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LIED INSTITUTE FOR  
REAL ESTATE STUDIES  
LEE BUSINESS SCHOOL

# Las Vegas Industrial Survey

2<sup>nd</sup> Quarter 2015



WARM SPRINGS CROSSING



4505 South Maryland Parkway  
BEH 530B  
Las Vegas, Nevada 89154  
www.liedinstitute.com

August 5, 2015

Re: *Industrial Real Estate Survey: 2<sup>nd</sup> Quarter, 2015*

Dear Reader,

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

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

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

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

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

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

Regards,

John Restrepo  
RCG Economics

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# LAS VEGAS INDUSTRIAL SURVEY

## SUMMARY

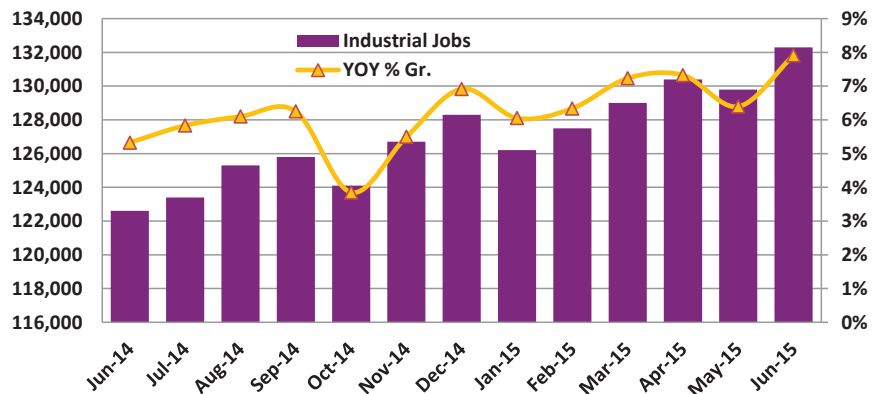
The Las Vegas Valley's ("the Valley") industrial market<sup>1</sup> ended Q2, 2015 with an inventory of 108.7 million square feet ("sf"). Net absorption (net demand) during Q1 was 948,800 sf. The quarter also ended with an industrial vacancy rate of 6.2%, 3.5 percentage-points less than the Q2, 2014 rate. At \$0.66 per square foot ("psf") NNN<sup>2</sup>, the average industrial monthly asking rent was \$0.08 higher than Q1 (\$0.58 psf) and Q2, 2014 (\$0.58 psf). At the end of Q2, there were 5.9 million sf of industrial forward-supply<sup>3</sup> (3.5 million sf under construction and 2.4 million sf in the planning stages). Nearly all under-construction space (94%) 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 mostly recovered and is again beginning to grow, while still healing in some sub-types and sub-markets.

## INDUSTRIAL-RELATED JOBS

Total nonfarm employment in the Las Vegas MSA rose by 28,600 jobs from June 2014 through June 2015, a 3.2% increase. During that time the "headline" unemployment rate declined 1.0 point to 7.0%.

Jobs in industrial space-using industries represented 16% (132,300 jobs) of all private jobs in Clark County at the end of Q2, 2015. This was 9,700 more (+7.9%) jobs than existed in June 2014.<sup>4</sup> Since September 2012, industrial sector job growth has posted solid year-over-year growth (>2%) every month, outpacing population growth and helping lower the unemployment rate. The Construction sector (+7,900 jobs, +17.8%) and the Wholesale Trade sector (+900 jobs, +4.3%) have shown the greatest job gains since June 2014.

