



Industrial Market Report

Compared to 2011:

Vacancy



Net Absorption



Lease Rates



Construction



Market Highlights

- Market Overview** – The industrial market vacancy rate ended the fourth quarter of 2012 at 18.3 percent. The rate remained relatively flat compared to the previous quarter but was up 1.67 percent when compared to 2011’s fourth quarter rate of 18.0 percent.
- Demand** – The sector reported 32,039 square feet of positive net absorption in the last quarter of 2012, bringing the annual total to approximately 243,700 square feet of negative net absorption. The airport submarket reported the highest absorption rate during the quarter with positive 153,200 square feet. However, this was partially offset by 103,500 square feet of net move-outs in the north submarket. For the year, Henderson witnessed the strongest performance, with positive 138,600 square feet of absorption.
- Inventory** – Although the industrial market witnessed an increase in construction activity in recent quarters, there were no completions during the fourth quarter of 2012. For the year, only 65,000 square feet entered the market, sourced to the Gowan Industrial Center, which completed in the second quarter.
- Future Supply** – Construction began on the 110,000–square–foot headquarters for SHFL Entertainment during the final quarter of 2012, bringing total construction activity to 875,000 square feet. The bulk of development activity (755,000 square feet) is currently taking place in the southwest, which includes the 600,000–square–foot Switch datacenter. The remaining 120,000 square feet is located in the North Las Vegas submarket.
- Economic Considerations** – Broader economic conditions continued to moderate during the reporting period. Compared to the end of the prior quarter, consumer confidence declined 4.8 percent to 65.1 by year–end. The stock markets also declined when compared to the third quarter. The S&P 500 declined 1.0 percent, the Dow Jones Industrial Average fell 2.5 percent, and NASDAQ fell 3.1 percent. Concerns over the “fiscal cliff” continued to loom over the economy during the final month of 2012, despite an interim resolution at the beginning of 2013. Meanwhile, the local unemployment rate fell to 10.4 percent in November (latest available data) with modest overall job growth.
- Looking Forward** – The pace of contraction in the industrial market has slowed noticeably, with positive net absorption witnessed in two of the quarters in 2012. While vacancies remained elevated at year–end, it appears the worst may be in the rear view mirror. New project completions in 2013 are expected to contribute to increased absorption and overall increased stability.

