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# Las Vegas Industrial Survey

2<sup>nd</sup> Quarter 2016



WARM SPRINGS CROSSING



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September 1, 2016

*Re: Industrial Real Estate Survey: 2nd Quarter, 2016*

Dear Reader,

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

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

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

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

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

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

Regards,

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## 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

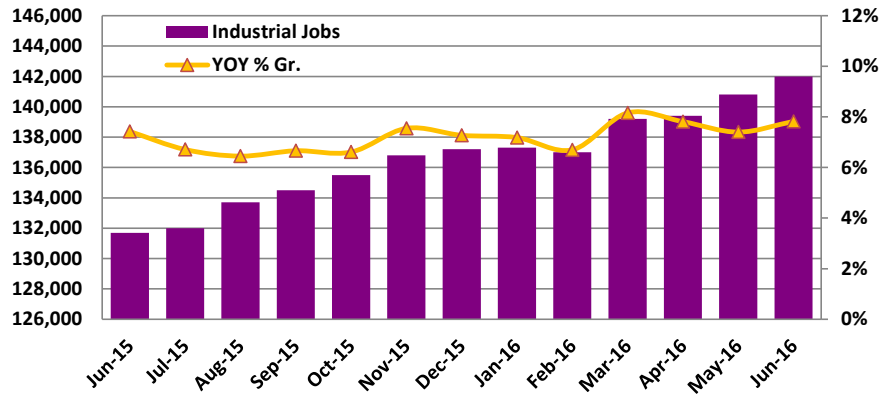
The Las Vegas Valley's ("the Valley") Industrial market<sup>1</sup> closed the second quarter ("Q2") of 2016 with a market-wide inventory of 111.4 million square feet ("sf"), including completions of 416,000 sf for the quarter. Net absorption (net demand) for Q2 was nearly 320,000 sf, not enough to bring down the vacancy rate from the previous quarter. The Valley's Industrial vacancy rate held at 5.2% in Q2, 2016; however, when compared to Q2, 2015 the vacancy rate was down 0.5 points from 5.7%. At \$0.80 per square foot ("psf") NNN<sup>2</sup>, the average monthly asking rent was \$0.03 psf higher than in Q1 (\$0.77 psf), and \$0.14 more than Q2, 2015 (\$0.66 psf). At the close of Q2, Industrial forward-supply<sup>3</sup> saw 4.6 million sf under construction with another 6.4 million sf in the planning stages. All under-construction space (100%) is in Warehouse/Distribution buildings as is almost all the planned space (99.2%). Performance metrics for the Valley's Industrial market indicate that the Industrial market has now generally recovered and stable.

## INDUSTRIAL-RELATED JOBS

Total nonfarm employment in the Las Vegas MSA rose by 26,100 jobs from June 2015 through June 2016, a 2.9% increase. During that time the "headline" unemployment rate declined 0.2 points to 6.9%.

Jobs in Industrial space-using sectors represented 17% (142,000 jobs) of all private jobs in Clark County at the end of Q2, 2016, representing a 7.8% increase in jobs over June 2015.<sup>4</sup> Since September 2012, Industrial sector job growth has posted solid year-over-year (Y-O-Y) growth (>2%) every month, outpacing population growth and facilitating reduction of the unemployment rate. The Construction sector (+6,900 jobs) and the Transportation and Warehousing sector (+2,200 jobs) have shown the greatest gains since June 2015.

**Clark County Total\* Industrial Jobs and Annual Growth: Jun-15 to Jun-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	Apr 2015			May 2015			Jun 2015		
	2016	2015	% Ch.	2016	2015	% Ch.	2016	2015	% Ch.
Nat. Resources	400	400	0.0%	400	300	33.3%	400	400	0.0%
Construction	55,100	49,000	12.4%	56,600	50,200	12.7%	57,400	50,500	13.7%
Manufacturing	22,000	21,400	2.8%	21,800	21,600	0.9%	22,200	21,700	2.3%
Wholesale Trade	22,000	21,200	3.8%	22,100	21,300	3.8%	22,000	21,300	3.3%
Transp. & Warehousing	39,900	37,300	7.0%	39,900	37,700	5.8%	40,000	37,800	5.8%
<b>Total</b>	<b>139,400</b>	<b>129,300</b>	<b>7.8%</b>	<b>140,800</b>	<b>131,100</b>	<b>7.4%</b>	<b>142,000</b>	<b>131,700</b>	<b>7.8%</b>

