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Las Vegas Industrial Survey

4th Quarter 2015



WARM SPRINGS CROSSING



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February 29, 2016

Re: *Industrial Real Estate Survey: 4th Quarter, 2015*

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

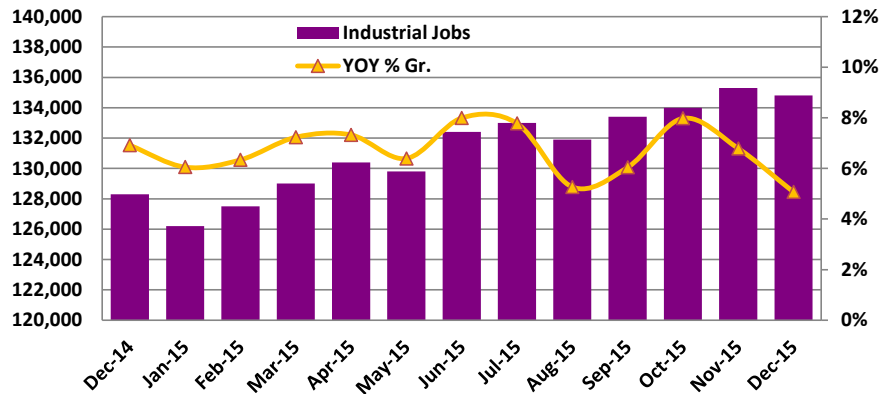
The Las Vegas Valley's ("the Valley") industrial market¹ ended Q4, 2015 with an inventory of 111.1 million square feet ("sf"), including completions of 958,700 sf for the quarter. Net absorption (net demand) during Q4 was 647,900 sf, marking an increase in the Valley's industrial vacancy rate of 0.3 points to 4.7% from 4.4% in Q3, 2015, but declining from 6.5% in Q4, 2014. At \$0.70 per square foot ("psf") NNN², the average monthly asking rent was \$0.07 psf higher than Q3 (\$0.64 psf), and \$0.11 higher than in Q4, 2014 (\$0.59 psf). At the close of Q4, industrial forward-supply³ saw 1.6 million sf under construction with another 6.8 million sf in the planning stages. Most under-construction space (87%) was in Warehouse/Distribution buildings. Performance metrics for the Valley's Industrial market in the last four quarters 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 23,600 jobs from December 2014 through December 2015, a 2.5% increase. During that time the "headline" unemployment rate declined 0.8 points to 6.2%.

Jobs in industrial space-using industries represented 16% (134,800 jobs) of all private jobs in Clark County at the end of Q4, 2015, representing a 5.1% increase in jobs over December 2014.⁴ 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 (+5,400 jobs) and the Transportation and Warehousing sector (+600 jobs) have shown the greatest gains since December 2014.

**Clark County Total* Industrial Jobs and Annual Growth:
Dec-14 to Dec-15**



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

Industrial Employment

Industry Sector	Oct			Nov			Dec		
	2015	2014	% Ch.	2015	2014	% Ch.	2015	2014	% Ch.
Nat. Resources	400	400	0.0%	400	400	0.0%	400	400	0.0%
Construction	53,400	45,000	18.7%	54,400	47,100	15.5%	53,700	48,300	11.2%
Manufacturing	21,200	21,200	0.0%	21,400	21,300	0.5%	21,600	21,400	0.9%
Wholesale Trade	22,200	21,400	3.7%	22,100	21,500	2.8%	21,900	21,600	1.4%
Transp. & Warehousing	36,800	36,100	1.9%	37,000	36,400	1.6%	37,200	36,600	1.6%
Total	134,000	124,100	8.0%	135,300	126,700	6.8%	134,800	128,300	5.1%

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

VACANCY & RENTS

The Valley's total Industrial vacancy rate (direct vacant space plus sublease vacant space) increased to 4.7% in Q4, up from 4.4% in Q3, 2015 and down from 6.5% in Q4, 2014. The industrial market is now well below the generally accepted 10% stabilized vacancy rate. Vacancy levels notably improved since Q3, 2012, when the rate peaked at 15.5%. The return of the Valley's industrial 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, five out of seven of the Valley's Industrial submarkets enjoyed vacancy rates under five percent at the end of Q4, with all submarkets under 10%. On a quarter-over-quarter basis, the North Las Vegas submarket led the pack with the lowest vacancy rate in Q4 at 3.2%. The West Central submarket continued to improve at 4.4% from

