

Las Vegas, NV

4th Quarter 2014

INDUSTRIAL

Market Trends

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COMMERCIAL REAL ESTATE INFORMATION

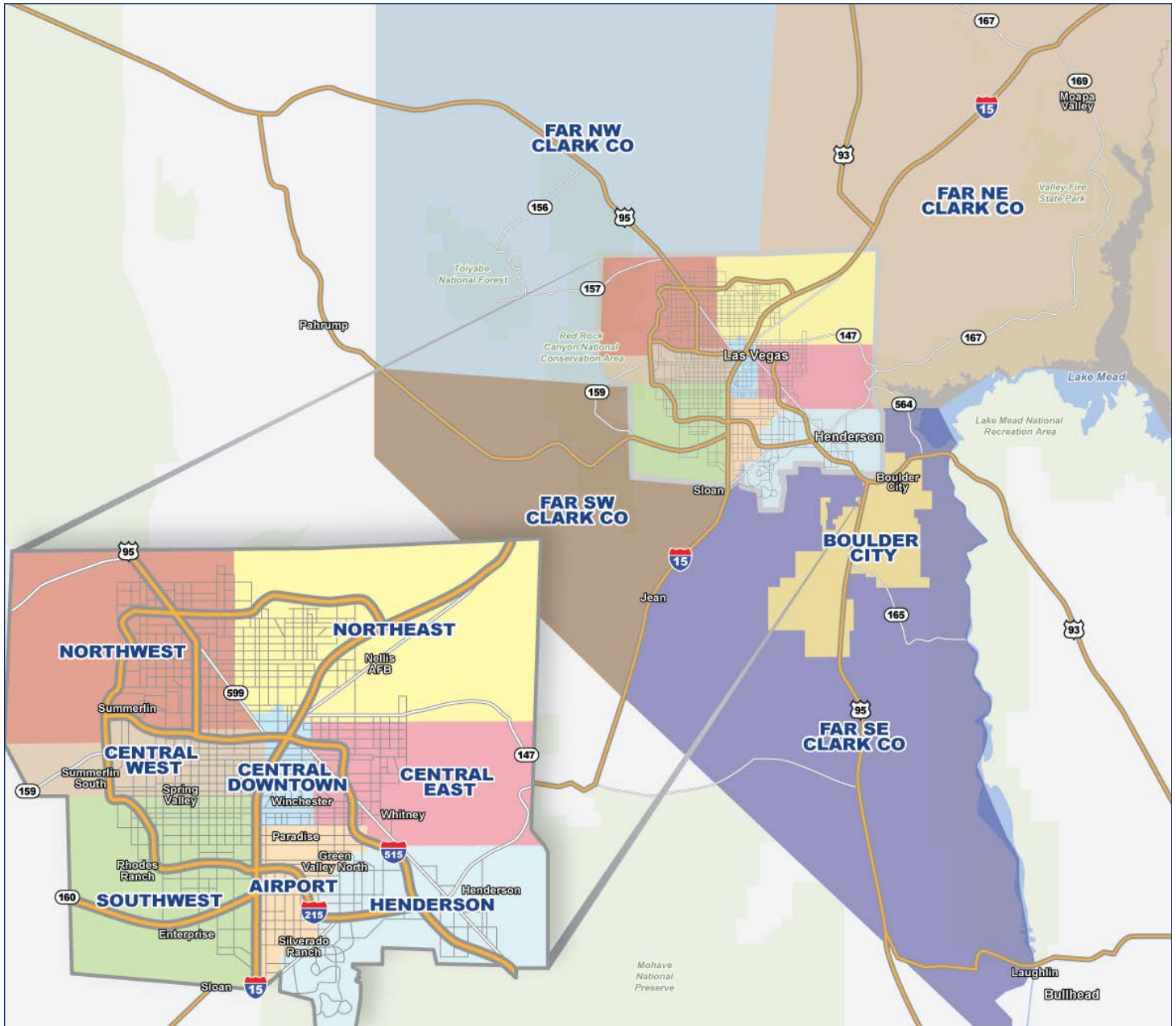
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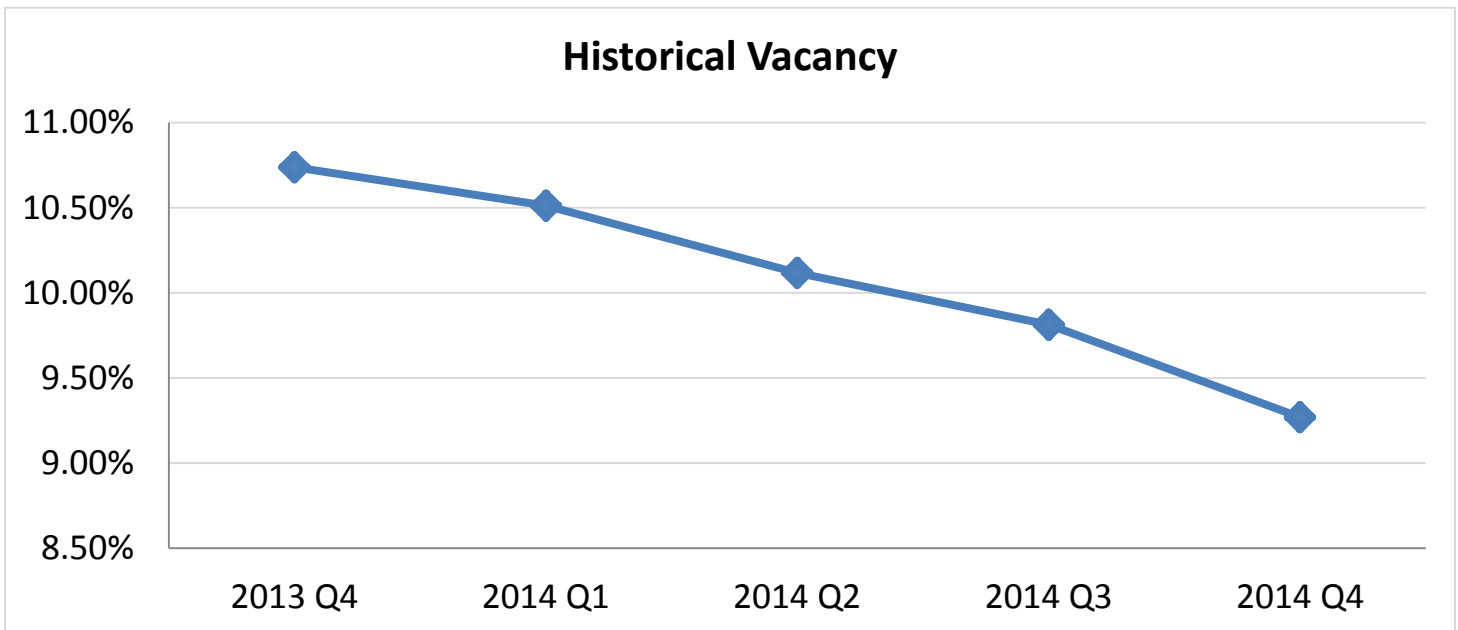
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The Las Vegas tracked set consists of an inventory of buildings considered to be competitive within the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each market area.