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

## VACANCY & RENTS

The Valley's total Industrial vacancy rate (direct vacant space plus sublease vacant space) remained the same in Q2, holding at 5.2% compared to Q1, 2016. When compared to Q2, 2015, the vacancy rate was down 0.5 points from 5.7% last year. The Industrial market remains well below the generally accepted 10% stabilized vacancy rate. With the rate at such a low level, fluctuations up and down are not particularly significant. The return of the market has been quite dramatic, to the point that supply shortages are common for certain types of space, especially large warehousing units (75,000+ sf). The market is still in the process of completing several new projects that would help allay that need.

On a submarket basis two out of seven of the Valley's Industrial submarkets were enjoying vacancy rates under 5% at



## INDUSTRIAL MARKET

the end of Q2, with all submarkets under 10%. On a quarter-over-quarter basis, four of the seven submarkets posted declines in their vacancy rates. In Q2, 2016, the Airport submarket led the pack showing the largest vacancy rate decline with a 0.7-point drop from 8.6% to 7.9%. The West Central, Henderson and East Las Vegas submarkets had small declines of 0.1 points, from 4.3% to 4.2%, 5.2% to 5.1% and 6.3% to 6.2%, respectively. The Southwest and Northwest submarkets both posted vacancy rate increases of 0.4 points, from 5.4% to 5.8% and from 9% to 9.4%, respectively. The North Las Vegas submarket saw a vacancy rate increase of 0.1 percentage-point from 3.6% to 3.7%.

On a Y-O-Y basis, the North Las Vegas submarket vacancy rate was the most improved with a 1.1 percentage-point decline, followed by the West Central submarket with a 0.9 percentage-point drop. The Airport submarket's vacancy fell by 0.6 percentage-points in Q2, 2015 and East Las Vegas fell 0.5 points. Three Industrial submarkets experienced Y-O-Y increases in vacancies: the Northwest rose 2.4 percentage-points from its Q2, 2015 vacancy rate of 7%, Henderson increased 0.3 percentage-points from 4.8% and the Southwest gained 0.1 percentage-points from 5.7%.

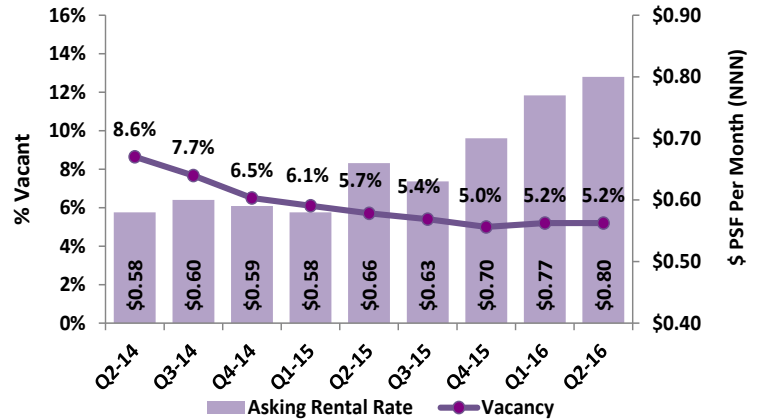
On a product basis, of the five product types we track, only Light Distribution saw vacancy rise from Q1, 2016 to Q2, 2016, up 1.6 points from 5.8% to 7.4%. The four other products saw declines, with Incubator vacancy decreasing the most from 8.9% to 7.9%. R&D/Flex fell 0.5 points from 12.3% to 11.8%. Both Light Industrial and Warehouse/Distribution fell to an even 4% vacancy from 4.3% and 4.1%, respectively.

On a Y-O-Y basis, Light Distribution was again the only product type to see an increase in vacancy, rising 1.3 percentage-points from 6.1% in Q2, 2015. R&D/Flex led the lot with a decrease of 1.2 percentage-points from its Q2, 2015 vacancy rate of 13%. Incubator and Warehouse/Distribution both fell 0.9 points from the previous year. Light Industrial saw the smallest decline in vacancy compared to last year, falling by 0.3 points.

