



Industrial Market Report

VOIT COMMERCIAL BROKERAGE

Compared to last quarter:

Vacancy



UP

Absorption



UP

Lease Rates



UP

Construction



DOWN

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Prepared by:
Jerry J. Holdner, Jr.
Vice President of Market Research
e-mail: jholdner@voitco.com



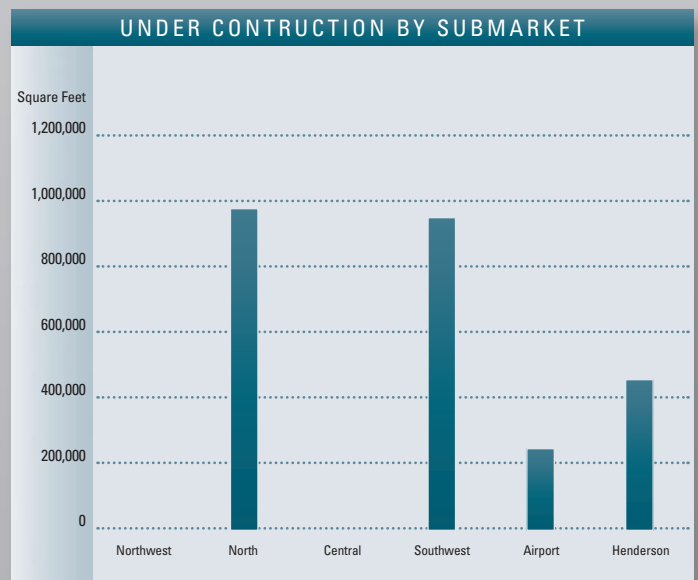
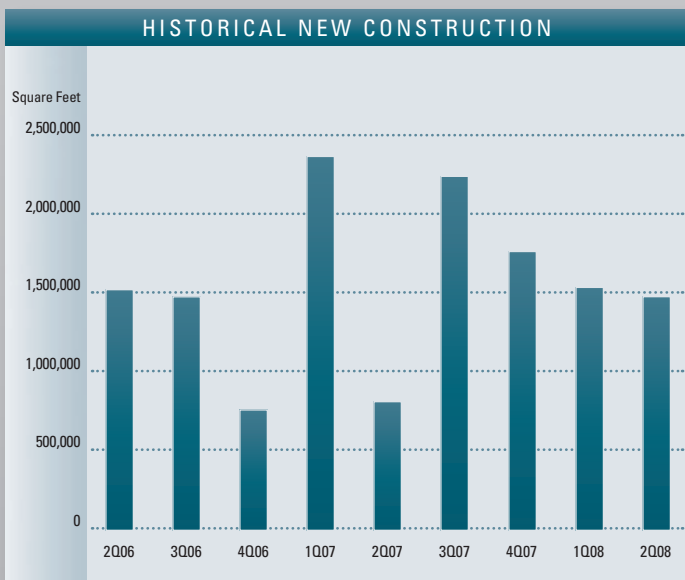
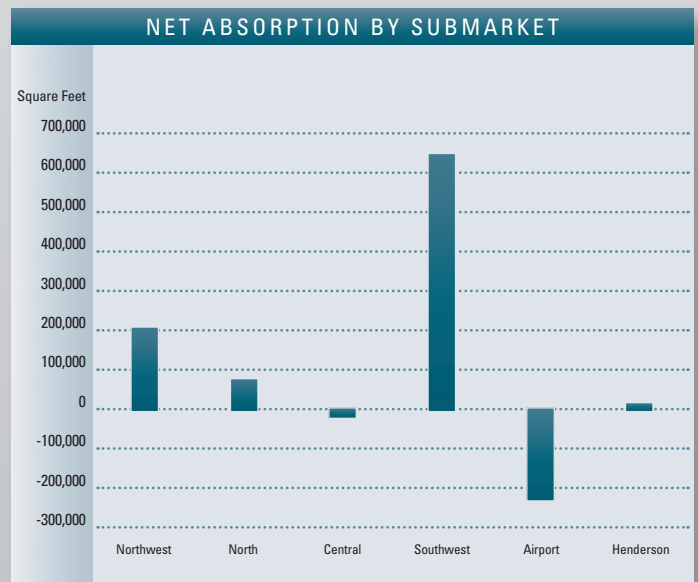
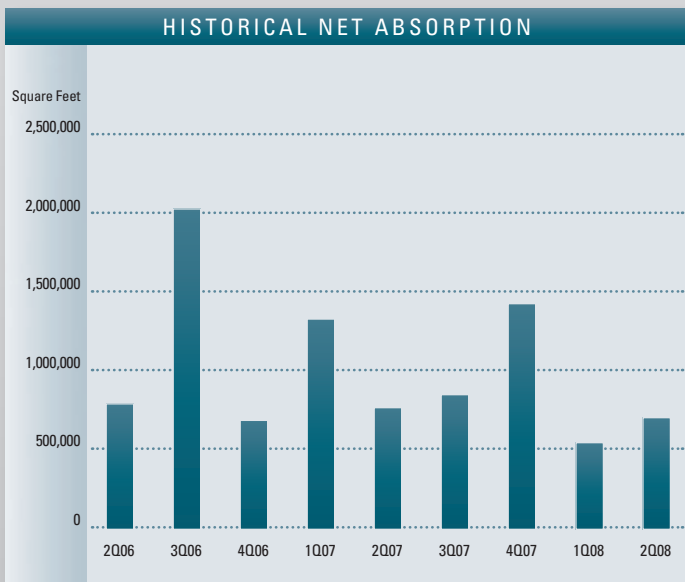
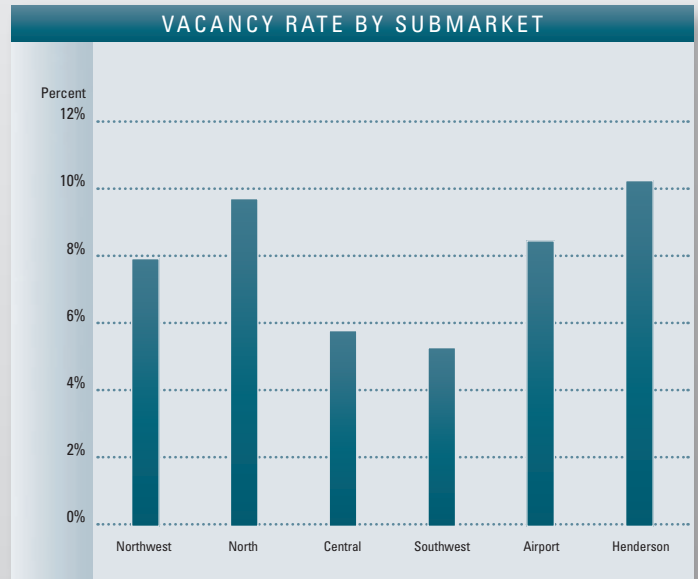
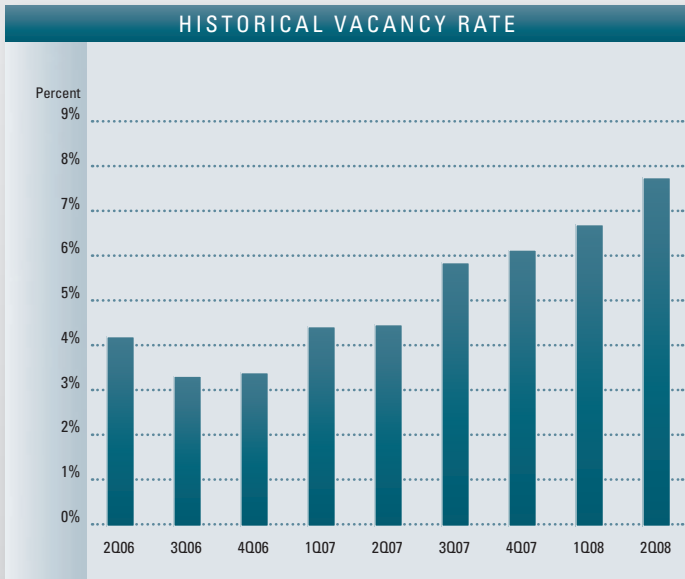
Industrial Market Highlights

