

Metro Denver/Boulder Industrial Market Report 4th Quarter 2011

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DENVER INDUSTRIAL MARKET



OVERVIEW

DENVER'S VACANCY INCREASES TO 7.8%

Net Absorption Negative (487,534) SF in the Quarter

The Denver Industrial market ended the fourth quarter 2011 with a vacancy rate of 7.8%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (487,534) square feet in the fourth quarter. Vacant sublease space increased in the quarter, ending the quarter at 434,399 square feet. Rental rates ended the fourth quarter at \$5.85, no change over the previous quarter. There was 50,796 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Denver Industrial market was negative (487,534) square feet in the fourth quarter 2011. That compares to positive 933,297 square feet in the third quarter 2011, negative (51,102) square feet in the second quarter 2011, and negative (300,654) square feet in the first quarter 2011.

The Flex building market recorded net absorption of negative (51,250) square feet in the fourth quarter 2011, compared to positive 261,669 square feet in the third quarter 2011, positive 278,175 in the second quarter 2011, and positive 8,624 in the first quarter 2011.

The Warehouse building market recorded net absorption of negative (436,284) square feet in the fourth quarter 2011 compared to positive 671,628 square feet in the third quarter 2011, negative (329,277) in the second quarter 2011, and negative (309,278) in the first quarter 2011.

Vacancy

The Industrial vacancy rate in the Denver market area increased to 7.8% at the end of the fourth quarter 2011. The vacancy rate was 7.6% at the end of the third quarter 2011, 7.9%

at the end of the second quarter 2011, and 7.8% at the end of the first quarter 2011.

Flex projects reported a vacancy rate of 13.1% at the end of the fourth quarter 2011, 13.0% at the end of the third quarter 2011, 13.6% at the end of the second quarter 2011, and 14.2% at the end of the first quarter 2011.

Warehouse projects reported a vacancy rate of 6.7% at the end of the fourth quarter 2011, 6.6% at the end of third quarter 2011, 6.8% at the end of the second quarter 2011, and 6.6% at the end of the first quarter 2011.

Largest Lease Signings

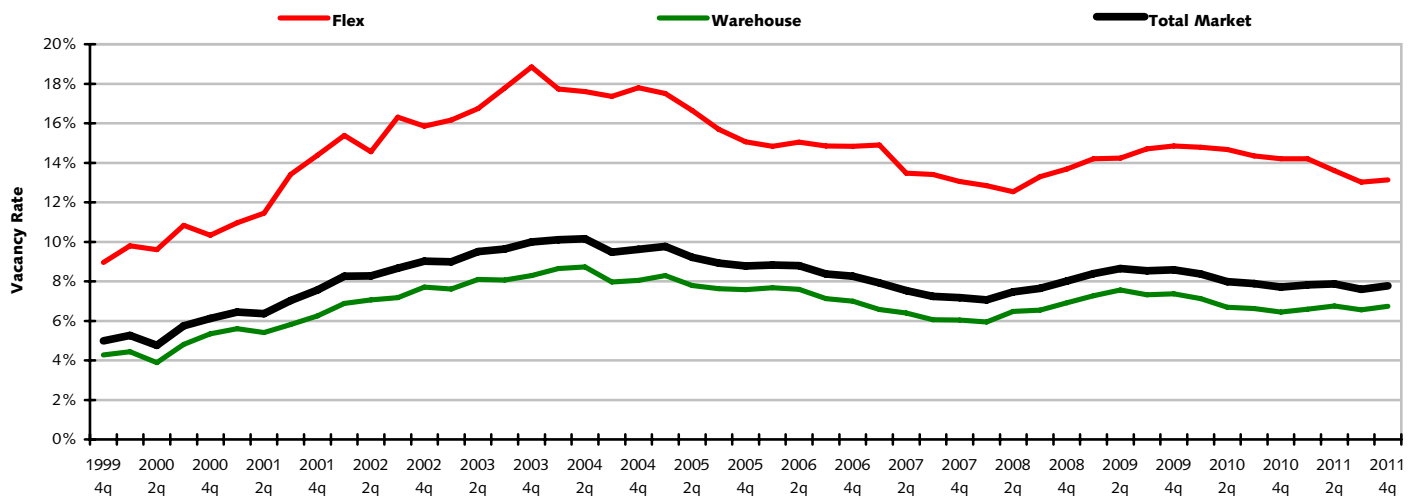
The largest lease signings occurring in 2011 included: the 280,000-square-foot lease signed by General Electric Company at Majestic Commercenter - Bldg 20 in the East I-70/Montbello market; the 148,902-square-foot deal signed by SMA at Enterprise Park - Building two in the East I-70/Montbello market; and the 140,630-square-foot lease signed by Home Depot at 9410 Heinze Way in the Northeast Denver market.

Sublease Vacancy

The amount of vacant sublease space in the Denver market increased to 434,399 square feet by the end of the fourth quarter 2011, from 419,552 square feet at the end of the third quarter 2011. There was 770,857 square feet vacant at the end of the second quarter 2011 and 821,956 square feet at the end of the first quarter 2011.

Denver's Flex projects reported vacant sublease space of 88,257 square feet at the end of fourth quarter 2011, up from the 55,843 square feet reported at the end of the third quarter 2011.

VACANCY RATES BY BUILDING TYPE 1999-2011



Source: CoStar Property®

There were 94,203 square feet of sublease space vacant at the end of the second quarter 2011, and 167,746 square feet at the end of the first quarter 2011.

Warehouse projects reported decreased vacant sublease space from the third quarter 2011 to the fourth quarter 2011. Sublease vacancy went from 363,709 square feet to 346,142 square feet during that time. There was 676,654 square feet at the end of the second quarter 2011, and 654,210 square feet at the end of the first quarter 2011.

Rental Rates

The average quoted asking rental rate for available Industrial space was \$5.85 per square foot per year at the end of the fourth quarter 2011 in the Denver market area. This represented a 0.0% change in quoted rental rates from the end of the third quarter 2011, when rents were reported at \$5.85 per square foot.

The average quoted rate within the Flex sector was \$8.71 per square foot at the end of the fourth quarter 2011, while Warehouse rates stood at \$4.84. At the end of the third quarter 2011, Flex rates were \$8.72 per square foot, and Warehouse rates were \$4.83.

Deliveries and Construction

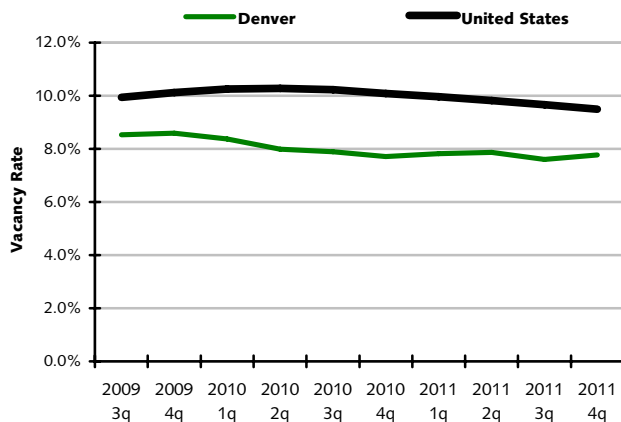
During the fourth quarter 2011, no new space was completed in the Denver market area. This compares to two buildings totaling 198,800 square feet that were completed in the third quarter 2011, three buildings totaling 92,394 square feet completed in the second quarter 2011, and 55,113 square feet in two buildings completed in the first quarter 2011.