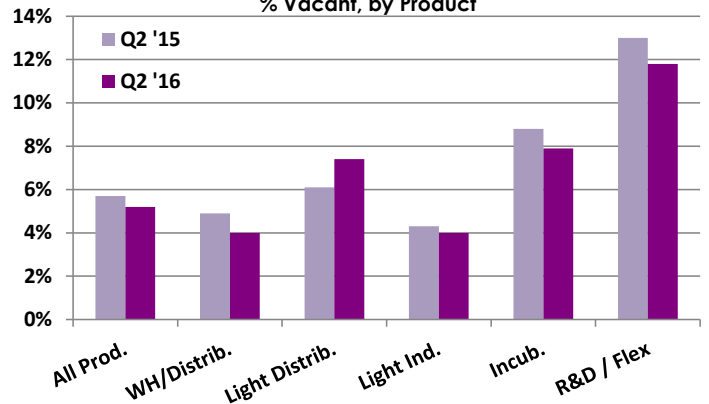
As noted above, the overall Industrial market has recovered from the Great Recession. Some submarkets and subtypes are doing better than others, such as Warehouse/Distribution on the strong end and R&D/Flex on the weaker end, but now the conversation has shifted away from which product types will recover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

Average monthly Industrial asking rents for all product types (calculated on a NNN basis, not accounting for any operating expenses and based on quoted asking rents, not negotiated rents between owners and tenants) increased

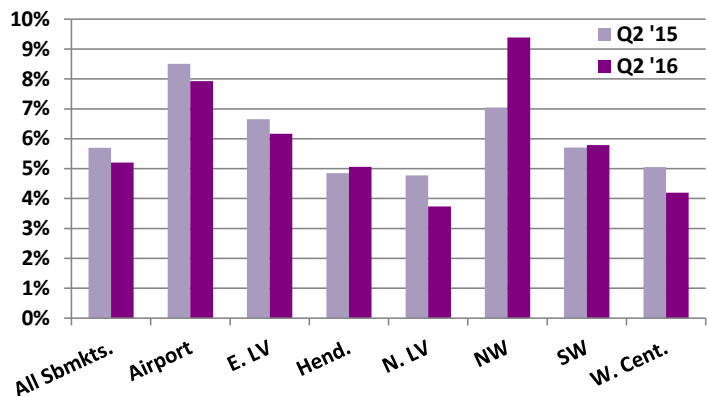
Las Vegas Valley Industrial Market  
Historical Vacancy vs. Monthly Asking Rent:  
Q2, 2014 - Q2, 2016



Las Vegas Valley Industrial Market  
Vacancy Trends: Q2, 2015 v. Q2, 2016  
% Vacant, by Product



% Vacant, by Submarket



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in Q2 by \$0.03 to \$0.80 per sf, up from \$0.77 in Q1, 2016. On average, Valley-wide Industrial rents are up \$0.14 since Q2, 2015.

### DEMAND

Demand (defined as total net absorption) in the Valley's Industrial market was positive (+319,835 sf) in Q2, 2016. Demand in the Industrial market has been positive in 14 of the last 15 quarters.

On a Y-O-Y basis, Q2 saw a drop in demand with 3.3 million sf of absorption compared to 4.4 million sf during the four quarters ending in Q2, 2015. This is to be expected, however, because 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.

Five of seven submarkets had positive absorption in Q2, 2016. The Southwest submarket saw the highest net absorption with a substantial +245,152 sf. Airport came next with +95,792 sf of absorption. Henderson followed with +20,061 sf. West Central was close behind with +15,567 sf of absorption. Finally, East Las Vegas absorbed +3,250 sf. The two submarkets experiencing negative absorption were the Northwest with -5,856 sf and North Las Vegas with -54,131 sf.

The top submarkets, on a Y-O-Y basis, were North Las Vegas (+1.4 million sf) followed closely by the Southwest (+1.2 million sf). The East Las Vegas submarket had a decent year with +371,788 sf of absorption. The Airport submarket was next with +260,303 sf, trailed by the West Central submarket with +102,747 sf. Two submarkets saw moderate negative Y-O-Y absorption: Henderson with -27,396 sf and the Northwest with slightly more at -31,348 sf.

