RCG economics

Las Vegas Speculative Office Survey

3rd Quarter 2017

RCG economics
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November 27, 2017

Re: Speculative Office Real Estate Survey: 3rd Quarter, 2017

Dear Reader,

RCG Economics ("RCG") is proud to bring you the RCG Quarterly Commercial Real Estate Surveys ("the Surveys") containing the most comprehensive, objective and accurate data and analysis on the Las Vegas Valley's ("the Valley") industrial, speculative office and anchored retail markets.

RCG is Nevada's leader in independent real estate market research and analysis, and regional economics, including commercial real estate, economic and demographic forecasting.

The Surveys are born of our commitment to excellence in serving those organizations requiring superior up-to-date market analysis and data to make key decisions. RCG strives to produce the Surveys as unbiased barometers on the health and state of the Valley's commercial real estate markets. The collection, analysis and distribution of market facts is further proof of RCG's commitment.

The Surveys document historical and current market metrics at the Valley and submarket levels. The data contained in the Surveys are tracked and organized by our in-house research analysts and economists to provide the best breakdown of the Las Vegas commercial real estate markets. The Surveys contain 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

Finally, RCG owns the three most comprehensive, well-established commercial (industrial, office and retail) databases in Nevada. These databases include detailed benchmark building metrics and data, by submarket, dating back to 1996. This, in turn, allows RCG to develop the most detailed and independent "custom" studies in the market. It is through the Surveys and our other services and products that we remain the "*Source for Decision Makers*."

Regards,

John Restrepo

John Restrepo
RCG Economics

Statement of Limiting Conditions

The quarterly commercial survey results presented herein depend on several factors. These factors include the period of data collection and the reliability of the third-party sources providing the data. These variances can lead to fluctuations in results from quarter-to-quarter in our own dataset and survey, and relative to those of other firms also monitoring the Las Vegas Valley's commercial markets. This is especially true for those metrics/indicators most prone to short-term fluctuations, such as demand (net absorption). Over time, our survey results reflect trends that are consistent with those reported by other firms tracking the Valley's commercial markets. Therefore, short-term market fluctuations are mitigated. Additionally, actual market conditions are better reflected in other more stable variables, such as vacancy rates and longer-term metrics like year-over-year trends.

LAS VEGAS SPECULATIVE OFFICE SURVEY

SUMMARY

In the third quarter ("Q3") of 2017, the Las Vegas Valley's ("the Valley") multi-tenant, Speculative ("Spec") Office market[1], for the second quarter in a row, saw no new space come to market. Total inventory remained at 43.4 million square feet ("sf"). However, at 243,844 sf, the amount of space under construction in Q3 is nearly 10 times what it was the previous quarter. There are another 626,022 sf in the planning stages. Demand for space in Q3, 2017 was nearly 100,000 sf less than in Q2 with 378,044 sf absorbed; still a healthy amount. Space absorbed, coupled with no completions, together contributed to a 0.9-point reduction in the Spec Office market vacancy rate, from 19.2% to 18.3%. Average monthly asking rents held at $1.95 per square foot ("psf") FSG[2]. The health of Valley's Spec Office market, after considerable time languishing, appears to be on the upswing.

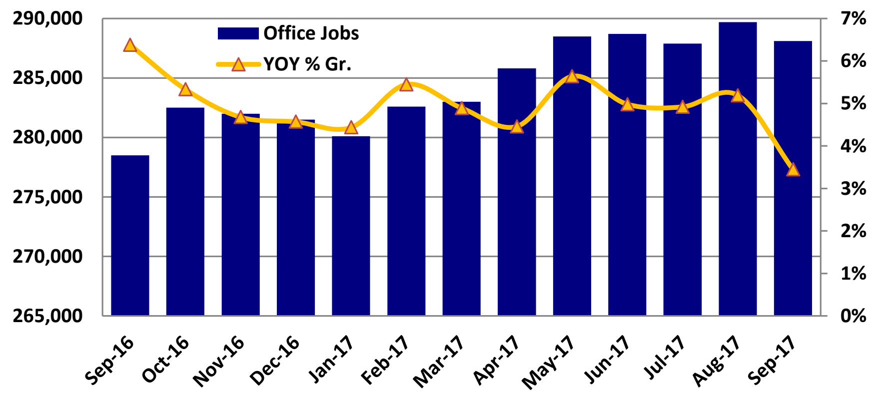
OFFICE-RELATED JOBS

Total nonfarm employment in the Las Vegas MSA rose by 23,400 jobs from September 2016 through September 2017, a 2.4% increase. During that time the "headline" unemployment rate declined 0.4 points to 5.2%.

Employment in the Office-using sector[3], a critical metric in assessing business expansions, comprised 33% of private payroll jobs (290,800 jobs) in Clark County at the end of Q3 (September 2017).

Year-over-year ("Y-O-Y") job growth in July of 4.9% was a good start to Q3. August was even better at 5.2%, though September fell off slightly to 3.4%, bringing Q3, 2017's Y-O-Y job growth average to 4.5%. This is less than Q2's 5.3% average, and brings the quarterly average for the year down to 4.9%. The Y-O-Y addition of 9,600 Office jobs in September indicates a year of healthy growth, with the Professional & Business (+5,100 jobs) sector again contributing the most jobs, followed by the Health Care & Social Assistance (+3,100 jobs) and the Financial Activities (+1,500 jobs) sectors. The Information sector (-100 jobs) continues to lose jobs, but good performances in the other sectors helped make up for this.