There were 50,796 square feet of Industrial space under construction at the end of the fourth quarter 2011.

Some of the notable 2011 deliveries include: Oneida Cold Storage & Warehouse Expansion, a 140,000-square-foot facility that delivered in third quarter 2011 and is now 100% occupied, and Cummins Rocky Mountain Master Rebuild Center, a 78,000-square-foot building that delivered in second quarter 2011 and is now 100% occupied.

U.S. VACANCY COMPARISON

Past 10 Quarters



Source: CoStar Property*

The largest projects underway at the end of fourth quarter 2011 were Expansion, a 35,000-square-foot building with 100% of its space pre-leased, and 2675 S Raritan St, a 10,875-square-foot facility that is 0% pre-leased.

Inventory

Total Industrial inventory in the Denver market area amounted to 280,748,255 square feet in 9,605 buildings as of the end of the fourth quarter 2011. The Flex sector consisted of 45,556,928 square feet in 1,661 projects. The Warehouse sector consisted of 235,191,327 square feet in 7,944 buildings. Within the Industrial market there were 1,254 owner-occupied buildings accounting for 61,685,270 square feet of Industrial space.

Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Denver industrial sales figures fell during the third quarter 2011 in terms of dollar volume compared to the second quarter of 2011.

In the third quarter, 33 industrial transactions closed with a total volume of \$67,323,083. The 33 buildings totaled 1,497,523 square feet and the average price per square foot equated to \$44.96 per square foot. That compares to 32 transactions totaling \$103,332,677 in the second quarter. The total square footage was 1,828,651 for an average price per square foot of \$56.51.

Total year-to-date industrial building sales activity in 2011 is up compared to the previous year. In the first nine months of 2011, the market saw 94 industrial sales transactions with a total volume of \$234,648,260. The price per square foot has averaged \$50.83 this year. In the first nine months of 2010, the market posted 70 transactions with a total volume of \$168,830,439. The price per square foot averaged \$52.55.

Cap rates have been lower in 2011, averaging 7.80%, compared to the first nine months of last year when they averaged 9.25%.

One of the largest transactions that has occurred within the last four quarters in the Denver market is the sale of Aurora Commerce Center - Bldg C in Aurora. This 406,959-square-foot industrial building sold for \$24,500,000, or \$60.20 per square foot. The property sold on 11/30/2011, at a 7.14% cap rate.

Reports compiled by: Ethan Reed, CoStar Sr. Research Manager.

DENVER INDUSTRIAL MARKET



MARKETS

CoSTAR MARKETS & SUBMARKETS

In analyzing metropolitan areas in the U.S., CoStar has developed geographic designations to help group properties together, called Regions, Markets and Submarkets. Regions are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are then divided into Markets, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Markets	Submarkets				
Aurora Ind	Aurora Ind				
Boulder Ind	Boulder County Ind	Boulder Ind			
Broomfield Ind	Broomfield County Ind				
Central Ind	Lower Central Ind	Mid Central Ind	Upper Central Ind		
Clear Creek County Ind	Clear Creek County Ind				
East I-70/Montbello Ind	Cent E I-70/Montbello Ind	East I-70/270 Ind	Quebec St Ind	SW DIA/Pena Blvd Ind	
Elbert County Ind	Elbert County Ind				
Fort Collins/Loveland Ind	Fort Collins/Loveland Ind				
Glendale Ind	Glendale Ind				
Longmont Ind	Longmont Ind				
North Central Ind	Lower North Central Ind	Upper North Central Ind			
North Denver Ind	North Denver Ind				
Northeast Denver Ind	Commerce City Ind	DIA Ind			
Northwest Denver Ind	Northwest Denver Ind				
Park County Ind	Park County Ind				
Parker/Castle Rock Ind	Parker/Castle Rock Ind				
South Central Ind	Lower South Central Ind	Mid South Central Ind	Upper South Central Ind		
Southeast Denver Ind	Arapahoe Rd Ind Greenwood Village Ind Southeast C-470 Ind	Centennial Ind Highlands Ranch Ind	Denver Tech Center Ind Inverness Ind	East Hampden Ind Meridian Ind	
Southwest Denver Ind	Lakewood Ind	Southwest C-470 Ind			
Weld County Ind	Weld County Ind				
West Denver Ind	West Denver Ind				

DENVER INDUSTRIAL MARKET



FIGURES AT A GLANCE

FLEX MARKET STATISTICS

Year-End 2011

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Aurora Ind	53	1,712,421	245,955	245,955	14.4%	(18,818)	0	0	\$7.79
Boulder Ind	174	6,070,582	500,292	508,329	8.4%	85,712	0	0	\$10.44
Broomfield Ind	35	1,064,309	104,939	126,833	11.9%	90,177	0	0	\$8.95
Central Ind	43	454,805	58,948	58,948	13.0%	(15,696)	0	0	\$9.84
Clear Creek County Ind	2	30,663	21,773	21,773	71.0%	0	0	0	\$10.51
East I-70/Montbello Ind	79	1,932,901	344,008	344,008	17.8%	112,187	0	0	\$9.05
Elbert County Ind	0	0	0	0	0.0%	0	0	0	\$0.00
Fort Collins/Loveland Ind	176	4,331,109	345,742	350,542	8.1%	53,625	0	0	\$7.55
Glendale Ind	48	1,001,929	174,041	174,041	17.4%	(41,766)	0	0	\$8.81
Longmont Ind	65	3,059,374	483,705	516,119	16.9%	(114,024)	0	0	\$7.79
North Central Ind	48	1,010,879	31,003	31,003	3.1%	29,746	0	4,921	\$16.37
North Denver Ind	30	1,818,333	274,140	274,140	15.1%	10,442	0	0	\$10.01
Northeast Denver Ind	36	530,790	134,306	134,306	25.3%	11,043	0	0	\$8.15
Northwest Denver Ind	162	4,133,581	674,892	674,892	16.3%	(50,306)	0	0	\$9.25
Park County Ind	1	7,500	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock Ind	15	214,281	36,512	36,512	17.0%	(11,612)	0	0	\$9.37
South Central Ind	65	759,297	63,111	63,111	8.3%	6,550	0	0	\$7.12
Southeast Denver Ind	265	7,816,385	1,125,270	1,144,882	14.6%	170,578	0	0	\$8.98
Southwest Denver Ind	147	4,060,305	414,644	414,644	10.2%	(51,088)	0	0	\$8.93
Weld County Ind	92	2,102,002	510,445	510,445	24.3%	71,770	32,332	0	\$6.62
West Denver Ind	125	3,445,482	352,051	353,551	10.3%	158,698	0	0	\$7.79
Totals	1,661	45,556,928	5,895,777	5,984,034	13.1%	497,218	32,332	4,921	\$8.71

