

INDUSTRIAL MARKET REPORT

FOURTH
QUARTER
2005

Compared to
last quarter:

VACANCY



ABSORPTION



LEASE RATES



CONSTRUCTION



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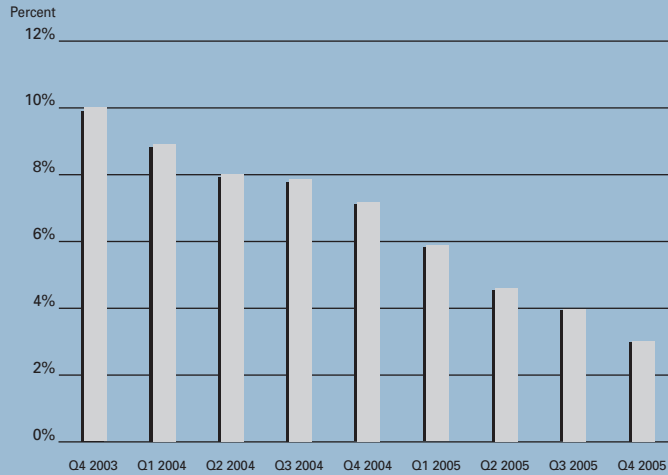
MARKET HIGHLIGHTS

- ◆ Fourth quarter unemployment for Las Vegas stood at 4.0 percent, slightly up from the 3.9 percent recorded 12 months prior. By comparison, the national unemployment rate was 5.0 percent (seasonally adjusted) at the close of the fourth quarter.
- ◆ The Las Vegas Valley added an estimated 61,000 new jobs during the past 12 months, representing a 7.3 percent growth rate. During the same period, industrial-using employment posted a 9.7 percent increase. Consistent new job growth is anticipated in early 2006.
- ◆ At the end of the fourth quarter 2005, the Las Vegas industrial market was comprised of 82.4 million square feet of inventory in 2,610 buildings. With 2.5 million unoccupied square feet, the Valley-wide vacancy rate was 3.0 percent, down from 7.2 percent one year ago.
- ◆ New additions to the market contributed 354,000 square feet during the quarter, while demand (net absorption) was a healthy 945,000 square feet. During 2005, net absorption totaled a remarkable 6.7 million square feet, better than 2004's previous record pace of 4.3 million square feet.
- ◆ Currently, there are over 4.4 million square feet of industrial space under construction and 4.5 million square feet planned for future development.
- ◆ 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.

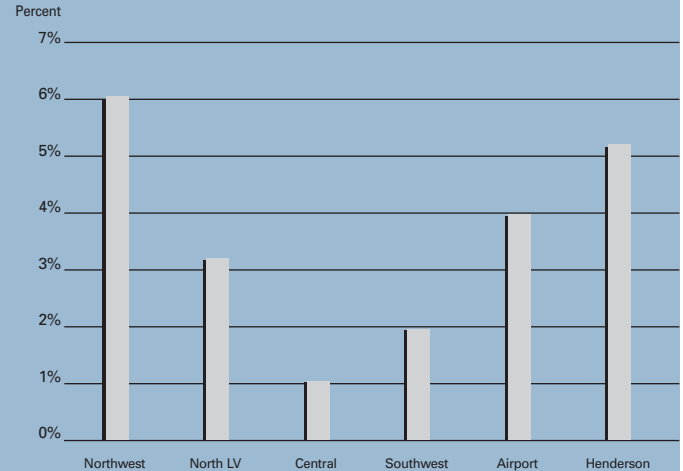
INDUSTRIAL MARKET STATISTICS

	2005	2004	2003	% CHANGE VS. 2004
Under Construction	4,406,000	2,936,000	1,616,000	50.07%
Planned Construction	4,512,000	2,285,000	3,068,000	97.46%
Vacancy	3.0%	7.2%	10.0%	-58.33%
Net Absorption	6,725,000	4,248,000	3,291,000	58.31%