**Clark County Total\* Industrial Jobs and Annual Growth: Jun-14 to Jun-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	Apr 2014			May 2014			Jun 2014		
	2015	2014	% Ch.	2015	2014	% Ch.	2015	2014	% Ch.
Nat. Resources	400	400	0.0%	400	400	0.0%	400	400	0.0%
Construction	50,900	43,900	15.9%	50,100	44,200	13.3%	52,400	44,500	17.8%
Manufacturing	21,000	21,000	0.0%	21,100	21,100	0.0%	21,400	21,100	1.4%
Wholesale Trade	21,700	20,900	3.8%	21,800	20,900	4.3%	21,900	21,000	4.3%
Transp. & Warehousing	36,400	35,300	3.1%	36,400	35,400	2.8%	36,200	35,600	1.7%
<b>Total</b>	<b>130,400</b>	<b>121,500</b>	<b>7.3%</b>	<b>129,800</b>	<b>122,000</b>	<b>6.4%</b>	<b>132,300</b>	<b>122,600</b>	<b>7.9%</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) decreased to 6.2% in Q2, down from 6.7% in Q1 and plunging from 9.7% in Q2, 2014. With this drop, the industrial market is now well below the generally accepted 10% stabilized vacancy rate. Vacancy levels have shown notable improvement in all quarters since peaking in Q3, 2012 when the rate stood at 15.5%. In fact, Q2's vacancy rate is less than half of what it was at Q2, 2013. 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 by the end of the year.

## INDUSTRIAL MARKET

On a submarket basis, the lowest vacancy rates in Q2 were in Henderson and North Las Vegas, at 5.3% and 5.1%, respectively. The Airport submarket posted the highest vacancy among the Valley's seven submarkets at 9.4%. But it was still a 1.0 percentage-point improvement over the previous quarter's 10.4%. For the largest industrial submarket (the Southwest), the vacancy rate declined by 1.5 percentage-points from 7.5% in Q1 to 6.0% in Q2.

On a year-over-year basis, the Northwest, Airport and Southwest submarkets saw the biggest drops in vacancy. The Northwest submarket vacancy rate was the most improved at 6.8 percentage-points, followed closely by the Airport submarket at 6.5 points. The Southwest experienced a 5.0-point decline, North Las Vegas a 3.2-point drop, while West Central and Henderson saw drops of 0.9 and 0.1 percentage-points. East Las Vegas was the only submarket to experience a rise in vacancies, moving up 2.3 points.

On the product basis, four of the five types saw vacancy rate drops in Q2. The largest came in R&D/Flex at 1.7 points. Warehouse/Distribution continued to fall, with another 0.4 percentage-points shaved off of its 5.5% vacancy rate in Q1 to 5.1% in Q2. Only the Incubator type had a worse rate this quarter than last, up 0.6 points.

On a year-over-year ("Y-O-Y") basis, every product's vacancy rate improved. R&D/Flex improved the most, again, posting a 7.0-point drop between Q2, 2014 and Q2, 2015. Light Distribution followed slightly behind at 6.3 percentage-points. Warehouse/Distribution, Incubator and Light Industrial rounded out the group with improvements of 3.1, 2.5 and 2.1 percentage-points.

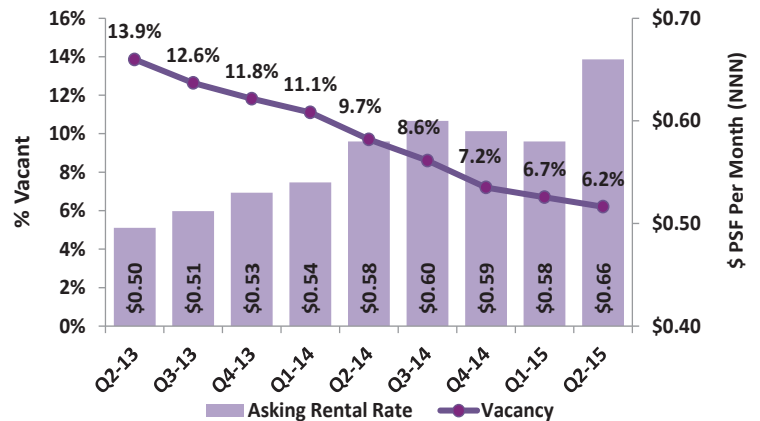
As noted above, the overall Industrial market has recovered from the Great Recession. Some submarkets and subtypes are doing better than others, such as Warehouse/Distribution on the strong end and R&D/Flex on the weaker end, but now the conversation has shifted away from which product types will recover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

Monthly industrial asking rents (calculated on a NNN basis (not accounting for any operating expenses) increased \$0.08, reaching \$0.66 psf in Q2, 2015. Rents are up the same \$0.08 since Q2, 2014, as well. Remember, the rents herein are based on quoted asking rents, not negotiated rents between owners and tenants.

