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Las Vegas Industrial Survey

1st Quarter 2016



WARM SPRINGS CROSSING



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May 20, 2016

Re: Industrial Real Estate Survey: 1st Quarter, 2016

Dear Reader,

RCG Economics and the UNLV Lied Institute for Real Estate Studies are excited to produce the Lied-RCG Commercial Real Estate Survey ("the Survey") containing the most comprehensive, timely and accurate data and analysis on the Las Vegas Valley's industrial, speculative office and anchored retail markets.

RCG Economics has partnered with the Lied Institute to produce objective and independent quarterly surveys on the health and state of the commercial real estate market. RCG is a leader in real estate market research and analysis, including commercial real estate and economic forecasting. The Lied Institute seeks to advance real estate knowledge through research, student scholarship, certificate programs and community outreach activities.

The Survey is born of our commitment to excellence in serving those organizations requiring superior up-to-date market analysis and data to make key decisions. Developing this Private-Public Partnership to collect, analyze and release unbiased information is further proof of this commitment. Equally important, the data herein are collected as close as possible to the end of each quarter.

This survey documents historical and current market conditions at the Valley and submarket levels. The data contained within are organized and tracked by our in-house research analysts and economists to provide the best analysis of Las Vegas' commercial real estate markets. The survey contains a variety of meaningful market indicators, including:

- Total existing inventory
- New and planned construction activity
- Vacancy and occupancy levels
- Net Absorption
- "Coupon" or quoted monthly rents

Further, our three commercial (industrial, office and retail) databases contain benchmark building data, by submarket, dating back to 1996. This information allows us to develop "custom" studies for our readers and clients. It is through this survey and our other services and products, that we remain the "Source for Decision Makers."

Regards,

John Restrepo
RCG Economics

Edward Coulson, Ph.D
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LAS VEGAS INDUSTRIAL SURVEY

SUMMARY

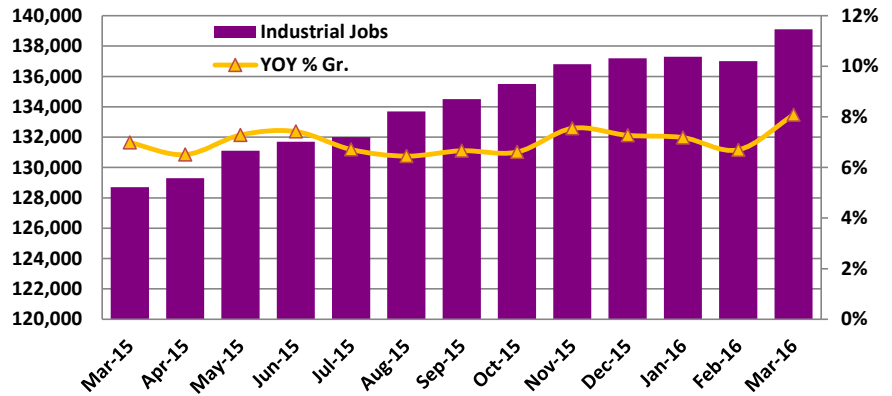
The Las Vegas Valley's ("the Valley") Industrial market¹ closed the first quarter ("Q1") of 2016 with an market-wide inventory of 111.3 million square feet ("sf"), including completions of 190,000 sf for the quarter. Net absorption (net demand) during Q1 was -182,609 sf, marking an increase in the Valley's Industrial vacancy rate of 0.3 points to 5.0% from 4.7% in Q4, 2015, but declining from 6.1% in Q1, 2015. At \$0.77 per square foot ("psf") NNN², the average monthly asking rent was \$0.07 psf higher than Q4 (\$0.70 psf), and \$0.19 above Q1, 2015 (\$0.58 psf). At the close of Q1, Industrial forward-supply³ saw 3.4 million sf under construction with another 5.1 million sf in the planning stages. All under-construction space (100%) was in Warehouse/Distribution buildings. Performance metrics for the Valley's Industrial market indicate that the Industrial market has now generally recovered and is again beginning to demonstrate consistent growth.

INDUSTRIAL-RELATED JOBS

Total nonfarm employment in the Las Vegas MSA rose by 23,400 jobs from March 2015 through March 2016, a 2.6% increase. During that time the "headline" unemployment rate declined 0.9 points to 6.0%.

Jobs in Industrial space-using sectors represented 17% (139,100 jobs) of all private jobs in Clark County at the end of Q1, 2016, representing a 8.1% increase in jobs over March 2015.⁴ Since September 2012, Industrial sector job growth has posted solid year-over-year (Y-O-Y) growth (>2%) every month, outpacing population growth and facilitating reduction of the unemployment rate. The Construction sector (+6,500 jobs) and the Transportation and Warehousing sector (+2,400 jobs) have shown the greatest gains since March 2015.

**Clark County Total* Industrial Jobs and Annual Growth:
Mar-15 to Mar-16**



*Natural resources, construction, manufacturing, and transportation & warehousing industries. Source: Nevada Department of Employment, Training and Rehabilitation; calculated by RCG Economics.

