

# Metro Denver/Boulder Office Market Report 4th Quarter 2011

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## DENVER OFFICE MARKET

OVERVIEW



## DENVER'S VACANCY DECREASES TO 13.0%

### Net Absorption Positive 556,275 SF in the Quarter

The Denver Office market ended the fourth quarter 2011 with a vacancy rate of 13.0%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 556,275 square feet in the fourth quarter. Vacant sublease space decreased in the quarter, ending the quarter at 913,403 square feet. Rental rates ended the fourth quarter at \$19.78, an increase over the previous quarter. A total of four buildings delivered to the market in the quarter totaling 71,388 square feet, with 872,660 square feet still under construction at the end of the quarter.

#### Absorption

Net absorption for the overall Denver office market was positive 556,275 square feet in the fourth quarter 2011. That compares to positive 590,348 square feet in the third quarter 2011, positive 323,183 square feet in the second quarter 2011, and positive 393,809 square feet in the first quarter 2011.

The Class-A office market recorded net absorption of positive 330,659 square feet in the fourth quarter 2011, compared to negative (203,120) square feet in the third quarter 2011, positive 335,943 in the second quarter 2011, and positive 678,653 in the first quarter 2011.

The Class-B office market recorded net absorption of positive 247,873 square feet in the fourth quarter 2011, compared to positive 706,194 square feet in the third quarter 2011, positive 65,179 in the second quarter 2011, and negative (222,889) in the first quarter 2011.

The Class-C office market recorded net absorption of negative (22,257) square feet in the fourth quarter 2011 compared to positive 87,274 square feet in the third quarter 2011, negative (77,939) in the second quarter 2011, and negative (61,955) in the first quarter 2011.

Net absorption for Denver's central business district was positive 310,644 square feet in the fourth quarter 2011. That compares to positive 4,444 square feet in the third quarter 2011, negative (71,322) in the second quarter 2011, and positive 68,618 in the first quarter 2011.

Net absorption for the suburban markets was positive 245,631 square feet in the fourth quarter 2011. That compares to positive 585,904 square feet in third quarter 2011, positive 394,505 in the second quarter 2011, and positive 325,191 in the first quarter 2011.

#### Vacancy

The office vacancy rate in the Denver market area decreased to 13.0% at the end of the fourth quarter 2011. The vacancy rate was 13.3% at the end of the third quarter 2011, 13.6% at the end of the second quarter 2011, and 13.8% at the end of the first quarter 2011.

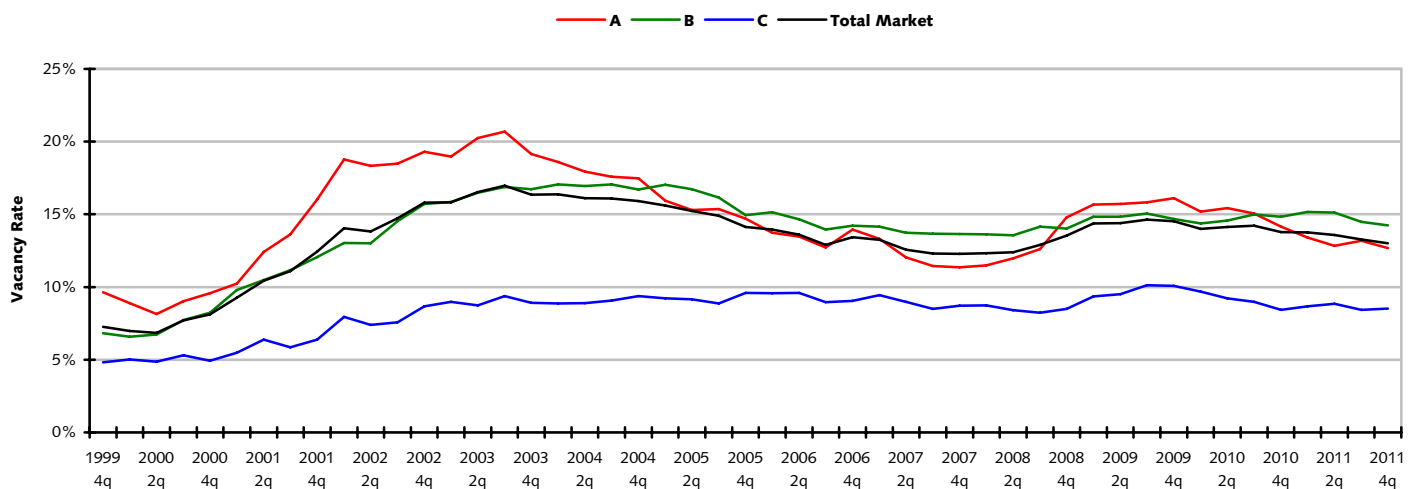
Class-A projects reported a vacancy rate of 12.7% at the end of the fourth quarter 2011, 13.2% at the end of the third quarter 2011, 12.8% at the end of the second quarter 2011, and 13.4% at the end of the first quarter 2011.

Class-B projects reported a vacancy rate of 14.2% at the end of the fourth quarter 2011, 14.5% at the end of the third quarter 2011, 15.1% at the end of the second quarter 2011, and 15.2% at the end of the first quarter 2011.

Class-C projects reported a vacancy rate of 8.5% at the end of the fourth quarter 2011, 8.4% at the end of third quarter 2011, 8.9% at the end of the second quarter 2011, and 8.7% at the end of the first quarter 2011.

The overall vacancy rate in Denver's central business district at the end of the fourth quarter 2011 decreased to 12.5%. The vacancy rate was 13.4% at the end of the third quarter 2011,

### VACANCY RATES BY CLASS 1999-2011



Source: CoStar Property®

13.4% at the end of the second quarter 2011, and 13.2% at the end of the first quarter 2011.

The vacancy rate in the suburban markets decreased to 13.1% in the fourth quarter 2011. The vacancy rate was 13.3% at the end of the third quarter 2011, 13.6% at the end of the second quarter 2011, and 13.9% at the end of the first quarter 2011.

### Largest Lease Signings

The largest lease signings occurring in 2011 included: the 185,988-square-foot lease signed by URS Corporation at Denver Corporate Center II in the Southeast Denver market; the 151,331-square-foot deal signed by Bridgepoint Education at Park Central in the Downtown market; and the 120,000-square-foot lease signed by Children's Hospital at Fitzsimons Village 100 in the Aurora market.

### Sublease Vacancy

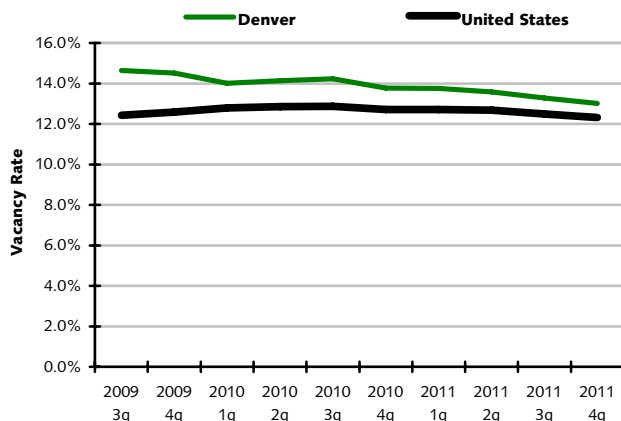
The amount of vacant sublease space in the Denver market decreased to 913,403 square feet by the end of the fourth quarter 2011, from 949,092 square feet at the end of the third quarter 2011. There was 971,772 square feet vacant at the end of the second quarter 2011 and 1,091,197 square feet at the end of the first quarter 2011.

Denver's Class-A projects reported vacant sublease space of 526,045 square feet at the end of fourth quarter 2011, up from the 509,648 square feet reported at the end of the third quarter 2011. There were 518,550 square feet of sublease space vacant at the end of the second quarter 2011, and 641,338 square feet at the end of the first quarter 2011.

Class-B projects reported vacant sublease space of 354,545 square feet at the end of the fourth quarter 2011, down from the 413,531 square feet reported at the end of the third quarter 2011. At the end of the second quarter 2011 there were 432,430 square feet, and at the end of the first quarter 2011 there were 427,620 square feet vacant.

## U.S. VACANCY COMPARISON

### Past 10 Quarters



Source: CoStar Property\*

Class-C projects reported increased vacant sublease space from the third quarter 2011 to the fourth quarter 2011. Sublease vacancy went from 25,913 square feet to 32,813 square feet during that time. There was 20,792 square feet at the end of the second quarter 2011, and 22,239 square feet at the end of the first quarter 2011.

Sublease vacancy in Denver's central business district stood at 242,730 square feet at the end of the fourth quarter 2011. It was 261,001 square feet at the end of the third quarter 2011, 254,848 square feet at the end of the second quarter 2011, and 326,612 square feet at the end of the first quarter 2011.

Sublease vacancy in the suburban markets ended the fourth quarter 2011 at 670,673 square feet. At the end of the third quarter 2011 sublease vacancy was 688,091 square feet, was 716,924 square feet at the end of the second quarter 2011, and was 764,585 square feet at the end of the first quarter 2011.

### Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$19.78 per square foot per year at the end of the fourth quarter 2011 in the Denver market area. This represented a 0.1% increase in quoted rental rates from the end of the third quarter 2011, when rents were reported at \$19.76 per square foot.

The average quoted rate within the Class-A sector was \$23.99 at the end of the fourth quarter 2011, while Class-B rates stood at \$18.10, and Class-C rates at \$14.15. At the end of the third quarter 2011, Class-A rates were \$23.92 per square foot, Class-B rates were \$18.03, and Class-C rates were \$14.17.

The average quoted asking rental rate in Denver's CBD was \$25.10 at the end of the fourth quarter 2011, and \$18.67 in the suburban markets. In the third quarter 2011, quoted rates were \$25.16 in the CBD and \$18.65 in the suburbs.

### Deliveries and Construction

During the fourth quarter 2011, four buildings totaling 71,388 square feet were completed in the Denver market area. This compares to five buildings totaling 73,493 square feet that were completed in the third quarter 2011, four buildings totaling 23,198 square feet completed in the second quarter 2011, and 429,521 square feet in seven buildings completed in the first quarter 2011.

There were 872,660 square feet of office space under construction at the end of the fourth quarter 2011.

Some of the notable 2011 deliveries include: Fitzsimons Village 100, a 168,029-square-foot facility that delivered in first quarter 2011 and is now 92% occupied, and Red Rocks Medical Center, a 118,000-square-foot building that delivered in first quarter 2011 and is now 88% occupied.

The largest projects underway at the end of fourth quarter 2011 were Davita Headquarters, a 270,000-square-foot building with 100% of its space pre-leased, and 105 Edgeview Dr, a 185,000-square-foot facility that is 0% pre-leased.

## DENVER OFFICE MARKET



## OVERVIEW

## Inventory

Total office inventory in the Denver market area amounted to 183,171,525 square feet in 7,120 buildings as of the end of the fourth quarter 2011. The Class-A office sector consisted of 57,995,470 square feet in 300 projects. There were 3,772 Class-B buildings totaling 101,320,412 square feet, and the Class-C sector consisted of 23,855,643 square feet in 3,048 buildings. Within the Office market there were 487 owner-occupied buildings accounting for 18,471,330 square feet of office space.

## Sales Activity

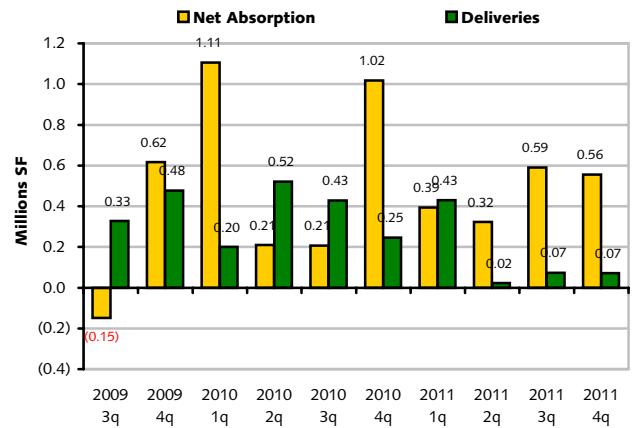
Tallying office building sales of 15,000 square feet or larger, Denver office sales figures fell during the third quarter 2011 in terms of dollar volume compared to the second quarter of 2011.

In the third quarter, 19 office transactions closed with a total volume of \$141,768,500. The 19 buildings totaled 1,360,692 square feet and the average price per square foot equated to \$104.19 per square foot. That compares to 19 transactions totaling \$347,308,600 in the second quarter 2011. The total square footage in the second quarter was 2,144,437 square feet for an average price per square foot of \$161.96.

Total office building sales activity in 2011 was up compared to 2010. In the first nine months of 2011, the market saw 52 office sales transactions with a total volume of \$784,126,100. The price per square foot averaged \$156.10. In the same first nine months of 2010, the market posted 46 transactions with a total volume of \$366,222,946. The price per square foot averaged \$129.00.

## ABSORPTION &amp; DELIVERIES

## Past 10 Quarters



Source: CoStar Property\*

Cap rates have been lower in 2011, averaging 7.21% compared to the same period in 2010 when they averaged 9.48%.

One of the largest transactions that has occurred within the last four quarters in the Denver market is the sale of 1801 California St in Denver. This 1,317,046-square-foot office building sold for \$215,000,000, or \$163.24 per square foot. The property sold on 12/9/2011.

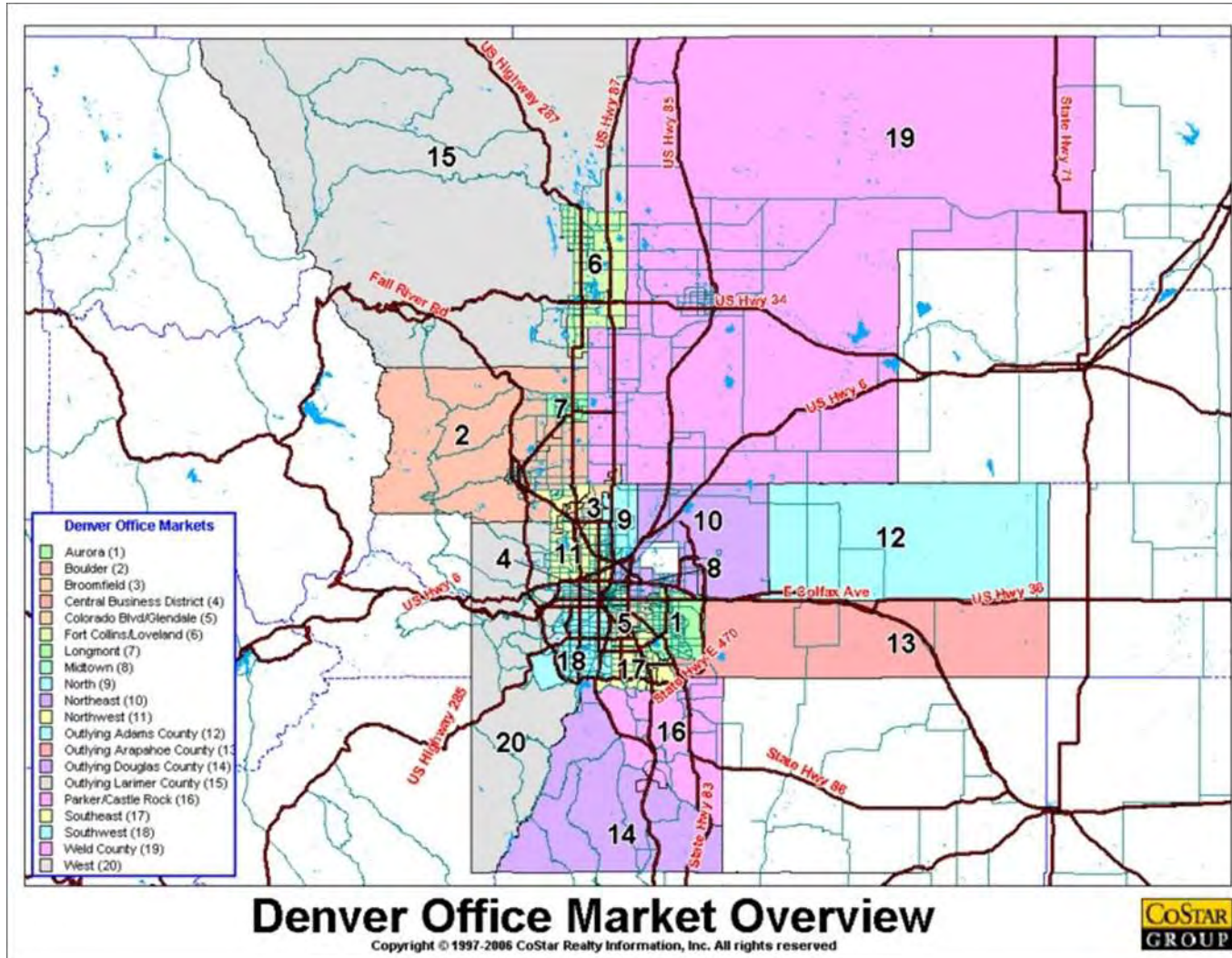
Reports compiled by: Ethan Reed, CoStar Sr. Research Manager.