Source: CoStar Property®

WAREHOUSE MARKET STATISTICS

Year-End 2011

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Aurora Ind	52	812,190	35,570	35,570	4.4%	(21,080)	0	0	\$7.54
Boulder Ind	292	7,608,259	310,672	375,684	4.9%	103,230	58,800	0	\$6.97
Broomfield Ind	115	3,334,478	400,258	400,258	12.0%	(57,283)	0	0	\$4.57
Central Ind	624	13,322,655	238,912	262,898	2.0%	103,617	0	0	\$5.28
Clear Creek County Ind	4	70,041	0	0	0.0%	0	0	0	\$0.00
East I-70/Montbello Ind	1,291	69,661,191	6,325,791	6,515,638	9.4%	(505,471)	0	0	\$3.72
Elbert County Ind	7	59,070	0	0	0.0%	2,168	0	0	\$7.19
Fort Collins/Loveland Ind	600	12,152,514	1,461,942	1,467,342	12.1%	65,792	30,911	0	\$6.08
Glendale Ind	107	1,831,408	257,301	257,301	14.0%	23,609	0	0	\$5.26
Longmont Ind	154	3,333,715	207,439	207,439	6.2%	158,254	0	0	\$5.36
North Central Ind	897	20,854,819	1,209,320	1,231,257	5.9%	(383,022)	0	0	\$4.57
North Denver Ind	211	7,327,589	486,941	490,441	6.7%	(27,227)	0	0	\$5.34
Northeast Denver Ind	629	17,116,343	943,386	955,184	5.6%	405,256	218,000	35,000	\$4.74
Northwest Denver Ind	494	15,356,109	797,019	797,019	5.2%	57,946	0	0	\$5.15
Park County Ind	7	24,487	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock Ind	89	983,730	12,867	12,867	1.3%	22,696	0	0	\$10.22
South Central Ind	892	15,456,303	566,478	566,478	3.7%	22,605	0	10,875	\$5.23
Southeast Denver Ind	214	7,735,761	507,930	509,323	6.6%	7,000	0	0	\$7.14
Southwest Denver Ind	345	6,585,839	298,509	298,509	4.5%	(26,073)	0	0	\$6.19
Weld County Ind	567	16,507,751	704,652	707,102	4.3%	35,187	0	0	\$5.86
West Denver Ind	353	15,057,075	733,756	754,575	5.0%	(390,415)	6,264	0	\$6.17
Totals	7,944	235,191,327	15,498,743	15,844,885	6.7%	(403,211)	313,975	45,875	\$4.84

Source: CoStar Property®

DENVER INDUSTRIAL MARKET

FIGURES AT A GLANCE

TOTAL INDUSTRIAL MARKET STATISTICS

Year-End 2011

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Aurora Ind	105	2,524,611	281,525	281,525	11.2%	(39,898)	0	0	\$7.77
Boulder Ind	466	13,678,841	810,964	884,013	6.5%	188,942	58,800	0	\$8.99
Broomfield Ind	150	4,398,787	505,197	527,091	12.0%	32,894	0	0	\$6.18
Central Ind	667	13,777,460	297,860	321,846	2.3%	87,921	0	0	\$5.58
Clear Creek County Ind	6	100,704	21,773	21,773	21.6%	0	0	0	\$10.51
East I-70/Montbello Ind	1,370	71,594,092	6,669,799	6,859,646	9.6%	(393,284)	0	0	\$3.84
Elbert County Ind	7	59,070	0	0	0.0%	2,168	0	0	\$7.19
Fort Collins/Loveland Ind	776	16,483,623	1,807,684	1,817,884	11.0%	119,417	30,911	0	\$6.61
Glendale Ind	155	2,833,337	431,342	431,342	15.2%	(18,157)	0	0	\$6.44
Longmont Ind	219	6,393,089	691,144	723,558	11.3%	44,230	0	0	\$7.15
North Central Ind	945	21,865,698	1,240,323	1,262,260	5.8%	(353,276)	0	4,921	\$5.22
North Denver Ind	241	9,145,922	761,081	764,581	8.4%	(16,785)	0	0	\$6.83
Northeast Denver Ind	665	17,647,133	1,077,692	1,089,490	6.2%	416,299	218,000	35,000	\$5.05
Northwest Denver Ind	656	19,489,690	1,471,911	1,471,911	7.6%	7,640	0	0	\$6.47
Park County Ind	8	31,987	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock Ind	104	1,198,011	49,379	49,379	4.1%	11,084	0	0	\$9.80
South Central Ind	957	16,215,600	629,589	629,589	3.9%	29,155	0	10,875	\$5.34
Southeast Denver Ind	479	15,552,146	1,633,200	1,654,205	10.6%	177,578	0	0	\$8.29
Southwest Denver Ind	492	10,646,144	713,153	713,153	6.7%	(77,161)	0	0	\$7.55
Weld County Ind	659	18,609,753	1,215,097	1,217,547	6.5%	106,957	32,332	0	\$6.08
West Denver Ind	478	18,502,557	1,085,807	1,108,126	6.0%	(231,717)	6,264	0	\$6.77
Totals	9,605	280,748,255	21,394,520	21,828,919	7.8%	94,007	346,307	50,796	\$5.85