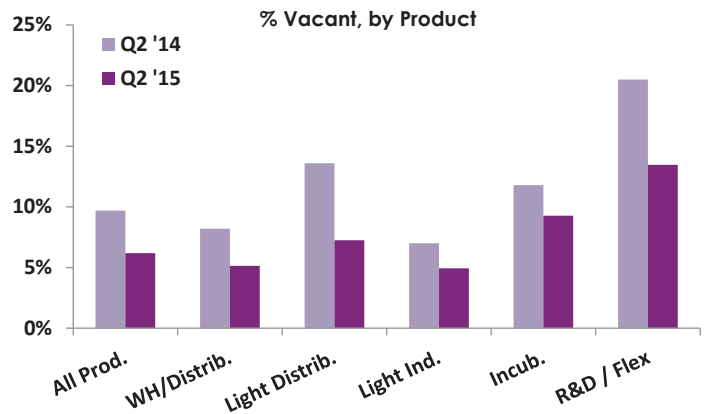
### DEMAND

Demand (defined as total net absorption) in Q2 in the Valley's industrial market was positive for the 11th straight quarter with 948,800 sf of net space absorbed compared

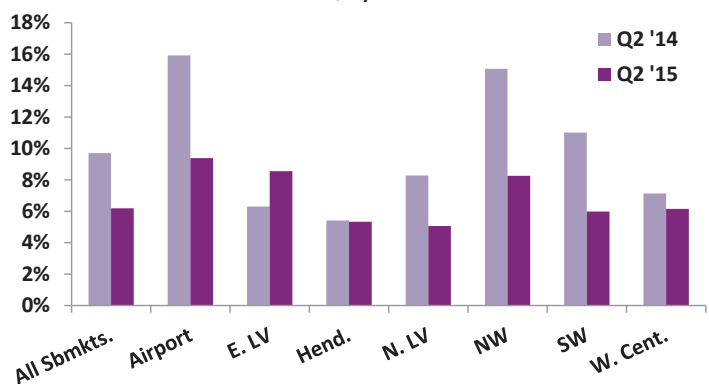
**Las Vegas Valley Industrial Market  
Historical Vacancy vs. Monthly Asking Rent:  
Q2, 2013 - Q2, 2015**



**Las Vegas Valley Industrial Market  
Vacancy Trends: Q2, 2014 v. Q2, 2015**



**% Vacant, by Submarket**



## INDUSTRIAL MARKET

to 1,654,400 sf of absorption during Q2, 2014. On a Y-O-Y basis, Q2 saw 4.3 million sf of absorption compared to 5.0 million during the four quarters ending in Q2, 2014. This decline is expected, though. The supply of Industrial space in the Valley is dwindling. There is simply less space available now. These figures, in tandem with the low vacancy rate, illustrate the fact that many product types and certain size ranges are supply-constrained.

Four of the seven submarkets had positive absorption in Q2. The Southwest saw the highest net absorption with 505,600 sf. The North Las Vegas (+376,200), Airport (+140,500 sf) and East Las Vegas (+64,300 sf) submarkets also posted increases in net absorption. The Henderson (-60,100), Northwest (-39,100 sf) and West Central (-38,600 sf) submarkets reported relatively small negative net absorption in Q2.

On a Y-O-Y basis, the top submarkets were the Southwest (1.7 million sf) and North Las Vegas (1.5 million sf). The Airport submarket (923,300) has also had a good year. Only East Las Vegas (-97,200 sf) and Henderson (-6,200) experienced negative absorption over the year. This negative absorption does not warrant much concern, especially for Henderson, which is at a 5.3% vacancy rate; it speaks more to the quality of the remaining vacant space here. All submarkets are under the 10% stabilized rate and we expect to see negative economic development and growth impacts until this situation is remedied.