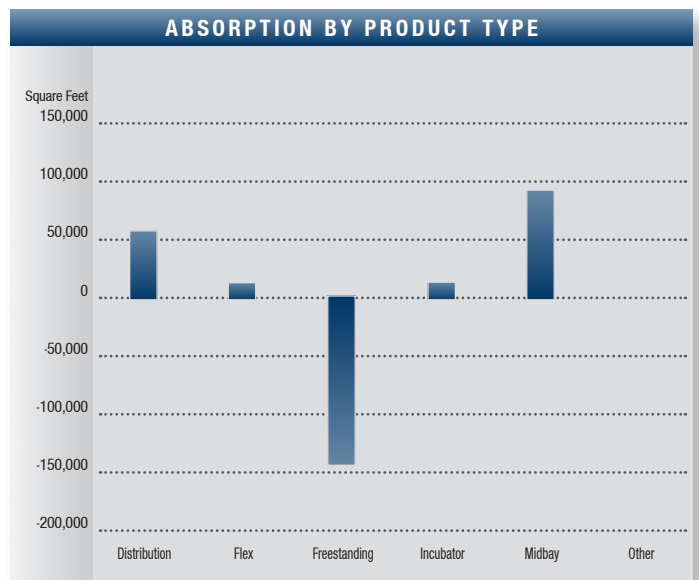
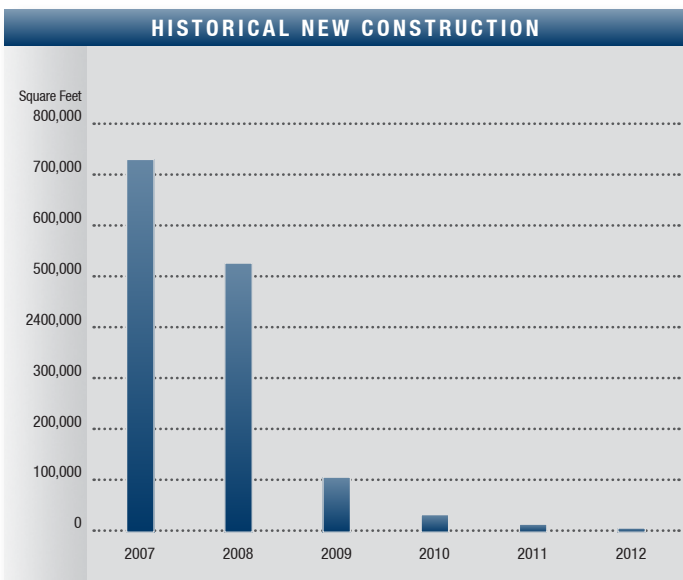
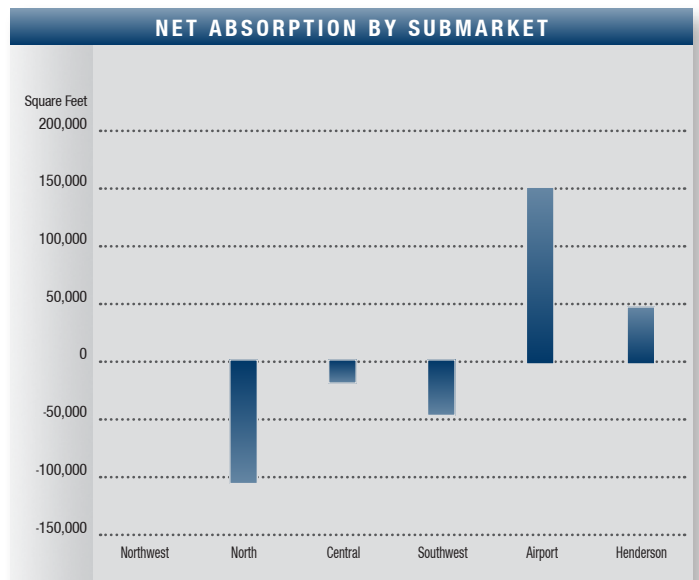
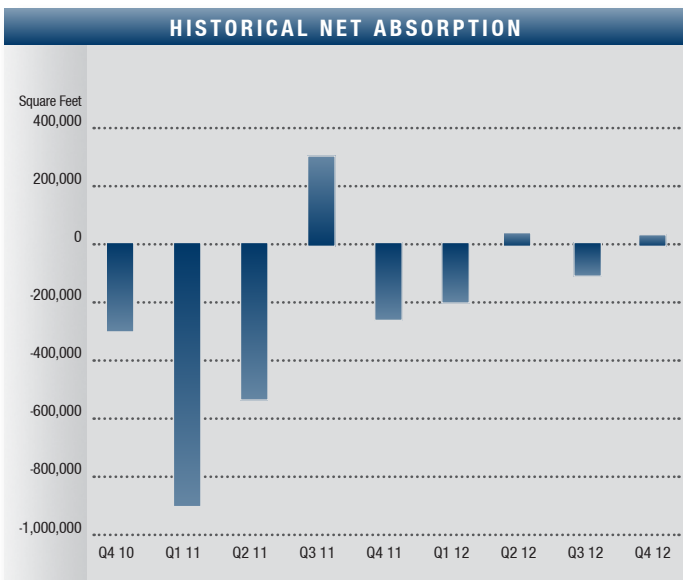
