previously laid off or terminated employees, management determined in 2002 that a portion of the remaining accrual was no longer necessary. This resulted in a restructuring credit of $10 million in 2002.

Property transactions, net consisted of the following:

Year Ended December 31 (In thousands)	2004	2003	2002
Gain on sale of North Las Vegas land	$ —	$ (36,776)	$ —
Siegfried & Roy theatre write-down – The Mirage	—	1,408	—
Storm damage – Beau Rivage	—	—	7,824
Write-off of Detroit development costs	—	—	4,754
Impairment of assets to be disposed of	473	5,764	2,134
Demolition costs	7,057	6,614	—
Other net losses on asset sales or disposals	1,135	4,049	—
	$ 8,665	$ (18,941)	$ 14,712

In 2004, there were no material unusual property transactions. In 2003, we sold 315 acres of land in North Las Vegas, Nevada near Shadow Creek for approximately $55 million, resulting in the $37 million gain reflected above. Prior to 2003, we classified gains and losses on routine assets sales or disposals as a non-operating item at some resorts and as an operating item at other resorts. We believe the preferable presentation of these items is as an element of operating income. Prior period statements have not been reclassified as such transactions were not material in periods prior to 2003. Until 2003, demolition costs were typically capitalized as part of new construction. We began expensing demolition costs on major construction projects as incurred on January 1, 2003, and are accounting for this change in policy prospectively. Demolition costs were not material in periods prior to 2003. Demolition costs in 2004 and 2003 related primarily to preparation for the Bellagio standard room remodel, Bellagio expansion and new theatre at MGM Grand Las Vegas. Impairments of assets to be disposed of in 2003 consisted primarily of assets related to the former EFX! show and restaurants closed during 2003 at MGM Grand Las Vegas.

In 2002, Tropical Storm Isidore caused property damage at Beau Rivage totaling $8 million, including clean-up costs. The amount of the write-down for damaged assets was determined based on the net book value of the assets and engineering estimates. In connection with the revised development agreement in Detroit, we wrote off $5 million, which was the net book value of previously incurred development costs associated with the riverfront permanent casino site ($9 million), offset by previously accrued obligations no longer required under the revised development agreement ($4 million).

Non-operating Results

The following table summarizes information related to interest on our long-term debt:

Year Ended December 31 (In thousands)	2004	2003	2002
Interest cost	$ 401,391	$ 352,820	$ 345,448
Less: Capitalized interest	(23,005)	(15,234)	(61,712)
Interest expense, net	$ 378,386	$ 337,586	$ 283,736
Cash paid for interest, net of amounts capitalized	$ 321,008	$ 308,198	$ 266,071
Average total debt balance	$ 5.5 billion	$ 5.2 billion	$ 5.2 billion
Weighted average interest rate	7.2%	6.9%	6.8%

Interest cost was higher in 2004 as we had a higher average borrowing rate due to increases in variable interest rates and the issuance of significant fixed rate debt in the second half of 2004 in anticipation of the Mandalay merger.

Capitalized interest increased in 2004 due to the ongoing Bellagio expansion and *KÀ* theatre projects. Capitalized interest in 2005 will include interest capitalized on Project CityCenter. Capitalized interest decreased in 2003 due to the suspension of development in Atlantic City in late 2002 and the mid-2003 cessation of interest capitalization on the Company's investment in Borgata, which opened on July 3, 2003.

Non-operating items from unconsolidated affiliates, primarily our share of Borgata's interest expense and state income taxes, increased from $10 million in 2003 to