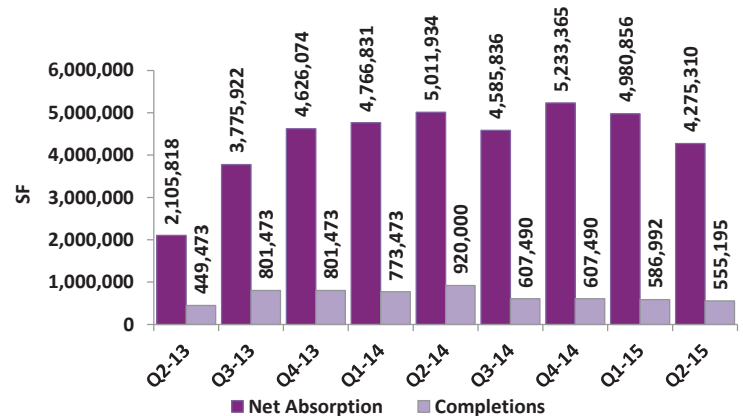
Demand in Q1 was positive in four of the five product types. Warehouse/Distribution led the way with 589,400 sf absorbed, followed by Light Distribution with 169,300 sf of absorption. Light Industrial (+133,300 sf) and R&D/Flex (+101,800 sf) space also saw growth. However, Incubator experienced negative absorption with -44,900 sf of space absorbed, not a significant number.

Strong demand for Warehouse/Distribution space has driven the Valley's industrial market over the last year. About 4.3 million sf of industrial space has been absorbed in that time, with 1.9 million sf absorbed in Warehouse/Distribution space alone. All other products were also positive Y-O-Y: Light Distribution (+1.1 million sf), Light Industrial (+676,600 sf), R&D/Flex (+416,300 sf) and Incubator (+200,900 sf).

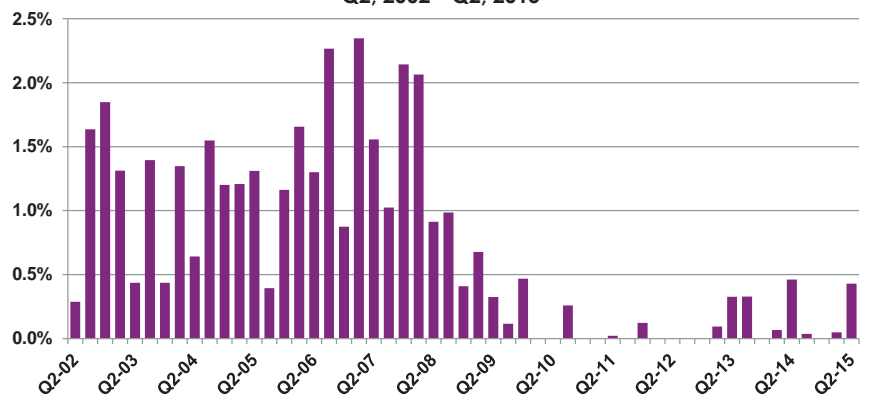
### SUPPLY

There was only one completion during Q1, 2015. Still, the one completion of just over 464,000 sf increased inventory to 108.7 million sf. Over the last three years: no new space was completed in 2012, 801,500 sf of industrial space was completed in 2013 and 609,400 sf of space opened in 2014. The drop-off post-recession is quite striking, as seen in the chart. Halfway into 2015, there has been 545,705 sf of new space brought to market. That figure should more than double by the end of the year. As stated above, this situation is not demand-driven. It has been driven by the lack of industrial construction that occurred because of the Great Recession, a still-tight credit environment, land shortages, rising prices, infrastructure constraints and other delays.

Las Vegas Valley Industrial Market  
Historical YOY Net Absorption vs. Completions:  
Q2, 2013 - Q2, 2015



Las Vegas Valley Industrial Market  
Completions as a % of Inventory:  
Q2, 2002 - Q2, 2015



## INDUSTRIAL MARKET

The only Q2 completion was Las Vegas Corporate Center #19, a 464,203 sf Warehouse/Distribution center in North Las Vegas (<http://voit.reapplications.com/filecabinet/Trans/049042/3700%20Bay%20Lake%20Brochure.pdf>). The first quarter of 2015 saw the completion of the MMC Contractors West's 51,502 sf Light Industrial building in the Southwest submarket. By comparison, in 2014, four projects were completed: VadaTech's 72,000 sf Light Industrial facility (Q1), Nicholas & Brothers Food Distributors' 200,000 sf Warehouse/Distribution building (Q2), a 296,000 sf FedEx Ground distribution center (Q2) and the Tapia Brothers' 39,500 sf Warehouse expansion (Q3).

