

# INDUSTRIAL MARKET REPORT

SECOND  
QUARTER  
2007

Compared to  
last quarter:

## VACANCY



## ABSORPTION



## LEASE RATES



## CONSTRUCTION



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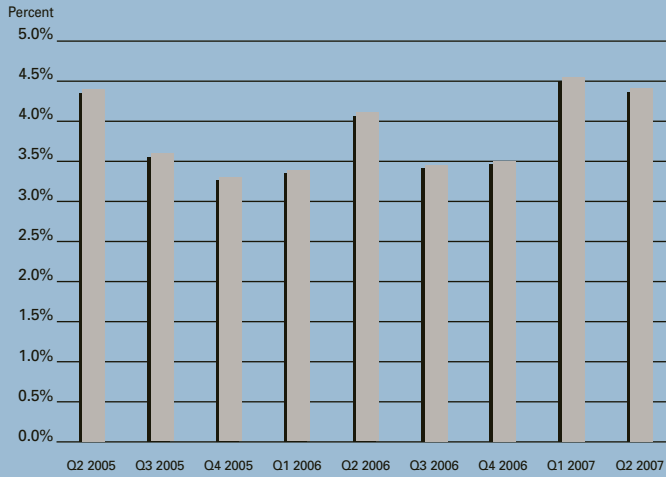
## MARKET HIGHLIGHTS

- ◆ By the second quarter of 2007, the Las Vegas employment market reported annual employment growth of 21,200 new positions, representing a below-average 2.3-percent increase over the same period of the prior year. Industrial-using employment posted modest growth as the construction sector impacted the market. Slowdowns in residential construction activity and a lag in hotel-casino employment growth dampened the latest valley-wide figures. The resort development pipeline remains strong and will likely act as a catalyst for additional market expansion.
- ◆ The unemployment levels in Las Vegas reached 4.2 percent at the close of the second quarter, which was up materially from the 3.8 percent reported one year ago. However, unemployment levels remained below the 4.5 percent reported nationwide.
- ◆ At the end of the second quarter 2007, the Las Vegas industrial market was comprised of 92.3 million square feet of inventory in 2,933 buildings. With 4.1 million unoccupied square feet, the Valley-wide vacancy rate was 4.4 percent, which was down from the 4.6 percent reported at the end of the first quarter 2007 and up from the 4.1 percent posted one year ago.
- ◆ The industrial market expanded by 860,000 square feet during the second quarter, with demand (net absorption) of 974,000 square feet. During the last twelve months, 5.4 million square feet of space came on-line, while 4.9 million square feet was demanded.
- ◆ Currently, there are 6.9 million square feet of industrial space under construction (including several large build-to-suit projects) and another 3.1 million square feet planned for future development. Given current market conditions, including rising development costs and land availability concerns, this may be the last sizable wave of industrial development in the Las Vegas urban core for quite some time.

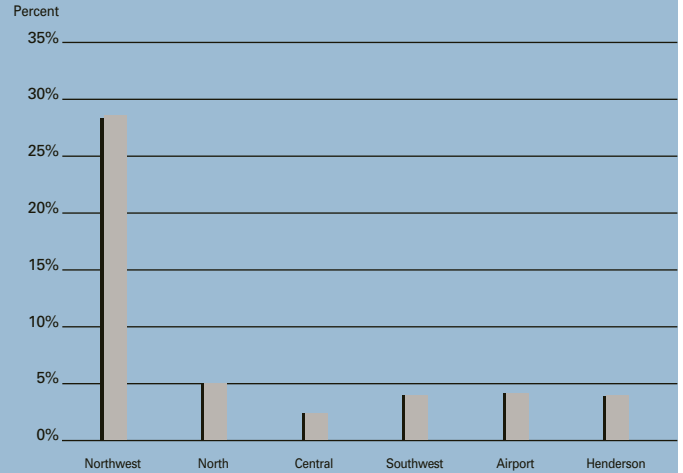
## INDUSTRIAL MARKET STATISTICS

	Q2 2007	Q1 2007	Q2 2006	% CHANGE (Y-0-Y)
Under Construction	6,912,000	6,845,000	5,658,000	22.16%
Planned Construction	3,098,000	2,434,000	5,271,000	-41.23%
Vacancy	4.4%	4.6%	4.1%	7.32%
Net Absorption	974,000	1,284,000	768,000	26.82%

