



Industrial Market Report

VOIT COMMERCIAL BROKERAGE

Compared to last quarter:

Vacancy



UP

Absorption

DOWN



Lease Rates

DOWN



Construction

DOWN



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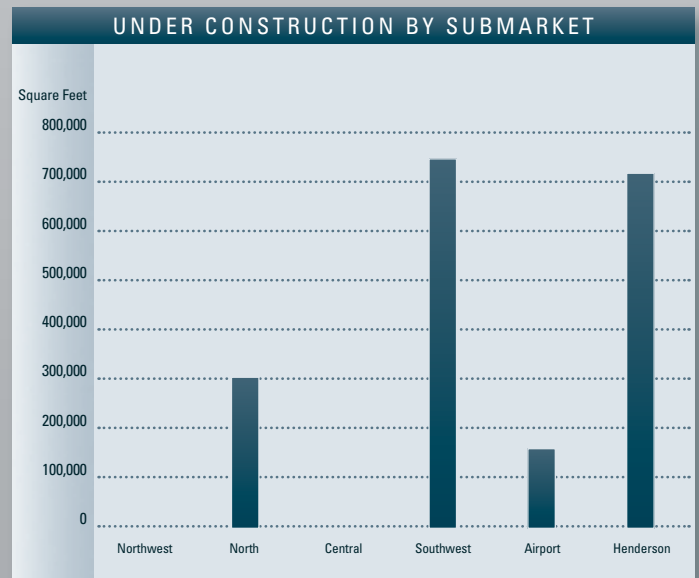
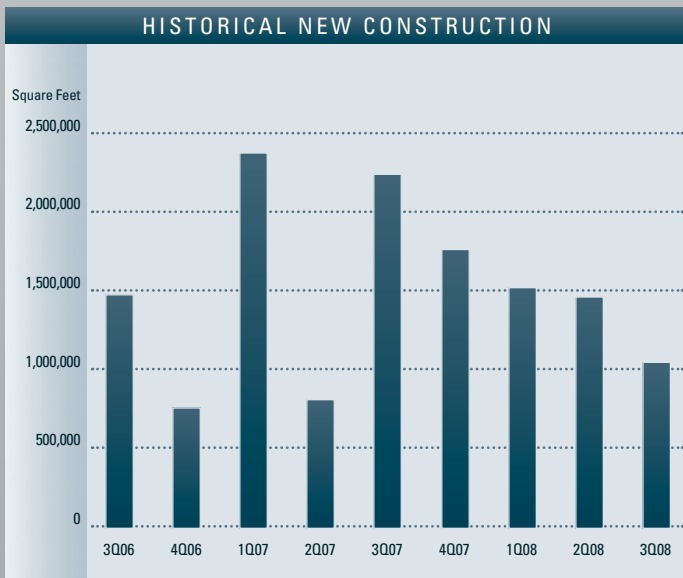
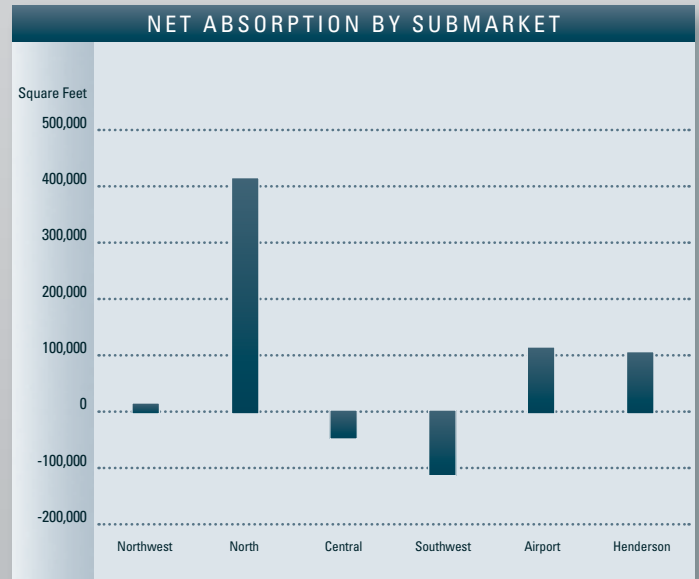
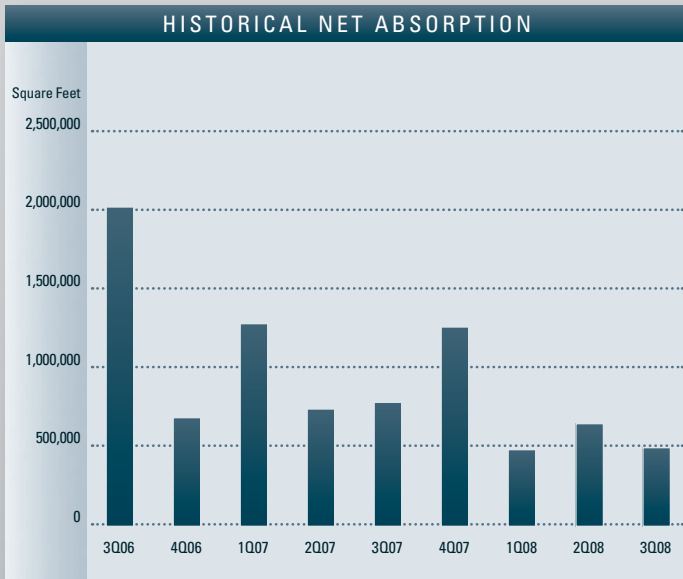
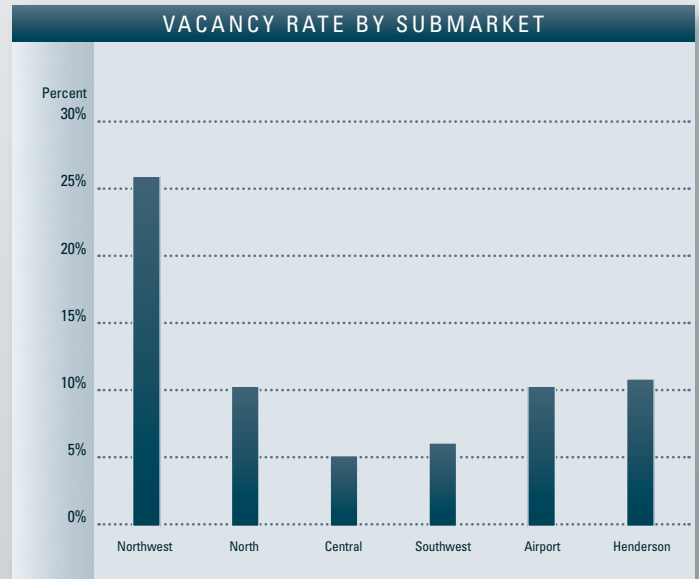
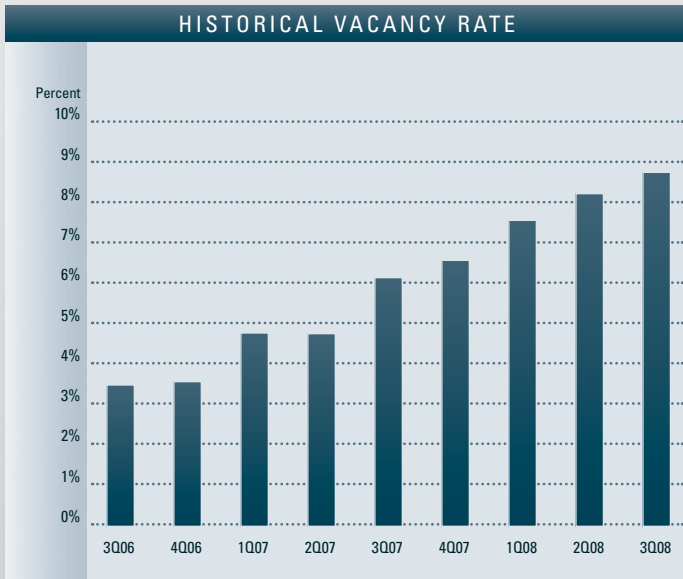
Industrial Market Highlights