Industrial space still scheduled to open in 2015 should dwarf the previous few years' completions. Openings of several large speculative Warehouse/Distribution centers, which are meant to meet the demand for large storage space in the Valley, should produce 5.5 million sf more of new Industrial space this year. This new space is a welcome respite for a market that has become severely supply-constrained and that is a critical player in Southern Nevada's continued economic growth and development

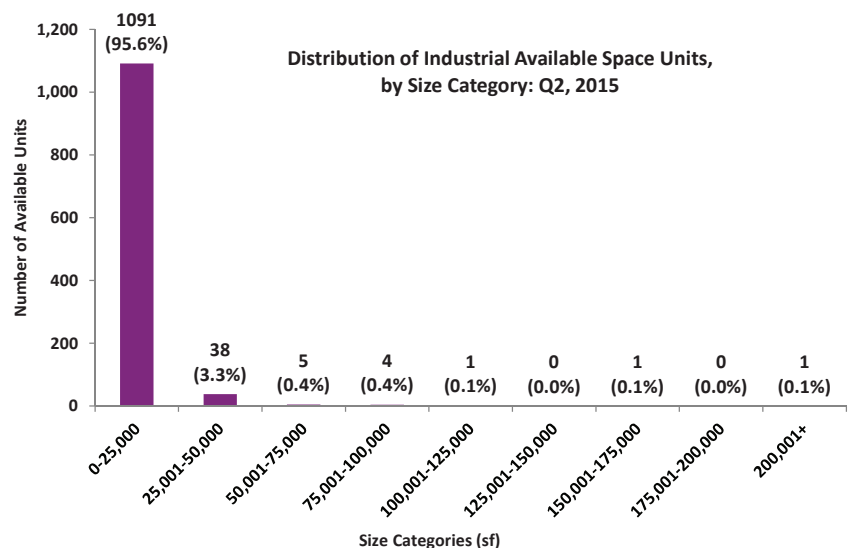
There were 13 projects under construction at the end of Q2, which support the ongoing trend of new Warehouse/Distribution development:

- Konami Gaming's expansion (193,000 sf in Airport),
- TJ Maxx's expansion (400,000 sf in North Las Vegas),
- Spielo's new Warehouse/Distribution building (45,500 sf in Southwest),
- Ainsworth Americas Headquarters (190,000 sf of Light Industrial in Southwest),
- Pauls Corporation Industrial Buildings (443,000 sf of Warehouse/Distribution in North Las Vegas),
- VSR Industries' expansion (28,000 sf in Henderson),
- The LogistiCenter Cheyenne (381,000 sf of Warehouse/Distribution in East Las Vegas),
- Cheyenne Distribution Center #3 (163,800 sf of Warehouse/Distribution in Southwest),
- Jones Corporate Park (400,000 sf of Warehouse/Distribution in Southwest),
- Henderson Freeway Crossing (455,200 sf in Henderson),
- Supernap 9 (SWITCH) (575,000 sf in Southwest),
- Catamaran Warehouse (110,000 sf in Southwest) and
- the Republic Services Recycling Expansion (110,000 sf in North Las Vegas).

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

- Sunrise Industrial Park #9-10 (787,800 sf of Warehouse/Distribution in East Las Vegas),
- The Blue Diamond Business Center expansion (1.1 million sf of Warehouse/Distribution in Southwest),
- Sunpoint Business Center (297,000 sf of Warehouse/Distribution in East Las Vegas) and
- Supernap 10 (SWITCH) (240,000 sf of Warehouse/Distribution in Southwest).

These projects are helping to accommodate and/or power Southern Nevada' long-awaited economic recovery and its positioning as a 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; the new projects coming down the pipeline



should help ease the existing shortage issues.

