

Las Vegas Valley Executive Summary

Commercial Real Estate Markets - 4th Quarter 2015

INDUSTRIAL



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February 29, 2016

Re: Commercial 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,

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Las Vegas Industrial Survey

4th Quarter 2015



WARM SPRINGS CROSSING

LAS VEGAS INDUSTRIAL SURVEY

SUMMARY

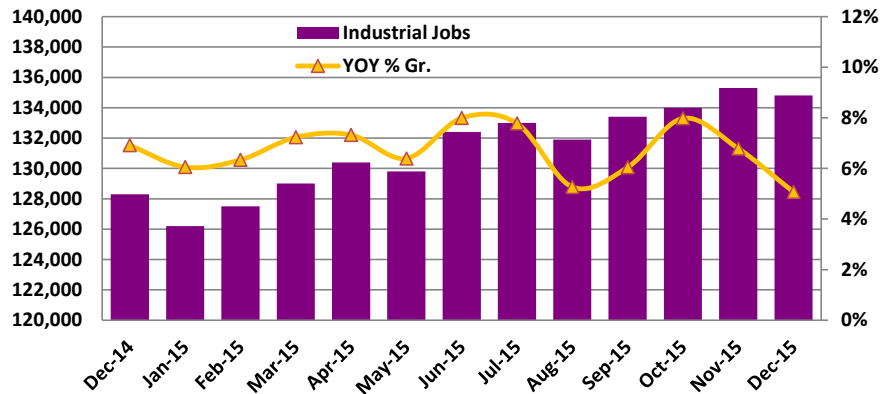
The Las Vegas Valley's ("the Valley") industrial market¹ ended Q4, 2015 with an inventory of 111.1 million square feet ("sf"), including completions of 958,700 sf for the quarter. Net absorption (net demand) during Q4 was 647,900 sf, marking an increase in the Valley's industrial vacancy rate of 0.3 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).

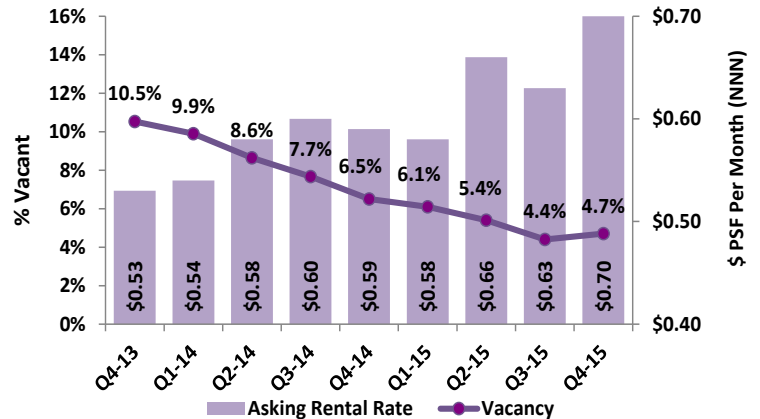
On a product basis, all five types saw minimal vacancy fluctuations from Q3, 2015 to Q4, 2015. Warehouse/Distribution and Incubator space vacancies increased by 0.5 percentage-points to 3.7% and 8.7%, respectively. Light Industrial slightly increased by 0.4 percentage-points to 3.6% vacancy, and R&D/Flex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

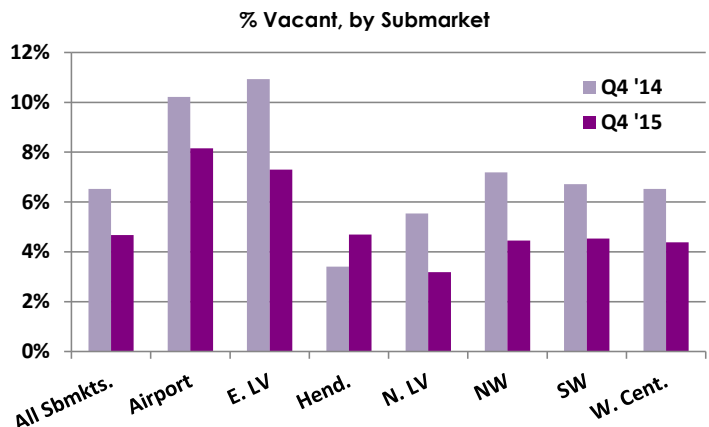
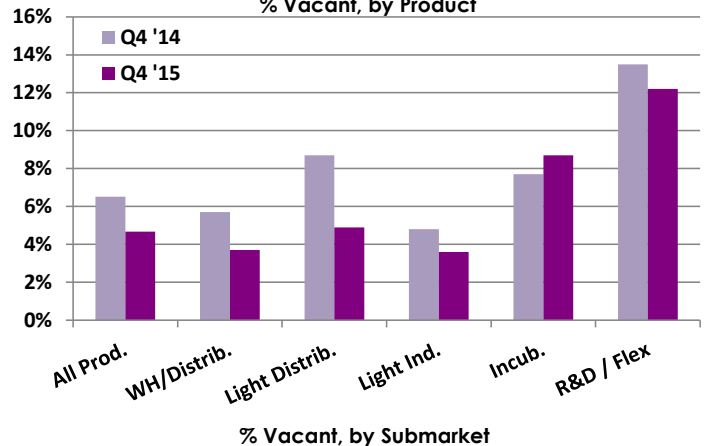
As noted above, the overall Industrial market has recovered from the Great Recession. Some submarkets and subtypes are doing better than others, such as Warehouse/Distribution on the strong end and R&D/Flex on the weaker end, but now the conversation has shifted away from which product types will recover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

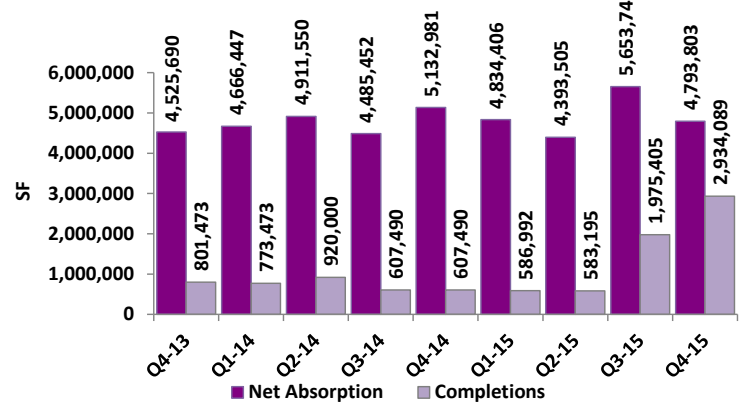
Demand in Q4 was positive in Warehouse/Distribution with +680,583 sf absorbed, followed by Light Distribution with +91,725 sf of absorption and R&D/Flex space with 20,659 sf. Light Industrial (-107,280 sf) and Incubator (-37,821 sf) saw negative absorption compared to Q3.

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).

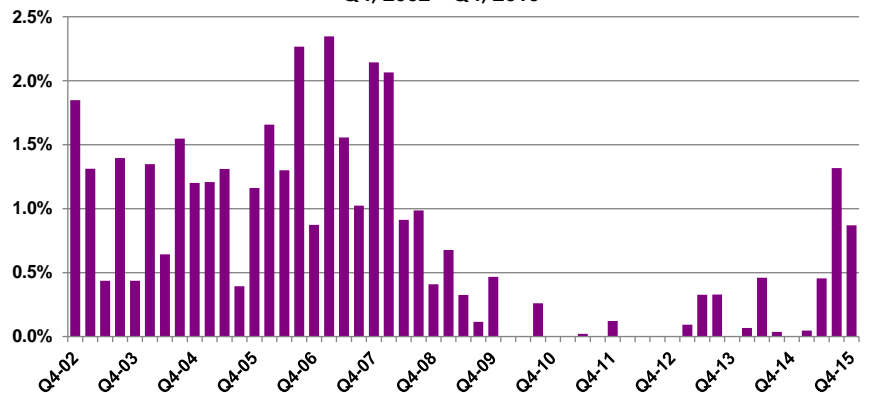
SUPPLY

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

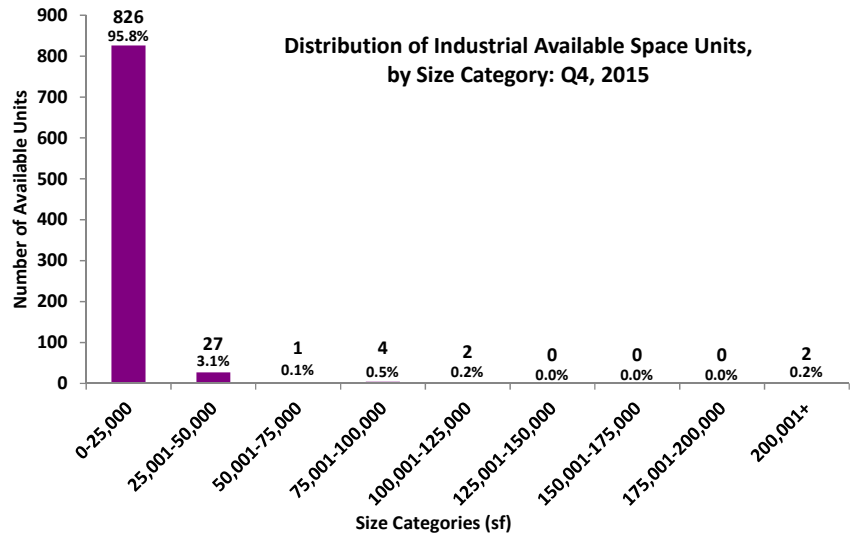
Project	SF	Subtype	Submarket	Exp. Comp.
Ainsworth Americas HQ	190,000	Light Industrial	Southwest	Q116
Black Mountain Distribution Center #3	232,826	Warehouse/Distribution	Henderson	Q216
Blue Diamond Business Center #3	167,280	Warehouse/Distribution	Southwest	Q116
Cheyenne Distribution Center #3	163,790	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			

