



For Immediate Release
July 19, 2006

Contact: John Restrepo
Restrepo Consulting Group LLC
(702) 967-3188

Contact: Vic Donovan
Colliers International
(702) 735-5700

Valley Retail Market Receives Some Very Needed Space

*Nevada's Leading Real Estate Economics & Commercial Brokerage Firms Soon to Release
Quarter 2 Retail Market Results*

LAS VEGAS - With the upcoming release of their 2nd quarter 2006 retail market survey, Las Vegas-based advisory firm Restrepo Consulting Group LLC (RCG) and commercial brokerage firm Colliers International (CI) noted that some of the anchored retail space the Las Vegas Valley desperately needed was delivered. Completions totaled 264,070 square feet, up from Q1, 2006 which saw no completions. Inventory now stands at 35.5 million sf. Forward supply, the amount of retail space under-construction and planned to begin construction within the next 12 months, reached a substantial 6.6 million sf, up by 40% from the 4.6 million sf recorded in Q2, 2005. Most of this forward supply space was located in the North Las Vegas and Southwest submarkets.

Absorption increased during the 2nd quarter to 247,200 square feet, compared to the 44,200 sf absorbed in Q1, 2006 and 133,431 sf in Q2, 2005. This absorption resulted in an absorption-to-completion ratio of .94:1. The new retail space added in the 2nd quarter drove stronger absorption. Using the last four quarters' average quarterly absorption, there is only enough available retail space in the Valley to last just over three quarters, assuming no new supply is added or existing space is vacated. However, adding all forward supply (6.6 million sf) would represent an absorption period of 25 quarters, or 6.25 years, a number that should be monitored closely.

Vacant space in the 2nd quarter totaled 1 million square feet, reflecting a vacancy rate of 2.9%, just one point above the Q1, 2006 vacancy of 2.8%. Compared to Q2, 2005, vacancy dropped by about two percentage points, from 4.9%. The current vacancy rate is still lower than any rate recorded during 2005, which saw a low of 3.0% in Q4, 2005.

-Continued-

Quarterly & Yearly Comparisons

	Q2, 2006	Q1, 2006	Q2, 2005	Q2, 2004
Retail Inventory (SF)	35.5 Million	35.3 Million	35 Million	33.5 Million
Under Construction (SF)	1.9 Million	1.3 Million	114, 300	1.6 Million
Planned	4.7 Million	4.4 Million	4.6 Million	2.2 Million
Vacancy Rate	2.9%	2.8%	4.9%	4.7%
Asking Rent (MO/SF)	\$ 1.60	\$ 1.53	\$ 1.69	\$ 1.56
Net Absorption (SF)	247,200	44,200	133,400	1,500

The 2nd quarter ended with an average monthly asking rent of \$1.60 per-square-foot (psf-calculated on a NNN basis – or not accounting for any operating expenses), compared to the \$1.53 psf recorded last quarter. The 2nd quarter asking rent is still lower than any rate recorded in 2005 because of a lack of quality space rather than weak demand.

Q2, 2006 Market Highlights:

- √ Lowest vacancy rate: Power Centers (1.4%)
- √ Highest vacancy rate: Neighborhood Centers (4.0%)
- √ Completions: 264,070 sf
- √ Average monthly asking rent: \$1.60 psf
- √ Submarkets reporting lower-than-average vacancy rates: North Las Vegas (.6%), Northwest (1.6%) and the Southwest (2.3%)
- √ Submarkets reporting higher-than-average vacancy rates: Downtown (5.9%), University East (4.1%) and Northeast (3.9%)

-Continued-

Commentary:

“The overall anchored spec retail vacancy rate remained low at 2.9%, compared to the 4.9% of the 2nd quarter 2005.” said John Restrepo, Principal of RCG. The valley is seeing such strong economic and population growth that we continue to have a severely supply-constrained retail market. The retail market, along with our industrial market, are so constrained that they could hamper the entrance of new retailers into the market as well as retail expansions through 2006. The most supply-constrained submarkets were North Las Vegas (.6%), Northwest (1.6%) and the Southwest (2.3%).

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

According to Restrepo, “The 6.6 million square feet of forward supply, if all built, will go a long way in relieving the significant demand pressures that the Valley’s retail market has been experiencing in the last several years.”

-Continued-

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.

###