Clark County Total* Office Jobs and Annual Growth: Sep-16 to Sep-17



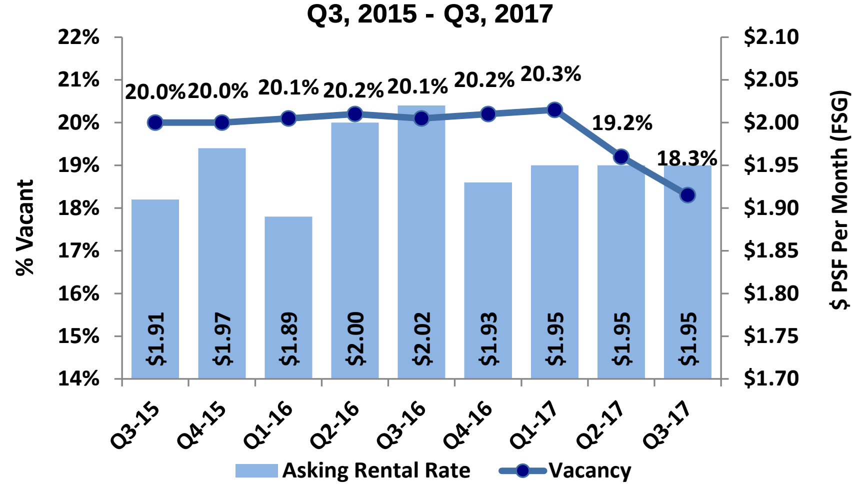
**Information, financial activities, professional & business and health care & social assistance. Source: Nevada Department of Employment, Training and Rehabilitation; calculated by RCG Economics.*

Office Employment

Industry Sector	Jul 2017	Jul 2016	Jul % Ch.	Aug 2017	Aug 2016	Aug % Ch.	Sep 2017	Sep 2016	Sep % Ch.
Information	11,000	11,100	-0.9%	10,800	10,700	0.9%	10,700	10,800	-0.9%
Financial Activities	50,800	48,200	5.4%	50,500	48,300	4.6%	49,900	48,400	3.1%
Prof. & Business	140,700	133,100	5.7%	141,700	133,800	5.9%	141,500	136,400	3.7%
Health Care & Social Assist.	85,400	82,000	4.1%	86,700	82,600	5.0%	86,000	82,900	3.7%
Total	**287,900**	**274,400**	**4.9%**	**289,700**	**275,400**	**5.2%**	**288,100**	**278,500**	**3.4%**

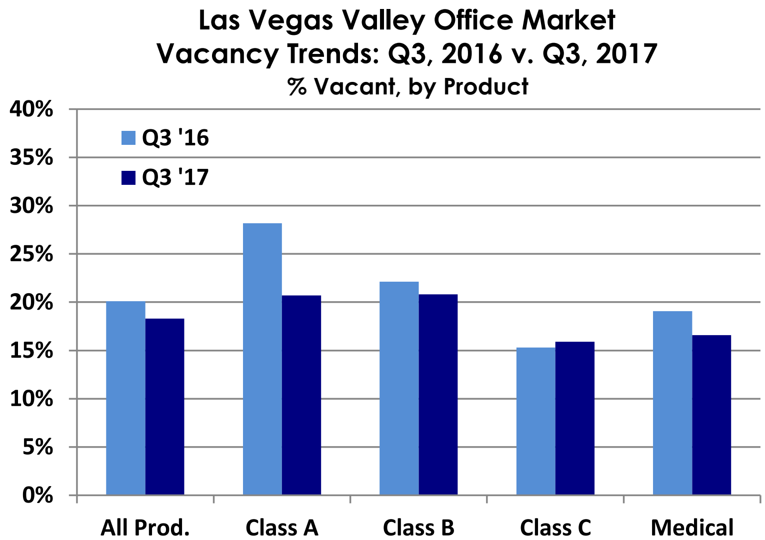
Source: Nevada Department of Employment, Training & Rehabilitation ("DETR").

Las Vegas Valley Office Market Historical Vacancy vs. Monthly Asking Rent: Q3, 2015 - Q3, 2017



