

INDUSTRIAL MARKET REPORT

FOURTH
QUARTER
2003

Compared to
last quarter:

VACANCY



UP

ABSORPTION



DOWN

LEASE RATES



UP

CONSTRUCTION



DOWN

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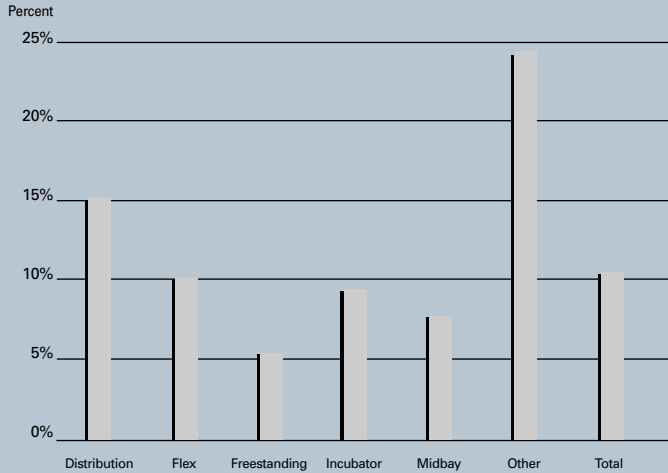
MARKET HIGHLIGHTS

- ◆ Fourth quarter unemployment for Las Vegas stood at 4.5 percent, down from 5.3 percent in the third quarter and lower than the 5.0 percent reported in the fourth quarter of 2002.
- ◆ The Las Vegas Valley added an estimated 32,000 new jobs in the past 12 months according to the Nevada Department of Employment, Training and Rehabilitation.
- ◆ Consistent new job growth is anticipated through the beginning of 2004. At the end of the fourth quarter 2003, the Las Vegas Valley industrial market was comprised of 76.7 million square feet of inventory in 2,375 buildings.
- ◆ New additions to the market added 732,000 square feet, while net absorption was a negligible 17,000 square feet. Completions for the year were 3.0 million square feet, while demand (net absorption) kept pace with 3.0 million square feet.
- ◆ Currently, there are 1.5 million square feet of industrial space under construction and 2.7 million square feet planned for future development.
- ◆ There were 8.2 million unoccupied square feet, equating to a vacancy rate of 10.6 percent.
- ◆ The Valley's industrial market contains 29.0 million square feet of distribution space. The North Las Vegas submarket alone contributes 11.5 million toward the market total. We are expecting strong development in 2004 in North Las Vegas and the Southwest part of the Valley.

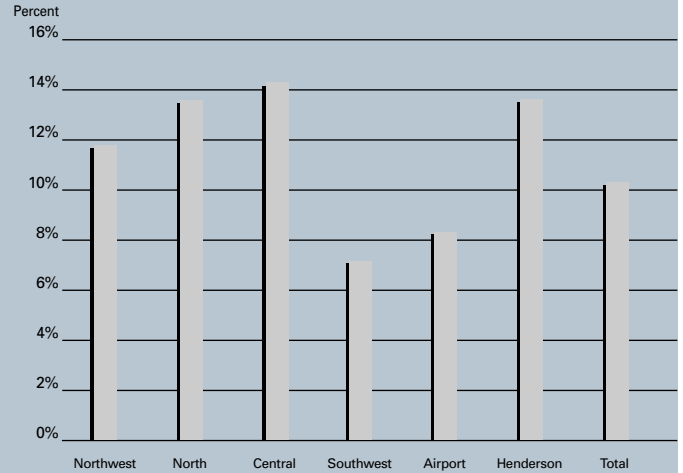
INDUSTRIAL MARKET STATISTICS

	4Q2003	3Q2003	4Q2002	% CHANGE VS. 4Q02
Under Construction	1,530,000	1,740,000	1,498,000	2.14%
Planned Construction	2,697,000	2,945,000	2,741,000	-1.61%
Vacancy	10.6%	9.6%	10.8%	-1.85%
Net Absorption	17,000	890,000	1,712,000	N/A