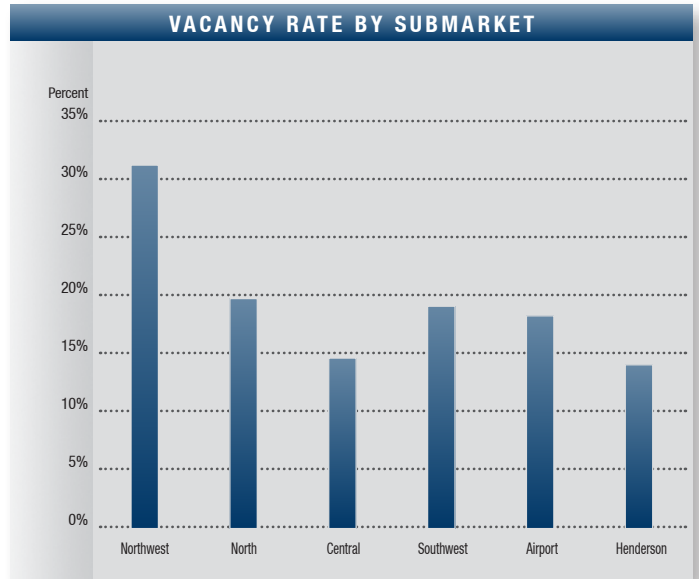
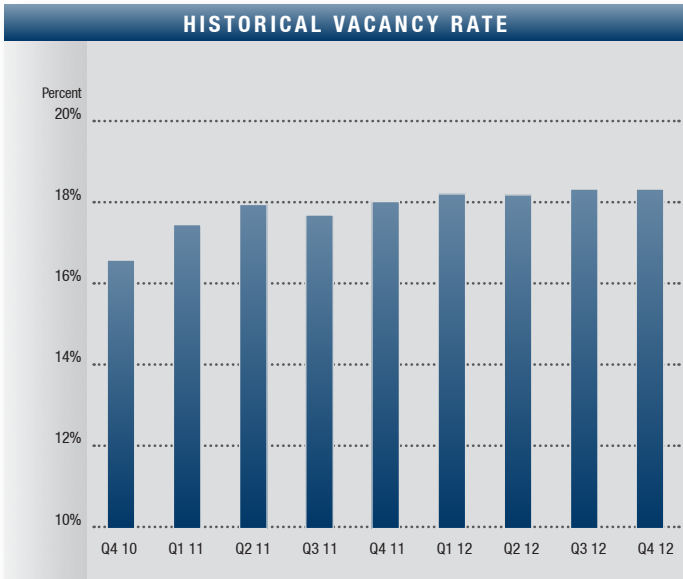
To view available properties or electronic versions of current or past market reports, please visit:

