

**Las Vegas, NV**

**2nd Quarter 2015**

# **INDUSTRIAL**

## **Market Trends**

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COMMERCIAL REAL ESTATE INFORMATION

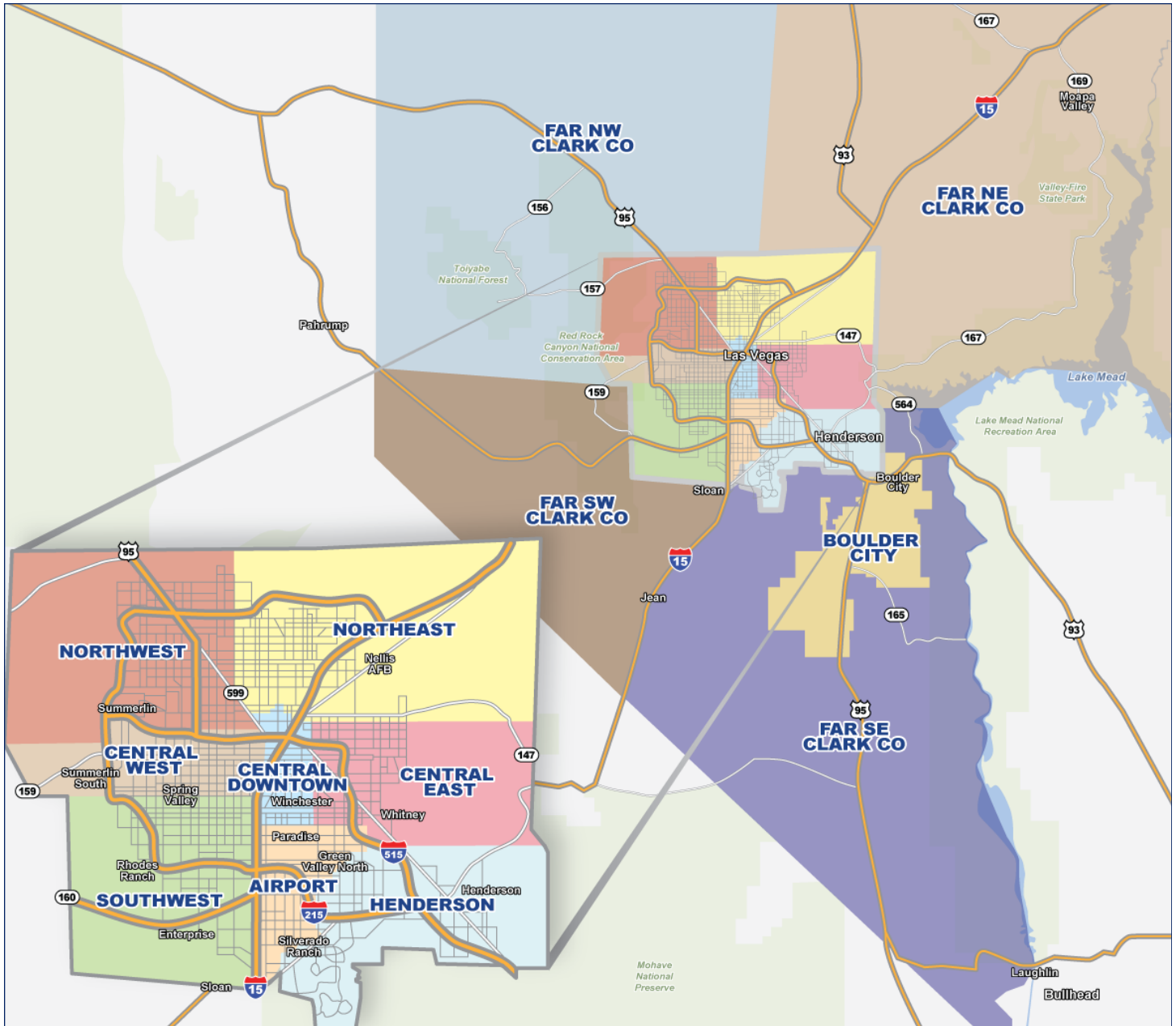
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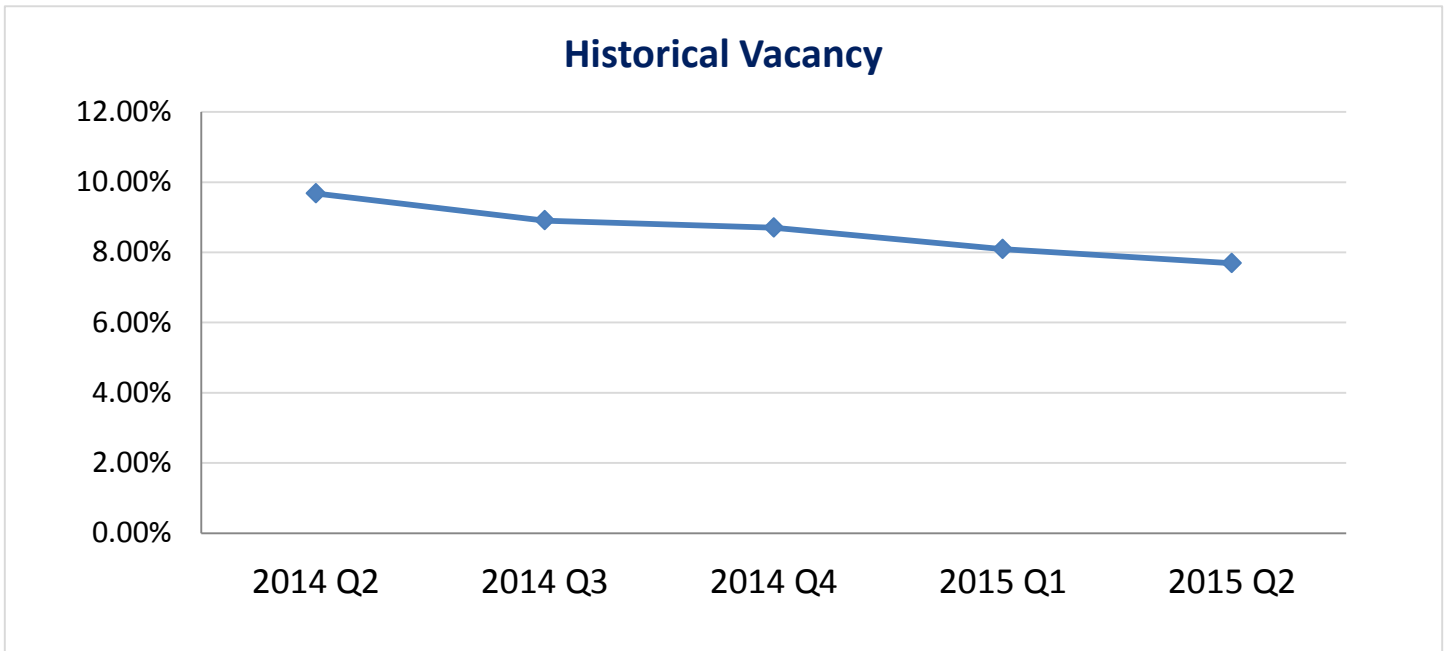
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The Las Vegas tracked set consists of an inventory of buildings considered to be competitive within the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each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