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4.5% in Q3; the Northwest and Southwest submarkets clocked in at 4.5% each, with the Northwest improving 1.5 percentage-points from Q3's 6.0% vacancy and the Southwest increasing slightly by 0.2 percentage-points from 4.3% in Q3. While Henderson's rate is generally declining, for the quarter it nudged up one half of a percentage point to 4.7%. The Airport submarket posted the highest vacancy among the Valley's seven submarkets at 8.2%, on the increase from Q3's 7.4%, with the East Las Vegas submarket close behind at 7.3%, up 1.0% from 6.3% in Q3.

On a Y-O-Y basis, the East Las Vegas and Northwest submarkets saw the biggest drops in vacancy. The East Las Vegas submarket vacancy rate was the most improved at 3.6 percentage-points (10.9% in Q4, 2014), followed by the Northwest submarket at 2.7 percentage-points. The Henderson submarket was the only industrial submarket to experience increased vacancies, increasing 1.3 percentage-points from the 2014 Q4 vacancy of 3.4%. The Northwest submarket's vacancy dropped by 2.7 percentage-points from 7.2% in Q4, 2014, followed by North Las Vegas (-2.3% from 5.5% in Q4, 2014), the Southwest (-2.2% from 6.7% in Q4, 2014), West Central (-2.1% from 6.5% in Q4, 2014) and the Airport (-2.0% from 10.2% in Q4, 2014).

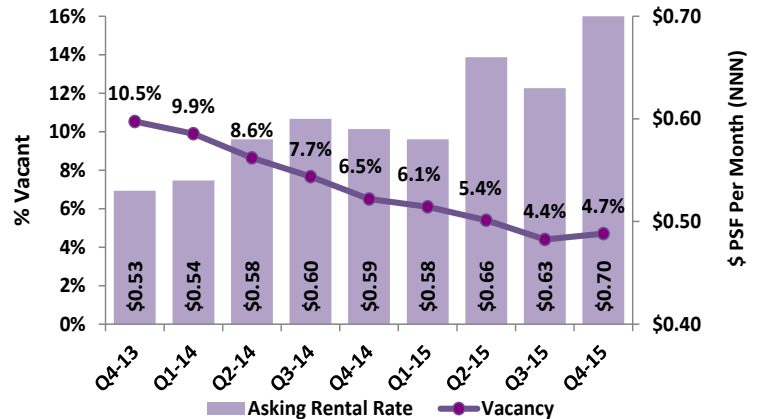
On a product basis, all five types saw minimal vacancy fluctuations from Q3, 2015 to Q4, 2015. Warehouse/Distribution and Incubator space vacancies increased by 0.5 percentage-points to 3.7% and 8.7%, respectively. Light Industrial slightly increased by 0.4 percentage-points to 3.6% vacancy, and R&D/Flex space continued to have the highest vacancy by product, even while shaving 0.4 percentage-points from Q3, to a 12.2% vacancy.

On a Y-O-Y basis, every product's vacancy rate improved except for Incubator, which posted a 1% increase from Q4, 2014. Light Distribution improved the most, again, posting a 3.8-point drop between Q4, 2014 and Q4, 2015. Warehouse/Distribution followed slightly behind at 2 percentage-points. R&D/Flex and Light Industrial rounded out the group with improvements of 1.3 and 1.2 percentage-points, respectively.