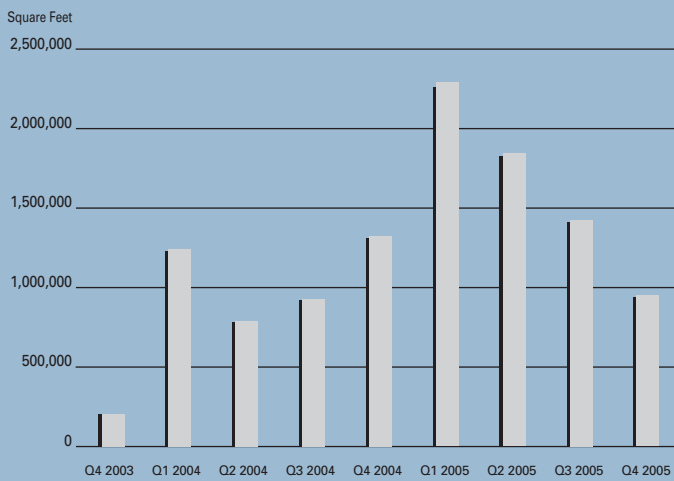
HISTORICAL VACANCY RATE



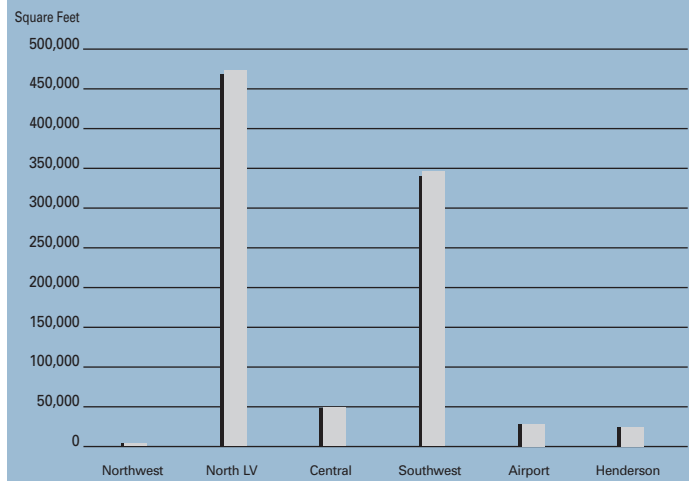
VACANCY RATE BY SUBMARKET



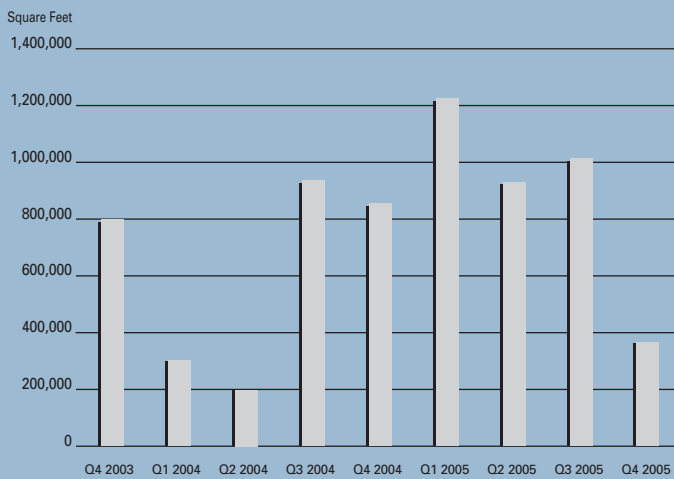
HISTORICAL NET ABSORPTION



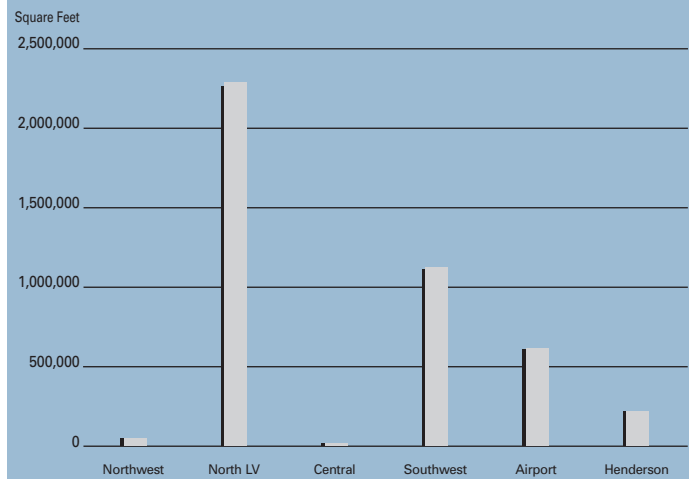
NET ABSORPTION BY SUBMARKET



HISTORICAL NEW CONSTRUCTION



UNDER CONSTRUCTION BY SUBMARKET

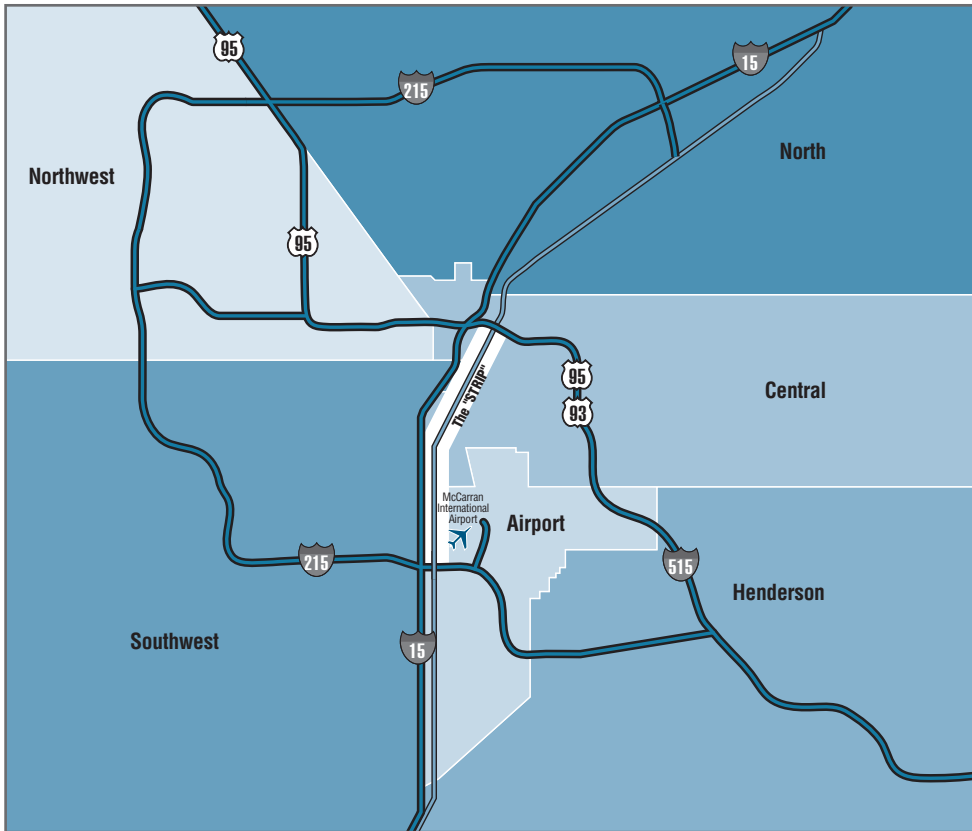


LAS VEGAS MARKET

	INVENTORY				VACANCY		ABSORPTION	
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 4Q2005	Net Absorption 4Q2005	New Inventory 4Q2005
Northwest								
Distribution	0	0	0	0	0	0.0%	0	0
Flex	8	189,477	70,000	0	34,186	18.0%	7,868	0
Freestanding	6	180,690	0		0	0.0%	0	0
Incubator	2	140,000	0		0	0.0%	1,200	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	70,000	0	34,186	6.1%	9,068	0
North								
Distribution	98	13,145,180	1,327,663	1,589,998	482,817	3.7%	364,321	0
Flex	31	1,132,274	66,018	0	51,501	4.5%	23,069	0
Freestanding	406	6,258,404	902,915	411,873	127,240	2.0%	75,480	55,470
Incubator	17	408,584	0		30,482	7.5%	(250)	0
Midbay	41	1,847,286	0	170,000	42,927	2.3%	13,182	0
Other	0	0	0	0	0	0.0%	0	0
