

INDUSTRIAL MARKET REPORT

FOURTH
QUARTER
2004

Compared to
last quarter:

VACANCY



ABSORPTION



LEASE RATES



CONSTRUCTION



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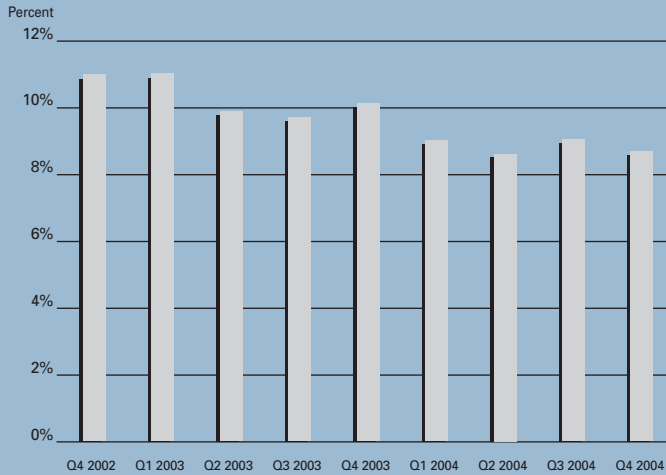
MARKET HIGHLIGHTS

- ◆ Fourth quarter unemployment for Las Vegas stood at 3.5 percent, down from the 4.8 percent recorded 12 months prior. By comparison, the national unemployment rate was 5.4 percent (seasonally adjusted) at the close of the fourth quarter.
- ◆ The Las Vegas Valley added an estimated 43,600 new jobs during the past 12 months according to the Nevada Department of Employment, Training and Rehabilitation. Consistent new job growth is anticipated through the first half of 2005.
- ◆ At the end of the fourth quarter 2004, the Las Vegas industrial market was comprised of 78.9 million square feet of inventory in 2,485 buildings.
- ◆ New additions to the market contributed 854,000 square feet, while demand (net absorption) was 1,054,000 square feet.
- ◆ Currently, there are nearly 2.9 million square feet of industrial space under construction and 2.3 million square feet planned for future development.
- ◆ There were 6.8 million unoccupied square feet, producing a market-wide vacancy rate of 8.7 percent.
- ◆ The Valley's industrial market contains 29.8 million square feet of distribution space. The North Las Vegas submarket alone contributes 12.1 million toward the market total. We are expecting stable development during the next 12 months in North Las Vegas and the Southwest part of the Valley.

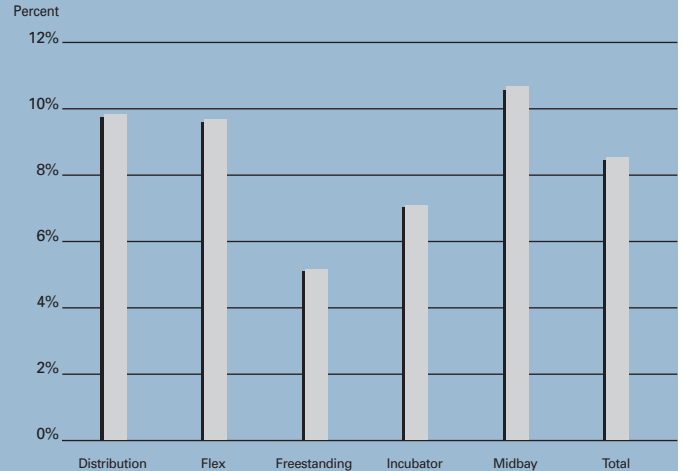
INDUSTRIAL MARKET STATISTICS

| | 2004 | 2003 | 2002 | % CHANGE VS. 2003 |
|----------------------|-----------|-----------|-----------|-------------------|
| Under Construction | 2,879,000 | 1,623,000 | 1,785,000 | 77.39% |
| Planned Construction | 2,285,000 | 3,218,000 | 2,843,000 | -28.99% |
| Vacancy | 8.7% | 10.2% | 10.7% | -14.71% |
| Net Absorption | 2,265,000 | 3,065,000 | 2,355,000 | -26.10% |