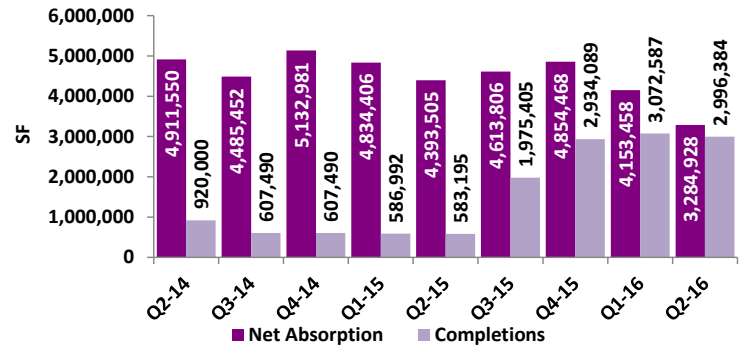
Demand in Q2 for the different product types was negative only in Light Distribution with -279,175 sf of absorption. Warehouse/Distribution (+423,339 sf), Incubator (+75,790 sf), Light Industrial (+67,930 sf) and R&D/Flex (+31,951 sf) all saw positive absorption.

Over the past year, the Valley's Industrial market has seen strong demand. Warehouse/Distribution space has driven the market, accounting for 3.1 million of approximately 3.3 million sf of absorbed Industrial space in the last 4 quarters.

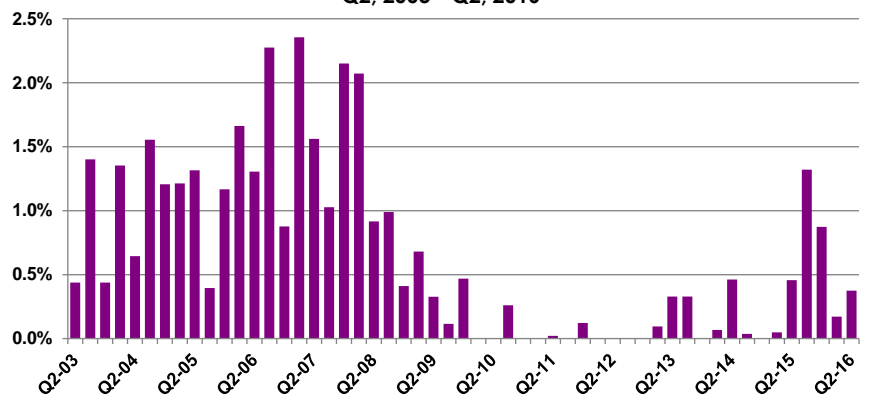
### SUPPLY

There was one completion in Q2, totaling 416,000 sf of space, raising the Valley's Industrial inventory to 111.4 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 completions in 2013, followed by a more conservative 609,400 sf of space debuting in 2014. In 2015, the market added 2.9 million sf of space. The new space – which plays such a critical role in Southern Nevada's continued economic growth and development—offers a welcome respite for a market that has become severely supply-

Las Vegas Valley Industrial Market  
Historical YOY Net Absorption vs. Completions:  
Q2, 2014 - Q2, 2016



Las Vegas Valley Industrial Market  
Completions as a % of Inventory:  
Q2, 2003 - Q2, 2016



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constrained in certain market segments.

The Q2, 2016 completion was the Jones Corporate Park, 416,000 sf of Warehouse/Distribution space in the Southwest submarket. Completions for 2016 are currently estimated to be 6.6 million square feet, which would be a large increase over 2015.

There are currently 14 projects under construction comprising almost 4.6 million sf at the end of Q2, which supports the ongoing trend of new Warehouse/Distribution development:

### Under Construction

Project	SF	Subtype	Submarket	Exp. Comp.
Beltway Distribution Center	211,188	Warehouse/Distribution	Southwest	Q416
Black Mountain Distribution Center #3	232,826	Warehouse/Distribution	Henderson	Q316
Blue Diamond Business Center #3	167,280	Warehouse/Distribution	Southwest	Q316
Cheyenne Distribution Center #3	163,790	Warehouse/Distribution	North Las Vegas	Q316
Eaker Street Wellness (expansion?)	58,000	Warehouse/Distribution	North Las Vegas	2017
Henderson Commerce Center, Building P	240,000	Warehouse/Distribution	Henderson	Q416
Henderson Freeway Crossing	452,170	Warehouse/Distribution	Henderson	Q316
North 15 Freeway Distribution Center 1-2	410,640	Warehouse/Distribution	North Las Vegas	Q316
Northgate Distribution Center, Bdlg. 1-2	806,040	Warehouse/Distribution	North Las Vegas	Q316
Parc Post	165,234	Warehouse/Distribution	Southwest	Q316
South 15 Airport Center	479,440	Warehouse/Distribution	Henderson	Q416
Sunpoint Business Center	311,246	Warehouse/Distribution	East Las Vegas	Q316
Sunrise Industrial Park #9-10	787,760	Warehouse/Distribution	East Las Vegas	Q416
Sunset 215 West	73,000	Warehouse/Distribution	Southwest	Q416
<b>Total</b>	<b>4,559,000</b>			

