

INDUSTRIAL MARKET REPORT

THIRD
QUARTER
2005

Compared to
last quarter:

VACANCY



ABSORPTION



LEASE RATES



CONSTRUCTION



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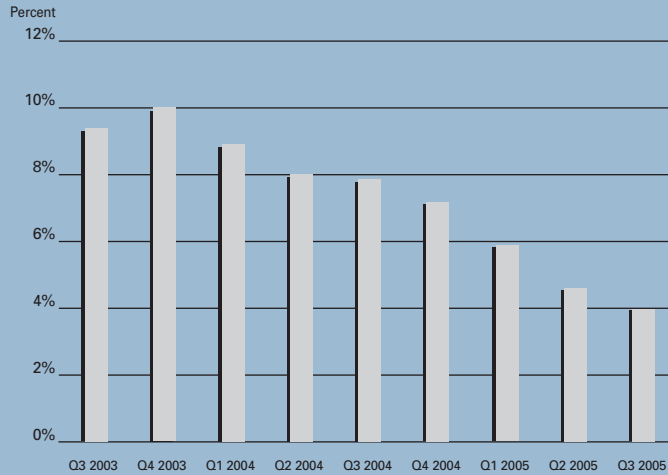
MARKET HIGHLIGHTS

- ◆ Third quarter unemployment for Las Vegas stood at 4.0 percent, down from the 4.2 percent recorded 12 months prior. By comparison, the national unemployment rate was 4.9 percent (seasonally adjusted) at the close of the third quarter.
- ◆ The Las Vegas Valley added an estimated 62,100 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 third quarter 2005, the Las Vegas industrial market was comprised of 82.0 million square feet of inventory in 2,580 buildings.
- ◆ New additions to the market contributed 1.0 million square feet, while demand (net absorption) was 1.4 million square feet.
- ◆ Currently, there are over 3.6 million square feet of industrial space under construction and 3.7 million square feet planned for future development.
- ◆ There were 3.3 million unoccupied square feet, producing a market-wide vacancy rate of 4.0 percent. Current vacancies represented a decline from the 7.9 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.

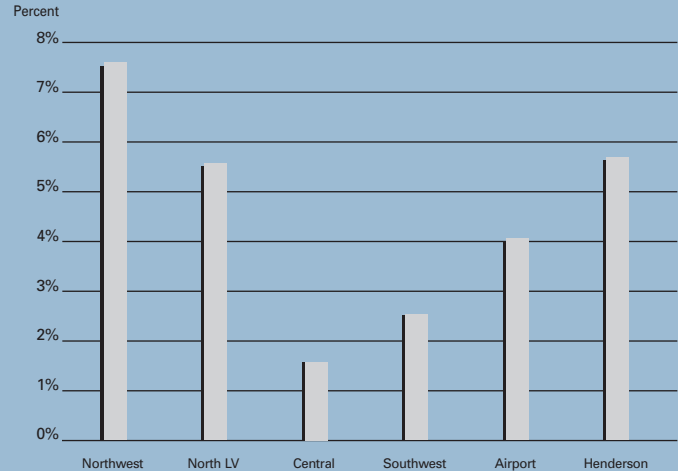
INDUSTRIAL MARKET STATISTICS

	3Q 2005	2Q 2005	3Q 2004	% CHANGE VS. 3Q04
Under Construction	3,639,000	2,463,000	2,332,000	56.05%
Planned Construction	3,640,000	4,966,000	3,154,000	15.41%
Vacancy	4.0%	4.6%	7.9%	-49.37%
Net Absorption	1,420,000	1,839,000	925,000	53.51%