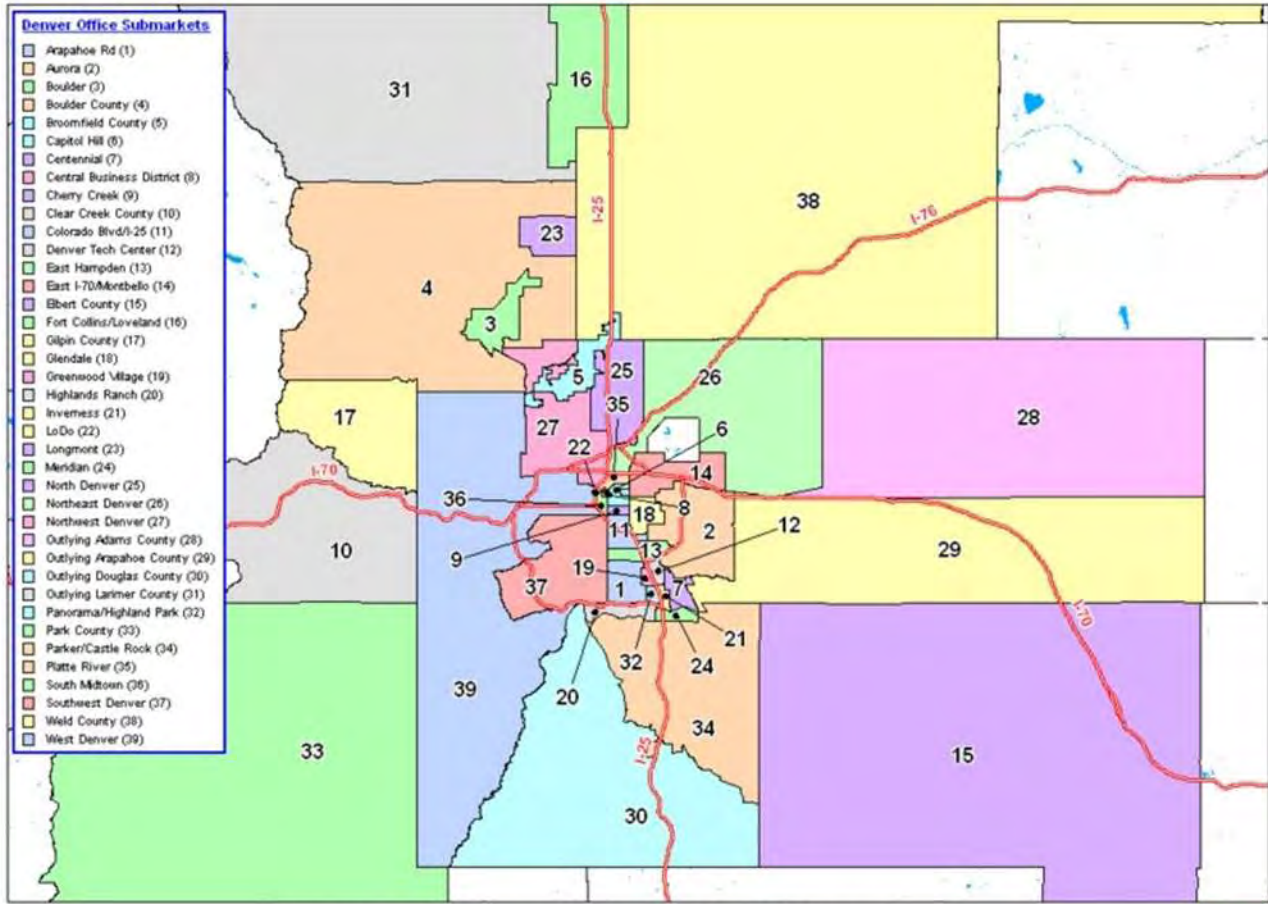
## CoSTAR MARKETS & SUBMARKETS

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	Aurora				
Boulder	Boulder	Boulder County			
Broomfield	Broomfield County				
Clear Creek County	Clear Creek County				
Colorado Blvd/Glendale	Cherry Creek	Colorado Blvd/I-25	Glendale		
Downtown	Central Business District*	LoDo*	Platte River		
Elbert County	Elbert County				
Fort Collins/Loveland	Fort Collins/Loveland				
Gilpin County	Gilpin County				
Longmont	Longmont				
Midtown	Capitol Hill	South Midtown			
North Denver	North Denver				
Northeast Denver	East I-70/Montbello	Northeast Denver			
Northwest Denver	Northwest Denver				
Park County	Park County				
Parker/Castle Rock	Parker/Castle Rock				
Southeast Denver	Arapahoe Rd Greenwood Village Panorama/Highland Park	Centennial Highlands Ranch	Denver Tech Center Inverness	East Hampden Meridian	
Southwest Denver	Southwest Denver				
Weld County	Weld County				
West Denver	West Denver				

\* Submarkets comprising the CBD. For statistics reference the CBD vs Suburban Figures at a Glance Page.





### Denver Office Submarket Overview

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## DENVER OFFICE MARKET



FIGURES AT A GLANCE

## CLASS A 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	12	1,824,412	263,810	270,752	14.8%	252,250	168,029	0	\$16.28
Boulder	9	980,881	68,822	121,556	12.4%	83,524	0	0	\$17.70
Broomfield	18	2,865,516	355,550	397,006	13.9%	(30,115)	0	185,000	\$29.04
Clear Creek County	0	0	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/Glendale	21	3,104,512	509,175	509,175	16.4%	(85,403)	0	0	\$20.04
Downtown	46	21,010,378	2,425,809	2,647,089	12.6%	385,663	51,000	270,000	\$27.99
Elbert County	0	0	0	0	0.0%	0	0	0	\$0.00
Fort Collins/Loveland	7	548,211	72,709	94,257	17.2%	(15,521)	0	0	\$21.95
Gilpin County	0	0	0	0	0.0%	0	0	0	\$0.00
Longmont	1	106,336	26,521	26,521	24.9%	20	0	0	\$24.19
Midtown	5	1,046,496	68,250	68,250	6.5%	(4,083)	0	0	\$21.14
North Denver	3	183,262	30,784	30,784	16.8%	10,740	0	0	\$18.92
Northeast Denver	6	562,092	83,331	86,743	15.4%	401	0	0	\$23.44
Northwest Denver	19	2,015,265	370,429	370,429	18.4%	7,459	0	0	\$22.73
Park County	0	0	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock	2	222,959	13,651	13,651	6.1%	10,733	0	0	\$30.83
Southeast Denver	129	20,266,958	2,401,413	2,557,805	12.6%	394,978	0	0	\$21.48
Southwest Denver	4	975,570	49,888	66,125	6.8%	(14,881)	0	0	\$23.83
Weld County	4	608,000	0	0	0.0%	0	0	0	\$0.00
West Denver	14	1,674,622	89,296	95,340	5.7%	146,370	118,000	200,000	\$21.17
<b>Totals</b>	<b>300</b>	<b>57,995,470</b>	<b>6,829,438</b>	<b>7,355,483</b>	<b>12.7%</b>	<b>1,142,135</b>	<b>337,029</b>	<b>655,000</b>	<b>\$23.99</b>

Source: CoStar Property®

## CLASS B 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	154	5,294,700	786,284	831,345	15.7%	49,767	0	89,059	\$15.42
Boulder	453	8,726,431	792,518	817,647	9.4%	18,342	36,000	0	\$20.56
Broomfield	64	2,936,367	314,497	383,407	13.1%	6,389	25,726	0	\$20.85
Clear Creek County	2	17,450	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/Glendale	219	7,757,887	1,227,744	1,235,411	15.9%	95,442	0	0	\$17.23
Downtown	186	11,518,232	1,631,181	1,652,631	14.3%	160,705	30,000	0	\$20.92
Elbert County	3	7,309	1,600	1,600	21.9%	0	0	0	\$6.75
Fort Collins/Loveland	495	7,108,212	667,465	700,940	9.9%	210,717	103,146	23,701	\$19.52
Gilpin County	1	5,174	0	0	0.0%	0	0	0	\$0.00
Longmont	75	991,229	108,574	110,434	11.1%	35,688	7,500	0	\$17.62
Midtown	194	3,779,686	261,601	265,558	7.0%	7,856	0	60,000	\$18.27
North Denver	100	3,135,129	505,623	507,458	16.2%	(11,107)	0	44,900	\$17.73
Northeast Denver	74	2,494,564	258,307	293,898	11.8%	18,277	0	0	\$18.43
Northwest Denver	262	5,371,525	573,036	591,226	11.0%	101,293	0	0	\$17.48
Park County	2	2,258	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock	96	1,546,528	224,452	227,847	14.7%	66,871	0	0	\$22.91
Southeast Denver	520	21,649,842	4,129,100	4,158,052	19.2%	72,056	0	0	\$16.91
Southwest Denver	267	6,390,473	983,266	984,839	15.4%	42,596	28,132	0	\$17.12
Weld County	279	3,307,081	339,663	357,354	10.8%	(68,241)	0	0	\$16.27
West Denver	326	9,280,335	1,275,845	1,315,654	14.2%	(10,294)	30,067	0	\$18.22
<b>Totals</b>	<b>3,772</b>	<b>101,320,412</b>	<b>14,080,756</b>	<b>14,435,301</b>	<b>14.2%</b>	<b>796,357</b>	<b>260,571</b>	<b>217,660</b>	<b>\$18.10</b>