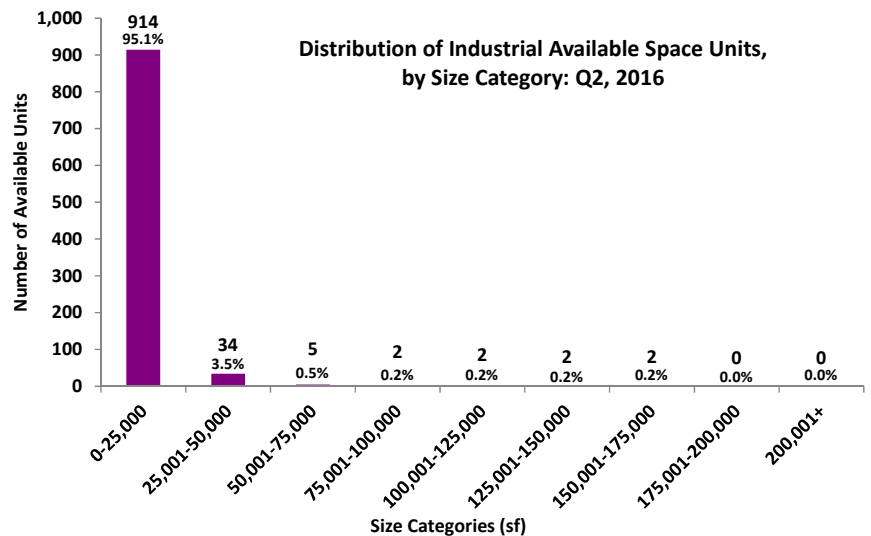
On top of all the ongoing construction, there are 19 additional projects in the planning stages, representing nearly 6.5 million sf. They are:

### Planned

Project	SF	Subtype	Submarket	Exp. Comp.
3910 Alto Avenue	337,000	Warehouse/Distribution	North Las Vegas	2017
3G HQ	68,000	Warehouse/Distribution	Airport	2017
Blue Diamond Business Center #10	495,000	Warehouse/Distribution	Southwest	2016
Blue Diamond Business Center #6	430,000	Warehouse/Distribution	Southwest	Q416
Clayton Park	88,000	Incubator	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
I-15 Speedway Logistics	1,129,000	Warehouse/Distribution	North Las Vegas	2017
LogistiCenter at LVB	548,880	Warehouse/Distribution	North Las Vegas	2017
Lone Mountain Corporate Center-Phase 2	243,760	Warehouse/Distribution	North Las Vegas	2016
Northern Beltway Industrial Center	540,320	Warehouse/Distribution	North Las Vegas	2016
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
Sunset Development Partners	54,000	Light Industrial	Airport	Q416
Supernap 10 (SWITCH)	343,436	Warehouse/Distribution	Southwest	2016
Supernap 11 (SWITCH)	343,436	Warehouse/Distribution	Southwest	2017
Supernap 12 (SWITCH)	168,040	Warehouse/Distribution	Southwest	2017
<b>Total</b>	<b>6,455,000</b>			

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These projects continue to help power Southern Nevada's economic recovery and its positioning as a mid-size distribution hub. Additionally, as the chart below demonstrates, the critical shortage of available Industrial space over 100,000 sf has affected the region's rate of economic recovery and growth during the last few years. However, as we've noted several times, relief is on the way; with 14 projects currently under construction and 19 more in the planning stages, 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 \$40.9 million. The average price per sale through Q2, 2016 was just \$3.7 million versus \$6.9 million in 2015. Additionally, the average sales price per sf through Q2, 2016 was lower than in 2015, with the average sale size YTD in 2016 also lower than in 2015. The average cap rate through Q2, 2016 was 7.4% 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.

#### Industrial Investment Sales

	2015	YTD 2016
No. Sales	43	11
Square Feet Sold	3,062,000	620,000
Sales Volume (MM)	\$295.8	\$40.9
Average Price/SF	\$96.58	\$65.79
Average Cap Rate*	7.1%	7.4%
Average Sale Size (SF)	71,000	56,000

Source: Colliers Las Vegas.