Source: CoStar Property®

DENVER INDUSTRIAL MARKET



FIGURES AT A GLANCE

FLEX SUBMARKET STATISTICS

Year-End 2011

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Arapahoe Rd Ind	1	18,000	5,462	5,462	30.3%	(3,962)	0	0	\$9.53
Aurora Ind	53	1,712,421	245,955	245,955	14.4%	(18,818)	0	0	\$7.79
Boulder County Ind	26	1,598,068	98,477	98,477	6.2%	(27,909)	0	0	\$9.04
Boulder Ind	148	4,472,514	401,815	409,852	9.2%	113,621	0	0	\$10.69
Broomfield County Ind	35	1,064,309	104,939	126,833	11.9%	90,177	0	0	\$8.95
Cent E I-70/Montbello Ind	30	633,824	102,980	102,980	16.2%	(13,179)	0	0	\$8.04
Centennial Ind	118	3,752,930	606,393	606,393	16.2%	46,343	0	0	\$8.00
Clear Creek County Ind	2	30,663	21,773	21,773	71.0%	0	0	0	\$10.51
Commerce City Ind	21	321,394	16,618	16,618	5.2%	6,468	0	0	\$6.43
Denver Tech Center Ind	5	181,167	80,360	80,360	44.4%	(8,632)	0	0	\$11.12
DIA Ind	15	209,396	117,688	117,688	56.2%	4,575	0	0	\$8.45
East Hampden Ind	6	99,466	0	0	0.0%	13,288	0	0	\$4.13
East I-70/270 Ind	10	261,765	10,210	10,210	3.9%	(8,710)	0	0	\$5.72
Elbert County Ind	0	0	0	0	0.0%	0	0	0	\$0.00
Fort Collins/Loveland Ind	176	4,331,109	345,742	350,542	8.1%	53,625	0	0	\$7.55
Glendale Ind	48	1,001,929	174,041	174,041	17.4%	(41,766)	0	0	\$8.81
Greenwood Village Ind	1	17,028	0	0	0.0%	0	0	0	\$0.00
Highlands Ranch Ind	20	788,724	72,150	72,150	9.1%	42,935	0	0	\$8.47
Inverness Ind	47	1,982,148	296,516	316,128	15.9%	71,212	0	0	\$10.46
Lakewood Ind	4	39,673	6,636	6,636	16.7%	0	0	0	\$9.00
Longmont Ind	65	3,059,374	483,705	516,119	16.9%	(114,024)	0	0	\$7.79
Lower Central Ind	12	100,838	26,180	26,180	26.0%	4	0	0	\$8.28
Lower North Central Ind	22	570,803	7,667	7,667	1.3%	10,891	0	0	\$14.74
Lower South Central Ind	31	406,709	14,613	14,613	3.6%	1,750	0	0	\$6.80
Meridian Ind	10	106,915	16,943	16,943	15.8%	5,881	0	0	\$9.05
Mid Central Ind	18	189,696	27,768	27,768	14.6%	(19,868)	0	0	\$8.29
Mid South Central Ind	15	198,260	4,500	4,500	2.3%	4,800	0	0	\$7.50
North Denver Ind	30	1,818,333	274,140	274,140	15.1%	10,442	0	0	\$10.01
Northwest Denver Ind	162	4,133,581	674,892	674,892	16.3%	(50,306)	0	0	\$9.25
Park County Ind	1	7,500	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock Ind	15	214,281	36,512	36,512	17.0%	(11,612)	0	0	\$9.37
Quebec St Ind	13	409,586	56,390	56,390	13.8%	174,772	0	0	\$7.90
Southeast C-470 Ind	57	870,007	47,446	47,446	5.5%	3,513	0	0	\$9.65
Southwest C-470 Ind	143	4,020,632	408,008	408,008	10.1%	(51,088)	0	0	\$8.93
SW DIA/Pena Blvd Ind	26	627,726	174,428	174,428	27.8%	(40,696)	0	0	\$10.69
Upper Central Ind	13	164,271	5,000	5,000	3.0%	4,168	0	0	\$12.53
Upper North Central Ind	26	440,076	23,336	23,336	5.3%	18,855	0	4,921	\$16.71
Upper South Central Ind	19	154,328	43,998	43,998	28.5%	0	0	0	\$7.60
Weld County Ind	92	2,102,002	510,445	510,445	24.3%	71,770	32,332	0	\$6.62
West Denver Ind	125	3,445,482	352,051	353,551	10.3%	158,698	0	0	\$7.79
Totals	1,661	45,556,928	5,895,777	5,984,034	13.1%	497,218	32,332	4,921	\$8.71

Source: CoStar Property®

WAREHOUSE SUBMARKET STATISTICS

Year-End 2011

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bids	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Arapahoe Rd Ind	5	243,718	0	0	0.0%	0	0	0	\$0.00
Aurora Ind	52	812,190	35,570	35,570	4.4%	(21,080)	0	0	\$7.54
Boulder County Ind	56	1,652,849	41,615	41,615	2.5%	66,227	58,800	0	\$6.37
Boulder Ind	236	5,955,410	269,057	334,069	5.6%	37,003	0	0	\$7.00
Broomfield County Ind	115	3,334,478	400,258	400,258	12.0%	(57,283)	0	0	\$4.57
Cent E I-70/Montbello Ind	296	17,048,842	1,353,140	1,454,846	8.5%	(402,580)	0	0	\$3.44
Centennial Ind	123	5,005,793	372,936	374,329	7.5%	(44,466)	0	0	\$6.96
Clear Creek County Ind	4	70,041	0	0	0.0%	0	0	0	\$0.00
Commerce City Ind	453	9,755,830	564,236	576,034	5.9%	(109,535)	0	0	\$5.43
Denver Tech Center Ind	0	0	0	0	0.0%	0	0	0	\$0.00
DIA Ind	176	7,360,513	379,150	379,150	5.2%	514,791	218,000	35,000	\$4.05
East Hampden Ind	0	0	0	0	0.0%	0	0	0	\$0.00
East I-70/270 Ind	411	17,598,923	1,370,394	1,381,507	7.8%	(509,393)	0	0	\$4.22
Elbert County Ind	7	59,070	0	0	0.0%	2,168	0	0	\$7.19
Fort Collins/Loveland Ind	600	12,152,514	1,461,942	1,467,342	12.1%	65,792	30,911	0	\$6.08
Glendale Ind	107	1,831,408	257,301	257,301	14.0%	23,609	0	0	\$5.26
Greenwood Village Ind	1	7,337	0	0	0.0%	0	0	0	\$0.00
Highlands Ranch Ind	21	558,185	1,300	1,300	0.2%	10,000	0	0	\$6.33
Inverness Ind	8	464,767	0	0	0.0%	0	0	0	\$4.50
Lakewood Ind	8	86,207	0	0	0.0%	0	0	0	\$0.00
Longmont Ind	154	3,333,715	207,439	207,439	6.2%	158,254	0	0	\$5.36
Lower Central Ind	321	8,192,104	116,260	140,246	1.7%	73,720	0	0	\$4.75
Lower North Central Ind	492	11,122,838	662,765	684,702	6.2%	(204,584)	0	0	\$4.47
Lower South Central Ind	472	8,287,927	365,379	365,379	4.4%	42,132	0	10,875	\$5.14
Meridian Ind	30	669,698	60,972	60,972	9.1%	42,289	0	0	\$8.23
Mid Central Ind	264	4,615,823	102,745	102,745	2.2%	32,976	0	0	\$7.05
Mid South Central Ind	93	1,060,375	19,623	19,623	1.9%	(469)	0	0	\$4.35
North Denver Ind	211	7,327,589	486,941	490,441	6.7%	(27,227)	0	0	\$5.34
Northwest Denver Ind	494	15,356,109	797,019	797,019	5.2%	57,946	0	0	\$5.15
Park County Ind	7	24,487	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock Ind	89	983,730	12,867	12,867	1.3%	22,696	0	0	\$10.22
Quebec St Ind	253	9,044,673	733,931	733,931	8.1%	(86,167)	0	0	\$3.14
Southeast C-470 Ind	26	786,263	72,722	72,722	9.2%	(823)	0	0	\$7.55
Southwest C-470 Ind	337	6,499,632	298,509	298,509	4.6%	(26,073)	0	0	\$6.19
SW DIA/Pena Blvd Ind	331	25,968,753	2,868,326	2,945,354	11.3%	492,669	0	0	\$3.82
Upper Central Ind	39	514,728	19,907	19,907	3.9%	(3,079)	0	0	\$5.00
Upper North Central Ind	405	9,731,981	546,555	546,555	5.6%	(178,438)	0	0	\$4.70
Upper South Central Ind	327	6,108,001	181,476	181,476	3.0%	(19,058)	0	0	\$5.44
Weld County Ind	567	16,507,751	704,652	707,102	4.3%	35,187	0	0	\$5.86
West Denver Ind	353	15,057,075	733,756	754,575	5.0%	(390,415)	6,264	0	\$6.17
Totals	7,944	235,191,327	15,498,743	15,844,885	6.7%	(403,211)	313,975	45,875	\$4.84