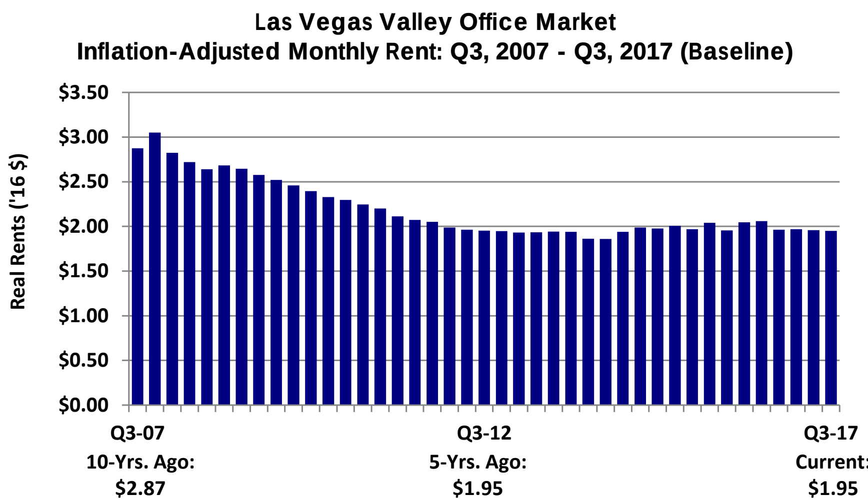
VACANCY & RENTS

In Q3, total Spec Office vacancy in the Valley (di-



rectly vacant space plus vacant sublease space) fell 0.9 points from 19.2% to 18.3%. Over these last two quarters, vacancy in the Spec Office market has dropped a considerable 1.9 percentage-points and is now at the lowest level seen since Q3, 2009 when vacancy was 18.0%. Overbuilding in Office construction during the boom era has today resulted in many under-filled office parks in the Valley, but persistent strong demand will begin to fill these. As the Office Market continues to improve, developers will bring more space to market and slow the rate at which vacancy is falling. We see this already in Q3 with a nearly tenfold increase in the amount of space under construction.

In Q3, 2017, all submarkets remain well above the 10% stabilized rate. Despite the Spec Office market's overall improvement in vacancy, three submarkets still experienced an increase in their vacancy rate from last quarter. Both East and North Las Vegas saw vacancy rise by 1.3 percentage-points, from 26.2% to 27.5% and from 14.7% to 16%, respectively. Downtown's vacancy went from 15.2% to 15.9%, an increase in vacancy of 0.7 points. The submarket experiencing the biggest improvement in vacancy was easily Henderson with a 4.1-point drop, from 20.1% to 16%. Following at some distance was Airport with a 1.7-point decrease, from 16.2% to 14.5%. The next three improved submarkets came one behind the other with West Central dropping 0.9 points, from 18.9% to 18%, the Northwest dropping 0.7 points from 18.7% to 18.0%, and finally the Southwest dropping 0.6 points from 18% to 17.4%.



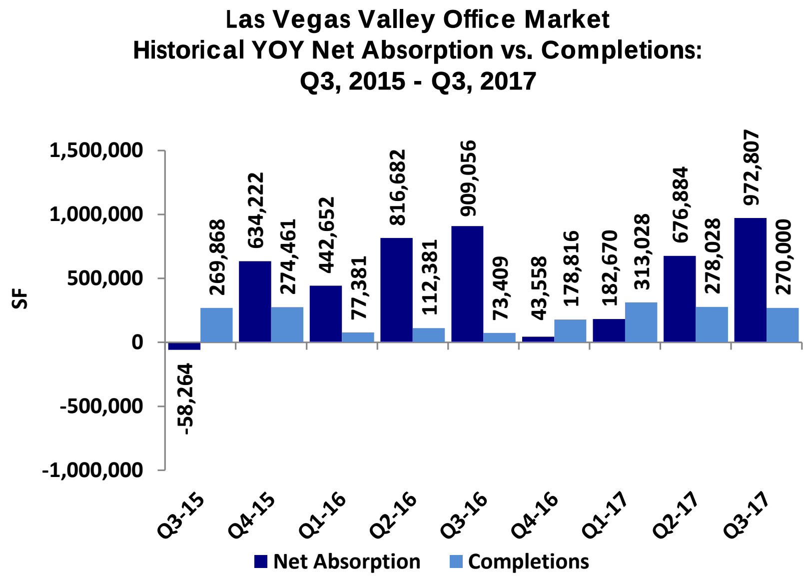
On a Y-O-Y basis three submarkets saw vacancy grow. North Las Vegas saw the biggest increase over the year with a 1.8-point rise from 14.2% in Q3, 2016. Downtown was up 1.2 from 14.7% vacancy last year, and the Southwest had a small 0.2-point rise in vacancy from 17.2% a year ago. The big leader in vacancy reduction was again Henderson with a 4.9-point decline since Q3, 2016, followed by Airport which experienced a 3.7-point drop from 18.2%. West Central came in third with a 2.3-point decrease in vacancy, followed at its heels by the Northwest with a 2.1-point decrease. East Las Vegas, the submarket with the highest vacancy rate, saw the smallest change from a year ago with a drop of 0.3 points, from 27.8%.

In terms of product types, Class A (20.7%) saw its vacancy rate fall in Q3 by 2.6 points from 23.3 in Q2. Class B (20.8%) vacancy fell by 1.1 points from 21.9%. Medical (16.6%) was down 1 point from 17.6% in Q2, 2017. Only Class C (15.9%) saw a small 0.2-point increase from 15.7% the previous quarter.

On a Y-O-Y basis, three of four product types saw vacancy drop. Class A, which began the year with the highest vacancy rate at 28.2% in Q3, 2016, finished it with a big 7.5-point drop by the end of Q3, 2017. Medical saw solid improvement with a 2.5-point decline in vacancy, from 19.1% in Q3, 2016. Class B was 1.3-points improved from 22.1% a year ago. Class C was the only product type to post a rise in vacancy with an uptick of 0.6 points from 15.3% last year.

