



COLORADO COMMERCIAL
COMPANIES

C3 Advisor

Office Snapshot

NATIONAL/LOCAL

- Economic growth for 2012 was self-sustaining, but underwhelming with GDP averaging 2.4%
- National unemployment started the year at 8.5% and declined to 7.7% by year end
- The Federal Reserve has pledged to keep interest rates low through 2014 in an attempt to keep the economy posting positive results
- Economists warn that holding rates at historically low levels will result in sky-rocketing inflation
- Colorado is outperforming many other states in the Country.
- 2012 posted positive absorption numbers for all submarkets, rental rate increases in the Central Business District and Denver Technology Center/Southeast area

SNAPSHOT

Marketwide Vacancy: 14.1%
Absorption: +687,000RSF
Average Rent: \$21.50/RSF FSG
Cap Rates: ±7.2%

KEY SECTOR IMPACTS

Education and Health Services (+6.0%)
Financial Services (+4.3%)
Leisure and Hospitality (+4.1%)
Mining/Logging (3.7%)
Construction (3.7%)

NOTABLE LEASES

Bridgepoint	37,000 RSF (total space 259,000 RSF)	Central Business District
Jacobs Engineering	76,000 RSF (total space 144,000 RSF)	Central Business District
Kaiser Permanente	130,000 RSF	Greenwood Village
ADT	122,000 RSF	Aurora
Mercury Payment Systems	87,000 RSF	Denver Tech Center
Plug & Play Colorado	79,000 RSF	Meridian
Wheeler Trigg O'Donnell	75,000 RSF	Central Business District
Urban Settlement Services	67,000 RSF renewal	Northwest Corridor



CONSTRUCTION

- North Wing Building, 112,000SF in the Central Business District, 61% preleased to IMA Financial
- One Union Station, 106,000SF in the Central Business District, 64% preleased to Antero Resources
- 16M, 130,000SF in the Central Business District, 0% preleased
- 1801 California Street in the Central Business District is being overhauled at a cost of over \$50M
- 245 Columbine Street in Cherry Creek is slated for redevelopment
- 215 St. Paul Street in Cherry Creek is slated for redevelopment

NOTABLE SALES

	Price	Purchaser
Southeast Corporate Center	\$90.8M	DCI Technology Holdings, LLC
Village Center Station	\$62M	Shea Properties, intercompany transaction
Peak View Tower	\$54M	KBS Realty Advisors
Alamo Plaza	\$53.6M	Lowe Enterprises Investors
Harlequin Plaza	\$26.55M	Unico Properties, Inc.
Triad Plaza	\$25.53M	M&J Wilkow, Ltd.
Sixth Avenue West	\$10.6M	Transwestern Strategic Equity Partners/Diversified International Partners

TRENDS/PROJECTIONS

- National unemployment may stay above 5% for several years
- Denver will place in the top 10 cities in the nation for hiring in 2013
- New office buildings will be constructed in Colorado submarkets with tight inventories
- Companies will begin to focus on advancing business objectives as the post-election fog clears
- Leasing and sales will continue to move at a measured pace

C3 Mission

To use our resources, experience, network and processes to find ideal real estate solutions for our clients. Our Goal is that every C3 client will use us repeatedly and refer us to others

C3 Advantage

We help our clients successfully infiltrate the exclusive network of owners, brokers, and developers that controls access to commercial property opportunities

C3 is a privately held, full-service commercial real estate firm

C3 specializes in tenant representation, third-party agency, and commercial real estate investments and sales

C3 Promise:

Our work will be exceptional
We will outperform your expectations
We will free your time, while we save you money
We will do what our competition promises...but doesn't deliver

- Natasha Felten, President

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Industrial Snapshot

NATIONAL/LOCAL

- North American vacancy dropped 30 basis points to end the year at $\pm 8.4\%$
- Net absorption in the US was positive for the year at 64M SF
- Inventories increased by 24M SF across the country
- Speculative industrial development was almost non-existent nationwide at less than 10M SF
- Capital for new construction remains scarce and preleasing is critical
- Supply chains/distribution channels are being evaluated and re-engineered to max efficiencies
- Expansion of the Panama Canal lock system is driving the industrial complex to make large CAPEX investments in new facilities
- The Rocky Mountain/West region of the US out performed all other regions, posting industrial vacancy of approximately 7.9%