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

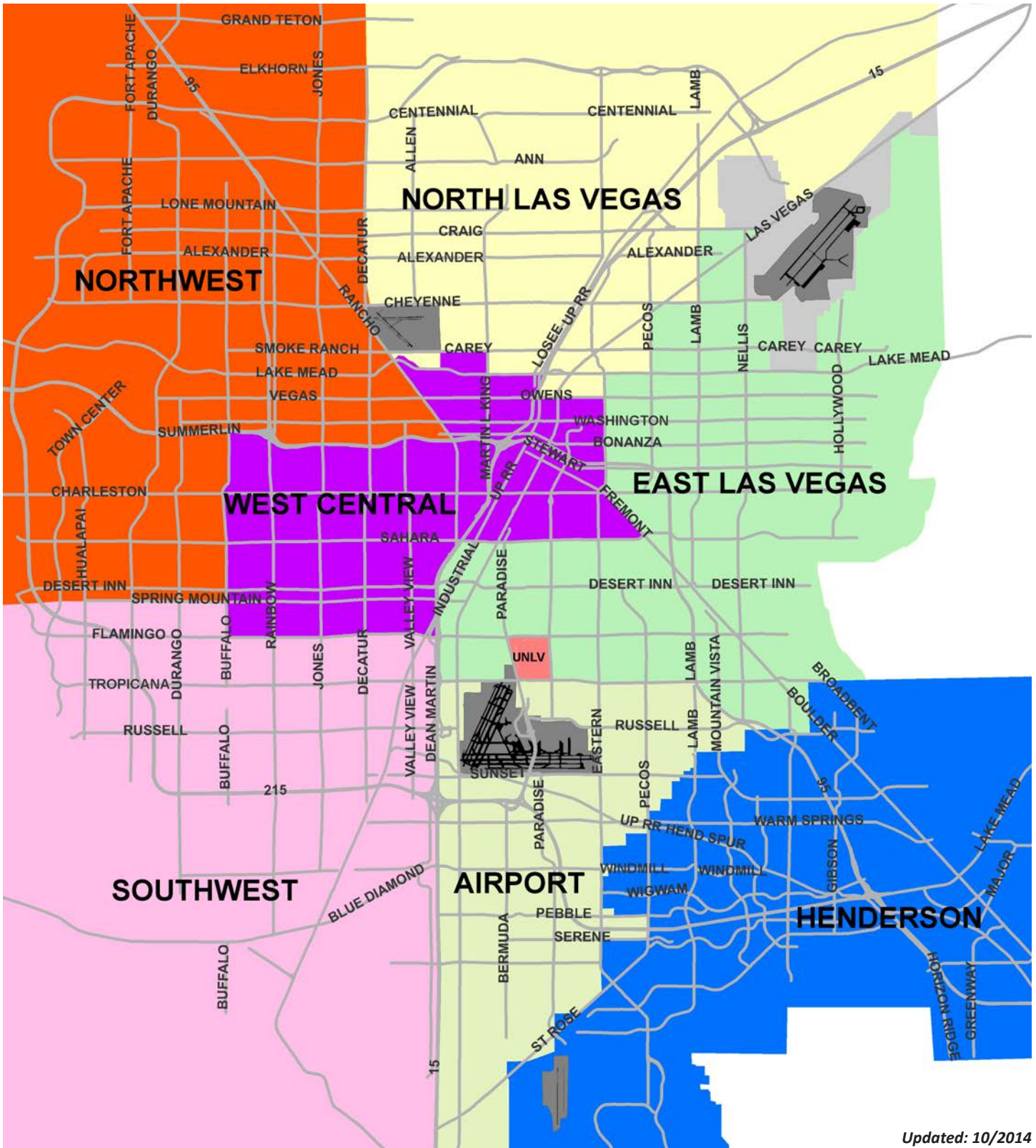
LIGHT INDUSTRIAL	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	199	91	313	594	16	741	482	2,436
Total Rentable SF	3,076,809	1,135,150	3,085,009	6,755,260	290,111	9,172,544	6,622,403	30,137,286
Total Vacant SF	259,807	44,600	103,356	109,154	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



CORPORATE CENTER, Ph. 3

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REAL ESTATE STUDIES
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Las Vegas Speculative Office Survey

4th Quarter 2015



UNITED HEALTH CARE BUILDING

LAS VEGAS SPECULATIVE OFFICE SURVEY

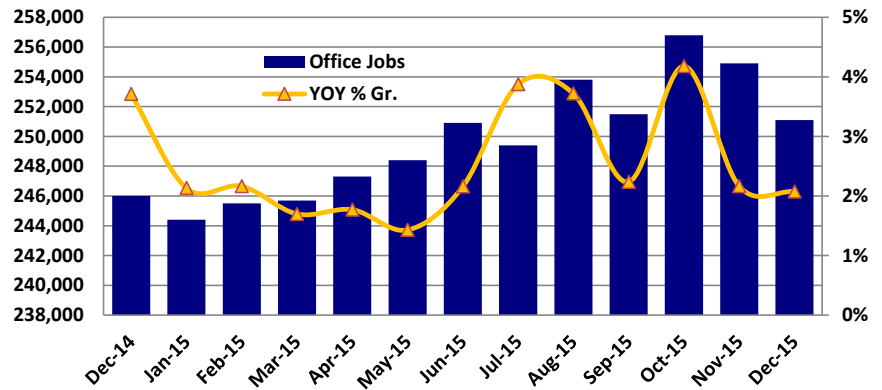
SUMMARY

The Las Vegas Valley's ("the Valley") multi-tenant, speculative office market¹ saw 14,590 square feet ("sf") of new space come to market during the fourth quarter ("Q4") of 2015, raising the total inventory to 43.1 million sf. Fourth quarter 2015 demand for new space was substantiated with both a decrease in vacancy, from 18.5% in Q3 to 18.4% in Q4 and a slight increase in average monthly asking rents, which increased to \$1.97 per square foot ("psf") FSG², from \$1.91 psf in Q3, 2015. There was also a rise in net absorption in Q4, with 50,590 sf, sustaining positive demand for 10 out of the 11 previous quarters. At the end of the quarter, there were 233,800 sf of Spec Office space under-construction and 431,000 sf of space in the planning stages. Most of the space under-construction comes from the Union Village project in the Henderson submarket.

OFFICE-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%. Employment in the office-using sector, a critical

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



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

Office Employment

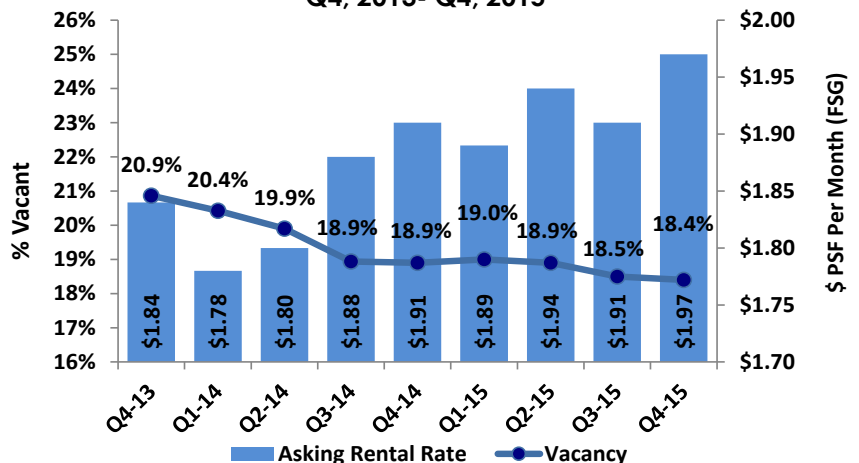
Industry Sector	Oct			Nov			Dec		
	2015	2014	% Ch.	2015	2014	% Ch.	2015	2014	% Ch.
Information	11,000	10,300	6.8%	10,800	10,400	3.8%	10,800	10,300	4.9%
Financial Activities	42,200	44,200	-4.5%	41,600	44,500	-6.5%	40,600	43,900	-7.5%
Prof. & Business	126,500	119,200	6.1%	124,600	121,500	2.6%	121,300	118,400	2.4%
Health Care & Social Assist.	77,100	72,800	5.9%	77,900	73,100	6.6%	78,400	73,400	6.8%
Total	256,800	246,500	4.2%	254,900	249,500	2.2%	251,100	246,000	2.1%

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

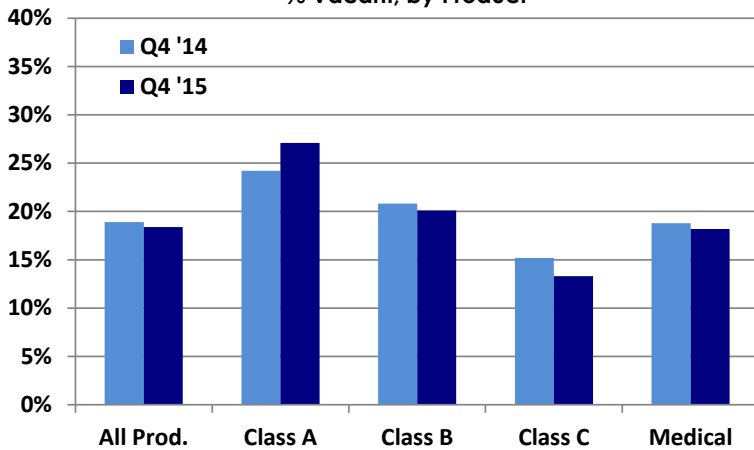
indicator of the health of the local economy, comprised 31% (251,100 jobs) of all private payroll jobs in Clark County at the end of Q4 (December 2015). This was 5,100 jobs more (+2.1%) than existed in December 2014.³

An October surge in office employment at 4.2%, balanced by November and December growth of 2.2% and 2.1%, respectively, brings the Q4, 2015 average to 2.8%, a decline from the Q3, 2015 growth of 3.3%. A year-over-year ("Y-O-Y") increase of 5,100 office jobs indicates positive growth for the year. However, there was a -3,300 reduction in Financial Activities jobs in 2015. The

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



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



Henderson was by far the most improved submarket, with a 2.7 percentage-point decline. On the flip side, North Las Vegas showed the largest increase in vacancy, with a 2.5 point increase.

