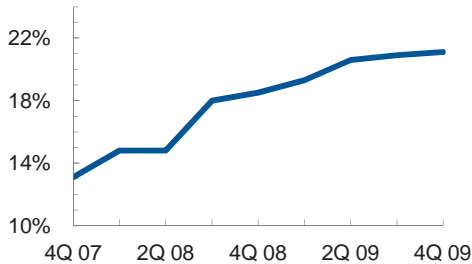


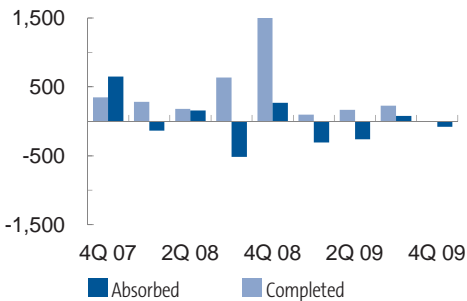
Vacancy Rate

Quarterly



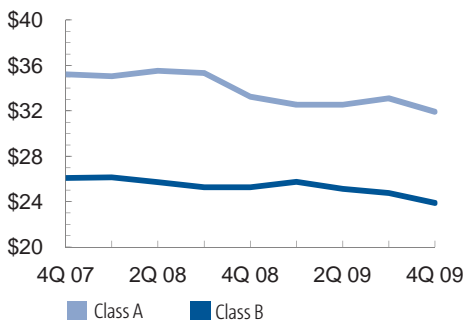
Completions vs. Absorption

Quarterly (in Thousands of SF)



Asking Rental Rates

Quarterly (\$/SF/Yr. Full Service)



Great Expectations

The Las Vegas market dynamic has been greatly affected in recent years by a rising unemployment rate, a significant decline in tourism and convention attendance, and a large amount of canceled or delayed commercial projects. Development of new office product has nearly come to a standstill and vacancy continues to rise due to companies downsizing, closing locations or going out of business altogether. Bank-owned properties are on the rise and are expected to continue to increase in the year ahead. However, not all aspects of the current real estate market are negative.

Opportunities for tenants continue to be abundant. Concessions, such as several months of free rent, large tenant improvement allowances and assistance with moving costs, remain popular efforts aimed at attracting new tenants. In the latter part of 2009, it became more common for existing tenants to negotiate with landlords and renew their leases rather than relocating to a building that may have offered more enticing incentives. In some cases, tenants have been known to renew their leases one or two years in advance of the existing lease expiration date in order to obtain the lower rates that are available in the current market. Those tenants who were able to renegotiate a lower lease rate on a renewal have put themselves in a better position to reduce their overall operating expenses. This trend is likely to continue in 2010.

Office leasing and sales activity in 2010 is expected to mirror that of 2009. Until existing product is absorbed and vacancy starts to decline, there will be little demand for new development. Landlords will continue to offer the lowest lease rates possible in order to compete with each other. Many market observers are optimistic that the few development projects currently underway, such as CityCenter, will provide additional job opportunities and help push the commercial market towards recovery.

FORECAST

- The most important necessity for the economy to improve is job growth. Business expansion may begin to pick up once people's confidence in the real estate market returns.
- Investor opportunities in 2010 will be abundant through banks and private owners. The challenge will be convincing investors to buy now while the market is vulnerable with the intent of reaping future profit.
- Tenant relocation within the market is expected to continue in the year ahead. However, lease negotiations on existing space are likely to be more favorable as landlords continue to do whatever is necessary to keep their tenants.

Office Trends Report—Fourth Quarter 2009

Las Vegas, NV



By Submarket	Total SF	Vacant SF	VACANCY %		NET ABSORPTION		Under Construction SF	ASKING RENT	
			Direct	Total	Current	Year To Date		Class A	Class B
Downtown	1,803,610	238,600	11.8%	13.2%	13,168	(61,926)	-	\$3.00	\$2.71
CBD Total	1,803,610	238,600	11.8%	13.2%	13,168	(61,926)	-	\$3.00	\$2.71
Central East	5,807,495	1,127,535	17.8%	19.4%	12,632	(262,033)	-	\$3.21	\$1.62
Central North	546,177	34,512	6.3%	6.3%	1,384	13,987	-	-	\$1.95
North	771,346	195,420	22.8%	25.3%	(9,661)	59,373	-	\$2.27	\$1.87
Northwest	5,737,432	1,369,210	22.9%	23.9%	83,203	(110,524)	-	\$2.47	\$2.09
South	8,789,766	1,863,329	19.1%	21.2%	63,621	(195,633)	62,364	\$2.66	\$2.07
Southeast	1,300,470	362,857	27.5%	27.9%	4,241	24,087	-	\$2.66	\$2.00
Southwest	5,986,120	1,540,868	23.5%	25.7%	(189,312)	53,338	-	\$2.63	\$2.11
West	4,981,997	818,265	15.3%	16.4%	(57,032)	(94,803)	-	\$2.60	\$1.89
Suburban Total	33,920,803	7,311,996	20.0%	21.6%	(90,924)	(512,208)	62,364	\$2.66	\$1.97
Totals	35,724,413	7,550,596	19.5%	21.1%	(77,756)	(574,134)	62,364	\$2.66	\$1.99

By Class	Total SF	Vacant SF	Direct	Total	Current	Year To Date	Under Construction SF	AVAILABLE FOR SUBLEASE	
								CBD	Suburban
Class A	8,843,096	2,445,650	25.1%	27.7%	(123,102)	(237,774)	62,364	6,123	220,708
Class B	24,479,505	4,913,435	18.7%	20.1%	20,115	(347,667)	-	19,260	322,523
Class C	2,401,812	191,511	7.9%	8.0%	25,231	11,307	-	-	1,063
Totals	35,724,413	7,550,596	19.5%	21.1%	(77,756)	(574,134)	62,364	25,383	544,294

Grubb & Ellis|Las Vegas Real Estate Advisors

David Scherer
dscherer@gelasesvegas.com
Executive Vice President

Al Barbagallo
abarbagallo@gelasesvegas.com
Senior Vice President

Barton Hyde
bhyde@gelasesvegas.com
Vice President

Larry Singer
lsinger@gelasesvegas.com
Vice President

Jerry M. Valdez
jvaldez@gelasesvegas.com
Senior Associate

Barton, Luciani, Moore
jbarton@gelasesvegas.com
Senior Associates



OFFICE TERMS AND DEFINITIONS

Inventory: Office inventory includes all multi-tenant and single tenant buildings at least 15,000 square feet. Owner-occupied, government and medical buildings are not included.

Office Building Classifications: Grubb & Ellis adheres to the BOMA guidelines. Class A properties are the most prestigious buildings competing for premier office users with rents above average for the area. Class B properties compete for a wide range of users with rents in the average range for the area. Class C buildings compete for tenants requiring functional space at rents below the area average.

Vacancy and Availability: The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease vacant. The availability rate is the amount of space available for lease divided by the inventory.

Direct Vacant: This is the vacancy rate in space offered on the market directly by the landlord in single and multi-tenant buildings. This excludes vacant space offered for sublease and vacant space that is not offered on the market, for whatever reason.

Net Absorption: The net change in physically occupied space over a period of time.

Asking Rent: The dollar amount asked by landlords for available space expressed in dollars per square foot per year in most parts of the country and dollars per square foot per month in areas of California and selected other markets. Office rents are reported full service where all costs of operation are paid for by the landlord up to a base year or expense stop. The asking rent for each building in the market is weighted by the amount of available space in the building.

**Grubb & Ellis statistics are audited annually and may result in revisions to previously reported quarterly and final year-end figures.*