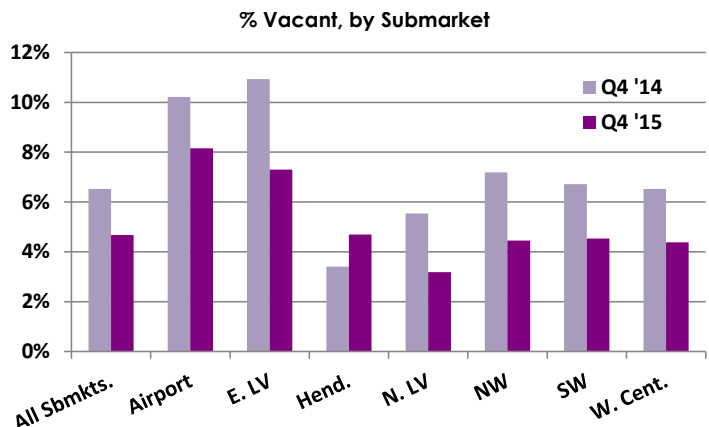
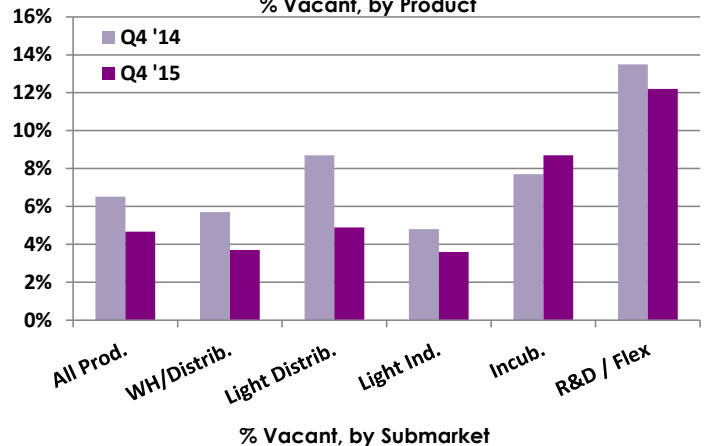
As noted above, the overall Industrial market has recovered from the Great Recession. Some submarkets and subtypes are doing better than others, such as Warehouse/Distribution on the strong end and R&D/Flex on the weaker end, but now the conversation has shifted away from which product types will recover faster to which ones are ready to expand and how the industry will deal with looming shortages. Fortunately, as we note in the Supply section below, some relief is on the way.

Average monthly Industrial asking rents for all product types (calculated on a NNN basis, not accounting for any operating expenses, based on quoted asking rents, not

**Las Vegas Valley Industrial Market
Historical Vacancy vs. Monthly Asking Rent:
Q4, 2013 - Q4, 2015**



**Las Vegas Valley Industrial Market
Vacancy Trends: Q4, 2014 v. Q4, 2015
% Vacant, by Product**



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negotiated rents between owners and tenants) increased in Q4 by \$0.06 to \$0.70 per sf, up from \$0.64 in Q3, 2015. Industrial rents are up \$0.11 since Q4, 2014.

DEMAND

Demand (defined as total net absorption) in the Valley's industrial market was positive for the 13th straight quarter with 647,900 sf of net space absorbed.

On a Y-O-Y basis, Q4 saw 4.8 million sf of absorption compared to 5.1 million during the four quarters ending in Q4, 2014. New space will have to regularly come to market to keep up this level of absorption with so little unoccupied space remaining in the market.

Four of seven submarkets had positive absorption in Q4, 2015. The North Las Vegas submarket saw the highest net absorption with +625,585 sf, with East Las Vegas absorbing +326,308 sf. The Northwest and West Central submarkets showed modest absorption at +21,167 sf and +15,607 sf, respectively. The Southwest (-167,574 sf), Airport (-114,162 sf) and Henderson (-59,065 sf) submarkets experienced negative absorption.

The top submarkets, on a Y-O-Y basis, were North Las Vegas (+2.4 million sf) and Southwest (+1.3 million sf). The Airport and East Las Vegas submarkets also had a good year at +468,780 sf and +456,559 sf, respectively. The West Central submarket remained positive at +257,164 sf, as did the Northwest at +36,519 sf, but Henderson was the lone submarket at -141,894 sf to not show positive demand. With all submarkets under the 10% stabilized rate and unoccupied space decreasing, we expect to start seeing economic growth and business attraction be negative impacted until more spec space is built. Construction is starting but land prices (rising) and rents (stagnant) remain barriers. That said, the build-to-suit market is moving forward nicely.