In comparison to Q4 of 2014, the Airport submarket vacancies declined by 4.4 percentage points, showing the greatest decrease. The East Las Vegas submarket vacancies declined 1.3 points from the same quarter last year. Likewise, the North Las Vegas submarket vacancy rate showed the largest increase at 4.0 points over Q4, 2014. The Northwest, Southwest and West Central submarkets all saw declines of less than one percent.

In Q4, Class A space again had a poor showing, posting a 0.5-point increase in vacancy, up to 27.1%. Class B vacancy improved slightly, down 0.1 points to 20.1%. The Class C market saw a decline of 0.8 percentage-points in its vacancy rate to 13.3%. Medical office weakened somewhat from a Q3 vacancy of 17.2% to 18.2% in Q4.

On a Y-O-Y basis, the Valley-wide Spec Office vacancy rate is 0.5 percentage-points lower. Class A vacancy increased by 2.9 percentage-points Y-O-Y from 24.2% in Q4, 2014. The data suggest that the overall market is slowly recovering, but still continues to struggle, despite healthy office-using job growth. Simply put, way too much office space was built during the pre-Great Recession boom. It will take several years of natural population and job growth to move

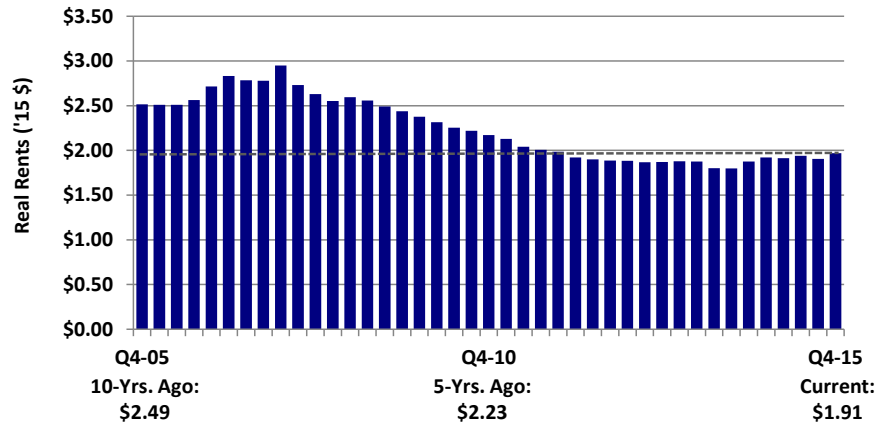
other sectors showed positive numbers: Professional & Business sector grew by 2,900 jobs, Health Care and Social Assistance sector grew by 5,000 jobs and Information netted a 500 job increase for the year.

VACANCY & RENTS

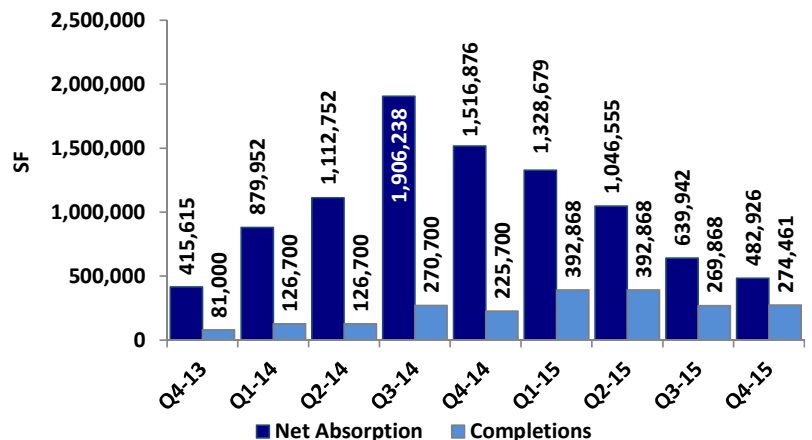
Total Spec Office vacancy in the Valley in Q4 (directly vacant space plus vacant sublease space) decreased 0.1 percentage-points to 18.4%. This is the lowest office vacancy the Valley has seen since Q3, 2009 when an 18% was recorded.

The North Las Vegas and Airport submarkets enjoyed the lowest Q4 vacancy rates at the end of 2015, both at 12.2%, closely followed by the Southwest at 13% and Downtown at 13.6%.

**Las Vegas Valley Office Market
Inflation-Adjusted Monthly Rent: Q4, 2005 - Q4, 2015 (Baseline)**



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



SPECULATIVE OFFICE MARKET

the Spec Office vacancy rate back toward a natural 10% equilibrium level.

The overall average monthly Spec Office rent (calculated on a full-service gross basis—or accounting for all operating expenses) was \$1.97 per square foot (“psf”) in Q4, \$0.06 more than the \$1.91 psf asking rent in the previous quarter. Remember, the rents herein are based on quoted asking rents, not negotiated rents between owners and tenants.

DEMAND

Valley-wide Spec Office net absorption in Q4 was positive at +50,587 sf. On a Y-O-Y basis, net absorption totaled 482,926 sf – good but less than the 1.5 million sf recorded in the same period in 2014. Y-O-Y absorption has now been trending down for five quarters, after peaking in Q3, 2014. As we have noted, there is reason to believe that this is at least partially due to the quality of the remaining available space in the market.

Four of the eight submarkets in the Valley saw improvement this quarter. The Henderson (+162,191 sf) submarket was the main engine of Q4’s growth. Three other submarkets also contributed: Airport (+32,925 sf), West Central (+10,137) and East Las Vegas (+5,287 sf). The Downtown (-13,573 sf), North Las Vegas (-19,069 sf), Northwest (-94,956 sf) and Southwest (-38,355 sf) submarkets, on the other hand, saw negative demand.

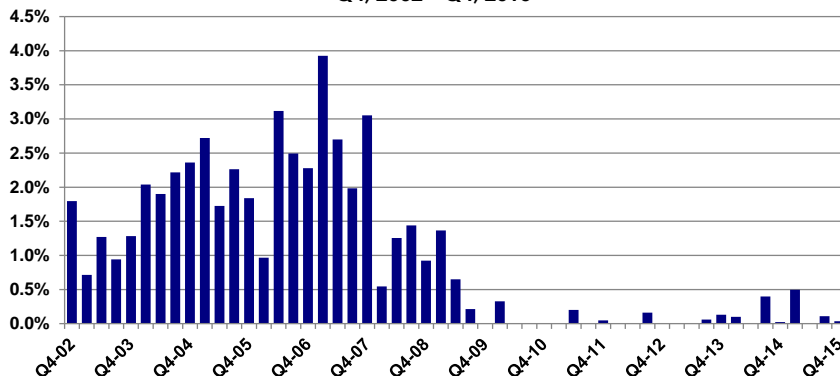
On a product-basis for the quarter, Class A was hit with -29,790 sf of absorption and Medical hit even harder with -70,094 sf. Class B and Class C, however, gained enough (+14,157 sf and +136,314 sf respectively) in Q4 to post a decent quarter for Spec Office.

Net absorption, on a Y-O-Y basis, was positive for most product types, but negative for Class A (-36,688 sf). For Y-O-Y, Class C led the way, posting +342,372 sf of absorption, while Class B followed up with +153,847 sf of absorption over the year. Medical pitched in +41,395 for a positive finish to the year.

SUPPLY

The fourth quarter of 2015 saw two Spec Office completions, combining for 14,593 sf at the Pecos Springs Business Park expansion in the Airport submarket. During the past 25 quarters (since Q4, 2009), there have been only 11 quarters where new space has entered the market. However, of those 11 quarters with new supply brought to market, eight have been during the 10 last quarters, indicating that rising demand is encouraging developers and lenders to begin providing new product. Between Q4, 2014 and Q4, 2015, Y-O-Y completions were 274,461 sf. Still, post-recession completions pale compared to the boom years, when annual Office completions ranged between 1.1 million (Q4, 2003) sf and 4.3 million sf (Q4, 2007). Completions as a share of inventory peaked at 4% in Q1, 2007, at the peak of Southern Nevada’s age of “irrational exuberance”. Q4 ended at less than 0.1%. We do not anticipate any significant changes in completions per quarter for the foreseeable future.

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



We have recorded 13 Spec Office projects in the forward supply⁴ pipeline that should be completed within the next eight quarters. Four are under construction. The other nine projects are for planned space (see next page).

