,286	0	0	156,726	8.5%	(27,237)	0
Other	0	0	0	0	0	0.0%	0	0
<b>North Total</b>	<b>520</b>	<b>20,426,262</b>	<b>915,690</b>	<b>1,217,321</b>	<b>2,403,418</b>	<b>11.8%</b>	<b>91,835</b>	<b>0</b>
<b>Central</b>								
Distribution	26	1,378,906	0	0	490,884	35.6%	0	0
Flex	16	431,145	0	0	29,177	6.8%	(1,210)	0
Freestanding	139	2,012,163	0	0	167,188	8.3%	4,760	0
Incubator	31	794,588	0	0	87,345	11.0%	1,526	0
Midbay	36	1,696,677	0	0	60,072	3.5%	(767)	0
Other	0	0	0	0	0	0.0%	0	0
<b>Central Total</b>	<b>248</b>	<b>6,313,479</b>	<b>0</b>	<b>0</b>	<b>834,666</b>	<b>13.2%</b>	<b>4,309</b>	<b>0</b>
<b>Southwest</b>								
Distribution	90	7,618,713	0	373,600	422,307	5.5%	39,390	68,750
Flex	176	6,344,462	176,465	253,500	515,109	8.1%	15,803	0
Freestanding	572	7,044,289	113,500	138,270	286,862	4.1%	101,524	41,477
Incubator	49	1,939,625	12,476	0	103,515	5.3%	10,563	16,086
Midbay	88	4,608,044	431,094	0	235,935	5.1%	18,042	0
Other	0	0	0	0	0	0.0%	0	0
<b>Southwest Total</b>	<b>975</b>	<b>27,555,133</b>	<b>733,535</b>	<b>765,370</b>	<b>1,563,728</b>	<b>5.7%</b>	<b>185,322</b>	<b>126,313</b>
<b>Airport</b>								
Distribution	52	3,940,435	0	0	170,761	4.3%	72,319	41,817
Flex	91	2,408,056	24,000	0	197,737	8.2%	(34,334)	0
Freestanding	115	2,363,058	35,782	332,491	134,355	5.7%	87,641	16,024
Incubator	30	1,012,566	0	29,548	71,080	7.0%	(5,032)	0
Midbay	53	2,653,536	0	0	289,062	10.9%	75,976	0
Other	2	77,159	0	0	32,528	42.2%	0	0
<b>Airport Total</b>	<b>343</b>	<b>12,454,810</b>	<b>59,782</b>	<b>362,039</b>	<b>895,523</b>	<b>7.2%</b>	<b>196,570</b>	<b>57,841</b>
<b>Henderson</b>								
Distribution	37	4,802,035	0	1,240,932	503,238	10.5%	95,504	0
Flex	39	757,548	0	16,909	80,845	10.7%	7,672	0
Freestanding	196	2,836,486	94,800	401,547	181,811	6.4%	1,290	0
Incubator	2	33,610	0	0	6,764	20.1%	0	0
Midbay	36	1,499,065	0	119,426	122,832	8.2%	7,361	0
Other	0	0	0	0	0	0.0%	0	0
<b>Henderson Total</b>	<b>310</b>	<b>9,928,744</b>	<b>94,800</b>	<b>1,778,814</b>	<b>895,490</b>	<b>9.0%</b>	<b>111,827</b>	<b>0</b>
<b>Las Vegas Total</b>								
Distribution	291	29,215,268	660,320	2,416,657	3,416,990	11.7%	320,477	110,567
Flex	352	11,006,231	451,614	468,575	1,012,643	9.2%	19,579	0
Freestanding	1,377	20,216,004	369,303	1,089,338	990,896	4.9%	175,375	57,501
Incubator	130	4,299,325	41,476	29,548	356,004	8.3%	1,057	16,086
Midbay	254	12,304,608	431,094	119,426	864,627	7.0%	73,375	0
Other	4	131,971	0	0	69,740	52.8%	0	0
<b>Total</b>	<b>2,408</b>	<b>77,173,407</b>	<b>1,953,807</b>	<b>4,123,544</b>	<b>6,710,900</b>	<b>8.7%</b>	<b>589,863</b>	<b>184,154</b>

# INDUSTRIAL MARKET REPORT

SECOND 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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### For Further Information:

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