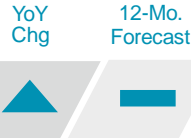


5.2%
Vacancy Rate



85K
Net Absorption, SF



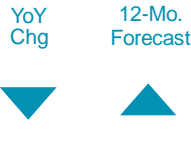
\$0.79
Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q3 2020

907.7K
Las Vegas Employment



15.9%
Las Vegas Unemployment Rate



8.8%
U.S. Unemployment Rate



Source: BLS

ECONOMIC OVERVIEW

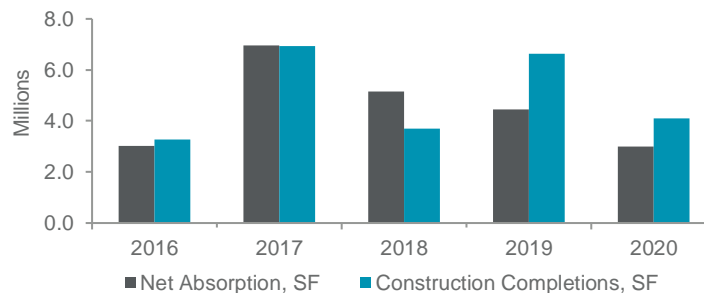
The Las Vegas employment market has been significantly affected by COVID-19 stay-at-home orders, resulting in loss of 126,300 jobs or -12.2% year-over-year (YOY) through August 2020.¹ Of the 126,300 jobs lost, 72,600 (-24.7% YOY) or 58% of losses were in the leisure and hospitality sector. Professional and business services sector lost 21,400 jobs (-14.1% YOY) or 17% of total jobs lost. During the same time period, the monthly unemployment rate increased from 4.1% last year to 15.5% and is currently more than twice the 30-year monthly average of 6.4% yet 40 basis points (bps) below the Q3 2020 quarterly average of 15.9%. Annual unemployment rate is forecasted to be 15.6% by end of 2020 and 14.4% in 2021, elevated compared to 4.0% in 2019. All employment sectors are expected to shrink at a combined growth rate of -10.4% in 2020 and then grow 2.4% in 2021. Las Vegas's economy of \$110.1 billion as measured by gross regional product is forecasted to shrink -9.4% in 2020 and grow 5.8% in 2021, above its 10-year average of 2.2%.²

SUPPLY AND DEMAND

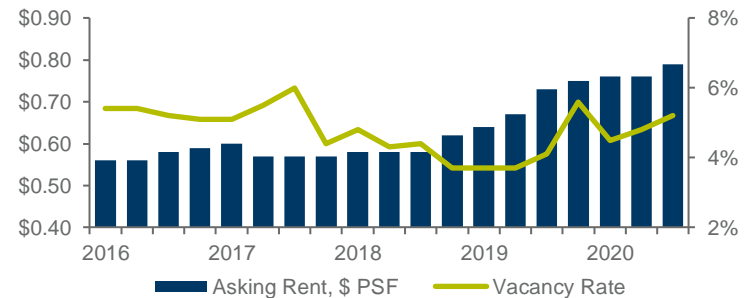
Industrial vacancy, including sublease, increased 40 bps from last quarter and 110 bps since last year to 5.2% in Q3 2020. The current vacancy rate is 40 bps above the five-year quarterly average of 4.8%. Manufacturing vacancy rate decreased 80 bps to 0.8%, while warehouse and distribution (W/D) vacancy rate increased 100 bps to 5.3% and flex vacancy increased 280 bps to 7.9% YOY. Tenants absorbed 85,500 square feet (sf) this quarter, bringing the year-to-date (YTD) total to nearly 3.0 million square feet (msf). North Las Vegas, the largest submarket, continues to benefit from tenant demand, outpacing every other submarket in terms of both absorption and leasing activity. Notably, two large tenants occupied space this quarter in North Las Vegas: Lowe's (285,000 sf) at Raceway Industrial Park, and One Solution (103,011 sf) at SunPoint Crossing. Furthermore, 70% of the market's 2.4 msf in new leasing activity occurred in North Las Vegas in Q3 2020. This includes FedEx's 632,300-sf lease at Prologis' I-15 Speedway project, and Whitebox Technologies' 350,500-sf lease at Golden Triangle Logistics Center. Elsewhere in the market, Creative Technologies (100,700 sf) took occupancy in Matter Park at West Henderson, contributing to occupancy gains.