The Grid, a newer planned project, looks like a fairly ambitious project and it is moving forward despite

SPECULATIVE OFFICE MARKET

Under Construction

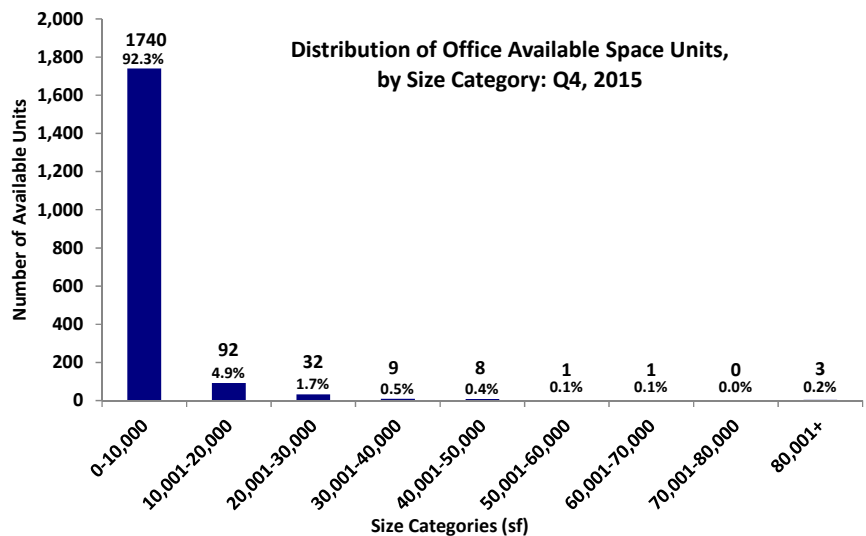
Project	SF	Subtype	Submarket	Exp. Comp.
Union Village	150,000	Medical	Henderson	Q416
Tivoli Village-Phase 2	68,000	A	Northwest	Q216
Pecos Springs Business Park expansion-7375	7,894	C	Airport	Q116
Pecos Springs Business Park expansion-7325	7,894	C	Airport	Q116
Total	234,000			

Planned

Project	SF	Subtype	Submarket	Exp. Comp.
Centennial Hills Center Ph. 1	52,000	Medical	Northwest	2016
Cimarron/Rafael Rivera	19,000	B	Southwest	2016
Seven Hills Plaza D	42,000	B	Henderson	2015
Stone Creek Professional Plaza	20,000	C	Southwest	2016
The Grid	125,000	A	Downtown	2017
The Square	80,000	C	Southwest	2015
University Gateway	45,000	C	East Las Vegas	2016
Chronicle at Cadence (4 buildings-10,10,15,5)	40,000	A	Henderson	2016
Pecos Springs Business Park expansion-7365	8,028	C	Airport	Q316
Total	431,000			

the 29.4% Class A vacancy rate in that submarket, so it would seem that the developers think that a unique high quality development could do well when it is set to open in 2017. Hopefully, they're right.

An important measure of the near-term health of the commercial markets is the potential number of years of available supply. Given the high vacancy rate (18.4%) and the average quarterly absorption in the last 10 years (135,800 sf), we estimate that there still remains about 7.1 years of supply of Speculative 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 size. It shows there is only a very small amount of space available in units above 30,000 sf. In fact, 92.3% of all space that is currently on the market is in units of 10,000 sf or less.

INVESTMENT SALES

As reported by Colliers, there was an increase in 2015 Office investment sales compared to 2014. The average price per sale in 2015 was \$5.0 million versus \$4.2 million in 2014. The average sales price per sf in 2015 spiked 46% over 2014, a great sign for the Spec Office market, so severely impacted by the Great Recession. The average cap rate has stayed relatively stable, as has the average sale size in sf terms. In essence, the higher the cap rate, the lower the price. This indicates a better return on investment, assuming other criteria are not included

Office Investment Sales

	2014	2015
No. Sales	71	61
Square Feet Sold	2,505,000	1,750,000
Sales Volume	296.4 MM	303.1 MM
Average Price/SF	\$118.32	\$173.18
Average Cap Rate*	7.7%	7.5%
Average Sale Size (SF)	35,000	29,000

Source: Colliers Las Vegas.

*Cap rate on properties available for sale as investments.

SPECULATIVE OFFICE MARKET

in the decision. 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. This indicates an office market on the mend, still climbing steadily out of a deep hole.

FURTHER THOUGHTS & RECAP

While Southern Nevada's office market's recovery continues to lag behind that of the industrial and retail markets, 2015 noted some moderate improvements. Valley-wide spec office net absorption in Q4 was encouraging at +50,587 sf.

On a Y-O-Y basis, net absorption totaled +482,926 sf, much less than the 1.5 million sf recorded in the same period in 2014. Y-O-Y absorption has now been trending down for five quarters, after peaking in Q3, 2014. As we have noted, there is reason to believe that this is at least partially due to the quality of the remaining available space.

Employment in the office-using sector, a critical indicator of the health of the local economy, comprised 31% (251,100 jobs) of all private payroll jobs in Clark County at the end of Q4 (December 2015). This was 5,100 more (+2.1%) than existed in December 2014.

Total Spec Office vacancy in the Valley in Q4 (directly vacant space plus vacant sublease space) decreased 0.1 percentage-points to 18.4%. This is the lowest vacancy the spec office market has seen since Q3, 2009, when an 18.0% vacancy marked a rise in vacancies that would peak at 22.0% in Q1, 2012 and remain above the 20 percent mark for 13 quarters.

The North Las Vegas and Airport submarkets enjoyed the lowest office market vacancy rate, both at 12.2%, which marks an increase for North Las Vegas from 9.7% in Q3, and a decline for the Airport submarket, from 12.7% vacancy. North Las Vegas has considerably less rentable square footage with 783,529 sf (compared to a high of 9.0 million sf in the Northwest and an average of 6.2 million across the seven submarkets). Likewise, the North Las Vegas Market does not contain any Professional Class A office space, which was the hardest hit in vacancies across all sub-types. Except for the East Las Vegas submarket at 28.7% vacancy, the other seven submarkets enjoyed vacancy rates below 20%.

Completions as a share of inventory peaked at 3.9% in Q1, 2007, at the peak of Southern Nevada's age of "irrational exuberance." The fourth quarter of 2015 closed at 0.03%.

So, as we've noted, Southern Nevada's spec office market continues its steady, albeit long recovery. Some submarkets and some office products are doing better than others. The office job market has significantly improved, but still has quite a ways to go.

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 4 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
Fourth Quarter, 2015

SUBMARKETS

TOTAL OFFICE MARKET	Airport	Downtown	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	319	119	183	331	94	389	388	275	2,098
Total Rentable SF	5,139,606	3,835,861	6,134,382	6,027,268	783,529	8,968,593	6,810,103	5,406,541	43,105,883
Total Vacant SF	626,752	523,395	1,761,966	1,117,283	95,241	1,733,236	888,317	1,178,732	7,924,922
Total Occupied SF	4,512,854	3,312,466	4,372,416	4,909,985	688,288	7,235,357	5,921,786	4,227,809	35,180,961
Total Vacant (%)	12.2%	13.6%	28.7%	18.5%	12.2%	19.3%	13.0%	21.8%	18.4%
Completions QTD	14,593	0	0	0	0	0	0	0	14,593
Completions YOY	30,381	0	0	0	0	197,080	47,000	0	274,461
Total Net Absorption QTD	38,925	-13,573	5,287	162,191	-19,069	-94,956	-38,355	10,137	50,587
Total Net Absorption YOY	249,707	-52,153	76,818	-69,301	-31,021	199,169	70,854	38,853	482,926
Asking Rents (\$ PSF)	\$1.91	\$1.88	\$1.46	\$1.99	\$1.87	\$2.08	\$2.30	\$1.67	\$1.97
Under Constuction SF	15,788	0	0	150,000	0	68,000	0	0	233,788
Planned SF	8,028	125,000	45,000	82,000	0	52,000	119,000	0	431,028

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	1,813,312	567,112	227,624	6,379,602
Total Vacant SF	135,955	233,376	377,249	319,935	0	493,096	64,957	104,792	1,729,360
Total Occupied SF	529,949	561,740	1,095,217	518,133	0	1,320,216	502,155	122,832	4,650,242
Total Vacant (%)	20.4%	29.4%	25.6%	38.2%	0.0%	27.2%	11.5%	46.0%	27.1%
Completions QTD	0	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	197,080	0	0	197,080
Total Net Absorption QTD	5,872	-3,364	813	3,887	0	-19,306	-15,683	-2,009	-29,790
Total Net Absorption YOY	-16,740	-100,231	-33,864	-18,490	0	78,012	64,086	-9,461	-36,688
Asking Rents (\$ PSF)	\$2.59	\$2.22	\$2.91	\$2.30	\$0.00	\$2.11	\$2.51	\$1.93	\$2.13
Under Constuction SF	0	0	0	0	0	68,000	0	0	68,000
Planned SF	0	125,000	0	40,000	0	0	0	0	165,000

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	2,773,145	2,452,132	1,666,046	14,059,547
Total Vacant SF	247,048	119,114	691,153	327,707	43,244	502,762	421,297	479,563	2,831,888
Total Occupied SF	1,688,973	1,655,982	375,404	1,862,047	157,552	2,270,383	2,030,835	1,186,483	11,227,659
Total Vacant (%)	12.8%	6.7%	64.8%	15.0%	21.5%	18.1%	17.2%	28.8%	20.1%
Completions QTD	0	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	47,000	0	47,000
Total Net Absorption QTD	-18,195	7,531	-13,598	76,798	0	-35,060	-25,519	22,200	14,157
Total Net Absorption YOY	69,205	53,102	-79,729	-25,999	13,416	110,788	68,719	-55,655	153,847
Asking Rents (\$ PSF)	\$1.80	\$1.74	\$1.43	\$1.83	\$1.63	\$1.95	\$2.47	\$1.67	\$1.76
Under Constuction SF	0	0	0	0	0	0	0	0	0
Planned SF	0	0	0	42,000	0	0	19,000	0	61,000

