



For Immediate Release
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Retail Market Picking Up Steam

Nevada's Leading Real Estate Economics and Brokerage Firms Notes a Healthy 4th Quarter 2005 Performance

LAS VEGAS - With the upcoming release of their 4th quarter 2005 retail market survey, Las Vegas-based advisory firm Restrepo Consulting Group LLC (RCG) and commercial brokerage firm Colliers International (CI) noted that the Las Vegas Valley for-lease anchored retail market grew by nearly 734,000 square feet in 2005, to a total of 35.4 million square feet. This represents an increase of 2%, and is less than 2004's completions of 1.5 million square feet. That said, the amount of retail space under-construction and planned to begin construction within the next 12 months increased considerably in 2005 to 5.7 million square feet, from 3.8 million square feet at year-end 2004. Most of this space is located in the North Las Vegas and Northwest submarkets.

Compared to a year ago, vacancy declined by two percentage points, from 5.1% in Q4'2005. Vacant space in the Q4' 2005 totaled 1.1 million square feet, reflecting a vacancy rate of 3.1%. RCG and Colliers International note that the retail market recorded a healthy demand-supply balance in 2005, with 1.9 feet of demand (net absorption) for every foot of new retail space added. Demand during the 4th quarter was a positive 373,000 square feet.

Quarterly & Yearly Comparisons

	Q4, 2005	Q3, 2005 (Previous quarter)	Q4, 2004 (Same quarter - previous year)	Q4, 2003 (Same quarter – two years previous)
Retail Inventory (SF)	35.4 million	35.1 million	34.6 million	33.1 million
Under Construction (SF)	1.3 million	831,500	554, 000	1.1 million
Planned (SF)	4.4 million	3.4 million	3.2 million	2.7 million
Vacancy Rate	3.1%	3.5%	5.1%	4.1%
Asking Rent (MO/SF)	\$1.57	\$1.68	\$1.66	\$1.67
Net Absorption (SF)	373,000	546,000	255,000	238,000

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The 4th quarter ended with an average monthly asking rent of \$1.57 per square foot (calculated on a NNN basis – or not accounting for any operating expenses), down by 7% compared to the \$1.68 per square foot last quarter. Strong net absorption during the 4th quarter resulted in a lower vacancy rate, because of the relatively low quality space that remains vacant in the market (the vacancy rate is computed on the remaining vacant space in each building, not on the total size of the building).

Q4' 2005 Market Highlights:

- √ Lowest vacancy rate: Power Center space (2.1%)
- √ Highest vacancy rate: Neighborhood Center space (4.4%)
- √ Completions only occurred in North Las Vegas (130,000 square feet) and the Southwest (114,340) submarkets
- √ Average monthly asking rents ranged \$1.60 and \$1.70 during the last several quarters, until this quarter with an asking rent of \$1.57 psf
- √ Submarkets reporting lower-than-average vacancy rates: North Las Vegas (0.6%), the Northwest (2.5%) and the Southwest (2.3%)
- √ Submarkets reporting higher-than-average vacancy rates: West Central (3.3%), University East (3.9%), the Northeast (5%) and Downtown (6.9%)

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Commentary:

“The overall anchored spec retail vacancy rate declined to 3.1% from the 2004 fourth quarter’s 5.1%, making it the lowest in 11 quarters,” said John Restrepo, Principal of RCG. The valley is still seeing strong economic and population growth, but we are in a supply-constrained situation. The most supply-constrained submarkets were Henderson (3.1%), the Southwest (2.3%) and the Northwest (2.5%).

“While current vacancy remains above 2000, our best year, the Valley’s anchored spec retail market has a vacancy rate that effectively equals fully occupancy. Accordingly, we expect rents to continue to rise in 2006 as we saw in 2005,” said Vic Donovan, Managing Partner of Colliers International.

“The trend of retail development along the Valley’s freeways and in our suburban population centers, especially in Green Valley, North Las Vegas, the Southwest and the Northwest continues,” said Restrepo. “The ‘new’ trend is an emerging interest in redevelopment and infill development by a growing number of niche players” noted 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' 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 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 3960Howard 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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