Source: CoStar Property®



## DENVER OFFICE MARKET

FIGURES AT A GLANCE

## CLASS C 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	110	1,236,771	167,685	170,185	13.8%	(11,337)	0	0	\$10.47
Boulder	202	1,549,766	136,794	141,325	9.1%	9,219	0	0	\$17.22
Broomfield	39	182,061	10,196	10,196	5.6%	(2,662)	0	0	\$12.88
Clear Creek County	2	23,296	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/Glendale	218	2,053,886	185,333	185,333	9.0%	(51,189)	0	0	\$15.71
Downtown	106	1,910,394	56,051	56,051	2.9%	28,135	0	0	\$18.45
Elbert County	11	25,214	4,000	4,000	15.9%	2,264	0	0	\$11.77
Fort Collins/Loveland	330	1,870,850	105,767	105,767	5.7%	48,154	0	0	\$15.80
Gilpin County	1	1,428	0	0	0.0%	0	0	0	\$0.00
Longmont	87	513,704	60,624	60,624	11.8%	8,025	0	0	\$12.78
Midtown	438	2,897,570	180,592	189,924	6.6%	(38,761)	0	0	\$16.85
North Denver	53	377,547	54,808	54,808	14.5%	6,893	0	0	\$13.43
Northeast Denver	127	1,053,501	67,104	67,104	6.4%	13,486	0	0	\$13.71
Northwest Denver	278	1,834,567	156,384	161,670	8.8%	37,583	0	0	\$13.45
Park County	6	21,086	1,180	1,180	5.6%	0	0	0	\$15.35
Parker/Castle Rock	62	310,969	39,321	39,321	12.6%	(26,653)	0	0	\$14.59
Southeast Denver	170	2,109,524	234,460	245,624	11.6%	(26,950)	0	0	\$12.40
Southwest Denver	254	2,161,080	204,435	204,435	9.5%	(58,701)	0	0	\$12.36
Weld County	219	1,220,343	56,419	56,419	4.6%	13,648	0	0	\$13.33
West Denver	335	2,502,086	279,556	279,556	11.2%	(26,031)	0	0	\$13.98
<b>Totals</b>	<b>3,048</b>	<b>23,855,643</b>	<b>2,000,709</b>	<b>2,033,522</b>	<b>8.5%</b>	<b>(74,877)</b>	<b>0</b>	<b>0</b>	<b>\$14.15</b>

Source: CoStar Property®

## TOTAL OFFICE 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	276	8,355,883	1,217,779	1,272,282	15.2%	290,680	168,029	89,059	\$15.00
Boulder	664	11,257,078	998,134	1,080,528	9.6%	111,085	36,000	0	\$19.85
Broomfield	121	5,983,944	680,243	790,609	13.2%	(26,388)	25,726	185,000	\$25.59
Clear Creek County	4	40,746	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/Glendale	458	12,916,285	1,922,252	1,929,919	14.9%	(41,150)	0	0	\$17.82
Downtown	338	34,439,004	4,113,041	4,355,771	12.6%	574,503	81,000	270,000	\$25.39
Elbert County	14	32,523	5,600	5,600	17.2%	2,264	0	0	\$10.97
Fort Collins/Loveland	832	9,527,273	845,941	900,964	9.5%	243,350	103,146	23,701	\$19.17
Gilpin County	2	6,602	0	0	0.0%	0	0	0	\$0.00
Longmont	163	1,611,269	195,719	197,579	12.3%	43,733	7,500	0	\$16.85
Midtown	637	7,723,752	510,443	523,732	6.8%	(34,988)	0	60,000	\$18.47
North Denver	156	3,695,938	591,215	593,050	16.0%	6,526	0	44,900	\$17.27
Northeast Denver	207	4,110,157	408,742	447,745	10.9%	32,164	0	0	\$19.04
Northwest Denver	559	9,221,357	1,099,849	1,123,325	12.2%	146,335	0	0	\$18.67
Park County	8	23,344	1,180	1,180	5.1%	0	0	0	\$15.35
Parker/Castle Rock	160	2,080,456	277,424	280,819	13.5%	50,951	0	0	\$22.12
Southeast Denver	819	44,026,324	6,764,973	6,961,481	15.8%	440,084	0	0	\$18.67
Southwest Denver	525	9,527,123	1,237,589	1,255,399	13.2%	(30,986)	28,132	0	\$16.64
Weld County	502	5,135,424	396,082	413,773	8.1%	(54,593)	0	0	\$15.59
West Denver	675	13,457,043	1,644,697	1,690,550	12.6%	110,045	148,067	200,000	\$17.88
<b>Totals</b>	<b>7,120</b>	<b>183,171,525</b>	<b>22,910,903</b>	<b>23,824,306</b>	<b>13.0%</b>	<b>1,863,615</b>	<b>597,600</b>	<b>872,660</b>	<b>\$19.78</b>

Source: CoStar Property®

## DENVER OFFICE MARKET



FIGURES AT A GLANCE

## CLASS A 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	1	175,000	38,950	38,950	22.3%	1,512	0	0	\$25.01
Aurora	12	1,824,412	263,810	270,752	14.8%	252,250	168,029	0	\$16.28
Boulder	6	696,682	15,616	68,350	9.8%	60,760	0	0	\$16.28
Boulder County	3	284,199	53,206	53,206	18.7%	22,764	0	0	\$21.23
Broomfield County	18	2,865,516	355,550	397,006	13.9%	(30,115)	0	185,000	\$29.04
Capitol Hill	4	874,496	68,250	68,250	7.8%	(4,083)	0	0	\$21.14
Centennial	3	565,000	2,000	9,526	1.7%	9,964	0	0	\$17.48
Central Business District	32	18,140,277	1,985,615	2,206,895	12.2%	(37,452)	0	0	\$27.02
Cherry Creek	7	797,783	81,679	81,679	10.2%	25,186	0	0	\$25.65
Clear Creek County	0	0	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/I-25	5	840,858	51,046	51,046	6.1%	23,136	0	0	\$20.95
Denver Tech Center	37	7,298,949	855,002	930,407	12.7%	53,878	0	0	\$21.94
East Hampden	4	512,328	214,942	214,942	42.0%	28,066	0	0	\$16.86
East I-70/Montbello	5	506,092	81,877	85,289	16.9%	401	0	0	\$23.44
Elbert County	0	0	0	0	0.0%	0	0	0	\$0.00
Fort Collins/Loveland	7	548,211	72,709	94,257	17.2%	(15,521)	0	0	\$21.95
Gilpin County	0	0	0	0	0.0%	0	0	0	\$0.00
Glendale	9	1,465,871	376,450	376,450	25.7%	(133,725)	0	0	\$18.30
Greenwood Village	14	3,126,029	403,156	430,002	13.8%	145,464	0	0	\$22.65
Highlands Ranch	11	1,399,004	62,649	89,666	6.4%	22,948	0	0	\$20.60
Inverness	16	2,016,693	207,766	216,681	10.7%	157,657	0	0	\$21.14
LoDo	12	2,418,563	234,143	234,143	9.7%	201,486	0	0	\$34.72
Longmont	1	106,336	26,521	26,521	24.9%	20	0	0	\$24.19
Meridian	29	3,418,506	334,692	345,375	10.1%	117,408	0	0	\$21.42
North Denver	3	183,262	30,784	30,784	16.8%	10,740	0	0	\$18.92
Northeast Denver	1	56,000	1,454	1,454	2.6%	0	0	0	\$0.00
Northwest Denver	19	2,015,265	370,429	370,429	18.4%	7,459	0	0	\$22.73
Panorama/Highland Park	14	1,755,449	282,256	282,256	16.1%	(141,919)	0	0	\$21.33
Park County	0	0	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock	2	222,959	13,651	13,651	6.1%	10,733	0	0	\$30.83
Platte River	2	451,538	206,051	206,051	45.6%	221,629	51,000	270,000	\$33.95
South Midtown	1	172,000	0	0	0.0%	0	0	0	\$0.00
Southwest Denver	4	975,570	49,888	66,125	6.8%	(14,881)	0	0	\$23.83
Weld County	4	608,000	0	0	0.0%	0	0	0	\$0.00
West Denver	14	1,674,622	89,296	95,340	5.7%	146,370	118,000	200,000	\$21.17
<b>Totals</b>	<b>300</b>	<b>57,995,470</b>	<b>6,829,438</b>	<b>7,355,483</b>	<b>12.7%</b>	<b>1,142,135</b>	<b>337,029</b>	<b>655,000</b>	<b>\$23.99</b>