### FURTHER THOUGHTS

The improving economic conditions experienced in 2013 and 2014 injected confidence and helped stabilize the Valley's industrial market. Now, an even stronger economy in 2015 is illustrating that the speculative developments now in the pipeline are certainly justified. 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 two of the last 18 quarters.

Jobs in industrial space-using industries represented 16% (132,300 jobs) of all private jobs in Clark County at the end of Q2, 2015. This was 9,700 more (+7.9%) jobs than existed in June 2014. Since September 2012, industrial sector job growth has posted solid year-over-year growth (>2%) every month, outpacing population growth and helping lower the unemployment rate. The Construction sector (+7,900 jobs, +17.8%) and the Wholesale Trade sector (+900 jobs, +4.3%) have shown the greatest job gains since June 2014.

The Valley's total industrial vacancy rate (direct vacant space plus sublease vacant space) decreased to 6.2% in Q2, down from 6.7% in Q1 and plunging from 9.7% in Q2, 2014. With this drop, the industrial market is now well below the generally accepted 10% stabilized vacancy rate. Q2's vacancy rate is less than half of what it was at Q2, 2013.

On a submarket basis, the lowest vacancy rates in Q2 were in Henderson and North Las Vegas, at 5.3% and 5.1%, respectively. The Airport submarket posted the highest vacancy among the Valley's seven submarkets at 9.4%. But, it was still a 1.0 percentage-point improvement over the previous quarter's 10.4%. For the largest industrial submarket (the Southwest), the vacancy rate declined by 1.5 percentage-points from 7.5% in Q1 to 6.0% in Q2.

The growth of e-commerce along with multi-channel (Internet, mobile, bricks-and-mortar) selling by traditional and non-traditional retailers is becoming the long-term driver of the demand for industrial space in Southern Nevada, as it has 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. Additionally, the possible approval of recreational marijuana via ballot initiative in the November 2016 election will have a potentially significant impact on the demand for warehousing and product manufacturing space in the region. And, now there is a growing hope that Southern Nevada can be a player in advanced manufacturing, especially in the renewal energy, robotics (drone) and water management industries.

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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 4 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, 2015

SUBMARKETS								
TOTAL INDUSTRIAL MARKET	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	501	149	534	1,015	81	1,280	648	4,208
Total Rentable SF	14,127,625	2,823,817	13,068,916	32,155,722	1,336,299	33,188,535	12,016,433	108,717,347
Total Vacant SF	1,325,909	241,466	697,135	1,627,203	110,401	1,986,281	740,003	6,728,398
Total Occupied SF	12,801,716	2,582,351	12,371,781	30,528,519	1,225,898	31,202,254	11,276,430	101,988,949
Total Vacant (%)	9.4%	8.6%	5.3%	5.1%	8.3%	6.0%	6.2%	6.2%
Completions QTD	0	0	0	464,203	0	0	0	464,203
Completions YOY	0	0	0	503,693	0	51,502	0	555,195
Total Net Absorption QTD	140,519	64,346	-60,113	376,189	-39,096	505,588	-38,617	948,816
Total Net Absorption YOY	923,340	-63,430	-6,220	1,498,653	90,949	1,715,208	116,810	4,275,310
Asking Rents (\$ PSF)	\$0.77	\$0.40	\$0.63	\$0.65	\$0.93	\$0.65	\$0.68	\$0.66
Under Constuction SF	193,000	381,804	483,170	1,116,790	0	1,336,500	0	3,511,264
Planned SF	0	1,084,331	0	0	0	1,332,280	0	2,416,611

