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Las Vegas Industrial Survey

3rd Quarter 2016



WARM SPRINGS CROSSING



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December 22, 2016

Re: *Industrial Real Estate Survey: 3rd 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.”

John Restrepo
RCG Economics

Edward Coulson, Ph.D
Lied Institute for Real Estate Studies-UNLV

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 INDUSTRIAL SURVEY

SUMMARY

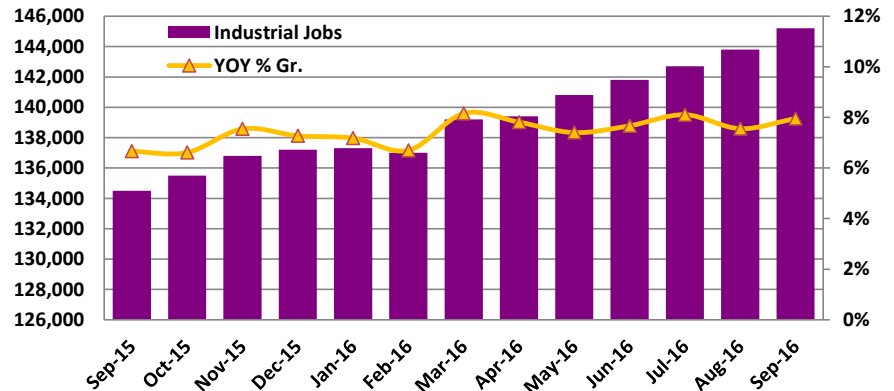
The Las Vegas Valley's ("the Valley") Industrial market¹ closed the third quarter ("Q3") of 2016 with a market-wide inventory of 112.3 million square feet ("sf"), including completions of 875,142 sf for the quarter. Net absorption (net demand) for Q3 was a big increase from the previous quarter at 1,051,671 sf. The Valley's Industrial vacancy rate dropped to 5.1% in Q3, 2016; however, when compared to Q3, 2015 the vacancy rate is actually up 0.3 points from 4.8%. At \$0.68 per square foot ("psf") NNN², the average monthly asking rent is down, \$0.12 psf less than in Q2 (\$0.80 psf), but is up \$0.04 from Q3, 2015 (\$0.64 psf). At the close of Q3, Industrial forward-supply³ saw 4.8 million sf under construction with another 7.4 million sf in the planning stages. Almost all under-construction space (98.9%) is in Warehouse/Distribution buildings, as is almost all the planned space (98.1%). Performance metrics for the Valley's Industrial market indicate that the Industrial market continues to improve, but in general terms is recovered and stable.

INDUSTRIAL-RELATED JOBS

Total nonfarm employment in the Las Vegas MSA rose by 21,600 jobs from September 2015 through September 2016, a 2.3% increase. During that time the "headline" unemployment rate declined 1.1 points to 5.6%.

Jobs in Industrial space-using sectors represented 17% (145,200 jobs) of all private jobs in Clark County at the end of Q3, 2016, representing a 8% increase in jobs over September 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. Sectors showing the greatest gains since September 2015 were the Construction (+7,500 jobs) and Transportation & Warehousing (+2,200 jobs) sectors.

Clark County Total* Industrial Jobs and Annual Growth: Sep-15 to Sep-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	Jul			Aug			Sep		
	2016	2015	% Ch.	2016	2015	% Ch.	2016	2015	% Ch.
Nat. Resources	400	400	0.0%	400	400	0.0%	400	400	0.0%
Construction	57,800	50,600	14.2%	59,000	52,200	13.0%	60,000	52,500	14.3%
Manufacturing	22,100	21,600	2.3%	22,000	21,600	1.9%	21,900	21,600	1.4%
Wholesale Trade	22,200	21,500	3.3%	22,200	21,500	3.3%	22,300	21,600	3.2%
Transp. & Warehousing	40,200	37,900	6.1%	40,200	38,000	5.8%	40,600	38,400	5.7%
Total	142,700	132,000	8.1%	143,800	133,700	7.6%	145,200	134,500	8.0%

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

VACANCY & RENTS

The Valley's total Industrial vacancy rate (direct vacant space plus sublease vacant space) decreased in Q3 to 5.1%. When compared to Q3, 2015, the vacancy rate is up 0.3 points from 4.8%. The Industrial market remains well below the generally accepted 10% stabilized vacancy rate. With the rate at such a low level, small fluctuations up and down are not particularly significant. Supply shortages continue in the Industrial Market for certain types of space, especially large warehousing units (75,000+ sf). The market is awaiting the completion of several new projects that will help allay the need for space.