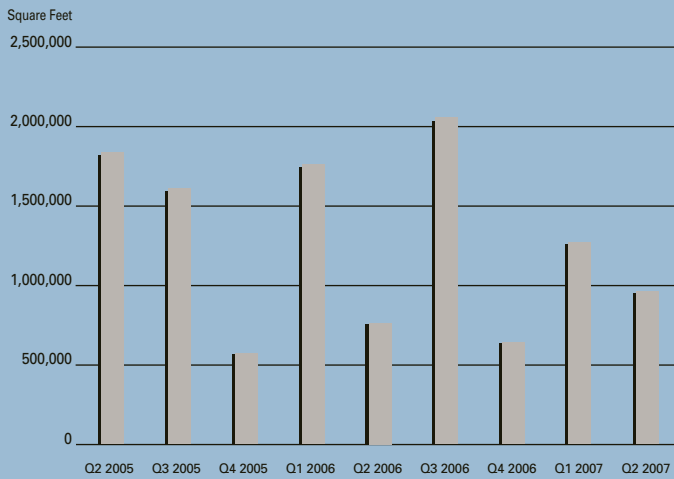
## HISTORICAL VACANCY RATE



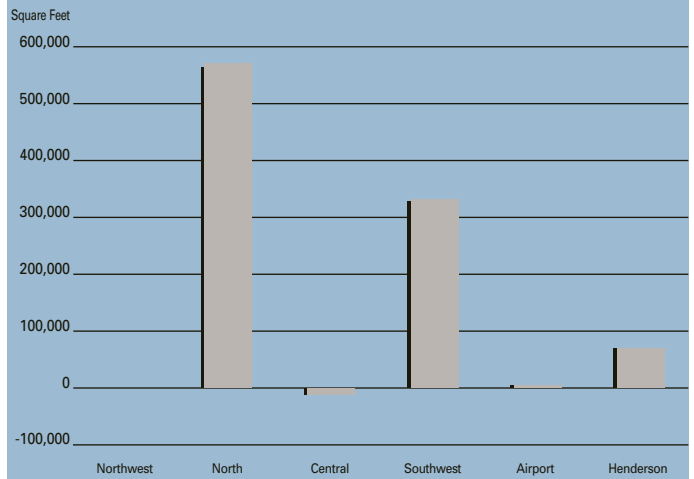
## VACANCY RATE BY SUBMARKET



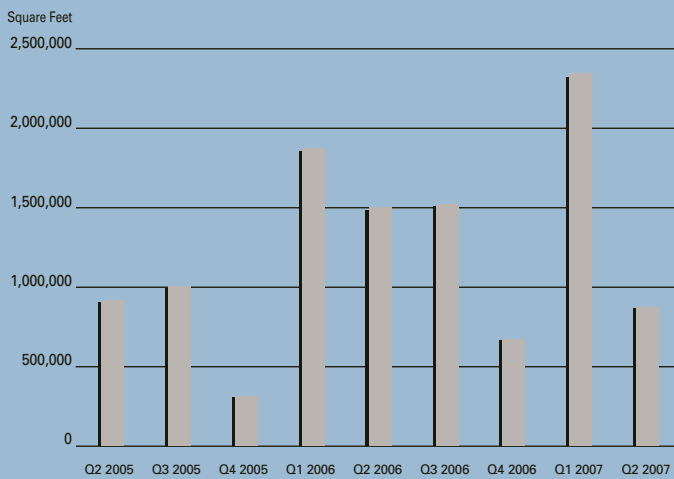
## HISTORICAL NET ABSORPTION



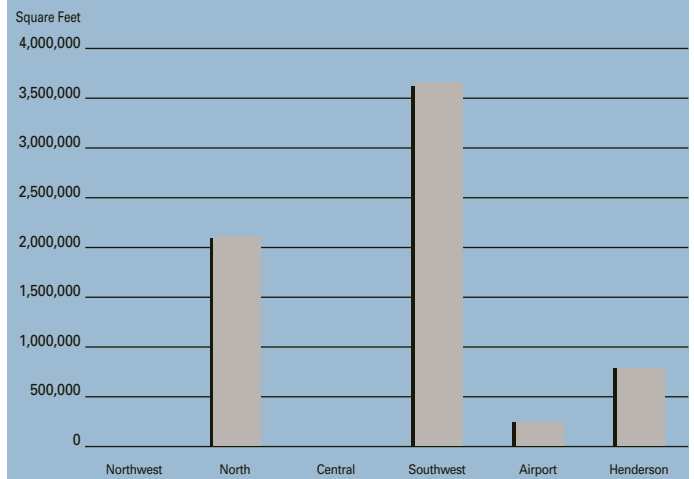
## NET ABSORPTION BY SUBMARKET



## HISTORICAL NEW CONSTRUCTION



## UNDER CONSTRUCTION BY SUBMARKET

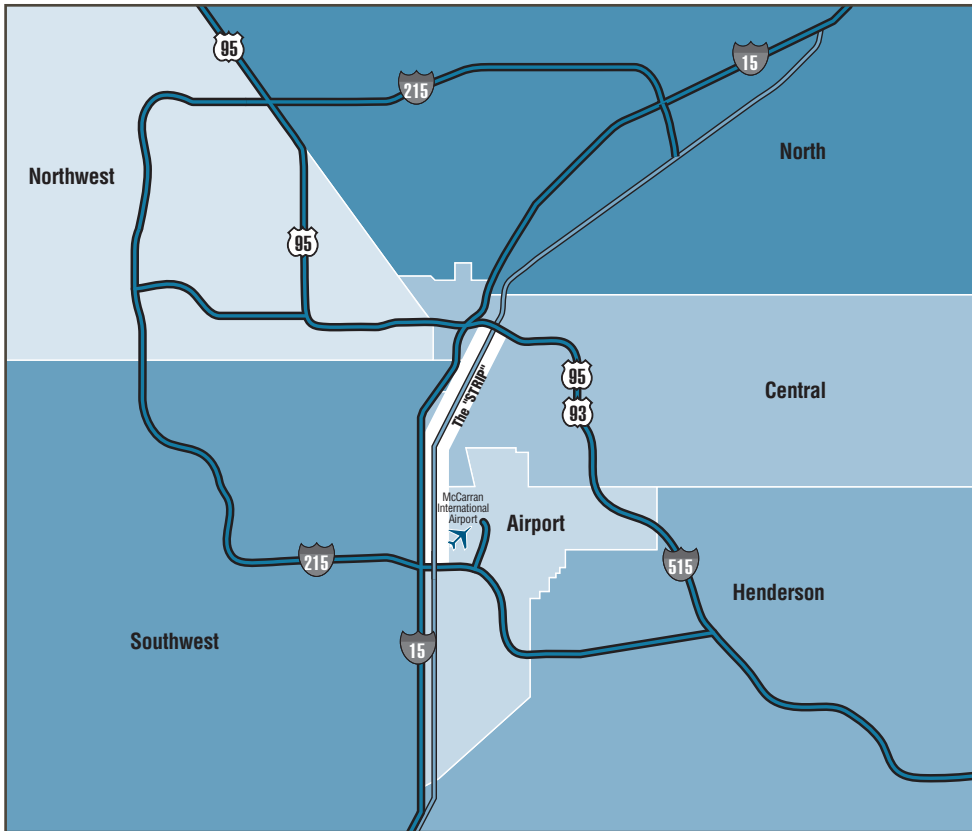


L A S V E G A S M A R K E T

	INVENTORY				VACANCY		ABSORPTION	
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 2Q2007	Net Absorption 2Q2007	New Inventory 2Q2007
<b>Northwest</b>								
Distribution	2	196,910	0	0	145,910	74.1%	0	0
Flex	9	259,477	0	0	71,441	27.5%	0	0
Freestanding	6	180,690	0	0	15,000	8.3%	0	0
Incubator	2	120,000	0	0	0	0.0%	2,230	0
Midbay	0	0	0	0	0	0.0%	0	0
Other	2	54,812	0	0	0	0.0%	0	0
<b>Northwest Total</b>	<b>21</b>	<b>811,889</b>	<b>0</b>	<b>0</b>	<b>232,351</b>	<b>28.6%</b>	<b>2,230</b>	<b>0</b>
<b>North</b>								
Distribution	108	14,823,558	1,616,953	1,544,245	401,312	2.7%	199,372	0
Flex	40	1,389,319	51,040	42,786	162,250	11.7%	14,876	0
Freestanding	479	7,157,494	445,186	617,110	296,561	4.1%	147,571	148,990
Incubator	19	508,584	26,035	0	13,670	2.7%	48,741	50,000
Midbay	55	2,705,855	0	278,700	444,776	16.4%	159,144	0
Other	0	0	0	0	0	0.0%	0	0
<b>North Total</b>	<b>701</b>	<b>26,584,810</b>	<b>2,139,214</b>	<b>2,482,841</b>	<b>1,318,569</b>	<b>5.0%</b>	<b>569,704</b>	<b>198,990</b>