Source: CoStar Property®



## DENVER OFFICE MARKET

FIGURES AT A GLANCE

## CLASS B SUBMARKET STATISTICS

Year-End 2011

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bids	Total RBA	Direct SF	Total SF	Vac %				
Arapahoe Rd	37	585,224	82,347	82,347	14.1%	(1,729)	0	0	\$18.28
Aurora	154	5,294,700	786,284	831,345	15.7%	49,767	0	89,059	\$15.42
Boulder	386	8,027,885	689,699	714,828	8.9%	(9,355)	36,000	0	\$20.77
Boulder County	67	698,546	102,819	102,819	14.7%	27,697	0	0	\$18.67
Broomfield County	64	2,936,367	314,497	383,407	13.1%	6,389	25,726	0	\$20.85
Capitol Hill	136	2,690,283	151,538	155,495	5.8%	678	0	0	\$17.56
Centennial	65	2,350,577	484,426	484,426	20.6%	36,313	0	0	\$15.20
Central Business District	70	7,417,524	1,258,354	1,273,470	17.2%	(3,029)	0	0	\$19.96
Cherry Creek	66	1,598,934	186,452	194,119	12.1%	(13,235)	0	0	\$21.25
Clear Creek County	2	17,450	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/I-25	101	3,649,015	690,159	690,159	18.9%	66,237	0	0	\$15.66
Denver Tech Center	55	3,722,221	687,454	703,113	18.9%	(31,999)	0	0	\$17.95
East Hampden	73	2,449,237	572,760	572,760	23.4%	118,164	0	0	\$12.87
East I-70/Montbello	40	1,896,375	171,847	187,979	9.9%	20,741	0	0	\$17.97
Elbert County	3	7,309	1,600	1,600	21.9%	0	0	0	\$6.75
Fort Collins/Loveland	495	7,108,212	667,465	700,940	9.9%	210,717	103,146	23,701	\$19.52
Gilpin County	1	5,174	0	0	0.0%	0	0	0	\$0.00
Glendale	52	2,509,938	351,133	351,133	14.0%	42,440	0	0	\$18.61
Greenwood Village	99	5,550,468	1,123,049	1,123,049	20.2%	(66,349)	0	0	\$16.96
Highlands Ranch	40	1,126,596	203,567	203,567	18.1%	(30,263)	0	0	\$21.59
Inverness	81	3,148,513	380,102	383,962	12.2%	28,007	0	0	\$16.41
LoDo	98	3,551,876	351,698	358,032	10.1%	128,855	0	0	\$23.26
Longmont	75	991,229	108,574	110,434	11.1%	35,688	7,500	0	\$17.62
Meridian	37	1,105,961	187,651	187,651	17.0%	33,377	0	0	\$24.64
North Denver	100	3,135,129	505,623	507,458	16.2%	(11,107)	0	44,900	\$17.73
Northeast Denver	34	598,189	86,460	105,919	17.7%	(2,464)	0	0	\$20.16
Northwest Denver	262	5,371,525	573,036	591,226	11.0%	101,293	0	0	\$17.48
Panorama/Highland Park	33	1,611,045	407,744	417,177	25.9%	(13,465)	0	0	\$17.01
Park County	2	2,258	0	0	0.0%	0	0	0	\$0.00
Parker/Castle Rock	96	1,546,528	224,452	227,847	14.7%	66,871	0	0	\$22.91
Platte River	18	548,832	21,129	21,129	3.8%	34,879	30,000	0	\$19.99
South Midtown	58	1,089,403	110,063	110,063	10.1%	7,178	0	60,000	\$19.45
Southwest Denver	267	6,390,473	983,266	984,839	15.4%	42,596	28,132	0	\$17.12
Weld County	279	3,307,081	339,663	357,354	10.8%	(68,241)	0	0	\$16.27
West Denver	326	9,280,335	1,275,845	1,315,654	14.2%	(10,294)	30,067	0	\$18.22
<b>Totals</b>	<b>3,772</b>	<b>101,320,412</b>	<b>14,080,756</b>	<b>14,435,301</b>	<b>14.2%</b>	<b>796,357</b>	<b>260,571</b>	<b>217,660</b>	<b>\$18.10</b>

Source: CoStar Property®

## DENVER OFFICE MARKET



FIGURES AT A GLANCE

## CLASS C 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	40	524,091	61,311	72,475	13.8%	(29,209)	0	0	\$12.74
Aurora	110	1,236,771	167,685	170,185	13.8%	(11,337)	0	0	\$10.47
Boulder	178	1,393,329	119,412	123,943	8.9%	10,279	0	0	\$17.18
Boulder County	24	156,437	17,382	17,382	11.1%	(1,060)	0	0	\$17.56
Broomfield County	39	182,061	10,196	10,196	5.6%	(2,662)	0	0	\$12.88
Capitol Hill	273	1,780,115	115,408	124,740	7.0%	(17,563)	0	0	\$15.84
Centennial	5	61,868	0	0	0.0%	0	0	0	\$0.00
Central Business District	33	1,167,932	43,436	43,436	3.7%	4,894	0	0	\$16.49
Cherry Creek	59	600,211	37,523	37,523	6.3%	(1,884)	0	0	\$19.74
Clear Creek County	2	23,296	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/I-25	116	1,004,851	96,577	96,577	9.6%	(37,577)	0	0	\$14.68
Denver Tech Center	14	209,332	30,788	30,788	14.7%	6,435	0	0	\$11.95
East Hampden	63	675,450	101,413	101,413	15.0%	308	0	0	\$12.39
East I-70/Montbello	35	474,314	1,380	1,380	0.3%	30,077	0	0	\$14.42
Elbert County	11	25,214	4,000	4,000	15.9%	2,264	0	0	\$11.77
Fort Collins/Loveland	330	1,870,850	105,767	105,767	5.7%	48,154	0	0	\$15.80
Gilpin County	1	1,428	0	0	0.0%	0	0	0	\$0.00
Glendale	43	448,824	51,233	51,233	11.4%	(11,728)	0	0	\$14.15
Greenwood Village	23	254,132	19,853	19,853	7.8%	(1,035)	0	0	\$11.75
Highlands Ranch	2	16,633	0	0	0.0%	0	0	0	\$0.00
Inverness	5	68,322	0	0	0.0%	0	0	0	\$0.00
LoDo	31	438,714	11,470	11,470	2.6%	17,630	0	0	\$20.14
Longmont	87	513,704	60,624	60,624	11.8%	8,025	0	0	\$12.78
Meridian	4	95,717	0	0	0.0%	0	0	0	\$0.00
North Denver	53	377,547	54,808	54,808	14.5%	6,893	0	0	\$13.43
Northeast Denver	92	579,187	65,724	65,724	11.3%	(16,591)	0	0	\$12.97
Northwest Denver	278	1,834,567	156,384	161,670	8.8%	37,583	0	0	\$13.45
Panorama/Highland Park	14	203,979	21,095	21,095	10.3%	(3,449)	0	0	\$12.60
Park County	6	21,086	1,180	1,180	5.6%	0	0	0	\$15.35
Parker/Castle Rock	62	310,969	39,321	39,321	12.6%	(26,653)	0	0	\$14.59
Platte River	42	303,748	1,145	1,145	0.4%	5,611	0	0	\$18.17
South Midtown	165	1,117,455	65,184	65,184	5.8%	(21,198)	0	0	\$17.37
Southwest Denver	254	2,161,080	204,435	204,435	9.5%	(58,701)	0	0	\$12.36
Weld County	219	1,220,343	56,419	56,419	4.6%	13,648	0	0	\$13.33
West Denver	335	2,502,086	279,556	279,556	11.2%	(26,031)	0	0	\$13.98
<b>Totals</b>	<b>3,048</b>	<b>23,855,643</b>	<b>2,000,709</b>	<b>2,033,522</b>	<b>8.5%</b>	<b>(74,877)</b>	<b>0</b>	<b>0</b>	<b>\$14.15</b>

Source: CoStar Property®

## DENVER OFFICE MARKET

FIGURES AT A GLANCE

## TOTAL OFFICE 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	78	1,284,315	182,608	193,772	15.1%	(29,426)	0	0	\$15.51
Aurora	276	8,355,883	1,217,779	1,272,282	15.2%	290,680	168,029	89,059	\$15.00
Boulder	570	10,117,896	824,727	907,121	9.0%	61,684	36,000	0	\$19.94
Boulder County	94	1,139,182	173,407	173,407	15.2%	49,401	0	0	\$19.25
Broomfield County	121	5,983,944	680,243	790,609	13.2%	(26,388)	25,726	185,000	\$25.59
Capitol Hill	413	5,344,894	335,196	348,485	6.5%	(20,968)	0	0	\$18.52
Centennial	73	2,977,445	486,426	493,952	16.6%	46,277	0	0	\$15.25
Central Business District	135	26,725,733	3,287,405	3,523,801	13.2%	(35,587)	0	0	\$24.81
Cherry Creek	132	2,996,928	305,654	313,321	10.5%	10,067	0	0	\$22.62
Clear Creek County	4	40,746	0	0	0.0%	0	0	0	\$0.00
Colorado Blvd/I-25	222	5,494,724	837,782	837,782	15.2%	51,796	0	0	\$15.73
Denver Tech Center	106	11,230,502	1,573,244	1,664,308	14.8%	28,314	0	0	\$20.15
East Hampden	140	3,637,015	889,115	889,115	24.4%	146,538	0	0	\$13.86
East I-70/Montbello	80	2,876,781	255,104	274,648	9.5%	51,219	0	0	\$19.39
Elbert County	14	32,523	5,600	5,600	17.2%	2,264	0	0	\$10.97
Fort Collins/Loveland	832	9,527,273	845,941	900,964	9.5%	243,350	103,146	23,701	\$19.17
Gilpin County	2	6,602	0	0	0.0%	0	0	0	\$0.00
Glendale	104	4,424,633	778,816	778,816	17.6%	(103,013)	0	0	\$18.22
Greenwood Village	136	8,930,629	1,546,058	1,572,904	17.6%	78,080	0	0	\$18.65
Highlands Ranch	53	2,542,233	266,216	293,233	11.5%	(7,315)	0	0	\$21.15
Inverness	102	5,233,528	587,868	600,643	11.5%	185,664	0	0	\$18.30
LoDo	141	6,409,153	597,311	603,645	9.4%	347,971	0	0	\$26.62
Longmont	163	1,611,269	195,719	197,579	12.3%	43,733	7,500	0	\$16.85
Meridian	70	4,620,184	522,343	533,026	11.5%	150,785	0	0	\$22.05
North Denver	156	3,695,938	591,215	593,050	16.0%	6,526	0	44,900	\$17.27
Northeast Denver	127	1,233,376	153,638	173,097	14.0%	(19,055)	0	0	\$17.59
Northwest Denver	559	9,221,357	1,099,849	1,123,325	12.2%	146,335	0	0	\$18.67
Panorama/Highland Park	61	3,570,473	711,095	720,528	20.2%	(158,833)	0	0	\$17.97
Park County	8	23,344	1,180	1,180	5.1%	0	0	0	\$15.35
Parker/Castle Rock	160	2,080,456	277,424	280,819	13.5%	50,951	0	0	\$22.12
Platte River	62	1,304,118	228,325	228,325	17.5%	262,119	81,000	270,000	\$31.86
South Midtown	224	2,378,858	175,247	175,247	7.4%	(14,020)	0	60,000	\$18.40
Southwest Denver	525	9,527,123	1,237,589	1,255,399	13.2%	(30,986)	28,132	0	\$16.64
Weld County	502	5,135,424	396,082	413,773	8.1%	(54,593)	0	0	\$15.59
West Denver	675	13,457,043	1,644,697	1,690,550	12.6%	110,045	148,067	200,000	\$17.88
<b>Totals</b>	<b>7,120</b>	<b>183,171,525</b>	<b>22,910,903</b>	<b>23,824,306</b>	<b>13.0%</b>	<b>1,863,615</b>	<b>597,600</b>	<b>872,660</b>	<b>\$19.78</b>