Leasing activity was slightly higher in Q3 2020 at 2.8 msf, including renewals, compared to Q2 2020 at 2.4 msf and 2.3 msf in Q1 2020. Leasing stands at 7.5 msf (395 leases) YTD of which 6.5 msf are new leases and 973,100 sf are renewals. Among leading industries, accounting for 56% of total leasing YTD are: technology tenants (1.5 msf), followed by manufacturing (974,500 sf), trade, transportation and utilities (949,800 sf) and retail trade (888,800 sf). This should translate into occupancy gains over the next 12 months as tenants occupy.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY / ASKING RENT



The Las Vegas industrial market has added over 10.7 msf to its inventory since last year with 6.6 msf delivered in 2019 and 4.1 msf delivered in 2020 YTD. The majority or 7.5 msf (70%) of this new W/D inventory was delivered in the North Las Vegas submarket. In Q3 2020, 688,500 sf (6 properties), were delivered of which 613,500 sf (89%) were speculative (SPEC) with an overall pre-leasing of 33%. This includes two fully leased buildings of Juliet Property Company’s Blue Diamond Interchange Center, contributing 229,000 sf to occupancy gains to Southwest submarket. North Las Vegas added over 384,200 sf this quarter with 0% pre-leased. The Southwest submarket added a 75,000-sf build-to-suit (BTS) project. Developed by Panattoni Development Company, Durango 215 Point was the only BTS industrial building delivered in Q3 with 0% pre-leased.

FUTURE INVENTORY

As of Q3 2020, there are 6.3 msf across 31 properties currently under construction across the market with 30% already pre-leased. SPEC development comprises 4.9 msf across 26 buildings, with 3.0 msf in North Las Vegas submarket. Despite COVID-19 disruptions, 20 of 31 projects totaling 5.0 msf anticipate completion before the end of 2020. Among these is Phase 1 of the Golden Triangle Logistics Center. This SPEC project will add 1.0 msf to the Golden Triangle park, further boosting the recent development in North Las Vegas. Another notable project is Clarion Partners’ Silver State Commerce Center, consisting of four buildings. Once complete, the park will feature both BTS and SPEC buildings, including an approximately 202,200 sf BTS building for a large e-commerce tenant.

PRICING

Average asking rent for all product types combined was \$0.79 per square foot (psf) per month on a triple net basis. Overall rent has climbed 3.9% QOQ and 8.2% YOY. Over the past year, average rent for W/D has climbed 7.2% and average rent for manufacturing space has increased 3.9%. Also, North Las Vegas saw a 10.7% increase in average rent YOY. Tenant demand and new construction contributed to the significant bump in North Las Vegas rents. This trend will continue into the near future as North Las Vegas’ pipeline shows no signs of slowing down.

SALES ACTIVITY

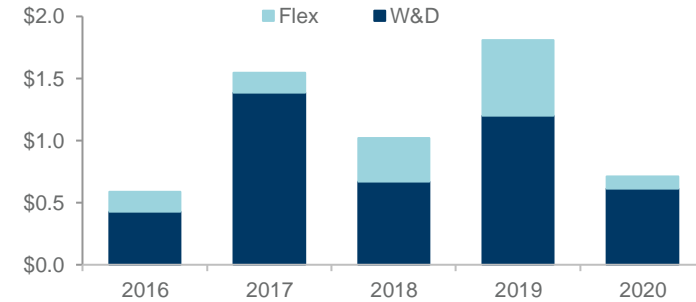
The Las Vegas industrial market recorded \$713 million in sales activity across 42 properties and 5.7 msf thus far in 2020, a 51% decrease in sales volume compared to the first nine months of 2019. Average price per sf was \$133 in Q3 2020, an 11% increase compared to \$120 in Q3 2019. The leading buyers of industrial properties YTD were private investors (55% vs. 48% in 2019), followed by institutional buyers (34% vs. 42% in 2019). Private sellers accounted for 68% of activity (vs. 34% in 2019), followed by institutional (19% vs. 9% in 2019).³

Sources: ¹www.bls.gov ² GDP as of 2019. (f) by Moody’s Analytics economy.com 9/2020³ RCA.

