

LAS VEGAS QUARTERLY

Q409



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Glossary

Industrial Definitions

Incubator: Multi-tenant buildings without dock-high loading doors that have a parking ratio lower than 3.5/1,000 square feet and bay sizes lower than 3,500 square feet.

Light Distribution: Multi- or single-tenant buildings that include dock-high loading doors and have bay sizes of less than 15,000 square feet.

Light Industrial: Multi- or single-tenant buildings without dock-high loading doors that have a parking ratio lower than 3.5/1,000 square feet and, in the case of multi-tenant buildings, bay sizes of at least 3,500 square feet.

R&D/Flex: Multi- or single-tenant buildings without dock-high loading doors with parking ratios in excess of 3.5/1,000 square feet.

Warehouse/Distribution: Multi- or single-tenant buildings that include dock-high loading doors and have bay sizes of at least 15,000 square feet.

Office Definitions

Class A Office: Buildings with steel frame construction, high end exterior finish, distinctive lobbies featuring upgraded finishes, amenities including on-site security, state-of-the-art communications and data infrastructure and covered parking. Class A buildings are usually multi-story.

Class B Office: Buildings of steel frame, reinforced concrete or concrete tilt-up construction. Class B buildings contain common bathrooms and hallways, and their lobbies may have granite and hardwood detailing. Class B buildings are often multi-story.

Class C Office: Buildings of wood frame construction. Class C buildings are often garden-style and are built around courtyards.

Medical Office: Buildings that are more than 50% occupied by medical tenants.

Retail Definitions

Community Center: Retail centers anchored by supermarkets, drug stores and discount department stores. Tenants include off-price retailers selling apparel, home improvements/furnishings, toys, electronics or sporting goods.

Neighborhood Center: Retail centers anchored by supermarkets and drug stores. Neighborhood centers are intended for convenience shopping for day-to-day needs of consumers.

Power Center: Retail centers dominated by several large anchors including discount department stores, off-price stores, warehouse clubs or "category killers". Power centers generally inline space.

General Definitions

Vacant SF: Space in a building that is unoccupied and offered for lease by the owner of the company.

Sublease SF: Space in a building that offered for sub-lease by the primary tenant. This space may or may not be unoccupied.

Net Absorption: The difference in occupied square footage from one period to another. ❖



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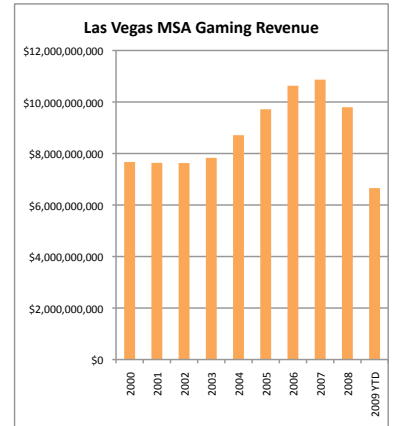
Economic Review

Economists seem to agree that the “Great Recession” that began in 2007 has ended in 2009. The United States posted positive GDP growth in the third quarter of 2.8 percent on an annualized basis. Leading indicators in Southern Nevada, however, suggest that the recession here is not over. Job losses continue and both gaming revenue and taxable sales are down year-over-year. The construction industry is still very weak and shedding jobs. More importantly, Clark County seems likely to post a drop in population in 2009 after several decades of fairly steady population growth.

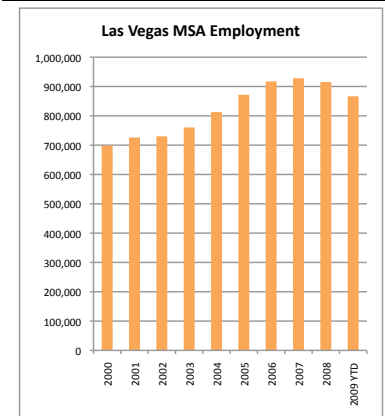
Southern Nevada continued to shed jobs into the fourth quarter of 2009. The unemployment rate dropped to 12.1 percent in November 2009, down from 13 percent in October 2009. The drop was due to a shrinking labor force rather than job creation. Year-over-year employment growth in sectors that impact commercial real estate was generally negative, the exceptions being the Health Care & Social Assistance sector, which added 1,400 jobs, and the Transportation & Warehousing sector, which added 800 jobs. The Construction and Retail sectors were hit the hardest in 2009, losing 18,900 and 9,300 jobs respectively. UNLV's Center for Business and Economic Research is forecasting continued job losses of 5.2 percent in 2010, with some easing by the end of that year, and modest 0.5 percent growth in 2011. The lack of new jobs in Southern Nevada will continue to negatively impact population growth, as people leave Southern Nevada to look for work elsewhere. This, in turn, will keep the construction industry in a depression. This is especially bad news for Southern Nevada, for whom construction was one of its two major industries.

Southern Nevada's other major industry, Hospitality & Leisure, also has a rocky road ahead of it. Over the past year, visitor volume has increased, spurred primarily by deep discounts at Las Vegas hotels. This, in turn, has depressed gaming revenue, which continued its downward trend in October 2009.

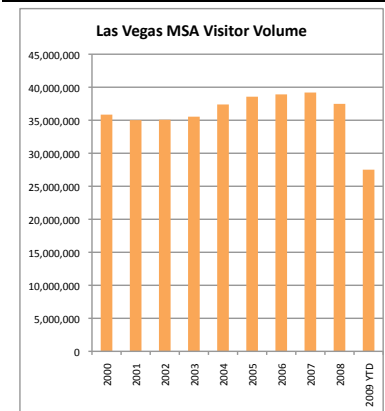
LAS VEGAS MSA GAMING REV



LAS VEGAS MSA EMPLOYMENT



LAS VEGAS MSA VISITOR VOLUME





Many are hoping that the opening of MGM Mirage's CityCenter in December will be the Christmas miracle Southern Nevada needs to jumpstart its economy. Unfortunately, in the same month that CityCenter is bringing 5,891 new hotel rooms on the market, two hotels, Binion's Horseshoe and the Sahara have announced that they are temporarily closing hotel towers due to a lack of demand. In total, 8,627 new hotel rooms were completed in 2009, with another 3,993 under construction and slated for completion in 2010. Only one project, a 107-room Marriott Courtyard located at Tropicana and I-215, is slated to be completed in 2011.

Investment sales in Southern Nevada continue to be few and far between, although we have seen a definite increase in short sales. Because of the lack of sales comparables, most owners and agents are forced to price properties based on the asking prices of available properties. There remains a gap in expectations between buyers and sellers. Appraisers are still valuing properties based on stabilized vacancies rather than current market values. Sellers and lenders who are seeing the light and pricing their properties reasonably are seeing interest in their offerings increase. Cap rates are likely to increase another 100 basis points in 2010, making potential investors reluctant to jump into the market now. Foreclosures and short sales will continue to dominate the landscape in the year to come.

The amount of distressed commercial real estate in Southern Nevada continued to increase in the fourth quarter of 2009. We are tracking 5.8-million square feet of distressed industrial, office and retail property in Southern Nevada, up from 4 million last quarter. Approximately 42 percent of this space is office product, 46 percent retail and 12 percent industrial. The largest quarter-over-quarter increase was in industrial space, and specifically the small, freestanding buildings that were so popular with developers in 2007 and 2008. Distressed industrial space jumped from only 67,000 square feet in the third quarter of 2009 to 667,000 square feet in the fourth quarter

of 2009. Other large increases were in Class A office, Medical office, retail Power Centers and retail Community Centers. The specter of strategic defaults on commercial real estate now looms over banks, with Morgan Stanley announcing that it is turning five office towers in San Francisco over to its lenders. None of these properties were distressed, but they were worth less than Morgan Stanley was paying for them.

According to the FDIC website, 133 banks failed so far in 2009. This is a steep increase over 2008, when 26 banks were taken over by the FDIC. Of those banks that failed in 2009, only two were located in Southern Nevada. Nationally, banks that failed this year had combined assets of \$131.5 billion. This is down from last year, when banks with combined assets of \$373.6 billion were taken over by the FDIC. Most of those assets in 2008 were held by a single company, Washington Mutual. Compared to the S&L crises of the 1980's, we are seeing the failure of fewer banks holding more assets. In an interview on CNBC, FDIC chairwoman Sheila Blair predicted more bank failures in 2010 than in 2009, a clear indication that the healing needed in the country's financial sector is not in the near future. There are estimates that we will see anywhere from 380 to 400 bank failures in 2010. On the bright side, Bank of America, Citygroup and Wells Fargo have or will soon pay off their government debt and exit the TARP program.

CLARK COUNTY ECONOMIC DATA

	Oct-09	Oct-08
Unemployment Rate	13.0%	7.7%
Visitor Volume*	3,350,862	3,230,992
Gaming Revenue*	\$774.06M	\$853.51M
Taxable Sales YTD*	\$6.810B	\$8.645B
Residential Permits	357	329
New Home Sales	441	798
Existing Home Sales	4,254	3,140
* June 2009 / June 2008		



Metrics for Recovery

All three of the major metrics we have established for Southern Nevada's economic recovery are still falling and will likely continue to fall through most of 2010. Gaming revenue and employment were down in 2009 and are forecasted by UNLV's Center for Business and Economic Research to be down in 2010, with modest recovery in 2011.

Looking Ahead

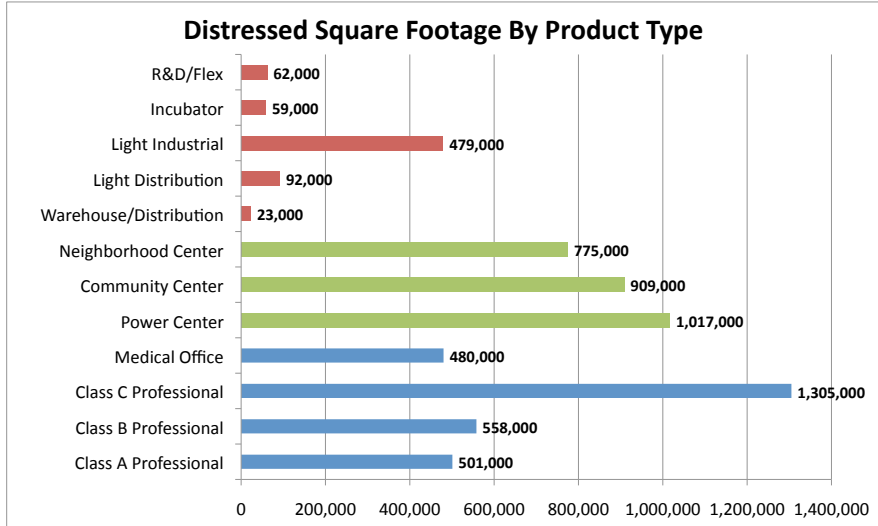
For years, Southern Nevada has had two major industries, hospitality and construction. For most of the 2000's, these industries were booming. In 2007, things changed dramatically. The housing bubble that was feeding growth in Southern Nevada burst, inflicting massive losses in construction employment. At the same time, millions of people across the world experienced a significant decline in wealth and income, creating significant challenges for Southern Nevada's second major industry, hospitality. If people are overleveraged and/or unemployed, a trip to Las Vegas is not on the top of their priorities. Over the past two years, we have seen visitor volume decline and gaming revenue decline to levels not seen in over a decade. The decline in employment and wages in Southern Nevada's two main industries has, of course, been felt in virtually all sectors of the economy. The end of 2009 finds the local economy down, but not out. While many of those downward trends

discussed above will continue into 2011, by most standards they will be less severe. Rather than entering a death spiral, Southern Nevada's economy is probably going to level off in 2011. Of course, to a city that has become used to astounding growth, year after year, this leveling might very well feel like a death spiral. There is no doubt that Southern Nevada faces major obstacles in the years to come, not the least of which being a surplus of hotel rooms, single-family dwellings and commercial real estate. The very cure for these surpluses, a lack of new construction projects, will leave Southern Nevada with but a single major industry to lift it out of recession, hospitality. This will mean a very slow climb back to prosperity, yet we feel confident that recovery will come. Southern Nevada still has a business friendly environment, its homes are becoming more affordable, and a 17-month recession can only increase people's desire to visit the most fun city on planet Earth. Economic recovery may not come quickly to Southern Nevada, but it will come (and maybe see a couple shows and visit a buffet while it's here).