- ◆ The Las Vegas industrial market witnessed a modest rise in vacancies, while future supply levels are likely to keep availability in line with historical averages. At the end of the third quarter 2008, the Las Vegas industrial market was comprised of 101.1 million square feet of inventory in 3,336 buildings. With 8.8 million unoccupied square feet, the valley-wide vacancy rate was at 8.7 percent, which was up from the 8.2 percent reported at the end of the second quarter 2008 and up 2.6 points from the same period of the prior year.
- ◆ New supply outpaced market demand during the quarter as the industrial sector expanded by 1.1 million square feet and demanded (absorbed) nearly 0.5 million square feet. Distribution buildings represented the lion's share of market demand with 450,000 square feet of absorption, bringing vacancies in the segment to 6.0 percent. During the past twelve months, 5.8 million square feet of space came on-line valley-wide, while approximately 2.9 million square feet was demanded.
- ◆ Major project completions during the third quarter included space in the Northern Beltway Industrial Center, buildings in Lamb Technology Center, space in VenturePoint Speedway Commerce Center, product in Civic Center Corporate Park, and a third phase in Diamond Lane Industrial Park. Freestanding buildings dominated the product mix entering the market during the quarter with activity concentrated in the airport, north and southwest portions of the valley.
- ◆ Currently, there are 1.9 million square feet of industrial space under construction, representing the lowest figure in over five years. Another 2.2 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 range.
- ◆ Distribution space and midbay buildings represent approximately 75 percent of development activity in the industrial sector. From a geographical perspective, the southwest remains very active with 746,000 square feet under construction, and the Henderson submarket reported 723,000 square feet under development, of which 350,000 square feet comprises Cashman Equipment's corporate headquarters (build-to-suit).
- ◆ Not unlike other regional markets, fundamentals in the Las Vegas economy deteriorated during the third quarter of 2008. Unemployment levels pressed north, reaching 7.1 percent by the close of August 2008 (latest available data), which was above the national average of 6.1 percent. Overall employment posted a modest annual decline of 400 positions compared to the prior year. Gains in government, leisure and hospitality and retail positions were offset by net job losses in the construction and professional and business services sectors. Office-using employment posted a 4,200 position gain, representing a 1.3-percent increase.