Industrial Employment

Industry Sector	Jan 2015			Feb 2015			Mar 2015		
	2016	2015	% Ch.	2016	2015	% Ch.	2016	2015	% Ch.
Nat. Resources	300	300	0.0%	300	300	0.0%	300	300	0.0%
Construction	53,300	48,200	10.6%	53,500	48,700	9.9%	55,000	48,500	13.4%
Manufacturing	21,900	21,300	2.8%	22,000	21,300	3.3%	22,000	21,500	2.3%
Wholesale Trade	21,800	21,200	2.8%	22,100	21,200	4.2%	22,200	21,200	4.7%
Transp. & Warehousing	40,000	37,100	7.8%	39,100	36,900	6.0%	39,600	37,200	6.5%
Total	137,300	128,100	7.2%	137,000	128,400	6.7%	139,100	128,700	8.1%

Source: Nevada Department of Employment, Training & Rehabilitation ("DETR").

VACANCY & RENTS

The Valley's total Industrial vacancy rate (direct vacant space plus sublease vacant space) rose slightly to 5.0% in Q1, up from 4.7% in Q4, 2015, but it was down from 6.1% in Q1, 2015. The Industrial market is still well below the generally accepted 10% stabilized vacancy rate. With the rate at such a low level, these fluctuations are not cause for concern. Vacancy levels have notably improved since Q3, 2012, when the rate peaked at 15.5%. The return of the market has been quite dramatic, to the point that supply shortages are common for certain types of space, especially large units (75,000+ sf). In response there are a number of new projects in the works.

On a submarket basis, three out of seven of the Valley's Industrial submarkets enjoyed vacancy rates under five percent

INDUSTRIAL MARKET

at the end of Q1, with six of seven submarkets under 10%. On a quarter-over-quarter basis, only two submarkets posted declines in their vacancy rates. The North Las Vegas submarket again led the pack at 2.4%, down from 3.2%, and had the lowest vacancy rate of all seven submarkets. The East Las Vegas submarket's vacancy rate also declined in Q1, dropping a percentage-point from 7.3% to 6.3%. Both the West Central and Henderson submarkets increased this quarter to 4.9%. The West Central increased 0.5 percentage-points to 4.9% in Q1, while Henderson's rate ticked up 0.2 percentage-points this quarter. The Northwest submarket rate increased significantly, jumping 6.2 percentage-points from 4.5% in Q4, 2015 to 10.7% in Q1, 2016 and posting the highest vacancy rate of all the submarkets. This is not a troubling change, however. The large percentage-point change is attributed to the fact that this submarket is very small and that a single new mid-sized availability can significantly alter the vacancy rate, which is exactly what happened in this case. The Airport submarket rate increased to 9.1% from 8.2%. The Southwest submarket also gained 1 point from 4.5% in Q4 to 5.5%.

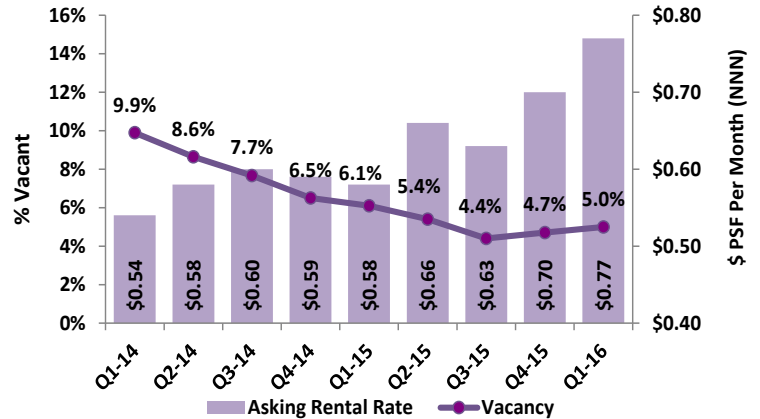
On a Y-O-Y basis, the East and North Las Vegas submarkets saw the biggest drops in vacancy. The East Las Vegas submarket vacancy rate was the most improved with a 4.5 percentage-point decline (10.8% in Q1, 2015), followed by the North Las Vegas submarket at 2.2 percentage-points. The Southwest submarket's vacancy dropped by 1.2 percentage-points from 6.7% in Q1, 2015, followed by West Central (-0.9% from 5.8% in Q1, 2015) and Airport (-0.4% from 9.5% in Q1, 2015). Two Industrial submarkets experienced increases in vacancies: Henderson increased 1.2 percentage-points from the Q1, 2015 vacancy rate of 3.7% and the Northwest submarket jumped 5.4 points.

On a product basis, all five types saw modest vacancy increases from Q4, 2015 to Q1, 2016. Light Distribution space vacancies increased the most, from 4.9% to 5.7%. Both Warehouse and Light Industrial vacancies increased to 3.9%, from 3.7% and 3.6%, respectively. Incubator ticked up slightly from 8.7% to 8.9% and R&D/Flex increased from 12.2% to 12.7%.