Vacancy in the Office market fluctuated between 20.1% and 20.2% through 2016 and was up to 20.3% in the first quarter of 2017. Q3 was the second quarter of strong demand in the Spec Office market and this has resulted in a notable decline in the high vacancy rate, in part because substantial absorption was accompanied by a lack of any new space coming to market.

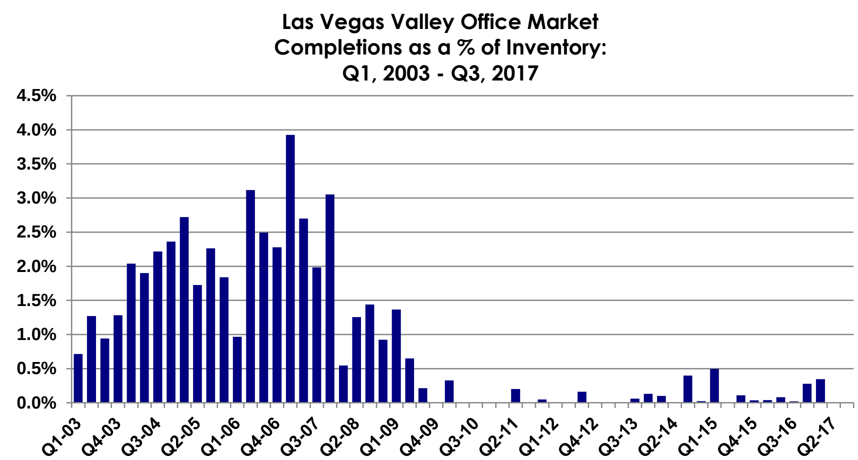
Despite strong demand in Spec Office market over the last two quarters, the Valley's overall average monthly rent (calculated on a full-service gross basis—accounting for all operating expenses) has not budged, holding firm at $1.95 per square foot ("psf"). Rents have fallen $0.07 from a year ago. Remember, the rents herein are based on quoted asking rents, not negotiated rents between owners and tenants.



DEMAND

Compared to Q2, demand in the Valley-wide Spec Office market fell in Q3, although the +378,044 sf absorbed was more than in 2015 and 2016 combined. We have to look at the level of demand seen in 2014 to find quarters with greater absorption. Q1, 2017 saw a total of +94,535 sf of absorption. Q2 more than quadrupled the previous quarter's demand with +465,637 sf. Through Q3, demand is nearing 1 million sf.

Five of the Valley's eight submarkets saw positive demand in Q3. Henderson experienced the biggest increase in absorption with +258,126 sf. In second place with almost a third of the space absorbed was the Airport submarket (+87,514 sf). The Northwest came third with +59,766 sf, while West Central (+45,734 sf) just edged out the Southwest (+43,264 sf) for fourth. The biggest loser was East Las Vegas with -78,427 sf absorbed, followed by Downtown with -26,363 sf and North Las Vegas with -10,570 sf.



On a product-basis, Class A and Class B were neck and neck in Q3 with +168,376 sf and +161,158 sf of absorption, respectively. Medical was well behind with +74,166 sf. Only Class C had negative demand in Q3, 2017 with -25,656 sf.

On a Y-O-Y basis, Class A performed the best with +573,440 sf absorbed since Q3, 2016. Medical also had a nice year with +301,867 sf absorbed. Class B had +188,609 sf on the year—not much higher than its total for the quarter. Class C, with -91,109 sf absorbed, was the only product type to experience negative demand over the year.

SUPPLY

After seven straight quarters in which new space came to market, there were no new Spec Office market completions in the second or third quarters of 2017. This total absence of completions is not likely to persist as there are now approximately 244,000 sf under construction in four projects, with three of those expected to be completed in Q4, 2017.

In Q3, 2017, annual completions were 270,000 sf, or more than triple the previous year period ending in Q3, 2016, when completions for the year totaled 73,408 sf. Annual Office completions are still well below the boom years when they ranged between 1.1 million sf (Q4, 2003) and 4.3 million sf (Q4, 2007). It is those boom years of exuberant building that are responsible for the sky-high vacancy rate in the Spec Office market. Completions, as a share of inventory, peaked at 4% in Q1, 2007, at the height of Southern Nevada's era of "irrational exuberance." While space under construction has increased significantly from Q2, most of the added space is in single project: Downtown Summerlin – Phase 2. With so much available space in the market, developers may yet be reluctant to commit to new projects.

We have recorded 13 Spec Office projects in the forward-supply[4] pipeline. Four are under construction:

Under Construction

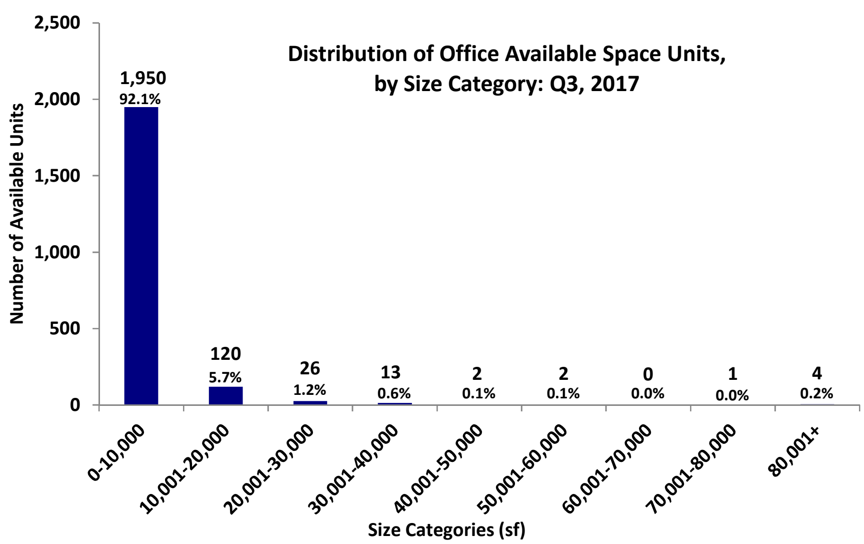
Project	SF	Subtype	Submarket	Exp. Comp.
Jones Beltway Business Park	16,480	B	Southwest	Q417
Sunset Hills Plaza	15,000	C	Southwest	Q417
St. Rose Coronado Center #1	62,364	B	Henderson	Q417
Downtown Summerlin - Phase 2	150,000	A	Northwest	2018
Total	**244,000**			

The other nine projects are in planning:

Planned

Project	SF	Subtype	Submarket	Exp. Comp.
Seven Hills Plaza D	42,000	B	Henderson	2018
The Square	36,722	C	Southwest	2018
Cadence Marketing Center 1	10,000	A	Henderson	2018
Cadence Marketing Center 3	15,000	A	Henderson	2018
Cadence Marketing Center 4	5,000	A	Henderson	Q417
Magnum Towers	100,000	B	Southwest	Q119
Pavilion Center @ Griffith Park	152,300	A	Northwest	2018
Symphony Park Office	200,000	A	Downtown	2018
Canyon Ridge Business Park	65,000	C	Southwest	2018
Total	**626,000**			

At 200,000 sf, the Symphony Park Office in the "Planned" table remains the biggest Spec Office space on the horizon, though the completion of this Class A building in the Downtown submarket is not expected until at least 2018. The next largest is the Pavilion Center @ Griffith Park, a Class A project in the Northwest submarket, which is also scheduled to open sometime in 2018, along with several other smaller projects. The 100,000 sf Magnum Towers, a Class B project in the Southwest, is not expected to open until the first quarter of 2019.



An important measure of the near-term health of the Valley's commercial markets is the potential number of years of available supply. Given the high vacancy rate (18.3%) and the average quarterly absorption in the last 10 years (83,100 sf), we estimate that there still remain about 11.5 years of supply of Spec Office space in the Valley that must be absorbed to reach a 10% "normalized" vacancy rate.

Right is a chart detailing the distribution of available Office space in the Valley by unit size. It shows that there are 22 units available that are larger than 30,000 sf, which is down seven units from last quarter. Of all space that is currently on the market, 92.1% is in units of 10,000 sf or less.

INVESTMENT SALES

As reported by Colliers, Office investment sales YTD 2017 have already surpassed the total number of sales for all of 2016. There were 52 total sales so far in 2017 accounting for 1.9 million sf, compared to 46 sales in 2016 for a total of nearly 1.5 million sf. With another quarter left to grow the total for this year, 2017's sales will well exceed those of 2016. Sales volume through Q3, 2017 of $331.7 million is 65% higher than 2016's sales volume of $201.1 million. The increased sales volume was helped by an increased average price psf, from $136.79 in 2016 to 2017 YTD's price of $172.01. The average cap rate is down slightly by 0.1 points to 7.6%. Generally, in an improving market, owners demand lower cap rates resulting in higher prices, regardless of quality and location. The reverse is true in a down-market. In essence, the higher the cap rate, the lower the asking or sales price of income-producing property. This indicates a better return on investment, assuming other criteria are not included in the decision.

Office Investment Sales

	2016	YTD 2017
No. Sales	46	52
Square Feet Sold	1,470,000	1,928,516
Sales Volume (MM)	$201.1	$331.7
Average Price/SF	$136.79	$172.01
Average Cap Rate*	7.7%	7.6%
Average Sale Size (SF)	32,000	37,100

Source: Colliers Las Vegas.
**Cap rate on properties available for sale as investments.*

FURTHER THOUGHTS & RECAP

The Southern Nevada Spec office market, though it remains well behind the Industrial and Retail markets in terms of the recovery, made notable strides in the third quarter of 2017. Valley-wide Spec Office demand in Q3 (+378,044 sf), though down from Q2, was still very healthy and better than most quarters going back to Q4, 2014. On a Y-O-Y basis, net absorption in Q3 totaled +972,807 sf; significantly better than the year period ending in Q3, 2016, when demand was a dismal -615,391 sf.

The Office market depends on regional job growth, especially in white collar occupations, and while these jobs have not had the same comeback as low-skill and entry-level work, employment in the Office-using sector again had a solid quarter. Office jobs, which are a critical indicator of the health of the local economy, comprised 33% of all private payroll jobs in Clark County at the end of Q3 (September 2017). This was 9,600 jobs more (+3.4%) than existed in September 2016. The Professional & Business sector contributed the most new jobs adding +5,100 jobs for the year. Health Care & Social Assistance added another +3,100 and Financial Activities added +1,500. The Information sector was again a job loser, dropping -100 jobs. Job growth in Q3, while good, was lower than the previous two quarters.