- ◆ The Las Vegas industrial real estate market reached 100 million square feet by the middle of 2008, expanding by 1.5 million square feet during the second quarter and 3.0 million through the first six months of the year. Continued expansions were met with less robust market demand (net absorption) which resulted in a rising vacancy rate back to normalized levels.
- ◆ At the end of the second quarter 2008, the market's 3,200 industrial buildings posted an aggregate vacancy factor of 7.7 percent. While vacancies were up from 7.1 percent in the preceding quarter (Q1 2008) and up 3.2 point from 4.5 percent one year ago, they remain within a normalized range.
- ◆ Market demand during the second quarter totaled 695,000 square feet. During the past 12 months, net absorption totaled 3.5 million square feet, which was well off the 7.0 million annual run-rate posted during 2005. Looking forward, net absorption is likely to remain off its previous record-setting pace as industry expansions and relocations have slowed in response to the current economic climate.
- ◆ Major project completions during the second quarter included a handful of distribution buildings in the Beltway Business Park, buildings in the Saddleback Park West Business Center, space in Arrowhead Commerce Center and Decatur Business Center.
- ◆ Currently, there is 2.6 million square feet of industrial space under construction, representing the lowest figure in nearly four years as a number of projects recently completed construction. Another 3.8 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.
- ◆ Freestanding buildings represent the largest share of development activity in the industrial sector. From a geographical perspective, the southwest and north portions of the valley remain the most active with a combined 1.9 million square feet under construction. The north reported the largest share of planned activity with 3.3 million square feet on the drawing boards.
- ◆ The Las Vegas employment market reported a below-average performance during the past year, with a net job loss of 4,700 positions, which represented a 0.5-percent decrease from the same time last year. Various sectors, including construction, professional and business services, and leisure and hospitality posted staffing reductions. Barring construction, various industrial-related employment sectors posted year-over-year increases, including wholesale (up 1.7 percent), transportation and warehousing (up 2.7 percent), and manufacturing (up 0.7 percent).