On a submarket basis, three out of seven of the Valley's Industrial submarkets were enjoying vacancy rates under 5% at the end of Q3, with almost all submarkets under 10%. Only the Northwest was above the 10% stabilized rate. On a quarter-over-quarter basis, five of the seven submarkets posted declines in their vacancy rates. In Q3, 2016, the East Las Vegas submarket was out in front showing the largest vacancy

INDUSTRIAL MARKET

rate decline with a 2.6-point drop from 6.2% to 3.6%. The Airport submarket was second with a 0.6-point drop from an 8% vacancy to 7.4%. Next was West Central with a 0.3-point drop from 4.2% to 3.9%. The Southwest and North Las Vegas submarkets each fell by 0.1 points to 5.7% and 3.8%, respectively. The Northwest submarket had the biggest vacancy rate gain, increasing by 1.3 points, from 9.4% to 10.7%. Henderson also went up from 5.1% to 5.3%.

On a Y-O-Y basis, only two submarkets showed improvement. The East Las Vegas submarket vacancy rate was the most improved with a 2.7 percentage-point decline, followed by the Airport submarket with a 0.3 percentage-point drop. Five submarkets saw their Y-O-Y vacancy rate rise. The Northwest experienced a 4.7 percentage-point increase, from 6.0% to 10.7%. Henderson gained 0.7 percentage-points, from 4.6% to 5.3%, followed closely by the Southwest and North Las Vegas, which increased by 0.6 and 0.5 percentage-points, respectively, from 5.1% to 5.7% and from 3.3% to 3.8%. The West Central submarket saw a small increase over the year of 0.1 percentage-points, from 3.8% to 3.9%.

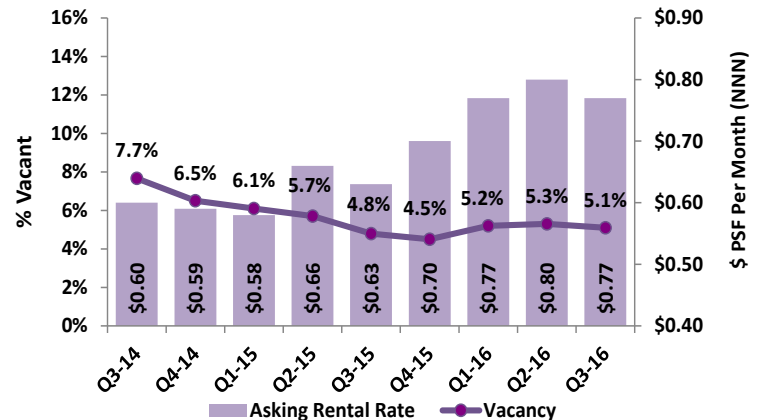
On a product basis, of the five product types, only Incubator saw vacancy rise from Q2, 2016 to Q3, 2016, up 0.5 points from 7.9% to 8.4%. Three other products saw declines, with R&D/Flex vacancy decreasing the most from 11.8% to 11.2%. Light Industrial fell 0.5 points from 4.1% to 3.6%, Light Distribution decreased by 0.3 points from 7.9% to 7.6% and Warehouse/Distribution remained at 4% vacancy.

On a Y-O-Y basis, three product types saw vacancy increases. Light Distribution increased the most from the previous year with vacancy rising by 2.5 points from 5.1%. Warehouse/Distribution and Incubator both increased by 0.2 percentage-points from Q3, 2015, from 3.8% and 8.2%, respectively. Light Industrial remained the same as the previous year at 3.6%. Only R&D/Flex saw a vacancy decrease, dropping 1.4 points from 12.6% vacancy in Q3, 2015.