WAREHOUSE/DISTRIBUTION	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	78	18	78	177	5	140	52	548
Total Rentable SF	4,844,394	907,075	6,757,019	19,210,152	223,661	13,066,312	1,939,836	46,948,449
Total Vacant SF	251,563	124,874	177,790	1,017,670	0	787,170	57,000	2,416,067
Total Occupied SF	4,592,831	782,201	6,579,229	18,192,482	223,661	12,279,142	1,882,836	44,532,382
Total Vacant (%)	5.2%	13.8%	2.6%	5.3%	0.0%	6.0%	2.9%	5.1%
Completions QTD	0	0	0	464,203	0	0	0	464,203
Completions YOY	0	0	0	503,693	0	0	0	503,693
Total Net Absorption QTD	61,710	31,980	-70,000	255,433	0	293,962	16,282	589,367
Total Net Absorption YOY	245,123	-115,174	-37,624	1,024,001	13,367	711,924	16,282	1,857,899
Asking Rents (\$ PSF)	\$0.60	\$0.27	\$0.61	\$0.47	\$0.00	\$0.57	\$0.49	\$0.51
Under Constuction SF	193,000	381,804	455,170	1,116,790	0	1,146,500	0	3,293,264
Planned SF	0	1,084,331	0	0	0	1,332,280	0	2,416,611

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	269,178	6,400	191,766	223,858	3,800	455,543	132,331	1,282,876
Total Occupied SF	2,899,951	334,275	1,379,937	4,625,076	47,200	6,475,093	643,416	16,404,948
Total Vacant (%)	8.5%	1.9%	12.2%	4.6%	7.5%	6.6%	17.1%	7.3%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	0	0
Total Net Absorption QTD	31,523	-6,400	-486	39,331	0	114,038	-8,732	169,274
Total Net Absorption YOY	353,923	13,900	-17,581	299,568	13,413	501,957	-41,647	1,123,533
Asking Rents (\$ PSF)	\$0.73	\$0.68	\$0.51	\$0.42	\$0.65	\$0.63	\$0.45	\$0.57
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 Second Quarter, 2015