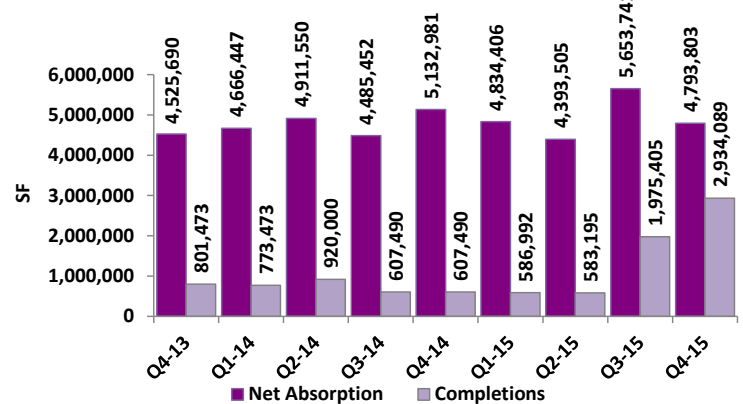
Demand in Q4 was positive in Warehouse/Distribution with +680,583 sf absorbed, followed by Light Distribution with +91,725 sf of absorption and R&D/Flex space with 20,659 sf. Light Industrial (-107,280 sf) and Incubator (-37,821 sf) saw negative absorption compared to Q3.

Strong demand for Warehouse/Distribution space has driven the Valley's Industrial market over the last year. About 4.8 million sf of Industrial space have been absorbed in the last four quarters, with 3.7 million sf absorbed in Warehouse/Distribution space alone. All other products except Incubator (-80,708 sf) were positive Y-O-Y: Light Distribution (+662,032 sf), Light Industrial (+436,713 sf) and R&D/Flex (+76,899 sf).

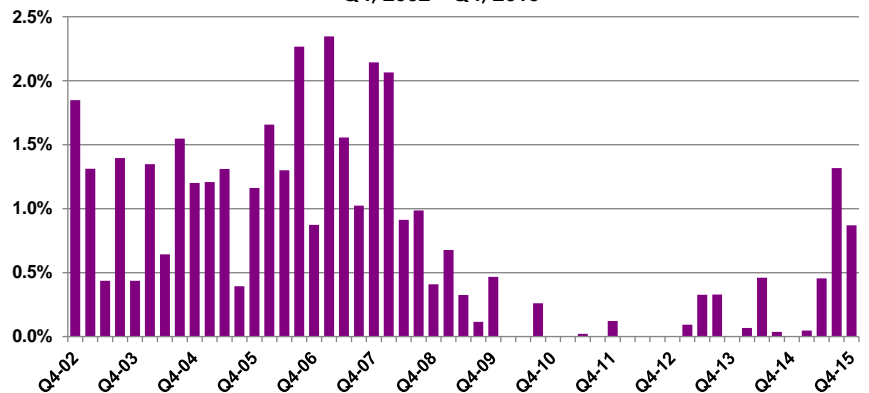
SUPPLY

There were four completions during Q4, 2015, totaling nearly one million sf of space, increasing total Industrial inventory to 111.1 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

**Las Vegas Valley Industrial Market
Historical YOY Net Absorption vs. Completions:
Q4, 2013 - Q4, 2015**



**Las Vegas Valley Industrial Market
Completions as a % of Inventory:
Q4, 2002 - Q4, 2015**



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609,400 sf of space debuting in 2014. In 2015, the market added 2.9 million sf of space. There were also 1.6 million sf under construction and another 6.8 million square feet in the planning stages at the end of the year. This 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.

The Q4 completions were: the Republic Services Recycling Expansion, which added 110,000 sf of Warehouse/Distribution space to the existing facility in the North Las Vegas submarket; the new 20,000 sf Southern Tire Mart Light Industrial building in North Las Vegas; Lone Mountain Corporate Center in North Las Vegas with 466,880 sf Warehouse/Distribution space; and LogistiCenter Cheyenne, a 381,804 sf Warehouse/Distribution product in East Las Vegas.