INDUSTRIAL MARKET OVERVIEW

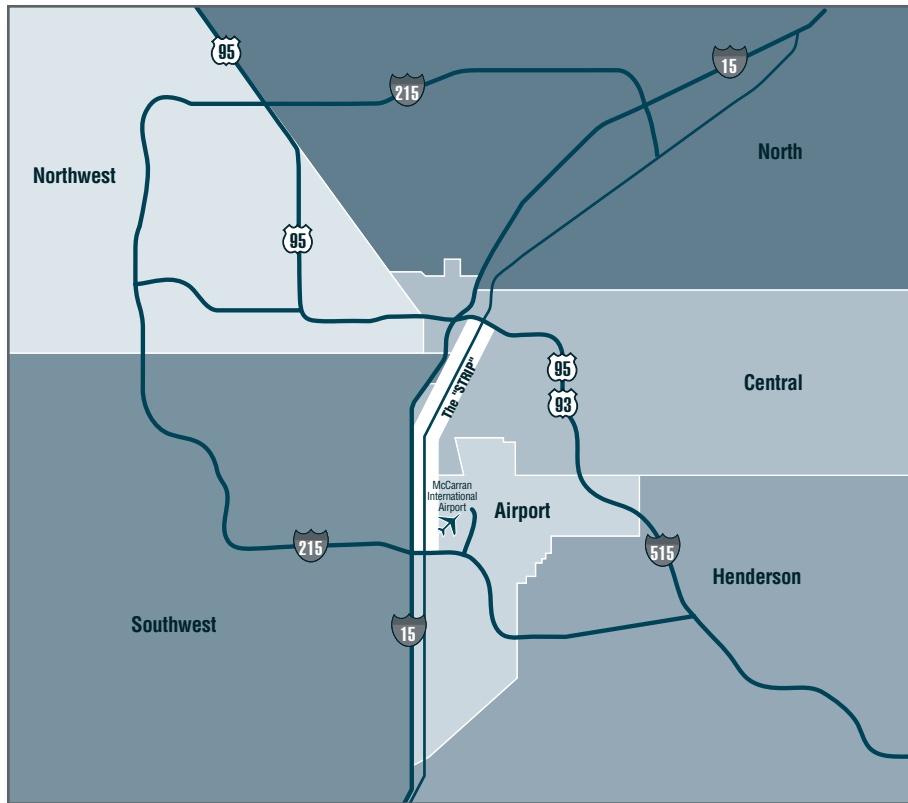
	3Q2008	2Q2008	3Q2007	% CHANGE VS. 3Q07
Under Construction	1,931,300	2,660,500	5,585,600	-65.42%
Planned Construction	2,218,900	2,360,600	2,596,500	-14.54%
Vacancy	8.7%	8.2%	6.1%	42.62%
Net Absorption	495,200	666,400	779,400	-36.46%