Inventory	The total square feet of all existing single and multi tenant industrial buildings greater than 10,000 SF, excluding manufacturing buildings
Total Available SF	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space.
Total Vacant SF	The total of all of the vacant square footage within a building, including both direct and sublease space.
Direct Vacant SF	The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.
Sublease SF	Space that is offered for lease by a current tenant, or his agent, within a property. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied.
Net Absorption	The net change in physically occupied space from quarter to quarter, expressed in square feet.



- Demand for industrial space continued its positive trend and wrapped up the year by posting nearly a half million square feet of positive absorption during the fourth quarter.
- The vacancy rate continues to decline, sitting at just over 9.25% for the quarter; a reduction of about .5% from the previous quarter
- Several large out of town companies are taking a long hard look at the Las Vegas market, however, a lack of large blocks of space could force them to setup camp elsewhere.
- E-commerce, and not manufacturing, has been the name of the industrial game in Southern Nevada recently, as more and more shoppers are embracing shopping online.
- With the completion of large retail, office and entertainment projects in 2014, 2015 demand for industrial space in Southern Nevada looks to be healthy.



Q4 2014 Market Overview by Building Type

	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Qtrly Net Absorption (SF)
Flex/R&D	532	17,701,506	2,297,733	2,108,951	11.91%	2,086,839	11.79%	22,112	70,963
Light Industrial	1,187	29,996,372	3,456,456	2,909,754	9.70%	2,861,229	9.54%	48,525	49,564
Warehouse - Distribution	526	59,485,680	5,882,639	4,917,685	8.27%	4,865,317	8.18%	199,395	362,902
Grand Total	2,245	107,183,558	11,636,828	9,936,390	9.27%	9,813,385	9.16%	270,032	483,429