<b>Inventory</b>	The total square feet of all existing single and multi tenant industrial buildings greater than 10,000 SF, excluding manufacturing and warehouse - freezer/cooler buildings.
<b>Total Available SF</b>	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space.
<b>Total Vacant SF</b>	The total of all of the vacant square footage within a building, including both direct and sublease
<b>Direct Vacant SF</b>	The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.
<b>Sublease SF</b>	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.
<b>Net Absorption</b>	The net change in physically occupied space from quarter to quarter, expressed in square feet.



- The Las Vegas market continued 2015 with another strong quarter, posting almost 423,000 square feet in absorption in the 2nd quarter.
- Average NNN asking rates rose 4 cents across all property types in the Northeast submarket, however they remained flat for the market as a whole.
- Large blocks of space continue to trickle off the market, with the smaller blocks remaining on the market
- The vacancy rate continues to tick downwards, sitting at just under 7.75%



### Q2 2015 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)	YTD Net Absorption
Flex/R&D	543	17,777,453	2,274,735	1,965,716	11.06%	1,957,044	11.01%	34,655	(13,157)	146,035
Light Industrial	1,186	29,533,891	2,956,867	2,514,470	8.51%	2,497,095	8.46%	17,375	237,898	180,502
Warehouse - Distribution	516	58,416,691	4,761,842	3,648,159	6.25%	3,603,659	6.17%	264,158	197,906	742,244
<b>Grand Total</b>	<b>2,245</b>	<b>105,728,035</b>	<b>9,993,444</b>	<b>8,128,345</b>	<b>7.69%</b>	<b>8,057,798</b>	<b>7.62%</b>	<b>316,188</b>	<b>422,647</b>	<b>1,068,781</b>