The first quarter of 2014 saw the completion of the MMC Contractors West 51,502 sf Light Industrial building in the Southwest submarket, while the second quarter saw completed the Las Vegas Corporate Center #19, a 464,203 sf Warehouse/Distribution center in North Las Vegas, in addition to the VSR Industries III building (28,000 sf of Light Industrial in Henderson). By comparison, in 2014, four projects were completed: VadaTech’s 72,000-square-foot Light Industrial facility (Q1), Nicholas & Brothers Food Distributors’ 200,000-square-foot Warehouse/Distribution building (Q2), a 296,000-square-foot FedEx Ground distribution center (Q2) and the Tapia Brothers’ 39,500-square-foot Warehouse expansion (Q3).

There were seven projects under construction at the end of the fourth quarter, which support the ongoing trend of new Warehouse/Distribution development:

Under Construction

Project	SF	Subtype	Submarket	Exp. Comp.
Ainsworth Americas HQ	190,000	Light Industrial	Southwest	Q116
Black Mountain Distribution Center #3	232,826	Warehouse/Distribution	Henderson	Q216
Blue Diamond Business Center #3	167,280	Warehouse/Distribution	Southwest	Q116
Cheyenne Distribution Center #3	163,790	Warehouse/Distribution	North Las Vegas	Q216
Jones Corporate Park	416,000	Warehouse/Distribution	Southwest	Q116
Parc Post	165,234	Warehouse/Distribution	Southwest	Q216
Sunpoint Business Center	311,246	Warehouse/Distribution	East Las Vegas	Q116
Total	1,646,000			

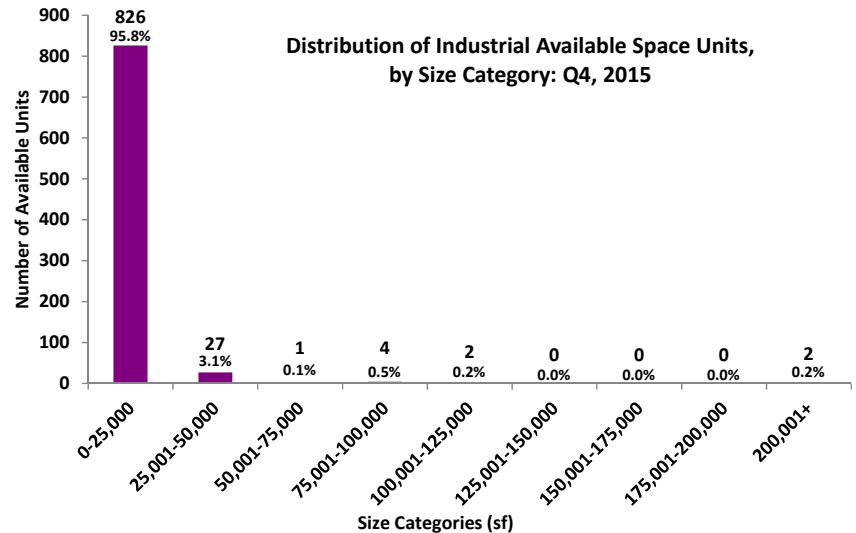
On top of all the ongoing construction, there are 16 additional projects in the planning stages:

Planned

Project	SF	Subtype	Submarket	Exp. Comp.
Beltway Distribution Center	211,188	Warehouse/Distribution	Southwest	Q316
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	Q416
Henderson Commerce Center IV	210,000	Warehouse/Distribution	Henderson	2016
Henderson Freeway Crossing	452,170	Warehouse/Distribution	Henderson	Q216
Lone Mountain Corporate Center-Phase 2	243,760	Warehouse/Distribution	North Las Vegas	2016
North 15 Freeway Distribution Center 1-2	410,640	Warehouse/Distribution	North Las Vegas	Q316
Northern Beltway Industrial Center	540,320	Warehouse/Distribution	North Las Vegas	2016
Northgate Distribution Center, Bdlg. 1-2	806,040	Warehouse/Distribution	North Las Vegas	Q216
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	2016
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
Total	6,812,000			

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These projects are helping power Southern Nevada's economic recovery and its positioning as a distribution hub. Additionally, as the chart to the right 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; the new projects coming down the pipeline should help ease the existing shortage issues.



INVESTMENT SALES

Based on the number of industrial investment sales for 2015 as reported by Colliers, there was a clear drop-off in 2015 compared to 2014. But, the average price per sale in 2015 was \$5.2 million versus \$3.3 million in 2014. On the other hand, the average sales price per sf in 2015 was slightly lower than 2014, but with the average sale size in 2015 notably higher. The average cap rate dropped 0.2 percentage-points. 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. What this all points to is a supply-constrained industrial market experiencing quite a few cross winds.