NOTABLE LEASES

Primestar Solar	280,000 SF	East Submarket
Goodwill Industries	218,750 SF	East Submarket
ACME Delivery Service	148,200 SF	Northeast Submarket
Fresca Foods	119,000 SF	East Submarket
Western Pacific Building Materials	76,000 SF	Southwest Submarket
Thule West	50,050 SF	East Submarket



CONSTRUCTION

- Niagara Water Distribution Facility, 210,000 SF in the East Submarket, Build To Suit
- UE Compression, 101,000 SF in the Northeast Submarket, Build To Suit
- Polystrand, 114,000 SF in the Southeast Submarket, Build To Suit

NOTABLE SALES

	Price	Purchaser
FedEx Distribution Terminal, 9351 Willow Court	\$36.6M	American Realty Capital Properties
Upland Distribution Center Portfolio, 11440 E 56th Avenue, 3254, 3650 Fraser Street and 14200 E 33rd Place	\$24.8M	St. Paul Fire and Marine Insurance Company
National Archived Record, 17101 Huron Street	\$19.5M	Alameda Natpark
12929 and 13059 E Peakview Avenue	\$13.4M	Frances C. Berger Foundation

TRENDS/PROJECTIONS

- Industrial users rely on rail to move ocean distribution across land (INTERMODAL)
- Continued recovery in the housing sector will continue to push industrial demand
- Enhanced efficiencies are in demand, as ecommerce accounts for even higher proportions of sales
- Sophisticated logistics will shorten delivery timeframes and reduce handling costs
- Denver will be an inland market that will attract investment and development, due to its strategic distribution location and focus on rail and truck lines
- Rail delivery will dominate trucking, due to increased labor regulations and greater environmental concerns
- Air cargo facilities will grow as ecommerce increases; hub and spoke models will be employed to maximize efficiencies for routes

SNAPSHOT

Marketwide Vacancy: 7.45%
 Absorption: +1.3MSF
 Average Rents:
 Distribution – \$4.60/SF NNN;
 High Clear 100K+ – \$3.95/SF NNN;
 Flex – \$8.20/SF NNN;
 Lab – 9.50/SF NNN
 Cap Rates: $\pm 8.2\%$

KEY SECTOR IMPACTS

Education and Health Services (+6.0%)
 Financial Services(+4.3%)
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 Mining, Logging & Construction (+3.7%)

Warehouse/ Showroom For Sale



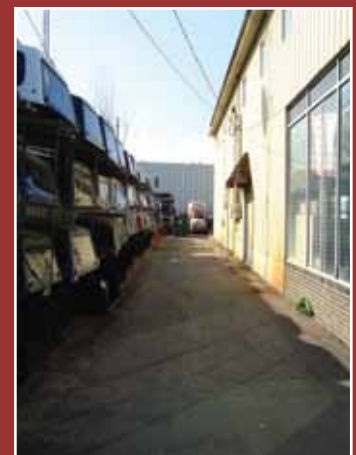
5675 Logan Street
Denver, CO

12,368 SF Building
30,056 SF Site
Fenced Yard
Zoned I-A

Building Signage
Easy Access From I-25
via 58th Avenue Exit
2 Blocks From
Denver Merchandise Mart

~~\$795,000~~

\$675,000



For more information contact
Natasha Felten at 303-327-5800

Multi-Family Snapshot

NATIONAL/LOCAL

- Declines in homeownership have continued to benefit the multi-family market nationwide
- Apartment rents are approaching peaks in key markets
- Vacancies are below long term averages
- Colorado multifamily building permits were up 125% year over year
- Demand for Colorado product is at an all-time high, resulting in a 5.5% increase in rental rates year over year
- Vacancy in Denver is at a 12 year low