## Overview by Submarket/ Building Type



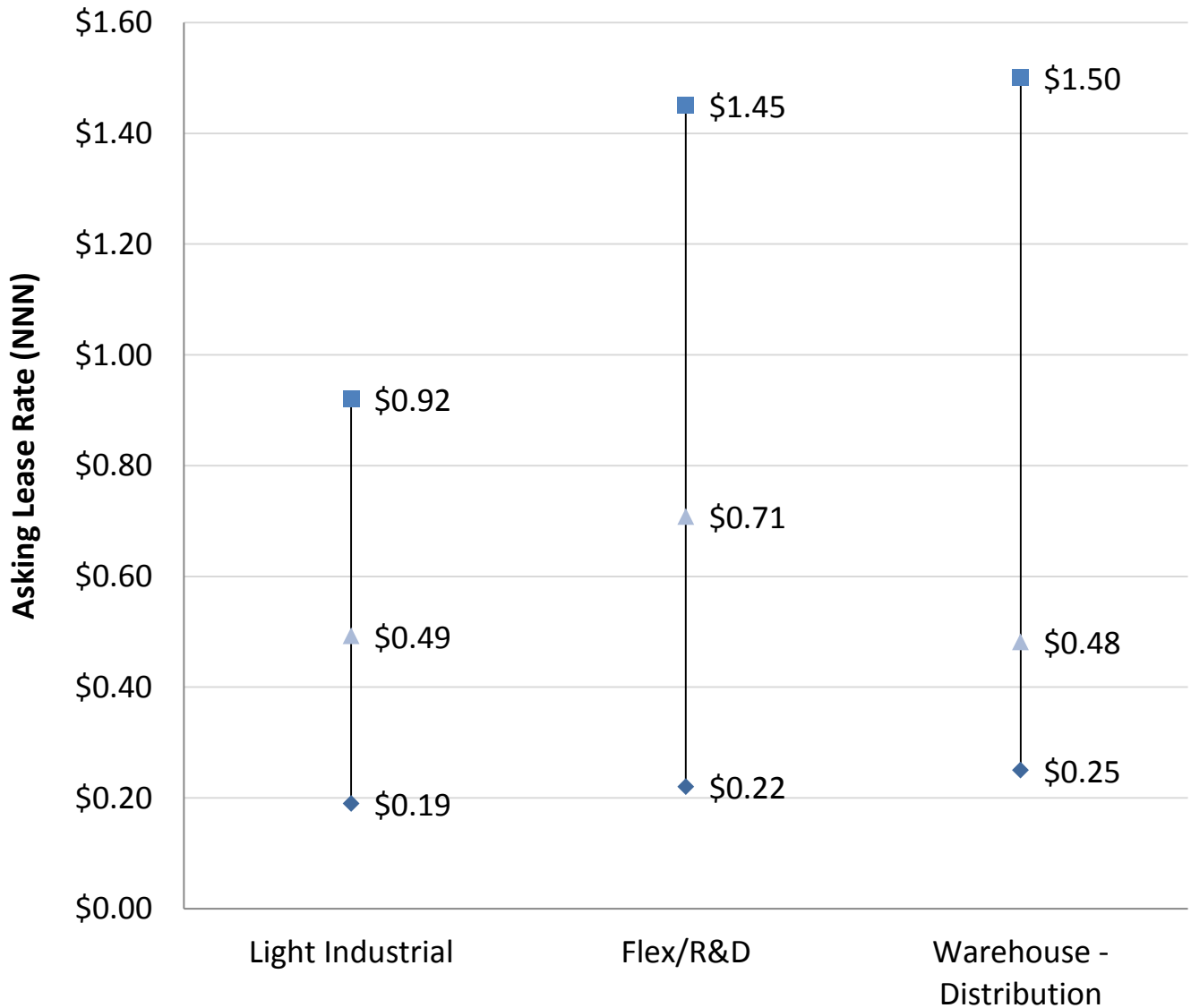
	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Qtrly Net Absorption (SF)
<b>Airport</b>	<b>319</b>	<b>13,899,297</b>	<b>1,879,705</b>	<b>1,491,156</b>	<b>10.73%</b>	<b>1,481,444</b>	<b>10.66%</b>	<b>33,750</b>	<b>24,904</b>
Flex/R&D	120	4,750,447	828,482	787,003	16.57%	782,991	16.48%	28,050	(190)
Light Industrial	130	2,737,902	334,653	273,553	9.99%	267,853	9.78%	5,700	12,174
Warehouse - Distribution	69	6,410,948	716,570	430,600	6.72%	430,600	6.72%	0	12,920
<b>Boulder City</b>	<b>15</b>	<b>298,795</b>	<b>3,600</b>	<b>3,600</b>	<b>1.20%</b>	<b>3,600</b>	<b>1.20%</b>	<b>0</b>	<b>0</b>
Flex/R&D	3	38,753	0	0	0.00%	0	0.00%	0	0
Light Industrial	12	260,042	3,600	3,600	1.38%	3,600	1.38%	0	0
<b>Central Downtown</b>	<b>206</b>	<b>5,571,280</b>	<b>605,426</b>	<b>502,233</b>	<b>9.01%</b>	<b>502,233</b>	<b>9.01%</b>	<b>0</b>	<b>4,580</b>
Flex/R&D	20	506,648	36,493	36,493	7.20%	36,493	7.20%	0	3,187
Light Industrial	171	4,159,799	467,145	363,952	8.75%	363,952	8.75%	0	1,393
Warehouse - Distribution	15	904,833	101,788	101,788	11.25%	101,788	11.25%	0	0
<b>Central East</b>	<b>80</b>	<b>2,594,337</b>	<b>377,163</b>	<b>255,605</b>	<b>9.85%</b>	<b>245,605</b>	<b>9.47%</b>	<b>10,000</b>	<b>20,790</b>
Flex/R&D	2	26,000	15,600	15,600	60.00%	15,600	60.00%	0	(2,000)
Light Industrial	61	1,469,032	225,892	173,182	11.79%	163,182	11.11%	10,000	22,790
Warehouse - Distribution	17	1,099,305	135,671	66,823	6.08%	66,823	6.08%	0	0
<b>Central West</b>	<b>109</b>	<b>3,905,681</b>	<b>300,670</b>	<b>247,917</b>	<b>6.35%</b>	<b>247,917</b>	<b>6.35%</b>	<b>0</b>	<b>33,794</b>
Flex/R&D	23	640,381	61,922	61,922	9.67%	61,922	9.67%	0	(4,217)
