



For Immediate Release
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An Increasingly Healthy Office Market in the 4th Quarter Reports Positive Numbers
*Nevada's Leading Real Estate Economics & Commercial Brokerage Firms Soon to Release
 Quarter4 Office Market Data*

LAS VEGAS - With the upcoming release of their 4th quarter 2005 speculative office market survey, Las Vegas-based advisory firm Restrepo Consulting Group LLC (RCG) and Las Vegas' top commercial brokerage firm Colliers International (CI) announce that 2.5 million square feet of new space were added to the Las Vegas Valley's office market in 2005, of which 560,500 were added in the 4th quarter. The vacancy rate has now declined for four consecutive quarters, from the 12.1% recorded in Q4, 2004, to 8.7% in the Q4, 2005.

Quarterly & Yearly Comparisons

	Q4, 2005	Q3, 2005	Q4, 2004 (one year ago)	Q4, 2003 (two years ago)
Office Inventory (square feet)	30.6 million	30 million	28 million	26 million
Under Construction (square feet)	2.1 million	1.6 million	1.5 million	1.5 million
Planned (square feet)	5 million	4.6 million	3.8 million	2.8 million
Vacancy Rate (square feet)	8.7%	9.3%	12.1%	12.2%
Monthly Average Asking Rent (per square foot)	\$2.20	\$2.13	\$2.02	\$1.91
Net Absorption (SF)	697,000	1.2 million	250,000	100,000

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Along with dramatically improved performance during the 4th quarter, and 2005 in general, RCG and Colliers recorded a strong balance between office demand and supply. Demand (net absorption) during Quarter 4 was a positive 697,000 square feet. The market's incredibly healthy performance in 2005 is supported by the fact that the absorption-to-completion ratio was 1.3 feet of demand for each foot of new supply.

Valley-wide monthly average asking rents for office space were \$2.20 per square foot (calculated on a full service gross basis – or accounting for all operating expenses), compared to the average rent of \$2.02 per square foot in Q4, 2004. By the end of the 4th quarter, there were 2.1 million square feet of office space under construction and 5 million square feet of planned space, mostly concentrated in the Southwest, Northwest and Henderson submarkets.

Q4' 2005 Market Highlights:

- √ Lowest vacancy rate: Class B space (7.5%)
- √ Highest vacancy rate: Medical space (9.7%)
- √ Significant completions occurred in the Southwest (176,840 sf), the Northwest (165,679 sf) and Airport (134,000) submarkets
- √ Average monthly asking rents have generally increased since Q3, 2003 (\$1.85), reaching \$2.20 psf in Q4, 2005
- √ Tenant improvement allowances remain in the \$30-\$35 per square foot range, while concessions are definitely tightening
- √ The top three submarkets reporting lowest average vacancy rates: West Central (3.6 %), the Northwest (6%), and East Las Vegas (7%)
- √ Submarkets recording the three highest average vacancy rates: Downtown (14.2 %), Southwest (14.3 %) and North Las Vegas (21.8 %)

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Commentary:

“The valley’s office vacancy rate decreased by 3.5 percentage points from a year-ago, a significant drop,” said John Restrepo, Principal of RCG. Restrepo noted that the North Las Vegas, Southwest and Airport submarkets received much of this demand, accounting for 80 percent of net absorption in 2005.

According to Vic Donovan, Managing Partner of Colliers, “2005 has been our best year since the peak of 2000. The for-rent office market continues to improve dramatically as evidenced by the declining vacancy rate and rising average lease rates since the third quarter of 2003.”

“The continuing trend of office development along the Valley’s freeways, especially in Green Valley, the Southwest and the Northwest continues unabated,” said Restrepo. The rapid growth of the population and residential development in these areas has been one of the major catalysts. “Office development like retail development follows rooftops. Office users want to work near where they live and that’s why we are seeing office development focused in our major residential areas. However, the older markets like the West Central (3.6%) and East Las Vegas (7%) have been performing a lot better and are seeing vacancy rates lower than the valley average. We are about to see a major wave of repositioning of office projects in these older submarkets”, said Restrepo.

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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's 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 3960 Howard 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 the largest commercial real estate firm in Nevada with more than \$ 1.385 billion in lease and sale transactions in 2004. *Colliers International* has an elite team of the most knowledgeable commercial real estate brokers in Southern Nevada. *Colliers International* employs over 65 sales professionals in Las Vegas and Reno, and 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*
- *Construction Administration*
- *GIS and Mapping Services*
- *Portfolio Asset Management*
- *Investment Analysis, Acquisition and Sales*
- *Property Research*
- *Land Analysis, Acquisition and Sales*

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

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