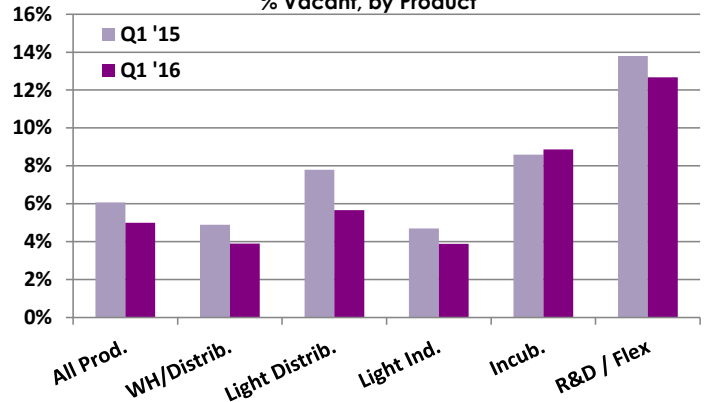
On a Y-O-Y basis, every product's vacancy rate improved except for Incubator, which posted a 0.3% increase from Q1, 2015. Light Distribution improved the most posting a 2.1-point drop between Q1, 2015 and Q1, 2016. R&D/Flex and Warehouse/Distribution followed with decreases of 1.1 and 1 percentage-point, respectively. Light Industrial rounded out the group with 0.8 percentage-point improvement.

As noted above, the overall Industrial market has recovered from the Great Recession. Some submarkets and subtypes are doing better than others, such as Warehouse/Distribution on the strong end and R&D/Flex on the weaker end, but now the conversation has shifted away

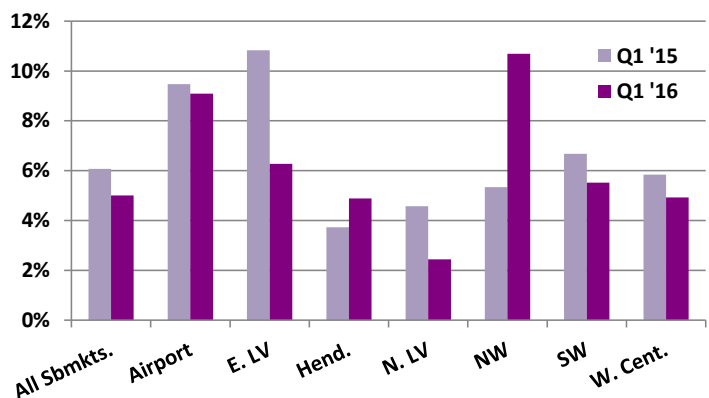
Las Vegas Valley Industrial Market
Historical Vacancy vs. Monthly Asking Rent:
Q1, 2014 - Q1, 2016



Las Vegas Valley Industrial Market
Vacancy Trends: Q1, 2015 v. Q1, 2016
% Vacant, by Product



% Vacant, by Submarket



INDUSTRIAL MARKET

from which product types will recover faster to which ones are ready to expand and how the industry will deal with looming shortages.

Average monthly Industrial asking rents for all product types (calculated on a NNN basis, not accounting for any operating expenses and based on quoted asking rents, not negotiated rents between owners and tenants) increased in Q1 by \$0.07 to \$0.77 per sf, up from \$0.70 in Q4, 2015. On average, Industrial rents are up \$0.19 since Q1, 2015.

DEMAND

Demand (defined as total net absorption) in the Valley's Industrial market was negative (-182,609 sf) after 13 straight quarters of positive absorption.

On a Y-O-Y basis, Q1 saw a notable decrease with 4.1 million sf of absorption compared to 4.8 million sf during the four quarters ending in Q1, 2015. This is to be expected, however, because there is less space available to absorb. Furthermore, in various segments of the market, shortages are occurring. New space will have to regularly come to market to keep absorption as high as it has been with so little unoccupied space remaining in the market. The shortage of space could be blunting economic growth.

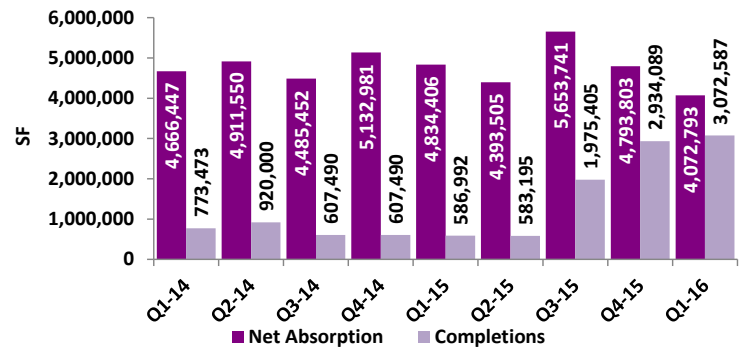
Five of seven submarkets had negative absorption in Q1, 2016. The North Las Vegas submarket saw the highest net absorption with +249,294 sf, with East Las Vegas absorbing +32,780 sf. Henderson had modest negative absorption of -23,992, with the Northwest and West Central submarkets showing negative absorption of -83,339 sf and -64,392 sf, respectively. The Airport (-133,991 sf) and Southwest (-158,969 sf) submarkets came in last with the highest negative absorption for Q1.

The top submarkets, on a Y-O-Y basis, were North Las Vegas (+2.2 million sf) and Southwest (+1.2 million sf). The East Las Vegas submarket also had a good year at +486,566 sf, with the Airport submarket trailing behind with less than half that at +229,543 sf. The West Central submarket remained positive at +110,133 sf, while the Northwest (-71,547 sf) and Henderson (-124,569 sf) submarkets both failed to show positive demand for the year.