Light Industrial	74	2,711,413	214,748	161,995	5.97%	161,995	5.97%	0	24,511
Warehouse - Distribution	12	553,887	24,000	24,000	4.33%	24,000	4.33%	0	13,500
<b>Henderson</b>	<b>239</b>	<b>11,615,863</b>	<b>763,974</b>	<b>580,532</b>	<b>5.00%</b>	<b>580,532</b>	<b>5.00%</b>	<b>72,075</b>	<b>(61,481)</b>
Flex/R&D	80	2,563,570	381,743	297,053	11.59%	297,053	11.59%	0	(13,530)
Light Industrial	102	2,518,924	120,079	120,079	4.77%	120,079	4.77%	0	12,221
Warehouse - Distribution	57	6,533,369	262,152	163,400	2.50%	163,400	2.50%	72,075	(60,172)
<b>Northeast</b>	<b>523</b>	<b>33,223,287</b>	<b>2,246,228</b>	<b>1,772,734</b>	<b>5.34%</b>	<b>1,725,674</b>	<b>5.19%</b>	<b>139,988</b>	<b>281,650</b>
Flex/R&D	80	2,291,189	265,547	240,189	10.48%	237,629	10.37%	2,560	24,875
Light Industrial	248	5,366,944	552,511	383,147	7.14%	383,147	7.14%	0	28,671
Warehouse - Distribution	195	25,565,154	1,428,170	1,149,398	4.50%	1,104,898	4.32%	137,428	228,104
<b>Northwest</b>	<b>23</b>	<b>597,105</b>	<b>75,210</b>	<b>67,875</b>	<b>11.37%</b>	<b>67,875</b>	<b>11.37%</b>	<b>0</b>	<b>(30,702)</b>
Flex/R&D	19	526,811	75,210	67,875	12.88%	67,875	12.88%	0	(30,702)
Light Industrial	4	70,294	0	0	0.00%	0	0.00%	0	0
<b>Southwest</b>	<b>731</b>	<b>34,022,390</b>	<b>3,741,468</b>	<b>3,206,693</b>	<b>9.43%</b>	<b>3,202,918</b>	<b>9.41%</b>	<b>60,375</b>	<b>149,112</b>
Flex/R&D	196	6,433,654	609,738	459,581	7.14%	457,481	7.11%	4,045	9,420
Light Industrial	384	10,239,541	1,038,239	1,034,962	10.11%	1,033,287	10.09%	1,675	136,138
Warehouse - Distribution	151	17,349,195	2,093,491	1,712,150	9.87%	1,712,150	9.87%	54,655	3,554
<b>Grand Total</b>	<b>2,245</b>	<b>105,728,035</b>	<b>9,993,444</b>	<b>8,128,345</b>	<b>7.69%</b>	<b>8,057,798</b>	<b>7.62%</b>	<b>316,188</b>	<b>422,647</b>