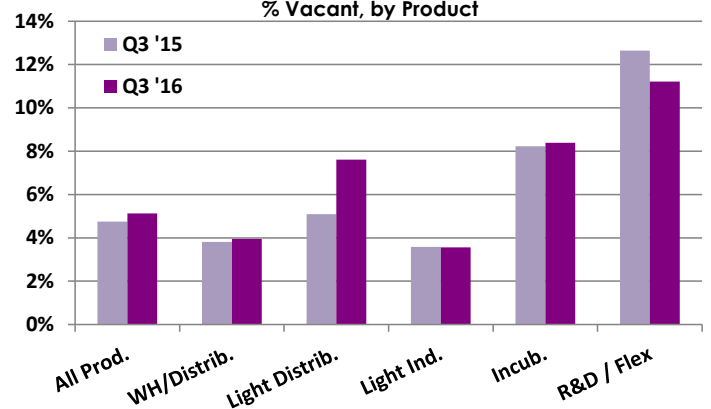
As noted above, the overall Industrial market has recovered from the Great Recession and minor increases in vacancy give no reason to believe that the Valley's economy is worsening. Some submarkets and subtypes are doing better than others, such as Light Industrial and Warehouse/Distribution on the strong end and Incubator and R&D/Flex on the weaker end. 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.

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) fell in Q3 by \$0.12 to \$0.68 per sf. This is nearer the mark from 2015 when Industrial asking rents averaged \$0.65. A drop of this magnitude has more to do with how our model calculates statistical rents, rather than an actual shift in prices. Generally, prices are on the rise.

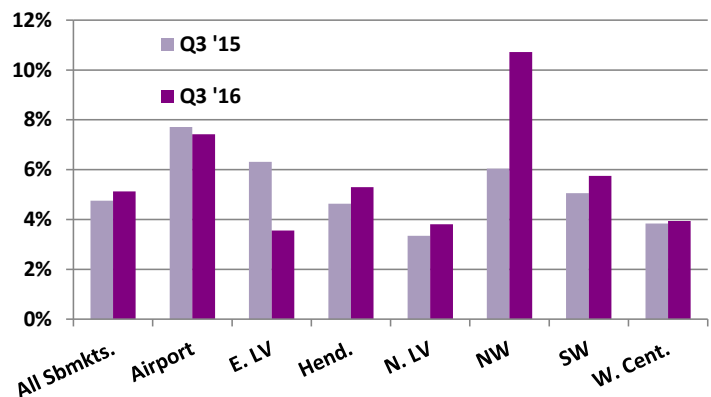
Las Vegas Valley Industrial Market
Historical Vacancy vs. Monthly Asking Rent:
Q3, 2014 - Q3, 2016



Las Vegas Valley Industrial Market
Vacancy Trends: Q3, 2015 v. Q3, 2016
% Vacant, by Product



% Vacant, by Submarket



INDUSTRIAL MARKET

DEMAND

Demand in the Valley's Industrial market was largely improved in Q3, 2016 from Q2, with total net absorption of +1,051,671 sf. Demand in the Industrial market has been positive in 15 of the last 16 quarters.

On a Y-O-Y basis, Q3 saw a considerable drop in demand with +1.9 million sf of absorption compared to +6.1 million sf during the four quarters ending in Q3, 2015. This is to be expected, however, because after the healthy demand in 2015, there is simply 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.

Six of seven submarkets had positive absorption in Q3, 2016. The East Las Vegas submarket saw the highest net absorption with a substantial +384,059 sf. Henderson, North Las Vegas and the Southwest each had similar absorption totals with +191,569 sf, +191,090 sf and +189,487 sf, respectively. Airport came next with +78,419 sf of absorption. West Central followed with +34,790 sf. The Northwest submarket was the only one to see negative demand with -17,743 sf of absorption.

The top submarkets, on a Y-O-Y basis, were East Las Vegas (+746,397 sf), followed by North Las Vegas (+562,858 sf) and the Southwest (+495,617 sf). The Henderson submarket had a more modest year with +132,952 sf of absorption. The Airport submarket had only +41,537 sf of absorption. The Northwest saw negative demand over the year with -62,519 sf of absorption since Q3, 2015.

Demand in Q3 for the different product types was negative only in Incubator with -41,028 sf of absorption. Warehouse/Distribution (+863,699 sf), Light Industrial (+147,998 sf), Light Distribution (+47,284 sf) and R&D/Flex (+33,718 sf) all saw positive absorption.