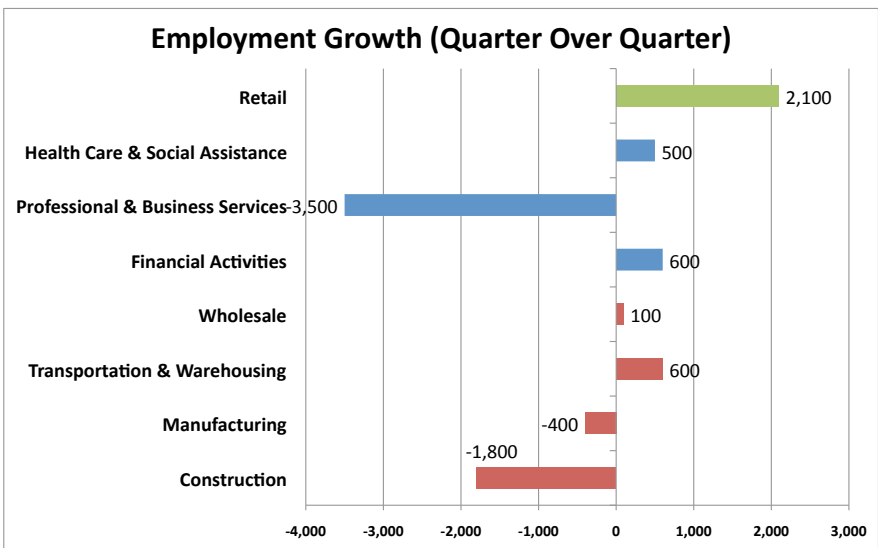




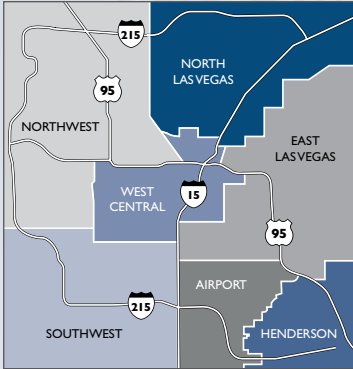
DISTRESSED SQUARE FOOTAGE BY PRODUCT TYPE



EMPLOYMENT GROWTH (QUARTER OVER QUARTER)



LAS VEGAS QUARTERLY



MARKET INDICATORS

	Q4-09	Q1-2010 Projected
VACANCY	↑	↑
NET ABSORPTION	↑	↑
CONSTRUCTION	↑	↓
RENTAL RATE	↓	↓

Industrial Review

Southern Nevada's industrial market, which seemed to be bottoming out in 2010, took a slight detour in the fourth quarter of 2009. Industrial vacancy stood at 14.5 percent, a 1.1-point increase from last quarter and a 4.2-point increase from the fourth quarter of 2008. Year-over-year comparisons of industrial vacancy, which had been trending downward since the third quarter of 2008, increased this quarter. This does not necessarily mean that recovery is not forthcoming; a similar spike in year-over-year vacancy change occurred in third quarter of 2003, when the industrial market was heading toward recovery after the 2001 mini-recession. Net absorption in the fourth quarter of 2009 was -815,284, better than last quarter, but significantly worse than one year ago when the industrial market absorbed almost 42,000 square feet. Net absorption has now been negative for four quarters, and stood at -3,042,288 square feet for all of 2009. The weighted average asking lease rate dropped to \$0.61 per

square foot on a triple-net basis. New completions were up this quarter, at 495,529 square feet, and almost identical to one year ago. Gross absorption was 2.98-million square feet this quarter, up from the low of 1.68-million square feet recorded in the fourth quarter of 2008.

Between November 2008 and November 2009, Las Vegas-Paradise MSA employment in sectors that traditionally occupy industrial space declined by over 22,000 jobs. The construction sector alone lost over 20,000 jobs during this period while the transportation & warehousing sector gained 800. Over the past twelve months, only the education & health services sector, increased its employment significantly. Unemployment in the Las Vegas-Paradise MSA stood at 12.1 percent as of November 2009, up from 7.8 percent in November 2008. Unemployment has declined for two months based upon the shrinkage of the total labor market rather than the creation of new jobs.

Forward supply is a combination of space presently under construction in a quarter and space planned to begin construction within the next 4 quarters.

New completions of industrial product amounted to 495,529 square feet in the fourth quarter of 2009, up substantially from the 121,875 square feet completed in the third quarter of 2009 and on-par with the 495,411 square feet completed in the fourth quarter of 2008. The three industrial projects that were completed this quarter were the Freeman Decorating Building, a 420,000 square foot build-to-suit project, the 50,000 square foot Winner Industrial Building and building A at 3255 Pepper Lane, a 25,000 square foot building. There was no known pre-leasing at either of the speculative projects completed this quarter.

Almost 1.7 million square feet of industrial product was completed during 2009. Of this, 72 percent was located in the struggling Southwest submarket. When viewed by product type, Warehouse/Distribution accounted for 40 percent of all completed projects, Light Industrial for 28 percent, Light Distribution for 25 percent and R&D/Flex for 6 percent. No new Incubator projects were completed in 2009. Industrial projects completed in 2009 were still 64.2 percent vacant as of this quarter. By comparison, projects completed in 2005 were only 10.9 percent complete by the end of that year. With numbers like these, it is no great leap to imagine that for the foreseeable future speculative industrial projects will have to be significantly pre-leased before they can begin construction in Southern Nevada.

Forward supply of industrial space in the Valley stood at only 370,608 square feet in the fourth quarter of 2009. This was a decrease of 578,251 square feet from last quarter. In a major change from the norm, almost half of this forward supply was in Light Industrial projects. For the past decade, Warehouse/Distribution projects have dominated forward supply. In another departure from the past, the Southwest and North Las Vegas submarkets had only 39 percent of this forward supply space, the remainder being in the Airport submarket. All of the forward supply space was under construction. This suggests that new completions will be extraordinarily low in 2010, giving demand some desperately needed time to catch up to supply.

Since the second quarter of 2008, almost 4.5 million square feet of industrial product has been returned

to the market. Over the same period, 4 million square feet of new industrial product has been constructed. To put this recent performance in context, over 26 million square feet of industrial product was absorbed (net) from 2002 to 2007, a period during which 26.9 million square feet of industrial space was completed. To look at it from another perspective, the last two years (2008-2009) of negative net absorption have reversed the positive net absorption recorded in 2007. By almost any measure, the tremendous gains experienced by Southern Nevada's industrial market during the past decade have only been scratched by the "Great Recession". Only one submarket, East Las Vegas, showed positive net absorption for the year, with the highest negative net absorptions being in the North Las Vegas (-1,035,922 square feet) and Southwest (-1,006,692 square feet) submarkets. The North Las Vegas and Southwest submarkets have received the lion's share of new industrial construction over the past decade.

Industrial vacancy increased to 14.5 percent this quarter, a 1.1 point increase from one quarter ago and a 4.2 point increase from one year ago. Industrial vacancy has been on the rise since the second quarter of 2006, when it was at a low of 3.1 percent. The Northwest submarket continued to have the Valley's highest vacancy rate at 26.7 percent. The Valley's lowest vacancy rate, 4.9 percent, continued to be in the East Las Vegas submarket. Vacancy increased in the Airport, North Las Vegas, Northwest, Southwest and West Central submarkets, and decreased in the East Las Vegas and Henderson submarkets. The largest increase was experienced in the Airport submarket.

The change in industrial vacancy on a year-over-year basis was 4.3 points this quarter, higher than the 3.5 point increase in the third quarter of 2009. While a spike like this is not welcome news, it does not necessarily suggest that the industrial market is entering a decline within the decline. Gross absorption continued to rise in the fourth quarter of 2009, indicating that demand for industrial space

MARKET SNAPSHOT

	Q4-09	Q3-09	Q4-08	Q-O-Q Change	Y-O-Y Change
Vacancy Rate	14.5%	13.4%	10.3%	+ 8.2%	+ 40.8%
Asking Rent (PSF, NNN)	\$0.61	\$0.66	\$0.76	- 8.7%	- 20.3%
Net Absorption (SF)	-815,284	-922,370	41,723	+ 13.1%	- 2054.0%
New Completions (SF)	495,529	121,875	495,411	+ 306.6%	+ 0%

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“Southern Nevada’s industrial market, which seemed to be bottoming out in 2010, took a slight detour in the fourth quarter of 2009.”

is recovering. That said, if past recessions are any indication, we should expect to experience year-over-year increases in vacancy through 2010.

The most active businesses taking industrial space during 2009 were involved in food services, transportation, construction, apparel & clothing and manufacturing. 54 percent of all leases signed in 2009 were signed by companies headquartered in Nevada, while 13 percent were with California companies. 27 percent of leases signed in 2009 were with national companies, i.e. companies operating in multiple states and/or internationally. This could be important if recovery in the local economy lags behind national recovery. The average lease term in 2009 was 36 months, and the average effective lease rate was \$0.58 per square foot (psf) on a triple-net basis (NNN).

The weighted average asking lease rate for industrial space decreased this quarter to \$0.61 psf NNN from last quarter’s \$0.66. If adjusted for inflation, the weighted average asking lease rate has decreased by \$0.21 psf since it peaked in the first quarter of 2007. All submarkets except East Las Vegas and Northwest experienced a decrease in their weighted average asking lease rate this quarter. The weighted average asking lease rates dropped in all product types this quarter, with the largest decreases in the Light Distribution, Light Industrial and Incubator product types. The 278 new availabilities that entered the industrial market in the fourth quarter of 2009 had an average asking rental rate of \$0.60 psf NNN, \$0.07 lower than the 385 new availabilities that entered the industrial market during the third quarter of 2009. Of existing availabilities, 21 percent had their asking lease rate decrease this quarter, by an average of \$0.15 psf, while 3 percent showed an increase, by an average

INDUSTRIAL EMPLOYMENT			
	Nov 2009	Nov 2008	Change
Construction	67,700	88,000	-20,300
Manufacturing	23,100	24,800	-1,700
Transportation & Warehousing	35,200	34,400	+800
Wholesale	22,400	23,600	-1,200
TOTAL	148,400	170,800	-22,400

Source: Nevada Department of Employment, Training and Rehabilitation.

of \$0.12 psf. Given current market conditions and the expectation of weak growth moving forward, we still believe the industrial market could be as many as twelve months away from asking rental rates hitting bottom.

The inventory of industrial properties available for owner/user sale increased slightly this quarter to 4,043,706 square feet from 4,034,585 square feet in the third quarter of 2009. One year ago, there was 3,786,706 square feet on the market for owner/user sale. The average asking price for owner/user industrial sales decreased to \$138 per square foot. This is below the average asking price of \$152 per square foot recorded twelve months ago. Most of the available owner/user sale square footage was in the North Las Vegas and Southwest submarkets, with average asking prices of \$131 and \$168 respectively. Prominent owner/user sale availabilities include Milgard Windows Facility in the Henderson submarket (130,000 square feet), the Berlin Industries Building in the Northwest submarket (100,910 square feet), the Decatur Business Center in the Southwest submarket (87,000 square feet) and the Progressive Gaming Facility in the Airport submarket (87,000 square feet).

The inventory of industrial buildings up for sale as investments increased from 944,290 square feet in the

REGIONAL WAREHOUSE / DISTRIBUTION	
Market	Asking Rent (Q3-09)
Las Vegas, NV	\$0.49 psf NNN
Phoenix, AZ	\$0.44 psf NNN
Inland Empire, CA	\$0.34 psf NNN
Reno, NV	\$0.31 psf NNN

fourth quarter of 2008 to 1,185,395 square feet this quarter. The average asking price decreased by \$14 per square foot since the fourth quarter of 2008. Sellers of industrial properties for investment are now quoting an average cap rate of 8 percent, up from the average of 7.3 percent in the fourth quarter of 2008. Prominent investment sale availabilities include Hughes Airport Center Bldg 14 in the Airport submarket (133,000 square feet), Patrick Lane Industrial Park in the Airport submarket (100,000 square feet) and Aabacus Industrial Park in the Southwest submarket (72,000 square feet).

Over the course of 2009, 551,685 square feet of industrial properties sold as investments at an average sales price of \$75 per square foot and an average cap rate of 8.1 percent. Although there were no investment sales in the fourth quarter of 2009, the average cap rate in the third quarter of 2009 was 10.7 percent. Cap rates in the third quarter of 2008 averaged at 7.5 percent. Owner/user sales in 2009 amounted to 606,046 square feet with an average price of \$88 per square foot. This is down from 2008, when a total of 846,011 square feet were sold for an average price of \$151 per square foot.