## Vacancy & Lease Rates



	Direct Vacancy Rate %					Asking Direct Lease Rate (NNN)				
	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2
<b>Airport</b>	<b>12.48%</b>	<b>12.18%</b>	<b>11.87%</b>	<b>10.84%</b>	<b>10.66%</b>	<b>\$0.65</b>	<b>\$0.66</b>	<b>\$0.66</b>	<b>\$0.67</b>	<b>\$0.66</b>
Flex/R&D	17.21%	17.77%	18.00%	16.48%	16.48%	\$0.74	\$0.74	\$0.74	\$0.74	\$0.73
Light Industrial	13.29%	11.27%	10.49%	10.23%	9.78%	\$0.56	\$0.60	\$0.59	\$0.59	\$0.59
Warehouse - Dist	8.63%	8.42%	7.91%	6.92%	6.72%	\$0.54	\$0.54	\$0.55	\$0.59	\$0.60
<b>Boulder City</b>	<b>1.20%</b>	<b>1.20%</b>	<b>1.20%</b>	<b>1.20%</b>	<b>1.20%</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
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	1.38%	1.38%	1.38%	1.38%	1.38%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Warehouse - Dist	0.00%	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Central Downtown</b>	<b>7.96%</b>	<b>8.36%</b>	<b>9.17%</b>	<b>9.10%</b>	<b>9.01%</b>	<b>\$0.43</b>	<b>\$0.46</b>	<b>\$0.47</b>	<b>\$0.49</b>	<b>\$0.48</b>
Flex/R&D	4.32%	8.31%	8.65%	7.83%	7.20%	\$0.65	\$0.73	\$0.73	\$0.78	\$0.71
Light Industrial	7.71%	7.90%	8.78%	8.78%	8.75%	\$0.40	\$0.40	\$0.42	\$0.43	\$0.39
Warehouse - Dist	11.14%	10.47%	11.25%	11.25%	11.25%	\$0.39	\$0.41	\$0.41	\$0.48	\$0.48
<b>Central East</b>	<b>13.18%</b>	<b>12.34%</b>	<b>10.10%</b>	<b>10.27%</b>	<b>9.47%</b>	<b>\$0.47</b>	<b>\$0.47</b>	<b>\$0.48</b>	<b>\$0.47</b>	<b>\$0.47</b>
Flex/R&D	0.00%	52.31%	52.31%	52.31%	60.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Light Industrial	17.33%	15.59%	11.63%	12.66%	11.11%	\$0.46	\$0.46	\$0.50	\$0.47	\$0.48
Warehouse - Dist	7.79%	7.04%	7.04%	6.08%	6.08%	\$0.75	\$0.57	\$0.39	\$0.39	\$0.39
<b>Central West</b>	<b>6.62%</b>	<b>7.89%</b>	<b>7.45%</b>	<b>7.27%</b>	<b>6.35%</b>	<b>\$0.56</b>	<b>\$0.49</b>	<b>\$0.48</b>	<b>\$0.47</b>	<b>\$0.49</b>
Flex/R&D	6.23%	8.78%	9.49%	9.49%	9.67%	\$0.73	\$0.56	\$0.53	\$0.53	\$0.53
Light Industrial	6.51%	7.75%	6.47%	6.88%	5.97%	\$0.46	\$0.48	\$0.47	\$0.46	\$0.48
Warehouse - Dist	7.58%	7.58%	10.02%	6.77%	4.33%	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35
<b>Henderson</b>	<b>6.50%</b>	<b>4.63%</b>	<b>4.71%</b>	<b>4.47%</b>	<b>5.00%</b>	<b>\$0.55</b>	<b>\$0.57</b>	<b>\$0.57</b>	<b>\$0.56</b>	<b>\$0.57</b>
Flex/R&D	10.68%	10.31%	12.25%	11.06%	11.59%	\$0.61	\$0.60	\$0.61	\$0.59	\$0.61
Light Industrial	5.27%	4.43%	5.25%	5.25%	4.77%	\$0.55	\$0.55	\$0.50	\$0.50	\$0.52
Warehouse - Dist	5.33%	2.49%	1.53%	1.58%	2.50%	\$0.44	\$0.47	\$0.53	\$0.53	\$0.50
<b>Northeast</b>	<b>8.36%</b>	<b>7.11%</b>	<b>7.02%</b>	<b>5.99%</b>	<b>5.19%</b>	<b>\$0.37</b>	<b>\$0.38</b>	<b>\$0.38</b>	<b>\$0.39</b>	<b>\$0.43</b>
Flex/R&D	11.53%	12.78%	11.26%	10.76%	10.37%	\$0.52	\$0.51	\$0.49	\$0.52	\$0.59
Light Industrial	7.65%	7.98%	8.22%	7.67%	7.14%	\$0.37	\$0.38	\$0.38	\$0.39	\$0.42
Warehouse - Dist	8.23%	6.42%	6.39%	5.21%	4.32%	\$0.32	\$0.33	\$0.34	\$0.35	\$0.35
<b>Northwest</b>	<b>6.20%</b>	<b>4.83%</b>	<b>6.54%</b>	<b>6.23%</b>	<b>11.37%</b>	<b>\$0.60</b>	<b>\$0.60</b>	<b>\$0.58</b>	<b>\$0.58</b>	<b>\$0.71</b>
Flex/R&D	7.03%	5.47%	7.41%	7.06%	12.88%	\$0.60	\$0.60	\$0.58	\$0.58	\$0.71
Light Industrial	0.00%	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Warehouse - Dist	0.00%	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Southwest</b>	<b>10.82%</b>	<b>10.58%</b>	<b>10.21%</b>	<b>9.81%</b>	<b>9.41%</b>	<b>\$0.61</b>	<b>\$0.61</b>	<b>\$0.63</b>	<b>\$0.64</b>	<b>\$0.64</b>
Flex/R&D	8.74%	8.53%	7.90%	7.26%	7.11%	\$0.74	\$0.75	\$0.78	\$0.78	\$0.79
Light Industrial	10.68%	10.85%	10.77%	11.37%	10.09%	\$0.53	\$0.53	\$0.52	\$0.53	\$0.53
Warehouse - Dist	11.68%	11.19%	10.73%	9.84%	9.87%	\$0.56	\$0.55	\$0.55	\$0.57	\$0.56
<b>Grand Total</b>	<b>9.49%</b>	<b>8.81%</b>	<b>8.62%</b>	<b>8.00%</b>	<b>7.62%</b>	<b>\$0.54</b>	<b>\$0.55</b>	<b>\$0.56</b>	<b>\$0.56</b>	<b>\$0.56</b>