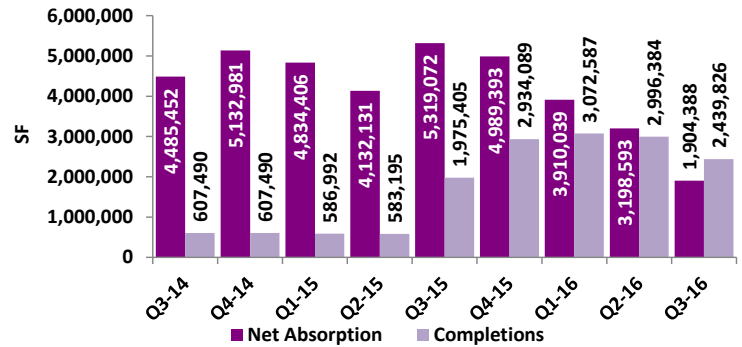
Over the past year, Warehouse/Distribution drove the market, accounting for +2.1 million sf of absorption. Light Industrial added +208,121 sf of absorption Y-O-Y, while R&D/Flex added +83,702 sf. Light Distribution saw significant negative demand over the year with -445,079 sf. Incubator also saw negative demand with -13,358 sf of absorption since Q3, 2015.

SUPPLY

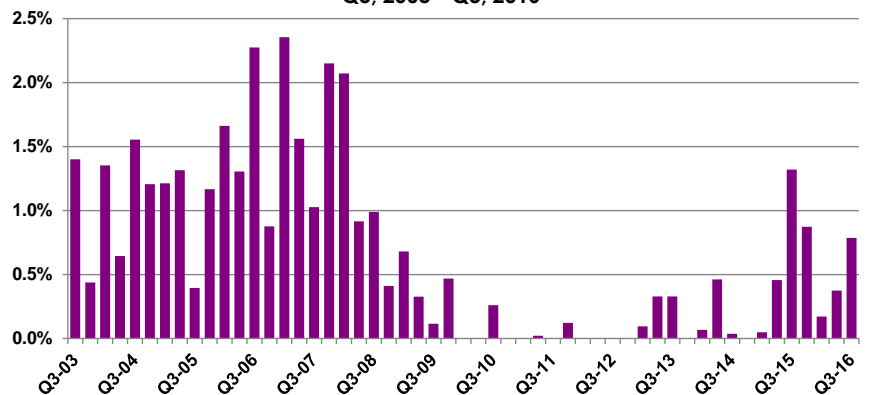
There were completions in four of seven submarkets in Q3, totaling 875,142 sf of space, raising the Valley's Industrial inventory to 112.3 million sf. The previous three years have demonstrated cautious optimism from a complete absence of Industrial space completions in 2012 to 801,500 sf of completions in 2013, followed by a more conservative 609,400 sf of space debuting in 2014. However, in 2015, the market added 2.9 million sf of space. New space will continue to play a critical role in Southern Nevada's economic growth and development as a lack of Industrial space puts a constraint on businesses looking to expand.

The Q3, 2016 completions were: the Black Mountain Distribution Center #3 in Henderson, the Blue Diamond Business Center #3 in the Southwest, the Cheyenne Distribution Center in North Las Vegas and the Sunpoint Business Center in East Las Vegas. Completions for 2016 are currently 1.5 million square feet, which would be almost even with the same three quarter period in 2015.

Las Vegas Valley Industrial Market
Historical YOY Net Absorption vs. Completions:
Q3, 2014 - Q3, 2016



Las Vegas Valley Industrial Market
Completions as a % of Inventory:
Q3, 2003 - Q3, 2016



INDUSTRIAL MARKET

There are currently 16 projects under construction comprising almost 4.8 million sf at the end of Q3, all but one of which are new Warehouse/Distribution spaces:

Under Construction

Project	SF	Subtype	Submarket	Exp. Comp.
Beltway Business Park #9	295,500	Warehouse/Distribution	Southwest	Q217
Beltway Distribution Center	211,188	Warehouse/Distribution	Southwest	Q416
Blue Diamond Business Center #6	430,000	Warehouse/Distribution	Southwest	Q416
Eaker Street Wellness (renov/expansion)	58,000	Warehouse/Distribution	North Las Vegas	2017
Enclave (3G HQ)	75,000	Warehouse/Distribution	Airport	Q416
Henderson Commerce Center, Building P	240,000	Warehouse/Distribution	Henderson	Q416
Henderson Freeway Crossing	452,170	Warehouse/Distribution	Henderson	Q416
I-15 Speedway Logistics	525,200	Warehouse/Distribution	North Las Vegas	Q117
North 15 Freeway Distribution Center 1-2	410,640	Warehouse/Distribution	North Las Vegas	Q416
Northgate Distribution Center, Bdlg. 1-2	806,040	Warehouse/Distribution	North Las Vegas	Q416
Parc Post	165,234	Warehouse/Distribution	Southwest	Q416
South 15 Airport Center	479,440	Warehouse/Distribution	Henderson	Q117
South 15 Industrial Park	160,720	Warehouse/Distribution	Henderson	2017
Sunrise Industrial Park #9-10	377,000	Warehouse/Distribution	East Las Vegas	Q416
Sunset 215 West	73,000	Warehouse/Distribution	Southwest	Q416
Sunset Landing	54,000	Light Industrial	Airport	Q416
Total	4,813,000			