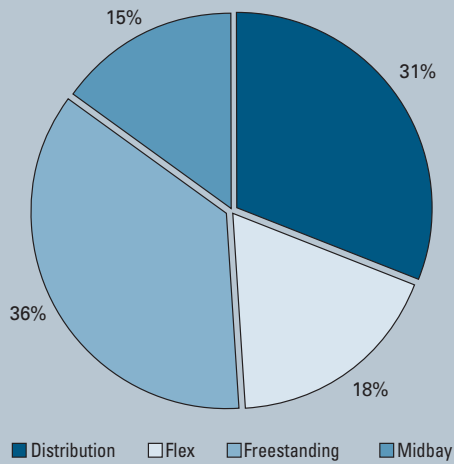
VACANCY RATE BY TYPE



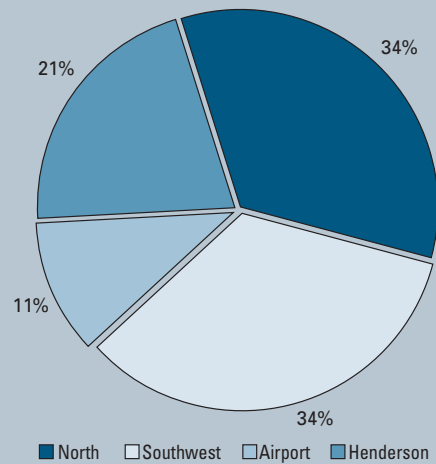
VACANCY RATE BY SUBMARKET



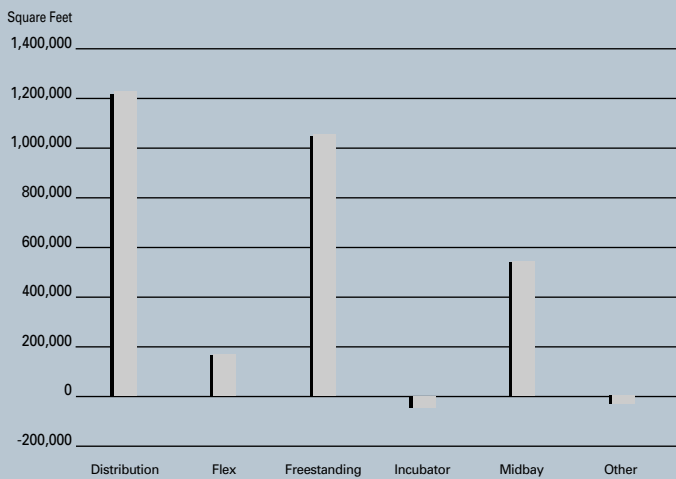
PLANNED CONSTRUCTION BY TYPE



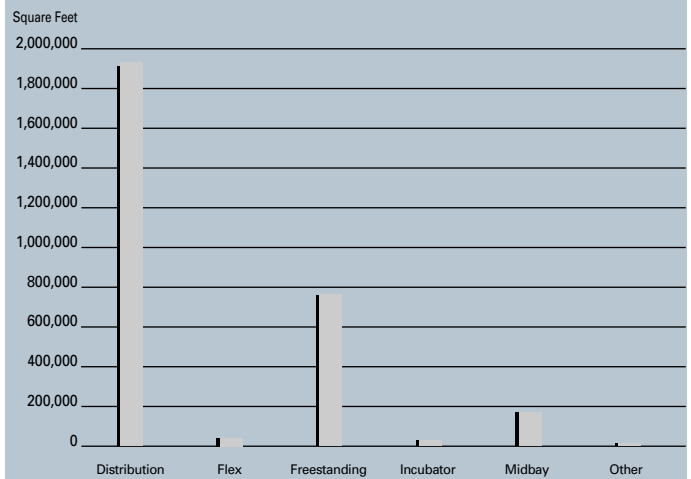
PLANNED CONSTRUCTION BY SUBMARKET



ANNUAL NET ABSORPTION BY TYPE



ANNUAL NEW CONSTRUCTION BY TYPE

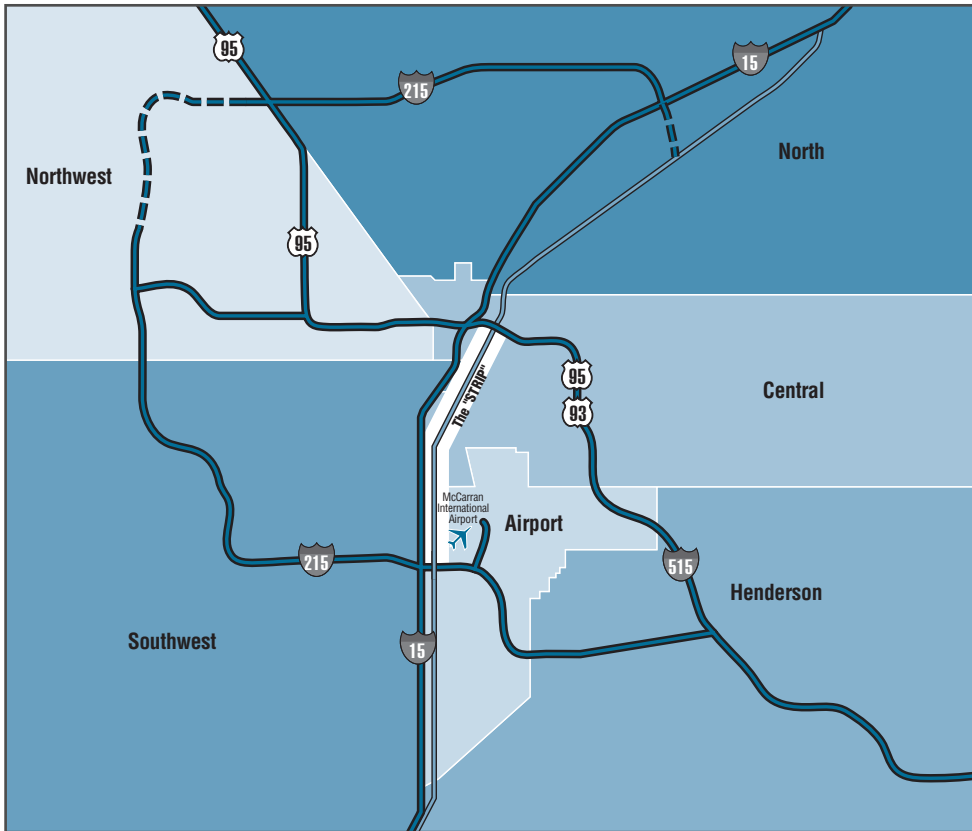


L A S V E G A S M A R K E T

	INVENTORY				VACANCY		ABSORPTION	
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 4Q2003	Net Absorption 4Q2003	New Inventory 4Q2003
Northwest								
Distribution	0	0	0	0	0	0.0%	0	0
Flex	2	119,477	150,000	0	0	0.0%	0	0
Freestanding	6	180,690	0	0	8,748	4.8%	(8,748)	0
Incubator	2	140,000	0	0	50,000	35.7%	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	12	494,979	150,000	0	58,748	11.9%	(8,748)	0
North								
Distribution	86	11,475,179	470,000	459,000	2,199,463	19.2%	(63,534)	556,250
Flex	25	864,872	50,843	202,311	167,414	19.4%	(11,562)	0
Freestanding	347	5,769,318	135,221	114,500	201,829	3.5%	51,088	0
Incubator	16	378,936	29,000	0	38,800	10.2%	(1,180)	0
Midbay	40	1,797,286	0	128,310	157,722	8.8%	76,905	41,500
Other	0	0	0	0	0	0.0%	0	0
North Total	514	20,285,591	685,064	904,121	2,765,228	13.6%	51,717	597,750
Central								
Distribution	26	1,491,181	0	0	537,884	36.1%	(3,604)	0
Flex	16	431,145	0	0	27,967	6.5%	29,239	0
Freestanding	139	2,012,163	0	0	171,948	8.5%	8,909	0
Incubator	31	794,588	0	0	120,861	15.2%	12,887	0
Midbay	36	1,696,677	0	0	65,678	3.9%	22,994	0
Other	0	0	0	0	0	0.0%	0	0
Central Total	248	6,425,754	0	0	924,338	14.4%	70,425	0
Southwest								
Distribution	90	7,592,061	68,750	373,600	693,677	9.1%	(138,860)	0
Flex	172	6,185,173	0	238,000	545,371	8.8%	10,537	0