Speculative Office Market Matrix

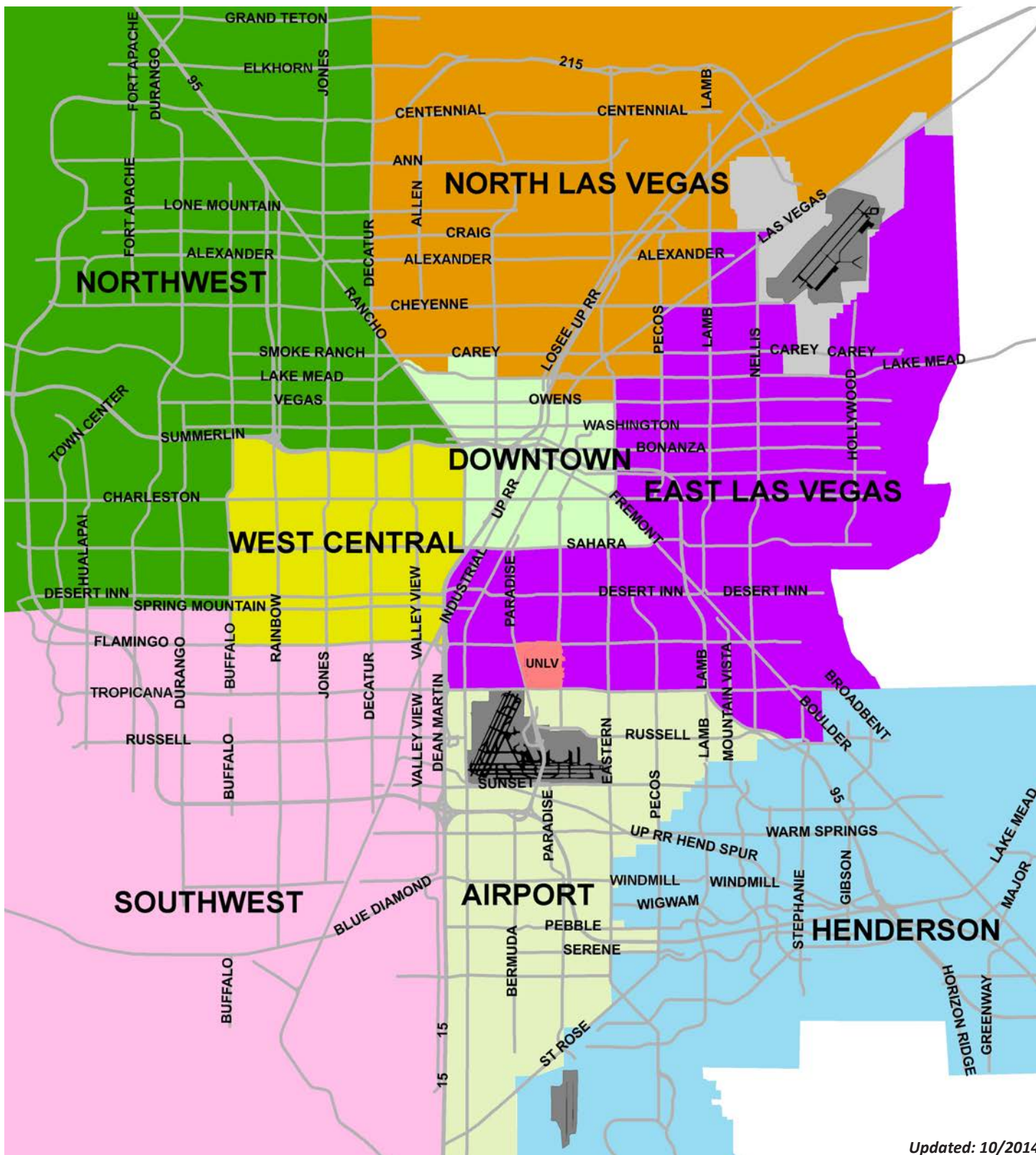
Las Vegas, Nevada
Fourth Quarter, 2015

SUBMARKETS									
PROFESSIONAL CLASS C	Airport	Downtown	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	265	66	110	144	76	210	272	187	1,330
Total Rentable SF	2,409,151	877,606	2,051,408	1,618,430	482,290	2,234,002	3,058,831	2,761,393	15,493,111
Total Vacant SF	240,694	99,824	335,055	221,568	36,062	369,817	347,809	405,798	2,056,627
Total Occupied SF	2,168,457	777,782	1,716,353	1,396,862	446,228	1,864,185	2,711,022	2,355,595	13,436,484
Total Vacant (%)	10.0%	11.4%	16.3%	13.7%	7.5%	16.6%	11.4%	14.7%	13.3%
Completions QTD	14,593	0	0	0	0	0	0	0	14,593
Completions YOY	30,381	0	0	0	0	0	0	0	30,381
Total Net Absorption QTD	51,248	-18,643	-6,719	81,448	-10,614	5,199	-3,562	37,957	136,314
Total Net Absorption YOY	183,305	26,444	89,814	22,503	-28,502	-10,307	-67,503	108,618	324,372
Asking Rents (\$ PSF)	\$1.64	\$1.44	\$1.38	\$1.60	\$2.01	\$1.87	\$2.04	\$1.45	\$1.67
Under Construction SF	15,788	0	0	0	0	0	0	0	15,788
Planned SF	8,028	0	45,000	0	0	0	100,000	0	153,028

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	1,381,016	100,443	2,148,134	732,028	751,478	7,173,623
Total Vacant SF	3,055	71,081	358,509	248,073	15,935	367,561	54,254	188,579	1,307,047
Total Occupied SF	125,475	316,962	1,185,442	1,132,943	84,508	1,780,573	677,774	562,899	5,866,576
Total Vacant (%)	2.4%	18.3%	23.2%	18.0%	15.9%	17.1%	7.4%	25.1%	18.2%
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	0	903	24,791	58	-8,455	-45,789	6,409	-48,011	-70,094
Total Net Absorption YOY	13,937	-31,468	100,597	-47,315	-15,935	20,676	5,552	-4,649	41,395
Asking Rents (\$ PSF)	\$1.83	\$1.99	\$1.62	\$2.16	\$2.32	\$2.20	\$2.45	\$1.63	\$2.01
Under Construction SF	0	0	0	150,000	0	0	0	0	150,000
Planned SF	0	0	0	0	0	52,000	0	0	52,000

LAS VEGAS VALLEY

SPECULATIVE OFFICE SUBMARKET MAP



Updated: 10/2014



ARROYO MARKET SQUARE

RCG
ECONOMICS

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REAL ESTATE STUDIES
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Las Vegas Anchored Retail Survey

4th Quarter 2015



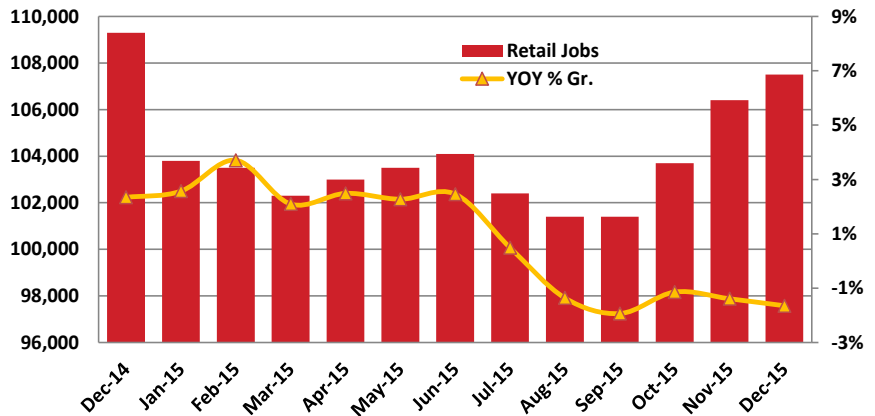
THE DISTRICT AT GREEN VALLEY RANCH

LAS VEGAS ANCHORED RETAIL SURVEY

SUMMARY

The Las Vegas Valley's ("the Valley") Anchored Retail market¹ inventory remained 44.3 million square feet of ("sf") at the close of the fourth quarter ("Q4"), 2015, marking four consecutive quarters without completions. The Valley saw a negative net absorption in Q4, 2015, (-35,400). The Valley's overall anchored center vacancy rate increased to 10.3% in Q4, 2015 from 10.2% in Q3, 2015 and it was up 0.3 points from the 10.0% recorded in Q4, 2014. Average monthly asking rents decreased to \$1.00 per square foot ("psf") NNN² in Q4, \$0.03 lower than the previous quarter and \$0.10 lower than Q4, 2014. This was largely due to a lack of quality space rather than a drop in the demand. The Valley's retail market showed some optimism at the end of Q4, 2015, with 210,000 sf of forward-supply³ under construction, with another 476,000 sf of planned space.

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



Source: Nevada Department of Employment, Training and Rehabilitation; calculated by RCG Economics.

RETAIL 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%.

Retail Employment

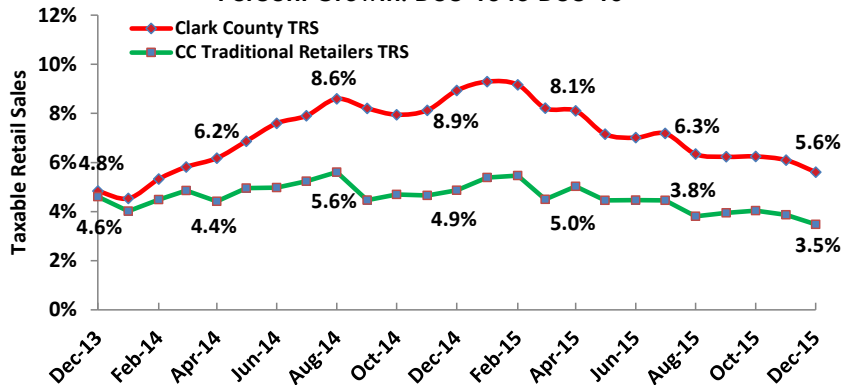
Industry Sector	Oct			Nov			Dec		
	2015	2014	% Ch.	2015	2014	% Ch.	2015	2014	% Ch.
Gen. Merch. & Cloth./Accessories	40,300	39,200	2.8%	44,100	42,300	4.3%	44,800	43,400	3.2%
Food & Bev. Stores	15,500	16,400	-5.5%	15,700	16,500	-4.8%	15,800	16,600	-4.8%
Health & Personal Care Stores	7,000	7,000	0.0%	7,200	7,100	1.4%	7,400	7,200	2.8%
Other Stores	40,900	42,300	-3.3%	39,400	42,000	-6.2%	39,500	42,100	-6.2%
Total	103,700	104,900	-1.1%	106,400	107,900	-1.4%	107,500	109,300	-1.6%

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

There were 107,500 Las Vegas retail sector jobs in the Las Vegas at the end of December 2015, accounting for 13% of total private payroll jobs. This represents 1,800 (-1.6%) fewer jobs than were recorded in December 2014.

In the last year, General Merchandise and Clothing/Accessories jobs rose by 3.2% (+1,400 jobs) and Health & Personal Care Stores increased 2.8% (+200 jobs). However, Food & Beverage Store jobs decreased 4.8% (-800 jobs), while "Other Stores" dropped 6.2% (-2,600 jobs). Employment in the retail sector had been rising on a year-over-year ("Y-O-Y") basis since May 2010, but has now shown five months of declines.