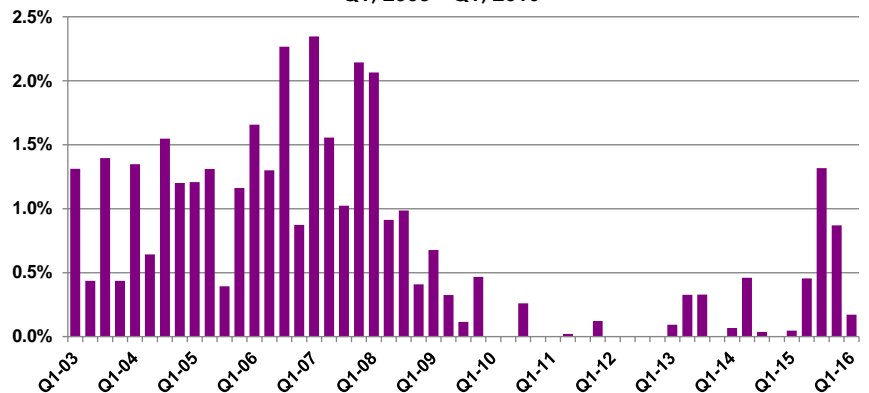
Demand in Q1 for the different product types was positive only in Light Industrial with +96,725 sf absorbed. Incubator (-13,463 sf), R&D/Flex (-27,397 sf), Warehouse/Distribution (-107,258 sf) and Light Distribution (-131,216 sf) all saw negative absorption this quarter.

Despite the negative absorption in the latest quarter, over the past year the Valley's Industrial market has seen strong demand. Warehouse/Distribution space has driven the market, accounting for 3.2 million of approximately 4.1 million sf of absorbed Industrial space in the last four quarters.

Las Vegas Valley Industrial Market
Historical YOY Net Absorption vs. Completions:
Q1, 2014 - Q1, 2016



Las Vegas Valley Industrial Market
Completions as a % of Inventory:
Q1, 2003 - Q1, 2016



INDUSTRIAL MARKET

SUPPLY

There was one completion in Q1, totaling 190,000 sf of space, increasing the total Industrial inventory to 111.3 million sf. The last three years have demonstrated hesitant optimism from a complete absence of Industrial space completions in 2012 to 801,500 sf of Industrial space completed in 2013, followed by a more conservative 609,400 sf of space debuting in 2014. In 2015, the market added 2.9 million sf of space. The new space – which plays such a critical role in Southern Nevada’s continued economic growth and development—offers a welcome respite for a market that is has become severely supply-constrained in certain market segments.

The Q1, 2016 completion was the Ainsworth Americas Headquarters, 190,000 sf of Light Industrial space in the Southwest submarket. Completions for 2016 are currently estimated to be 7.7 million square feet, which would be a large increase over 2015.

There are currently ten projects under construction at the end of Q1, which supports the ongoing trend of new Warehouse/Distribution development:

Under Construction

Project	SF	Subtype	Submarket	Exp. Comp.
Black Mountain Distribution Center #3	232,826	Warehouse/Distribution	Henderson	Q216
Blue Diamond Business Center #3	167,280	Warehouse/Distribution	Southwest	Q216
Cheyenne Distribution Center #3	163,790	Warehouse/Distribution	North Las Vegas	Q216
Henderson Commerce Center	240,000	Warehouse/Distribution	Henderson	Q416
Henderson Freeway Crossing	452,170	Warehouse/Distribution	Henderson	Q316
Jones Corporate Park	416,000	Warehouse/Distribution	Southwest	Q216
North 15 Freeway Distribution Center 1-2	410,640	Warehouse/Distribution	North Las Vegas	Q316
Northgate Distribution Center, Bdlg. 1-2	806,040	Warehouse/Distribution	North Las Vegas	Q316
Parc Post	165,234	Warehouse/Distribution	Southwest	Q216
Sunpoint Business Center	311,246	Warehouse/Distribution	East Las Vegas	Q216
Total	3,365,000			

On top of all the ongoing construction, there are 14 additional projects in the planning stages. They are:

Planned

Project	SF	Subtype	Submarket	Exp. Comp.
Beltway Distribution Center	211,188	Warehouse/Distribution	Southwest	Q416
Blue Diamond Business Center #10	495,000	Warehouse/Distribution	Southwest	2016
Blue Diamond Business Center #6	430,000	Warehouse/Distribution	Southwest	Q316
Desert Inn Distribution Center	153,320	Warehouse/Distribution	West Central	Q317
Lone Mountain Corporate Center-Phase 2	243,760	Warehouse/Distribution	North Las Vegas	2016
Northern Beltway Industrial Center	540,320	Warehouse/Distribution	North Las Vegas	2016
South 15 Airport Center	479,440	Warehouse/Distribution	Henderson	Q316
Speedway Commerce Center West	737,000	Warehouse/Distribution	North Las Vegas	2016
Sunrise Industrial Park #9-10	787,760	Warehouse/Distribution	East Las Vegas	Q416
Sunset Development Partners	54,000	Light Industrial	Airport	Q416
Supernap 10 (SWITCH)	343,436	Warehouse/Distribution	Southwest	2016
Supernap 11 (SWITCH)	343,436	Warehouse/Distribution	Southwest	2017
Supernap 12 (SWITCH)	168,040	Warehouse/Distribution	Southwest	2017
Torrey Park	73,000	Warehouse/Distribution	Southwest	2017
Total	5,060,000			