\*Cap rate on properties available for sale as investments.

### FURTHER THOUGHTS & RECAP

Slowing demand in the Industrial market at the start of 2016 lends support to last quarter's analysis that recovery in this market is essentially complete. There is also the issue of shortages that may be partly responsible for decreased growth and could certainly hamper the Southern Nevada's economic growth and development down the road if sufficient new space does not come to market in a timely manner. However, we expect this will not be a significant problem as there are currently 4.6 million sf of Industrial space under construction and another 6.4 million being planned.

Jobs in Industrial space-using sectors again represented 17% (142,000 jobs) of all private jobs in Clark County at the end of Q2, 2016. This was 10,300 more (+7.8%) jobs than existed in June 2015. Since September 2012, Industrial sector job growth has posted solid Y-O-Y growth (>2%) every month, outpacing population growth and helping lower the unemployment rate.

The Construction sector (+6,900 jobs, +13.7%) and the Transportation and Warehousing sector (+2,200 jobs, +5.8%) have shown the greatest job gains since June 2015.

As mentioned above, the Valley's total Industrial vacancy rate (direct vacant space plus sublease vacant space) did not budge in Q2, holding at 5.2%, but was nonetheless improved from Q2, 2015's vacancy rate of 5.7%. Vacancy dropped in four of seven submarkets but only by 0.1 points in three of those. Though the Valley's Industrial market is healthy, supply shortages for certain types of space, especially large units (75,000+ sf), has somewhat stifled growth. In response, there are a number of new projects in the works.



## INDUSTRIAL MARKET

On a submarket basis, the lowest vacancy rates in Q2 were in North Las Vegas (3.7%) and West Central (4.2%). Henderson (5.1%) came next, followed closely by Southwest (5.8%). East Las Vegas and Airport (6.2% and 7.9%, respectively) were at the higher end for the Industrial submarkets, though still relatively low when compared to other markets. The Northwest (9.4%) rounded out the group with vacancy still below the 10% stabilized rate.

According to the Wall Street Journal, nationally, logistics firms saw job growth in the thousands in July, partially propelled by continued growth in U.S. e-commerce. Trucking and distribution-warehouse firms experienced the biggest job growth. Why? Rising demand for quick shipping from consumers. With e-commerce seeing greater sales, and consumers demanding their orders to arrive quicker and quicker, the logistics sector is being driven to acclimate to meet rising fulfillment demands.

While the logistics industry added jobs to help e-commerce fulfillment, U.S. retailers are clamoring to rent warehouse space to stock inventory. According to a recent report by Cushman & Wakefield Inc., firms rented about 70 million sf of industrial space during Q2, 2016. This is the highest amount documented in the last 30 years. It equated to 6% YOY growth.

Bringing it home, since the Valley's industrial vacancy rate remains low and space is scarce, retailers are expected to demand warehouses quicker than developers can build product. Continued job growth should assist fulfilling orders at quicker rates. However, this is only a partial answer. E-tailers, along with their logistics cohorts, will have to finance and construct additional warehouses to be near their consumer markets to store more of their inventory for faster sale.

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.

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<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Forward-supply is a combination of space presently under construction in a quarter and space planned to begin construction within the next four quarters.

<sup>4</sup> 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  
Second 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	3,205,621	13,096,916	33,286,302	1,336,299	34,138,869	12,016,433	111,401,065
Total Vacant SF	1,134,650	197,800	662,170	1,244,078	125,456	1,976,652	504,115	5,844,921
Total Occupied SF	13,185,975	3,007,821	12,434,746	32,042,224	1,210,843	32,162,217	11,512,318	105,556,144
Total Vacant (%)	7.9%	6.2%	5.1%	3.7%	9.4%	5.8%	4.2%	5.2%
Completions QTD	0	0	0	0	0	416,000	0	416,000
Completions YOY	193,000	381,804	0	1,130,580	0	1,291,000	0	2,996,384
Total Net Absorption QTD	95,792	3,250	20,061	-54,131	-5,856	245,152	15,567	319,835
Total Net Absorption YOY	260,303	371,788	-27,396	1,421,778	-31,348	1,187,056	102,747	3,284,928
Asking Rents (\$ PSF)	\$0.82	\$0.50	\$0.69	\$0.63	\$0.85	\$0.77	\$0.82	\$0.80
Under Construction SF	0	1,099,006	1,404,436	1,438,470	0	616,702	0	4,558,614
Planned SF	122,000	0	185,000	4,126,960	0	1,779,912	153,320	6,367,192

