



For Immediate Release
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Commercial Rents Lag in the 3rd Quarter

Nevada's Leading Real Estate Economics Firm & Brokerage Firm Say Commercial Rents Have Not Kept Pace with Inflation

LAS VEGAS - With the recent release of their 3rd quarter 2005 speculative commercial market surveys, Las Vegas-based economics consulting firm Restrepo Consulting Group LLC (RCG) and Las Vegas' top commercial brokerage firm Colliers International (CI) announce that average rents in the valley's three commercial markets have remained relatively flat the since the 1st of 2001, despite healthy demand.

After adjusting for inflation, the average monthly office rent in the 3rd quarter of 2005 was \$1.91 per square foot or just below the \$1.93 recorded in the 1st quarter of 2001. The inflation-adjusted industrial average rent in the 3rd quarter was \$.57 compared to the \$.61 recorded in the 1st quarter of 2001. And the inflation-adjusted average retail rent in the 3rd quarter was \$1.51 compared to \$1.47 in the 1st quarter of 2001.

Quarterly Comparisons: Monthly Asking Rents per Square Foot

	Q3, 2005 (Unadjusted)	Q3, 2005 (Inflation Adjusted)	Q1, 2001
Office	\$2.13	\$1.91	\$1.93
Industrial	\$0.64	\$0.57	\$0.61
Retail	\$1.68	\$1.51	\$1.47

The Restrepo/Colliers 3rd quarter data as adjusted by the consumer price index for western urban markets show that developers have been struggling to provide needed commercial space to meet the ever expanding demand generated by Southern Nevada's strong economic and employment growth. This is especially true of industrial developers who have been most impacted by rapidly rising construction and land costs during the last two years.

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Market Highlights:

√	Q1 2001 Office Inventory:	22.5 million square feet
√	Q3 2005 Office Inventory:	30 million square feet
√	Square Feet Added:	8 million square feet
√	% Change:	33%
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√	Q1 2001 Industrial Inventory:	69.5 million square feet
√	Q3 2005 Industrial Inventory:	87 million square feet
√	Square Feet Added:	17.5 million square feet
√	% Change:	25%
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√	Q1 2001 Retail Inventory:	24 million square feet
√	Q3 2005 Retail Inventory:	35 million square feet
√	Square Feet Added:	10 million square feet
√	% Change:	46%
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Commentary:

“While the commercial markets continue to perform well from an absorption standpoint, especially during the 3rd quarter, inflation adjusted rents have stayed relatively flat since the 1st quarter of 2001. This has been largely due to large increases in supply during the last four plus years and the terms of many leases, which are just now starting to “roll over.” “As result, potentially significant rent increases are expected during 2006 as developers attempt to catch up to inflation,” said Restrepo Consulting Group’s, John Restrepo.

“While 2005 has been our best year, since the peak of 2000, the for-lease commercial markets have been plagued by slow rent growth, which has made certain types of new development in certain submarkets, especially on the industrial side, problematic,” said Vic Donovan of Colliers.

“The significant increases in the inventory of for-lease commercial development in the Valley since 2001 are unprecedented. These increases have ranged from 25% to 46% during this nearly five year period. The rapid growth of the local economy and the commensurate population growth have been the two major catalysts, based on the several hundred market and economic indicators that we track monthly, quarterly and annually. The resulting rapid growth in our commercial space inventory has kept rents from rising,” said Restrepo.

“It’s about time that commercial rents start increasing to encouraging additional development and compete us supply-competitive with other cities in the Southwest,” said Donovan. “We can’t afford to lose our competitive edge if we are to maintain a healthy commercial real estate market.”

Restrepo Consulting Group LLC is the most established and prominent Nevada-based urban economics and real estate consulting firm in the state. John Restrepo, principal of the firm, has been providing economics and real estate market research services in Nevada since 1988. RCG provides a broad range of advisory services to a variety of public and private organizations. The firm uses its deep expertise in regional economics, real estate, demographics, information technology and finance to assist its clients. RCG has prepared numerous demographic assessments, highest and best use studies, market analyses and regional economic reports. RCG' other service lines include financial advisory services, strategic planning, public policy analysis and gaming industry consulting. The firm is sought after by many of the Nevada's most prominent companies and public agencies. Restrepo Consulting Group LLC has offices at 3960Howard Hughes Parkway, Suite 130, and can be reached at 702-967-3188. The firm's Web site can be accessed at www.rcg1.com.

Colliers International is one of the largest commercial real estate firms in the world, with 248 offices in 51 countries; \$1.2 billion in annual revenue; and over 660 million square feet under management. In Nevada, Colliers International employs over 50 sales professionals in Las Vegas and Reno and specializes in the leasing and sale of office, industrial, retail and investment properties. Colliers International specializes in the leasing and sale of office, industrial, retail and investment properties. In addition, Colliers International provides a wide range of corporate services, including construction administration, investment analysis, transaction management, research, site analysis, portfolio asset management & property management.

- The firm's other services include the following:
- *Sale, Leasing and Acquisition of Office, Industrial and Retail Properties*
- *Property Research*
- *Investment Analysis, Acquisition and Sale*
- *GIS and Mapping Services*
- *Portfolio Asset Management*
- *Land Analysis, Acquisition and Sales*

With offices at 3960Howard Hughes Parkway, Suite 150, Colliers International can be reached at 702-735-5700. The firm's Web site can be accessed at www.lvcolliers.com .

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