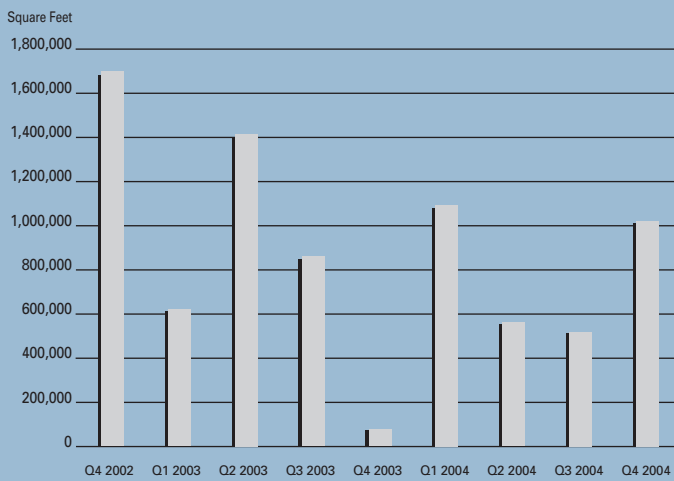
HISTORICAL VACANCY RATE



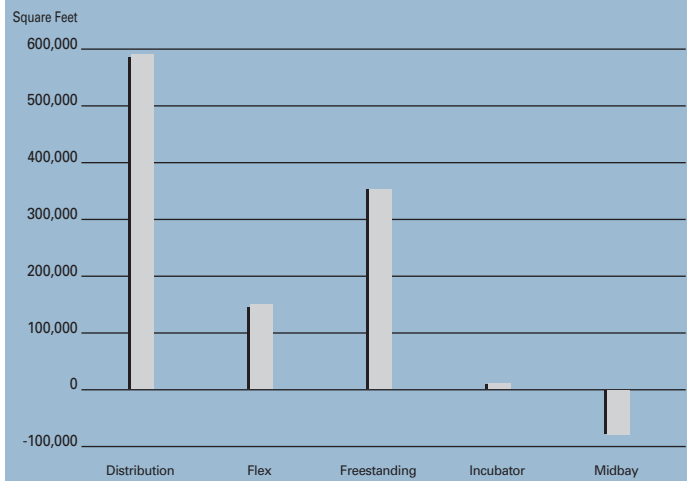
VACANCY RATE BY TYPE



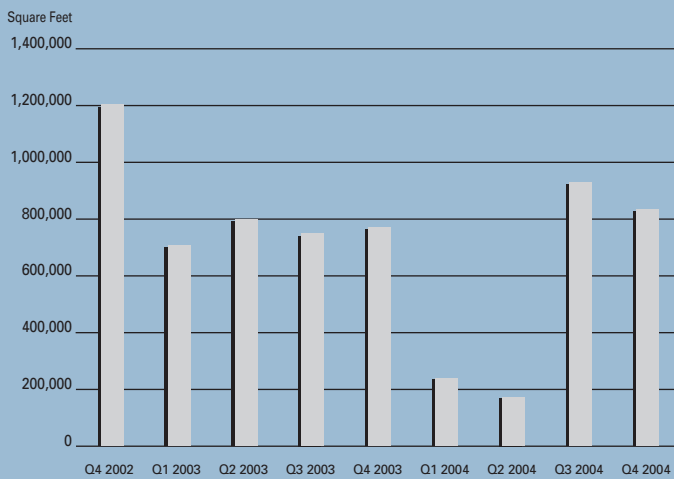
HISTORICAL NET ABSORPTION



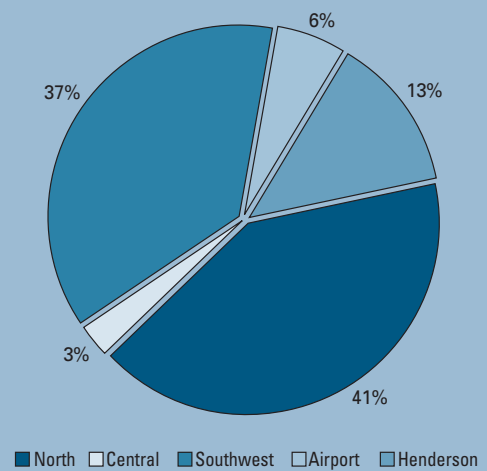
NET ABSORPTION BY TYPE



HISTORICAL NEW CONSTRUCTION



CONSTRUCTION ACTIVITY BY SUBMARKET

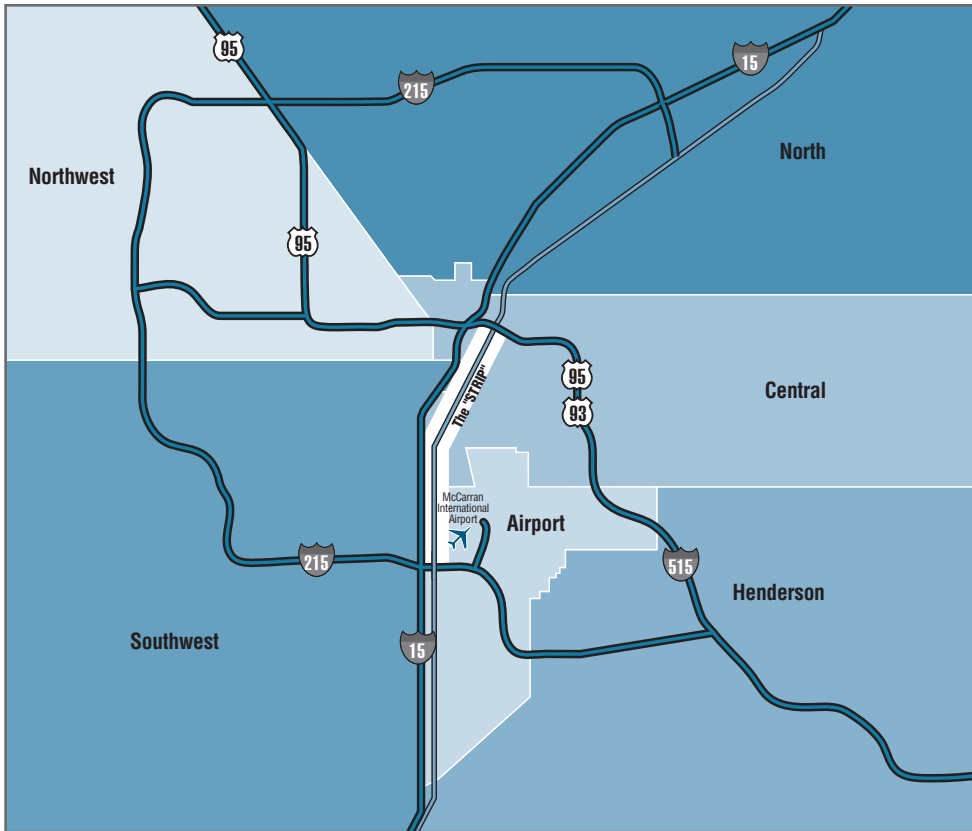


LAS VEGAS MARKET

| | INVENTORY | | | | VACANCY | | ABSORPTION | |
|------------------------|------------------|--------------------------|-------------------|---------------------|--------------------|---------------------|-----------------------|----------------------|
| | Number Of Bldgs. | Net Rentable Square Feet | Square Feet U / C | Square Feet Planned | Square Feet Vacant | Vacancy Rate 4Q2004 | Net Absorption 4Q2004 | New Inventory 4Q2004 |
| Northwest | | | | | | | | |
| Distribution | 0 | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 |
| Flex | 8 | 189,477 | 0 | 70,000 | 43,503 | 23.0% | 36,000 | 70,000 |
| Freestanding | 6 | 180,690 | 0 | 0 | 14,862 | 8.2% | 0 | 0 |
| Incubator | 2 | 140,000 | 0 | 0 | 1,440 | 1.0% | 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 | 18 | 564,979 | 0 | 70,000 | 59,805 | 10.6% | 36,000 | 70,000 |
| North | | | | | | | | |
| Distribution | 90 | 12,143,794 | 879,585 | 193,000 | 1,369,679 | 11.3% | 568,017 | 0 |
| Flex | 31 | 1,055,092 | 101,162 | 66,018 | 237,698 | 22.5% | 26,523 | 101,149 |
| Freestanding | 367 | 5,903,918 | 197,822 | 502,114 | 245,543 | 4.2% | 104,000 | 84,000 |
| Incubator | 17 | 407,936 | 0 | 0 | 58,300 | 14.3% | 0 | 0 |