On top of all the ongoing construction, there are 24 additional projects in the planning stages, representing more than 7.4 million sf. They are:

Planned

Project	SF	Subtype	Submarket	Exp. Comp.
2800 Sunset Road	54,000	Light Industrial	Airport	2017
3730 Civic Center Dr	90,000	Warehouse/Distribution	North Las Vegas	2017
5785 N Hollywood Blvd	36,000	Warehouse/Distribution	North Las Vegas	Q217
Blue Diamond Business Center #10	495,000	Warehouse/Distribution	Southwest	2017
Clayton Park	88,000	Incubator	North Las Vegas	2017
Copper Sage Commerce Center	91,000	Warehouse/Distribution	North Las Vegas	2017
Desert Inn Distribution Center	153,320	Warehouse/Distribution	West Central	Q317
Henderson Commerce Center Phase 2	185,000	Warehouse/Distribution	Henderson	Q317
Henderson Interchange Center	364,000	Warehouse/Distribution	Henderson	Q217
I-15 Speedway Logistics Building 2	601,610	Warehouse/Distribution	North Las Vegas	2017
I-15 Speedway Logistics Building 3	633,120	Warehouse/Distribution	North Las Vegas	2018
I-15 Speedway Logistics Building 4	367,060	Warehouse/Distribution	North Las Vegas	2018
Las Vegas Corporate Center	391,620	Warehouse/Distribution	North Las Vegas	2017
Lincoln Business Center	337,000	Warehouse/Distribution	North Las Vegas	Q217
LogistiCenter at LVB	548,880	Warehouse/Distribution	North Las Vegas	2017
Lone Mountain Corporate Center-Phase 2	243,760	Warehouse/Distribution	North Las Vegas	2017
Northern Beltway Industrial Center	540,320	Warehouse/Distribution	North Las Vegas	2017
Speedway Commerce Center Phase 3	168,000	Warehouse/Distribution	North Las Vegas	Q417
Speedway Commerce Center West 1	390,000	Warehouse/Distribution	North Las Vegas	Q417
Speedway Commerce Center West 2	312,000	Warehouse/Distribution	North Las Vegas	2018
Sunrise Distribution Center	458,000	Warehouse/Distribution	North Las Vegas	2017
Supernap 10 (SWITCH)	343,436	Warehouse/Distribution	Southwest	2017
Supernap 11 (SWITCH)	343,436	Warehouse/Distribution	Southwest	2018
Supernap 12 (SWITCH)	168,040	Warehouse/Distribution	Southwest	2018
Total	7,403,000			

INDUSTRIAL MARKET

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; 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 investment sales for 2016 as reported by Colliers, there has been a clear decrease in 2016 compared to 2015 from \$295.8 million to \$90.5 million. The average price per sale through Q3, 2016 was just \$3.6 million versus \$6.9 million in 2015. Additionally, the average sales price per sf through Q3, 2016 was lower than in 2015, with the average sale size YTD in 2016 also lower than in 2015. The average cap rate through Q3, 2016 was 7.3% compared to 7.1% in 2015. 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. However, in our opinion, these figures suggest a lack of quality industrial product for sale in the market.

