

INDUSTRIAL MARKET REPORT

SECOND QUARTER 2005

Compared to last quarter:

VACANCY



ABSORPTION



LEASE RATES



CONSTRUCTION



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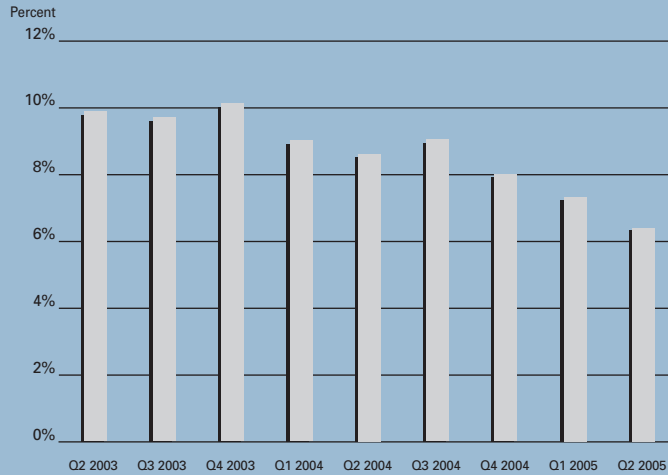
MARKET HIGHLIGHTS

- ◆ Second quarter unemployment for Las Vegas stood at 3.7 percent, down from the 4.3 percent recorded 12 months prior. By comparison, the national unemployment rate was 5.1 percent (seasonally adjusted) at the close of the second quarter.
- ◆ The Las Vegas Valley added an estimated 61,100 new jobs during the past 12 months, representing a 7.6 percent growth rate. Consistent new job growth is anticipated during the upcoming quarter.
- ◆ At the end of the second quarter 2005, the Las Vegas industrial market was comprised of 81.0 million square feet of inventory in 2,540 buildings.
- ◆ New additions to the market contributed 919,000 square feet, while demand (net absorption) was 1.5 million square feet.
- ◆ Currently, there are over 1.8 million square feet of industrial space under construction and 4.4 million square feet planned for future development.
- ◆ There were 5.1 million unoccupied square feet, producing a market-wide vacancy rate of 6.3 percent. Current vacancies represented a decline from the 8.6 percent reported one year ago.
- ◆ Land availability and rising prices have the potential to limit the amount of developable industrial property in the future, as previously industrially-zoned parcels have been acquired with the intent of 'down-zoning' to residential and other uses.

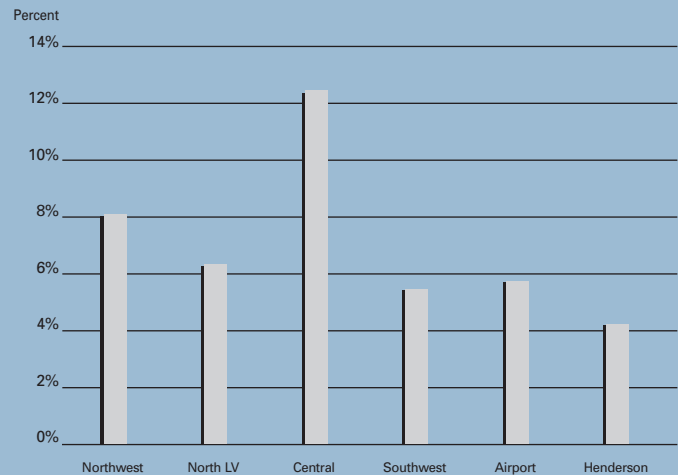
INDUSTRIAL MARKET STATISTICS

	2Q 2005	1Q 2005	2Q 2004	% CHANGE VS. 2004
Under Construction	1,835,000	2,440,000	2,278,000	-19.45%
Planned Construction	4,427,000	3,038,000	3,879,000	14.13%
Vacancy	6.3%	7.1%	8.6%	-26.74%
Net Absorption	1,453,000	1,795,000	568,000	155.81%