www.voitco.com

Prepared by:
Jerry J. Holdner, Jr. – Lic.#01145748
 Vice President of Market Research
 VOIT Real Estate Services – Lic.#01333376
 e–mail: jholdner@voitco.com

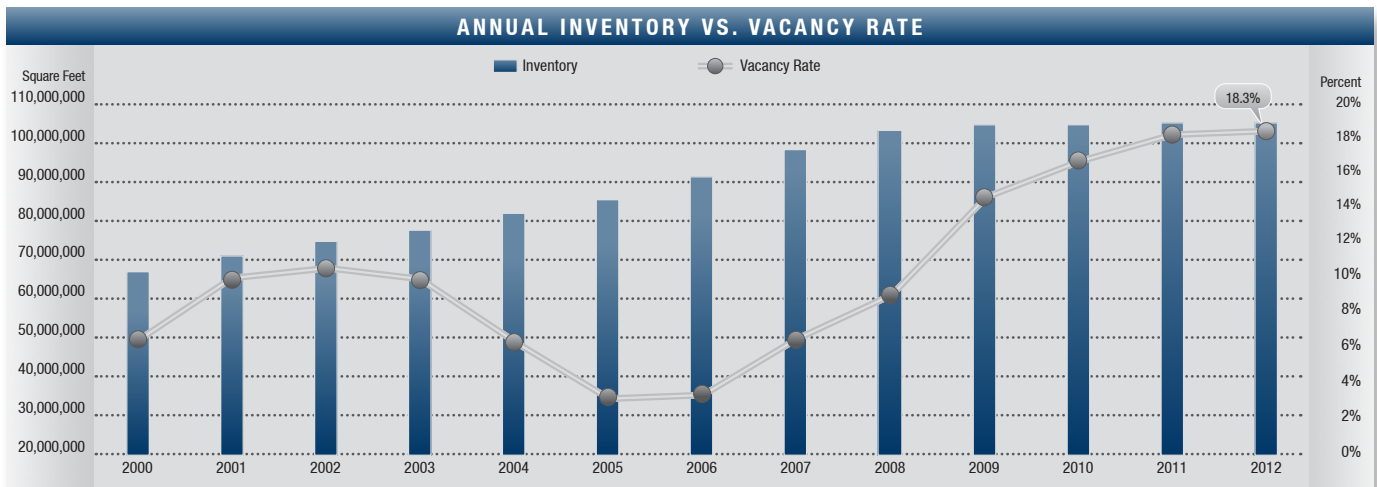
INDUSTRIAL MARKET OVERVIEW

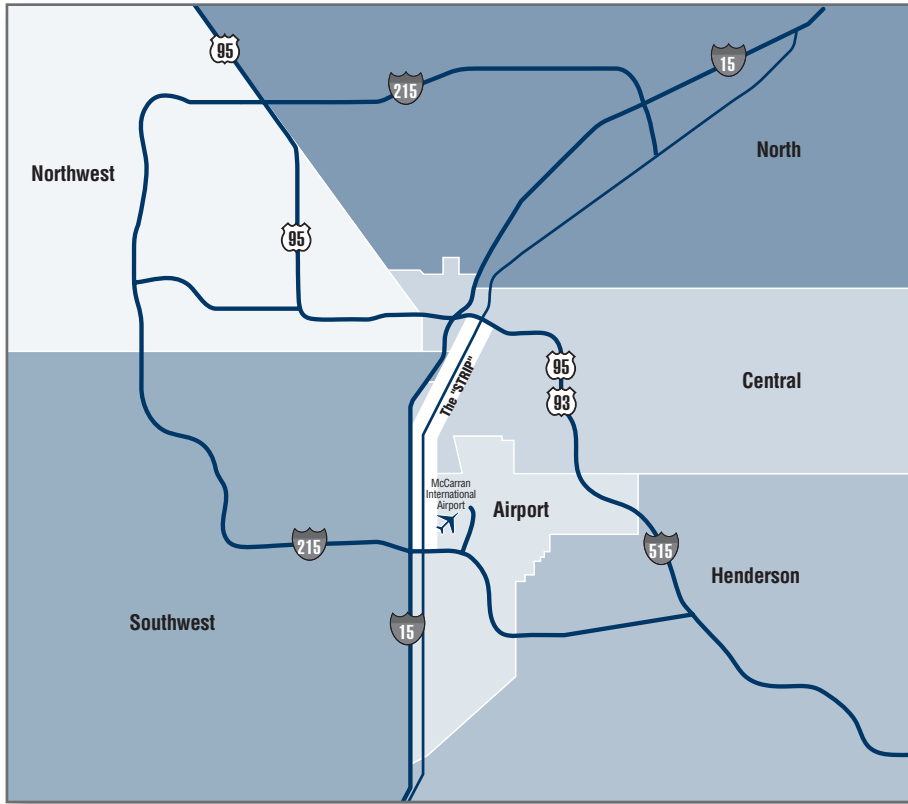
	2012	2011	2010	2012 vs. 2011
Under Construction	875,000	0	22,000	N/A
Planned Construction	711,566	1,241,566	245,064	(42.7%)
Vacancy	18.3%	18.0%	16.6%	1.67%
Net Absorption	(243,727)	(1,399,713)	(2,079,997)	N/A



