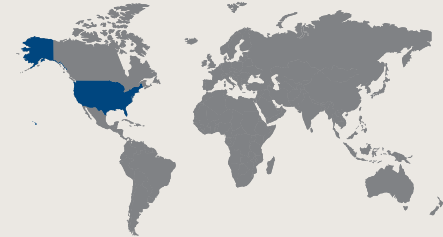


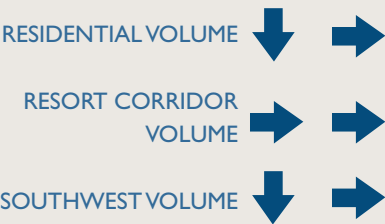
Market Research

LAND | FIRST QUARTER | 2010



MARKET INDICATORS

Q1-10 Q2-10
Projected



CLARK COUNTY ECONOMIC DATA

	Jan-10	Jan-09
Unemployment Rate	13.8%	10.3%
Visitor Volume*	3,141,556	3,066,738
Gaming Revenue*	\$764.36 M	\$781.67 M
Taxable Sales YTD*	\$7.166 B	\$8.208 B
Residential Permits	466	134
Commercial Permits	21	31
New Home Sales	240	284
Existing Home Sales	3,111	2,536

* DECEMBER 2009 / DECEMBER 2008
** FEBRUARY 2010 / FEBRUARY 2009

Land Review

Residential Land

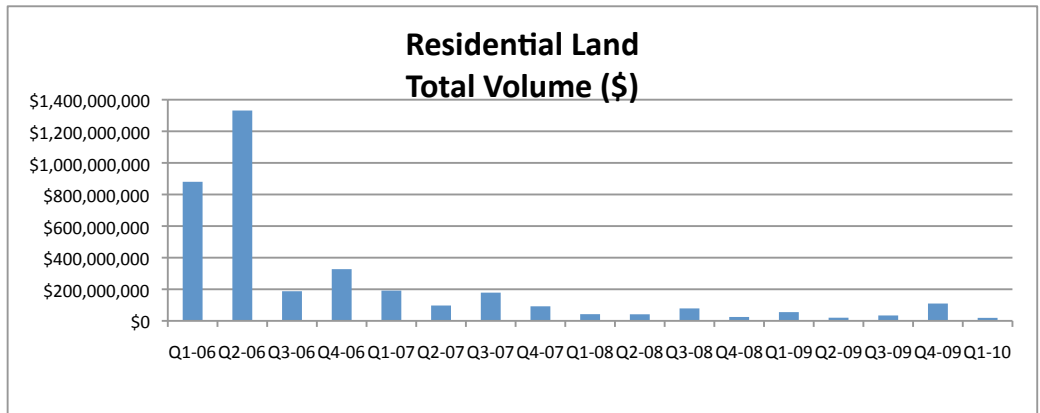
There remain thousands of acres of residential-zoned land that are owned free and clear, but owners of that land paid more than \$250,000 per acre. This means that equity in such investments purchased between 2003 and 2007 has completely dissipated. Additionally, thousands of acres of land secured by first trust deeds will have difficulty in resetting values due to complicated workouts. “Mom and Pop” investors who invested \$25,000 - \$100,000 per asset in short term bridge financing with developers and speculators now face the reality that their investments are less valuable than the remaining debt on their properties.

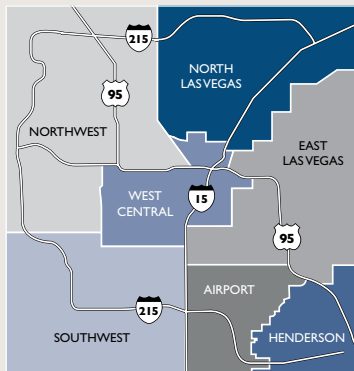
Nevada continued to document the nation’s highest state foreclosure rate in the first quarter of 2010, with one in every 27 housing units receiving a foreclosure filing, more than five times the national average. Foreclosure filings were reported on 41,296 Nevada properties during the quarter, an increase of 19% from the previous quarter and an increase of nearly 111% from the first quarter of 2008. Bank repossessions in Nevada were down 3% from the previous quarter, but defaults increased 27% and auction sale notices increased 35%.