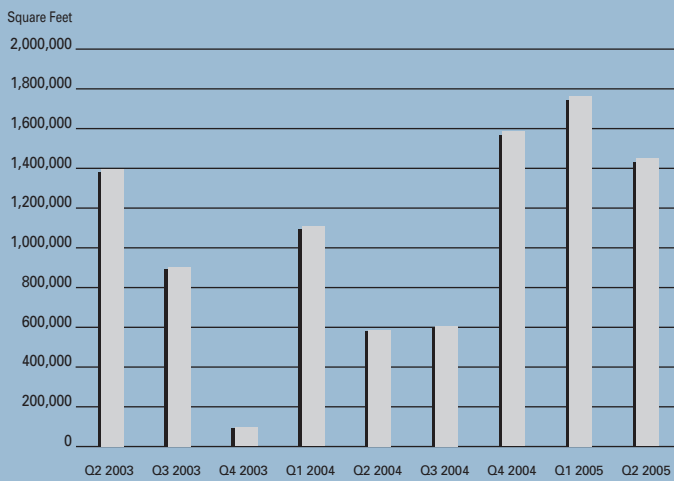
HISTORICAL VACANCY RATE



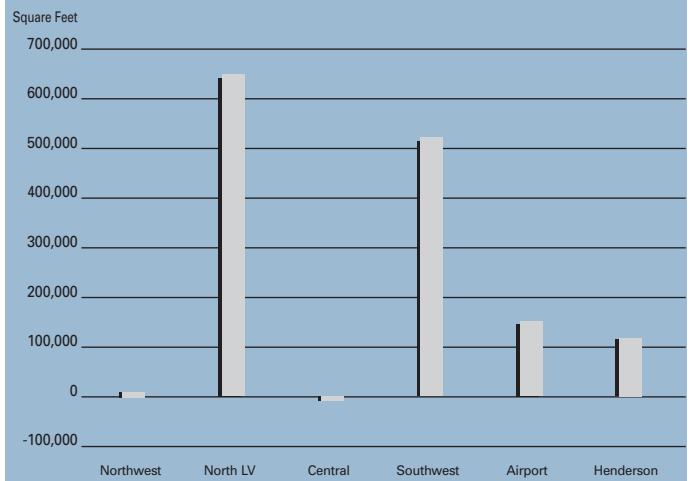
VACANCY RATE BY SUBMARKET



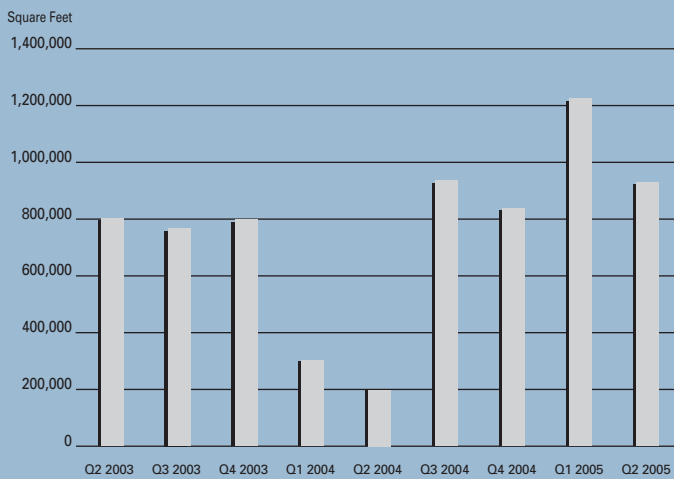
HISTORICAL NET ABSORPTION



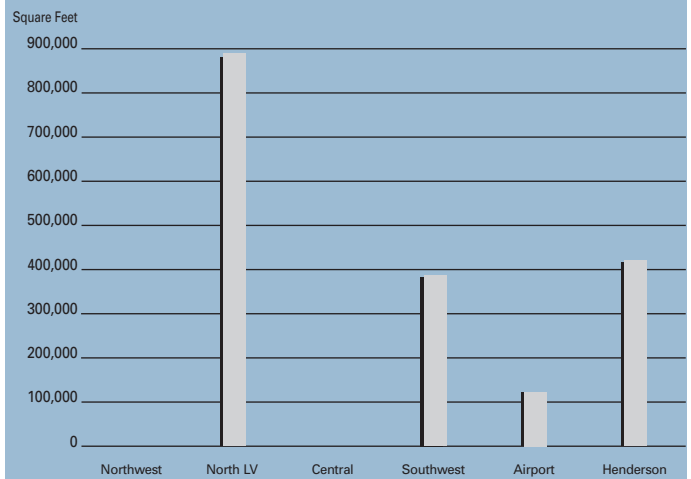
NET ABSORPTION BY SUBMARKET



HISTORICAL NEW CONSTRUCTION



UNDER CONSTRUCTION BY SUBMARKET

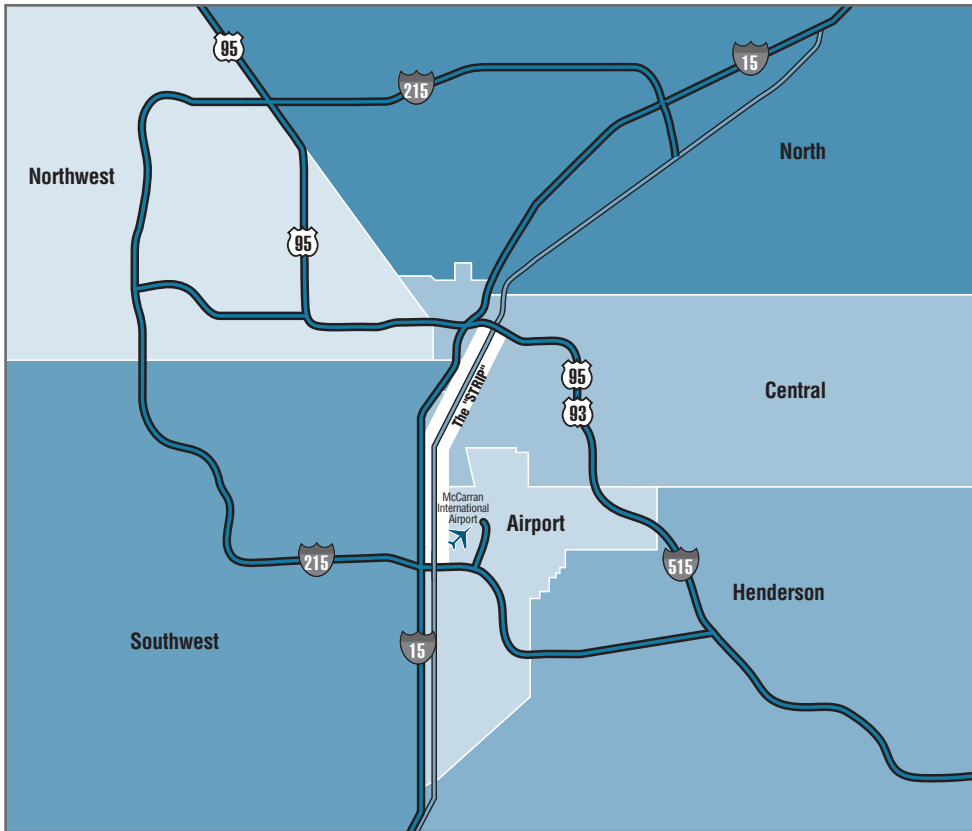


L A S V E G A S M A R K E T

	INVENTORY				VACANCY		ABSORPTION	
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 2Q2005	Net Absorption 2Q2005	New Inventory 2Q2005
Northwest								
Distribution	0	0	0	0	0	0.0%	0	0
Flex	8	189,477	0	70,000	30,036	15.9%	16,000	0
Freestanding	6	180,690	0	0	14,862	8.2%	0	0
Incubator	2	140,000	0	0	1,440	1.0%	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	18	564,979	0	70,000	46,338	8.2%	16,000	0
North								
Distribution	94	12,753,079	783,540	1,383,660	870,278	6.8%	566,318	343,125
Flex	32	1,156,254	0	66,018	243,837	21.1%	24,680	0
Freestanding	388	6,074,525	110,266	826,495	212,298	3.5%	34,725	31,071
Incubator	17	408,584	0	0	30,079	7.4%	18,869	0
Midbay	41	1,847,286	0	0	122,072	6.6%	9,802	0