<b>Central</b>								
Distribution	29	1,428,435	0	51,907	3,606	0.3%	(3,606)	0
Flex	20	459,945	0	0	11,354	2.5%	(1,338)	0
Freestanding	143	2,104,037	0	12,533	81,676	3.9%	(13,053)	0
Incubator	31	797,245	0	0	30,725	3.9%	28,356	0
Midbay	37	1,708,677	0	0	49,865	2.9%	(24,665)	0
Other	0	0	0	0	0	0.0%	0	0
<b>Central Total</b>	<b>260</b>	<b>6,498,339</b>	<b>0</b>	<b>64,440</b>	<b>177,226</b>	<b>2.7%</b>	<b>(14,306)</b>	<b>0</b>
<b>Southwest</b>								
Distribution	106	10,136,220	2,531,300	21,988	277,526	2.7%	72,763	56,118
Flex	218	6,924,947	175,973	51,296	249,170	3.6%	52,233	0
Freestanding	622	8,202,541	558,626	79,624	341,071	4.2%	65,128	60,758
Incubator	80	1,959,329	0	0	109,208	5.6%	14,771	0
Midbay	101	5,693,074	423,698	58,880	352,772	6.2%	132,295	333,370
Other	0	0	0	0	0	0.0%	0	0
<b>Southwest Total</b>	<b>1,127</b>	<b>32,916,111</b>	<b>3,689,597</b>	<b>211,788</b>	<b>1,329,747</b>	<b>4.0%</b>	<b>337,190</b>	<b>450,246</b>
<b>Airport</b>								
Distribution	60	4,466,664	150,000	0	79,918	1.8%	17,836	0
Flex	122	2,575,302	0	0	155,979	6.1%	(12,959)	0
Freestanding	161	3,155,774	112,888	19,200	116,343	3.7%	88,743	113,858
Incubator	27	778,607	0	0	3,866	0.5%	4,872	0
Midbay	45	2,311,457	0	13,803	202,500	8.8%	(92,075)	0
Other	1	44,631	0	0	0	0.0%	0	0