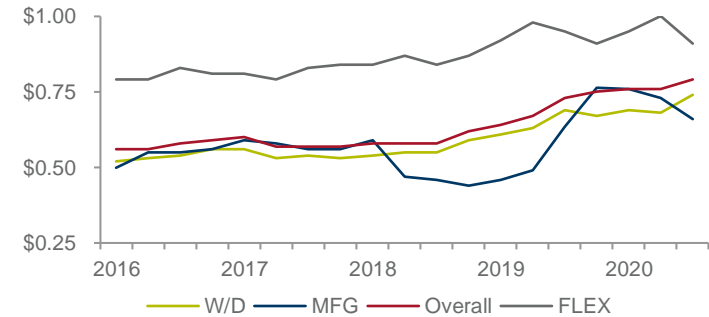
OUTLOOK

- The Las Vegas industrial market continues to outpace all other property types. Despite the pandemic, demand remains impressive for new W/D product. Vacancy is expected to stagnate as large occupiers offset smaller tenant losses.
- As major industrial and technology tenants look to keep up with consumer demands, Las Vegas is bound to benefit. In addition, Las Vegas’ proximity to major ports and key metros in the West as well as lower cost of living are among many benefits Las Vegas offers to occupiers.

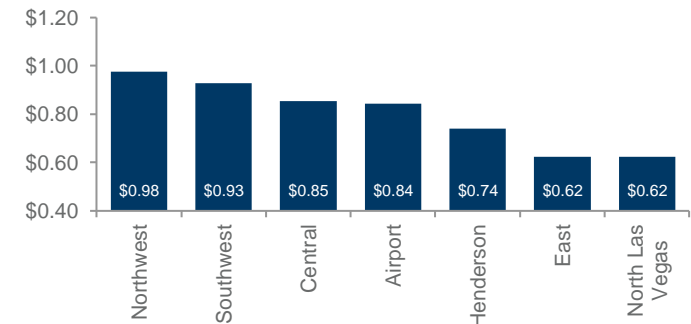
INDUSTRIAL SALES VOLUME IN \$ BILLIONS



MONTHLY AVERAGE RENT, \$PSF TRIPLE NET



MONTHLY AVERAGE RENT, \$PSF TRIPLE NET



MARKETBEAT LAS VEGAS



Industrial Q3 2020

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT*	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL WEIGHTED AVG NET RENT (MFG)
Airport/East	13,363,303	550,702	4.1%	-229,950	-305,691	151,200	30,897	\$0.84	\$0.83	-
Central	7,340,544	186,378	2.5%	-20,859	-62,850	0	0	\$0.85	\$0.87	\$0.65
East	1,269,473	48,341	3.8%	4,253	33,338	0	0	\$0.62	\$0.61	
North Las Vegas	48,100,464	3,604,240	7.5%	350,104	2,431,634	3,537,292	2,391,419	\$0.62	\$0.59	\$0.60
Northwest	872,074	66,735	7.7%	-460	17,200	727,226	0	\$0.98	\$1.05	\$0.97
Southwest	38,438,152	1,511,206	3.9%	-163,292	-49,471	658,391	442,188	\$0.93	\$0.89	\$0.74
Henderson	18,164,299	675,206	3.7%	145,670	918,735	1,235,048	1,230,359	\$0.74	\$0.69	-
FLEX	15,983,694	1,254,816	7.9%	-97,889	90,097	106,349	526,544	\$0.91		
MFG	11,255,408	86,479	0.8%	20,396	-18,259	320,000	0	\$0.66		
W/D	100,309,207	5,301,513	5.3%	162,959	2,911,057	5,882,808	3,568,319	\$0.74		
TOTAL	127,548,309	6,642,808	5.2%	85,466	2,982,895	6,309,157	4,094,863	\$0.79	\$0.74	\$0.66

*Rental rates reflect weighted net asking \$psf/month **Renewals not included in leasing statistics.

FX = Flex MFG = Manufacturing W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q3 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Prologis I-15 Speedway - Bldg. 3	North Las Vegas	FedEx	632,324	New
Golden Triangle Logistics Center - Bldg. 1	North Las Vegas	Whitebox Technologies, Inc.	350,528	New
Speedway Commerce Center III - Bldg. A	North Las Vegas	Lucky Top, Inc.	156,455	Sublease
Las Vegas Corporate Center - Bldg. 18	North Las Vegas	Derse Inc.	133,400	Renewal**
Golden Triangle Industrial Park - Bldg. I	North Las Vegas	LC Industries Inc.	84,260	Renewal**