North Total	593	22,791,728	2,296,596	2,171,871	734,967	3.2%	475,802	55,470
Central								
Distribution	25	1,333,512	0	60,000	5,700	0.4%	(4,250)	0
Flex	16	431,145	0		7,629	1.8%	(5,782)	0
Freestanding	140	2,057,557	20,800	0	0	0.0%	10,937	0
Incubator	31	797,245	0		13,681	1.7%	40,485	0
Midbay	36	1,696,677	0		44,395	2.6%	10,389	0
Other	0	0	0	0	0	0.0%	0	0
Central Total	248	6,316,136	20,800	60,000	71,405	1.1%	51,779	0
Southwest								
Distribution	93	7,888,967	781,300	393,256	89,704	1.1%	51,322	30,000
Flex	187	6,702,714	163,957	92,154	234,069	3.5%	186,759	106,500
Freestanding	609	7,610,584	117,738	60,000	47,826	0.6%	16,990	21,500
Incubator	51	1,974,329	0		80,209	4.1%	32,259	18,212
Midbay	94	5,243,503	102,617	508,948	124,146	2.4%	60,473	35,464
Other	0	0	0	0	0	0.0%	0	0
Southwest Total	1,034	29,420,097	1,165,612	1,054,358	575,954	2.0%	347,803	211,676
Airport								
Distribution	55	4,159,161	411,398	0	31,338	0.8%	17,187	0
Flex	92	2,426,761	0	119,982	107,127	4.4%	289	0
Freestanding	146	2,774,721	241,240	96,444	178,871	6.4%	(14,861)	25,000
Incubator	27	888,358	0		39,297	4.4%	(1,506)	0
Midbay	42	2,303,974	0		117,496	5.1%	31,985	0
Other	2	77,159	0		32,528	42.2%	0	0