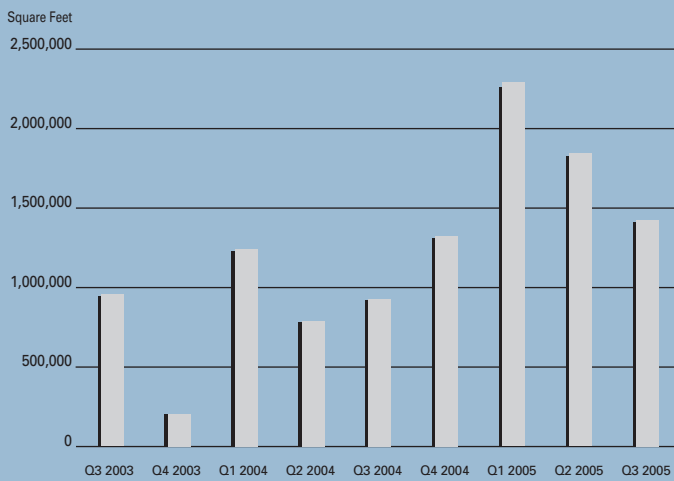
HISTORICAL VACANCY RATE



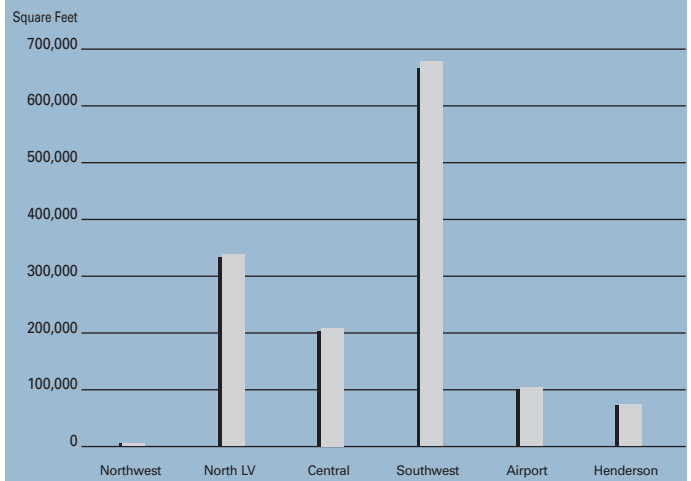
VACANCY RATE BY SUBMARKET



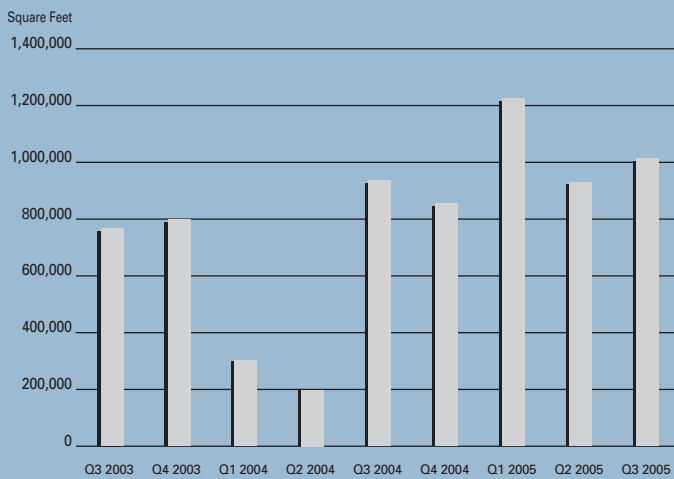
HISTORICAL NET ABSORPTION



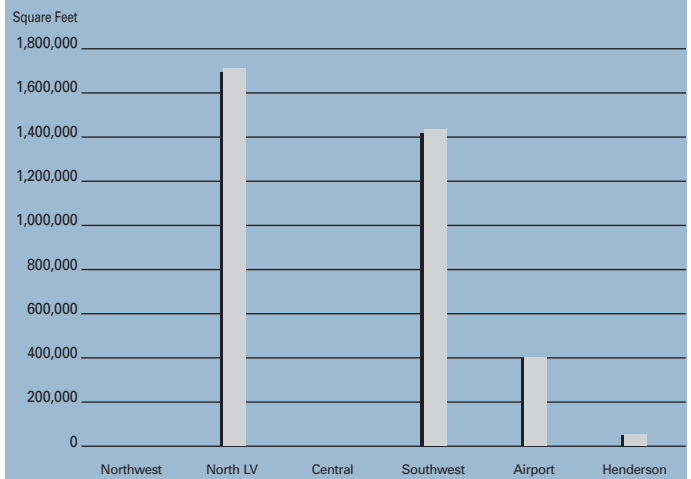
NET ABSORPTION BY SUBMARKET



HISTORICAL NEW CONSTRUCTION



UNDER CONSTRUCTION BY SUBMARKET

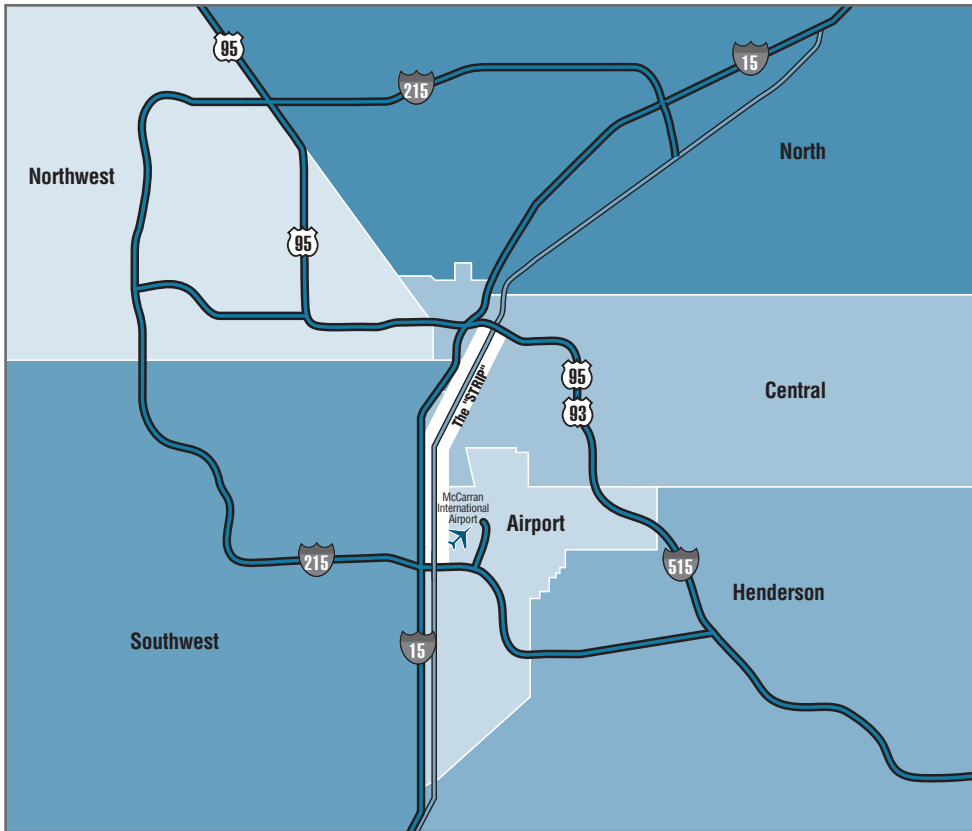


L A S V E G A S M A R K E T

	INVENTORY				VACANCY		ABSORPTION	
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 3Q2005	Net Absorption 3Q2005	New Inventory 3Q2005
Northwest								
Distribution	0	0	0	0	0	0.0%	0	0
Flex	8	189,477	0	70,000	42,054	22.2%	(12,018)	0
Freestanding	6	180,690	0		0	0.0%	14,862	0
Incubator	2	140,000	0		1,200	0.9%	240	0
Midbay	0	0	0	0	0	0.0%	0	0
Other	2	54,812	0		0	0.0%	0	0
Northwest Total	18	564,979	0	70,000	43,254	7.7%	3,084	0
North								
Distribution	98	13,145,180	906,240	1,383,660	983,753	7.5%	73,830	241,975
Flex	31	1,132,274	66,018		75,727	6.7%	131,352	0
Freestanding	399	6,202,934	743,335	224,300	147,250	2.4%	87,279	61,736
Incubator	17	408,584	0		31,232	7.6%	(2,453)	0
Midbay	41	1,847,286	0		63,601	3.4%	51,721	0
Other	0	0	0	0	0	0.0%	0	0
North Total	586	22,736,258	1,715,593	1,607,960	1,301,563	5.7%	341,729	303,711
Central								
Distribution	25	1,333,512	0		1,450	0.1%	14,713	0
Flex	16	431,145	0		0	0.0%	36,876	0
Freestanding	140	2,057,557	0		10,937	0.5%	109,618	0
Incubator	31	797,245	0		54,166	6.8%	18,903	0
Midbay	36	1,696,677	0		38,445	2.3%	28,966	0
Other	0	0	0	0	0	0.0%	0	0
Central Total	248	6,316,136	0	0	104,998	1.7%	209,076	0
Southwest								
Distribution	92	7,858,967	811,300	133,356	113,306	1.4%	199,682	0
Flex	185	6,596,214	270,457	24,000	351,529	5.3%	(14,450)	0