Other	0	0	0	0	0	0.0%	0	0
North Total	572	22,239,728	893,806	2,276,173	1,478,564	6.6%	654,394	374,196
Central								
Distribution	25	1,333,512	0	0	448,096	33.6%	0	0
Flex	16	431,145	0	0	45,524	10.6%	(1,846)	0
Freestanding	140	2,057,557	0	0	150,517	7.3%	0	0
Incubator	31	797,245	0	0	75,269	9.4%	(13,266)	0
Midbay	36	1,696,677	0	0	79,773	4.7%	(3,360)	0
Other	0	0	0	0	0	0.0%	0	0
Central Total	248	6,316,136	0	0	799,179	12.7%	(18,472)	0
Southwest								
Distribution	92	7,858,967	0	0	364,263	4.6%	52,116	0
Flex	186	6,591,265	35,000	259,457	561,967	8.5%	(7,361)	0
Freestanding	579	7,251,058	318,055	41,659	229,893	3.2%	172,158	153,011
Incubator	50	1,952,101	0	0	133,242	6.8%	(2,809)	0
Midbay	94	5,230,022	35,464	586,609	316,480	6.1%	313,457	308,556
Other	0	0	0	0	0	0.0%	0	0
Southwest Total	1,001	28,883,413	388,519	887,725	1,605,845	5.6%	527,561	461,567
Airport								
Distribution	55	4,159,161	0	0	120,274	2.9%	28,771	0
Flex	101	2,674,743	0	216,426	136,460	5.1%	35,659	0
Freestanding	134	2,710,221	132,000	56,240	187,433	6.9%	69,942	83,631
Incubator	30	1,012,566	0	0	71,080	7.0%	0	0
Midbay	42	2,298,249	0	0	202,038	8.8%	21,258	0
