



For Immediate Release
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Industrial Property Market Hits an All-Time Low Vacancy in the 4th Quarter
*Nevada's Leading Real Estate Economics & Brokerage Firms Soon to Release
 Quarter 4 Industrial Market Results*

LAS VEGAS - With the upcoming release of their 4th quarter 2005 for-lease industrial market survey, Las Vegas-based advisory firm Restrepo Consulting Group LLC (RCG) and Las Vegas' top commercial brokerage firm Colliers International (CI) noted that 3.9 million square feet of industrial space was added to the Valley's industrial market in 2005, bringing the total inventory to 88.4 million square feet in 3,505 buildings. In the 4th quarter, alone, the market added nearly 1.2 million square feet. Vacant space in the 4th quarter totaled 4.1 million square feet, resulting in a vacancy rate of 4.7%, the lowest recorded since RCG and CI began tracking industrial activity in 1999.

Quarterly & Yearly Comparisons

| | Q4, 2005 | Q3, 2005 | Q4, 2004 (one year ago) | Q4, 2003 (two years ago) |
|-----------------------------------------------|-----------------|-----------------|------------------------------------|-------------------------------------|
| Industrial Inventory (square feet) | 87.5 million | 87.2 million | 84.5 million | 80.7 million |
| Under Construction (square feet) | 4.6 million | 3.6 million | 2.8 million | 2 million |
| Planned (square feet) | 3.7 million | 3.7 million | 4.6 million | 4 million |
| Vacancy Rate | 4.2% | 5.1% | 7.8% | 10.1% |
| Monthly Average Asking Rent (per square foot) | \$0.67 | \$0.64 | \$0.57 | \$0.56 |
| Direct Net Absorption (square feet) | 1.9 million | 724,000 | 1.5 million | 336,000 |

The market's incredibly healthy performance in 2005 is supported by the fact that the absorption-to-completion ratio was 1.8 feet of demand for each foot of new supply. The lack of industrial product resulted in a decline in vacancy (from 7.8% in Q4, 2004 to 4.2% in Q4, 2005) and moderate

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increases in the average lease rate. Valley-wide monthly average asking rates were \$0.67 per square foot - (calculated on a NNN basis – or not accounting for any operating expenses) in the 4th quarter compared to the average rent of \$0.57 per square foot in the 4th quarter of 2004.

Demand (net absorption) during the 4th quarter was 1.9 million square feet. There were nearly 4.6 million square feet of industrial space under construction and almost 3.7 million square feet of planned space, suggesting a very active market in 2006.

Q4' 2005 Market Highlights:

- √ Lowest vacancy rate: Incubator space (3.3%)
- √ Highest vacancy rate: R&D/Flex space (8.7%)
- √ Average asking rents have consistently increased in the last five quarters and reached \$0.67 psf in Q4, 2005
- √ The Submarkets reporting average vacancy rates lower than the Valley average: West Central (2.3%), Southwest (3.3%) and Airport (3.9%)
- √ Submarkets recording higher-than-average vacancy rates: East Las Vegas (8.1%), Henderson and North Las Vegas (4.8% each) and the Northwest (22.6%)

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Commentary:

“The valley’s industrial market reached a vacancy low of 4.2%,” said John Restrepo, Principal of RCG. Restrepo noted a significant loss of available land for industrial development and continued employment growth as the two major causes of this drop. The supply market is becoming increasingly “supply-constrained.” This could impede our economic diversification efforts.”

“The demand for industrial space has continued grow to the point that our inventory of available product is declining to critical levels, but fortunately we a little over 8 million square feet of forward supply, nearly all in the North Las Vegas and the Southwest. However, a declining spec vacancy rate is putting upward pressure on rents,” said Vic Donovan, Managing Partner of Colliers.

“The focus of industrial demand in certain submarkets, the Southwest and North Las Vegas continues unabated,” said Restrepo. This is being driven by their location along the 215 Beltway and I-15-North, respectively, a growing economy largely driven by very healthy resort and construction industries,” noted Restrepo.

“While the spec industrial market remains strong, we are definitely monitoring the amount of investment in the for-sale industrial market and rapid land costs, because of their potential impacts to our for-lease market,” added Donovan.

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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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