Source: CoStar Property®

DENVER INDUSTRIAL MARKET



FIGURES AT A GLANCE

TOTAL INDUSTRIAL SUBMARKET STATISTICS

Year-End 2011

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Arapahoe Rd Ind	6	261,718	5,462	5,462	2.1%	(3,962)	0	0	\$9.53
Aurora Ind	105	2,524,611	281,525	281,525	11.2%	(39,898)	0	0	\$7.77
Boulder County Ind	82	3,250,917	140,092	140,092	4.3%	38,318	58,800	0	\$8.46
Boulder Ind	384	10,427,924	670,872	743,921	7.1%	150,624	0	0	\$9.05
Broomfield County Ind	150	4,398,787	505,197	527,091	12.0%	32,894	0	0	\$6.18
Cent E I-70/Montbello Ind	326	17,682,666	1,456,120	1,557,826	8.8%	(415,759)	0	0	\$3.59
Centennial Ind	241	8,758,723	979,329	980,722	11.2%	1,877	0	0	\$7.54
Clear Creek County Ind	6	100,704	21,773	21,773	21.6%	0	0	0	\$10.51
Commerce City Ind	474	10,077,224	580,854	592,652	5.9%	(103,067)	0	0	\$5.46
Denver Tech Center Ind	5	181,167	80,360	80,360	44.4%	(8,632)	0	0	\$11.12
DIA Ind	191	7,569,909	496,838	496,838	6.6%	519,366	218,000	35,000	\$4.68
East Hampden Ind	6	99,466	0	0	0.0%	13,288	0	0	\$4.13
East I-70/270 Ind	421	17,860,688	1,380,604	1,391,717	7.8%	(518,103)	0	0	\$4.23
Elbert County Ind	7	59,070	0	0	0.0%	2,168	0	0	\$7.19
Fort Collins/Loveland Ind	776	16,483,623	1,807,684	1,817,884	11.0%	119,417	30,911	0	\$6.61
Glendale Ind	155	2,833,337	431,342	431,342	15.2%	(18,157)	0	0	\$6.44
Greenwood Village Ind	2	24,365	0	0	0.0%	0	0	0	\$0.00
Highlands Ranch Ind	41	1,346,909	73,450	73,450	5.5%	52,935	0	0	\$8.10
Inverness Ind	55	2,446,915	296,516	316,128	12.9%	71,212	0	0	\$10.28
Lakewood Ind	12	125,880	6,636	6,636	5.3%	0	0	0	\$9.00
Longmont Ind	219	6,393,089	691,144	723,558	11.3%	44,230	0	0	\$7.15
Lower Central Ind	333	8,292,942	142,440	166,426	2.0%	73,724	0	0	\$4.91
Lower North Central Ind	514	11,693,641	670,432	692,369	5.9%	(193,693)	0	0	\$4.64
Lower South Central Ind	503	8,694,636	379,992	379,992	4.4%	43,882	0	10,875	\$5.23
Meridian Ind	40	776,613	77,915	77,915	10.0%	48,170	0	0	\$8.33
Mid Central Ind	282	4,805,519	130,513	130,513	2.7%	13,108	0	0	\$7.10
Mid South Central Ind	108	1,258,635	24,123	24,123	1.9%	4,331	0	0	\$4.65
North Denver Ind	241	9,145,922	761,081	764,581	8.4%	(16,785)	0	0	\$6.83
Northwest Denver Ind	656	19,489,690	1,471,911	1,471,911	7.6%	7,640	0	0	\$6.47
Park County Ind	8	31,987	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock Ind	104	1,198,011	49,379	49,379	4.1%	11,084	0	0	\$9.80
Quebec St Ind	266	9,454,259	790,321	790,321	8.4%	88,605	0	0	\$3.19
Southeast C-470 Ind	83	1,656,270	120,168	120,168	7.3%	2,690	0	0	\$8.29
Southwest C-470 Ind	480	10,520,264	706,517	706,517	6.7%	(77,161)	0	0	\$7.55
SW DIA/Pena Blvd Ind	357	26,596,479	3,042,754	3,119,782	11.7%	451,973	0	0	\$3.99
Upper Central Ind	52	678,999	24,907	24,907	3.7%	1,089	0	0	\$8.32
Upper North Central Ind	431	10,172,057	569,891	569,891	5.6%	(159,583)	0	4,921	\$5.87
Upper South Central Ind	346	6,262,329	225,474	225,474	3.6%	(19,058)	0	0	\$5.57
Weld County Ind	659	18,609,753	1,215,097	1,217,547	6.5%	106,957	32,332	0	\$6.08
West Denver Ind	478	18,502,557	1,085,807	1,108,126	6.0%	(231,717)	6,264	0	\$6.77
Totals	9,605	280,748,255	21,394,520	21,828,919	7.8%	94,007	346,307	50,796	\$5.85

Source: CoStar Property®



DENVER INDUSTRIAL MARKET

FIGURES AT A GLANCE

FLEX MARKET STATISTICS

Year-End 2011

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2011 4q	1,661	45,556,928	5,895,777	5,984,034	13.1%	(51,250)	0	0	1	4,921	\$8.71
2011 3q	1,661	45,556,928	5,876,941	5,932,784	13.0%	261,669	0	0	1	4,921	\$8.72
2011 2q	1,661	45,556,928	6,100,250	6,194,453	13.6%	278,175	0	0	1	4,921	\$8.78
2011 1q	1,661	45,556,928	6,304,882	6,472,628	14.2%	8,624	1	32,332	0	0	\$8.83
2010 4q	1,662	45,544,464	6,375,655	6,468,788	14.2%	78,059	1	13,500	1	32,332	\$9.02
2010 3q	1,662	45,534,029	6,397,327	6,536,412	14.4%	141,187	0	0	2	45,832	\$9.00
2010 2q	1,662	45,534,029	6,525,687	6,677,599	14.7%	56,098	0	0	2	45,832	\$9.07
2010 1q	1,662	45,534,029	6,518,167	6,733,697	14.8%	45,342	1	18,746	1	32,332	\$9.13
2009	1,661	45,515,283	6,501,209	6,760,293	14.9%	(230,754)	11	350,883	1	18,746	\$9.14
2008	1,650	45,164,400	5,904,274	6,178,656	13.7%	526,077	36	1,215,162	10	321,936	\$9.65
2007	1,617	44,233,437	5,536,398	5,773,770	13.1%	1,250,712	30	540,405	21	582,103	\$9.35
2006	1,587	43,693,032	6,278,585	6,484,077	14.8%	551,144	24	538,926	20	357,030	\$8.89
2005	1,563	43,154,106	6,272,647	6,496,295	15.1%	1,729,939	38	666,618	17	343,813	\$8.69
2004	1,525	42,487,488	7,060,269	7,559,616	17.8%	703,687	15	313,348	27	427,990	\$8.50
2003	1,510	42,174,140	7,394,655	7,949,955	18.9%	(880,903)	22	457,602	4	102,282	\$8.49
2002	1,488	41,716,538	5,991,553	6,611,450	15.8%	(22,211)	40	1,239,984	14	342,666	\$9.15