Warehouse/Distribution product continued to struggle in the fourth quarter of 2009, with net absorption of -508,525 square feet. Net absorption for all of 2009 was -1,201,877 square feet, essentially erasing all of the positive net absorption of 2008 and then some. Four submarkets, East Las Vegas, Henderson, Southwest and West Central, posted positive net absorption this quarter, though only the Northwest submarket managed to post positive net absorption for the year as a whole. The East Las Vegas, Henderson and Southwest submarkets saw an increase in net absorption this quarter over last. Warehouse/Distribution vacancy is now only 1.3 points lower than the high of 11.5 percent vacancy recorded in the first quarter of 2004. The weighted

average asking lease rate for Warehouse/Distribution decreased this quarter by \$0.03 to \$0.47 per square foot NNN. The weighted average asking lease rate for Warehouse/Distribution space in Las Vegas continued to exceed those in nearby competing markets. Nationally, manufacturing output is on the increase, and one of the few industries adding jobs in Southern Nevada is transportation & warehousing. If these trends continue, Warehouse/Distribution may find some respite in 2010.

Light Distribution space posted 11,464 square feet of net absorption. Vacancy now stands at 20.3 percent, a 0.1 point decrease from last quarter, but a 5.2 point increase from one year ago. The average asking lease rate decreased this quarter over last by \$0.07 to \$0.57 psf NNN. Although the performance of Light Distribution space in 2009 is weak, it is actually slightly better than in 2008. Since the beginning of the recession in the last quarter of 2007, over 1 million square feet of Light Distribution product was returned to the market, while another 1.2 million was constructed. Light Distribution space depends more on the Las Vegas "Strip" than other product types. Thus, a recovery of the hospitality and gaming sector should help spur a recovery for the Light Distribution market. The latest news from the hospitality & gaming industry indicates slightly higher visitor volume over the past few months, but revenues still lagging behind.

Light Industrial space has somewhat been the face of Southern Nevada's industrial market troubles in 2009. From 2007 to 2009 a total of 2.85 million square feet of light industrial space was completed. Much of this space was constructed because higher prices for industrial land made freestanding buildings that could be leased and quickly sold an attractive option for developers. Unfortunately, considerably more of this space was built than was demanded; net absorption of Light Industrial space from 2007 to 2009 was -621,652 square feet. Wither

INDUSTRIAL DEVELOPMENT PIPELINE

Project	Type	Submarket	Size	Pre-Leasing	Completion
I 192 Center Point	Light Industrial	Henderson	25,000 SF	BTS	Q1-10
7040 Redwood	Light Industrial	Southwest	50,000 SF	0%	Q1-10
Marnell Air Cargo Center	Warehouse/ Distribution	Airport	79,000 SF	100%	Q3-10
Marnell Air Cargo Center	Light Distribution	Airport	122,000 SF	59%	Q3-10

performance like this, the Light Industrial market represented in a microcosm the disconnect between developers and industrial tenants and buyers that saw completions of industrial space outpace net absorption for 14 straight quarters, beginning in the third quarter of 2006. There are two positive news items to report on Light Industrial space. First, gross absorption of Light Industrial product has recovered from the lows experienced in the fourth quarter of 2008 and first quarter of 2009. Second, completions of new Light Industrial space are winding down. Only 25,000 square feet of Light Industrial was completed this quarter, and only 169,680 square feet is currently under construction, with no space currently planned beyond that. If these things do not change, they will at least make recovery possible in late 2010 or early 2011.

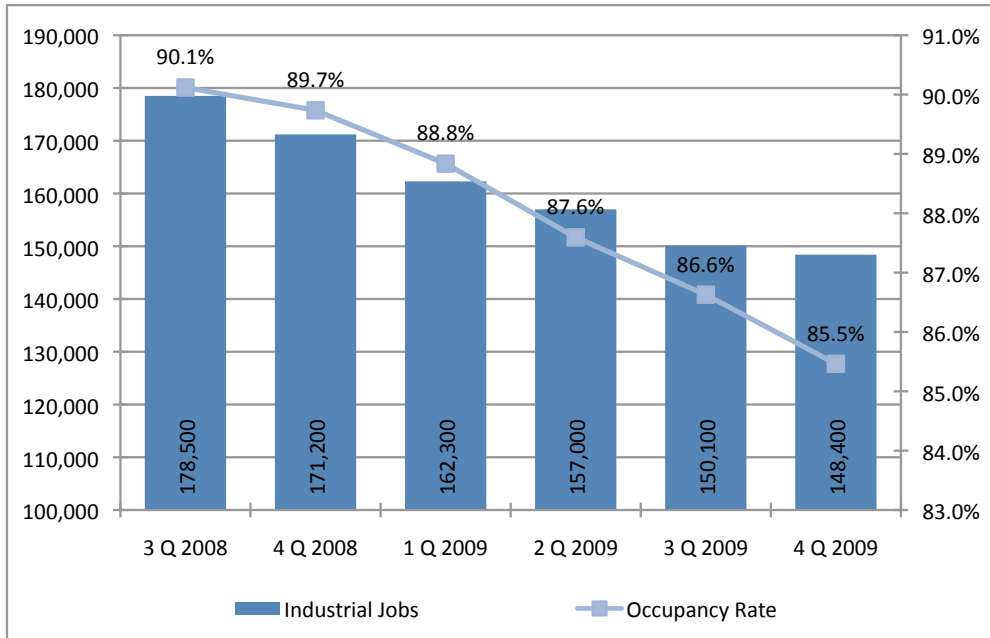
Incubator space can often predict recovery, as it is favored by small start-up businesses. With this in mind, the 37,148 square feet of net absorption of Incubator space should come as good news, although a single quarter of positive net absorption does not make a trend. For 2009 as a whole, net absorption was – 358,479 square feet, better than last year, but still not good. Most importantly, no new Incubator space was constructed in 2009, and none is likely to be constructed in 2010. This gives Incubator a fairly good chance of seeing some recovery in 2010 provided the national and local economies cooperate. There was an indication at the recent “Jobs Summit” in Washington D.C. that tax cuts and easier loans are in works for small businessmen, and this could be good news for the owners of Incubator space.

R&D/Flex space joins Light Distribution and Incubator as the third product type to experience positive net absorption this quarter. More significantly, R&D/Flex had positive net absorption for the

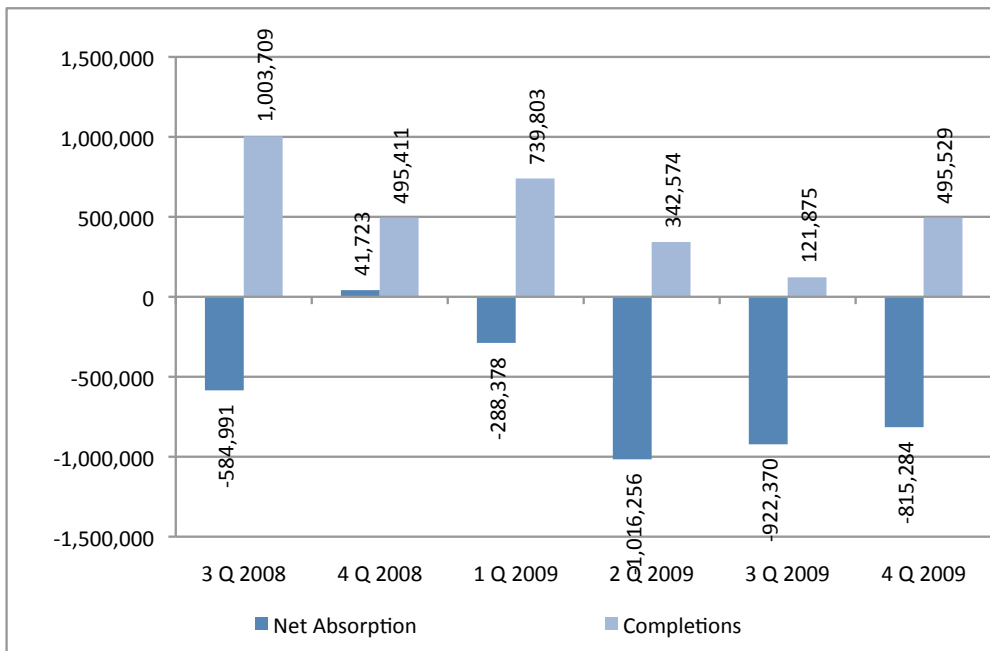
year. R&D/Flex has been the odd-man-out for industrial space over the past few years, consistently turning in weaker absorption and higher vacancy rates than the other product types after a flurry of development in the early part of this decade. Through 2009, though, its low asking rents (compared to office and retail space) and flexible nature has made it more popular, with vacancy decreasing from a high of 28.1 percent last quarter to the current 27.1 percent. A lack of R&D/Flex space that is planned or under construction also brightens its prospects in the coming year.

By any standards, the Southern Nevada industrial market had a bad year in 2009. Net absorption was consistently negative, asking lease rates steadily declined, sales activity was weak and the vacancy rate is now close to 15 percent. Yet even with all of this doom and gloom, there are a few bright spots. Gross absorption is coming back to normal levels and during this quarter three product types managed to pull in positive net absorption. Unfortunately, the serious loss of construction employment that occurred over the past two years has dealt a serious blow to the local industrial market, and a lack of new residential and commercial developments going forward suggests that landlords can expect lower levels of demand than they saw during the past five years. We predict that 2010 will represent a transition period for Southern Nevada’s industrial market, as developers and landlords adjust to the new economic landscape created by the “Great Recession”, i.e. more debt, less consumer spending. If the national economy continues to recover in 2010, demand for industrial space will continue to increase in Southern Nevada. This will bring vacancy increases down gradually, but growth will be slow and uneven and the industrial market may not hit bottom until 2011.

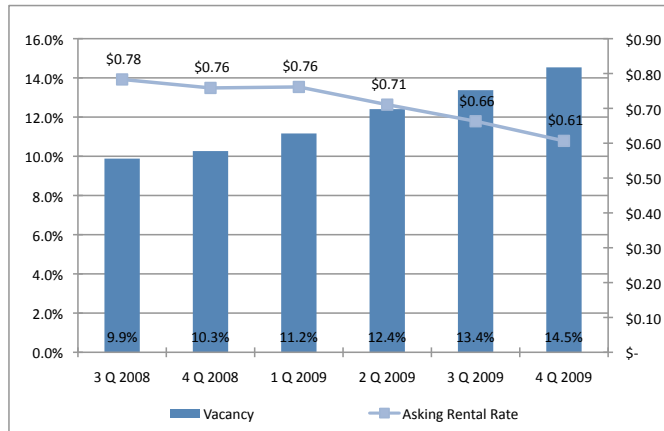
OCCUPANCY VS INDUSTRIAL EMPLOYMENT



HISTORICAL NET ABSORPTION VS COMPLETIONS



VACANCY VS RENTAL RATE



INDUSTRIAL SALES			
	Q4-09	Q3-09	Q4-08
Owner/User			
Space for Sale (sf)	4,043,706	4,034,585	3,786,706
Average Asking Price/SF	\$138	\$148	\$152
Space Sold (sf)	111,896	208,680	123,342
Average Price/SF	\$176	\$55	\$154
Investment			
Space for Sale (sf)	1,185,395	1,164,113	944,290
Average Asking Price/SF	\$135	\$146	\$149
Average Cap Rate	8.0%	7.5%	7.3%
Space Sold (sf)	0	129,867	0
Average Price/SF	n/a	\$68	n/a
Average Cap Rate	n/a	10.7%	n/a

LEASE ACTIVITY

PROPERTY ADDRESS	LEASE DATE	LEASE TERM	SIZE	LEASE RATE	TYPE
Bell Industrial Park	Oct 2009	37 months	38,000 sf	\$0.50 NNN	Warehouse/Distribution
ProLogis Park West One	Oct 2009	65 months	13,500 sf	\$0.52 NNN	Light Distribution
Spencer Bruce Industrial Park	Nov 2009	42 months	10,114 sf	\$0.49 NNN	Light Industrial
Whitney Ranch Business Center East	Oct 2009	36 months	5,400 sf	\$0.47 NNN	Incubator
Discovery Gateway Park	Nov 2009	24 months	5,030 sf	\$0.90 NNN	RandD/Flex

SALES ACTIVITY

PROPERTY ADDRESS	SALES DATE	SALE PRICE	SIZE	PRICE/SF	TYPE
2770 Highland Dr	Oct 2009	\$1,109,000	21,625 sf	\$51.28	Light Industrial
Sunset Business Park	Nov 2009	\$750,000	8,204 sf	\$91.42	Light Industrial
Runway Park	Nov 2009	\$1,050,000	5,000 sf	\$210.00	Light Industrial