Source: CoStar Property®

## DENVER OFFICE MARKET



FIGURES AT A GLANCE

## CLASS A 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 %				
CBD	44	20,558,840	2,219,758	2,441,038	11.9%	164,034	0	0	\$27.63
Suburban	256	37,436,630	4,609,680	4,914,445	13.1%	978,101	337,029	655,000	\$22.26
<b>Totals</b>	<b>300</b>	<b>57,995,470</b>	<b>6,829,438</b>	<b>7,355,483</b>	<b>12.7%</b>	<b>1,142,135</b>	<b>337,029</b>	<b>655,000</b>	<b>\$23.99</b>

Source: CoStar Property®

## CLASS B 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 %				
CBD	168	10,969,400	1,610,052	1,631,502	14.9%	125,826	0	0	\$20.94
Suburban	3,604	90,351,012	12,470,704	12,803,799	14.2%	670,531	260,571	217,660	\$17.77
<b>Totals</b>	<b>3,772</b>	<b>101,320,412</b>	<b>14,080,756</b>	<b>14,435,301</b>	<b>14.2%</b>	<b>796,357</b>	<b>260,571</b>	<b>217,660</b>	<b>\$18.10</b>

Source: CoStar Property®

## CLASS C 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 %				
CBD	64	1,606,646	54,906	54,906	3.4%	22,524	0	0	\$18.47
Suburban	2,984	22,248,997	1,945,803	1,978,616	8.9%	(97,401)	0	0	\$14.00
<b>Totals</b>	<b>3,048</b>	<b>23,855,643</b>	<b>2,000,709</b>	<b>2,033,522</b>	<b>8.5%</b>	<b>(74,877)</b>	<b>0</b>	<b>0</b>	<b>\$14.15</b>

Source: CoStar Property®

## CLASS A &amp; B 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 %				
CBD	212	31,528,240	3,829,810	4,072,540	12.9%	289,860	0	0	\$25.21
Suburban	3,860	127,787,642	17,080,384	17,718,244	13.9%	1,648,632	597,600	872,660	\$19.13
<b>Totals</b>	<b>4,072</b>	<b>159,315,882</b>	<b>20,910,194</b>	<b>21,790,784</b>	<b>13.7%</b>	<b>1,938,492</b>	<b>597,600</b>	<b>872,660</b>	<b>\$20.24</b>

Source: CoStar Property®

## TOTAL OFFICE 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 %				
CBD	276	33,134,886	3,884,716	4,127,446	12.5%	312,384	0	0	\$25.10
Suburban	6,844	150,036,639	19,026,187	19,696,860	13.1%	1,551,231	597,600	872,660	\$18.67
<b>Totals</b>	<b>7,120</b>	<b>183,171,525</b>	<b>22,910,903</b>	<b>23,824,306</b>	<b>13.0%</b>	<b>1,863,615</b>	<b>597,600</b>	<b>872,660</b>	<b>\$19.78</b>

Source: CoStar Property®

## DENVER OFFICE MARKET

FIGURES AT A GLANCE

## CLASS A 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	300	57,995,470	6,829,438	7,355,483	12.7%	330,659	1	51,000	4	655,000	\$23.99
2011 3q	299	57,944,470	7,125,494	7,635,142	13.2%	(203,120)	0	0	5	706,000	\$23.92
2011 2q	299	57,944,470	6,913,472	7,432,022	12.8%	335,943	0	0	4	521,000	\$23.77
2011 1q	299	57,944,470	7,126,627	7,767,965	13.4%	678,653	2	286,029	4	521,000	\$23.61
2010 4q	297	57,658,441	7,351,596	8,160,589	14.2%	595,809	2	85,673	3	337,029	\$23.75
2010 3q	295	57,572,768	7,846,554	8,670,725	15.1%	536,526	2	379,682	5	422,702	\$24.00
2010 2q	293	57,193,086	8,039,849	8,827,569	15.4%	274,427	1	495,518	6	762,384	\$23.93
2010 1q	292	56,697,568	7,798,714	8,606,478	15.2%	669,131	1	175,155	6	1,089,873	\$23.79
2009	291	56,522,413	8,040,750	9,100,454	16.1%	267,144	5	1,177,768	5	1,168,355	\$23.84
2008	286	55,344,645	7,173,759	8,189,830	14.8%	(323,135)	17	1,784,324	7	1,848,441	\$26.04
2007	269	53,560,321	5,377,683	6,082,371	11.4%	1,893,522	5	580,119	21	2,866,827	\$25.16
2006	264	52,980,202	6,595,023	7,395,774	14.0%	1,115,079	4	843,310	8	860,325	\$21.83
2005	260	52,136,892	6,781,189	7,667,543	14.7%	1,443,259	0	0	5	1,077,308	\$19.76
2004	260	52,136,892	7,551,181	9,110,802	17.5%	1,170,991	6	788,540	2	428,103	\$19.28
2003	255	51,764,352	7,926,350	9,909,253	19.1%	819,442	6	919,596	6	788,540	\$18.88
2002	249	50,844,756	7,597,373	9,809,099	19.3%	(484,216)	12	1,507,922	9	1,302,919	\$20.86

Source: CoStar Property®

## CLASS B 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	3,772	101,320,412	14,080,756	14,435,301	14.2%	247,873	3	20,388	5	217,660	\$18.10
2011 3q	3,769	101,300,024	14,249,255	14,662,786	14.5%	706,194	5	73,493	8	238,048	\$18.03
2011 2q	3,766	101,236,531	14,873,057	15,305,487	15.1%	65,179	4	23,198	11	262,940	\$18.07
2011 1q	3,762	101,213,333	14,919,848	15,347,468	15.2%	(222,889)	5	143,492	13	177,079	\$18.17
2010 4q	3,757	101,069,841	14,504,694	14,981,087	14.8%	289,398	7	159,850	14	240,183	\$18.10
2010 3q	3,752	100,924,979	14,621,939	15,125,623	15.0%	(388,187)	4	48,767	16	346,326	\$18.19
2010 2q	3,748	100,876,212	14,039,644	14,688,669	14.6%	(179,039)	2	25,531	16	352,109	\$18.01
2010 1q	3,747	100,856,774	13,897,922	14,490,192	14.4%	341,918	3	24,924	11	244,108	\$18.11
2009	3,744	100,831,850	14,225,671	14,807,186	14.7%	(74,109)	33	729,460	11	179,582	\$18.15
2008	3,713	100,147,111	13,468,155	14,048,338	14.0%	475,948	80	1,148,926	30	653,108	\$19.31
2007	3,634	99,160,354	13,106,414	13,537,529	13.7%	1,926,257	96	1,646,070	69	1,121,381	\$18.84
2006	3,539	97,571,798	13,254,621	13,875,230	14.2%	2,063,924	98	1,590,416	72	1,384,063	\$17.33
2005	3,442	95,982,838	13,359,419	14,350,194	15.0%	2,968,122	116	1,745,124	82	1,511,732	\$16.17
2004	3,329	94,449,063	14,772,524	15,784,541	16.7%	1,033,076	88	1,346,061	92	1,502,369	\$15.55
2003	3,242	93,218,246	14,100,019	15,586,800	16.7%	230,234	79	1,410,696	73	1,278,506	\$15.83
2002	3,164	91,841,550	12,622,850	14,440,338	15.7%	(1,867,890)	98	1,841,791	69	1,365,756	\$17.27