Industrial Investment Sales

	2014	2015
No. Sales	82	39
Square Feet Sold	3,063,000	2,306,000
Sales Volume	272.7 MM	204.2 MM
Average Price/SF	\$89.03	\$88.55
Average Cap Rate*	7.3%	7.1%
Average Sale Size (\$F)	37,000	59,000

Source: Colliers Las Vegas.

*Cap rate on properties available for sale as investments.

FURTHER THOUGHTS & RECAP

An increasingly healthier Southern Nevada economy in 2015 is illustrating that the recovery of the industrial market is essentially complete. Southern Nevada has not seen net absorption levels like these since 2007, the year the Great Recession officially started.

Industrial net absorption has only been negative in one of the last 20 quarters. Now, the market is entering a period of shortages that we hope won't be long-lived because of the potential impact on economic growth and development.

Jobs in industrial space-using industries represented 16% (134,800 jobs) of all private jobs in Clark County at the end of Q4, 2015. This was 6,500 more (+5.1%) jobs than existed in December 2014. 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 (+5,400 jobs, +11.2%) and the Transportation and Warehousing sector (+600 jobs, +1.6%) have shown the greatest job gains since December 2014.

The Valley's total Industrial vacancy rate (direct vacant space plus sublease vacant space) increased to 4.7% in Q4, down from 4.4% in Q3, but showed improvement from 6.5% in Q4, 2014. Vacancy levels have shown notable improvement in almost all quarters since peaking in Q3, 2012 when the rate stood at 15.5%. The return of the Valley's industrial 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, the lowest vacancy rates in Q4 were in North Las Vegas (3.2%) and West Central (4.4%), with

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the Northwest and Southwest close behind, both at 4.5%. The Airport submarket posted the highest vacancy among the Valley's seven submarkets at 8.2%, an increase over Q3's 7.4% but still a 2.0 percentage-point improvement over Q2's 10.2%. For the largest industrial submarket (the Southwest), the vacancy rate slightly increased from 4.3% in Q3 to 4.5% in Q4.

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
Fourth Quarter, 2015

SUBMARKETS								
TOTAL INDUSTRIAL MARKET	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	501	150	534	1,018	81	1,280	648	4,212
Total Rentable SF	14,320,625	3,205,621	13,096,916	33,396,302	1,336,299	33,763,535	12,016,433	111,135,731
Total Vacant SF	1,167,290	233,830	615,223	1,062,848	59,513	1,529,873	526,861	5,195,438
Total Occupied SF	13,153,335	2,971,791	12,481,693	32,333,454	1,276,786	32,233,662	11,489,572	105,940,293
Total Vacant (%)	8.2%	7.3%	4.7%	3.2%	4.5%	4.5%	4.4%	4.7%
Completions QTD	0	381,804	0	576,880	0	0	0	958,684
Completions YOY	193,000	381,804	28,000	1,594,783	0	736,502	0	2,934,089
Total Net Absorption QTD	-114,162	326,308	-59,065	625,585	21,167	-167,574	15,607	647,866
Total Net Absorption YOY	468,780	456,559	-141,894	2,395,601	36,519	1,321,074	257,164	4,793,803
Asking Rents (\$ PSF)	\$0.77	\$0.38	\$0.66	\$0.70	\$0.77	\$0.70	\$0.78	\$0.70
Under Constuction SF	0	311,246	232,826	163,790	0	938,514	0	1,646,376
Planned SF	0	787,760	1,141,610	2,738,120	0	1,991,100	153,320	6,811,910