These projects continue to help power Southern Nevada’s economic recovery and its positioning as a mid-size distribution hub. Additionally, as the chart below demonstrates, the critical shortage of available Industrial space over 100,000 sf has affected the region’s rate of economic recovery and growth during the last few years. However, as we’ve noted several times, relief is on the way; with 10 projects currently under construction and 14 more in the planning stages,

INDUSTRIAL MARKET

Southern Nevada can expect to see significant additions in the Industrial market. These new projects should ease the existing shortage issues.

INVESTMENT SALES

Based on the YTD number of Industrial investment sales for 2016 as reported by Colliers, there has been a clear increase in 2016 compared to 2015. However, the average price per sale through Q1, 2016 was just \$1.9 million versus \$5.2 million in 2015. On the other hand, the average sales price per sf through Q1, 2016 was slightly higher than in 2015, but with the average sale size in 2015 notably higher. The average cap rate was not reported for Q1. In general, in an improving market, owners typically demand lower cap rates resulting in higher prices regardless of quality and location. The reverse is true in a down-market. These figures suggest an increase in speculation in the smaller end of the market. There could be consolidation going on to replace smaller spaces with larger ones.

FURTHER THOUGHTS & RECAP

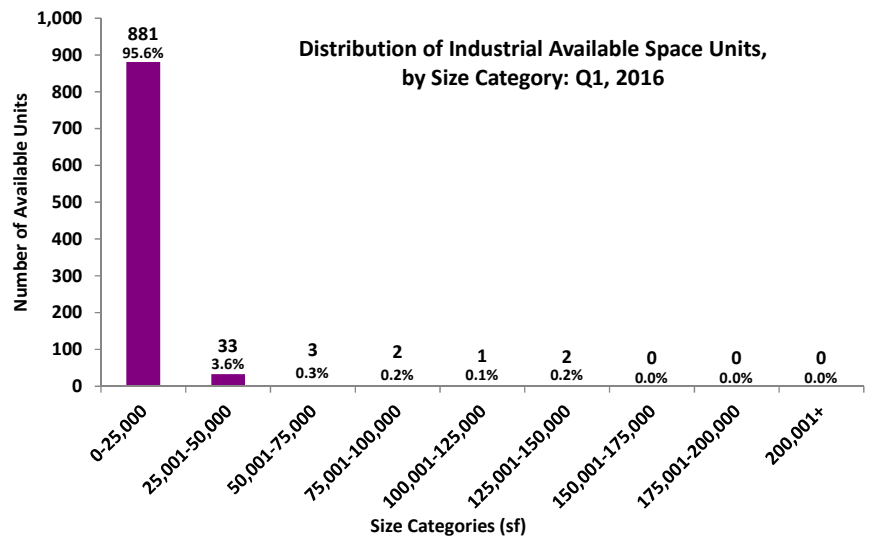
Slowing demand in the Industrial market at the start of 2016 lends support to last quarter's analysis that recovery in this market is essentially complete. This was only the second quarter in the past 15 quarters with negative net absorption. We also saw a slight uptick in the vacancy rate. These facts recall the issue of shortages that may have been partly responsible for decreased growth, and will certainly hamper the Southern Nevada's economic growth and development down the road if sufficient new space does not come to market in a timely manner. However, we expect this will not be a significant problem as there are currently 3.4 million sf of Industrial space under construction and another 5.1 million being planned.

Jobs in Industrial space-using sectors represented 17% (139,100 jobs) of all private jobs in Clark County at the end of Q1, 2016. This was 10,400 more (+8.1%) jobs than existed in March 2015. Since September 2012, Industrial sector job growth has posted solid Y-O-Y growth (>2%) every month, outpacing population growth and helping lower the unemployment rate.

The Construction sector (+6,500 jobs, +13.4%) and the Transportation and Warehousing sector (+2,400 jobs, +6.5%) have shown the greatest job gains since March 2015.

As mentioned above, the Valley's total Industrial vacancy rate (direct vacant space plus sublease vacant space) increased to 5.0% in Q1, up from 4.7% in Q4, but showed improvement from 6.1% in Q1, 2015. Though vacancy levels have risen slightly in several submarkets, total vacancy remains relatively low. The Valley's reinvigorated Industrial market has been mildly hobbled by supply shortages for certain types of space, especially large units (75,000+ sf). In response there are a number of new projects in the works.

On a submarket basis, the lowest vacancy rates in Q1 were in North Las Vegas (2.4%), West Central and Henderson (both at 4.9%) and the Southwest (5.5%) close behind. East Las Vegas (6.3%) came next, followed by the Airport (9.1%) submarket. The Northwest (10.7%) rounded out the group.



Industrial Investment Sales

	2015	YTD 2016
No. Sales	39	24
Square Feet Sold	2,306,000	496,000
Sales Volume (MM)	\$204.2	\$46.1
Average Price/SF	\$88.55	\$92.94
Average Cap Rate*	7.1%	-
Average Sale Size (SF)	59,000	21,000

Source: Colliers Las Vegas.