INDUSTRIAL MARKET OVERVIEW

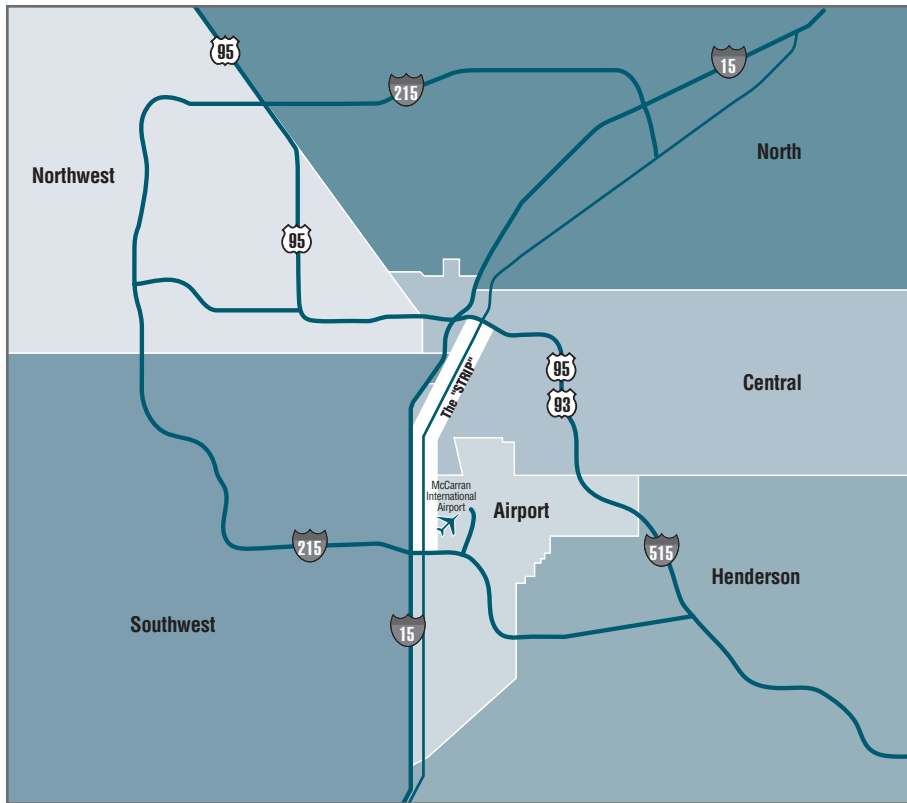
	2Q2008	1Q2008	2Q2007	% CHANGE VS. 2007
Under Construction	2,639,000	3,753,000	6,452,000	-59.10%
Planned Construction	3,816,000	3,061,000	3,543,000	7.71%
Vacancy	7.7%	7.1%	4.5%	71.11%
Net Absorption	695,000	553,000	754,000	-7.82%