In order for any home builder to consider buying land, finished lot values must be near 25% of the new home sale cost to be competitive with the foreclosure market. Since most finished lots are selling at \$40,000 to \$50,000, residual land value can be viewed as \$0 - \$10,000 per raw lot.

On the bright side, the Las Vegas Valley is running out of finished lots. Builders who have cash are bidding existing finished lots up to above replacement costs. DR Horton recently paid \$85,000 per finished lot for 51 lots in Henderson. This is causing builders and speculators to turn to partially

RESIDENTIAL LAND - TOTAL VOLUME (\$)





“The Valley has an 18 month supply of finished lots. When the finished lots are gone, builders will either have to start land development again or pay premium prices to those who still have lots in supply.”

improved lots and land. The Valley has an 18 month supply of finished lots. When the finished lots are gone, builders will either have to start land development again or pay premium prices to those who still have lots in supply.

Resort Corridor Land

Gaming revenue and hotel RevPAR's are still bleak, and demand for additional resort/hotel/gaming/timeshare products is likely five or more years away. This is in part driven by national consumer recovery, which is also years away. It is difficult to guess when the American consumer will have the disposable income necessary to support our large supply of luxury hotel rooms and high-end retail sufficiently enough for the casinos to become profitable enough for more supply to become necessary. Resort land values will be driven by the timeline of the recovery.

Many owners in the resort corridor can hold on to their land and need not consider selling anywhere near the price at which a deal could be struck today. Banks would also rather hold onto foreclosed resort corridor land than sell it at today's prices. Furthermore, many investors are indicating that they would rather hold onto Las Vegas Blvd (“The Strip”) land than the majority of their other assets, and that they will hold these lots for years if necessary. This means that we will continue to see few transactions and few distressed sales in the resort corridor for the next few years.

The bid/ask delta has decreased substantially in the last 3 to 6 months. Owner/sellers are starting to grasp the 80% to 90% drop off in resort land values from the 2007 peak, and buyers are now able to justify the carrying and opportunity costs associated with buying now or in order to pick up a marquee resort/gaming/retail site. These sales are happening at a steep discount of course, but at or near some distressed buyers' expectations.

A soft market consensus of value has been established at \$1-2 million per acre for Paradise Road, Koval Lane, and the peripherals of Las Vegas Blvd. At these numbers, the land's realistic use may open up to uses other than casino/resort, retail for example. Prime Las Vegas Blvd land is harder to value because of the lack of distressed (or able) sellers, and because the latest sale at Las Vegas Blvd & Harmon is hard to comprehend. Two acres in front of Planet Hollywood was purchased from the county for \$12 million per acre by Brett Torino. This transaction surprised many who anticipated the value of the site

to be at around \$4-6 million per acre. Many speculations about it not being a true arms-length transaction have been made, and this is likely the case. However, it is possible that an intensive retail use can pencil at the price paid. Regardless, it is a positive sale comparable in a market that can use them.