Clark County Total Taxable Retail Sales ("TRS") vs. Traditional Retailers TRS, Percent Growth: Dec-13 to Dec-15



Source: Nevada Department of Taxation; calculated by RCG Economics.

ANCHORED RETAIL MARKET

Top 5 Traditional Retailers (Dec-15)

	Taxable Retail Sales	YoY Change	YoY % Change
Food Services and Drinking Places	\$760,653,495	\$43,135,956	6.0%
Miscellaneous Store Retailers	\$77,257,006	\$8,023,960	11.6%
Building Material and Garden Equipment and Supplies	\$107,663,690	\$7,424,634	7.4%
General Merchandise Stores	\$411,403,654	\$7,275,692	1.8%
Furniture and Home Furnishings Stores	\$75,401,813	\$3,489,515	4.9%

Source: Nevada Department of Taxation. Note: The reason the DETR and Taxation retail categories do not match exactly is that DETR only reports three types of traditional retailer categories.

TAXABLE RETAIL SALES

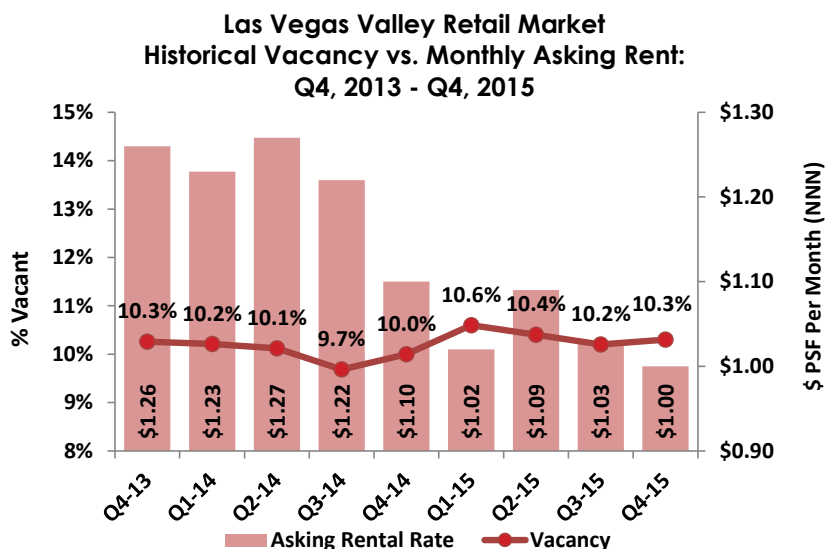
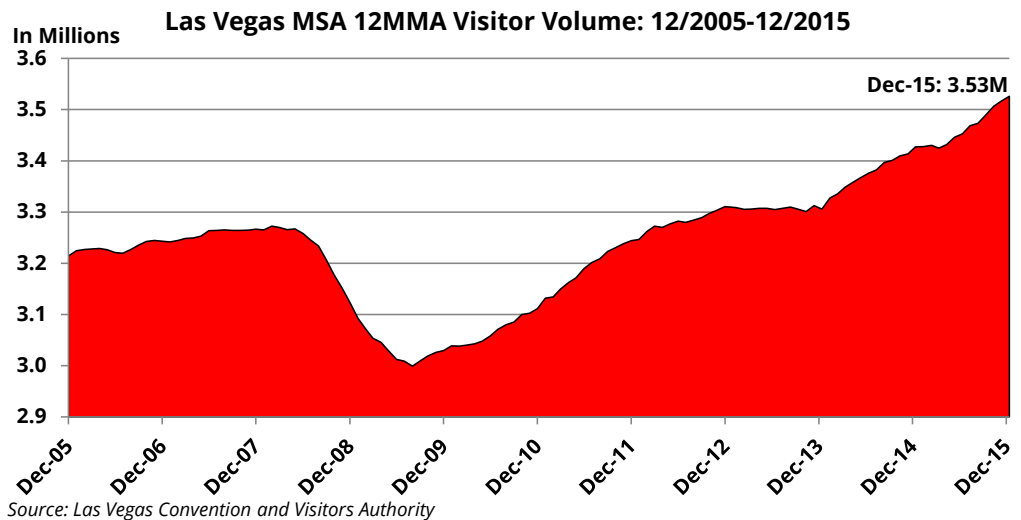
Clark County taxable sales continue to steadily climb. On a 12-month moving total basis, these sales reached \$38.6 billion in December 2015, a 5.6% increase compared to December 2014. This brings the region's sales to a new all-time high and well above the December 2007 peak of \$36.3 billion. Moreover, the average Y-O-Y growth during the last 49 months is 7.0%.

According to the Nevada Department of Taxation, the three traditional retail sectors with the largest taxable sales growth, on a dollar basis, comparing December 2014 and December 2015, were "Food Services and Drinking Places" (+\$43.1M, +6.0%), "Miscellaneous Store Retailers" (+\$8.0M, +11.6%) and "Building Material and Garden Equipment and Supplies" (+\$7.4M, +7.4%). Solid growth in taxable sales among traditional retail outlets have continued throughout 2015. The table below shows the top five best (Y-O-Y change) performing traditional retail sectors in Clark County Y-O-Y.

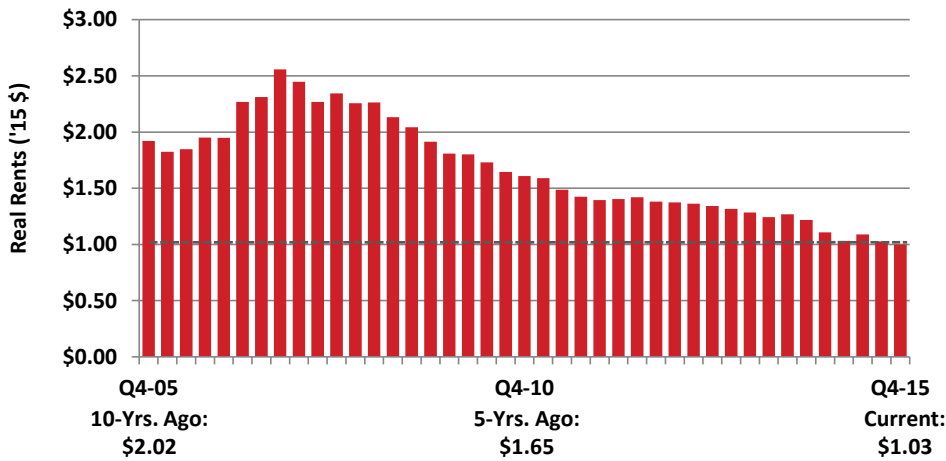
In Southern Nevada, increased visitation is a driving factor in driving taxable retail sales. Tourism has always been the lifeblood of the Valley and that has not substantially changed post-recession. On a 12-month moving average, visitation to Las Vegas rose 2.9% in December 2015. There were 3.5 million visitors in December. As tourism continues to grow, retail sales, especially of point-of-sale spending, should grow along with it.

VACANCY & RENTS

The average Valley-wide Anchored Retail vacancy rate increased by 0.1 percentage-points to 10.3% in Q4, based on currently vacant space on the active market. The Valley-wide vacancy increased 0.3 percentage-points from Q4, 2014 (10.0%), but the current rate is 5.0 percentage-points lower than the record high of 15.3% recorded in



**Las Vegas Valley Retail Market
Inflation-Adjusted Asking Rent: Q4, 2005 - Q4, 2015 (Baseline)**



Q2, 2011.

The highest submarket vacancies at the end of Q4 were in Downtown (20.0%), University East (15.6%), West Central (13.6%), North Las Vegas (11.4%) and Henderson (10.2%). Three submarkets had vacancy rates below 10%: Northwest (8.1%), Southwest (6.1%) and Northeast (4.8%).

Relative to the previous quarter, vacancy rates decreased in three submarkets and increased in the other five. Downtown retail space went up by 2.0 percentage-points from 18.0% in Q3, 2015, and

Northeast retail space went up by 0.6 percentage-points from the Q3, 2015 vacancy of 4.2%. Submarkets showing improved retail vacancy rates were Northwest, West Central and University East, both with 0.5, 0.5 and 1.6 percentage-point improvements. Northwest at 1.3 percentage-points, and North Las Vegas at 1.2 percentage-points.

On a Y-O-Y basis, five of the eight submarkets had improved vacancy rates. However, those three losses outweighed the gains. The Downtown submarket has shown the greatest Y-O-Y fluctuations, rising to 20%, from 12.9% in Q4, 2014. Henderson saw a 2.2 point increase to 10.2% and North Las Vegas' rate increased 1.2 points to 11.4%. The biggest improvement was in the Southwest submarket, improving 2.0 percentage-points to 6.1%.

Across the product spectrum, Neighborhood Centers were the only product to show improvement (by 0.7 percentage-points), while Power Centers noted a 0.6 point increase in vacancy, while Community Centers charted a 0.5 point increase in vacancy.

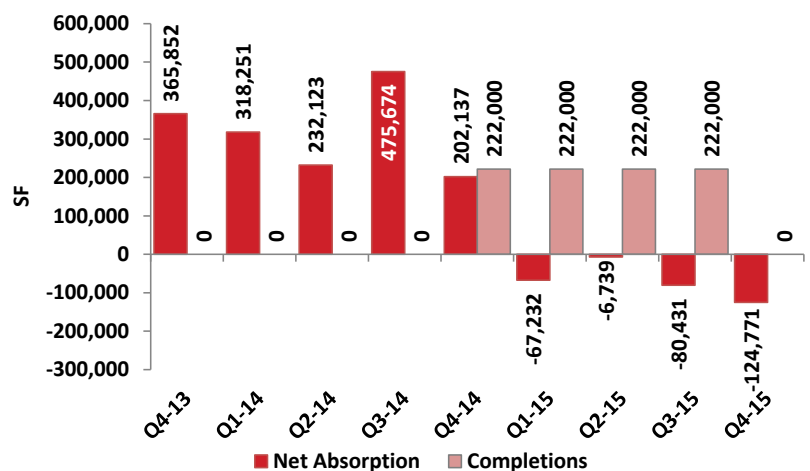
The Valley's overall anchored retail rent declined \$0.03 to \$1.00 psf in Q4 (calculated on a NNN basis; not accounting for any operating expenses, and noted as asking rents).