WAREHOUSE/DISTRIBUTION	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	78	19	78	180	5	140	52	552
Total Rentable SF	5,037,394	1,288,879	6,757,019	20,450,732	223,661	13,641,312	1,939,836	49,338,833
Total Vacant SF	277,497	115,274	154,290	695,556	0	576,272	0	1,818,889
Total Occupied SF	4,759,897	1,173,605	6,602,729	19,755,176	223,661	13,065,040	1,939,836	47,519,944
Total Vacant (%)	5.5%	8.9%	2.3%	3.4%	0.0%	4.2%	0.0%	3.7%
Completions QTD	0	381,804	0	556,880	0	0	0	938,684
Completions YOY	193,000	381,804	0	1,574,783	0	685,000	0	2,834,587
Total Net Absorption QTD	-43,067	395,304	-3,251	625,041	0	-293,444	0	680,583
Total Net Absorption YOY	248,739	417,404	-69,934	2,167,713	0	861,663	73,282	3,698,867
Asking Rents (\$ PSF)	\$0.46	\$0.25	\$0.48	\$0.35	\$0.00	\$0.55	\$0.00	\$0.51
Under Constuction SF	0	311,246	232,826	163,790	0	748,514	0	1,456,376
Planned SF	0	787,760	1,141,610	2,738,120	0	1,991,100	153,320	6,811,910

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	223,983	0	163,693	111,227	3,800	344,837	23,020	870,560
Total Occupied SF	2,945,146	340,675	1,408,010	4,737,707	47,200	6,585,799	752,727	16,817,264
Total Vacant (%)	7.1%	0.0%	10.4%	2.3%	7.5%	5.0%	3.0%	4.9%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	0	0
Total Net Absorption QTD	-35,401	6,274	15,870	5,167	0	61,820	37,995	91,725
Total Net Absorption YOY	76,759	0	28,482	122,280	0	253,334	181,177	662,032
Asking Rents (\$ PSF)	\$0.69	\$0.00	\$0.55	\$0.52	\$0.65	\$0.69	\$0.47	\$0.64
Under Constuction 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
Fourth Quarter, 2015