**Asking Lease Rate Range by Type (NNN)**



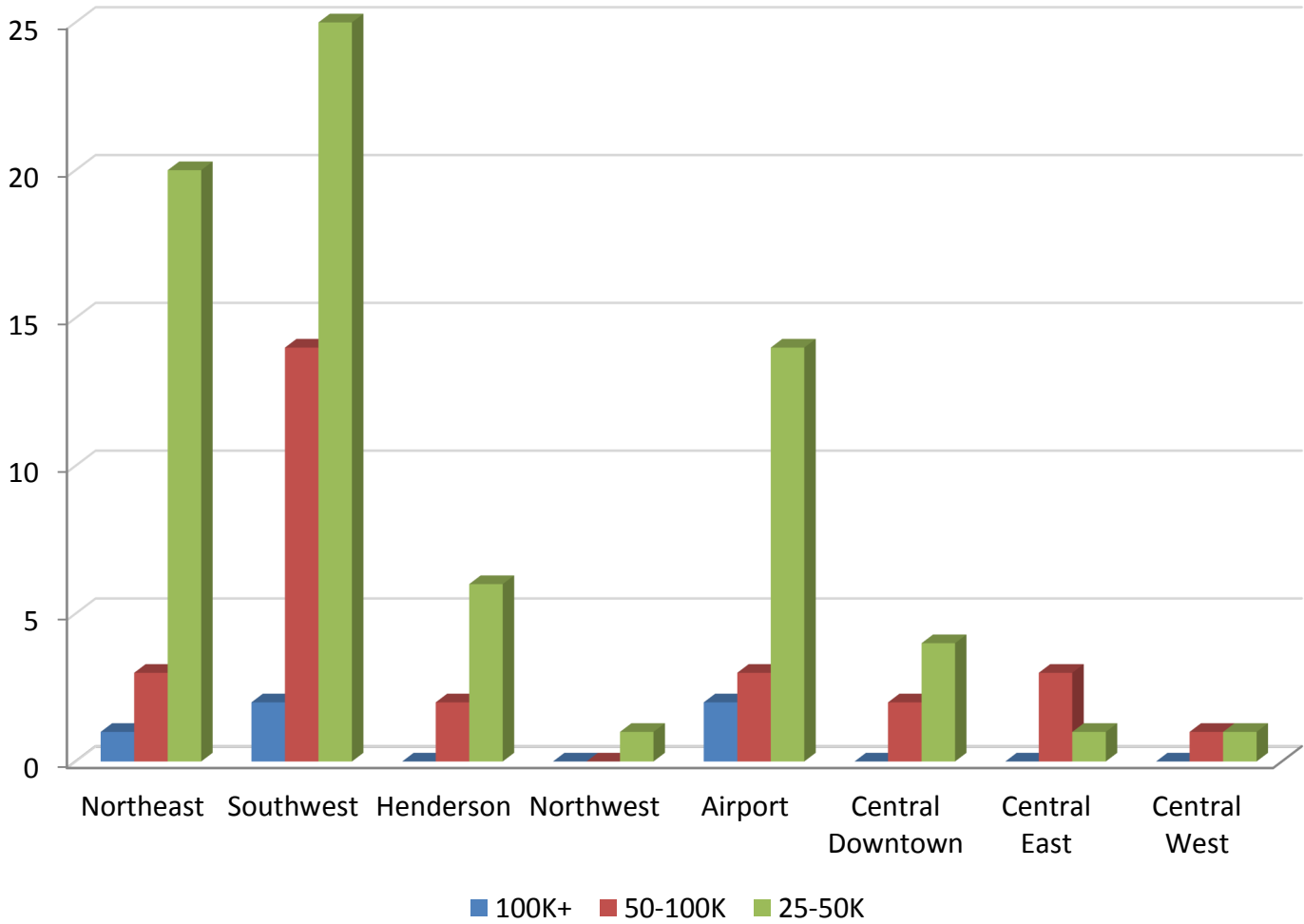
## Biggest Absorption Changes



Property Name	SF Occupied or Vacated	Company Name	Market	Type
Golden Triangle Industrial Park Bldg E	178,390	sparks	Northeast	Warehouse - Distribution
Beltway Business Park Bldg 2	53,040	Advantage Warehousing & Logistics	Southwest	Warehouse - Distribution
Sunset Parkway Business Center Bldg 5	42,000	Cort Trade Show Furnishing	Southwest	Warehouse - Distribution
Polaris Distribution Center	39,475	On the Go Leasing, LLC	Southwest	Light Industrial
Diamond Southwest Industrial Center	25,389	Forte Specialty Contractors LLC	Southwest	Light Industrial
Nellis Industrial Park	(30,000)	Themeing Solutions International	Northeast	Light Industrial
4525 W Hacienda Ave	(32,414)	Chef's Warehouse	Southwest	Light Industrial
Polaris Crossing	(46,480)	MGM Resorts	Southwest	Warehouse - Distribution
8350 Eastgate Rd	(64,172)	Gerdau Reinforcing Steel	Henderson	Warehouse - Distribution
The Rogers Street Building	(86,070)	PKMM Incorporated	Southwest	Warehouse - Distribution