The market appears to be doing well in certain submarkets, while it continues to struggle in others. However, in spite of record high retail sales, part of the reason that Anchored Retail is hovering around 10% rather than sinking below that mark is due to the success of Industrial Warehouse/Distribution. The rise of Warehouse/Distribution is in large part due to the success of online retailers, such as Amazon, that are eliminating the need for physical retail stores. Fulfillment centers are replacing large swathes of the retail market, especially middle-income retail.

DEMAND

Total net absorption in Q4, 2015 reflected negative growth at -35,432 sf, compared to +8,908 sf during Q4, 2014. On a Y-O-Y basis, Valley-wide net Anchored Retail absorption was -124,771 sf.

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



ANCHORED RETAIL MARKET

For the quarter, net absorption was positive in only three of eight submarkets, University East (+97,415 sf), Northwest (+57,649 sf) and West Central (+21,709 sf). The other five submarkets showed negative growth: Henderson at -94,382 sf, North Las Vegas at -63,785 sf, Downtown at -22,719 sf, Southwest at -18,156 sf and Northeast at -13,163 sf.

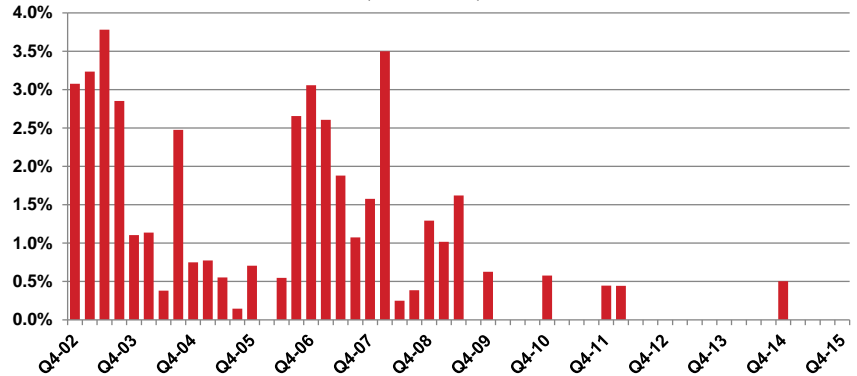
For the year, five of the eight submarkets improved: Southwest (+114,637 sf), Northeast (+34,879 sf), Northwest (+23,613 sf), University East (+21,213 sf) and West Central (+10,215 sf). The Henderson submarket demonstrated the most dramatic negative absorption at -190,284 sf, followed by Downtown at -79,120 sf and North Las Vegas at -59,924 sf.

For the year, net absorption was positive in Community Centers (+142,643 sf), scarcely positive in Power Centers (+691 sf) and negative in Neighborhood Centers (-268,105 sf).

SUPPLY

No new anchored retail space was completed during Q4, 2015. In the last 14 quarters, only Q4, 2014 saw any completions. Prior to that, only three quarters out of 24 (since Q1, 2010) saw new Anchored Retail space brought to market. The Valley's total Anchored Retail inventory is currently 44.3 million sf in 267 shopping centers.

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



There are two projects currently under construction. They are:

Under Construction

Project	SF	Subtype	Submarket	Exp. Comp.
Durango Arby Plaza	80,000	Neighborhood Center	Southwest	Q116
Silverado Promenade	130,000	Neighborhood Center	University East	Q116
Total	210,000			

Four more projects are currently in the planning phase:

Planned

Project	SF	Subtype	Submarket	Exp. Comp.
DCs Plaza	73,000	Neighborhood Center	Northwest	2016
Decatur 215	152,000	Community Center	Northwest	2016
Caroline's Court	119,000	Community Center	Northwest	2017
Smith's at Cadence	132,000	Neighborhood Center	Henderson	2016
Total	476,000			

From what we know today, we do not see much new anchored retail development taking place in 2016.

INVESTMENT SALES

Based on the number of retail investment sales as reported by Colliers, 2015's total sales barely nudged past 2014 sales in volume, despite a 1.6% decrease in average price per square foot from \$194.28 to \$191.18. Total sales volume in 2015 of 3.2 million sf was a 10.2% improvement over 2014's volume of 2.9 million sf. Average reported

Shopping Center Retail Investment Sales

	2014	2015
No. Sales	61	49
Square Feet Sold	2,888,000	3,181,000
Sales Volume	561.1 MM	608.2 MM
Average Price/SF	\$194.28	\$191.18
Average Cap Rate*	8.9%	7.7%
Average Sale Size (SF)	47,000	65,000

Source: Colliers Las Vegas.

*Cap rate on properties available for sale as investments.

cap rates fell 1.2 percentage-points from 8.9% to 7.7% for retail investment sales.

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.

The increase in average sale size from 47,000 sf to 65,000 sf could possibly indicate investor confidence in the return of the retail market.

FURTHER THOUGHTS & RECAP

There were 107,500 jobs in the Las Vegas retail sector at the end of December 2015, accounting for 13% of total private payroll jobs. This represents 1,800 (-1.6%) fewer jobs than were recorded in December 2014.

In the last four quarters, General Merchandise and Clothing/Accessories jobs rose by 3.2% (+1,400 jobs) and Health & Personal Care Stores increased 2.8% (+200 jobs). However, Food & Beverage Store jobs decreased 4.9% (-800 jobs), while "Other Stores" jobs decreased 6.2% (-2,600 jobs). While employment in the retail sector had been increasing on a Y-O-Y basis since May of 2010, it has shown five months of negative growth.

Clark County taxable sales continue to steadily climb. On a 12-month moving total basis, these sales reached \$38.6 billion in December, a 5.6% jump compared to December 2014. This brings the region's sales to a new all-time high, well above the December 2007 peak of \$36.3 billion. Moreover, the average Y-O-Y growth during the last 49 months is 7.0%.

The average Valley-wide Anchored Retail vacancy rate increased to 10.3% in Q4. This is up from 10.2% in Q3 and a 0.3 percentage-point increase from Q4, 2015 (10.0%).

The highest submarket vacancies at the end of Q4 were Downtown (20.0%), University East (15.6%), West Central (13.6%), North Las Vegas (11.4%) and Henderson (10.2%). Three submarkets had vacancy rates below 10%: Northwest (8.1%), Southwest (6.1%) and Northeast (4.8%).

By product type, vacancy rates improved solely in Neighborhood Centers during the fourth quarter, decreasing by 0.7 percentage-points. Community Centers increased to 11.1% vacancy, a 0.5 point increase, while Power Centers also lost ground, with the vacancy rate rising by 0.6 percentage-points.

There was a total of -35,432 sf of total net absorption in Q4, 2015, compared to +8,908 sf during Q4, 2014. On a Y-O-Y basis, Valley net Anchored Retail absorption was negative at -124,771.

No new anchored retail space was completed during Q4, 2015. In the last 15 quarters, only Q4, 2014 had any completions, which was 222,000 sf in the Northwest submarket, bringing its total to 10.8 million square feet, representing 24.4% of the total Valley rentable Anchored Retail. Prior to that, there have been only three quarters in 24 (since Q1, 2010) that saw new Anchored Retail space brought to market. The Valley's total Anchored Retail inventory is currently 44.3 million sf in 267 shopping centers.

Relatively low gasoline prices have essentially given Southern Nevadans a "raise" and a subsequent increase in spending power. According to AAA, between November 8 and December 8, the average price per gallon for regular unleaded gasoline in the Las Vegas MSA dropped by \$0.23 from \$2.76 to \$2.53. We expect gas prices to stay relatively stable and less expensive compared to one year prior for the remainder of the year.

Increasing taxable sales are helping the Valley recover, as well. Increased visitation is a driving factor in increased taxable retail sales. Tourism has always been the lifeblood of the Valley and that has not substantially changed post-recession. As visitation has climbed, so have retail sales. On a 12-month moving average, visitation to Las Vegas increased 2.9% in December. There were 3.5 million visitors in December. As long as tourism continues to grow, retail sales should grow in concordance.

Wages and incomes are just beginning to move forward on an inflation-adjusted basis. Clark County's 12-month moving average ("12-MMA") weekly earnings on an inflation-adjusted basis are starting to improve. They were up 3.9% in December compared to December 2014, reaching \$645 in 2007 dollars after 18 months of Y-O-Y improvement.

Average number of hours worked per week in Clark County, on a 12-MMA basis, was 33.3 hours in December, the first increase since January 2013, and was even with the 33.3 recorded in December 2014. As we've noted, stagnant and even dropping average hours worked have accompanied a dropping headline unemployment rate. Implication: companies continue to depend heavily on part-time workers. For this reason, the U-6 unemployment rate (includes discouraged and part-time workers) in Nevada remains the nation's highest at 13.9% (Q4)

¹ *Includes all anchored retail Power Center, Community Center and Neighborhood Center properties with 40,000 or more of gross leasable area in the Las Vegas Valley.*

² *All retail 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.*

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 *"Other stores" is made up of total retail less general merchandise/clothing, food & beverage stores and health & personal care stores.*

RETAIL MARKET GLOSSARY

Retail properties tracked include shopping centers with at least 10,000 sf of usable space. These centers have several different stores or tenants and are anchored by one or more large, national tenant (i.e., Best Buy, Target, and Smith's). Characteristics of buildings were used to define the appropriate classification of properties into subtypes, such as tenant mix, size and trade area. A property must exhibit one or more of the typical building characteristics to be considered a specific classification.

Power Center

Centers with a minimum of three, but usually five or more, anchor tenants that dominant in their categories

- Size typically more than 250,000 sf, but can be as small as 125,000 sf; almost all units designed for large tenants
- Customer-base is typically drawn from within a 15-mile trade area

Community Center

Centers with stores that sell consumer goods, in addition to convenience goods and personal services.