INDUSTRIAL MARKET STATISTICS
FOURTH QUARTER 2009

EXISTING PROPERTIES			DIRECT VACANCY		SUBLEASE VACANCY		TOTAL VACANCY			NET ABSORPTION SF		U/C and PROPOSED SF			AVG RENTS
Type	Bldgs	Total Inventory Sq Ft	Sq Ft	Rate	Sq Ft	Rate	Sq Ft	Rate	Vacancy Rate Previous Q	Current Period	YTD	Completed This Qtr Sq Ft	Completed YTD	Under Constr	Rate

SUB MARKETS

AIRPORT SUBMARKET

WH	76	4,667,484	744,288	15.9%	45,700	1.0%	789,988	16.9%	11.1%	(272,194)	(240,010)	-	-	-	78,936	\$0.56
LD	67	2,969,897	614,973	20.7%	42,866	1.4%	657,839	22.2%	20.6%	(34,787)	(305,598)	-	-	-	121,992	\$0.59
LI	199	2,863,889	289,153	10.1%	19,145	0.7%	308,298	10.8%	9.6%	(12,540)	(1,099)	25,200	25,200	-	-	\$0.72
INC	92	1,876,327	287,997	15.3%	7,053	0.4%	295,050	15.7%	17.3%	30,411	(46,311)	-	-	-	-	\$0.69
FLX	66	1,308,181	403,650	30.9%	17,076	1.3%	420,726	32.2%	31.8%	(8,010)	19,833	-	102,694	-	-	\$0.89
TOTAL	500	13,685,778	2,340,061	17.1%	131,840	1.0%	2,471,901	18.1%	15.7%	(297,120)	(573,185)	25,200	127,894	200,928		\$0.66

EAST LAS VEGAS SUBMARKET

WH	24	1,022,855	0	0.0%	0	0.0%	0	0.0%	5.0%	51,022	-	-	-	-	-	\$-
LD	20	352,819	38,916	11.0%	0	0.0%	38,916	11.0%	15.7%	16,516	(12,616)	-	-	-	-	\$0.51
LI	95	1,151,844	39,278	3.4%	6,400	0.6%	45,678	4.0%	3.7%	(2,842)	81,990	-	-	-	-	\$0.36
INC	13	298,623	57,969	19.4%	0	0.0%	57,969	19.4%	20.9%	4,378	14,082	-	-	-	-	\$0.62
FLX	8	142,294	7,942	5.6%	0	0.0%	7,942	5.6%	9.0%	4,820	5,739	-	-	-	-	\$0.65
TOTAL	160	2,968,435	144,105	4.9%	6,400	0.2%	150,505	5.1%	7.6%	73,894	89,195	-	-	-	-	\$0.52

HENDERSON SUBMARKET

WH	75	6,283,356	638,816	10.2%	39,878	0.6%	678,694	10.8%	12.3%	94,380	(55,131)	-	-	-	-	\$0.48
LD	36	1,696,226	432,829	25.5%	13,432	0.8%	446,261	26.3%	27.5%	34,449	8,566	-	-	-	-	\$0.56
LI	320	3,061,474	622,871	20.3%	0	0.0%	622,871	20.3%	19.2%	(34,652)	(146,618)	-	105,055	25,000	-	\$0.74
INC	29	456,976	55,877	12.2%	4,830	1.1%	60,707	13.3%	13.4%	(929)	(22,487)	-	-	-	-	\$0.60
FLX	78	1,275,017	290,483	22.8%	0	0.0%	290,483	22.8%	30.3%	96,046	125,248	-	-	-	-	\$1.01
TOTAL	538	12,773,049	2,040,876	16.0%	58,140	0.5%	2,099,016	16.4%	17.8%	189,294	(90,422)	-	105,055	25,000		\$0.66

NORTH LAS VEGAS SUBMARKET

WH	179	18,664,888	1,854,047	9.9%	274,865	1.5%	2,128,912	11.4%	9.1%	(496,931)	(820,482)	50,000	145,000	-	-	\$0.37
LD	167	4,664,493	975,399	20.9%	32,834	0.7%	1,008,233	21.6%	20.9%	(42,196)	91	-	-	-	-	\$0.46
LI	607	6,873,309	1,301,828	18.9%	24,300	0.4%	1,326,128	19.3%	17.1%	(143,684)	(136,762)	-	90,400	94,680	-	\$0.52
INC	31	562,095	205,265	36.5%	0	0.0%	205,265	36.5%	35.4%	(6,091)	(13,339)	-	-	-	-	\$0.57
FLX	46	780,909	211,191	27.0%	12,846	0.0%	224,037	28.7%	28.8%	6,263	(65,430)	-	-	-	-	\$0.98
TOTAL	1,030	31,545,694	4,547,730	14.4%	344,845	1.1%	4,892,575	15.5%	13.5%	(682,639)	(1,035,922)	50,000	235,400	94,680		\$0.47

NORTHWEST SUBMARKET

WH	5	224,906	132,990	59.1%	0	0.0%	132,990	59.1%	59.1%	-	12,920	-	-	-	-	\$0.49
LD	1	50,000	0	0.0%	0	0.0%	0	0.0%	0.0%	-	-	-	-	-	-	\$-
LI	16	294,396	59,723	20.3%	0	0.0%	59,723	20.3%	13.8%	(19,027)	(23,754)	-	-	-	-	\$1.06
INC	4	99,427	16,578	16.7%	0	0.0%	16,578	16.7%	16.7%	-	(10,688)	-	-	-	-	\$1.10
FLX	55	672,202	149,361	22.2%	0	0.0%	149,361	22.2%	23.9%	(4,478)	(26,806)	-	-	-	-	\$0.98
TOTAL	81	1,340,931	358,652	26.7%	0	0.0%	358,652	26.7%	26.2%	(23,505)	(48,328)	-	-	-	-	\$0.82

SOUTHWEST SUBMARKET

WH	135	12,559,601	1,210,625	9.6%	389,500	3.1%	1,600,125	12.7%	8.5%	95,198	(69,982)	420,329	542,204	-	-	\$0.56
LD	182	6,941,994	1,392,308	20.1%	114,486	1.6%	1,506,794	21.7%	22.0%	50,516	(173,620)	-	429,458	-	-	\$0.64
LI	748	9,151,813	1,445,684	15.8%	14,268	0.2%	1,459,952	16.0%	14.2%	(151,311)	(569,903)	-	259,770	50,000	-	\$0.68
INC	120	2,496,381	383,993	15.4%	8,313	0.3%	392,306	15.7%	16.8%	23,588	(165,049)	-	-	-	-	\$0.69
FLX	101	1,562,662	518,155	33.2%	16,273	1.0%	534,428	34.2%	31.9%	(31,970)	(28,138)	-	-	-	-	\$1.01
TOTAL	1,286	32,712,451	4,950,765	15.1%	542,840	1.7%	5,493,605	16.8%	14.8%	(13,979)	(1,006,692)	420,329	1,231,432	50,000		\$0.68

WEST CENTRAL SUBMARKET

WH	56	1,855,447	56,592	3.1%	0	0.0%	56,592	3.1%	4.1%	20,000	(29,192)	-	-	-	-	\$0.38
LD	41	751,242	81,563	10.9%	16,220	2.2%	97,783	13.0%	11.3%	(13,034)	(60,163)	-	-	-	-	\$0.58
LI	490	6,643,152	653,993	9.8%	16,604	0.2%	670,597	10.1%	9.4%	(53,986)	(158,706)	-	-	-	-	\$0.57
INC	62	2,458,615	338,434	13.8%	0	0.0%	338,434	13.8%	13.2%	(14,209)	(114,687)	-	-	-	-	\$0.69
FLX	12	219,832	34,171	15.5%	0	0.0%	34,171	15.5%	15.5%	-	(14,186)	-	-	-	-	\$0.77
TOTAL	661	11,928,288	1,164,753	9.8%	32,824	0.3%	1,197,577	10.0%	9.6%	(61,229)	(376,934)	-	-	-	-	\$0.60

MARKET TOTAL

WH	550	45,278,537	4,637,358	10.2%	749,943	1.7%	5,387,301	11.9%	9.5%	(508,525)	(1,201,877)	470,329	687,204	78,936	-	\$0.47
LD	514	17,426,671	3,535,988	20.3%	219,838	1.3%	3,755,826	21.6%	21.4%	11,464	(543,340)	-	429,458	121,992	-	\$0.57
LI	2,475	30,039,877	4,412,530	14.7%	80,717	0.3%	4,493,247	15.0%	13.5%	(418,042)	(954,852)	25,200	480,425	169,680	-	\$0.63
INC	351	8,248,444	1,346,113	16.3%	20,196	0.2%	1,366,309	16.6%	17.1%	37,148	(358,479)	-	-	-	-	\$0.67
FLX	366	5,961,097	1,614,953	27.1%	46,195	0.8%	1,661,148	27.9%	29.1%	62,671	16,260	-	102,694	-	-	\$0.97
TOTAL	4,256	106,954,626	15,546,942	14.5%	1,116,889	1.0%	16,663,831	15.6%	14.3%	(815,284)	(3,042,288)	495,529	1,699,781	370,608		\$0.61

QUARTERLY COMPARISON AND TOTALS

Q4-09	4,256	106,954,626	15,546,942	14.5%	1,116,889	1.0%	16,663,831	15.6%	14.3%	(815,284)	(3,042,288)	495,529	1,699,781	370,608	-	\$0.61
Q3-09	4,244	106,459,097	14,236,129	13.4%	945,745	0.9%	15,181,874	14.3%	13.4%	(922,370)	(2,227,004)	121,875	1,204,252	590,229	-	\$0.66
Q2-09	4,210	106,337,222	13,191,884	12.4%	1,028,315	1.0%	14,220,199	13.4%	11.9%	(1,016,256)	(1,304,634)	342,574	1,082,377	712,104	-	\$0.71
Q1-09	4,188	105,994,648	11,833,054	11.2%	744,605	0.7%	12,577,659	11.9%	11.0%	(288,378)	(288,378)	739,803	739,803	643,955	-	\$0.76
Q4-08	4,168	105,254,845	10,804,873	10.3%	775,544	0.7%	11,580,417	11.0%	10.4%	41,723	(227,364)	495,411	4,443,334	1,109,988	-	\$0.76

THE INFORMATION CONTAINED IN THIS REPORT WAS PROVIDED BY SOURCES DEEMED TO BE RELIABLE, HOWEVER, NO GUARANTEE IS MADE AS TO THE ACCURACY OR RELIABILITY AS NEW, CORRECTED OR UPDATED INFORMATION IS OBTAINED, IT IS INCORPORATED INTO BOTH CURRENT AND HISTORICAL DATA, WHICH MAY INVALIDATE COMPARISON TO PREVIOUSLY ISSUED REPORTS.

LAS VEGAS QUARTERLY



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MARKET INDICATORS

	Q4-09	Q1-2010 Projected
VACANCY	↑	↑
NET ABSORPTION	↓	↑
CONSTRUCTION	↓	→
RENTAL RATE	↓	↓

Office Review

The fourth quarter of any year tends to be weak for Southern Nevada's office market, and the fourth quarter of 2009 was no different. Although office leasing activity continued to rise, returns of space to the market in the fourth quarter of 2009 sent net absorption down to -285,218 square feet, a significant decrease from the third quarter's -27,155 square feet of net absorption. Net absorption was also down when compared to the fourth quarter of 2008. Vacancy stood at 22.5 percent this quarter, up 0.7 points from one quarter ago and 3.7 points from one year ago. Asking lease rates continued to slide downward and there were no new completions of office space. On a year-over-year basis, increases in vacancy are lessening.

Employment in sectors traditionally associated with office space contracted for the fifth straight quarter. Between November 2008 and November 2009, a total of 6,900 office jobs were lost, with the largest losses experienced by the professional & business services

sector. The bright spot of office employment has been the health care and social assistance sector, which added 1,400 jobs between November 2008 and November 2009. Unemployment in the Las Vegas MSA stood at 12.1 percent as of November 2009, up from 7.8 percent in 2008. November's unemployment rate represented the second month of declining unemployment based upon the shrinkage of the labor market, rather than on actual job creation.