Overview by Submarket/ Building Type



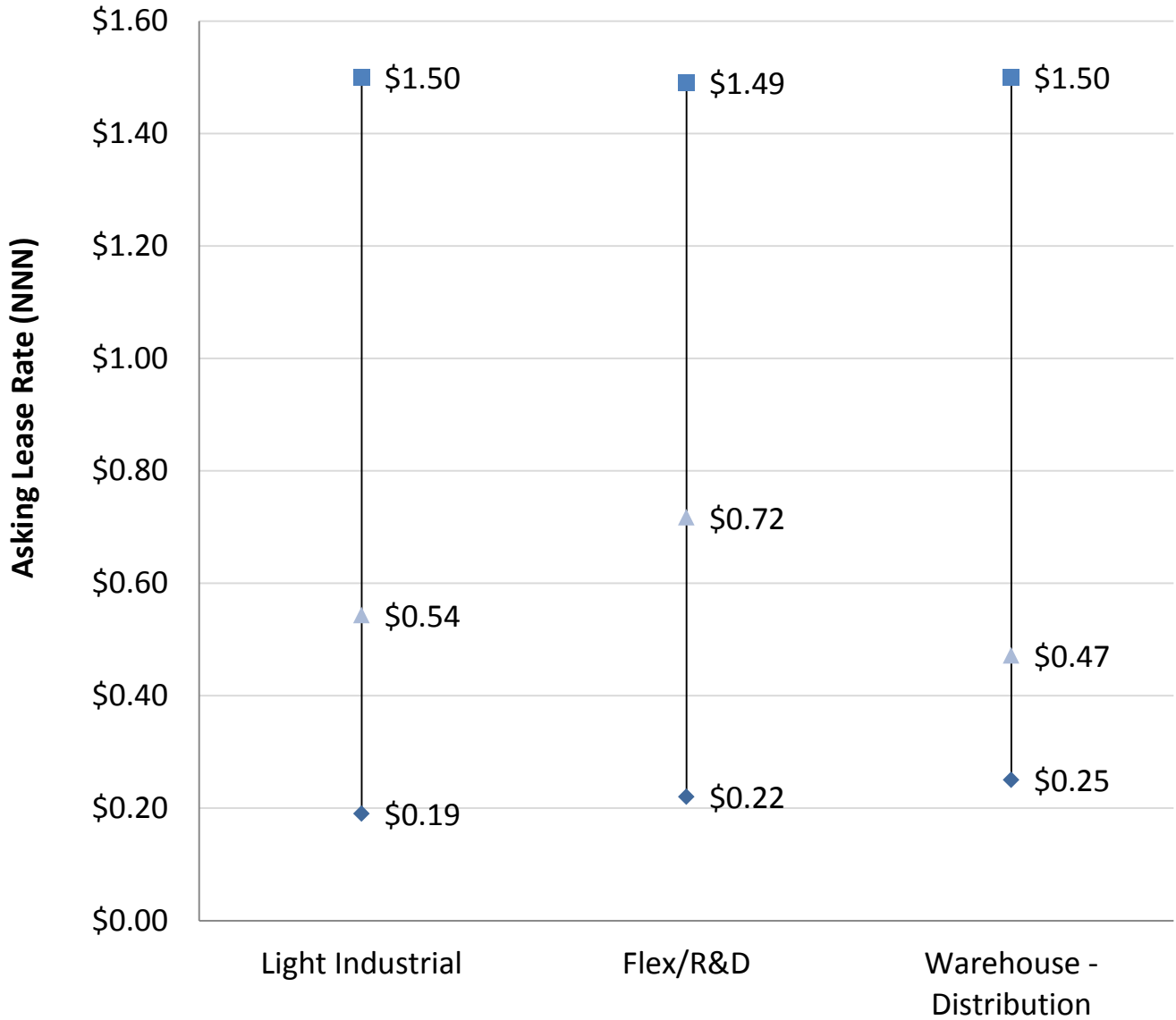
	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Qtrly Net Absorption (SF)
Airport	319	14,060,929	1,820,972	1,629,970	11.59%	1,625,958	11.56%	4,012	76,153
Flex/R&D	117	4,609,219	821,866	751,944	16.31%	747,932	16.23%	4,012	45,171
Light Industrial	130	2,744,702	306,532	275,186	10.03%	275,186	10.03%	0	22,000
Warehouse - Distribution	72	6,707,008	692,574	602,840	8.99%	602,840	8.99%	0	8,982
Boulder City	15	297,795	10,000	10,000	3.36%	10,000	3.36%	0	0
Flex/R&D	3	38,753	0	0	0.00%	0	0.00%	0	0
Light Industrial	12	259,042	10,000	10,000	3.86%	10,000	3.86%	0	0
Central Downtown	251	7,226,808	882,255	732,196	10.13%	722,196	9.99%	10,000	-16,848
Flex/R&D	21	520,648	51,231	51,231	9.84%	51,231	9.84%	0	-1,740
Light Industrial	205	5,026,967	663,313	524,254	10.43%	514,254	10.23%	10,000	-8,093
Warehouse - Distribution	25	1,679,193	167,711	156,711	9.33%	156,711	9.33%	0	-7,015
Central East	7	144,340	9,192	9,192	6.37%	9,192	6.37%	0	10,712
Light Industrial	7	144,340	9,192	9,192	6.37%	9,192	6.37%	0	10,712
Central West	11	251,571	8,050	8,050	3.20%	8,050	3.20%	0	0
Flex/R&D	4	105,721	0	0	0.00%	0	0.00%	0	0
Light Industrial	7	145,850	8,050	8,050	5.52%	8,050	5.52%	0	0