Source: CoStar Property®

WAREHOUSE MARKET STATISTICS

Year-End 2011

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2011 4q	7,944	235,191,327	15,498,743	15,844,885	6.7%	(436,284)	0	0	2	45,875	\$4.84
2011 3q	7,944	235,191,327	15,044,892	15,408,601	6.6%	671,628	2	198,800	1	10,875	\$4.83
2011 2q	7,943	234,999,227	15,211,475	15,888,129	6.8%	(329,277)	3	92,394	3	209,675	\$4.85
2011 1q	7,940	234,906,833	14,812,248	15,466,458	6.6%	(309,278)	1	22,781	5	162,069	\$4.89
2010 4q	7,940	234,889,052	14,380,678	15,139,399	6.4%	437,313	0	0	4	115,175	\$4.85
2010 3q	7,940	234,889,052	14,761,317	15,576,712	6.6%	177,042	2	37,640	2	100,781	\$4.90
2010 2q	7,938	234,851,412	14,830,420	15,716,114	6.7%	1,759,292	3	801,825	3	60,421	\$4.96
2010 1q	7,935	234,049,587	15,818,046	16,673,581	7.1%	700,810	5	141,309	5	839,465	\$4.94
2009	7,930	233,908,278	16,475,793	17,233,082	7.4%	(392,342)	9	724,254	8	943,134	\$5.03
2008	7,923	233,198,724	15,509,351	16,131,186	6.9%	922,692	63	3,203,944	7	689,053	\$5.34
2007	7,865	230,025,425	13,333,024	13,880,579	6.0%	5,244,713	60	3,530,872	42	2,116,293	\$5.24
2006	7,809	226,758,290	14,978,193	15,858,157	7.0%	3,967,165	74	2,897,679	42	3,198,657	\$5.14
2005	7,737	223,891,364	16,263,511	16,958,396	7.6%	2,937,952	95	2,253,409	47	1,789,400	\$4.84
2004	7,646	221,848,145	16,572,233	17,853,129	8.0%	3,084,502	64	3,034,519	67	1,907,542	\$4.78
2003	7,586	219,059,886	16,409,347	18,149,372	8.3%	1,014,256	87	2,912,534	47	2,482,302	\$4.82
2002	7,504	216,599,919	14,856,019	16,703,661	7.7%	659,215	110	4,426,842	65	1,933,158	\$5.42

Source: CoStar Property®

TOTAL INDUSTRIAL MARKET STATISTICS

Year-End 2011

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2011 4q	9,605	280,748,255	21,394,520	21,828,919	7.8%	(487,534)	0	0	3	50,796	\$5.85
2011 3q	9,605	280,748,255	20,921,833	21,341,385	7.6%	933,297	2	198,800	2	15,796	\$5.85
2011 2q	9,604	280,556,155	21,311,725	22,082,582	7.9%	(51,102)	3	92,394	4	214,596	\$5.85
2011 1q	9,601	280,463,761	21,117,130	21,939,086	7.8%	(300,654)	2	55,113	5	162,069	\$5.87
2010 4q	9,602	280,433,516	20,756,333	21,608,187	7.7%	515,372	1	13,500	5	147,507	\$5.90
2010 3q	9,602	280,423,081	21,158,644	22,113,124	7.9%	318,229	2	37,640	4	146,613	\$5.93
2010 2q	9,600	280,385,441	21,356,107	22,393,713	8.0%	1,815,390	3	801,825	5	106,253	\$5.97
2010 1q	9,597	279,583,616	22,336,213	23,407,278	8.4%	746,152	6	160,055	6	871,797	\$5.97
2009	9,591	279,423,561	22,977,002	23,993,375	8.6%	(623,096)	20	1,075,137	9	961,880	\$6.07
2008	9,573	278,363,124	21,413,625	22,309,842	8.0%	1,448,769	99	4,419,106	17	1,010,989	\$6.36
2007	9,482	274,258,862	18,869,422	19,654,349	7.2%	6,495,425	90	4,071,277	63	2,698,396	\$6.16
2006	9,396	270,451,322	21,256,778	22,342,234	8.3%	4,518,309	98	3,436,605	62	3,555,687	\$6.04
2005	9,300	267,045,470	22,536,158	23,454,691	8.8%	4,667,891	133	2,920,027	64	2,133,213	\$5.89
2004	9,171	264,335,633	23,632,502	25,412,745	9.6%	3,788,189	79	3,347,867	94	2,335,532	\$5.93
2003	9,096	261,234,026	23,804,002	26,099,327	10.0%	133,353	109	3,370,136	51	2,584,584	\$5.94
2002	8,992	258,316,457	20,847,572	23,315,111	9.0%	637,004	150	5,666,826	79	2,275,824	\$5.97