Freestanding	607	7,568,577	114,326	80,507	46,416	0.6%	339,222	310,167
Incubator	50	1,956,117	0		91,812	4.7%	18,748	0
Midbay	94	5,230,022	248,473	308,556	136,655	2.6%	137,434	0
Other	0	0	0	0	0	0.0%	0	0
Southwest Total	1,028	29,209,897	1,444,556	546,419	739,718	2.5%	680,636	310,167
Airport								
Distribution	55	4,159,161	150,000	261,398	89,657	2.2%	16,617	0
Flex	93	2,482,887	57,060	62,922	70,833	2.9%	9,945	0
Freestanding	141	2,749,721	210,000	152,684	139,010	5.1%	53,944	39,500
Incubator	27	888,358	0		37,791	4.3%	19,672	0
Midbay	42	2,303,974	0		149,781	6.5%	8,923	0
Other	2	77,159	0		32,528	42.2%	0	0
Airport Total	360	12,661,260	417,060	477,004	519,600	4.1%	109,101	39,500
Henderson								
Distribution	39	5,074,394	0	662,480	306,365	6.0%	23,618	292,800
Flex	39	720,877	0		13,583	1.9%	1,124	0
Freestanding	222	3,057,194	62,098	57,822	104,785	3.4%	54,896	0
Incubator	2	33,610	0		0	0.0%	0	0
Midbay	38	1,620,199	0	218,400	176,101	10.9%	(3,169)	66,000
Other	0	0	0	0	0	0.0%	0	0
Henderson Total	340	10,506,274	62,098	938,702	600,834	5.7%	76,469	358,800
Las Vegas Total								
Distribution	309	31,571,214	1,867,540	2,440,894	1,494,531	4.7%	328,460	534,775
Flex	372	11,552,874	393,535	156,922	553,726	4.8%	152,829	0
Freestanding	1,515	21,816,673	1,129,759	515,313	448,398	2.1%	659,821	411,403
Incubator	129	4,223,914	0	0	216,201	5.1%	55,110	0
Midbay	251	12,698,158	248,473	526,956	564,583	4.4%	223,875	66,000
Other	4	131,971	0	0	32,528	24.6%	0	0
Total	2,580	81,994,804	3,639,307	3,640,085	3,309,967	4.0%	1,420,095	1,012,178

INDUSTRIAL MARKET REPORT

THIRD 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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