Henderson	260	12,424,690	808,883	627,819	5.05%	627,819	5.05%	64,172	7,854
Flex/R&D	78	2,528,508	348,806	336,411	13.30%	336,411	13.30%	0	-45,427
Light Industrial	118	2,945,652	221,292	147,699	5.01%	147,699	5.01%	0	500
Warehouse - Distribution	64	6,950,530	238,785	143,709	2.07%	143,709	2.07%	64,172	52,781
Northeast	531	33,927,072	3,501,972	2,921,630	8.61%	2,849,080	8.40%	75,750	203,427
Flex/R&D	78	2,259,693	313,833	313,833	13.89%	297,833	13.18%	16,000	23,372
Light Industrial	254	5,618,256	804,495	632,950	11.27%	620,900	11.05%	12,050	7,112
Warehouse - Distribution	199	26,049,123	2,383,644	1,974,847	7.58%	1,930,347	7.41%	47,700	172,943
Northwest	26	709,463	22,407	22,407	3.16%	22,407	3.16%	0	23,628
Flex/R&D	20	584,507	22,407	22,407	3.83%	22,407	3.83%	0	23,628
Light Industrial	6	124,956	0	0	0.00%	0	0.00%	0	0
Southwest	825	38,140,890	4,573,097	3,975,126	10.42%	3,938,683	10.33%	116,098	178,503
Flex/R&D	211	7,054,457	739,590	633,125	8.97%	631,025	8.95%	2,100	25,959
Light Industrial	448	12,986,607	1,433,582	1,302,423	10.03%	1,275,948	9.83%	26,475	17,333
Warehouse - Distribution	166	18,099,826	2,399,925	2,039,578	11.27%	2,031,710	11.23%	87,523	135,211
Grand Total	2,245	107,183,558	11,636,828	9,936,390	9.27%	9,813,385	9.16%	270,032	483,429