*Cap rate on properties available for sale as investments.

The growth of e-commerce along with multi-channel (Internet, mobile, bricks-and-mortar) selling by traditional and non-traditional retailers is unquestionably the long-term driver of the demand for Industrial space in Southern Nevada, as it has been in other parts of the U.S. Southern Nevada's location, adjacent to Southern California, will make it an important regional warehouse-distribution-fulfillment enclave. Southern Nevada appears to be on the verge of establishing an advanced manufacturing cluster with the December 2015 announcement of the Faraday Future electric car company establishing a plant in North Las Vegas.

¹ Includes all single and multi-tenant for-lease and owner-occupied industrial Warehouse/Distribution, Light Distribution, Light Industrial, Incubator and R&D Flex properties with roll-up doors in the Las Vegas Valley.

² All industrial rents in this report are quoted on a monthly triple net (NNN) per square foot basis and does not include additional expenses such as taxes, insurance, maintenance, janitorial and utilities. Rents are based on the direct vacant space in projects, not the average of leases in projects.

³ Forward-supply is a combination of space presently under construction in a quarter and space planned to begin construction within the next 4 quarters.

⁴ Includes the following industries: Natural Resources, Construction, Manufacturing, and Transportation & Warehousing and Wholesale Trade from the Nevada Department of Employment, Training and Rehabilitation's latest employment statistics.

INDUSTRIAL MARKET GLOSSARY

Properties tracked have loading dock-grade-level doors. Building characteristics were used to define the appropriate sub-type classification. These characteristics can include a building's primary use, size, type of loading doors, clear heights and parking ratios. A property must exhibit one or more of the typical building characteristics to be classified into subtypes.

Warehouse/Distribution

These buildings are the largest among the subtypes and are used for warehousing and distributing materials and merchandise. Warehouse facilities are primarily used for storage and distribution buildings are warehouse facilities designed to accommodate the freight and movement of products/goods.

- Multi- or single-tenant,
- Building/park size of at least 10,000 sf,
- Dock-high doors (or grade-level doors) and clear heights of at least 16 feet, and
- Parking ratios of: 1-2/1,000 sf - traditional warehouse/distribution
3-4/1,000 sf - high velocity warehouse/distribution.

Light Distribution

These buildings are primarily used as a distribution transfer center for the transshipment of products/goods (usually to change the mode of transport or for consolidation or deconsolidation of goods before shipment).

- Multi- or single-tenant,
- Building/park size of at least 5,000 sf, usually characterized by long narrow buildings,
- Cross-dock doors (or several dock high doors) with 12-16 feet clear height to accommodate transfer to/from multiple trucks, and
- Parking ratios of: 1-2/1,000 sf - traditional warehouse/distribution
3-4/1,000 sf - high velocity warehouse/distribution.

Light Industrial

These buildings are primarily used for light industrial manufacturing (rather than heavy industrial manufacturing that uses large amounts of raw materials, power and space) to produce and/or assemble products/goods for consumers as end-users.

- Multi- or single-tenant,
- Building/park size of at least 7,000 sf,
- Grade-level doors (or dock-high doors) and clear heights usually between 13 feet and 18 feet, and
- Parking ratio of 4+/1,000 sf.

Incubator

Buildings or portions of buildings that accommodate companies in the early phase of growth. The typical user generally needs 1,000 to 3,000 sf of warehouse space plus 5% to 20% earmarked for office space with the remaining being the warehouse space. Because of its lower space needs, an incubator tenant is usually a low-volume business needing more less frequent packing and unpacking activity and smaller shipment sizes.

- Multi-tenant,
- Building/park size of at least 5,000 sf,
- Grade-level doors with clear heights less than 15 feet, and
- Parking ratio: Less than 3/1,000 sf.

R&D/Flex

These buildings are the smallest among the subtypes and are designed to allow its occupants to easily alternate uses as industrial space or office space. This may include:

- Industrial space generally as light industrial or incubator; and
- Office space generally as research and development (R&D) parks.
- Multi- or single-tenant,
- Building/park size of at least 2,000 sf,
- Grade-level doors with clear heights less than 15 feet, and
- Parking ratio of 3-4/1,000 sf.

Industrial Market Matrix

Las Vegas, Nevada
First Quarter, 2016

SUBMARKETS

TOTAL INDUSTRIAL MARKET	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	501	150	534	1,017	81	1,281	648	4,212
Total Rentable SF	14,320,625	3,205,621	13,096,916	33,286,302	1,336,299	34,063,535	12,016,433	111,325,731
Total Vacant SF	1,301,281	201,050	639,215	813,554	142,852	1,878,842	591,253	5,568,047
Total Occupied SF	13,019,344	3,004,571	12,457,701	32,472,748	1,193,447	32,184,693	11,425,180	105,757,684
Total Vacant (%)	9.1%	6.3%	4.9%	2.4%	10.7%	5.5%	4.9%	5.0%
Completions QTD	0	0	0	0	0	190,000	0	190,000
Completions YOY	193,000	381,804	28,000	1,594,783	0	875,000	0	3,072,587
Total Net Absorption QTD	-133,991	32,780	-23,992	249,294	-83,339	-158,969	-64,392	-182,609
Total Net Absorption YOY	229,543	486,566	-124,569	2,230,543	-71,547	1,212,124	110,133	4,072,793
Asking Rents (\$ PSF)	\$0.79	\$0.43	\$0.69	\$0.68	\$0.83	\$0.75	\$0.85	\$0.77
Under Construction SF	0	311,246	924,996	1,380,470	0	748,514	0	3,365,226
Planned SF	54,000	787,760	479,440	1,521,080	0	2,064,100	153,320	5,059,700