There were no new completions of office space in the fourth quarter of 2009. Trumping last quarter's 40,000 square feet of completions, this is the new "lowest level of new completions" we have seen since we began tracking the office market a decade ago. Forward supply of office space has been on the decline for the past 9 quarters, with forward supply peaking in the fourth quarter of 2006 at 7.7 million square feet, approximately 23 percent of current inventory. The lowest forward supply recorded prior

to our current economic difficulties was 1.6 million square feet in the first quarter of 2003. Vacancy in projects completed in 2009 stood at 65.9 percent. It was highest for Class C projects (99 percent) and lowest in Class B projects (33.2 percent). For comparison, projects completed in 2006, when the local economy was growing at a fast clip, had a 27.3 percent vacancy rate at the end of that year.

Forward supply of office space in the Valley stood at 284,265 square feet in the fourth quarter of 2009. This was 18 percent less forward supply than was registered in the third quarter of 2009 and 84 percent less forward supply than was registered in the fourth quarter of 2008. Most of this forward supply, 200,000 square feet, is in the Class A category, while the remainder is Class C. All of Southern Nevada's forward supply of speculative office space is located in the Northwest submarket. There is also a build-to-suit Class B project under construction in the Downtown submarket, and the 300,000 square foot build-to-suit that will serve as the new headquarters for the Las Vegas Metropolitan Police Department is planned to begin construction in the next 12 months. Southern Nevada had approximately 470,000 square feet of office product that has stopped construction and another 2.8 million square feet whose development has either temporarily or indefinitely been put on hold.

Office vacancy in the Las Vegas office market stood at 22.5 percent in the fourth quarter of 2009. This represented a 0.7 point increase from one quarter ago and a 3.7 point increase from four quarters ago. Year-over-year increases in vacancy have been falling for the past four quarters, a hopeful sign that the office market recession is heading toward recovery. Lease activity has increased since the second half of 2008; gross absorption was 1.47 million square feet this quarter, approximately 400,000 square feet higher than in last quarter and four quarters ago. A total of 365 new office availabilities were introduced to the office market during the fourth quarter of 2009, more than the 278 new lease

availabilities introduced in the third quarter of 2009. The highest vacancy rates in Southern Nevada were in the Southwest (31.1 percent), Airport (25 percent) and Northwest (24.6 percent) submarkets. The lowest vacancy rates were in the Downtown (11.1 percent) and West Central (14.6 percent) submarkets. Class A professional office space still had the highest vacancy rate at 30.3 percent, while the lowest vacancy rate was in Medical office space at 18.0 percent. All product types have seen their vacancy rates increase year-over-year, with the largest increase in Class B office and the smallest increase in Medical office.

Over the past year, health services, insurance services, legal services and travel & leisure companies accounted for approximately 44 percent of new office tenants in Southern Nevada. The large shadow cast by health and insurance companies highlights the importance of the health reform legislation now being considered in Washington D.C. to Southern Nevada's office market. Slightly more than half of the office market's new leases were signed by companies headquartered outside Nevada, with California companies contributing more lease activity than any other state.

The amount of office space that is distressed, i.e. properties that have received a notice of default or are at some stage in the foreclosure process, increased in the fourth quarter of 2009 to 2.5 million square feet. This is up from 2.1 million last quarter and 460,000 square feet at mid-year 2009. Most of these distressed properties are in the Class C category, which became very popular with developers between 2006 and 2007. Over that period, more than 2.7 million square feet of Class C office was completed. Vacancy in newly completed Class C office properties was fairly low in 2006 and 2007, averaging 24 percent. In 2008, vacancy in newly completed Class C properties jumped to 59 percent.

MARKET SNAPSHOT					
	Q4-09	Q3-09	Q4-08	Q-O-Q Change	Y-O-Y Change
Vacancy Rate	22.5%	21.8%	18.8%	+3.2%	+19.7%
Asking Rent (PSF, FSG)	\$2.27	\$2.33	\$2.40	-2.6%	-5.4%
Net Absorption (SF)	-285,218	-27,155	-22,413	-950.3%	-1172.6%
New Completions (SF)	0	40,000	483,080	-100.0%	-100.0%

LAS VEGAS QUARTERLY

"The year 2010 will be one of transition for the office market in Southern Nevada, as the new realities of the business climate gradually assert themselves."

OFFICE EMPLOYMENT			
	Nov 2009	Nov 2008	Change
Financial Activities	45,800	46,500	-700
Professional & Business Services	102,100	109,700	-7,600
Health Care & Social Assistance	62,800	61,400	+1,400
Total	210,700	217,600	-6,900

Source: Nevada Department of Employment, Training and Rehabilitation.

This year, Class C projects completed in 2009 were 99 percent vacant in the fourth quarter.

The weighted average asking rental rate decreased this quarter to \$2.27 per square foot (psf) on a full service gross (FSG) basis. This was a decrease of \$0.06 from last quarter and a decrease of \$0.13 from twelve months ago. Asking rents have been on the decline since the fourth quarter of 2007, which corresponds to the beginning of the current recession. Of those availabilities that were active last quarter, 18% had a reduction in asking rent, by an average of \$0.29 psf, while 3% had an increase in asking rent, by an average of \$0.25 psf. Availabilities that were new to the market this quarter had an average asking rent of \$1.99 psf FSG.

After experiencing a slight increase during the third quarter of 2009, office space available for sub-lease decreased this quarter to 665,512 square feet. This is down from the high of 908,458 square feet recorded in the fourth quarter of 2008, and the lowest amount in any quarter in 2009. In general, sub-lease space has been on a plateau in 2009, averaging approximately 680,000 square feet. When one includes vacant sub-lease space with directly vacant space, the office vacancy rate is 24.1 percent.

The amount of office space available for sale on an owner/user basis decreased this quarter over last by almost 31,000 square feet to 1,174,703 square feet.

Since the fourth quarter of 2008, the amount of owner/user space on the market has actually decreased by almost 60,000 square feet. The average asking price for owner/user space was \$194 psf, a decrease of \$21 psf from last quarter and a decrease of \$43 psf from one year ago. Significant sale offerings include the old FBI headquarters at 700 E. Charleston Blvd in the Downtown submarket (47,000 square feet) and the San Martin Medical Center in the Southwest submarket (44,000 square feet), a distressed property.

Although there were two more office owner/user sales this quarter than last, the amount of space sold decreased slightly to 45,733 square feet. The average sales price was \$131 psf. One year ago, 118,846 square feet of office product sold on an owner/user basis at an average sales price of \$113 psf.

Properties available of sale on an investment basis decreased to 865,749 square feet from last quarter's 872,894 square feet. This decrease must be explained by owners simply pulling their properties off the market, given the dearth of investment sales comps. The average asking price for investment sales was \$191 psf, a \$44 decrease from one quarter ago and a \$73 decrease from one year ago. There were no known arm's length investment sales this quarter, although Crescent Real Estate Equities, whose portfolio includes Hughes Center in Las Vegas, was purchased by a joint venture between Barclays Capital and Goff Financial. A total of 131,522 square feet of investment sales took place in 2009. The average cap rate stood at 8.5 percent in the third quarter of 2009, the last quarter for which we have data.

Forward supply is a combination of space presently under construction in a quarter and space planned to begin construction within the next 4 quarters.



As of the fourth quarter of 2009, elements of Southern Nevada's office market have been in recession for approximately three years. Class A and Class C office product types entered recession in the latter half of 2006, approximately six months ahead of Medical office and one year ahead of Class B office. Three years into the office recession, there is some good news to report. Development of office space has fallen to a trickle, giving the market time to absorb its 1 million square feet of vacant office space. Gross absorption was 1.46 million square feet this quarter, rebounding significantly from the low of 789,000 square feet recorded in the first quarter of 2009. Three submarkets experienced a decline in vacancy this quarter over last, as did two product types, Class A and Medical. Overall, increases in vacancy have declined on a year-over-year basis for the past four quarters, suggesting that the office market will hit bottom at some point in the next

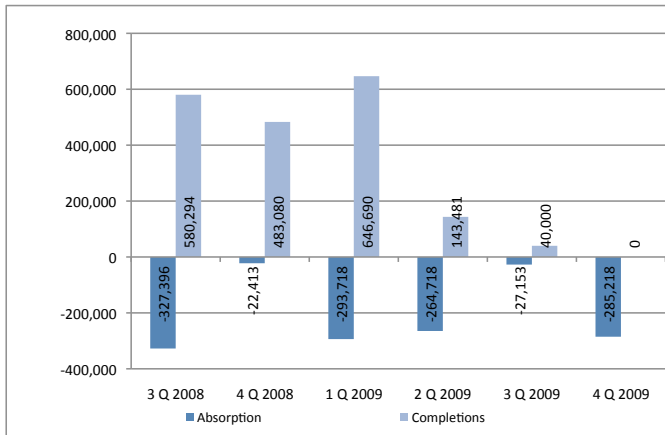
12 months. The Small Business & Entrepreneurship Council has placed Nevada as the second best state in which to do business in their 2009 Small Business Survival Index.

The year 2010 will be one of transition for the office market in Southern Nevada, as the new realities of the business climate gradually assert themselves. The days of construction dominating both the Las Vegas skyline and its employment numbers are over for the time being. Development will be light throughout 2010 and into 2011. Asking rents and prices will continue to be depressed by high vacancy rates, forcing some landlords out of the game and others to be creative in their concessions. While the office market may hit bottom in 2010, recovery after hitting bottom will remain slow until sustained employment growth is achieved.

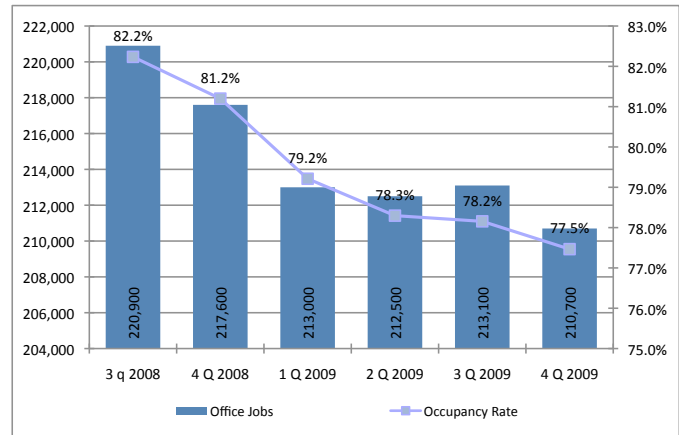
OFFICE DEVELOPMENT PIPELINE

Project	Type	Submarket	Size	Pre-Leasing	Completion
Tivoli Gardens	Class A	Northwest	200,000	0%	Unknown
Centennial Business Park	Class C	Northwest	43,000	0%	Unknown
The Park at Palisades	Class C	Northwest	42,000	0%	Unknown
Summerlin Centre Office	Class A	Northwest	325,000	0%	Stopped
Manhattan West	Class A	Southwest	74,000	n/a	Stopped
Copper Pointe Business Park (B)	Medical	Southwest	37,000	0%	Stopped
Park at Spanish Ridge (18)	Class B	Southwest	36,000	0%	Stopped

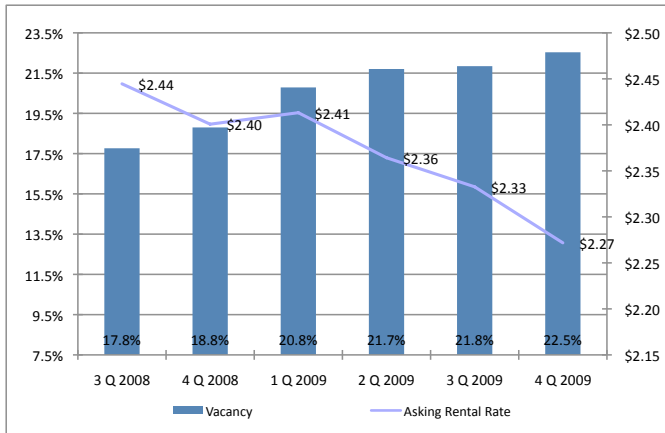
HISTORICAL NET ABSORPTION VS COMPLETIONS



OCCUPANCY VS OFFICE EMPLOYMENT



VACANCY VS RENTAL RATE



OFFICE SALES

	Q4-09	Q3-09	Q4-08
Owner/User Sales			
Space for Sale (sf)	1,174,703	1,205,325	1,234,264
Average Asking Price/SF	\$194	\$215	\$237
Space Sold (sf)	45,733	57,290	118,864
Average Price/SF	\$131	\$232	\$113
Investment Sales			
Space for Sale (sf)	865,749	872,894	1,564,228
Average Asking Price/SF	\$191	\$235	\$264
Average Cap Rate	9.0%	8.0%	7.3%
Space Sold (sf)	0	61,247	174,595
Average Price/SF	n/a	\$78	\$160
Average Cap Rate	n/a	8.5%	6.9%