Vacancy & Lease Rates



	Direct Vacancy Rate %					Asking Direct Lease Rate (NNN)				
	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
Airport	12.32%	12.47%	12.33%	12.11%	11.56%	\$0.69	\$0.70	\$0.71	\$0.69	\$0.69
Flex/R&D	14.51%	16.67%	16.14%	17.21%	16.23%	\$0.74	\$0.75	\$0.76	\$0.75	\$0.76
Light Industrial	8.38%	8.30%	13.83%	10.83%	10.03%	\$0.72	\$0.71	\$0.73	\$0.66	\$0.65
Warehouse - Distribution	12.43%	11.29%	9.09%	9.12%	8.99%	\$0.57	\$0.58	\$0.56	\$0.57	\$0.58
Boulder City	3.36%	3.36%	3.36%	3.36%	3.36%	\$0.00	\$0.00	\$0.61	\$0.00	\$0.00
Flex/R&D	0.00%	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00	\$0.61	\$0.00	\$0.00
Light Industrial	3.86%	3.86%	3.86%	3.86%	3.86%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Warehouse - Distribution	0.00%	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Central Downtown	7.89%	8.76%	9.76%	9.76%	9.99%	\$0.44	\$0.45	\$0.45	\$0.47	\$0.49
Flex/R&D	3.87%	4.07%	5.24%	9.51%	9.84%	\$0.55	\$0.67	\$0.65	\$0.73	\$0.74
Light Industrial	8.49%	9.73%	10.30%	10.07%	10.23%	\$0.44	\$0.44	\$0.44	\$0.44	\$0.47
Warehouse - Distribution	7.35%	7.35%	9.56%	8.91%	9.33%	\$0.43	\$0.43	\$0.43	\$0.44	\$0.40
Central East	26.18%	28.45%	37.71%	13.79%	6.37%	\$0.40	\$0.40	\$0.40	\$0.40	\$0.48
Flex/R&D	0.00%	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Light Industrial	26.18%	28.45%	37.71%	13.79%	6.37%	\$0.40	\$0.40	\$0.40	\$0.40	\$0.48
Warehouse - Distribution	0.00%	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Central West	7.19%	7.19%	7.19%	3.20%	3.20%	\$0.78	\$0.78	\$0.78	\$0.63	\$0.69
Flex/R&D	0.00%	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Light Industrial	12.41%	12.41%	12.41%	5.52%	5.52%	\$0.78	\$0.78	\$0.78	\$0.63	\$0.69
Warehouse - Distribution	0.00%	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Henderson	8.84%	7.78%	6.45%	5.12%	5.05%	\$0.52	\$0.52	\$0.55	\$0.57	\$0.55
Flex/R&D	15.09%	14.84%	12.71%	11.51%	13.30%	\$0.58	\$0.58	\$0.63	\$0.63	\$0.61
Light Industrial	4.49%	4.37%	5.07%	5.03%	5.01%	\$0.53	\$0.53	\$0.53	\$0.52	\$0.50
Warehouse - Distribution	8.42%	6.66%	4.77%	2.83%	2.07%	\$0.44	\$0.43	\$0.44	\$0.47	\$0.50
Northeast	11.04%	10.32%	9.48%	9.00%	8.40%	\$0.40	\$0.40	\$0.41	\$0.41	\$0.41
Flex/R&D	11.91%	11.51%	13.16%	14.21%	13.18%	\$0.56	\$0.57	\$0.62	\$0.59	\$0.57
Light Industrial	8.61%	7.85%	10.28%	11.18%	11.05%	\$0.42	\$0.42	\$0.41	\$0.41	\$0.41
Warehouse - Distribution	11.48%	10.74%	8.99%	8.07%	7.41%	\$0.34	\$0.33	\$0.33	\$0.34	\$0.34
Northwest	10.25%	8.09%	8.35%	6.49%	3.16%	\$0.73	\$0.74	\$0.76	\$0.60	\$0.58
Flex/R&D	9.53%	9.82%	10.14%	7.88%	3.83%	\$0.72	\$0.74	\$0.76	\$0.60	\$0.58
Light Industrial	13.60%	0.00%	0.00%	0.00%	0.00%	\$0.80	\$0.00	\$0.00	\$0.00	\$0.00
Warehouse - Distribution	0.00%	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Southwest	10.10%	10.31%	10.57%	11.04%	10.33%	\$0.63	\$0.63	\$0.63	\$0.63	\$0.64
Flex/R&D	8.96%	8.91%	9.15%	9.24%	8.95%	\$0.70	\$0.72	\$0.74	\$0.74	\$0.77
Light Industrial	8.00%	8.22%	9.48%	9.96%	9.83%	\$0.60	\$0.60	\$0.61	\$0.59	\$0.59
Warehouse - Distribution	12.06%	12.36%	11.91%	12.52%	11.23%	\$0.57	\$0.57	\$0.55	\$0.57	\$0.56
Grand Total	10.39%	10.18%	9.92%	9.69%	9.16%	\$0.56	\$0.57	\$0.58	\$0.57	\$0.58