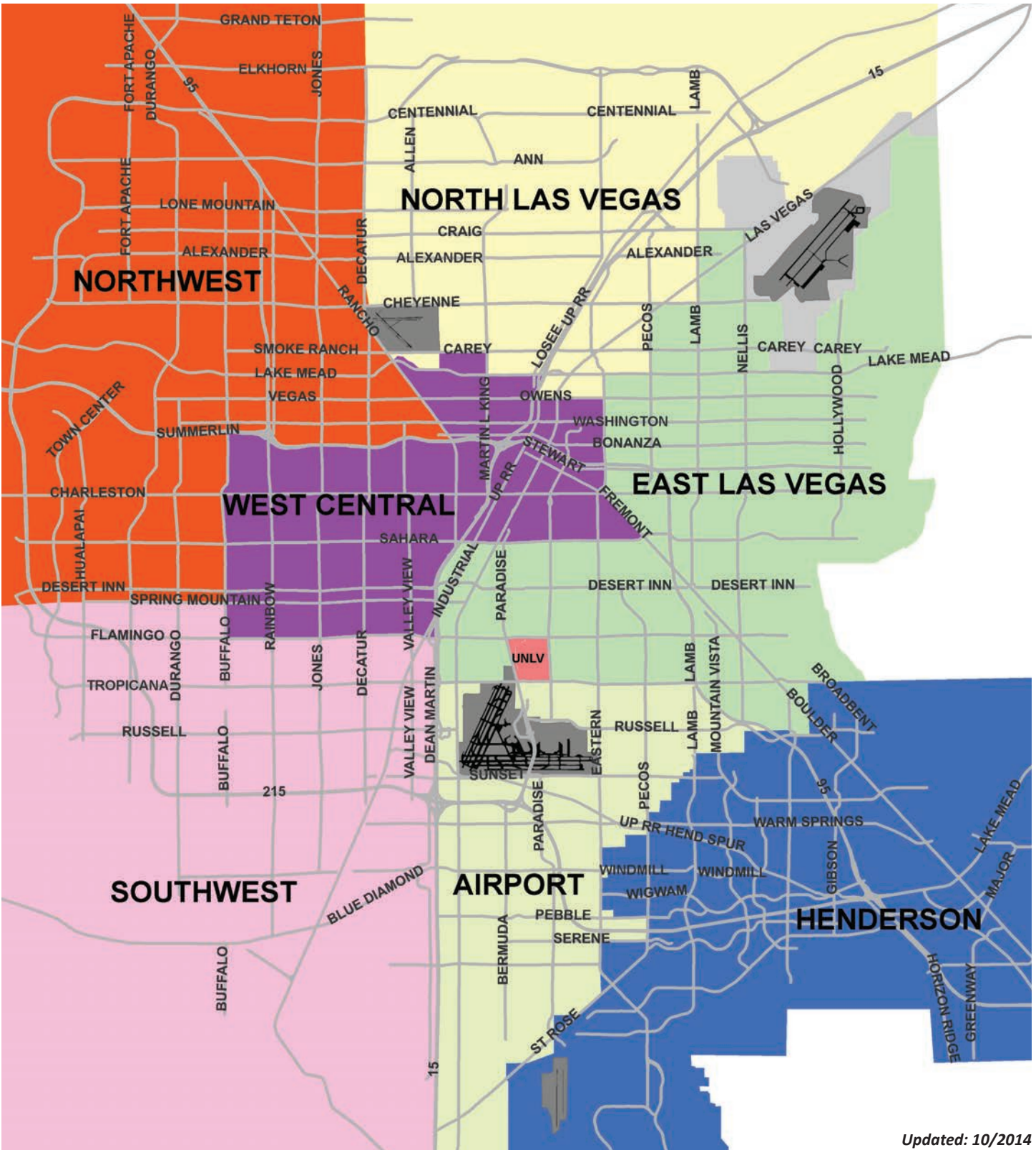
SUBMARKETS								
LIGHT INDUSTRIAL	Airport	East Las Vegas	Henderson	North Las Vegas	Northwest	Southwest	West Central	Totals
Number of Properties	199	91	313	594	16	741	482	2,436
Total Rentable SF	3,076,809	1,135,150	3,057,009	6,755,260	290,111	9,172,544	6,622,403	30,109,286
Total Vacant SF	378,518	58,150	155,793	217,088	2,808	355,854	318,979	1,487,190
Total Occupied SF	2,698,291	1,077,000	2,901,216	6,538,172	287,303	8,816,690	6,303,424	28,622,096
Total Vacant (%)	12.3%	5.1%	5.1%	3.2%	1.0%	3.9%	4.8%	4.9%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	51,502	0	51,502
Total Net Absorption QTD	-25,928	37,742	17,431	97,178	-2,808	27,730	-18,058	133,287
Total Net Absorption YOY	-16,471	10,733	28,648	151,613	4,204	327,813	170,070	676,610
Asking Rents (\$ PSF)	\$0.81	\$0.61	\$0.71	\$0.45	\$1.36	\$0.65	\$0.69	\$0.66
Under Constuction SF	0	0	28,000	0	0	190,000	0	218,000
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	193,219	36,628	24,307	62,819	3,580	216,641	212,391	749,585
Total Occupied SF	1,521,402	261,995	432,599	498,733	95,745	2,279,740	2,246,224	7,336,438
Total Vacant (%)	11.3%	12.3%	5.3%	11.2%	3.6%	8.7%	8.6%	9.3%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	0	0
Total Net Absorption QTD	20,609	1,024	2,349	-3,244	3,511	-30,505	-38,670	-44,926
Total Net Absorption YOY	161,003	20,126	11,942	12,820	11,624	15,905	-32,493	200,927
Asking Rents (\$ PSF)	\$0.75	\$0.45	\$0.58	\$0.64	\$0.65	\$0.77	\$0.82	\$0.74
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	233,431	15,414	147,479	105,768	100,213	171,073	19,302	792,680
Total Occupied SF	1,089,241	126,880	1,078,800	674,056	571,989	1,351,589	200,530	5,093,085
Total Vacant (%)	17.6%	10.8%	12.0%	13.6%	14.9%	11.2%	8.8%	13.5%
Completions QTD	0	0	0	0	0	0	0	0
Completions YOY	0	0	0	0	0	0	0	0
Total Net Absorption QTD	52,605	0	-9,407	-12,509	-39,799	100,363	10,561	101,814
Total Net Absorption YOY	179,762	6,985	8,395	10,651	48,341	157,609	4,598	416,341
Asking Rents (\$ PSF)	\$0.90	\$0.51	\$0.88	\$1.46	\$0.94	\$0.87	\$1.03	\$1.00
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