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	1,288,879	6,757,019	20,340,732	223,661	13,826,646	1,939,836	49,414,167
Total Vacant SF	191,663	119,174	154,899	593,786	0	866,077	51,758	1,977,357
Total Occupied SF	4,845,731	1,169,705	6,602,120	19,746,946	223,661	12,960,569	1,888,078	47,436,810
Total Vacant (%)	3.8%	9.2%	2.3%	2.9%	0.0%	6.3%	2.7%	4.0%
Completions QTD	0	0	0	0	0	416,000	0	416,000
Completions YOY	193,000	381,804	0	1,110,580	0	1,101,000	0	2,786,384
Total Net Absorption QTD	166,809	-3,900	10,000	-6,903	0	285,353	-28,020	423,339
Total Net Absorption YOY	219,900	359,350	22,891	1,509,464	0	978,093	5,242	3,094,940
Asking Rents (\$ PSF)	\$0.54	\$0.22	\$0.62	\$0.41	\$0.00	\$0.69	\$0.69	\$0.56
Under Construction SF	0	1,099,006	1,404,436	1,438,470	0	616,702	0	4,558,614
Planned SF	68,000	0	185,000	4,126,960	0	1,779,912	153,320	6,313,192

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	335,068	0	273,346	244,141	12,159	416,744	27,514	1,308,972
Total Occupied SF	2,834,061	340,675	1,298,357	4,604,793	38,841	6,513,892	748,233	16,378,852
Total Vacant (%)	10.6%	0.0%	17.4%	5.0%	23.8%	6.0%	3.5%	7.4%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	0	0
Total Net Absorption QTD	-67,746	0	-43,061	-98,869	0	-57,405	-12,094	-279,175
Total Net Absorption YOY	-84,488	6,400	-140,903	-67,210	-8,359	-14,645	73,317	-235,888
Asking Rents (\$ PSF)	\$0.83	\$0.00	\$0.59	\$0.52	\$0.76	\$0.79	\$0.38	\$0.73
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  
Second 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	202,604	22,100	92,627	242,682	18,570	398,367	245,795	1,222,745
Total Occupied SF	2,874,205	1,113,050	2,992,382	6,512,578	271,541	8,964,177	6,376,608	29,104,541
Total Vacant (%)	6.6%	1.9%	3.0%	3.6%	6.4%	4.3%	3.7%	4.0%
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	25,005	12,750	-4,519	53,236	0	23,071	-41,613	67,930
Total Net Absorption YOY	131,553	14,350	63,166	-25,594	-15,762	140,180	-23,081	284,812
Asking Rents (\$ PSF)	\$0.98	\$0.78	\$0.70	\$0.60	\$1.10	\$0.69	\$0.74	\$0.74
Under Constuction SF	0	0	0	0	0	0	0	0
Planned SF	54,000	0	0	0	0	0	0	54,000