LEASE ACTIVITY

PROPERTY ADDRESS	LEASE DATE	LEASE TERM	SIZE	LEASE RATE	TYPE
Tuscano Medical Parc	Oct 2009	170 months	48,074 sf	\$2.64 NNN	Medical Office
Hualapai Pavilion Center	Oct 2009	180 months	11,872 sf	\$3.16 FSG	Medical Office
McCarran Center	Nov 2009	120 months	10,583 sf	\$1.46 NNN	Class C Professional Office
The Arroyo Corporate Center	Oct 2009	54 months	9,000 sf	\$2.88 MG	Class B Professional Office
7135 W Sahara Ave	Oct 2009	60 months	8,806 sf	\$1.85 MG	Medical Office

SALES ACTIVITY

PROPERTY ADDRESS	SALES DATE	SALE PRICE	SIZE	PRICE/SF	TYPE
Palm Court	Nov 2009	\$997,310	10,498 sf	\$95.00	Class C Professional Office
Durango Village	Oct 2009	\$341,375	5,556 sf	\$61.44	Class C Professional Office
Sandstone Office Park	Nov 2009	\$525,000	3,700 sf	\$141.89	Medical Office
Durango Village	Nov 2009	\$343,672	2,888 sf	\$119.00	Class C Professional Office



OFFICE MARKET STATISTICS
FOURTH QUARTER 2009

EXISTING PROPERTIES			DIRECT VACANCY		SUBLEASE VACANCY		TOTAL VACANCY			NET ABSORPTION SF		U/C and PROPOSED SF			AVG RENTS
Type	Bldgs	Total Inventory Sq Ft	Sq Ft	Rate	Sq Ft	Rate	Sq Ft	Rate	Vacancy Rate Previous Q	Current Period	YTD	Completed This Qtr Sq Ft	Completed YTD	Under Constr	Rate

SUB MARKETS

AIRPORT SUBMARKET															
A	6	644,478	386,526	60.0%	82,637	12.8%	469,163	72.8%	77.3%	29,220	103,696	-	(127,659)	-	\$2.99
B	37	1,840,250	289,867	15.8%	83,830	4.6%	373,697	20.3%	17.7%	(16,523)	(115,255)	-	-	-	\$2.28
C	252	2,658,927	639,376	24.0%	34,103	1.3%	673,479	25.3%	27.5%	61,113	101,286	-	-	-	\$1.87
MED	9	117,194	900	0.8%	0	0.0%	900	0.8%	0.9%	140	26,083	-	-	-	\$1.95
TOTAL	304	5,260,849	1,316,669	25.0%	200,570	3.8%	1,517,239	28.8%	29.6%	73,950	115,810	-	(127,659)	-	\$2.29

DOWNTOWN SUBMARKET															
A	4	700,065	40,326	5.8%	11,395	1.6%	51,721	7.4%	10.5%	4,680	4,680	-	-	-	\$3.00
B	21	1,383,829	243,122	17.6%	14,319	1.0%	257,441	18.6%	17.3%	(18,325)	(139,290)	-	15,000	-	\$2.55
C	54	735,142	42,962	5.8%	0	0.0%	42,962	5.8%	6.0%	790	22,837	-	-	-	\$1.55
MED	29	534,762	47,460	8.9%	0	0.0%	47,460	8.9%	9.0%	427	(18,914)	-	-	-	\$2.12
TOTAL	108	3,353,798	373,870	11.1%	25,714	0.8%	399,584	11.9%	12.1%	(12,428)	(130,687)	-	15,000	-	\$2.43

EAST LAS VEGAS SUBMARKET															
A	10	1,351,642	194,867	14.4%	81,062	6.0%	275,929	20.4%	18.4%	(32,839)	(127,655)	-	-	-	\$3.58
B	17	1,038,569	285,962	27.5%	1,075	0.1%	287,037	27.6%	28.8%	3,044	(23,775)	-	-	-	\$1.64
C	97	1,905,690	408,302	21.4%	0	0.0%	408,302	21.4%	20.6%	(15,514)	(50,985)	-	-	-	\$1.54
MED	59	1,633,374	299,033	18.3%	1,290	0.1%	300,323	18.4%	18.6%	4,055	(4,971)	-	-	-	\$1.89
TOTAL	183	5,929,275	1,188,164	20.0%	83,427	1.4%	1,271,591	21.4%	21.0%	(41,254)	(207,386)	-	-	-	\$1.99

HENDERSON SUBMARKET															
A	11	787,274	273,371	34.7%	4,334	0.6%	277,705	35.3%	37.7%	2,295	(2,271)	-	-	-	\$3.00
B	65	2,183,681	439,649	20.1%	46,642	2.1%	486,291	22.3%	26.1%	92,370	(90,026)	-	-	-	\$2.39
C	149	1,545,316	395,797	25.6%	22,992	1.5%	418,789	27.1%	21.9%	(94,592)	(72,479)	-	-	-	\$1.99
MED	98	1,261,594	267,133	21.2%	7,552	0.0%	274,685	21.8%	26.7%	63,501	(31,016)	-	40,000	-	\$2.46
TOTAL	323	5,777,865	1,375,950	23.8%	81,520	1.4%	1,457,470	25.2%	26.7%	63,574	(195,792)	-	40,000	-	\$2.41

NORTH LAS VEGAS SUBMARKET															
A	-	0	0	N/A	0	N/A	0	N/A	N/A	-	-	-	-	-	\$-
B	8	200,796	61,698	30.7%	6,800	3.4%	68,498	34.1%	30.7%	-	600	-	-	-	\$2.46
C	74	459,624	104,488	22.7%	1,000	0.2%	105,488	23.0%	26.2%	12,726	(11,688)	-	-	-	\$1.89
MED	13	125,385	9,418	7.5%	0	0.0%	9,418	7.5%	7.5%	-	7,317	-	-	-	\$1.65
TOTAL	95	785,805	175,604	22.3%	7,800	1.0%	183,404	23.3%	24.3%	12,726	(3,771)	-	-	-	\$2.08

NORTHWEST SUBMARKET															
A	19	1,509,415	492,419	32.6%	15,658	1.0%	508,077	33.7%	33.1%	(31,674)	(227,265)	-	105,185	-	\$2.46
B	73	2,508,675	716,176	28.5%	56,948	2.3%	773,124	30.8%	24.9%	(150,997)	(197,853)	-	82,225	-	\$2.36
C	214	2,240,146	526,362	23.5%	23,749	1.1%	550,111	24.6%	23.7%	(23,895)	(32,887)	-	-	-	\$2.11
MED	94	2,292,687	370,228	16.1%	3,808	0.2%	374,036	16.3%	15.5%	(20,490)	67,155	-	178,694	-	\$2.49
TOTAL	400	8,550,923	2,105,185	24.6%	100,163	1.2%	2,205,348	25.8%	23.5%	(227,056)	(390,850)	-	366,104	-	\$2.34

SOUTHWEST SUBMARKET															
A	3	397,112	265,879	67.0%	0	0.0%	265,879	67.0%	75.9%	33,939	66,610	-	226,140	-	\$3.00
B	56	2,338,223	651,672	27.9%	47,584	2.0%	699,256	29.9%	28.2%	(33,389)	(74,800)	-	146,000	-	\$2.55
C	237	2,559,974	756,497	29.6%	84,886	3.3%	841,383	32.9%	28.1%	(112,651)	(15,051)	-	164,586	-	\$2.11
MED	91	1,206,395	350,872	29.1%	10,662	0.9%	361,534	30.0%	33.0%	35,975	63,692	-	-	-	\$2.40
TOTAL	387	6,501,704	2,024,920	31.1%	143,132	2.2%	2,168,052	33.3%	32.0%	(76,126)	40,451	-	536,726	-	\$2.42

WEST CENTRAL SUBMARKET															
A	2	227,624	47,441	20.8%	0	0.0%	47,441	20.8%	21.8%	2,174	(696)	-	-	-	\$2.27
B	44	1,462,137	126,129	8.6%	0	0.0%	126,129	8.6%	8.2%	(6,745)	3,685	-	-	-	\$2.07
C	169	2,749,956	500,276	18.2%	20,953	0.8%	521,229	19.0%	16.1%	(80,099)	(75,657)	-	-	-	\$1.69
MED	60	775,745	89,351	11.5%	2,233	0.3%	91,584	11.8%	12.6%	6,066	(25,914)	-	-	-	\$1.94
TOTAL	275	5,215,462	763,197	14.6%	23,186	0.4%	786,383	15.1%	13.6%	(78,604)	(98,582)	-	-	-	\$1.82

MARKET TOTAL

A	55	5,617,610	1,700,829	30.3%	195,086	3.5%	1,895,915	33.7%	35.0%	7,795	(182,901)	-	203,666	-	\$2.89
B	321	12,956,160	2,814,275	21.7%	257,198	2.0%	3,071,473	23.7%	22.4%	(130,565)	(636,714)	-	243,225	-	\$2.33
C	1,246	14,854,775	3,374,060	22.7%	187,683	1.3%	3,561,743	24.0%	22.3%	(252,122)	(134,624)	-	164,586	-	\$1.91
MED	453	7,947,136	1,434,395	18.0%	25,545	0.3%	1,459,940	18.4%	19.5%	89,674	83,432	-	218,694	-	\$2.28
TOTAL	2,075	41,375,681	9,323,559	22.5%	665,512	1.6%	9,989,071	24.1%	23.5%	(285,218)	(870,807)	-	830,171	-	\$2.27

QUARTERLY COMPARISON AND TOTALS

Q4-09	2,075	41,375,681	9,323,559	22.5%	665,512	1.6%	9,989,071	24.1%	23.5%	(285,218)	(870,807)	0	830,171	-	\$2.27
Q3-09	2,066	41,375,681	9,038,341	21.8%	698,474	1.7%	9,736,815	23.5%	23.3%	(27,153)	(585,589)	40,000	830,171	-	\$2.33
Q2-09	2,054	41,335,681	8,971,188	21.7%	650,913	1.6%	9,622,101	23.3%	22.3%	(264,718)	(558,436)	143,481	790,171	324,364	\$2.36
Q1-09	2,031	41,192,200	8,562,989	20.8%	631,329	1.5%	9,194,318	22.3%	20.9%	(293,718)	(293,718)	646,690	646,690	610,750	\$2.41
Q4-08	1,995	40,545,510	7,622,581	18.8%	869,719	2.1%	8,492,300	20.9%	19.8%	(22,413)	(941,620)	483,080	1,993,546	1,449,840	\$2.40

THE INFORMATION CONTAINED IN THIS REPORT WAS PROVIDED BY SOURCES DEEMED TO BE RELIABLE, HOWEVER, NO GUARANTEE IS MADE AS TO THE ACCURACY OR RELIABILITY, AS NEW, CORRECTED OR UPDATED INFORMATION IS OBTAINED, IT IS INCORPORATED INTO BOTH CURRENT AND HISTORICAL DATA, WHICH MAY INVALIDATE COMPARISON TO PREVIOUSLY ISSUED REPORTS.

LAS VEGAS QUARTERLY

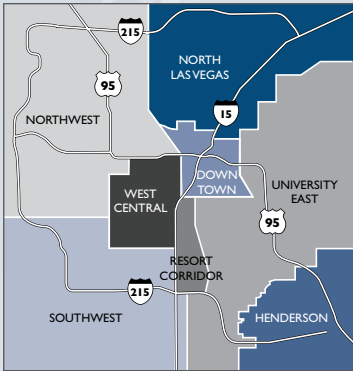


PHOTO BY CHRIS POESE ©2009 COLLIERS LAS VEGAS

MARKET INDICATORS

	Q4-09	Q1-2010 Projected
VACANCY	↑	↑
NET ABSORPTION	↓	↓
CONSTRUCTION	↑	↓
RENTAL RATE	↓	↓

Retail Review

Two completed Target stores help push net absorption into positive territory in the fourth quarter of 2009. Vacancy increased to 8.8 percent, a 0.4 point increase from the third quarter of 2009. Vacancy has increased by 3.4 points from one year ago, when it was 5.4 percent. Asking lease rates continued to slide downward, reaching \$1.73 per square feet on a triple-net basis. This is a 5.5 percent decline from one quarter ago and a 15.6 percent decline from one year ago.

Retail employment dropped by 5,400 jobs between November 2009 and November 2008. Retail-based employment has been in decline for the past six quarters after posting strong growth between 2004 and 2007. On a year-over-year basis, the pace of quarterly retail job losses has been increasing since the fourth quarter of 2009. The strength of the holiday shopping season, both in terms of employment and sales, will be key in determining net absorption early next year.