Source: CoStar Property®

## TOTAL OFFICE 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	7,120	183,171,525	22,910,903	23,824,306	13.0%	556,275	4	71,388	9	872,660	\$19.78
2011 3q	7,116	183,100,137	23,360,101	24,309,193	13.3%	590,348	5	73,493	13	944,048	\$19.76
2011 2q	7,114	183,051,644	23,879,276	24,851,048	13.6%	323,183	4	23,198	15	783,940	\$19.74
2011 1q	7,111	183,065,727	24,097,117	25,188,314	13.8%	393,809	7	429,521	17	698,079	\$19.80
2010 4q	7,105	182,638,078	23,846,065	25,154,474	13.8%	1,017,481	9	245,523	17	577,212	\$19.82
2010 3q	7,098	182,407,543	24,590,506	25,941,420	14.2%	207,167	6	428,449	21	769,028	\$19.96
2010 2q	7,092	181,979,094	24,272,448	25,720,138	14.1%	209,236	3	521,049	22	1,114,493	\$19.96
2010 1q	7,090	181,464,138	23,977,774	25,414,418	14.0%	1,105,408	4	200,079	17	1,333,981	\$19.98
2009	7,086	181,264,059	24,644,458	26,319,747	14.5%	(188,773)	38	1,907,228	16	1,347,937	\$19.97
2008	7,050	179,401,552	22,654,862	24,268,467	13.5%	126,400	100	2,959,993	37	2,501,549	\$21.38
2007	6,957	176,716,560	20,556,990	21,709,875	12.3%	3,933,307	104	2,260,965	93	4,014,951	\$20.90
2006	6,854	174,513,109	21,946,228	23,439,731	13.4%	3,282,774	108	2,549,824	83	2,279,164	\$18.59
2005	6,755	172,108,973	22,407,301	24,318,369	14.1%	4,364,256	118	1,767,342	93	2,705,138	\$17.18
2004	6,641	170,569,600	24,533,363	27,143,252	15.9%	2,112,406	99	2,164,055	96	1,952,690	\$16.68
2003	6,546	168,943,122	24,107,431	27,629,180	16.4%	1,010,685	89	2,357,744	84	2,096,500	\$16.85
2002	6,460	166,627,002	22,217,328	26,323,745	15.8%	(2,973,029)	112	3,360,391	82	2,696,127	\$18.55