Airport Total	364	12,630,134	652,638	216,426	506,657	4.0%	33,094	25,000
Henderson								
Distribution	38	5,019,794	129,962	733,580	318,935	6.4%	(33,855)	0
Flex	39	723,837	0		32,200	4.4%	(18,617)	0
Freestanding	234	3,114,092	70,000	57,822	81,030	2.6%	52,383	62,098
Incubator	2	33,610	0		0	0.0%	0	0
Midbay	40	1,821,531	0	218,400	134,343	7.4%	27,270	0
Other	0	0	0	0	0	0.0%	0	0
Henderson Total	353	10,712,864	199,962	1,009,802	566,508	5.3%	27,181	62,098
Las Vegas Total								
Distribution	309	31,546,614	2,650,323	2,776,834	928,494	2.9%	394,725	30,000
Flex	373	11,606,208	299,975	212,136	466,712	4.0%	193,586	106,500
Freestanding	1,541	21,996,048	1,352,693	626,139	434,967	2.0%	140,929	164,068
Incubator	130	4,242,126	0	0	163,669	3.9%	72,188	18,212
Midbay	253	12,912,971	102,617	897,348	463,307	3.6%	143,299	35,464
Other	4	131,971	0	0	32,528	24.6%	0	0
Total	2,610	82,435,938	4,405,608	4,512,457	2,489,677	3.0%	944,727	354,244

INDUSTRIAL MARKET REPORT

FOURTH 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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For Further Information:

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