Total Spec Office vacancy in the Valley in Q3 (directly vacant space plus vacant sublease space) fell by nearly a percentage-point, from 19.2% to 18.3%. This is the second big drop in a row. The Office market may be entering a period of sustained improvement, something it has been unable to attain and caused it to remain significantly more depressed than either the Industrial or the Retail markets.

The Airport submarket, with a 1.7-point drop in vacancy from 16.2% to 14.5%, was able to reclaim the lowest Spec Office market vacancy rate from Downtown, which just barely managed to hold onto second place with a 0.7-point increase in vacancy, from 15.2% to 15.9%. Both the Henderson and North Las Vegas submarkets were eyeing that second spot at 16.0% vacancy. The Southwest dropped 0.6 points, and at 17.4% pulled away from the Northwest and West Central submarkets which were both at 18.0% vacancy at the end of Q3. East Las Vegas (27.5%) was well behind the rest.

Completions, as a share of inventory, peaked at 4% in Q1, 2007, at the height of Southern Nevada's age of "irrational exuberance." There were zero completions in Q2 and Q3, 2017, which gave the market 6 months to absorb some of the space already available. As already mentioned above, it is not likely Q4 will provide the Spec Office market this same opportunity since three of four projects under construction are slated to complete. There were a total of 13 projects in various stages of development at the end of Q3, with 244,000 sf of Office space under construction and another 626,000 sf in the planning stages. This is just over 277,000 sf more in the forward supply than in Q2.

Q3 was another strong quarter for Southern Nevada's Spec Office market, the second one in a row. The Spec Office market had been stagnant in 2016 and there was little to suggest it would get its act together, but finally in 2017 there is reason to hope. Continued good job growth accompanied by healthy demand, a falling vacancy rate and higher investment sales volume three-quarters of the way into 2017 than in all of 2016 are indicators that the Office market's recovery may be gaining momentum. It remains to be seen if it can hold onto the gains made so far this year.

[1] *Includes all for-lease (speculative only) professional office Class A, Class B, Class C and Medical office properties greater than or equal to 10,000 sf of gross leasable area. Does not include government buildings.*

[2] *All office rents in this report are quoted on a monthly full-service gross (FSG) psf basis inclusive of taxes, insurance, maintenance, janitorial and utilities.*

[3] *Includes the following industries: Information, Financial Activities, Professional & Business and Health Care & Social Assistance from the Nevada Department of Employment, Training and Rehabilitation's latest employment statistics.*

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

SPECULATIVE OFFICE MARKET GLOSSARY

Office property buildings or building parks tracked include speculative, multi-tenant properties with at least 10,000 sf of usable office space. Building characteristics were used to define the appropriate subtype classification (i.e., professional or medical). These characteristics can include rents, location, quality of building systems (e.g., mechanical, elevator and utility systems), finishes (e.g., lobby and hallway design/ materials), and amenities. A property must exhibit one or more of the typical building characteristics to be considered a specific classification.

Class A

Class A properties are the highest quality buildings in the market with steel frame construction, typically mid-rise (3 - 4 stories) or high-rise (5 stories or more).

- High asking gross rent (FSG) with a typical premium of 20-30% of office rents in the local market,
- Location within a central business area,
- Capacity to meet current tenant requirements and anticipated future tenant needs,
- Building finishes that are of high quality and competitive with new construction, and
- Maintenance, management and upkeep amenities above average.

Class B

Class B properties have buildings with steel frame, reinforced concrete or concrete tilt-up construction - usually low-rise (1 - 2 stories) or mid-rise (3 - 4 stories).

- Asking gross rent (FSG) typically in a specified range between asking gross rents for Class A and Class C buildings,
- Average to good location,
- Adequate capacity to deliver services currently required by tenants,
- Building finishes with average to good design and materials, and
- Maintenance, management and upkeep amenities that are considered average.

Class C

Class C properties have buildings with wood construction and are usually low-rise (1 - 2 stories).

- Asking gross rent (FSG) typically in the bottom 10-20% of office rents in the marketplace,
- Depends primarily on lower prices rather than desirable locations to attract occupants,
- Capacities that may not meet current tenant needs,
- Building finishes that show a dated appearance, and
- Maintenance, management and upkeep amenities that are below average.

Medical

An office building in which 50% or more of its available space under the various building classifications above consists of medical office use.