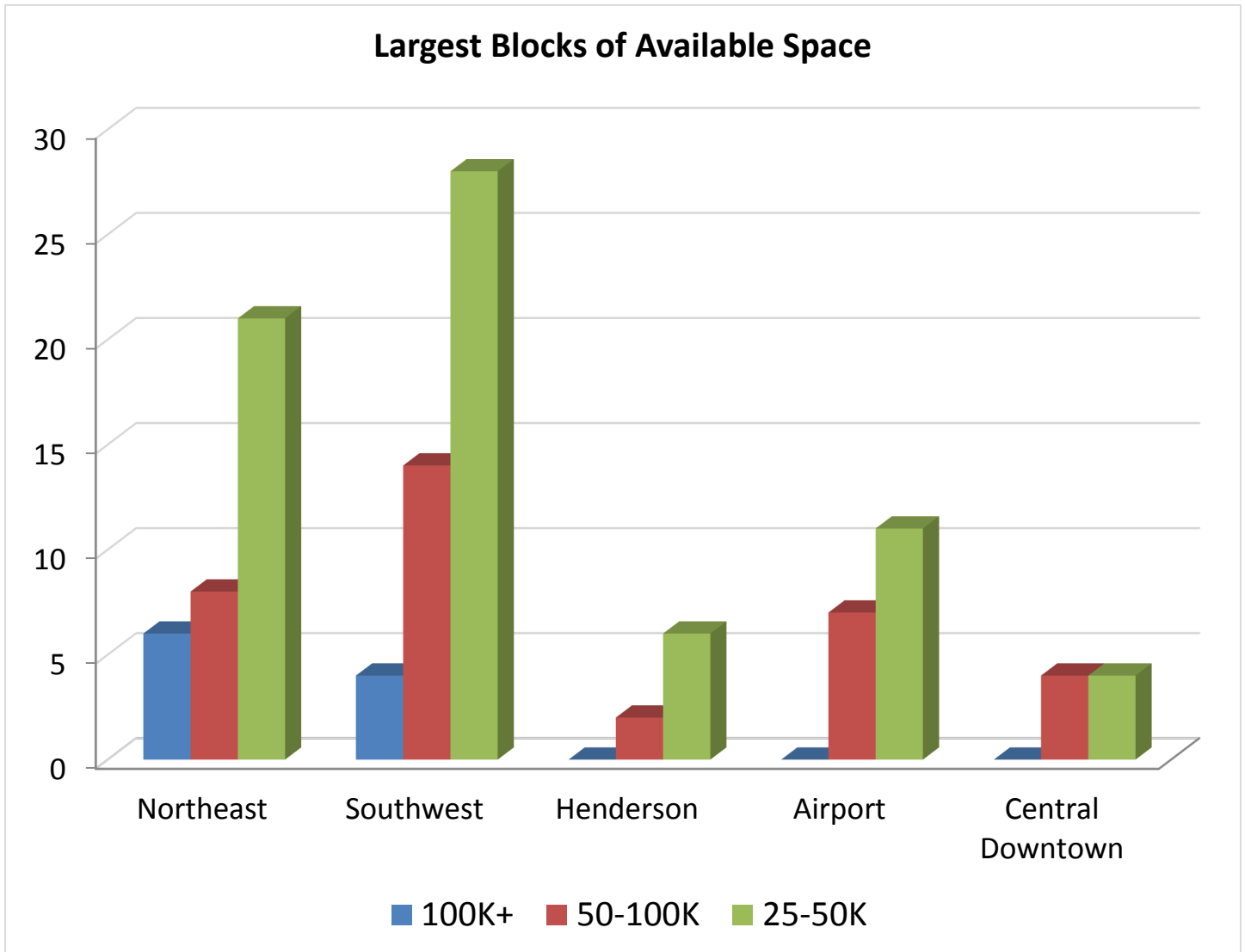
Asking Lease Rate Range by Type (NNN)



Biggest Absorption Changes



Property Name	SF Occupied or Vacated	Company Name	Market	Type
Pacific Business Center	43,959	TH Foods	Henderson	Warehouse - Distribution
Harsch Valley View Commerce Center	40,000	Trade Show Supplies, Kre-8 Media	Southwest	Warehouse - Distribution
Safari Business Park	39,164	SK8 XTC	Southwest	Warehouse - Distribution
Hughes Airport Center	24,925	Page Operations	Airport	Flex/R&D
1624 S Mojave Rd	22,899	Mojave 15 Llc	Central Downtown	Light Industrial
5275 Arville St	18,051	GEXPRO, SCC Energy Services Inc, Wright Geotechnical of Nevada LLC	Southwest	Flex/R&D
Koll Business Center Building F	16,800	Rowley Tenant LLC	Southwest	Warehouse - Distribution
Patrick Airport Business Center	16,061	Converse Consultants, World Sports Solutions International	Airport	Warehouse - Distribution
Jonathan Park	15,420	Universal Carpet	Southwest	Light Industrial
The Spectrum of Las Vegas Bldg 2	(11,097)	Reaching Our Community's Kids	Central Downtown	Light Industrial
Johnathan Park	(13,500)	Metro Exhibits	Southwest	Warehouse - Distribution
Majestic Runway Center	(14,000)	Dorwin Systems Llc	Airport	Warehouse - Distribution
Location One Commerce Center Bldg T	(15,225)	M C Communications Inc	Southwest	Light Industrial
Henderson Commerce Center Bldg A	(25,311)	Flex GROUND - Playground Safety Surfacing	Henderson	Flex/R&D
Henderson Commerce Center Bldg B	(29,570)	Ardyss Global	Henderson	Flex/R&D
Golden Triangle Industrial Park Bldg D	(82,190)	Yusen Logistics	Northeast	Warehouse - Distribution