FURTHER THOUGHTS & RECAP

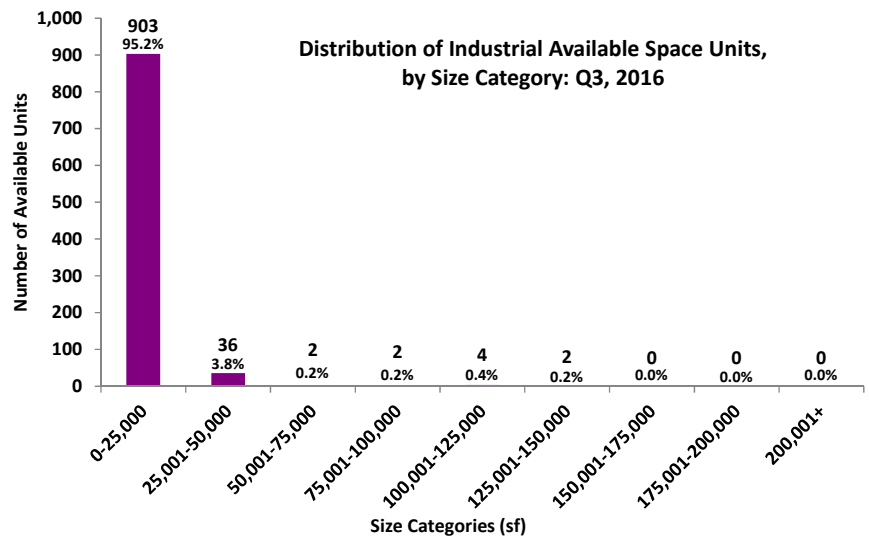
Demand in the Industrial market to start the second half of 2016 appears to be picking up after a slow start to the year. The issue of shortages remains pertinent and may be holding Southern Nevada's economic growth and development from a robust takeoff. If sufficient new space does not come to market in a timely manner, the Industrial Market will continue to see lackluster improvement. However, we expect this will not be a significant problem as there are currently 4.8 million sf of Industrial space under construction and another 7.2 million being planned.

Jobs in Industrial space-using sectors again represented 17% (145,200 jobs) of all private jobs in Clark County at the end of Q3, 2016. This was 10,700 more (+8%) jobs than existed in September 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.

Again, in Q3, the Construction sector (+7,500 jobs, +14.3%) and the Transportation & Warehousing sector (+2,200 jobs, +5.7%) have shown the greatest job gains since September 2015, the same two sectors that led in growth in Q2.

As mentioned above, the Valley's total Industrial vacancy rate (direct vacant space plus sublease vacant space) fell by 0.2 points to 5.1% in Q3, but was nonetheless higher than Q3, 2015's vacancy rate of 4.8%. Vacancy dropped in four of seven submarkets, but only by 0.1 points in two of those. Though the Valley's Industrial market is healthy, supply shortages for certain types of space, especially large units (75,000+ sf), continue to stifle growth. The 875,142 sf of space that came to market this quarter were a welcome relief, but still more is needed.

On a submarket basis, the lowest vacancy rates in Q3 were in East Las Vegas (3.6%), North Las Vegas (3.8%) and West Central (3.9%). Henderson (5.3%) came next, followed closely by Southwest (5.7%). The Airport and Northwest (7.4% and 10.7%, respectively) were at the higher end for the Industrial submarkets, though still relatively low when compared to other markets.



Industrial Investment Sales

	2015	YTD 2016
No. Sales	43	25
Square Feet Sold	3,062,000	1,168,000
Sales Volume (MM)	\$295.8	\$90.5
Average Price/SF	\$96.58	\$77.43
Average Cap Rate*	7.1%	7.3%
Average Sale Size (SF)	71,000	47,000

Source: Colliers Las Vegas.

*Cap rate on properties available for sale as investments.

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 four 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
Third 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	1,283	648	4,214
Total Rentable SF	14,320,625	3,516,867	13,329,742	33,450,092	1,336,299	34,306,149	12,016,433	112,276,207
Total Vacant SF	1,062,587	124,987	706,121	1,272,271	143,199	1,971,990	473,572	5,754,727
Total Occupied SF	13,258,038	3,391,880	12,623,621	32,177,821	1,193,100	32,334,159	11,542,861	106,521,480
Total Vacant (%)	7.4%	3.6%	5.3%	3.8%	10.7%	5.7%	3.9%	5.1%
Completions QTD	0	311,246	232,826	163,790	0	167,280	0	875,142
Completions YOY	0	693,050	232,826	740,670	0	773,280	0	2,439,826
Total Net Absorption QTD	78,419	384,059	191,569	191,090	-17,743	189,487	34,790	1,051,671
Total Net Absorption YOY	41,537	746,397	132,952	562,858	-62,519	495,617	-12,454	1,904,388
Asking Rents (\$ PSF)	\$0.83	\$0.56	\$0.72	\$0.56	\$0.92	\$0.66	\$0.85	\$0.68
Under Construction SF	129,000	377,000	1,332,330	1,799,880	0	1,174,922	0	4,813,132
Planned SF	54,000	0	549,000	5,296,370	0	1,349,912	153,320	7,402,602