WAREHOUSE/DISTRIBUTION	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	78	19	78	179	5	140	52	551
Total Rentable SF	5,037,394	1,288,879	6,757,019	20,340,732	223,661	13,751,312	1,939,836	49,338,833
Total Vacant SF	401,873	115,274	199,257	315,259	0	870,746	23,738	1,926,147
Total Occupied SF	4,635,521	1,173,605	6,557,762	20,025,473	223,661	12,880,566	1,916,098	47,412,686
Total Vacant (%)	8.0%	8.9%	2.9%	1.5%	0.0%	6.3%	1.2%	3.9%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	193,000	381,804	0	1,574,783	0	685,000	0	2,834,587
Total Net Absorption QTD	-124,376	0	-44,967	380,297	0	-294,474	-23,738	-107,258
Total Net Absorption YOY	64,471	423,384	-125,857	2,036,590	0	732,548	49,544	3,180,680
Asking Rents (\$ PSF)	\$0.51	\$0.18	\$0.57	\$0.41	\$0.00	\$0.60	\$0.67	\$0.55
Under Construction SF	0	311,246	924,996	1,380,470	0	748,514	0	3,365,226
Planned SF	0	787,760	479,440	1,521,080	0	2,064,100	153,320	5,005,700

LIGHT DISTRIBUTION	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	68	19	37	167	1	181	40	513
Total Rentable SF	3,169,129	340,675	1,571,703	4,848,934	51,000	6,930,636	775,747	17,687,824
Total Vacant SF	267,322	0	198,487	147,932	12,159	360,456	15,420	1,001,776
Total Occupied SF	2,901,807	340,675	1,373,216	4,701,002	38,841	6,570,180	760,327	16,686,048
Total Vacant (%)	8.4%	0.0%	12.6%	3.1%	23.8%	5.2%	2.0%	5.7%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	0	0
Total Net Absorption QTD	-43,339	0	-34,794	-36,705	-8,359	-15,619	7,600	-131,216
Total Net Absorption YOY	-4,520	0	-7,207	115,257	-8,359	176,748	108,179	380,098
Asking Rents (\$ PSF)	\$0.76	\$0.00	\$0.57	\$0.49	\$0.69	\$0.74	\$0.41	\$0.71
Under Construction SF	0	0	0	0	0	0	0	0
Planned SF	0	0	0	0	0	0	0	0