Source: CoStar Property®

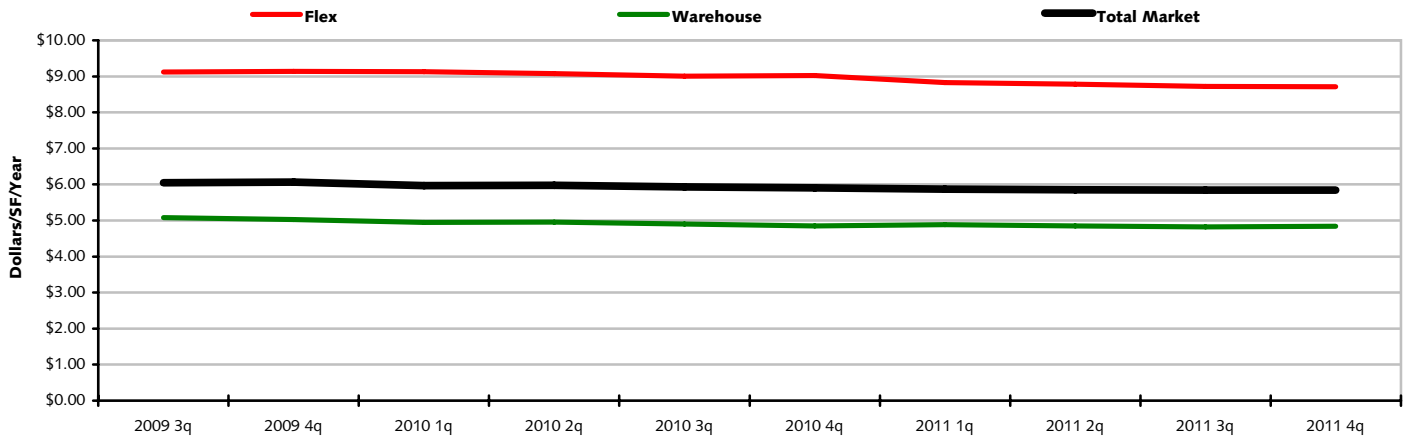


DENVER INDUSTRIAL MARKET

LEASING ACTIVITY

HISTORICAL RENTAL RATES

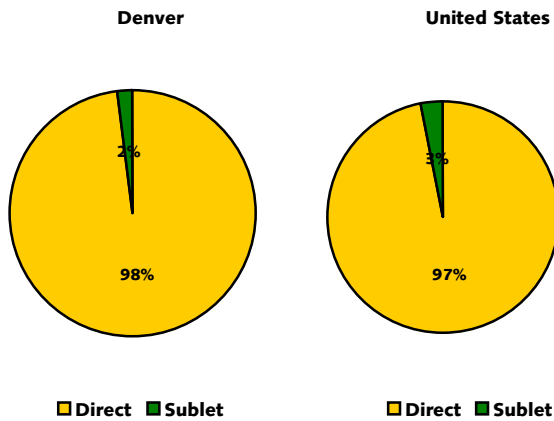
Based on Quoted Rental Rates



Source: CoStar Property®

VACANCY BY AVAILABLE SPACE TYPE

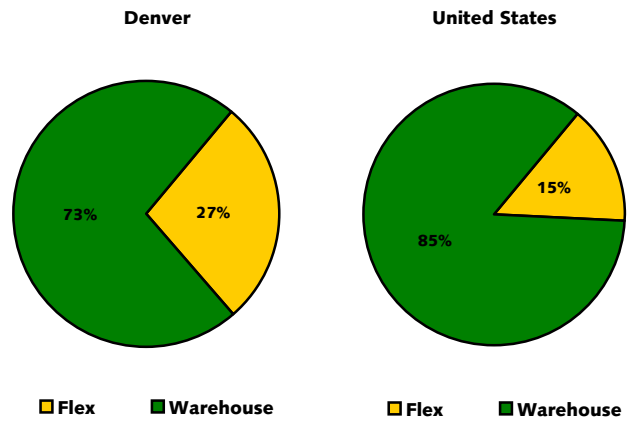
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

VACANCY BY BUILDING TYPE

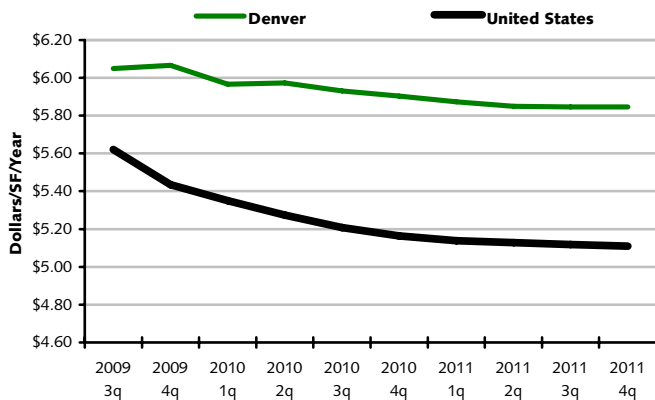
Percent of All Vacant Space by Building Type



Source: CoStar Property®

U.S. RENTAL RATE COMPARISON

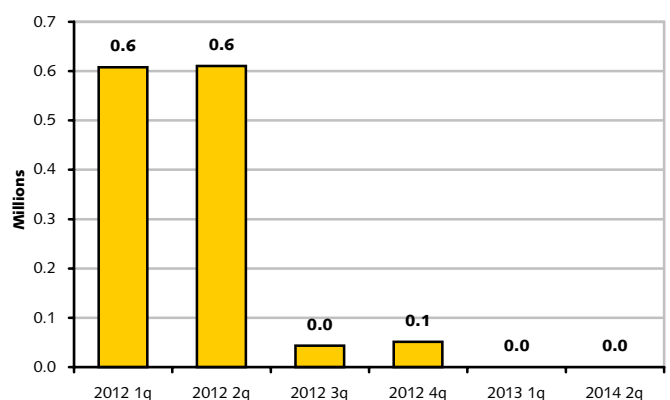
Based on Average Quoted Rental Rates



Source: CoStar Property®

FUTURE SPACE AVAILABLE

Space Scheduled to be Available for Occupancy*



Source: CoStar Property®

* Includes Under Construction Space

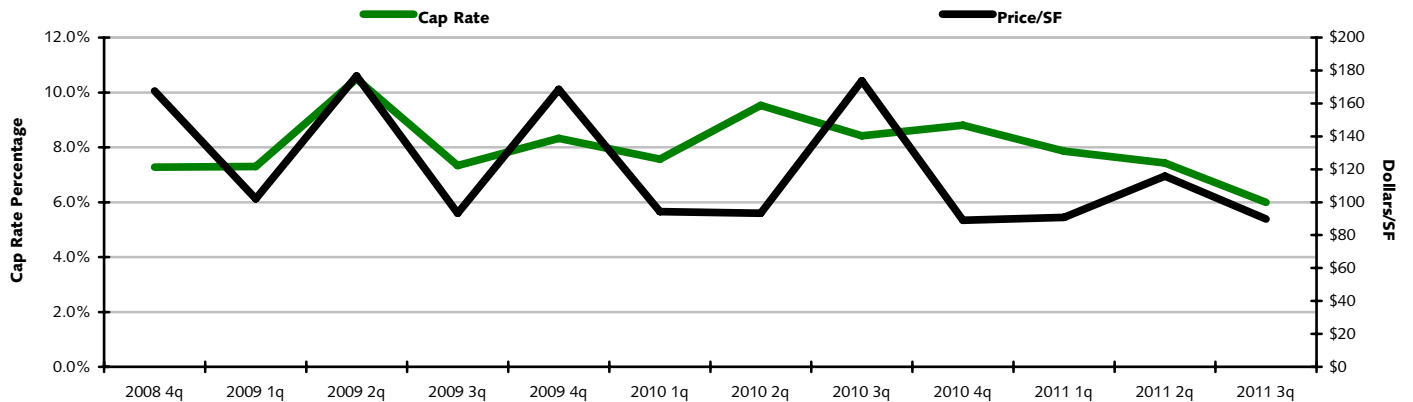


DENVER INDUSTRIAL MARKET

SALES ACTIVITY

THE OPTIMIST SALES INDEX

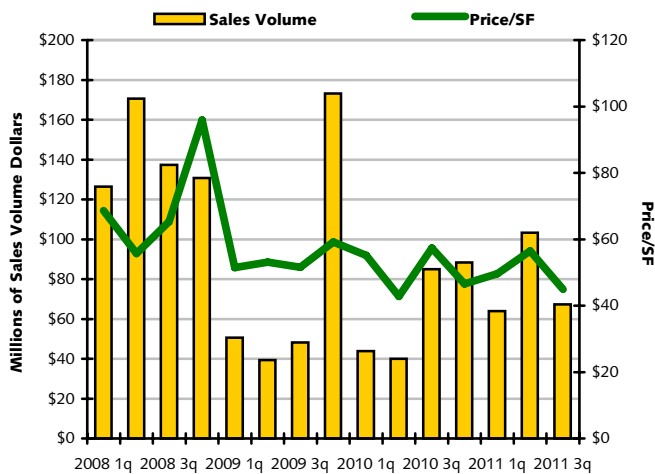
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