- Typical anchor tenants include junior department stores and off-price/discount stores, and store that sell goods requiring comparison such as apparel and appliances; other tenants include drug stores and home improvement centers
- Size typically between 100,000 and 300,000 sf, but can be over 500,000 sf
- Customer-base is primarily within a five-mile trade area

Neighborhood Center

Center with stores that sell convenience goods (e.g., food, sundries and takeout food) and provide personal services (e.g., dry cleaning and hair/nail care) that meet the day-to-day living needs to the immediate area.

- Typical anchor tenant is a supermarket
- Size tends to be smaller than 100,000 sf, but can range from 30,000 to 150,000 sf
- Customer-base is within a two- to three-mile trade area

Anchored Retail Market Matrix

Las Vegas, Nevada Fourth Quarter, 2015

SUBMARKETS									
TOTAL RETAIL MARKET	Downtown	Henderson	North Las Vegas	Northeast	Northwest	Southwest	University East	West Central	Totals
Number of Properties	9	54	27	21	59	23	40	34	267
Total Rentable SF	1,105,851	8,680,068	4,910,743	2,542,317	10,810,588	5,783,835	6,050,227	4,379,055	44,262,684
Total Vacant SF	221,285	882,848	561,503	121,097	875,159	351,796	941,471	596,264	4,551,423
Total Occupied SF	884,566	7,797,220	4,349,240	2,421,220	9,935,429	5,432,039	5,108,756	3,782,791	39,711,261
Total Vacant (%)	20.0%	10.2%	11.4%	4.8%	8.1%	6.1%	15.6%	13.6%	10.3%
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	-22,719	-94,382	-63,785	-13,163	57,649	-18,156	97,415	21,709	-35,432
Total Net Absorption YOY	-79,120	-190,284	-59,924	34,879	23,613	114,637	21,213	10,215	-124,771
Asking Rents (\$ PSF)	\$0.82	\$1.29	\$0.93	\$1.21	\$1.28	\$1.50	\$0.51	\$0.95	\$1.00
Under Construction SF	0	0	0	0	0	80,000	130,000	0	210,000
Planned SF	0	132,000	0	0	344,000	0	0	0	476,000

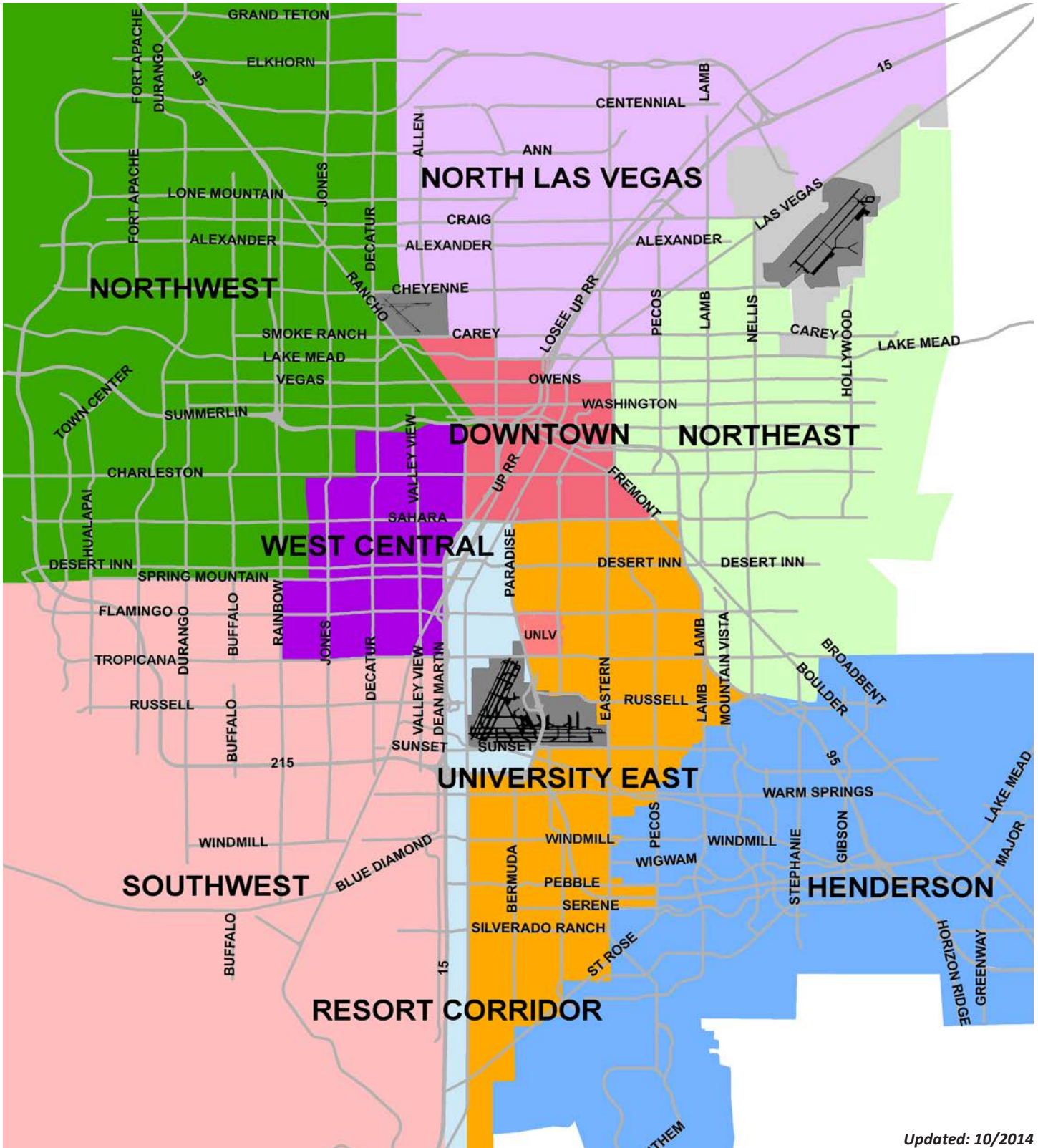
POWER CENTERS	Downtown	Henderson	North Las Vegas	Northeast	Northwest	Southwest	University East	West Central	Totals
Number of Properties	0	8	2	0	7	1	3	3	24
Total Rentable SF	0	2,962,288	987,713	0	2,840,846	944,314	1,210,223	1,138,224	10,083,608
Total Vacant SF	0	298,790	0	0	129,083	7,200	137,123	179,625	751,821
Total Occupied SF	0	2,663,498	987,713	0	2,711,763	937,114	1,073,100	958,599	9,331,787
Total Vacant (%)	0.0%	10.1%	0.0%	0.0%	4.5%	0.8%	11.3%	15.8%	7.5%
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	0	6,623	0	0	-30,061	0	-18,508	-17,057	-59,003
Total Net Absorption YOY	0	30,697	0	0	-37,762	0	46,596	-38,840	691
Asking Rents (\$ PSF)	\$0.00	\$1.75	\$0.00	\$0.00	\$1.65	\$1.50	\$1.21	\$1.21	\$1.59
Under Construction SF	0	0	0	0	0	0	0	0	0
Planned SF	0	0	0	0	0	0	0	0	0

COMMUNITY CENTERS	Downtown	Henderson	North Las Vegas	Northeast	Northwest	Southwest	University East	West Central	Totals
Number of Properties	5	21	10	8	20	9	19	15	107
Total Rentable SF	678,690	2,920,692	1,755,463	1,407,552	4,314,234	3,216,421	2,761,028	1,649,146	18,703,226
Total Vacant SF	196,985	263,844	186,346	56,324	199,541	243,633	612,453	309,667	2,068,793
Total Occupied SF	481,705	2,656,848	1,569,117	1,351,228	4,114,693	2,972,788	2,148,575	1,339,479	16,634,433
Total Vacant (%)	29.0%	9.0%	10.6%	4.0%	4.6%	7.6%	22.2%	18.8%	11.1%
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	-22,719	-121,560	-61,522	-14,003	25,577	9,950	71,463	25,262	-87,552
Total Net Absorption YOY	-90,931	-85,671	27,229	39,094	72,842	143,071	22,956	14,053	142,643
Asking Rents (\$ PSF)	\$0.53	\$1.47	\$1.62	\$1.46	\$1.86	\$1.43	\$0.27	\$0.82	\$0.85
Under Construction SF	0	0	0	0	0	0	0	0	0
Planned SF	0	0	0	0	271,000	0	0	0	271,000

NEIGHBORHOOD CENTERS	Downtown	Henderson	North Las Vegas	Northeast	Northwest	Southwest	University East	West Central	Totals
Number of Properties	4	25	15	13	32	13	18	16	136
Total Rentable SF	427,161	2,797,088	2,167,567	1,134,765	3,655,508	1,623,100	2,078,976	1,591,685	15,475,850
Total Vacant SF	24,300	320,214	375,157	64,773	546,535	100,963	191,895	106,972	1,730,809
Total Occupied SF	402,861	2,476,874	1,792,410	1,069,992	3,108,973	1,522,137	1,887,081	1,484,713	13,745,041
Total Vacant (%)	5.7%	11.4%	17.3%	5.7%	15.0%	6.2%	9.2%	6.7%	11.2%
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	0	20,555	-2,263	840	62,133	-28,106	44,460	13,504	111,123
Total Net Absorption YOY	11,811	-135,310	-87,153	-4,215	-11,467	-28,434	-48,339	35,002	-268,105
Asking Rents (\$ PSF)	\$1.05	\$0.94	\$0.77	\$1.01	\$0.95	\$1.66	\$1.11	\$0.91	\$0.97
Under Construction SF	0	0	0	0	0	80,000	130,000	0	210,000
Planned SF	0	132,000	0	0	73,000	0	0	0	205,000

LAS VEGAS VALLEY

ANCHORED RETAIL SUBMARKET MAP



Updated: 10/2014