Other	2	77,159	0	0	32,528	42.2%	0	0
Airport Total	364	12,932,099	132,000	272,666	749,813	5.8%	155,630	83,631
Henderson								
Distribution	37	4,726,994	292,800	702,132	57,343	1.2%	84,387	0
Flex	39	720,877	0	0	63,096	8.8%	23,795	0
Freestanding	222	3,057,194	62,098	0	186,868	6.1%	17,672	0
Incubator	2	33,610	0	0	6,764	20.1%	0	0
Midbay	37	1,554,199	66,000	218,400	135,040	8.7%	(8,357)	0
Other	0	0	0	0	0	0.0%	0	0
Henderson Total	337	10,092,874	420,898	920,532	449,111	4.4%	117,497	0
Las Vegas Total								
Distribution	303	30,831,713	1,076,340	2,085,792	1,860,254	6.0%	731,592	343,125
Flex	382	11,763,761	35,000	611,901	1,080,920	9.2%	90,927	0
Freestanding	1,469	21,331,245	622,419	924,394	981,871	4.6%	294,497	267,713
Incubator	132	4,344,106	0	0	317,874	7.3%	2,794	0
Midbay	250	12,626,433	101,464	805,009	855,403	6.8%	332,800	308,556
Other	4	131,971	0	0	32,528	24.6%	0	0
Total	2,540	81,029,229	1,835,223	4,427,096	5,128,850	6.3%	1,452,610	919,394

INDUSTRIAL MARKET REPORT

SECOND QUARTER 2005



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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