SNAPSHOT

Developers delivered 3,000 units in CY 2012

Marketwide Vacancy: 4.8%

Absorption: Positive

Average Rents: \$978/month

Concessions have flattened out

Cap Rates: 5.0-7.5% range depending on asset grade

NOTABLE SALES	Price	Units	Cap	Purchaser
Windrock & Stone Canyon	\$82.75M	660	5.6%	Thompson Michie Associates, Inc.
The Metro	\$90.75M	415	5.0%	MEPT
Champions park	\$68.3M	480	5.8%	Eaton Vance Investment Managers



Champions Park, Thornton

CONSTRUCTION

- 13,000 units are under construction in Colorado
- 417 units were completed in the city of Denver in CY 2012
- Looking forward, downtown Denver has 3,500 units under construction and 3,200 units proposed

TRENDS/PROJECTIONS

- Debt markets will continue to ease with more lenders participating in the market and better returns spreading liquidity to other markets
- The national homeownership rate of 65.5% will continue to drop 1-2% points, if the recovery remains sluggish
- 2013 will present modest improvements in the multifamily markets nationwide
- Multi-family product demand is anticipated to remain solid through CY 2015, due to demographics and changing social views
- Colorado has seen continued immigration from young adults over the past five years, this populations strong desire to live in urban areas will sustain downtown development

Office/Multi-family Opportunity For Sale



3120 Blake Street
Denver, CO

16,090 SF Building
21,875 SF Site

Prominent RiNo Location

Conversion Possibility

Great Location for
Service/Retail
Repositioning

Within 6 blocks of future
light rail stations at 38th &
Blake, and 33rd and
Downing

RiNo is a submarket
north of downtown Denver
beginning to gentrify with the
addition of multifamily and
residential units, art studios,
and historic office spaces



Retail Snapshot

NATIONAL/LOCAL

- US Consumer Confidence has continued to struggle, posting 65.1% at year end
- Y2012 US holiday sales were less than expected
- Households continue to save more of their money rather than spend it, with a saving rate of 4.4%
- Colorado's retail market continued to buck the national trends by posting a seventh consecutive year of positive absorption
- Destination retailers made an appearance in Colorado with announcements from Trader Joe's and Cabela's



SNAPSHOT

Marketwide Vacancy: 8.22%
Absorption: 1.09M SF
Average NNN Rents:
General Retail \$13.51/SF;
Mall \$21.83/SF;
Power Center \$19.04/SF;
Shopping Center \$13.86/SF;
Specialty Centers \$21.83/SF
Cap Rates: Averaging 7.15%

CONSTRUCTION

- At the end of CY 2012, 771,127SF of retail space is under construction
- Fuqua Development plans demolition and redevelopment of the former University of Colorado Hospital Campus in 2013
- Tamarac Square is being renovated; the complex will be anchored by Target
- Lakeside Redevelopment will be anchored by Super Walmart

NOTABLE LEASES

Sportsman's Warehouse	51,575 SF	11 West 84th Avenue
Woodward	46,389SF	871 Champion Drive
Pacific Ocean Market	45,306	12201 East Mississippi Avenue

NOTABLE SALES

	Price	Price/SF	Purchaser
Flatiron Crossing Shopping Center	\$323M	\$286.79/SF	The Macerich Company
Quebec Square	\$34.3M	\$157.83/SF	Quebec Square, CHM, LLC
Southlands	\$102.5M	\$113.89/SF	Northwood Investors
The Shoppes at Castle Rock	\$20.6M	\$195.21/SF	Revesco Properties

TRENDS/PROJECTIONS

- As the recovery gains strength, consumer confidence will improve and pent up demand will be exhibited as greater retail sales numbers, thus driving development and redevelopment efforts
- Infill sites in strong urban locations will continue to attract large national retailers
- Denver avoided overbuilding, which will allow for faster growth of the retail segment into the future
- Class B/C centers that struggled with vacancies in the past three years will begin to see some relief into 2013/2014



Southlands Mall, Aurora

695 JERRY STREET



This new building in downtown Castle Rock offers great identity directly adjacent to I-25. First Floor suites are designated for retail and service providers. Second and third floor spaces are perfect for office and medical users. Third floor units offer beautiful views.

Call Natasha for more information:
303 327 5800

695 Jerry Street | Castle Rock, CO 80104



SERVICE/
RETAIL
SPACE!

FOR LEASE