Industrial Market Matrix

Las Vegas, Nevada First Quarter, 2016

SUBMARKETS

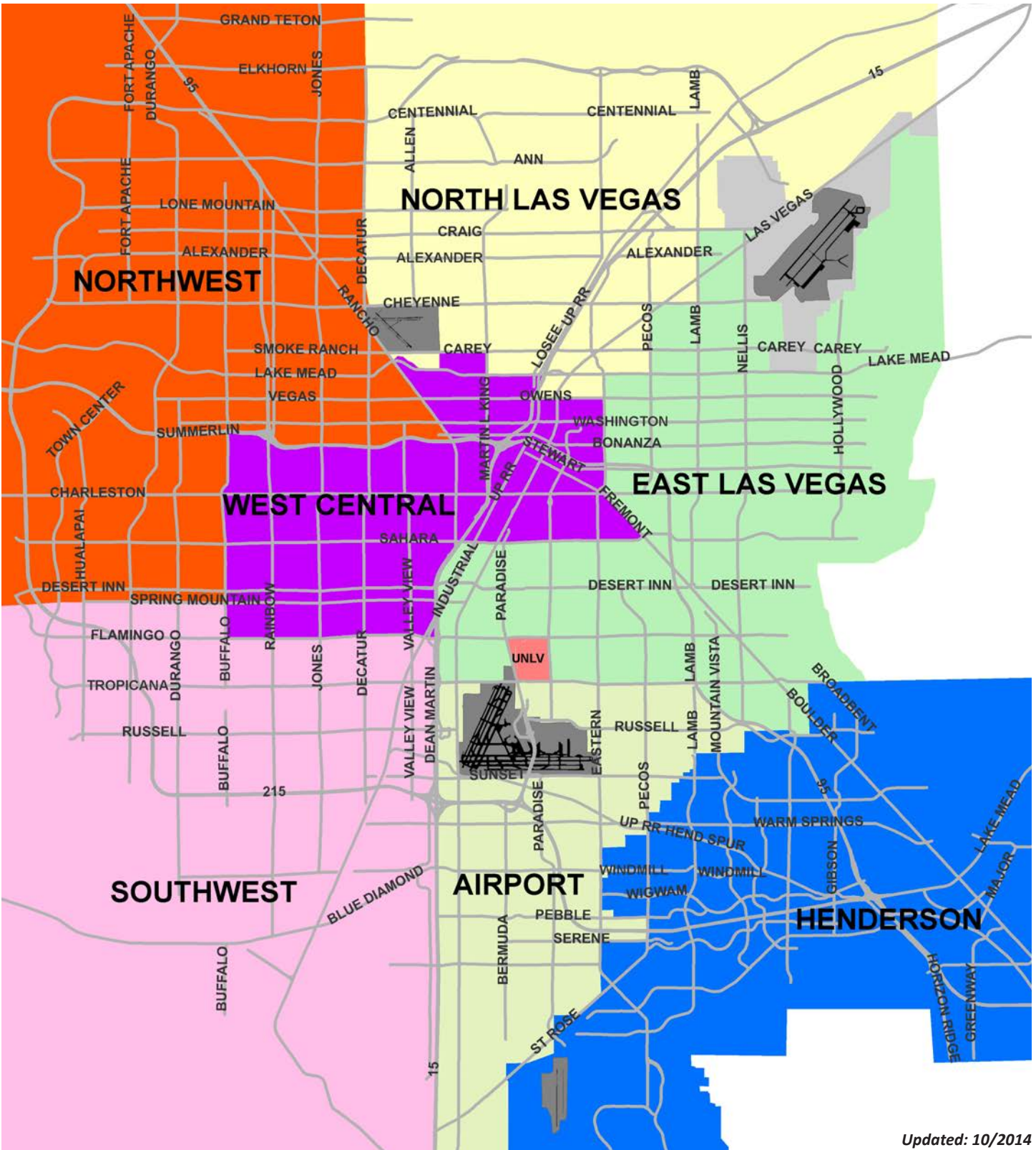
LIGHT INDUSTRIAL	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	199	91	313	594	16	742	482	2,437
Total Rentable SF	3,076,809	1,135,150	3,085,009	6,755,260	290,111	9,362,544	6,622,403	30,327,286
Total Vacant SF	238,630	34,850	51,715	200,109	23,700	390,545	237,682	1,177,231
Total Occupied SF	2,838,179	1,100,300	3,033,294	6,555,151	266,411	8,971,999	6,384,721	29,150,055
Total Vacant (%)	7.8%	3.1%	1.7%	3.0%	8.2%	4.2%	3.6%	3.9%
Completions QTD	0	0	0	0	0	190,000	0	190,000
Completions YOY	0	0	28,000	20,000	0	190,000	0	238,000
Total Net Absorption QTD	21,177	9,750	51,641	-90,955	-23,700	108,757	20,055	96,725
Total Net Absorption YOY	67,031	61,042	63,514	79,023	-23,700	151,796	63,239	461,945
Asking Rents (\$ PSF)	\$0.90	\$0.71	\$0.67	\$0.59	\$1.10	\$0.67	\$0.82	\$0.74
Under Constuction SF	0	0	0	0	0	0	0	0
Planned SF	54,000	0	0	0	0	0	0	54,000

INCUBATOR	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	89	13	29	31	4	120	62	348
Total Rentable SF	1,714,621	298,623	456,906	561,552	99,325	2,496,381	2,458,615	8,086,023
Total Vacant SF	167,826	35,512	31,248	49,288	5,693	138,678	288,611	716,856
Total Occupied SF	1,546,795	263,111	425,658	512,264	93,632	2,357,703	2,170,004	7,369,167
Total Vacant (%)	9.8%	11.9%	6.8%	8.8%	5.7%	5.6%	11.7%	8.9%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	0	0
Total Net Absorption QTD	1,035	23,030	5,045	7,675	-2,229	6,898	-54,917	-13,463
Total Net Absorption YOY	42,155	2,140	-4,592	7,380	1,398	47,458	-114,890	-18,951
Asking Rents (\$ PSF)	\$0.86	\$0.54	\$0.65	\$0.57	\$0.94	\$0.85	\$0.86	\$0.81
Under Constuction SF	0	0	0	0	0	0	0	0
Planned SF	0	0	0	0	0	0	0	0

R&D / FLEX	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	67	8	77	46	55	98	12	363
Total Rentable SF	1,322,672	142,294	1,226,279	779,824	672,202	1,522,662	219,832	5,885,765
Total Vacant SF	225,630	15,414	158,508	100,966	101,300	118,417	25,802	746,037
Total Occupied SF	1,097,042	126,880	1,067,771	678,858	570,902	1,404,245	194,030	5,139,728
Total Vacant (%)	17.1%	10.8%	12.9%	12.9%	15.1%	7.8%	11.7%	12.7%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	0	0
Total Net Absorption QTD	11,512	0	-917	-11,018	-49,051	35,469	-13,392	-27,397
Total Net Absorption YOY	60,406	0	-50,427	-7,707	-40,886	103,574	4,061	69,021
Asking Rents (\$ PSF)	\$1.07	\$0.61	\$1.01	\$0.80	\$0.74	\$0.88	\$0.93	\$0.91
Under Constuction SF	0	0	0	0	0	0	0	0
Planned SF	0	0	0	0	0	0	0	0

LAS VEGAS VALLEY

INDUSTRIAL SUBMARKET MAP



Updated: 10/2014