<b>Airport Total</b>	<b>416</b>	<b>13,332,435</b>	<b>262,888</b>	<b>33,003</b>	<b>558,606</b>	<b>4.2%</b>	<b>6,417</b>	<b>113,858</b>
<b>Henderson</b>								
Distribution	44	5,883,978	278,193	0	69,580	1.2%	8,394	0
Flex	44	824,900	0	0	63,329	7.7%	23,857	0
Freestanding	280	3,648,464	309,949	59,713	165,127	4.5%	108,133	97,342
Incubator	2	33,610	0	0	0	0.0%	0	0
Midbay	38	1,809,523	231,840	246,000	167,440	9.3%	(67,189)	0
Other	0	0	0	0	0	0.0%	0	0
<b>Henderson Total</b>	<b>408</b>	<b>12,200,475</b>	<b>819,982</b>	<b>305,713</b>	<b>465,476</b>	<b>3.8%</b>	<b>73,195</b>	<b>97,342</b>
<b>Las Vegas Total</b>								
Distribution	349	36,935,765	4,576,446	1,618,140	977,852	2.6%	294,759	56,118
Flex	453	12,433,890	227,013	94,082	713,523	5.7%	76,669	0
Freestanding	1,691	24,449,000	1,426,649	788,180	1,015,778	4.2%	396,522	420,948
Incubator	161	4,197,375	26,035	0	157,469	3.8%	98,970	50,000
Midbay	276	14,228,586	655,538	597,383	1,217,353	8.6%	107,510	333,370
Other	3	99,443	0	0	0	0.0%	0	0
<b>Total</b>	<b>2,933</b>	<b>92,344,059</b>	<b>6,911,681</b>	<b>3,097,785</b>	<b>4,081,975</b>	<b>4.4%</b>	<b>974,430</b>	<b>860,436</b>

# INDUSTRIAL MARKET REPORT

SECOND QUARTER 2007



## 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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[www.voidco.com](http://www.voidco.com)

## For Further Information:

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