WAREHOUSE/DISTRIBUTION	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	78	19	78	179	5	142	52	553
Total Rentable SF	5,037,394	1,600,125	6,989,845	20,504,522	223,661	13,993,926	1,939,836	50,289,309
Total Vacant SF	187,050	40,896	258,069	540,994	0	921,367	40,424	1,988,800
Total Occupied SF	4,850,344	1,559,229	6,731,776	19,963,528	223,661	13,072,559	1,899,412	48,300,509
Total Vacant (%)	3.7%	2.6%	3.7%	2.6%	0.0%	6.6%	2.1%	4.0%
Completions QTD	0	311,246	232,826	163,790	0	167,280	0	875,142
Completions YOY	0	693,050	232,826	720,670	0	583,280	0	2,229,826
Total Net Absorption QTD	4,613	389,524	129,656	216,582	0	111,990	11,334	863,699
Total Net Absorption YOY	65,309	780,928	125,796	845,227	0	294,166	-40,424	2,071,002
Asking Rents (\$ PSF)	\$0.53	\$0.40	\$0.58	\$0.37	\$0.00	\$0.61	\$0.75	\$0.51
Under Construction SF	75,000	377,000	1,332,330	1,799,880	0	1,174,922	0	4,759,132
Planned SF	0	0	549,000	5,208,370	0	1,349,912	153,320	7,260,602

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	274,178	0	226,865	360,564	12,159	472,539	0	1,346,305
Total Occupied SF	2,894,951	340,675	1,344,838	4,488,370	38,841	6,458,097	775,747	16,341,519
Total Vacant (%)	8.7%	0.0%	14.4%	7.4%	23.8%	6.8%	0.0%	7.6%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	0	0
Total Net Absorption QTD	60,890	0	49,175	-52,045	0	-38,250	27,514	47,284
Total Net Absorption YOY	-85,596	6,274	-71,989	-245,214	-8,359	-101,210	61,015	-445,079
Asking Rents (\$ PSF)	\$0.80	\$0.00	\$0.60	\$0.52	\$0.76	\$0.76	\$0.00	\$0.68
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
Third Quarter, 2016