	INVENTORY				VACANCY RATES		ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet Under Construction	Square Feet Planned	Square Feet Vacant	Vacancy Rate Q4 2012	Net Absorption Q4 2012	Net Absorption 2012	New Supply Q4 2012	New Supply 2012
Northwest										
Distribution	2	196,910	0	300,000	87,212	44.3%	0	(19,991)	0	0
Flex	10	257,489	0	0	68,850	26.7%	0	16,676	0	0
Freestanding	6	174,690	0	0	15,000	8.6%	0	0	0	0
Incubator	2	120,000	0	0	46,592	38.8%	0	0	0	0
Midbay	0	0	0	0	0	0.0%	0	0	0	0
Other	2	54,812	0	0	32,500	59.3%	0	0	0	0
Northwest Total	22	803,901	0	300,000	250,154	31.1%	0	(3,315)	0	0
North										
Distribution	132	17,044,271	0	0	2,792,583	16.4%	29,593	(46,642)	0	0
Flex	51	1,416,895	0	0	376,049	26.5%	(27,658)	68,642	0	0
Freestanding	658	8,660,461	120,000	0	1,877,391	21.7%	(133,373)	(3,875)	0	65,000
Incubator	30	751,632	0	0	287,798	38.3%	5,051	24,195	0	0
Midbay	59	2,812,221	0	0	713,467	25.4%	22,903	(1,633)	0	0
Other	0	0	0	0	0	0.0%	0	0	0	0
North Total	930	30,685,480	120,000	0	6,047,288	19.7%	(103,484)	40,687	0	65,000
Central										
Distribution	32	1,665,632	0	0	133,222	8.0%	(4,810)	(12,690)	0	0
Flex	20	459,945	0	0	87,680	19.1%	(10,987)	(46,270)	0	0
Freestanding	145	2,143,518	0	0	323,665	15.1%	(6,030)	(83,124)	0	0
Incubator	35	782,593	0	0	131,913	16.9%	5,659	(71)	0	0
Midbay	55	1,852,970	0	0	334,888	18.1%	(875)	(53,654)	0	0
Other	0	0	0	0	0	0.0%	0	0	0	0
Central Total	287	6,904,658	0	0	1,011,368	14.6%	(17,043)	(195,809)	0	0
Southwest										
Distribution	121	12,394,496	600,000	51,502	1,724,501	13.9%	(89,132)	(125,486)	0	0
Flex	231	7,338,164	0	0	1,506,190	20.5%	79,286	114,140	0	0
Freestanding	748	10,406,235	155,000	0	2,312,315	22.2%	(47,816)	(195,533)	0	0
Incubator	58	1,989,470	0	0	375,567	18.9%	7,577	6,819	0	0
Midbay	126	6,780,583	0	0	1,495,993	22.1%	4,705	6,228	0	0
Other	0	0	0	0	0	0.0%	0	0	0	0
Southwest Total	1,284	38,908,948	755,000	51,502	7,414,566	19.1%	(45,380)	(193,832)	0	0
Airport										
Distribution	63	4,637,703	0	0	720,048	15.5%	69,303	(14,783)	0	0
Flex	132	2,825,179	0	0	545,793	19.3%	(10,453)	16,932	0	0
Freestanding	172	3,362,548	0	60,064	514,175	15.3%	46,552	7,831	0	0
Incubator	28	794,639	0	0	171,566	21.6%	0	(2,069)	0	0
Midbay	52	2,504,998	0	0	625,501	25.0%	47,806	(37,927)	0	0
Other	1	44,631	0	0	0	0.0%	0	0	0	0
Airport Total	448	14,169,698	0	60,064	2,577,083	18.2%	153,208	(30,016)	0	0
Henderson										
Distribution	54	6,168,541	0	300,000	385,464	6.2%	51,478	54,794	0	0
Flex	46	842,698	0	0	183,666	21.8%	(16,548)	(21,077)	0	0
Freestanding	345	4,273,674	0	0	980,872	23.0%	(2,518)	(56,756)	0	0
Incubator	6	189,442	0	0	17,933	9.5%	(5,155)	19,501	0	0
Midbay	47	2,114,108	0	0	340,428	16.1%	17,481	142,096	0	0
Other	0	0	0	0	0	0.0%	0	0	0	0
Henderson Total	498	13,588,463	0	300,000	1,908,363	14.0%	44,738	138,558	0	0
Las Vegas Total										
Distribution	404	42,107,553	600,000	651,502	5,843,030	13.9%	56,432	(164,798)	0	0
Flex	490	13,140,370	0	0	2,768,228	21.1%	13,640	149,043	0	0
Freestanding	2,074	29,021,126	275,000	60,064	6,023,418	20.8%	(143,185)	(331,457)	0	65,000
Incubator	159	4,627,776	0	0	1,031,369	22.3%	13,132	48,375	0	0
Midbay	339	16,064,880	0	0	3,510,277	21.9%	92,020	55,110	0	0
Other	3	99,443	0	0	32,500	32.7%	0	0	0	0
Las Vegas Total	3,469	105,061,148	875,000	711,566	19,208,822	18.3%	32,039	(243,727)	0	65,000

Note: Planned inventory includes projects that previously commenced construction but are not actively underway.





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

Please Contact Us for Further Information

Anaheim, CA
714.978.7880

Commerce, CA
323.201.4494

Inland Empire, CA
909.545.8000

Irvine, CA
949.851.5100

Las Vegas, NV
702.734.4500

Newport Beach, CA
949.644.8648

Phoenix, AZ
602.952.8648

Reno, NV
775.309.0782

Sacramento, CA
916.772.8648

San Diego, CA
858.453.0505



REAL ESTATE SERVICES

101 Shipyard Way
Newport Beach, CA 92663

949.644.8648
www.voitco.com
Lic.#01333376

Represented in 150 Markets
Nationally & Internationally.



This survey consists of properties representing both single tenant and multi-tenant buildings. The lease rates are based on a triple net basis. The information contained in this report is gathered from sources that are deemed reliable, but no guarantees are made as to its accuracy. This information is for Voit Real Estate Services' use only and cannot legally be reproduced without prior written consent from the management of Voit Real Estate Services.