| Midbay | 41 | 1,847,286 | 0 | 0 | 209,378 | 11.3% | (55,384) | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 |
| North Total | 546 | 21,358,026 | 1,178,569 | 761,132 | 2,120,598 | 9.9% | 643,156 | 185,149 |
| Central | | | | | | | | |
| Distribution | 26 | 1,414,012 | 0 | 0 | 464,196 | 32.8% | (4,312) | 0 |
| Flex | 16 | 431,145 | 0 | 0 | 42,023 | 9.7% | (11,526) | 0 |
| Freestanding | 140 | 2,057,557 | 78,000 | 0 | 153,398 | 7.5% | (359) | 0 |
| Incubator | 31 | 797,245 | 0 | 0 | 62,003 | 7.8% | 18,899 | 0 |
| Midbay | 36 | 1,696,677 | 0 | 0 | 96,340 | 5.7% | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 |
| Central Total | 249 | 6,396,636 | 78,000 | 0 | 817,960 | 12.8% | 2,702 | 0 |
| Southwest | | | | | | | | |
| Distribution | 88 | 7,485,367 | 373,600 | 0 | 374,541 | 5.0% | 20,123 | 0 |
| Flex | 180 | 6,414,800 | 247,965 | 126,000 | 528,032 | 8.2% | 56,000 | 56,000 |
| Freestanding | 571 | 7,089,547 | 210,111 | 64,899 | 272,930 | 3.8% | (1,453) | 0 |
| Incubator | 49 | 1,939,625 | 12,476 | 0 | 113,497 | 5.9% | (3,293) | 0 |
| Midbay | 92 | 4,961,328 | 220,000 | 0 | 533,921 | 10.8% | 26,053 | 284,534 |
| Other | 0 | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 |
| Southwest Total | 980 | 27,890,667 | 1,064,152 | 190,899 | 1,822,921 | 6.5% | 97,430 | 340,534 |
| Airport | | | | | | | | |
| Distribution | 54 | 4,078,661 | 0 | 0 | 220,619 | 5.4% | 44,836 | 0 |
| Flex | 100 | 2,623,912 | 0 | 0 | 167,607 | 6.4% | 50,407 | 0 |
| Freestanding | 127 | 2,491,590 | 179,711 | 28,000 | 162,564 | 6.5% | 101,347 | 52,280 |
| Incubator | 30 | 1,012,566 | 0 | 29,548 | 71,080 | 7.0% | 0 | 0 |