Largest Blocks of Available Space



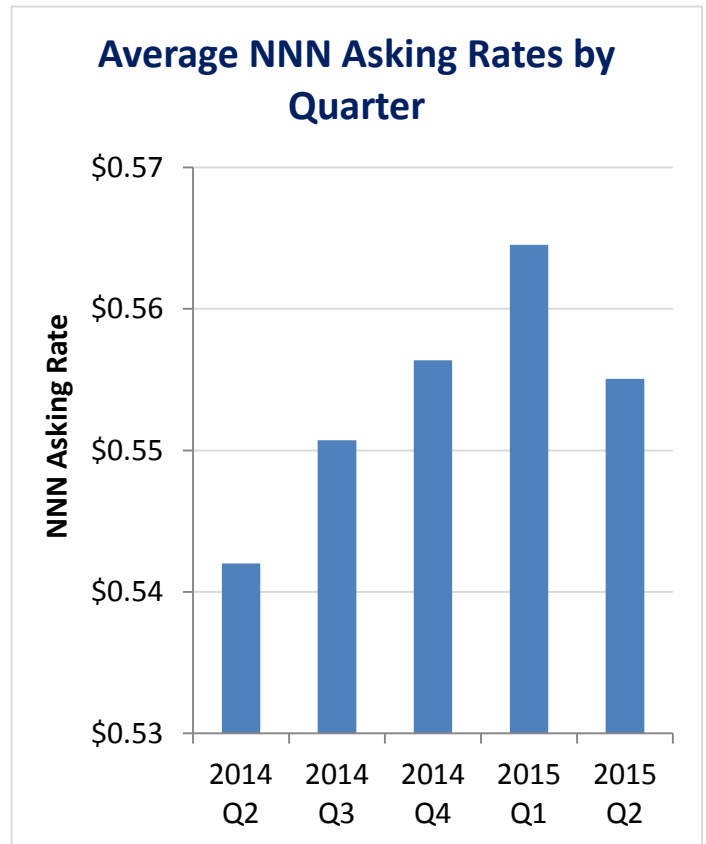
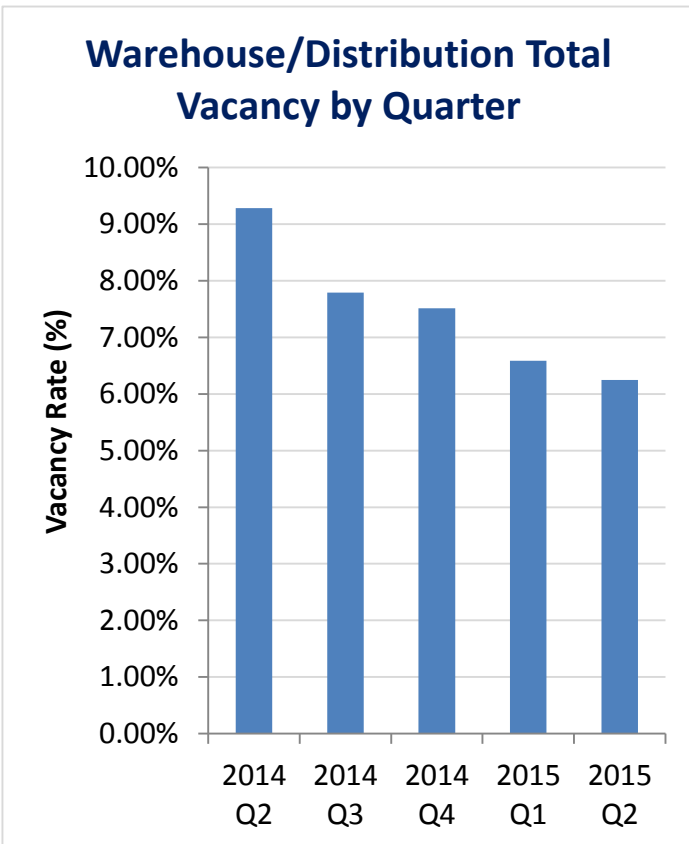
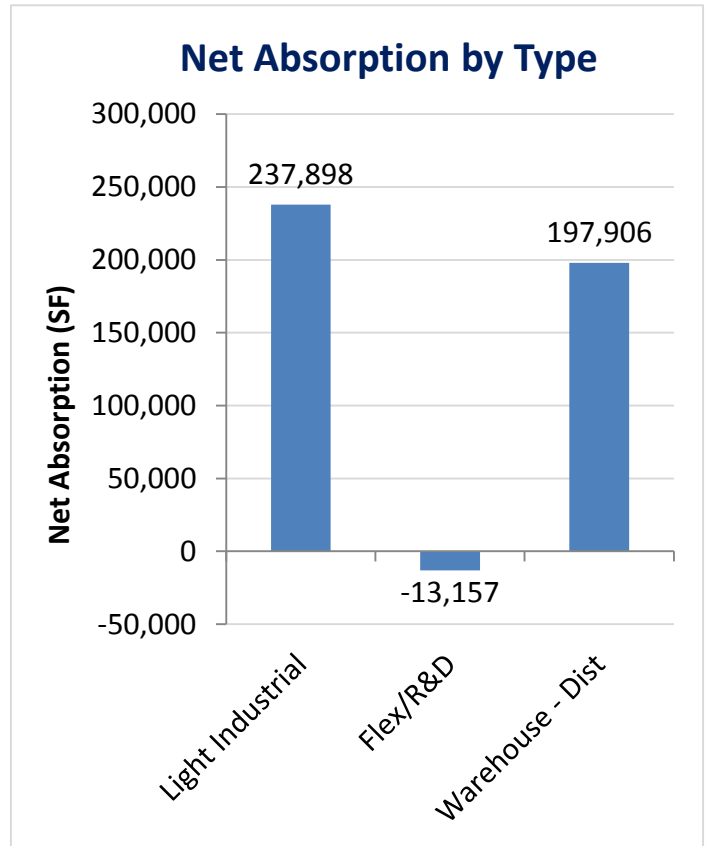
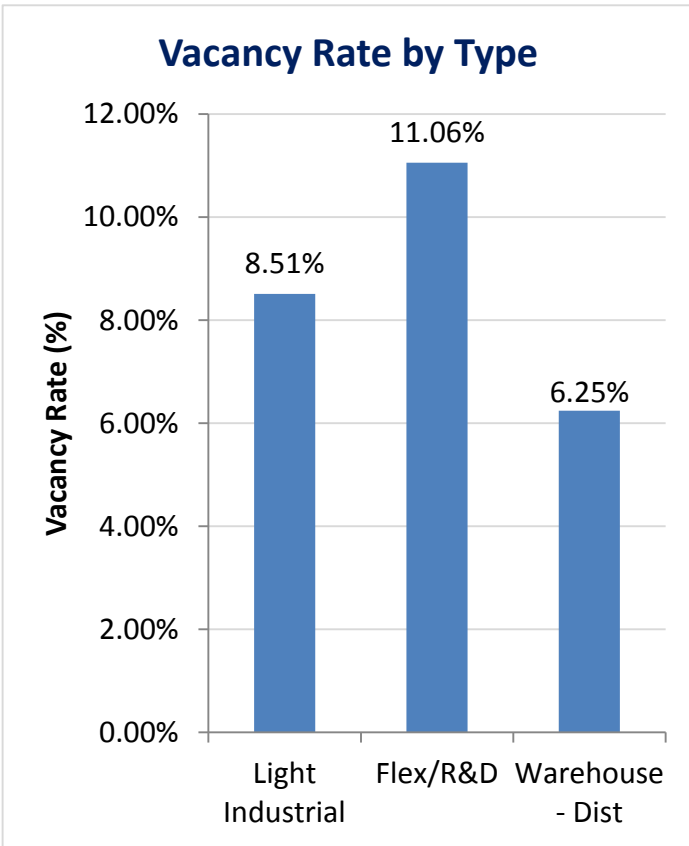
Historical Blocks of Space