Speculative Office Market Matrix

Las Vegas, Nevada
Third Quarter, 2017

SUBMARKETS

TOTAL OFFICE MARKET	Airport	Downtown	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	322	119	183	331	94	389	388	275	**2,101**
Total Rentable SF	5,163,422	3,835,861	6,134,382	6,177,268	783,529	9,052,999	6,845,103	5,406,541	**43,399,105**
Total Vacant SF	749,925	609,538	1,684,847	985,877	125,398	1,629,661	1,188,025	973,638	**7,946,909**
Total Occupied SF	4,413,497	3,226,323	4,449,535	5,191,391	658,131	7,423,338	5,657,078	4,432,903	**35,452,196**
Total Vacant (%)	14.5%	15.9%	27.5%	16.0%	16.0%	18.0%	17.4%	18.0%	**18.3%**
Completions QTD	0	0	0	0	0	0	0	0	**0**
Completions YOY	0	0	0	150,000	0	120,000	0	0	**270,000**
Total Net Absorption QTD	87,514	-26,363	-78,427	258,126	-10,570	59,766	42,264	45,734	**378,044**
Total Net Absorption YOY	188,024	-44,304	22,085	423,504	-14,138	288,941	-13,125	121,820	**972,807**
Asking Rents ($ PSF)	$1.81	$2.13	$1.64	$2.10	$1.84	$2.02	$2.15	$1.85	**$1.95**
Under Constuction SF	0	0	0	62,364	0	150,000	31,480	0	**243,844**
Planned SF	0	200,000	0	72,000	0	152,300	201,722	0	**626,022**

PROFESSIONAL CLASS A	Airport	Downtown	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	6	5	10	13	0	22	4	2	**62**
Total Rentable SF	665,904	795,116	1,472,466	838,068	0	1,933,312	567,112	227,624	**6,499,602**
Total Vacant SF	63,923	180,597	368,089	106,051	0	556,235	22,996	45,505	**1,343,396**
Total Occupied SF	601,981	614,519	1,104,377	732,017	0	1,377,077	544,116	182,119	**5,156,206**
Total Vacant (%)	9.6%	22.7%	25.0%	12.7%	0.0%	28.8%	4.1%	20.0%	**20.7%**
Completions QTD	0	0	0	0	0	0	0	0	**0**
Completions YOY	0	0	0	0	0	120,000	0	0	**120,000**
Total Net Absorption QTD	1,899	8,563	-42,461	174,563	0	3,204	18,913	3,695	**168,376**
Total Net Absorption YOY	209,775	51,233	28,591	161,652	0	87,220	27,453	7,516	**573,440**
Asking Rents ($ PSF)	$2.68	$2.80	$2.94	$2.41	$0.00	$2.26	$2.23	$1.91	**$2.53**
Under Constuction SF	0	0	0	0	0	150,000	0	0	**150,000**
Planned SF	0	200,000	0	30,000	0	152,300	0	0	**382,300**

PROFESSIONAL CLASS B	Airport	Downtown	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	42	27	18	68	8	73	71	46	**353**
Total Rentable SF	1,936,021	1,775,096	1,066,557	2,189,754	200,796	2,737,551	2,452,132	1,666,046	**14,023,953**
Total Vacant SF	320,093	197,614	454,995	349,971	67,599	535,870	495,513	493,789	**2,915,444**
Total Occupied SF	1,615,928	1,577,482	611,562	1,839,783	133,197	2,201,681	1,956,619	1,172,257	**11,108,509**
Total Vacant (%)	16.5%	11.1%	42.7%	16.0%	33.7%	19.6%	20.2%	29.6%	**20.8%**
Completions QTD	0	0	0	0	0	0	0	0	**0**
Completions YOY	0	0	0	0	0	0	0	0	**0**
Total Net Absorption QTD	107,986	-20,664	65,770	69,110	-14,722	-10,506	-31,031	-4,785	**161,158**
Total Net Absorption YOY	-1,163	-23,872	183,428	44,022	-15,068	44,975	-33,611	-10,102	**188,609**
Asking Rents ($ PSF)	$1.66	$1.57	$1.37	$2.23	$1.66	$1.74	$2.25	$1.74	**$1.81**
Under Constuction SF	0	0	0	62,364	0	0	16,480	0	**78,844**
Planned SF	0	0	0	42,000	0	0	100,000	0	**142,000**