Clark County's taxable sales were \$6.81 billion in the third quarter of 2009, a 20.6 percent decline from the third quarter of 2008. Like the pace of

retail job losses, the pace of taxable sales declines is also increasing on a year-over-year basis, from a low of 1.3 percent decline in the second quarter of 2008. In fact, in only one quarter in the past ten (since the second quarter of 2007) has there been growth in taxable sales on a year-over-year basis. Clark County's sales & use tax rate is increased to 8.1 percent on July 1, 2009. This represented a 0.35 percent increase.

With the completion of the Target anchors at Green Valley Crossing and Decatur 215, the remainder of those centers have slipped into the planned category. The only anchored shopping center actively under construction is Caroline's Court (247,000 square feet) in the Northwest submarket. Construction on the Edge (296,000 square feet), a Community Center located in the Southwest submarket, is still at a halt. Forward supply of retail space in the Valley stood at 680,762 square feet, a sharp decline from the 1.5 million square feet of retail space that was under construction or planned in the third quarter of 2009. All of the projects that are currently planned or under construction are

in the Community Center category, and all of the space is located in the Henderson and Northwest submarket. Vacancy in Community Centers this quarter was 9.7 percent, the same as it was one quarter ago and 3.7 points higher than it was one year ago.

Retail vacancy was 8.8 percent in the fourth quarter of 2009. Vacancy has increased for the past seven quarters, and was 3.4 points higher this quarter than it was one year ago. Since the onset of the recession in the fourth quarter of 2007, retail vacancy has increased by 5.7 points, and was actually increasing through most of 2007. The Valley's highest vacancy was in the Downtown submarket at 15.1 percent. The lowest vacancy was in Northeast submarket at 6.8 percent, followed by a 7.2 percent vacancy rate in the Southwest submarket and a 7.6 percent vacancy rate in the North Las Vegas submarket. Three submarkets, North Las Vegas, University East and West Central, experienced a decrease in vacancy this quarter. Power Centers and Neighborhood Centers had an increase in vacancy in this quarter over last, while vacancy in Community Centers remained level. Retail projects completed in 2009 ended the year with an average vacancy rate of 13.9 percent.

The weighted average asking rental rates for retail space fell to \$1.73 per square foot (psf) on a triple-net basis (NNN) between the third and fourth quarters of 2009, a decrease of \$0.10 psf. The largest decreases was in the Northwest submarket, at \$0.19, followed by Henderson (\$0.14 decrease) and University East (\$0.12 decrease). North Las Vegas experienced a \$0.05 increase in its weighted average asking lease rate. Southern Nevada's lowest average asking rent, \$1.09 psf NNN, remained in the Downtown submarket, while the highest average asking rent, \$2.22 psf NNN, was in the Southwest submarket. The gap between the two decreased from \$1.17 last quarter to \$1.13 this quarter. Asking rents decreased in 16 percent of availabilities this quarter by an average of \$0.32, while 3 percent of availabilities increased their asking rent, by an average of \$0.30. The 134 new retail availabilities added to our database in the fourth quarter of 2009 had an average asking rate of \$1.73 psf NNN.

Sales of retail space, both on an owner/user and investment basis, remain too low to

suggest pricing trends. No owner/user space was sold this quarter, and only a single arm's length investment sale was finalized, consisting of 77,188 square feet at \$69 psf and a cap rate of 15 percent. The amount of owner/user space for sale is down slightly from one quarter ago, but up significantly from twelve months ago. The average asking price for owner/user space decreased this quarter by \$69 to \$69 psf. The amount of investment space on the market increased over last quarter, but is down significantly from one year ago. The average asking price for investment space decreased by \$170 to \$406 psf. Sales, especially investment sales, are still be hampered by strict lending guidelines at banks and a general lack of willingness by banks to lend money to potential buyers.

There are now 77 retail units available that are 10,000 square feet in size or larger. This was an increase of 5 spaces over last quarter and 28 more spaces than were available one year ago. The largest of these newly available anchor spaces was the Sportsmans Warehouse at Lake Mead Crossing (61,000 square feet) and Colleens at Cheyenne Commons (41,000 square feet). A 40,000 square foot freestanding space was taken by Heritage College this quarter. On the whole, there appear to more announced expansions by major retail chains in 2010 than closures. Retailers with a presence in Southern Nevada who have announced closures in 2010 include Waldenbooks, B. Dalton, Jo-Ann, Pier 1, Kirklands, Target and K-Mart. There has been no official announcement that any of these closures will take place in Southern Nevada. The largest announced expansions in 2010 are by McDonalds, Go Green and Dollar General.

Distressed retail space totaled 2.7 million square feet this quarter, an increase of 844,000 square feet from last quarter. 38 percent of this space is in the powercenter category, while 34 percent is community center space and 28 percent is neighborhood center space. General Growth Properties, which owns over 3.5 million square feet of retail in Southern Nevada, is expected to emerge from bankruptcy

MARKET SNAPSHOT

	Q4-09	Q3-09	Q4-08	Q-O-Q	Y-O-Y Change
Vacancy Rate	8.8%	8.4%	5.4%	+ 4.8%	+ 63.0%
Asking Rent (PSF, NNN)	\$1.73	\$1.83	\$2.05	- 5.5%	- 15.6%
Net Absorption (SF)	39,028	-72,841	387,385	+ 153.6%	- 90.0%
New Completions (SF)	267,342	130,000	554,665	+ 105.6%	- 51.8%



PHOTO BY CHRIS POESE ©2009 COLLIERS LAS VEGAS

“Although there has been some improvement in leasing activity of late, Southern Nevada’s retail market is not out of the woods yet.”

in 2010 largely intact. Construction on Shoppes at Summerlin, their new 1 million square foot regional mall project in the Northwest submarket, was halted earlier this year.

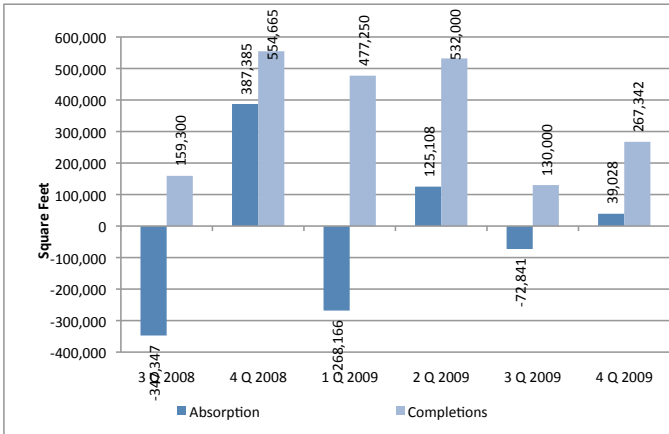
Although there has been some improvement in leasing activity of late, Southern Nevada’s retail market is not out of the woods yet. At the time of writing this report, we do not know for certain how good or bad the holiday shopping season will be, and poor holiday performance this year could result in an increase in the amount of retail space returned to the market next quarter. Unemployment will probably remain high through 2010, and the American consumer remains over-leveraged from their spending spree in the years preceding the

2007-2009 recession. This suggests a return to an economic environment marked by lower consumer spending and more consumer saving. Retailers will remain challenged through 2010, though they may see some relief by the end of the year. Retailers may seek to expand their number of stores, and thus their cash flow, if they cannot expect an increase in profitability. This suggests a continuance of cost-conscious behavior, and thus continued downward pressure on rents. We think that leasing activity will remain weak but stable if rents continue to decrease through 2010. With only one major shopping center scheduled to be completed in 2010, net absorption should be low or negative throughout the year.

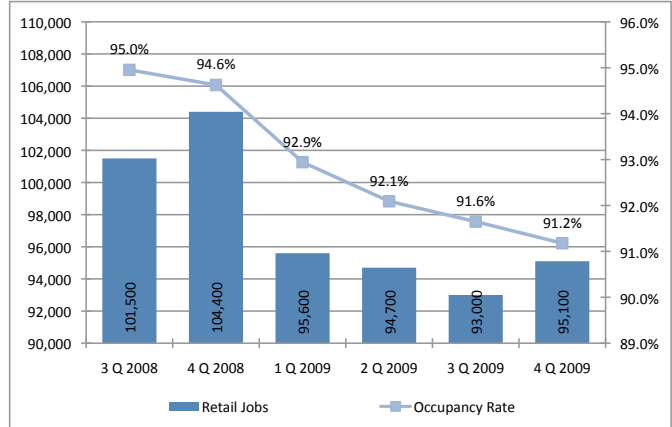
RETAIL DEMOGRAPHICS

	Population (2008 estimate)	Projected Annual Population Growth (2008-2013)	Occupied Retail Space (Q4-09)	Occupied Retail Growth (Q4-08 to Q3-09)
Downtown	87,368	1.2%	1,020,551	- 3.5%
Henderson	235,628	3.3%	7,710,383	- 4.1%
North Las Vegas	253,306	5.9%	4,605,128	+ 9.5%
Northeast	278,308	1.6%	2,521,449	- 3.2%
Northwest	442,093	3.4%	9,378,499	- 0.3%
Southwest	152,592	6.2%	5,366,498	+ 5.7%
University East	190,098	1.8%	5,439,698	- 3.7%
West Central	104,071	0.4%	3,845,028	- 4.4%

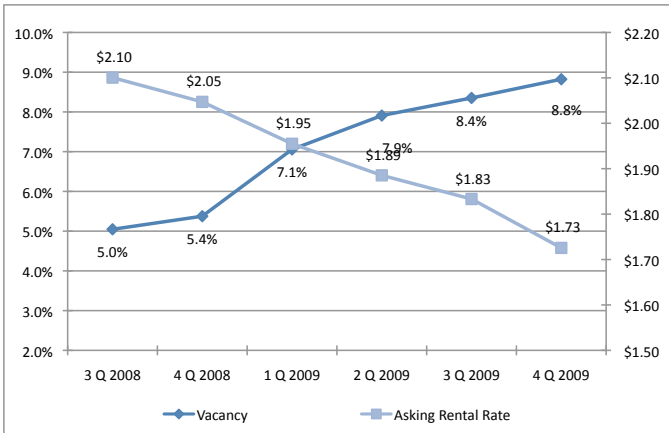
HISTORICAL NET ABSORPTION VS COMPLETIONS



OCCUPANCY VS RETAIL EMPLOYMENT



VACANCY VS RENTAL RATE



RETAIL SALES

	Q4-09	Q3-09	Q4-08
Available Sales - Owner/User Sales			
Space for Sale (sf)	171,818	181,984	52,100
Average Asking Price/SF	\$69	\$138	\$179
Available Sales - Investment Sales			
Space for Sale (sf)	30,408	15,208	335,920
Average Asking Price/SF	\$406	\$576	\$338
Average Cap Rate	n/a	8.2%	7.0%
Single Tenant - Owner/User Sales			
Space for Sale (sf)	0	0	7,985
Average Asking Price/SF	n/a	n/a	\$197
Single Tenant - Investment Sales			
Space for Sale (sf)	0	5,280	73,791
Average Asking Price/SF	n/a	\$227	\$131
Average Cap Rate	n/a	8.3%	7.2%
Shopping Center - Owner/User Sales			
Space for Sale (sf)	0	0	0
Average Asking Price/SF	n/a	n/a	n/a
Shopping Center - Investment Sales			
Space for Sale (sf)	77,188	22,150	91,945
Average Asking Price/SF	\$69	\$135	\$296
Average Cap Rate	15.0%	n/a	7.4%

LEASE ACTIVITY

PROPERTY ADDRESS	LEASE DATE	LEASE TERM	SIZE	LEASE RATE	TYPE
3535 W Sahara Ave	Oct 2009	120 months	40,351 sf	\$0.90 NNN	Freestanding Retail
Siena Promenade	Oct 2009	120 months	6,155 sf	\$2.57 NNN	Strip Center
Canyon Lakes	Nov 2009	60 months	3,693 sf	\$2.80 NNN	Neighborhood Center
Sunrise Mountain Plaza	Nov 2009	60 months	3,130 sf	\$0.87 NNN	Community Center
Rhodes Ranch Town Center	Oct 2009	60 months	2,400 sf	\$1.84 NNN	Neighborhood Center

SALES ACTIVITY

PROPERTY ADDRESS	SALES DATE	SALE PRICE	SIZE	PRICE/SF	TYPE
5545 Camino Al Norte	Oct 2009	\$4,300,000	14,659 sf	\$293.34	Strip Retail
5593 Losee Rd	Oct 2009	\$1,850,000	5,874 sf	\$63.39	Freestanding Retail