SUBMARKETS

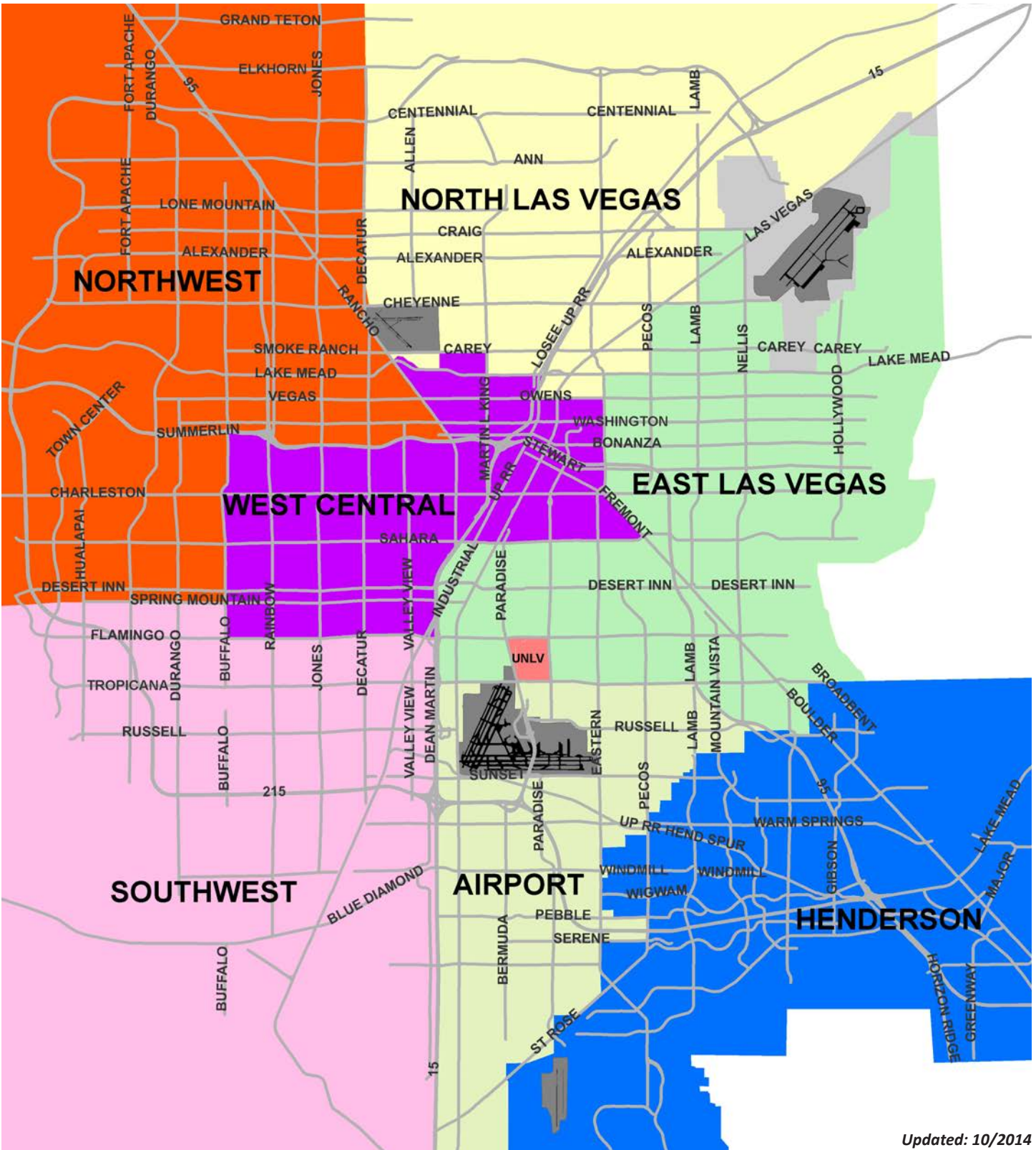
LIGHT INDUSTRIAL	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	199	91	313	594	16	741	482	2,436
Total Rentable SF	3,076,809	1,135,150	3,085,009	6,755,260	290,111	9,172,544	6,622,403	30,137,286
Total Vacant SF	259,807	44,600	103,356	109,154	0	309,302	257,737	1,083,956
Total Occupied SF	2,817,002	1,090,550	2,981,653	6,646,106	290,111	8,863,242	6,364,666	29,053,330
Total Vacant (%)	8.4%	3.9%	3.4%	1.6%	0.0%	3.4%	3.9%	3.6%
Completions QTD	0	0	0	20,000	0	0	0	20,000
Completions YOY	0	0	28,000	20,000	0	51,502	0	99,502
Total Net Absorption QTD	-10,679	-44,600	-21,686	-4,123	2,792	-8,978	-20,006	-107,280
Total Net Absorption YOY	106,209	43,242	-15,907	124,524	5,914	116,726	56,005	436,713
Asking Rents (\$ PSF)	\$0.83	\$0.61	\$0.67	\$0.52	\$0.00	\$0.72	\$0.79	\$0.71
Under Constuction SF	0	0	0	0	0	190,000	0	190,000
Planned SF	0	0	0	0	0	0	0	0

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	168,861	58,542	36,293	56,963	3,464	145,576	233,694	703,393
Total Occupied SF	1,545,760	240,081	420,613	504,589	95,861	2,350,805	2,224,921	7,382,630
Total Vacant (%)	9.8%	19.6%	7.9%	10.1%	3.5%	5.8%	9.5%	8.7%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	0	0
Total Net Absorption QTD	-41,291	-30,670	-3,139	-500	-1,424	55,161	-15,958	-37,821
Total Net Absorption YOY	18,055	-8,072	-16,633	-29,505	5,182	37,654	-87,389	-80,708
Asking Rents (\$ PSF)	\$0.83	\$0.53	\$0.55	\$0.48	\$0.93	\$0.91	\$0.79	\$0.77
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	237,142	15,414	157,591	89,948	52,249	153,886	12,410	718,640
Total Occupied SF	1,085,530	126,880	1,068,688	689,876	619,953	1,368,776	207,422	5,167,125
Total Vacant (%)	17.9%	10.8%	12.9%	11.5%	7.8%	10.1%	5.6%	12.2%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	0	0
Total Net Absorption QTD	16,276	0	-46,859	0	19,799	17,867	13,576	20,659
Total Net Absorption YOY	19,018	3,985	-67,902	10,589	25,423	51,697	34,089	76,899
Asking Rents (\$ PSF)	\$1.00	\$0.54	\$0.91	\$0.84	\$0.77	\$0.94	\$1.00	\$0.94
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