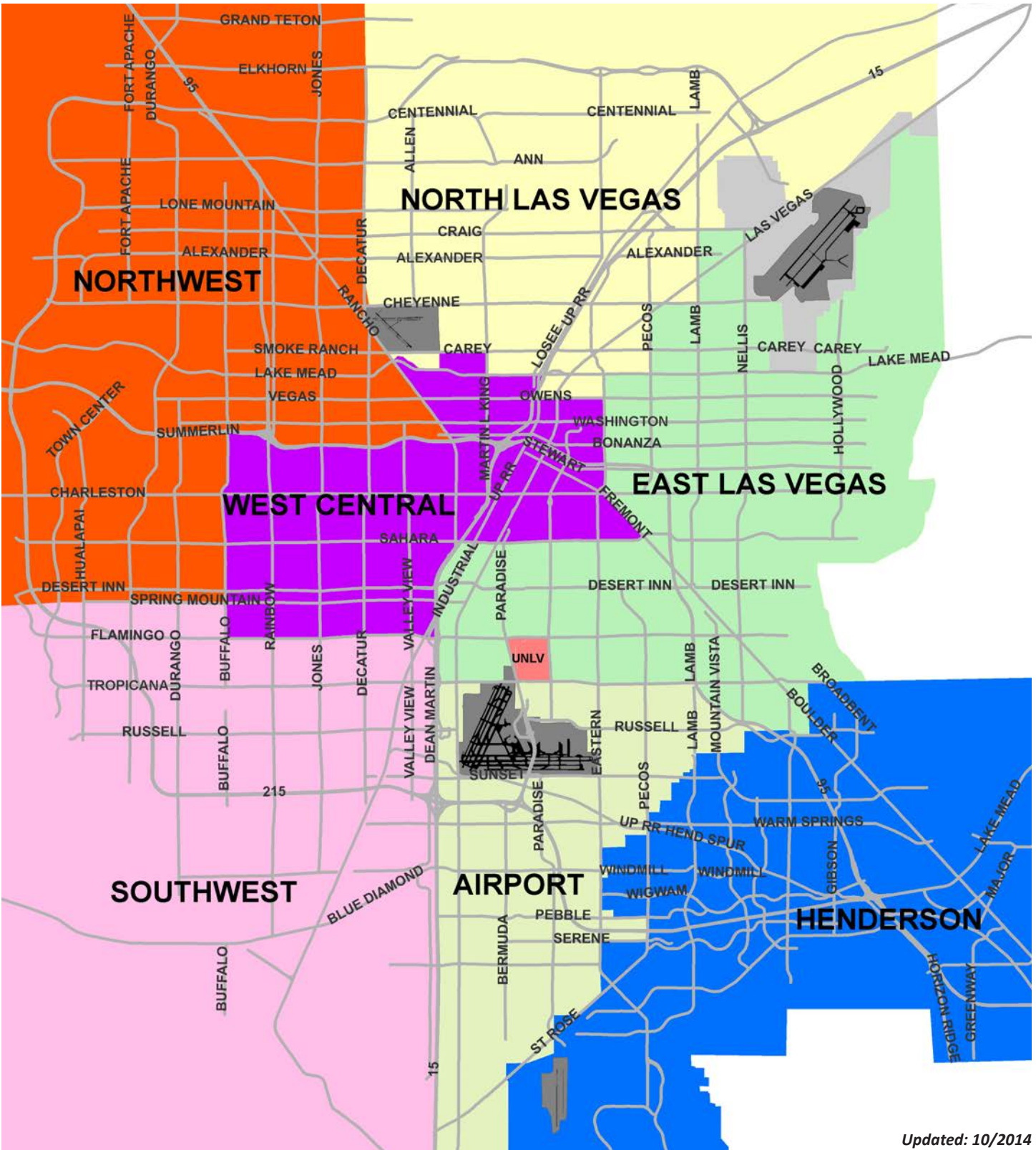
INCUBATOR	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	89	13	29	31	4	120	62	348
Total Rentable SF	1,714,621	298,623	456,906	561,552	99,325	2,496,381	2,458,615	8,086,023
Total Vacant SF	184,939	41,112	35,748	101,887	9,519	115,468	153,246	641,919
Total Occupied SF	1,529,682	257,511	421,158	459,665	89,806	2,380,913	2,305,369	7,444,104
Total Vacant (%)	10.8%	13.8%	7.8%	18.1%	9.6%	4.6%	6.2%	7.9%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	0	0
Total Net Absorption QTD	-11,114	-5,600	-4,500	-31,043	-3,826	34,579	97,294	75,790
Total Net Absorption YOY	-14,277	-8,312	-11,441	-39,068	-5,939	97,823	53,769	72,555
Asking Rents (\$ PSF)	\$0.90	\$0.58	\$0.71	\$0.65	\$0.86	\$0.85	\$0.93	\$0.85
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	220,376	15,414	105,550	61,582	85,208	179,996	25,802	693,928
Total Occupied SF	1,102,296	126,880	1,120,729	718,242	586,994	1,342,666	194,030	5,191,837
Total Vacant (%)	16.7%	10.8%	8.6%	7.9%	12.7%	11.8%	11.7%	11.8%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	0	0
Total Net Absorption QTD	-17,162	0	62,141	29,448	-2,030	-40,446	0	31,951
Total Net Absorption YOY	7,615	0	38,891	44,186	-1,288	-14,395	-6,500	68,509
Asking Rents (\$ PSF)	\$1.05	\$0.00	\$0.98	\$0.70	\$0.83	\$0.88	\$0.89	\$0.95
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