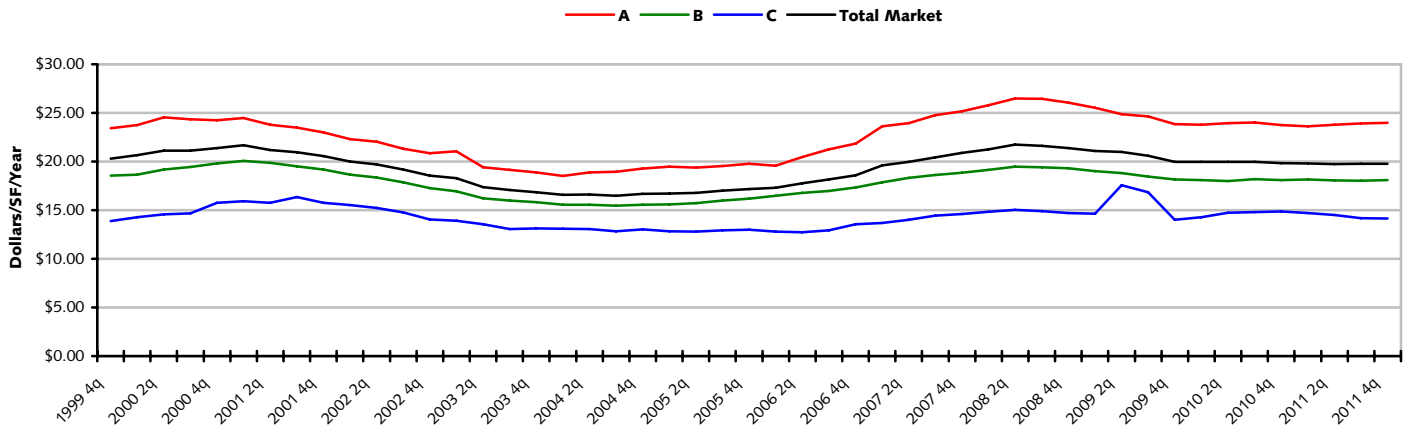
Source: CoStar Property®



# DENVER OFFICE MARKET

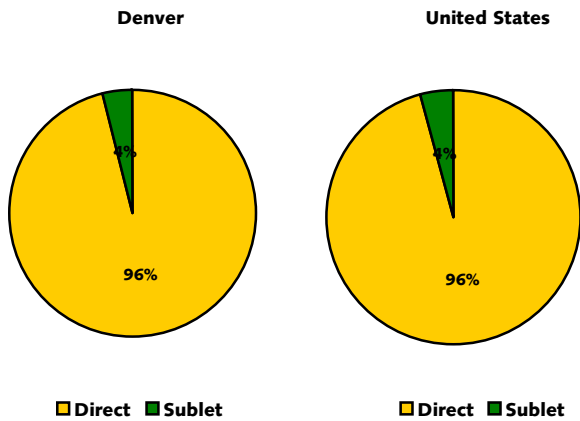
## LEASING ACTIVITY

### HISTORICAL RENTAL RATES Based on Full-Service Equivalent Rental Rates



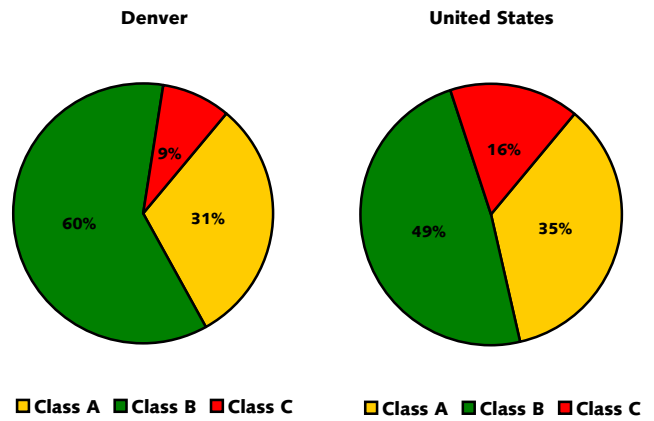
Source: CoStar Property®

### VACANCY BY AVAILABLE SPACE TYPE Percent of All Vacant Space in Direct vs. Sublet



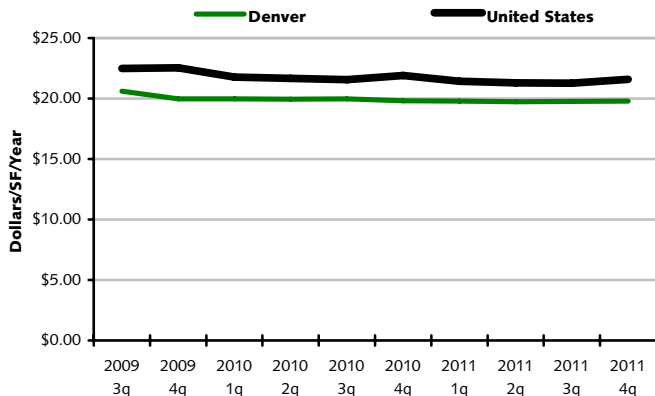
Source: CoStar Property®

### VACANCY BY CLASS Percent of All Vacant Space by Class



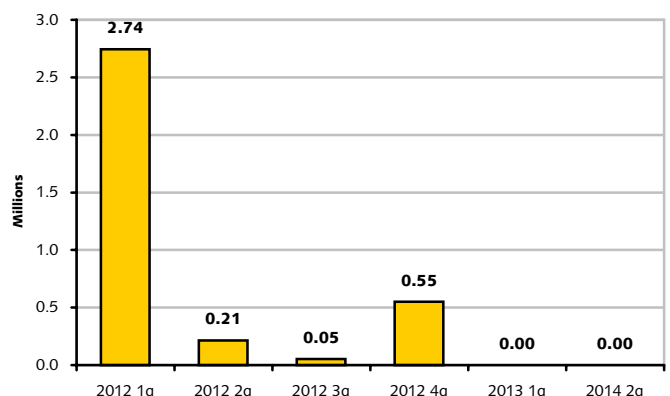
Source: CoStar Property®

### U.S. RENTAL RATE COMPARISON Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

### FUTURE SPACE AVAILABLE Space Scheduled to be Available for Occupancy\*



\* Includes Under Construction Spaces Source: CoStar Property®

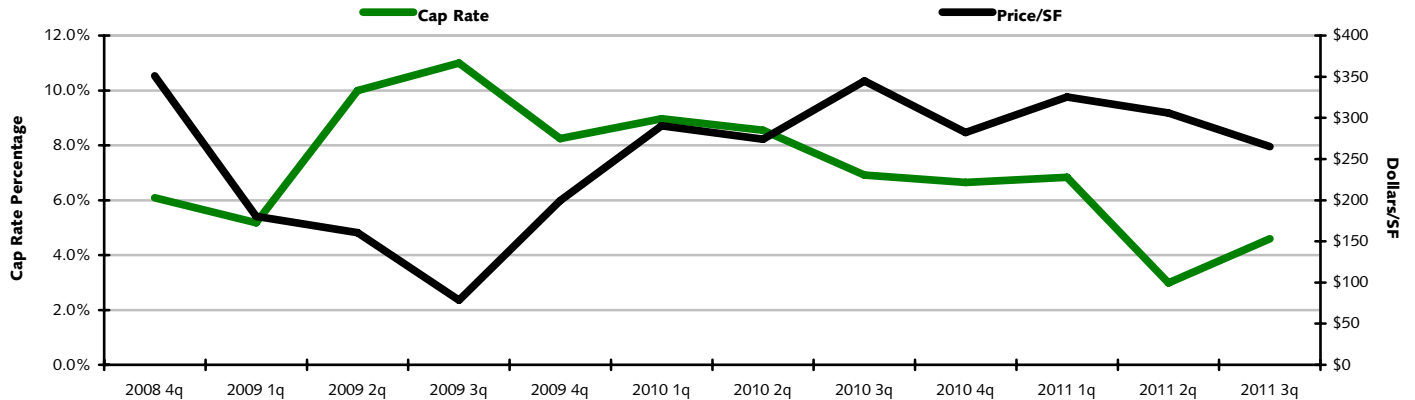


# DENVER OFFICE MARKET

SALES ACTIVITY

## THE OPTIMIST SALES INDEX

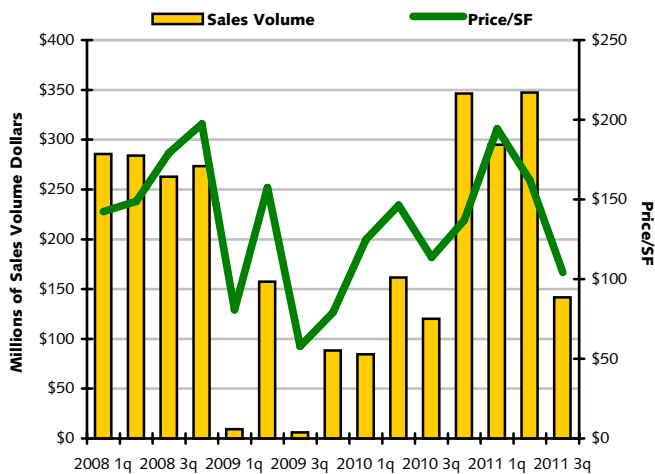
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

## SALES VOLUME & PRICE

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



Source: CoStar COMPS®

## SALES ANALYSIS BY BUILDING SIZE

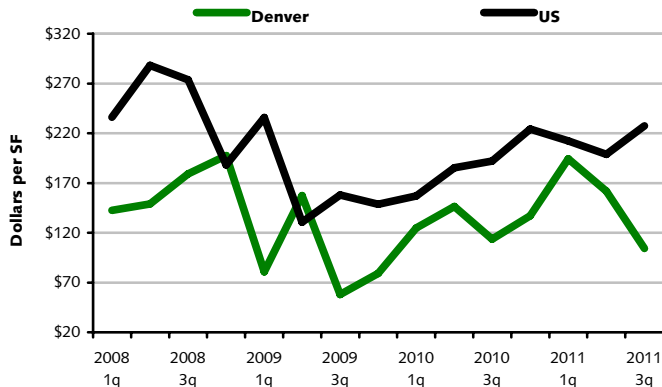
Based on Office Building Sales From Oct. 2010 - Sept. 2011

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	130	1,856,070	\$ 190,648,229	\$ 102.72	7.88%
50K-249K SF	32	3,714,999	\$ 390,086,588	\$ 105.00	7.64%
250K-499K SF	4	1,397,427	\$ 420,308,000	\$ 300.77	6.46%
>500K SF	2	1,155,735	\$ 211,050,000	\$ 182.61	6.32%

Source: CoStar COMPS®

## U.S. PRICE/SF COMPARISON

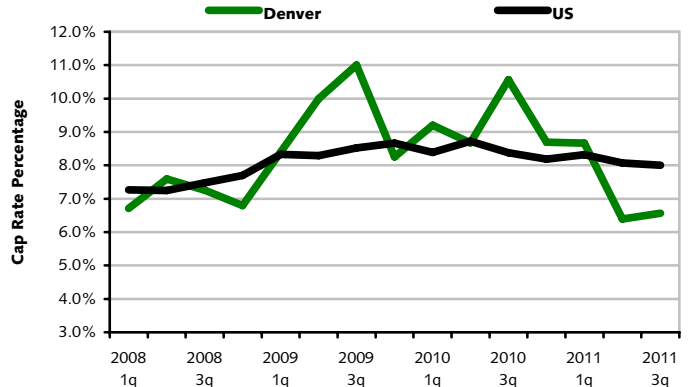
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

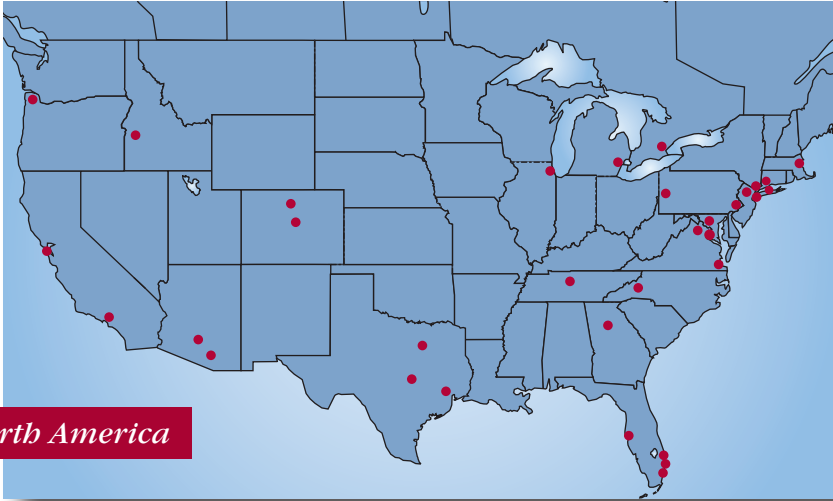
## U.S. CAP RATE COMPARISON

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



Source: CoStar COMPS®

# Global Coverage



*North America*

**NORTH AMERICA**

- Asheville
- Atlanta
- Austin
- Boca Raton
- Boise
- Boston
- Chicago
- Colorado Springs
- Dallas/Ft. Worth
- Denver/Boulder
- Detroit
- Fairfield County, CT
- Ft. Lauderdale
- Houston
- Long Island
- Los Angeles
- Maryland (Suburban)
- Nashville
- New Jersey (Northern)
- 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



*Europe*

*Latin America*

**LATIN AMERICA**

- Bogota
- Buenos Aires
- Caracas
- Cordoba
- Curitiba
- Lima
- Mexico City
- Monterrey
- Panama City
- San Jose
- San Juan
- Santo Domingo
- Sao Paulo

**EUROPE**

- Amsterdam
- Berlin
- Brussels
- Cologne
- Dublin
- Frankfurt
- Gorzów Wielkopolski
- Göteborg
- Hamburg
- Helsinki
- London
- Madrid
- Malmö
- Moscow
- Munich
- Oslo
- Paris
- Poznań
- Riga
- St. Petersburg
- Stockholm
- Stuttgart
- Tallinn
- Tel Aviv
- Vilnius



*Africa*



*Asia*

**ASIA**

- Bangalore
- Beijing
- Chengdu
- Chennai
- Chongqing
- Delhi
- Hangzhou
- Hanoi
- Hong Kong
- Hyderabad
- Manila
- Mumbai
- Pune
- Seoul
- Shanghai
- Singapore
- Suzhou
- Tokyo
- Wuxi



*Australia*

**AUSTRALIA**

- Brisbane
- Melbourne
- Perth
- Sydney

**AFRICA**

- Cape Town

# Our Services as Global Advocates for Tenants & Owner/Occupants

## OFFICE, INDUSTRIAL & RETAIL FACILITIES

- Regional, National, International Headquarters
- Sales Offices
- Research & Development
- Information Centers
- Telemarketing
- Backroom Operations
- Warehouse/Distribution
- Manufacturing

## MARKET ANALYSIS

- Acquisitions
- Dispositions
- Lease Renewals
- Manufacturing

## NEGOTIATIONS

- Proposals
- Leases
- Dispositions
- Acquisition Contracts
- Sales/Sale-Leasebacks
- Work Letters
- Operating Expense & Taxes
- Architectural & Engineering Contracts
- Developer Agreements

## ECONOMIC DEVELOPMENT INCENTIVE NEGOTIATIONS

- City, County & State Incentives
- Leveraging One vs. Another
- Cash, Taxes & Training

## LEASE MANAGEMENT

- Lease Abstracting
- Financial Reports
- Tax & Operating Expenses

## STRATEGIC PLANNING

- Model Development
- Acquisition/Consolidation Analysis
- Policies & Procedures Manuals

## LOCATION ANALYSIS

- Labor Market Analysis
- Transportation Costs
- Utility Costs & Availability
- Quality of Life
- 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

*Described 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.”**