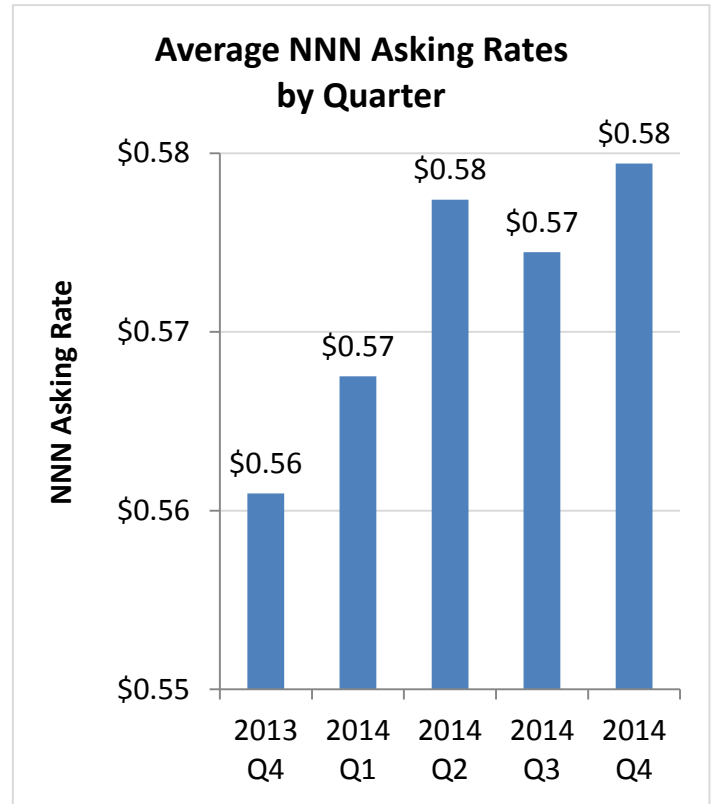
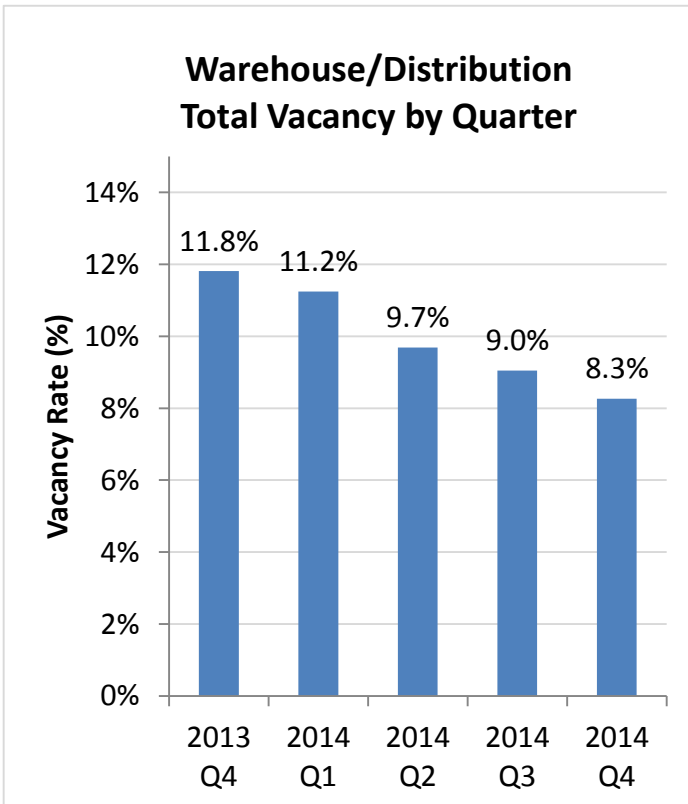
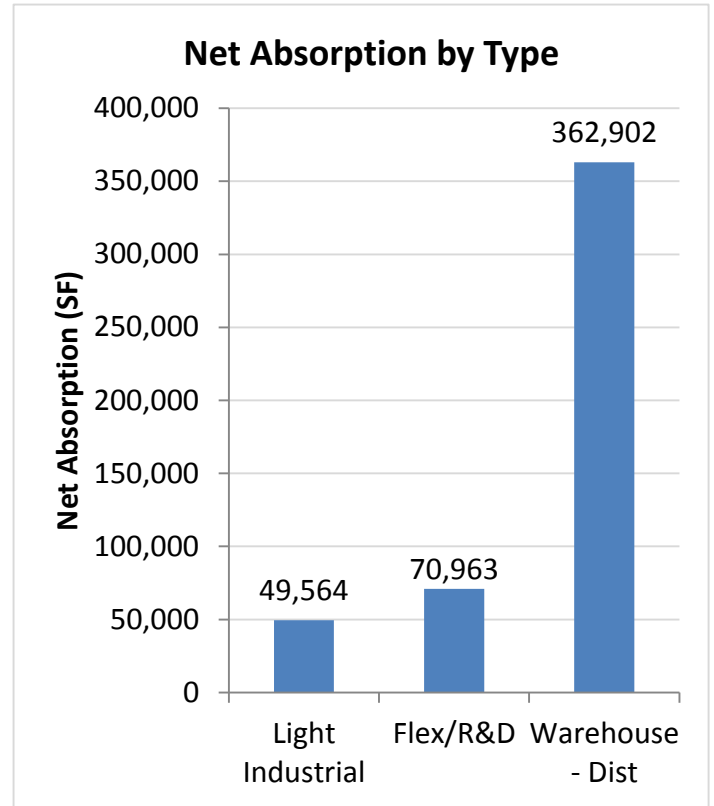
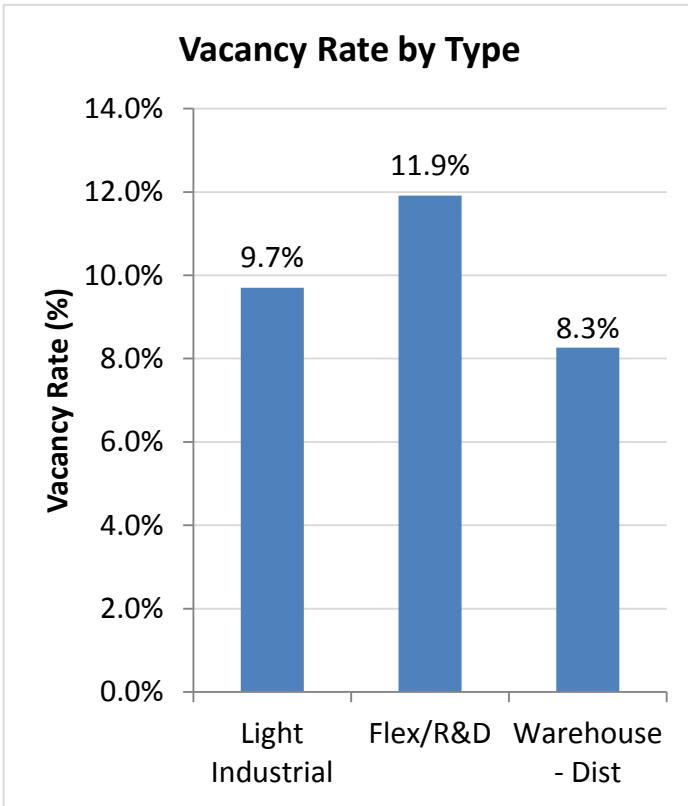
Historical Blocks of Space