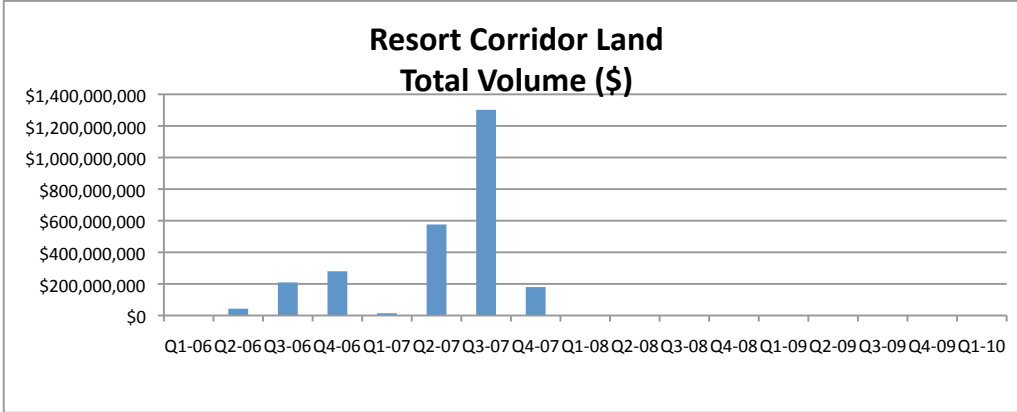
Southwest Commercial Land

Many of the landowners in the Southwest part of the Las Vegas Valley own their property free and clear, and these owners are not going to compete with the distressed seller on price. These sellers are instead going to compete by giving time to users to do the necessary due diligence and get the property zoning and financing needed to build their project. Most users cannot purchase the discounted distressed properties because of the short timeframes that the lenders are requiring to get the properties quickly off their books. In short, if you need to sell you had better be prepared to severely discount the property to attract the “all cash investor” that is looking for a great price to enable them to hold the property for 5-10 years.

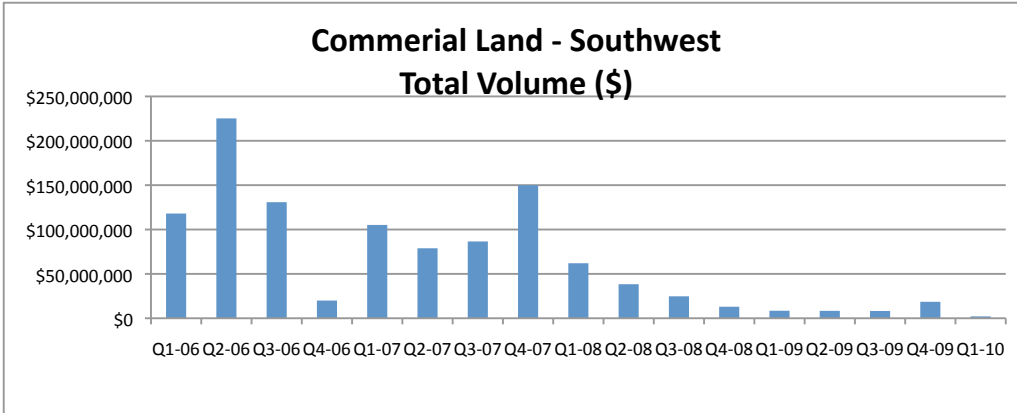
If you are a land owner and you have a bank loan, it is most likely that your property will be going back to the bank. Appraisals are going to decrease significantly once the sales comparables reflect the distressed sales. This will mean that the loans will no longer be in compliance with bank and FDIC regulations unless the property is to be recapitalized. Recapitalization, however, is unlikely, and therefore the lender will have no choice but to foreclose on the property, creating the snowball effect on values we have already seen in the residential markets.

On a positive note, the Southwest has more willing sellers than in past years and with plenty of available inventory and the re-pricing of property, this will bode well for companies that are looking to purchase or do a build-to-suit. A company can get a premium location at a much lower price for land and much lower construction costs to build their facility than they could have a few years ago.

RESORT CORRIDOR LAND - TOTAL VOLUME (\$)



COMMERCIAL LAND / SOUTHWEST - TOTAL VOLUME (\$)



294 RETAILS IN 61 COUNTRIES
ON 6 CONTINENTS

USA 94
Canada 22
Latin America 17
Asia Pacific 64
EMEA 97

\$1.6 billion in Revenue
1.1 billion sq. ft. under management
12,749 Professionals

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