Freestanding	553	6,903,577	268,487	138,270	307,969	4.5%	127,729	70,254
Incubator	47	1,923,539	0	0	135,072	7.0%	7,987	0
Midbay	90	4,712,688	0	160,000	287,736	6.1%	6,975	0
Other	0	0	0	0	0	0.0%	0	0
Southwest Total	952	27,317,038	337,237	909,870	1,969,825	7.2%	14,368	70,254
Airport								
Distribution	50	3,806,618	133,817	0	243,757	6.4%	53,478	0
Flex	91	2,408,410	0	24,000	197,041	8.2%	(32,465)	0
Freestanding	114	2,344,368	99,655	284,642	222,075	9.5%	(41,143)	64,002
Incubator	30	1,012,566	29,548	0	65,282	6.4%	(21,176)	0
Midbay	53	2,653,536	0	0	325,117	12.3%	(171)	0
Other	2	77,159	0	0	32,528	42.2%	0	0
Airport Total	340	12,302,657	263,020	308,642	1,085,800	8.8%	(41,477)	64,002
Henderson								
Distribution	36	4,645,035	0	0	810,913	17.5%	62,210	0
Flex	40	914,548	0	16,909	187,905	20.5%	(35,764)	0
Freestanding	195	2,799,986	94,800	438,047	201,777	7.2%	(54,079)	0
Incubator	2	33,610	0	0	1,691	5.0%	0	0
Midbay	36	1,499,065	0	119,426	157,170	10.5%	(41,154)	0
Other	0	0	0	0	0	0.0%	0	0
Henderson Total	309	9,892,244	94,800	574,382	1,359,456	13.7%	(68,787)	0
Las Vegas Total								
Distribution	288	29,010,074	672,567	832,600	4,485,694	15.5%	(90,310)	556,250
Flex	346	10,923,625	200,843	481,220	1,125,698	10.3%	(40,015)	0
Freestanding	1,354	20,010,102	598,163	975,459	1,114,346	5.6%	83,756	134,256
Incubator	128	4,283,239	58,548	0	411,706	9.6%	(1,482)	0
Midbay	255	12,359,252	0	407,736	993,423	8.0%	65,549	41,500
Other	4	131,971	0	0	32,528	24.6%	0	0
Total	2,375	76,718,263	1,530,121	2,697,015	8,163,395	10.6%	17,498	732,006

INDUSTRIAL MARKET REPORT

FOURTH QUARTER 2003



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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