Quarter	100K+	50-100K	25-50K
2014 Q4	10	35	70
2014 Q3	9	38	78
2014 Q2	9	41	84
2014 Q1	11	40	88
2013 Q4	13	40	83

Notable Transactions



Property Name	SF Leased or Sold	Company Name	Market	Type	Lease/Sale
Prologis Las Vegas Corporate Center Bldg 19	464,203	Global Industrial Distribution Inc	Northeast	Warehouse - Distribution	Lease
Valley View Business Park	196,920	Valley View Industrial Investors LLC	Southwest	Light Industrial	Sale
Sunrise Industrial Park Bldg 4	163,680	Yusen Logistics Americas, Revzilla	Northeast	Warehouse - Distribution	Lease
Cheyenne Technology Center	145,541	BKM Capital Partners/The Niru Group	Northeast	Flex/R&D	Sale
Harmon Warehouse Center	137,603	BKM Capital Partners/The Niru Group	Southwest	Warehouse - Distribution	Sale
6445 Montessori St	72,048	TLM Holdings	Southwest	Warehouse - Distribution	Sale
Pacific Business Center	43,959	TH Foods	Henderson	Warehouse - Distribution	Lease
East Sahara Commerce Center	43,541	Brookhollow East Sahara LLC	Central Downtown	Light Industrial	Sale
4580 W Tecu Ave	35,355	Carpets N More	Southwest	Light Industrial	Lease



Special thanks to the advisory board members for their time reviewing and certifying the numbers.

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