SALES VOLUME & PRICE

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

SALES ANALYSIS BY BUILDING SIZE

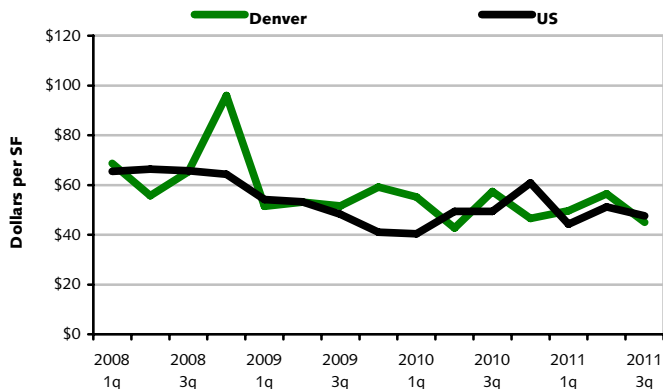
Based on Industrial Bldg Sales From Oct. 2010 - Sept. 2011

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 25,000 SF	134	1,626,042	\$ 136,572,810	\$ 83.99	9.28%
25K-99K SF	70	3,490,560	\$ 171,987,439	\$ 49.27	8.53%
100K-249K SF	11	1,538,601	\$ 65,290,000	\$ 42.43	8.79%
>250K SF	2	711,092	\$ 36,400,000	\$ 51.19	8.50%

Source: CoStar COMPS®

U.S. PRICE/SF COMPARISON

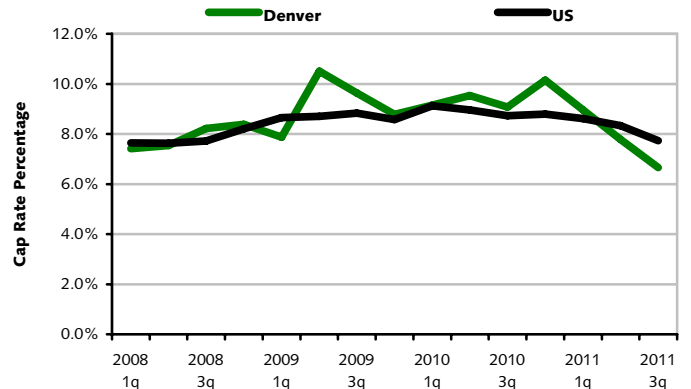
Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

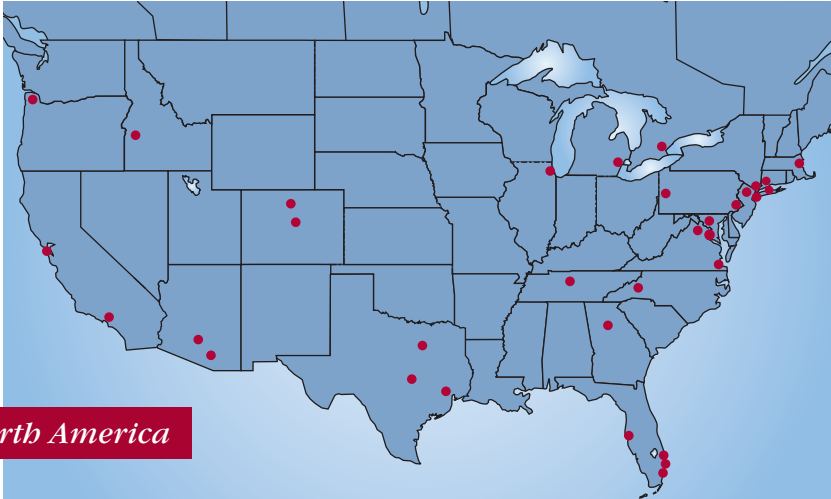
U.S. CAP RATE COMPARISON

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Global Coverage



North America

NORTH AMERICA

- Asheville
- Atlanta
- Austin
- Boca Raton
- Boise
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- Chicago
- Colorado Springs
- Dallas/Ft. Worth
- Denver/Boulder
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- Houston
- Long Island
- Los Angeles
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- New York City
- Norfolk
- Palm Beach
- Philadelphia
- Phoenix
- Pittsburgh
- Portland
- San Francisco/Silicon Valley
- Tampa
- Toronto
- Tucson
- Virginia (Northern)
- Washington D.C.
- Westchester County, NY



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- Riga
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- Stockholm
- Stuttgart
- Tallinn
- Tel Aviv
- Vilnius



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- Cape Town

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- Backroom Operations
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- Taxation
- Market Accessibility

FINANCIAL ANALYSIS

- Buy vs. Lease
- Build-to-Suit
- Equity Participation
- Sale/Leasebacks
- Synthetic Leases

SURPLUS PROPERTY ANALYSIS

- Marketability
- Highest & Best Use
- Disposition Strategies

PROJECT MANAGEMENT

- Architects & Engineers
- General Contractors
- IT Networks & Cabling
- Move Coordination



MACLAURIN WILLIAMS

Exclusive Advocates for Tenants & Owner/Occupants of Commercial Realty

Personal Profile

William A. Gary, MBA, MIM

Principal & Managing Broker

***D**escribed by clients and peers as “direct, creative, thorough, organized and professional,” William Gary brings a broad business background to ITRA MacLaurin Williams. This gives him what Christopher P. Gallo of KPMG Peat Marwick called, “that rare quality of both detail and ‘big picture’ real estate expertise.”*

Starting in 1985 with top-notch commercial real estate experiences at Cushman & Wakefield, Frederick Ross Company, Iliff, Thorn & Company and CoRE Partners, combined with prior national brand advertising and marketing experience in Metropolitan New York at Benton & Bowles and Richardson-Vicks, Will has developed the keen insight that comes only from decades of applying his education, business experience and talent towards honing his craft. Critical to this craft, Will listens well and finds out the little things about clients’ operations that he says, “might initially seem unrelated to real estate, but usually benefit our clients in the end.”



Having been a successful commercial broker in Austin, Texas, and in Denver/Boulder, Colorado, Will takes pride in creating and executing imaginative, yet effective solutions for his clients’ facility problems. Phil Dunne, Executive Director of the Texas Medical Foundation, says of Will, “He has a reputation of getting the job done, and done right.”

At United Parcel Service, Don Therien noted, “Your help on a difficult land assemblage ... and more recently with two unusually complex office lease renewals, has demonstrated your tenacity to stay the course until the problem is resolved.” The first UPS assignment actually took Will two and a half years to complete.

Mike Applegate of Applegate Group stated, “The time and money that I invested in you was some of the best money I have spent in the past 15 years of being in business. I will never try to negotiate a lease or any real estate venture without your help in the future.”

Performing at high levels for his clients is not new for Will. He attended Southern Methodist University (“SMU”) in Dallas, Texas, on academic scholarships and graduated with honors in Economics and with an M.B.A in Marketing. He also earned an M.I.M. with highest honors at the Thunderbird School of Global Management in Glendale, Arizona.

Outside of business, Will strongly believes in personally serving his community. He has been on the Board of Colorado Preservation, Inc. (“CPI”), Colorado’s leading historic preservation organization. In addition, Will and ITRA MacLaurin Williams have successfully completed pro bono Tenant Representation projects for CPI, a Montessori School, Bicycle Colorado, Al-Anon Service Center and Family Resource Center Association.

When he relaxes, Will is often found riding one of his bicycles. ITRA MacLaurin Williams has also sponsored two (2) local competitive cycling teams, Rocky Mountain Road Club (“RMRC”) and COBRAS. For Will, this sponsorship activity is fun and a way to give back to the community.

“Thorough. Gets the job done, and done right the first time.”