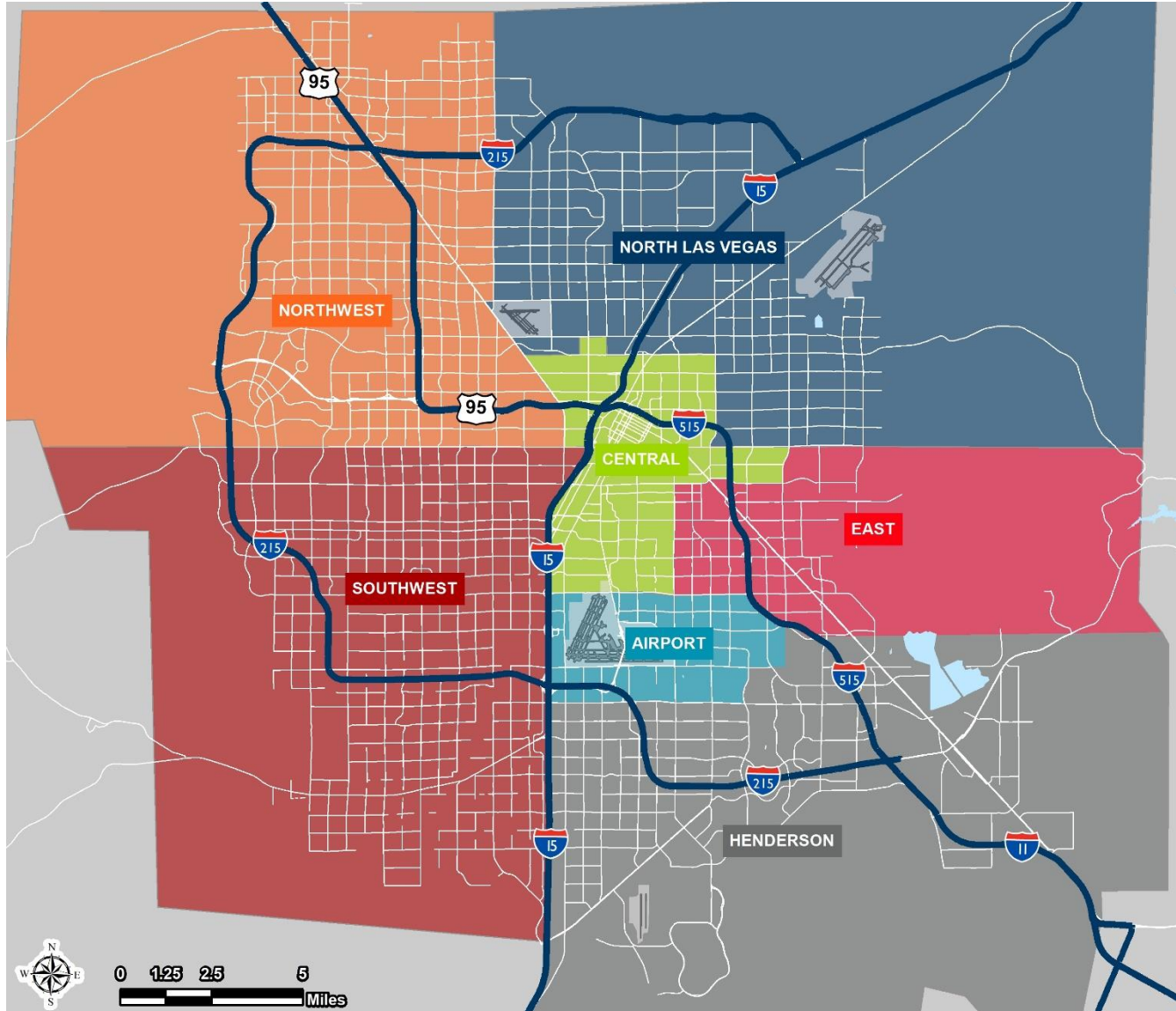
KEY SALES TRANSACTIONS Q3 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
6260 E. Ann Rd.	North Las Vegas	VanTrust Real Estate / DWS Group Americas	715,460	\$88.5M / \$124
4800 E. Tropical Pkwy.	North Las Vegas	VanTrust Real Estate / The Moulton Company	322,560	\$45.2M / \$140
South 15 Airport Center - Bldgs. C & D	North Las Vegas	Panattoni Development Company / Black Creek Group	266,560	\$32.5M / \$122
6405 E. Centennial Pkwy.	North Las Vegas	Panattoni & LaSalle / The Moulton Company	213,818	\$27.2M / \$127
2955 Coleman St.	North Las Vegas	Kim & Barakat Partnership / 2955 Coleman LLC	68,405	\$8.3M / \$121

KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Blue Diamond Interchange Center - Bldgs. 1 & 2	Southwest	Goodwill, Border Concepts, Bimbo Bakeries	229,313	Juliet Properties
8410 Rafael Rivera Way	Southwest	N/A	75,000	Panattoni Development Company

INDUSTRIAL SUBMARKETS



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