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	INVENTORY				VACANCY		ABSORPTION	
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 3Q2008	Net Absorption 3Q2008	New Inventory 3Q2008
Northwest								
Distribution	2	196,910	0	0	145,910	74.1%	7,478	0
Flex	10	257,489	0	0	64,222	24.9%	13,629	0
Freestanding	6	180,690	0	0	0	0.0%	0	0
Incubator	2	120,000	0	0	0	0.0%	0	0
Midbay		0	0	0	0	0.0%	0	0
Other	2	54,812	0	0	0	0.0%	0	0
Northwest Total	22	809,901	0	0	210,132	25.9%	21,107	0
North								
Distribution	124	16,605,311	95,000	1,796,192	942,087	5.7%	372,272	100,000
Flex	50	1,388,577	0	0	302,110	21.8%	(27,841)	0
Freestanding	628	8,300,714	205,492		1,075,983	13.0%	106,848	518,151
Incubator	30	751,632	0	0	235,854	31.4%	2,488	0
Midbay	59	2,812,221	0	158,854	530,719	18.9%	(41,020)	0
Other	0	0	0	0	0	0.0%	0	0
North Total	891	29,858,455	300,492	1,955,046	3,086,753	10.3%	412,747	618,151
Central								
Distribution	34	1,565,860	0	0	4,640	0.3%	1,450	0
Flex	20	459,945	0	0	26,689	5.8%	(20,781)	0
Freestanding	143	2,117,918	0	0	125,824	5.9%	(19,074)	0
Incubator	36	796,885	0	0	82,351	10.3%	(7,345)	0
Midbay	48	1,709,981	0	0	100,481	5.9%	(1,680)	0
Other	0	0	0	0	0	0.0%	0	0
Central Total	281	6,650,589	0	0	339,985	5.1%	(47,430)	0
Southwest								
Distribution	125	11,929,932	298,650	124,221	402,431	3.4%	(12,111)	0
Flex	220	7,021,359	0	0	565,376	8.1%	12,711	0
Freestanding	719	9,348,255	67,849	65,224	704,946	7.5%	(27,422)	254,412
Incubator	59	1,977,729	0	0	98,334	5.0%	5,776	0
Midbay	118	6,334,603	379,538	74,393	489,824	7.7%	(90,108)	0
Other	0	0	0	0	0	0.0%	0	0
Southwest Total	1,241	36,611,878	746,037	263,838	2,260,911	6.2%	(111,154)	254,412
Airport								
Distribution	64	4,716,003	64,460	0	587,458	12.5%	80,485	0
Flex	123	2,682,556	37,240	0	226,705	8.5%	(13,250)	0
Freestanding	169	3,353,121	60,064	0	253,916	7.6%	20,190	0
Incubator	28	794,639	0	0	58,626	7.4%	(15,159)	0
Midbay	49	2,265,077	0	0	280,243	12.4%	42,274	85,127
Other	1	44,631	0	0	0	0.0%	0	0
Airport Total	434	13,856,027	161,764	0	1,406,948	10.2%	114,540	85,127
Henderson								
Distribution	48	6,290,341	378,000	0	384,551	6.1%	342	0
Flex	44	819,811	0	0	100,021	12.2%	(15,806)	0
Freestanding	327	4,131,444	104,030	0	439,921	10.6%	68,945	95,059
Incubator	6	189,442	0	0	111,856	59.0%	43,976	0
Midbay	42	1,904,460	240,953	0	424,362	22.3%	7,883	0
Other	0	0	0	0	0	0.0%	0	0
Henderson Total	467	13,335,498	722,983	0	1,460,711	11.0%	105,340	95,059
Las Vegas Total								
Distribution	397	41,304,357	836,110	1,920,413	2,467,077	6.0%	449,916	100,000
Flex	467	12,629,737	37,240	0	1,285,123	10.2%	(51,338)	0
Freestanding	1,992	27,432,142	437,435	65,224	2,600,590	9.5%	149,487	867,622
Incubator	161	4,630,327	0	0	587,021	12.7%	29,736	0
Midbay	316	15,026,342	620,491	233,247	1,825,629	12.1%	(82,651)	85,127
Other	3	99,443	0	0	0	0.0%	0	0
Total	3,336	101,122,348	1,931,276	2,218,884	8,765,440	8.7%	495,150	1,052,749

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:

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