SUBMARKETS

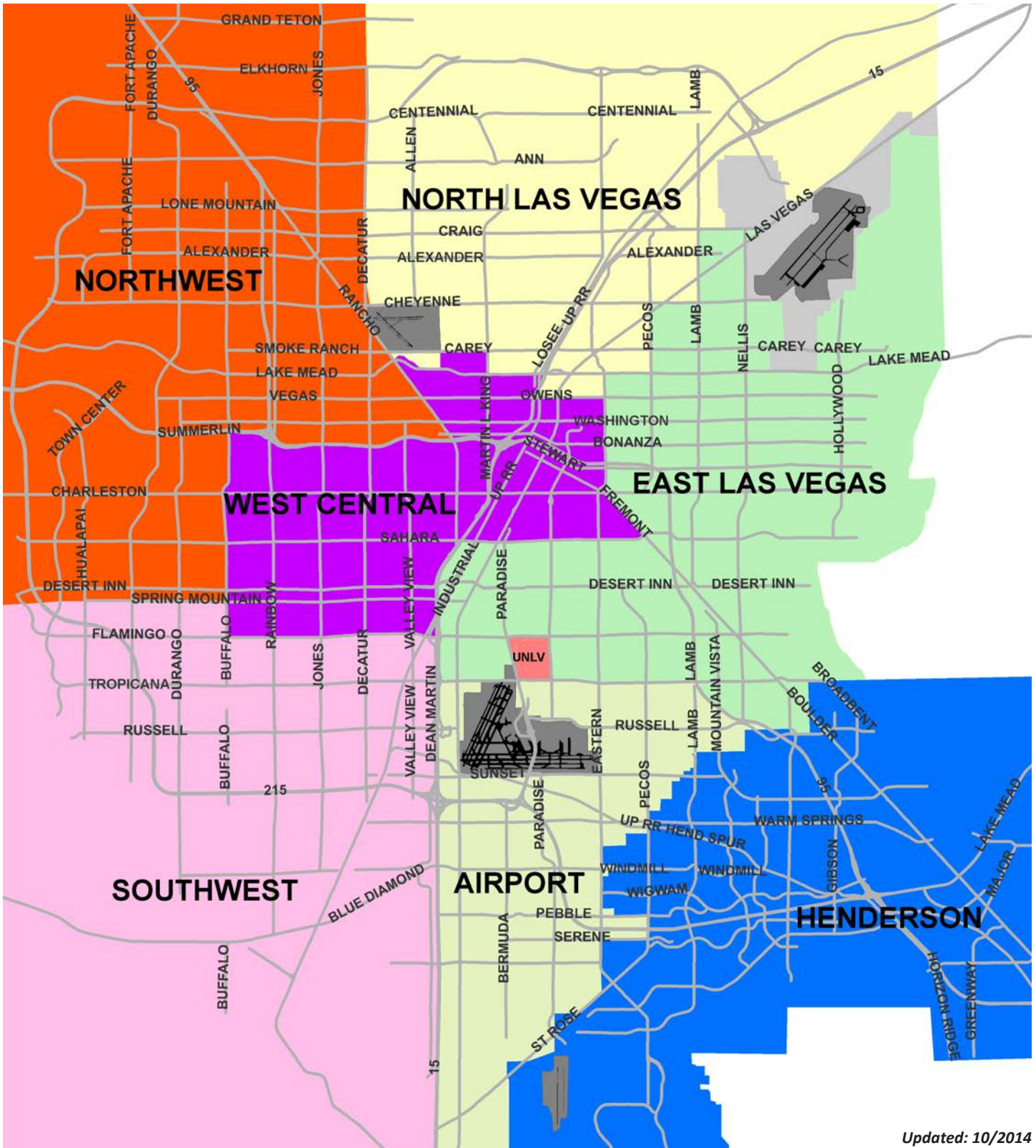
LIGHT INDUSTRIAL	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	199	91	313	594	16	742	482	2,437
Total Rentable SF	3,076,809	1,135,150	3,085,009	6,755,260	290,111	9,362,544	6,622,403	30,327,286
Total Vacant SF	233,867	28,200	103,076	194,124	16,170	241,669	263,997	1,081,103
Total Occupied SF	2,842,942	1,106,950	2,981,933	6,561,136	273,941	9,120,875	6,358,406	29,246,183
Total Vacant (%)	7.6%	2.5%	3.3%	2.9%	5.6%	2.6%	4.0%	3.6%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	20,000	0	190,000	0	210,000
Total Net Absorption QTD	-24,907	-6,100	-10,449	48,558	2,400	156,698	-18,202	147,998
Total Net Absorption YOY	55,694	-28,200	33,741	-23,158	-13,378	267,953	-84,531	208,121
Asking Rents (\$ PSF)	\$0.86	\$0.93	\$0.76	\$0.56	\$1.03	\$0.74	\$0.81	\$0.75
Under Constuction SF	54,000	0	0	0	0	0	0	54,000
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	163,297	40,477	38,194	86,003	30,208	167,781	152,349	678,309
Total Occupied SF	1,551,324	258,146	418,712	475,549	69,117	2,328,600	2,306,266	7,407,714
Total Vacant (%)	9.5%	13.6%	8.4%	15.3%	30.4%	6.7%	6.2%	8.4%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	0	0
Total Net Absorption QTD	21,642	635	-2,446	6,999	-20,689	-52,313	5,144	-41,028
Total Net Absorption YOY	-43,093	-12,605	-5,040	-13,359	-28,168	46,605	42,302	-13,358
Asking Rents (\$ PSF)	\$0.93	\$0.54	\$0.72	\$0.64	\$0.79	\$0.83	\$0.98	\$0.87
Under Constuction SF	0	0	0	0	0	0	0	0
Planned SF	0	0	0	88,000	0	0	0	88,000

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	204,195	15,414	79,917	90,586	84,662	168,634	16,802	660,210
Total Occupied SF	1,118,477	126,880	1,146,362	689,238	587,540	1,354,028	203,030	5,225,555
Total Vacant (%)	15.4%	10.8%	6.5%	11.6%	12.6%	11.1%	7.6%	11.2%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	0	0
Total Net Absorption QTD	16,181	0	25,633	-29,004	546	11,362	9,000	33,718
Total Net Absorption YOY	49,223	0	50,444	-638	-12,614	-11,897	9,184	83,702
Asking Rents (\$ PSF)	\$1.00	\$0.53	\$1.05	\$0.75	\$0.99	\$0.90	\$0.95	\$0.92
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