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 202008	Net Absorption 202008	New Inventory 202008
Northwest								
Distribution	2	196,910	0	0	7,478	3.8%	145,910	0
Flex	9	259,477	0	0	57,851	22.3%	38,262	0
Freestanding	6	180,690	0	0	0	0.0%	21,000	0
Incubator	2	120,000	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	21	811,889	0	0	65,329	8.0%	205,172	0
North								
Distribution	123	16,505,311	100,000	2,571,522	1,146,659	6.9%	77,099	0
Flex	50	1,388,577	46,966	0	279,269	20.1%	(50,189)	0
Freestanding	554	7,759,918	675,385	716,119	664,680	8.6%	30,711	16,000
Incubator	30	750,232	0	0	226,942	30.2%	9,725	119,565
Midbay	59	2,786,131	158,854	0	489,699	17.6%	15,836	0
Other	0	0	0	0	0	0.0%	0	0
North Total	816	29,190,169	981,205	3,287,641	2,807,249	9.6%	83,182	135,565
Central								
Distribution	34	1,645,551	0	0	108,485	6.6%	0	0
Flex	20	459,945	0	0	5,908	1.3%	0	0
Freestanding	143	2,117,918	0	0	106,750	5.0%	15,643	12,533
Incubator	36	796,885	0	0	70,006	8.8%	(13,588)	0
Midbay	48	1,709,981	0	0	98,801	5.8%	(25,771)	0
Other	0	0	0	0	0	0.0%	0	0
Central Total	281	6,730,280	0	0	389,950	5.8%	(23,716)	12,533
Southwest								
Distribution	129	12,252,144	250,000	0	419,743	3.4%	656,631	852,500
Flex	222	7,096,529	0	0	551,252	7.8%	(23,444)	87,000
Freestanding	699	9,083,189	322,261	332,427	419,280	4.6%	69,627	131,210
Incubator	59	1,977,729	0	0	104,110	5.3%	25,442	0
Midbay	113	5,978,307	379,538	174,593	433,258	7.2%	(88,250)	0
Other	0	0	0	0	0	0.0%	0	0
Southwest Total	1,222	36,387,898	951,799	507,020	1,927,643	5.3%	640,006	1,070,710
Airport								
Distribution	64	4,715,041	64,460	0	476,261	10.1%	(191,995)	148,056
Flex	123	2,682,556	37,240	0	204,625	7.6%	8,618	0
Freestanding	169	3,335,190	60,064	0	230,529	6.9%	(29,356)	65,380
Incubator	27	778,607	0	0	16,200	2.1%	2,949	0
Midbay	48	2,179,950	83,916	0	237,390	10.9%	(21,718)	0
Other	1	44,631	0	0	0	0.0%	0	0
Airport Total	432	13,735,975	245,680	0	1,165,005	8.5%	(231,502)	213,436
Henderson								
Distribution	48	6,290,341	300,000	0	301,027	4.8%	95,590	0
Flex	44	819,811	0	0	84,215	10.3%	25,595	26,133
Freestanding	320	4,032,533	0	21,313	393,867	9.8%	(25,540)	0
Incubator	3	189,442	0	0	155,832	82.3%	0	0
Midbay	40	1,904,460	160,000	0	432,245	22.7%	(74,079)	0
Other	0	0	0	0	0	0.0%	0	0
Henderson Total	455	13,236,587	460,000	21,313	1,367,186	10.3%	21,566	26,133
Las Vegas Total								
Distribution	400	41,605,298	714,460	2,571,522	2,459,653	5.9%	783,235	1,000,556
Flex	468	12,706,895	84,206	0	1,183,120	9.3%	(1,158)	113,133
Freestanding	1,891	26,509,438	1,057,710	1,069,859	1,815,106	6.8%	82,085	225,123
Incubator	157	4,612,895	0	0	573,090	12.4%	24,528	119,565
Midbay	308	14,558,829	782,308	174,593	1,691,393	11.6%	(193,982)	0
Other	3	99,443	0	0	0	0.0%	0	0
Total	3,227	100,092,798	2,638,684	3,815,974	7,722,362	7.7%	694,708	1,458,377

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:

ANAHEIM METRO OFFICE

3500 W. Orangewood Ave.
Orange, CA 92868-1642

TEL: 714.978.7880
FAX: 714.978.9431

CHULA VISTA OFFICE

660 Bay Blvd., Suite 210
Chula Vista, CA 91910

TEL: 619.498.4560
FAX: 619.498.4567

IRVINE OFFICE

2020 Main St., Suite 100
Irvine, CA 92614

TEL: 949.851.5100
FAX: 949.261.9092

LAS VEGAS OFFICE

10100 W. Charleston Blvd.,
Suite 200
Las Vegas, NV 89135

TEL: 702.734.4500
FAX: 702.733.7690

SAN DIEGO OFFICE

4370 La Jolla Village Dr.,
Suite 990
San Diego, CA 92122-1233

TEL: 858.453.0505
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