* Source: CoStar COMPS

RETAIL MARKET STATISTICS
FOURTH QUARTER 2009

EXISTING PROPERTIES			DIRECT VACANCY		SUBLEASE VACANCY		TOTAL VACANCY			NET ABSORPTION SF		U/C and PROPOSED SF			AVG RENTS
Type	Bldgs	Total Inventory Sq Ft	Sq Ft	Rate	Sq Ft	Rate	Sq Ft	Rate	Vacancy Rate Previous Q	Current Period	YTD	Completed This Qtr Sq Ft	Completed YTD	Under Constr	Rate

SUB MARKETS

DOWNTOWN SUBMARKET

PC	-	0	0	N/A	0	N/A	0	N/A	N/A	-	-	-	-	-	-	\$-
CC	5	684,340	175,139	25.6%	13,312	1.9%	188,451	27.5%	26.2%	(9,091)	(36,021)	-	-	-	-	\$1.08
NC	5	518,070	6,720	1.3%	0	0.0%	6,720	1.3%	0.0%	(6,720)	(1,220)	-	-	-	-	\$1.24
TOTAL	10	1,202,410	181,859	15.1%	13,312	1.1%	195,171	16.2%	14.9%	(15,811)	(37,241)	-	-	-	-	\$1.09

HENDERSON SUBMARKET

PC	8	2,896,215	325,351	11.2%	2,880	0.1%	328,231	11.3%	8.2%	(113,974)	(167,840)	-	-	-	-	\$1.57
CC	20	2,825,692	266,524	9.4%	1,488	0.1%	268,012	9.5%	9.7%	140,238	3,268	137,342	137,342	-	-	\$1.58
NC	25	2,797,088	216,737	7.7%	85,156	3.0%	301,893	10.8%	9.9%	(24,172)	(26,997)	-	-	-	-	\$1.94
TOTAL	53	8,518,995	808,612	9.5%	89,524	1.1%	898,136	10.5%	9.3%	2,092	(191,569)	137,342	137,342	-	-	\$1.67

NORTH LAS VEGAS SUBMARKET

PC	2	832,000	114,232	13.7%	0	0.0%	114,232	13.7%	13.7%	-	425,248	-	532,000	-	-	\$2.08
CC	12	2,254,358	146,305	6.5%	0	0.0%	146,305	6.5%	9.2%	60,295	(3,788)	-	-	-	-	\$1.97
NC	15	1,895,468	116,161	6.1%	1,763	0.1%	117,924	6.2%	4.9%	(23,792)	(23,653)	-	-	-	-	\$2.07
TOTAL	29	4,981,826	376,698	7.6%	1,763	0.0%	378,461	7.6%	8.3%	36,503	397,807	-	532,000	-	-	\$2.04

NORTHEAST SUBMARKET

PC	-	0	0	N/A	0	N/A	0	N/A	N/A	0	-	-	-	-	-	\$-
CC	8	1,398,026	63,351	4.5%	18,614	1.3%	81,965	5.9%	5.3%	(9,538)	11,893	-	-	-	-	\$1.51
NC	15	1,306,795	120,021	9.2%	0	0.0%	120,021	9.2%	6.4%	(36,825)	(95,182)	-	-	-	-	\$1.38
TOTAL	23	2,704,821	183,372	6.8%	18,614	0.7%	201,986	7.5%	5.8%	(46,363)	(83,289)	-	-	-	-	\$1.43

NORTHWEST SUBMARKET

PC	7	2,840,846	187,603	N/A	1,266	N/A	188,869	6.6%	4.6%	(57,729)	(120,560)	-	-	-	-	\$1.94
CC	17	3,715,512	396,291	10.7%	0	0.0%	396,291	10.7%	10.5%	94,996	31,515	130,000	260,000	274,360	-	\$2.23
NC	31	3,705,508	299,473	8.1%	113,834	3.1%	413,307	11.2%	11.2%	169	(73,177)	-	50,000	-	-	\$1.63
TOTAL	55	10,261,866	883,367	8.6%	115,100	1.1%	998,467	9.7%	9.1%	37,436	(162,222)	130,000	310,000	274,360	-	\$1.97

SOUTHWEST SUBMARKET

PC	1	944,314	45,665	4.8%	0	0.0%	45,665	4.8%	5.4%	-	-	-	-	-	-	\$3.17
CC	9	3,216,421	176,020	5.5%	0	0.0%	176,020	5.5%	4.7%	(25,997)	319,384	-	427,250	-	-	\$2.04
NC	13	1,623,100	195,652	12.1%	71,249	4.4%	266,901	16.4%	16.2%	815	(32,277)	-	-	-	-	\$2.16
TOTAL	23	5,783,835	417,337	7.2%	71,249	1.2%	488,586	8.4%	8.0%	(25,182)	287,107	-	427,250	-	-	\$2.22

UNIVERSITY EAST SUBMARKET

PC	3	1,210,223	41,436	3.4%	25,129	2.1%	66,565	5.5%	5.5%	-	(24,883)	-	-	-	-	\$1.66
CC	19	2,761,018	246,119	8.9%	1,451	0.1%	247,570	9.0%	9.1%	6,074	(93,849)	-	-	-	-	\$1.36
NC	17	1,950,703	194,691	10.0%	19,189	1.0%	213,880	11.0%	11.7%	13,771	(91,849)	-	-	-	-	\$1.71
TOTAL	39	5,921,944	482,246	8.1%	45,769	0.8%	528,015	8.9%	9.2%	19,845	(210,581)	-	-	-	-	\$1.53

WEST CENTRAL SUBMARKET

PC	3	1,138,224	78,851	6.9%	0	0.0%	78,851	6.9%	13.4%	73,257	(15,788)	-	-	-	-	\$1.16
CC	15	1,649,146	331,815	20.1%	2,299	0.1%	334,114	20.3%	18.5%	(29,579)	(150,083)	-	-	-	-	\$1.27
NC	16	1,583,655	115,331	7.3%	0	0.0%	115,331	7.3%	6.5%	(13,170)	(11,012)	-	-	-	-	\$1.47
TOTAL	34	4,371,025	525,997	12.0%	2,299	0.1%	528,296	12.1%	12.8%	30,508	(176,883)	-	-	-	-	\$1.30

MARKET TOTAL

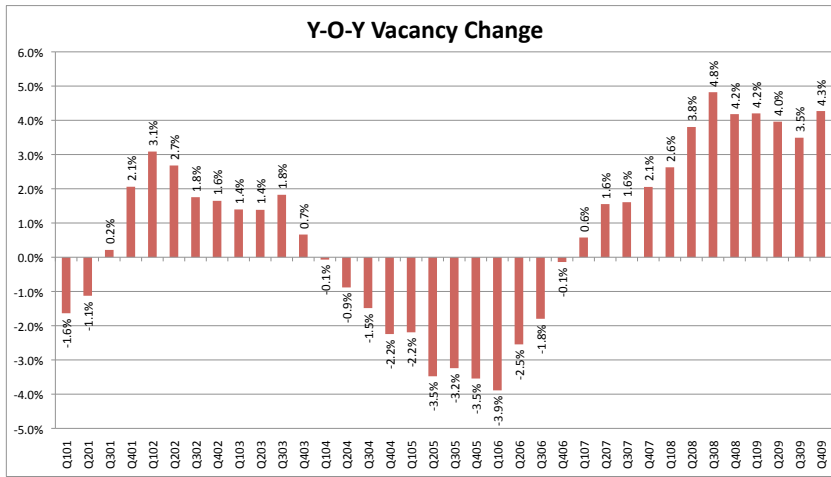
PC	24	9,861,822	793,138	8.0%	29,275	0.3%	822,413	8.3%	7.6%	(98,446)	96,177	-	532,000	-	-	\$1.79
CC	105	18,504,513	1,801,564	9.7%	37,164	0.2%	1,838,728	9.9%	9.9%	227,398	82,319	267,342	824,592	274,360	-	\$1.66
NC	137	15,380,387	1,264,786	8.2%	291,191	1.9%	1,555,977	10.1%	9.5%	(89,924)	(355,367)	-	50,000	-	-	\$1.78
TOTAL	266	43,746,722	3,859,488	8.8%	357,630	0.8%	4,217,118	9.6%	9.2%	39,028	(176,871)	267,342	1,406,592	274,360	-	\$1.73

QUARTERLY COMPARISON AND TOTALS

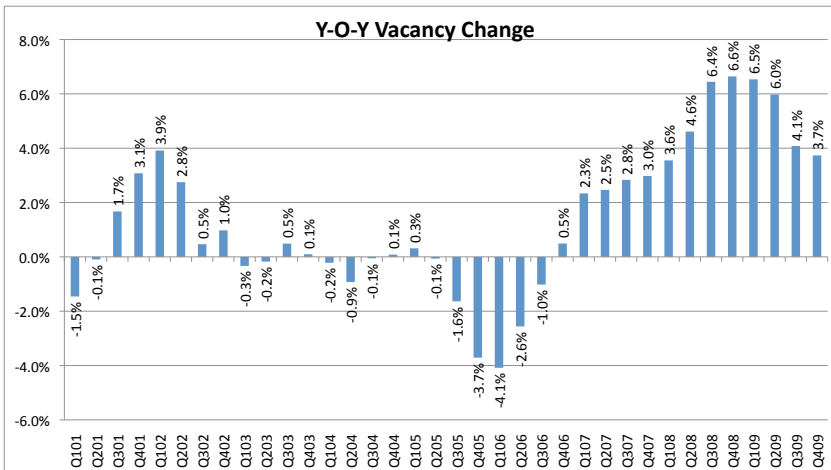
Q4-09	266	43,746,722	3,859,488	8.8%	357,630	0.8%	4,217,118	9.6%	9.2%	39,028	(176,871)	267,342	1,406,592	274,360	-	\$1.73
Q3-09	262	43,479,380	3,631,174	8.4%	383,283	0.9%	4,014,457	9.2%	8.7%	(72,841)	(215,899)	130,000	1,139,250	673,744	-	\$1.83
Q2-09	261	43,349,380	3,428,333	7.9%	344,288	0.8%	3,772,621	8.7%	7.9%	125,108	(143,058)	532,000	1,009,250	666,080	-	\$1.89
Q1-09	259	42,817,380	3,021,441	7.1%	358,131	0.8%	3,379,572	7.9%	6.1%	(268,166)	(268,166)	477,250	477,250	1,961,892	-	\$1.95
Q4-08	257	42,340,130	2,276,025	5.4%	321,952	0.8%	2,597,977	6.1%	5.6%	387,385	1,197,068	554,665	2,210,879	2,389,142	-	\$2.05

THE INFORMATION CONTAINED IN THIS REPORT WAS PROVIDED BY SOURCES DEEMED TO BE RELIABLE, HOWEVER, NO GUARANTEE IS MADE AS TO THE ACCURACY OR RELIABILITY. AS NEW, CORRECTED OR UPDATED INFORMATION IS OBTAINED, IT IS INCORPORATED INTO BOTH CURRENT AND HISTORICAL DATA, WHICH MAY INVALIDATE COMPARISON TO PREVIOUSLY ISSUED REPORTS.

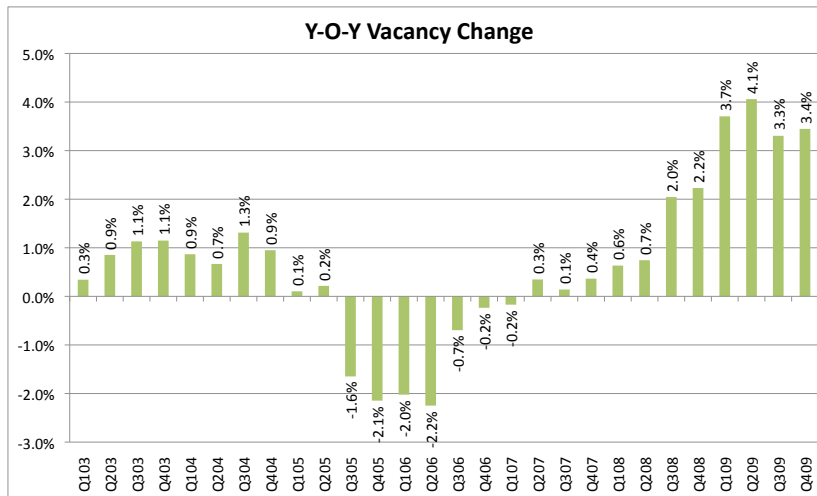
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