Quarter	100K+	50-100K	25-50K
2015 Q2	5	28	72
2015 Q1	5	27	74
2014 Q4	8	31	69
2014 Q3	7	34	77
2014 Q2	9	38	81

## Notable Transactions



Property Name	SF Leased or Sold	Company Name	Market	Type	Lease/Sale
Lamb Business Center	180,000	Bixby Land Co.	Northeast	Warehouse - Distribution	Sale
Golden Triangle Industrial Park	70,000	Parker Plastics	Northeast	Warehouse - Distribution	Lease
4131-4151 E Bonanza Rd	68,848	Premier Educational Facilities	Central East	Warehouse - Distribution	Sale
8350 Eastgate Rd	64,172	DFA LLC	Henderson	Warehouse - Distribution	Sale
Abacus Industrial Center	57,923	MCA Realty	Southwest	Warehouse - Distribution	Sale
5425 Polaris Ave	53,790	ABC LLC	Southwest	Warehouse - Distribution	Sale
Beltway Business Park Bldg 2	53,040	Advantage Warehousing & Logistics	Southwest	Warehouse - Distribution	Lease
Craig Industrial Facility	51,500	Puliz Moving & Storage Co	Northeast	Warehouse - Distribution	Lease
Sunset Parkway Business Center Bldg 5	42,000	Cort Trade Show Furnishing	Southwest	Warehouse - Distribution	Lease
Hughes Airport Center	39,562	Pilot Freight	Airport	Warehouse - Distribution	Lease



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

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