Speculative Office Market Matrix

Las Vegas, Nevada
Third Quarter, 2017

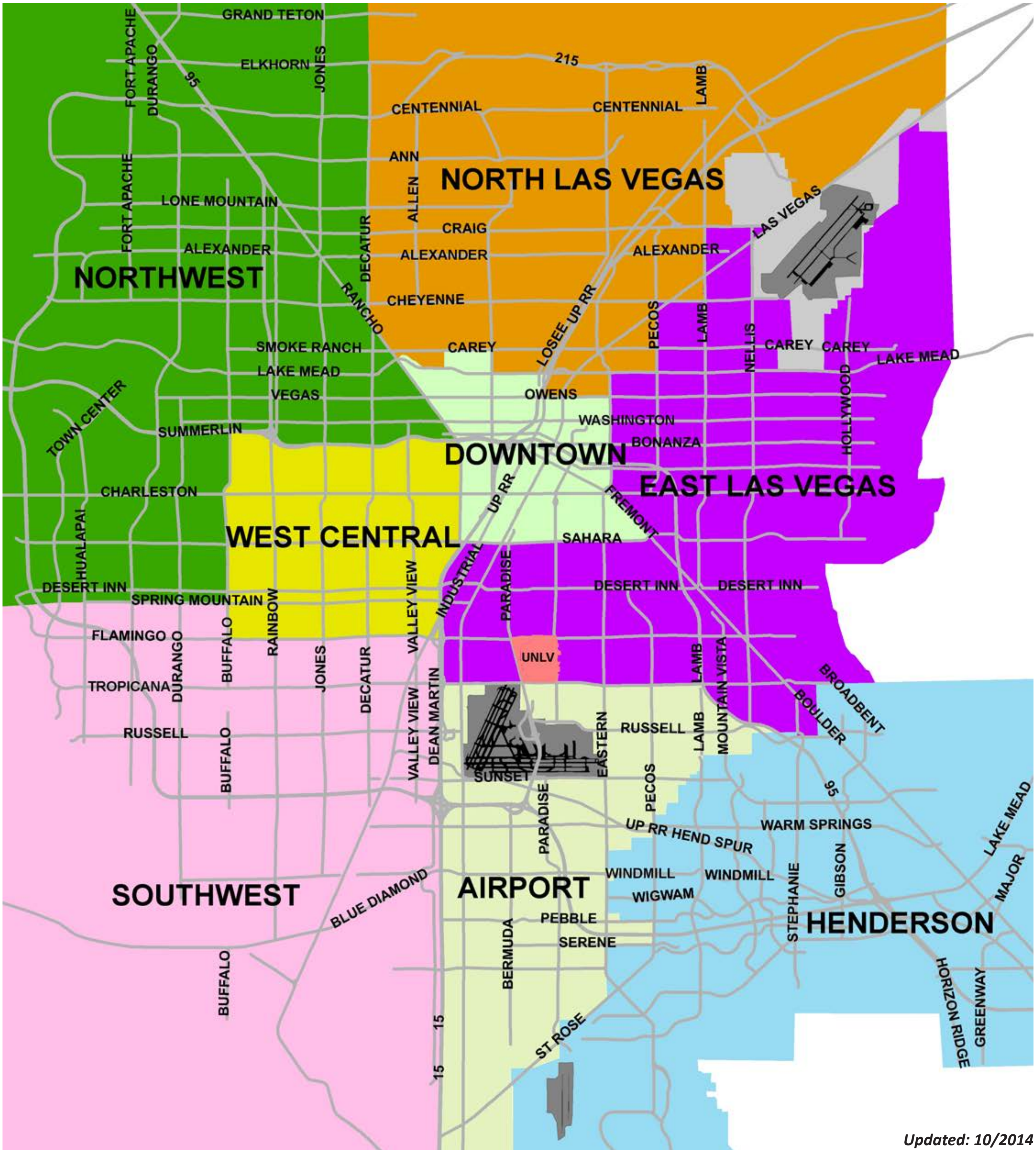
SUBMARKETS

PROFESSIONAL CLASS C	Airport	Downtown	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	268	66	110	144	76	210	272	187	**1,333**
Total Rentable SF	2,432,967	877,606	2,051,408	1,618,430	482,290	2,234,002	3,093,831	2,761,393	**15,551,927**
Total Vacant SF	330,581	142,328	498,261	278,414	37,199	310,146	506,107	368,010	**2,471,046**
Total Occupied SF	2,102,386	735,278	1,553,147	1,340,016	445,091	1,923,856	2,587,724	2,393,383	**13,080,881**
Total Vacant (%)	13.6%	16.2%	24.3%	17.2%	7.7%	13.9%	16.4%	13.3%	**15.9%**
Completions QTD	0	0	0	0	0	0	0	0	**0**
Completions YOY	0	0	0	0	0	0	0	0	**0**
Total Net Absorption QTD	2,287	-2,299	-39,474	-8,766	4,152	-20,905	44,239	-4,890	**-25,656**
Total Net Absorption YOY	-10,069	-42,110	-117,142	4,966	7,266	60,067	-44,337	50,250	**-91,109**
Asking Rents ($ PSF)	$1.85	$1.53	$1.72	$1.88	$1.73	$1.93	$2.09	$1.61	**$1.84**
Under Constuction SF	0	0	0	0	0	0	15,000	0	**15,000**
Planned SF	0	0	0	0	0	0	101,722	0	**101,722**

MEDICAL OFFICE	Airport	Downtown	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	6	21	45	106	10	84	41	40	**353**
Total Rentable SF	128,530	388,043	1,543,951	1,531,016	100,443	2,148,134	732,028	751,478	**7,323,623**
Total Vacant SF	35,328	88,999	363,502	251,441	20,600	227,410	163,409	66,334	**1,217,023**
Total Occupied SF	93,202	299,044	1,180,449	1,279,575	79,843	1,920,724	568,619	685,144	**6,106,600**
Total Vacant (%)	27.5%	22.9%	23.5%	16.4%	20.5%	10.6%	22.3%	8.8%	**16.6%**
Completions QTD	0	0	0	0	0	0	0	0	**0**
Completions YOY	0	0	0	150,000	0	0	0	0	**150,000**
Total Net Absorption QTD	-24,658	-11,963	-62,262	23,219	0	87,973	10,143	51,714	**74,166**
Total Net Absorption YOY	-10,519	-29,555	-72,792	212,864	-6,336	96,679	37,370	74,156	**301,867**
Asking Rents ($ PSF)	$1.56	$1.85	$1.79	$2.20	$2.32	$2.41	$2.07	$1.80	**$2.03**
Under Constuction SF	0	0	0	0	0	0	0	0	**0**
Planned SF	0	0	0	0	0	0	0	0	**0**

Las Vegas Valley

Speculative Office Submarket Map



Updated: 10/2014