| Midbay | 43 | 2,349,080 | 0 | 0 | 280,642 | 11.9% | 14,174 | 0 |
| Other | 2 | 77,159 | 0 | 0 | 32,528 | 42.2% | 0 | 0 |
| Airport Total | 356 | 12,632,968 | 179,711 | 57,548 | 935,040 | 7.4% | 210,764 | 52,280 |
| Henderson | | | | | | | | |
| Distribution | 36 | 4,654,994 | 358,800 | 882,132 | 526,161 | 11.3% | (34,828) | 0 |
| Flex | 39 | 720,877 | 0 | 16,909 | 91,211 | 12.7% | (6,480) | 0 |
| Freestanding | 222 | 3,109,394 | 19,800 | 186,742 | 226,570 | 7.3% | 160,234 | 205,592 |
| Incubator | 2 | 33,610 | 0 | 0 | 6,764 | 20.1% | 0 | 0 |
| Midbay | 37 | 1,554,199 | 0 | 119,426 | 233,606 | 15.0% | (55,474) | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 |
| Henderson Total | 336 | 10,073,074 | 378,600 | 1,205,209 | 1,084,312 | 10.8% | 63,452 | 205,592 |
| Las Vegas Total | | | | | | | | |
| Distribution | 294 | 29,776,828 | 1,611,985 | 1,075,132 | 2,955,196 | 9.9% | 593,836 | 0 |
| Flex | 374 | 11,435,303 | 349,127 | 278,927 | 1,110,074 | 9.7% | 150,924 | 227,149 |
| Freestanding | 1,433 | 20,832,696 | 685,444 | 781,755 | 1,075,867 | 5.2% | 363,769 | 341,872 |
| Incubator | 131 | 4,330,982 | 12,476 | 29,548 | 313,084 | 7.2% | 15,606 | 0 |
| Midbay | 249 | 12,408,570 | 220,000 | 119,426 | 1,353,887 | 10.9% | (70,631) | 284,534 |
| Other | 4 | 131,971 | 0 | 0 | 32,528 | 24.6% | 0 | 0 |
| Total | 2,485 | 78,916,350 | 2,879,032 | 2,284,788 | 6,840,636 | 8.7% | 1,053,504 | 853,555 |

INDUSTRIAL MARKET REPORT

FOURTH QUARTER 2004



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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